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May 9, 2016

REIT Issuer

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**Acquisition of Eight Office Assets**

Ichigo Real Estate Investment Advisors Co., Ltd. (IRE), the asset management company of Ichigo Office REIT Investment Corporation (“Ichigo Office REIT”), has decided today to acquire eight assets (total acquisition price 20,900,000,000 yen).

I. Acquisition Summary

Total appraisal value: 21,400,000,000 yen, total acquisition price: 20,900,000,000 yen

Asset Name <sup>1</sup>	Ichigo Ikenohata Building	Ichigo Ikebukuro East Building	Ichigo Motoazabu Building	Ichigo Otsuka Building
Asset Type	Office O-77	Office O-78	Office O-79	Office O-80
Date Built	June 1991	June 1993	July 1992	March 1989
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )
Appraisal Value <sup>2</sup>	5,220,000,000 yen	3,110,000,000 yen	1,940,000,000 yen	2,820,000,000 yen
Acquisition Price <sup>3</sup>	5,130,000,000 yen	3,010,000,000 yen	1,890,000,000 yen	2,740,000,000 yen
Seller	Ikenohata Holdings GK	Ikenohata Holdings GK	Motoazabu Holdings GK	Motoazabu Holdings GK
Contract Date	May 9, 2016	May 9, 2016	May 9, 2016	May 9, 2016
Closing Date (expected)	May 24, 2016	May 24, 2016	May 24, 2016	May 24, 2016
Financing Method	New share issuance, borrowing, and cash-on-hand <sup>4</sup>			
Settlement Method	Lump-sum payment			

Asset Name <sup>1</sup>	Ichigo Nagoya Building	Ichigo Fushimi Building	Ichigo Nishiki Building	Ichigo Minami Morimachi Building
Asset Type	Office O-81	Office O-82	Office O-83	Office O-84
Date Built	February 1982	September 1984	January 1991	February 1994
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )
Appraisal Value <sup>2</sup>	3,500,000,000 yen	2,360,000,000 yen	1,360,000,000 yen	1,090,000,000 yen
Acquisition Price <sup>3</sup>	3,420,000,000 yen	2,340,000,000 yen	1,330,000,000 yen	1,040,000,000 yen
Seller	Motoazabu Holdings GK	Ikenohata Holdings GK	Motoazabu Holdings GK	Ikenohata Holdings GK
Contract Date	May 9, 2016	May 9, 2016	May 9, 2016	May 9, 2016
Closing Date (expected)	May 24, 2016	May 24, 2016	May 24, 2016	May 24, 2016
Financing Method	New share issuance, borrowing, and cash-on-hand <sup>4</sup>			
Settlement Method	Lump-sum payment			

<sup>1</sup> The current building names “MG Ikenohata Building,” “Higashi Ikebukuro Q Building,” “Vanguard Motoazabu Building,” “Otsuka Saint Core Building,” “EME Nagoya Building,” “HF Fushimi Building,” “Dai 41 Ocean Building,” and “Sun Center Building” will be changed to “Ichigo Ikenohata Building,” “Ichigo Ikebukuro East Building,” “Ichigo Motoazabu Building,” “Ichigo Otsuka Building,” “Ichigo Nagoya Building,” “Ichigo Fushimi Building,” “Ichigo Nishiki Building,” and “Ichigo Minami Morimachi Building,” respectively.

<sup>2</sup> Appraisal value is as of March 1, 2016.

<sup>3</sup> Acquisition price excludes incidental expenses such as property, city planning, and consumption taxes.

<sup>4</sup> Financing details will be announced when determined.

## II. Acquisition Rationale

Ichigo Office REIT continues to execute on its strategy to “Increase portfolio size and scale and be smart in portfolio restructuring” as described in Stage V (“Lay Foundation for Sustainable Dividend Growth”) of its Growth Strategy Roadmap.<sup>1</sup>

Consistent with this growth strategy, Ichigo Office REIT has been conducting a strategic portfolio restructuring, selling four assets located in lower-quality locations during the April 2016 fiscal period and completing today the acquisition of five office assets as announced in its April 8, 2016 release “Acquisition of Five Office Assets.”<sup>2,3</sup>

These transactions are expected to drive further growth in earnings and dividends. The eight assets acquired are located in Central Tokyo, where rents have been rising, and Nagoya and Osaka, where economic growth is expected to continue. The expected post-depreciation NOI yield of the acquired assets is 4.7%, and the average occupancy is 97.7%.<sup>4,5</sup>

Today’s acquisition is the result of exercising the preferential negotiation rights that Ichigo Office REIT obtained when it acquired TK (*tokumei kumiai*) trust beneficiary interests in real estate for 13 assets owned by Motoazabu Holdings GK and Ikenohata Holdings GK on July 29, 2015.<sup>6</sup>

When deciding whether to exercise the preferential negotiation rights, Ichigo Office REIT took into consideration current appraisal values, acquisition costs and timing, and the acquisition’s earning impact to determine whether the acquisition price was attractive.

<sup>1</sup> For details, please refer to “Portfolio Reference Information: Ichigo Office REIT Growth Strategy Roadmap” at the end of this release.

<sup>2</sup> For details, please refer to the January 28, 2016 release “Sale of Portfolio Asset (Akita Sanno 21 Building),” the March 4, 2016 release “Sale of Portfolio Assets (Ichigo Meieki Building, Ichigo Yokohama Nishiguchi Building),” and the March 16, 2016 release “Sale of Portfolio Asset (Ichigo Saga Building).”

<sup>3</sup> For details, please refer to today’s release “Notice of Completion of Asset Acquisitions (Five Office Assets).”

<sup>4</sup> The average post-depreciation NOI Yield is calculated as the Net Operating Income (NOI) minus depreciation divided by the total acquisition price of the eight assets.

<sup>5</sup> The average occupancy is as of February 29, 2016.

<sup>6</sup> For details, please refer to the July 28, 2015 release “Real Estate Acquisition.”

### III. Tenant Selection

Tenants of today's acquired assets, including sub-tenants for assets under a master lease, meet Ichigo Office REIT's selection criteria as stated below.

- a. Potential tenants are screened, using external databases as appropriate, based on the criteria in the following table. They are initially screened for credit strength, followed by an evaluation that takes into consideration the rent, lease term, deposit amount, tenant business type, synergies with existing tenants (if any), and the potential tenant's space and layout requirements.

Tenant Type	Review Criteria
Corporate	<ol style="list-style-type: none"><li>i. Industry, industry experience, earnings (soundness of management), etc.</li><li>ii. Tenancy conditions (purpose, contract type, contract term, price, deposits, size of leased area, renovation needs, etc.)</li><li>iii. Existence of guarantor and the classification of the guarantor</li></ol>
Individual	<ol style="list-style-type: none"><li>i. Workplace, years of employment at current workplace.</li><li>ii. Annual income (percentage of total rent versus annual income)</li><li>iii. Tenancy conditions (purpose, contract type, contract term, price, size of leased area, number of occupants, etc.)</li><li>iv. Existence of guarantor and the type of the guarantor</li></ol>

- b. Ichigo Office REIT conducts regular interviews to understand the needs of existing and new tenants to support and maintain long-term relationships.

### IV. Asset Details

The eight assets are well-located with high occupancy (currently 97.7%). Ichigo Office REIT intends to employ its deep understanding of the mid-size office building market to further increase asset value and NOI. Further details of each asset are below.

## (1) Ichigo Ikenohata Building

### (i) Location

This building is located in the Ikenohata area of southwestern Taito Ward, boasting easy access to Chiyoda Ward, one of the main business centers in Tokyo, and to Bunkyo Ward which has an abundance of educational and cultural facilities.

The building is also walking distance to Ueno Station on the JR Line, one of the major stations in Tokyo, drawing additional demand from companies who value that access.

### (ii) Features

The building is a mid-size office building on Shinobazu Dori, a 3-minute walk from Yushima Station on the Tokyo Metro Chiyoda Line and 7-minute walk from Ueno Hirokoji Station on the Tokyo Metro Ginza Line.

The standard floor plate is a little over 200 tsubo (660 m<sup>2</sup>). The building is highly competitive in the leasing market thanks to its 2.5 meter high ceilings, individual air conditioning units, and raised access flooring. Tenants including subsidiaries of major companies, a telecommunications company, a government-affiliated company, and a medical corporation currently occupy the building.

### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Period of Trust Contract	October 31, 1989 - July 31, 2025 (Expected)	
Location	1-2-18 Ikenohata, Taito-ku, Tokyo	
Land	Property Right	Freehold
	Size	1,120.22 m <sup>2</sup>
	Zoning	Commercial
	Coverage Ratio/Floor Area Ratio	80%/600%
Building	Property Right	Freehold
	Zoning	Office, Training Area
	Structure	SRC B1F/8F
	Total Floor Area	7,774.41 m <sup>2</sup>
	Construction Date	June 27, 1991
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Value	5,220,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	5,440,000,000 yen	
Architect <sup>1</sup>	Kume Kenchiku Co. Ltd.	
Builder <sup>1</sup>	Kajima Corporation Tokyo Office	
Structural Strength Assessor <sup>1</sup>	Kume Kenchiku Co. Ltd.	
Inspection Agency <sup>1</sup>	City of Tokyo	
PML (Assessor)	4.29% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as of February 29, 2016)		
Number of Tenants	6	
Monthly Rental Income	21,249 thousand yen	
Deposit	126,202 thousand yen	
Leasable Space	5,504.02 m <sup>2</sup>	
Leased Space	5,504.02 m <sup>2</sup>	
Occupancy	100.0%	
Property Management Company	Shimizu Comprehensive Development Co., Ltd. (Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI yield) <sup>3</sup>	222 million yen (4.3%)	
Depreciation Rate <sup>4</sup>	0.5%	

## Special Items

Part of the doorpost of a security door, some concrete earth-retaining tiles, and the concrete foundation encroach upon the southern neighbor. A memorandum of understanding exists which agrees to rectify the situation when these encroaching items are modified in the future.

- <sup>1</sup> This trust beneficiary interest in real estate (*juekiken*) consists of two interests owned by Sumitomo Mitsui Trust Bank, Limited, and Ichigo Office REIT is acquiring both interests. There is an agreement between the trustees and the beneficiaries of both interests to operate and transfer the assets as a single building.
- <sup>2</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.
- <sup>3</sup> Assumed NOI is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield is calculated by dividing Assumed NOI by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the appraisal report's direct capitalization valuation method divided by the Acquisition Price is 5.1%.
- <sup>4</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

Appraisal Overview		
Name	Ichigo Ikenohata Building	
Appraisal Value	5,220,000,000 yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	5,220,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	5,440,000,000 yen	
Income	344,500,992 yen	
Maximum Obtainable Rental Income	363,481,344 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	18,980,352 yen	Based on mid- to long-term vacancy rate
Expenses	80,945,142 yen	
Administrative and Maintenance Expenses	16,974,336 yen	Based on similar assets and past actual amounts
Utility Expenses	19,748,352 yen	Based on similar assets and past actual amounts
Repair Expenses	11,200,000 yen	Based on the average of the past 12 years of engineering reports
PM Fee	4,630,705 yen	Based on contract rate and similar assets
Leasing Brokerage Fees	2,525,378 yen	Based on the standard turnover rate with competition, past actual amounts, and similar assets into account
Taxes	25,014,900 yen	Based on FY2015 actual amounts
Insurance Premiums	506,970 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	344,501 yen	Consumable goods, etc.
Net Operating Income (NOI)	263,555,850 yen	
Income on Investment of Deposits Received	2,786,696 yen	Based on 2.0% investment yield
Capital Expenditure	26,880,000 yen	Based on the average of the past 12 years of engineering reports
Net Profit	239,462,546 yen	
Cap Rate	4.4%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc.
Value via DCF Method	5,130,000,000 yen	
Discount Rate	4.5%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	4.6%	Based upon risk-adjusted NOI
Value via Cost Approach	4,990,000,000 yen	
Land	86.0%	
Building	14.0%	
Notes		
None		



## (2) Ichigo Ikebukuro East Building

### (i) Location

The Higashi Ikebukuro area refers to the east side of Ikebukuro Station, a major station for multiple train lines in Tokyo, including the JR Yamanote Line, JR Saikyo Line, Tokyo Metro Marunouchi Line, Fukutoshin Line, Yurakucho Line, Seibu Ikebukuro Line, and the Tobu Tojo Line.

Convenient access to the Metropolitan Expressway also supports demand from office tenants.

### (ii) Features

This building is a 9-minute walk from the Higashi Ikebukuro Station on the Tokyo Metro Yurakucho Line and the Otsuka Station on the JR Yamanote Line. It is also a 12-minute walk from Ikebukuro Station on the JR Yamanote Line.

Each floor is sub-dividable with a standard floor plate of 140 tsubo (460 m<sup>2</sup>) and a 2.6 meter high ceiling. The specifications of the building compare favorably with other buildings in the area due to such offerings as individual air conditioning units and raising access flooring.

The first floor tenant is a supermarket. Consulting firms and telecommunications company tenants occupy the upper floors.

### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Period of Trust Contract	May 18, 2007 – July 31, 2025 (Expected)	
Location	2-23-2 Higashi Ikebukuro, Toshima-ku, Tokyo	
Land	Property Right	Freehold
	Size	744.66 m <sup>2</sup>
	Zoning	Commercial/ Category I residential
	Coverage Ratio/Floor Area Ratio	80%/600%, 60%/400%
Building	Property Right	Freehold
	Zoning	Office, Parking
	Structure	SRC/RC 8F
	Total Floor Area	3,837.35 m <sup>2</sup>
	Construction Date	June 8, 1993
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Value	3,110,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	3,210,000,000 yen	
Architect <sup>1</sup>	Daisue Construction Co., Ltd. First-Class Registered Architects Office	
Builder <sup>1</sup>	Daisue Construction Co., Ltd.	
Structural Strength Assessor <sup>1</sup>	Daisue Construction Co., Ltd. First-Class Registered Architects Office	
Inspection Agency <sup>1</sup>	Toshima Ward	
PML (Assessor)	6.50% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as of February 29, 2016)		
Number of Tenants	4	
Monthly Rental Income	13,124 thousand yen	
Deposit	112,820 thousand yen	
Leasable Space	3,118.69 m <sup>2</sup>	
Leased Space	3,118.69 m <sup>2</sup>	
Occupancy	100%	
Property Management Company	Shimizu Comprehensive Development Co., Ltd.(Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI yield) <sup>2</sup>	136 million yen (4.5%)	
Depreciation Rate <sup>3</sup>	0.5%	
Special Items		
None		

- <sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.
- <sup>2</sup> Assumed NOI is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield is calculated by dividing Assumed NOI by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the appraisal report's direct capitalization valuation method divided by the Acquisition Price is 5.0%.
- <sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

Appraisal Overview		
Name	Ichigo Ikebukuro East Building	
Appraisal Value	3,110,000,000 yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	3,110,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	3,210,000,000 yen	
Income	199,193,527 yen	
Maximum Obtainable Rental Income	211,891,081 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	12,697,554 yen	Based on mid- to long-term vacancy rate
Expenses	49,545,717 yen	
Administrative and Maintenance Expenses	10,291,743 yen	Based on similar assets and past actual amounts
Utility Expenses	19,573,024 yen	Based on similar assets and past actual amounts
Repair Expenses	4,440,000 yen	Based on engineering reports and similar assets
PM Fee	2,123,646 yen	Based on contract rate and similar assets
Leasing Brokerage Fees	1,232,810 yen	Based on the standard turnover rate with competition, past actual amounts, and similar assets into account
Taxes	11,434,900 yen	Based on FY2015 actual amounts
Insurance Premiums	250,400 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	199,194 yen	Consumable goods, etc.
Net Operating Income (NOI)	149,647,810 yen	
Income on Investment of Deposits Received	2,720,259 yen	Based on 2.0% investment yield
Capital Expenditure	11,100,000 yen	Based on engineering reports and similar assets
Net Profit	141,268,069 yen	
Cap Rate	4.4%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc.
Value via DCF Method	3,070,000,000 yen	
Discount Rate	4.5%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	4.6%	Based upon risk-adjusted NOI
Value via Cost Approach	3,050,000,000 yen	
Land	85.7%	
Building	14.3%	
Notes		
None		

### (3) Ichigo Motoazabu Building

#### (i) Location

The building is located in the Azabu area of western Minato Ward. It is a high-end residential area with large houses and luxury apartments. Many embassies and ambassadors' residences are located in the area, creating a lively and international atmosphere.

