

[Provisional Translation Only]

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January 24, 2023

Issuer

Ichigo Office REIT Investment Corporation ("Ichigo Office," 8975)

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Representative: Takaaki Fukunaga, Executive Director

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Asset Management Company

Ichigo Investment Advisors Co., Ltd. Representative: Hiroshi Iwai, President

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Acquisition of Two Office Assets (Ichigo Hakataeki Higashi Building, Fukuoka Kensetsu Kaikan)

Ichigo Office decided today to acquire two office assets, the Ichigo Hakataeki Higashi Building and Fukuoka Kensetsu Kaikan.

1. Asset Acquisition Summary

Total appraisal value: JPY 6,440 million Total acquisition price: JPY 6,250 million

Asset Number Asset Name ¹	O-99 Ichigo Hakataeki Higashi Building	O-100 Fukuoka Kensetsu Kaikan	
Asset Type	Office	Office	
Date Built	October 3, 1987	November 30, 1997	
Legal Form of Asset	Trust beneficiary interest in real estate (juekiken)	Trust beneficiary interest in real estate (<i>juekiken</i>)	
Appraisal Value ¹	JPY 3,630 million	JPY 2,810 million	
Acquisition Price ²	JPY 3,500 million	JPY 2,750 million	
Seller ⁴	GK Kizuna1		
Broker	None		
Contract Date	January 24, 2023		
Closing Date	January 27, 2023 (expected)		
Financing Method	Cash-on-hand, Loans (expected)		
Settlement Method	Lump-sum payment		

¹ Appraisal Value is calculated by Tanizawa Sogo Appraisal as of December 1, 2022, and is in compliance with the appraisal guidelines of Ichigo Investment Advisors ("IIA") as well as the rules of the Investment Trusts Association of Japan.

² Acquisition Price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

2. Acquisition Rationale

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

Ichigo Office acquired the Ichigo Marunouchi South Building on November 30, 2022 and sold the Ichigo Ikenohata Building on December 20, 2022 as part of its strategic portfolio restructuring during the April 2023 fiscal period. Ichigo Office is making use of the proceeds from the asset sale to acquire two mid-size office assets in Fukuoka City with earnings growth upside.

Post-acquisition, Ichigo Office's portfolio will consist of 84 office assets comprising 96.9% of the portfolio, and annual NOI is expected to increase by c. JPY 113 million. Ichigo Office will draw upon its operational capabilities to carry out value-add activities at the newly acquired office assets and drive stable earnings growth.

On January 28, 2022, Ichigo Office acquired a TK (tokumei kumai) equity interest in a bridge fund that includes the Ichigo Hakataeki Higashi Building, the Fukuoka Kensetsu Kaikan, and two other high-quality mid-size offices as its underlying assets and is operated by TK operator GK Kizuna1. The bridge fund, created with the support of sponsor Ichigo and its subsidiary Ichigo Estate, acquired four high-quality office assets from the Ichigo group in order to support Ichigo Office's acquisition-driven growth. Ichigo Office is acquiring the Ichigo Hakataeki Higashi Building and Fukuoka Kensetsu Kaikan by partially exercising a preferential negotiation right it received, free of charge, to acquire the four underlying assets of the bridge fund. The exercise period of the preferential negotiation right lasts until January 31, 2025, and Ichigo Office will continue to explore acquisition-driven growth opportunities.

The existing tenants of the Ichigo Hakataeki Higashi Building and Fukuoka Kensetsu Kaikan satisfy the tenant standard stated in the "Financial Report (*Yuka Shoken Hokokusho*)" (Japanese only) disclosed on July 28, 2022.

Please refer to Section 3 "Asset Details" below for additional details on the asset's features and characteristics that underpinned the acquisition decision.

For details of the TK equity interest acquisition, please see the January 27, 2022 release, "<u>Acquisition of TK Equity Interest in Four Office Assets (Bridge Fund) and Preferential Negotiation Right With Sponsor Support</u>" and for details of the revision to conditions for exercise of preferential negotiation right, please see the October 31, 2022 release "<u>Revision to Conditions for Exercise of Preferential Negotiation Right (GK Kizunal)</u>."

