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[Provisional Translation Only]
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May 20, 2024

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Acquisition of Six Office Assets

Ichigo Office decided today to acquire three office assets in central Tokyo and three in central Fukuoka.

Because the seller of the Ichigo Hakata Gion Building, Ichigo Tenjin North Building, Ichigo Gotanda West Building, and Ichigo Otemachi North Building is a related party as defined in the Investment Trust and Investment Corporation Law (1951 Law No. 198 and including afterward revisions, "Investment Law"), Ichigo Office carefully reviewed and approved these four asset acquisitions at today's Board of Directors meeting.

1. Asset Acquisition Summary

Total appraisal value: JPY 16.18 billion, Total acquisition price: JPY 15.466 billion

Asset Number Asset Name[1]	O-102 Ichigo Akihabara East Building	O-103 Ichigo Hakata Meiji Dori Building
Asset Type	Office	
Date Built	March 1988	October 2007
Legal Form of Asset	Trust beneficiary interest in real estate *(juekiken)*	
Appraisal Value[2,3]	JPY 3,370 million	JPY 3,460 million
Acquisition Price[4]	JPY 3,240 million	JPY 3,080 million
Seller	GK Kizuna1	
Broker	None	
Contract Date	May 20, 2024	
Closing Date	May 30, 2024 (expected)	
Financing Method	New Share Issuance via Third-Party Allotment, Loans, & Cash-on-hand	
Settlement Method	Lump-sum payment	

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Asset Number Asset Name[1]	O-104 Ichigo Hakata Gion Building	O-105 Ichigo Tenjin North Building	O-106 Ichigo Gotanda West Building	O-107 Ichigo Otemachi North Building
Asset Type	Office			
Date Built	February 2009	October 1985	March 1985	February 2008
Legal Form of Asset	Trust beneficiary interest in real estate (*juekiken*)			
Appraisal Value[2,3]	JPY 1,710 million	JPY 1,570 million	JPY 4,010 million	JPY 2,060 million
Acquisition Price[4]	JPY 1,700 million	JPY 1,550 million	JPY 3,950 million	JPY 1,946 million
Seller	Ichigo Estate			
Broker	None			
Contract Date	May 20, 2024			
Closing Date	May 30, 2024 (expected)			
Financing Method	New Share Issuance via Third-Party Allotment, Loans, & Cash-on-hand			
Settlement Method	Lump-sum payment			

[1] Ichigo Office will change the building names from the Ogaku Building, FORECAST Hakata Gion Building, Tenjin First Building, and COCORO Gotanda to the Ichigo Akihabara East Building, Ichigo Hakata Gion Building, Ichigo Tenjin North Building, and Ichigo Gotanda West Building, respectively, after the acquisitions. For purposes of this release, the buildings are referred to as the Ichigo Akihabara East Building, Ichigo Hakata Gion Building, Ichigo Tenjin North Building, and Ichigo Gotanda West Building.

[2] Appraisal Values for the Ichigo Akihabara East Building, Ichigo Hakata Meiji Dori Building, Ichigo Tenjin North Building, Ichigo Gotanda West Building, and Ichigo Otemachi North Building are calculated by Tanizawa Sogo Appraisal as of May 1, 2024, and are in compliance with the appraisal guidelines of Ichigo Investment Advisors ("IIA") as well as the rules of the Investment Trusts Association of Japan.

[3] Appraisal Value for the Ichigo Hakata Gion Building is calculated by Daiwa Real Estate Appraisal as of May 1, 2024, and is in compliance with the appraisal guidelines of IIA as well as the rules of the Investment Trusts Association of Japan.

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

[5] Please refer to today's release "Issuance of New Shares via Third-Party Allotment" for details.

[6] Please refer to today's release "New Loans for Acquisition of Office Assets" for details.

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2. Acquisition 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.

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 finance the acquisition of six office assets (three in central Tokyo and three in central Fukuoka) with earnings upside.

As a result of the asset sales and acquisitions, Ichigo Office's portfolio will consist of 89 office assets, comprising 97.8% of the portfolio. Post-acquisition, Ichigo Office will draw upon its operational capabilities to carry out value-add activities at the newly acquired office assets to drive higher NAV per share, tenant satisfaction, and earnings growth.

Ichigo Office has developed value-add plans for the newly acquired office assets in line with each asset's location and characteristics, as detailed in today's release "April 26th Asset Sales & Today's Asset Acquisitions Supplementary Material."

Ichigo Office's sponsor Ichigo (2337) is strengthening its sponsor commitment to its listed J-REITs and solar power producer to drive growth and shareholder value. Of the assets being acquired, Ichigo Office is acquiring the Ichigo Akihabara East Building and Ichigo Hakata Meiji Dori Building by exercising the preferential negotiation right it received to acquire underlying assets of the bridge fund created with the support of Ichigo and its subsidiary Ichigo Estate, and is acquiring the Ichigo Hakata Gion Building, Ichigo Tenjin North Building, Ichigo Gotanda West Building, and Ichigo Otemachi North Building from Ichigo Estate.

The existing tenants of the assets being acquired satisfy the tenant standard stated in the "Financial Report (*Yuka Shoken Hokokusho*)" (Japanese only) disclosed on January 29, 2024.

Please refer to Section 3 "Acquisition Details" below for additional details on each asset's features and characteristics that underpinned the acquisition decision.

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3. Acquisition Details

Notes to Acquisition Details

- The location and description of each office are based on information obtained by IIA via real estate appraisal reports, building evaluation reports, market reports, and publicly available information on the builders' websites.
- Legal Form of Asset is a type of specified real estate asset.
- Trustee refers to the trustee as of today or the expected trustee.
- Period of Trust Contract refers to the trust period specified under the trust contract as of Ichigo Office's acquisition date.
- Location refers to the postal address (or the location in the real estate registry (if multiple locations are available, one of the multiple locations) if a postal address is not available) of the office.
- Land and Building Property Rights refer to the type of right to be acquired by Ichigo Office or the trustee.
- Land Area is the land area in the real estate registry.
- Zoning is the type of zoning stipulated in the City Planning Act Article 8, Clause 1, Item 1.
- Coverage Ratio is the ratio of the building to the land stipulated in the Building Standards Act Article 53, Clause 1, and is determined for each zone for city planning purposes. An asset may have more than one coverage ratio.
- Floor Area Ratio is the ratio of the building area to the land area stipulated in the Building Standards Act Article 52, and is determined for each zone for city planning purposes. An asset may have more than one floor area ratio.
- Building Use refers to the main use included in the real estate registry.
- Building Structure refers to the structure mentioned in the real estate registry. The following abbreviations are used with regards to structure: RC stands for reinforced concrete; SRC for steel-reinforced concrete; F for number of floors; and B for basement.
- Total Floor Area refers to the total floor area in the real estate registry, and includes the area of attached buildings.
- Date Built refers to the date built in the real estate registry.
- Appraiser refers to the author of the real estate appraisal report
- Appraisal Value, Appraisal Date, and Value by Direct Capitalization Method are based on the real estate appraisal report from the Appraiser.
- Names of the architect, builder, structural designer, and inspection agency are those as of when the building was built.
- Collateral refers to whether there is collateral after Ichigo Office's acquisition.
- Lease Details refer to the tenant lease contracts for each office, excluding the Number of Tenants.
- Number of Tenants, Rental Income, Deposit, Leasable Area, and Leased Area are based on the lease contract and any other relevant memoranda of understanding effective as of each office's acquisition date.
- Property Management Company refers to the property management companies appointed to provide property management services for each office as of each office's acquisition date.
- Master Lease Company refers to the master lease companies appointed to provide master lease services for each office as of each office's acquisition date.
- Master Lease Type refers to the main type of master lease contract. Pass-through refers to when the rent amount paid by the tenant to the master lease company is equal to the rent paid by the master lease company, and Rent Guarantee refers to when the master lease company pays a guaranteed rent, both under a master lease contract effective as of each office's acquisition date.
- Special Items include items that significantly impact real estate rights and use, value, earnings, and disposal as of May 13, 2024.

