



**Make The World
More Sustainable**

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

**31st Fiscal Period
November 1, 2020 – April 30, 2021**

Ichigo Office REIT Investment Corporation

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

Message from Management

First of all, we would like to express our deepest condolences to all those across the world affected by the COVID and our wishes for the earliest possible recovery.

We extend our gratitude to all Ichigo Office shareholders for your trust.

Ichigo Office continued making efforts to increase shareholder value under prolonged COVID circumstances. In December 2020, we acquired a mid-size office with growth potential, located in Tachikawa City, Tokyo (Ichigo Tachikawa Building, 3.83 billion yen), in order to increase earnings stability and further diversify our portfolio. Upon acquisition, we renovated the common areas to drive further earnings growth. We also continued taking measures to organically increase the competitiveness and earnings of our assets over the longer term. Given the impact of COVID on our share price and in order to make optimal use of cash-on-hand, Ichigo Office bought back its own shares and cancelled all of the 18,920 acquired shares (1.2% of total outstanding shares) by the end of the fiscal period.

As a result of these activities, Ichigo Office's April 2021 earnings were: operating revenue of 7,725 million yen, operating profit of 3,923 million yen, recurring profit of 3,122 million yen, and net income of 3,121 million yen. The dividend per share was 2,132 yen, a 69 yen increase from our December 2020 forecast.

As part of Ichigo Office's ongoing focus on reducing the environmental impact of its office buildings, three of our buildings (Ichigo Kudan Building, Ichigo Akihabara North Building, and Ichigo Hiroo Gotanda Building) were newly awarded the Tokyo Low-Carbon Small and Mid-Sized Model Buildings certification, thus bringing the total to 14 buildings with environmental certifications. In-line with the goals of RE100, which our sponsor Ichigo joined in February 2021, Ichigo Office is working to contribute to a more sustainable society by targeting to source 100% renewable electricity across all of its buildings (excluding partially and jointly owned buildings).

Although the economic outlook still remains uncertain because of COVID, Ichigo Office will continue to make efforts to build a robust mid-size office portfolio and progress its ESG activities with the aim to drive sustainable growth and maximize shareholder value

Thank you so much for your continued support.



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

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

Asset Management Overview

1 Historical Investment Performance

			27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019	29th Fiscal Period From November 1, 2019 to April 30, 2020	30th Fiscal Period From May 1, 2020 to October 31, 2020	31st Fiscal Period From November 1, 2020 to April 30, 2021
Operating Revenue	(Note 1)	million yen	8,451	8,304	8,260	7,863	7,725
(Real Estate Rental Income)		million yen	(7,782)	(7,862)	(7,860)	(7,862)	(7,725)
Operating Expenses		million yen	3,940	3,941	3,879	3,770	3,801
(Real Estate Rental Expenses)		million yen	(2,990)	(3,025)	(2,950)	(2,852)	(2,841)
Operating Profit		million yen	4,510	4,363	4,381	4,092	3,923
Recurring Profit		million yen	3,733	3,554	3,576	3,313	3,122
Net Income		million yen	3,732	3,554	3,575	3,312	3,121
Total Assets		million yen	225,678	225,898	227,312	226,980	227,654
(Period-on-Period Change)		%	(1.7)	(0.1)	(0.6)	(-0.1)	(0.3)
Net Assets		million yen	103,863	103,962	104,244	104,242	102,447
(Period-on-Period Change)		%	(0.6)	(0.1)	(0.3)	(-0.0)	(-1.7)
Shareholders' Equity		million yen	67,675	67,675	67,675	67,675	67,675
Number of Shares Outstanding		shares	1,532,287	1,532,287	1,532,287	1,532,287	1,513,367
Net Assets per Share		yen	67,783	67,848	68,031	68,030	67,695
Total Dividends		million yen	3,455	3,294	3,314	3,417	3,226
Dividend per Share		yen	2,255	2,150	2,163	2,230	2,132
(Payable Dividend per Share)		yen	(2,255)	(2,150)	(2,163)	(2,230)	(2,132)
(Dividend per Share in Excess of Earnings)		yen	(—)	(—)	(—)	(—)	(—)
Ratio of Recurring Profit to Total Assets	(Note 2)	%	1.7 (3.4)	1.6 (3.1)	1.6 (3.2)	1.5(2.9)	1.4(2.8)
Return on Equity	(Note 2)	%	3.6 (7.3)	3.4(6.8)	3.4(6.9)	3.2(6.3)	3.0(6.1)
Shareholder Equity Ratio	(Note 2)	%	46.0	46.0	45.9	45.9	45.0
(Period-on-Period Change)		%	(-0.5)	(0.0)	(-0.2)	(0.1)	(-0.9)
Dividend Payout Ratio	(Note 3)	%	92.6	92.7	92.7	103.1	104.0
Other Reference Information							
Number of Assets		assets	85	85	85	85	86
Number of Tenants at Period-End		tenants	921	934	938	924	934
Total Leasable Area		m ²	264,762.27	266,478.61	259,717.74	259,754.33	264,651.68
Occupancy at Period-End		%	99.3	99.4	99.6	97.5	97.2
Depreciation		million yen	857	842	839	838	870
Capital Expenditures		thousand yen	442,533	478,779	525,201	587,955	677,483
NOI (Net Operating Income)	(Note 2)	million yen	5,648	5,679	5,748	5,847	5,754
FFO (Funds from Operations) per Share	(Note 2)	yen	2,558	2,581	2,621	2,709	2,638
Number of Days in the Period		days	181	184	182	184	181

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

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

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

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

2 Summary of Operating Results for the Fiscal Period Ended October 31, 2020

(1) Overview

In the fiscal period ended April 30, 2021, Ichigo Office's 31st fiscal period, Ichigo Office worked to strengthen its organic growth potential by 1) increasing asset value and investment efficiency through its value-add capex (Note) and 2) driving earnings growth with a focus on tenant satisfaction. Ichigo Office seeks to construct a portfolio specializing in mid-size offices which can generate both earnings stability and earnings growth.

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

(2) Market Environment and Investment Performance

(i) Market Environment

The economic outlook for Japan remains uncertain as the ongoing impact of COVID resulted in a FY2020 GDP growth rate of -4.6%, thus exceeding the 3.6% drop during the Global Financial Crisis and recording the worst growth since World War II. The repeated declarations of states of emergency by the Japanese government has also impacted the economy, with the preliminary GDP growth rate for 2021Q1 being negative and forecasts for FY2021 being -5.1%.

The real estate transaction market continued to see strong investment demand from both domestic and overseas investors, thus driving acquisition prices up and making for a difficult environment for asset acquisition. Although prices are expected to remain high, the effects of the COVID pandemic on the real estate transaction market needs to be carefully monitored.

The office leasing market saw a recovery in demand, mainly from office expansion needs in the manufacturing industry that experienced stronger earnings during the autumn of 2020 when the spread of COVID temporarily subsided. However, limitations on economic activity caused by the declaration of states of emergency since the beginning of 2021 has increased the uncertainty of economic outlook and resulted in some tenants postponing office expansion plans.

(ii) Investment Performance

Ichigo Office acquired the Ichigo Tachikawa Building (acquisition price: 3,830 million yen) in order to further build its mid-size office portfolio and maximize shareholder value. The number of assets owned at period-end was 86 assets (total acquisition price: 206,192 million yen).

With a focus to grow portfolio NOI, Ichigo Office worked to raise both rents and occupancy in order to increase the profitability of its assets. During the current fiscal period, Ichigo Office took various actions to enhance the competitiveness and profitability of its assets, such as the value-add capex renovations in the Ichigo Jingumae Building, aimed at increasing tenant satisfaction. As a result of such efforts, the occupancy for the overall portfolio at period-end was 97.2%.

(3) Financing

During the current fiscal period, Ichigo Office borrowed a total of 10,224 million yen from banks in December 2020 and March 2021, to repay loans that came due in those months (a total of 10,233 million yen). It also borrowed 2,000 million yen in new loans to acquire the Ichigo Tachikawa Building. To maintain a stable financial base, Ichigo Office works to diversify repayment dates and is prudent about interest rate risks.

(4) Earnings and Dividends

As a result of the management initiatives above, Ichigo Office recorded an operating revenue of 7,725 million yen, operating profit of 3,923 million yen, recurring profit of 3,122 million yen and net income of 3,121 million yen for the fiscal period. With respect to dividends, the dividend policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed the amount equivalent to 90% of distributable earnings as provided for in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957 including subsequent amendments, hereinafter the “Special Measures Taxation Act”).

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

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

For this period, Ichigo Office has decided to pay a total dividend of 3,226 million yen, which is the entire amount (except for fractions in which the dividend per share is less than one yen) of unappropriated retained earnings of 3,122 million yen, plus 105 million yen, which is the reversal of reserves for temporary difference adjustments. As a result, the dividend per share came to 2,132 yen..

On January 7, 2021, Ichigo Office decided to conduct a share buyback, in order to maximize its shareholder value, and purchased 18,920 shares (1.2% of shares outstanding) through in-market purchases via a securities firm. On March 26, 2021, Ichigo Office decided to cancel all the acquired shares. As a result of this share cancellation, the dividend per share increased by 18 yen.

(Note) The balance of tax losses carried forward for Ichigo Office is approximately 8.4 billion yen, and the carry forward period expires as of the April 2022 fiscal period. Restrictions regarding the maximum reduction of losses able to be included in deductible expenses will not be applied.

3 Issuance of New Shares

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

Date	Remarks	Number of Shares Outstanding (shares)		Shareholders’ Equity (million yen)		Notes
		Increase/decrease	Balance	Increase/decrease	Balance	
May 23, 2016	Public Offering	110,166	1,526,489	8,449	67,230	(Note 1)
June 22, 2016	Greenshoe	5,798	1,532,287	444	67,675	(Note 2)
April 12, 2021	Shares Cancelled	-18,920	1,513,367	—	67,675	(Note 3)

(Note 1) Ichigo Office issued new shares via public offering at an issue price 79,365 yen per share (underwriting price of 76,695 yen) for the purpose of raising funds to acquire new assets.

(Note 2) Ichigo Office issued new shares via a third-party allotment (Greenshoe) at an issue price of 76,695 yen per share for the purpose of repaying loans.

(Note 3) Ichigo Office purchased its own shares in the Tokyo Stock Exchange, through in-market purchase via a securities firm between January 8, 2021 and February 12, 2021. On March 26, 2021, the Board of Directors approved to cancel the acquired shares, and the shares were cancelled on April 12, 2021. Since Ichigo Office used its Capital Reserve Surplus to purchase the shares, the amount of the Shareholders’ Equity did not change.

Share Price Performance

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

	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019	29th Fiscal Period From November 1, 2019 to April 30, 2020	30th Fiscal Period From May 1, 2020 to October 31, 2020	31st Fiscal Period From November 1, 2020 to April 30, 2021
High	106,200 yen	118,100 yen	119,300 yen	81,000 yen	98,600 yen
Low	91,300 yen	99,400 yen	54,300 yen	66,500 yen	68,100 yen

4 Dividends

With respect to dividends in the current fiscal period, the dividend distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed an amount equivalent to 90% of distributable earnings as provided for in Article 67-15, Paragraph 1 of the Special Measures Taxation Act. Based on this policy, Ichigo Office has decided to pay a total dividend of 3,226 million yen, which is the entire amount (except for fractions in which the dividend per share is less than one yen) of unappropriated retained earnings of 3,122 million yen, plus 105 million yen, which is the reversal of reserves for temporary difference adjustments. As a result, the dividend per share came to 2,132 yen.

		27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019	29th Fiscal Period From November 1, 2019 to April 30, 2020	30th Fiscal Period From May 1, 2020 to October 31, 2020	31st Fiscal Period From November 1, 2020 to April 30, 2021
Unappropriated Retained Earnings	thousand yen	3,733,149	3,554,415	3,575,841	3,312,935	3,122,657
Retained Earnings for Dividend Reserve	thousand yen	93	—	—	—	—
Total Dividends	thousand yen	3,455,307	3,294,417	3,314,336	3,417,000	3,226,498
(Dividend per Share)	yen	(2,255)	(2,150)	(2,163)	(2,230)	(2,132)
Distributable Earnings	thousand yen	3,455,307	3,294,417	3,314,336	3,417,000	3,226,498
(Distributable Earnings per Share)	yen	(2,255)	(2,150)	(2,163)	(2,230)	(2,132)
Total Refund of Capital	thousand yen	—	—	—	—	—
(Refund of capital per share)	yen	(—)	(—)	(—)	(—)	(—)
Of the Total Refund of Capital, Total Distribution from Reserves for Temporary Difference Adjustment	thousand yen	—	—	—	—	—
(Of the Refund of Capital per Share, Distribution from Reserves for Temporary Difference Adjustment per Share)	yen	(—)	(—)	(—)	(—)	(—)
Of the Total Refund of Capital, Total Distribution from the Distribution Associated with a Decrease in Investment for Tax Purposes	thousand yen	—	—	—	—	—
(Of the Refund of Capital per Share, Distribution from the Distribution Associated with a Decrease in Investment for Tax Purposes)	yen	(—)	(—)	(—)	(—)	(—)

5 Investment Policies and Strategies

(1) Asset Acquisitions (Acquisition-Driven Growth)

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

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

(2) Portfolio Management (Organic Growth)

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

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

(3) Financing Strategy

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

6 Significant Subsequent Events

N/A

Ichigo Office Overview

1 Shares and Shareholders' Equity

		27th Fiscal Period April 30, 2019	28th Fiscal Period October 31, 2019	29th Fiscal Period April 30, 2020	30th Fiscal Period October 31, 2020	31st Fiscal Period April 30, 2021
Number of Authorized Shares	shares	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Number of Shares Outstanding	shares	1,532,287	1,532,287	1,532,287	1,532,287	1,513,367
Shareholders' Equity	million yen	67,675	67,675	67,675	67,675	67,675
Number of Shareholders	persons	13,091	12,858	13,368	13,947	13,911

2 Major Shareholders

Major shareholders as of April 30, 2021 are as follows:

Name	Shares	Ratio of Shares Held to Total Number of Shares Issued (%) (Note)
Ichigo Trust Pte. Ltd.	331,190	21.88
Custody Bank of Japan, Ltd., Trust Account	240,857	15.91
The Master Trust Bank of Japan, Trust Account	194,939	12.88
Custody Bank of Japan, Ltd., Securities Investment Trust Account	81,414	5.37
NOMURA BANK (LUXEMBOURG) S.A.	60,188	3.97
Nomura Trust & Banking Co., Ltd. Investment Trust Account	51,360	3.39
GOLDMAN SACHS INTERNATIONAL	36,749	2.42
SMBC Nikko Securities Co., Ltd.	23,721	1.56
STATE STREET BANK WEST CLIENT – TREATY 505234	21,911	1.44
Japan Securities Finance Co., Ltd.	17,691	1.16
Total	1,060,020	70.04

(Note) The ratio of shares held to the total number of shares issued is truncated after the second decimal place.

