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May 20, 2024

Issuer
Ichigo Office REIT Investment Corporation ("Ichigo Office," 8975)
2-6-1 Marunouchi, Chiyoda-ku, Tokyo
Representative: Keisuke Chiba, Executive Director
www.ichigo-office.co.jp/en

Asset Management Company
Ichigo Investment Advisors Co., Ltd.
Representative: Hiroshi Iwai, President
Inquiries: Yuji Kamo, Head of Ichigo Office
Tel: +81-3-4485-5231

Issuance of New Shares via Third-Party Allotment

Ichigo Office decided today to issue new shares via a third-party allotment.

1. Issuance of New Shares via Third-Party Allotment

(1) Number of shares to be offered	41,567 shares
(2) Issue price	JPY 84,200 per share
(3) Total issue amount	JPY 3,499,941,400
(4) Offering method	The shares will be offered as a third-party allotment.
(5) Subscription period	May 28, 2024 (Tuesday)
(6) Payment date	May 30, 2024 (Thursday)
(7) Allottees and number of shares to be issued to the allottees	Ichigo Trust: 41,567 shares
(8) Subscription unit	One share or more in single share multiples
(9) Administrator	SMBC Nikko Securities

(10) The aforementioned items are subject to filings submitted in accordance with the Financial Instruments and Exchange Act (1948 Law, Act No. 25, including subsequent revisions).

2. Change in Number of Shares Outstanding After New Issuance

Current total number of shares outstanding	1,513,367 shares
Increase from new shares issued via third-party allotment	41,567 shares
Total number of shares outstanding after third-party allotment	1,554,934 shares

Disclaimer: This release has been prepared for the purpose of announcing to the public certain matters relating to issuance of new shares via third-party allotment, and has not been prepared for the purpose of solicitation of investment.

3. New Issuance Rationale

Ichigo Office has a target of consistently generating total returns to shareholders of greater than 8% per annum, and believes that the acquisition of high-quality mid-size office assets with earnings upside and increasing asset values via value-add capex is essential to achieve this target.

In acquiring high-quality mid-size office assets with earnings upside, Ichigo Office utilizes its own proprietary sourcing routes as well as strong sponsor support from Ichigo (2337). Ichigo is strengthening its commitment to support the growth of its listed J-REITs and solar power producer and grow their shareholder value by providing assets at the optimal time via asset warehousing and bridge funds.

Ichigo Office grows asset value via value-add capex, deploying its asset management expertise to increase the functionality, competitiveness, and earnings of its assets and drive higher tenant satisfaction, asset value, and NAV per share.

As announced on April 26, 2024, Ichigo Office sold the Ichigo Ofuna Building on April 26, 2024 and is selling the Ichigo Kudan 2 Chome Building on October 31, 2024 and is using the proceeds from the sales to acquire high-quality mid-size office assets with earnings upside to support the stability and earnings growth of its portfolio and increase shareholder value.

Based on a comprehensive analysis of Ichigo Office's share price, financing scale and certainty, financing costs including discounts with respect to the new share issuance, impact on market liquidity after the new share issuance, and share price fluctuation risks associated with determining the terms and conditions, Ichigo Office is acquiring six office assets in line with the Investment Trust and Investment Corporation Law Article 2, Clause 1 (1951 Law, Act No. 198, including subsequent revisions) using proceeds from the new shares issuance via third-party allotment, loans from partner banks, and cash-on hand, as announced in today's release "Acquisition of Six Office Assets."

As a result of the asset sales and acquisitions, Ichigo Office's post-transaction portfolio will be 97.8% office assets comprising 89 office assets totaling JPY 220.1 billion (acquisition price-based).

4. Amount to be Procured & Use of Proceeds and Timing

(1) Amount to be procured (net proceeds)

JPY 3,499,941,400

(2) Use of Proceeds and Timing

Use of Proceeds	Amount (JPY million)	Date
Acquisition of assets	3,499,941,400	May 30, 2024

5. Use of Proceeds

Ichigo Office plans to use the proceeds (JPY 3,499,941,400) from the new share issuance via third-party allotment to acquire the six office assets, as described in "4. Amount to be Procured & Use of Proceeds and Timing" above.

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6. Reasonableness of Terms and Conditions of Share Issuance

(1) Basis for issue price calculation

The paid-in amount is JPY 84,200, the closing price of Ichigo Office's shares in regular trading at the Tokyo Stock Exchange ("TSE") on May 17, 2024, the business day prior to the issuance resolution date.

