

*[Provisional Translation Only]*

*This English translation of the original Japanese document is provided solely for information purposes.*

*Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*

November 14, 2014

**Ichigo Group Holdings Co., Ltd. (JASDAQ, 2337)**

Representative: Scott Callon, Chairman and Representative Statutory Executive Officer

Inquiries: Takeyuki Yoshimatsu, Statutory Executive Officer

Telephone: +81-3-3502-4818 [www.ichigo-holdings.co.jp/english](http://www.ichigo-holdings.co.jp/english)

## **Asset Acquisitions and Sales**

In a strategic repositioning of Ichigo Real Estate Investment Corporation (“Ichigo REIT”) to focus on mid-size office assets, Ichigo Group Holdings (“Ichigo”)-controlled real estate funds have agreed to sell seven assets for 20.7 billion yen to Ichigo REIT and buy fifteen assets for 16.5 billion yen from Ichigo REIT.

As Ichigo REIT’s sponsor, Ichigo is supporting Ichigo REIT by providing Ichigo REIT acquisition and asset pipeline support, including holding assets for Ichigo REIT within Ichigo bridge funds, and strengthening Ichigo REIT’s asset value-add and leasing activities. Ichigo’s objective is to create a win-win situation for both Ichigo and Ichigo REIT by simultaneously growing Ichigo REIT’s earnings and shareholder dividends and Ichigo’s asset management earnings.

On today’s asset sales, Ichigo will generate 21.1 billion yen in revenues and 2.1 billion yen in gross profit.

### **1. Background**

The Ichigo real estate funds executing today’s sales are bridge funds established by Ichigo as Ichigo REIT’s sponsor to support Ichigo REIT’s growth. From Ichigo REIT’s perspective, the asset sales bring an end to Stage III of Ichigo REIT’s multi-year growth strategy, “Enhance Profitability,” and move Ichigo REIT into Stage IV, “Increase Size & Scale” to drive higher returns for Ichigo REIT’s shareholders.

With respect to the assets that Ichigo is selling to Ichigo REIT, Ichigo has carried out value-add enhancements to improve their core profitability and suitability for J-REIT ownership.

With respect to the assets that Ichigo is buying from Ichigo REIT, Ichigo is acquiring all of Ichigo REIT’s residential assets, excluding serviced apartments that have hotel-like operating economics, to allow Ichigo REIT to focus more purely on higher-upside office assets, along with a small number of urban retail assets that are potential candidates for value-add retail-to-office conversions or have office-like operating characteristics. Ichigo expects to use the acquired residential assets as seed assets for a public or private residential REIT or private equity residential real estate funds.

For both the acquisitions and the sales, Ichigo and Ichigo REIT negotiated and verified transaction prices with reference to recent appraisal values that took into account comparable market transactions, and both Ichigo and Ichigo REIT followed strict related-party procedures to safeguard against conflicts of interests. Ichigo and Ichigo REIT also obtained second opinions to assess the fairness of the transaction prices for both parties.

Ichigo believes that Ichigo REIT can significantly increase its growth and drive higher earnings as the broader Japanese economy and real estate market turns upward. Ichigo REIT's acquisitions today of high-quality, high-NOI assets operating at 99.0% occupancy, funded both by asset sales and an offering of new shares that is accretive to Ichigo REIT's shareholders, will serve these Ichigo REIT earnings growth goals.

## 2. Asset Sales

### Ebisu Green Glass

- |                      |  |
|----------------------|--|
| 1) Location:         | 3-Chome, Ebisu-Minami, Shibuya-ku, Tokyo                       |
| 2) Access:           | 4-minute walk from Ebisu Station of the JR Yamanote Line       |
| 3) Land Area:        | 689.23 m <sup>2</sup>  |
| 4) Total Floor Area: | 4,029.55 m <sup>2</sup>  |
| 5) Zoning:           | Commercial, Category II mid/high-rise oriented residential     |
| 6) Structure:        | S B1F/9F   |
| 7) Builder:          | Sumitomo Mitsui Construction Co., Ltd., Tokyo Architect Branch |

