



**Make The World  
More Sustainable**

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

**29<sup>th</sup> Fiscal Period  
November 1, 2019 – April 30, 2020**

**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-19 pandemic.

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

For the April 2020 fiscal period, Ichigo Office focused on organic growth through continuing high occupancy and proactive negotiations to increase rents, as well as pursuing a robust portfolio and drive sustainable growth to maximize shareholder value, as shown on the Growth Strategy Roadmap announced in June 2019.

In April 2020, we acquired a mid-size office in Nakameguro, an area near Shibuya, one of Tokyo's prime commercial districts (Ichigo Nakameguro Building) for 1.49 billion yen and sold a retail asset, the Lions Square Kawaguchi. As a result, Ichigo Office's AUM (assets under management) at the end of the fiscal period was 85 assets, with a total acquisition price of 202.3 billion yen.

We continued to deploy our value-add capex capabilities to provide comfortable working environments. Through these measures to continuously increase tenant satisfaction and earnings growth, occupancy was over 99% throughout the fiscal period.

In terms of financing policies, we issued our fifth Investment Corporation Bond, and we continue to borrow long-term and at fixed rates in order to hedge future interest rate risk.

As a result of these actions, Ichigo Office achieved one of the goals set in the Growth Strategy Roadmap, by being selected for inclusion in the FTSE EPRA Nareit Global Real Estate Index, a global benchmark for real estate investing, used by investors worldwide.

Ichigo Office's April 2020 earnings results are as follows: operating revenue of 8,260 million yen, operating profit of 4,381 million yen, recurring profit of 3,576 million yen, and net income of 3,575 million yen. Base EPS, which is earnings per share minus capital gains per share, was 2,073 yen, a 41 yen increase from the previous period. The dividend per share was 2,163 yen, a 13 yen increase from the previous period.

Currently the economic outlook is quite difficult to foresee, due to the calamity of COVID-19. Ichigo Office will make continuous efforts to build a robust mid-size office portfolio in an aim to drive sustainable growth and maximize shareholder value through growth investments that reflect a full understanding of and responsiveness to the market environment.

Ichigo Office's name comes from the ancient Japanese proverb, *Ichigo Ichie*, literally meaning "One lifetime, one encounter." We will continue to embrace this philosophy of sincerity and service. We work to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.

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

			25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	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
Operating Revenue	(Note 1)	million yen	9,062	7,632	8,451	8,304	8,260
(Real Estate Rental Income)		million yen	(7,467)	(7,632)	(7,782)	(7,862)	(7,860)
Operating Expenses		million yen	3,876	3,886	3,940	3,941	3,879
(Real Estate Rental Expenses)		million yen	(3,008)	(2,993)	(2,990)	(3,025)	(2,950)
Operating Profit		million yen	5,185	3,745	4,510	4,363	4,381
Recurring Profit		million yen	4,442	2,958	3,733	3,554	3,576
Net Income		million yen	4,441	2,980	3,732	3,554	3,575
Total Assets		million yen	219,028	221,807	225,678	225,898	227,312
(Period-on-Period Change)		%	(0.7)	(1.3)	(1.7)	(0.1)	(0.6)
Net Assets		million yen	103,245	103,217	103,863	103,962	104,244
(Period-on-Period Change)		%	(1.5)	(-0.0)	(0.6)	(0.1)	(0.3)
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	1,532,287
Net Assets per Share		yen	67,380	67,361	67,783	67,848	68,031
Total Dividends		million yen	3,009	3,086	3,455	3,294	3,314
Dividend per Share		yen	1,964	2,014	2,255	2,150	2,163
(Payable Dividend per Share)		yen	(1,964)	(2,014)	(2,255)	(2,150)	(2,163)
(Dividend per Share in Excess of Earnings)		yen	(—)	(—)	(—)	(—)	(—)
Ratio of Recurring Profit to Total Assets	(Note 2)	%	2.0(4.1)	1.3(2.7)	1.7 (3.4)	1.6 (3.1)	1.6 (3.2)
Return on Equity	(Note 2)	%	4.3(8.7)	2.9(5.7)	3.6 (7.3)	3.4(6.8)	3.4(6.9)
Shareholder Equity Ratio	(Note 2)	%	47.1	46.5	46.0	46.0	45.9
(Period-on-Period Change)		%	(0.4)	(-0.6)	(-0.5)	(0.0)	(-0.2)
Dividend Payout Ratio	(Note 3)	%	67.7	103.5	92.6	92.7	92.7
Other Reference Information							
Number of Assets		assets	82	85	85	85	85
Number of Tenants at Period-End		tenants	891	923	921	934	938
Total Leasable Area		m <sup>2</sup>	255,487.63	263,440.38	264,762.27	266,478.61	259,717.74
Occupancy at Period-End		%	99.0	99.2	99.3	99.4	99.6
Depreciation		million yen	914	857	857	842	839
Capital Expenditures		thousand yen	395,979	453,299	442,533	478,779	525,201
NOI (Net Operating Income)	(Note 2)	million yen	5,373	5,496	5,648	5,679	5,748
FFO (Funds from Operations) per Share	(Note 2)	yen	2,454	2,489	2,558	2,581	2,621
Number of Days in the Period		days	181	184	181	184	182

(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	$(\text{Net Income} + \text{Depreciation} + \text{Loss on Retirement of Non-Current Assets} + \text{Expenses for Asset Retirement Obligations} \pm \text{Gain (Loss) on Sales of Assets} \pm \text{Extraordinary Profit (losses)}) / \text{Number of Shares Outstanding}$

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

## 2 Summary of Operating Results for the Fiscal Period Ending April 30, 2020

### (1) Overview

In the fiscal period ending April 30, 2020, Ichigo Office's 29th fiscal period, Ichigo Office worked to increase its attractiveness as a specialized office REIT focusing on mid-size offices by selling a retail asset and acquiring a mid-sized office in return. Ichigo Office also strengthened its organic growth potential. Key action items during the period were: 1) driving increased asset value and investment efficiency through value-add capex (Note) and 2) maintain and drive earnings growth with a focus on tenant satisfaction. Ichigo Office seeks to construct a portfolio specializing in mid-sized 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

During the current fiscal period, the GDP growth rate for 2019 Q4 slumped for the first time in 5 quarters, dropping 7.1% p.a. from the previous quarter, due to negative impact caused by the October 2019 consumption tax increase and severe typhoons. From January 2020, concerns of a global economic recession has increased, caused by the outbreak of COVID-19. Also, the 2020 Tokyo Olympic Games being postponed has affected the steady growth of the Japanese economy, gradually showing signs of uncertainty.

Although the uncertain outlook of the economy is causing volatility in the monetary market, long-term interest rates remained at low standards, driven by BOJ's monetary easing. Meanwhile, deterioration in the global economy may cause an increase in credit costs as well as corporate demands for capital, and how this will effect the banks is a concern.

In the real estate market, the competition in acquiring assets continued to be severe, as demand remains quite strong from both domestic and overseas investors, backed by the favorable financing environment. Under this environment, Ichigo Office made efforts to acquire assets through strategic acquisitions and sales.

Meanwhile, in the office leasing market, vacancies continues to be limited in Central Tokyo, as well as major local cities such as Osaka and Nagoya, leading to strong growth in rents. The supply/demand balance for the mid-size offices in which Ichigo Office specializes continues to be tight, although how the outbreak of COVID-19 effects the corporate tenants needs to be watched carefully.

#### (ii) Investment Performance

In order to pursue a robust mid-size office portfolio and maximize shareholder value, Ichigo Office acquired the Ichigo Nakameguro Building (acquisition price: 1,495 million yen) and sold Lions Square Kawaguchi (sales price: 2,845 million yen). The number of assets owned at period-end was 85 assets (total acquisition price: 202,362 million yen).

Ichigo office has focused on NOI growth, and 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 Nogizaka Building, aimed to increase tenant satisfaction. As a result of such efforts, the occupancy for the overall portfolio at period-end was 99.6%.

### (3) Financing

During the current fiscal period, Ichigo Office borrowed a total of 8,811 million yen from banks in November 2019 and March 2020, to repay loans that came due in those months (a total of 8,814 million yen) and issued its fifth Investment Corporation Bond (1,000 million yen) to fund part of the acquisition of the Ichigo Nakameguro 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 8,260 million yen, operating profit of 4,381 million yen, recurring profit of 3,576 million yen and net income of 3,575 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 <sup>(Note)</sup>, 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 distribute 3,314 million yen, which is the total amount of unappropriated retained earnings (3,575 million yen) and the reversal of reserves for temporary difference adjustments (105 million yen) minus gain on sales of real estate transferred to dividend reserves in compliance with J-REIT conduit rules (366 million yen). As a result, the dividend per share was 2,163 yen.

(Note) The balance of tax losses carried forward owned by Ichigo Office is approximately 8.4 billion yen, and the expiration of the tax losses carrying forward period is the fiscal period ending April 30, 2022. 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 1, 2015	Public Offering	271,700	1,402,023	23,418	57,548	(Note 1)
May 27, 2015	Greenshoe	14,300	1,416,323	1,232	58,781	(Note 2)
May 23, 2016	Public Offering	110,166	1,526,489	8,449	67,230	(Note 3)
June 22, 2016	Greenshoe	5,798	1,532,287	444	67,675	(Note 4)

(Note 1) Ichigo Office issued new shares via public offering at an issue price of 89,212 yen per share (underwriting price of 86,192 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 86,192 yen per share for the purpose of repaying loans.

(Note 3) 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 4) 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.