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(1) Ichigo Akihabara East Building

1. Location

The Ichigo Akihabara East Building is located near Akihabara Station on the JR Yamanote, Sobu, and Keihin Tohoku Lines, the Tsukuba Express Line, and the Tokyo Metro Hibiya Line, which offers convenient access to the Tokyo Metropolitan area and various places within Tokyo. The area around the station developed as an electric town with stores selling home electronics and electronic devices, and more recently, has become a leading Japanese sub-culture hub that attracts both domestic shoppers and tourists.

The Showa Dori area on the east side of Akihabara Station is an attractive Central Business District (CBD) and home to many mid-size office and retail buildings.

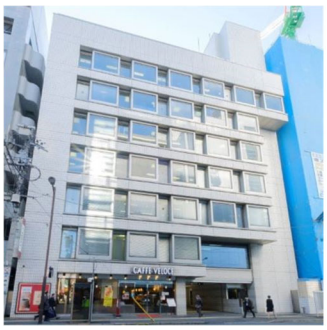
2. Building Features

The Ichigo Akihabara East Building is a mid-size office building located within a three-minute walk from Akihabara Station on the JR Yamanote and other JR Lines and a one-minute walk from Akihabara Station on the Tokyo Metro Hibiya Line.

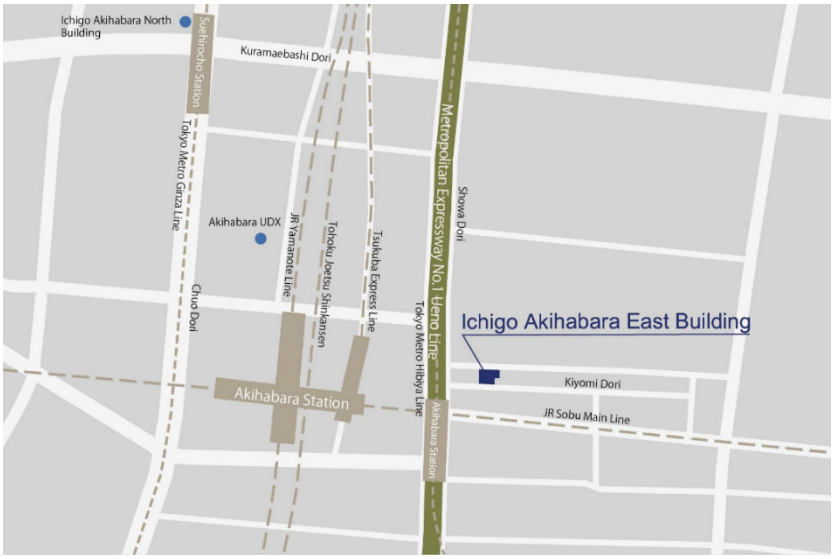
The standard floor plate is 90 tsubo (297m^2), and the building has OA sub-floors, individual air conditioning units, and 24 parking spaces, therefore catering to the needs of the average tenant.

The building is currently occupied by an IT company, a temp agency, and a franchise coffee shop.

3. Building Photos and Location Map







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Asset Overview						
Asset Name		Ichigo Akihabara East Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Sumitomo Mitsui Trust Bank, Ltd.				
Period of Trust Contract		February 28, 2005 – May 31, 2034 (expected)				
Location		2-19 Kandasakumacho, Chiyoda-ku, Tokyo				
Land	Property Right	Freehold				
	Area	421.21m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 800% (600% for part of the building)				
Building	Property Right	Freehold				
	Use	Office, Parking lot				
	Structure	Steel Reinforced Concrete, B1F/8F				
	Total Floor Area	2,776.30m^2				
	Date Built	March 22, 1988				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 3,370 million				
Appraisal Date		May 1, 2024				
Value by Direct Capitalization Method		JPY 3,550 million				
Architect		NAOI Architecture & Design Office				
Builder		Sampei Construction Co., Ltd.				
Structural Designer		NAOI Architecture & Design Office				
Inspection Agency		Chiyoda Ward				
Seismic PML (Assessor)		6.9% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details (as of March 31, 2024)						
Number of Tenants		4				
Monthly Rental Income		JPY 11.193 million				
Tenant Security Deposits		JPY 103.076 million				
Leasable Area		2,100.93m^2				
Leased Area		2,100.93m^2				
Occupancy		Apr 2022	Oct 2022	Apr 2023	Oct 2023	Mar 2024
		100%	100%	100%	100%	100%
Property Management Company		Ken Corporation Co., Ltd.				
Master Lease Company		Ichigo Office				
Master Lease Type		Pass-through				

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Special Items
The boundary line between the road and the south side of the building has yet to be determined. The south-side boundary line is expected to be pushed back towards the building by 20~30cm from the L-shaped gutter along the road and any future reconstruction must be planned within the finalized boundary, which is estimated to have an area of 414.65m^2.

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Appraisal Details		
Asset Name	Ichigo Akihabara East Building	
Appraisal Value	JPY 3,370,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	May 1, 2024	
	Amount (JPY)	**Note**
Appraisal Value	3,370,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	3,550,000,000	
Income	167,248,132	
Maximum Obtainable Rental Income	177,864,349	Based on expected long-term, stable rental income, common area service income, parking lot income, and other income
Vacancy Loss	10,616,217	Based on long-term, normalized vacancy rates
Expenses	38,978,713	
Administrative and Maintenance Expenses	9,529,818	Based on historical actual amounts
Utility Expenses	10,134,886	Based on historical actual amounts
Repair Expenses	3,430,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	2,187,844	Based on existing contractual fees
Leasing Brokerage Fees	1,168,314	Based on assumption that 10% of tenants will change annually
Taxes	11,367,300	Based on FY2023 actual amounts
Insurance Premiums	324,310	Based on quotes from insurance companies
Other Expenses	836,241	Based on historical actual amounts
Net Operating Income (NOI)	128,269,419	
Income on Investment of Deposits Received	704,889	Based on a 1.0% investment yield
Capital Expenditure	8,330,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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		Net Profit	120,644,308	
		Cap Rate	3.4%	Based on transactions of similar assets located in nearby areas
	Value via DCF Method		3,290,000,000	
		Discount Rate	3.5%	Base rate adjusted for individual risks assuming a holding period of ten years
		Terminal Cap Rate	3.6%	Cap rate adjusted for uncertainties
Value via Cost Approach			3,900,000,000	
	Ratio of Land		93.3%	Land value divided by total land and building value
	Ratio of Building		6.7%	Building value divided by total land and building value
Notes				
None				

Note: Appraisal NOI Yield: 4.0% (calculated by dividing NOI by Acquisition Price)

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(2) Ichigo Hakata Meiji Dori Building

1. Location

The Ichigo Hakata Meiji Dori Building is located in the Gofukucho area adjacent to Fukuoka's prime CBDs, the Hakata Station area and the Tenjin area. The area offers convenient access to public transportation, including multiple subway lines and bus routes.

Along Taihaku Dori and Meiji Dori, both major thoroughfares in the Gofukucho area, is a commercial district with many high-rise office buildings.

The Gofukucho area is expected to see continued growth as recent years has seen new buildings built in the vicinity along with ongoing new building constructions and redevelopment projects.

2. Building Features

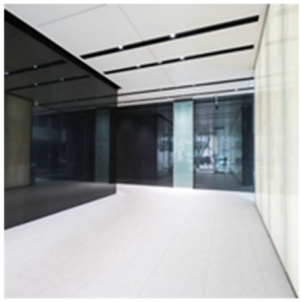
The Ichigo Hakata Meiji Dori Building is a mid-size office building located within a one-minute walk from Gofukucho Station on the Fukuoka City Subway Hakozaki Line and a four-minute walk from Nakasu Kawabata Station on the Kuko Line.

The standard floor plate is 155 tsubo (512m^2) with a ceiling height of 2.9 meters, and the building has OA sub-floors, individual air conditioning units, and 30 parking spaces, therefore catering to the needs of the average tenant.

