



## Asset Acquisitions and Sale

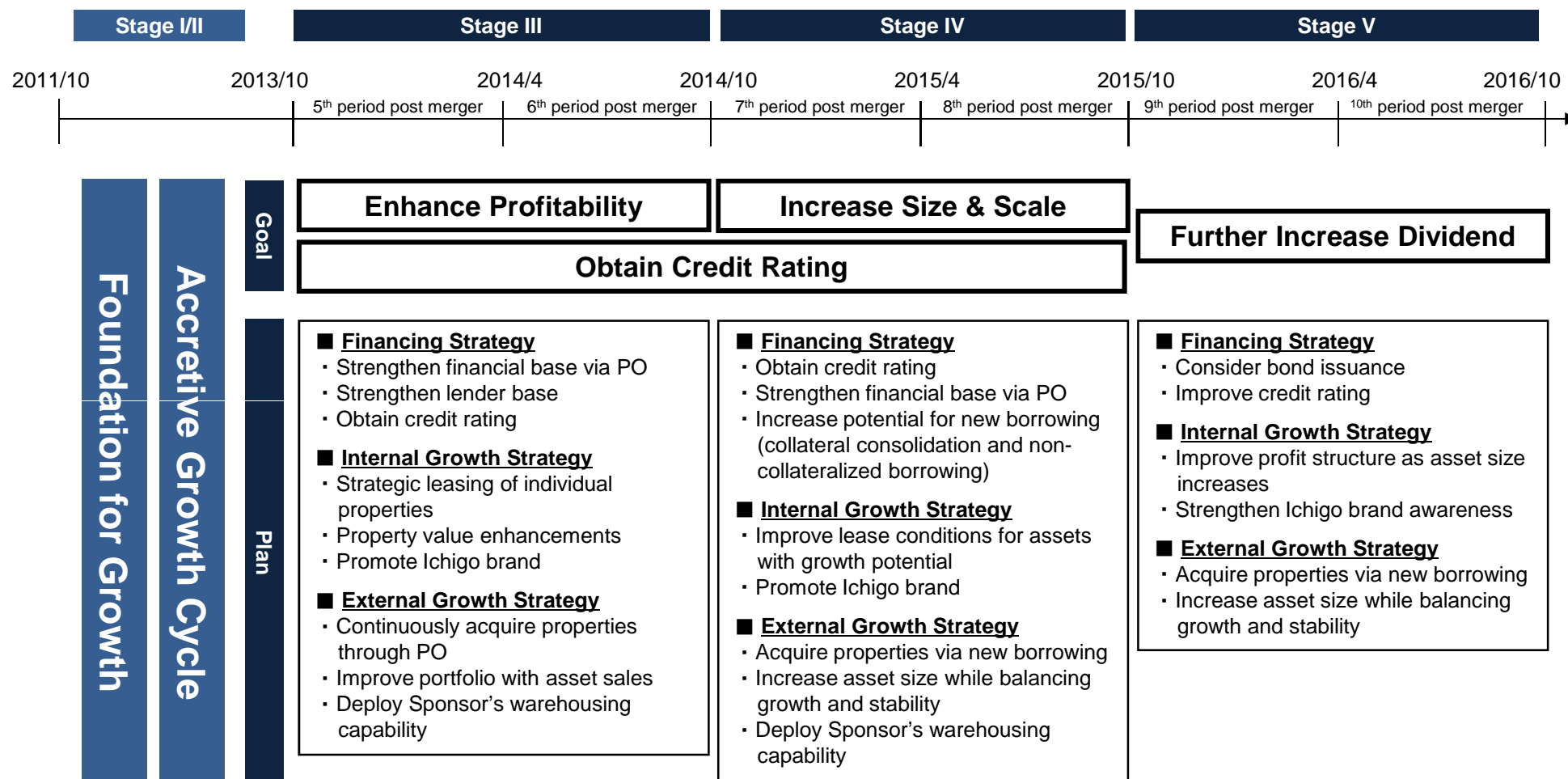
November 15, 2013

**Ichigo Real Estate Investment Corporation**  
**Ichigo Real Estate Investment Advisors Co., Ltd.**



**Creating peace of mind through  
honest and committed management.**

# Ichigo REIT Updated Growth Strategy



# Acquisitions and Sale

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# Acquisitions and Sale Overview

