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Issuer

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## Acquisition of Three Office Assets and Sale of Four Non-Office Assets

Ichigo Investment Advisors (“IIA”), the asset management company of Ichigo Office REIT, decided today to acquire three office assets and sell four non-office assets for Ichigo Office REIT.

### 1. Asset Acquisition Summary

Total appraisal value: JPY 7.38 billion Total acquisition price: JPY 7.08 billion

Asset Number Asset Name	O-86 Win Gotanda Building	O-87 Ichigo Hongo Building <sup>1</sup>	O-88 Oimachi Center Building
Asset Type	Office	Office	Office
Date Built	October 1989	April 1992	December 1987
Form of Ownership	Trust beneficiary interest in real estate ( <i>juekiken</i> )		
Appraisal Value <sup>2</sup>	JPY 3.26 billion	JPY 2.37 billion	JPY 1.75 billion
Acquisition Price <sup>3</sup>	JPY 3.10 billion	JPY 2.30 billion	JPY 1.68 billion
Seller	Shinagawa Holdings GK	Kichijoji Holdings GK	Kichijoji Holdings GK
Contract Date	April 26, 2017		
Closing Date (expected)	May 10, 2017		
Financing Method	Cash-on-hand and loans <sup>4</sup>		
Settlement Method	Lump-sum payment		

<sup>1</sup> The current building name “IKB Hongo Building” will be changed to “Ichigo Hongo Building.”

<sup>2</sup> Appraisal value is as of March 1, 2017.

<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.

## 2. Asset Sale Summary

Total appraisal value: JPY 4.46 billion Total sale price: JPY 4.49 billion

Asset Name	Ichigo Serviced Apartments Takanawadai	B-SITE Hamamatsucho
Asset Type/Asset Number	Residential/R-04	Residential/R-06
Date Built	July 14, 2003	May 30, 2002
Form of Ownership	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )
Acquisition Date	October 12, 2005	October 12, 2005
Sale Price <sup>1</sup> (A)	JPY 990 million	JPY 616 million
Buyer	SA3 GK	SA3 GK
Book Value <sup>2</sup> (B)	JPY 1,288 million	JPY 667 million
Difference (A) – (B)	-JPY 298 million	-JPY 51 million
Appraisal Value <sup>3</sup>	JPY 1,160 million	JPY 616 million
Contract Date	April 26, 2017	
Transaction Date	April 26, 2017	
Closing Date	April 26, 2017	
Transaction Method	Sale of trust beneficiary interest in real estate	

Asset Name	Ichigo Serviced Apartments Ginza	Ichigo Pagoda Asakusa Building
Asset Type/Asset Number	Residential/R-09	Retail/Z-04
Date Built	July 2, 2002	May 25, 1993
Form of Ownership	Trust beneficiary interest in real estate ( <i>juekiken</i> )	Trust beneficiary interest in real estate ( <i>juekiken</i> )
Acquisition Date	October 12, 2005	November 1, 2011 (due to Ichigo REIT merger) [Original acquisition date: March 17, 2006]
Sale Price <sup>1</sup> (A)	JPY 1,034 million	JPY 1,850 million
Buyer	SA3 GK	Asakusa Estate GK
Book Value <sup>2</sup> (B)	JPY 896 million	JPY 1,590 million
Difference (A) – (B)	JPY 137 million	JPY 259 million
Appraisal Value <sup>3</sup>	JPY 859 million	JPY 1,820 million
Contract Date	April 26, 2017	
Transaction Date	April 26, 2017	
Closing Date	April 26, 2017	
Settlement Method	Transfer of trust beneficiary interest in real estate	

<sup>1</sup> Sale price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

<sup>2</sup> Book Value is an estimate based upon the most recent book value (October 2016 fiscal period), adjusted for capital expenditures and depreciation through Settlement Date.

<sup>3</sup> Appraisal Value was calculated by Daiwa Real Estate Appraisal and Tanizawa Sogo Appraisal as of October 31, 2016, and is in compliance with the appraisal guidelines of IIA as well as the rules of the Investment Trusts Association of Japan.

### 3. Transaction Rationale

Ichigo Office REIT continues to execute on its strategy to drive stable dividend growth for Ichigo Office REIT shareholders (Stage VI, Growth Strategy Roadmap).

Consistent with this growth strategy, Ichigo Office REIT is carrying out a strategic portfolio restructuring (“Strategic Restructuring”) to acquire three Tokyo office assets and sell four Tokyo non-office assets (three serviced apartments and one retail asset). Because the office assets have higher occupancy and a higher NOI yield than the non-office assets being sold, the transaction will increase Ichigo Office REIT’s annual NOI by JPY 129 million.<sup>1</sup>

The transaction will also support Ichigo Office REIT’s ongoing earnings stability: the three serviced apartments have large seasonal variations in rental income, and the retail asset has been struggling to lease up a vacant floor. All four non-office assets are thus expected to require significant expenditures to preserve their ongoing operations and competitiveness.

Having concluded that the four non-office assets should be targeted for sale, Ichigo Office REIT searched for a counterparty that would be willing to do an asset trade in order to offset the loss in rental income and consequent hit to Ichigo Office REIT’s earnings and dividend from the asset sale. As Ichigo Office REIT’s sponsor, Ichigo was willing to conduct such a transaction on the terms and conditions that Ichigo Office REIT sought.

In carrying out the transaction, Ichigo Office REIT confirmed the appropriateness of the acquisition and sale prices. In particular, given that this is a related party transaction as defined in the Act on Investment Trusts and Investment Corporations (the “Trusts Act”), Ichigo Office REIT fully implemented its related party transaction procedures, including getting third-party appraisals on all of the assets and cross-checking these third-party appraisals with additional third-party second opinion appraisals. The four assets are being sold at a price above these appraisal values pursuant to IIA's internal rules on related party transactions.

Proceeds from the asset sales will be used both to partially repay existing loans and finance the asset acquisitions in tandem with cash-on-hand and new loans.<sup>2</sup>

Please refer to Section 4. Asset Details for a detailed assessment of the three office assets being acquired.

<sup>1</sup> NOI of assets being sold = actual annualized NOI (October 2016 fiscal period)  
NOI of assets being acquired = IIA’s forecast annualized NOI (see Appendix A for details)

<sup>2</sup> Details of the loan pre-payments will be announced as soon as decided.

