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December 16, 2013

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDING OCTOBER 2013 (May 1, 2013 – October 31, 2013)

Ichigo Real Estate Investment Corporation (“Ichigo REIT,” Representative: Yoshihiro Takatsuka, Executive Director, www.ichigo-reit.co.jp/english) is listed on the Tokyo Stock Exchange with the securities code 8975.

Asset Management Company: **Ichigo Real Estate Investment Advisors Co., Ltd.**
 Representative: Wataru Orii, President & Representative Statutory Executive Officer
 Inquiries: Masanori Kubota, Statutory Executive Officer (Finance, Accounting)
 Tel. +81-3-3502-4891

Submission Date for Securities Report: January 27, 2014 (expected)
 Start Date for Dividend Payments: January 22, 2014 (expected)
 Supplement Material to Financial and Business Results: Yes
 Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. Financial Results for the Fiscal Period Ending October 2013

(Monetary figures are rounded down to the nearest million yen)

(1) Earnings

(million yen; period-on-period change)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Fiscal Period Ending October 2013	4,572	10.3%	2,293	12.6%	1,490	229.8%	1,489	230.1%
Fiscal Period Ending April 2013	4,147	(4.0%)	2,036	9.1%	451	(31.9%)	451	—

	Net Income per Share (yen)	Ratio of Net Income to Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Operating Revenue
Fiscal Period Ending October 2013	1,619	2.8%	1.3%	32.6%
Fiscal Period Ending April 2013	535	0.9%	0.4%	10.9%

(Note) Net income per share is calculated by dividing net income by the weighted average number of shares.

(2) Dividends

	Dividend per Share (not including dividends in excess of earnings) (yen)	Total Dividends (million yen)	Dividend per Share in Excess of Earnings (yen)	Total Dividends in Excess of Earnings (million yen)	Payout Ratio (%)	Ratio of Dividends to Net Assets (%)
Fiscal Period Ending October 2013	1,537	1,433	0	0	96.2	2.6
Fiscal Period Ending April 2013	1,494	1,259	0	0	279.0	2.5

(Note 1) The April 2013 dividend includes a dividend reserve reversal of 808 million yen and differs from Net Income.

(Note 2) The October 2013 dividend reflects a 55 million yen dividend reserve deduction and differs from Net Income.

(Note 3) The Payout Ratio is rounded down to one decimal. The October 2013 payout ratio reflects the new share issuance and is calculated as follows: Payout Ratio = Total Dividends / Net Income x 100

(3) Assets and Equity

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets per Share (yen)
Fiscal Period Ending October 2013	121,924	55,974	45.9	60,005
Fiscal Period Ending April 2013	112,830	50,312	44.6	59,695

(4) Cash Flow

	Cash Flow from Operating Activities (million yen)	Cash Flow from Investment Activities (million yen)	Cash Flow from Financing Activities (million yen)	Cash and Cash Equivalents at End of the Period (million yen)
Fiscal Period Ending October 2013	2,866	(8,679)	7,203	9,676
Fiscal Period Ending April 2013	1,693	(341)	(2,389)	8,285

2. Earnings Forecast for the Fiscal Period ending April 2014 (November 1, 2013 to April 30, 2014)

(million yen; period-on-period change)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Fiscal Period Ending April 2014	4,590	0.4%	2,205	(3.8%)	1,300	(12.8%)	1,299	(12.8%)

(yen)

	Dividend per Share (not including dividends in excess of earnings)	Dividend per Share in Excess of Earnings
Fiscal Period Ending April 2014	1,530	0

(Note 1) The forecast Net Income per share for April 2014 is 1,260 yen.

(Note 2) The April 2014 dividend includes a dividend reserve reversal of 272 million yen and differs from Net Income.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

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|--|----|
| (i) Changes Accompanying Amendments to Accounting Standards: | No |
| (ii) Changes Not Listed in (i): | No |
| (iii) Changes in Accounting Estimates: | No |
| (iv) Retrospective Restatement: | No |

(2) Number of Shares Issued and Outstanding

- (i) The number of shares issued and outstanding (including treasury shares) was 842,823 shares at the end of April 2013 and 932,823 shares at the end of October 2013.
- (ii) There were no treasury shares at either the end of April 2013 or at the end of October 2013.

Completion Status of Auditing Procedures

This document is not subject to the auditing requirements set forth in the Financial Instruments and Exchange Law of Japan. The auditing procedures in accordance with those requirements have not been completed as of the date of the publication of this document.

Appropriate Use of Performance Forecasts and Other Matters of Special Note

The forecasts presented above are current figures based on certain preconditions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, dividend per share, and dividend per share in excess of earnings may vary due to changes in circumstances. Moreover, these forecasts should not be construed as a guarantee of such performance or results.