The area attracts international companies, as well as design offices, media companies, and IT firms. Companies that value robust disaster prevention measures also seek offices in the area.

#### (ii) Features

This mid-size office building is a 9-minute walk from Hiroo Station on the Tokyo Metro Hibiya Line, and is located within walking distance of the Roppongi/Azabujuban area.

The standard floor area is 170 tsubo (560 m<sup>2</sup>), with a 2.7 meter high ceiling. The exterior wall has an exposed concrete finish. The building is currently occupied by IT, design, and bridal industry tenants.

#### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Period of Trust Contract	August 31, 2004 - July 31, 2025 (Expected)	
Location	3-4-26 Motoazabu, Minato-ku, Tokyo	
Land	Property Right	Freehold
	Size	1,022.12 m <sup>2</sup>
	Zoning	Category I Mid/High-Rise Residential
	Coverage Ratio/Floor Area Ratio	60%/300%
Building	Property Right	Freehold
	Zoning	Office
	Structure	RC B1F/2F
	Total Floor Area	1,503.03 m <sup>2</sup>
	Construction Date	July 1, 1992
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Value	1,940,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	2,010,000,000 yen	
Architect <sup>1</sup>	I.M.A. Architects & Associates	
Builder <sup>1</sup>	Komatsu Kensetsu Kogyo Corporation	
Structural Strength Assessor <sup>1</sup>	I.M.A. Architects & Associates	
Inspection Agency <sup>1</sup>	Minato Ward	
PML (Assessor)	8.02% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as of February 29, 2016)		
Number of Tenants	3	
Monthly Rental Income	7,544 thousand yen	
Deposit	78,279 thousand yen	
Leasable Space	1,329.96 m <sup>2</sup>	
Leased Space	1,329.96 m <sup>2</sup>	
Occupancy	100%	
Property Management Company	Ken Corporation Ltd.(Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI Yield) <sup>2</sup>	79 million yen (4.2%)	
Depreciation Rate <sup>3</sup>	0.2%	

### Special Items

1. A portion of land (105m<sup>2</sup>) on the property's eastern border is designated as a road pursuant to Article 42 Paragraph 1 Item 5 of the Building Standards Act. A memorandum of understanding exists with the eastern neighbor regarding this portion of land.
2. The land was rezoned after the building was built and therefore the building does not meet existing zoning regulations.

<sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.

<sup>2</sup> Assumed NOI is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield is calculated by dividing Assumed NOI by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the appraisal report's direct capitalization valuation method divided by the Acquisition Price is 4.3%.

<sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

Appraisal Overview		
Name	Ichigo Motoazabu Building	
Appraisal Value	1,940,000,000 yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	1,940,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	2,010,000,000 yen	
Income	107,654,018 yen	
Maximum Obtainable Income	113,446,335 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	5,792,317 yen	Based on mid- to long-term vacancy rate
Expenses	27,138,208 yen	
Administrative and Maintenance Expenses	3,622,811 yen	Based on similar assets and past actual amounts
Utility Expenses	6,607,241 yen	Based on similar assets and past actual amounts
Repair Expenses	2,580,000 yen	Based on the average of the past 12 years of engineering reports
PM Fees	2,363,551 yen	Based actual contract amount and similar assets
Leasing Brokerage Fees	700,091 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	11,054,200 yen	Based on FY2015 actual amounts
Insurance Premiums	102,660 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	107,654 yen	Consumable goods and other expenses
Net Operating Income (NOI)	80,515,810 yen	
Income on Investment of Deposits Received	1,603,407 yen	Based on 2.0% investment yield.
Capital Expenditure	5,805,000 yen	Based on the average of the past 12 years of engineering reports
Net Profit	76,314,217 yen	
Cap Rate	3.8%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, market trends, etc.
Value via DCF Method	1,910,000,000 yen	
Discount Rate	3.9%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	4.0%	Based upon risk-adjusted NOI
Value via Cost Approach	1,860,000,000 yen	
Land	95.1%	
Property	4.9%	
Notes		
None		



#### (4) Ichigo Otsuka Building

##### (i) Location

The Minami Otsuka Area is at the southeastern edge of Toshima Ward. There is a commercial district around Otsuka Station where the station building, hotels, and shopping streets are located. Many office buildings are found in the area due to its proximity to the station.

The area has convenient access to train stations on the JR Yamanote Line, Tokyo Metro Marunouchi Line, and the Toden Arakawa Line. Otsuka Station is one stop away from Ikebukuro Station, one of the major terminal stations in the city, providing easy access to Central Tokyo.

##### (ii) Features

The building is a mid-size office building, a 4-minute walk from Otsuka Station on the JR Yamanote Line and a 6-minute walk from Shin-Otsuka Station on the Tokyo Metro Marunouchi Line.

The 180 tsubo (590 m<sup>2</sup>) standard floor with 2.6 meter high ceilings is relatively large compared to other office buildings in the vicinity. The size and easy-to-use standard shape of the floor plate is expected to help support stable rental income.

##### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Period of Trust Contract	July 30, 2015 - July 31, 2025 (Expected)	
Location	3-46-3 Minami Otsuka, Toshima-ku, Tokyo	
Land	Property Right	Freehold
	Size	976.82 m <sup>2</sup>
	Zoning	Commercial
	Coverage Ratio/Floor Area Ratio	80%/500%
Building	Property Right	Freehold
	Zoning	Office
	Structure	SRC 8F
	Total Floor Area	4,573.06 m <sup>2</sup>
	Construction Date	March 10, 1989
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Value	2,820,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	2,930,000,000 yen	
Architect <sup>1</sup>	Akasaka Architectural Office	
Builder <sup>1</sup>	Fujita Engineering Company Ltd. Tokyo Branch	
Structural Strength Assessor <sup>1</sup>	Akasaka Architectural Office	
Inspection Agency <sup>1</sup>	City of Tokyo	
PML (Assessor)	4.00% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as February 29, 2016)		
Number of Tenants	7	
Monthly Rental Income	12,288 thousand yen	
Deposit	106,505 thousand yen	
Leasable Space	3,688.77 m <sup>2</sup>	
Leased Space	3,688.77 m <sup>2</sup>	
Occupancy	100%	
Property Management Company	Shimizu Comprehensive Development Co., Ltd.(Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI Yield) <sup>2</sup>	122 million yen (4.5%)	
Depreciation Rate <sup>3</sup>	0.8%	
Special Items		
<p>1. A part of a metal frame encroaches on the northwestern neighbor. A memorandum of understanding exists for the owner to remove the frame and to bear all related expense and risk of accidents.</p> <p>2. A construction inspection report indicates that there is a need to replace the emergency power supply. The seller has</p>		

agreed to rectify the situation at the seller's cost.

3. A lease termination notification has been received from one of the tenants (leased area: 135.60 m<sup>2</sup>) on October 29, 2015 to terminate the contract as of April 30, 2016. The occupancy of the building is expected to be 96.3% after the termination.<sup>4</sup>

<sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.

<sup>2</sup> Assumed NOI is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield is calculated by dividing Assumed NOI by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI calculated using the NOI employed in the appraisal report's direct capitalization valuation method divided by the Acquisition Price is 5.3%.

<sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

<sup>4</sup> A new lease contract has been signed with an existing tenant (leased area: 126.53 m<sup>2</sup>) for additional areas (including the area to be vacated due to the above termination notification). The new contract is for a total leased area of 426.14 m<sup>2</sup> commencing on May 1, 2016. The total leasable area of the building is currently in the process of being changed to 3,679.70 m<sup>2</sup>. The occupancy of the building will be 100% with the commencement of this new lease contract.