#### 4. Details of the Three Office Assets being Acquired

Ichigo Office REIT will leverage its capabilities in owning and operating mid-size office buildings to increase the earnings and value of the acquired office assets.

##### a. Win Gotanda Building

###### (1) Location

The Gotanda area of Tokyo continues to see strong demand from office tenants given its proximity to the Shinagawa and Osaki business areas, its accessibility by three railway lines, and an abundance of nearby restaurants and retail stores.

A growing number of IT venture companies have moved into the Gotanda area in recent years because of relatively lower rents compared to the Shibuya and Ebisu areas, and the availability of many office buildings in close proximity to the train station.

The Win Gotanda Building is expected to have strong demand from diverse tenants including restaurants and shops given its convenient location alongside a major thoroughfare, Sakurada Dori, its proximity to the station, and its high visibility.

###### (2) Features

A mid-size office building located within a 3-minute walk from Gotanda Station on the JR Yamanote Line, the Toei Subway Asakusa Line, and the Tokyu Ikegami Line.

Each floor has a standard floor plate of 149 tsubo (492m<sup>2</sup>) and is equipped with individual air conditioning systems and raised access floors, therefore catering to the demands of diverse tenants.

The basement floor is occupied by a restaurant tenant and the upper floors are occupied by office tenants, including telecommunications companies.

###### (3) Photos and Location Map



Asset Overview					
Asset Name		Win Gotanda Building			
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )			
Trustee		Mitsubishi UFJ Trust and Banking Corporation			
Period of Trust Contract		February 28, 2003 – May 31, 2027 (expected)			
Location		1-30-2 Nishi Gotanda, Shinagawa-ku, Tokyo			
Land	Property Right	Freehold (ownership ratio: 85.65%)			
	Area	695.70m <sup>2</sup>			
	Zoning	Commercial			
	Coverage Ratio/ Floor Area Ratio	80%/800% & 80%/700%			
Building	Property Right	Freehold (ownership ratio: 85.65%)			
	Use	Office, retail, garage			
	Structure	SRC 9 Floors and 1 Basement Floor			
	Total Floor Area	5,370.27m <sup>2</sup>			
	Date Built	October 11, 1989			
Appraiser		Tanizawa Sogo Appraisal			
Appraisal Value		JPY 3.26 billion			
Appraisal Date		March 1, 2017			
Value by Direct Capitalization Method		JPY 3.35 billion			
Architect <sup>1</sup>		Zenitaka Corporation First-Class Registered Architects Office			
Builder <sup>1</sup>		Zenitaka Corporation			
Structural Engineer <sup>1</sup>		Zenitaka Corporation First-Class Registered Architects Office			
Inspection Agency <sup>1</sup>		Shinagawa Ward			
PML (Assessor)		6.53% (Sompo Risk Management & Health Care)			
Collateral		None (expected)			
Lease Overview (as of February 28, 2017)					
Number of Tenants		11			
Monthly Rental Income		JPY 16.680 million			
Deposits Received		JPY 151.945 million			
Leasable Area		3,689.88m <sup>2</sup>			
Leased Area		3,689.88m <sup>2</sup>			
Occupancy	Apr 2015	Oct 2015	Apr 2016	Oct 2016	Feb 2017
	100%	73.3%	86.6%	100%	100%
Property Management Company		Dai-Ichi Building (expected)			
Master Lease Company		–			
Master Lease Type		–			

### Special Items

1. Ichigo Office REIT owns 85.65% (3,701.66m<sup>2</sup>/4,321.86m<sup>2</sup>) of both the land and the building, with the remainder owned by five other parties.
2. A routine inspection of the building indicated insufficient ventilation for a restaurant on the basement floor, and the seller has agreed to rectify this at its own expense.

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

Appraisal Overview		
Asset Name	Win Gotanda Building	
Appraisal Value	JPY 3.26 billion	
Appraiser	Tanizawa Sogo Appraisal	
Appraisal Date	March 1, 2017	
	Amount (JPY)	Note
Appraisal Value	3,260,000,000	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	3,350,000,000	
Income	218,883,193	
Maximum Obtainable Rental Income	230,624,415	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	11,741,222	Based on expected mid- to long-term vacancy rate
Expenses	61,359,881	
Administrative and Maintenance Expenses	–	Included in building management fees
Utility Expenses	13,106,454	Based on similar assets and past actual amounts
Repair Expenses	7,920,000	Based on engineering reports and similar assets
PM Fees	2,880,626	Based on current rate and similar assets
Leasing Brokerage Fees	1,668,751	Based on the expected turnover rate, past actual amounts, and costs for similar assets
Taxes	17,929,500	Based on FY2016 actual amounts
Insurance Premiums	235,930	Based on insurance estimates, etc.
Other Expenses	17,618,620	Building management fees, consumable goods, etc.
Net Operating Income (NOI)	157,523,312	
Income on Investment of Deposits Received	1,542,092	Based on 1.0% investment yield
Capital Expenditure	18,480,000	Based on engineering reports and similar assets
Net Profit	140,585,404	
Cap Rate	4.2%	Based on transactions of similar assets, taking into account the asset's location, specific characteristics, property rights, and contractual terms
Value via DCF Method	3,220,000,000	
Discount Rate	4.3%	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.4%	Based upon risk-adjusted NOI
Value via Cost Approach	3,210,000,000	
Land	88.2%	
Building	11.8%	

## Notes

None

Reference:

Appraisal NOI yield: 5.1% (calculated by dividing NOI by Acquisition Price)



## b. Ichigo Hongo Building

### (1) Location

The building is located in the Kasuga/Hongo/Koishikawa area of Tokyo, with four railway lines offering convenient central Tokyo access.

With smooth access into the Marunouchi, Otemachi, and greater Chiyoda business areas via the subway line, the building continues to see strong demand from local companies as well as venture businesses and education-related companies that benefit from the proximity to the University of Tokyo.

A multi-purpose office, retail, and residential building is currently being constructed in front of Kasuga Station on the Toei Mita Line, scheduled for completion in November 2021, and is expected to contribute to further growth in users and visitors of the area.

### (2) Features

A mid-size office building located within a 3-minute walk from Kasuga Station on the Toei Mita and Oedo Lines, and a 6-minute walk from Korakuen Station on the Marunouchi and Namboku Lines.