- Improve portfolio quality with fully-occupied, prime location assets (3 central Tokyo, 1 Yokohama)
- Increase portfolio size (+2 billion yen)
- Improve financial base (LTV lowered by 3.6%, strengthen lender base)

## Acquisition Properties

Property Name	Type	Address	Acquisition Price (million yen)	Appraisal Value (million yen)	NOI Yield	NOI Yield After Depreciation	Occupancy	Building Age (years)
Ichigo Kanda Ogawamachi Building (O-49)	Office	Chiyoda-ku, Tokyo	2,210	2,280	5.1%	4.4%	100.0%	20.2
Ichigo Hacchobori Building (O-50)	Office	Chuo-ku, Tokyo	1,905	2,190	6.2%	4.9%	100.0%	3.8
Ichigo Shibuya Bunkamura-Dori Building (Z-10)	Other (Retail)	Shibuya-ku, Tokyo	2,400	2,540	4.4%	4.3%	100.0%	1.5
Twicere Yokohama Isogo (Z-11)	Other (Retail)	Isogo-ku, Yokohama City, Kanagawa	1,620	1,670	6.1%	4.8%	100.0%	2.3
<b>Total</b>			<b>8,135</b>	<b>8,680</b>	<b>Average 5.4%</b>	<b>Average 4.6%</b>	<b>Average 100.0%</b>	<b>Average 7.3</b>

## Sale Property

Property Name	Type	Address	Sale Price (million yen)	Appraisal Value (million yen)	Book Value (million yen)	Capital Gain (million yen)	Building Age (years)
COI Shinbashi Building (O-01)	Office	Minato-ku, Tokyo	6,151	5,980	6,105	45	53.0

# Ichigo Kanda Ogawamachi Building (O-49)

Acquisition Price	2,210 million yen
Appraisal Value	2,280 million yen
NOI Yield	5.1%
NOI Yield After Depreciation	4.4%
Asset Type	Office
Address	Kanda-Ogawamachi, Chiyoda-ku, Tokyo
Access	2-minute walk from Ogawamachi Station on the on the Toei Shinjuku Line and 3-minute walk from Shin Ochanomizu Station on the Tokyo Metro Chiyoda Line
Leasable Area	2,217.44 m2
Structure	S / SRC B1F / 10F
Construction Date	Sep 1993
Occupancy	100.0%

## Location

- Convenient train station access.
- Commercial district with a concentration of retail and office buildings with strong tenant demand.

## Features

- Location directly facing the main street and architectural glass façade.
- Nationwide chain of men's suit shops occupies B1 to 2F.





# Ichigo Hatchobori Building (O-50)

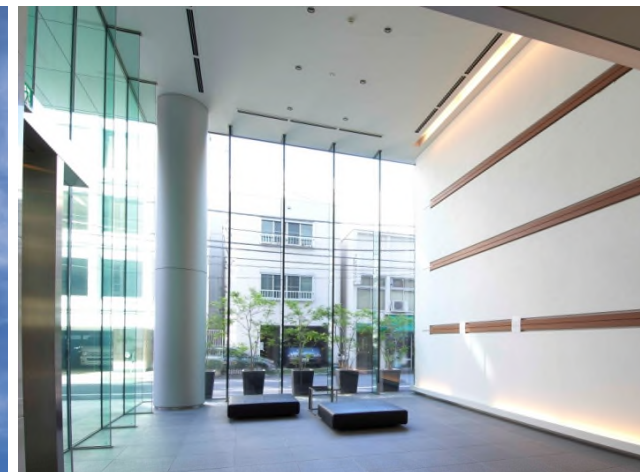
Acquisition Price	1,905 million yen
Appraisal Value	2,190 million yen
NOI Yield	6.2%
NOI Yield After Depreciation	4.9%
Asset Type	Office
Address	Shintomi, Chuo-ku, Tokyo
Access	3-minute walk from Hatchobori Station on the JR Keiyo Line and Tokyo Metro Hibiya Line and 6-minute walk from Shintomicho Station on the Tokyo Metro Yurakucho Line
Leasable Area	2,697.18 m2
Structure	S 8F
Construction Date	Jan 2010
Occupancy	100.0%

## Location

- Conveniently located from stations on the JR Keiyo Line, Tokyo Metro Hibiya Line, and Yurakucho Line.
- Within walking distance to the major business districts Marunouchi, Otemachi, Nihonbashi, and Ginza.

