



**Make The World
More Sustainable**

**Ichigo Office REIT
Semi-Annual Report (Audited)**

**28th Fiscal Period
May 1, 2019 – October 31, 2019**

Ichigo Office REIT Investment Corporation

Imperial Hotel Tower, 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011

Message from Management

We extend our gratitude to all of you for your trust.

For the October 2019 fiscal period, Ichigo Office focused on organic growth through continuing high occupancy and proactive negotiations to increase rents, as well as conducting a strategic acquisition and sale of assets aimed to build a robust portfolio and drive sustainable growth to maximize shareholder value, as shown on the Growth Strategy Roadmap announced in June 2019.

In May 2019, we acquired a mid-size office with rental upside located in Fukuoka's main commercial district (Ichigo Hakata East Building) for 2.25 billion yen and sold a retail asset as our strategic acquisition and sales. As a result, Ichigo Office's AUM (assets under management) at the end of the fiscal period was 85 assets, with a total acquisition price of 203.2 billion yen. We also acquired a TK equity interest in a mid-size Tokyo office asset, and acquiring preferential negotiation rights to buy the asset.

We also deployed our value-add capex capabilities to provide comfortable working environments. Through these measures to continuously increase tenant satisfaction and earnings growth, occupancy was over 99% throughout the fiscal period.

In terms of financing policies, we issued our fourth Investment Corporation Bond, and we continue to borrow long-term and at fixed rates in order to hedge future interest rate risk.

As a result of these actions, Ichigo Office's October 2019 results were operating revenue of 8,304 million yen, operating profit of 4,363 million yen, recurring profit of 3,554 million yen, and net income of 3,554 million yen. Base EPS, which is earnings per share minus capital gains per share, was 2,032 yen, a 32 yen increase from the previous period. As the distribution of capital gains from asset sales was smaller compared to the April 2019 period, the dividend per share was 2,150 yen, a 105 yen decrease from the previous period.

Ichigo Office aims to drive sustainable growth and maximize shareholder value through growth investments that reflect a full understanding of and responsiveness to the market environment.

To express appreciation to our shareholders for continuous support, Ichigo Office, along with our sponsor Ichigo, launched the "Ichigo J.League Shareholder Program" in September 2019. The program offers shareholders an opportunity via lottery to receive free tickets to J.League games.

Ichigo Office's name comes from the ancient Japanese proverb, *Ichigo Ichie*, literally meaning "One lifetime, one encounter." We will continue to embrace this philosophy of sincerity and service. We work to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.

Thank you so much for your continued support.



Yoshihiro Takatsuka, Executive Director
Ichigo Office REIT Investment Corporation
(left)

Hiroshi Iwai,
President and Representative Statutory Executive Officer
Ichigo Investment Advisors Co., Ltd.
(right)

Asset Management Overview

1 Historical Investment Performance

		24th Fiscal Period From May 1, 2017 to October 31, 2017	25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019
Operating Revenue	(Note 1) million yen	7,530	9,062	7,632	8,451	8,304
(Real Estate Rental Income)	million yen	(7,530)	(7,467)	(7,632)	(7,782)	(7,862)
Operating Expenses	million yen	4,009	3,876	3,886	3,940	3,941
(Real Estate Rental Expenses)	million yen	(3,004)	(3,008)	(2,993)	(2,990)	(3,025)
Operating Profit	million yen	3,521	5,185	3,745	4,510	4,363
Recurring Profit	million yen	2,796	4,442	2,958	3,733	3,554
Net Income	million yen	2,796	4,441	2,980	3,732	3,554
Total Assets	million yen	217,585	219,028	221,807	225,678	225,898
(Period-on-Period Change)	%	(3.3)	(0.7)	(1.3)	(1.7)	(0.1)
Net Assets	million yen	101,761	103,245	103,217	103,863	103,962
(Period-on-Period Change)	%	(-0.1)	(1.5)	(-0.0)	(0.6)	(0.1)
Shareholders' Equity	million yen	67,675	67,675	67,675	67,675	67,675
Number of Shares Outstanding	shares	1,532,287	1,532,287	1,532,287	1,532,287	1,532,287
Net Assets per Share	yen	66,411	67,380	67,361	67,783	67,848
Total Dividends	million yen	2,957	3,009	3,086	3,455	3,294
Dividend per Share	yen	1,930	1,964	2,014	2,255	2,150
(Payable Dividend per Share)	yen	(1,930)	(1,964)	(2,014)	(2,255)	(2,150)
(Dividend per Share in Excess of Earnings)	yen	(—)	(—)	(—)	(—)	(—)
Ratio of Recurring Profit to Total Assets	(Note 2) %	1.3(2.6)	2.0(4.1)	1.3(2.7)	1.7(3.4)	1.6(3.1)
Return on Equity	(Note 2) %	2.7(5.4)	4.3(8.7)	2.9(5.7)	3.6(7.3)	3.4(6.8)
Shareholder Equity Ratio	(Note 2) %	46.8	47.1	46.5	46.0	46.0
(Period-on-Period Change)	%	(-1.6)	(0.4)	(-0.6)	(-0.5)	(0.0)
Dividend Payout Ratio	(Note 3) %	105.8	67.7	103.5	92.6	92.7
Other Reference Information						
Number of Assets	assets	85	82	85	85	85
Number of Tenants at Period-End	tenants	918	891	923	921	934
Total Leasable Area	m ²	262,751.74	255,487.63	263,440.38	264,762.27	266,478.61
Occupancy at Period-End	%	98.1	99.0	99.2	99.3	99.4
Depreciation	million yen	927	914	857	857	842
Capital Expenditures	thousand yen	446,991	395,979	453,299	442,533	478,779
NOI (Net Operating Income)	(Note 2) million yen	5,454	5,373	5,496	5,648	5,679
FFO (Funds from Operations) per Share	(Note 2) yen	2,430	2,454	2,489	2,558	2,581
Number of Days in the Period	days	184	181	184	181	184

(Note 1) Operating revenue, etc. do not include consumption tax or local consumption tax (hereinafter "consumption taxes").

(Note 2) The indicators stated are calculated using the formulas below. Figures in parentheses are annualized values.

Ratio of Recurring Profit to Total Assets	$\text{Recurring Profit} / (\text{Total Assets at Beginning of Period} + \text{Total Assets at End of Period}) \div 2$
Return on Equity	$\text{Net Income} / (\text{Net Assets at Beginning of Period} + \text{Net Assets at End of Period}) \div 2$
Shareholder Equity Ratio	$\text{Net Assets at End of Period} / \text{Total Assets at End of Period}$
NOI	$\text{Real Estate Rental Income} - \text{Real Estate Rental Expenses} + \text{Depreciation}$
FFO per Share	$(\text{Net Income} + \text{Depreciation} + \text{Loss on Retirement of Non-Current Assets} + \text{Expenses for Asset Retirement Obligations} \pm \text{Gain (Loss) on Sales of Assets} \pm \text{Extraordinary Profit (losses)}) / \text{Number of Shares Outstanding}$

(Note 3) Dividend Payout Ratio is calculated using the formula below and rounded down to the nearest unit:
Dividend per Share (not including dividend per share in excess of profits) / Net Income per Share

2 Summary of Operating Results for the Fiscal Period Ending October 31, 2019

(1) Overview

In the fiscal period ending October 31, 2019, Ichigo Office's 28th fiscal period, Ichigo Office worked to increase its attractiveness as a specialized office REIT focusing on mid-size offices by selling a retail asset and acquiring a mid-sized office in return. Ichigo Office also strengthened its organic growth potential. Key action items during the period were: 1) driving increased asset value and investment efficiency through value-add capex (Note) and 2) maintain and drive earnings growth with a focus on tenant satisfaction. Ichigo Office seeks to construct a portfolio specializing in mid-sized offices which can generate both earnings stability and earnings growth.

(Note) "Value-add capex" is capital expenditure that enhances the competitiveness and profitability of Ichigo Office assets.

(2) Market Environment and Investment Performance

(i) Market Environment

During the current fiscal period, the Japanese economy was able to continue its improvement in employment and wages, and corporate earnings maintained high standards, although exports were affected by overseas trade issues. Going forward, domestic demand is expected to grow steadily, driven by monetary easing urging capital investments and personal consumption supported by the expanding economy and improved employment. There are concerns about the tension caused by trade disputes affecting the global economy, and the consumption tax increase causing a slowdown in domestic demand.

In the real estate market, cap rates should continue to be low, as demand remains quite strong from both domestic and overseas investors, backed by the favorable financing environment.

Meanwhile, in the office leasing market, vacancies continues to be limited in Central Tokyo, leading to robust demand for larger office space and new supply, and strong growth in rents. In particular, the supply/demand balance for the mid-size offices in which Ichigo Office specializes continues to be tight.

(ii) Investment Performance

In order to pursue a robust mid-size office portfolio and maximize shareholder value, Ichigo Office conducted a strategic acquisition and sale of assets, by selling the Ichigo Fiesta Shibuya Building (sale price: 2,400 million yen) and acquiring the Ichigo Hakata East Building (acquisition price: 2,250 million yen) in return; therefore, the number of assets owned at period-end was 85 assets (total acquisition price: 203,297 million yen).

Ichigo office has focused on NOI growth, and worked to raise both rents and occupancy in order to increase the profitability of its assets. During the current fiscal period, Ichigo Office took various actions to enhance the competitiveness and profitability of its assets, such as the Ichigo Layout Office, a flexible leasing format tailored to the needs of start-up growth companies, in the Ichigo Uchikanda Building. As a result of such efforts, the occupancy for the overall portfolio at period-end was 99.4%.

(Note) Ichigo Layout Office is Ichigo Office's original leasing strategy that makes it quicker at lower costs for tenants to move into new offices by offering ready-made layouts with stylish designs and easy-to-use spaces (reception counter and spaces, meeting rooms, etc.).

(3) Financing

During the current fiscal period, Ichigo Office borrowed a total of 6,060 million yen from banks in July and September of 2019 and issued its fourth Investment Corporation Bond (1,200 million yen) to repay loans that came due in those months (a total of 7,263 million yen). To maintain a stable financial base, Ichigo Office works to diversify repayment dates and is prudent about interest rate risks.

(4) Earnings and Dividends

As a result of the management initiatives above, Ichigo Office recorded an operating revenue of 8,304 million yen, operating profit of 4,363 million yen, recurring profit of 3,554 million yen and net income of 3,554 million yen for the fiscal period. With respect to dividends, the dividend policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed the amount equivalent to 90% of distributable earnings as provided for in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957 including subsequent amendments, hereinafter the “Special Measures Taxation Act”).

Ichigo Office has voluntary reserves for temporary difference adjustments and dividends. Of these voluntary reserves, it uses temporary difference adjustments of 105 million yen or more every period based on the revised Rules on Real Estate Investment Trusts and Real Estate Investment Corporations in 2015 (hereinafter the “Rules of the Investment Trust Association, Japan”). Similarly, Ichigo Office may use dividend reserves from the standpoint of stabilizing the dividend level, taking cash flows into account.

However, because Ichigo Office also has a tax loss carried forward ^(Note), mainly due to the loss on sales of real estate posted when assets were transferred in the past for the purpose of improving portfolio quality, it may internally reserve profits if it has total net gains on sales of real estate assets and other profits from operations.

For this period, Ichigo Office has decided to distribute 3,294 million yen, which is the total amount of unappropriated retained earnings (3,554 million yen) and the reversal of reserves for temporary difference adjustments (105 million yen) minus gain on sales of real estate transferred to dividend reserves in compliance with J-REIT conduit rules (364 million yen). As a result, the dividend per share was 2,150 yen.

(Note) The balance of tax losses carried forward owned by Ichigo Office is approximately 1.0 billion yen, and the expiration of the tax losses carrying forward period is the fiscal period ending April 30, 2022. Restrictions regarding the maximum reduction of losses able to be included in deductible expenses will not be applied.

3 Issuance of New Shares

Increases and decreases in the total number of shares outstanding and the total amount of shareholders’ equity for the most recent five years are as follows:

Date	Remarks	Number of Shares Outstanding (shares)		Shareholders’ Equity (million yen)		Notes
		Increase/decrease	Balance	Increase/decrease	Balance	
December 3, 2014	Public Offering	95,680	1,122,003	7,679	33,462	(Note 1)
December 24, 2014	Greenshoe	8,320	1,130,323	667	34,130	(Note 2)
May 1, 2015	Public Offering	271,700	1,402,023	23,418	57,548	(Note 3)
May 27, 2015	Greenshoe	14,300	1,416,323	1,232	58,781	(Note 4)
May 23, 2016	Public Offering	110,166	1,526,489	8,449	67,230	(Note 5)
June 22, 2016	Greenshoe	5,798	1,532,287	444	67,675	(Note 6)

(Note 1) Ichigo Office issued new shares via public offering at an issue price of 83,167 yen per share (underwriting price of 80,266 yen) for the purpose of raising funds to acquire new assets.

(Note 2) Ichigo Office issued new shares via a third-party allotment (Greenshoe) at an issue price of 80,266 yen per share for the purpose of repaying loans.

(Note 3) Ichigo Office issued new shares via public offering at an issue price of 89,212 yen per share (underwriting price of 86,192 yen) for the purpose of raising funds to acquire new assets.

(Note 4) Ichigo Office issued new shares via a third-party allotment (Greenshoe) at an issue price of 86,192 yen per share for the purpose of repaying loans.

(Note 5) Ichigo Office issued new shares via public offering at an issue price 79,365 yen per share (underwriting price of 76,695 yen) for the purpose of raising funds to acquire new assets.

(Note 6) Ichigo Office issued new shares via a third-party allotment (Greenshoe) at an issue price of 76,695 yen per share for the purpose of repaying loans.

Share Price Performance

The table below shows the high and low prices (closing prices) on the Tokyo Stock Exchange REIT market, where Ichigo Office lists its shares, for each period.

	24th Fiscal Period From May 1, 2017 to October 31, 2017	25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019
High	77,000 yen	83,600 yen	93,800 yen	106,200 yen	118,100 yen
Low	63,000 yen	73,900 yen	81,600 yen	91,300 yen	99,400 yen

4 Dividends

With respect to dividends in the current fiscal period, the dividend distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed the amount equivalent to 90% of distributable earnings as provided for in Article 67-15, Paragraph 1 of the Special Measures Taxation Act. Based on this policy, Ichigo Office has decided to pay a total dividend of 3,294 million yen, which is the entire amount (except for fractions in which the dividend per share is less than one yen) of unappropriated retained earnings of 3,554 million yen, plus 105 million yen, which is the reversal of reserves for temporary difference adjustments, minus 364 million yen, which is gain on sales of real estate transferred to dividend reserves in compliance with J-REIT conduit rules. As a result, the dividend per share came to 2,150 yen.