## 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.

	25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	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
High	83,600 yen	93,800 yen	106,200 yen	118,100 yen	119,300 yen
Low	73,900 yen	81,600 yen	91,300 yen	99,400 yen	54,300 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 the 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 3,314 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 3,575 million yen, plus 105 million yen, which is the reversal of reserves for temporary difference adjustments, minus 366 million yen, which is gain on sales of real estate transferred to dividend reserves in compliance with J-REIT conduit rules. As a result, the dividend per share came to 2,163 yen.

		25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	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
Unappropriated Retained Earnings	thousand yen	4,442,764	2,981,724	3,733,149	3,554,415	3,575,841
Retained Earnings for Dividend Reserve	thousand yen	848	698	93	—	—
Total Dividends	thousand yen	3,009,411	3,086,026	3,455,307	3,294,417	3,314,336
(Dividend per Share)	yen	(1,964)	(2,014)	(2,255)	(2,150)	(2,163)
Distributable Earnings	thousand yen	3,009,411	3,086,026	3,455,307	3,294,417	3,314,336
(Distributable Earnings per Share)	yen	(1,964)	(2,014)	(2,255)	(2,150)	(2,163)
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 utilizing 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 Ichigo Layout Office and Ichigo Lounge high-quality office spaces
- 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 diversify 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

		25th Fiscal Period April 30, 2018	26th Fiscal Period October 31, 2018	27th Fiscal Period April 30, 2019	28th Fiscal Period October 31, 2019	29th Fiscal Period April 30, 2020
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	1,532,287
Shareholders' Equity	million yen	67,675	67,675	67,675	67,675	67,675
Number of Shareholders	persons	16,994	14,705	13,091	12,858	13,368

## 2 Major Shareholders

Major shareholders as of April 30, 2020 are as follows:

Name	Shares	Ratio of Shares Held to Total Number of Shares Issued (%) (Note)
Ichigo Trust Pte. Ltd.	344,190	22.46
Japan Trustee Services Bank, Ltd., Trust Account	195,158	12.73
The Master Trust Bank of Japan, Trust Account	174,596	11.39
Trust & Custody Service Bank, Ltd., Securities Investment Trust Account	82,402	5.37
NOMURA BANK (LUXEMBOURG) S.A.	67,108	4.37
The Nomura Trust and Banking Co., Ltd., Investment Trust Account	57,961	3.78
GOLDMAN SACHS INTERNATIONAL	41,417	2.70
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	22,687	1.48
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG / JASDEC / SECURITIES - AIFM	21,958	1.43
STATE STREET BANK WEST CLIENT – TREATY 505234	21,509	1.40
Total	1,028,986	67.15

(Note) The ratio of shares held to the total number of shares issued is rounded down to the first decimal place.

## 3 Executive Director and Supervisory Directors

(1) Ichigo Office's directors and auditor as of April 30, 2020 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	—	9,510

(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 Asset Management Company, Asset Custodian, and Administrative Agents

The asset management company, asset custodian, and administrative agents as of April 30, 2020 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 Bankng 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)	28th Fiscal Period (as of October 31, 2019)		29th Fiscal Period (as of April 30, 2020)	
		Book Value (million yen)(Note 2)	Ratio to Total Assets (%)	Book Value (million yen)(Note 2)	Ratio to Total Assets (%)
Real Estate	Central Tokyo	6,768	3.0	6,746	3.0
	Tokyo Metropolitan Area	4,019	1.8	4,015	1.8
	Four Major Regional Cities	10,437	4.6	10,390	4.6
Trust Beneficiary Interest in Real Estate ( <i>juekiken</i> ) (Note 3)	Central Tokyo	108,449	48.0	108,321	47.7
	Tokyo Metropolitan Area	40,473	17.9	39,621	17.4
	Four Major Regional Cities	19,605	8.7	19,647	8.6
	Other Regional Cities	10,660	4.7	10,554	4.6
Subtotal		200,413	88.7	199,297	87.7
Investment in Securities (Note 4)		50	0.0	50	0.0
Deposits and Other Assets		25,433	11.3	27,964	12.3
Total Assets		225,898	100.0	227,312	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, 2020 (top ten assets in terms of book value).

Asset Name	Book Value (million yen) (Note 1)	Leasable Area (m <sup>2</sup> )	Leased Area (m <sup>2</sup> )	Occupancy (%) (Note 2)	Ratio to Total Rent Revenue (%)	Asset Type
Ichigo Jingumae Building	7,414	4,510.04	4,510.04	100.0	2.6	Office
Ebisu Green Glass	5,807	3,159.27	3,159.27	100.0	1.9	Office
Ichigo Marunouchi Building	5,700	8,009.11	8,009.11	100.0	3.0	Office
Ichigo Akihabara North Building	5,542	6,250.53	6,250.53	100.0	2.8	Office
Ichigo Ikenohata Building	5,134	5,504.15	5,504.15	100.0	2.1	Office
Ichigo Sasazuka Building	4,923	6,425.29	6,425.29	100.0	2.3	Office
Ichigo Gotanda Building	4,832	5,346.39	5,346.39	100.0	2.6	Office
Ichigo Sakae Building	4,690	3,928.12	3,928.12	100.0	2.8	Office
Ichigo Higashi Ikebukuro Building	4,604	4,433.00	4,433.00	100.0	1.9	Office
Ichigo Nihonbashi East Building	4,486	4,216.97	4,216.97	100.0	1.9	Office
Total	53,136	51,782.87	51,782.87	100.0	23.9	

(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.

# 3 Portfolio Overview

## Details of Portfolio Assets

The table below shows the details of assets owned by Ichigo Office as of April 30, 2020.

Asset Name	Location	Form of Ownership	Leasable Area (m <sup>2</sup> )	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	4,564.63	3,260	3,338
O-03	Ichigo Mita Building	Shiba, Minato-ku, Tokyo	Trust beneficiary interest in real estate	4,119.63	3,630	2,728
O-04	Ichigo Nanpeidai Building	Nanpeidaicho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,925.24	2,690	1,911
O-05	Ichigo Hanzomon Building	Hayabusacho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,080.37	1,950	1,507
O-06	Ichigo Hijirizaka Building	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,947.90	1,470	1,214
O-07	Ichigo Shibuya Kamiyamacho Building	Kamiyamacho, Shibuya-ku, Tokyo	Real estate	1,321.54	1,890	1,363
O-08	Ichigo Akasaka 5 Chome Building	Akasaka, Minato-ku, Tokyo	Real estate	683.52	876	720
O-09	Ichigo Shibakoen Building	Shiba, Minato-ku, Tokyo	Real estate	1,602.29	1,160	1,098
O-10	Ichigo Ebisu Nishi Building	Ebisu-Nishi, Shibuya-ku, Tokyo	Real estate	1,484.39	2,510	1,920
O-11	Ichigo Ginza 612 Building	Ginza, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,379.06	2,120	1,777
O-12	Ichigo Uchikanda Building	Uchikanda, Chiyoda-ku, Tokyo	Real estate	1,378.83	1,350	1,125
O-14	Ichigo Yotsuya 4 Chome Building	Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	780.64	590	504
O-15	Ichigo Tameike Building	Akasaka, Minato-ku, Tokyo	Real estate	494.14	722	517
O-16	Ichigo Jimbocho Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,891.01	2,440	1,803
O-17	Ichigo Hakozaeki Building	Nihonbashi Kakigaracho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,387.34	1,180	1,137
O-18	Ichigo Kudan 2 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,288.31	954	730
O-19	Ichigo Kudan 3 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,302.43	868	816
O-20	Ichigo Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	5,346.39	6,320	4,832
O-21	Ichigo Shin Yokohama Building	Shin Yokohama, Kohoku-ku, Yokohama	Trust beneficiary interest in real estate	4,021.32	1,740	1,687
O-22	Ichigo Minami Ikebukuro Building	Minami Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	1,491.50	1,870	1,368
O-23	Ichigo Nakano North Building	Arai, Nakano-ku, Tokyo	Trust beneficiary interest in real estate	1,250.85	935	730
O-24	Ichigo Eitai Building	Eitai, Koto-ku, Tokyo	Real estate	2,605.54	1,440	1,459
O-26	Ichigo Ikejiri Building	Ohashi, Meguro-ku, Tokyo	Real estate	2,385.69	2,230	1,956
O-27	Ichigo Nishi Ikebukuro Building	Ikebukuro, Toshima-ku, Tokyo	Real estate	1,261.91	989	599
O-28	Ichigo Nishi Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	1,329.06	873	754
O-29	Ichigo Kichijoji Building	Kichijoji Honcho, Musashino City, Tokyo	Trust beneficiary interest in real estate	4,210.87	2,960	2,182
O-34	Ichigo Sakae Building	Sakae, Naka-ku, Nagoya	Real estate	3,928.12	6,290	4,690
O-37	Ichigo Marunouchi Building	Marunouchi, Naka-ku, Nagoya	Real estate	8,009.11	7,590	5,700
O-38	Ichigo Toyamaeki Nishi Building	Jinzu Honmachi, Toyama City, Toyama	Trust beneficiary interest in real estate	8,601.71	1,850	1,511
O-39	Ichigo Mirai Shinkin Building	Niagomachi, Oita City, Oita	Trust beneficiary interest in real estate	3,551.46	1,330	1,133
O-42	Ichigo Takamatsu Building	Kotobukicho, Takamatsu City, Kagawa	Trust beneficiary interest in real estate	6,329.33	3,650	2,272
O-46	Ichigo Kanda Nishikicho Building	Kanda-Nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,523.09	3,310	1,998
O-47	Ichigo Akihabara North Building	Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,250.53	7,780	5,542
O-48	Ichigo Sakaisuji Honmachi Building	Honmachi, Chuo-ku, Osaka	Trust beneficiary interest in real estate	3,729.35	2,380	1,767
O-49	Ichigo Kanda Ogawamachi Building	Kanda-Ogawamachi, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,309.39	2,580	2,195
O-50	Ichigo Hatchobori Building	Shintomi, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,697.36	2,680	1,788
O-51	Ebisu Green Glass	Ebisu Minami, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,159.27	7,460	5,807
O-52	Ichigo Omori Building	Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,585.93	4,450	3,788
O-53	Ichigo Takadanobaba Building	Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	1,606.92	1,910	1,582
O-54	Ichigo Omiya Building	Miyacho, Omiya-ku, Saitama City, Saitama	Trust beneficiary interest in real estate	6,180.68	4,170	3,593
O-55	Ichigo Sagamiyama Building	Sagamiyama, Chuo-ku, Sagamiyama City, Kanagawa	Trust beneficiary interest in real estate	2,960.81	1,280	1,223
O-56	Ichigo Ofuna Building	Ofuna, Kamakura City, Kanagawa	Trust beneficiary interest in real estate	2,364.71	2,620	1,942

