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September 28, 2012

REIT Issuer

Ichigo Real Estate Investment Corporation (8975)

1-1-1, Uchisaiwaicho, Chiyoda-ku, Tokyo

Representative: Yoshihiro Takatsuka, Executive Director

Asset Management Company

Ichigo Real Estate Investment Advisors Co., Ltd.

Representative: Wataru Orii, President & Representative Statutory Executive Officer

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Sale of Portfolio Asset

Ichigo Real Estate Investment Corporation (“Ichigo REIT”) decided to sell the following portfolio asset today per the below.

1. Sale Summary

O-45 COI Niigata Building

Asset	Real estate
Acquisition Date (acquisition date by pre-merger Ichigo REIT)	November 1, 2011 (February 1, 2008)
Sale Price	630,000,000 yen (excluding Fixed Asset Tax, City Planning Tax, Consumption Tax, etc.)
Book Value	1,811,020,155 yen (estimated as of August 31, 2012)
Difference between Sale Price and Book Value	-1,181,020,155 yen
Contract Date	September 28, 2012
Settlement Date (expected)	November 15, 2012
Settlement Method	Transfer of real estate

2. Reason for the Sale

Following its merger in November 2011, Ichigo REIT has defined the period until October 2012 as a period for aiming to “Lay the Foundation for Growth” by improving portfolio quality via the strategic use of negative goodwill. This asset sale is part of this strategy. The asset is 47 years old and is a building which does not comply with new earthquake-resistance standards. After the Great East Japan Earthquake in 2011, there is a necessity for earthquake-resistance reinforcement construction in accordance with tenants’ BCP (Business Contingency Plan) needs. However, the building requires significant reinforcement as well as considerable expense for tenants to temporarily vacate the premises, which would not be cost-effective. Therefore, Ichigo REIT has decided to sell the asset.

Since most of the potential buyers accounted for the reinforcement construction expense in the sale price, the highest bid for the asset was 630 million yen. The asset sale will thus generate an impairment loss of c. 1,188 million yen. However, Ichigo REIT expects to offset this loss with negative goodwill, and the sale does not have a negative impact on the dividend forecast for the fiscal period ending October 2012.

Since the November 2011 merger, Ichigo REIT has focused on increasing portfolio quality via asset improvement and replacement. As a result, after today's sale, Ichigo REIT has no other portfolio assets where asset value is at significant risk.

3. Use of Funds

The funds obtained through the sale will be used for future strategic growth.

4. Summary of Property

O-45 COI Niigata Building

Asset		Real estate		
Location (Note 1)		A) 1-4-2, Higashi-Odori, Chuoku, Niigata B) 1-10-1, Higashi-Odori, Chuoku, Niigata		
Land (Note 1)	Property Right	A) Ownership (fee simple)		
	Size	A) 1,089.58 m ² B) 1,718.38 m ²		
	Zoning	A) Commercial		
	Coverage Ratio / Floor Area Ratio	A) 80% / B) 600%		
Building (Note 1)	Property Right	A) Ownership (fee simple)		
	Use (Note 2)	A) Office		
	Structure	A) SRC B2F/12F B) S 1F		
	Total Floor Area (Note 3)	A) 9,571.05 m ² B) 1,327.90 m ²		
	Construction Date	A) June 7, 1965 B) September 29, 1993		
Number of Tenants		20 (as of August 31, 2012)		
Monthly Rent (Note 4)		11,284 thousand yen (as of August 31, 2012)		
Deposit (Note 4)		64,365 thousand yen (as of August 31, 2012)		
Leasable Space		6,368.60 m ² (as of August 31, 2012)		
Leased Space		2,988.59 m ² (as of August 31, 2012)		
Occupancy (Note 5)		April 30, 2012	August 31, 2012	March 31, 2013
		79.0 %	46.9 %	27.9 % (expected)
Acquisition Price		1,830 million yen		
Appraisal	Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.		
	Date	September 10, 2012		
	Value	1,050 million yen		

(Note 1) COI Niigata Building consists of A) office building and B) remote parking.

(Note 2) B) Remote parking is a simple steel structure with self-parking without a wall, and is not registered as a building. On the registry, only the control room is registered, which is located on the first floor of parking. (Use: Office, Structure: Lightweight Steel Construction with One-Story Galvanized Steel Plate)

(Note 3) Total Floor Area of B) remote parking is as written in the inspection certificate. Furthermore, Total Area of remote parking includes the control room (19.44 m²).