Each floor has a standard floor plate of 160 tsubo (528m<sup>2</sup>) and is equipped with individual air conditioning systems and raised access floors, therefore catering to the demands of diverse tenants.

A small supermarket occupies the first floor and the upper floors are occupied by office tenants such as a construction material manufacturer, a construction company, a plate manufacturer, and a publisher.

### (3) Photos and Location Map



Asset Overview					
Asset Name		Ichigo Hongo Building			
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )			
Trustee		Mitsubishi UFJ Trust and Banking Corporation			
Period of Trust Contract		July 30, 2015 – May 31, 2027 (expected)			
Location		5-33-10 Hongo, Bunkyo-ku, Tokyo			
Land	Property Right	Freehold			
	Area	902.89m <sup>2</sup>			
	Zoning	Neighborhood Commercial			
	Coverage Ratio Floor Area Ratio	80% 400%			
Building	Property Right	Freehold (ownership ratio: 100%)			
	Use	Office, warehouse, parking			
	Structure	SRC & RC 6 Floors and 1 Basement Floor			
	Total Floor Area	3,932.85m <sup>2</sup>			
	Date Built	April 15, 1992			
Appraiser		Tanizawa Sogo Appraisal			
Appraisal Value		JPY 2.37 billion			
Appraisal Date		March 1, 2017			
Value by Direct Capitalization Method		JPY 2.45 billion			
Architect <sup>1</sup>		Shimizu Corporation First-Class Registered Architects Office			
Builder <sup>1</sup>		Shimizu Corporation			
Structural Engineer <sup>1</sup>		Shimizu Corporation First-Class Registered Architects Office			
Inspection Agency <sup>1</sup>		Bunkyo Ward			
PML (Assessor)		5.77% (Sompo Risk Management & Health Care)			
Collateral		None (expected)			
Lease Overview (as of February 28, 2017)					
Number of Tenants		7			
Monthly Rental Income		JPY 11.558 million			
Deposits Received		JPY 84.937 million			
Leasable Area		2,722.58m <sup>2</sup>			
Leased Area		2,722.58m <sup>2</sup>			
Occupancy	Apr 2015	Oct 2015	Apr 2016	Oct 2016	Feb 2017
	41.4%	41.5%	80.0%	100%	100%
Property Management Company		Japan Property Solutions (expected)			
Master Lease Company		Ichigo Office REIT Investment Corporation (expected)			
Master Lease Type		Pass-through (expected)			

### Special Items

1. According to Article 42 Item 2 of the Building Standards Law, 23.21m<sup>2</sup> of land on the north eastern side and 11.30m<sup>2</sup> on the west side of the land are deemed to be roads.
2. Tokyo Metro Co., Ltd. has partial rights to 223.32m<sup>2</sup> of the land for the purpose of establishing sub terrain subway structures.
3. An agreement exists with Tokyo Metro Co., Ltd. with respect to a neighboring plot of land on the south side of the building and the partially-owned section of land mentioned above that allows free use of the these lands by both parties. The agreement also stipulates that negotiation is required if either party plans to re-build, alter, or re-model buildings, ventilation rooms, and/or ventilation towers on these lands.
4. An agreement exists with the south-west neighbor (street address 337-1) with respect to part of the retaining wall and the masonry below it protruding into the neighbor's land, and denotes how to handle any future need of rectifying such protrusion.
5. An agreement exists with the south-west neighbor (street address 337-2) with respect to part of the retaining wall and the masonry below it protruding into the neighbor's land, and specifies that such protrusion should be rectified at a time when the retaining wall is rebuilt or dismantled.
6. The building's engineering report indicates that an opening in the door to a storage facility on the basement floor results in insufficient fire-retarding division of the interior evacuation staircase, and the seller has agreed to rectify this at its own expense.

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

Appraisal Overview		
Asset Name	Ichigo Hongo Building	
Appraisal Value	JPY 2.37 billion	
Appraiser	Tanizawa Sogo Appraisal	
Appraisal Date	March 1, 2017	
	Amount (JPY)	Note
Appraisal Value	2,370,000,000	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	2,450,000,000	
Income	161,672,019	
Maximum Obtainable Rental Income	170,717,915	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	9,045,896	Based on expected mid- to long-term vacancy rate
Expenses	42,694,282	
Administrative and Maintenance Expenses	8,396,437	Based on similar assets and past actual amounts
Utility Expenses	12,349,623	Based on similar assets and past actual amounts
Repair Expenses	5,175,000	Based on engineering reports and similar assets
PM Fees	2,679,998	Based on current contract and similar assets
Leasing Brokerage Fees	1,169,798	Based on expected turnover rate, past actual amounts, and costs for similar assets
Taxes	12,238,800	Based on FY2016 actual amounts and current replacement cost
Insurance Premiums	199,610	Based on similar assets
Other Expenses	485,016	Consumable goods, etc.
Net Operating Income (NOI)	118,977,737	
Income on Investment of Deposits Received	1,012,252	Based on 1.0% investment yield
Capital Expenditure	12,075,000	Based on engineering reports and similar assets
Net Profit	107,914,989	
Cap Rate	4.4%	Based on transactions of similar assets with the asset's location, its individual characteristics, property right, and contractual rate taken into account
Value via DCF Method	2,340,000,000	
Discount Rate	4.5%	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.6%	Based upon risk-adjusted NOI

Value via Cost Approach	2,110,000,000	
Land	84.2%	
Building	15.8%	
<b>Notes</b>		
None		

Reference:

Appraisal NOI yield: 5.2% (calculated by dividing NOI by Acquisition Price)

### c. Oimachi Center Building

#### (1) Location

The building is located in the highly convenient Oimachi area of Tokyo, offering direct access to popular train stations such as Shinagawa, Tokyo, Osaki, Shibuya, and Shinjuku via three railway lines as well as easy access to airports and Shinkansen terminals.

The building continues to see strong tenant demand from businesses dealing with the Shinagawa Ward Office as well as group companies and clients of several major construction companies and manufacturers based in the area.

A multi-purpose retail and residential building is currently being constructed to the west of the building, scheduled for completion in August 2019, and is expected to contribute to further growth in users and visitors of the area.