Asset Name		Location	Form of Ownership	Leasable Area (m <sup>2</sup> )	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	2,150	1,635
O-58	Ichigo Kumamoto Building	Karashimacho, Chuo-ku, Kumamoto City, Kumamoto	Trust beneficiary interest in real estate	4,507.59	1,590	1,478
O-59	Ichigo Jingumae Building	Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,510.04	8,280	7,414
O-60	Ichigo Shibuya Dogenzaka Building	Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,789.86	5,430	3,675
O-61	Ichigo Hiroo Building	Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,510.44	4,710	4,010
O-62	Ichigo Sasazuka Building	Sasazuka, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	6,425.29	5,770	4,923
O-63	Ichigo Nihonbashi East Building	Nihonbashi Bakurocho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	4,216.97	5,600	4,486
O-64	Ichigo Sakurabashi Building	Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,971.22	3,100	2,562
O-65	Ichigo Shinkawa Building	Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,312.03	3,000	2,381
O-66	Ichigo Kudan Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	3,090.65	3,600	3,207
O-67	Ichigo Higashi Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	4,548.10	4,260	3,646
O-68	Axior Mita	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,369.82	2,320	1,737
O-69	Ichigo Higashi Ikebukuro Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	4,433.00	5,310	4,604
O-70	Koriyama Big-i (Office Section)	Ekimae, Koriyama City, Fukushima	Trust beneficiary interest in real estate	3,433.07	2,130	1,463
O-71	Ichigo Kawasaki Building	Higashi Tamachi, Kawasaki-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	3,710.17	2,180	1,807
O-72	Ichigo Shibuya East Building	Higashi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,041.36	1,560	1,353
O-73	Ichigo Ningyocho Building	Nihonbashi Horidomecho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,769.09	1,630	1,478
O-74	Ichigo Nishi Honmachi Building	Awaza, Nishi-ku, Osaka	Trust beneficiary interest in real estate	6,152.00	2,470	2,158
O-75	Ichigo Hakata Building	Gionmachi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	2,423.86	1,520	1,360
O-76	Ichigo Nishiki First Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	3,324.70	2,140	1,970
O-77	Ichigo Ikenohata Building	Ikenohata, Taito-ku, Tokyo	Trust beneficiary interest in real estate	5,504.15	5,520	5,134
O-78	Ichigo Ikebukuro East Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,118.69	3,360	2,984
O-79	Ichigo Motoazabu Building	Motoazabu, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,329.96	2,300	1,914
O-80	Ichigo Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,679.70	3,050	2,732
O-81	Ichigo Nagoya Building	Meieki, Nakamura-ku, Nagoya	Trust beneficiary interest in real estate	4,930.30	3,910	3,492
O-82	Ichigo Fushimi Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	4,155.57	2,510	2,332
O-83	Ichigo Nishiki Building	Nishiki, Naka-ku, Nagoya	Trust beneficiary interest in real estate	2,006.78	1,460	1,284
O-84	Ichigo Minami Morimachi Building	Matsugaecho, Kita-ku, Osaka	Trust beneficiary interest in real estate	2,521.51	1,170	1,020
O-85	Ichigo Shibuya Udagawacho Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,491.68	4,170	3,580
O-86	Win Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,689.88	3,330	3,105
O-87	Ichigo Hongo Building	Hongo, Bunkyo-ku, Tokyo	Trust beneficiary interest in real estate	2,722.58	2,630	2,290
O-88	Oimachi Center Building	Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	2,751.08	1,970	1,695
O-89	Win Gotanda Building 2	Osaki, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,433.16	3,610	3,296
O-90	MIF Building	Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,690.33	2,370	2,196
O-91	Ichigo Uchi Honmachi Building	Uchi Honmachi, Chuo-ku, Osaka	Trust beneficiary interest in real estate	3,004.07	2,180	1,995
O-92	Ichigo Minami Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,127.84	3,190	2,861
O-93	Ichigo Nogizaka Building	Akasaka, Minato-ku, Osaka	Trust beneficiary interest in real estate	2,199.35	3,670	3,437
O-94	Ichigo Hakata East Building	Hakataeki Higashi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	2,901.99	2,500	2,266
O-95	Ichigo Nakameguro Building	Aobadai, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,037.30	1,670	1,554
Z-09	Konami Sports Club Izumi Fuchu	Fuchucho, Izumi City, Osaka	Trust beneficiary interest in real estate	3,733.68	1,450	1,059
Z-10	Ichigo Shibuya Bunkamura Dori Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	778.77	3,030	2,457
Z-11	Twicere Yokohama Isogo (Retail Section)	Mori, Isogo-ku, Yokohama	Trust beneficiary interest in real estate	2,717.77	1,500	1,487
Z-14	Ichigo Kamata Building	Nishi Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	2,124.68	1,520	1,435
Total				259,717.74	241,167	199,297

(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 28<sup>th</sup> and 29<sup>th</sup> Periods:

Asset Name	28th Fiscal Period From May 1, 2019 to October 31, 2019				29th Fiscal Period From November 1, 2019 to April 30, 2020			
	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	16	100.0	135,581	1.7	15	99.1	133,849	1.7
O-03 Ichigo Mita Building	9	100.0	121,937	1.6	9	100.0	119,211	1.5
O-04 Ichigo Nanpeidai Building	13	100.0	80,234	1.0	13	100.0	79,881	1.0
O-05 Ichigo Hanzomon Building	6	100.0	62,921	0.8	6	100.0	62,706	0.8
O-06 Ichigo Hijirizaka Building	6	100.0	59,101	0.8	6	100.0	58,971	0.8
O-07 Ichigo Shibuya Kamiyamacho Building	4	100.0	52,574	0.7	4	100.0	53,062	0.7
O-08 Ichigo Akasaka 5 Chome Building	9	100.0	28,443	0.4	9	100.0	29,137	0.4
O-09 Ichigo Shibakoen Building	4	100.0	42,376	0.5	4	100.0	42,728	0.5
O-10 Ichigo Ebisu Nishi Building	8	100.0	71,033	0.9	7	100.0	70,591	0.9
O-11 Ichigo Ginza 612 Building	24	100.0	66,397	0.8	24	100.0	66,823	0.9
O-12 Ichigo Uchikanda Building	9	100.0	37,814	0.5	9	100.0	47,315	0.6
O-14 Ichigo Yotsuya 4 Chome Building	10	100.0	20,729	0.3	10	100.0	20,380	0.3
O-15 Ichigo Tameike Building	6	100.0	21,390	0.3	6	100.0	21,403	0.3
O-16 Ichigo Jimbocho Building	8	100.0	76,612	1.0	7	92.6	72,319	0.9
O-17 Ichigo Hakozaeki Building	7	100.0	54,918	0.7	6	100.0	55,044	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	34,994	0.4	5	100.0	36,655	0.5
O-20 Ichigo Gotanda Building	14	100.0	208,711	2.7	14	100.0	207,841	2.6
O-21 Ichigo Shin Yokohama Building	14	97.7	81,405	1.0	14	97.7	81,177	1.0
O-22 Ichigo Minami Ikebukuro Building	9	100.0	58,110	0.7	9	100.0	58,063	0.7
O-23 Ichigo Nakano North Building	6	100.0	41,125	0.5	6	100.0	42,148	0.5
O-24 Ichigo Eitai Building	10	100.0	63,358	0.8	10	100.0	65,589	0.8
O-26 Ichigo Ikejiri Building	5	100.0	80,022	1.0	5	100.0	80,737	1.0
O-27 Ichigo Nishi Ikebukuro Building	1	100.0	28,677	0.4	1	100.0	29,127	0.4
O-28 Ichigo Nishi Gotanda Building	9	100.0	34,296	0.4	9	100.0	34,873	0.4
O-29 Ichigo Kichijoji Building	13	100.0	114,509	1.5	13	100.0	116,263	1.5
O-34 Ichigo Sakae Building	19	100.0	221,809	2.8	19	100.0	217,416	2.8
O-37 Ichigo Marunouchi Building	23	100.0	235,431	3.0	23	100.0	237,464	3.0
O-38 Ichigo Toyamaeki Nishi Building	15	99.1	114,366	1.5	15	99.1	116,352	1.5
O-39 Ichigo Mirai Shinkin Building	21	95.4	77,790	1.0	20	95.8	78,566	1.0
O-42 Ichigo Takamatsu Building	15	100.0	152,757	1.9	15	100.0	155,785	2.0
O-46 Ichigo Kanda Nishikicho Building	9	89.7	87,666	1.1	9	100.0	97,921	1.2
O-47 Ichigo Akihabara North Building	1	100.0	215,277	2.7	1	100.0	217,230	2.8
O-48 Ichigo Sakaisuji Honmachi Building	17	100.0	94,831	1.2	17	100.0	95,463	1.2
O-49 Ichigo Kanda Ogawamachi Building	9	100.0	81,621	1.0	9	100.0	79,525	1.0
O-50 Ichigo Hatchobori Building	7	100.0	93,013	1.2	7	100.0	92,606	1.2
O-51 Ebisu Green Glass	2	100.0	163,475	2.1	6	100.0	147,093	1.9
O-52 Ichigo Omori Building	8	95.2	132,294	1.7	9	100.0	135,888	1.7
O-53 Ichigo Takadanobaba Building	8	100.0	63,485	0.8	8	100.0	60,443	0.8
O-54 Ichigo Omiya Building	30	100.0	159,565	2.0	29	97.5	160,367	2.0
O-55 Ichigo Sagamiyama Building	13	100.0	60,220	0.8	13	100.0	59,935	0.8
O-56 Ichigo Ofuna Building	9	100.0	94,213	1.2	9	100.0	93,608	1.2
O-57 Ichigo Sendai East Building	10	97.6	98,995	1.3	10	100.0	101,230	1.3
O-58 Ichigo Kumamoto Building	31	96.8	87,575	1.1	31	99.0	83,696	1.1
O-59 Ichigo Jingumae Building	7	100.0	207,461	2.6	7	100.0	207,005	2.6
O-60 Ichigo Shibuya Dogenzaka Building	9	100.0	129,147	1.6	9	100.0	129,869	1.7
O-61 Ichigo Hiroo Building	5	100.0	135,740	1.7	5	100.0	135,647	1.7
O-62 Ichigo Sasazuka Building	6	100.0	183,487	2.3	6	100.0	183,979	2.3
O-63 Ichigo Nihonbashi East Building	7	100.0	149,132	1.9	7	100.0	148,060	1.9
O-64 Ichigo Sakurabashi Building	6	100.0	83,787	1.1	6	100.0	83,390	1.1
O-65 Ichigo Shinkawa Building	6	100.0	79,330	1.0	6	100.0	79,535	1.0
O-66 Ichigo Kudan Building	9	98.2	101,317	1.3	10	100.0	101,212	1.3
O-67 Ichigo Higashi Gotanda Building	18	100.0	131,993	1.7	18	100.0	131,874	1.7
O-68 Axior Mita	12	100.0	68,128	0.9	11	100.0	68,269	0.9
O-69 Ichigo Higashi Ikebukuro Building	19	100.0	160,492	2.0	19	100.0	149,497	1.9