		24th Fiscal Period From May 1, 2017 to October 31, 2017	25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019
Unappropriated Retained Earnings	thousand yen	2,797,644	4,442,764	2,981,724	3,733,149	3,554,415
Retained Earnings for Dividend Reserve	thousand yen	1,220	848	698	93	—
Total Dividends	thousand yen	2,957,313	3,009,411	3,086,026	3,455,307	3,294,417
(Dividend per Share)	yen	(1,930)	(1,964)	(2,014)	(2,255)	(2,150)
Distributable Earnings	thousand yen	2,957,313	3,009,411	3,086,026	3,455,307	3,294,417
(Distributable Earnings per Share)	yen	(1,930)	(1,964)	(2,014)	(2,255)	(2,150)
Total Refund of Capital	thousand yen	—	—	—	—	—
(Refund of capital per share)	yen	(—)	(—)	(—)	(—)	(—)
Of the Total Refund of Capital, Total Distribution from Reserves for Temporary Difference Adjustment	thousand yen	—	—	—	—	—
(Of the Refund of Capital per Share, Distribution from Reserves for Temporary Difference Adjustment per Share)	yen	(—)	(—)	(—)	(—)	(—)
Of the Total Refund of Capital, Total Distribution from the Distribution Associated with a Decrease in Investment for Tax Purposes	thousand yen	—	—	—	—	—
(Of the Refund of Capital per Share, Distribution from the Distribution Associated with a Decrease in Investment for Tax Purposes)	yen	(—)	(—)	(—)	(—)	(—)

5 Investment Policies and Strategies

(1) Asset Acquisitions (Acquisition-Driven Growth)

Ichigo Office invests in real estate mainly located in central Tokyo, the Tokyo metropolitan area, major regional cities and prefectural capitals whose primary use is as offices, as well as real estate-backed securities related to these assets. In particular, Ichigo Office builds a portfolio specializing in mid-size offices with a focus on growth potential while securing earnings stability, given that both stability and growth potential can be expected in mid-size offices and that the replacement of assets in the portfolio in a mobilized manner according to the market conditions is also possible because the absolute number of assets is large and there are numerous opportunities for acquisition.

When acquiring assets, Ichigo Office works to obtain quality investment information at an early stage and promote an arm's length transaction, using information from Ichigo Investment Advisors Co., Ltd., the asset management company (hereinafter the "Asset Manager") of Ichigo Office, based on the Asset Manager's own network. In addition, Ichigo Office also promotes steady acquisition-driven growth, by utilizing external bridge funds as well as the warehousing function of Ichigo Inc., based on the sponsor support agreement. Ichigo Office also strives to improve the quality of the portfolio through asset replacements by considering sales of assets with limited room for organic growth.

(2) Portfolio Management (Organic Growth)

In the management and operation of the assets owned, Ichigo Office aims to build a robust portfolio and drive sustainable growth through active promotion of the following initiatives that will lead to the strengthening of the earnings power of individual assets.

- Provide differentiated Ichigo Layout Office and Ichigo Lounge high-quality office spaces
- Increase asset value and investment returns via value-add capex
- Maintain and drive earnings growth with a focus on tenant satisfaction
- Minimize downtime at re-tenanting and free-rent periods

(3) Financing Strategy

For the refinancing of existing loans, Ichigo Office will take advantage of the low-interest-rate environment by fixing borrowing rates and promoting the extension and diversification of borrowing periods. With respect to the long-term issuer rating it has acquired from Japan Credit Rating Agency, Ltd., Ichigo Office will strengthen its financial base and expand its cash flows while diversify financing using investment corporation bonds, with the aim of further improving the current rating of "A (Outlook: Stable)."

6 Significant Subsequent Events

N/A

Ichigo Office Overview

1 Shares and Shareholders' Equity

		24th Fiscal Period October 31, 2017	25th Fiscal Period April 30, 2018	26th Fiscal Period October 31, 2018	27th Fiscal Period April 30, 2019	28th Fiscal Period October 31, 2019
Number of Authorized Shares	shares	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Number of Shares Outstanding	shares	1,532,287	1,532,287	1,532,287	1,532,287	1,532,287
Shareholders' Equity	million yen	67,675	67,675	67,675	67,675	67,675
Number of Shareholders	persons	18,328	16,994	14,705	13,091	12,858

2 Major Shareholders

Major shareholders as of October 31, 2019 are as follows:

Name	Shares	Ratio of Shares Held to Total Number of Shares Issued (%) (Note)
Ichigo Trust Pte. Ltd.	344,190	22.46
The Master Trust Bank of Japan, Trust Account	244,211	15.93
Japan Trustee Services Bank, Ltd., Trust Account	209,434	13.66
NOMURA BANK (LUXEMBOURG) S.A.	65,395	4.26
Trust & Custody Service Bank, Ltd., Securities Investment Trust Account	51,585	3.36
The Nomura Trust and Banking Co., Ltd., Investment Trust Account	48,963	3.19
Morgan Stanley MUFG Securities Co., Ltd.	42,757	2.79
GOLDMAN SACHS INTERNATIONAL	29,484	1.92
JPMC GOLDMAN SACHS TRUST JASDEC LENDIG ACCOUNT	19,530	1.27
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	18,392	1.20
Total	1,073,941	70.08

(Note) The ratio of shares held to the total number of shares issued is rounded down to the first decimal place.

3 Executive Director and Supervisory Directors

(1) Ichigo Office's directors and auditor as of October 31, 2019 are as follows:

Title	Name of Director	Other Major Positions	Total Compensation During the Current Fiscal Period (thousand yen)
Executive Director	Yoshihiro Takatsuka	R's Consulting KK, Representative Director Oct Advisors Inc., Director and Partner	2,160
Supervisory Directors	Takaaki Fukunaga	Fukunaga CPA Office, Representative Global Solutions Consulting Co., Ltd., Representative Director GreenOak Investment Management KK, external Corporate Auditor AWP Ticket Guard Small Amount & Short Term Insurance Co., Ltd., external Corporate Auditor PP Japan Co., Ltd., Corporate Auditor Retailer's Sphere Co., Ltd., Corporate Auditor GMO Registry, Inc., external Corporate Auditor	1,440
	Masahiro Terada	City-Yuwa Partners, Partner	1,440
Accounting Auditor	Grant Thornton Taiyo LLC	—	11,120

(Note) The Executive and Supervisory Directors do not own shares of Ichigo Office under either their own name or another person's name.

(2) Policy for Determining Dismissal or Non-Reappointment of Accounting Auditor

The Board of Directors will determine the dismissal of the accounting auditor pursuant to the provisions of the Act on Investment Trusts and Investment Corporations and the refusal to reappoint the accounting auditor, taking various factors into consideration, including the quality of the audit and compensation for the audit.

4 Asset Management Company, Asset Custodian, and Administrative Agents

The asset management company, asset custodian, and administrative agents as of October 31, 2019 are as follows:

Asset Management Company	Ichigo Investment Advisors Co., Ltd.
Asset Custodian	
Administrative Agent (Administration)	Mizuho Trust Banking & Co., Ltd.
Administrative Agent (Accounting)	
Administrative Agent (Transfer Agent)	
Administrative Agent (Special Accounts)	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Special Accounts)	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Investment Corporation Bonds)	Sumitomo Mitsui Bankng Corporation
Administrative Agent (Investment Corporation Bonds)	MUFG Bank, Ltd.
Administrative Agent (Investment Corporation Bonds)	Mizuho Bank, LTD.

Assets under Management

1 Asset Composition

Asset Type	Area (Note 1)	27th Fiscal Period (as of April 30, 2019)		28th Fiscal Period (as of October 31, 2019)	
		Book Value (million yen)(Note 2)	Ratio to Total Assets (%)	Book Value (million yen)(Note 2)	Ratio to Total Assets (%)
Real Estate	Central Tokyo	8,726	3.9	6,768	3.0
	Tokyo Metropolitan Area	4,028	1.8	4,019	1.8
	Four Major Regional Cities	10,497	4.7	10,437	4.6
Trust Beneficiary Interest in Real Estate (<i>juekiken</i>) (Note 3)	Central Tokyo	108,549	48.1	108,449	48.0
	Tokyo Metropolitan Area	40,558	18.0	40,473	17.9
	Four Major Regional Cities	17,388	7.7	19,605	8.7
	Other Regional Cities	10,723	4.8	10,660	4.7
Subtotal		200,472	88.8	200,413	88.7
Investment in Securities (Note 4)				50	0.0
Deposits and Other Assets		25,205	11.2	25,433	11.3
Total Assets		225,678	100.0	225,898	100.0

(Note 1) Areas are defined as follows:

Central Tokyo: Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa Wards

Tokyo Metropolitan Area: Tokyo (excluding the six wards above) and Kanagawa, Chiba and Saitama Prefectures

Four Major Regional Cities: Osaka, Nagoya, Fukuoka and Sapporo

Other Regional Cities: Regional cities other than the above (prefectural capitals, etc.)

(Note 2) Book Value is the amount recorded on the balance sheet as of the closing date (for real estate and the trust beneficiary interest in real estate, the book value after depreciation). Construction in progress and construction in progress in trust are not included in the subtotal of real estate and the trust beneficiary interest in real estate.

(Note 3) Land leasehold rights in trust held together with buildings in trust are stated in the section on the trust beneficiary interest in real estate by adding them to buildings in trust, etc.

(Note 4) TK (*tokumei kumiai*) real estate equity interest in Tachikawa Holdings GK TK

2 Major Assets Owned

The table below is a summary of the major assets owned by Ichigo Office as of October 31, 2019 (top ten assets in terms of book value).

Asset Name	Book Value (million yen) (Note 1)	Leasable Area (m ²)	Leased Area (m ²)	Occupancy (%) (Note 2)	Ratio to Total Rent Revenue (%)	Asset Type
Ichigo Jingumae Building	7,416	4,510.04	4,510.04	100.0	2.6	Office
Ebisu Green Glass	5,820	3,159.27	3,159.27	100.0	2.1	Office
Ichigo Marunouchi Building	5,754	8,009.11	8,009.11	100.0	3.0	Office
Ichigo Akihabara North Building	5,558	6,250.53	6,250.53	100.0	2.7	Office
Ichigo Ikenohata Building	5,138	5,504.15	5,504.15	100.0	2.1	Office
Ichigo Sasazuka Building	4,924	6,425.29	6,425.29	100.0	2.3	Office
Ichigo Gotanda Building	4,846	5,346.39	5,346.39	100.0	2.7	Office
Ichigo Sakae Building	4,682	3,928.12	3,928.12	100.0	2.8	Office
Ichigo Higashi Ikebukuro Building	4,608	4,472.00	4,472.00	100.0	2.0	Office
Ichigo Nihonbashi East Building	4,517	4,216.97	4,216.97	100.0	1.9	Office
Total	53,268	51,821.87	51,821.87	100.0	24.3	

(Note 1) Book Value does not include construction in progress or construction in progress in trust.

(Note 2) Occupancy is the ratio of the Leased Area within the Leasable Area of the real estate or real estate in trust as of period-end. The ratio is rounded off to the first decimal place.

3 Portfolio Overview

Details of Portfolio Assets

The table below shows the details of assets owned by Ichigo Office as of October 31, 2019.

Asset Name	Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at Period-end (million yen) (Note 1)	Book Value at Period-end (million yen) (Note 2)
O-02 Ichigo Nishisando Building	Yoyogi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,564.63	3,290	3,352
O-03 Ichigo Mita Building	Shiba, Minato-ku, Tokyo	Trust beneficiary interest in real estate	4,119.63	3,620	2,732
O-04 Ichigo Nanpeidai Building	Nanpeidaicho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,925.24	2,670	1,915
O-05 Ichigo Hanzomon Building	Hayabusacho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,080.37	1,950	1,505
O-06 Ichigo Hijirizaka Building	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,947.90	1,470	1,216
O-07 Ichigo Shibuya Kamiyamacho Building	Kamiyamacho, Shibuya-ku, Tokyo	Real estate	1,321.54	1,880	1,370
O-08 Ichigo Akasaka 5 Chome Building	Akasaka, Minato-ku, Tokyo	Real estate	683.86	829	718
O-09 Ichigo Shibakoen Building	Shiba, Minato-ku, Tokyo	Real estate	1,602.29	1,160	1,101
O-10 Ichigo Ebisu Nishi Building	Ebisu-Nishi, Shibuya-ku, Tokyo	Real estate	1,484.39	2,510	1,926
O-11 Ichigo Ginza 612 Building	Ginza, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,387.09	2,090	1,779
O-12 Ichigo Uchikanda Building	Uchikanda, Chiyoda-ku, Tokyo	Real estate	1,378.83	1,350	1,129
O-14 Ichigo Yotsuya 4 Chome Building	Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	780.64	590	507
O-15 Ichigo Tameike Building	Akasaka, Minato-ku, Tokyo	Real estate	494.14	722	521
O-16 Ichigo Jimbocho Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,891.01	2,420	1,805
O-17 Ichigo Hakozaeki Building	Nihonbashi Kakigaracho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,387.34	1,180	1,141
O-18 Ichigo Kudan 2 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,288.31	953	730
O-19 Ichigo Kudan 3 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,302.43	860	818
O-20 Ichigo Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	5,346.39	6,320	4,846
O-21 Ichigo Shin Yokohama Building	Shin Yokohama, Kohoku-ku, Yokohama	Trust beneficiary interest in real estate	4,021.32	1,740	1,697
O-22 Ichigo Minami Ikebukuro Building	Minami Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	1,491.51	1,790	1,373
O-23 Ichigo Nakano North Building	Arai, Nakano-ku, Tokyo	Trust beneficiary interest in real estate	1,250.85	935	733
O-24 Ichigo Eitai Building	Eitai, Koto-ku, Tokyo	Real estate	2,605.54	1,320	1,467
O-26 Ichigo Ikejiri Building	Ohashi, Meguro-ku, Tokyo	Real estate	2,385.69	2,230	1,950
O-27 Ichigo Nishi Ikebukuro Building	Ikebukuro, Toshima-ku, Tokyo	Real estate	1,261.91	966	602
O-28 Ichigo Nishi Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	1,329.06	846	756
O-29 Ichigo Kichijoji Building	Kichijoji Honcho, Musashino City, Tokyo	Trust beneficiary interest in real estate	4,210.87	2,920	2,191
O-34 Ichigo Sakae Building	Sakae, Naka-ku, Nagoya	Real estate	3,928.12	6,490	4,682
O-37 Ichigo Marunouchi Building	Marunouchi, Naka-ku, Nagoya	Real estate	8,009.11	7,910	5,754
O-38 Ichigo Toyamaeki Nishi Building	Jinzu Honmachi, Toyama City, Toyama	Trust beneficiary interest in real estate	8,601.71	1,840	1,525
O-39 Ichigo Mirai Shinkin Building	Niagemachi, Oita City, Oita	Trust beneficiary interest in real estate	3,551.46	1,320	1,144
O-42 Ichigo Takamatsu Building	Kotobukicho, Takamatsu City, Kagawa	Trust beneficiary interest in real estate	6,329.33	3,650	2,315
O-46 Ichigo Kanda Nishikicho Building	Kanda-Nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,523.09	3,310	2,004
O-47 Ichigo Akihabara North Building	Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,250.53	7,130	5,558
O-48 Ichigo Sakaisuji Honmachi Building	Honmachi, Chuo-ku, Osaka	Trust beneficiary interest in real estate	3,729.35	2,360	1,777
O-49 Ichigo Kanda Ogawamachi Building	Kanda-Ogawamachi, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,295.57	2,540	2,193
O-50 Ichigo Hatchobori Building	Shintomi, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,697.36	2,680	1,801
O-51 Ebisu Green Glass	Ebisu Minami, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,159.27	6,890	5,820
O-52 Ichigo Omori Building	Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,585.92	4,450	3,788
O-53 Ichigo Takadanobaba Building	Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	1,606.92	1,910	1,585
O-54 Ichigo Omiya Building	Miyacho, Omiya-ku, Saitama City, Saitama	Trust beneficiary interest in real estate	6,180.68	4,100	3,608
O-55 Ichigo Sagamiyama Building	Sagamiyama, Chuo-ku, Sagamiyama City, Kanagawa	Trust beneficiary interest in real estate	2,960.81	1,280	1,222
O-56 Ichigo Ofuna Building	Ofuna, Kamakura City, Kanagawa	Trust beneficiary interest in real estate	2,364.71	2,620	1,943