Appraisal Overview		
Name	Ichigo Otsuka Building	
Appraisal Value	2,820,000,000 yen	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	2,820,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	2,930,000,000 yen	
Income	194,167,083 yen	
Maximum Obtainable Income	207,582,193 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	13,415,110 yen	Based on mid- to long-term vacancy rate
Expenses	50,083,096 yen	
Administrative and Maintenance Expenses	8,301,403 yen	Based on similar assets and past actual amounts
Utility Expenses	16,293,712 yen	Based on similar assets and past actual amounts
Repair Expenses	6,660,000 yen	Based on engineering reports and similar assets
PM Fees	3,345,305 yen	Based on similar assets and past actual amounts
Leasing Brokerage Fees	1,255,159 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	13,709,400 yen	Based on FY2015 actual amounts
Insurance Premiums	323,950 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	194,167 yen	Consumable goods and other expenses
Net Operating Income (NOI)	144,083,987 yen	
Income on Investment of Deposits Received	2,766,107 yen	Based on 2.0% investment yield.
Capital Expenditure	14,800,000 yen	Based on engineering reports and similar assets
Net Profit	132,050,094 yen	
Cap Rate	4.5%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, market trends, etc.
Value via DCF Method	2,770,000,000 yen	
Discount Rate	4.6%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	4.7%	Based upon risk-adjusted NOI
Value via Cost Approach	2,760,000,000 yen	
Land	83.0%	
Property	17.0%	
Notes		
None		

## (5) Ichigo Nagoya Building

### (i) Location

The building is located near the center of Meieki area, which is centered on Nagoya Station, a major station with easy access to multiple train lines including the Nagoya Municipal Subway Higashiyama Line, Sakura-Dori Line, JR Lines, Tokaido Shinkansen Line, Meitetsu Lines, and Nagoya Rinkai Rapid Transit Aonami Line. From Nagoya Station, passengers can easily travel not only to neighboring areas but also cities across Japan.

Just east of Nagoya Station is a business district with a concentration of office buildings housing major corporations including banks and securities companies.

Following a series of large-size office buildings being redeveloped around Nagoya Station, small- and mid-size buildings are now also being redeveloped, generating demand for space from tenants who must relocate.

### (ii) Features

This mid-size office building is a 7-minute walk from Nagoya Station on the Nagoya Municipal Subway Higashiyama Line and Sakura-Dori Line, and has easy access to a variety of public transport. The building is located on a wide avenue called Hirokoji Dori in a commercial area that enjoys consistent demand from office and retail tenants.

### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Period of Trust Contract	May 22, 2002 – July 31, 2025 (Expected)	
Location	4-24-8 Meieki, Nakamura-ku, Nagoya, Aichi Prefecture	
Land	Property Right	Freehold, Leasehold
	Size	1,001.17 m <sup>2</sup>
	Zoning	Commercial
	Coverage Ratio/Floor Area Ratio	80%/800%
Building	Property Right	Freehold
	Zoning	(1)Office, Retail, Warehouse (2)Parking
	Structure	(1)SRC B2F/8F (2)Steel 1F
	Total Floor Area	(1)7,375.12 m <sup>2</sup> (2)43.00 m <sup>2</sup>
	Construction Date	February 23, 1982
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Value	3,500,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	3,590,000,000 yen	
Architect <sup>1</sup>	Kume Kenchiku Co., Ltd.	
Builder <sup>1</sup>	Kajima Corporation Nagoya Branch	
Structural Strength Assessor <sup>1</sup>	Kume Kenchiku Co., Ltd.	
Inspection Agency <sup>1</sup>	City of Nagoya	
PML (Assessor)	9.61% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as of February 29, 2016)		
Number of Tenants	33	
Monthly Rental Income	19,478 thousand yen	
Deposit	200,553 thousand yen	
Leasable Space	4,930.30 m <sup>2</sup>	
Leased Space	4,675.52 m <sup>2</sup>	
Occupancy	94.8 %	
Property Management Company	THE DAI-ICHI BUILDING CO., LTD.(Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI Yield) <sup>2</sup>	171 million yen (5.0%)	
Depreciation Rate <sup>3</sup>	0.5%	

### Special Items

1. A part of the property (132.45 m<sup>2</sup>) is leasehold. The size of the land indicated above includes this leasehold property.
2. A part of the concrete block wall encroaches the western neighbor. A memorandum of understanding exists which agrees to rectify the situation when the wall is modified in the future.
3. Part of a stone curb encroaches the eastern neighbor. A memorandum of understanding exists which agrees to rectify the situation when the stone curb is modified in the future.
4. No official document exists to state the boundary between the leasehold land and the western neighbor, the eastern neighbor, or the northern neighbor.
5. A fire inspection report indicates that a guide light need be repaired. The seller has agreed to rectify the situation at the seller's expense.

<sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.

<sup>2</sup> Assumed NOI is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield is calculated by dividing Assumed NOI by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the appraisal report's direct capitalization valuation method divided by the Acquisition Price is 5.5%.

<sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

<sup>4</sup> A new lease contract has been signed on March 31, 2016 with a new tenant commencing on April 1, 2016 for a leased area of 54.10 m<sup>2</sup>. The occupancy of the building is expected to be 95.9% with the commencement of this new contract.

Appraisal Overview		
Name	Ichigo Nagoya Building	
Appraisal Value	3,500,000,000 yen	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	3,500,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	3,590,000,000 yen	
Income	290,901,981 yen	
Maximum Obtainable Rental Income	306,672,282 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	15,770,301 yen	Based on mid- to long-term vacancy rate
Expenses	103,137,325 yen	
Administrative and Maintenance Expenses	15,645,400 yen	Based on similar assets and past actual amounts
Utility Expenses	34,051,692 yen	Based on similar assets and past actual amounts
Repair Expenses	2,269,750 yen	Based on the average of the past 12 years of engineering reports
PM Fee	5,345,424 yen	Based on similar assets
Leasing Brokerage Fees	1,988,614 yen	Based on the expected turnover rate, past actual amount, and tenant acquisition costs for similar assets
Taxes	28,051,173 yen	Based on FY2015 actual amounts
Insurance Premiums	465,350 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	15,319,922 yen	Consumable goods, etc.
Net Operating Income (NOI)	187,764,656 yen	
Income on Investment of Deposits Received	3,786,153 yen	Based on 2.0% investment yield
Capital Expenditure	19,166,250 yen	Based on the average of the past 12 years of engineering reports
Net Profit	172,384,559 yen	
Cap Rate	4.8%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc.
Value via DCF Method	3,460,000,000 yen	
Discount Rate	4.6%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.0%	Based upon risk-adjusted NOI
Value via Cost Approach	4,520,000,000 yen	
Land <sup>1</sup>	92.0%	
Building	8.0%	
Notes		
<sup>1</sup> Includes leasehold property (8.9%)		



## (6) Ichigo Fushimi Building

### (i) Location

The Fushimi area is a major business district with many offices and financial institutions that is located between Nagoya's two major commercial districts, Meieki and Sakae.

The area attracts major companies headquartered in Tokyo or Osaka seeking regional branch offices as well as companies based in the greater Nagoya region seeking headquarter offices.

### (ii) Features

This mid-size office building is a 4-minute walk from Fushimi Station on the Nagoya Municipal Subway Higashiyama Line and Tsurumai Line.

The standard floor is 130 tsubo (420 m<sup>2</sup>) offering a relatively large space for the Fushimi area. The main entrance and the southern side of the building (facing the main road) have been recently improved.

A restaurant occupies the basement floor, while tenants from the bridal industry and sales offices for interior goods and electrical equipment occupy the upper floors.

### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate ( <i>juekiken</i> )	
Trustee	Mizuho Trust Bank, Limited	
Period of Trust Contract	July 30, 2015 - July 31, 2025(Expected)	
Location	1-18-24 Nishiki, Naka-ku, Nagoya, Aichi Prefecture	
Land	Property Right	Freehold
	Size	770.43 m <sup>2</sup>
	Zoning	Commercial
	Coverage Ratio/Floor Area Ratio	80%/800%
Building	Property Right	Freehold
	Zoning	Office, Retail
	Structure	SRC B1F/9F
	Total Floor Area	6,290.43 m <sup>2</sup>
	Construction Date	September 21, 1984
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Value	2,360,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	2,430,000,000 yen	
Architect <sup>1</sup>	Kajima Corporation Nagoya Branch 1st Architect Office	
Builder <sup>1</sup>	Kajima Corporation Nagoya Branch	
Structural Strength Assessor <sup>1</sup>	Kajima Corporation Nagoya Branch 1st Architect Office	
Inspection Agency <sup>1</sup>	City of Nagoya	
PML (Assessor)	10.21% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as of February 29, 2016)		
Number of Tenants	38	
Monthly Rental Income	11,978 thousand yen	
Deposit	107,720 thousand yen	
Leasable Space	4,152.22 m <sup>2</sup>	
Leased Space	3,853.90 m <sup>2</sup>	
Occupancy	92.8%	
Property Management Company	THE DAI-ICHI BUILDING CO., LTD.(Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI Yield) <sup>2</sup>	116 million yen (5.0%)	
Depreciation Rate <sup>3</sup>	0.7%	

## Special Items

1. The concrete block foundation and U-shaped drain encroaches the northeastern neighbor. A memorandum of understanding exists which agrees to rectify the situation when this is to be removed, moved, or modified in the future.
2. The rainwater inlet encroaches the southwestern neighbor. A memorandum of understanding exists which agrees to rectify the situation when this is to be removed, moved, or modified in the future.
3. Lease termination notifications have been received from five tenants (total leased area: 614.47 m<sup>2</sup>)  
Leased area: 39.60 m<sup>2</sup>, contract termination as of March 21, 2016, notification received on February 25, 2016  
Leased area: 39.60 m<sup>2</sup>, contract termination as of March 31, 2016, notification received on September 24, 2015  
Leased area: 147.69 m<sup>2</sup>, contract termination as of April 30, 2016, notification received on October 30, 2015  
Leased area: 160.70 m<sup>2</sup> & 147.69 m<sup>2</sup>, contract termination as of June 24, 2016, notification received on December 24, 2015  
Leased area: 79.19 m<sup>2</sup>, contract termination as of August 31, 2016, notification received on February 25, 2016  
The occupancy is expected to be 78.0% after the terminations.<sup>4</sup>

<sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.

<sup>2</sup> Assumed NOI is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield is calculated by dividing Assumed NOI by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the direct capitalization valuation method from the appraisal report divided by the Acquisition Price is 5.7%.

<sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

<sup>4</sup> A new lease contract has been signed on February 29, 2016 with a new tenant commencing on April 1, 2016 for a leased area of 160.70 m<sup>2</sup>. Another new lease contract has been signed on March 22, 2016 with a new tenant commencing on that same date for a leased area of 39.60 m<sup>2</sup>. Another new lease contract has been signed on April 11, 2016 with a new tenant commencing on that same date for a leased area of 39.60 m<sup>2</sup>. The occupancy of the building is expected to be 83.8% with the commencement of these new contracts.

Appraisal Overview		
Name	Ichigo Fushimi Building	
Appraisal Value	2,360,000,000 yen	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	2,360,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	2,430,000,000 yen	
Income	189,280,774 yen	
Maximum Obtainable Rental Income	201,726,772 yen	Based on mid- to long- term rental income, common area service income, parking lot income, and other income
Vacancy Loss	12,445,998 yen	Based on mid- to long-term vacancy rate
Expenses	56,420,018 yen	
Administrative and Maintenance Expenses	11,304,600 yen	Based on similar assets and past actual amounts
Utility Expenses	19,594,692 yen	Based on similar assets and past actual amounts
Repair Expenses	2,151,667 yen	Based on the average of the past 12 years of engineering reports
PM Fee	3,411,443 yen	Based on similar assets
Leasing Brokerage Fees	1,223,986 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	17,037,195 yen	Based on FY2015 actual amounts
Insurance Premiums	371,470 yen	Based on the estimate and standard of similar assets
Other Expenses	1,324,965 yen	Consumable goods, etc.
Net Operating Income (NOI)	132,860,756 yen	
Income on Investment of Deposits Received	2,390,641 yen	Based on 2.0% investment yield
Capital Expenditure	13,558,083 yen	Based on the average of the past 12 years of engineering reports
Net Profit	121,693,314 yen	
Cap Rate	5.0%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc.
Value via DCF Method	2,330,000,000 yen	
Discount Rate	4.8%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.2%	Based upon risk-adjusted NOI
Value via Cost Approach	2,820,000,000 yen	
Land	87.0%	
Building	13.0%	
Notes		
None		

## (7) Ichigo Nishiki Building

### (i) Location

The Fushimi area is a major business district with many offices and financial institutions that is located between Nagoya's two major commercial districts, Meieki and Sakae.

The area attracts major companies headquartered in Tokyo or Osaka seeking regional branch offices as well as companies based in the greater Nagoya region seeking headquarter offices.

### (ii) Features

This is a mid-size office building located within a 3-minute walk from Fushimi Station of the Nagoya Municipal Subway Higashiyama and Tsurumai Lines. It is situated in a commercial district with a concentration of high-rise office buildings along a street near Fushimi Dori Avenue.

The standard floor is 73 tsubo (240 m<sup>2</sup>) and the ceiling is 2.5 meters high. The floor can be sub-divided into three units to suit the tenants' needs. The building is competitive in the area due to its renovated common areas and specifications including raised access flooring and individual air conditioning units.

### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset		Trust beneficiary interest in real estate ( <i>juekiken</i> )
Trustee		Mizuho Trust& Banking Co., Ltd.
Period of Trust Contract		July 30, 2015 – July 31, 2025 (Expected)
Location		1-5-27 Nishiki, Naka-ku, Nagoya, Aichi Prefecture
Land	Property Right	Freehold
	Size <sup>1</sup>	421.38 m <sup>2</sup>
	Zoning	Commercial
	Coverage Ratio/Floor Area Ratio	80%/600%
Building	Property Right	Freehold
	Zoning	Office, Retail, Parking
	Structure	SRC 9F
	Total Floor Area	2,600.69 m <sup>2</sup>
	Construction Date	January 31, 1991
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Value		1,360,000,000 yen
Appraisal Date		March 1, 2016
Value by Direct Capitalization Method		1,390,000,000 yen
Architect <sup>2</sup>		Kokubu Architects Corporation
Builder <sup>2</sup>		JDC Corporation
Structural Strength Assessor <sup>2</sup>		Kokubu Architects Corporation
Inspection Agency <sup>2</sup>		City of Nagoya
PML (Assessor)		8.78% (Sompo Risk Management & Health Care Inc.)
Collateral		None
Rent Overview (as of February 29, 2016)		
Number of Tenants		22
Monthly Rental Income		6,277 thousand yen
Deposit		52,845 thousand yen
Leasable Space		2,006.78 m <sup>2</sup>
Leased Space		1,939.34 m <sup>2</sup>
Occupancy		96.6%
Property Management Company		THE DAI-ICHI BUILDING CO., LTD.(Expected)
Master Lease Company		Ichigo Office REIT Investment Corporation (Expected)
Master Lease Type		Pass-through (Expected)
Assumed NOI (NOI Yield) <sup>3</sup>		68 million yen (5.2%)
Depreciation Rate <sup>3</sup>		1.3%
Special Items		
A lease termination notification has been received from one of the tenants (leased area: 67.44 m <sup>2</sup> ) on October 29, 2015 to terminate the contract as of April 30, 2016. The occupancy of the building will be 93.3% after the termination. <sup>4</sup>		

<sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.

<sup>2</sup> NOI at Acquisition is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield at Acquisition is calculated by dividing NOI at Acquisition by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the appraisal report's direct capitalization valuation method divided by the Acquisition Price is 5.4%.

<sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

<sup>4</sup> A new lease contract has been signed on February 9, 2016 with a new tenant commencing on May 1, 2016 for a leased area of 67.44 m<sup>2</sup>. Another new lease contract has been signed on February 16, 2016 with a new tenant commencing on May 1, 2016 for a leased area of 67.44 m<sup>2</sup>. The occupancy of the building is expected to be 100% with the commencement of this new contract.

