

[Provisional Translation Only]

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Issuer

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**Sale of Retail Asset  
(Twicere Yokohama Isogo)**

Ichigo Office decided today to sell a retail asset, the Twicere Yokohama Isogo (retail section).

1. Asset Sale Summary

|   |   |
|---|---|
| Asset Number<br>Asset Name                          | Z-11 Twicere Yokohama Isogo (Retail Section)                  |
| Asset Type  | Other (Retail)  |
| Date Built  | July 6, 2009  |
| Legal Form of Asset                                 | Trust beneficiary interest in real estate ( <i>juekiken</i> ) |
| Date Acquired                                       | December 10, 2013   |
| Buyer <sup>1</sup>                                  | A Third-Party Japanese Company                                |
| Broker  | A Third-Party Broker  |
| Sale Price <sup>2</sup> (A)                         | JPY 1,600 million   |
| Book Value <sup>3</sup> (B)                         | JPY 1,418 million   |
| Sale Price vs. Book Value <sup>4</sup><br>(A) – (B) | JPY 181 million   |
| Appraisal Value <sup>5</sup>                        | JPY 1,510 million   |
| Contract Date                                       | September 22, 2023  |
| Closing Date  | October 30, 2023  |

<sup>1</sup> The buyer, a third-party Japanese company, did not provide consent to disclose its name.

<sup>2</sup> Sale Price is the sale price of the asset excluding incidental expenses such as fees and property, city planning, and consumption taxes.

<sup>3</sup> Book Value is an estimate based upon the most recent book value (April 2023 fiscal period-end), adjusted for expected capital expenditures and depreciation through the Closing Date.

<sup>4</sup> The difference between the Sale Price and Book Value is not equal to the gains on sale from today's sale.

<sup>5</sup> Appraisal Value is calculated by Daiwa Real Estate Appraisal as of April 30, 2023, pursuant to the appraisal guidelines stipulated in Ichigo Office's Articles of Incorporation and the rules of the Investment Trusts Association of Japan.

## 2. Sale Rationale

As a specialized office REIT that delivers robust earnings stability via a diversified portfolio, Ichigo Office continues to execute on its strategy to grow shareholder value by focusing its portfolio on high-quality, mid-size office assets.

Today's asset sale is the retail section on the basement to third floors of Twicere Yokohama Isogo, a condominium located in Yokohama that is directly accessible via a pedestrian walkway from Isogo Station on the JR Negishi Line.

Although the retail section had been fully occupied since Ichigo Office's acquisition in December 2013, occupancy decreased in May 2020 after a major tenant accounting for the most rental income departed due to a change in business strategy. As a result of Ichigo Office's leasing activities focused on earnings recovery, Ichigo Office successfully leased up half of the vacant space to a notable retail tenant.

After receiving an offer from the buyer for a price that exceeds book value and the recent appraisal value, Ichigo Office decided that the sale of this asset would be positive for its shareholders in light of anticipated increases in capital expenditures required for facility upgrades and the uncertain outlook for rent levels in the area. With this asset sale, Ichigo Office's post-transaction portfolio will be 97.6% office assets.

Ichigo Office will use the proceeds from this asset sale for strategic investments such as asset acquisitions and value-add capex to offset any loss of rental income from this asset sale and therefore maintain portfolio earnings and dividends.