Asset Name		Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at Period-end (million yen) (Note 1)	Book Value at Period-end (million yen) (Note 2)
O-57	Ichigo Sendai East Building	Miyagino, Miyagino-ku, Sendai, Miyagi	Trust beneficiary interest in real estate	5,205.49	2,140	1,653
O-58	Ichigo Kumamoto Building	Karashimacho, Chuo-ku, Kumamoto City, Kumamoto	Trust beneficiary interest in real estate	4,507.59	1,590	1,474
O-59	Ichigo Jingumae Building	Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,510.04	8,280	7,416
O-60	Ichigo Shibuya Dogenzaka Building	Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,789.86	5,350	3,675
O-61	Ichigo Hiroo Building	Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,510.44	4,710	4,016
O-62	Ichigo Sasazuka Building	Sasazuka, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	6,425.29	5,720	4,924
O-63	Ichigo Nihonbashi East Building	Nihonbashi Bakurocho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	4,216.97	5,600	4,517
O-64	Ichigo Sakurabashi Building	Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,971.22	3,080	2,569
O-65	Ichigo Shinkawa Building	Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,312.03	2,930	2,382
O-66	Ichigo Kudan Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	3,090.65	3,590	3,213
O-67	Ichigo Higashi Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	4,548.10	4,250	3,651
O-68	Axior Mita	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,369.82	2,320	1,744
O-69	Ichigo Higashi Ikebukuro Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	4,472.00	5,310	4,608
O-70	Koriyama Big-i (Office Section)	Ekimae, Koriyama City, Fukushima	Trust beneficiary interest in real estate	3,433.07	2,120	1,476
O-71	Ichigo Kawasaki Building	Higashi Tamachi, Kawasaki-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	3,710.17	2,180	1,776
O-72	Ichigo Shibuya East Building	Higashi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,041.36	1,610	1,350
O-73	Ichigo Ningyocho Building	Nihonbashi Horidomecho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,769.09	1,610	1,480
O-74	Ichigo Nishi Honmachi Building	Awaza, Nishi-ku, Osaka	Trust beneficiary interest in real estate	6,152.00	2,470	2,136
O-75	Ichigo Hakata Building	Gionmachi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	2,423.86	1,520	1,362
O-76	Ichigo Nishiki First Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	3,324.70	2,140	1,973
O-77	Ichigo Ikenohata Building	Ikenohata, Taito-ku, Tokyo	Trust beneficiary interest in real estate	5,504.15	5,500	5,138
O-78	Ichigo Ikebukuro East Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,118.69	3,290	2,979
O-79	Ichigo Motoazabu Building	Motoazabu, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,329.96	2,290	1,912
O-80	Ichigo Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,679.70	3,040	2,734
O-81	Ichigo Nagoya Building	Meieki, Nakamura-ku, Nagoya	Trust beneficiary interest in real estate	4,930.30	3,900	3,482
O-82	Ichigo Fushimi Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	4,155.57	2,510	2,329
O-83	Ichigo Nishiki Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	2,006.78	1,460	1,287
O-84	Ichigo Minami Morimachi Building	Matsugaecho, Kita-ku, Osaka	Trust beneficiary interest in real estate	2,521.51	1,170	1,008
O-85	Ichigo Shibuya Udagawacho Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,491.48	4,160	3,587
O-86	Win Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,689.88	3,320	3,107
O-87	Ichigo Hongo Building	Hongo, Bunkyo-ku, Tokyo	Trust beneficiary interest in real estate	2,722.58	2,510	2,292
O-88	Oimachi Center Building	Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	2,751.08	1,960	1,697
O-89	Win Gotanda Building 2	Osaki, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,433.16	3,590	3,306
O-90	MIF Building	Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,690.33	2,370	2,201
O-91	Ichigo Uchi Honmachi Building	Uchi Honmachi, Chuo-ku, Osaka	Trust beneficiary interest in real estate	3,004.07	2,180	1,993
O-92	Ichigo Minami Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,127.84	3,180	2,867
O-93	Ichigo Nogizaka Building	Akasaka, Minato-ku, Osaka	Trust beneficiary interest in real estate	2,175.88	3,580	3,373
O-94	Ichigo Hakata East Building	Hakataeki Higashi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	2,901.99	2,480	2,254
Z-09	Konami Sports Club Izumi Fuchu	Fuchucho, Izumi City, Osaka	Trust beneficiary interest in real estate	3,733.68	1,450	1,071
Z-10	Ichigo Shibuya Bunkamura Dori Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	778.77	3,030	2,459
Z-11	Twicere Yokohama Isogo (Retail Section)	Mori, Isogo-ku, Yokohama	Trust beneficiary interest in real estate	2,717.77	1,500	1,498
Z-12	Lions Square Kawaguchi	Motogo, Kawaguchi City, Saitama	Trust beneficiary interest in real estate	7,788.09	2,530	2,364
Z-14	Ichigo Kamata Building	Nishi Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	2,124.68	1,520	1,440
Total				266,478.61	240,131	200,413

(Note 1) The appraisal value at period-end is the value appraised by the real estate appraisers of Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sogo Appraisal Co., Ltd. and Rich Appraisal Institute under the Articles of Incorporation of Ichigo Office and the Regulation on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006 including subsequent amendments).

(Note 2) The book value at period-end does not include construction in progress or construction in progress in trust.

The table below shows the status of rental activity at Ichigo Office assets in the 27th and 28th Periods:

Asset Name	27th Fiscal Period From November 1, 2018 to April 30, 2019				28th Fiscal Period From May 1, 2019 to October 31, 2019			
	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)
O-02 Ichigo Nishisando Building	16	100.0	132,420	1.7	16	100.0	135,581	1.7
O-03 Ichigo Mita Building	9	100.0	122,778	1.6	9	100.0	121,937	1.6
O-04 Ichigo Nanpeidai Building	13	100.0	79,463	1.0	13	100.0	80,234	1.0
O-05 Ichigo Hanzomon Building	6	100.0	59,920	0.8	6	100.0	62,921	0.8
O-06 Ichigo Hijirizaka Building	6	100.0	58,920	0.8	6	100.0	59,101	0.8
O-07 Ichigo Shibuya Kamiyamacho Building	4	100.0	52,084	0.7	4	100.0	52,574	0.7
O-08 Ichigo Akasaka 5 Chome Building	9	100.0	28,181	0.4	9	100.0	28,443	0.4
O-09 Ichigo Shibakoen Building	4	100.0	36,869	0.5	4	100.0	42,376	0.5
O-10 Ichigo Ebisu Nishi Building	8	100.0	70,342	0.9	8	100.0	71,033	0.9
O-11 Ichigo Ginza 612 Building	25	100.0	64,696	0.8	24	100.0	66,397	0.8
O-12 Ichigo Uchikanda Building	8	81.1	46,267	0.6	9	100.0	37,814	0.5
O-14 Ichigo Yotsuya 4 Chome Building	10	100.0	20,652	0.3	10	100.0	20,729	0.3
O-15 Ichigo Tameike Building	6	100.0	20,280	0.3	6	100.0	21,390	0.3
O-16 Ichigo Jimbocho Building	8	100.0	75,263	1.0	8	100.0	76,612	1.0
O-17 Ichigo Hakozaeki Building	7	100.0	54,400	0.7	7	100.0	54,918	0.7
O-18 Ichigo Kudan 2 Chome Building	1	100.0	27,487	0.4	1	100.0	28,899	0.4
O-19 Ichigo Kudan 3 Chome Building	5	100.0	35,610	0.5	5	100.0	34,994	0.4
O-20 Ichigo Gotanda Building	14	100.0	208,035	2.7	14	100.0	208,711	2.7
O-21 Ichigo Shin Yokohama Building	14	97.7	79,957	1.0	14	97.7	81,405	1.0
O-22 Ichigo Minami Ikebukuro Building	10	100.0	53,577	0.7	9	100.0	58,110	0.7
O-23 Ichigo Nakano North Building	6	100.0	37,947	0.5	6	100.0	41,125	0.5
O-24 Ichigo Eitai Building	10	100.0	63,872	0.8	10	100.0	63,358	0.8
O-26 Ichigo Ikejiri Building	5	100.0	82,307	1.1	5	100.0	80,022	1.0
O-27 Ichigo Nishi Ikebukuro Building	1	100.0	31,540	0.4	1	100.0	28,677	0.4
O-28 Ichigo Nishi Gotanda Building	9	100.0	34,128	0.4	9	100.0	34,296	0.4
O-29 Ichigo Kichijoji Building	13	100.0	114,171	1.5	13	100.0	114,509	1.5
O-34 Ichigo Sakae Building	19	100.0	219,207	2.8	19	100.0	221,809	2.8
O-37 Ichigo Marunouchi Building	23	100.0	232,704	3.0	23	100.0	235,431	3.0
O-38 Ichigo Toyamaeki Nishi Building	14	97.5	123,741	1.6	15	99.1	114,366	1.5
O-39 Ichigo Mirai Shinkin Building	21	95.4	78,663	1.0	21	95.4	77,790	1.0
O-42 Ichigo Takamatsu Building	13	97.3	152,182	2.0	15	100.0	152,757	1.9
O-46 Ichigo Kanda Nishikicho Building	10	100.0	91,843	1.2	9	89.7	87,666	1.1
O-47 Ichigo Akihabara North Building	1	100.0	214,327	2.8	1	100.0	215,277	2.7
O-48 Ichigo Sakaisuji Honmachi Building	17	100.0	93,086	1.2	17	100.0	94,831	1.2
O-49 Ichigo Kanda Ogawamachi Building	9	100.0	81,669	1.0	9	100.0	81,621	1.0
O-50 Ichigo Hatchobori Building	7	100.0	91,702	1.2	7	100.0	93,013	1.2
O-51 Ebisu Green Glass	2	100.0	161,993	2.1	2	100.0	163,475	2.1
O-52 Ichigo Omori Building	8	100.0	131,656	1.7	8	95.2	132,294	1.7
O-53 Ichigo Takadanobaba Building	8	100.0	62,474	0.8	8	100.0	63,485	0.8
O-54 Ichigo Omiya Building	30	100.0	159,472	2.0	30	100.0	159,565	2.0
O-55 Ichigo Sagamiyama Building	13	100.0	60,128	0.8	13	100.0	60,220	0.8
O-56 Ichigo Ofuna Building	9	100.0	94,134	1.2	9	100.0	94,213	1.2
O-57 Ichigo Sendai East Building	10	95.5	102,104	1.3	10	97.6	98,995	1.3
O-58 Ichigo Kumamoto Building	31	97.5	86,633	1.1	31	96.8	87,575	1.1
O-59 Ichigo Jingumae Building	7	100.0	203,500	2.6	7	100.0	207,461	2.6
O-60 Ichigo Shibuya Dogenzaka Building	9	100.0	125,778	1.6	9	100.0	129,147	1.6
O-61 Ichigo Hiroo Building	5	100.0	133,903	1.7	5	100.0	135,740	1.7
O-62 Ichigo Sasazuka Building	6	100.0	183,552	2.4	6	100.0	183,487	2.3
O-63 Ichigo Nihonbashi East Building	7	100.0	147,325	1.9	7	100.0	149,132	1.9
O-64 Ichigo Sakurabashi Building	6	100.0	83,403	1.1	6	100.0	83,787	1.1
O-65 Ichigo Shinkawa Building	6	100.0	76,013	1.0	6	100.0	79,330	1.0
O-66 Ichigo Kudan Building	9	100.0	103,195	1.3	9	98.2	101,317	1.3
O-67 Ichigo Higashi Gotanda Building	18	100.0	130,131	1.7	18	100.0	131,993	1.7
O-68 Axior Mita	12	100.0	68,139	0.9	12	100.0	68,128	0.9
O-69 Ichigo Higashi Ikebukuro Building	20	100.0	160,056	2.1	19	100.0	160,492	2.0

Asset Name	27th Fiscal Period From November 1, 2018 to April 30, 2019				28th Fiscal Period From May 1, 2019 to October 31, 2019			
	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)
O-70 Koriyama Big-i (Office Section)	14	100.0	103,118	1.3	14	100.0	104,333	1.3
O-71 Ichigo Kawasaki Building	17	100.0	90,846	1.2	17	100.0	91,637	1.2
O-72 Ichigo Shibuya East Building	3	100.0	41,930	0.5	3	100.0	44,045	0.6
O-73 Ichigo Ningyocho Building	8	100.0	46,542	0.6	8	100.0	48,053	0.6
O-74 Ichigo Nishi Honmachi Building	31	100.0	106,512	1.4	31	100.0	108,741	1.4
O-75 Ichigo Hakata Building	28	100.0	52,968	0.7	28	100.0	53,394	0.7
O-76 Ichigo Nishiki First Building	5	100.0	69,106	0.9	5	100.0	76,008	1.0
O-77 Ichigo Ikenohata Building	7	100.0	162,527	2.1	7	100.0	164,246	2.1
O-78 Ichigo Ikebukuro East Building	3	100.0	94,460	1.2	3	100.0	94,120	1.2
O-79 Ichigo Motoazabu Building	3	100.0	53,147	0.7	3	100.0	55,242	0.7
O-80 Ichigo Otsuka Building	7	100.0	91,265	1.2	7	100.0	98,112	1.2
O-81 Ichigo Nagoya Building	36	100.0	150,447	1.9	36	100.0	153,012	1.9
O-82 Ichigo Fushimi Building	39	94.6	88,075	1.1	41	96.7	91,058	1.2
O-83 Ichigo Nishiki Building	23	100.0	49,173	0.6	23	100.0	49,781	0.6
O-84 Ichigo Minami Morimachi Building	12	100.0	47,353	0.6	12	100.0	48,256	0.6
O-85 Ichigo Shibuya Udagawacho Building	8	100.0	85,030	1.1	9	100.0	83,244	1.1
O-86 Win Gotanda Building	11	100.0	111,474	1.4	10	100.0	112,881	1.4
O-87 Ichigo Hongo Building	7	100.0	82,031	1.1	7	100.0	84,068	1.1
O-88 Oimachi Center Building	8	100.0	72,942	0.9	8	100.0	73,339	0.9
O-89 Win Gotanda Building 2	9	100.0	106,084	1.4	9	100.0	106,042	1.3
O-90 MIF Building	7	100.0	60,980	0.8	7	100.0	65,372	0.8
O-91 Ichigo Uchi Honmachi Building	16	90.7	58,618	0.8	17	94.2	60,328	0.8
O-92 Ichigo Minami Otsuka Building	9	100.0	53,089	0.7	9	100.0	75,835	1.0
O-93 Ichigo Nogizaka Building	5	100.0	54,139	0.7	4	87.5	77,505	1.0
O-94 Ichigo Hakata East Building	—	—	—	—	21	100.0	59,673	0.8
Z-02 Ichigo Fiesta Shibuya Building (Note 3)	10	100.0	70,769	0.9	—	—	11,756	0.1
Z-05 Ichigo Machida East Building (Note 4)	—	—	18,367	0.2	—	—	—	—
Z-09 Konami Sports Club Izumi Fuchu	1	100.0	63,000	0.8	1	100.0	63,000	0.8
Z-10 Ichigo Shibuya Bunkamura Dori Building	4	100.0	75,868	1.0	4	100.0	76,690	1.0
Z-11 Twicere Yokohama Isogo (Retail Section)	8	100.0	81,953	1.1	8	100.0	83,419	1.1
Z-12 Lions Square Kawaguchi	3	100.0	121,997	1.6	3	100.0	125,114	1.6
Z-13 Ichigo Shin Yokohama Arena Dori Building (Note 4)	—	—	21,016	0.3	—	—	—	—
Z-14 Ichigo Kamata Building	2	100.0	53,516	0.7	2	100.0	53,731	0.7
Total	921	99.3	7,782,261	100.0	934	99.4	7,862,644	100.0

(Note 1) In the column "Number of Tenants at Period-end," the total number of tenants who have concluded a lease contract with Ichigo Office or the trustee as the lessor is stated. If a master lease contract has been concluded with a master leasing company other than Ichigo Office, the number of tenants is counted as one.