For details on preconditions, please refer to the “Preconditions for Earnings Forecasts of the Fiscal Periods ending April 2014” on pages 4-5.

This English version is a translation of the original Japanese notice and is provided solely for informational purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Preconditions for Earnings Forecasts of the Fiscal Periods ending April 2014

Item	Preconditions
Periods	The Fiscal Period Ending April 2014: November 1, 2013 – April 30, 2014 (181 days)
Portfolio Assets	<ul style="list-style-type: none"> • 71 properties as of April 30, 2014 (“Specified Assets”), which is the sum of 68 properties as of October 31, 2013 and the four assets acquired on December 10, 2013 (Ichigo Kanda Ogawamachi Building, Ichigo Hatchobori Building, Ichigo Shibuya Bunkamura-Dori Building, and Twicere Yokohama Isogo (Retail Section)) minus one asset expected to be sold on April 30, 2013 (COI Shinbashi Building). Sales gains of 52 million yen are expected from these asset sales. • The number of assets may change due to acquisitions or sales.
Number of Shares	<ul style="list-style-type: none"> • 1,026,323 shares. This is the sum of the number of shares issued and outstanding at the time of this publication (1,017,823 shares) and the newly issued shares by way of third-party allotment (8,500 shares).
Operating Revenue	<ul style="list-style-type: none"> • Rental revenue is conservatively forecast based on leases that are in effect as of October 31, 2013, taking into consideration such factors as historical rents, property competitiveness, and market conditions.
Operating Expenses	<ul style="list-style-type: none"> • Ichigo REIT’s principal operating expenses are related to its rental activities. Excepting depreciation, expenses are calculated based on historical data while taking into consideration variable expenses. • The anticipated amount of property tax and city planning tax is 313 million yen for April 2014. In addition, the prorated property tax and city planning tax relating to the acquisition of the Specified Assets are included in the acquisition costs and not included in operating expenses. • Building maintenance and repair expenses are estimated to be 117 million yen for April 2014. However, expenses for each period could differ significantly from these estimated amounts for various reasons due to the irregularity of maintenance and repair expenses, costs due to unexpected building damage, etc., and year-to-year changes in costs. • Service provider expenses including property management fees, etc. are estimated to be 421 million yen for April 2014. • Depreciation has been calculated using the straight line method. For managed properties, depreciation is calculated by including the depreciation for future additional capital expenditures in the amortization amount. Depreciation for April 2014 is forecast at 586 million yen. • Due to unexpected circumstances, the actual operating expenses might differ significantly from the forecasts.
Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses for April 2014 are forecast at 553 million yen. • Borrowing-related expenses for April 2014 are forecast at 305 million yen. • Expenses related to the issuance of new shares for April 2014 are forecast at 50 million yen.
Borrowings	<ul style="list-style-type: none"> • As of October 31, 2013, Ichigo REIT’s balance of loans payable stands at 59,519 million yen. • 4,000 million yen of new borrowing occurred on December 10, 2013. • 1,000 million yen of partial prepayment on January 31, 2014 is assumed. • 6,000 million yen from the total proceeds of the COI Shinbashi Building sale will be used for partial loan prepayment.
Dividend per Share	<ul style="list-style-type: none"> • Dividends are based on the assumption that distribution will comply with the dividend distribution policy stipulated in Ichigo REIT’s Articles of Incorporation. • Dividend for April 2014 is assumed to be 1,572 million yen, which is the total amount of retained earnings of 1,299 million yen plus a dividend reserve reversal of 272 million yen. • The dividend per share is subject to change due to factors such as changes in rental revenue associated with tenant turnover, the occurrence of unexpected maintenance and repair costs, fluctuations in interest rates, as well as additional share issuance.
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">• Performance forecasts are based on the assumption that impactful revisions will not be made to laws and ordinances, the tax system, accounting standards, listing rules, and rules of the Investment Trusts Association, Japan, etc.• Performance forecasts are also based on the assumption that there will be no unexpected material change in general economic trends, real estate market conditions, etc.
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Financial Statements

(1) Balance Sheet

(Thousand yen)

