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REIT Issuer

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**Decrease in Earthquake Probable Maximum Loss (PML)**

Ichigo Real Estate Investment Corporation (“Ichigo REIT”) hereby announces a revised Probable Maximum Loss (PML) for its portfolio as calculated by Sompo Japan Nipponkoa Risk Management Inc. (“Sompo Japan Nipponkoa RM”). Sompo Japan Nipponkoa RM recently upgraded its Seismic PML Evaluation System, and as a result has lowered Ichigo REIT’s portfolio PML from 4.92% to 2.53%.

Note: PML expresses the probable maximum loss that results from an earthquake. It can be calculated with respect to individual assets or a total portfolio. While there is no standardized definition of PML, Ichigo REIT’s PML is based upon a projected building use period of 50 years (as the assumed useful life of a standard building) and the calculated level of damage from a projected maximum size earthquake that occurs once every 475 years (i.e., an earthquake with a 10% probability of occurring within 50 years). The PML is expressed in percentage terms as the cost to restore a building to its condition prior to the earthquake relative to the building’s replacement cost.

1. Sompo Japan Nipponkoa RM Revised PML for Ichigo REIT Portfolio

(as of October 1, 2014)

No.	Property	PML(%)	
		Before revision	After revision
O-02	Ichigo Nishisando Building	6.22	6.58
O-03	Ichigo Mita Building	4.96	8.03
O-04	Ichigo Nanpeidai Building	6.56	3.77
O-05	Ichigo Hanzomon Building	8.76	7.49
O-06	Ichigo Hijirizaka Building	6.38	8.53
O-07	Ichigo Shibuya Kamiyamacho Building	6.07	7.41
O-08	Ichigo Akasaka 5 Chome Building	8.84	7.69
O-09	Ichigo Shibazonobashi Building	7.19	4.56
O-10	Ichigo Ebisu Nishi Building	3.70	6.11

O-11	Ichigo Ginza 612	11.52	6.09
O-12	Ichigo Uchikanda Building	8.37	5.34
O-14	Ichigo Yotsuya 4 Chome Building	6.36	4.28
O-15	Ichigo Akasaka Tameike Building	12.09	7.92
O-16	Ichigo Jimbocho Building	5.24	5.78
O-17	Ichigo Hakozaki Building	5.41	3.65
O-18	Ichigo Kudan 2 Chome Building	7.90	4.43
O-19	Ichigo Kudan 3 Chome Building	12.43	13.74
O-20	Ichigo Gotanda Buildin	7.88	4.91
O-21	Ichigo Shin-Yokohama Building	11.14	4.69
O-22	Ichigo Minami-Ikebukuro Building	5.35	5.73
O-23	Ichigo Nakano North Building	10.91	7.43
O-24	Ichigo Eitai Building	5.58	3.71
O-25	Ichigo Yokosuka Bayside Building	14.59	11.65
O-26	Ichigo Ikejiri Building	2.04	4.23
O-27	Route Ikebukuro Building	7.61	4.99
O-28	Ichigo Nishi-Gotanda Building	5.30	2.71
O-29	Ichigo Kichijoji Building	3.58	6.35
O-33	Ichigo Mei-Eki Building	14.54	13.50
O-34	Ichigo Nagoya Plaza Building	14.59	10.12
O-35	Ichigo Sendai Chuo Building	2.74	1.88
O-37	Ichigo Marunouchi Building	14.50	12.27
O-38	Ichigo Toyamaeki-Nishi Building	13.17	9.76
O-39	Ichigo Mirai-Shinkin Building (Office)	7.83	8.47
	Ichigo Mirai-Shinkin Building (Parking)	9.08	9.34
O-40	Ichigo Saga Building	3.48	1.84
O-42	Ichigo Takamatsu Building	14.97	12.18
O-44	Akita Sanno 21 Building	7.69	4.69
O-46	Ichigo Kanda-Nishikicho Building	2.34	3.45
O-47	Ichigo Akihabara North Building	7.48	3.64
O-48	Ichigo Sakaisuji Honmachi Building	12.40	9.36
O-49	Ichigo Kanda Ogawamachi Building	6.93	3.48
O-50	Ichigo Hatchobori Building	7.17	4.28
R-01	ForeCity Roppongi	6.22	3.43
R-02	ForeCity Azabujuban	10.52	6.43
R-03	ForeCity Azabujuban No.2	6.24	6.19
R-04	Bureau Takanawadai	8.49	4.50
R-05	ForeCity Shirokanedai	9.37	6.48
R-06	B-Site Hamamatsucho	10.09	6.70
R-07	ForeCity Akihabara	7.23	8.05
R-08	Sweet One Court	7.17	4.04

R-09	B-site Ginza East	7.96	4.04
R-10	ForeCity Sasazuka	8.95	4.54
R-11	Gran Presso Kawadacho	7.33	4.74
R-12	ForeCity Sakurashinmachi	8.24	9.00
R-13	ForeCity Shinkamata	9.79	5.18
R-14	ForeCity Nakaochiai	6.11	5.91
R-15	ForeCity Tomigaya	10.47	10.02
R-16	ForeCity Ryogoku	7.13	7.12
R-17	ForeCity Toyosu	6.30	8.12
R-18	ForeCity Nishihonmachi	13.27	13.91
Z-01	Falcon Shinsaibashi Building	6.48	4.37
Z-02	Fiesta Shibuya	7.98	6.06
Z-03	Burg Omori	5.30	3.38
Z-04	Pagoda Asakusa	7.40	6.82
Z-05	Regalo Building	11.57	8.18
Z-06	Ichigo Yokohama-Nishiguchi Building	8.76	4.72
Z-07	El Centro Sapporo	0.63	0.50
Z-08	Daimyo Balcony	2.61	0.72
Z-09	Konami Sports Club Izumi Fuchu	13.82	11.78
Z-10	Ichigo Shibuya Bunkamura-Dori Building	6.17	5.74
Z-11	Twicere Yokohama Isogo (Retail Section)	8.02	8.23
	Portfolio PML	4.92	2.53

## 2. Sompo Japan Nipponkoa RM's Upgraded Seismic Risk Analysis Evaluation Method

Ichigo REIT received the following explanation of its methodological upgrade from Sompo Japan Nipponkoa RM, as follows:

“Before the revision, the Sompo Japan Nipponkoa RM calculated PML based on an evaluation system which was developed in 2007. Since then, the Ministry of Education, Culture, Sports, Science and Technology as well as the academic community have advanced their research in relevant fields, accumulating knowledge and technologies on the evaluation of earthquake risks and propagation of seismic motion. With the aim of improving the accuracy of its evaluation of earthquake risk, Sompo Japan Nipponkoa RM has revised its evaluation method, incorporating the aforementioned knowledge and technologies.”

Website of Ichigo REIT: [www.ichigo-reit.co.jp/english](http://www.ichigo-reit.co.jp/english)