3 Executive Director and Supervisory Directors

(1) Ichigo Office's directors and auditor as of April 30, 2021 are as follows:

Title	Name of Director	Other Major Positions	Total Compensation During the Current Fiscal Period (thousand yen)
Executive Director	Yoshihiro Takatsuka	R's Consulting KK, Representative Director Oct Advisors Inc., Director and Partner	2,160
Supervisory Directors	Takaaki Fukunaga	Fukunaga CPA Office, Representative Global Solutions Consulting Co., Ltd., Representative Director GreenOak Investment Management KK, external Corporate Auditor AWP Ticket Guard Small Amount & Short Term Insurance Co., Ltd., external Corporate Auditor PP Japan Co., Ltd., Corporate Auditor Retailer's Sphere Co., Ltd., Corporate Auditor GMO Registry, Inc., external Corporate Auditor	1,440
	Masahiro Terada	City-Yuwa Partners, Partner	1,440
Accounting Auditor	Grant Thornton Taiyo LLC	—	9,500

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

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

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

4 Directors and Officers Liability Insurance

Ichigo Office has purchased the following D&O (directors and officers liability) insurance.

Beneficiary	Details of the D&O Insurance
Executive and Supervisory Directors	Ichigo Office has purchased D&O (directors and officers) liability insurance, pursuant to Article 201-3, Paragraph 1 of the Act on Trusts and Investment Corporations. Therefore, the beneficiaries are covered against lawsuits arising in relation to execution of their management duties.
	Insurance Company : AIG General Insurance Company, Ltd.
	Policyholder : Ichigo Office REIT
	Maximum amount of payment : 1,500,000 thousand yen
	The insurance premiums, including the special provisions for shareholder derivative actions, will be paid by Ichigo Office, as approved by the Board of Directors.

5 Asset Management Company, Asset Custodian, and Administrative Agents

The asset management company, asset custodian, and administrative agents as of April 30, 2021 are as follows:

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

Assets under Management

1 Asset Composition

Asset Type	Area (Note 1)	30th Fiscal Period (as of October 31, 2020)		31st Fiscal Period (as of April 30, 2021)	
		Book Value (million yen)(Note 2)	Ratio to Total Assets (%)	Book Value (million yen)(Note 2)	Ratio to Total Assets (%)
Real Estate	Central Tokyo	6,736	3.0	6,727	3.0
	Tokyo Metropolitan Area	4,001	1.8	3,994	1.8
	Four Major Regional Cities	10,333	4.6	10,320	4.5
Trust Beneficiary Interest in Real Estate (<i>juekiken</i>) (Note 3)	Central Tokyo	108,243	47.7	108,137	47.5
	Tokyo Metropolitan Area	39,603	17.4	43,399	19.1
	Four Major Regional Cities	19,654	8.7	19,677	8.6
	Other Regional Cities	10,474	4.6	10,438	4.6
Subtotal		199,047	87.7	202,697	89.0
Investment in Securities (Note 4)		50	0.0	—	—
Deposits and Other Assets		27,882	12.3	24,957	11.0
Total Assets		226,980	100.0	227,654	100.0

(Note 1) Areas are defined as follows:

Central Tokyo : Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa Wards
Tokyo Metropolitan Area : Tokyo (excluding the six wards above) and Kanagawa, Chiba and Saitama Prefectures
Four Major Regional Cities : Osaka, Nagoya, Fukuoka and Sapporo
Other Regional Cities : Regional cities other than the above (prefectural capitals, etc.)

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

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

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

2 Major Assets Owned

The table below is a summary of the major assets owned by Ichigo Office as of April 30, 2021 (top ten assets in terms of book value).

Asset Name	Book Value (million yen) (Note 1)	Leasable Area (m ²)	Leased Area (m ²)	Occupancy (%) (Note 2)	Ratio to Total Rent Revenue (%)	Asset Type
Ichigo Jingumae Building	7,421	4,510.04	4,378.04	97.1	2.1	Office
Ebisu Green Glass (Note 3)	5,788	3,159.27	2,551.82	80.8	2.4	Office
Ichigo Marunouchi Building	5,637	8,009.11	8,009.11	100.0	3.1	Office
Ichigo Akihabara North Building	5,507	6,250.53	6,250.53	100.0	3.0	Office
Ichigo Ikenohata Building	5,133	5,504.15	5,504.15	100.0	2.1	Office
Ichigo Sasazuka Building	4,915	6,425.29	6,425.29	100.0	2.4	Office
Ichigo Gotanda Building	4,801	5,346.39	5,094.88	95.3	2.6	Office
Ichigo Sakae Building	4,683	3,928.12	3,928.12	100.0	2.8	Office
Ichigo Higashi Ikebukuro Building	4,601	4,433.00	4,433.00	100.0	2.1	Office
Ichigo Nihonbashi East Building	4,425	4,216.97	4,216.97	100.0	1.9	Office
Total	52,915	51,782.87	50,791.91	98.1	24.6	

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

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

(Note 3) The property name will be changed to Ichigo Ebisu Green Glass on September 1, 2021.

3 Portfolio Overview

Details of Portfolio Assets

The table below shows the details of assets owned by Ichigo Office as of April 30, 2021.

Asset Name	Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at Period-end (million yen) (Note 1)	Book Value at Period-end (million yen) (Note 2)	
O-02	Ichigo Nishisando Building	Yoyogi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,523.19	3,220	3,324
O-03	Ichigo Mita Building	Shiba, Minato-ku, Tokyo	Trust beneficiary interest in real estate	4,119.63	3,640	2,717
O-04	Ichigo Nanpeidai Building	Nanpeidaicho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,925.24	2,490	1,900
O-05	Ichigo Hanzomon Building	Hayabusacho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,080.37	1,930	1,509
O-06	Ichigo Hijirizaka Building	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,947.90	1,480	1,206
O-07	Ichigo Shibuya Kamiyamacho Building	Kamiyamacho, Shibuya-ku, Tokyo	Real estate	1,321.54	1,890	1,350
O-08	Ichigo Akasaka 5 Chome Building	Akasaka, Minato-ku, Tokyo	Real estate	683.52	876	730
O-09	Ichigo Shibakoen Building	Shiba, Minato-ku, Tokyo	Real estate	1,602.29	1,210	1,101
O-10	Ichigo Ebisu Nishi Building	Ebisu-Nishi, Shibuya-ku, Tokyo	Real estate	1,484.39	2,510	1,915
O-11	Ichigo Ginza 612 Building	Ginza, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,379.06	2,080	1,799
O-12	Ichigo Uchikanda Building	Uchikanda, Chiyoda-ku, Tokyo	Real estate	1,378.83	1,380	1,118
O-14	Ichigo Yotsuya 4 Chome Building	Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	780.64	569	499
O-15	Ichigo Tameike Building	Akasaka, Minato-ku, Tokyo	Real estate	494.14	722	511
O-16	Ichigo Jimbocho Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,891.01	2,300	1,798
O-17	Ichigo Hakozaeki Building	Nihonbashi Kakigaracho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,388.44	1,160	1,134
O-18	Ichigo Kudan 2 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,288.31	936	726
O-19	Ichigo Kudan 3 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,302.43	904	810
O-20	Ichigo Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	5,346.39	6,320	4,801
O-21	Ichigo Shin Yokohama Building	Shin Yokohama, Kohoku-ku, Yokohama	Trust beneficiary interest in real estate	4,021.32	1,740	1,671
O-22	Ichigo Minami Ikebukuro Building	Minami Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	1,491.50	1,850	1,354
O-23	Ichigo Nakano North Building	Arai, Nakano-ku, Tokyo	Trust beneficiary interest in real estate	1,264.11	948	725
O-24	Ichigo Eitai Building	Eitai, Koto-ku, Tokyo	Real estate	2,605.54	1,470	1,443
O-26	Ichigo Ikejiri Building	Ohashi, Meguro-ku, Tokyo	Real estate	2,385.69	2,320	1,955
O-27	Ichigo Nishi Ikebukuro Building	Ikebukuro, Toshima-ku, Tokyo	Real estate	1,261.91	995	595
O-28	Ichigo Nishi Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	1,329.06	873	751
O-29	Ichigo Kichijoji Building	Kichijoji Honcho, Musashino City, Tokyo	Trust beneficiary interest in real estate	4,210.87	2,800	2,172
O-34	Ichigo Sakae Building	Sakae, Naka-ku, Nagoya	Real estate	3,928.12	6,290	4,683
O-37	Ichigo Marunouchi Building	Marunouchi, Naka-ku, Nagoya	Real estate	8,009.11	7,540	5,637
O-38	Ichigo Toyamaeki Nishi Building	Jinzu Honmachi, Toyama City, Toyama	Trust beneficiary interest in real estate	8,601.71	1,810	1,484
O-39	Ichigo Mirai Shinkin Building	Niagamachi, Oita City, Oita	Trust beneficiary interest in real estate	3,551.46	1,330	1,143
O-42	Ichigo Takamatsu Building	Kotobukicho, Takamatsu City, Kagawa	Trust beneficiary interest in real estate	6,329.33	3,780	2,197
O-46	Ichigo Kanda Nishikicho Building	Kanda-Nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,523.09	3,310	1,999
O-47	Ichigo Akihabara North Building	Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,250.53	7,840	5,507
O-48	Ichigo Sakaisuji Honmachi Building	Honmachi, Chuo-ku, Osaka	Trust beneficiary interest in real estate	3,729.35	2,410	1,739
O-49	Ichigo Kanda Ogawamachi Building	Kanda-Ogawamachi, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,309.39	2,540	2,192
O-50	Ichigo Hatchobori Building	Shintomi, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,716.33	2,700	1,769
O-51	Ebisu Green Glass	Ebisu Minami, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,159.27	7,530	5,788
O-52	Ichigo Omori Building	Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,585.93	4,460	3,787
O-53	Ichigo Takadanobaba Building	Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	1,606.92	1,910	1,587
O-54	Ichigo Omiya Building	Miyacho, Omiya-ku, Saitama City, Saitama	Trust beneficiary interest in real estate	6,180.68	4,190	3,566
O-55	Ichigo Sagamihara Building	Sagamihara, Chuo-ku, Sagamihara City, Kanagawa	Trust beneficiary interest in real estate	2,960.81	1,280	1,212
O-56	Ichigo Ofuna Building	Ofuna, Kamakura City, Kanagawa	Trust beneficiary interest in real estate	2,364.71	2,620	1,934