## Features

- An architectural glass curtain wall and an entrance hall with two-story ceilings.
- Each floor has a well-configured 120 tsubo floor plate and uncommonly high ceilings.





# Ichigo Shibuya Bunkamura-Dori Building (Z-10)

Acquisition Price	2,400 million yen
Appraisal Value	2,540 million yen
NOI Yield	4.4%
NOI Yield After Depreciation	4.3%
Asset Type	Other (Retail)
Address	Udagawa-cho, Shibuya-ku, Tokyo
Access	3-minute walk from Shibuya Station on the JR Yamanote Line, Tokyu Toyoko and Denentoshi Lines, Keio Inokashira Line, and Tokyo Metro Ginza Line
Leasable Area	778.77 m2
Structure	S / RC B1F / 8F
Construction Date	May 2012
Occupancy	100.0%

## Location

- The property is located to the west of Shibuya Station, one of Tokyo's most vibrant large-scale retail and shopping areas.

## Features

- Occupies a highly visible corner of Bunkamura-Dori, a bustling main street.
- Boasts a unique aluminum curtain wall designed to attract a wide range of tenants.



# Twicere Yokohama Isogo (Z-11)

Acquisition Price	1,620 million yen
Appraisal Value	1,670 million yen
NOI Yield	6.1%
NOI Yield After Depreciation	4.8%
Asset Type	Other (Retail)
Address	Mori, Isogo-ku, Yokohama City, Kanagawa
Access	2-minute walk from Isogo Station on the JR Negishi Line
Leasable Area	2,717.77 m2
Structure	RC B1F / 8F
Construction Date	Jul 2009
Occupancy	100.0%

## Location

- Located in the Yokohama Isogo area, a bedroom community serving Central Tokyo and Yokohama. The west side of Isogo Station has a concentration of commercial buildings.
- Direct pedestrian access from Isogo Station.

## Features

- The property consists of ownership of the B1- 3F retail floors, and the current tenants include retail shops, a clinic, and banks.
- A long-term fixed lease with a 1F supermarket.