Asset Name	28th Fiscal Period From May 1, 2019 to October 31, 2019				29th Fiscal Period From November 1, 2019 to April 30, 2020			
	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	104,333	1.3	14	100.0	104,219	1.3
O-71 Ichigo Kawasaki Building	17	100.0	91,637	1.2	16	98.1	90,408	1.2
O-72 Ichigo Shibuya East Building	3	100.0	44,045	0.6	3	100.0	44,111	0.6
O-73 Ichigo Ningyocho Building	8	100.0	48,053	0.6	8	100.0	47,942	0.6
O-74 Ichigo Nishi Honmachi Building	31	100.0	108,741	1.4	31	100.0	108,881	1.4
O-75 Ichigo Hakata Building	28	100.0	53,394	0.7	28	100.0	53,159	0.7
O-76 Ichigo Nishiki First Building	5	100.0	76,008	1.0	5	100.0	76,012	1.0
O-77 Ichigo Ikenohata Building	7	100.0	164,246	2.1	7	100.0	163,596	2.1
O-78 Ichigo Ikebukuro East Building	3	100.0	94,120	1.2	3	100.0	95,307	1.2
O-79 Ichigo Motoazabu Building	3	100.0	55,242	0.7	3	100.0	59,687	0.8
O-80 Ichigo Otsuka Building	7	100.0	98,112	1.2	7	100.0	100,292	1.3
O-81 Ichigo Nagoya Building	36	100.0	153,012	1.9	36	100.0	150,381	1.9
O-82 Ichigo Fushimi Building	41	96.7	91,058	1.2	41	96.7	92,111	1.2
O-83 Ichigo Nishiki Building	23	100.0	49,781	0.6	23	100.0	50,061	0.6
O-84 Ichigo Minami Morimachi Building	12	100.0	48,256	0.6	12	100.0	48,749	0.6
O-85 Ichigo Shibuya Udagawacho Building	9	100.0	83,244	1.1	9	100.0	90,953	1.2
O-86 Win Gotanda Building	10	100.0	112,881	1.4	10	100.0	111,946	1.4
O-87 Ichigo Hongo Building	7	100.0	84,068	1.1	7	100.0	87,071	1.1
O-88 Oimachi Center Building	8	100.0	73,339	0.9	8	100.0	73,185	0.9
O-89 Win Gotanda Building 2	9	100.0	106,042	1.3	10	100.0	105,156	1.3
O-90 MIF Building	7	100.0	65,372	0.8	7	100.0	64,654	0.8
O-91 Ichigo Uchi Honmachi Building	17	94.2	60,328	0.8	18	100.0	62,512	0.8
O-92 Ichigo Minami Otsuka Building	9	100.0	75,835	1.0	9	100.0	77,912	1.0
O-93 Ichigo Nogizaka Building	4	87.5	77,505	1.0	5	100.0	73,626	0.9
O-94 Ichigo Hakata East Building	21	100.0	59,673	0.8	21	100.0	72,435	0.9
O-95 Ichigo Nakameguro Building	—	—	—	—	6	100.0	3,240	0.0
Z-02 Ichigo Fiesta Shibuya Building (Note 3)	—	—	11,756	0.1	—	—	—	—
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	76,690	1.0	4	100.0	75,551	1.0
Z-11 Twicere Yokohama Isogo (Retail Section)	8	100.0	83,419	1.1	8	100.0	80,725	1.0
Z-12 Lions Square Kawaguchi (Note 4)	3	100.0	125,114	1.6	—	—	116,839	1.5
Z-14 Ichigo Kamata Building	2	100.0	53,731	0.7	2	100.0	52,941	0.7
Total	934	99.4	7,862,644	100.0	938	99.6	7,860,421	100.0

(Note 1) In the column “Number of Tenants at Period-end,” the total number of tenants who have concluded a lease contract with Ichigo Office or the trustee as the lessor is stated. If a master lease contract has been concluded 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.

(Note 3) The asset was sold on May 30, 2019.

(Note 4) The asset was sold on April 24, 2020.

## Details of Renewable Energy Power Generation Equipment

N/A

## Details of PPP and PFI

N/A

## Details of Investments in Securities

	Type	Book Value (thousand yen)		Appraisal Value (thousand yen) (Note 1)		Difference	Note
		Per Share	Total	Per Share	Total		
Equity Interest in Tachikawa Holdings GK TK	TK ( <i>tokumei kumiai</i> ) equity interest	—	50,654	—	50,654	—	(Note 2)
Total		—	50,654	—	50,654	—	—

(Note 1) "Appraisal Value" shows the book value of the TK equity interest.

(Note 2) The underlying real estate in the Tachikawa Holdings GK TK is a trust beneficiary interest in real estate (*juekiken*) of Unizo Tachikawa Building.

## 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, 2020 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, 2020.

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)	98,542,332	78,645,000	—
Total		98,542,332	78,645,000	—

(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.

## 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, 2020 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	From November 2020 to December 2020	52,090	—	—
Ichigo Nishi Honmachi Building (Nishi-ku, Osaka)	Air Conditioning Upgrade	From October 2020 to November 2020	34,750	—	—
Ichigo Hakata Building (Hakata-ku, Fukuoka)	Elevator Upgrade	From April 2021 to April 2021	25,570	—	—
Ichigo Minami Morimachi Building (Kita-ku, Osaka)	Parking Space Renovation	From October 2020 to November 2020	13,330	—	—
Ichigo Akasaka 5 Chome Building (Minato-ku, Tokyo)	Elevator Upgrade	From January 2021 to January 2021	11,290	—	—

## 2 Capital Expenditures during the Current Fiscal Period

Capital expenditures during the current fiscal period amounted to 525,201 thousand yen, and construction work of a total of 634,537 thousand yen were conducted, combined with repair expenses of 109,336 thousand yen.

Asset Name (Location)	Purpose	Period	Payment Amount (thousand yen)
Ichigo Kawasaki Building (Kawasaki City, Kanagawa)	Elevator Upgrade	From February 2020 to March 2020	27,304
	Other		497,897
	Total		525,201

## 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)				
	25th Fiscal Period From November 1, 2017 to April 30, 2018	26th Fiscal Period From May 1, 2018 to October 31, 2018	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
Balance of Reserves at Beginning of Period	1,183,437	1,255,148	1,537,351	1,491,865	1,542,418
Gains	707,271	833,530	642,828	614,687	787,498
Reversals	635,561	551,326	688,314	564,134	783,813
Amount Brought Forward to Next Period	1,255,148	1,537,351	1,491,865	1,542,418	1,546,103



# Expenses and Liabilities

## 1 Details of Operating Expenses

(Thousand yen)

	28th Fiscal Period From May 1, 2019 to October 31, 2019	29th Fiscal Period From November 1, 2019 to April 30, 2020
a. Asset Management Fees	770,048	778,642
b. Asset Custody Fees	15,027	15,035
c. Administrative Service Fees	42,875	42,805
d. Directors' Compensation	5,040	5,040
e. Other Operating Expenses	82,999	87,131
Total	915,990	928,654

## 2 Borrowings

The table below shows borrowings as of April 30, 2020.