### Ichigo Omori Building

- |                      |   |
|----------------------|---|
| 1) Location:         | 6-Chome, Minami-Ooi, Shinagawa-ku, Tokyo                      |
| 2) Access:           | 3-minute walk from Omori Station on the JR Keihin Tohoku Line |
| 3) Land Area:        | 985.61 m <sup>2</sup>   |
| 4) Total Floor Area: | 5,811.81 m <sup>2</sup>                                       |
| 5) Zoning:           | Commercial  |
| 6) Structure:        | S/SRC B1F/8F  |
| 7) Builder:          | Fujita Corporation Development Office                         |

### Ichigo Takadanobaba Building

- |                      |  |
|----------------------|--|
| 1) Location:         | 1-Chome, Takadanobaba, Shinjuku-ku, Tokyo                        |
| 2) Access:           | 3- minute walk from Takadanobaba Station on the JR Yamanote Line |
| 3) Land Area:        | 436.83 m <sup>2</sup>  |
| 4) Total Floor Area: | 2,214.94 m <sup>2</sup>  |
| 5) Zoning:           | Commercial   |
| 6) Structure:        | SRC B1F/7F   |
| 7) Builder:          | Koshin Kensetsu Co.,Ltd.   |

### Ichigo Omiya Building

- |                      |   |
|----------------------|---|
| 1) Location:         | 2-Chome, Miyacho, Omiya-ku, Saitama City, Saitama                           |
| 2) Access:           | 9-minute walk from Omiya Station of the JR Lines and other private railways |
| 3) Land Area:        | 3,343.89 m <sup>2</sup>   |
| 4) Total Floor Area: | 8,883.20 m <sup>2</sup>   |
| 5) Zoning:           | Commercial / Category I residential   |
| 6) Structure:        | RC B1F/7F   |
| 7) Builder:          | Obayashi Corporation Tokyo Head Office                                      |

### Ichigo Sendai East Building

- |                      |  |
|----------------------|--|
| 1) Location:         | 1-Chome, Miyagino, Miyagino-ku, Sendai City, Miyagi              |
| 2) Access:           | 3-minutes walk from Tsutsujigaoka Station of the JR Sengoku Line |
| 3) Land Area:        | 2,044.81 m <sup>2</sup>  |
| 4) Total Floor Area: | 6,551.53 m <sup>2</sup>  |
| 5) Zoning:           | Neighborhood commercial  |
| 6) Structure:        | S 5F   |
| 7) Builder:          | Kajima Corporation Tohoku Branch                                 |

### Lions Square Kawaguchi

- |                      |   |
|----------------------|---|
| 1) Location:         | 2-Chome, Motogo, Kawaguchi City, Saitama                                |
| 2) Access:           | 5-minute walk from Kawaguchi Motogo Station of the Saitama Railway Line |
| 3) Land Area:        | 9,531.83 m <sup>2</sup>   |
| 4) Total Floor Area: | 7,309.66 m <sup>2</sup>   |
| 5) Zoning:           | Quasi-industrial  |
| 6) Structure:        | S/SRC 6F  |
| 7) Builder:          | Takenaka Corporation  |

### Ichigo Shin-Yokohama Arena-Dori Building

- |                      |   |
|----------------------|---|
| 1) Location:         | 3-Chome, Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa                      |
| 2) Access:           | 4-minute walk from Shin-Yokohama Station of the JR Shinkansen and Yokohama Line |
| 3) Land Area:        | 684.00 m <sup>2</sup>   |
| 4) Total Floor Area: | 2,448.57 m <sup>2</sup>   |
| 5) Zoning:           | Commercial  |
| 6) Structure:        | S 6F (Retail/Office)  |
| 7) Builder:          | Nara Construction Co.,Ltd.  |

### 3. Buyer Overview

- |                 |  |
|-----------------|--|
| Name:           | Ichigo Real Estate Investment Corporation (Ticker: 8975) |
| Address:        | 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo                   |
| Representative: | Yoshihiro Takatsuka, Executive Director                  |
| Asset Manager:  | Ichigo Real Estate Investment Advisors Co., Ltd.         |

