Ichigo Office
(8975)

Strategic Portfolio Restructuring

April 25, 2018

Ichigo Office REIT Investment Corporation (8975)

Ichigo Investment Advisors Co., Ltd.

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

This material is a summary of the following four releases detailing Ichigo Office's strategic portfolio restructuring:

"Sale of Two Retail Assets (Ichigo Sapporo Minami 2 Nishi 3 Building, Ichigo Daimyo Balcony)," March 16, 2018

"Sale of Retail Asset (Ichigo Burg Omori Building)," March 29, 2018

"Acquisition of Two Office Assets (Win Gotanda Building 2, MIF Building)," April 25, 2018

"Earnings Forecast Revision for the October 2018 Fiscal Period and Earnings Forecast for the April 2019 Fiscal Period," April 25, 2018

一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.



© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Strategic Portfolio Restructuring Objectives

Focus Ichigo Office's Portfolio on High-Quality Office Assets & Grow Shareholder Value

- Focus on Central Tokyo assets with upside potential
- Increase Office weighting as specialized Office REIT
- NAV per Share +1.5% on 3 Asset Sales & 2 Asset Acquisitions

	Pre-Strategic Restructuring	Post-Strategic Restructuring	Change
Portfolio Size	85 assets, JPY 197B	84 assets, JPY 198B	-1 asset, +JPY 1B
Office Weighting	90.6%	92.9%	+2.3%
Tokyo Metro Area Weighting	79.6%	80.3%	+0.7%
Central Tokyo Weighting	55.1%	57.6%	+2.5%
NAV per Share	JPY 81,358	JPY 82,539	+JPY 1,181 (+1.5%)

Generating Gains on Sales in Strong Sellers' Market

- Sales at 1.4X book value and 1.4X appraisal value
- Gains on sale of JPY 1.6 billion deployed for growth investments such as today's asset acquisitions

一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Strategic Portfolio Restructuring Overview

Gains on Sale Significantly Exceeded Unrealized Gains
Proceeds Deployed for Growth Investments in Central Tokyo Offices

Asset Sales (Retail)


Ichigo Sapporo Minami 2 Nishi 3 Building (Hokkaido)


Ichigo Daimyo Balcony (Fukuoka)


Ichigo Burg Omori (Ota-ku, Tokyo)

Strategic Restructuring

Asset Acquisitions (Central Tokyo Offices)


Win Gotanda Building 2 (Shinagawa-ku, Tokyo)


MIF Building (Chiyoda-ku, Tokyo)

Asset Type	3 Retail Assets
Total Sale Price	JPY 6.0B
Total Appraisal Value	JPY 4.2B
NOI Yield	4.5%
Average Occupancy	93.3%