3. Asset Details

A. Ichigo Hakataeki Higashi Building

(1) Location

The eastern Hakata Station area is part of Fukuoka's main commercial district where many office buildings, occupied by financial institutions and major corporations, and hotels stand along a major thoroughfare.

The Ichigo Hakataeki Higashi Building is located near Hakata Station, which offers access to rail lines including the JR Kagoshima Main Line and the Fukuoka City Subway Kuko Line and conveniently connects to the Tenjin entertainment district and Fukuoka Airport.

The eastern Hakata Station area is expected to grow on the back of new redevelopment projects being planned as a result of Hakata Connected, a policy providing for relaxed floor-area ratio requirements for buildings meeting certain criteria.

(2) Building Features

The Ichigo Hakataeki Higashi Building is a mid-size office building located within a four-minute walk from the Chikushi Exit of Hakata Station, which offers access to rail lines including the JR Kagoshima Main Line and the Fukuoka City Subway Kuko Line.

The standard floor plate has a leasable area of 135 tsubo (c. 446m²) and is sub-divisible into six zones, and the building has raised access floors and individual air conditioning units therefore catering to the needs of many tenants.

Current tenants include the branch and sales offices of listed companies, construction companies, and a medical clinic.

(3) Building Photos and Location Map

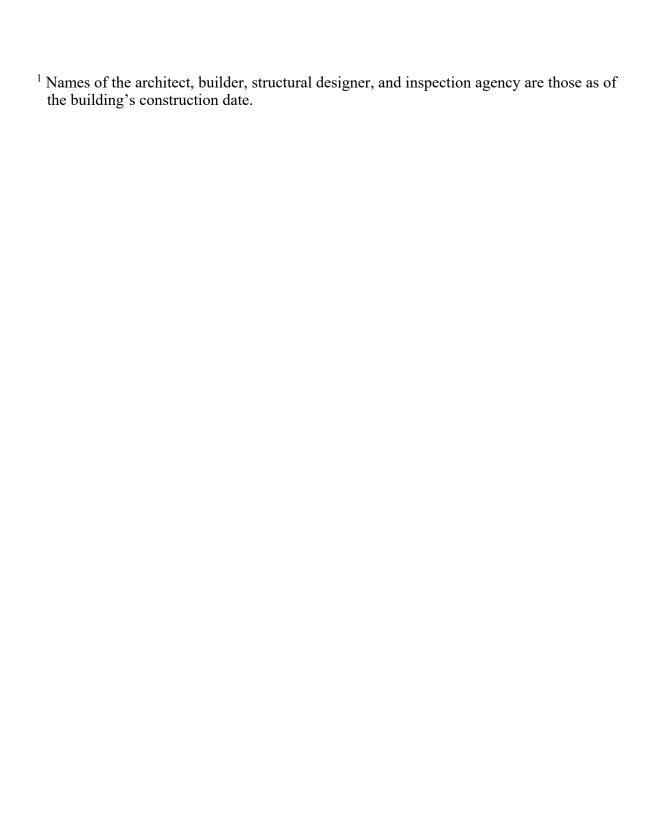






Asset Overview						
Asset Nan	Asset Name Ichigo Hakataeki Higashi Building					
Form of O	wnership		ciary interest		e (iuekiken)	
Trustee	1	Mitsubishi UFJ Trust and Banking Corporation				
Period of	Frust Contract		07 – January			
Location			ataeki Higash			tv
	Property Right	Freehold			J	
	Area	950.75m ²				
Land	Zoning	Commercia	1			
	Coverage Ratio Floor Area Ratio	80% 500%				
	Property Right	Freehold				
	Use	(1) Office (2	2) Pump roon	n		
Building	Structure		inforced Con ed Concrete,		S	
	Total Floor Area	(1) 4,871.45	5m ² (2) 17.25	m^2		
	Date Built	October 3, 1	987			
Appraiser	Appraiser Tanizawa Sogo Appraisal Co., Ltd.					
Appraisal	Value	JPY 3,630 r	nillion			
Appraisal Date December 1, 2022						
Value by I Method	Direct Capitalization	JPY 3,830 r	nillion			
Architect1		Tekken Cor	poration, Firs	st-Class Regi	stered Archit	ects Office
Builder ¹		Tekken Cor	poration, Fuk	tuoka Branch	l	
Structural	Designer ¹	Tekken Cor	poration, Firs	st-Class Regi	stered Archit	ects Office
Inspection	Agency ¹	Fukuoka Ci	ty			
Seismic Pl	ML (Assessor)	0.8% (Somp	oo Risk Mana	gement Inc.)		
Collateral		None				
	Leas	se Details (as	of Decembe	er 31, 2022)		
Number of		32				
	Lental Income	JPY 13.414 million				
Tenant Security Deposits JPY 122.363 million						
Leasable Area 3,596.71m ²						
Leased Area 3,483.18m ² Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 20			Dec 2022			
Occupancy			96.8%	94.1%	96.8%	
Property N Company	Management (OHI Co., Lt	d. (expected)			
	ase Company	Ichigo Offic	e (expected)			