(Note 4) Monthly Rent and Deposit include rental income and common area fees as specified in the individual lease contracts.

(Note 5) Occupancy as of March 31, 2013 is an expected occupancy which reflects contract termination notices received as of today, and does not include any new lease contracts.

5. Buyer Profile

The buyer is a Japanese general operating company and has not provided consent for the disclosure of its name. The buyer is not a “related party” as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law and the internal rules of Ichigo Real Estate Investment Advisors Co., Ltd. (“IRE”), the asset manager of Ichigo REIT.

6. Broker Profile

(1) Summary

Name	Ichigo Estate Co., Ltd. (“IES”)
Address	The Imperial Hotel Tower, 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Takuma Hasegawa, President & Representative Director
Capital	500 million yen
Principal Businesses	Real Estate Solution Business of Small-Sized Assets and Grand Leases
Relationship with Ichigo REIT or Asset Management Company	IES is a 100% subsidiary of Ichigo Group Holdings Co., Ltd., the parent company of IRE. In addition, IES has in place an agreement to support both Ichigo REIT and IRE.

(Note) The broker is a “related party” as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law and the internal rules of IRE. Therefore, the sale procedure followed the internal rules of the asset management company.

(2) Brokerage Fee

12,600,000 yen

7. Future Outlook

Regarding the impact the asset sale has on the earnings forecast for the fiscal period ending October 2012 (May 1, 2012 – October 31, 2012) and the fiscal period ending April 2013 (November 1, 2012 – April 30, 2013), please refer to the “Revision of Earnings Forecast and Dividend for the Fiscal Period Ending October 2012” release today.

Portfolio Reference Information

1. Post-Sale Portfolio Summary

	Before Sale (A)	After Sale (B)	Difference (B-A)
Occupancy (as of August, 31 2012)	93.4%	95.3%	+1.9%
Average Building Age (as of November 15, 2012)	21.2 years	20.8 years	-0.5 years
Diversification by Area (Note) (Tokyo Metropolitan Area/Other Areas) (as of November 15, 2012)	73.9% / 26.1%	75.2% / 24.8%	+1.3% / -1.3%

(Note) “Tokyo Metropolitan Area” refers to “Central Tokyo” and “Tokyo Metropolitan Area.”
“Other Areas” refers to “Four Major Regional Cities” and “Other Regional Cities.”

2. Post-Sale Portfolio Assets

No.	Property	Area	Acquisition Price (mm yen)	% of Portfolio
O-01	COI Shinbashi Building	Central Tokyo	6,110	5.86%
O-02	COI Nishisando Building	Central Tokyo	3,254	3.12%
O-03	MTC Building	Central Tokyo	2,740	2.63%
O-04	COI Nanpeidai Building	Central Tokyo	1,920	1.84%
O-05	Joware Hanzomon	Central Tokyo	1,550	1.49%
O-06	COI Hijirizaka Building	Central Tokyo	1,200	1.15%
O-07	COI Shibuya Kamiyamacho Building	Central Tokyo	1,505	1.44%
O-08	COI Akasaka 5 Chome Building	Central Tokyo	735	0.70%
O-09	COI Shibazonobashi Building	Central Tokyo	1,100	1.05%
O-10	COI Ebisu Nishi Building	Central Tokyo	1,917	1.84%
O-11	COI Ginza 612	Central Tokyo	1,773	1.70%
O-12	COI Uchikanda Building	Central Tokyo	1,140	1.09%
O-13	COI Kudan-Minami Building	Central Tokyo	387	0.37%
O-14	COI Yotsuya 4 Chome Building	Central Tokyo	550	0.53%
O-15	COI Akasaka Tameike Building	Central Tokyo	580	0.56%
O-16	DSM Jimbocho Building	Central Tokyo	1,820	1.74%
O-17	DSM Nihonbashi Kakigaracho Building	Central Tokyo	1,150	1.10%
O-18	COI Kudan 2 Chome Building	Central Tokyo	763	0.73%
O-19	COI Kudan 3 Chome Building	Central Tokyo	844	0.81%
O-20	COI Gotanda Building	Central Tokyo	5,060	4.85%
O-21	Benex S-2	Tokyo Metropolitan Area	1,816	1.74%
O-22	COI Minami-Ikebukuro Building	Tokyo Metropolitan Area	1,460	1.40%
O-23	Technos Nakano Building	Tokyo Metropolitan Area	764	0.73%
O-24	COI Eitai Building	Tokyo Metropolitan Area	1,490	1.43%