#### (2) Features

A mid-size office building located within a 3-minute walk from Oimachi Station on the JR Keihin Tohoku Line and a 4-minute walk from Oimachi Station on the Tokyu Oimachi Line and Rinkai Line.

Each floor has a standard floor plate of 180 tsubo (594m<sup>2</sup>) and is equipped with individual air conditioning systems and raised access floors, therefore catering to the demands of diverse tenants.

The upper office floors are occupied by tenants such as a facilities construction company, a real estate management company, and a stationary manufacturer.

#### (3) Photos and Location Map



Asset Overview					
Asset Name		Oimachi Center Building			
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )			
Trustee		Mitsubishi UFJ Trust and Banking Corporation			
Period of Trust Contract		April 27, 2004 – May 31, 2027 (expected)			
Location		1-24-5 Oi, Shinagawa-ku, Tokyo			
Land	Property Right	Freehold			
	Area <sup>1</sup>	886.37m <sup>2</sup>			
	Zoning	Commercial			
	Coverage Ratio Floor Area Ratio	80% 500%			
Building	Property Right	Freehold (ownership ratio: 74.247%)			
	Use	Office, retail, parking, warehouse			
	Structure	SRC 7 Floors and 1 Basement Floor			
	Total Floor Area	4,468.31m <sup>2</sup>			
	Date Built	December 7, 1987			
Appraiser		Tanizawa Sogo Appraisal			
Appraisal Value		JPY 1.75 billion			
Appraisal Date		March 1, 2017			
Value by Direct Capitalization Method		JPY 1.82 billion			
Architect <sup>2</sup>		Matsumoto Kosei Architectural Design Office			
Builder <sup>2</sup>		Fujita Corporation			
Structural Engineer <sup>2</sup>		Matsumoto Kosei Architectural Design Office			
Inspection Agency <sup>2</sup>		Shinagawa Ward			
PML (Assessor)		7.52% (Sompo Risk Management & Health Care)			
Collateral		None (expected)			
Lease Overview (as of February 28, 2017)					
Number of Tenants		7			
Monthly Rental Income		JPY 8.268 million			
Deposits Received		JPY 80.326 million			
Leasable Area		2,748.73m <sup>2</sup>			
Leased Area		2,138.43m <sup>2</sup>			
Occupancy	Apr 2015	Oct 2015	Apr 2016	Oct 2016	Feb 2017
	64.3%	64.3%	77.8%	77.8%	77.8%
Property Management Company		Japan Property Solutions (expected)			
Master Lease Company		Ichigo Office REIT Investment Corporation (expected)			
Master Lease Type		Pass-through (expected)			

### Special Items

1. Ichigo Office REIT owns 74.247% (3,077.972m<sup>2</sup>/4,145.595m<sup>2</sup>) of the building, with the remainder owned by 11 other parties. While part of the land is also owned by the other owners, an agreement exists with respect to use of a building constructed on this land and stipulates that no charge shall be assessed for such use. Borders between partially-owned sections of the land are undefined.
2. If a partial owner of the building wishes to sell her/his holding, management rules of the building prescribe that preferential notice must first be served to other partial owners.

<sup>1</sup> Area includes land of the acquired asset as well as land of other partial owners.

<sup>2</sup> The names of the architect, builder, Structural engineer, and inspection agency are those of when the building was built.



Appraisal Overview		
Asset Name	Oimachi Center Building	
Appraisal Value	JPY 1.75 billion	
Appraiser	Tanizawa Sogo Appraisal	
Appraisal Date	March 1, 2017	
	Amount (JPY)	Note
Appraisal Value	1,750,000,000	Valuation determined via both a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	1,820,000,000	
Income	143,507,472	
Maximum Obtainable Rental Income	151,292,919	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	7,785,447	Based on expected mid- to long-term vacancy rate
Expenses	50,302,694	
Administrative and Maintenance Expenses	1,840,012	Based on similar assets and past actual amounts
Utility Expenses	9,139,730	Based on similar assets and past actual amounts
Repair Expenses	6,120,000	Based on engineering reports and similar assets
PM Fees	2,696,495	Based on current contract and similar assets
Leasing Brokerage Fees	1,023,529	Based on the expected turnover rate, past actual amounts, and costs for similar assets
Taxes	9,512,000	Based on FY2016 actual amounts and current replacement cost
Insurance Premiums	176,690	Based on similar assets
Other Expenses	19,794,238	Building management fees, consumable goods, etc.
Net Operating Income (NOI)	93,204,778	
Income on Investment of Deposits Received	1,129,199	Based on 1.0% investment yield
Capital Expenditure	14,280,000	Based on engineering reports and similar assets
Net Profit	80,053,977	
Cap Rate	4.4%	Based on transactions of similar assets with the asset's location, its individual characteristics, property right, and contractual rate taken into account
Value via DCF Method	1,720,000,000	
Discount Rate	4.5%	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.6%	Based upon risk-adjusted NOI

Value via Cost Approach	1,690,000,000	
Land	91.0%	
Building	9.0%	
<b>Notes</b>		
None		

Reference:

Appraisal NOI yield: 5.5% (calculated by dividing NOI by Acquisition Price)

## 5. Seller Profiles

Name	Shinagawa Holdings GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin Star Holding Manager: Mariko Hirano
Principal Businesses	1. Investment in trust beneficiary interests ( <i>juekiken</i> ) 2. Investment in and management of real estate 3. Other businesses relating to the aforementioned businesses
Capital	JPY 100,000
Establishment Date	March 4, 2014
Equity Holder	Ippan Shadan Hojin Star Holding
Relationship with Ichigo Office REIT or IIA <sup>1</sup>	While the Seller is not a related party as defined in the Trusts Act, the acquisition was subject to IIA's internal rules on related party transactions because (1) Ichigo, the 100% owner of IIA, is a related party according to the Trusts Act and Ichigo owns more than half of the equity of Shinagawa Holdings GK, and (2) Ichigo Estate, a related party as defined in the Act, has provided asset management advisory services to IIA.