(Note 2) "Occupancy Rate at Period-end" is the ratio of the Leased Area within the Leasable Area of the real estate or real estate in trust as of period-end. The ratio is rounded off to the first decimal place.

(Note 3) The asset was sold on May 30, 2019.

(Note 4) The asset was sold on December 20, 2018.

Details of Renewable Energy Power Generation Equipment

N/A

Details of PPP and PFI

N/A

Details of Investments in Securities

	Type	Book Value (thousand yen)		Appraisal Value (thousand yen) (Note 1)		Difference	Note
		Per Share	Total	Per Share	Total		
Equity Interest in Tachikawa Holdings GK TK	TK (<i>tokumei kumiai</i>) equity interest	—	50,654	—	50,654	—	(Note 2)
Total		—	50,654	—	50,654	—	—

(Note 1) "Appraisal Value" shows the book value of the TK equity interest.

(Note 2) The underlying real estate in the Tachikawa Holdings GK TK is a trust beneficiary interest in real estate (*juekiken*) of Unizo Tachikawa Building.

4 Status of Other Assets

Trust beneficiary rights whose major asset is real estate are included in "3. Portfolio Overview" above, and major specified assets in which the Investment Corporation invests as of October 31, 2019 are as follows.

Contract Value and Market Value of Specified Transactions

The table below shows the contract value and fair value of a specified transaction at Ichigo Office as of October 31, 2019.

Classification	Type	Contract Amount (thousand yen)		Market Value (thousand yen) (Note 2)
		(Note 1)	Exceeding One Year (Note 1)	
Transactions Other than Market Transactions	Interest rate swap (pay fixed, receive floating)	98,601,111	81,062,543	—
Total		98,601,111	81,062,543	—

(Note 1) The contract amount of interest rate swap is based on the notional principal.

(Note 2) Since the above transaction meets the specific matching criteria of the Accounting Standard for Financial Instruments, the statement of market value is omitted.

5 Assets by Country and Region

All Ichigo Office assets are located in Japan.

Capital Expenditures

1 Schedule of Capital Expenditures

The major renovation-related capital expenditures planned as of October 31, 2019 are as described below. The payment amount for the scheduled work below includes the amount classified as accounting expenses.

Asset Name (Location)	Purpose	Period	Expected Payment Amount (thousand yen)		
			Total Amount	Amount Paid in the Fiscal Period under Review	Amount Already Paid
Ichigo Kawasaki Building (Kawasaki City, Kanagawa)	Elevator Upgrade	From February 2020 to March 2020	27,304	—	—
Ichigo Nishi Honmachi Building (Nishi-ku, Osaka)	Air Conditioning Upgrade	From May 2020 to May 2020	26,590	—	—
Ichigo Mirai Shinkin Building (Oita City, Oita)	Parking Space Renovation	From October 2020 to October 2020	23,938	—	—

2 Capital Expenditures during the Current Fiscal Period

Capital expenditures during the current fiscal period amounted to 478,779 thousand yen, and construction work of a total of 612,675 thousand yen were conducted, combined with repair expenses of 133,895 thousand yen.

Asset Name (Location)	Purpose	Period	Payment Amount (thousand yen)
Ichigo Toyamaeki Nishi Building (Toyama City, Toyama)	Air Conditioning Upgrade	From September 2019 to October 2019	42,481
	Other		436,298
	Total		478,779

3 Cash Reserves for Long-Term Repair and Maintenance Plans

Based on each asset's long-term repair and maintenance plans, Ichigo Office reserves funds for future large-scale repairs and renovations from cash flow during each fiscal period as follows.

	(Thousand yen)				
	24th Fiscal Period From May 1, 2017 to October 31, 2017	25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019
Balance of Reserves at Beginning of Period	1,094,211	1,183,437	1,255,148	1,537,351	1,491,865
Gains	794,999	707,271	833,530	642,828	614,687
Reversals	705,773	635,561	551,326	688,314	564,134
Amount Brought Forward to Next Period	1,183,437	1,255,148	1,537,351	1,491,865	1,542,418

Expenses and Liabilities

1 Details of Operating Expenses

(Thousand yen)

	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019
a. Asset Management Fees	807,440	770,048
b. Asset Custody Fees	14,872	15,027
c. Administrative Service Fees	43,293	42,875
d. Directors' Compensation	5,040	5,040
e. Other Operating Expenses	79,328	82,999
Total	949,974	915,990

2 Borrowings

The table below shows borrowings as of October 31, 2019.

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collaterized
Long-Term Loans	SMBC	August 1, 2014	1,470	–	1.070 (Note 2)	July 31, 2019	(Note 3)	(Note 13)	No (No Guarantee)
	Mizuho Bank		1,274	–					
	Resona Bank		882	–					
	Shinsei Bank		882	–					
	Aozora Bank		882	–					
	The Kagawa Bank		490	–					
	ORIX Bank		490	–					
	SMBC	December 10, 2014	1,225	1,224	1.267 (Note 2)	December 10, 2020	(Note 4)		
	Mizuho Bank		1,225	1,224					
	Aozora Bank		784	783					
	Shinsei Bank		784	783					
	Resona Bank		588	587					
	MUFG Bank		784	783					
	SMBC	December 15, 2014	1,225	1,224	1.033 (Note 2)	December 16, 2019	(Note 5)		
	Mizuho Bank		1,225	1,224					
	Aozora Bank		784	783					
	Shinsei Bank		784	783					
	Resona Bank		588	587					
	MUFG Bank		784	783					
	Aozora Bank	February 27, 2015	2,127	2,127	1.142 (Note 2)	August 31, 2020	Lump-sum repayment		
Shinsei Bank	1,998		1,998						
ORIX Bank	400		400						
SMBC	April 30, 2015	673	672	1.148 (Note 2)	November 29, 2019	(Note 6)			
Mizuho Bank		610	610						
Shinsei Bank		642	641						
MUFG Bank		549	549						
SMBC		1,372	1,371						
Mizuho Bank	April 30, 2015	1,249	1,248	1.185 (Note 2)	May 29, 2020	(Note 7)			
Shinsei Bank		1,311	1,310						
MUFG Bank		1,124	1,123						

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-term Loans	SMBC	May 7, 2015	1,958	1,956	1.275 (Note 2)	May 7, 2021	(Note 8)	(Note 13)	No (No Guarantee)
	Mizuho Bank		1,958	1,956					
	Aozora Bank		591	590					
	Shinsei Bank		773	772					
	MUFG Bank		1,630	1,629					
	Resona Bank		1,366	1,365					
	Bank of Fukuoka		448	447					
	ORIX Bank		448	447					
	SMBC	May 7, 2015	1,958	1,956	1.347 (Note 2)	November 8, 2021	(Note 8)		
	Mizuho Bank		1,958	1,956					
	Aozora Bank		591	590					
	Shinsei Bank		773	772					
	MUFG Bank		1,630	1,629					
	Resona Bank		1,364	1,363					
	Bank of Fukuoka		448	447					
	ORIX Bank		448	447					
	SMBC	September 30, 2015	1,589	1,587	0.985 (Note 2)	March 31, 2021	(Note 9)		
	Mizuho Trust		286	286					
	Resona Bank		573	573					
	Aozora Bank		573	573					
	Mizuho Bank		1,070	1,069					
	ORIX Bank		286	286					
	MUFG Bank		496	495					
	The Kagawa Bank	September 30, 2015	955	955	0.667	March 31, 2020	Lump-sum repayment		
	SMBC	September 30, 2015	893	–	0.557	September 30, 2019	(Note 10)		
	SMBC	May 9, 2016	1,441	1,439	0.808 (Note 2)	May 31, 2022	(Note 11)		
	Mizuho Bank		1,043	1,042					
	MUFG Bank		894	893					
	Shinsei Bank		497	496					
	SMBC	May 9, 2016	1,441	1,439	0.858 (Note 2)	November 30, 2022	(Note 11)		
	Mizuho Bank		1,043	1,042					
	MUFG Bank		894	893					
Shinsei Bank	497		496						
SMBC	May 24, 2016	1,789	1,787	0.705 (Note 2)	May 31, 2022	(Note 12)			
Mizuho Bank		894	893						
MUFG Bank		695	695						
Shinsei Bank		596	595						
Aozora Bank		497	496						
Bank of Fukuoka		497	496						
Nishi-Nippon City Bank		497	496						
Resona Bank		347	347						

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collaterized
Long-term Loans	SMBC	May 24, 2016	1,789	1,787	0.750 (Note 2)	November 30, 2022	(Note 12)		
	Mizuho Bank		894	893					
	MUFG Bank		695	695					
	Shinsei Bank		596	595					
	Aozora Bank		497	496					
	Bank of Fukuoka		497	496					
	Nishi-Nippon City Bank		497	496					
	Resona Bank		347	347					
	SMBC	November 2, 2016	1,000	1,000	0.845 (Note 2)	October 31, 2023	Lump-sum repayment		
	Development Bank of Japan	November 2, 2016	500	500	0.675	September 30, 2021	Lump-sum repayment		
	Development Bank of Japan	November 2, 2016	500	500	0.708	January 31, 2022	Lump-sum repayment		
	SMBC	May 10, 2017	1,100	1,100	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
	Mizuho Bank	May 10, 2017	1,000	1,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
	Shinsei Bank	May 10, 2017	900	900	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
	Resona Bank	May 10, 2017	400	400	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
	Development Bank of Japan	May 10, 2017	2,000	2,000	0.871	May 10, 2023	Lump-sum repayment		
	SMBC	November 7, 2017	215	215	0.761 (Note 2)	October 31, 2023	Lump-sum repayment	(Note 13)	No (No Guarantee)
	Mizuho Bank		340	340					
	MUFG Bank		283	283					
	Resona Bank		237	237					
	Shinsei Bank		135	135					
	Bank of Fukuoka		195	195					
	ORIX Bank		195	195					
	SMBC	November 7, 2017	633	633	0.948 (Note 2)	October 31, 2025	Lump-sum repayment		
	Mizuho Bank		508	508					
	MUFG Bank		425	425					
	Resona Bank		356	356					
	Shinsei Bank		201	201					
	Aozora Bank		257	257					
	SMBC	April 27, 2018	352	352	0.990 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Trust		1,352	1,352					
	Aozora Bank		901	901					
Shinsei Bank	901		901						
Resona Bank	448		448						
SMBC	May 9, 2018	400	400	0.795 (Note 2)	April 30, 2024	Lump-sum repayment			
Mizuho Bank		350	350						
Shinsei Bank		300	300						
MUFG Bank		300	300						
Bank of Fukuoka		225	225						
The Kagawa Bank		200	200						
Nishi-Nippon City Bank		225	225						

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-term Loans	SMBC	June 15, 2018	835	835	0.860 (Note 2)	November 11, 2024	Lump-sum repayment	(Note 13)	No (No Guarantee)
	Mizuho Bank		491	491					
	Shinsei Bank		393	393					
	MUFG Bank		393	393					
	Aozora Bank		393	393					
	Resona Bank		294	294					
	The Kagawa Bank		147	147					
	SMBC	September 28, 2018	500	500	0.637	February 29, 2024	Lump-sum repayment		
	Mizuho Bank	September 28, 2018	400	400	0.637	February 29, 2024	Lump-sum repayment		
	SMBC	October 31, 2018	1,000	1,000	0.962 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Bank	October 31, 2018	400	400	0.717	April 30, 2026	Lump-sum repayment		
	Shinsei Bank	October 31, 2018	200	200	0.717	April 30, 2026	Lump-sum repayment		
	SMBC	November 30, 2018	954	954	0.975 (Note 2)	September 30, 2026	Lump-sum repayment		
	Mizuho Bank		773	773					
	Shinsei Bank		483	483					
	Aozora Bank		656	656					
	SMBC	December 21, 2018	830	830	0.907 (Note 2)	September 30, 2026	Lump-sum repayment		
	Aozora Bank		570	570					
	SMBC	December 28, 2018	250	250	0.850 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Bank		400	400					
	Development Bank of Japan		400	400					
	MUFG Bank		300	300					
	Shinsei Bank		250	250					
	SMBC	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment		
	Resona Bank	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment		
	Bank of Fukuoka	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment		
	SMBC	July 31, 2019	–	1,239	0.822 (Note 2)	March 25, 2027	Lump-sum repayment		
	Mizuho Bank		–	1,074					
	Shinsei Bank		–	743					
	Aozore Bank		–	743					
Resona Bank	–		743						
ORIX Bank	–		413						
The Kagawa Bank	July 31, 2019		–	413				0.698 (Note 2)	September 25, 2025
SMBC	September 30, 2019	–	692	0.726 (Note 2)	March 25, 2026	Lump-sum repayment			
	Subtotal		105,324	104,056					
	Total		105,324	104,056					

- (Note 1) Average Interest Rate indicates a weighted average of interest rates during the period based on the number of days, and it is rounded down to the stated unit.
- (Note 2) To avoid interest rate risk, an interest rate swap agreement has been signed separately to fix the interest rates, and the weighted average interest rate during the period after the effect of the interest rate swap is stated.
- (Note 3) The remaining balance was repaid on July 31, 2019.
- (Note 4) 3 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 13 million yen.
- (Note 5) 3 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 6) 1 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 7) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 8) 4 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 18 million yen.
- (Note 9) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 9 million yen.
- (Note 10) The remaining balance was repaid on September 30, 2019.
- (Note 11) 1 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 7 million yen.
- (Note 12) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 11 million yen.
- (Note 13) The proceeds are used for acquisition of assets and/or beneficiary rights of real estate in trust and repayment of loans.

3 Investment Corporation Bonds

The status of investment corporation bonds outstanding as of October 31, 2019 is as follows:

	Date of Issuance	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Interest Rate (%)	Redemption Date	Redemption Method	Use	Collateralized
First unsecured investment corporation bonds	September 22, 2017	1,200	1,200	0.900	September 22, 2027	Lump-sum repayment	(Note 1)	No (No guarantee)
Second unsecured investment corporation bonds	April 26, 2018	1,000	1,000	0.900	April 26, 2028	Lump-sum repayment		
Third unsecured investment corporation bonds	November 29, 2018	1,000	1,000	0.750	November 28, 2025	Lump-sum repayment		
Fourth unsecured investment corporation bonds	July 26, 2019	–	1,200	0.890	July 26, 2029	Lump-sum repayment		
Total		2,200	3,200					

(Note 1) The proceeds are used for repaying existing loans.

(Note 2) A ranking *pari passu* among Ichigo Office investment corporation bonds is attached.