The building is currently occupied by a lighting equipment manufacturer, a financial services company, and a pharmaceutical company.

3. Building Photos and Location Map







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Asset Overview						
Asset Name		Ichigo Hakata Meiji Dori Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Period of Trust Contract		July 30, 2015 – May 31, 2034 (expected)				
Location		8-17 Tenyamachi, Hakata-ku, Fukuoka City				
Land	Property Right	Freehold				
	Area	744.42m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 600%				
Building	Property Right	Freehold				
	Use	Office				
	Structure	Steel, 7F				
	Total Floor Area	4,514.87m^2				
	Date Built	October 1, 2007				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 3,460 million				
Appraisal Date		May 1, 2024				
Value by Direct Capitalization Method		JPY 3,680 million				
Architect		Kume Sekkei Co., Ltd.				
Builder		Taisei Corporation				
Structural Designer		Kume Sekkei Co., Ltd.				
Inspection Agency		The Building Center of Japan				
Seismic PML (Assessor)		0.2% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details (as of March 31, 2024)						
Number of Tenants		11				
Monthly Rental Income		JPY 9.855 million				
Tenant Security Deposits		JPY 83.681 million				
Leasable Area		3,374.97m^2				
Leased Area		2,584.48m^2				
Occupancy		Apr 2022	Oct 2022	Apr 2023	Oct 2023	Mar 2024
		97.1%	100%	100%	84.7%	76.6%
Property Management Company		Fukuoka Jisho Co., Ltd.				
Master Lease Company		Ichigo Office				
Master Lease Type		Pass-through				
Special Items						
A fire equipment inspection indicates that three emergency light batteries need to be charged, which the seller has agreed to rectify at the seller's expense.						

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Appraisal Details		
Asset Name	Ichigo Hakata Meiji Dori Building	
Appraisal Value	JPY 3,460,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	May 1, 2024	
	Amount (JPY)	**Note**
Appraisal Value	3,460,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	3,680,000,000	
Income	211,151,272	
Maximum Obtainable Rental Income	222,696,603	Based on expected long-term, stable rental income, common area service income, parking lot income, and other income
Vacancy Loss	11,545,331	Based on long-term, normalized vacancy rates
Expenses	55,710,730	
Administrative and Maintenance Expenses	11,380,399	Based on historical actual amounts
Utility Expenses	17,171,847	Based on historical actual amounts
Repair Expenses	2,310,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	4,857,934	Based on existing contractual fees
Leasing Brokerage Fees	1,598,714	Based on assumption that 10% of tenants will change annually
Taxes	16,839,100	Based on FY2023 actual amounts
Insurance Premiums	496,980	Based on quotes from insurance companies
Other Expenses	1,055,756	Based on historical actual amounts
Net Operating Income (NOI)	155,440,542	
Income on Investment of Deposits Received	1,473,934	Based on a 1.0% investment yield
Capital Expenditure	6,160,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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		Net Profit	150,754,476	
		Cap Rate	4.1%	Based on transactions of assets in surrounding area while taking into account the asset's location and specific characteristics, and the relationship to discount rates
	Value via DCF Method		3,360,000,000	
		Discount Rate	4.2%	Based on risk-adjusted base yields of offices
		Terminal Cap Rate	4.3%	Based on current NOI adjusted for future earnings fluctuation and risk
Value via Cost Approach			3,640,000,000	
	Ratio of Land		79.0%	Land value divided by total land and building value
	Ratio of Building		21.0%	Building value divided by total land and building value
Notes				
None				

Note: Appraisal NOI Yield: 5.0% (calculated by dividing NOI by Acquisition Price)

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(3) Ichigo Hakata Gion Building

1. Location

The Gion area is one of Fukuoka City's prominent office areas centered around Hakata Station on the various JR Lines and Fukuoka City Subway Kuko Line, which is expected to see office demand from major companies and large regional companies.

Gion Station is a four-minute train ride from Tenjin Station and a one-minute train ride from Hakata Station on the Fukuoka City Subway Kuko Line. Due to the March 2023 extension of the Fukuoka City Subway Nanakuma Line between Tenjin Minami Station and Hakata Station and the launch of Kushida Jinjamae Station, which is a four-minute walk from the Ichigo Hakata Gion Building, the building enjoys convenient transportation and easy access to Fukuoka City's CBDs.

The Ichigo Hakata Gion Building is located along Kokutai Avenue in a business district lined with retail stores, office buildings with retail stores on the lower floors, temples, and business hotels. Kokutai Avenue leads to the Tenjin area, one of Fukuoka City's CBDs, and conveniently connects to Taihaku Dori, a prefectural road leading to the Hakata exit (West exit) of Hakata Station.

2. Building Features

The Ichigo Hakata Gion Building is a mid-size office building located within a two-minute walk from Gion Station on the Fukuoka City Subway Kuko Line and a four-minute walk from Kushida Jinjamae Station on the Fukuoka City Subway Nanakuma Line.

The standard floor plate has a leasable area of 60 tsubo (c. 199m^2) with individual air conditioning units, machine security systems, and 26 parking spaces with an automated parking system, catering to the needs of tenants looking for office space in this area.

Current tenants include a pharmacy, a building material wholesaler, and an advertising company.

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3. Building Photos and Location Map







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Asset Overview						
Asset Name		Ichigo Hakata Gion Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Period of Trust Contract		May 30, 2024 – May 31, 2034 (expected)				
Location		4-61 Gionmachi Hakata-ku, Fukuoka				
Land	Property Right	Freehold				
	Area	401.17m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% / 80% 500% / 400%				
Building	Property Right	Freehold				
	Use	(1) Office, Retail (2) Parking lot				
	Structure	(1) Steel, 9F (2) Steel, 1F				
	Total Floor Area	(1) 1,973.57m^2 (2) 41.07m^2				
	Date Built	February 27, 2009				
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.				
Appraisal Value		JPY 1,710 million				
Appraisal Date		May 1, 2024				
Value by Direct Capitalization Method		JPY 1,810 million				
Architect		Okano Sekkei Co., Ltd				
Builder		Tobishima Corporation, Kyushu Branch				
Structural Designer		Okano Sekkei Co., Ltd				
Inspection Agency		JAPAN ERI CO., LTD.				
Seismic PML (Assessor)		0.1% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details (as of March 31, 2024)						
Number of Tenants		12				
Monthly Rental Income		JPY 5.069 million				
Tenant Security Deposits		JPY 35.936 million				
Leasable Area		1,632.29m^2				
Leased Area		1,436.05 m^2				
Occupancy		Apr 2022	Oct 2022	Apr 2023	Oct 2023	Mar 2024
		100%	100%	93.2%	100%	88.0%
Property Management Company		XYMAX KYUSHU Corporation				
Master Lease Company		Ichigo Office				
Master Lease Type		Pass-through				

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Special Items
1. The concrete foundation of the building and that of the southeast neighbor encroaches each other's boundary. There is a memorandum of understanding with the southeast neighbor to rectify the situation when the on-land structure is rebuilt or a renovation of the encroaching objects is conducted in the future. 2. Paving stones and concrete foundation of the building encroaches each other's boundary of the northeast neighbor. There is a memorandum of understanding with the northeast neighbor to rectify the situation when the on-land structure is rebuilt or a renovation of the encroaching objects is conducted in the future.