Name	Kichijoji Holdings GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin Star Holding Manager: Takafumi Inaba
Principal Businesses	1. Investment in trust beneficiary interests ( <i>juekiken</i> ) 2. Investment in and management of real estate 3. Other businesses relating to the aforementioned businesses
Capital	JPY 100,000
Establishment Date	April 30, 2013
Equity Holder	Ippan Shadan Hojin Star Holding
Relationship with Ichigo Office REIT or IIA <sup>1</sup>	While the Seller is not a related party as defined in the Trusts Act, the acquisition was subject to IIA's internal rules on related party transactions because (1) Ichigo, the 100% owner of IIA, is a related party according to the Trusts Act and Ichigo owns more than half of the equity of Kichijoji Holdings GK, and (2) Ichigo Estate, a related party as defined in the Act, has provided asset management advisory services to IIA.

<sup>1</sup> Ichigo Office REIT followed strict related-party procedures to safeguard against conflicts of interest, and also obtained second opinions to verify the appropriateness of transaction prices.

## 6. Ownership History of Acquired Assets

Asset Name	Win Gotanda Building	
Overview	Current Owner	Previous Owner
Name	Shinagawa Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IIA. Please see “Seller Profiles” in Section 5.	—
Acquisition Rationale	Investment	—
Acquisition Price	Not disclosed because holding period exceeds one year	—
Acquisition Date	May 15, 2014	—

Asset Name	Ichigo Hongo Building	
Overview	Current Owner	Previous Owner
Name	Kichijoji Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IIA. Please see “Seller Profiles” in Section 5.	—
Acquisition Rationale	Investment	—
Acquisition Price	Not disclosed because holding period exceeds one year	—
Acquisition Date	July 30, 2015	—

Asset Name	Oimachi Center Building	
Overview	Current Owner	Previous Owner
Name	Kichijoji Holdings GK	Unrelated Party
Relationship to Ichigo Office REIT	Related Party as defined in the internal rules of IIA. Please see “Seller Profiles” in Section 5.	—
Acquisition Rationale	Investment	—
Acquisition Price	Not disclosed because holding period exceeds one year	—
Acquisition Date	July 30, 2015	—

## 7. Broker for Asset Acquisition

None

## 8. Details of the Four Assets being Sold

### a. Ichigo Serviced Apartments Takanawadai

Asset Overview						
Asset Name		Ichigo Serviced Apartments Takanawadai				
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )				
Address		2-26-9 Shirokanedai, Minato-ku, Tokyo				
Land	Property Right	Freehold				
	Area	273.91m <sup>2</sup>				
	Zoning	Commercial				
	Coverage Ratio	80%				
	Floor Area Ratio	500%				
Building	Property Right	Freehold (ownership ratio: 100.0%)				
	Use	Apartment, parking				
	Structure	SRC 12 Floors				
	Total Floor Area	1,677.88m <sup>2</sup>				
	Date Build	July 14, 2003				
Number of Tenants		1 (as of March 31, 2017)				
Monthly Rental Income <sup>1</sup>		JPY 8.537 million (as of March 31, 2017)				
Tenant Security Deposits <sup>1</sup>		JPY 4.796 million (as of March 31, 2017)				
Leasable Area		1,248.50m <sup>2</sup> (as of March 31, 2017)				
Leased Area		1,201.50m <sup>2</sup> (as of March 31, 2017)				
Occupancy		Apr 2015	Oct 2015	Apr 2016	Oct 2016	Mar 2017
		100%	100%	67.0%	56.1%	96.2%
Acquisition Price		JPY 1.36 billion				
Appraisal	Appraiser	Daiwa Real Estate Appraisal				
	Date	October 31, 2016				
	Value	JPY 1.16 billion				

<sup>1</sup> Monthly Rental Income (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Overview		
Asset Name	Ichigo Serviced Apartments Takanawadai	
Appraisal Value	JPY 1.16 billion	
Appraiser	Daiwa Real Estate Appraisal	
Appraisal Date	October 31, 2016	
	Amount (JPY)	Notes
Appraisal Value	1,160,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	1,200,000,000	
Income	67,383,750	
Maximum Obtainable Rental Income	71,166,780	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	3,783,030	Based on expected mid- to long-term vacancy rate
Expenses	13,248,329	
Administrative and Maintenance Expenses	2,169,600	Based on similar assets and past actual amounts
Utility Expenses	1,133,010	Based on similar assets and past actual amounts
Repair Expenses	1,407,816	Based on engineering reports and similar assets
PM Fees	2,005,367	Based on similar assets and past actual amounts
Leasing Brokerage Fees	2,443,409	Based on the expected turnover rate, past actual amounts, and costs for similar assets
Taxes	3,826,100	Based on FY2016 actual amounts and current replacement cost
Insurance Premiums	81,745	Based on similar assets
Other Expenses	181,282	Consumable goods, etc.
Net Operating Income (NOI)	54,135,421	
Income on Investment of Deposits Received	107,636	Based on a 1.0% investment yield
Capital Expenditures	2,797,000	Based on engineering reports and similar assets
Net Profit	51,446,057	
Cap Rate	4.3%	Based on transactions of similar assets, taking into account the asset's location, specific characteristics, property rights, and contractual terms
Value via DCF Method	1,140,000,000	
Discount Rate	4.2%	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.5%	Based upon risk-adjusted NOI
Value via Cost Approach	887,000,000	
Land	70.5 %	
Building	29.5 %	
Notes		
None		

b. B-SITE Hamamatsucho

Asset Overview						
Asset Name		B-SITE Hamamatsucho				
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )				
Address		1-16-11 Hamamatsucho, Minato-ku, Tokyo				
Land	Property Right	Freehold (ownership ratio: 100.00%)				
	Area	171.38m <sup>2</sup>				
	Zoning	Commercial				
	Coverage Ratio	80%				
	Floor Area Ratio	600%				
Building	Property Right	Freehold (ownership ratio: 100.00%)				
	Use	Apartment				
	Structure	RC 9 Floors				
	Total Floor Area	821.84m <sup>2</sup>				
	Date Built	May 30, 2002				
Number of Tenants		1 (as of March 31, 2017)				
Monthly Rental Income <sup>1</sup>		JPY 2.960 million (as of March 31, 2017)				
Tenant Security Deposits <sup>1</sup>		JPY 10.440 million (as of March 31, 2017)				
Leasable Area		821.84m <sup>2</sup> (as of March 31, 2017)				
Leased Area		821.84m <sup>2</sup> (as of March 31, 2017)				
Occupancy		Apr 2015	Oct 2015	Apr 2016	Oct 2016	Mar 2017
		100%	100%	100%	100%	100%
Acquisition Price		JPY 701 million				
Appraisal	Appraiser	Daiwa Real Estate Appraisal				
	Date	October 31, 2016				
	Value	JPY 616 million				