### 4. Sale Prices

Ebisu Green Glass:	5.9 billion yen
Ichigo Omori Building:	3.9 billion yen
Ichigo Takadanobaba Building:	1.6 billion yen
Ichigo Omiya Building:	3.4 billion yen
Ichigo Sendai East Building:	1.8 billion yen
Lions Square Kawaguchi:	2.4 billion yen
Ichigo Shin-Yokohama Arena-Dori Building:	1.7 billion yen
<u>Total</u>	<u>20.7 billion yen</u>

## 5. Schedule

Contract Date: November 14, 2014

Expected Settlement Date:

Ebisu Green Glass:	December 10, 2014
Ichigo Omori Building:	December 15, 2014
Ichigo Takadanobaba Building:	December 15, 2014
Ichigo Omiya Building:	December 10, 2014
Ichigo Sendai East Building:	December 10, 2014
Lions Square Kawaguchi:	December 15, 2014
Ichigo Shin-Yokohama Arena-Dori Building:	December 15, 2014

## 6. Asset Acquisitions

### ForeCity Roppongi

1) Location:	2-Chome, Roppongi, Minato-ku, Tokyo
2) Access:	2-minute walk from the Roppongi-1chome Station on the Tokyo Metro Namboku Line 5-minute walk from Tameike Sanno Station on the Tokyo Metro Ginza Line
3) Land Area:	266.16 m <sup>2</sup>
4) Total Floor Area:	1,807.18 m <sup>2</sup>
5) Zoning:	Commercial
6) Structure:	SRC 13F
7) Builder:	Konoike Construction Co., Ltd.



### ForeCity Azabujuban

1) Location:	1-Chome, Mita, Minato-ku, Tokyo
2) Access:	2-minute walk from Azabu-juban Station of the Tokyo Metro Namboku Line and Toei Oedo Line
3) Land Area:	293.82 m <sup>2</sup>
4) Total Floor Area:	1,288.70 m <sup>2</sup>
5) Zoning:	Neighborhood commercial
6) Structure:	RC 9F
7) Builder:	Oyanagi Construction Co., Ltd.



### ForeCity Azabujuban No.2

1) Location:	1-Chome, Mina, Minato-ku, Tokyo
2) Access:	2-minute walk from Azabu-juban Station of the Tokyo Metro Namboku Line and Toei Oedo Line
3) Land Area:	307.37 m <sup>2</sup>
4) Total Floor Area:	1,354.85 m <sup>2</sup>
5) Zoning:	Neighborhood commercial
6) Structure:	SRC 13F
7) Builder:	Oyanagi Construction Co., Ltd.



### ForeCity Shirokanedai

- 1) Location: 2-Chome, Shirokanedai, Minato-ku, Tokyo
- 2) Access: 1-minute walk from Takanawadai Station of the Toei Asakusa Line
- 3) Land Area: 199.96 m<sup>2</sup>
- 4) Total Floor Area: 1,035.21 m<sup>2</sup>
- 5) Zoning: Commercial
- 6) Structure: RC 11F
- 7) Builder: Matsui Kensetsu K.K.



### ForeCity Akihabara

- 1) Location: 3-Chome, Kanda Sakumacho, Chiyoda-ku, Tokyo
- 2) Access: 2-minute walk from Akihabara Station of the Tokyo Metro Hibiya Line  
3-minute walk from Akihabara Station of the JR Yamanote Line
- 3) Land Area: 487.62 m<sup>2</sup>
- 4) Total Floor Area: 3,452.29 m<sup>2</sup>
- 5) Zoning: Commercial
- 6) Structure: SRC B1F/12F
- 7) Builder: Nihon Housing Co., Ltd.



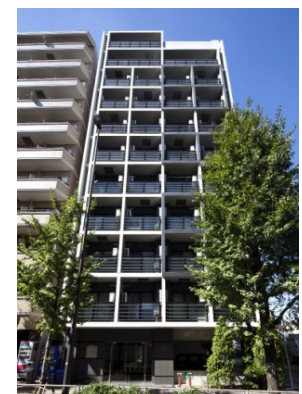
### Suite One Court

- 1) Location: 2-Chome, Irifune, Chuo -ku, Tokyo
- 2) Access: 4-minute walk from Hatchobori Station of the Tokyo Metro Hibiya Line  
3-minute walk from Shintomicho Station of the Tokyo Metro Yurakucho Line
- 3) Land Area: 169.88 m<sup>2</sup>
- 4) Total Floor Area: 1,123.27 m<sup>2</sup>
- 5) Zoning: Commercial
- 6) Structure: SRC 11F
- 7) Builder: Taihei Kogyo Co.,Ltd.