Master Lea	ase Type	Pass-throug	h (expected)			
Special Items						

A lease termination notification was received from one of the tenants (leased area: 81.31m²) on September 27, 2022 and effective March 31, 2023. Occupancy is expected to be 94.6% after the lease termination.



Appraisal Details			
Asset Name	Ichigo Hakataeki Higashi Building		
Appraisal Value	JPY 3,630,000,000		
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.		
Appraisal Date December 1, 2022			

Apprais	sal Date	December 1,	2022
		Amount (JPY)	Note
	sal Value	3,630,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
	ue by Direct Capitalization thod	3,830,000,000	
Iı	ncome	220,727,714	
	Maximum Obtainable Rental Income	232,285,174	Based on expected long-term, stable rental income, common area service income, parking lot income, and other income
	Vacancy Loss	11,557,460	Based on long-term, normalized vacancy rates
E	xpenses	48,994,641	
	Administrative and Maintenance Expenses	12,516,551	Based on historical actual amounts
	Utility Expenses	12,775,514	Based on historical actual amounts
	Repair Expenses	3,925,000	Based on engineering reports
	PM Fee	4,834,372	Based on existing contractual fees
	Leasing Brokerage Fees	1,791,165	Based on tenant acquisition costs at similar assets
	Taxes	11,595,700	Based on FY2022 actual amounts
	Insurance Premiums	452,700	Based on quotes from insurance companies
	Other Expenses	1,103,639	Based on historical actual amounts
	Net Operating Income NOI)	171,733,073	
	Income on Investment of Deposits Received	1,537,164	Based on a 1.0% investment yield
	Capital Expenditure	8,635,000	Based on engineering reports
N	let Profit	164,635,237	
С	Cap Rate	4.3%	Based on transactions of similar assets, while taking into account the asset's location and specific characteristics, rights, and terms and conditions of the contract
Valu	ue via DCF Method	3,550,000,000	
Г	Discount Rate	4.4%	Based on transactions of similar assets and the current yield of financial assets, taking into consideration the asset's location and specific risks
Т	erminal Cap Rate	4.5%	Cap rate adjusted for uncertainties

Value via Cost Approach	3,660,000,000	
Ratio of Land	85.9%	
Ratio of Building	14.1%	
	Notes	
None		

Note: Appraisal NOI Yield: 4.9% (calculated by dividing NOI by Acquisition Price)

B. Fukuoka Kensetsu Kaikan

(1) Location

The eastern Hakata Station area is part of Fukuoka's main commercial district where many office buildings, occupied by financial institutions and major corporations, and hotels stand along a major thoroughfare.

The Fukuoka Kensetsu Kaikan is located near Higashi-Hie Station on the Fukuoka City Subway Kuko Line, offering convenient access to the Tenjin entertainment district and Fukuoka Airport, and also provides for access to Hakata Station on the JR Kagoshima Main Line.

The eastern Hakata Station area is expected to grow on the back of new redevelopment projects being planned as a result of Hakata Connected, a policy providing for relaxed floor-area ratio requirements for buildings meeting certain criteria.