<sup>1</sup> Monthly Rental Income (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Overview		
Asset Name	B-SITE Hamamatsucho	
Appraisal Value	JPY 616 million	
Appraiser	Daiwa Real Estate Appraisal	
Appraisal Date	October 31, 2016	
	Amount (JPY)	Notes
Appraisal Value	616,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	601,000,000	
Income	35,998,432	
Maximum Obtainable Rental Income	37,877,428	Based on rental income, common area service income, and other income
Vacancy Loss	1,878,996	Based on expected mid- to long-term vacancy rate
Expenses	6,976,405	
Administrative and Maintenance Expenses	1,342,140	Based on similar assets and past actual amounts
Utility Expenses	402,642	Based on similar assets and past actual amounts
Repair Expenses	1,092,510	Based on engineering reports and similar assets
PM Fees	1,071,028	Based on similar assets and past actual amounts
Leasing Brokerage Fees	1,338,785	Based on the expected turnover rate, past actual amounts, and costs for similar assets
Taxes	1,685,900	Based on FY2016 actual amounts and current replacement cost
Insurance Premiums	43,400	Based on similar assets
Other Expenses	–	Consumable goods, etc.
Net Operating Income (NOI)	29,022,027	
Income on Investment of Deposits Received	59,502	Based on a 1.0% investment yield
Capital Expenditures	2,622,000	Based on engineering reports and similar assets
Net Profit	26,459,529	
Cap Rate	4.4 %	Based on transactions of similar assets, taking into account the asset's location, specific characteristics, property rights, and contractual terms
Value via DCF Method	623,000,000	
Discount Rate	4.2 %	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.6 %	Based on risk-adjusted NOI
Value via Cost Approach	497,000,000	
Land	73.5 %	
Building	26.5 %	
Notes		
None		



c. Ichigo Serviced Apartments Ginza

Asset Overview					
Asset Name		Ichigo Serviced Apartments Ginza			
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )			
Address		2-7-3 Shintomi, Chuo-ku, Tokyo			
Land	Property Right	Freehold			
	Area	191.28m <sup>2</sup>			
	Zoning	Commercial			
	Coverage Ratio	80%			
	Floor Area Ratio	600%			
Building	Property Right	Freehold (ownership ratio: 100.00%)			
	Use	Apartment			
	Structure	SRC 10 Floors and 1 Basement Floor			
	Total Floor Area	1,332.87m <sup>2</sup>			
	Date Built	July 2, 2002			
Number of Tenants		1 (as of March 31, 2017)			
Monthly Rental Income <sup>1</sup>		JPY 7.381 million (as of March 31, 2017)			
Tenant Security Deposits <sup>1</sup>		JPY 8.133 million (as of March 31, 2017)			
Leasable Area		1,020.14m <sup>2</sup> (as of March 31, 2017)			
Leased Area		916.07m <sup>2</sup> (as of March 31, 2017)			
Occupancy	Apr 2015	Oct 2015	Apr 2016	Oct 2016	Mar 2017
	81.1%	69.2%	68.1%	94.1%	89.8%
Acquisition Price		JPY 946 million			
Appraisal	Appraiser	Daiwa Real Estate Appraisal			
	Date	October 31, 2016			
	Value	JPY 859 million			

<sup>1</sup> Monthly Rental Income (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Overview		
Asset Name	Ichigo Serviced Apartments Ginza	
Appraisal Value	JPY 859 million	
Appraiser	Daiwa Real Estate Appraisal	
Appraisal Date	October 31, 2016	
	Amount (JPY)	Notes
Appraisal Value	859,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	811,000,000	
Income	50,141,389	
Maximum Obtainable Rental Income	52,733,545	Based on rental income, common area service income, and other income
Vacancy Loss	2,592,156	Based on expected mid- to long-term vacancy rate
Expenses	11,475,510	
Administrative and Maintenance Expenses	2,520,000	Based on similar assets and past actual amounts
Utility Expenses	1,296,078	Based on similar assets and past actual amounts
Repair Expenses	1,515,689	Based on engineering reports and similar assets
PM Fees	1,491,929	Based on similar assets and past actual amounts
Leasing Brokerage Fees	1,846,911	Based on the expected turnover rate, past actual amounts, and costs for similar assets
Taxes	2,598,100	Based on FY2016 actual amounts and current replacement cost
Insurance Premiums	58,680	Based on similar assets
Other Expenses	148,123	Consumable goods, etc.
Net Operating Income (NOI)	38,665,879	
Income on Investment of Deposits Received	82,085	Based on a 1.0% investment yield
Capital Expenditures	3,878,000	Based on engineering reports and similar assets
Net Profit	34,869,964	
Cap Rate	4.3%	Based on transactions of similar assets, taking into account the asset's location, specific characteristics, property rights, and contractual terms
Value via DCF Method	879,000,000	
Discount Rate	4.3 %	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.5 %	Based on risk-adjusted NOI
Value via Cost Approach	545,000,000	
Land	67.1 %	
Building	32.9 %	
Notes		
None		

d. Ichigo Pagoda Asakusa Building

Asset Overview						
Asset Name		Ichigo Pagoda Asakusa Building				
Form of Ownership		Trust beneficiary interest in real estate ( <i>juekiken</i> )				
Address		2-16-9 Kaminarimon, Taito-ku, Tokyo				
Land	Property Right	Freehold				
	Area	461.68m <sup>2</sup>				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 700%				
Building	Property Right	Freehold				
	Use	(1) Retail (2) Waste facility				
	Structure <sup>2</sup>	(1) SRC 9 Floors and 1 Basement Floor (2) Steel 1 Floor				
	Total Floor Area	(1) 2,785.59m <sup>2</sup> (2) 13.37m <sup>2</sup>				
	Date Built	(1) May 25, 1993 (2) September 12, 1996				
Number of Tenants		6 (as of March 31, 2017)				
Monthly Rental Income <sup>1</sup>		JPY 8.300 million (as of March 31, 2017)				
Tenant Security Deposits <sup>1</sup>		JPY 73.121 million (as of March 31, 2017)				
Leasable Area		2,091.26m <sup>2</sup> (as of March 31, 2017)				
Leased Area		1,847.71m <sup>2</sup> (as of March 31, 2017)				
Occupancy		Apr 2015	Oct 2015	Apr 2016	Oct 2016	Mar 2017
		100%	100%	100%	88.4%	88.4%
Acquisition Price		JPY 1.64 billion				
Appraisal	Appraiser	Tanizawa Sogo Appraisal				
	Date	October 31, 2016				
	Value	JPY 1.82 billion				

