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June 10, 2014

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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**Acquisition of Portfolio Asset  
(Additional Section of Ichigo Mirai-Shinkin Building)**

Ichigo Real Estate Investment Advisors Co., Ltd. (“IRE”), the asset management company of Ichigo Real Estate Investment Corporation (“Ichigo REIT”), has decided to acquire an additional section of the following asset.

1. Acquisition Summary

Asset (Note 1)	Real estate
Asset Name (Note 2)	Ichigo Mirai-Shinkin Building
Location	3-1 Niagemachi, Oita City, Oita
Asset Type (Note 3)	Office
Acquisition Price (Note 4)	58,000,000 yen
Seller	Oita Mirai Shinkin Bank
Contract Date	June 10, 2014
Closing Date (expected)	July 31, 2014
Financing Method	Cash on hand (expected)
Settlement Method	Lump-sum payment at the time of transfer

(Note 1) After the completion of the acquisition, Ichigo REIT will entrust Sumitomo Mitsui Trust Bank with the asset as of the Closing Date and own the asset as trust beneficiary right in real estate.

(Note 2) The real estate Ichigo REIT is acquiring consists of the following: 1) an additional section of Ichigo Mirai-Shinkin Building; 2) a part of the land where Ichigo Mirai-Shinkin Building is located. For more details, please refer to section “3. Asset Acquisition Overview” of this release.

(Note 3) Only the major asset type is listed in the table above.

(Note 4) Acquisition Price is exclusive of expenses incidental to the acquisition, such as

property tax, city planning tax, and consumption tax.

## 2. Acquisition Rationale

The real estate consists of an office building and a multi-story parking structure across the street from the building, part of which Ichigo REIT had already acquired as of November 1, 2011 (Note 5). The asset is a sectional ownership of 83.33% of the total building (4,409.37m<sup>2</sup>/5,291.27m<sup>2</sup>) and 82.971% of the land. The rest of the building and the land belongs to Oita Mirai Shinkin Bank.

A former owner and Oita Mirai Shinkin Bank have established an agreement on the management and use of the office building, land, and additional structures. Pursuant to the provision of the agreement, when selling the whole or a part of the building or land to a third party, the current owner of the asset must offer to sell and transfer the building or land to both the former owner and Oita Mirai Shinkin Bank in preference to the third party.

Ichigo REIT has decided to acquire the asset based on the assessment that, by acquiring an additional part of the real estate in accordance with the agreement and entrusting the acquired asset, Ichigo REIT's sectional ownership for the land rises to 91.119% (Note 6) and its sectional ownership for the building based on the registered total area rises to 90.57% (Note 6), which will contribute to improving the value of the property and management efficiency.

(Note 5) Ichigo REIT acquired this property as of November 1, 2011 when the former Ichigo Real Estate Investment Corporation (former CREED OFFICE Investment Corporation) was absorbed into Ichigo REIT. The former CREED OFFICE Investment Corporation acquired this property as of March 15, 2006, as announced in the former CREED OFFICE Investment Corporation's release "Notice of Transactions with Interested Parties" on March 17, 2006.

(Note 6) The percentage is calculated from floor area derived from multiplying the figures taken from center lines of the walls on the final plans of the building made at the timing of the completion of construction. The actual percentage of land and of the building to be recorded on the register will be fixed prior to the settlement of this acquisition, and after the completion of the construction work by the seller to partition the asset into units owned by separate owners and measuring the actual dimensions of the interior walls from surface to surface.

### 3. Asset Acquisition Overview

Detail of the asset Ichigo REIT plans to acquire in this acquisition is as follows.