Asset Name		Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at Period-end (million yen) (Note 1)	Book Value at Period-end (million yen) (Note 2)
O-57	Ichigo Sendai East Building	Miyagino, Miyagino-ku, Sendai, Miyagi	Trust beneficiary interest in real estate	5,205.49	2,140	1,601
O-58	Ichigo Kumamoto Building	Karashimacho, Chuo-ku, Kumamoto City, Kumamoto	Trust beneficiary interest in real estate	4,507.59	1,590	1,493
O-59	Ichigo Jingumae Building	Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,510.04	8,290	7,421
O-60	Ichigo Shibuya Dogenzaka Building	Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,789.86	5,360	3,678
O-61	Ichigo Hiroo Building	Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,510.44	4,680	4,000
O-62	Ichigo Sasazuka Building	Sasazuka, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	6,425.29	5,890	4,915
O-63	Ichigo Nihonbashi East Building	Nihonbashi Bakurocho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	4,216.97	5,620	4,425
O-64	Ichigo Sakurabashi Building	Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,971.22	3,090	2,557
O-65	Ichigo Shinkawa Building	Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,312.03	3,010	2,385
O-66	Ichigo Kudan Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	3,090.65	3,590	3,207
O-67	Ichigo Higashi Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	4,548.10	4,320	3,637
O-68	Axior Mita	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,369.82	2,300	1,721
O-69	Ichigo Higashi Ikebukuro Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	4,433.00	5,330	4,601
O-70	Koriyama Big-i (Office Section)	Ekimae, Koriyama City, Fukushima	Trust beneficiary interest in real estate	3,433.07	2,140	1,482
O-71	Ichigo Kawasaki Building	Higashi Tamachi, Kawasaki-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	3,769.69	2,220	1,813
O-72	Ichigo Shibuya East Building	Higashi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,041.36	1,530	1,358
O-73	Ichigo Ningyocho Building	Nihonbashi Horidomecho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,769.09	1,550	1,475
O-74	Ichigo Nishi Honmachi Building	Awaza, Nishi-ku, Osaka	Trust beneficiary interest in real estate	6,152.00	2,490	2,189
O-75	Ichigo Hakata Building	Gionmachi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	2,423.86	1,530	1,362
O-76	Ichigo Nishiki First Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	3,324.70	2,170	1,965
O-77	Ichigo Ikenohata Building	Ikenohata, Taito-ku, Tokyo	Trust beneficiary interest in real estate	5,504.15	5,330	5,133
O-78	Ichigo Ikebukuro East Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,118.69	3,310	2,989
O-79	Ichigo Motoazabu Building	Motoazabu, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,329.96	2,360	1,915
O-80	Ichigo Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,679.70	3,000	2,752
O-81	Ichigo Nagoya Building	Meieki, Nakamura-ku, Nagoya	Trust beneficiary interest in real estate	4,930.30	3,910	3,497
O-82	Ichigo Fushimi Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	4,155.60	2,530	2,335
O-83	Ichigo Nishiki Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	2,006.78	1,470	1,281
O-84	Ichigo Minami Morimachi Building	Matsugaecho, Kita-ku, Osaka	Trust beneficiary interest in real estate	2,521.51	1,230	1,039
O-85	Ichigo Shibuya Udagawacho Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,491.68	4,180	3,568
O-86	Win Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,689.88	3,340	3,101
O-87	Ichigo Hongo Building	Hongo, Bunkyo-ku, Tokyo	Trust beneficiary interest in real estate	2,722.58	2,580	2,305
O-88	Oimachi Center Building	Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	2,751.08	1,940	1,700
O-89	Win Gotanda Building 2	Osaki, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,433.16	3,510	3,286
O-90	MIF Building	Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,690.33	2,330	2,192
O-91	Ichigo Uchi Honmachi Building	Uchi Honmachi, Chuo-ku, Osaka	Trust beneficiary interest in real estate	3,004.07	2,180	1,988
O-92	Ichigo Minami Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,127.84	3,190	2,855
O-93	Ichigo Nogizaka Building	Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,199.35	3,640	3,518
O-94	Ichigo Hakata East Building	Hakataeki Higashi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	2,901.99	2,430	2,279
O-95	Ichigo Nakameguro Building	Aobadai, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,040.02	1,640	1,555
O-96	Ichigo Tachikawa Building	Akebonocho, Tachikawa, Tokyo	Trust beneficiary interest in real estate	4,879.78	4,000	3,841
Z-09	Konami Sports Club Izumi Fuchu	Fuchucho, Izumi City, Osaka	Trust beneficiary interest in real estate	3,733.68	866	1,036
Z-10	Ichigo Shibuya Bunkamura Dori Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	778.77	3,040	2,454
Z-11	Twicere Yokohama Isogo (Retail Section)	Mori, Isogo-ku, Yokohama	Trust beneficiary interest in real estate	2,717.77	1,500	1,467
Z-14	Ichigo Kamata Building	Nishi Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	2,124.68	1,530	1,445
Total				264,651.68	244,029	202,697

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

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

The table below shows the status of rental activity at Ichigo Office assets in the 30th and 31st fiscal Periods:

Asset Name	30th Fiscal Period From May 1, 2020 to October 31, 2020				31st Fiscal Period From November 1, 2020 to April 30, 2021				
	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	
O-02	Ichigo Nishisando Building	15	87.0	126,825	1.6	17	100.0	127,384	1.6
O-03	Ichigo Mita Building	9	100.0	121,279	1.5	8	89.5	110,640	1.4
O-04	Ichigo Nanpeidai Building	13	100.0	79,643	1.0	13	100.0	79,060	1.0
O-05	Ichigo Hanzomon Building	6	100.0	61,822	0.8	5	92.5	61,019	0.8
O-06	Ichigo Hijirizaka Building	6	100.0	59,073	0.8	5	100.0	58,509	0.8
O-07	Ichigo Shibuya Kamiyamacho Building	4	100.0	54,051	0.7	4	100.0	53,721	0.7
O-08	Ichigo Akasaka 5 Chome Building	9	100.0	28,811	0.4	9	100.0	28,878	0.4
O-09	Ichigo Shibakoen Building	3	100.0	47,815	0.6	3	100.0	48,305	0.6
O-10	Ichigo Ebisu Nishi Building	7	100.0	70,267	0.9	7	100.0	72,426	0.9
O-11	Ichigo Ginza 612 Building	23	93.3	65,209	0.8	23	91.3	62,716	0.8
O-12	Ichigo Uchikanda Building	8	89.8	45,957	0.6	9	100.0	46,000	0.6
O-14	Ichigo Yotsuya 4 Chome Building	9	90.9	21,287	0.3	10	100.0	20,737	0.3
O-15	Ichigo Tameike Building	5	82.8	20,747	0.3	4	63.4	17,665	0.2
O-16	Ichigo Jimbocho Building	7	92.6	71,104	0.9	7	92.6	70,682	0.9
O-17	Ichigo Hakozaeki Building	6	100.0	58,501	0.7	6	88.0	51,862	0.7
O-18	Ichigo Kudan 2 Chome Building	1	100.0	28,899	0.4	1	100.0	28,899	0.4
O-19	Ichigo Kudan 3 Chome Building	5	100.0	37,735	0.5	4	81.0	37,927	0.5
O-20	Ichigo Gotanda Building	14	100.0	208,358	2.7	14	95.3	198,127	2.6
O-21	Ichigo Shin Yokohama Building	14	97.7	81,150	1.0	14	97.7	81,164	1.1
O-22	Ichigo Minami Ikebukuro Building	9	100.0	60,567	0.8	9	100.0	60,715	0.8
O-23	Ichigo Nakano North Building	6	100.0	41,975	0.5	7	100.0	43,225	0.6
O-24	Ichigo Eitai Building	9	93.2	68,862	0.9	10	100.0	65,640	0.8
O-26	Ichigo Ikejiri Building	5	100.0	78,385	1.0	5	91.1	74,658	1.0
O-27	Ichigo Nishi Ikebukuro Building	1	100.0	29,217	0.4	1	100.0	29,217	0.4
O-28	Ichigo Nishi Gotanda Building	9	100.0	35,409	0.5	9	100.0	35,476	0.5
O-29	Ichigo Kichijoji Building	13	100.0	113,674	1.4	13	100.0	113,736	1.5
O-34	Ichigo Sakae Building	19	100.0	217,598	2.8	19	100.0	217,585	2.8
O-37	Ichigo Marunouchi Building	22	85.1	235,821	3.0	25	100.0	239,342	3.1
O-38	Ichigo Toyamaeki Nishi Building	16	100.0	114,885	1.5	15	98.9	116,848	1.5
O-39	Ichigo Mirai Shinkin Building	20	95.8	77,044	1.0	19	92.2	75,594	1.0
O-42	Ichigo Takamatsu Building	14	98.7	155,609	2.0	14	98.7	154,311	2.0
O-46	Ichigo Kanda Nishikicho Building	9	100.0	99,346	1.3	8	69.2	66,826	0.9
O-47	Ichigo Akihabara North Building	1	100.0	229,131	2.9	1	100.0	230,015	3.0
O-48	Ichigo Sakaisuji Honmachi Building	15	100.0	96,835	1.2	15	100.0	96,095	1.2
O-49	Ichigo Kanda Ogawamachi Building	9	100.0	85,011	1.1	9	100.0	84,630	1.1
O-50	Ichigo Hatchobori Building	7	100.0	95,823	1.2	7	100.0	98,134	1.3
O-51	Ebisu Green Glass	6	100.0	170,178	2.2	5	80.8	186,302	2.4
O-52	Ichigo Omori Building	10	100.0	134,140	1.7	10	100.0	137,445	1.8
O-53	Ichigo Takadanobaba Building	8	100.0	60,878	0.8	7	84.5	59,333	0.8
O-54	Ichigo Omiya Building	30	100.0	165,102	2.1	30	100.0	164,012	2.1
O-55	Ichigo Sagamiyara Building	13	100.0	60,192	0.8	13	100.0	59,890	0.8
O-56	Ichigo Ofuna Building	9	100.0	93,449	1.2	9	100.0	92,577	1.2
O-57	Ichigo Sendai East Building	10	100.0	102,674	1.3	10	100.0	103,914	1.3
O-58	Ichigo Kumamoto Building	31	94.1	84,149	1.1	32	98.4	82,391	1.1
O-59	Ichigo Jingumae Building	5	89.5	203,650	2.6	6	97.1	165,802	2.1
O-60	Ichigo Shibuya Dogenzaka Building	8	88.1	130,097	1.7	9	88.1	97,588	1.3
O-61	Ichigo Hiroo Building	5	100.0	136,310	1.7	5	100.0	127,485	1.7
O-62	Ichigo Sasazuka Building	6	100.0	186,312	2.4	6	100.0	184,462	2.4
O-63	Ichigo Nihonbashi East Building	7	100.0	150,181	1.9	7	100.0	149,189	1.9
O-64	Ichigo Sakurabashi Building	6	100.0	82,766	1.1	6	100.0	75,897	1.0
O-65	Ichigo Shinkawa Building	5	68.8	70,775	0.9	6	90.2	65,102	0.8
O-66	Ichigo Kudan Building	10	100.0	107,273	1.4	10	100.0	108,304	1.4
O-67	Ichigo Higashi Gotanda Building	17	94.3	132,406	1.7	18	95.5	118,901	1.5
O-68	Axior Mita	11	100.0	68,332	0.9	11	100.0	68,332	0.9
O-69	Ichigo Higashi Ikebukuro Building	19	100.0	160,338	2.0	17	100.0	162,548	2.1

Asset Name	30th Fiscal Period From May 1, 2020 to October 31, 2020				31st Fiscal Period From November 1, 2020 to April 30, 2021			
	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at Period-end (tenants) (Note 1)	Occupancy at Period-end (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)
O-70 Koriyama Big-i (Office Section)	14	100.0	104,426	1.3	14	100.0	104,556	1.4
O-71 Ichigo Kawasaki Building	17	100.0	89,178	1.1	16	93.2	85,908	1.1
O-72 Ichigo Shibuya East Building	2	84.1	46,566	0.6	3	100.0	40,127	0.5
O-73 Ichigo Ningyocho Building	8	100.0	47,896	0.6	8	100.0	47,838	0.6
O-74 Ichigo Nishi Honmachi Building	31	100.0	111,432	1.4	31	98.7	110,127	1.4
O-75 Ichigo Hakata Building	28	100.0	53,067	0.7	28	100.0	53,059	0.7
O-76 Ichigo Nishiki First Building	5	82.1	75,036	1.0	6	100.0	74,006	1.0
O-77 Ichigo Ikenohata Building	7	100.0	164,835	2.1	7	100.0	164,032	2.1
O-78 Ichigo Ikebukuro East Building	3	100.0	95,706	1.2	3	100.0	96,508	1.2
O-79 Ichigo Motoazabu Building	3	100.0	67,648	0.9	3	100.0	68,293	0.9
O-80 Ichigo Otsuka Building	7	100.0	102,756	1.3	7	100.0	101,940	1.3
O-81 Ichigo Nagoya Building	36	100.0	151,609	1.9	35	100.0	149,465	1.9
O-82 Ichigo Fushimi Building	40	95.7	93,997	1.2	37	94.8	92,201	1.2
O-83 Ichigo Nishiki Building	24	94.3	49,528	0.6	24	97.0	49,736	0.6
O-84 Ichigo Minami Morimachi Building	12	100.0	49,830	0.6	12	100.0	49,762	0.6
O-85 Ichigo Shibuya Udagawacho Building	9	100.0	89,935	1.1	6	67.3	75,849	1.0
O-86 Win Gotanda Building	11	100.0	110,885	1.4	11	100.0	110,082	1.4
O-87 Ichigo Hongo Building	7	100.0	94,018	1.2	7	100.0	93,190	1.2
O-88 Oimachi Center Building	8	100.0	74,321	0.9	8	100.0	62,918	0.8
O-89 Win Gotanda Building 2	10	100.0	106,550	1.4	9	88.7	100,817	1.3
O-90 MIF Building	7	100.0	66,075	0.8	7	100.0	66,088	0.9
O-91 Ichigo Uchi Honmachi Building	18	100.0	65,723	0.8	18	100.0	65,759	0.9
O-92 Ichigo Minami Otsuka Building	8	100.0	79,552	1.0	8	100.0	79,186	1.0
O-93 Ichigo Nogizaka Building	5	100.0	90,880	1.2	5	100.0	80,687	1.0
O-94 Ichigo Hakata East Building	21	100.0	74,496	0.9	20	100.0	74,353	1.0
O-95 Ichigo Nakameguro Building	5	90.0	34,338	0.4	6	100.0	34,705	0.4
O-96 Ichigo Tachikawa Building	-	-	-	-	15	95.7	85,076	1.1
Z-09 Konami Sports Club Izumi Fuchu	1	100.0	63,000	0.8	1	100.0	63,000	0.8
Z-10 Ichigo Shibuya Bunkamura Dori Building	4	100.0	74,921	1.0	4	100.0	74,979	1.0
Z-11 Twicere Yokohama Isogo (Retail Section)	7	80.8	57,626	0.7	7	80.8	50,728	0.7
Z-14 Ichigo Kamata Building	2	100.0	53,289	0.7	2	100.0	52,911	0.7
Total	924	97.5	7,862,088	100.0	934	97.2	7,725,167	100.0

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

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

Details of Renewable Energy Power Generation Equipment

N/A

Details of PPP and PFI

N/A

Details of Investments in Securities

N/A

4 Status of Other Assets

Trust beneficiary rights whose major asset is real estate are included in “3. Portfolio Overview” above, and major specified assets in which the Investment Corporation invests as of April 30, 2021 are as follows.