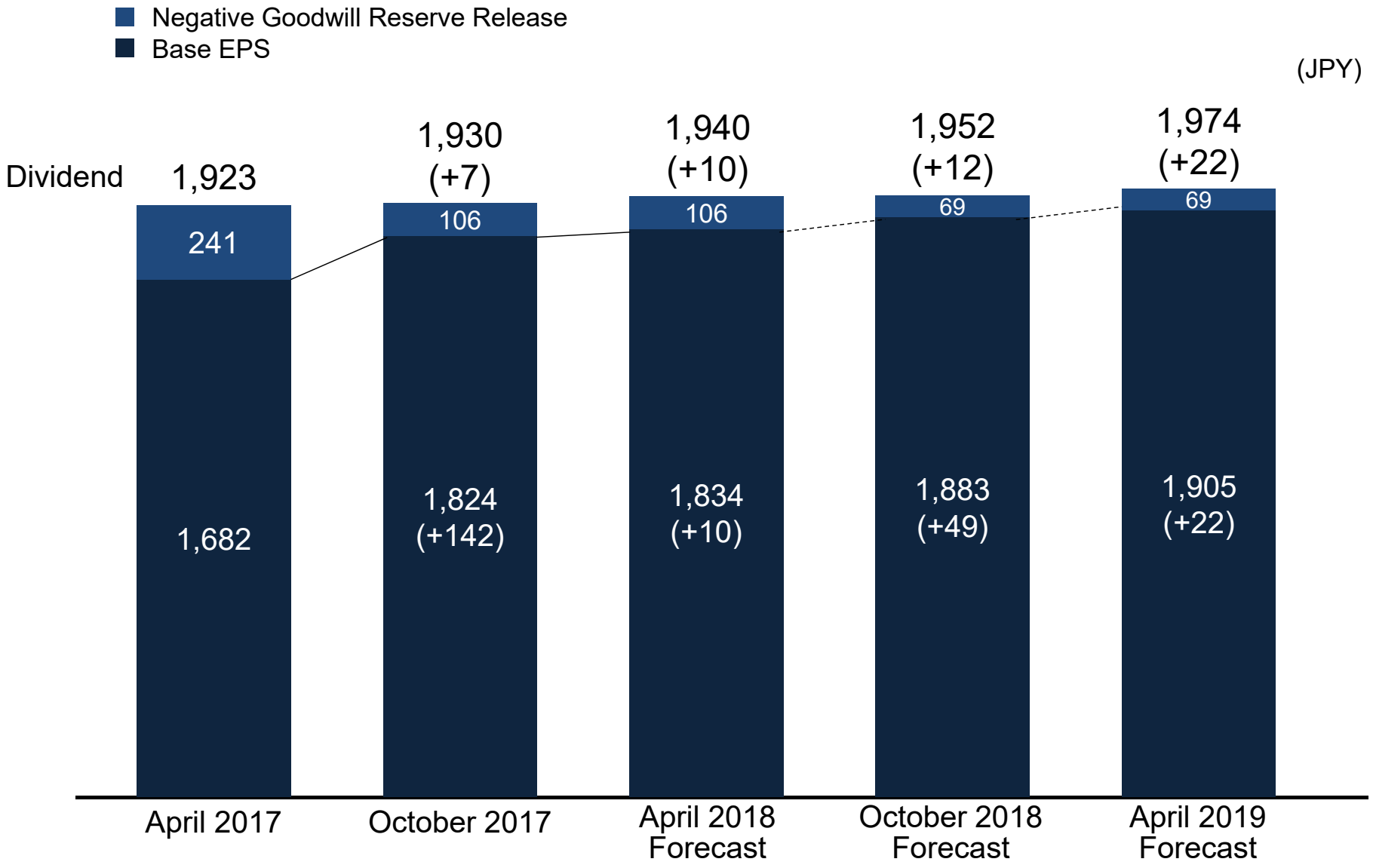
Total Book Value	JPY 4.2B

Asset Type	2 Mid-Size Offices
Total Acquisition Price	JPY 5.5B
Total Appraisal Value	JPY 5.8B
Forecast NOI Yield	4.6%
Average Occupancy	100%

一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Strategic Restructuring Supporting Base EPS & DPS Growth