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Appraisal Details		
Asset Name	Ichigo Hakata Gion Building	
Appraisal Value	JPY 1,710,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	May 1, 2024	
	Amount (JPY)	**Note**
Appraisal Value	1,710,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	1,810,000,000	
Income	101,916,075	
Maximum Obtainable Rental Income	108,509,816	Based on expected long-term, stable rental income, common area service income, utility income, parking lot income, and other income
Vacancy Loss	6,593,741	Based on vacancy rates and tenant turnover forecast
Expenses	27,053,495	
Administrative and Maintenance Expenses	5,952,000	Based on historical actual amounts
Utility Expenses	4,740,096	Based on historical actual amounts
Repair Expenses	2,270,667	Based on the average of the past 12 years of engineering reports
PM Fee	1,947,560	Based on current contractual agreements in reference to a rate on similar assets
Leasing Brokerage Fees	1,081,884	Based on tenant acquisition costs at similar assets
Taxes	9,846,000	Based on FY2024 actual amounts
Insurance Premiums	254,520	Based on quotes from insurance companies
Other Expenses	960,768	Based on historical actual amounts
Net Operating Income (NOI)	74,862,580	
Income on Investment of Deposits Received	674,456	Based on a 1.0% investment yield
Capital Expenditure	4,967,417	Based on the average of the past 12 years of engineering reports
Net Profit	70,569,619	
Cap Rate	3.9%	Based on transaction yields of offices in the area and an assessment of the asset's location, its specific characteristics, and discount rates

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	Value via DCF Method	1,670,000,000	
	Discount Rate	3.7%	Based on transactions of similar assets and the yields of financial assets
	Terminal Cap Rate	4.1%	Based upon current NOI adjusted for expected marketability at the end of ownership period.
Value via Cost Approach		1,860,000,000	
	Ratio of Land	76.1%	Land value divided by total land and building value
	Ratio of Building	23.9%	Building value divided by total land and building value
Notes			
None			

Note: Appraisal NOI Yield: 4.4% (calculated by dividing NOI by Acquisition Price)

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(4) Ichigo Tenjin North Building

1. Location

The Tenjin area is one of Fukuoka City's highly-developed CBDs along with the Hakata Station area, and is an area with where many large commercial facilities, such as department stores and apparel retail buildings, are located along Watanabe Dori, the city's major thoroughfare, comprising Kyushu's largest shopping district.

Like the Hakata Station area, the Tenjin area is a business destination for the entire Kyushu region, with an established transportation network consisting of the Fukuoka City Subway Kuko Line and Nanakuma Line, and the Nishitetsu Tenjin Omuta Line, as well as local and express bus routes. The area is designated as a National Strategic Special Zone for "Global Startups and Job Creation," which is a large urban development project that is expected to update urban functions by relaxing the floor area ratio (up to 1,400%). Currently, several rebuilding projects are underway.

Multiple office building development projects are underway as well in the Tenjin 4-chome area where the Ichigo Tenjin North Building is located, and older buildings are expected to be rebuilt in order of building age going forward. As one of the major CBDs in Fukuoka City, the area is expected to further develop in the future.

2. Building Features

The Ichigo Tenjin North Building is a mid-size office building located within a six-minute walk from Tenjin Station on the Fukuoka City Subway Kuko Line.

The standard floor plate has a leasable area of 65 tsubo (c. 215m^2) with a ceiling height of 2.45 meters, office automation floors, individual air conditioning units, and 32 spaces with an automated parking system, catering to the needs of standard tenants in this area.

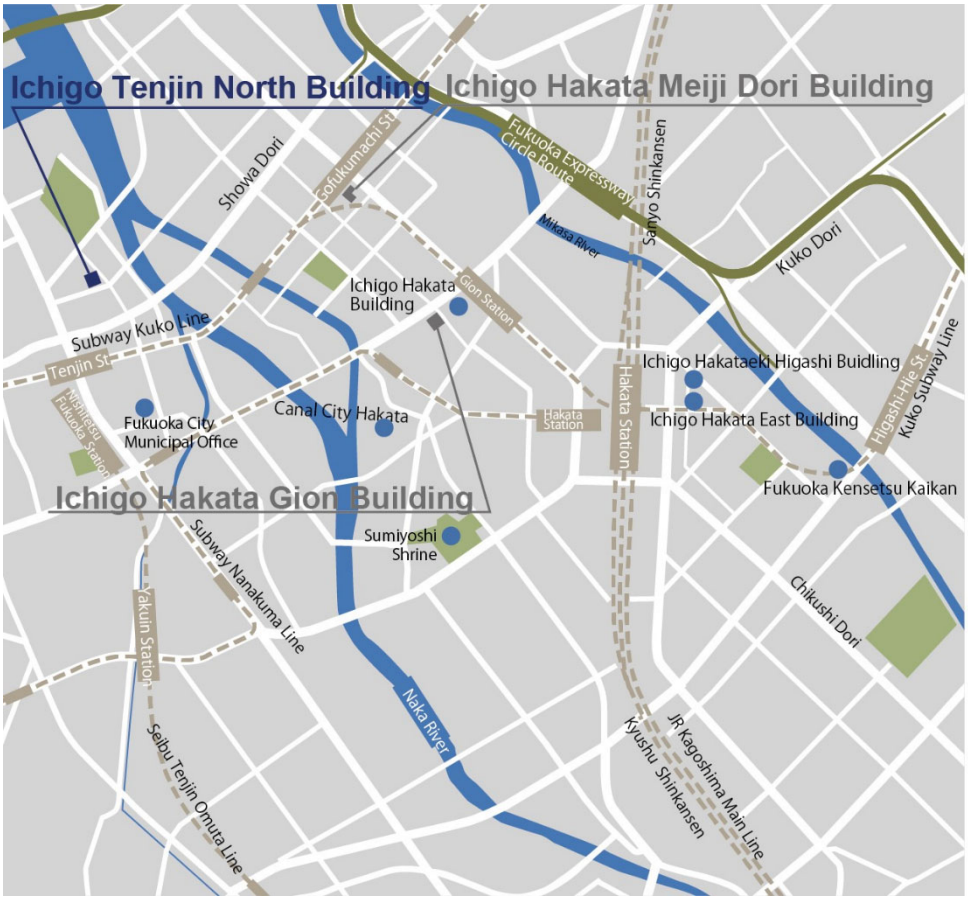
Current tenants include a pharmacy, an advertising company, and a call center.

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3. Building Photos and Location Map







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Asset Overview						
Asset Name		Ichigo Tenjin North Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Period of Trust Contract		October 12, 2021 – May 31, 2034 (expected)				
Location		4-6-28 Tenjin Chuo-ku, Fukuoka				
Land	Property Right	Freehold				
	Area	397.86m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 500%				
Building	Property Right	Freehold				
	Use	(1) Office, Residence (2) Parking lot				
	Structure	(1) Steel Reinforced Concrete, Reinforced Concrete, 8F (2) Steel, 1F				
	Total Floor Area	(1) 1,839.02m^2 (2) 44.34m^2				
	Date Built	October 31, 1985				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 1,580 million				
Appraisal Date		May 1, 2024				
Value by Direct Capitalization Method		JPY 1,680 million				
Architect		Sougen Kenchiku Sekkei Office				
Builder		Matsuo Construction Co., Ltd.				
Structural Designer		Sougen Kenchiku Sekkei Office				
Inspection Agency		JCIA				
Seismic PML (Assessor)		0.7% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details (as of March 31, 2024)						
Number of Tenants		16				
Monthly Rental Income		JPY 5.417 million				
Tenant Security Deposits		JPY 38.135 million				
Leasable Area		1,475.75m^2				
Leased Area		1,475.75 m^2				
Occupancy		Apr 2022	Oct 2022	Apr 2023	Oct 2023	Mar 2024
		80.6%	90.2%	100%	100%	100%
Property Management Company		OHI Co., Ltd.				
Master Lease Company		Ichigo Office				
Master Lease Type		Pass-through				

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Special Items
1. The steel gate of the building and its frame and electric cables, and part of the building equipment (outdoor air conditioning units, power distribution cables, oven covers) of the northwest neighbor’s property encroach each other’s boundary (including cross-boundary in midair). There is a memorandum of understanding with the northwest neighbor to rectify the situation when the buildings or building equipment are demolished or rebuilt in the future. 2. The drainspout (pipe), steel gate, and its frame of this property, and part of the building equipment (exhaust ducts, power distribution cables, range covers) of the east neighbor’s property encroach each other’s boundary. There is a memorandum of understanding with the east neighbor to rectify the situation when the building is demolished or rebuilt in the future. 3. Although no inspection certificate was issued for the building when it was newly built, an inspection certificate was issued when the bicycle parking lot was expanded in December 2020. In addition, as a result of a conformity assessment survey regarding various provisions of the Building Standard Law, a "Building Standard Law Conformity Status Survey Report" was obtained from JCIA on September 4, 2020. 4. One tenant (leased area: 74.87m^2) moved out on March 31, 2024. Another tenant (leased area: 86.80m^2) moved out on April 30, 2024, due to the termination of the fixed-term lease contract. Occupancy decreased from 100% to 89.0% as a result.