Contract Value and Market Value of Specified Transactions

The table below shows the contract value and fair value of a specified transaction at Ichigo Office as of April 30, 2021.

Classification	Type	Contract Amount (thousand yen)		Market Value (thousand yen) (Note 2)
		(Note 1)	Exceeding One Year (Note 1)	
Transactions Other than Market Transactions	Interest rate swap (pay fixed, receive floating)	95,638,000	77,321,000	—
Total		95,638,000	77,321,000	—

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

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

5 Assets by Country and Region

All Ichigo Office assets are located in Japan.

Capital Expenditures

1 Schedule of Capital Expenditures

The major renovation-related capital expenditures planned as of April 30, 2021 are as described below. The payment amount for the scheduled work below includes the amount classified as accounting expenses.

Asset Name (Location)	Purpose	Period	Expected Payment Amount (thousand yen)		
			Total Amount	Amount Paid in the Fiscal Period under Review	Amount Already Paid
Koriyama Big-i (Office Section) (Koriyama City, Fukushima)	Air Conditioning Upgrade (Phase 2)	From December 2021 to December 2021	50,050	—	—
Ichigo Kumamoto Building (Kumamoto City, Kumamoto)	Elevator Upgrade (Lift No.2)	From October 2021 to October 2021	29,140	—	—
Ichigo Kumamoto Building (Kumamoto City, Kumamoto)	Elevator Upgrade (Lift No.1)	From January 2022 to January 2022	29,140	—	—
Ichigo Nishi Honmachi Building (Nishi-ku, Osaka)	High-voltage Switching Equipment Upgrade	From September 2021 to September 2021	24,550	—	—
Ichigo Minami Morimachi Building (Kita-ku, Osaka)	Elevator Upgrade (Phase 1)	From October 2021 to October 2021	12,410	—	—
Ichigo Minami Morimachi Building (Kita-ku, Osaka)	Elevator Upgrade (Phase 2)	From November 2021 to November 2021	12,410	—	—
Ichigo Yotsuya 4 Chome Building (Shinjuku-ku, Tokyo)	Exterior Wall Renovation	From March 2022 to March 2022	6,665	—	—

2 Capital Expenditures during the Current Fiscal Period

Capital expenditures during the current fiscal period amounted to 677,483 thousand yen, and construction work of a total of 771,464 thousand yen were conducted, combined with repair expenses of 93,981 thousand yen.

Asset Name (Location)	Purpose	Period	Payment Amount (thousand yen)
Ichigo Nishi Honmachi Building (Nishi-ku, Osaka)	Air Conditioning Upgrade	From November 2020 to November 2020	28,936
Koriyama Big-i (Office Section) (Koriyama City, Fukushima)	Air Conditioning Upgrade	From September 2020 to December 2020	22,248
Ichigo Akasaka 5 Chome Building (Minato-ku, Tokyo)	Elevator Upgrade	From January 2021 to February 2021	10,270
Ichigo Minami Morimachi Building (Kita-ku, Osaka)	Automated Parking Renovation	From March 2021 to March 2021	10,238
	Other		605,790
	Total		677,483

3 Cash Reserves for Long-Term Repair and Maintenance Plans

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

	(Thousand yen)				
	27th Fiscal Period From November 1, 2018 to April 30, 2019	28th Fiscal Period From May 1, 2019 to October 31, 2019	29th Fiscal Period From November 1, 2019 to April 30, 2020	30th Fiscal Period From May 1, 2020 to October 31, 2020	31st Fiscal Period From November 1, 2020 to April 30, 2021
Balance of Reserves at Beginning of Period	1,537,351	1,491,865	1,542,418	1,546,103	1,586,617
Gains	642,828	614,687	787,498	646,051	695,825
Reversals	688,314	564,134	783,813	605,536	724,912
Amount Brought Forward to Next Period	1,491,865	1,542,418	1,546,103	1,586,617	1,557,530

Expenses and Liabilities

1 Details of Operating Expenses

(Thousand yen)

	30th Fiscal Period From May 1, 2020 to October 31, 2020	31st Fiscal Period From November 1, 2020 to April 30, 2021
a. Asset Management Fees	777,107	834,274
b. Asset Custody Fees	15,092	15,079
c. Administrative Service Fees	45,370	43,586
d. Directors' Compensation	5,040	5,040
e. Other Operating Expenses	75,511	62,012
Total	918,121	959,993

2 Borrowings

The table below shows borrowings as of April 30, 2021.

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	December 10, 2014	1,221	—	1.267 (Note 2)	December 10, 2020	(Note 3)	(Note 8)	No (No Guarantee)
	Mizuho Bank		1,221	—					
	Aozora Bank		781	—					
	Shinsei Bank		781	—					
	Resona Bank		586	—					
	MUFG Bank		781	—					
	SMBC	May 7, 2015	1,952	1,950	1.275 (Note 2)	May 7, 2021	(Note 4)		
	Mizuho Bank		1,952	1,950					
	Aozora Bank		589	588					
	Shinsei Bank		771	770					
	MUFG Bank		1,625	1,624					
	Resona Bank		1,362	1,361					
	Bank of Fukuoka		447	446					
	ORIX Bank	447	446						
	SMBC	May 7, 2015	1,952	1,950	1.347 (Note 2)	November 8, 2021	(Note 4)		
	Mizuho Bank		1,952	1,950					
	Aozora Bank		589	588					
	Shinsei Bank		773	772					
	MUFG Bank		1,625	1,624					
	Resona Bank		1,360	1,359					
	Bank of Fukuoka		447	446					
	ORIX Bank		447	446					
	SMBC	September 30, 2015	1,584	—	0.985 (Note 2)	March 31, 2021	(Note 5)		
	Mizuho Trust		286	—					
	Resona Bank		572	—					
	Aozora Bank		572	—					
	Mizuho Bank		1,066	—					
	ORIX Bank		286	—					
MUFG Bank	494		—						

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	May 9, 2016	1,436	1,435	0.808 (Note 2)	May 31, 2022	(Note 6)	(Note 8)	No (No Guarantee)
	Mizuho Bank		1,040	1,039					
	MUFG Bank		891	891					
	Shinsei Bank		495	495					
	SMBC	May 9, 2016	1,436	1,435	0.858 (Note 2)	November 30, 2022	(Note 6)		
	Mizuho Bank		1,040	1,039					
	MUFG Bank		891	891					
	Shinsei Bank		495	495					
	SMBC	May 24, 2016	1,783	1,782	0.705 (Note 2)	May 31, 2022	(Note 7)		
	Mizuho Bank		891	891					
	MUFG Bank		693	693					
	Shinsei Bank		594	594					
	Aozora Bank		495	495					
	Bank of Fukuoka		495	495					
	Nishi-Nippon City Bank		495	495					
	Resona Bank		346	346					
	SMBC	May 24, 2016	1,783	1,782	0.750 (Note 2)	November 30, 2022	(Note 7)		
	Mizuho Bank		891	891					
	MUFG Bank		693	693					
	Shinsei Bank		594	594					
	Aozora Bank		495	495					
	Bank of Fukuoka		495	495					
	Nishi-Nippon City Bank		495	495					
	Resona Bank		346	346					
	SMBC	November 2, 2016	1,000	1,000	0.845 (Note 2)	October 31, 2023	Lump-sum repayment		
	Development Bank of Japan	November 2, 2016	500	500	0.675	September 30, 2021	Lump-sum repayment		
	Development Bank of Japan	November 2, 2016	500	500	0.708	January 31, 2022	Lump-sum repayment		
	SMBC	May 10, 2017	1,100	1,100	0.852 (Note 2)	November 11, 2024	Lump-sum repayment		
Mizuho Bank	May 10, 2017	1,000	1,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Shinsei Bank	May 10, 2017	900	900	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Resona Bank	May 10, 2017	400	400	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Development Bank of Japan	May 10, 2017	2,000	2,000	0.871	May 10, 2023	Lump-sum repayment			
SMBC	November 7, 2017	215	215	0.761 (Note 2)	October 31, 2023	Lump-sum repayment			
Mizuho Bank		340	340						
MUFG Bank		283	283						
Resona Bank		237	237						
Shinsei Bank		135	135						
Bank of Fukuoka		195	195						
ORIX Bank		195	195						

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	November 7, 2017	633	633	0.948 (Note 2)	October 31, 2025	Lump-sum repayment	(Note 8)	No (No Guarantee)
	Mizuho Bank		508	508					
	MUFG Bank		425	425					
	Resona Bank		356	356					
	Shinsei Bank		201	201					
	Aozora Bank		257	257					
	SMBC	April 27, 2018	352	352	0.990 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Trust		1,352	1,352					
	Aozora Bank		901	901					
	Shinsei Bank		901	901					
	Resona Bank		448	448					
	SMBC	May 9, 2018	400	400	0.795 (Note 2)	April 30, 2024	Lump-sum repayment		
	Mizuho Bank		350	350					
	Shinsei Bank		300	300					
	MUFG Bank		300	300					
	Bank of Fukuoka		225	225					
	The Kagawa Bank		200	200					
	Nishi-Nippon City Bank		225	225					
	SMBC	June 15, 2018	835	835	0.860 (Note 2)	November 11, 2024	Lump-sum repayment		
	Mizuho Bank		491	491					
	Shinsei Bank		393	393					
	MUFG Bank		393	393					
	Aozora Bank		393	393					
	Resona Bank		294	294					
	The Kagawa Bank		147	147					
	SMBC	September 28, 2018	500	500	0.643	February 29, 2024	Lump-sum repayment		
	Mizuho Bank	September 28, 2018	400	400	0.643	February 29, 2024	Lump-sum repayment		
	SMBC	October 31, 2018	1,000	1,000	0.962 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Bank	October 31, 2018	400	400	0.723	April 30, 2026	Lump-sum repayment		
	Shinsei Bank	October 31, 2018	200	200	0.723	April 30, 2026	Lump-sum repayment		
SMBC	November 30, 2018	954	954	0.975 (Note 2)	September 30, 2026	Lump-sum Repayment			
Mizuho Bank		773	773						
Shinsei Bank		483	483						
Aozora Bank		656	656						
SMBC	December 21, 2018	830	830	0.907 (Note 2)	September 30, 2026	Lump-sum Repayment			
Aozora Bank		570	570						
SMBC	December 28, 2018	250	250	0.850 (Note 2)	April 30, 2026	Lump-sum repayment			
Mizuho Bank		400	400						
Development Bank of Japan		400	400						
MUFG Bank		300	300						
Shinsei Bank		250	250						
SMBC	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment			
Resona Bank	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment			

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	Bank of Fukuoka	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment	(Note 8)	No (No Guarantee)
	SMBC	July 31, 2019	1,239	1,239	0.822 (Note 2)	March 25, 2027	Lump-sum repayment		
	Mizuho Bank		1,074	1,074					
	Shinsei Bank		743	743					
	Aozora Bank		743	743					
	Resona Bank		743	743					
	ORIX Bank		413	413					
	The Kagawa Bank		July 31, 2019	413					
	SMBC	September 30, 2019	692	692	0.726 (Note 2)	March 25, 2026	Lump-sum repayment		
	SMBC	November 29, 2019	672	672	0.844 (Note 2)	September 27, 2027	Lump-sum repayment		
	Mizuho Bank		610	610					
	Shinsei Bank		641	641					
	MUFG Bank		549	549					
	SMBC	December 16, 2019	1,224	1,224	0.876 (Note 2)	September 27, 2027	Lump-sum repayment		
	Mizuho Bank		1,224	1,224					
	Shinsei Bank		783	783					
	MUFG Bank		783	783					
	Aozora Bank		783	783					
	Resona Bank		587	587					
	The Kagawa Bank	March 31, 2020	955	955	0.668	March 25, 2027	Lump-sum repayment		
	SMBC	May 29, 2020	827	827	0.488	September 25, 2023	Lump-sum repayment		
	Shinsei Bank		790	790					
	Mizuho Bank		753	753					
	MUFG Bank		677	677					
	SMBC	May 29, 2020	543	543	0.740 (Note 2)	March 25, 2027	Lump-sum repayment		
	Shinsei Bank		518	518					
	Mizuho Bank		494	494					
	MUFG Bank		445	445					
	Aozora Bank	August 31, 2020	2,127	2,127	0.828 (Note 2)	August 25, 2028	Lump-sum repayment		
	Shinsei Bank	August 31, 2020	998	998	0.722 (Note 2)	March 25, 2027	Lump-sum repayment		
	Shinsei Bank	August 31, 2020	1,000	1,000	0.828 (Note 2)	August 25, 2028	Lump-sum repayment		
	Mizuho Bank	August 31, 2020	400	400	0.828 (Note 2)	August 25, 2028	Lump-sum repayment		
SMBC	December 10, 2020	—	407	0.569 (Note 2)	September 25, 2025	Lump-sum repayment			
MUFG Bank		—	781						
Resona Bank		—	586						
Mizuho Bank		—	407						
Shinsei Bank		—	260						
Aozora Bank		—	260						
SMBC		December 10, 2020	—				814	0.787 (Note 2)	November 27, 2028
Mizuho Bank	—		814						
Shinsei Bank	—		521						
Aozora Bank	—		521						

	Lender	Loan Date	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized		
Long-Term Loans	SMBC	December 18, 2020	—	800	0.802 (Note 2)	November 27, 2028	Lump-sum repayment	(Note 8)	No (No Guarantee)		
	Mizuho Bank	December 18, 2020	—	700	0.802 (Note 2)	November 27, 2028	Lump-sum repayment				
	Bank of Yokohama Bank	December 18, 2020	—	500	0.802 (Note 2)	November 27, 2028	Lump-sum repayment				
	SMBC	March 31, 2021	—	527	0.479	September 25, 2024	Lump-sum repayment				
	MUFG Bank		—	494							
	Mizuho Bank		—	355							
	Bank of Yokohama		—	285							
	Mizuho Trust & Banking		—	95							
	SMBC	March 31, 2021	—	1,055	0.876 (Note 2)	March 26, 2029	Lump-sum repayment				
	Mizuho Bank		—	710							
	Aozora Bank		—	571							
	Resona Bank		—	571							
	Mizuho Trust & Banking		—	190							
	Total			103,945	105,896						

- (Note 1) Average Interest Rate indicates a weighted average of interest rates during the period based on the number of days, and it is rounded down to the stated unit.
- (Note 2) To avoid interest rate risk, an interest rate swap agreement has been signed separately to fix the interest rates, and the weighted average interest rate during the period after the effect of the interest rate swap is stated.
- (Note 3) The remaining balance was repaid on December 10, 2020.
- (Note 4) 4 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 5) The remaining balance was repaid on March 31, 2021.
- (Note 6) 1 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 7 million yen.
- (Note 7) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date. The balance at period-end includes long-term borrowings due within one year of 11 million yen.
- (Note 8) The proceeds are used for acquisition of assets and/or beneficiary rights of real estate in trust and repayment of loans.