### 3. Asset Details

| Asset Overview                        |   |   |          |          |          |          |
|---------------------------------------|---|---|----------|----------|----------|----------|
| Asset Name                            |   | Twicere Yokohama Isogo (Retail Section)                       |          |          |          |          |
| Form of Ownership                     |   | Trust beneficiary interest in real estate ( <i>juekiken</i> ) |          |          |          |          |
| Location                              |   | 1-7-10 Mori, Isogo-ku, Yokohama City                          |          |          |          |          |
| Land                                  | Property Right                                  | Freehold (48.7% Ownership)                                    |          |          |          |          |
|                                       | Area  | 1,576.48m <sup>2</sup>  |          |          |          |          |
|                                       | Zoning  | Commercial  |          |          |          |          |
|                                       | Coverage Ratio <sup>1</sup><br>Floor Area Ratio | 80%<br>400%   |          |          |          |          |
| Building                              | Property Right                                  | Freehold (48.7% Ownership)                                    |          |          |          |          |
|                                       | Use   | Office/Retail/Parking Lot                                     |          |          |          |          |
|                                       | Structure                                       | Reinforced Concrete, B1F/8F                                   |          |          |          |          |
|                                       | Total Floor Area                                | 7,479.46m <sup>2</sup>  |          |          |          |          |
|                                       | Date Built                                      | July 6, 2009  |          |          |          |          |
| Number of Tenants                     |   | 8 (as of August 31, 2023)                                     |          |          |          |          |
| Monthly Rental Income <sup>2</sup>    |   | JPY 7.895 million (as of August 31, 2023)                     |          |          |          |          |
| Tenant Security Deposits <sup>2</sup> |   | JPY 54.270 million (as of August 31, 2023)                    |          |          |          |          |
| Leasable Area                         |   | 2,708.87m <sup>2</sup> (as of August 31, 2023)                |          |          |          |          |
| Leased Area                           |   | 2,429.53m <sup>2</sup> (as of August 31, 2023)                |          |          |          |          |
| Occupancy                             |   | Oct 2021  | Apr 2022 | Oct 2022 | Apr 2023 | Aug 2023 |
|                                       |   | 80.8%   | 80.8%    | 80.8%    | 80.8%    | 89.7%    |
| Acquisition Price                     |   | JPY 1,620 million   |          |          |          |          |
| Appraisal Value                       | Appraiser                                       | Daiwa Real Estate Appraisal Co., Ltd.                         |          |          |          |          |
|                                       | Appraisal Date                                  | April 30, 2023  |          |          |          |          |
|                                       | Appraisal Value                                 | JPY 1,510 million   |          |          |          |          |

<sup>1</sup> The coverage ratio is relaxed to 100% from 80% because the property complies with fire prevention zoning regulations.

<sup>2</sup> Monthly rental income and tenant security deposits are based on the monthly rental income (including common area service income) and tenant security deposits pursuant to tenant rental contracts.

| Appraisal Details                         |   |  |
|---|---|--|
| Asset Name                                | Twicere Yokohama Isogo (Retail Section) |  |
| Appraisal Value                           | JPY 1,510,000,000                       |  |
| Appraiser                                 | Daiwa Real Estate Appraisal Co., Ltd.   |  |
| Appraisal Date                            | April 30, 2023                          |  |
|   | Amount (JPY)                            | Note   |
| Appraisal Value                           | 1,510,000,000                           | Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation  |
| Value by Direct Capitalization Method     | 1,530,000,000                           |  |
| Income                                    | 125,417,479                             |  |
| Maximum Obtainable Rental Income          | 131,734,188                             | Based on expected long-term, stable rental income, common area service income, parking lot income, and other income  |
| Vacancy Loss                              | 6,316,709                               | Based on a vacancy rate of 5.0%  |
| Expenses                                  | 45,904,635                              |  |
| Administrative and Maintenance Expenses   | 9,403,200                               | Based on management expenses pursuant to management agreement  |
| Utility Expenses                          | 19,731,360                              | Based on historical actual amounts and reference to similar assets   |
| Repair Expenses                           | 4,402,680                               | Calculated by subtracting repair expenses based on engineering reports from the repair reserve based on long-term repair plans   |
| PM Fee                                    | 2,114,709                               | Based on existing contractual fees   |
| Leasing Brokerage Fees                    | 836,129                                 | Based on tenant acquisition costs at similar assets  |
| Taxes                                     | 8,355,700                               | Based on FY2022 actual amounts   |
| Insurance Premiums                        | 433,770                                 | Based on current actual amounts  |
| Other Expenses                            | 627,087                                 | Variable expenses based on historical actual amounts and forecasts   |
| Net Operating Income (NOI)                | 79,512,844                              |  |
| Income on Investment of Deposits Received | 612,428                                 | Based on a 1.0% investment yield   |
| Capital Expenditure                       | 3,705,000                               | Based on the average of the past 12 years of engineering reports   |
| Net Profit                                | 76,420,272                              |  |
| Cap Rate                                  | 5.0%                                    | Based on transactions of similar assets, while taking into account the asset's location and specific characteristics, rights, and terms and conditions of the contract |