(2) Building Features

The Fukuoka Kensetsu Kaikan is a mid-size office building located within a two-minute walk from Higashi-Hie Station on the Fukuoka City Subway Kuko Line.

The standard floor plate has a leasable area of 117 tsubo (c. 386m²) and is sub-divisible into five zones, and the building has raised access floors and individual air conditioning units therefore catering to the needs of many tenants.

Current tenants include construction companies, an industry organization, IT companies, and a real estate company.

(3) Building Photos and Location Map







Fukuoka Kensetsu Kaikan			Asse	t Overview			
Trustee Mitsubishi UFJ Trust and Banking Corporation Period of Trust Contract April 26, 2019 − January 31, 2033 (expected) Location 3-14-18 Hakataeki Higashi, Hakata-ku, Fukuoka City Property Right Freehold Coverage Ratio Floor Area Ratio Floor Freehold Building Structure Freehold Freeh	Asset Name		Fukuoka Kensetsu Kaikan				
Period of Trust Contract	Form of Ownership		Trust benefi	ciary interest	in real estate	(juekiken)	
December Capitalization Sulva Sekkei Kyodo Kumiai (FSK), First-Class Registered Architect of Fice Sumice PML (Assessor) O.1% (Sompo Risk Management Inc.) Science PML (Assessor) O.1% (Sompo Risk Management Inc.) Oct 2021 Apr 2022 Oct 2022 Dec 2	Trustee						
Property Right	Period of T	rust Contract	April 26, 2019 – January 31, 2033 (expected)				
Area 954.48m² Zoning Commercial Coverage Ratio Floor Area Ratio (1) 80% (2) 80% Floor Area Ratio (1) 500% (2) 400% Floor Area Ratio (1) 500% (2) 400% Freehold Use (1) Office (2) Storage Structure (1) Steel, 9 floors (2) Reinforced Concrete, 1 floor Total Floor Area (1) 4,357.40m² (2) 4.49m² Date Built November 30, 1997	Location		3-14-18 Hal	kataeki Higas	hi, Hakata-kı	ı, Fukuoka C	ity
		Property Right	Freehold				
Coverage Ratio Floor Area Ratio Freehold		Area	954.48m ²				
Floor Area Ratio (1) 500% (2) 400%	Land	Zoning	Commercial	1			
Property Right Freehold Use (1) Office (2) Storage Structure (1) Steel, 9 floors (2) Reinforced Concrete, 1 floor Total Floor Area (1) 4,357.40m² (2) 4.49m² Date Built November 30, 1997 November 31, 2022 November 31, 2022 November 31, 2022 November 31, 2021							
Use			`) 400%			
Structure							
Total Floor Area (1) 4,357.40m² (2) 4.49m² Date Built November 30, 1997		Use					
Date Built November 30, 1997	Building		` '	` ′		crete, 1 floor	
Appraiser Tanizawa Real Estate Appraisal Co., Ltd. Appraisal Value JPY 2,810 million Appraisal Date December 1, 2022 Value by Direct Capitalization Method JPY 2,890 million Architect¹ Fukuoka Sekkei Kyodo Kumiai (FSK), First-Class Registered Architect Office Builder¹ Takenaka Corporation, Kyushu Branch Structural Designer¹ Tokuta Sekkei Inspection Agency¹ Fukuoka City Seismic PML (Assessor) 0.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leased Area 2,949.22m² Leased Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)		Total Floor Area	(1) 4,357.40	$0 \text{m}^2 (2) 4.49 \text{m}^2$	<u>n</u> ²		
Appraisal Value JPY 2,810 million Appraisal Date December 1, 2022 Value by Direct Capitalization Method JPY 2,890 million Architect¹ Fukuoka Sekkei Kyodo Kumiai (FSK), First-Class Registered Architect Office Builder¹ Takenaka Corporation, Kyushu Branch Structural Designer¹ Tokuta Sekkei Inspection Agency¹ Fukuoka City Seismic PML (Assessor) 0.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leased Area 2,949.22m² Leased Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)		Date Built	November 3	30, 1997			
Appraisal Date Value by Direct Capitalization Method Architect¹ Architect¹ Fukuoka Sekkei Kyodo Kumiai (FSK), First-Class Registered Architect Office Builder¹ Takenaka Corporation, Kyushu Branch Structural Designer¹ Tokuta Sekkei Inspection Agency¹ Fukuoka City Seismic PML (Assessor) O.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leased Area 2,949.22m² Leased Area 2,949.22m² Leased Area 2,949.22m² Leased Area 2,949.22m² The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)	Appraiser		Tanizawa Real Estate Appraisal Co., Ltd.				