3 Investment Corporation Bonds

The status of investment corporation bonds outstanding as of April 30, 2021 is as follows:

	Date of Issuance	Balance at Period-start (million yen)	Balance at Period-end (million yen)	Interest Rate (%)	Redemption Date	Redemption Method	Use	Collateralized
First unsecured investment corporation bonds	September 22, 2017	1,200	1,200	0.900	September 22, 2027	Lump-sum repayment	(Note 1)	No (No guarantee)
Second unsecured investment corporation bonds	April 26, 2018	1,000	1,000	0.900	April 26, 2028	Lump-sum repayment		
Third unsecured investment corporation bonds	November 29, 2018	1,000	1,000	0.750	November 28, 2025	Lump-sum repayment		
Fourth unsecured investment corporation bonds	July 26, 2019	1,200	1,200	0.890	July 26, 2029	Lump-sum repayment		
Fifth unsecured investment corporation bonds	March 26, 2020	1,000	1,000	0.300	March 26, 2025	Lump-sum repayment		
Total		5,400	5,400					

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

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

4 Short-Term Investment Corporation Bonds

N/A

5 Share Options

N/A

Acquisitions and Sales during the Fiscal Period

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

Asset Name	Acquisitions		Sales			
	Date	Price (million yen) (Note 1)	Date	Price (million yen) (Note 1)	Book Value (million yen)	Gain (loss) on Sales (million yen)
Ichigo Tachikawa Building	December 18, 2020	3,830	—	—	—	—

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

2 Acquisition and Sales of Other Assets

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

3 Review of Asset Values (Appraisal Values)

(1) Real Estate

Transaction	Asset Name	Transaction Date	Transaction Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraiser	Date of Appraisal
Acquisition	Ichigo Tachikawa Building	December 18, 2020	3,830	4,000	Daiwa Real Estate Appraisal Co., Ltd	November 1, 2020

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

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

(2) Other

For assets that require a transaction price investigation pursuant to Article 201 of the Act on Investment Trusts and Investment Corporations and were not part of the list shown above, Ichigo Office entrusted the price inspection to Grant Thornton Taiyo LLC. For the inspection period from November 1, 2020 to April 30, 2021, the transactions subject to price verification were six interest rate swaps. With respect to the price verification of these interest rate swaps, all related research work was outsourced, including identification of the transaction counterparties, currency, interest rates, maturity, and other relevant transaction information.

4 Transactions with Related Parties

(1) Transactions

N/A

(2) Amount of Fees Paid

N/A

5 Transactions between the Asset Management Company and its Other Businesses

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

Financial Statements

1 Assets, Liabilities, Principal, Profit and Loss

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

2 Changes in Method of Depreciation

N/A

3 Changes in Method of Real Estate and Infrastructure Assets Appraisal

N/A

Other

1 Ichigo Office Shares Held by Asset Management Company

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

(1) Transactions

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

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

(2) Status of Holdings

	Number of Shares Held at Period-end (shares)	Value of Shares Held at Period-end (thousand yen)(Note)	Ratio of Total Outstanding Shares (%)
22nd Fiscal Period (May 1, 2016 to October 31, 2016)	1,400	98,980	0.1
23rd Fiscal Period (November 1, 2016 to April 30, 2017)	1,400	88,340	0.1
24th Fiscal Period (May 1, 2017 to October 31, 2017)	1,400	103,040	0.1
25th Fiscal Period (November 1, 2017 to April 30, 2018)	1,400	113,820	0.1
26th Fiscal Period (May 1, 2018 to October 31, 2018)	1,400	129,640	0.1
27th Fiscal Period (November 1, 2018 to April 30, 2019)	1,400	143,640	0.1
28th Fiscal Period (May 1, 2019 to October 31, 2019)	1,400	155,540	0.1
29th Fiscal Period (November 1, 2019 to April 30, 2020)	1,400	95,760	0.1
30th Fiscal Period (May 1, 2020 to October 31, 2020)	1,400	94,500	0.1
31st Fiscal Period (November 1, 2020 to April 30, 2021)	1,400	133,700	0.1

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

2 Notices

(1) Shareholder Meeting

N/A

(2) Board of Directors

N/A

3 Disclosure of Affiliated Foreign Real Estate Holding Companies

N/A

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

N/A

5 Other

In this document, whole numbers are rounded down and ratios are rounded off, unless otherwise specified.
(Auditor's Report 用に確保)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ichigo Office REIT Investment Corporation

Opinion

We have audited the financial statements of Ichigo Office REIT Investment Corporation (the Company), which comprise the balance sheet as at April 30, 2021, and the income statement, the statement of changes in net assets, the statement of dividends and the cash flow statement for the six months then ended, and notes to the financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and its financial performance and its cash flows for the six month then ended in accordance with the Ministerial Order for the Rules on Terminology, Forms, and Preparation Methods of Financial Statements, and Ordinance of Accountings of Investment Corporations and accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory Directors are responsible for overseeing the Director's execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, an understanding of internal control relevant to the audit in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Executive Director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with him all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Katsuhiko Kaneko 

Katsuhiko Kaneko

Designated Engagement Partner

Certified Public Accountant

Hiroaki Ohkane 

Hiroaki Ohkane

Designated Engagement Partner

Certified Public Accountant

Grant Thornton Taiyo LLC

Tokyo, Japan

26th July ,2021

1. Financial Statements

(1) Balance Sheet

(Thousand Yen)

	Previous fiscal period (As of October 31, 2020)	Current fiscal period (As of April 30, 2021)
Assets		
Current assets		
Cash and deposits	12,255,742	8,884,298
Cash and deposits in trust	13,933,066	14,194,614
Operating accounts receivable	30,923	13,030
Prepaid expenses	413,999	444,428
Consumption taxes receivable	—	59,893
Other	4,068	2,316
Total current assets	26,637,799	23,598,581
Non-current assets		
Property, plant and equipment		
Buildings	7,116,749	7,208,238
Accumulated depreciation	(1,855,835)	(1,964,818)
Buildings, net	5,260,913	5,243,420
Structures	26,472	29,066
Accumulated depreciation	(23,992)	(24,293)
Structures, net	2,480	4,773
Machinery and equipment	333,883	336,180
Accumulated depreciation	(181,060)	(194,478)
Machinery and equipment, net	152,823	141,702
Tools, furniture and fixtures	66,648	67,417
Accumulated depreciation	(49,728)	(52,365)
Tools, furniture and fixtures, net	16,920	15,052
Land	15,638,558	15,638,558
Buildings in trust	44,203,750	45,672,055
Accumulated depreciation	(9,020,897)	(9,721,825)
Buildings in trust, net	35,182,853	35,950,230
Structures in trust	66,046	69,520
Accumulated depreciation	(32,540)	(34,504)
Structures in trust, net	33,506	35,015
Machinery and equipment in trust	689,618	773,363
Accumulated depreciation	(340,159)	(367,569)
Machinery and equipment in trust, net	349,459	405,794
Tools, furniture and fixtures in trust	241,607	268,992
Accumulated depreciation	(154,044)	(169,005)
Tools, furniture and fixtures in trust, net	87,563	99,986
Land in trust	137,827,799	140,668,104
Construction in progress in trust	4,362	5,137
Total property, plant and equipment	194,557,241	198,207,776
Intangible assets		
Leasehold rights in trust	4,494,579	4,494,579
Total intangible assets	4,494,579	4,494,579
Investments and other assets		
TK (<i>tokumei kumiai</i>) real estate equity interest	50,654	—
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	1,077,427	1,188,361
Other	106,742	113,058
Total investments and other assets	1,244,824	1,311,420
Total non-current assets	200,296,645	204,013,776
Deferred assets		
Bond issuance expenses	46,135	42,430
Total deferred assets	46,135	42,430
Total Assets	226,980,580	227,654,788

(Thousand Yen)

	Previous fiscal period (As of October 31, 2020)	Current fiscal period (As of April 30, 2021)
Liabilities		
Current Liabilities		
Operating accounts payable	677,572	588,212
Long-term loans (due within one year)	19,941,293	19,317,000
Accounts payable – other	603,607	974,987
Accrued expenses	15,264	13,316
Income taxes payable	605	605
Accrued consumption taxes	137,830	77,741
Advances received	1,473,971	1,577,403
Other	17,725	20,619
Total current liabilities	22,867,869	22,569,885
Long-Term Liabilities		
Investment corporation bonds	5,400,000	5,400,000
Long-term borrowings	84,004,250	86,579,000
Tenant leasehold and security deposits	1,468,543	1,512,979
Tenant leasehold and security deposits in trust	8,893,934	9,032,195
Asset retirement obligations	10,207	19,360
Other	92,975	93,765
Total long-term liabilities	99,869,911	102,637,300
Total Liabilities	122,737,780	125,207,186
Net Assets		
Shareholders' Equity		
Shareholders' capital	67,675,274	67,675,274
Surplus		
Capital reserve surplus	20,566,420	20,566,420
Capital reserve surplus deduction	—	*2 (1,499,919)
Capital reserve surplus (net)	20,566,420	19,066,500
Discretionary reserves		
Reserve for dividends	3,368,625	3,368,625
Reserve for temporary difference adjustments	*3 9,319,544	*3 9,214,544
Total discretionary reserves	12,688,170	12,583,170
Unappropriated retained earnings (undisposed loss)	3,312,935	3,122,657
Total surplus	36,567,525	34,772,328
Total Shareholders' Equity	104,242,800	102,447,602
Total Net Assets	*1 104,242,800	*1 102,447,602
Total Liabilities and Net Assets	226,980,580	227,654,788

(2) Income Statement

(Thousand yen)

	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Operating Revenue		
Rental revenue	*1 7,267,491	*1 7,165,612
Other rental revenue	*1 594,597	*1 559,554
Dividend from TK (<i>tokumei kumiai</i>) real estate equity interest	1,654	—
Total operating revenue	7,863,743	7,725,167
Operating Expenses		
Rental expenses	*1 2,852,712	*1 2,841,732
Asset management fee	777,107	834,274
Asset custody fee	15,092	15,079
Administrative service fees	45,370	43,586
Directors' compensation	5,040	5,040
Other operating expenses	75,511	62,012
Total operating expenses	3,770,834	3,801,726
Operating Profit	4,092,909	3,923,441
Non-Operating Revenues		
Interest income	121	124
Reversal of distribution payable	783	861
Insurance payment income	640	—
Other	500	491
Total non-operating revenues	2,045	1,477
Non-operating expenses		
Interest expenses	517,240	494,155
Borrowing expenses	260,408	301,355
Amortization of bond issuance expenses	3,766	3,705
Other	—	3,376
Total non-operating expenses	781,414	802,592
Recurring Profit	3,313,540	3,122,326
Pre-tax income	3,313,540	3,122,326
Income taxes - current	605	605
Total income taxes	605	605
Net Income	3,312,935	3,121,721
Retained earnings brought forward	—	935
Unappropriated retained earnings (undisposed loss)	3,312,935	3,122,657

(3) Statement of Changes in Net Assets
 Previous fiscal period (May 1, 2020 to October 31, 2020)

(Thousand yen)

	Shareholders' equity				
	Shareholders' capital	Surplus			
		Capital reserve surplus	Discretionary reserves		
			Dividend reserve	Temporary difference adjustment reserve	Total discretionary reserves
Balance at beginning of period	67,675,274	20,566,420	3,002,120	9,424,544	12,426,665
Changes during the period					
Increase in dividend reserve			366,505	—	366,505
Release from temporary difference adjustment reserve				(105,000)	(105,000)
Dividends					
Net Income					
Total changes during the period	—	—	366,505	(105,000)	261,505
Balance at period-end	67,675,274	20,566,420	3,368,625	9,319,544	12,688,170