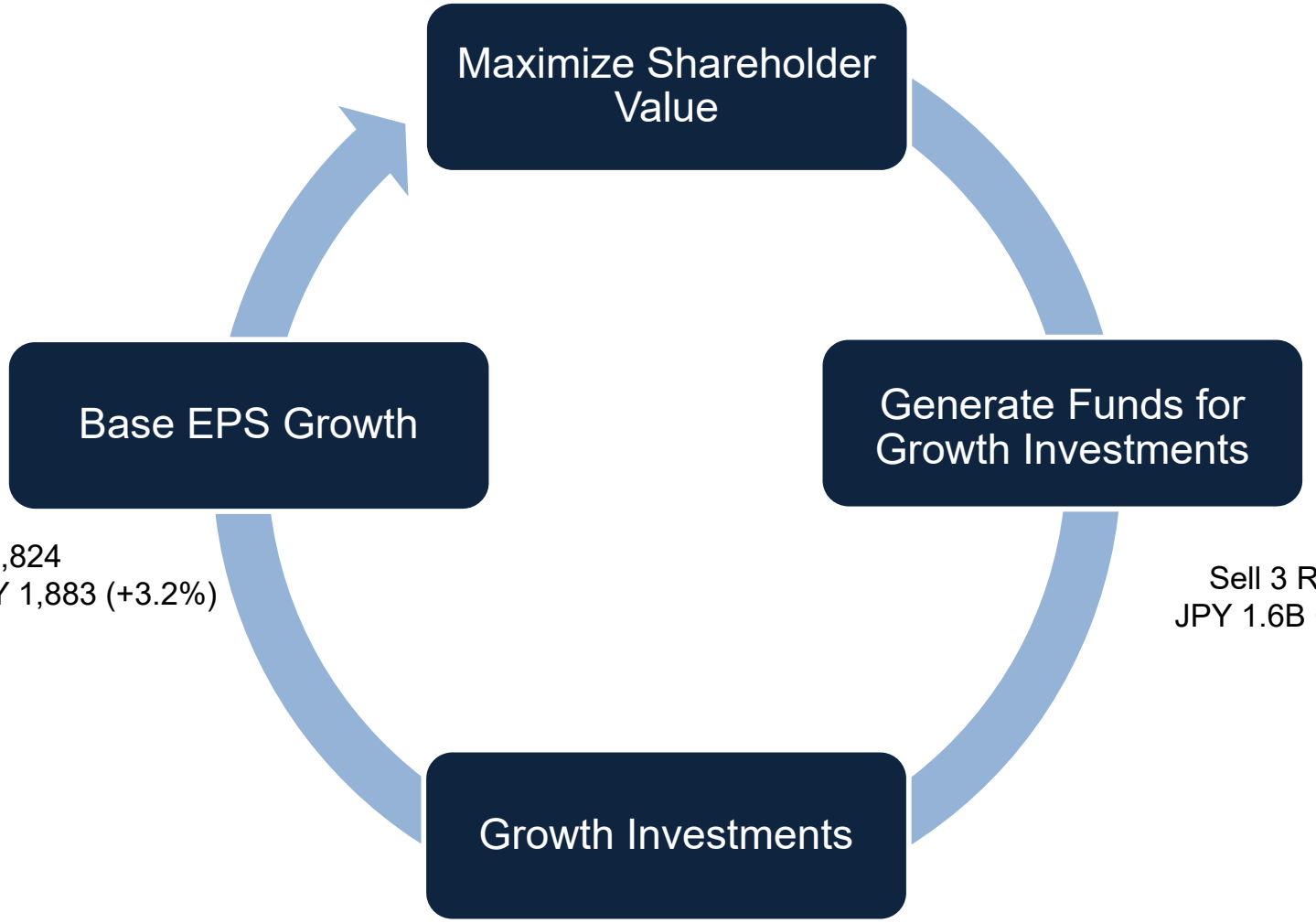
Base EPS = EPS - Capital Gains
Parentheses show change versus previous fiscal period

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Execution on Growth Strategy Roadmap

Investing for Growth in Shareholder Value

+1.5% NAV per Share on Asset Sales & Acquisitions



Base EPS:
October 2017 (Actual) JPY 1,824
October 2018 (Forecast) JPY 1,883 (+3.2%)

Sell 3 Retail Assets
JPY 1.6B Gains on Sale

Acquire 2 Central Tokyo Offices

一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Acquisition: Win Gotanda Building 2 (O-89)

5th Acquisition in Gotanda, Central Tokyo Area Seeing Strong Demand

Asset Overview

Acquisition Price	JPY 3.30B
Appraisal Value	JPY 3.48B
NOI Yield	4.7%
Asset Type	Office
Location	4-1-12 Osaki, Shinagawa-ku, Tokyo
Leasable Area	3,433.16m^2
Structure	SRC/RC B1F/9F
Date Built	March 1993
Occupancy	100% (as of 2018/3/31)



Location and Features

- A mid-size office building located within a 5-minute walk from Gotanda Station on the JR Yamanote Line, the Toei Subway Asakusa Line, and the Tokyu Ikegami Line, and immediately adjacent to Osaki Hirokoji Station on the Tokyu Ikegami Line.
- A growing number of IT start-ups have moved into Gotanda in recent years because of relatively lower rents relative to Shibuya and Ebisu and the availability of many office buildings in close proximity to the train station.
- Each floor has a standard floor plate of 120 tsubo (396m^2) with ceiling heights of 2.6m, and is equipped with individual air conditioning units and raised access floors, therefore catering to the demands of diverse tenants.
- The first floor is occupied by a convenience store and the upper floors are occupied by office tenants, including telecommunications companies and building management companies.