	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	1,224	1,222	1.267 (Note 2)	December 10, 2020	(Note 3)	(Note 12)	No (No Guarantee)
	Mizuho Bank		1,224	1,222					
	Aozora Bank		783	782					
	Shinsei Bank		783	782					
	Resona Bank		587	586					
	MUFG Bank		783	782					
	SMBC	December 15, 2014	1,224	—	1.033 (Note 2)	December 16, 2019	(Note 4)		
	Mizuho Bank		1,224	—					
	Aozora Bank		783	—					
	Shinsei Bank		783	—					
	Resona Bank		587	—					
	MUFG Bank		783	—					
	Aozora Bank	February 27, 2015	2,127	2,127	1.142 (Note 2)	August 31 2020	Lump-sum repayment		
	Shinsei Bank		1,998	1,998					
	ORIX Bank		400	400					
	SMBC	April 30, 2015	672	—	1.148 (Note 2)	November 29 2019	(Note 5)		
	Mizuho Bank		610	—					
	Shinsei Bank		641	—					
	MUFG Bank		549	—					
	SMBC	April 30, 2015	1,371	1,370	1.185 (Note 2)	May 29, 2020	(Note 6)		
	Mizuho Bank		1,248	1,247					
	Shinsei Bank		1,310	1,308					
	MUFG Bank		1,123	1,122					
	SMBC	May 7, 2015	1,956	1,954	1.275 (Note 2)	May 7, 2021	(Note 7)		
	Mizuho Bank		1,956	1,954					
	Aozora Bank		590	590					
	Shinsei Bank		772	772					
	MUFG Bank		1,629	1,627					
Resona Bank	1,365		1,364						
Bank of Fukuoka	447		447						
ORIX Bank	447		447						

	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	Collaterized
Long-Term Loans	SMBC	May 7, 2015	1,956	1,954	1.347 (Note 2)	November 8, 2021	(Note 7)	(Note 12)	No (No Guarantee)
	Mizuho Bank		1,956	1,954					
	Aozora Bank		590	590					
	Shinsei Bank		774	774					
	MUFG Bank		1,629	1,627					
	Resona Bank		1,363	1,362					
	Bank of Fukuoka		447	447					
	ORIX Bank		447	447					
	SMBC	September 30, 2015	1,587	1,585	0.985 (Note 2)	March 31, 2021	(Note 8)		
	Mizuho Trust		286	286					
	Resona Bank		573	572					
	Aozora Bank		573	572					
	Mizuho Bank		1,069	1,067					
	ORIX Bank		286	286					
	MUFG Bank	495	495						
	The Kagawa Bank	September 30, 2015	955	—	0.670	March 31, 2020	(Note 9)		
	SMBC	May 9, 2016	1,439	1,438	0.808 (Note 2)	May 31, 2022	(Note 10)		
	Mizuho Bank		1,042	1,041					
	MUFG Bank		893	892					
	Shinsei Bank		496	496					
	SMBC	May 9, 2016	1,439	1,438	0.858 (Note 2)	November 30, 2022	(Note 10)		
	Mizuho Bank		1,042	1,041					
	MUFG Bank		893	892					
	Shinsei Bank		496	496					
	SMBC	May 24, 2016	1,787	1,785	0.705 (Note 2)	May 31, 2022	(Note 11)		
	Mizuho Bank		893	892					
	MUFG Bank		695	694					
	Shinsei Bank		595	595					
	Aozora Bank		496	496					
	Bank of Fukuoka		496	496					
	Nishi-Nippon City Bank		496	496					
	Resona Bank		347	347					
SMBC	May 24, 2016		1,787	1,785				0.750 (Note 2)	November 30, 2022
Mizuho Bank		893	892						
MUFG Bank		695	694						
Shinsei Bank		595	595						
Aozora Bank		496	496						
Bank of Fukuoka		496	496						
Nishi-Nippon City Bank		496	496						
Resona Bank		347	347						
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			

	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	Collaterized
Long-Term Loans	SMBC	May 10, 2017	1,100	1,100	0.852 (Note 2)	November 11, 2024	Lump-sum repayment	(Note 12)	No (No Guarantee)
	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					
	SMBC	November 7, 2017	633	633	0.948 (Note 2)	October 31, 2025	Lump-sum repayment		
	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
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	0.641	February 29, 2024	Lump-sum repayment			
Mizuho Bank	September 28, 2018	400	400	0.641	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	0.721	April 30, 2026	Lump-sum repayment			
Shinsei Bank	October 31, 2018	200	200	0.721	April 30, 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	Collaterized
Long-Term Loans	SMBC	November 30, 2018	954	954	0.975 (Note 2)	September 30, 2026	Lump-sum Repayment	(Note 12)	No (No Guarantee)
	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		
	Bank of Fukuoka	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment		
	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	413	0.698 (Note 2)	September 25, 2025	Lump-sum repayment		
	SMBC	September 30, 2019	692	692	0.726 (Note 2)	March 25, 2026	Lump-sum repayment		
	SMBC	November 29, 2019	–	672	0.844 (Note 2)	September 27, 2027	Lump-sum repayment		
	Mizuho Bank		–	610					
Shinsei Bank	–		641						
MUFG Bank	–		549						
SMBC	–		672						
Mizuho Bank	December 16, 2019	–	1,224	0.876 (Note 2)	September 27, 2027	Lump-sum repayment			
Shinsei Bank		–	783						
MUFG Bank		–	783						
Aozora Bank		–	783						
Resona Bank		–	587						
The Kagawa Bank		–	955						
The Kagawa Bank	March 31, 2020	–	955	0.664	March 25, 2027	Lump-sum repayment			
Total			104,056	103,997					

- (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) 3 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 4) The remaining balance was repaid on December 16, 2019.
- (Note 5) The remaining balance was repaid on November 29, 2019.
- (Note 6) 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 entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 7) 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 balance at period-end includes long-term borrowings due within one year of 18 million yen.
- (Note 8) 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 entire amount of the balance at period-end is included in long-term borrowings due within one year.
- (Note 9) The remaining balance was repaid on March 31, 2020.
- (Note 10) 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 11) 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 12) 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, 2020 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	0.300	March 26, 2025	Lump-sum repayment		
Total		4,400	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 Nakameguro Building	April 14, 2020	1,495	—	—	—	—
Lions Square Kawaguchi	—	—	April 24, 2020	2,845	2,360	398

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

(Note 2) Sales Price is the total sale price of the two assets, because the buyer did not provide consent to disclose each asset's sales price.

## 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 Nakameguro Building	April 14, 2020	1,495	1,670	The Tanizawa Sōgō Appraisal Co., Ltd.	December 31, 2019
Sale	Lions Square Kawaguchi	April 24, 2020	2,845	2,530	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2019

(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 of November 1, 2019 to April 30, 2020, the transactions subject to price verification were two 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 (%)
20th Fiscal Period (May 1, 2015 to October 31, 2015)	1,400	117,040	0.1
21st Fiscal Period (November 1, 2015 to April 30, 2016)	1,400	116,760	0.1
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

(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

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.

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of Ichigo Office REIT Investment Corporation**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Ichigo Office REIT Investment Corporation (the Company), which comprise the statement of balance sheet as at April 30, 2020, 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 and other explanatory information, supplementary schedules, 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, 2020, and its financial performance and its cash flows for the six months 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 the 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.

Supervisory Directors are responsible for overseeing 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 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, as well as if the presentation and disclosures of financial statements, including related notes is prepared in accordance with generally accepted accounting standards in Japan.

We communicate with an 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them 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

# 1. Financial Statements

## (1) Balance Sheet

(Thousand Yen)

	Previous fiscal period (As of October 31, 2019)	Current fiscal period (As of April 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	10,069,180	11,956,974
Cash and deposits in trust	13,823,470	14,364,161
Operating accounts receivable	20,169	19,441
Prepaid expenses	416,247	423,896
Other	3,928	2,687
Total current assets	24,332,996	26,767,161
Non-current assets		
Property, plant, and equipment		
Buildings	7,057,925	7,087,139
Accumulated depreciation	(1,641,030)	(1,748,149)
Buildings, net	5,416,894	5,338,990
Structures	26,177	26,472
Accumulated depreciation	(23,591)	(23,789)
Structures, net	2,586	2,683
Machinery and equipment	302,156	321,160
Accumulated depreciation	(155,680)	(168,008)
Machinery and equipment, net	146,475	153,151
Tools, furniture, and fixtures	64,379	65,713
Accumulated depreciation	(44,095)	(46,960)
Tools, furniture and fixtures, net	20,283	18,753
Land	15,638,558	15,638,558
Buildings in trust	43,755,757	43,714,666
Accumulated depreciation	(7,776,223)	(8,348,147)
Buildings in trust, net	35,979,533	35,366,519
Structures in trust	67,932	64,921
Accumulated depreciation	(31,417)	(30,664)
Structures in trust, net	36,515	34,257
Machinery and equipment in trust	606,189	657,734
Accumulated depreciation	(288,440)	(315,095)
Machinery and equipment in trust, net	317,749	342,639
Tools, furniture and fixtures in trust	205,903	218,228
Accumulated depreciation	(125,054)	(139,119)
Tools, furniture and fixtures in trust, net	80,849	79,108
Land in trust	138,279,665	137,827,799
Construction in progress in trust	4,403	4,445
Total property, plant, and equipment	195,923,515	194,806,906
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	50,654
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	965,315	1,042,678
Other	79,460	90,562
Total investments and other assets	1,105,429	1,193,895
Total non-current assets	201,523,524	200,495,381
Deferred assets		
Bond issuance expenses	41,719	49,902
Total deferred assets	41,719	49,902
Total Assets	225,898,240	227,312,445