	Fiscal Period Ending April 2013 (as of April 30, 2013)	Fiscal Period Ending October 2013 (as of October 31, 2013)
Assets		
Current assets		
Cash and deposits	3,413,067	4,356,603
Cash and deposits in trust	4,888,455	5,342,609
Operating accounts receivable	30,525	14,113
Prepaid expenses	342,781	327,054
Consumption taxes receivable	—	94,383
Deposit paid	283,932	246,580
Other	2,126	4,438
Total current assets	8,960,888	10,385,783
Noncurrent assets		
Property, plant, and equipment		
Buildings	8,514,591	8,618,744
Accumulated depreciation	(385,530)	(511,530)
Buildings, net	8,129,061	8,107,213
Structures	35,882	35,882
Accumulated depreciation	(7,001)	(9,220)
Structures, net	28,881	26,661
Machinery and equipment	257,998	262,686
Accumulated depreciation	(30,123)	(40,656)
Structures, net	227,875	222,030
Fixtures	43,150	51,387
Accumulated depreciation	(7,993)	(12,368)
Fixtures, net	35,157	39,019
Land	19,555,504	19,555,504
Construction in progress	—	270
Buildings in trust	23,162,755	26,019,249
Accumulated depreciation	(1,897,702)	(2,264,878)
Buildings in trust, net	21,265,052	23,754,371
Structures in trust	63,222	65,434
Accumulated depreciation	(10,762)	(12,232)
Structures in trust, net	52,459	53,201
Machinery and equipment in trust	181,705	210,882
Accumulated depreciation	(41,455)	(51,084)
Machinery and equipment in trust, net	140,249	159,797
Fixtures in trust	644,955	657,444
Accumulated depreciation	(159,464)	(175,380)
Fixtures in trust, net	485,491	482,064
Land in trust	53,390,733	58,650,437
Construction in progress in trust	955	3,267
Total property, plant, and equipment	103,311,422	111,053,839

(Thousand yen)

	Fiscal Period Ending April 2013 (as of April 30, 2013)	Fiscal Period Ending October 2013 (as of October 31, 2013)
Investments and other assets		
Tenant leasehold and security deposits	15,227	15,227
Long-term prepaid expenses	542,690	467,927
Other	—	1,709
Total investments and other assets	557,917	484,864
Total noncurrent assets	103,869,339	111,538,703
Total assets	112,830,228	121,924,487
Liabilities		
Current liabilities		
Operating accounts payable	246,828	263,893
Current portion of long-term loans payable	2,460,000	2,478,500
Accounts payable – others	229,157	265,909
Accrued expenses	83,528	79,792
Income taxes payable, etc.	605	605
Accrued consumption taxes, etc.	62,581	13,824
Advances received	597,677	668,264
Other	8,558	10,853
Total current liabilities	3,688,935	3,781,643
Noncurrent liabilities		
Long-term loans payable	53,998,000	57,040,633
Tenant leasehold and security deposits	1,775,503	1,754,471
Tenant leasehold and security deposits in trust	3,047,865	3,365,896
Asset retirement obligations	7,118	7,151
Total noncurrent liabilities	58,828,487	62,168,153
Total liabilities	62,517,423	65,949,796
Net assets		
Shareholders' equity		
Shareholders' capital	14,928,800	20,360,120
Surplus		
Capital surplus	20,566,420	20,566,420
Dividend reserve	14,366,273	13,558,219
Unappropriated retained earnings /loss	451,311	1,489,931
Total surplus	35,384,005	35,614,571
Total shareholders' equity	50,312,805	55,974,691
Total net assets	50,312,805	55,974,691
Total liabilities and net assets	112,830,228	121,924,487

(2) Income Statement

(Thousand yen)

	Fiscal Period Ending April 2013 (from November 1, 2012 to April 30, 2013)	Fiscal Period Ending October 2013 (from May 1, 2013 to October 31, 2013)
Operating revenue		
Rental revenue	3,731,734	3,942,328
Other rental revenue	415,202	465,120
Gain on sales of real estate	180	165,115
Total operating revenue	4,147,116	4,572,564
Operating expenses		
Expenses related to rent business	1,671,178	1,815,226
Asset management fee	328,317	364,251
Asset custody fee	10,498	8,769
Administrative service fees	35,182	27,676
Directors' compensation	6,300	6,300
Other operating expenses	59,157	57,058
Total operating expenses	2,110,635	2,279,281
Operating income	2,036,481	2,293,282
Non-operating income		
Interest income	942	879
Reversal of distribution payable	1,099	827
Insurance Income	142	—
Interest on tax refund	1,104	—
Other	—	65
Total non-operating income	3,288	1,772
Non-operating expenses		
Interest expenses	585,674	542,057
Borrowing related expenses	1,002,221	230,111
Share issuance expenses	—	32,537
Total non-operating expenses	1,587,896	804,706
Ordinary income	451,872	1,490,348
Income (losses) before income taxes	451,872	1,490,348
Income taxes – current	605	605
Total income taxes	605	605
Net income	451,267	1,489,743
Retained earnings brought forward	43	187
Unappropriated retained earnings/loss	451,311	1,489,931

(3) Statement of Shareholders' Equity

(Thousand yen)