一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Acquisition: MIF Building (O-90)

Mid-Size Office Bordering Otemachi with Excellent Central Tokyo Access

Asset Overview

Acquisition Price	JPY 2.20B
Appraisal Value	JPY 2.32B
NOI Yield	4.6%
Asset Type	Office
Location	1-6-6 Uchikanda, Chiyoda-ku, Tokyo
Leasable Area	1,690.33m^2
Structure	SRC B1F/9F
Date Built	January 1991
Occupancy	100% (as of 2018/3/31)



Location and Features

- A mid-size office building located within a 4-minute walk from Otemachi Station on the Marunouchi Line and a 6-minute walk from Kanda Station on the JR Yamanote Line.
- As a secondary market to the major Otemachi and Marunouchi business areas, Uchikanda offers a combination of smooth and convenient access at reasonable rents, thus catering to a diverse range of tenants.
- Each floor has a standard floor plate of 80 tsubo (264m^2) and is shaped in such a way that it can accommodate a variety of layouts. Each floor is also equipped with individual air conditioning units and raised access floors, therefore catering to the demands of diverse tenants.
- A convenience store occupies the first floor and the upper floors are occupied by office tenants including media, pharmaceutical, and manufacturing companies.



一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Notes

p. 4 Calculations

- Tokyo Metro Area Weighting: Weighting of assets located in Tokyo, Kanagawa Prefecture, Chiba Prefecture, and Saitama Prefecture (acquisition price-based)
- Central Tokyo Weighting: Weighting of assets located in Chiyoda-ku, Minato-ku, Chuo-ku, Shinjuku-ku, Shibuya-ku, and Shinagawa-ku (acquisition price-based)
- NAV = (Net Assets + Unrealized Gains/Losses) / Total Shares Outstanding (Period-End)
  - ✓ Pre-Strategic Restructuring Unrealized Gains
    October 2017 Fiscal Period-End Appraisal Value minus October 2018 Fiscal Period-End Forecast Book Value
  - ✓ Post-Strategic Restructuring Unrealized Gains
    Portfolio Assets (82 assets): October 2017 Fiscal Period-End Appraisal Value minus October 2018 Fiscal Period-End Forecast Book Value
    Acquisition Assets: Appraisal Value at Acquisition minus October 2018 Fiscal Period-End Forecast Book Value

p. 5 Calculations

- Asset Sale NOI Yield = Annual NOI (October 2017 fiscal period annualized) divided by the sale price of the asset
- Asset Sale Average Occupancy is as of February 28, 2018
- Asset Sale Book Value = Forecast book value as of the sale date calculated by IIA
- Asset Acquisition Forecast NOI Yield = Forecast annual NOI calculated by IIA divided by acquisition price
- Asset Acquisition Average Occupancy is as of March 31, 2018

一期一会
ICHIGO

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.

Disclaimer

These materials are for informational purposes only, and do not constitute or form a part of, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of Ichigo Office REIT Investment Corporation (“Ichigo Office”).

These materials may contain forward-looking statements regarding the intent, belief or current expectations of management of Ichigo Office with respect to financial condition and future results of operations. These statements are based on certain assumptions founded on currently available information. Accordingly, such statements are subject to risks, uncertainties and assumptions and there is no assurance as to actual financial conditions or results of operations. Actual results may vary from those indicated in the forward-looking statements. Accordingly, please refrain from solely relying on these statements.

These materials have been created by the management of Ichigo Office and Ichigo Investment Advisors Co., Ltd. (IIA) with the belief that the information contained is accurate. However, there is no assurance given as to the accuracy, certainty, validity or fairness of any such information. Please note that the content of these materials is subject to revision or retraction without prior notice.

This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. No copying or reproduction of these materials or part of these materials is allowed without obtaining prior consent from Ichigo Office and IIA.

一期一会
ICHIGO

Ichigo Office REIT IR Desk
TEL：03-3502-4891
IR_Office@ichigo.gr.jp
www.ichigo-office.co.jp/english

Ichigo is Japan’s first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.

© Ichigo Investment Advisors Co., Ltd. Ichigo Office REIT Investment Corporation All rights reserved.