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ICHIGO

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Acquisition of Office Asset (Ichigo Hakata East Building) and Sale of Retail Asset (Ichigo Fiesta Shibuya Building)

Consistent with its strategy as a specialized office REIT, Ichigo Office decided today to acquire an office asset, the Ichigo Hakata East Building, and sell a legacy, non-office retail asset, the Ichigo Fiesta Shibuya Building. Ichigo Office's sponsor, Ichigo, provided the office asset and agreed to purchase the non-office asset.

1. Asset Acquisition Summary

Asset Number Asset Name[1]	O-94 Ichigo Hakata East Building
Asset Type	Office
Date Built	June 11, 2002
Form of Ownership	Trust beneficiary interest in real estate (*juekiken*)
Appraisal Value[2]	JPY 2,480 million
Acquisition Price[3]	JPY 2,250 million
Seller	Kichijoji Holdings GK
Contract Date	May 29, 2019
Closing Date	May 31, 2019
Financing Method[4]	Cash-on-hand
Settlement Method	Lump-sum payment

[1] Ichigo Office will change the building name from the Takeyama Hakata Building to the Ichigo Hakata East Building. For purposes of this release, the building is referred to as the Ichigo Hakata East Building.

[2] Appraisal Value is calculated by Tanizawa Sogo Appraisal as of April 1, 2019, and is in compliance with the appraisal guidelines of Ichigo Investment Advisors ("IIA") as well as the rules of the Investment Trusts Association of Japan.

[3] Acquisition Price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

[4] Includes proceeds from today's asset sale

2. Asset Sale Summary

Asset Number Asset Name	Z-02 Ichigo Fiesta Shibuya Building
Asset Type	Retail
Date Built	November 1, 1979
Form of Ownership	Real Estate
Acquisition Date	November 1, 2011 (Acquired by former Ichigo REIT on August 1, 2007)
Sale Price[1] (A)	JPY 2,400 million
Buyer	Hakata GK
Book Value[2] (B)	JPY 1,959 million
Sale Price vs. Book Value[2] (A) – (B)	+JPY 440 million
Appraisal Value[3]	JPY 2,210 million
Contract Date	May 29, 2019
Closing Date	May 30, 2019
Legal Form of Transaction[4]	Sale of trust beneficiary interest in real estate (*juekiken*)

[1] Sale Price is the sale price of the asset excluding incidental expenses such as fees and property, city planning, and consumption taxes.

[2] Book Value is an estimate based upon the most recent book value (October 2018 fiscal period), adjusted for capital expenditures and depreciation through the Closing Date. Sale Price vs. Book Value is the difference between the sale price and book value of the asset (i.e., the Sale Price is higher than Book Value).

[3] Appraisal Value is calculated by Daiwa Real Estate Appraisal as of April 30, 2019, and is in compliance with the appraisal guidelines of IIA as well as the rules of the Investment Trusts Association of Japan.

[4] Any expense that incurs due to the transfer of the trust beneficiary interest in real estate (*juekiken*) will be borne by the buyer.

3. Transaction Rationale

As a specialized office REIT, Ichigo Office continues to execute on its strategy to grow shareholder value by focusing its portfolio on high-quality, mid-size office assets.

Consistent with this strategy, Ichigo Office is today acquiring an office asset and selling a non-office retail asset. Ichigo Office's post-transaction portfolio will be 80 office assets, comprising 95.5% of the portfolio by value. The acquisition and sale are expected to increase Ichigo Office's annual NOI by c. JPY 12 million.[1]

The Ichigo Hakata East Building is located in central Fukuoka, a real estate market with considerable rental growth potential. Please refer to Section 4 below for additional details on the asset and the specific acquisition rationale.

Ichigo Office decided to sell the retail asset because of the significant anticipated expenditures required for upgrades to maintain its competitiveness and the uncertain outlook for rents from restaurant and shop tenants in the area. Ichigo Office had been looking for a buyer for the retail asset who would simultaneously provide a quality office asset for Ichigo Office to acquire in order to avoid a fall-off in its earnings and dividend due to the sale. Ichigo Office's sponsor, Ichigo, was willing to both buy the retail asset and sell the office asset on the terms that Ichigo Office required, making today's transactions possible. The asset sale is expected to generate gains on sale of c. JPY 400 million.