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	3,575,841	36,568,927	104,244,202	104,244,202
Changes during period				
Increase in dividend reserve	(366,505)	—	—	—
Release from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,314,336)	(3,314,336)	(3,314,336)	(3,314,336)
Net Income	3,312,935	3,312,935	3,312,935	3,312,935
Total changes during period	(262,906)	(1,401)	(1,401)	(1,401)
Balance at period-end	3,312,935	36,567,525	104,242,800	104,242,800

Current fiscal period (November 1, 2020 to April 30, 2021)

(Thousand yen)

	Shareholders' equity						
	Shareholders' capital	Surplus					
		Capital reserve surplus	Capital reserve surplus deduction	Capital reserve surplus (net)	Discretionary reserves		
Dividend reserve	Temporary difference adjustment reserve				Total discretionary reserves		
Balance at beginning of period	67,675,274	20,566,420	—	20,566,420	3,368,625	9,319,544	12,688,170
Changes during the period							
Release from temporary difference adjustment reserve						(105,000)	(105,000)
Dividends							
Net Income							
Share Buyback							
Share Cancellation			(1,499,919)	(1,499,919)			
Total changes during the period	—	—	(1,499,919)	(1,499,919)	—	(105,000)	(105,000)
Balance at period-end	67,675,274	20,566,420	(1,499,919)	19,066,500	3,368,625	9,214,544	12,583,170

	Shareholders' equity					Total net assets
	Surplus		Treasury Shares	Total shareholders' equity		
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	3,312,935	36,567,525	—	104,242,800	104,242,800	
Changes during the period						
Release from temporary difference adjustment reserve	105,000	—		—	—	
Dividends	(3,417,000)	(3,417,000)		(3,417,000)	(3,417,000)	
Net Income	3,121,721	3,121,721		3,121,721	3,121,721	
Share Buyback			(1,499,919)	(1,499,919)	(1,499,919)	
Share Cancellation		(1,499,919)	1,499,919	—	—	
Total changes during period	(190,278)	(1,795,197)	—	(1,795,197)	(1,795,197)	
Balance at period-end	3,122,657	34,772,328	—	102,447,602	102,447,602	

(4) Statement of Dividends

	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
I. Unappropriated Retained Earnings	3,312,935,101 yen	3,122,657,050 yen
II. Discretionary Reserve Reversal		
Reversal of Temporary Difference Adjustment Reserve	105,000,000 yen	105,000,000 yen
III. Total Dividends	3,417,000,010 yen	3,226,498,444 yen
(Dividend per share)	(2,230 yen)	(2,132 yen)
IV. Discretionary Reserves		
V. Retained Earnings Carried Forward	935,091 yen	1,158,606 yen
Method for calculating the amount of dividends	<p>The distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed 90% of “profit available for dividend” as provided for in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. Based on this policy, the decision was made to distribute, as dividends, 3,417,000,010 yen, which was the entire amount excluding the fractional portion where the amount of dividends per share was less than 1 yen from the amount after adding 105,000,000 yen of the reversal of the temporary difference adjustment reserve to 3,312,935,101 yen of unappropriated retained earnings. As a result, dividend per share came to 2,230 yen.</p>	<p>The distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed 90% of “profit available for dividend” as provided for in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. Based on this policy, the decision was made to distribute, as dividends, 3,226,498,444 yen, which was the entire amount excluding the fractional portion where the amount of dividends per share was less than 1 yen from the amount after adding 105,000,000 yen of the reversal of the temporary difference adjustment reserve to 3,122,657,050 yen of unappropriated retained earnings. As a result, dividend per share came to 2,132 yen.</p>

(5) Cash Flow Statement

(Thousand yen)

	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Cash flows from operating activities		
Pre-tax income	3,313,540	3,122,326
Depreciation	838,322	870,602
Interest income	(121)	(124)
Interest expense	517,240	494,155
Decrease (increase) in operating accounts receivable	(11,481)	17,892
Decrease (increase) in consumption taxes receivable	—	(59,893)
Decrease (increase) in prepaid expenses	9,896	(30,429)
Decrease (increase) in long-term prepaid expenses	(34,748)	(110,934)
Increase (decrease) in accrued consumption taxes	(96,711)	(60,089)
Increase (decrease) in operating accounts payable	45,370	(101,112)
Increase (decrease) in accounts payable	11,136	371,380
Increase (decrease) in advances received	(64,184)	103,432
Other	(28,931)	4,851
Subtotal	4,499,327	4,622,057
Purchase of property, plant and equipment	121	124
Interest expenses paid	(513,449)	(496,102)
Income taxes paid	(605)	(605)
Net Cash flows from (used for) operations	3,985,394	4,125,474
Cash flows from investing activities		
Purchase of property, plant and equipment	(41,741)	(94,251)
Purchase of property, plant and equipment in trust	(457,439)	(4,414,937)
Proceeds from tenant leasehold and security deposits	96,984	108,067
Repayments from tenant leasehold and security deposits	(163,566)	(63,631)
Proceeds from tenant leasehold and security deposits in trust	207,611	568,130
Repayments from tenant leasehold and security deposits in trust	(401,552)	(429,869)
Increase due to redemption of equity interest	—	50,654
Net Cash flows from (used for) investments	(759,705)	(4,275,838)
Cash flows from financing activities		
Increase in long-term borrowings	9,572,000	12,224,000
Decrease in long-term borrowings	(9,623,789)	(10,273,543)
Share buyback	—	(1,499,919)
Dividends paid	(3,312,810)	(3,416,058)
Net Cash flows from (used for) financing	(3,364,599)	(2,965,521)
Net increase (decrease) in cash and cash equivalents	(138,910)	(3,115,884)
Cash and cash equivalents at beginning of period	26,243,499	26,104,589
Cash and cash equivalents at end of period	*1 26,104,589	*1 22,988,704

(6) Notes to Financial Statements

(Going concern note)

N/A

(Summary of Significant Accounting Policies)

1. Standards and methods for valuation of securities	<p>Securities</p> <p>Other securities</p> <p>Securities without market value</p> <p>Securities are accounted at cost based on the moving-average method. Investments in TK (<i>tokumei kumiai</i>) real estate equity interest are accounted for using the equity method of accounting.</p>
2. Method of depreciation of fixed assets	<p>(1) Property, plant and equipment (including assets in trust)</p> <p>The depreciation of property, plant and equipment is calculated using the straight-line method.</p> <p>The useful lives of assets are as stated below.</p> <p>Buildings : 1 to 63 years</p> <p>Structures : 2 to 45 years</p> <p>Machinery and equipment : 1 to 15 years</p> <p>Tools, furniture and fixtures : 1 to 15 years</p> <p>(2) Long-term prepaid expenses</p> <p>The depreciation of long-term prepaid expenses is calculated using the straight-line method.</p>
3. Accounting for deferred assets	<p>Investment corporation bond issuance costs</p> <p>Investment corporation bond issuance costs are amortized equally over the period up to the redemption.</p>
4. Standards for recognition of revenues and expenses	<p>Accounting for fixed asset taxes, etc.</p> <p>Of the amount of fixed asset taxes, city planning taxes and depreciable asset taxes imposed on real estate owned that was assessed and determined, the amount corresponding to the relevant computation period is recognized as expenses in the rental business.</p> <p>The amount corresponding to fixed asset taxes for the first fiscal year that the Investment Corporation should incur associated with the acquisition of real estate or trust beneficiary interests in real estate is not expensed, but is included in the acquisition costs of the real estate.</p> <p>The amount corresponding to fixed asset taxes that was included in the acquisition costs of real estate for the previous fiscal period was 783 thousand yen.</p>
5. Method of hedge accounting	<p>(1) Method of hedge accounting</p> <p>In cases where the interest rate swaps meet the conditions for special treatment, the special treatment is adopted.</p> <p>(2) Hedging instruments and hedged items</p> <p>Hedging instruments: Interest rate swap transactions</p> <p>Hedged items: Interest on loans</p> <p>(3) Hedging policy</p> <p>The Investment Corporation conducts derivative transactions to hedge the risks set out in the Articles of Incorporation based on the risk management regulations.</p> <p>(4) Method for assessing the effectiveness of hedging</p> <p>The evaluation of the effectiveness of interest rate swaps is omitted because they meet the requirements for special treatment.</p>
6. Scope of funds on the cash flow statement	<p>Funds (cash and cash equivalents) on the cash flow statement consist of cash on hand, cash held in trust, bank deposits and bank deposits held in trust that can be withdrawn at any time, and short-term investments, with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and contain only an insignificant risk of value fluctuation.</p>
7. Other significant matters serving as the basis for preparing financial statements	<p>(1) Accounting for trust beneficiary interests in real estate</p> <p>For trust beneficiary interests in real estate, all trust assets and liabilities as well as all income generated and expenses incurred in trusts are recorded in the relevant accounts on the balance sheet and the income statement.</p> <p>The following material items of the trust accounts recorded in the relevant accounts are listed separately on the balance sheet.</p> <p>(i) Cash and deposits in trust</p> <p>(ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and land leasehold rights in trust</p> <p>(iii) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for consumption taxes</p> <p>The accounting for consumption taxes is tax exclusive. Non-deductible consumption taxes on assets are included in the acquisition costs of individual assets.</p>

(Notes to accounting standards not yet applied)

- “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 on March 31, 2020, Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 on March 31, 2021, Accounting Standards Board of Japan)

(1) Overview

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

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

(2) Planned date of application

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

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

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

- “Accounting Standard for Fair Value Management” (ASBJ Statement No.30 on July 4, 2019, Accounting Standards Board of Japan)

- “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10 on July 4, 2019, Accounting Standards Board of Japan)

- “Implementation Guidance on Accounting Standard for Fair Value Management” (ASBJ Guidance No. 31 on July 4, 2019, Accounting Standards Board of Japan)

(1) Overview

IASB and FASB issued new common fair value management measurements (IFRS 13 in IASB and Topic 820 in FASB) to develop accounting standards for fair value management. Under these circumstances, ASBJ also developed an accounting standard for fair value measurement and issued a new standard together with its implementation guidance.

As a basic policy for the development of the new standard, ASBJ determined to generally adopt all the principles of IFRS 13 in order to enhance the comparability of financial statements among domestic and overseas companies, by applying the consistent measurement methods. However, for any item to be considered arising from business practices in Japan, other treatments for the item shall be determined to the extent that comparability is not impaired.

(2) Planned date of application

The Accounting Standard for Fair Value Management, etc. will be applied at the beginning of the fiscal period ending October 2021.

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

The amount of the impact of applying the Accounting Standard for Fair Value Management, etc. on the financial statements is currently under review.

Notes

(Notes to balance sheet)

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

(Thousand yen)

	Previous fiscal period (As of October 31, 2020)	Current fiscal period (As of April 30, 2021)
	50,000	50,000

*2. Cancellation of Treasury Shares

	Previous fiscal period (As of October 31, 2020)	Current fiscal period (As of April 30, 2021)
No. of shares cancelled	—	18,920
Total amount of shares cancelled (JPY thousand)	—	1,499,919

*3. Provision and reversal of temporary difference adjustment reserves

Previous fiscal period (As of October 31, 2020)

(Thousand yen)

	Initial amount	Balance at beginning of period	Amount reserved during period	Amount reversed during period	Balance at end of period	Reasons for provision and reversal
Gain on Negative goodwill (Note)	10,432,940	9,424,544	—	105,000	9,319,544	Appropriation to dividends

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

Current fiscal period (As of April 30, 2021)

(Thousand yen)

	Initial amount	Balance at beginning of period	Amount reserved during period	Amount reversed during period	Balance at end of period	Reasons for provision and reversal
Gain on Negative goodwill (Note)	10,432,940	9,319,544	—	105,000	9,214,544	Appropriation to dividends

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

(Notes to Income Statement)

*1. Details of real estate rental income

(Thousand yen)

	Previous fiscal period (May 1, 2020 to October 31, 2020)		Current fiscal period (November 1, 2020 to April 30, 2021)	
A. Real estate rental revenue				
Rental Revenue				
Rental revenue	5,968,650		5,866,808	
Common area charges	972,042		965,585	
Parking lot rental revenue	262,743		270,179	
Facility use charges	64,055	7,267,491	63,038	7,165,612
Other rental revenue				
Utilities revenue	529,526		496,848	
Other	65,070	594,597	62,705	559,554
Total real estate rental revenue		7,862,088		7,725,167
B. Real estate rental expenses				
Rental expenses				
Service provider expenses	647,476		691,847	
Utilities	485,627		428,352	
Trust fees	34,699		37,994	
Depreciation	838,322		870,602	
Repair expenses	126,863		93,981	
Taxes and public dues	660,949		658,609	
Non-life insurance expenses	16,909		18,411	
Other rental expenses	41,863		41,931	
Total real estate rental expenses		2,852,712		2,841,732
C. Net rental income				
(A-B)		5,009,376		4,883,435

(Statement of changes in net assets)

	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Total number of authorized shares and total number of shares issued and outstanding		
Total number of authorized shares	14,000,000 shares	14,000,000 shares
Total number of shares issued and outstanding	1,532,287 shares	1,513,367 shares

(Notes to statement of dividends)

Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
By applying the transitional measures of Paragraph 3 of the Supplementary Provisions of the “Regulation on Accountings of Investment Corporations” (Cabinet Office Order No. 27 of 2015), an amount of 10,432,940,000 yen, which was the remaining balance of gain on negative goodwill was transferred to the temporary difference adjustment reserve account, and planned to equally reverse the entire amount within 50 years. The original policy was to reverse a minimum of 200,000,000 yen starting from the 23rd fiscal period, as stated on the statement of dividends for the 22nd fiscal period. But the policy has been changed to reversing a minimum of 105,000,000 yen starting from the 24th fiscal period. For this fiscal period, 105,000,000 yen will be reversed.	By applying the transitional measures of Paragraph 3 of the Supplementary Provisions of the “Regulation on Accountings of Investment Corporations” (Cabinet Office Order No. 27 of 2015), an amount of 10,432,940,000 yen, which was the remaining balance of gain on negative goodwill was transferred to the temporary difference adjustment reserve account, and planned to equally reverse the entire amount within 50 years. The original policy was to reverse a minimum of 200,000,000 yen starting from the 23rd fiscal period, as stated on the statement of dividends for the 22nd fiscal period. But the policy has been changed to reversing a minimum of 105,000,000 yen starting from the 24th fiscal period. For this fiscal period, 105,000,000 yen will be reversed.