(Thousand Yen)

	Previous fiscal period (As of October 31, 2019)	Current fiscal period (As of April 30, 2020)
<b>Liabilities</b>		
Current Liabilities		
Operating accounts payable	723,226	542,611
Long-term loans (due within one year)	18,493,568	19,897,332
Accounts payable – other	591,212	592,470
Accrued expenses	11,340	11,473
Income taxes payable	605	605
Accrued consumption taxes	125,572	234,541
Advances received	1,533,966	1,538,155
Other	20,748	30,005
Total current liabilities	21,500,240	22,847,196
Long-Term Liabilities		
Investment corporation bonds	4,400,000	5,400,000
Long-term borrowings	85,562,543	84,100,000
Tenant leasehold and security deposits	1,509,112	1,535,126
Tenant leasehold and security deposits in trust	8,870,659	9,087,875
Asset retirement obligations	10,138	10,173
Other	82,768	87,872
Total long-term liabilities	100,435,222	100,221,046
Total Liabilities	121,935,462	123,068,243
<b>Net Assets</b>		
Shareholders' Equity		
Shareholders' capital	67,675,274	67,675,274
Surplus		
Capital reserve surplus	20,566,420	20,566,420
Discretionary reserves		
Reserve for dividends	2,637,122	3,002,120
Reserve for temporary difference adjustments	*2 9,529,544	*2 9,424,544
Total discretionary reserves	12,166,666	12,426,665
Unappropriated retained earnings (undisposed loss)	3,554,415	3,575,841
Total surplus	36,287,502	36,568,927
Total Shareholders' Equity	103,962,777	104,244,202
Total Net Assets	*1 103,962,777	*1 104,244,202
Total Liabilities and Net Assets	225,898,240	227,312,445

## (2) Income Statement

(Thousand yen)

	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
<b>Operating Revenues</b>		
Rental revenues	*1 7,216,148	*1 7,275,310
Other rental revenues	*1 646,496	*1 585,110
Dividend from TK ( <i>tokumei kumiai</i> ) real estate equity interest	1,137	1,898
Gain on sales of real estate	*2 440,537	*2 398,275
<b>Total operating revenue</b>	<b>8,304,319</b>	<b>8,260,594</b>
<b>Operating Expenses</b>		
Rental expenses	*1 3,025,290	*1 2,950,896
Asset management fee	770,048	778,642
Asset custody fee	15,027	15,035
Administrative service fees	42,875	42,805
Directors' compensation	5,040	5,040
Other operating expenses	82,999	87,131
<b>Total operating expenses</b>	<b>3,941,281</b>	<b>3,879,550</b>
<b>Operating Profit</b>	<b>4,363,038</b>	<b>4,381,043</b>
<b>Non-Operating Revenues</b>		
Interest income	112	112
Reversal of distribution payable	1,995	2,019
Insurance payment income	1,552	1,634
Other	500	494
<b>Total non-operating revenues</b>	<b>4,159</b>	<b>4,260</b>
<b>Non-operating expenses</b>		
Interest expenses	543,894	527,958
Borrowing expenses	265,686	278,047
Amortization of bond issuance expenses	2,689	2,852
<b>Total non-operating expenses</b>	<b>812,270</b>	<b>808,857</b>
<b>Recurring Profit</b>	<b>3,554,927</b>	<b>3,576,446</b>
Pre-tax income	3,554,927	3,576,446
Income taxes - current	605	605
<b>Total income taxes</b>	<b>605</b>	<b>605</b>
<b>Net Income</b>	<b>3,554,322</b>	<b>3,575,841</b>
Retained earnings brought forward	93	—
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>3,554,415</b>	<b>3,575,841</b>



(3) Statement of Changes in Net Assets  
 Previous fiscal period (May 1, 2019 to October 31, 2019)

(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	2,254,373	9,634,544	11,888,917
Changes during the period					
Increase in dividend reserve			382,748		382,748
Release from temporary difference adjustment reserve				(105,000)	(105,000)
Dividends					
Net Income					
Total changes during the period	—	—	382,748	(105,000)	277,748
Balance at period-end	67,675,274	20,566,420	2,637,122	9,529,544	12,166,666

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	3,733,149	36,188,487	103,863,761	103,863,761
Changes during period				
Increase in dividend reserve	(382,748)	—	—	—
Release from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,455,307)	(3,455,307)	(3,455,307)	(3,455,307)
Net Income	3,554,322	3,554,322	3,554,322	3,554,322
Total changes during period	(178,733)	99,015	99,015	99,015
Balance at period-end	3,554,415	36,287,502	103,962,777	103,962,777

Current fiscal period (November 1, 2019 to April 30, 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	2,637,122	9,529,544	12,166,666
Changes during the period					
Increase in dividend reserve			364,998		364,998
Release from temporary difference adjustment reserve				(105,000)	(105,000)
Dividends					
Net Income					
Total changes during the period	—	—	364,998	(105,000)	259,998
Balance at period-end	67,675,274	20,566,420	3,002,120	9,424,544	12,426,665

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	3,554,415	36,287,502	103,962,777	103,962,777
Changes during the period				
Increase in dividend reserve	(364,998)	—	—	—
Release from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,294,417)	(3,294,417)	(3,294,417)	(3,294,417)
Net Income	3,575,841	3,575,841	3,575,841	3,575,841
Total changes during period	21,425	281,424	281,424	281,424
Balance at period-end	3,575,841	36,568,927	104,244,202	104,244,202

## (4) Statement of Dividends

	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
I. Unappropriated Retained Earnings	3,554,415,880 yen	3,575,841,811 yen
II. Discretionary Reserve Reversal		
Reversal of Temporary Difference Adjustment Reserve	105,000,000 yen	105,000,000 yen
III. Total Dividends	3,294,417,050 yen	3,314,336,781 yen
(Dividend per share)	(2,150 yen)	(2,163 yen)
IV. Discretionary Reserves		
Provision to Dividend Reserve	364,998,830 yen	366,505,030 yen
V. Retained Earnings Carried Forward	—yen	—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, 3,554,415,880 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 3,659,415,880 yen of unappropriated retained earnings, and transferring 364,998,830 yen of gain on sales of real estate to dividend reserves, within J-REIT conduit rules. As a result, dividend per share came to 2,150 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, 3,575,841,811 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 3,680,841,811 yen of unappropriated retained earnings, and transferring 366,505,030 yen of gain on sales of real estate to dividend reserves, within J-REIT conduit rules. As a result, dividend per share came to 2,163 yen.</p>

## (5) Cash Flow Statement

(Thousand yen)

	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
<b>Cash flows from operating activities</b>		
Pre-tax income	3,554,927	3,576,446
Depreciation	842,219	839,094
Interest income	(112)	(112)
Interest expense	543,894	527,958
Decrease (increase) in operating accounts receivable	(5,043)	728
Decrease (increase) in prepaid expenses	12,586	(7,648)
Decrease (increase) in long-term prepaid expenses	5,377	(77,363)
Increase (decrease) in accrued consumption taxes	(97,730)	108,969
Increase (decrease) in operating accounts payable	6,904	(58,444)
Increase (decrease) in accounts payable	(22,586)	1,258
Increase (decrease) in advances received	57,555	4,189
Decrease due to sales of property, plant, and equipment	1,959,320	—
Decrease due to sales of property, plant, and equipment in trust	—	2,360,814
Other	(15,281)	6,250
Subtotal	6,842,032	7,282,170
Purchase of property, plant, and equipment	112	112
Interest expenses paid	(551,388)	(527,824)
Income taxes paid	(605)	(605)
Net Cash flows from (used for) operations	6,290,151	6,753,853
<b>Cash flows from investing activities</b>		
Purchase of property, plant, and equipment	(40,003)	(54,631)
Purchase of property, plant, and equipment in trust	(2,633,667)	(2,150,628)
Proceeds from tenant leasehold and security deposits	45,234	54,403
Repayments from tenant leasehold and security deposits	(141,184)	(28,389)
Proceeds from tenant leasehold and security deposits in trust	396,328	622,304
Repayments from tenant leasehold and security deposits in trust	(121,056)	(405,089)
Acquisition of TK (tokumei kumiai) real estate equity interest	(50,654)	—
Net Cash flows from (used for) investments	(2,545,003)	(1,962,030)
<b>Cash flows from financing activities</b>		
Increase in long-term borrowings	6,060,000	8,811,000
Decrease in long-term borrowings	(7,328,436)	(8,869,779)
Proceeds from bond issuance	1,187,698	988,964
Dividends paid	(3,454,459)	(3,293,987)
Net Cash flows from (used for) financing	(3,535,196)	(2,363,802)
Net increase (decrease) in cash and cash equivalents	209,951	2,428,020
Cash and cash equivalents at beginning of period	23,605,527	23,815,479
Cash and cash equivalents at end of period	*1 23,815,479	*1 26,243,499

(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 20 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 expensed 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 639 thousand yen, whereas for the current fiscal period is 5,743 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, 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, 2020, 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.

- “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31 on March 31, 2020, Accounting Standards Board of Japan)

(1) Overview

IASB issued International Accounting Standard 1 (IAS 1) “Presentation of Financial Statements” in 2003. Paragraph 125 of IAS 1 requires disclosure on information about the “assumptions the entity makes about the future, and other major sources of estimation uncertainty”. In this regard, there has been a request that the major sources of estimation uncertainty should be disclosed in the notes to financial statements under Japanese GAAP to provide useful information to users of financial statements. In response to this request, the ASBJ developed and issued “Accounting Standard for Disclosure of Accounting Estimates”

ASBJ’s basic policy in developing this accounting standard is not to expand the notes, but to indicate the general principles (or the purpose of disclosure) and let the entity judge the information which should be disclosed according to their objectives. In developing this standard, ASBJ referred to the principles of Paragraph 125 of IAS 1.