The paid-in amount of the third-party allotment is calculated based on the closing price of Ichigo Office's shares in regular trading at the TSE on the business day prior to the issuance resolution date. Ichigo Office determined that the market price closest to the time of calculation, the closing price on the business day prior to the issuance resolution date, is a reasonable price for objectively calculating the current price of Ichigo Office's shares.

The paid-in amount of JPY 84,200 is a 1.8% premium to JPY 82,677, the average closing price of Ichigo Office's shares of the one month prior to the issuance resolution date (from April 19, 2024 to May 17, 2024), a 4.5% premium to JPY 80,586, the average closing price of Ichigo Office's shares of the three months prior to the issuance resolution date (from February 20, 2024 to May 17, 2024), and a 3.2% premium to JPY 81,622, the average closing price of Ichigo Office's shares of the six months prior to the issuance resolution date (from November 20, 2023 to May 17, 2024).

(2) Basis for reasonableness of the number of shares to be issued and the dilution impact

The number of new shares under the third-party allotment is scheduled to be 41,567 shares, resulting in a 2.7% share dilution in Ichigo Office's shares outstanding (1,513,367 total as of today).

Ichigo Office believes it is necessary for the allottee to have a deep understanding of Ichigo Office in order to flexibly schedule the execution of the new share issuance via third-party allotment and designated Ichigo Trust Pte. Ltd. as the allottee. Ichigo Office determined that Ichigo Trust is an appropriate allottee as Ichigo Office has a sponsor support agreement with Ichigo Trust and expects further strengthened commitment. Ichigo Office believes that the flexible acquisition of the six office assets using proceeds from the new share issuance via third-party allotment contributes to its long-term growth.

The office assets that will be acquired using proceeds from the new share issuance are valued at JPY 15.4 billion, and will contribute to increasing portfolio earnings versus maintaining the current portfolio without the asset acquisitions, and driving portfolio diversification and stability, as well as the stability of Ichigo Office's share price. By setting the payment date of the third-party allotment close to the start of Ichigo Office's October 2024 fiscal period, Ichigo Office is limiting the dilution of Dividend per Share.

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7. Allottee Selection Rationale

(1) Overview

Ichigo Trust

(1)	Name	Ichigo Trust	
(2)	Address	Elgin Court, Elgin Avenue, P.O. Box 448, George Town, Grand Cayman, KY1-1106, Cayman Islands	
(3)	Incorporation	Cayman Islands Trust Law	
(4)	Purpose	Asset management specializing in investments in Japanese companies	
(5)	Establishment Date	October 5, 2006	
(6)	Capital	JPY 1,146,402 million (as of March 31, 2024)	
(7)	Major Shareholders and Shareholding Ratio	Primarily university endowments, foundations, and pension funds in the US and Europe. Details cannot be disclosed due to nondisclosure agreements with Ichigo Trust's clients.	
(8)	Investment Manager	Name	Ichigo Asset Management International, Pte. Ltd.
		Address	1 North Bridge Road, #06-08 High Street Centre Singapore 179094
		Representative	Partner/CEO Navaid Ejaz Farooqi
		Principal Business	Investment Management
		Capital	200,000 SGD
(9)	Domestic Standing Proxy	Name	The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch
		Address	3-11-1 Nihonbashi, Chuo-ku, Tokyo
		Representative	Representative in Japan, Edward Weeks
		Principal Business	Branch of an overseas bank
		Capital	None because it is a branch of an overseas bank
(10)	Relationship between Ichigo Trust and Ichigo Office/ Ichigo Investment Advisors ("IIA")	Relationship with Ichigo Trust	Ichigo Asset Management International Pte. Ltd., which has a discretionary investment contract with Ichigo Trust, also has a discretionary investment contract with Ichigo Trust Pte. Ltd., Ichigo Office's sponsor Ichigo's controlling shareholder and Ichigo Office's largest shareholder (as of April 30, 2024). Ichigo Trust does not have any material personnel or transactional relationships with Ichigo Office or IIA, Ichigo Office's asset management company.

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	Relationship with Investment Manager	Ichigo Asset Management International Pte. Ltd., Ichigo Trust's investment manager, has a discretionary investment contract with Ichigo Trust Pte. Ltd., Ichigo Office's largest shareholder (as of April 30, 2024). Scott Callon, CEO & Representative Director of Ichigo Asset Management, Ltd., who provides investment advice to the investment manager, is also the Chairman of Ichigo, IIA's parent company. There are no capital or transactional relationships.
	Relationship with Domestic Standing Proxy	N/A

[1] The above information is as of March 31, 2024 unless stated otherwise.

[2] Ichigo Office has confirmed that Ichigo Trust, its directors, and its major shareholders (investors) do not have any relationships with anti-social forces, and submitted relevant documents to the TSE.