Asset Overview			Appraisal Overview (Note 14)	
Asset (Note 7)	Real estate		Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Asset Name (Note 8)	Ichigo Mirai-Shinkin Building		Value	71,800,000 yen
Location (Address)	3-1 Niagemachi, Oita City, Oita		Date	April 30, 2014
Asset Type (Note 9)	Office		Value by Direct Capitalization Method	74,700,000 yen
Land (Note 10)	Property Right	Freehold (right of site)	Income	10,490,473 yen
	Size	1,027.74 m <sup>2</sup>	Obtainable Rent Income	10,607,726 yen
	Size of Land Acquired	83.74 m <sup>2</sup>	Other Income	1,048,354 yen
	Size of Land Ichigo REIT Owns after Acquisition	936.47 m <sup>2</sup>	Amount Equivalent to Loss on Vacant Space	1,165,607 yen
	Zoning	Commercial	Expenses	4,291,384 yen
	Coverage Ratio / Floor Area Ratio	80% / 500%	Administrative and Maintenance Expenses	1,290,929 yen
Building (Note 11)	Property Right	Freehold (sectional ownership)	Taxes	890,200 yen
	Zoning	Office	Other Expenses	2,110,255 yen
	Structure	S/RC, 8F	Net Operating Income (NOI)	6,199,089 yen
	Total Floor Area	5,591.20 m <sup>2</sup>	Gain on Investment of Deposits	109,365 yen
	Floor Area Acquired	383.06 m <sup>2</sup>	Capital Expenditure	1,302,000 yen
	Floor Area Ichigo REIT Owns after Acquisition	4,792.43 m <sup>2</sup>	Net Profit	5,006,454 yen
	Construction Date	February 10, 1994	Cap Rate	6.7%
Architect	Raymond Tanabe Architectural Design Office, Inc		Value by DCF Method	70,600,000 yen
Builder	Sato Corporation		Discount Rate	6.9%
Structural Strength Calculator	Raymond Tanabe Architectural Design Office, Inc.		Terminal Cap Rate	6.9%
Inspection Agency	Building Official (Oita City)		Value by Cost Approach	70,800,000 yen
PML (Assessor)	7.83 % (Sompo Japan Nipponkoa Risk Management Inc.)		Land	31.00%
Collateral	Collateralized		Property	69.00%

Rent Overview (Note 12)	
Number of Tenants	—
Monthly Rental Income	—
Deposit	—
Leasable Space	304.04m <sup>2</sup>
Leased Space	—
Occupancy	0%
Property Management Company	XYMAX PROPERTIES KYUSHU Corporation
Master Lease Company	—
Reference: NOI / year (NOI yield) (Note 13)	6 million yen (10.7%)
Special Items	
Renovation of leasable space and common space (to cost 8 million yen) is planned after the acquisition.	
Characteristics of the Asset	
<p>(i) Location The property is located near government office area in a commercial district where insurance office buildings line the street. Since branch offices of leading companies are clustered in this area, Ichigo believes that there is stable demand for new store openings and for expansion of offices or stores in the area.</p> <p>(ii) Asset Characteristics The property benefits from convenient train access, including a 10-minute walk away from Oita station on JR Nippo Line. This is also a highly-visible office building facing the main street of the city, Chuo Dori.</p>	

(Note 7) Please refer to section “1.Acquisition Summary: Asset (Note 1)” of this release.

(Note 8) Please refer to section “1.Acquisition Summary: Asset Name (Note 2)” of this release.

(Note 9) Please refer to section “1.Acquisition Summary: Asset Type (Note 3)” of this release.

(Note 10) Size of the land is calculated by multiplying the percentage of land Ichigo REIT co-owns as a result of this acquisition by the size of the land, and the percentage of which is expected to be 91.119% of the total size of the land. Please refer to section “2.Acquisition Rationale (Note 6)” of this release.

(Note 11) The percentage of floor space acquired for exclusive use by Ichigo REIT is expected to be 90.57% of the total floor space of 5,291.27m<sup>2</sup> excluding the common area of the building. Please refer to section “2. Acquisition Rationale (Note 6)” of this release.

(Note 12) Until this acquisition, the seller was using the area Ichigo REIT acquires in this acquisition, and thus there are currently no tenants for this area. After the Closing Date, IRE plans to launch leasing activities without delay. As of the Closing Date of this acquisition, the occupancy rate for this building including the part Ichigo REIT already owned prior to this acquisition is expected to be 87.8%.

(Note 13) The value indicated above as NOI is the income derived from Direct Capitalization in the Appraisal. NOI yield is the value derived by dividing NOI by acquisition price and rounded to the second decimal place.

(Note 14) The content of this Appraisal Overview is of the asset acquired in this acquisition.

#### 4. Financial Impact on Ichigo REIT in the Event of Failure to Fulfill Forward Commitment or Similar Agreement

The sales agreement for the to-be-acquired asset (hereafter, the “Conveyance Agreement”) constitutes a forward commitment or similar agreement (Note 15) by Ichigo REIT as stipulated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by the Financial Services Agency.

In the event of a violation of the provisions of the Conveyance Agreement by Ichigo REIT or the seller, the other party shall have the right to terminate the Conveyance Agreement and claim an amount equivalent to 20% of the purchase price as penalty for the agreement termination. The Conveyance Agreement does not prohibit the other party to claim additional damages if the amount of damages exceeds the above-mentioned amount.