Appraisal Overview		
Name	Ichigo Nishiki Building	
Appraisal Value	1,360,000,000 yen	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	1,360,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	1,390,000,000 yen	
Income	97,831,603 yen	
Maximum Obtainable Rental Income	103,532,372 yen	Based on mid- to long- term rental income, common area service income, parking lot income, and other income
Vacancy Loss	5,700,769 yen	Based on mid- to long-term vacancy rate
Expenses	25,605,336 yen	
Administrative and Maintenance Expenses	7,284,400 yen	Based on similar assets and past actual amounts
Utility Expenses	6,555,924 yen	Based on similar assets and past actual amounts
Repair Expenses	1,647,750 yen	Based on the average of the past 12 years of engineering reports
PM Fee	1,338,876 yen	Based on current PM fee
Leasing Brokerage Fees	657,319 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	7,152,284 yen	Based on FY2015 actual amounts
Insurance Premiums	186,130 yen	Based on the estimate and standard of similar assets
Other Expenses	782,653 yen	Consumable goods, etc.
Net Operating Income (NOI)	72,226,267 yen	
Income on Investment of Deposits Received	1,169,485 yen	Based on 2.0% investment yield
Capital Expenditure	5,305,583 yen	Based on the average of the past 12 years of engineering reports
Net Profit	68,090,169 yen	
Cap Rate	4.9%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc.
Value via DCF Method	1,350,000,000 yen	
Discount Rate	4.7%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.1%	Based upon risk-adjusted NOI
Value via Cost Approach	995,000,000 yen	
Land	71.5%	
Building	28.5%	
Notes		
None		



## (8) Ichigo Minami Morimachi Building

### (i) Location

The area is conveniently located near stations serving multiple train lines, including the JR Tozai Line, Osaka City Subway Tanimachi Line, and Sakaisuji Line, and is also easy to access by car due to its proximity to the Minami Morimachi Entrance of the Hanshin Expressway. Mid- and high-rise office buildings are built on the major roads running in front of the station, and slightly away from the major roads are mid-rise buildings and residences such as condominiums.

The area is a subordinate business center of Osaka populated with small- to mid-size office buildings that generate steady demand from existing tenants and has relatively little new supply of larger buildings. Therefore, the lease market of the area is stable.

### (ii) Features

This building is a 6-minute walk from Osaka-Tenmangu Station on the JR Tozai Line, located in a nice area with mid-size office buildings and condominiums.

The leased space of a standard floor is 90 tsubo (290 m<sup>2</sup>) and the ceiling is 2.58 meters high. The building is highly competitive in the area thanks to individual air conditioning units, raised access flooring, and parking space for 34 cars.

### (iii) Property Photos and Location



Asset Overview		
Legal Form of Asset	Trust beneficiary interest in real estate (juekiken)	
Trustee	Mizuho Trust Bank, Limited	
Period of Trust Contract	July 30, 2015 - July 31, 2025(Expected)	
Location	1-3 Matsugaecho, Kita-ku, Osaka	
Land	Property Right	Freehold
	Size	661.54 m <sup>2</sup>
	Zoning	Commercial
	Coverage Ratio/Floor Area Ratio	80%/600%
Building	Property Right	Freehold
	Zoning	(1) Office, Parking, Machine Room (2) Warehouse
	Structure	(1) Steel B1F/9F (2) RC 1F
	Total Floor Area	(1) 3,851.25 m <sup>2</sup> (2) 6.84 m <sup>2</sup>
	Construction Date	February 15, 1994
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Value	1,090,000,000 yen	
Appraisal Date	March 1, 2016	
Value by Direct Capitalization Method	1,100,000,000 yen	
Architect <sup>1</sup>	Konoike Construction Co., Ltd. Osaka Head Office 1st Architect Office	
Builder <sup>1</sup>	Joint Venture of Konoike Construction Co., Ltd. and Yutaka Construction Co., Ltd.	
Structural Strength Assessor <sup>1</sup>	Konoike Construction Co., Ltd. Osaka Head Office 1st Architect Office	
Inspection Agency <sup>1</sup>	City of Osaka	
PML (Assessor)	4.14% (Sompo Risk Management & Health Care Inc.)	
Collateral	None	
Rent Overview (as of February 29, 2016)		
Number of Tenants	12	
Monthly Rental Income	6,224 thousand yen	
Deposit	55,821 thousand yen	
Leasable Space	2,521.51 m <sup>2</sup>	
Leased Space	2,521.51 m <sup>2</sup>	
Occupancy	100%	
Property Management Company	Japan Property Solutions Co., Ltd.(Expected)	
Master Lease Company	Ichigo Office REIT Investment Corporation (Expected)	
Master Lease Type	Pass-through (Expected)	
Assumed NOI (NOI Yield) <sup>2</sup>	58 million yen (5.6%)	
Depreciation Rate <sup>3</sup>	1.4%	
Special Items		
None		

<sup>1</sup> The names of the architect, builder, structural strength assessor, and inspection agency are those of when the building was built.

<sup>2</sup> NOI at Acquisition is the assumed annual net operating income excluding any special factors from the year of acquisition, and it is the net operating income of the first year used by the appraiser in their DCF valuation. NOI yield at Acquisition is calculated by dividing NOI at Acquisition by the Acquisition Price. The above is an expected NOI and not a forecast for the October 2016 and April 2017 fiscal periods. The NOI yield calculated using the NOI employed in the direct capitalization valuation method from the appraisal report divided by the Acquisition Price is 5.8%.

<sup>3</sup> Depreciation Rate is derived from the expected annual amount of depreciation at acquisition divided by the Acquisition Price. The above is an expected depreciation rate and not a forecast for the October 2016 and April 2017 fiscal periods.

Appraisal Overview		
Name	Ichigo Minami Morimachi Building	
Appraisal Value	1,090,000,000 yen	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	March 1, 2016	
	Amount	Note
Appraisal Value	1,090,000,000 yen	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	1,100,000,000 yen	
Income	99,499,438 yen	
Maximum Obtainable Rental Income	104,244,600 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	4,745,162 yen	Based on mid- to long-term vacancy rate
Expenses	39,315,116 yen	
Administrative and Maintenance Expenses	11,441,300 yen	Based on similar assets and past actual amounts
Utility Expenses	10,525,950 yen	Based on similar assets and past actual amounts
Repair Expenses	3,641,250 yen	Based on the average of the past 12 years of engineering reports
PM Fee	2,179,625 yen	Based on similar assets
Leasing Brokerage Fees	495,525 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	10,279,039 yen	Based on FY2015 actual amounts
Insurance Premiums	254,930 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	497,497 yen	Consumable goods, etc.
Net Operating Income (NOI)	60,184,322 yen	
Income on Investment of Deposits Received	844,170 yen	Based on 2.0% investment yield
Capital Expenditure	7,002,417 yen	Based on the average of the past 12 years of engineering reports
Net Profit	54,026,075 yen	
Cap Rate	4.9%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc.
Value via DCF Method	1,080,000,000 yen	
Discount Rate	4.7%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.1%	Based upon risk-adjusted NOI
Value via Cost Approach	1,230,000,000 yen	
Land	68.0%	
Building	32.0%	
Notes		
None		

## V. Seller Profile

Name	Motoazabu Holdings GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin Star Holding Manager: Mariko Hirano
Principal Businesses	<ol style="list-style-type: none"> <li>1. The acquisition, holding, and sale of trust beneficiary interest (<i>juekiken</i>)</li> <li>2. The holding, management, and sale of real estate</li> <li>3. Other businesses relating to the aforementioned businesses</li> </ol>
Capital	100,000 yen
Establishment Date	June 8, 2015
Equity Holder	Ippan Shadan Hojin Star Holding
Relationship with the Ichigo Office REIT or Asset Manager <sup>1</sup>	While the Seller is not a related party as defined in the Act on Investment Trusts and Investment Corporations (the “Act”), the acquisition process has followed the internal rules of IRE vis-à-vis related party transactions for the following reasons. First, Ichigo Inc., the 100% owner of IRE, is a related party according to the Act, and Ichigo Inc. owns more than half of the equity of Motoazabu Holdings GK. Second, Ichigo Estate Co., Ltd., a related party as defined in the Act, has provided asset management advisory services to IRE.