Value by Direct Capitalization Method JPY 2,890 million Architect¹ Fukuoka Sekkei Kyodo Kumiai (FSK), First-Class Registered Architect Office Builder¹ Takenaka Corporation, Kyushu Branch Structural Designer¹ Tokuta Sekkei Inspection Agency¹ Fukuoka City Seismic PML (Assessor) 0.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leased Area 2,949.22m² Leased Area 2,949.22m² Leased Area 2,949.22m² Cocupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 202	Appraisal \						
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Architect Office Builder¹ Takenaka Corporation, Kyushu Branch Structural Designer¹ Tokuta Sekkei Inspection Agency¹ Fukuoka City Seismic PML (Assessor) 0.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leased Area 2,949.22m² Leased Area 2,949.22m² Leased Area 2,949.22m² Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 Town 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)		Pirect Capitalization	*				
Structural Designer¹ Tokuta Sekkei Inspection Agency¹ Fukuoka City Seismic PML (Assessor) 0.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leased Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)	Architect ¹				Kumiai (FSK), First-Class	Registered
Inspection Agency¹ Fukuoka City Seismic PML (Assessor) 0.1% (Sompo Risk Management Inc.) Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leasable Area 2,949.22m² Leased Area 2,949.22m² Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)	Builder ¹		Takenaka C	orporation, K	Lyushu Branc	h	
Seismic PML (Assessor) Collateral None Lease Details (as of December 31, 2022) Number of Tenants Monthly Rental Income Tenant Security Deposits Leased Area 2,949.22m² Leased Area 2,949.22m² Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)	Structural	Designer ¹	Tokuta Sekl	xei			
Collateral None Lease Details (as of December 31, 2022) Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leasable Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% 100% 100% Property Management Company The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)	Inspection	Agency ¹	Fukuoka Ci	ty			
Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leasable Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% Property Management Company Master Lease Company Ichigo Office (expected)	Seismic PN	ML (Assessor)	0.1% (Sompo Risk Management Inc.)				
Number of Tenants 11 Monthly Rental Income JPY 12.162 million Tenant Security Deposits JPY 114.549 million Leasable Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% 100% Property Management Company The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)	Collateral		None				
Monthly Rental IncomeJPY 12.162 millionTenant Security DepositsJPY 114.549 millionLeasable Area2,949.22m²Leased Area2,949.22m²OccupancyApr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022Property Management Company100% 100% 100% 100%Master Lease CompanyThe Dai-ichi Building Co., Ltd. (expected)				of Decembe	r 31, 2022)		
Tenant Security Deposits JPY 114.549 million Leasable Area 2,949.22m² Leased Area 2,949.22m² Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% 100% 100% Property Management Company The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)							
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Occupancy Apr 2021 Oct 2021 Apr 2022 Oct 2022 Dec 2022 100% 100% 100% 100% 100% Property Management Company The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)			*				
Property Management Company The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)	Leased Area			0 + 2021	4 2022	0 + 2022	D 2022
Company The Dai-ichi Building Co., Ltd. (expected) Master Lease Company Ichigo Office (expected)	Occupancy		-				
Master Lease Company Ichigo Office (expected)		lanagement	The Dai-ich	i Building Co	o., Ltd. (expe	cted)	
		se Company	Ichigo Offic	e (expected)			
1910stel Lease 1 ype 1 ass-tillough (expected)							

Special Items

Fukuoka City has partial rights to 96.3m² of the land for the purpose of establishing a high-speed railway facility.

¹ The names of the architect, builder, structural designer, and inspection agency are those as of when the building was built.