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Appraisal Details		
Asset Name	Ichigo Tenjin North Building	
Appraisal Value	JPY 1,570,000,000	
Appraiser	Tanizawa Real Estate Appraisal Co., Ltd.	
Appraisal Date	May 1, 2024	
	Amount (JPY)	**Note**
Appraisal Value	1,580,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	1,670,000,000	
Income	96,716,234	
Maximum Obtainable Rental Income	104,029,825	Based on expected long-term, stable rental income, common area service income, utility income, parking lot income, and other income
Vacancy Loss	7,313,591	Based on vacancy rates and tenant turnover forecast
Expenses	22,880,677	
Administrative and Maintenance Expenses	4,285,578	Based on historical actual amounts
Utility Expenses	6,428,367	Based on historical actual amounts
Repair Expenses	3,280,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	2,527,168	Based on property management proposal
Leasing Brokerage Fees	787,632	Based on assumption that 10% of tenants will change annually
Taxes	5,118,600	Based on FY2023 actual amounts
Insurance Premiums	259,900	Based on quotes from insurance companies
Other Expenses	193,432	Based on historical actual amounts
Net Operating Income (NOI)	73,835,557	
Income on Investment of Deposits Received	540,136	Based on a 1.0% investment yield
Capital Expenditure	7,380,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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		Net Profit	66,995,693	
		Cap Rate	4.0%	Based on transaction yields of offices in the area and an assessment of the asset's location, its specific characteristics, and discount rates
	Value via DCF Method		1,530,000,000	
		Discount Rate	4.1%	Based on risk-adjusted base yields of offices
		Terminal Cap Rate	4.2%	Based upon current NOI adjusted for future earnings fluctuation and risk
Value via Cost Approach			1,530,000,000	
	Ratio of Land		87.1%	Land value divided by total land and building value
	Ratio of Building		12.9%	Building value divided by total land and building value
Notes				
None				

Note: Appraisal NOI Yield: 4.8% (calculated by dividing NOI by Acquisition Price)

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(5) Details of the Ichigo Gotanda West Building

1. Location

In the Gotanda area, an office and entertainment district expands from the east side of Gotanda Station where the JR Yamanote Line, Tokyu Ikegami Line, and Toei Subway Asakusa Line comes in. The west side of Gotanda Station is a commercial district with head offices of many major companies, branches of financial institutions, and restaurants. The east side of the station is a high-end residential district where foreign embassies and consulates are located. In recent years, many new high-rise condominiums and office buildings have been built in this area.

Due to its convenient access to the three lines mentioned above, attractive rents compared to those in the Shinagawa and Osaki areas, and a variety of restaurants and retail stores, the area is expected to see continued office demand in the future. Since many buildings are located close to the train station compared to those in the Shibuya and Ebisu areas, the Gotanda area has seen the establishment or relocation of technology start-ups in recent years.

In the vicinity of the Ichigo Gotanda West Building, office buildings are concentrated along the north side of the municipal street, making this area particularly efficient for business operations, and thus the area maintains stable office demand. Demand from restaurant operators and retailers can also be expected due to the area's proximity to Gotanda Station and the large population of workers.

2. Building Features

The Ichigo Gotanda North Building is a mid-size office building located within a 4-minute walk from Gotanda Station on the JR Yamanote Line, Tokyu Ikegami Line, and Toei Subway Asakusa Line.

The standard floor plate has a leasable area of 120 tsubo (c. 396m^2) with a ceiling height of 2.4 meters, individual air conditioning units, and automated office floors, catering to the needs of standard tenants in this area.

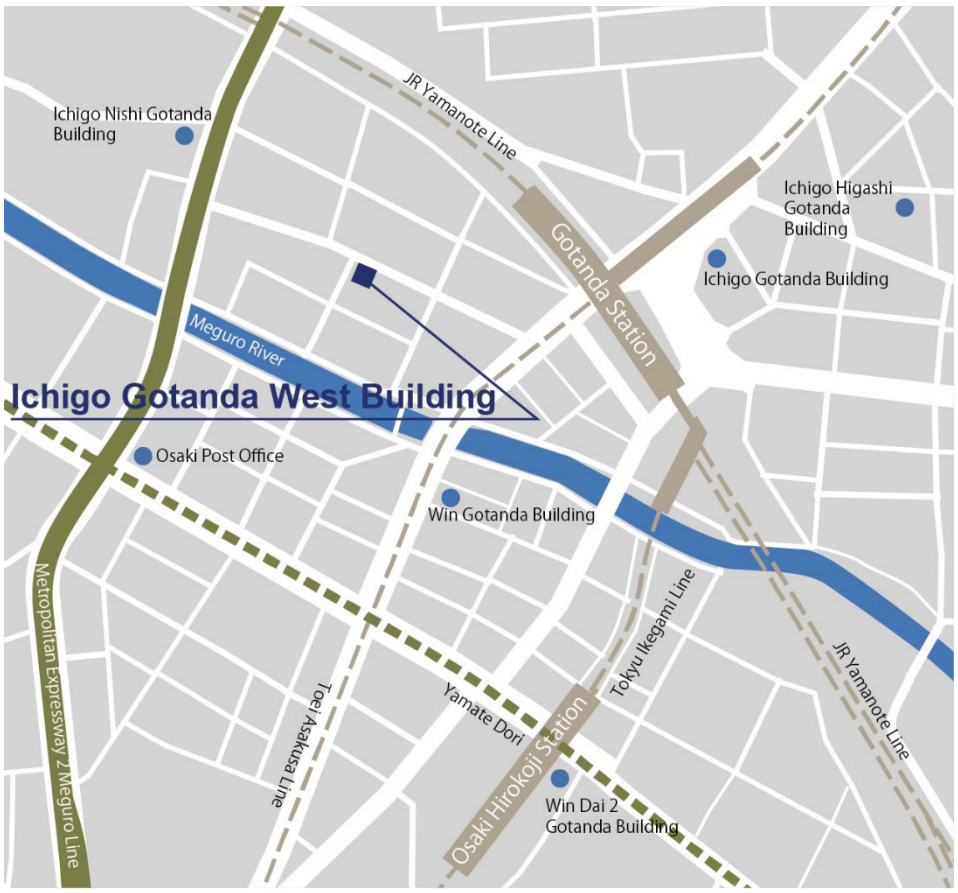
The building houses a grocery store on the ground floor, and tenants on the upper floors include a game app developer and a systems developer.

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3. Building Photos and Location Map







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Asset Overview						
Asset Name		Ichigo Gotanda West Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Period of Trust Contract		May 30, 2024 – May 31, 2034 (expected)				
Location		2-18-3 Nishi Gotanda Shinagawa-ku, Tokyo				
Land	Property Right	Freehold				
	Area	516.45 m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 700%				
Building	Property Right	Freehold				
	Use	Retail, Garage, Office				
	Structure	Steel Reinforced Concrete, B1/8F				
	Total Floor Area	3,463.56m^2				
	Date Built	March 23, 1985				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 4,010 million				
Appraisal Date		May 1, 2024				
Value by Direct Capitalization Method		JPY 4,130 million				
Architect		Aoki Fumihiko Kenchiku Sekkei Office				
Builder		Fujita Corporation				
Structural Designer		Aoki Fumihiko Kenchiku Sekkei Office				
Inspection Agency		Shinagawa Ward				
Seismic PML (Assessor)		9.2% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details (as of March 31, 2024)						
Number of Tenants		7				
Monthly Rental Income		JPY 11.957 million				
Tenant Security Deposits		JPY 72.878 million				
Leasable Area		2,735.34m^2				
Leased Area		2,335.80m^2				
Occupancy		Apr 2022	Oct 2022	Apr 2023	Oct 2023	Mar 2024
		75.9%	75.9%	75.9%	75.6%	85.4%
Property Management Company		The Dai-ichi Building Co., Ltd.				
Master Lease Company		Ichigo Office				
Master Lease Type		Pass-through				
Special Items						
1. The structure and fence on the land encroach the boundary of the east neighbor of the building. There is a memorandum of understanding with the east neighbor not to encroach the boundary when the structure on the land is reconstructed in the future.						