Name	Ikenohata Holdings GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin Star Holding Manager: Hiroshi Sasaki
Principal Businesses	<ol style="list-style-type: none"> <li>1. The acquisition, holding, and sale of trust beneficiary interest (<i>juekiken</i>)</li> <li>2. The holding, management, and sale of real estate</li> <li>3. Other businesses relating to the aforementioned businesses</li> </ol>
Capital	100,000 yen
Establishment Date	June 8, 2015
Equity Holder	Ippan Shadan Hojin Star Holding
Relationship with the Ichigo Office REIT or Asset Manager <sup>1</sup>	While the Seller is not a related party as defined in the Act on Investment Trusts and Investment Corporations (the “Act”), the acquisition process has followed the internal rules of IRE vis-à-vis related party transactions for the following reasons. First, Ichigo Inc., the 100% owner of IRE, is a related party according to the Act, and Ichigo Inc. owns more than half of the equity of Ikenohata Holdings GK. Second, Ichigo Estate Co., Ltd., a related party as defined in the Act, has provided asset management advisory services to IRE.

<sup>1</sup> Ichigo Office REIT followed strict related-party procedures to manage potential conflicts of interest. Ichigo Office REIT also obtained second opinions to assess the fairness of the transaction prices.

## VI. Ownership History

Asset Name	Ichigo Ikenohata Building	
Overview	Current Owner	Previous Owner
Name	Ikenohata Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	5,050,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Ikebukuro East Building	
Overview	Current Owner	Previous Owner
Name	Ikenohata Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	2,950,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Motoazabu Building	
Overview	Current Owner	Previous Owner
Name	Motoazabu Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	1,850,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Otsuka Building	
Overview	Current Owner	Previous Owner
Name	Motoazabu Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	2,690,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Nagoya Building	
Overview	Current Owner	Previous Owner
Name	Motoazabu Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	3,350,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Fushimi Building	
Overview	Current Owner	Previous Owner
Name	Ikenohata Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	2,300,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Nishiki Building	
Overview	Current Owner	Previous Owner
Name	Motoazabu Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	1,300,000,000 yen	—
Acquisition Date	July 30, 2015	—

Asset Name	Ichigo Minami Morimachi Building	
Overview	Current Owner	Previous Owner
Name	Ikenohata Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V.	—
Acquisition Rationale	Investment	—
Acquisition Price	1,020,000,000 yen	—
Acquisition Date	July 30, 2015	—

VII. Broker Profile

N/A

VIII. Acquisition Schedule

Contract Date	May 9, 2016
Acquisition and Settlement Date	May 24, 2016 (Expected)

IX. Earnings Outlook

For the acquisition's earnings impact, please refer to today's release "Earnings and Dividend Forecast Revision for the April 2016, October 2016, and April 2017 Fiscal Periods."

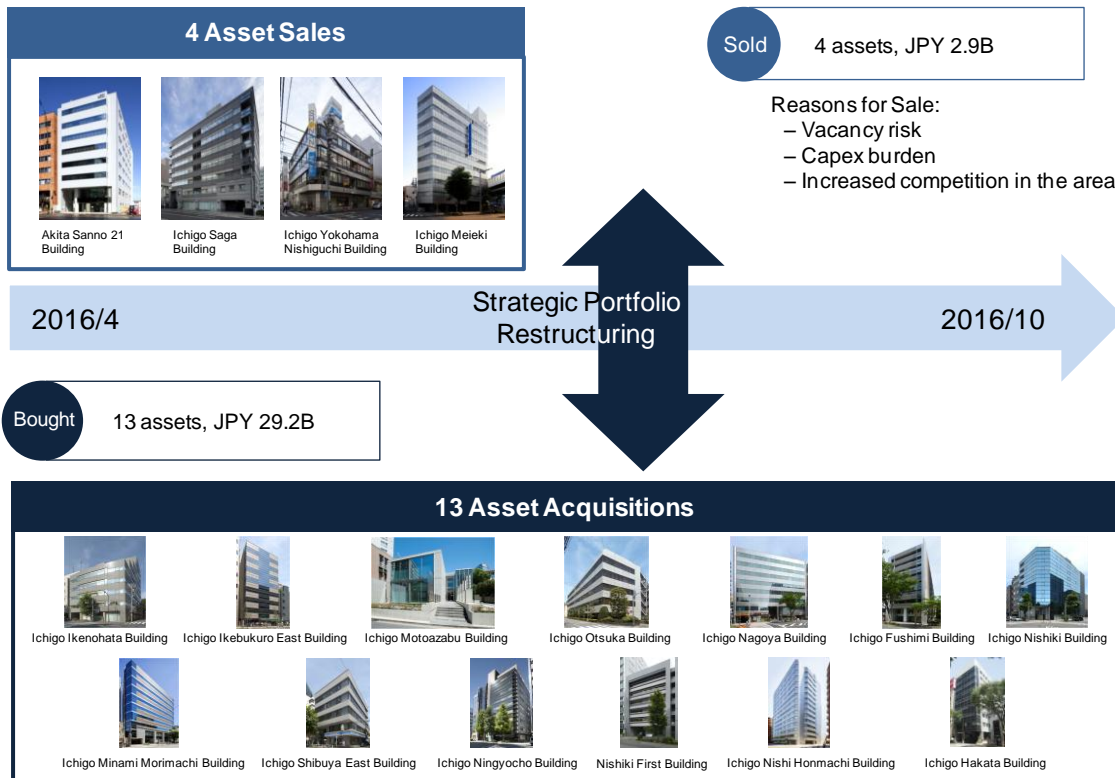


# Portfolio Reference Information

## I. Ichigo Office REIT Growth Strategy Roadmap

Stage I / II / III / IV		Stage V		Stage VI		
Multi-Asset REIT		Specialized Office REIT				
2011/10		2015/10	2016/4	2016/10	2017/4	2017/10
Foundation for Growth	Accretive Growth Cycle	Enhance Profitability	Strengthen Forward Growth Capabilities	Goals		
				Grow Office Portfolio		
		Lay Foundation for Sustainable Dividend Growth		Stable Dividend Growth		
		<b>Organic Growth Strategy</b> Achieve continuous NOI growth and strengthen Ichigo Office brand <ul style="list-style-type: none"> <li>Raise rents, especially in Central Tokyo where supply-demand balance is tight</li> <li>Increase rental-related income</li> <li>Support branding and sense of Ichigo quality at assets, e.g., prominent Ichigo signage</li> <li>Maintain highest standard of quality in servicing tenants via Ichigo Property Management Standard</li> </ul> <div style="border: 1px solid black; padding: 2px;"> <b>Target:</b> Increase rents by &gt;2.0% p.a.           </div>		<b>Organic Growth Strategy</b> Drive growth with strong Ichigo Office brand established at 100 asset portfolio <ul style="list-style-type: none"> <li>Increase attractiveness of Ichigo assets via strong Ichigo Office brand</li> <li>Develop original services for Ichigo tenants</li> <li>Drive higher rents within and outside of Tokyo</li> <li>Maximize return on capex</li> </ul> <b>External Growth Strategy</b> Aim for portfolio size and scale of JPY 230B <ul style="list-style-type: none"> <li>Enhance acquisition pipeline via diversified sourcing routes</li> <li>Use Ichigo sponsor support and diverse funding capability to close quickly under deadline</li> </ul> <b>Financing Strategy</b> Improve credit rating and diversify funding <ul style="list-style-type: none"> <li>Achieve A (Stable) credit rating</li> <li>Consider issuance of REIT bonds and broadening of lender base</li> <li>Use financial strength and commitment line to grow acquisition capacity</li> <li>Further improve borrowing terms</li> <li>Enter global REIT indices</li> </ul>		
		<b>Action Plan</b> <b>External Growth Strategy</b> Increase portfolio size and scale and be smart in portfolio restructuring <ul style="list-style-type: none"> <li>Further expand portfolio size and scale via this acquisition</li> <li>Sell assets with limited potential</li> </ul> <b>Financing Strategy</b> <b>Improve credit rating &amp; borrowing terms</b> <ul style="list-style-type: none"> <li>Improve credit rating from A- (Stable)</li> <li>Improve borrowing terms (cost/tenor/diversity)</li> <li>Acquire bank commitment line</li> <li>Deploy negative goodwill to increase dividends</li> <li>Prepare to enter global REIT indices</li> </ul>				