Since Ichigo REIT plans to acquire this property with cash on hand, it is unlikely that Ichigo REIT will not be able to fulfill its obligations under the Conveyance Agreement.

(Note 15) Refers to a postdated purchase and sales agreement under which payment and property delivery shall be made at least 1 month after the conclusion of the agreement, or any other agreement similar thereto.

#### 5. Seller Profile

Name	Oita Mirai Shinkin Bank
Address	1-31 Eki-mae Hon-machi, Beppu, Oita
Representative	Keiji Seki
Principal Businesses	1. Deposit and loan operations 2. Securities investment 3. Other businesses relating to the aforementioned businesses
Investment in Capital	1,397,000,000 yen
Establishment Date	April 12, 1922
Equity Holder	Undisclosed
Relationship with the Ichigo REIT or Asset Manager	The Seller does not have any capital, personnel, or business relationship and is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law.
Net Assets in Most Recent Fiscal Year	24,360,000,000 yen
Total Assets in Most Recent Fiscal Year	379,604,000,000 yen

#### 6. Property Titleholders (\*for transactions with interested parties)

N/A

#### 7. Broker Profile

N/A

#### 8. Future Outlook

This acquisition has little impact on the earning forecast of Ichigo REIT, and no amendment is made to the forecast set forth in the release “Earnings and Dividend Forecast for the October 2014 Fiscal Period” as announced on April 25, 2014.

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

## Property Photos and Location Map



## Diagram of the Property

8F: Office		multi-story parking structure
7F: Office		
6F: Office		
5F: Office		
4F: Office		
3F: Office		
2F: Office		
1F: Office		



Acquired by Ichigo REIT in this acquisition (7.24%)



Already owned by Ichigo REIT prior to this acquisition (83.33%)



Owned by a third party (9.43%)

## Portfolio Reference Information

### 1. Post-Acquisition Portfolio Summary

	Before Acquisition (A)	After Acquisition (B)	Difference (B-A)
Occupancy	96.0% (Note 16)	95.8%	-0.2%
Average Building Age	18.7 years (Note 17)	18.7 years	—
Diversification by Area (Metropolitan Area/Other Areas) (Note 18)	75.2% / 24.8%	75.1% / 24.9%	-0.1% / +0.1%

(Note 16) Occupancy in column A (“Before Acquisition”) is the value as of April 30, 2014.

(Note 17) Average Building Age in column A is the value as of May 31, 2014.

(Note 18) “Metropolitan Area” refers to “Central Tokyo” and “Tokyo Metropolitan Area.” and “Other Areas” refers to “Four Major Regional Cities” and “Other Regional Cities.” Also, percentage is calculated from acquisition prices.

### 2. Post-Acquisition Portfolio Assets

No.	Property	Area	Acquisition Price (mm yen) (Note 19)	% of Portfolio (Note 20)
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	2.8%
O-03	Ichigo Mita Building	Central Tokyo	2,740	2.4%
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	1.7%
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	1.4%
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	1.0%
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	1.3%
O-08	Ichigo Akasaka 5 Chome Building	Central Tokyo	735	0.6%
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	1.0%
O-10	Ichigo Ebisu-Nishi Building	Central Tokyo	1,917	1.7%
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	1.5%
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	1.0%
O-13	Ichigo Kudan-Minami Building	Central Tokyo	387	0.3%
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.5%
O-15	Ichigo Tameike Building	Central Tokyo	580	0.5%
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	1.6%
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	1.0%
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.7%
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.7%
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	4.4%
O-21	Ichigo Shin-Yokohama Building	Tokyo Metropolitan Area	1,816	1.6%
O-22	Ichigo Minami-Ikebukuro Building	Tokyo Metropolitan Area	1,460	1.3%
O-23	Ichigo Nakano North Building	Tokyo Metropolitan Area	764	0.7%
O-24	Ichigo Eitai Building	Tokyo Metropolitan Area	1,490	1.3%
O-25	Ichigo Yokosuka Building	Tokyo Metropolitan Area	971	0.8%
O-26	Ichigo Ikejiri Building	Tokyo Metropolitan Area	2,030	1.8%
O-27	Route Ikebukuro Building	Tokyo Metropolitan Area	639	0.6%
O-28	Ichigo Nishi-Gotanda Building	Central Tokyo	765	0.7%
O-29	Ichigo Kichijoji Building	Tokyo Metropolitan Area	2,160	1.9%