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2. The inspection of fire-fighting equipment indicated that the water call tank needs to be replaced due to the corrosion of the water call tank in the indoor fire hydrant system. The seller agreed to rectify the problem at its own responsibility within 4 months from the acquisition date.
3. UGS malfunctions were found in the electrical inspection. The seller has agreed to rectify the malfunctions, at its own responsibility and expense, within 4 months of the acquisition date.

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Appraisal Details		
Asset Name	Ichigo Gotanda West Building	
Appraisal Value	JPY 4,010,000,000	
Appraiser	Tanizawa Real Estate Appraisal Co., Ltd.	
Appraisal Date	May 1, 2024	
	Amount (JPY)	**Note**
Appraisal Value	4,010,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	4,130,000,000	
Income	199,869,346	
Maximum Obtainable Rental Income	209,969,743	Based on expected long-term, stable rental income, common area service income, parking lot income, and other income
Vacancy Loss	10,100,397	Based on long-term, normalized vacancy rates
Expenses	47,763,454	
Administrative and Maintenance Expenses	8,107,548	Based on property management proposal
Utility Expenses	16,379,216	Based on historical actual amounts
Repair Expenses	3,510,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	4,309,811	Based on property management proposal
Leasing Brokerage Fees	1,518,050	Based on assumption that 10% of tenants will change annually
Taxes	13,355,000	Based on FY2023 actual amounts
Insurance Premiums	383,960	Based on quotes from insurance companies
Other Expenses	199,869	Based on historical actual amounts
Net Operating Income (NOI)	152,105,892	
Income on Investment of Deposits Received	1,292,805	Based on a 1.0% investment yield
Capital Expenditure	8,775,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
Net Profit	144,623,697	

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Cap Rate	3.5%	Based on transactions of similar assets located in nearby areas
Value via DCF Method	3,960,000,000	
Discount Rate	3.6%	Base rate adjusted for individual risks assuming a holding period of ten years
Terminal Cap Rate	3.7%	Cap rate adjusted for uncertainties
Value via Cost Approach	3,820,000,000	
Ratio of Land	90.4%	Land value divided by total land and building value
Ratio of Building	9.6%	Building value divided by total land and building value
Notes		
None		

Note: Appraisal NOI Yield: 3.9% (calculated by dividing NOI by Acquisition Price)

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(6) Details of the Ichigo Otemachi North Building

1. Location

The Uchikanda area is located north of the Otemachi area, a major office district in central Tokyo. The area has easy access to various areas in Tokyo through the use of JR and subway lines. On the back of attractive rents relative to other areas in the Chiyoda ward, which is the center of Tokyo's 23 wards, the Uchikanda area supplements demand for high-end areas such as Marunouchi and Otemachi.

The neighborhood of the Ichigo Otemachi North Building is a commercial district where high-rise office buildings, office buildings with retail stores on the lower floors, and apartment buildings are located.

2. Building Features

The Ichigo Otemachi North Building is a mid-size office building located within a 6-minute walk from Kanda Station on the JR Yamanote Line, and a 3-minute walk from Awajicho Station on the Tokyo Metro Marunouchi Line and Ogawamachi Station on the Toei Shinjuku Line.

The standard floor plate has a leasable area of 31 tsubo (c. 103m^2) with a ceiling height of 2.55meters, individual air conditioning units, and automated office floors, catering to the needs of standard tenants in this area.

Current tenants include a publisher, a travel agent, and an electronic appliance manufacturer.

3. Building Photos and Location Map





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Asset Overview						
Asset Name		Ichigo Otemachi North Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Period of Trust Contract		July 30, 2015 – May 31, 2034 (expected)				
Location		1-15-7 Uchikanda Chiyoda-ku, Tokyo				
Land	Property Right	Freehold				
	Area	220.94m^2				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 600%				
Building	Property Right	Freehold				
	Use	Office, Retail				
	Structure	Steel, 12F				
	Total Floor Area	1,314.80m^2				
	Date Built	February 27, 2008				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 2,060 million				
Appraisal Date		May 1, 2024				
Value by Direct Capitalization Method		JPY 2,130 million				
Architect		Freecs Co., Ltd. First Class Architect Office				
Builder		Mabuchi Construction Co., Ltd.				
Structural Designer		Freecs Co., Ltd. First Class Architect Office				
Inspection Agency		Good-eyes				
Seismic PML (Assessor)		4.7% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details (as of March 31, 2024)						
Number of Tenants		11				
Monthly Rental Income		JPY 6.019 million				
Tenant Security Deposits		JPY 49.413 million				
Leasable Area		1,237.43m^2				
Leased Area		1,153.96m^2				
Occupancy		Apr 2022	Oct 2022	Apr 2023	Oct 2023	Mar 2024
		–	91.5%	91.5%	91.5%	93.3%
Property Management Company		Sun Frontier Fudosan Co., Ltd.				
Master Lease Company		Ichigo Office				
Master Lease Type		Pass-through				
Special Items						
1. In the soil survey (Phase 2) conducted in 2016 by Sompo Risk Management Inc., it was confirmed that the soil content of lead, a Class II Specified Hazardous Substance (heavy metal, etc.) as defined by the Soil Contamination Countermeasures Law, exceeded the						

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standard level on part of the land. However, as a result of due diligence by Ichigo Office on the soil survey, the engineering report confirms that the groundwater of the land is not used as drinking water and the area where people enter and exit the property is paved with concrete, so the risk of health hazard is considered low. In preparation for future soil contamination remediation costs, Ichigo Office plans to record an asset removal obligation (JPY 7 million) in the October 2024 fiscal period. The expected soil contamination remediation cost was deducted from the initially offered price.

2. A lease termination notification was received from one of the tenants (leased area: 105.45m^2) on April 24, 2024 for an effective termination date of October 31, 2024, and another lease termination notification was received on April 4, 2024 for an effective termination date of December 31, 2024, after which occupancy is expected to be 76.2%.

Note: Since the owner of the building as of April 2022 is a third party with no special relationship to Ichigo Office or IIA, occupancy is not disclosed.

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Appraisal Details		
Asset Name	Ichigo Otemachi North Building	
Appraisal Value	JPY 2,060,000,000	
Appraiser	Tanizawa Real Estate Appraisal Co., Ltd.	
Appraisal Date	May 1, 2024	
	Amount (JPY)	**Note**
Appraisal Value	2,060,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	2,130,000,000	
Income	91,092,685	
Maximum Obtainable Rental Income	95,881,772	Based on expected long-term, stable rental income, common area service income, parking lot income, and other income
Vacancy Loss	4,789,087	Based on long-term, normalized vacancy rates
Expenses	19,558,521	
Administrative and Maintenance Expenses	4,172,614	Based on property management proposal and MR
Utility Expenses	5,390,245	Based on historical actual amounts
Repair Expenses	720,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	1,719,439	Based on property management proposal
Leasing Brokerage Fees	1,482,758	Based on assumption that 10% of tenants will change annually
Taxes	5,738,000	Based on FY2023 actual amounts
Insurance Premiums	153,280	Based on quotes from insurance companies
Other Expenses	182,185	Based on actual amounts and transactions in similar assets
Net Operating Income (NOI)	71,534,164	
Income on Investment of Deposits Received	664,443	Based on a 1.0% investment yield