(2) Allottee Selection Rationale

Please refer to "6. Reasonableness of Terms and Conditions of Share Issuance (2) Basis for reasonableness of the number of shares to be issued and the dilution impact" above for Ichigo Office's rationale for selecting Ichigo Trust as the allottee.

(3) Shareholding Policy of Allottee

The allottee has agreed to not sell the shares to be acquired via the third-party allotment until after 180 days from the settlement date without the prior written consent of Ichigo Office and IIA. However, Ichigo Trust can transfer shares to Ichigo Trust Pte. Ltd, but any such transfers of shares have as their prerequisite that Ichigo Trust Pte. Ltd. submit prior written notification to Ichigo Office and IIA that it will not sell Ichigo Office shares acquired via the third-party allotment until after 180 days from the settlement date without the prior written consent of Ichigo Office and IIA.

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8. Major Shareholders and Percentage of Shareholding

(1) Major Shareholders and Percentage of Shareholding Before and After the Subscription Period

Before (as of April 30, 2024)		After	
Ichigo Trust Pte. Ltd.	25.4%	Ichigo Trust Pte. Ltd.	24.7%
Custody Bank of Japan, Ltd., Trust Account	17.3%	Custody Bank of Japan, Ltd., Trust Account	16.9%
The Master Trust Bank of Japan, Trust Account	13.5%	The Master Trust Bank of Japan, Trust Account	13.2%
Ichigo	9.8%	Ichigo	9.5%
Nomura Trust & Banking Co., Ltd., Investment Trust Account	3.5%	Nomura Trust & Banking Co., Ltd., Investment Trust Account	3.4%
STATE STREET BANK WEST CLIENT – TREATY 505234	1.3%	Ichigo Trust	2.6%
JP MORGAN CHASE BANK 385771	0.9%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.3%
BNP Paribas Securities	0.8%	JP MORGAN CHASE BANK 385771	0.9%
Japan Securities Finance Co., Ltd.	0.8%	BNP Paribas Securities	0.8%
Morgan Stanley MUFG Securities Co., Ltd.	0.8%	Japan Securities Finance Co., Ltd.	0.8%

Note: The composition of major shareholders after the new share issuance is based on the assumption that there are no changes to the major shareholders as of April 30, 2024 and does not necessarily correspond with the actual composition of major shareholders.

(2) Matters Relating to Satisfaction of Conduit

N/A

9. Earnings Impact

Ichigo Office's October 2024 fiscal period earnings forecast is detailed in today's release "Upward Earnings Forecast Revision for the October 2024 Fiscal Period."

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10. Financial Results for the Last Three Fiscal Periods and Equity Financing History

(1) Financial results for the last three fiscal periods

	October 2022	April 2023	October 2023
Net Income per Share	JPY 1,983	JPY 4,222	JPY 2,045
Dividend per Share	JPY 2,052	JPY 4,224	JPY 2,115
Payout Ratio	103.4 %	100%	103.4 %
Net Assets per Share	JPY 67,407	JPY 69,577	JPY 67,399

Note: The financial results for the October 2022, April 2023, and October 2023 fiscal periods are provided above because the April 2024 fiscal period earnings have not been announced.

(2) Recent share price

(i) Share price in the last three fiscal periods

	April 2023	October 2023	April 2024
Opening Price	JPY 84,900	JPY 88,600	JPY 85,100
Highest Price	JPY 101,700	JPY 91,400	JPY 85,700
Lowest Price	JPY 83,300	JPY 83,800	JPY 76,700
Closing Price	JPY 88,100	JPY 84,900	JPY 80,900

Note: The opening price, highest price, and lowest price are based on the closing price of Ichigo Office's shares in regular trading at the TSE.

(ii) Share price in the last six months

(JPY)

	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024[2]
Opening Price[1]	84,300	81,500	81,100	78,100	81,000	81,800
Highest Price[1]	84,300	83,700	81,900	82,500	81,600	85,000
Lowest Price[1]	80,900	81,200	77,700	76,700	79,300	81,800
Closing Price[1]	82,500	82,800	78,400	81,200	80,900	84,200

[1] The opening price, highest price, and lowest price are based on the closing price of Ichigo Office's shares in regular trading at the TSE.
[2] The share price for May 2024 is as of May 17, 2024 (Friday).

(iii) Share price on the business day prior to the issuance resolution date

	May 17, 2024
Opening Price	JPY 83,800
Highest Price	JPY 84,400
Lowest Price	JPY 83,600
Close Price	JPY 84,200

(3) Equity financing conducted in the last three fiscal periods

N/A

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