<sup>1</sup> Monthly Rental Income (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Overview		
Asset Name	Ichigo Pagoda Asakusa Building	
Appraisal Value	JPY 1.82 billion	
Appraiser	Tanizawa Sogo Appraisal	
Appraisal Date	October 31, 2016	
	Amount (JPY)	Notes
Appraisal Value	1,820,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	1,830,000,000	
Income	151,605,015	
Maximum Obtainable Rental Income	161,497,279	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	9,892,264	Based on expected mid- to long-term vacancy rate
Expenses	65,618,687	
Administrative and Maintenance Expenses	10,715,616	Based on similar assets and past actual amounts
Utility Expenses	40,227,477	Based on similar assets and past actual amounts
Repair Expenses	1,170,000	Based on engineering reports and similar assets
PM Fees	2,440,534	Based on similar assets and past actual amounts
Leasing Brokerage Fees	954,660	Based on the expected turnover rate, past actual amounts, and costs for similar assets
Taxes	9,663,000	Based on FY2016 actual amounts and current replacement cost
Insurance Premiums	144,190	Based on similar assets
Other Expenses	303,210	Consumable goods, etc.
Net Operating Income (NOI)	85,986,328	
Income on Investment of Deposits Received	872,045	Based on a 1.0% investment yield
Capital Expenditure	2,808,000	Based on engineering reports and similar assets
Net Profit	84,050,373	
Cap Rate	4.6 %	Based on transactions of similar assets, taking into account the asset's location, specific characteristics, property rights, and contractual terms
Value via DCF Method	1,810,000,000	
Discount Rate	4.7 %	Based on transactions of similar real estate assets and the yields of financial assets, taking into account the asset's specific characteristics
Terminal Cap Rate	4.8 %	Based on risk-adjusted NOI
Value via Cost Approach	1,820,000,000	
Land	78.5 %	
Building	21.5 %	
Notes		
None		

## 9. Buyer Profiles

Name	SA3 GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Yuki Yamamoto
Principal Businesses	1. Investment in trust beneficiary interests ( <i>juekiken</i> ) 2. Investment in and management of real estate 3. Other businesses relating to the aforementioned businesses
Capital	JPY 100,000
Establishment Date	April 7, 2017
Major Shareholder	Ippan Shadan Hojin IES2
Relationship with Ichigo Office REIT or IIA <sup>1</sup>	While the Seller is not a related party as defined in the Trusts Act, the acquisition was subject to IIA's internal rules on related party transactions because (1) Ichigo, the 100% owner of IIA, is a related party according to the Trusts Act and Ichigo owns more than half of the equity of SA3 GK, and (2) Ichigo Estate, a related party as defined in the Act, has provided asset management advisory services to IIA.

Name	Asakusa Estate GK
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Yuki Yamamoto
Principal Businesses	1. Investment in trust beneficiary interests ( <i>juekiken</i> ) 2. Investment in and management of real estate 3. Other businesses relating to the aforementioned businesses
Capital	JPY 100,000
Establishment Date	April 7, 2017
Major Shareholder	Ippan Shadan Hojin IES2
Relationship with Ichigo Office REIT or IIA <sup>1</sup>	While the Seller is not a related party as defined in the Trusts Act, the acquisition was subject to IIA's internal rules on related party transactions because (1) Ichigo, the 100% owner of IIA, is a related party according to the Trusts Act and Ichigo owns more than half of the equity of Asakusa Estate GK, and (2) Ichigo Estate, a related party as defined in the Act, has provided asset management advisory services to IIA.

<sup>1</sup> Ichigo Office REIT followed strict related-party procedures to safeguard against conflicts of interest, and also obtained second opinions to verify the appropriateness of transaction prices.

## 10. Broker for Asset Sale

None

### 11. Use of Sale Proceeds

Proceeds from these asset sales will be used to partially repay existing loans as well as finance the asset acquisitions in tandem with cash-on-hand and new loans. Details of the loan pre-payments will be announced as soon as decided.

### 12. Transaction Schedule

Contract Date	April 26, 2017
Closing Date for Asset Sales	April 26, 2017
Closing Date for Asset Acquisitions	May 10, 2017 (expected)

### 13. Earnings Outlook

The impact of this Strategic Restructuring on Ichigo Office REIT's earnings and dividend forecasts for the April 2017 and October 2017 periods is as separately provided in today's announcement "Earnings and Dividend Forecast Revisions for the October 2017 Fiscal Period and Forecast for the April 2018 Fiscal Period."

## Appendix A: Real Estate Income Details of Assets being Acquired

### a. Win Gotanda Building

(JPY million)

	Projected <sup>1</sup>	At Acquisition <sup>2</sup>
A. Rental Income	210	217
B. Rental Expenses (excluding Depreciation) <sup>3</sup>	54	59
C. NOI (A) – (B)	156	158
D. NOI Yield <sup>4</sup>	5.0%	5.1%
E. Depreciation <sup>5</sup>	16	16
F. Post-Depreciation NOI (C) – (E)	140	142
G. Post-Depreciation NOI Yield <sup>4</sup>	4.5%	4.6%
H. Occupancy <sup>6</sup>	97.0%	100.0%

### b. Ichigo Hongo Building

(JPY million)

	Projected <sup>1</sup>	At Acquisition <sup>2</sup>
A. Rental Income	150	159
B. Rental Expenses (excluding Depreciation) <sup>3</sup>	38	41
C. NOI (A) – (B)	112	118
D. NOI Yield <sup>4</sup>	4.9%	5.1%
E. Depreciation <sup>5</sup>	14	14
F. Post-Depreciation NOI (C) – (E)	97	103
G. Post-Depreciation NOI Yield <sup>4</sup>	4.2%	4.5%
H. Occupancy <sup>6</sup>	96.0%	100.0%

### c. Oimachi Center Building

(JPY million)

	Projected <sup>1</sup>	At Acquisition <sup>2</sup>
A. Rental Income	128	111
B. Rental Expenses (excluding Depreciation) <sup>3</sup>	42	48
C. NOI (A) – (B)	86	62
D. NOI Yield <sup>4</sup>	5.2%	3.7%
E. Depreciation <sup>5</sup>	8	8
F. Post-Depreciation NOI (C) – (E)	78	54
G. Post-Depreciation NOI Yield <sup>4</sup>	4.7%	3.3%
H. Occupancy <sup>6</sup>	96.0%	77.8%

<sup>1</sup> Amounts exclude special factors in the year of acquisition, and are calculated based on current and future anticipated fluctuations in occupancy.