Appraisal Details			
Asset Name	Fukuoka Kensetsu Kaikan		
Appraisal Value JPY 2,810,000,000			
Appraiser Tanizawa Real Estate Appraisal Co., Ltd.			
Appraisal Date December 1, 2022			

Appraisai Date	December 1,	2022
	Amount (JPY)	Note
Appraisal Value	2,810,000,000	Calculated using an income approach, with a DCF valuation as a basis and verified using a direct capitalization valuation
Value by Direct Capitalization Method	2,890,000,000	
Income	178,795,875	
Maximum Obtainable Rental Income	188,926,973	Based on expected long-term, stable rental income, common area service income, parking lot income, and other income
Vacancy Loss	10,131,098	Based on long-term, normalized vacancy rates
Expenses	41,485,182	
Administrative and Maintenance Expenses	10,266,157	Based on historical actual amounts
Utility Expenses	11,061,423	Based on historical actual amounts
Repair Expenses	5,040,000	Based on engineering reports
PM Fee	3,361,630	Based on existing contractual fees and reference to similar assets
Leasing Brokerage Fees	1,419,133	Based on tenant acquisition costs at similar assets
Taxes	9,027,300	Based on FY2022 actual amounts
Insurance Premiums	415,560	Based on quotes from insurance companies
Other Expenses	893,979	Based on historical actual amounts
Net Operating Income (NOI)	137,310,693	
Income on Investment of Deposits Received	1,202,411	Based on a 1.0% investment yield
Capital Expenditure	11,520,000	Based on engineering reports
Net Profit	126,993,104	
Cap Rate	4.4%	Based on transactions of similar assets, while taking into account the asset's location and specific characteristics, rights, and terms and conditions of the contract
Value via DCF Method	2,770,000,000	
Discount Rate	4.5%	Based on transactions of similar assets and the current yield of financial assets, taking into consideration the asset's location and specific risks
Terminal Cap Rate	4.6%	Cap rate adjusted for uncertainties
		•

Value via Cost Approach	2,720,000,000	
Ratio of Land	78.5%	
Ratio of Building	21.5%	
	Notes	
None		

Note: Appraisal NOI Yield: 5.0% (calculated by dividing NOI by Acquisition Price)

4. Seller Profile

Name	GK Kizuna1		
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo		
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Kenta Itoi		
Business	 Investment in trust beneficiary interests in real estate (juekiken) Acquisition, development, holding, management, and sale of real estate Other businesses relating to the aforementioned businesses 		
Paid-In Capital	JPY 100,000		
Establishment Date	January 4, 2022		
Total Assets	JPY 12,740 million (expected)		
Net Assets	JPY 100,000		
Relationship to Ichigo Office or Ichigo Investment Advisors (IIA)	Although the TK Operator is not a related party as defined in the Act on Investment Trusts and Investment Corporations, it is a related party as defined in the internal rules of IIA, because it receives asset management services from Ichigo Estate, which is a related party as defined in the Act on Investment Trusts and Investment Corporations.		

5. Ownership History

Asset Name	Ichigo Hakataeki Higashi Building			
	Current Owner	Previous Owner	Owner Before Previous Owner	
Name	GK Kizuna1	GK Sunrise	Unrelated Party	
Relationship with Ichigo Office	Please see "Seller Profile" in Section 4.	Although the previous owner is not a related party as defined in the Act on Investment Trusts and Investment Corporations, it is a related party as defined in IIA's internal rules given that Ichigo, IIA's 100% shareholder, is the previous owner's sole investor and the previous owner receives asset management advice from Ichigo Estate, which is a related party as defined in the Act on Investment Trusts and Investment Corporations.	_	
Acquisition Rationale	Investment	Investment		
Acquisition Price	JPY 3,462,000,000	Omitted as ownership exceeds one year	_	
Acquisition Date	January 31, 2022	February 1, 2019	_	

Asset Name	Fukuoka Kensetsu Kaikan			
	Current Owner	rent Owner Previous Owner		
Name	GK Kizuna1	Ichigo Estate	Unrelated Party	
Relationship with Ichigo Office	Please see "Seller Profile" in Section 4.	Ichigo Estate is a related party as defined in the Act on Investment Trusts and Investment Corporations.	_	
Acquisition Rationale	Investment	Investment	_	
Acquisition Price	JPY 2,732,000,000	Omitted as ownership exceeds one year	_	
Acquisition Date	January 31, 2022	June 28, 2019	_	