With this asset sale, Ichigo Office is also embarking upon a new strategy to drive its sustainable growth with support from Ichigo. If Ichigo ever redevelops the Ichigo Shibuya Fiesta Building, Ichigo Office will have a preferential negotiation right with respect to acquiring the asset.[2]

Ichigo Office has confirmed the appropriateness of the Ichigo Hakata East Building's acquisition price and the Ichigo Shibuya Fiesta Building's sale price. Given that this is a related-party transaction, Ichigo Office fully implemented its related-party transaction procedures, including getting third-party appraisals on both the office and retail asset and cross-checking the third-party appraisals with an additional third-party second opinion appraisal.

Proceeds from the sale will be used along with cash-on-hand to finance the acquisition.

[1] The annual NOI increase is calculated per the following:
NOI of sold asset = Annualized NOI of sold asset based on October 2018 actual
NOI of acquired asset = Annualized forecast NOI of acquired asset calculated by IIA
For details, please refer to Reference on page 14.

[2] In the case that Ichigo decides to sell the asset after redeveloping it, Ichigo is required to give prior notice to Ichigo Office, and Ichigo Office will have a preferential negotiation right with respect to acquiring the asset.

4. Description and Location of the Ichigo Hakata East Building

(1) Location

The Ichigo Hakata East Building is in Hakata, Fukuoka's main commercial district centered on the Hakata Station rail hub, that has been experiencing ongoing population growth. Several major roads also converge on Hakata, and it features a significant number of hotels and large office buildings occupied by financial institutions and major corporations.

The building offers convenient access to JR Hakata Station, which is served by JR lines including the Shinkansen bullet train, and to the Fukuoka City Subway Kuko Line, which connects to the Tenjin entertainment district and Fukuoka Airport.

Hakata is expected to experience further growth as a major commercial district due to new redevelopment projects planned near the station.

(2) Features

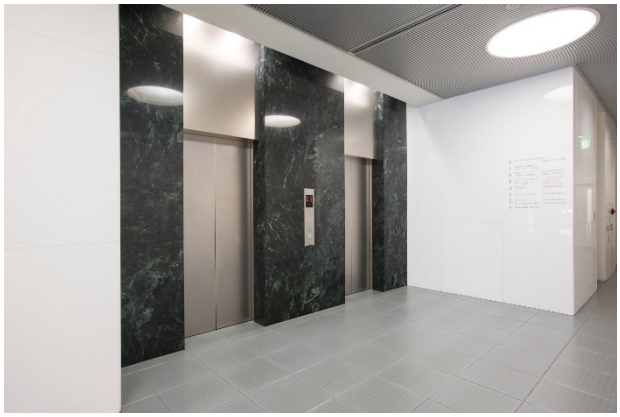
The Ichigo Hakata East Building is a mid-size office building located within a four-minute walk from JR Hakata Station and the Fukuoka City Subway Kuko Line.

Each floor has a standard floor plate of 120 tsubo (396m^2) with a standard ceiling height of 2.7 meters, and is equipped with individual air conditioning systems and raised-access floors, therefore catering to the demands of diverse tenants.

Tenants include a cosmetics manufacturer, a security company, a construction consultancy, and the branch and sales offices of listed Japanese companies.

(3) Building Exterior/Interior and Location







Asset Overview						
Asset Name		Ichigo Hakata East Building				
Legal Form of Asset		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Period of Trust Contract		July 30, 2015 – May 31, 2029 (expected)				
Location		1-13-6 Hakataeki Higashi, Hakata-ku, Fukuoka				
Land	Property Right	Freehold				
	Area	751.78m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 500%				
Building	Property Right	Freehold				
	Use	Office				
	Structure	Steel Reinforced Concrete, 8 Floors				
	Total Floor Area	3,858.01m^2				
	Date Built	June 11, 2002				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 2,480 million				
Appraisal Date		April 1, 2019				
Value by Direct Capitalization Method		JPY 2,580 million				
Architect[1]		Kajima Corporation, Kyushu Branch, First-Class Registered Architects Office				
Builder[1]		Kajima Corporation, Kyushu Branch				
Structural Designer[1]		Kajima Corporation, Kyushu Branch, First-Class Registered Architects Office				
Inspection Agency[1]		Fukuoka City				
PML (Assessor)		1.61% (Sompo Risk Management & Health Care Inc.)				
Collateral		None				
Lease Details (as of April 30, 2019)						
Tenant Overview						
	Number of Tenants	21				
	Monthly Rental Income	JPY 10.865 million				
	Tenant Security Deposits	JPY 84.324 million				
	Leasable Area	2,918.31m^2				
	Leased Area	2,861.88m^2				
	Occupancy	Apr 2017	Oct 2017	Apr 2018	Oct 2018	Apr 2019
		100%	100%	100%	100%	98.1%