|  |                         |               |   |
|--|-------------------------|---------------|---|
|  | Value via DCF Method    | 1,500,000,000 |   |
|  | Discount Rate           | 4.9%          | Based on transactions of similar assets and the current yield of financial assets   |
|  | Terminal Cap Rate       | 5.3%          | Based upon current NOI adjusted for expected marketability at the end of ownership period.                                |
|  | Value via Cost Approach | 1,450,000,000 |   |
|  | Ratio of Land           | 63.0%         | Based upon the value recorded in the government land assessment ( <i>koujikakaku</i> ) and transactions of similar assets |
|  | Ratio of Building       | 37.0%         | Based on current replacement costs and depreciation due to building age from engineering reports                          |
| <b>Notes</b>   |                         |               |   |
| Ichigo Office determined that the value by direct capitalization method, which takes into consideration the market price from a profitability perspective, is more appropriate than the value via cost approach. |                         |               |   |

#### 4. Buyer Profile

|   |   |
|---|---|
| Name  | The buyer, a third-party Japanese company, did not provide consent to disclose its name.  |
| Relationship to Ichigo Office or Ichigo Investment Advisors (IIA) | The seller does not have any material capital, personnel, or transactional relationship with Ichigo Office or IIA. In addition, the seller is not a related party as defined in the Act on Trusts and Investment Corporations or the internal rules of IIA. |

#### 5. Forward Commitment

Because the contract date is October 30, 2023, one month and 8 days from today, the asset sale constitutes a forward commitment by Ichigo Office as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators by the Financial Services Agency<sup>1</sup>.

In the event of a violation of the provisions of the asset sale by Ichigo Office of the buyer, the other party shall have the right to terminate the sale and claim up to 10% of the sale price as a penalty.

Because Ichigo Office is the seller, it is highly unlikely that Ichigo Office will incur the penalty or suffer a negative material impact on its financial position.

<sup>1</sup> Refers to a post-dated purchase and sales agreement under which payment and property delivery shall be made at least one month after the conclusion of the agreement, or any other agreement similar thereto.

#### 6. Transaction Method

Ichigo Office will receive a deposit of JPY 160 million on the contract date and will receive the remainder on the closing date.

#### 7. Use of Proceeds

Ichigo Office will distribute the gains on sale of c. JPY 112 million (calculated by subtracting book value, brokerage fee, IIA's gains on sale performance fee, and other asset sale-related expenses from the sale price) as part of dividends to shareholders, and will deploy the remainder of the sales proceeds towards strategic investments such as asset acquisitions and value-add renovations.

#### 8. Earnings Impact

Today's sale has been factored into Ichigo Office's October 2023 fiscal period earnings forecast announced in today's release, "Earnings Forecast Revision for the October 2023 Fiscal Period."

There is no change to the April 2024 fiscal period earnings forecast.