6. Broker Profile

N/A

7. Acquisition Schedule

Acquisition Decision Date	January 24, 2023
Contract Date	January 24, 2023
Closing Date	January 27, 2023 (expected)

8. Earnings Impact

The impact of the acquisitions on April 2023 and October 2023 fiscal period earnings is minimal and thus there is no change to the forecast presented in Ichigo Office's December 15, 2022 release "October 2022 Fiscal Period Earnings." As a specialized office REIT, Ichigo Office believes the acquisitions will strengthen its portfolio and drive sustainable growth.

Reference

1. Earnings Profile of Assets Being Acquired Ichigo Hakataeki Higashi Building

(JPY million)

	Forecast ¹	At Acquisition ²
A. Rental Income	207	178
B. Rental Expenses (excluding depreciation) ³	48	46
C. NOI (A-B)	159	132
D. NOI Yield ⁴	4.5%	3.8%
E. Depreciation ⁵	13	25
F. Post-depreciation NOI (C-E)	145	107
G. Post-depreciation NOI Yield ⁴	4.1%	3.1%
H. Occupancy ⁶	97.0%	96.8%

Fukuoka Kensetsu Kaikan

(JPY million)

	Forecast ¹	At Acquisition ²
A. Rental Income	166	167
B. Rental Expenses (excluding depreciation) ³	39	39
C. NOI (A-B)	127	127
D. NOI Yield ⁴	4.6%	4.7%
E. Depreciation ⁵	21	37
F. Post-depreciation NOI (C-E)	106	90
G. Post-depreciation NOI Yield ⁴	3.9%	3.3%
H. Occupancy ⁶	97.0%	100%

¹ Amounts exclude one-off factors in the year of acquisition and are calculated based on current and future anticipated fluctuations in occupancy.

² Shows first-year amounts used to calculate the DCF-based valuation, excluding one-off factors in the year of acquisition.

³ Rental Expenses include incidental expenses such as service provider fees, taxes, maintenance and repair fees, insurance premiums, and other fees.

⁴ Calculated based on Acquisition Price.

⁵ Depreciation is as estimated by Ichigo Office using the straight-line method.

⁶ Occupancy at acquisition is as of December 31, 2022.

2. Engineering Report Summary

Asset Name	Ichigo Hakataeki Higashi Building	Fukuoka Kensetsu Kaikan
Inspector Name	Tokio Marine dR Co., Ltd.	Tokio Marine dR Co., Ltd.
Inspection Date	December 2022	December 2022
Short-Term Repair Expenses ¹	_	_
Long-Term Repair Expenses ²	JPY 173.798 million	JPY 166.346 million
Current Replacement Cost	JPY 1,575 million	JPY 1,446 million

¹ Short-Term Repair Expenses are defined as repair expenses beyond the scope of ordinary maintenance within a year from the time of inspection.

² Long-Term Repair Expenses are defined as cumulative repair expenses considered necessary for the maintenance of the asset within twelve years from the time of inspection.

3. Post-Transaction Portfolio

No.	Asset Name	Area ¹	Acquisition Price (JPY million)	% of Portfolio ²
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	1.5
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.3
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	0.9
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.7
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.6
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.7
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	0.5
O-10	Ichigo Ebisu Nishi Building	Central Tokyo	1,917	0.9
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	0.8
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.5
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.3
O-15	Ichigo Tameike Building	Central Tokyo	580	0.3
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	0.9
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.5
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.4
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.4
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	2.4
O-21	Ichigo Shin Yokohama Building	Tokyo Metro Area	1,816	0.9
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metro Area	1,460	0.7
O-23	Ichigo Nakano North Building	Tokyo Metro Area	764	0.4
O-24	Ichigo Eitai Building	Tokyo Metro Area	1,490	0.7
O-26	Ichigo Ikejiri Building	Tokyo Metro Area	2,030	1.0
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metro Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.4
O-29	Ichigo Kichijoji Building	Tokyo Metro Area	2,160	1.0
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.2
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.2
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,645	0.8
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.5
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.4
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.0
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.6
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	0.9
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.0
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	0.9