Property Management Company	Fukuoka Jisho Co., Ltd. (expected)
Master Lease Company	Ichigo Office REIT Investment Corporation (expected)
Master Lease Type	Pass-through (expected)

Special Items

1. A lease termination notification was received from one of the tenants (leased area: 56.24m^2) on May 24, 2019, effective December 31, 2019. Occupancy is expected to be 96.1% after the termination.
2. Part of the concrete wall and an electric socket cover (socket used for a TV antenna) encroach on the south neighbor. There is no memorandum of understanding to rectify the situation.

[1] Names of the architect, builder, structural designer, and inspection agency are those as of the building's construction date.

Appraisal Details		
Asset Name	Ichigo Hakata East Building	
Appraisal Value	JPY 2,480,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	April 1, 2019	
	Amount	**Note**
Appraisal Value	JPY 2,480,000,000	Based on a DCF valuation and verified using a direct capitalization valuation
Value by Direct Capitalization Method	JPY 2,580,000,000	
Income	JPY 165,921,561	
Forecast Full-Occupancy Rental Income	JPY 174,580,591	Based on an analysis of potential rental income, common area service income, parking lot income, and other income
Forecast Decrease in Rental Income due to Vacancy	JPY 8,659,030	Based on long-term vacancy rates
Expenses	JPY 45,457,218	
Administrative & Maintenance Expenses	JPY 12,186,863	Based on actual amounts
Utility Expenses	JPY 14,498,164	Based on actual amounts
Repair Expenses	JPY 3,390,000	Based on engineering reports
PM Fee	JPY 3,810,174	Based on current rate
Leasing Brokerage Fees	JPY 1,237,805	Based on a 10% p.a. turnover rate
Taxes	JPY 9,770,400	Based on FY2018 actual amounts
Insurance Premiums	JPY 397,890	Based on insurance estimates
Other Expenses	JPY 165,922	Based on actual amounts
Net Operating Income (NOI)	JPY 120,464,343	
Income from Investments of Deposits	JPY 1,142,907	Based on a 1.0% investment yield
Capital Expenditure	JPY 7,910,000	Based on engineering reports
Net Profit	JPY 113,697,250	
Cap Rate	4.4%	Based on transactions of similar assets and a comprehensive assessment of the asset's location, its specific characteristics, and the discount rate appropriate to the asset

	Value via DCF Method	JPY 2,440,000,000	
	Discount Rate	4.5%	Based on yields of similar real estate assets and of Japanese financial assets, taking into account the asset's specific characteristics
	Terminal Cap Rate	4.6%	Based upon risk-adjusted NOI
Accounting Value		JPY 2,290,000,000	
	Land	76.0%	Based upon value recorded in government land assessment (*koujikakaku*)
	Building	24.0%	Based upon post-depreciation value
Notes			
None			

Note: Appraisal NOI Yield: 5.4% (calculated by dividing NOI by Acquisition Price)

5. Seller Profile

Name	Kichijoji Holdings GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Ippan Shadan Hojin Star Holding, Representative Employee Takafumi Inaba, Representative Director
Principal Businesses	1. Ownership and buying/selling of trust beneficiary interests in real estate (*juekiken*) 2. Ownership, management, and buying/selling of real estate 3. Other business relating to the above businesses
Capital	JPY 100,000
Establishment Date	April 30, 2013
GK Investor	Ippan Shadan Hojin Star Holdings
Relationship with Ichigo Office or Ichigo Investment Advisors (IIA)[1]	Although the seller is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, it is a related party as defined in IIA's internal rules given that Ichigo, IIA's 100% shareholder, is the sole investor in the seller and the seller receives asset management advice from Ichigo Estate, an Ichigo subsidiary.