(Notes to cash flow statement)

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

	(Thousand yen)	
	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Cash and deposits	12,255,742	8,884,298
Cash and deposits in trust	13,933,066	14,194,614
Miscellaneous deposits	(84,219)	(90,208)
Cash and cash equivalents	26,104,589	22,988,704

(Notes to lease transactions)

Operating lease transactions

(Lessee)

	(Thousand yen)	
	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Outstanding lease charges		
One year or less	71,935	67,289
Over one year	1,000,883	961,930
Total	1,072,818	1,029,220

(Lessor)

	(Thousand yen)	
	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Outstanding lease charges		
One year or less	6,564,526	7,573,266
Over one year	1,088,964	1,228,946
Total	7,621,436	8,802,213

(Notes to financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

The carrying amount on the balance sheet on October 31, 2020, the market value, and the difference between the carrying amount and the market value were as follows.

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

(Thousand yen)

	Carrying value	Market value	Difference
(1) Cash and deposits	12,255,742	12,255,742	—
(2) Cash and deposits in trust	13,933,066	13,933,066	—
Total assets	26,188,808	26,188,808	—
(3) Long-term borrowings (due within one year)	19,941,293	19,975,014	33,721
(4) Investment corporation bonds	5,400,000	5,325,970	(74,029)
(5) Long-term borrowings	84,004,250	84,866,346	862,096
Total liabilities	109,345,543	110,167,331	821,788
(6) Derivative transactions	—	—	—

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

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

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

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

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

(4) Investment corporation bonds

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

(6) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

The carrying amount on the balance sheet on April 30, 2021, the market value, and the difference between the carrying amount and the market value were as follows:

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

(Thousand yen)

	Carrying value	Market value	Difference
(1) Cash and deposits	8,884,298	8,884,298	—
(2) Cash and deposits in trust	14,194,614	14,194,614	—
Total assets	23,078,912	23,078,912	—
(3) Long-term borrowings (due within one year)	19,317,000	19,348,724	31,724
(4) Investment corporation bonds	5,400,000	5,326,130	(73,869)
(5) Long-term borrowings	86,579,000	87,364,694	785,694
Total liabilities	111,296,000	112,039,548	743,548
(6) Derivative transactions	—	—	—

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

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

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

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

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

(4) Investment corporation bonds

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

(6) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

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

(Thousand yen)

Classification	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
(1) TK (<i>tokumei kumiai</i>) real estate equity interest	50,654	—
(2) Tenant leasehold and security deposits	1,468,543	1,512,979
(3) Tenant leasehold and security deposits in trust	8,893,934	9,032,195

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

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

(Note 3) Maturity profile of monetary receivables after the fiscal period-end date (October 31, 2020) (Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Cash and deposits	12,255,742	—	—	—	—	—
Cash and deposits in trust	13,933,066	—	—	—	—	—
Total	26,188,808	—	—	—	—	—

Maturity profile of monetary receivables after the fiscal period-end date (April 30, 2021) (Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Cash and deposits	8,884,298	—	—	—	—	—
Cash and deposits in trust	14,194,614	—	—	—	—	—
Total	23,078,912	—	—	—	—	—

(Note 4) Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (October 31, 2020)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Long-term borrowings (due within one year)	19,941,293	—	—	—	—	—
Investment corporation bonds	—	—	—	—	1,000,000	4,400,000
Long-term borrowings	—	19,292,000	17,270,250	2,900,000	9,139,000	35,403,000
Total	19,941,293	19,292,000	17,270,250	2,900,000	10,139,000	39,803,000

Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (April 30, 2021)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years	Due after 5 years
Long-term borrowings (due within one year)	19,317,000	—	—	—	—	—
Investment corporation bonds	—	—	—	1,000,000	1,000,000	3,400,000
Long-term borrowings	—	19,266,000	10,547,000	8,102,000	13,340,000	35,324,000
Total	19,317,000	19,266,000	10,547,000	9,102,000	14,340,000	38,724,000

(Securities)

Previous fiscal period (As of October 31, 2020)

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

Current fiscal period (As of April 30, 2021)

N/A

(Notes to derivative transactions)

1. Non-hedge accounting derivatives

Not applicable in the previous fiscal period (ended October 31, 2020) and the current fiscal period (ended April 30, 2021).

2. Hedge accounting derivatives

Previous fiscal period (As of October 31, 2020)

(Thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Market value	Calculation method of market value
				Over one year		
Special treatment of interest rate swaps	Interest rate swap transaction (pay fixed, receive floating)	Long-term borrowings	95,443,543	76,002,250	(Note)	–

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

Current fiscal period (As of April 30, 2021)

(Thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Market value	Calculation method of market value
				Over a year		
Special treatment of interest rate swaps	Interest rate swap transaction (pay fixed, receive floating)	Long-term borrowings	95,638,000	77,321,000	(Note)	–

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

(Notes to retirement benefits)

Previous fiscal period (As of October 31, 2020)

N/A

Current fiscal period (As of April 30, 2021)

N/A

(Notes to tax effect accounting)

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

	Previous fiscal period (As of October 31, 2020)	Current fiscal period (As of April 30, 2021)
Deferred tax assets		
Valuation difference of assets transferred at merger	5,279,383	5,266,735
Asset retirement obligations	1,241	1,338
Tax loss carried forward	264,884	264,886
Other	22	14
Subtotal	5,545,531	5,532,975
Valuation allowance	(5,545,531)	(5,532,975)
Total deferred tax assets	-	-
Deferred tax assets (net)	-	-

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

	Previous fiscal period (As of October 31, 2020)	Current fiscal period (As of April 30, 2021)
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Deductible dividend distribution	(31.11%)	(31.11%)
Change in valuation allowance	(0.35%)	(0.35%)
Use of tax loss carried forward	0.00%	0.00%
Other	0.02%	0.02%
Effective tax rate	0.02%	0.02%

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

Previous fiscal period (May 1, 2020 to October 31, 2020)

N/A

Current fiscal period (November 1, 2020 to April 30, 2021)

N/A

(Notes to related party transactions)

1. The parent company and principal shareholders of Ichigo Office

Not applicable in the previous fiscal period (from May 1, 2020 to October 31, 2020) and the current fiscal period (from November 1, 2020 to April 30, 2021)

2. Affiliated companies

Not applicable in the previous fiscal period (from May 1, 2020 to October 31, 2020) and the current fiscal period (from November 1, 2020 to April 30, 2021)

3. Fellow subsidiaries

Not applicable in the previous fiscal period (from May 1, 2020 to October 31, 2020) and the current fiscal period (from November 1, 2020 to April 30, 2021)

4. Directors and principal individual shareholders

Not applicable in the previous fiscal period (from May 1, 2020 to October 31, 2020) and the current fiscal period (from November 1, 2020 to April 30, 2021)

(Asset retirement obligations)

Previous fiscal period (May 1, 2020 to October 31, 2020)

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

Current fiscal period (November 1, 2020 to April 30, 2021)

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

(Notes to rental assets)

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

(Thousand yen)

Use		Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Office	Carrying amount		
	Balance at the beginning of period	192,856,225	192,633,710
	Increase (decrease) during period	(222,514)	3,659,814
	Balance at period-end	192,633,710	196,293,525
	Market value at period-end	232,898,000	237,093,000
Other	Carrying amount		
	Balance at the beginning of period	6,440,815	6,413,747
	Increase (decrease) during period	(27,067)	(10,055)
	Balance at period-end	6,413,747	6,403,692
	Market value at period-end	7,500,000	6,936,000
Total	Carrying amount		
	Balance at the beginning of period	199,297,040	199,047,458
	Increase (decrease) during period	(249,582)	3,649,759
	Balance at period-end	199,047,458	202,697,218
	Market value at period-end	240,398,000	244,029,000

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

(Note 2) The major decrease in rental assets during the previous fiscal period was due to depreciation.

The major increase during the current fiscal period was due to the acquisition of trust beneficiary interests in real estate of one asset (3,833,554 thousand yen), and the major decrease was depreciation.

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

The details of real estate rental income are stated in “Notes to Income Statement.”

(Segment information)

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

(Related information)

Previous fiscal period (May 1, 2020 to October 31, 2020)

1. Information by product and service

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

2. Information by region

(1) Operating revenue

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

(2) Property, plant and equipment

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

3. Information by main customer

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

Current fiscal period (November 1, 2020 to May 30, 2021)

1. Information by product and service

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

2. Information by region

(1) Operating revenue

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

(2) Property, plant and equipment

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

3. Information by main customer

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

(Notes to per-share information)

	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Net assets per share (yen)	68,030	67,695
Net income per share (yen)	2,162	2,050

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

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

	Previous fiscal period (May 1, 2020 to October 31, 2020)	Current fiscal period (November 1, 2020 to April 30, 2021)
Net Income (Thousand yen)	3,312,935	3,121,721
Amount not attributable to common shareholders (Thousand yen)	—	—
Net income attributable to common shareholders (Thousand yen)	3,312,935	3,121,721
Average number of shares during period (Shares)	1,532,287	1,522,356

(Notes to Significant Subsequent Events)

N/A

(7) Supplementary Schedules

(i) Schedule of securities

(a) Stocks

N/A

(b) Securities other than stocks

N/A

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

(Thousand yen)

Classification	Type	Contract amount (Note 1)		Market value (Note 2)
			Exceeding 1 year	
Transactions other than market transactions	Interest rate swap (pay fixed, receive floating)	95,638,000	77,321,000	-
Total		95,638,000	77,321,000	-

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

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

(iii) Summary table of schedule of real estate

(Thousand yen)

Asset type	Balance at beginning of current period	Increase during period	Decrease during period	Balance at end of current period	Accumulated depreciation or accumulated amortization		Balance at end of current period	Remarks	
						Depreciation or amortization during period			
Property, plant and equipment	Buildings	7,116,749	91,489	—	7,208,238	1,964,818	108,983	5,243,420	(Note)
	Structures	26,472	2,594	—	29,066	24,293	300	4,773	(Note)
	Machinery and equipment	333,883	2,296	—	336,180	194,478	13,417	141,702	(Note)
	Tools, furniture and fixtures	66,648	768	—	67,417	52,365	2,637	15,052	(Note)
	Land	15,638,558	—	—	15,638,558	—	—	15,638,558	
	Buildings in trust	44,203,750	1,468,305	—	45,672,055	9,721,825	700,928	35,950,230	(Note)
	Structures in trust	66,046	3,473	—	69,520	34,504	1,963	35,015	(Note)
	Machinery and equipment in trust	689,618	83,745	—	773,363	367,569	27,410	405,794	(Note)
	Tools, furniture and fixtures in trust	241,607	27,384	—	268,992	169,005	14,961	99,986	(Note)
	Land in trust	137,827,799	2,840,304	—	140,668,104	—	—	140,668,104	
	Construction in progress in trust	4,362	817	41	5,137	—	—	5,137	
	Subtotal	206,215,499	4,521,179	41	210,736,636	12,528,860	870,602	198,207,776	
Intangible assets	Land leasehold rights in trust	4,494,579	—	—	4,494,579	—	—	4,494,579	
	Subtotal	4,494,579	—	—	4,494,579	—	—	4,494,579	
Total	210,710,078	4,521,179	41	215,231,216	12,528,860	870,602	202,702,355		

(Note) The major increase during the current fiscal period was due to the acquisition of Ichigo Tachikawa Building in real estate of one asset (3,833,554 thousand yen), and the major decrease was depreciation.