4 Short-Term Investment Corporation Bonds

N/A

5 Share Options

N/A

Acquisitions and Sales during the Fiscal Period

1 Acquisitions and Sales of Real Estate and Asset-Backed Securities, Infrastructure Assets, and Infrastructure-Related Assets

Asset Name	Acquisitions		Sales			
	Date	Price (million yen) (Note 1)	Date	Price (million yen) (Note 1)	Book Value (million yen)	Gain (loss) on Sales (million yen)
Ichigo Fiesta Shibuya Building	–	–	May 30, 2019	2,400	1,959	440
Ichigo Hakata East Building	May 31, 2019	2,250	–	–	–	–
Equity Interest in Tachikawa Holdings GK TK	May 16, 2019	50	–	–	–	–

(Note 1) Acquisition and sales prices exclude incidental expenses such as fees and property, city planning, and consumption taxes.

(Note 2) Sales Price is the total sale price of the two assets, because the buyer did not provide consent to disclose each asset's sales price.

2 Acquisition and Sales of Other Assets

Assets other than the assets acquired shown above are mostly bank deposits and bank deposits in trust.

3 Review of Asset Values (Appraisal Values)

(1) Real Estate

Transaction	Asset Name	Transaction Date	Transaction Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraiser	Date of Appraisal
Sale	Ichigo Fiesta Shibuya Building	May 30, 2019	2,400	2,210	Daiwa Real Estate Appraisal Co., Ltd.	April 30, 2019
Acquisition	Ichigo Hakata East Building	May 31, 2019	2,250	2,480	The Tanizawa Sōgō Appraisal Co., Ltd.	April 1, 2019

(Note 1) Transaction Prices exclude incidental expenses such as fees and property, city planning, and consumption taxes.

(Note 2) The appraisal above is carried out by applying the "Appraisal of Value of Real Estate for Securitization in Chapter 3 of the Specific Standards of the Japanese Real Estate Appraisal Standards."

(2) Investments in Securities

Transaction	Asset Type	Security Name	Transaction Date	Transaction Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)
Acquisition	TK (tokumei kumiai) equity interest	Equity interest in Tachikawa Holdings GK TK	May 16, 2019	50	50

(Note 1) Transaction Prices exclude incidental expenses.

(Note 2) The appraisal above is carried out by Grant Thornton Taiyo LLC, applying the [Japan Institute of Certified Public Accountants Industrial Audit Committee Report No. 23, "Research for Specified Assets Value held by Investment Trusts and Investment Corporations"](#), and Ichigo Office has received the appraisal report.

(3) Other

For assets that require a transaction price investigation pursuant to Article 201 of the Act on Investment Trusts and Investment Corporations and were not part of the list shown above, Ichigo Office entrusted the price inspection to Grant Thornton Taiyo LLC. For the inspection period of May 1, 2019 to October 31, 2019, the transactions subject to price verification were three interest rate swaps. With respect to the price verification of these interest rate swaps, all related research work was outsourced, including identification of the transaction counterparties, currency, interest rates, maturity, and other relevant transaction information.

4 Transactions with Related Parties^(Note 1)

(1) Transactions

	Price, etc. ^(Note 2)	
	Acquisition Price (thousand yen)	Sale Price (thousand yen)
Total Transactions	2,300,000	2,400,000
Breakdown of Transactions with Related Parties, etc.		
Kichijoji Holdings GK	2,250,000 (97.8%)	– (–%)
Hakata GK	– (–%)	2,400,000 (100.0%)
Total	2,250,000 (97.8%)	2,400,000 (100.0%)

(Note 1) Related Parties are as defined in Article 123 of the Enforcement Ordinance of the Investment Trust and Investment Corporation Law and Article 26 Paragraph 27 of the Regulation of the Investment Trust Association, Japan.

(Note 2) The acquisition price and sale price are those stated in the purchase and sales contracts.

(2) Amount of Fees Paid

N/A

5 Transactions between the Asset Management Company and its Other Businesses

While Ichigo Investment Advisors Co., Ltd., the Asset Management Company of Ichigo Office, concurrently engages in operations of the Type II Financial Instruments Business, Real Estate Brokerage Business, and Real Estate Syndication Business, there are no applicable transactions.

Financial Statements

1 Assets, Liabilities, Principal, Profit and Loss

Please refer to “II. Balance Sheet,” “III. Income Statement,” “IV. Statement of Changes in Net Assets,” “V. Notes to Financial Statements,” and “VI. Statement of Dividends” later in this report.

2 Changes in Method of Depreciation

N/A

3 Changes in Method of Real Estate and Infrastructure Assets Appraisal

N/A

Other

1 Ichigo Office Shares Held by Asset Management Company

Details of Ichigo Office shares held by Ichigo Investment Advisors Co., Ltd., the Asset Management Company, are as follows:

(1) Transactions

Date	Number of Shares Acquired (shares)	Number of Shares Sold (shares)	Number of Shares Held (shares)
November 1, 2011	(Note)1,200	—	1,400
Cumulative total	1,400	—	1,400

(Note) Reflects a 7-for-1 share split with November 1, 2011 as the effective date.

(2) Status of Holdings

	Number of Shares Held at Period-end (shares)	Value of Shares Held at Period-end (thousand yen)(Note)	Ratio of Total Outstanding Shares (%)
19th Fiscal Period (November 1, 2014 to April 30, 2015)	1,400	125,720	0.1
20th Fiscal Period (May 1, 2015 to October 31, 2015)	1,400	117,040	0.1
21st Fiscal Period (November 1, 2015 to April 30, 2016)	1,400	116,760	0.1
22nd Fiscal Period (May 1, 2016 to October 31, 2016)	1,400	98,980	0.1
23rd Fiscal Period (November 1, 2016 to April 30, 2017)	1,400	88,340	0.1
24th Fiscal Period (May 1, 2017 to October 31, 2017)	1,400	103,040	0.1
25th Fiscal Period (November 1, 2017 to April 30, 2018)	1,400	113,820	0.1
26th Fiscal Period (May 1, 2018 to October 31, 2018)	1,400	129,640	0.1
27th Fiscal Period (November 1, 2018 to April 30, 2019)	1,400	143,640	0.1
28th Fiscal Period (May 1, 2019 to October 31, 2019)	1,400	155,540	0.1

(Note) The Value of Shares Held at Period-end is calculated by multiplying the Number of Shares Held by the share price at period-end.

2 Notices

N/A

3 Disclosure of Affiliated Foreign Real Estate Holding Companies

N/A

4 Disclosure of Assets Owned by Affiliated Foreign Real Estate Holding Companies

N/A

5 Other

In this document, whole numbers are rounded down and ratios are rounded off, unless otherwise specified.



Grant Thornton

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Ichigo Office REIT Investment Corporation**

We have audited the accompanying financial statements of Ichigo Office REIT Investment Corporation ("the Company"), which comprise the balance sheet as at October 31, 2019, and the income statement, the statement of changes in net assets, the statement of dividends and the cash flow statement for the six months then ended, and a summary of significant accounting policies, other explanatory information and supplementary schedules, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Ministerial Order for the Rules on Terminology, Forms, and Preparation Methods of Financial Statements, the Ordinance on Accountings of Investment Corporations and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as at October 31, 2019, its financial performance and conditions of cash flow for the six months then ended in accordance with the Ministerial Order for the Rules on Terminology, Forms, and Preparation Methods of Financial Statements, the Ordinance on Accountings of Investment Corporations and accounting principles generally accepted in Japan.

Grant Thornton Taiyo LLC

January 24, 2020

Tokyo, Japan

1. Financial Statements

(1) Balance Sheet

(Thousand Yen)

	Previous fiscal period (As of April 30, 2019)	Current fiscal period (As of October 31, 2019)
Assets		
Current assets		
Cash and deposits	10,021,971	10,069,180
Cash and deposits in trust	13,654,840	13,823,470
Operating accounts receivable	15,125	20,169
Prepaid expenses	428,834	416,247
Other	2,257	3,928
Total current assets	24,123,029	24,332,996
Non-current assets		
Property, plant, and equipment		
Buildings	7,260,271	7,057,925
Accumulated depreciation	(1,592,792)	(1,641,030)
Buildings, net	5,667,479	5,416,894
Structures	26,834	26,177
Accumulated depreciation	(23,865)	(23,591)
Structures, net	2,968	2,586
Machinery and equipment	286,757	302,156
Accumulated depreciation	(143,999)	(155,680)
Machinery and equipment, net	142,757	146,475
Tools, furniture, and fixtures	56,422	64,379
Accumulated depreciation	(42,887)	(44,095)
Tools, furniture and fixtures, net	13,535	20,283
Land	17,425,755	15,638,558
Buildings in trust	42,835,577	43,755,757
Accumulated depreciation	(7,099,173)	(7,776,223)
Buildings in trust, net	35,736,403	35,979,533
Structures in trust	62,204	67,932
Accumulated depreciation	(29,425)	(31,417)
Structures in trust, net	32,778	36,515
Machinery and equipment in trust	574,386	606,189
Accumulated depreciation	(261,965)	(288,440)
Machinery and equipment in trust, net	312,420	317,749
Tools, furniture and fixtures in trust	192,509	205,903
Accumulated depreciation	(110,073)	(125,054)
Tools, furniture and fixtures in trust, net	82,435	80,849
Land in trust	136,560,928	138,279,665
Construction in progress in trust	980	4,403
Total property, plant, and equipment	195,978,444	195,923,515
Intangible assets		
Leasehold rights in trust	4,494,579	4,494,579
Total intangible assets	4,494,579	4,494,579
Investments and other assets		
TK (<i>tokumei kumiai</i>) real estate equity interest	—	50,654
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	970,693	965,315
Other	69,449	79,460
Total investments and other assets	1,050,142	1,105,429
Total non-current assets	201,523,165	201,523,524
Deferred assets		
Bond issuance expenses	31,846	41,719
Total deferred assets	31,846	41,719
Total Assets	225,678,041	225,898,240

(Thousand Yen)

	Previous fiscal period (As of April 30, 2019)	Current fiscal period (As of October 31, 2019)
Liabilities		
Current Liabilities		
Operating accounts payable	642,683	723,226
Long-term loans (due within one year)	16,198,215	18,493,568
Accounts payable – other	613,798	591,212
Accrued expenses	18,834	11,340
Income taxes payable	605	605
Accrued consumption taxes	223,303	125,572
Advances received	1,476,410	1,533,966
Other	22,103	20,748
Total current liabilities	19,195,954	21,500,240
Long-Term Liabilities		
Investment corporation bonds	3,200,000	4,400,000
Long-term borrowings	89,126,332	85,562,543
Tenant leasehold and security deposits	1,605,062	1,509,112
Tenant leasehold and security deposits in trust	8,595,090	8,870,659
Asset retirement obligations	10,104	10,138
Other	81,735	82,768
Total long-term liabilities	102,618,324	100,435,222
Total Liabilities	121,814,279	121,935,462
Net Assets		
Shareholders' Equity		
Shareholders' capital	67,675,274	67,675,274
Surplus		
Capital reserve surplus	20,566,420	20,566,420
Discretionary reserves		
Reserve for dividends	2,254,373	2,637,122
Reserve for temporary difference adjustments	*2 9,634,544	*2 9,529,544
Total discretionary reserves	11,888,917	12,166,666
Unappropriated retained earnings (undisposed loss)	3,733,149	3,554,415
Total surplus	36,188,487	36,287,502
Total Shareholders' Equity	103,863,761	103,962,777
Total Net Assets	*1 103,863,761	*1 103,962,777
Total Liabilities and Net Assets	225,678,041	225,898,240

(2) Income Statement

(Thousand yen)

	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
Operating Revenues		
Rental revenues	*1 7,150,026	*1 7,216,148
Other rental revenues	*1 632,235	*1 646,496
Dividend from TK (<i>tokumei kumiai</i>) real estate equity interest	—	1,137
Gain on sales of real estate	*2 668,975	*2 440,537
Total operating revenue	8,451,237	8,304,319
Operating Expenses		
Rental expenses	*1 2,990,685	*1 3,025,290
Asset management fee	807,440	770,048
Asset custody fee	14,872	15,027
Administrative service fees	43,293	42,875
Directors' compensation	5,040	5,040
Other operating expenses	79,328	82,999
Total operating expenses	3,940,659	3,941,281
Operating Profit	4,510,578	4,363,038
Non-Operating Revenues		
Interest income	109	112
Reversal of distribution payable	1,873	1,995
Insurance payment income	27,129	1,552
Interest on tax refund	661	—
Other	439	500
Total non-operating revenues	30,213	4,159
Non-operating expenses		
Interest expenses	535,727	543,894
Borrowing expenses	269,974	265,686
Amortization of bond issuance expenses	2,021	2,689
Other	12	—
Total non-operating expenses	807,735	812,270
Recurring Profit	3,733,055	3,554,927
Pre-tax income	3,733,055	3,554,927
Income taxes - current	605	605
Total income taxes	605	605
Net Income	3,732,450	3,554,322
Retained earnings brought forward	698	93
Unappropriated retained earnings (undisposed loss)	3,733,149	3,554,415

(3) Statement of Changes in Net Assets
 Previous fiscal period (November 1, 2018 to April 30, 2019)

(Thousand yen)

	Shareholders' equity				
	Shareholders' capital	Surplus			
		Capital reserve surplus	Discretionary reserves		
			Dividend reserve	Temporary difference adjustment reserve	Total discretionary reserves
Balance at beginning of period	67,675,274	20,566,420	2,254,373	9,739,544	11,993,917
Changes during the period					
Release from temporary difference adjustment reserve				(105,000)	(105,000)
Dividends					
Net Income					
Total changes during the period	—	—	—	(105,000)	(105,000)
Balance at period-end	67,675,274	20,566,420	2,254,373	9,634,544	11,888,917

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	2,981,724	35,542,062	103,217,337	103,217,337
Changes of items during period				
Release from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,086,026)	(3,086,026)	(3,086,026)	(3,086,026)
Net Income	3,732,450	3,732,450	3,732,450	3,732,450
Total changes during period	751,424	646,424	646,424	646,424
Balance at period-end	3,733,149	36,188,487	103,863,761	103,863,761

Current fiscal period (May 1, 2019 to October 31, 2019)

(Thousand yen)

	Shareholders' equity				
	Shareholders' capital	Surplus			
		Capital reserve surplus	Discretionary reserves		
			Dividend reserve	Temporary difference adjustment reserve	Total discretionary reserves
Balance at beginning of period	67,675,274	20,566,420	2,254,373	9,634,544	11,888,917
Changes during the period					
Increase in dividend reserve			382,748		382,748
Release from temporary difference adjustment reserve				(105,000)	(105,000)
Dividends					
Net Income					
Total changes during the period	—	—	382,748	(105,000)	277,748
Balance at period-end	67,675,274	20,566,420	2,637,122	9,529,544	12,166,666

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	3,733,149	36,188,487	103,863,761	103,863,761
Changes during the period				
Increase in dividend reserve	(382,748)	—	—	—
Release from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,455,307)	(3,455,307)	(3,455,307)	(3,455,307)
Net Income	3,554,322	3,554,322	3,554,322	3,554,322
Total changes during period	(178,733)	99,015	99,015	99,015
Balance at period-end	3,554,415	36,287,502	103,962,777	103,962,777