## Reference: Post-Sale Portfolio

| No.  | Asset Name                          | Area <sup>1</sup>          | Acquisition Price (JPY million) | % of Portfolio <sup>2</sup> |
|------|-------------------------------------|----------------------------|---------------------------------|-----------------------------|
| O-02 | Ichigo Nishisando Building          | Central Tokyo              | 3,254                           | 1.5                         |
| O-03 | Ichigo Mita Building                | Central Tokyo              | 2,740                           | 1.3                         |
| O-04 | Ichigo Nanpeidai Building           | Central Tokyo              | 1,920                           | 0.9                         |
| O-05 | Ichigo Hanzomon Building            | Central Tokyo              | 1,550                           | 0.7                         |
| O-06 | Ichigo Hijirizaka Building          | Central Tokyo              | 1,200                           | 0.6                         |
| O-07 | Ichigo Shibuya Kamiyamacho Building | Central Tokyo              | 1,505                           | 0.7                         |
| O-09 | Ichigo Shibakoen Building           | Central Tokyo              | 1,100                           | 0.5                         |
| O-10 | Ichigo Ebisu Nishi Building         | Central Tokyo              | 1,917                           | 0.9                         |
| O-11 | Ichigo Ginza 612 Building           | Central Tokyo              | 1,773                           | 0.8                         |
| O-12 | Ichigo Uchikanda Building           | Central Tokyo              | 1,140                           | 0.5                         |
| O-14 | Ichigo Yotsuya 4 Chome Building     | Central Tokyo              | 550                             | 0.3                         |
| 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                           | 0.5                         |
| 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                           | 2.4                         |
| 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                           | 0.7                         |
| 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                           | 1.0                         |
| O-34 | Ichigo Sakae Building               | Four Major Regional Cities | 4,705                           | 2.2                         |
| O-37 | Ichigo Marunouchi Building          | Four Major Regional Cities | 6,710                           | 3.2                         |
| O-38 | Ichigo Toyamaeki Nishi Building     | Other Regional Cities      | 1,645                           | 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                           | 1.4                         |
| O-46 | Ichigo Kanda Nishikicho Building    | Central Tokyo              | 2,130                           | 1.0                         |
| O-47 | Ichigo Akihabara North Building     | Central Tokyo              | 5,500                           | 2.6                         |
| O-48 | Ichigo Sakaisuji Honmachi Building  | Four Major Regional Cities | 1,940                           | 0.9                         |
| O-49 | Ichigo Kanda Ogawamachi Building    | Central Tokyo              | 2,210                           | 1.1                         |
| O-50 | Ichigo Hatchobori Building          | Central Tokyo              | 1,905                           | 0.9                         |

| No.  | Asset Name                         | Area <sup>1</sup>          | Acquisition Price (JPY million) | % of Portfolio <sup>2</sup> |
|------|------------------------------------|----------------------------|---------------------------------|-----------------------------|
| O-51 | Ichigo Ebisu Green Glass           | Central Tokyo              | 5,900                           | 2.8                         |
| O-52 | Ichigo Omori Building              | Central Tokyo              | 3,850                           | 1.8                         |
| O-53 | Ichigo Takadanobaba Building       | Central Tokyo              | 1,580                           | 0.8                         |
| O-54 | Ichigo Omiya Building              | Tokyo Metro Area           | 3,430                           | 1.6                         |
| 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                           | 3.4                         |
| O-60 | Ichigo Shibuya Dogenzaka Building  | Central Tokyo              | 3,650                           | 1.7                         |
| O-61 | Ichigo Hiroo Building              | Central Tokyo              | 3,960                           | 1.9                         |
| O-62 | Ichigo Sasazuka Building           | Central Tokyo              | 4,780                           | 2.3                         |
| O-63 | Ichigo Nihonbashi East Building    | Central Tokyo              | 4,700                           | 2.2                         |
| O-64 | Ichigo Sakurabashi Building        | Central Tokyo              | 2,500                           | 1.2                         |
| O-65 | Ichigo Shinkawa Building           | Central Tokyo              | 2,360                           | 1.1                         |
| O-66 | Ichigo Kudan Building              | Central Tokyo              | 3,190                           | 1.5                         |
| O-67 | Ichigo Higashi Gotanda Building    | Central Tokyo              | 3,660                           | 1.7                         |
| O-68 | Axior Mita                         | Central Tokyo              | 1,800                           | 0.9                         |
| O-69 | Ichigo Higashi Ikebukuro Building  | Tokyo Metro Area           | 4,570                           | 2.2                         |
| O-70 | Koriyama Big-i (Office Section)    | Other Regional Cities      | 1,660                           | 0.8                         |
| O-71 | Ichigo Kawasaki Building           | Tokyo Metro Area           | 1,750                           | 0.8                         |
| O-72 | Ichigo Shibuya East Building       | Central Tokyo              | 1,350                           | 0.6                         |
| O-73 | Ichigo Ningyocho Building          | Central Tokyo              | 1,450                           | 0.7                         |
| O-74 | Ichigo Nishi Honmachi Building     | Four Major Regional Cities | 2,190                           | 1.0                         |
| O-75 | Ichigo Hakata Building             | Four Major Regional Cities | 1,380                           | 0.7                         |
| O-76 | Ichigo Nishiki First Building      | Four Major Regional Cities | 2,000                           | 1.0                         |
| O-78 | Ichigo Ikebukuro East Building     | Tokyo Metro Area           | 3,010                           | 1.4                         |
| O-79 | Ichigo Motoazabu Building          | Central Tokyo              | 1,890                           | 0.9                         |
| O-80 | Ichigo Otsuka Building             | Tokyo Metro Area           | 2,740                           | 1.3                         |
| O-81 | Ichigo Nagoya Building             | Four Major Regional Cities | 3,420                           | 1.6                         |
| O-82 | Ichigo Fushimi Building            | Four Major Regional Cities | 2,340                           | 1.1                         |
| O-83 | Ichigo Nishiki Building            | Four Major Regional Cities | 1,330                           | 0.6                         |
| O-84 | Ichigo Minami Morimachi Building   | Four Major Regional Cities | 1,040                           | 0.5                         |
| O-85 | Ichigo Shibuya Udagawacho Building | Central Tokyo              | 3,500                           | 1.7                         |
| O-86 | Win Gotanda Building               | Central Tokyo              | 3,100                           | 1.5                         |



