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REIT Issuer

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Earnings and Dividend Forecast for the October 2014 Fiscal Period

Ichigo Real Estate Investment Corporation (“Ichigo REIT”) hereby announces its earnings and dividend forecast for the October 2014 fiscal period.

1. October 2014 Earnings and Dividend Forecast

	Operating Profit (million yen)	Operating Profit (million yen)	Recurring Profit (million yen)	Net Profit (million yen)	Dividend per Share (yen)
October 2014 Forecast (Note 1)	4,531	2,112	1,483	1,482	1,530
Reference: April 2014 Forecast (Note 2)	4,590	2,205	1,300	1,299	1,530

(Note1) Dividend per Share for the October 2014 fiscal period assumes the distribution of Net Profit plus a dividend reserve reversal of 90 million yen.

(Note 2) Dividend per Share for the April 2014 fiscal period assumes the distribution of Net Profit plus a dividend reserve reversal of 272 million yen.

*Expected number of shares outstanding as of the end of October 2014 fiscal period:
1,026,323 shares

(Note) The forecasts presented above are current figures based on certain preconditions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, and dividend per share may vary due to changes in circumstances. Ichigo REIT does not plan on making any dividend distribution in excess of earnings per share or retained earnings.

2. Background

As disclosed in the releases “Issuance of New Shares and Secondary Share Offering” and “Asset Acquisitions and Sale” on November 15, 2013, Ichigo REIT has decided to sell the COI Shinbashi Building, with the sale expected to complete at the end of April 2014. Upon sale, 6 billion yen of the proceeds will be used to repay the existing loan on the building. In addition, capital gains on the sale of 52 million yen will be distributed in the October 2014 fiscal period.

For the October 2014 fiscal period, Ichigo REIT thus forecasts a total dividend of 1,573 million yen.

Website of Ichigo REIT: www.ichigo-reit.co.jp/english

Preconditions for the October 2014 Earnings Forecast

Item	Preconditions
Period	October 2014 Fiscal Period: May 1, 2014 – October 31, 2014 (184 days)
Portfolio Assets	<ul style="list-style-type: none"> • 71 properties, reflecting the sale of the COI Shinbashi Building as announced in release “Asset Acquisitions and Sale” on November 15, 2013. The forecast assumes there will be no additional acquisitions or sales before the end of October 2014. • The total number of portfolio assets may change due to acquisitions or sales.
Number of Shares	<ul style="list-style-type: none"> • The forecast assumes there will be no additional new issuance to the total number of shares outstanding as of March 31, 2013 (1,026,323 shares) before the end of October 2014.
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue is calculated conservatively based on lease contracts that are in effect as of March 31, 2014 while taking into consideration such factors as historical rents, the competitiveness of the properties, and market conditions.
Operating Expenses	<ul style="list-style-type: none"> • Among rental activity expenses, Ichigo REIT’s principal operating expenses and expenses other than depreciation are calculated based on historical data while taking into consideration variable expenses. • The anticipated amount of property tax and city planning tax is 345 million yen for the October 2014 period. • The amount for building maintenance and repair expenses is estimated to be 83 million yen for the October 2014 period. However, expenses for each period could differ significantly from these estimated amounts for reasons including the variability of maintenance and repair expenses, costs due to unexpected building damage, etc. • Service provider expenses including property management fees, etc., are estimated to be 425 million yen for the October 2014 period. • Depreciation has been calculated using the straight-line method. Depreciation is calculated by including the depreciation for future additional capital expenditures in the amortization amount. Depreciation of 600 million yen has been anticipated for the October 2014 period. • Actual operating expenses may differ significantly from assumptions due to unforeseeable factors.
Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses of 479 million yen are anticipated for the October 2014 period. • Borrowing-related expenses of 152 million yen are anticipated for the October 2014 period.
Borrowings	<ul style="list-style-type: none"> • Ichigo REIT’s balance of loans payable stands at 62,818 million yen as of March 31, 2014. • Regarding the sale of COI Shinbashi Building, Ichigo anticipates loan repayment of 6,000 million yen.
Dividend per Share	<ul style="list-style-type: none"> • Dividends per share are based on the assumption that distribution will comply with the dividend distribution policy stipulated in Ichigo REIT’s Articles of Incorporation. • Dividend for the October 2014 period is assumed to be 1,573 million yen, which is the total amount of retained earnings of 1,482 million yen plus a dividend reserve reversal of 90 million yen. • The dividend per share amount is subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares.
Dividend in Excess of Earnings per Share	<ul style="list-style-type: none"> • Ichigo REIT does not plan on making any dividend distribution in excess of earnings per share or retained earnings.
Other	<ul style="list-style-type: none"> • The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and ordinances, the tax system, accounting standards, listing rules, rules of the Investment Trusts Association, Japan, etc. • Performance forecasts are based on the assumption that there will be no unexpected material change in general economic trends, real estate market conditions, etc.