## II. Strategic Portfolio Restructuring



### **III. Ichigo Office REIT Strategic Restructuring Objectives**

#### **1. Increase NOI and Dividend**

- Increase NOI with High-Quality Acquisitions using Proceeds from Asset Sales and Low-Cost Debt (Low LTV = Additional Borrowing Capacity)
- Reduce Cost of Debt by Paying Down Higher-Cost Existing Debt with the Proceeds from Asset Sales, while Funding New Acquisitions with Lower-Cost Debt
- Revise Up October 2016 Dividend (+90 yen vs. Initial Forecast)

#### **2. Increase Portfolio Quality**

- Sold Low-Upside Assets
- Acquired High-Quality Prime Location Assets via Ichigo's Sponsor Support

#### **3. Generate Capital Gains on Low-Upside Asset Sales into Strong Market**

- Sell Low-Upside Assets into a Strong Market and Generate JPY 300M in Capital Gains
- Retain Capital Gains in Dividend Reserve and Deploy against Future Dividends

#### IV. Post-Acquisition Portfolio

	Pre-Acquisition	Asset Sales <sup>1</sup>	Asset Acquisitions <sup>2</sup>	Post-Acquisition <sup>3</sup>
Number of Assets	77	4	13	86
Acquisition Price (billion yen)	165.6	2.9	29.2	191.9
Office Ratio <sup>3</sup>	85.5%	69.5%	100.0%	88.0%
Annual NOI (billion yen)	9.1 <sup>4</sup>	0.2	1.5	10.4
Post-Depreciation NOI Yield	4.5% <sup>4</sup>	5.1%	4.6%	4.5%
Average Occupancy <sup>5,6</sup>	96.0%	93.8%	97.7%	96.6%
Number of Tenants <sup>6</sup>	725	50	197	872
Unrealized Gains (billion yen) <sup>7</sup>	+8.4	0	+0.8	+9.3

<sup>1</sup> Asset Sales refers to the four assets sold during the April 2016 fiscal period.

<sup>2</sup> Indices are forecasts and may differ from actual.

<sup>3</sup> Office Ratio is the percentage of the total acquisition price of office areas among the total acquisition price of all assets.

<sup>4</sup> Pre-Acquisition Annual NOI = Total NOI of all owned assets as of October 31, 2015  
 Pre-Acquisition Average Post-Depreciation NOI Yield = Total NOI of all owned assets as of October 31, 2015 minus depreciation divided by the total acquisition price of all assets owned as of as of October 31, 2015

<sup>5</sup> Average Occupancy is the percentage of leased area among the total leasable area, i.e., the total space of the individual properties that is available to be leased.

<sup>6</sup> Average Occupancy and Number of Tenants is as of December 31, 2015 for Pre-Acquisition and Asset Sales, and as of February 29, 2016 for Asset Acquisitions and Post-Acquisition.

<sup>7</sup> Pre-Acquisition and Asset Sales Unrealized Gains are calculated using the appraisal value and period-end book value of the October 2015 fiscal period. Asset Acquisitions Unrealized Gains are calculated based on the appraisal value at acquisition and the expected acquisition price.

## Post-Acquisition Portfolio Assets

No.	Property	Area <sup>1</sup>	Acquisition Price <sup>2</sup> (mm yen)	% of Portfolio
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	1.7
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.4
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	1.0
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.8
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.6
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.8
O-08	Ichigo Akasaka 5 Chome Building	Central Tokyo	735	0.4
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	0.6
O-10	Ichigo Ebisu Nishi Building	Central Tokyo	1,917	1.0
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	0.9
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.6
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.3
O-15	Ichigo Tameike Building	Central Tokyo	580	0.3
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	0.9
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.6
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.4
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.4
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	2.6
O-21	Ichigo Shin Yokohama Building	Tokyo Metropolitan Area	1,816	0.9
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metropolitan Area	1,460	0.8
O-23	Ichigo Nakano North Building	Tokyo Metropolitan Area	764	0.4
O-24	Ichigo Eitai Building	Tokyo Metropolitan Area	1,490	0.8
O-25	Ichigo Yokosuka Building	Tokyo Metropolitan Area	971	0.5
O-26	Ichigo Ikejiri Building	Tokyo Metropolitan Area	2,030	1.1
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metropolitan Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.4
O-29	Ichigo Kichijoji Building	Tokyo Metropolitan Area	2,160	1.1
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.5
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.5
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,650	0.9
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.6
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.6
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.1
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.9

No.	Property	Area <sup>1</sup>	Acquisition Price <sup>2</sup> (mm yen)	% of Portfolio
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.0
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.2
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	1.0
O-51	Ebisu Green Glass	Central Tokyo	5,900	3.1
O-52	Ichigo Omori Building	Central Tokyo	3,850	2.0
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	0.8
O-54	Ichigo Omiya Building	Tokyo Metropolitan Area	3,430	1.8
O-55	Ichigo Sagamihara Building	Tokyo Metropolitan Area	1,174	0.6
O-56	Ichigo Ofuna Building	Tokyo Metropolitan Area	2,000	1.0
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	1.0
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.8
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.8
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.9
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	2.1
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.5
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.4
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.3
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.2
O-66	Ichigo Kudan Building	Central Tokyo	3,190	1.7
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	1.9
O-68	Axior Mita	Central Tokyo	1,800	0.9
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metropolitan Area	4,570	2.4
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.9
O-71	Ichigo Kawasaki Building	Tokyo Metropolitan Area	1,750	0.9
O-72	Ichigo Shibuya East Building	Tokyo Metropolitan Area	1,350	0.7
O-73	Ichigo Ningyocho Building	Tokyo Metropolitan Area	1,450	0.8
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.1
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.7
O-76	Nishiki First Building	Four Major Regional Cities	2,000	1.0
O-77	Ichigo Ikenohata Building	Tokyo Metropolitan Area	5,130	2.7
O-78	Ichigo Ikebukuro East Building	Tokyo Metropolitan Area	3,010	1.6
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	1.0
O-80	Ichigo Otsuka Building	Tokyo Metropolitan Area	2,740	1.4
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.8

No.	Property	Area <sup>1</sup>	Acquisition Price <sup>2</sup> (mm yen)	% of Portfolio
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.2
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.7
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5
Subtotal - Office (71 Properties)			168,888	88.0
R-04	Ichigo Serviced Apartments Takanawadai	Central Tokyo	1,360	0.7
R-06	B-SITE Hamamatsucho	Central Tokyo	701	0.4
R-09	Ichigo Serviced Apartments Ginza	Central Tokyo	946	0.5
Z-02	Ichigo Fiesta Shibuya	Central Tokyo	1,970	1.0
Z-03	Ichigo Burg Omori	Tokyo Metropolitan Area	3,218	1.7
Z-04	Ichigo Pagoda Asakusa	Tokyo Metropolitan Area	1,640	0.9
Z-05	Ichigo Machida East Building	Tokyo Metropolitan Area	1,310	0.7
Z-07	Ichigo Sapporo Minami 2 Nishi 3 Building	Four Major Regional Cities	558	0.3
Z-08	Ichigo Daimyo Balcony	Four Major Regional Cities	638	0.3
Z-09	Konami Sports Club Izumi Fuchu	Other Regional Cities	1,210	0.6
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.3
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metropolitan Area	1,620	0.8
Z-12	Lions Square Kawaguchi	Tokyo Metropolitan Area	2,430	1.3
Z-13	Ichigo Shin Yokohama Arena Dori Building	Tokyo Metropolitan Area	1,700	0.9
Z-14	Ichigo Kamata Building	Tokyo Metropolitan Area	1,400	0.7
Subtotal - Others (15 Properties)			23,101	12.0
Total (86 Properties)			191,989	100.0

<sup>1</sup> “Central Tokyo” refers to Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa Wards. “Tokyo Metropolitan Area” refers to Tokyo (excluding the six wards above), Kanagawa, Chiba, and Saitama Prefectures. “Four Major Regional Cities” refers to Osaka, Nagoya, Fukuoka, and Sapporo.

<sup>2</sup> Acquisition Price excludes incidental expenses such as acquisition fees, property, city planning, and consumption taxes, and other fees. For the 38 assets acquired via the REIT merger on November 1, 2011 (O-02 to O-42 and Z-02 to Z-08), the appraisal value as of October 31, 2011 is shown.