| No.                           | Asset Name                                | Area <sup>1</sup>          | Acquisition Price (JPY million) | % of Portfolio <sup>2</sup> |
|-------------------------------|---|----------------------------|---------------------------------|-----------------------------|
| O-87                          | Ichigo Hongo Building                     | Tokyo Metro Area           | 2,300                           | 1.1                         |
| O-88                          | Oimachi Center Building                   | Central Tokyo              | 1,680                           | 0.8                         |
| O-89                          | Win Gotanda Building 2                    | Central Tokyo              | 3,300                           | 1.6                         |
| O-90                          | MIF Building                              | Central Tokyo              | 2,200                           | 1.0                         |
| O-91                          | Ichigo Uchi Honmachi Building             | Four Major Regional Cities | 1,900                           | 0.9                         |
| O-92                          | Ichigo Minami Otsuka Building             | Tokyo Metro Area           | 2,780                           | 1.3                         |
| O-93                          | Ichigo Nogizaka Building                  | Central Tokyo              | 3,315                           | 1.6                         |
| O-94                          | Ichigo Hakata East Building               | Four Major Regional Cities | 2,250                           | 1.1                         |
| O-95                          | Ichigo Nakameguro Building                | Tokyo Metro Area           | 1,495                           | 0.7                         |
| O-96                          | Ichigo Tachikawa Building                 | Tokyo Metro Area           | 3,830                           | 1.8                         |
| O-97                          | Ichigo Higashi Ikebukuro 3 Chome Building | Tokyo Metro Area           | 3,840                           | 1.8                         |
| O-98                          | Ichigo Marunouchi South Building          | Four Major Regional Cities | 1,750                           | 0.8                         |
| O-99                          | Ichigo Hakataeki Higashi Building         | Four Major Regional Cities | 3,500                           | 1.7                         |
| O-100                         | Fukuoka Kensetsu Kaikan                   | Four Major Regional Cities | 2,750                           | 1.3                         |
| Subtotal - Office (84 Assets) |   |                            | 205,537                         | 97.6                        |
| Z-09                          | Future IZUMI                              | Other Regional Cities      | 1,210                           | 0.6                         |
| Z-10                          | Ichigo Shibuya Bunkamura Dori Building    | Central Tokyo              | 2,400                           | 1.1                         |
| Z-14                          | Ichigo Kamata Building                    | Tokyo Metro Area           | 1,400                           | 0.7                         |
| Subtotal - Other (3 Assets)   |   |                            | 5,010                           | 2.4                         |
| Total (87 Assets)             |   |                            | 210,547                         | 100                         |

|                             |                               |    |   |
|-----------------------------|-------------------------------|----|---|
| <b>TK Equity Investment</b> | GK Kizuna1 TK Equity Interest | 38 | — |
|-----------------------------|-------------------------------|----|---|

<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> % of Portfolio is based upon acquisition price.