(4) Statement of Dividends

	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
I. Unappropriated Retained Earnings	3,733,149,050 yen	3,554,415,880 yen
II. Discretionary Reserve Reversal		
Reversal of Temporary Difference Adjustment Reserve	105,000,000 yen	105,000,000 yen
III. Total Dividends	3,455,307,185 yen	3,294,417,050 yen
(Dividend per share)	(2,255 yen)	(2,150 yen)
IV. Discretionary Reserves		
Provision to Dividend Reserve	382,748,608 yen	364,998,830 yen
V. Retained Earnings Carried Forward	93,257 yen	—yen
Method for calculating the amount of dividends	<p>The distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed 90% of “profit available for dividend” as provided for in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. Based on this policy, the decision was made to distribute, as dividends, 3,455,307,185 yen, which was the entire amount excluding the fractional portion where the amount of dividends per share was less than 1 yen from the amount after adding 105,000,000 yen of the reversal of the temporary difference adjustment reserve to 3,733,149,050 yen of unappropriated retained earnings, and transferring 382,748,608 yen of gain on sales of real estate to dividend reserves, within J-REIT conduit rules. As a result, dividend per share came to 2,255 yen.</p>	<p>The distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed 90% of “profit available for dividend” as provided for in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. Based on this policy, the decision was made to distribute, as dividends, 3,554,415,880 yen, which was the entire amount excluding the fractional portion where the amount of dividends per share was less than 1 yen from the amount after adding 105,000,000 yen of the reversal of the temporary difference adjustment reserve to 3,659,415,880 yen of unappropriated retained earnings, and transferring 364,998,830 yen of gain on sales of real estate to dividend reserves, within J-REIT conduit rules. As a result, dividend per share came to 2,150 yen.</p>

(5) Cash Flow Statement

(Thousand yen)

	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
Cash flows from operating activities		
Pre-tax income	3,733,055	3,554,927
Depreciation	857,127	842,219
Interest income	(109)	(112)
Interest expense	535,727	543,894
Decrease (increase) in operating accounts receivable	(9,917)	(5,043)
Decrease (increase) in consumption taxes receivable	231,965	—
Decrease (increase) in prepaid expenses	(18,251)	12,586
Decrease (increase) in long-term prepaid expenses	(80,172)	5,377
Increase (decrease) in accrued consumption taxes	128,078	(97,730)
Increase (decrease) in operating accounts payable	6,879	6,904
Increase (decrease) in accounts payable	22,128	(22,586)
Increase (decrease) in advances received	24,592	57,555
Decrease due to sales of property, plant, and equipment	—	1,959,320
Decrease due to sales of property, plant, and equipment in trust	2,952,724	—
Other	24,184	(15,281)
Subtotal	8,408,013	6,842,032
Purchase of property, plant, and equipment	109	112
Interest expenses paid	(521,033)	(551,388)
Income taxes paid	(605)	(605)
Net Cash flows from (used for) operations	7,886,484	6,290,151
Cash flows from investing activities		
Purchase of property, plant, and equipment	(43,895)	(40,003)
Purchase of property, plant, and equipment in trust	(6,690,269)	(2,633,667)
Proceeds from tenant leasehold and security deposits	29,858	45,234
Repayments from tenant leasehold and security deposits	(4,243)	(141,184)
Proceeds from tenant leasehold and security deposits in trust	1,927,715	396,328
Repayments from tenant leasehold and security deposits in trust	(1,814,216)	(121,056)
Acquisition of TK (tokumei kumiai) real estate equity interest	—	(50,654)
Net Cash flows from (used for) investments	(6,595,051)	(2,545,003)
Cash flows from financing activities		
Increase in long-term borrowings	8,866,000	6,060,000
Decrease in long-term borrowings	(6,941,709)	(7,328,436)
Proceeds from bond issuance	988,943	1,187,698
Dividends paid	(3,085,786)	(3,454,459)
Net Cash flows from (used for) financing	(172,552)	(3,535,196)
Net increase (decrease) in cash and cash equivalents	1,118,880	209,951
Cash and cash equivalents at beginning of period	22,486,646	23,605,527
Cash and cash equivalents at end of period	*1 23,605,527	*1 23,815,479

(6) Notes to Financial Statements
(Going concern note)

N/A

(Summary of Significant Accounting Policies)

1. Standards and methods for valuation of securities	<p>Securities</p> <p>Other securities</p> <p>Securities without market value</p> <p>Securities are accounted at cost based on the moving-average method. Investments in TK (<i>tokumei kumiai</i>) real estate equity interest are accounted for using the equity method of accounting.</p>
2. Method of depreciation of fixed assets	<p>(1) Property, plant, and equipment (including assets in trust)</p> <p>The depreciation of property, plant, and equipment is calculated using the straight-line method.</p> <p>The useful lives of assets are as stated below.</p> <p>Buildings: 1 to 63 years</p> <p>Structures: 2 to 20 years</p> <p>Machinery and equipment: 1 to 15 years</p> <p>Tools, furniture and fixtures: 1 to 15 years</p> <p>(2) Long-term prepaid expenses</p> <p>The depreciation of long-term prepaid expenses is calculated using the straight-line method.</p>
3. Accounting for deferred assets	<p>Investment corporation bond issuance costs</p> <p>Investment corporation bond issuance costs are amortized equally over the period up to the redemption.</p>
4. Standards for recognition of revenues and expenses	<p>Accounting for fixed asset taxes, etc.</p> <p>Of the amount of fixed asset taxes, city planning taxes and depreciable asset taxes imposed on real estate owned that was assessed and determined, the amount corresponding to the relevant computation period is expensed as expenses in the rental business.</p> <p>The amount corresponding to fixed asset taxes for the first fiscal year that the Investment Corporation should incur associated with the acquisition of real estate or trust beneficiary interests in real estate is not expensed, but is included in the acquisition costs of the real estate.</p> <p>The amount corresponding to fixed asset taxes that was included in the acquisition costs of real estate for the previous fiscal period was 639 thousand yen, whereas for the current fiscal period is 5,743 thousand yen.</p>
5. Method of hedge accounting	<p>(1) Method of hedge accounting</p> <p>In cases where the interest rate swaps meet the conditions for special treatment, special treatment is adopted.</p> <p>(2) Hedging instruments and hedged items</p> <p>Hedging instruments: Interest rate swap transactions</p> <p>Hedged items: Interest on loans</p> <p>(3) Hedging policy</p> <p>The Investment Corporation conducts derivative transactions to hedge the risks set out in the Articles of Incorporation based on the risk management regulations.</p> <p>(4) Method for assessing the effectiveness of hedging</p> <p>The evaluation of the effectiveness of interest rate swaps is omitted because they meet the requirements for special treatment.</p>
6. Scope of funds on the cash flow statement	<p>Funds (cash and cash equivalents) on the cash flow statement consist of cash on hand, cash held in trust, bank deposits and bank deposits held in trust that can be withdrawn at any time, and short-term investments, with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and contain only an insignificant risk of value fluctuation.</p>

<p>7. Other significant matters serving as the basis for preparing financial statements</p>	<p>(1) Accounting for trust beneficiary interests in real estate For trust beneficiary interests in real estate, all trust assets and liabilities as well as all income generated and expenses incurred in trusts are recorded in the relevant accounts on the balance sheet and the income statement. The following material items of the trust accounts recorded in the relevant accounts are listed separately on the balance sheet.</p> <ul style="list-style-type: none"> (i) Cash and deposits in trust (ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and land leasehold rights in trust (iii) Tenant leasehold and security deposits in trust <p>(2) Accounting for consumption taxes The accounting for consumption taxes is tax exclusive. Non-deductible consumption taxes on assets are included in the acquisition costs of individual assets.</p>
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(Notes to accounting standards not yet applied)

- “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 on March 30, 2018, Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 on March 30, 2018, Accounting Standards Board of Japan)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States jointly developed comprehensive accounting standards for revenue recognition, and “Revenue from Contracts with Customers” was issued in May 2014 (IFRS 15 in IASB and Topic 606 in FASB). Given that IFRS 15 and Topic 606 would be applied from a business year starting on or after January 1, 2018 and after December 15, 2017, respectively, the Accounting Standards Board of Japan (ASBJ) developed comprehensive standards for revenue recognition and published the Accounting Standard for Revenue Recognition with the Implementation Guidance.

The basic policy of ASBJ for the development of accounting standards for revenue recognition is believed to set the accounting standards from the perspective of comparability between financial statements, which is one of the benefits of promoting consistency with IFRS 15, with the incorporation of the basic principles of IFRS 15 as a starting point, and if there are items that should be considered in practices implemented in Japan, to add alternative handlings to the extent to which comparability is not impaired.

(2) Planned date of application

The Accounting Standard for Revenue Recognition, etc. will be applied at the beginning of the fiscal period ending October 2021.

(3) Impact of applying the accounting standard, etc.

The amount of the impact of applying the Accounting Standard for Revenue Recognition, etc. on the financial statements is currently under review.

(Notes to balance sheet)

*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporation

(Thousand yen)	
Previous fiscal period (As of April 30, 2019)	Current fiscal period (As of October 31, 2019)
50,000	50,000

*2. Provision and reversal of temporary difference adjustment reserves

Previous fiscal period (As of April 30, 2019)

(Thousand yen)						
	Initial amount	Balance at beginning of period	Amount reserved during period	Amount reversed during period	Balance at end of period	Reasons for provision and reversal
Gain on Negative goodwill (Note)	10,432,940	9,739,544	—	105,000	9,634,544	Appropriation to dividends

(Note) The initial amount of gain on negative goodwill is the amount previously transferred from gain on negative goodwill to the temporary difference adjustment reserves account. The entire amount will be equally reversed within 50 years. For the current fiscal period, 105,000,000 yen was reversed from the reserve.

Current fiscal period (As of October 31, 2019)

(Thousand yen)						
	Initial amount	Balance at beginning of period	Amount reserved during period	Amount reversed during period	Balance at end of period	Reasons for provision and reversal
Gain on Negative goodwill (Note)	10,432,940	9,634,544	—	105,000	9,529,544	Appropriation to dividends

(Note) The initial amount of gain on negative goodwill is the amount previously transferred from gain on negative goodwill to the temporary difference adjustment reserves account. The entire amount will be equally reversed within 50 years. For the current fiscal period, 105,000,000 yen was reversed from the reserve.

(Notes to Income Statement)

*1. Details of real estate rental income

(Thousand yen)

	Previous fiscal period (November 1, 2018 to April 30, 2019)		Current fiscal period (May 1, 2019 to October 31, 2019)	
A. Real estate rental revenue				
Rental Revenues				
Rental revenue	5,837,627		5,899,459	
Common area charges	973,385		976,631	
Parking lot rental revenue	281,238		282,784	
Facility use charges	57,773	7,150,026	57,271	7,216,148
Other rental revenue				
Utilities revenue	580,820		615,643	
Other	51,415	632,235	30,852	646,496
Total real estate rental revenue		7,782,261		7,862,644
B. Real estate rental expenses				
Rental expenses				
Service provider expenses	668,737		680,851	
Utilities	611,250		606,754	
Trust fees	34,176		35,577	
Depreciation	857,127		842,219	
Repair expenses	138,848		133,895	
Taxes and public dues	624,886		665,543	
Non-life insurance expenses	14,129		18,360	
Other rental expenses	41,529		42,086	
Total real estate rental expenses		2,990,685		3,025,290
C. Net rental income (A-B)		4,791,576		4,837,354

*2. Details of real estate sales (Thousand yen)

Previous fiscal period (November 1, 2018 to April 30, 2019)

Ichigo Toyamaeki Nishi Building

Real estate sale revenue		24,170
Real estate sale cost	4,734	
Other real estate sale expenses	1,250	
Gain on real estate sales		18,185

(Note) Real estate sale revenue includes 11,800 thousand yen of compensation to Ichigo Office from the buyer.

Ichigo Machida East Building, Ichigo Shin Yokohama Arena Dori Building

Real estate sale revenue		3,600,000
Real estate sale cost	2,947,990	
Other real estate sale expenses	1,219	
Gain on real estate sales		650,789

(Note) Sale Price is the total sale price of the two assets, because the buyer did not provide consent to disclose each asset's sale price.

Current fiscal period (May 1, 2019 to October 31, 2019)

Ichigo Fiesta Shibuya Building

Real estate sale revenue		2,400,000
Real estate sale cost	1,959,320	
Other real estate sale expenses	142	
Gain on real estate sales		440,537

(Statement of changes in net assets)

	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
Total number of authorized shares and total number of shares issued and outstanding		
Total number of authorized shares	14,000,000 shares	14,000,000 shares
Total number of shares issued and outstanding	1,532,287 shares	1,532,287 shares

(Notes to statement of dividends)

Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
By applying the transitional measures of Paragraph 3 of the Supplementary Provisions of the “Regulation on Accountings of Investment Corporations” (Cabinet Office Order No. 27 of 2015), an amount of 10,432,940,000 yen, which was the remaining balance of gain on negative goodwill was transferred to the temporary difference adjustment reserve account, and planned to equally reverse the entire amount within 50 years. The original policy was to reverse a minimum of 200,000,000 yen starting from the 23rd fiscal period, as stated on the statement of dividends for the 22nd fiscal period. But the policy has been changed to reversing a minimum of 105,000,000 yen starting from the 24th fiscal period. For this fiscal period, 105,000,000 yen will be reversed.	By applying the transitional measures of Paragraph 3 of the Supplementary Provisions of the “Regulation on Accountings of Investment Corporations” (Cabinet Office Order No. 27 of 2015), an amount of 10,432,940,000 yen, which was the remaining balance of gain on negative goodwill was transferred to the temporary difference adjustment reserve account, and planned to equally reverse the entire amount within 50 years. The original policy was to reverse a minimum of 200,000,000 yen starting from the 23rd fiscal period, as stated on the statement of dividends for the 22nd fiscal period. But the policy has been changed to reversing a minimum of 105,000,000 yen starting from the 24th fiscal period. For this fiscal period, 105,000,000 yen will be reversed.

(Notes to cash flow statement)

*1. Relationship between cash and cash equivalents at the end of the fiscal period and items shown on the Balance Sheet

	(Thousand yen)	
	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
Cash and deposits	10,021,971	10,069,180
Cash and deposits in trust	13,654,840	13,823,470
Miscellaneous deposits	(71,283)	(77,171)
Cash and cash equivalents	23,605,527	23,815,479

(Notes to lease transactions)

Operating lease transactions

(Lessee)

	(Thousand yen)	
	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
Outstanding lease charges		
One year or less	71,344	71,561
Over one year	1,104,527	1,073,192
Total	1,175,871	1,144,754

(Lessor)

	(Thousand yen)	
	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
Outstanding lease charges		
One year or less	6,951,018	6,903,707
Over one year	2,139,885	1,607,122
Total	9,090,904	8,510,830

(Notes to financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy for handling financial instruments

Ichigo Office manages its assets by investing mainly in specified assets such as real estate with the aim of securing stable earnings in the medium to long terms. It raises funds primarily through the issuance of investment units, the borrowing of bank loans and the issuance of investment corporation bonds. Derivative transactions are used for the purpose of mitigating the risk of future fluctuations in interest rates, and not for trading or speculative purposes. Ichigo Office also invests surplus funds carefully in consideration of safety and liquidity so as not to bear excess risks, taking the financial environment and cash management into full consideration.

(2) Description of financial instruments and associated risks, and risk management structure

Funds raised from loans and investment corporation bonds are used for the purchase of real estate and trust beneficiary interests in real estate and the repayment of loans, and they are exposed to the liquidity risk on the dates of repayment and redemption. Ichigo Office not only works to reduce the liquidity risk through the diversification of financing and the decentralization of repayment dates and lenders by controlling LTV in the range that is deemed appropriate, but also manages the liquidity risk in terms of the way the asset management company formulates a cash management plan. Loans with floating interest rates are exposed to the risk of fluctuations in interest rates, but LTV is managed appropriately to limit the impact of rising market interest rates on the operations of Ichigo Office.