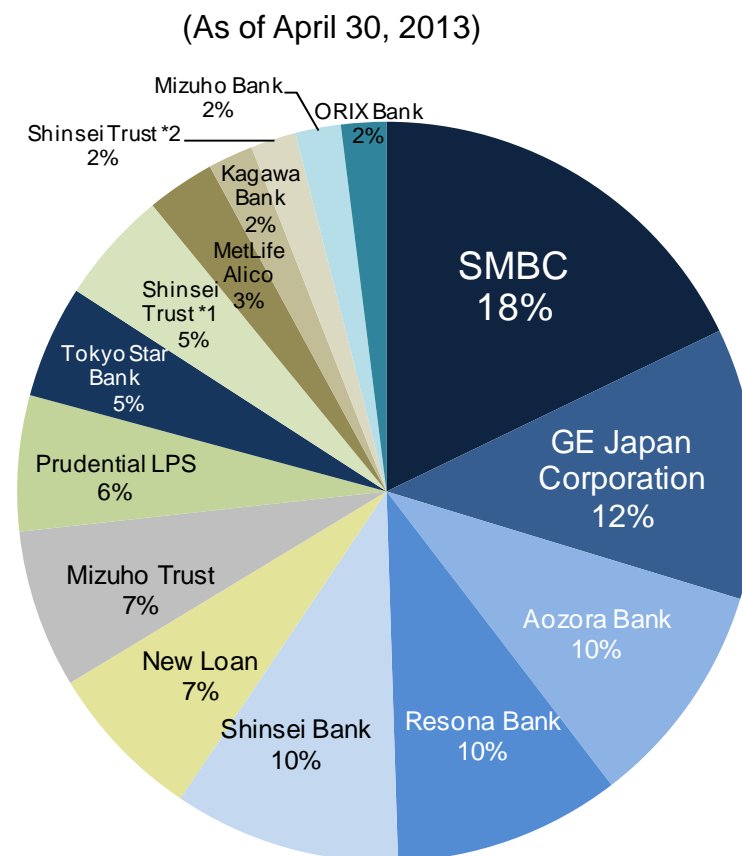
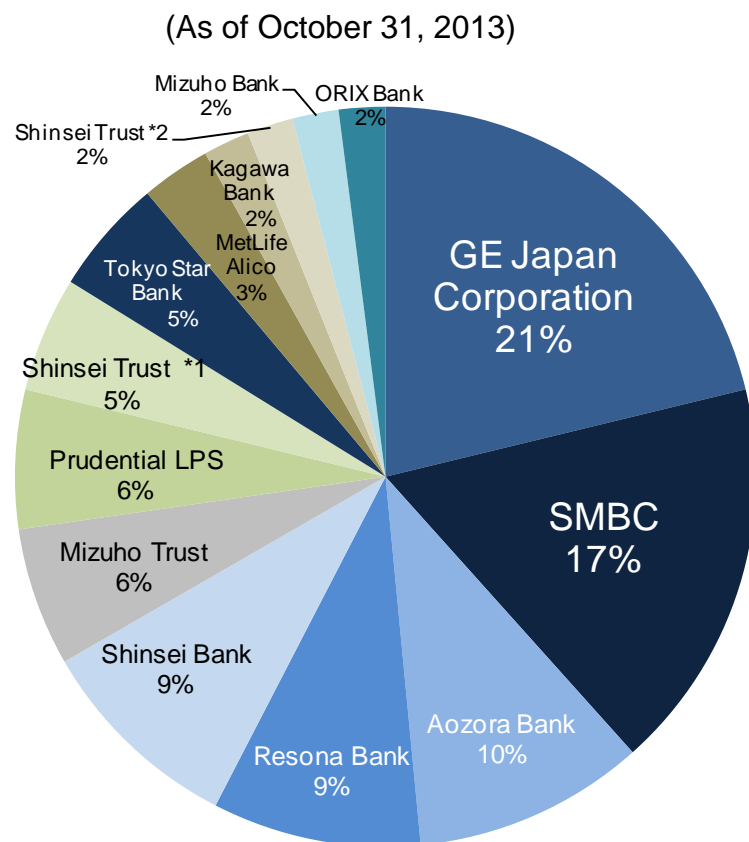
# Acquisitions and Sale Portfolio Outcome

<div>Portfolio Size 112 billion yen (68 assets)</div>		<div>+8 billion yen (4 assets)</div>	<div>-6 billion yen (1 asset)</div>	<div>Portfolio Size 114 billion yen (71 assets)</div>
		Ichigo Kanda Ogawamachi Building  Ichigo Hatchobori Building  Ichigo Shibuya Bunkamura-Dori Building  Twicere Yokohama Isogo  <u>4 assets +8 bil yen</u> (Average Age 7 years)	COI Shinbashi Building          <u>1 asset -6 bil yen</u> (Age 53 years)	
		<div>Replaced Assets to Improve Portfolio Quality</div>		
October 2013		Dec 10, 2013 (Acquisition via PO)	Apr 30, 2014 (Sale)	After the Transactions
Effects	Portfolio	<ul style="list-style-type: none"> <li>• Replace assets and increase portfolio size</li> <li>• Lower building age</li> </ul>		<b>Improve Portfolio Quality</b> <b>Focus on Profitability</b>
	Financial	<ul style="list-style-type: none"> <li>• New borrowing and prepayment of existing loans to lower LTV and improve lender base</li> </ul> <u>Improve LTV for Future Collateral</u> <u>Consolidation and Non-Collateralized Borrowing</u>		<b>Obtain Credit Rating</b>