### ForeCity Sasazuka

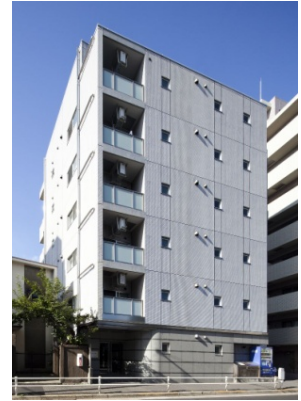
- 1) Location: 2-Chome, Sasazuka, Shibuya-ku, Tokyo
- 2) Access: 4-minute walk from Sasazuka Station on the Keio Line
- 3) Land Area: 243.10 m<sup>2</sup>
- 4) Total Floor Area: 1,452.61 m<sup>2</sup>
- 5) Zoning: Commercial
- 6) Structure: RC 11F
- 7) Builder: Matsushita Industrial Corporation





### Gran Presso Kawadacho

- 1) Location: 3-Chome, Kawadacho, Shinjuku-ku, Tokyo
- 2) Access: 5-minute walk from Wakamatsu-Kawada Station of the Toei Oedo Line  
7-minute walk from Akebonobashi Station of the Toei Shinjuku Line
- 3) Land Area: 254.71 m<sup>2</sup>
- 4) Total Floor Area: 785.13 m<sup>2</sup>
- 5) Zoning: Neighborhood commercial
- 6) Structure: RC 6F
- 7) Builder: TANAKA Construction Co., Ltd.



### ForeCity Sakurashinmachi

- 1) Location: 2-Chome, Sakurashinmachi, Setagaya-ku, Tokyo
- 2) Access: 9-minute walk from Sakurashinbachi Station of the Tokyu Den-en-toshi Line
- 3) Land Area: 618.74 m<sup>2</sup>
- 4) Total Floor Area: 1,297.83 m<sup>2</sup>
- 5) Zoning: Quasi-industrial
- 6) Structure: RC 5F
- 7) Builder: Toray Construction Co., Ltd.



### ForeCity Shinkamata

- 1) Location: 1-Chome, Shinkamata, Ota-ku, Tokyo
- 2) Access: 9-minute walk from Shinkamata Station of the JR Keihin Tohoku Line and Keikyu Tamagawa Line
- 3) Land Area: 840.16 m<sup>2</sup>
- 4) Total Floor Area: 2,185.05 m<sup>2</sup>
- 5) Zoning: Category II residential zone
- 6) Structure: RC 9F
- 7) Builder: Ohmoto Gumi Co., Ltd., Komata Corporation



### ForeCity Nakaochiai

- 1) Location: 4-Chome, Nakaochiai, Shinjuku-ku, Tokyo
- 2) Access: 7-minute walk from Ochiai-Minami-Nagasaki Station of the Toei Oedo Line  
8-minute walk from Nakai Station of the Toei Oedo Line and Seibu Shinjuku Line
- 3) Land Area: 283.92 m<sup>2</sup>
- 4) Total Floor Area: 599.30 m<sup>2</sup>
- 5) Zoning: Category I mid/high-rise oriented residential
- 6) Structure: RC 5F
- 7) Builder: Goda Koumuten Co., Ltd.



### ForeCity Tomigaya

- 1) Location: 2-Chome, Tomigaya, Shibuya-ku, Tokyo
- 2) Access: 10-minute walk from Yoyogi-Koen Station of the Tokyo Metro Chiyoda Line  
10-minute walk from Yoyogi-Hachiman Station of the Odakyu Odawara Line
- 3) Land Area: 672.82 m<sup>2</sup>
- 4) Total Floor Area: 2,747.83 m<sup>2</sup>
- 5) Zoning: Neighborhood commercial
- 6) Structure: RC B1F/7F
- 7) Builder: Nihon Housing Co., Ltd.