(iv) Schedule of other specified assets

N/A

(v) Schedule of investment corporation bonds

(Thousand yen)

	Date of issuance	Balance at period-start	Decrease during period	Balance at period-end	Interest rate (%)	Redemption date	Use	Security
First unsecured investment corporation bonds	September 22, 2017	1,200,000	—	1,200,000	0.900	September 22, 2027	(Note 1)	Unsecured/ unguaranteed
Second unsecured investment corporation bonds	April 26, 2018	1,000,000	—	1,000,000	0.900	April 26, 2028		
Third unsecured investment corporation bonds	November 29, 2018	1,000,000	—	1,000,000	0.750	November 28, 2025		
Fourth unsecured investment corporation bonds	July 26, 2019	1,200,000	—	1,200,000	0.890	July 26, 2029		
Fifth unsecured investment corporation bonds	March 26, 2020	1,000,000	—	1,000,000	0.300	March 26, 2025		
Total		5,400,000	—	5,400,000	—	—	—	—

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

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

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

(Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years
Investment corporation bonds	—	—	—	1,000,000	1,000,000

(vi) Schedule of loans

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
	SMBC	1,221,150	—	1,221,150	—	1.267 (Note 2)	December 10, 2020	(Note 3)	(Note 8)	No (No Guarantee)
	Mizuho Bank	1,221,170	—	1,221,170	—					
	Aozora Bank	781,550	—	781,550	—					
	Shinsei Bank	781,550	—	781,550	—					
	Resona Bank	586,170	—	586,170	—					
	MUFG Bank	781,550	—	781,550	—					
	SMBC	1,952,286	—	1,974	1,950,312	1.275 (Note 2)	May 7, 2021	(Note 4)		
	Mizuho Bank	1,952,286	—	1,974	1,950,312					
	Aozora Bank	589,444	—	596	588,848					
	Shinsei Bank	771,420	—	780	770,640					
	MUFG Bank	1,625,916	—	1,644	1,624,272					
	Resona Bank	1,362,842	—	1,378	1,361,464					
	Bank of Fukuoka	447,028	—	452	446,576	1.347 (Note 2)	November 8, 2021	(Note 4)		
	ORIX Bank	447,028	—	452	446,576					
	SMBC	1,952,286	—	1,974	1,950,312					
	Mizuho Bank	1,952,286	—	1,974	1,950,312					
	Aozora Bank	589,444	—	596	588,848					
	Shinsei Bank	773,398	—	782	772,616					
MUFG Bank	1,625,916	—	1,644	1,624,272	1,359,488	446,576	446,576			
Resona Bank	1,360,864	—	1,376	1,359,488						
Bank of Fukuoka	447,028	—	452	446,576						
ORIX Bank	447,028	—	452	446,576						

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	1,584,387	—	1,584,387	—	0.985 (Note 2)	March 31, 2021	(Note 5)	(Note 8)	No (No Guarantee)
	Mizuho Trust	286,064	—	286,064	—					
	Resona Bank	572,128	—	572,128	—					
	Aozora Bank	572,128	—	572,128	—					
	Mizuho Bank	1,066,878	—	1,066,878	—					
	ORIX Bank	286,064	—	286,064	—					
	MUFG Bank	494,750	—	494,750	—					
	SMBC	1,436,950	—	1,450	1,435,500	0.808 (Note 2)	March 31, 2021	(Note 6)		
	Mizuho Bank	1,040,550	—	1,050	1,039,500					
	MUFG Bank	891,900	—	900	891,000					
	Shinsei Bank	495,500	—	500	495,000					
	SMBC	1,436,950	—	1,450	1,435,500	0.858 (Note 2)	November 30, 2022	(Note 6)		
	Mizuho Bank	1,040,550	—	1,050	1,039,500					
	MUFG Bank	891,900	—	900	891,000					
	Shinsei Bank	495,500	—	500	495,000					
	SMBC	1,783,800	—	1,800	1,782,000	0.705 (Note 2)	May 31, 2022	(Note 7)		
	Mizuho Bank	891,900	—	900	891,000					
	MUFG Bank	693,700	—	700	693,000					
	Shinsei Bank	594,600	—	600	594,000					
	Aozora Bank	495,500	—	500	495,000					
	Bank of Fukuoka	495,500	—	500	495,000					
	Nishi-Nippon City Bank	495,500	—	500	495,000					
	Resona Bank	346,850	—	350	346,500					
	SMBC	1,783,800	—	1,800	1,782,000	0.750 (Note 2)	November 30, 2022	(Note 7)		
	Mizuho Bank	891,900	—	900	891,000					
	MUFG Bank	693,700	—	700	693,000					
	Shinsei Bank	594,600	—	600	594,000					
	Aozora Bank	495,500	—	500	495,000					
	Bank of Fukuoka	495,500	—	500	495,000					
	Nishi-Nippon City Bank	495,500	—	500	495,000					
	Resona Bank	346,850	—	350	346,500					
	SMBC	1,000,000	—	—	1,000,000					
Development Bank of Japan	500,000	—	—	500,000	0.675	September 30, 2021	Lump-sum repayment			
Development Bank of Japan	500,000	—	—	500,000	0.708	January 31, 2022	Lump-sum repayment			
SMBC	1,100,000	—	—	1,100,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Mizuho Bank	1,000,000	—	—	1,000,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Shinsei Bank	900,000	—	—	900,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Resona Bank	400,000	—	—	400,000	0.852 (Note 2)	November 11, 2024	Lump-sum repayment			
Development Bank of Japan	2,000,000	—	—	2,000,000	0.871	May 10, 2023	Lump-sum repayment			

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	215,000	—	—	215,000	0.761 (Note 2)	October 31, 2023	Lump-sum repayment	(Note 8)	No (No Guarantee)
	Mizuho Bank	340,000	—	—	340,000					
	MUFG Bank	283,000	—	—	283,000					
	Resona Bank	237,000	—	—	237,000					
	Shinsei Bank	135,000	—	—	135,000					
	Bank of Fukuoka	195,000	—	—	195,000					
	ORIX Bank	195,000	—	—	195,000					
	SMBC	633,000	—	—	633,000	0.948 (Note 2)	October 31, 2025	Lump-sum repayment		
	Mizuho Bank	508,000	—	—	508,000					
	MUFG Bank	425,000	—	—	425,000					
	Resona Bank	356,000	—	—	356,000					
	Shinsei Bank	201,000	—	—	201,000					
	Aozora Bank	257,000	—	—	257,000					
	SMBC	352,000	—	—	352,000	0.990 (Note 2)	April 30, 2026	Lump-sum repayment		
	Mizuho Trust	1,352,000	—	—	1,352,000					
	Aozora Bank	901,000	—	—	901,000					
	Shinsei Bank	901,000	—	—	901,000					
	Resona Bank	448,000	—	—	448,000					
	SMBC	400,000	—	—	400,000	0.795 (Note 2)	April 30, 2024	Lump-sum repayment		
	Mizuho Bank	350,000	—	—	350,000					
	Shinsei Bank	300,000	—	—	300,000					
	MUFG Bank	300,000	—	—	300,000					
	Bank of Fukuoka	225,000	—	—	225,000					
	The Kagawa Bank	200,000	—	—	200,000					
	Nishi-Nippon City Bank	225,000	—	—	225,000					
	SMBC	835,000	—	—	835,000	0.860 (Note 2)	November 11, 2024	Lump-sum repayment		
	Mizuho Bank	491,000	—	—	491,000					
	Shinsei Bank	393,000	—	—	393,000					
	MUFG Bank	393,000	—	—	393,000					
	Aozora Bank	393,000	—	—	393,000					
	Resona Bank	294,000	—	—	294,000					
	The Kagawa Bank	147,000	—	—	147,000					
SMBC	500,000	—	—	500,000	0.643				February 29, 2024	Lump-sum repayment
Mizuho Bank	400,000	—	—	400,000	0.643	February 29, 2024	Lump-sum repayment			
SMBC	1,000,000	—	—	1,000,000	0.962 (Note 2)	April 30, 2026	Lump-sum repayment			
Mizuho Bank	400,000	—	—	400,000	0.723	April 30, 2026	Lump-sum repayment			
Shinsei Bank	200,000	—	—	200,000	0.723	April 30, 2026	Lump-sum repayment			
SMBC	954,000	—	—	954,000	0.975 (Note 2)	September 30, 2026	Lump-sum repayment			
Mizuho Bank	773,000	—	—	773,000						
Shinsei Bank	483,000	—	—	483,000						
Aozora Bank	656,000	—	—	656,000						
SMBC	830,000	—	—	830,000	0.907 (Note 2)	September 30, 2026	Lump-sum repayment			
Aozora Bank	570,000	—	—	570,000						

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized			
Long-Term Loans	SMBC	250,000	—	—	250,000	0.850 (Note 2)	April 30, 2026	Lump-sum repayment	(Note 8)	No (No Guarantee)			
	Mizuho Bank	400,000	—	—	400,000								
	Development Bank of Japan	400,000	—	—	400,000								
	MUFG Bank	300,000	—	—	300,000								
	Shinsei Bank	250,000	—	—	250,000								
	SMBC	1,000,000	—	—	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment					
	Resona Bank	1,000,000	—	—	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment					
	Bank of Fukuoka	1,000,000	—	—	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment					
	SMBC	1,239,000	—	—	1,239,000	0.822 (Note 2)	March 25, 2027	Lump-sum repayment					
	Mizuho Bank	1,074,000	—	—	1,074,000								
	Shinsei Bank	743,000	—	—	743,000								
	Aozora Bank	743,000	—	—	743,000								
	Resona Bank	743,000	—	—	743,000								
	ORIX Bank	413,000	—	—	413,000								
	The Kagawa Bank	413,000	—	—	413,000						0.698 (Note 2)	September 25, 2025	Lump-sum repayment
	SMBC	692,000	—	—	692,000	0.726 (Note 2)	March 25, 2026	Lump-sum repayment					
	SMBC	672,000	—	—	672,000	0.844 (Note 2)	September 27, 2027	Lump-sum repayment					
	Mizuho Bank	610,000	—	—	610,000								
	Shinsei Bank	641,000	—	—	641,000								
	MUFG Bank	549,000	—	—	549,000								
	SMBC	1,224,000	—	—	1,224,000								
	Mizuho Bank	1,224,000	—	—	1,224,000	0.876 (Note 2)	September 27, 2027	Lump-sum repayment					
	Shinsei Bank	783,000	—	—	783,000								
	MUFG Bank	783,000	—	—	783,000								
	Aozora Bank	783,000	—	—	783,000								
	Resona Bank	587,000	—	—	587,000								
	The Kagawa Bank	955,000	—	—	955,000						0.668	March 25, 2027	Lump-sum repayment
	SMBC	827,000	—	—	827,000						0.488	September 25, 2023	Lump-sum repayment
	Shinsei Bank	790,000	—	—	790,000								
	Mizuho Bank	753,000	—	—	753,000								
MUFG Bank	677,000	—	—	677,000									
SMBC	543,000	—	—	543,000	0.740 (Note 2)	March 25, 2027	Lump-sum repayment						
Shinsei Bank	518,000	—	—	518,000									
Mizuho Bank	494,000	—	—	494,000									
MUFG Bank	445,000	—	—	445,000									
Aozora Bank	2,127,000	—	—	2,127,000	0.828 (Note 2)	August 25, 2028	Lump-sum repayment						
Shinsei Bank	998,000	—	—	998,000	0.722 (Note 2)	March 25, 2027	Lump-sum repayment						
Shinsei Bank	1,000,000	—	—	1,000,000	0.828 (Note 2)	August 25, 2028	Lump-sum repayment						
Mizuho Bank	400,000	—	—	400,000	0.828 (Note 2)	August 25, 2028	Lump-sum repayment						

	Lender	Balance at period-start (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at period-end (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	—	407,000	—	407,000	0.569 (Note 2)	September 25, 2025	Lump-sum repayment	(Note 8)	No (No Guarantee)
	MUFG Bank	—	781,000	—	781,000					
	Resona Bank	—	586,000	—	586,000					
	Mizuho Bank	—	407,000	—	407,000					
	Shinsei Bank	—	260,000	—	260,000					
	Aozora Bank	—	260,000	—	260,000					
	SMBC	—	814,000	—	814,000	0.787 (Note 2)	November 27, 2028	Lump-sum repayment		
	Mizuho Bank	—	814,000	—	814,000					
	Shinsei Bank	—	521,000	—	521,000					
	Aozora Bank	—	521,000	—	521,000					
	SMBC	—	800,000	—	800,000	0.802 (Note 2)	November 27, 2028	Lump-sum repayment		
	Mizuho Bank	—	700,000	—	700,000	0.802 (Note 2)	November 27, 2028	Lump-sum repayment		
	Bank of Yokohama	—	500,000	—	500,000	0.802 (Note 2)	November 27, 2028	Lump-sum repayment		
	SMBC	—	527,000	—	527,000	0.479	September 25, 2024	Lump-sum repayment		
	MUFG Bank	—	494,000	—	494,000					
	Mizuho Bank	—	355,000	—	355,000					
	Bank of Yokohama	—	285,000	—	285,000					
	Mizuho Trust & Banking	—	95,000	—	95,000					
	SMBC	—	1,055,000	—	1,055,000	0.876 (Note 2)	March 26, 2029	Lump-sum repayment		
	Mizuho Bank	—	710,000	—	710,000					
Aozora Bank	—	571,000	—	571,000						
Resona Bank	—	571,000	—	571,000						
Mizuho Trust & Banking	—	190,000	—	190,000						
Total		103,945,543	12,224,000	10,273,543	105,896,000					

(Note 1) Average Interest Rate indicates a weighted average of interest rates during the period based on the number of days, and it is rounded down to the stated unit.

(Note 2) To avoid interest rate risk, an interest rate swap agreement has been signed separately to fix the interest rates, and the weighted average interest rate during the period after the effect of the interest rate swap is stated.

(Note 3) The remaining balance was repaid on December 10, 2020.

(Note 4) 4 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.

The entire amount of the balance at period-end is long-term borrowings due within one year.

(Note 5) The remaining balance was repaid on March 31, 2021.

(Note 6) 1 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.

The balance at period-end is long-term borrowings due within one year of 7 million yen.

(Note 7) 2 million yen is repaid on the final business day every three months, and the remaining balance will be repaid on the last due date.

The balance at period-end is long-term borrowings due within one year of 11 million yen.

(Note 8) The proceeds are used for acquisition of assets and/or beneficiary rights of real estate in trust and repayment of loans.

(Note 9) The total amounts of long-term loans to be repaid for each year within five years after the balance sheet date are as follows.

(Thousand yen)

	Due within 1 year	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years
Long-term borrowings due within one year	19,317,000	—	—	—	—
Long-term borrowings	—	19,266,000	10,547,000	8,102,000	13,340,000
Total	19,317,000	19,266,000	10,547,000	8,102,000	13,340,000