(2) Planned date of application

The Accounting Standard for Disclosure of Accounting Estimates will be applied from the end of the fiscal period ending April 2021.

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, 2019)	Current fiscal period (As of April 30, 2020)
50,000	50,000

\*2. Provision and reversal of temporary difference adjustment reserves

Previous fiscal period (As of October 31, 2019)

(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	9,634,544	—	105,000	9,529,544	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, 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	9,529,544	—	105,000	9,424,544	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, 2019 to October 31, 2019)		Current fiscal period (November 1, 2019 to April 30, 2020)	
A. Real estate rental revenue				
Rental Revenues				
Rental revenue	5,899,459		5,955,548	
Common area charges	976,631		975,822	
Parking lot rental revenue	282,784		282,089	
Facility use charges	57,271	7,216,148	61,850	7,275,310
Other rental revenue				
Utilities revenue	615,643		550,753	
Other	30,852	646,496	34,356	585,110
Total real estate rental revenue		7,862,644		7,860,421
B. Real estate rental expenses				
Rental expenses				
Service provider expenses	680,851		710,954	
Utilities	606,754		521,431	
Trust fees	35,577		42,071	
Depreciation	842,219		839,094	
Repair expenses	133,895		109,336	
Taxes and public dues	665,543		667,823	
Non-life insurance expenses	18,360		17,942	
Other rental expenses	42,086		42,242	
Total real estate rental expenses		3,025,290		2,950,896
C. Net rental income				
(A-B)		4,837,354		4,909,525



\*2. Details of real estate sales (Thousand yen)

Previous fiscal period (May 1, 2019 to October 31, 2019)

Ichigo Fiesta Shibuya Building

Real estate sale revenue		2,400,000
Real estate sale cost	1,959,320	
Other real estate sale expenses	142	
Gain on real estate sales		440,537

Current fiscal period (November 1, 2019 to April 30, 2020)

Lions Square Kawaguchi

Real estate sale revenue		2,845,000
Real estate sale cost	2,360,814	
Other real estate sale expenses	85,910	
Gain on real estate sales		398,275

(Statement of changes in net assets)

	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
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	1,532,287 shares

(Notes to statement of dividends)

Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
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, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
Cash and deposits	10,069,180	11,956,974
Cash and deposits in trust	13,823,470	14,364,161
Miscellaneous deposits	(77,171)	(77,636)
Cash and cash equivalents	23,815,479	26,243,499

(Notes to lease transactions)

Operating lease transactions

(Lessee)

	(Thousand yen)	
	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
Outstanding lease charges		
One year or less	71,561	71,935
Over one year	1,073,192	1,036,851
Total	1,144,754	1,108,786

(Lessor)

	(Thousand yen)	
	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
Outstanding lease charges		
One year or less	6,903,707	6,954,742
Over one year	1,607,122	1,257,306
Total	8,510,830	8,212,049

(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 terms. 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 invests surplus funds carefully 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 certain preconditions, etc. are adopted in the calculation of the values concerned, there may be cases where the values concerned will vary when different preconditions, etc. are adopted.

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

The carrying amount on the balance sheet on October 31, 2019, 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	10,069,180	10,069,180	—
(2) Cash and deposits in trust	13,823,470	13,823,470	—
Total assets	23,892,650	23,892,650	—
(3) Long-term borrowings (due within one year)	18,493,568	18,524,160	30,592
(4) Investment corporation bonds	4,400,000	4,427,124	27,124
(5) Long-term borrowings	85,562,543	86,626,665	1,064,122
Total liabilities	108,456,111	109,577,951	1,121,840
(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 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, 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	11,956,974	11,956,974	—
(2) Cash and deposits in trust	14,364,161	14,364,161	—
Total assets	26,321,136	26,321,136	—
(3) Long-term borrowings (due within one year)	19,897,332	19,933,001	35,669
(4) Investment corporation bonds	5,400,000	5,372,821	(27,178)
(5) Long-term borrowings	84,100,000	85,020,977	920,977
Total liabilities	109,397,332	110,326,799	929,467
(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 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, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
(1) TK ( <i>tokumei kumiai</i> ) real estate equity interest	50,654	50,654
(2) Tenant leasehold and security deposits	1,509,112	1,535,126
(3) Tenant leasehold and security deposits in trust	8,870,659	9,087,875

(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, 2019) (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	10,069,180	—	—	—	—	—
Cash and deposits in trust	13,823,470	—	—	—	—	—
Total	23,892,650	—	—	—	—	—

Maturity profile of monetary receivables after the fiscal period-end date (April 30, 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	11,956,974	—	—	—	—	—
Cash and deposits in trust	14,364,161	—	—	—	—	—
Total	26,321,136	—	—	—	—	—

(Note 4) Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (October 31, 2019)

	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)	18,493,568	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	4,400,000
Long-term borrowings	—	19,941,293	19,292,000	14,223,250	2,900,000	29,206,000
Total	18,493,568	19,941,293	19,292,000	14,223,250	2,900,000	33,606,000

Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (April 30, 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)	19,897,332	—	—	—	—	—
Investment corporation bonds	—	—	—	—	1,000,000	4,400,000
Long-term borrowings	—	19,317,000	19,266,000	7,500,000	6,346,000	31,671,000
Total	19,897,332	19,317,000	19,266,000	7,500,000	7,346,000	36,071,000

(Securities)

Previous fiscal period (As of October 31, 2019)

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, 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.

(Notes to derivative transactions)

1. Non-hedge accounting derivatives

Not applicable in the previous fiscal period (ended October 31, 2019) and the current fiscal period (ended April 30, 2020).

2. Hedge accounting derivatives

Previous fiscal period (As of October 31, 2019)

(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	98,601,111	81,062,543	(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, 2020)

(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	98,542,332	78,645,000	(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, 2019)

N/A

Current fiscal period (As of April 30, 2020)

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, 2019)	Current fiscal period (As of April 30, 2020)
Deferred tax assets		
Valuation difference of assets transferred at merger	5,305,446	5,292,421
Asset retirement obligations	1,132	1,186
Tax loss carried forward	335,942	264,884
Other	51	55
Subtotal	5,642,572	5,558,548
Valuation allowance	(5,642,572)	(5,558,548)
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, 2019)	Current fiscal period (As of April 30, 2020)
Statutory tax rate	31.51%	31.46%
(Adjustment)		
Deductible dividend distribution	(19.63%)	(29.15%)
Change in valuation allowance	(11.88%)	(0.32%)
Use of tax loss carried forward	–	(1.99%)
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, 2019 to October 31, 2019)

N/A

Current fiscal period (November 1, 2019 to April 30, 2020)

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, 2019 to October 31, 2019) and the current fiscal period (from November 1, 2019 to April 30, 2020)

2. Affiliated companies

Not applicable in the previous fiscal period (from May 1, 2019 to October 31, 2019) and the current fiscal period (from November 1, 2019 to April 30, 2020)

3. Fellow subsidiaries

Not applicable in the previous fiscal period (from May 1, 2019 to October 31, 2019) and the current fiscal period (from November 1, 2019 to April 30, 2020)

4. Directors and principal individual shareholders

Not applicable in the previous fiscal period (from May 1, 2019 to October 31, 2019) and the current fiscal period (from November 1, 2019 to April 30, 2020)

(Asset retirement obligations)

Previous fiscal period (May 1, 2019 to October 31, 2019)

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

Current fiscal period (November 1, 2019 to April 30, 2020)

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, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
Office	Carrying amount		
	Balance at the beginning of period	189,641,269	191,578,135
	Increase (decrease) during period	1,936,865	1,278,089
	Balance at period-end	191,578,135	192,856,225
	Market value at period-end	230,101,000	233,667,000
Other	Carrying amount		
	Balance at the beginning of period	10,830,773	8,835,555
	Increase (decrease) during period	(1,995,217)	(2,394,740)
	Balance at period-end	8,835,555	6,440,815
	Market value at period-end	10,030,000	7,500,000
Total	Carrying amount		
	Balance at the beginning of period	200,472,043	200,413,691
	Increase (decrease) during period	(58,352)	(1,116,650)
	Balance at period-end	200,413,691	199,297,040
	Market value at period-end	240,131,000	241,167,000

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

(Note 2) The major increase in rental assets during the previous fiscal period was due to the acquisition of trust beneficiary interests in real estate of one asset (2,264,408 thousand yen), and the major decrease was due to sales of real estate of one asset (1,959,320 thousand yen) and depreciation.

The major increase during the current fiscal period was due to the acquisition of trust beneficiary interests in real estate of one asset (1,555,078 thousand yen), and the major decrease was due to sales of trust beneficiary interests in real estate of one asset (2,360,814 thousand yen) and 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 is stated in "Income Statement."



(Segment information)

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

(Related information)

Previous fiscal period (May 1, 2019 to October 31, 2019)

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, 2019 to April 30, 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.

(Notes to per-share information)

	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
Net assets per share (yen)	67,848	68,031
Net income per share (yen)	2,319	2,333

(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 diluted shares.