<sup>2</sup> Shows first-year amounts used to calculate the DCF-based valuation, excluding special factors in the year of acquisition.

<sup>3</sup> Rental Expenses includes incidental expenses such as service provider fees, property, city planning, and consumption taxes, and other fees.

<sup>4</sup> NOI Yield and Post-Depreciation NOI Yield are calculated by dividing the NOI and Post-Depreciation NOI by the Acquisition Price, respectively.

<sup>5</sup> Depreciation amount is as estimated by Ichigo Office REIT.

<sup>6</sup> Occupancy at acquisition is as of February 28, 2017.

Appendix B: Engineering Report Summary

(JPY million)

	Win Gotanda Building	Ichigo Hongo Building	Oimachi Center Building
Inspector Name	Shimizu Corporation	Tokio Marine & Nichido Risk Consulting	Tokio Marine & Nichido Risk Consulting
Inspection Date	March 2017	March 2017	March 2017
Short-Term Repair Expense <sup>1</sup>	0.410	—	—
Long-Term Repair Expense <sup>2</sup>	283.548 <sup>3</sup>	191.864	213.609 <sup>4</sup>
Current Replacement Cost	1,325.000 <sup>3</sup>	1,144.000	1,014.659 <sup>4</sup>

<sup>1</sup> Short-Term Repair Expense is defined as repair expenses considered necessary beyond the scope of ordinary maintenance within a year from the time of inspection.

<sup>2</sup> Long-Term Repair Expense is defined as cumulative repair expenses considered necessary for the maintenance of the hotel within twelve years from the time of inspection.

<sup>3</sup> Ownership ratio of 0.8565 is multiplied to the total expense and current price of the building.

<sup>4</sup> Ownership ratio of 0.74247 is multiplied to the total expense and current price of the building.



Appendix C: Post-Transaction Portfolio

No.	Asset Name	Area <sup>1</sup>	Acquisition Price <sup>2</sup> (JPY million)	% of Portfolio <sup>3</sup>
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 Metro Area	1,816	0.9
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metro Area	1,460	0.7
O-23	Ichigo Nakano North Building	Tokyo Metro Area	764	0.4
O-24	Ichigo Eitai Building	Tokyo Metro Area	1,490	0.8
O-26	Ichigo Ikejiri Building	Tokyo Metro Area	2,030	1.0
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metro Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.4
O-29	Ichigo Kichijoji Building	Tokyo Metro Area	2,160	1.1
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.4
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.4
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,650	0.8
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.6
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.5
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.1
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.8
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.0
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.1

No.	Asset Name	Area <sup>1</sup>	Acquisition Price <sup>2</sup> (JPY million)	% of Portfolio <sup>3</sup>
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	1.0
O-51	Ebisu Green Glass	Central Tokyo	5,900	3.0
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 Metro Area	3,430	1.7
O-55	Ichigo Sagamiyama Building	Tokyo Metro Area	1,174	0.6
O-56	Ichigo Ofuna Building	Tokyo Metro Area	2,000	1.0
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	0.9
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.7
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.7
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.9
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	2.0
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.4
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	1.6
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 Metro Area	4,570	2.3
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.8
O-71	Ichigo Kawasaki Building	Tokyo Metro Area	1,750	0.9
O-72	Ichigo Shibuya East Building	Central Tokyo	1,350	0.7
O-73	Ichigo Ningyocho Building	Central Tokyo	1,450	0.7
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.1
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.7
O-76	Nishiki First Building	Four Major Regional Cities	2,000	1.0
O-77	Ichigo Ikenohata Building	Tokyo Metro Area	5,130	2.6
O-78	Ichigo Ikebukuro East Building	Tokyo Metro Area	3,010	1.5
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	1.0
O-80	Ichigo Otsuka Building	Tokyo Metro Area	2,740	1.4
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.7
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.2
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.7
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5

No.	Asset Name	Area <sup>1</sup>	Acquisition Price <sup>2</sup> (JPY million)	% of Portfolio <sup>3</sup>
O-85	Ichigo Shibuya Udagawacho Building	Central Tokyo	3,500	1.8
O-86	Win Gotanda Building	Central Tokyo	3,100	1.6
O-87	Ichigo Hongo Building	Tokyo Metro Area	2,300	1.2
O-88	Oimachi Center Building	Central Tokyo	1,680	0.9
Subtotal - Office (74 Assets)			178,497	90.6
Z-02	Ichigo Fiesta Shibuya Building	Central Tokyo	1,970	1.0
Z-03	Ichigo Burg Omori Building	Tokyo Metro Area	3,218	1.6
Z-05	Ichigo Machida East Building	Tokyo Metro 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	1.2
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metro Area	1,620	0.8
Z-12	Lions Square Kawaguchi	Tokyo Metro Area	2,430	1.2
Z-13	Ichigo Shin Yokohama Arena Dori Building	Tokyo Metro Area	1,700	0.9
Z-14	Ichigo Kamata Building	Tokyo Metro Area	1,400	0.7
Subtotal - Others (11 Assets)			18,454	9.4
Total (85 Assets)			196,951	100.0

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

<sup>2</sup> Acquisition Price excludes incidental expenses such as property, city planning, and consumption taxes, and other fees. Assets O-02 through O-42 (31 assets) and assets Z-02 through Z-08 (5 assets) show the appraisal value as of October 31, 2011.

<sup>3</sup> % of Portfolio is based upon acquisition price.