[1] Because Kichijoji Holdings GK is a related party as specified in IIA's internal rules, Ichigo Office has obtained prior approval from IIA's Board of Directors to fully implement IIA's rules on related-party transactions. Ichigo Office has also cross-checked the third-party appraisal with an additional third-party second opinion appraisal.

6. Ownership History

Asset Name		Ichigo Hakata East Building	
		Current Owner	Previous Owner
	Name	Kichijoji Holdings GK	Unrelated Party
	Relationship with Ichigo Office	Please see "Seller Profile" in Section 5.	–
	Acquisition Rationale	Investment	–
	Acquisition Price	Omitted as ownership exceeds one year	–
	Acquisition Date	July 30, 2015	–

7. Broker Profile of Acquisition

N/A

8. Details of Ichigo Fiesta Shibuya Building

Asset Overview						
Asset Name		Ichigo Fiesta Shibuya Building				
Legal Form of Asset		Real estate				
Location		3-10 Udagawacho, Shibuya-ku, Tokyo				
Land	Property Right	Freehold				
	Area	204.62m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 700%				
Building	Property Right	Freehold				
	Use	Retail, Medical Clinic, Office				
	Structure	Steel Reinforced Concrete, B1 Floor + 9 Floors				
	Total Floor Area	1,399.74m^2				
	Date Built	November 20, 1979				
Number of Tenants		10 (as of April 30, 2019)				
Monthly Rental Income		JPY 10.059 million (as of April 30, 2019)				
Tenant Security Deposits		JPY 108.176 million (as of April 30, 2019)				
Leasable Area		1,185.85m^2 (as of April 30, 2019)				
Leased Area		1,185.85m^2 (as of April 30, 2019)				
Occupancy		Apr 2017	Oct 2017	Apr 2018	Oct 2018	Apr 2019
		100%	96.1%	96.1%	100%	100%
Acquisition Price		JPY 1,970 million				
Appraisal Value	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.				
	Appraisal Date	April 30, 2019				
	Appraisal Value	JPY 2,210 million				

Note: Monthly Rental Income (including utilities fees) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Details		
Asset Name	Ichigo Fiesta Shibuya Building	
Appraisal Value	JPY 2,210,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	April 30, 2019	
	Amount	**Note**
Appraisal Value	JPY 2,210,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	JPY 2,220,000,000	
Income	JPY 126,370,559	
Forecast Full-Occupancy Rental Income	JPY 131,198,400	Based on an analysis of potential rental income, common area service income, and other income
Forecast Decrease in Rental Income due to Vacancy	JPY 4,827,841	Based on long-term vacancy rates
Expenses	JPY 34,549,051	
Administrative & Maintenance Expenses	JPY 7,376,640	Based on an analysis of expenses of similar assets and past actual amounts
Utility Expenses	JPY 14,319,360	Based on similar assets and past actual amounts
Repair Expenses	JPY 1,877,000	Based on engineering reports and similar assets
PM Fee	JPY 2,729,816	Based on current rate
Leasing Brokerage Fees	JPY 760,884	Based on expected turnover rate and tenant acquisition costs for similar assets
Taxes	JPY 7,102,000	Based on FY2018 actual amounts
Insurance Premiums	JPY 130,610	Based on FY2019 actual amounts
Other Expenses	JPY 252,741	0.2% of rental income (accounted for as a variable expense)
Net Operating Income (NOI)	JPY 91,821,508	
Income on Investment of Deposits Received	JPY 913,061	Based on a 1.0% investment yield
Capital Expenditure	JPY 4,005,000	Based on engineering reports and similar assets
Net Profit	JPY 88,729,569	
Cap Rate	4.0%	Based on yields of similar real estate assets and of Japanese financial assets, taking into account the asset's specific characteristics

	Value via DCF Method	JPY 2,200,000,000	
	Discount Rate	3.8%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
	Terminal Cap Rate	4.2%	Based upon risk-adjusted NOI
Accounting Value		JPY 1,270,000,000	
	Land	96.3%	Based upon value recorded in government national land assessment (*koujikakaku*)
	Building	3.7%	Based upon post-depreciation value

Notes

A DCF valuation (verified using a direct capitalization valuation) was the primary valuation methodology employed, because it reflects market value and is thus more relevant than accounting value.