# Diversified Lender Base

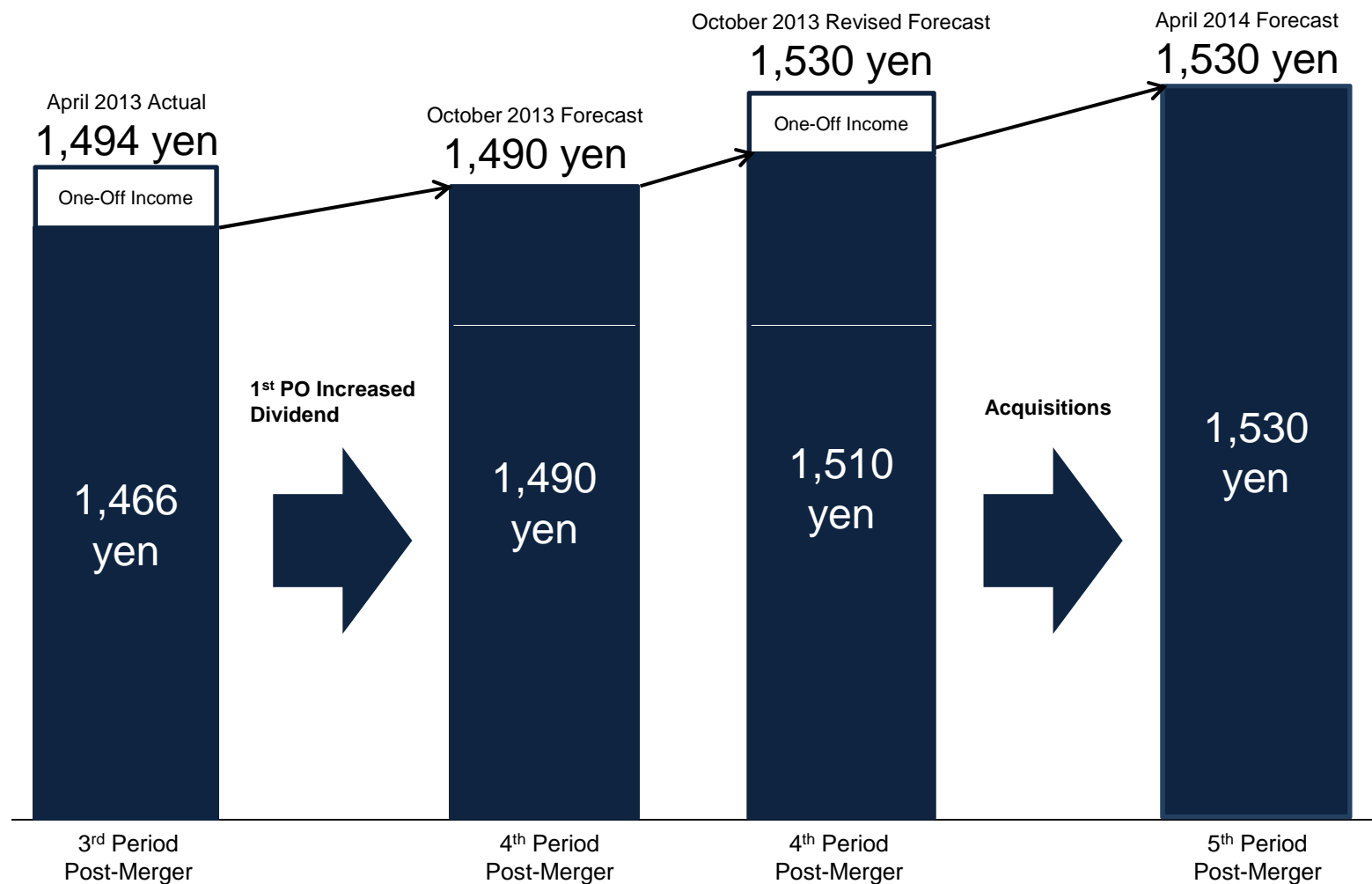
- Refinancing with Japanese megabanks
- SMBC now Ichigo REIT's biggest lender



※1: Source of fund is an Investment LPS managed by AXA Real Estate Investment Managers Japan KK  
 ※2: Cash funding provided by Ichigo Group

# Growing Dividend

Steadily Increasing Dividend via Growing Economies of Scale



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