	Fiscal Period Ending April 2013 (from November 1, 2012 to April 30, 2013)	Fiscal Period Ending October 2013 (from May 1, 2013 to October 31, 2013)
Shareholders' equity		
Shareholders' capital		
Balance at start of the period	14,928,800	14,928,800
Changes during the period		
Issuance of new shares	—	5,431,320
Total changes during the period	—	5,431,320
Balance at end of the period	14,928,800	20,360,120
Surplus		
Capital surplus		
Balance at start of the period	20,566,420	20,566,420
Changes during the period		
Total changes during the period	—	—
Balance at end of the period	20,566,420	20,566,420
Dividend reserve		
Balance at start of the period	16,061,353	14,366,273
Changes during the period		
Reversal of dividend reserve	(1,695,079)	(808,053)
Total changes during the period	(1,695,079)	(808,053)
Balance at end of the period	14,366,273	13,558,219
Unappropriated retained earnings/loss		
Balance at start of the period	(526,040)	451,311
Changes during the period		
Reversal of dividend reserve	1,695,079	808,053
Dividends from surplus	(1,168,995)	(1,259,177)
Net income	451,267	1,489,743
Total changes during the period	977,352	1,038,619
Balance at end of the period	451,311	1,489,931
Total surplus		
Balance at start of the period	36,101,732	35,384,005
Changes during the period		
Reversal of dividend reserve	—	—
Dividends from surplus	(1,168,995)	(1,259,177)
Net income	451,267	1,489,743
Total changes during the period	(717,727)	230,566
Balance at end of the period	35,384,005	35,614,571
Total shareholders' equity		
Balance at start of the period	51,030,532	50,312,805
Changes during the period		
Issuance of new shares	—	5,431,320
Dividends from surplus	(1,168,995)	(1,259,177)
Net income	451,267	1,489,743
Total changes during the period	(717,727)	5,661,886
Balance at end of the period	50,312,805	55,974,691
Total net assets		
Balance at start of the period	51,030,532	50,312,805
Changes during the period		
Issuance of new shares	—	5,431,320
Dividends from surplus	(1,168,995)	(1,259,177)
Net income	451,267	1,489,743
Total changes during the period	(717,727)	5,661,886
Balance at end of the period	50,312,805	55,974,691

(4) Cash Flow Statement

(Thousand yen)

	Fiscal Period Ending April 2013 (from November 1, 2012 to April 30, 2013)	Fiscal Period Ending October 2013 (from May 1, 2013 to October 31, 2013)
Cash flows from operating activities		
Income before income taxes	451,872	1,490,348
Depreciation and amortization	506,056	555,501
Share issuance expenses	—	32,537
Interest income	(942)	(879)
Interest expenses	585,674	542,057
Decrease (increase) in operating accounts receivable	(17,786)	16,412
Decrease (increase) in consumption taxes receivable	108,851	(94,383)
Decrease (increase) in prepaid expenses	67,962	15,727
Decrease (increase) in long-term advance charges	(160,107)	74,762
Decrease (increase) in deposit paid	254,911	37,351
Increase (decrease) in accrued consumption taxes	34,700	(48,756)
Increase (decrease) in operating accounts payable	(91,610)	48,558
Increase (decrease) in accounts payable – others	(13,231)	36,752
Increase (decrease) in advances received	(13,849)	78,579
Decrease by sale of property, plant, and equipment	617,220	—
Decrease by sale of property, plant, and equipment in trust	—	637,409
Amortization of security deposit	(275)	(158)
Other, net	(6,745)	(9,321)
Subtotal	2,322,701	3,412,500
Interest income received	942	879
Interest expenses paid	(629,783)	(545,793)
Income taxes paid	(605)	(605)
Net cash provided by (used in) operating activities	1,693,255	2,866,980
Cash flows from investment activities		
Purchase of property, plant, and equipment	(39,986)	(111,883)
Purchase of property, plant, and equipment in trust	(191,074)	(8,856,491)
Increase in tenant leasehold and security deposits	37,582	84,271
Decrease in tenant leasehold and security deposits	(156,826)	(105,068)
Increase in tenant leasehold and security deposits in trust	260,255	529,569
Decrease in tenant leasehold and security deposits in trust	(251,251)	(219,608)
Net cash provided by (used in) investment activities	(341,300)	(8,679,210)
Cash flows from financing activities		
Increase in long-term loans payable	24,479,000	3,700,000
Decrease in long-term loans payable	(22,790,000)	(638,866)
Decrease in long-term loans payable in trust	(2,910,799)	—
Proceeds from issuance of shares	—	5,398,782
Dividends paid	(1,167,748)	(1,256,698)
Net cash provided by (used in) financing activities	(2,389,547)	7,203,217
Net increase (decrease) in cash and cash equivalents	(1,037,592)	1,390,987
Cash and cash equivalents at beginning of the period	9,323,338	8,285,745
Cash and cash equivalents at end of the period	8,285,745	9,676,732