O-25	COI Yokosuka Bayside Building	Tokyo Metropolitan Area	971	0.93%
O-26	Chitose Building	Tokyo Metropolitan Area	2,030	1.95%
O-27	Route Ikebukuro Building	Tokyo Metropolitan Area	639	0.61%
O-28	Nishi-Gotanda Access	Central Tokyo	765	0.73%
O-29	TK Kichijoji Building	Tokyo Metropolitan Area	2,160	2.07%
O-30	Ibaraki Kowa Building	Other Regional Cities	604	0.58%
O-33	COI Mei-Eki Building	Four Major Regional Cities	837	0.80%
O-34	COI Nagoya Plaza Building	Four Major Regional Cities	4,705	4.51%
O-35	COI Sendai Chuo Building	Other Regional Cities	510	0.49%
O-37	CRD Marunouchi	Four Major Regional Cities	6,710	6.43%
O-38	Toyamaeki Nishi Building	Other Regional Cities	1,650	1.58%
O-39	Daihyaku Mirai-Shinkin Building	Other Regional Cities	1,100	1.05%
O-40	Kearney Place Saga	Other Regional Cities	659	0.63%
O-42	COI Takamatsu Building	Other Regional Cities	3,010	2.89%
O-44	Akita Sanno 21 Building	Other Regional Cities	560	0.54%
O-46	M's SQUARE	Central Tokyo	2,130	2.04%
Subtotal - Office (40 Properties)			70,668	67.74%
R-01	ForeCity Roppongi	Central Tokyo	1,730	1.66%
R-02	ForeCity Azabujuban	Central Tokyo	1,140	1.09%
R-03	ForeCity Azabujuban No.2	Central Tokyo	1,250	1.20%
R-04	Bureau Takanawadai	Central Tokyo	1,360	1.30%
R-05	ForeCity Shirokanedai	Central Tokyo	824	0.79%
R-06	B-Site Hamamatsucho	Central Tokyo	701	0.67%
R-07	ForeCity Akihabara	Central Tokyo	2,520	2.42%
R-08	Sweet One Court	Central Tokyo	786	0.75%
R-09	B-site Ginza East	Central Tokyo	946	0.91%
R-10	ForeCity Sasazuka	Central Tokyo	1,050	1.01%
R-11	Gran Presso Kawadacho	Central Tokyo	592	0.57%
R-12	ForeCity Sakurashinmachi	Tokyo Metropolitan Area	932	0.89%
R-13	ForeCity Shinkamada	Tokyo Metropolitan Area	1,040	1.00%
R-14	ForeCity Nakaochiai	Central Tokyo	435	0.42%
R-15	ForeCity Tomigaya	Central Tokyo	1,341	1.29%
R-16	ForeCity Ryogoku	Tokyo Metropolitan Area	1,080	1.04%
R-17	ForeCity Toyosu	Tokyo Metropolitan Area	1,349	1.29%
R-18	ForeCity Nishihonmachi	Four Major Regional Cities	927	0.89%
Subtotal - Residence (18 Properties)			20,005	19.18%
Z-01	Falcon Shinsaibashi Building	Four Major Regional Cities	3,410	3.27%
Z-02	Fiesta Shibuya	Central Tokyo	1,970	1.89%
Z-03	Burc Omori	Tokyo Metropolitan Area	3,218	3.08%
Z-04	Pagoda Asakusa	Tokyo Metropolitan Area	1,640	1.57%

Z-05	Regalo Building	Tokyo Metropolitan Area	1,310	1.26%
Z-06	Lespoir 296	Tokyo Metropolitan Area	903	0.87%
Z-07	El Centro Sapporo	Four Major Regional Cities	558	0.53%
Z-08	Daimyo Balcony	Four Major Regional Cities	638	0.61%
Subtotal - Others (8 Properties)			13,647	13.08%
Total			104,320	100.00%

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