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			Capital Expenditure	4,128,980	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations (including pre-setup interior construction and furniture costs of JPY 2,448,980)
		Net Profit		68,069,627	
		Cap Rate		3.2%	Based on transactions of similar assets located in nearby areas
	Value via DCF Method			2,030,000,000	
		Discount Rate		3.3%	Base rate adjusted for individual risks assuming a holding period of ten years
		Terminal Cap Rate		3.4%	Cap rate adjusted for uncertainties
Value via Cost Approach				1,850,000,000	
	Ratio of Land			82.7%	Land value divided by total land and building value
	Ratio of Building			17.3%	Building value divided by total land and building value
Notes					
None					

Note: Appraisal NOI Yield: 3.7% (calculated by dividing NOI by Acquisition Price)

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4. Seller Profile

(1) Ichigo Akihabara East Building, Ichigo Hakata Meiji Dori Building

Name	GK Kizuna1
Address	2-6-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Kenta Itoi
Business	1. Investment in trust beneficiary interests in real estate (*juekiken*) 2. Acquisition, development, holding, management, and sale of real estate 3. Other businesses relating to the aforementioned businesses
Paid-In Capital	JPY 100,000
Establishment Date	January 4, 2022
Total Assets	JPY 6,640 million (As of December 31, 2023)
Net Assets	JPY 3,043 million (As of December 31, 2023)
Relationship to Ichigo Office or Ichigo Investment Advisors (IIA)	Although the seller is not a related party as defined in the Act on Investment Trusts and Investment Corporations, it is a related party as defined in the internal rules of IIA, because it receives asset management services from Ichigo Estate, which is a related party as defined in the Act on Investment Trusts and Investment Corporations.

Note: Because GK Kizuna1 is a related party as specified in IIA's internal rules, Ichigo Office fully implemented its related party transaction procedures and received approval from its Board of Directors. Ichigo Office has obtained third-party appraisals on the acquired assets and has cross-checked the third-party appraisals with additional third-party second opinion appraisals.

(2) Ichigo Hakata Gion Building, Ichigo Tenjin North Building, Ichigo Gotanda West Building, Ichigo Otemachi North Building

Name	Ichigo Estate
Address	2-6-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Representative Director & President Yasuhide Hosono
Capital	JPY 500 million
Establishment Date	November 10, 2005
Business	Sustainable real estate, preserving and improving existing real estate
Net Assets	JPY 23,876 million (As of February 28, 2023)
Total Assets	JPY 110,605 million (As of February 28, 2023)
Major Shareholder and Shareholding Ratio	Ichigo 100% (as of February 28, 2024)

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Relationship to Ichigo Office or Ichigo Investment Advisors (IIA)	Ichigo Estate is a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law and the internal rules of IIA.

Note: Because Ichigo Estate is a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, Ichigo Office fully implemented its related party transaction procedures and received approval from its Board of Directors. Ichigo Office has obtained third-party appraisals on the acquired assets and has cross-checked the third-party appraisals with additional third-party second opinion appraisals.

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5. Ownership History

Asset Name	Ichigo Akihabara East Building		
	Current Owner	Previous Owner	Owner Before Previous Owner
Name	GK Kizuna1	GK Cosmos	Unrelated Party
Relationship with Ichigo Office	Please see "Seller Profile" in Section 4 (1).	Although the previous owner is not a related party as defined in the Act on Investment Trusts and Investment Corporations, it is a related party as defined in IIA's internal rules given that Ichigo, IIA's 100% shareholder, is the previous owner's sole investor and the previous owner receives asset management advice from Ichigo Estate, which is a related party as defined in the Act on Investment Trusts and Investment Corporations. GK Cosmos has already been dissolved and the liquidation proceedings have been completed.	–
Acquisition Rationale	Investment	Investment	–
Acquisition Price	Omitted as ownership exceeds one year	Omitted as ownership exceeds one year	–
Acquisition Date	January 31, 2022	February 28, 2018	–

Asset Name	Ichigo Hakata Meiji Dori Building		
	Current Owner	Previous Owner	Owner Before Previous Owner
Name	GK Kizuna1	GK Kichijoji Holdings	Unrelated Party
Relationship with Ichigo Office	Please see "Seller Profile" in Section 4 (1).	Although the previous owner is not a related party as defined in the Act on Investment Trusts and Investment Corporations, it is a related party as defined in IIA's internal rules given that Ichigo, IIA's 100% shareholder, is the previous owner's sole investor and the previous owner receives asset management advice from Ichigo Estate, which is a related party as defined in the Act on Investment Trusts and Investment Corporations.	–

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	Acquisition Rationale	Investment	Investment	–
	Acquisition Price	Omitted as ownership exceeds one year	Omitted as ownership exceeds one year	–
	Acquisition Date	January 31, 2022	July 30, 2015	–

Asset Name	Ichigo Hakata Gion Building	
	Current Owner	Previous Owner
Name	Ichigo Estate	Unrelated Party
Relationship with Ichigo Office	Please see “Seller Profile” in Section 4 (2).	–
Acquisition Rationale	Investment	–
Acquisition Price	Omitted as ownership exceeds one year	–
Acquisition Date	November 10, 2021	–

Asset Name	Ichigo Tenjin North Building	
	Current Owner	Previous Owner
Name	Ichigo Estate	–
Relationship with Ichigo Office	Please see “Seller Profile” in Section 4 (2).	–
Acquisition Rationale	Investment	–
Acquisition Price	Omitted as ownership exceeds one year	–
Acquisition Date	October 12, 2021	–

Asset Name	Ichigo Gotanda West Building	
	Current Owner	Previous Owner
Name	Ichigo Estate	–
Relationship with Ichigo Office	Please see “Seller Profile” in Section 4 (2).	–
Acquisition Rationale	Investment	–
Acquisition Price	Omitted as ownership exceeds one year	–
Acquisition Date	March 29, 2019	–

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Asset Name		Ichigo Otemachi North Building	
		Current Owner	Previous Owner
	Name	Ichigo Estate	–
	Relationship with Ichigo Office	Please see “Seller Profile” in Section 4 (2).	–
	Acquisition Rationale	Investment	–
	Acquisition Price	Omitted as ownership exceeds one year	–
	Acquisition Date	May 11, 2022	–

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6. Broker Profile

N/A

7. Acquisition Schedule

Acquisition Decision Date	May 20, 2024
Contract Date	May 20, 2024
Closing Date	May 30, 2024 (expected)

8. Earnings Impact

The impact of the acquisition on Ichigo Office's October 2024 fiscal period earnings is announced in today's release, "Upward Earnings Forecast Revision for the October 2024 Fiscal Period."

Ichigo Office will announce the April 2025 fiscal period earnings forecast together with the April 2024 fiscal period earnings results scheduled in mid-June.

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Reference

1. Earnings Profile of Asset Being Acquired

(1) Ichigo Akihabara East Building

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	169	152
B. Rental Expenses (excluding depreciation)[3]	36	37
C. NOI (A-B)	132	114
D. NOI Yield[4]	4.1%	3.5%
E. Depreciation[5]	30	13
F. Post-depreciation NOI (C-E)	102	100
G. Post-depreciation NOI Yield[4]	3.2%	3.1%
H. Occupancy[6]	97.0%	100%

(2) Ichigo Hakata Meiji Dori Building

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	222	140
B. Rental Expenses (excluding depreciation)[3]	57	52
C. NOI (A-B)	164	88
D. NOI Yield[4]	5.4%	2.9%
E. Depreciation[5]	59	32
F. Post-depreciation NOI (C-E)	105	55
G. Post-depreciation NOI Yield[4]	3.4%	1.8%
H. Occupancy[6]	96.0%	76.6%

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(3) Ichigo Hakata Gion Building

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	96	79
B. Rental Expenses (excluding depreciation)[3]	20	23
C. NOI (A-B)	76	55
D. NOI Yield[4]	4.5%	3.3%
E. Depreciation[5]	19	15
F. Post-depreciation NOI (C-E)	57	40
G. Post-depreciation NOI Yield[4]	3.4%	2.4%
H. Occupancy[6]	96.0%	88.0%