9. Buyer Profile

Name	Hakata GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Ippan Shadan Hojin IES2, Representative Employee Takafumi Inaba, Representative Director
Principal Businesses	1. Ownership and buying/selling of trust beneficiary interests in real estate (*juekiken*) 2. Ownership, management, and buying/selling of real estate 3. Other business relating to the above businesses
Capital	JPY 100,000
Establishment Date	February 1, 2018
GK Investor	Ippan Shadan Hojin IES2
Relationship with Ichigo Office or IIA[1]	Although the buyer is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, it is a related party as defined in IIA's internal rules given that Ichigo, IIA's 100% shareholder, is the buyer's sole investor and the buyer receives asset management advice from Ichigo Estate, an Ichigo subsidiary and related party.

[1] Because Hakata GK is a related party as specified in IIA's internal rules, Ichigo Office has obtained prior approval from IIA's Board of Directors to fully implement IIA's rules on related-party transactions. Ichigo Office has also cross-checked the third-party appraisal with an additional third-party second opinion appraisal.

10. Broker Profile

N/A

11. Use of Sale Proceeds

Ichigo Office will allocate part of the sale proceeds towards the Ichigo Hakata East Building acquisition.

12. Transaction Schedule

Board Resolution Date	May 29, 2019
Contract Date	May 29, 2019
Closing Date for Asset Sale	May 30, 2019 (expected)
Closing Date for Asset Acquisition	May 31, 2019 (expected)

13. Earnings Outlook

The asset sale is forecast to generate gains on sale of JPY 400 million.[1] Subject to complying with J-REIT conduit requirements, Ichigo Office will retain all or part of the gains on sale to fund future acquisitions and value-add capex. There is no change to Ichigo Office's October 2019 earnings forecast.

[1] Calculated as sale price including property and city-planning taxes minus book value and expected sale-related expenses

Reference

1. Earnings Profile of Asset Being Acquired

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	160	141
B. Rental Expenses (excluding depreciation)[3]	44	43
C. NOI (A-B)	116	97
D. NOI Yield[4]	5.2%	4.3%
E. Depreciation[5]	17	17
F. Post-depreciation NOI (C-E)	98	79
G. Post-depreciation NOI Yield[4]	4.4%	3.5%
H. Occupancy[6]	96.0%	98.1%

[1] Amounts exclude one-off factors in the year of acquisition and are calculated based on current and future anticipated fluctuations in occupancy.
[2] Shows first-year amounts used to calculate the DCF-based valuation, excluding one-off factors in the year of acquisition.
[3] Rental Expenses include incidental expenses such as service provider expenses, property, city planning, and consumption taxes, and other fees.
[4] Forecast NOI Yield and NOI Yield At Acquisition are calculated by dividing the Forecast NOI and NOI At Acquisition, respectively, by the Acquisition Price.
[5] Depreciation is as estimated by Ichigo Office.
[6] Occupancy is as of April 30, 2019.

2. Engineering Report Summary

Asset Name	Ichigo Hakata East Building
Inspector Name	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Inspection Date	March 2019
Short-Term Repair Expenses[1]	–
Long-Term Repair Expenses[2]	JPY 124.288 million
Current Replacement Cost	JPY 1,129.800 million

[1] Short-Term Repair Expenses are defined as repair expenses beyond the scope of ordinary maintenance within a year from the time of inspection.
[2] Long-Term Repair Expenses are defined as cumulative repair expenses considered necessary for the maintenance of the asset within twelve years from the time of inspection.