No.	Asset Name	Area ¹	Acquisition Price (JPY million)	% of Portfolio ²
O-51	Ichigo Ebisu Green Glass	Central Tokyo	5,900	2.8
O-52	Ichigo Omori Building	Central Tokyo	3,850	1.8
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	0.7
O-54	Ichigo Omiya Building	Tokyo Metro Area	3,430	1.6
O-55	Ichigo Sagamihara Building	Tokyo Metro Area	1,174	0.6
O-56	Ichigo Ofuna Building	Tokyo Metro Area	2,000	0.9
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	0.9
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.7
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.4
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.7
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	1.9
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.3
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.2
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.2
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.1
O-66	Ichigo Kudan Building	Central Tokyo	3,190	1.5
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	1.7
O-68	Axior Mita	Central Tokyo	1,800	0.9
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metro Area	4,570	2.2
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.8
O-71	Ichigo Kawasaki Building	Tokyo Metro Area	1,750	0.8
O-72	Ichigo Shibuya East Building	Central Tokyo	1,350	0.6
O-73	Ichigo Ningyocho Building	Central Tokyo	1,450	0.7
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.0
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.7
O-76	Ichigo Nishiki First Building	Four Major Regional Cities	2,000	0.9
O-78	Ichigo Ikebukuro East Building	Tokyo Metro Area	3,010	1.4
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	0.9
O-80	Ichigo Otsuka Building	Tokyo Metro Area	2,740	1.3
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.6
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.1
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.6
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5
O-85	Ichigo Shibuya Udagawacho Building	Central Tokyo	3,500	1.6
O-86	Win Gotanda Building	Central Tokyo	3,100	1.5

No.	Asset Name	Area ¹	Acquisition Price (JPY million)	% of Portfolio ²
O-87	Ichigo Hongo Building	Tokyo Metro Area	2,300	1.1
O-88	Oimachi Center Building	Central Tokyo	1,680	0.8
O-89	Win Gotanda Building 2	Central Tokyo	3,300	1.6
O-90	MIF Building	Central Tokyo	2,200	1.0
O-91	Ichigo Uchi Honmachi Building	Four Major Regional Cities	1,900	0.9
O-92	Ichigo Minami Otsuka Building	Tokyo Metro Area	2,780	1.3
O-93	Ichigo Nogizaka Building	Central Tokyo	3,315	1.6
O-94	Ichigo Hakata East Building	Four Major Regional Cities	2,250	1.1
O-95	Ichigo Nakameguro Building	Tokyo Metro Area	1,495	0.7
O-96	Ichigo Tachikawa Building	Tokyo Metro Area	3,830	1.8
O-97	Ichigo Higashi Ikebukuro 3 Chome Building	Tokyo Metro Area	3,840	1.8
O-98	Ichigo Marunouchi South Building	Four Major Regional Cities	1,750	0.8
O-99	Ichigo Hakataeki Higashi Building	Four Major Regional Cities	3,500	1.6
O-100	Fukuoka Kensetsu Kaikan	Four Major Regional Cities	2,750	1.3
	Subtotal - Office (84 Assets)		205,537	96.9
Z-09	Future IZUMI	Other Regional Cities	1,210	0.6
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.1
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metro Area	1,620	0.8
Z-14	Ichigo Kamata Building	Tokyo Metro Area	1,400	0.7
	Subtotal - Other (4 Assets)		6,630	3.1
		Total (88 Assets)	212,167	100

TK Equity Investment GK Kizunal TK Equity Interest ³	38	_
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¹ Central Tokyo refers to Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa Wards. Tokyo Metro Area refers to Tokyo (excluding the six wards above), Kanagawa, Chiba, and Saitama Prefectures. Four Major Regional Cities refers to Osaka, Nagoya, Fukuoka, and Sapporo.

² % of Portfolio is based upon acquisition price.

³ JPY 11 million of Ichigo Office's JPY 50 million TK equity investment will be returned shortly after acquisition of the two assets.