(4) Ichigo Tenjin North Building

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	92	75
B. Rental Expenses (excluding depreciation)[3]	19	21
C. NOI (A-B)	72	53
D. NOI Yield[4]	4.7%	3.5%
E. Depreciation[5]	22	10
F. Post-depreciation NOI (C-E)	50	43
G. Post-depreciation NOI Yield[4]	3.3%	2.8%
H. Occupancy[6]	96.0%	100%

(5) Ichigo Gotanda West Building

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	224	169
B. Rental Expenses (excluding depreciation)[3]	43	45
C. NOI (A-B)	180	123
D. NOI Yield[4]	4.6%	3.1%
E. Depreciation[5]	22	17
F. Post-depreciation NOI (C-E)	157	106
G. Post-depreciation NOI Yield[4]	4.0%	2.7%
H. Occupancy[6]	97.0%	85.4%

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(6) Ichigo Otemachi North Building

(JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	102	81
B. Rental Expenses (excluding depreciation)[3]	18	19
C. NOI (A-B)	83	62
D. NOI Yield[4]	4.3%	3.2%
E. Depreciation[5]	16	10
F. Post-depreciation NOI (C-E)	66	51
G. Post-depreciation NOI Yield[4]	3.4%	2.6%
H. Occupancy[6]	97.0%	93.3%

[1] Amounts exclude one-off factors in the year of acquisition and are calculated based on current and future anticipated fluctuations in occupancy. Earnings shown above are not based on assumptions provided in today's release "Upward Earnings Forecast Revision for the October 2024 Fiscal Period," and annual earnings estimates above may deviate from actual results.
[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 fees, taxes, maintenance and repair fees, insurance premiums, and other fees.
[4] Calculated based on Acquisition Price.
[5] Depreciation is as estimated by Ichigo Office using the straight-line method.
[6] Occupancy at acquisition is as of March 31, 2024.

2. Engineering Report Summary

Asset Name	Ichigo Akihabara East Building	Ichigo Hakata Meiji Dori Building	Ichigo Hakata Gion Building	Ichigo Tenjin North Building	Ichigo Gotanda West Building	Ichigo Otemachi North Building
Inspector Name	Tokio Marine dR Co., Ltd					
Inspection Date	March 2024	March 2024	March 2024	March 2024	March 2024	March 2024
Short-Term Repair Expenses[1]	–	–	–	–	–	–
Long-Term Repair Expenses[2]	JPY 129.258 million	JPY 86.674 million	JPY 86.857 million	JPY 132.612 million	JPY 139.190 million	JPY 26.768 million
Current Replacement Cost	JPY 979 million	JPY 1,541 million	JPY 792 million	JPY 818 million	JPY 1,169 million	JPY 453 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.

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[2] Long-Term Repair Expenses are defined as cumulative repair expenses considered necessary for the maintenance of the asset within 12 years from the time of inspection.

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3. Post-Acquisition Portfolio[1]

No.	Asset Name	Area[2]	Acquisition Price (JPY million)	% of Portfolio[3]
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	1.4
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.2
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	0.9
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.7
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.5
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.7
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	0.8
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.5
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.2
O-15	Ichigo Tameike Building	Central Tokyo	580	0.3
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	0.8
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.5
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.4
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	2.2
O-21	Ichigo Shin Yokohama Building	Tokyo Metro Area	1,816	0.8
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metro Area	1,460	0.6
O-23	Ichigo Nakano North Building	Tokyo Metro Area	764	0.3
O-24	Ichigo Eitai Building	Tokyo Metro Area	1,490	0.7
O-26	Ichigo Ikejiri Building	Tokyo Metro Area	2,030	0.9
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metro Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.3
O-29	Ichigo Kichijoji Building	Tokyo Metro Area	2,160	1.0
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.1
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.0
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,645	0.7
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.5
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.3
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	0.9
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.4
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	0.9
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.0
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	0.8

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No.	Asset Name	Area[2]	Acquisition Price (JPY million)	% of Portfolio[3]
O-51	Ichigo Ebisu Green Glass	Central Tokyo	5,900	2.6
O-52	Ichigo Omori Building	Central Tokyo	3,850	1.7
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	0.7
O-54	Ichigo Omiya Building	Tokyo Metro Area	3,430	1.5
O-55	Ichigo Sagamihara Building	Tokyo Metro Area	1,174	0.5
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	0.8
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.6
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.2
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.6
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	1.8
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.1
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.1
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.1
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.0
O-66	Ichigo Kudan Building	Central Tokyo	3,190	1.4
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	1.6
O-68	Axior Mita	Central Tokyo	1,800	0.8
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metro Area	4,570	2.0
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.7
O-71	Ichigo Kawasaki Building	Tokyo Metro Area	1,750	0.8
O-72	Ichigo Shibuya East Building	Central Tokyo	1,350	0.6
O-73	Ichigo Ningyocho Building	Central Tokyo	1,450	0.6
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.0
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.6
O-76	Ichigo Nishiki First Building	Four Major Regional Cities	2,000	0.9
O-78	Ichigo Ikebukuro East Building	Tokyo Metro Area	3,010	1.3
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	0.8
O-80	Ichigo Otsuka Building	Tokyo Metro Area	2,740	1.2
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.5
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.0
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.6
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5
O-85	Ichigo Shibuya Udagawacho Building	Central Tokyo	3,500	1.6
O-86	Win Gotanda Building	Central Tokyo	3,100	1.4

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No.	Asset Name	Area[2]	Acquisition Price (JPY million)	% of Portfolio[3]
O-87	Ichigo Hongo Building	Tokyo Metro Area	2,300	1.0
O-88	Oimachi Center Building	Central Tokyo	1,680	0.7
O-89	Win Gotanda Building 2	Central Tokyo	3,300	1.5
O-90	MIF Building	Central Tokyo	2,200	1.0
O-91	Ichigo Uchi Honmachi Building	Four Major Regional Cities	1,900	0.8
O-92	Ichigo Minami Otsuka Building	Tokyo Metro Area	2,780	1.2
O-93	Ichigo Nogizaka Building	Central Tokyo	3,315	1.5
O-94	Ichigo Hakata East Building	Four Major Regional Cities	2,250	1.0
O-95	Ichigo Nakameguro Building	Tokyo Metro Area	1,495	0.7
O-96	Ichigo Tachikawa Building	Tokyo Metro Area	3,830	1.7
O-97	Ichigo Higashi Ikebukuro 3 Chome Building	Tokyo Metro Area	3,840	1.7
O-98	Ichigo Marunouchi South Building	Four Major Regional Cities	1,750	0.8
O-99	Ichigo Hakataeki Higashi Building	Four Major Regional Cities	3,500	1.6
O-100	Fukuoka Kensetsu Kaikan	Four Major Regional Cities	2,750	1.2
O-101	Ichigo Kinshicho South Building	Tokyo Metro Area	1,875	0.8
O-102	**Ichigo Akihabara East Building**	**Central Tokyo**	**3,240**	**1.4**
O-103	**Ichigo Hakata Meiji Dori Building**	**Four Major Regional Cities**	**3,080**	**1.4**
O-104	**Ichigo Hakata Gion Building**	**Four Major Regional Cities**	**1,700**	**0.8**
O-105	**Ichigo Tenjin North Building**	**Four Major Regional Cities**	**1,550**	**0.7**
O-106	**Ichigo Gotanda West Building**	**Central Tokyo**	**3,950**	**1.8**
O-107	**Ichigo Otemachi North Building**	**Central Tokyo**	**1,946**	**0.9**
		Subtotal - Office (89 Assets)	220,115	97.8
Z-09	Future IZUMI	Other Regional Cities	1,210	0.5
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.1
Z-14	Ichigo Kamata Building	Tokyo Metro Area	1,400	0.6
		Subtotal - Other (3 Assets)	5,010	2.2
		Total (92 Assets)	225,125	100

[1] Excludes the Ichigo Kudan 2-chome Building (O-18) scheduled to be sold on October 31, 2024. For details of the asset sale, please refer to the April 24, 2024 release "Sale of Two Portfolio Assets (Ichigo Ofuna Building, Ichigo Kudan 2 Chome Building)."

[2] 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.

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

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