(3) Supplementary explanation of matters concerning the market value, etc. of financial instruments

In addition to values based on market prices, the market value of financial instruments includes values based on reasonable calculations when there is no market price. Because certain preconditions, etc. are adopted in the calculation of the values concerned, there may be cases where the values concerned will vary when different preconditions, etc. are adopted.

2. Matters concerning the market value, etc. of financial instruments

The carrying amount on the balance sheet on April 30, 2019, the market value, and the difference between the carrying amount and the market value were as follows.

Financial instruments whose market value is deemed to be extremely difficult to determine are not included in the table below (see (Note2)), and those that are not material are omitted.

(Thousand yen)

	Carrying value	Market value	Difference
(1) Cash and deposits	10,021,971	10,021,971	—
(2) Cash and deposits in trust	13,654,840	13,654,840	—
Total assets	23,676,811	23,676,811	—
(3) Long-term borrowings (due within one year)	16,198,215	16,219,339	21,124
(4) Investment corporation bonds	3,200,000	3,215,916	15,916
(5) Long-term borrowings	89,126,332	90,079,373	953,041
Total liabilities	108,524,547	109,514,630	990,082
(6) Derivative transactions	—	—	—

(Note 1) Matters concerning the calculation method of the market value of financial instruments and derivative transactions

(1) Cash and deposits (2) Cash and deposits in trust

The book value is used as the market value because the market values of these items are almost equal to their book values since they are settled within a short period of time.

(3) Long-term borrowings (due within one year) (5) Long-term borrowings

The market value of long-term loans with fixed interest rates is calculated by discounting the present value by an interest rate that is assumed if the total amount of principal and interest is borrowed in similar new loans. The market value of long-term loans with floating interest rates is based on the book value because the market value is approximately equal to the book value due to the situation in which the interest rate is renewed periodically. For some long-term loans with floating interest rates that are subject to the special treatment of interest rate swaps (see “Notes to Derivative Transactions” below), the present value is calculated by discounting the combined total of principal and interest translated at the logically estimated rates for similar loans.

(4) Investment corporation bonds

The market value of investment corporation bonds is calculated by discounting it based on the reference values announced by the Japan Securities Dealers Association.

(6) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

The carrying amount on the balance sheet on October 31, 2019, the market value, and the difference between the carrying amount and the market value were as follows:

Financial instruments whose market value is deemed to be extremely difficult to determine are not included in the table below (see (Note2)), and those that are not material are omitted.

(Thousand yen)

	Carrying value	Market value	Difference
(1) Cash and deposits	10,069,180	10,069,180	—
(2) Cash and deposits in trust	13,823,470	13,823,470	—
Total assets	23,892,650	23,892,650	—
(3) Long-term borrowings (due within one year)	18,493,568	18,524,160	30,592
(4) Investment corporation bonds	4,400,000	4,427,124	27,124
(5) Long-term borrowings	85,562,543	86,626,665	1,064,122
Total liabilities	108,456,111	109,577,951	1,121,840
(6) Derivative transactions	—	—	—

(Note 1) Matters concerning the calculation method of the market value of financial instruments and derivative transactions

(1) Cash and deposits (2) Cash and deposits in trust

The book value is used as the market value because the market values of these items are almost equal to their book values since they are settled within a short period of time.

(3) Long-term borrowings (due within one year) (5) Long-term borrowings

The market value of long-term loans with fixed interest rates is calculated by discounting the present value by an interest rate that is assumed if the total amount of principal and interest is borrowed in similar new loans. The market value of long-term loans with floating interest rates is based on the book value because the market value is approximately equal to the book value due to the situation in which the interest rate is renewed periodically. For some long-term loans with floating interest rates that are subject to the special treatment of interest rate swaps (see “Notes to Derivative Transactions” below), the present value is calculated by discounting the combined total of principal and interest translated at the logically estimated rates for similar loans.

(4) Investment corporation bonds

The market value of investment corporation bonds is calculated by discounting it based on the reference values announced by the Japan Securities Dealers Association.

(6) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

(Note 2) Financial instruments whose market value is deemed to be extremely difficult to determine

(Thousand yen)

Classification	Previous fiscal period (November 1, 2018 to April 30, 2019)	Current fiscal period (May 1, 2019 to October 31, 2019)
(1) TK (<i>tokumei kumiai</i>) real estate equity interest	—	50,654
(2) Tenant leasehold and security deposits	1,605,062	1,509,112
(3) Tenant leasehold and security deposits in trust	8,595,090	8,870,659

(1) TK (*tokumei kumiai*) real estate equity interest is not subject to the disclosure of market values because it is deemed to be extremely difficult to rationally estimate future cash flows given that they do not have a market price.

(2) (3) Tenant leasehold and securities deposits deposited by lessees in leasehold assets and tenant leasehold and securities deposits in trust are not subject to the disclosure of market values because it is deemed to be extremely difficult to rationally estimate future cash flows given that they do not have a market price and that it is difficult to determine the substantive deposit period of lessees from when they move in until they vacate the asset.

(Note 3) Maturity profile of monetary receivables after the fiscal period-end date (April 30, 2019) (Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Cash and deposits	10,021,971	—	—	—	—	—
Cash and deposits in trust	13,654,840	—	—	—	—	—
Total	23,676,811	—	—	—	—	—

Maturity profile of monetary receivables after the fiscal period-end date (October 31, 2019) (Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Cash and deposits	10,069,180	—	—	—	—	—
Cash and deposits in trust	13,823,470	—	—	—	—	—
Total	23,892,650	—	—	—	—	—

(Note 4) Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (April, 2019)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Long-term borrowings (due within one year)	16,198,215	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,200,000
Long-term borrowings	—	19,897,332	19,317,000	19,266,000	7,500,000	23,146,000
Total	16,198,215	19,897,332	19,317,000	19,266,000	7,500,000	26,346,000

Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (October 31, 2019)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Long-term borrowings (due within one year)	18,493,568	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	4,400,000
Long-term borrowings	—	19,941,293	19,292,000	14,223,250	2,900,000	29,206,000
Total	18,493,568	19,941,293	19,292,000	14,223,250	2,900,000	33,606,000

(Securities)

Previous fiscal period (As of April 30, 2019)

N/A

Current fiscal period (As of October 31, 2019)

TK (tokumei kumiai) real estate equity interest (book value of 50,654 thousand yen) is not subject to the disclosure of market values because it is deemed to be extremely difficult to rationally estimate future cash flows given that they do not have a market price.

(Notes to derivative transactions)

1. Non-hedge accounting derivatives

Not applicable in the previous fiscal period (ended April 30, 2019) and the current fiscal period (ended October 31, 2019).

2. Hedge accounting derivatives

Previous fiscal period (As of April 30, 2019)

(Thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Market value	Calculation method of market value
				Over one year		
Special treatment of interest rate swaps	Interest rate swap transaction (pay fixed, receive floating)	Long-term borrowings	98,976,297	84,626,332	(Note)	–

(Note) Interest rate swaps accounted under the special treatment method are processed together with the hedged items (in this case, a long-term borrowing). Therefore, their market values are included in the market values of (3) Long-term borrowings (due within one year) (5) long-term borrowings payable in (Note 1) of “Notes to financial instruments, 2. Matters concerning the market value, etc. of financial instruments” above.

Current fiscal period (As of October 31, 2019)

(Thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Market value	Calculation method of market value
				Over a year		
Special treatment of interest rate swaps	Interest rate swap transaction (pay fixed, receive floating)	Long-term borrowings	98,601,111	81,062,543	(Note)	–

(Note) Interest rate swaps accounted under the special treatment method are processed together with the hedged items (in this case, long-term borrowings). Therefore, their market values are included in the market values of (3) Long-term borrowings (due within one year) (5) long-term borrowings payable in (Note 1) of “Notes to financial instruments, 2. Matters concerning the market value, etc. of financial instruments” above.

(Notes to retirement benefits)

Previous fiscal period (As of April 30, 2019)

N/A

Current fiscal period (As of October 31, 2019)

N/A

(Notes to tax effect accounting)

1. Breakdown of deferred tax assets and liabilities by major cause (Thousand yen)

	Previous fiscal period (As of April 30, 2019)	Current fiscal period (As of October 31, 2019)
Deferred tax assets		
Valuation difference of assets transferred at merger	5,728,673	5,305,446
Asset retirement obligations	1,078	1,132
Tax loss carried forward	335,942	335,942
Other	47	51
Subtotal	6,065,742	5,642,572
Valuation allowance	(6,065,742)	(5,642,572)
Total deferred tax assets	–	–
Deferred tax assets (net)	–	–

2. Breakdown of tax rate differences between the statutory tax rate and the effective tax rate by major cause

	Previous fiscal period (As of April 30, 2019)	Current fiscal period (As of October 31, 2019)
Statutory tax rate	31.51%	31.51%
(Adjustment)		
Deductible dividend distribution	(28.86%)	(19.63%)
Change in valuation allowance	(2.65%)	(11.88%)
Other	0.02%	0.02%
Effective tax rate	0.02%	0.02%

(Notes to share of profit and loss of entities accounted for using the equity method)

Previous fiscal period (November 1, 2018 to April 30, 2019)

N/A

Current fiscal period (May 1, 2019 to October 31, 2019)

N/A

(Notes to related party transactions)

1. The parent company and principal shareholders of Ichigo Office

Not applicable in the previous fiscal period (from November 1, 2018 to April 30, 2019) and the current fiscal period (from May 1, 2019 to October 31, 2019)

2. Affiliated companies

Not applicable in the previous fiscal period (from November 1, 2018 to April 30, 2019) and the current fiscal period (from May 1, 2019 to October 31, 2019)

3. Fellow subsidiaries

Not applicable in the previous fiscal period (from November 1, 2018 to April 30, 2019) and the current fiscal period (from May 1, 2019 to October 31, 2019)

4. Directors and principal individual shareholders

Not applicable in the previous fiscal period (from November 1, 2018 to April 30, 2019) and the current fiscal period (from May 1, 2019 to October 31, 2019)

(Asset retirement obligations)

Previous fiscal period (November 1, 2018 to April 30, 2019)

The statement is omitted because the total amount of asset retirement obligations is not material.

Current fiscal period (May 1, 2019 to October 31, 2019)

The statement is omitted because the total amount of asset retirement obligations is not material.

(Notes to rental assets)

Ichigo Office owns rental assets mainly in the six wards of central Tokyo, other Tokyo metropolitan areas, the four largest cities and other major cities for the purpose of earning stable rental revenues. The carrying amounts, increase (decrease) during the period, and market values of these rental assets are as follows:

		(Thousand yen)	
Use		Previous fiscal period (November 1, 2018 to April 30, 2018)	Current fiscal period (May 1, 2019 to October 31, 2019)
Office	Carrying amount		
	Balance at the beginning of period	183,798,045	189,641,269
	Increase (decrease) during period	5,843,224	1,936,865
	Balance at period-end	189,641,269	191,578,135
	Market value at period-end	212,888,000	230,101,000
Other	Carrying amount		
	Balance at the beginning of period	13,819,112	10,830,773
	Increase (decrease) during period	(2,988,339)	(1,995,217)
	Balance at period-end	10,830,773	8,835,555
	Market value at period-end	16,310,000	12,790,000
Total	Carrying amount		
	Balance at the beginning of period	197,617,158	200,472,043
	Increase (decrease) during period	2,854,885	(58,352)
	Balance at period-end	200,472,043	200,413,691
	Market value at period-end	234,805,000	234,805,000

(Note 1) The carrying amounts represent the amounts after deducting the accumulated depreciation from the acquisition costs.

(Note 2) The major increase in rental assets during the previous fiscal period was due to the acquisition of trust beneficiary interests in real estate of two assets (6,222,103 thousand yen), and the major decrease was due to sales of trust beneficiary interest in real estate of two assets (2,947,990 thousand yen), a partial sale of a trust beneficiary interest in real estate of one asset (4,734 thousand yen) and depreciation.

The major increase during the current fiscal period was due to the acquisition of trust beneficiary interests in real estate of one asset (2,264,408 thousand yen), and the major decrease was due to sales of real estate of one asset (1,959,320 thousand yen) and depreciation.

(Note 3) The market value at the end of the period was based on the appraisal value or investigation value estimated by external real estate appraisers.

The details of real estate rental income is stated in "Income Statement."

(Segment information)

The segment information is omitted because Ichigo Office has only one segment of the real estate rental business.

(Related information)

Previous fiscal period (November 1, 2018 to April 30, 2019)

1. Information by product and service

The statement is omitted because operating revenue from external customers in a single product and service category comprises more than 90% of operating revenue on the Income Statement.

2. Information by region

(1) Operating revenue

The statement is omitted because operating revenue from external customers in Japan comprises more than 90% of operating revenue on the income statement.

(2) Property, plant and equipment

The statement is omitted because the amount of property, plant and equipment located in Japan comprises more than 90% of the amount of property, plant and equipment on the balance sheet.

3. Information by main customer

The statement is omitted because all operating revenue from a single external customer comprises less than 10% of operating revenue on the income statement.

Current fiscal period (May 1, 2019 to October 31, 2019)

1. Information by product and service

The statement is omitted because operating revenue from external customers in a single product and service category comprises more than 90% of operating revenue on the income statement.

2. Information by region

(1) Operating revenue

The statement is omitted because operating revenue from external customers in Japan comprises more than 90% of operating revenue on the income statement.

(2) Property, plant and equipment

The statement is omitted because the amount of property, plant and equipment located in Japan comprises more than 90% of the amount of property, plant and equipment on the balance sheet.

3. Information by main customer

The statement is omitted because all operating revenue from a single external customer comprises less than 10% of operating revenue on the income statement.

(Notes to per-share information)

	Previous fiscal period (November 1, 2018 to April 30, 2018)	Current fiscal period (May 1, 2019 to October 31, 2019)
Net assets per share (yen)	67,783	67,848
Net income per share (yen)	2,435	2,319

(Note 1) Net income per share is calculated by dividing net income by the daily weighted average number of shares. Diluted net income per share is not stated because there are no diluted shares.

(Note 2) The basis for calculating net income per share is as follows.

	Previous fiscal period (November 1, 2018 to April 30, 2018)	Current fiscal period (May 1, 2019 to October 31, 2019)
Net Income (Thousand yen)	3,732,450	3,554,322
Amount not attributable to common shareholders (Thousand yen)	—	—
Net income attributable to common shareholders (Thousand yen)	3,732,450	3,554,322
Average number of shares during period (Shares)	1,532,287	1,532,287

(7) Supplementary Schedules

(i) Schedule of securities

(a) Stocks

N/A

(b) Securities other than stocks

(Thousand yen)

Type	Name of Security	Aggregate Value	Book Value	Accrued Interest Receivable	Accrued Interest Paid	Appraisal Value (Note 1)	Difference	Note
TK (<i>tokumei kumiai</i>) real estate equity interest	Equity interest in Tachikawa Holdings GK TK	—	50,654	—	—	50,654	—	(Note 2)
Total		—	50,654	—	—	50,654	—	—

(Note 1) Appraisal value shows the book value of the TK real estate equity interest.

(Note 2) The underlying real estate in the Tachikawa Holdings GK TK is a trust beneficiary interest in real estate (juekiken) of Unizo Tachikawa Building.

(ii) Contract value and market value of derivative transactions and forward exchange contracts

(Thousand yen)

Classification	Type	Contract amount (Note 1)		Market value (Note 2)
			Exceeding 1 year	
Transactions other than market transactions	Interest rate swap (pay fixed, receive floating)	98,601,111	81,062,543	—
Total		98,601,111	81,062,543	—

(Note 1) The contract amount of interest rate swap is based on the notional principal.