Appendix C: Post-Transaction Portfolio

No.	Asset Name	Area[1]	Acquisition Price[2] (JPY million)	% of Portfolio[3]
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	1.6
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.3
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	0.9
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.8
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.6
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.7
O-08	Ichigo Akasaka 5 Chome Building	Central Tokyo	735	0.4
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	0.5
O-10	Ichigo Ebisu Nishi Building	Central Tokyo	1,917	0.9
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	0.9
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.6
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.3
O-15	Ichigo Tameike Building	Central Tokyo	580	0.3
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	0.9
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.6
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.4
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.4
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	2.5
O-21	Ichigo Shin Yokohama Building	Tokyo Metro Area	1,816	0.9
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metro Area	1,460	0.7
O-23	Ichigo Nakano North Building	Tokyo Metro Area	764	0.4
O-24	Ichigo Eitai Building	Tokyo Metro Area	1,490	0.7
O-26	Ichigo Ikejiri Building	Tokyo Metro Area	2,030	1.0
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metro Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.4
O-29	Ichigo Kichijoji Building	Tokyo Metro Area	2,160	1.1
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.3
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.3
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,645	0.8
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.6
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.5
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.0
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.7
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.0
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.1

No.	Asset Name	Area[1]	Acquisition Price[2] (JPY million)	% of Portfolio[3]
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	0.9
O-51	Ebisu Green Glass	Central Tokyo	5,900	2.9
O-52	Ichigo Omori Building	Central Tokyo	3,850	1.9
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	0.8
O-54	Ichigo Omiya Building	Tokyo Metro Area	3,430	1.7
O-55	Ichigo Sagamihara Building	Tokyo Metro Area	1,174	0.6
O-56	Ichigo Ofuna Building	Tokyo Metro Area	2,000	1.0
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	0.9
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.7
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.5
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.8
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	1.9
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.4
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.3
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.2
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.2
O-66	Ichigo Kudan Building	Central Tokyo	3,190	1.6
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	1.8
O-68	Axior Mita	Central Tokyo	1,800	0.9
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metro Area	4,570	2.2
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.8
O-71	Ichigo Kawasaki Building	Tokyo Metro Area	1,750	0.9
O-72	Ichigo Shibuya East Building	Central Tokyo	1,350	0.7
O-73	Ichigo Ningyocho Building	Central Tokyo	1,450	0.7
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.1
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.7
O-76	Ichigo Nishiki First Building	Four Major Regional Cities	2,000	1.0
O-77	Ichigo Ikenohata Building	Tokyo Metro Area	5,130	2.5
O-78	Ichigo Ikebukuro East Building	Tokyo Metro Area	3,010	1.5
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	0.9
O-80	Ichigo Otsuka Building	Tokyo Metro Area	2,740	1.3
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.7
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.2
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.7
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5

No.	Asset Name	Area[1]	Acquisition Price[2] (JPY million)	% of Portfolio[3]
O-85	Ichigo Shibuya Udagawacho Building	Central Tokyo	3,500	1.7
O-86	Win Gotanda Building	Central Tokyo	3,100	1.5
O-87	Ichigo Hongo Building	Tokyo Metro Area	2,300	1.1
O-88	Oimachi Center Building	Central Tokyo	1,680	0.8
O-89	Win Gotanda Building 2	Central Tokyo	3,300	1.6
O-90	MIF Building	Central Tokyo	2,200	1.1
O-91	Ichigo Uchi Honmachi Building	Four Major Regional Cities	1,900	0.9
O-92	Ichigo Minami Otsuka Building	Tokyo Metro Area	2,780	1.4
O-93	Ichigo Nogizaka Building	Central Tokyo	3,315	1.6
O-94	**Ichigo Hakata East Building**	**Four Major Regional Cities**	**2,250**	**1.1**
		Subtotal - Office (80 Assets)	194,237	95.5
Z-09	Konami Sports Club Izumi Fuchu	Other Regional Cities	1,210	0.6
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.2
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metro Area	1,620	0.8
Z-12	Lions Square Kawaguchi	Tokyo Metro Area	2,430	1.2
Z-14	Ichigo Kamata Building	Tokyo Metro Area	1,400	0.7
		Subtotal - Other (5 Assets)	9,060	4.5
		Total (85 Assets)	203,297	100.0

TK Equity Investment	Tachikawa Holdings GK TK Equity Interest	50	–

[1] Central Tokyo refers to Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa Wards. Tokyo Metro Area refers to Tokyo (excluding the six wards above), Kanagawa, Chiba, and Saitama Prefectures. Four Major Regional Cities refers to Osaka, Nagoya, Fukuoka, and Sapporo.

[2] Acquisition Price excludes incidental expenses such as consumption taxes and other fees.

[3] % of Portfolio is based upon acquisition price.