### ForeCity Ryogoku

- 1) Location: 1-Chome, Midori, Sumida-ku, Tokyo
- 2) Access: 1-minute walk from Ryogoku Station of the Toei Oedo Line  
5-minute walk from Ryogoku Station of the JR Sobu Line
- 3) Land Area: 286.80 m<sup>2</sup>
- 4) Total Floor Area: 1,572.39 m<sup>2</sup>
- 5) Zoning: Commercial
- 6) Structure: RC 12F
- 7) Builder: Atrium Co., Ltd.



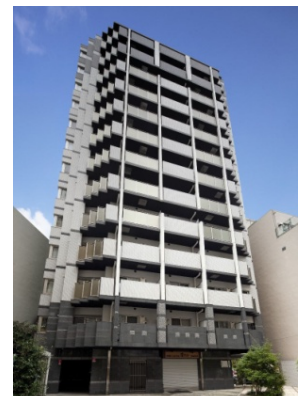
### ForeCity Toyosu

- 1) Location: 1-Chome, Shinonome, Koto-ku, Tokyo
- 2) Access: 9-minute walk from Toyosu Station of the Tokyo Metro Yurakucho Line and Yurikamome Line
- 3) Land Area: 783.34 m<sup>2</sup>
- 4) Total Floor Area: 3,058.24 m<sup>2</sup>
- 5) Zoning: Quasi-industrial
- 6) Structure: RC 11F
- 7) Builder: Oriental Construction



### ForeCity Nishihonmachi

- 1) Location: 1-Chome, Nishihonmachi, Nishi-ku, Osaka City, Osaka
- 2) Access: 5-minute walk from Hommachi Station of the Osaka Municipal Subway Yotsubashi Line  
7-minute walk from Awaza Staion of the Osaka Municipal Subway Sennichimae Line
- 3) Land Area: 391.96 m<sup>2</sup>
- 4) Total Floor Area: 2,675.88 m<sup>2</sup>
- 5) Zoning: Commercial
- 6) Structure: RC 13F
- 7) Builder: Muramoto Corporation



## 7. Seller Overview

Name:	Ichigo Real Estate Investment Corporation (Ticker: 8975)
Address:	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative:	Yoshihiro Takatsuka, Executive Director
Asset Manager:	Ichigo Real Estate Investment Advisors Co., Ltd.

## 8. Acquisition Prices

ForeCity Roppongi:	1.6 billion yen
ForeCity Azabujuban:	1.1 billion yen
ForeCity Azabujuban No.2:	1.2 billion yen
ForeCity Shirokanedai:	0.8 billion yen
ForeCity Akihabara:	2.2 billion yen
Suite One Court:	0.7 billion yen
ForeCity Sasazuka:	1.0 billion yen
Gran Presso Kawadacho:	0.5 billion yen
ForeCity Sakurashinmachi:	0.7 billion yen
ForeCity Shinkamata:	1.0 billion yen
ForeCity Nakaochiai:	0.3 billion yen
ForeCity Tomigaya:	1.7 billion yen
ForeCity Ryogoku:	1.1 billion yen
ForeCity Toyosu:	1.8 billion yen
ForeCity Nishihonmachi:	1.0 billion yen
<u>Total</u>	<u>16.5 billion yen</u>

## 9. Schedule

Contract Date:	November 14, 2014
Expected Settlement Date:	December 12, 2014 for all 15 assets

## 10. Earnings Outlook

On today's asset sales, Ichigo will generate 21.1 billion yen in revenues and 2.1 billion yen in gross profit. Ichigo's April 17, 2014 consolidated earnings forecast for the current February 2015 fiscal year is unchanged, as the forecast assumed significant asset sales and profits during the second-half of this year, which these sales have delivered.

## 11. Other

Please refer to today's release "Asset Acquisitions and Sales" announced by Ichigo REIT.

Forward-looking statements contained in this material are based on judgments obtained from information that was available to Ichigo Group Holdings as of the announcement date. However, these statements involve risks and uncertainties. Therefore, please note that actual earnings may differ significantly from the described earnings projection as a result of various factors.
--