O-33	Ichigo Meieki Building	Four Major Regional Cities	837	0.7%
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	4.1%
O-35	Ichigo Sendai Chuo Building	Other Regional Cities	510	0.4%
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	5.9%
O-38	Ichigo Toyamaeki-Nishi Building	Other Regional Cities	1,650	1.4%
O-39	Ichigo Mirai-Shinkin Building	Other Regional Cities	1,158	1.0%
O-40	Ichigo Saga Building	Other Regional Cities	659	0.6%
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	2.6%
O-44	Akita Sanno 21 Building	Other Regional Cities	560	0.5%
O-46	Ichigo Kanda-Nishikicho Building	Central Tokyo	2,130	1.9%
O-47	Ichigo Akiharaba North Building	Central Tokyo	5,500	4.8%
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.7%
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.9%
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	1.7%
Subtotal - Office (42 Properties)			75,567	66.0%
R-01	ForeCity Roppongi	Central Tokyo	1,730	1.5%
R-02	ForeCity Azabujuban	Central Tokyo	1,140	1.0%
R-03	ForeCity Azabujuban No.2	Central Tokyo	1,250	1.1%
R-04	Bureau Takanawadai	Central Tokyo	1,360	1.2%
R-05	ForeCity Shirokanedai	Central Tokyo	824	0.7%
R-06	B-Site Hamamatsucho	Central Tokyo	701	0.6%
R-07	ForeCity Akihabara	Central Tokyo	2,520	2.2%
R-08	Suite One Court	Central Tokyo	786	0.7%
R-09	Ichigo Serviced Apartments Ginza	Central Tokyo	946	0.8%
R-10	ForeCity Sasazuka	Central Tokyo	1,050	0.9%
R-11	Gran Presso Kawadacho	Central Tokyo	592	0.5%
R-12	ForeCity Sakurashinmachi	Tokyo Metropolitan Area	932	0.8%
R-13	ForeCity Shinkamata	Tokyo Metropolitan Area	1,040	0.9%
R-14	ForeCity Nakaochiai	Central Tokyo	435	0.4%
R-15	ForeCity Tomigaya	Central Tokyo	1,341	1.2%
R-16	ForeCity Ryogoku	Tokyo Metropolitan Area	1,080	0.9%
R-17	ForeCity Toyosu	Tokyo Metropolitan Area	1,349	1.2%
R-18	ForeCity Nishihonmachi	Four Major Regional Cities	927	0.8%
Subtotal - Residence (18 Properties)			20,005	17.5%
Z-01	Falcon Shinsaibashi Building	Four Major Regional Cities	3,410	3.0%
Z-02	Fiesta Shibuya	Central Tokyo	1,970	1.7%
Z-03	Burg Omori	Tokyo Metropolitan Area	3,218	2.8%
Z-04	Pagoda Asakusa	Tokyo Metropolitan Area	1,640	1.4%
Z-05	Regalo Building	Tokyo Metropolitan Area	1,310	1.1%
Z-06	Ichigo Yokohama-Nishiguchi Building	Tokyo Metropolitan Area	903	0.8%
Z-07	El Centro Sapporo	Four Major Regional Cities	558	0.5%
Z-08	Daimyo Balcony	Four Major Regional Cities	638	0.6%
Z-09	Konami Sports Club Izumi Fuchu	Other Regional Cities	1,210	1.1%
Z-10	Ichigo Shibuya Bunkamura-Dori Building	Central Tokyo	2,400	2.1%
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metropolitan Area	1,620	1.4%
Subtotal - Other (11 Properties)			18,877	16.5%

Total (71 Properties)	114,449	100.0%
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(Note 19) Acquisition Price is normally either the actual acquisition price (excluding consumption tax) or the acquisition price (excluding consumption tax) as described in the sales agreement for the to-be-acquired asset. Nonetheless, 36 assets from O-02 to O-44 except O-39 and 7 assets from Z-02 to Z-08 are listed with the appraisal value as of October 31, 2011 to reflect acquisition via the REIT merger at that time. As for O-39, the underlying asset in today's release, the Acquisition Price in this acquisition is added to the appraisal value as of October 31, 2011.

(Note 20) % of Portfolio is the Acquisition Price as a percentage of the Total Acquisition Price and rounded to the nearest second decimal place.