(Note 2) Since the above transaction meets the specific matching criteria of the Accounting Standard for Financial Instruments, the statement of market value is omitted.

(iii) Summary table of schedule of real estate

(Thousand yen)

Asset type	Balance at beginning of current period	Increase during period	Decrease during period	Balance at end of current period	Accumulated depreciation or accumulated amortization		Balance at end of current period	Remarks	
						Depreciation or amortization during period			
Property, plant and equipment	Buildings	7,260,271	25,662	228,008	7,057,925	1,641,030	106,832	5,416,894	(Note)
	Structures	26,834	800	1,456	26,177	23,591	190	2,586	(Note)
	Machinery and equipment	286,757	15,399	—	302,156	155,680	11,680	146,475	(Note)
	Tools, furniture and fixtures	56,422	11,484	3,527	64,379	44,095	3,019	20,283	(Note)
	Land	17,425,755	—	1,787,196	15,638,558	—	—	15,638,558	(Note)
	Buildings in trust	42,835,577	920,180	—	43,755,757	7,776,223	677,050	35,979,533	(Note)
	Structures in trust	62,204	5,728	—	67,932	31,417	1,991	36,515	(Note)
	Machinery and equipment in trust	574,386	31,803	—	606,189	288,440	26,474	317,749	(Note)
	Tools, furniture and fixtures in trust	192,509	13,393	—	205,903	125,054	14,980	80,849	(Note)
	Land in trust	136,560,928	1,718,737	—	138,279,665	—	—	138,279,665	(Note)
	Construction in progress in trust	980	4,403	980	4,403	—	—	4,403	
	Subtotal	205,282,627	2,747,591	2,021,170	206,009,048	10,085,533	842,219	195,923,515	
	Intangible assets	Land leasehold rights in trust	4,494,579	—	—	4,494,579	—	—	4,494,579
Subtotal		4,494,579	—	—	4,494,579	—	—	4,494,579	
Total	209,777,207	2,747,591	2,021,170	210,503,628	10,085,533	842,219	200,418,094		

(Note) The major increase during the current fiscal period was due to the acquisition of trust beneficiary interests in real estate of one asset (2,264,408 thousands yen), and the major decrease was due to sales of real estate of two assets (1,959,320 thousands yen) and depreciation.

(iv) Schedule of other specified assets

N/A

(v) Schedule of investment corporation bonds

(Thousand yen)

	Date of issuance	Balance at period-start	Decrease during period	Balance at period-end	Interest rate (%)	Redemption date	Use	Security
First unsecured investment corporation bonds	September 22, 2017	1,200,000	—	1,200,000	0.900	September 22, 2027	(Note 1)	Unsecured/unguaranteed
Second unsecured investment corporation bonds	April 26, 2018	1,000,000	—	1,000,000	0.900	April 26, 2028		
Third unsecured investment corporation bonds	November 29, 2018	1,000,000	—	1,000,000	0.750	November 28, 2025		
Fourth unsecured investment corporation bonds	July 26, 2019	—	—	1,200,000	0.890	July 26, 2029		
Total		3,200,000	—	4,400,000	—	—	—	—

(Note 1) The proceeds are used for repaying existing loans.

(Note 2) A ranking *pari passu* among Ichigo Office investment corporation bonds is attached.

(Note 3) The maturity profile of investment corporate bonds for each year within five years after the balance sheet date is as follows.

(Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years
Investment corporation bonds	—	—	—	—	—

(vi) Schedule of loans

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	1,470,077	-	1,470,077	-	1.070 (Note 2)	July 31, 2019	(Note 3)	(Note 13)	No (No guarantee)
	Mizuho Bank	1,274,092	-	1,274,092	-					
	Resona Bank	882,062	-	882,062	-					
	Shinsei Bank	882,062	-	882,062	-					
	Aozora Bank	882,062	-	882,062	-					
	The Kagawa Bank	490,032	-	490,032	-					
	ORIX Bank	490,032	-	490,032	-					
	SMBC	1,225,837	-	1,562	1,224,275	1.267 (Note 2)	December 10, 2020	(Note 4)		
	Mizuho Bank	1,225,857	-	1,562	1,224,295					
	Aozora Bank	784,550	-	1,000	783,550					
	Shinsei Bank	784,550	-	1,000	783,550					
	Resona Bank	588,420	-	750	587,670					
	MUFG Bank	784,550	-	1,000	783,550					
	SMBC	1,225,837	-	1,562	1,224,275	1.033 (Note 2)	December 16, 2019	(Note 5)		
	Mizuho Bank	1,225,857	-	1,562	1,224,295					
	Aozora Bank	784,550	-	1,000	783,550					
	Shinsei Bank	784,550	-	1,000	783,550					
	Resona Bank	588,420	-	750	587,670					
	MUFG Bank	784,550	-	1,000	783,550					
Aozora Bank	2,127,000	-	-	2,127,000	1.142 (Note 2)	August 31, 2020	Lump-sum repayment			
Shinsei Bank	1,998,000	-	-	1,998,000						
ORIX Bank	400,000	-	-	400,000						

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	673,471	-	816	672,655	1.148 (Note 2)	November 29, 2019	(Note 6)	(Note 13)	No (No guarantee)
	Mizuho Bank	610,746	-	740	610,006					
	Shinsei Bank	642,109	-	778	641,331					
	MUFG Bank	549,672	-	666	549,006					
	SMBC	1,372,928	-	1,384	1,371,544	1.185 (Note 2)	May 29, 2020	(Note 7)		
	Mizuho Bank	1,249,920	-	1,260	1,248,660					
	Shinsei Bank	1,311,424	-	1,322	1,310,102					
	MUFG Bank	1,124,928	-	1,134	1,123,794					
	SMBC	1,958,208	-	1,974	1,956,234	1.275 (Note 2)	May 7, 2021	(Note 8)		
	Mizuho Bank	1,958,208	-	1,974	1,956,234					
	Aozora Bank	591,232	-	596	590,636					
	Shinsei Bank	773,760	-	780	772,980					
	MUFG Bank	1,630,848	-	1,644	1,629,204					
	Resona Bank	1,366,976	-	1,378	1,365,598					
	Bank of Fukuoka	448,384	-	452	447,932					
	ORIX Bank	448,384	-	452	447,932					
	SMBC	1,958,208	-	1,974	1,956,234	1.347 (Note 2)	November 8, 2021	(Note 8)		
	Mizuho Bank	1,958,208	-	1,974	1,956,234					
	Aozora Bank	591,232	-	596	590,636					
	Shinsei Bank	775,744	-	782	774,962					
	MUFG Bank	1,630,848	-	1,644	1,629,204					
	Resona Bank	1,364,992	-	1,376	1,363,616					
	Bank of Fukuoka	448,384	-	452	447,932					
	ORIX Bank	448,384	-	452	447,932					
	SMBC	1,589,191	-	1,601	1,587,589	0.985 (Note 2)	March 31, 2021	(Note 9)		
	Mizuho Trust	286,931	-	289	286,642					
	Resona Bank	573,863	-	578	573,285					
	Aozora Bank	573,863	-	578	573,285					
	Mizuho Bank	1,070,113	-	1,078	1,069,035					
	ORIX Bank	286,931	-	289	286,642					
	MUFG Bank	496,250	-	500	495,750					
	The Kagawa Bank	955,000	-	-	955,000					
SMBC	893,250	-	893,250	-	0.557	September 30, 2019	Lump-sum repayment (Note 10)			
SMBC	1,441,300	-	1,450	1,439,850	0.808 (Note 2)	May 31, 2022	(Note 11)			
Mizuho Bank	1,043,700	-	1,050	1,042,650						
MUFG Bank	894,600	-	900	893,700						
Shinsei Bank	497,000	-	500	496,500						
SMBC	1,441,300	-	1,450	1,439,850	0.858 (Note 2)	November 30, 2022	(Note 11)			
Mizuho Bank	1,043,700	-	1,050	1,042,650						
MUFG Bank	894,600	-	900	893,700						
Shinsei Bank	497,000	-	500	496,500						

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	1,789,200	-	1,800	1,787,400	0.705 (Note 2)	May 31, 2022	(Note 12)	(Note 13)	No (No guarantee)
	Mizuho Bank	894,600	-	900	893,700					
	MUFG Bank	695,800	-	700	695,100					
	Shinsei Bank	596,400	-	600	595,800					
	Aozora Bank	497,000	-	500	496,500					
	Bank of Fukuoka	497,000	-	500	496,500					
	Nishi-Nippon City Bank	497,000	-	500	496,500					
	Resona Bank	347,900	-	350	347,550					
	SMBC	1,789,200	-	1,800	1,787,400	0.750 (Note 2)	November 30, 2022	(Note 12)		
	Mizuho Bank	894,600	-	900	893,700					
	MUFG Bank	695,800	-	700	695,100					
	Shinsei Bank	596,400	-	600	595,800					
	Aozora Bank	497,000	-	500	496,500					
	Bank of Fukuoka	497,000	-	500	496,500					
	Nishi-Nippon City Bank	497,000	-	500	496,500					
	Resona Bank	347,900	-	350	347,550					
	SMBC	1,000,000	-	-	1,000,000	0.845 (Note 2)	October 31, 2023	Lump-sum repayment		
	Development Bank of Japan	500,000	-	-	500,000	0.675	April 26, 2019	Lump-sum repayment		
	Development Bank of Japan	500,000	-	-	500,000	0.708	October 31, 2023	Lump-sum repayment		
	SMBC	1,100,000	-	-	1,100,000	0.852 (Note 2)	September 30, 2021	Lump-sum repayment		
	Mizuho Bank	1,000,000	-	-	1,000,000	0.852 (Note 2)	January 31, 2022	Lump-sum repayment		
	Shinsei Bank	900,000	-	-	900,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
	Resona Bank	400,000	-	-	400,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
	Development Bank of Japan	2,000,000	-	-	2,000,000	0.871	May 10, 2023	Lump-sum repayment		
	SMBC	215,000	-	-	215,000	0.761 (Note 2)	October 31, 2023	Lump-sum repayment		
	Mizuho Bank	340,000	-	-	340,000					
	MUFG Bank	283,000	-	-	283,000					
	Resona Bank	237,000	-	-	237,000					
	Shinsei Bank	135,000	-	-	135,000					
	Bank of Fukuoka	195,000	-	-	195,000					
	ORIX Bank	195,000	-	-	195,000					
	SMBC	633,000	-	-	633,000					
Mizuho Bank	508,000	-	-	508,000	0.948 (Note 2)	October 31, 2025	Lump-sum repayment			
MUFG Bank	425,000	-	-	425,000						
Resona Bank	356,000	-	-	356,000						
Shinsei Bank	201,000	-	-	201,000						
Aozora Bank	257,000	-	-	257,000						
SMBC	352,000	-	-	352,000						
Mizuho Trust	1,352,000	-	-	1,352,000	0.990 (Note 2)	April 30, 2026	Lump-sum repayment			
Aozora Bank	901,000	-	-	901,000						
Shinsei Bank	901,000	-	-	901,000						
Resona Bank	448,000	-	-	448,000						

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	400,000	-	-	400,000	0.795 (Note 2)	April 30, 2024	Lump-sum repayment	(Note 13)	No (No guarantee)
	Mizuho Bank	350,000	-	-	350,000					
	Shinsei Bank	300,000	-	-	300,000					
	MUFG Bank	300,000	-	-	300,000					
	Bank of Fukuoka	225,000	-	-	225,000					
	The Kagawa Bank	200,000	-	-	200,000					
	Nishi-Nippon City Bank	225,000	-	-	225,000					
	SMBC	835,000	-	-	835,000	0.860 (Note 2)	November 11, 2024	Lump-sum repayment		
	Mizuho Bank	491,000	-	-	491,000					
	Shinsei Bank	393,000	-	-	393,000					
	MUFG Bank	393,000	-	-	393,000					
	Aozora Bank	393,000	-	-	393,000					
	Resona Bank	294,000	-	-	294,000					
	The Kagawa Bank	147,000	-	-	147,000					
	SMBC	500,000	-	-	500,000	0.637	February 29, 2024	Lump-sum repayment		
	Mizuho Bank	400,000	-	-	400,000	0.637	February 29, 2024	Lump-sum repayment		
	SMBC	1,000,000	-	-	1,000,000	0.962 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Bank	400,000	-	-	400,000	0.717	April 30, 2026	Lump-sum repayment		
	Shinsei Bank	200,000	-	-	200,000	0.717	April 30, 2026	Lump-sum repayment		
	SMBC	954,000	-	-	954,000	0.975 (Note 2)	September 30, 2026	Lump-sum repayment		
	Mizuho Bank	773,000	-	-	773,000					
	Shinsei Bank	483,000	-	-	483,000					
	Aozora Bank	656,000	-	-	656,000					
	SMBC	830,000	-	-	830,000	0.907 (Note 2)	September 30, 2026	Lump-sum repayment		
	Aozora Bank	570,000	-	-	570,000					
	SMBC	250,000	-	-	250,000	0.850 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Bank	400,000	-	-	400,000					
	Development Bank of Japan	400,000	-	-	400,000					
	MUFG Bank	300,000	-	-	300,000					
	Shinsei Bank	250,000	-	-	250,000					
	SMBC	1,000,000	-	-	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment		
	Resona Bank	1,000,000	-	-	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment		
Bank of Fukuoka	1,000,000	-	-	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment			
SMBC	-	1,239,000	-	1,239,000	0.822 (Note 2)	March 25, 2027	Lump-sum repayment			
Mizuho Bank	-	1,074,000	-	1,074,000						
Shinsei Bank	-	743,000	-	743,000						
Aozora Bank	-	743,000	-	743,000						
Resona Bank	-	743,000	-	743,000						
ORIX Bank	-	413,000	-	413,000						
The Kagawa Bank	-	413,000	-	413,000						
SMBC	-	692,000	-	692,000	0.698 (Note 2)	September 25, 2025	Lump-sum repayment			
SMBC	-	692,000	-	692,000	0.726 (Note 2)	March 25, 2026	Lump-sum repayment			
Total		105,324,547	6,060,000	7,328,436	104,056,111					

- (Note 1) Average Interest Rate indicates a weighted average of interest rates during the period based on the number of days, and it is rounded down to the stated unit.
- (Note 2) To avoid interest rate risk, an interest rate swap agreement has been signed separately to fix the interest rates, and the weighted average interest rate during the period after the effect of the interest rate swap is stated.
- (Note 3) The remaining balance was repaid on July 31, 2019.
- (Note 4) 3 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The balance at period-end includes long-term borrowings due within one year of 13 million yen.
- (Note 5) 3 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 6) 1 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 7) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 8) 4 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The balance at period-end includes long-term borrowings due within one year of 18 million yen.
- (Note 9) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The balance at period-end includes long-term borrowings due within one year of 9 million yen.
- (Note 10) The remaining balance was repaid on September 30, 2019.
- (Note 11) 1 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The balance at period-end includes long-term borrowings due within one year of 7 million yen.
- (Note 12) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.
The balance at period-end includes long-term borrowings due within one year of 11 million yen.
- (Note 13) The proceeds are used for acquisition of assets and/or beneficiary rights of real estate in trust and repayment of loans.
- (Note 14) The total amounts of long-term loans to be repaid for each year within five years after the balance sheet date are as follows.

(Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years
Long-term borrowings due within one year	18,493,568	—	—	—	—
Long-term borrowings	—	19,941,293	19,292,000	14,223,250	2,900,000
Total	18,493,568	19,941,293	19,292,000	14,223,250	2,900,000