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

	Previous fiscal period (May 1, 2019 to October 31, 2019)	Current fiscal period (November 1, 2019 to April 30, 2020)
Net Income (Thousand yen)	3,554,322	3,575,841
Amount not attributable to common shareholders (Thousand yen)	—	—
Net income attributable to common shareholders (Thousand yen)	3,554,322	3,575,841
Average number of shares during period (Shares)	1,532,287	1,532,287

## (7) Supplementary Schedules

## (i) Schedule of securities

## (a) Stocks

N/A

## (b) Securities other than stocks

(Thousand yen)

Type	Name of Security	Aggregate Value	Book Value	Accrued Interest Receivable	Accrued Interest Paid	Appraisal Value (Note 1)	Difference	Note
TK ( <i>tokumei kumiai</i> ) real estate equity interest	Equity interest in Tachikawa Holdings GK TK	—	50,654	—	—	50,654	—	(Note 2)
Total		—	50,654	—	—	50,654	—	—

(Note 1) Appraisal value shows the book value of the TK real estate equity interest.

(Note 2) The underlying real estate in the Tachikawa Holdings GK TK is a trust beneficiary interest in real estate (juekiken) of Unizo Tachikawa Building.

## (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)	98,542,332	78,645,000	—
Total		98,542,332	78,645,000	—

(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	7,057,925	29,213	—	7,087,139	1,748,149	107,118	5,338,990	(Note)
	Structures	26,177	295	—	26,472	23,789	197	2,683	(Note)
	Machinery and equipment	302,156	19,004	—	321,160	168,008	12,328	153,151	(Note)
	Tools, furniture and fixtures	64,379	1,334	—	65,713	46,960	2,865	18,753	(Note)
	Land	15,638,558	—	—	15,638,558	—	—	15,638,558	
	Buildings in trust	43,755,757	581,544	622,635	43,714,666	8,384,147	673,365	35,366,519	(Note)
	Structures in trust	67,932	2,409	5,420	64,921	30,664	2,058	34,257	(Note)
	Machinery and equipment in trust	606,189	51,545	—	657,734	315,095	26,655	342,639	(Note)
	Tools, furniture and fixtures in trust	205,903	13,376	1,052	218,228	139,119	14,505	79,108	(Note)
	Land in trust	138,279,665	1,384,533	1,836,399	137,827,799	—	—	137,827,799	(Note)
	Construction in progress in trust	4,403	41	—	4,445	—	—	4,445	
	Subtotal	206,009,048	2,083,300	2,465,507	205,626,841	10,819,934	839,094	194,806,906	
	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		210,503,628	2,083,300	2,465,507	210,121,420	10,819,934	839,094	199,301,486	

(Note) The major increase during the current fiscal period was due to the acquisition of trust beneficiary interests in real estate of one asset (1,555,078 thousand yen), and the major decrease was due to sales of trust beneficiary interests in real estate of one asset (2,360,814 thousand yen) and 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	0.300	March 26, 2025		
Total		4,400,000	—	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

## (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
Long-Term Loans	SMBC	1,224,275	—	1,562	1,222,712	1.267 (Note 2)	December 10, 2020	(Note 3)	(Note 12)	No (No Guarantee)
	Mizuho Bank	1,224,295	—	1,562	1,222,732					
	Aozora Bank	783,550	—	1,000	782,550					
	Shinsei Bank	783,550	—	1,000	782,550					
	Resona Bank	587,670	—	750	586,920					
	MUFG Bank	783,550	—	1,000	782,550					
	SMBC	1,224,275	—	1,224,275	—	1.033 (Note 2)	December 16, 2019	(Note 4)		
	Mizuho Bank	1,224,295	—	1,224,295	—					
	Aozora Bank	783,550	—	783,550	—					
	Shinsei Bank	783,550	—	783,550	—					
	Resona Bank	587,670	—	587,670	—					
	MUFG Bank	783,550	—	783,550	—					
	Aozora Bank	2,127,000	—	—	2,127,000	1.142 (Note 2)	August 31, 2020	Lump-sum Repayment		
	Shinsei Bank	1,998,000	—	—	1,998,000					
	ORIX Bank	400,000	—	—	400,000					
	SMBC	672,655	—	672,655	—	1.148 (Note 2)	November 29, 2019	(Note 5)		
	Mizuho Bank	610,006	—	610,006	—					
	Shinsei Bank	641,331	—	641,331	—					
MUFG Bank	549,006	—	549,006	—						
SMBC	1,371,544	—	1,384	1,370,160	1.185 (Note 2)	May 29, 2020	(Note 6)			
Mizuho Bank	1,248,660	—	1,260	1,247,400						
Shinsei Bank	1,310,102	—	1,322	1,308,780						
MUFG Bank	1,123,794	—	1,134	1,122,660						

	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	1,956,234	—	1,974	1,954,260	1.275 (Note 2)	May 7, 2021	(Note 7)	(Note 12)	No (No Guarantee)
	Mizuho Bank	1,956,234	—	1,974	1,954,260					
	Aozora Bank	590,636	—	596	590,040					
	Shinsei Bank	772,980	—	780	772,200					
	MUFG Bank	1,629,204	—	1,644	1,627,560					
	Resona Bank	1,365,598	—	1,378	1,364,220					
	Bank of Fukuoka	447,932	—	452	447,480					
	ORIX Bank	447,932	—	452	447,480					
	SMBC	1,956,234	—	1,974	1,954,260	1.347 (Note 2)	November 8, 2021	(Note 7)		
	Mizuho Bank	1,956,234	—	1,974	1,954,260					
	Aozora Bank	590,636	—	596	590,040					
	Shinsei Bank	774,962	—	782	774,180					
	MUFG Bank	1,629,204	—	1,644	1,627,560					
	Resona Bank	1,363,616	—	1,376	1,362,240					
	Bank of Fukuoka	447,932	—	452	447,480					
	ORIX Bank	447,932	—	452	447,480					
	SMBC	1,587,589	—	1,601	1,585,988	0.985 (Note 2)	March 31, 2021	(Note 8)		
	Mizuho Trust	286,642	—	289	286,353					
	Resona Bank	573,285	—	578	572,707					
	Aozora Bank	573,285	—	578	572,707					
	Mizuho Bank	1,069,035	—	1,078	1,067,957					
	ORIX Bank	286,642	—	289	286,353					
	MUFG Bank	495,750	—	500	495,250					
	The Kagawa Bank	955,000	—	955,000	—	0.670	March 31, 2020	(Note 9)		
	SMBC	1,439,850	—	1,450	1,438,400	0.808 (Note 2)	May 31, 2022	(Note 10)		
	Mizuho Bank	1,042,650	—	1,050	1,041,600					
	MUFG Bank	893,700	—	900	892,800					
	Shinsei Bank	496,500	—	500	496,000					
SMBC	1,439,850	—	1,450	1,438,400	0.858 (Note 2)	November 30, 2022	(Note 10)			
Mizuho Bank	1,042,650	—	1,050	1,041,600						
MUFG Bank	893,700	—	900	892,800						
Shinsei Bank	496,500	—	500	496,000						
SMBC	1,787,400	—	1,800	1,785,600	0.705 (Note 2)	May 31, 2022	(Note 11)			
Mizuho Bank	893,700	—	900	892,800						
MUFG Bank	695,100	—	700	694,400						
Shinsei Bank	595,800	—	600	595,200						
Aozora Bank	496,500	—	500	496,000						
Bank of Fukuoka	496,500	—	500	496,000						
Nishi-Nippon City Bank	496,500	—	500	496,000						
Resona Bank	347,550	—	350	347,200						

	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	1,787,400	—	1,800	1,785,600	0.750 (Note 2)	November 30, 2022	(Note 11)	(Note 12)	No (No Guarantee)
	Mizuho Bank	893,700	—	900	892,800					
	MUFG Bank	695,100	—	700	694,400					
	Shinsei Bank	595,800	—	600	595,200					
	Aozora Bank	496,500	—	500	496,000					
	Bank of Fukuoka	496,500	—	500	496,000					
	Nishi-Nippon City Bank	496,500	—	500	496,000					
	Resona Bank	347,550	—	350	347,200					
	SMBC	1,000,000	—	—	1,000,000	0.845 (Note 2)	October 31, 2023	Lump-sum repayment		
	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		
	SMBC	215,000	—	—	215,000	0.761 (Note 2)	October 31, 2023	Lump-sum repayment		
	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						

	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	835,000	—	—	835,000	0.860 (Note 2)	November 11, 2024	Lump-sum repayment	(Note 12)	No (No Guarantee)
	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	0.641	February 29, 2024	Lump-sum repayment		
	Mizuho Bank	400,000	—	—	400,000	0.641	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	0.721	April 30, 2026	Lump-sum repayment		
	Shinsei Bank	200,000	—	—	200,000	0.721	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					
	SMBC	250,000	—	—	250,000	0.850 (Note 2)	April 30, 2026	Lump-sum repayment		
	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						

	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	—	1,224,000	—	1,224,000	0.876 (Note 2)	September 27, 2027	Lump-sum repayment	(Note 12)	No (No Guarantee)
	Mizuho Bank	—	1,224,000	—	1,224,000					
	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	0.664	March 25, 2027	Lump-sum repayment		
Total		104,056,111	8,811,000	8,869,779	103,997,332					

(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) 3 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 4) The remaining balance was repaid on December 16, 2019.

(Note 5) The remaining balance was repaid on November 29, 2019.

(Note 6) 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 entire amount of the balance at period-end is included in long-term borrowings due within one year.

(Note 7) 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 balance at period-end includes long-term borrowings due within one year of 18 million yen.

(Note 8) 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 entire amount of the balance at period-end is included in long-term borrowings due within one year.

(Note 9) The remaining balance was repaid on March 31, 2020.

(Note 10) 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 11) 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 12) The proceeds are used for acquisition of assets and/or beneficiary rights of real estate in trust and repayment of loans.

(Note 13) 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	19,897,332	—	—	—	—
Long-term borrowings	—	19,317,000	19,266,000	7,500,000	6,346,000
Total	19,897,332	19,317,000	19,266,000	7,500,000	6,346,000