



**Make The World
More Sustainable**

Ichigo Office REIT Semi-Annual Report (Audited)

38th Fiscal Period
May 1, 2024 – October 31, 2024

Ichigo Office REIT Investment Corporation (8975)

Marunouchi Park Building 20F, 2-6-1 Marunouchi, Chiyoda-ku, Tokyo 100-6920

Message from Management

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

As always, Ichigo Office continuously worked to drive shareholder value by executing various measures during the October 2024 period.

In May 2024, we issued new shares via third-party allotment, and used the proceeds to acquire six office assets located in central Tokyo and Fukuoka (Ichigo Akihabara East Building, Ichigo Hakata Meiji Dori Building, Ichigo Hakata Gion Building, Ichigo Tenjin North Building, Ichigo Gotanda West Building, Ichigo Otemachi North Building, total acquisition price 15.4 billion yen), in an aim to increase the size of our portfolio as well as portfolio earnings, which should contribute to our sustainable growth and shareholder value. Upon acquisition, we improved the occupancy from 87% to 94% by period-end, and increased the NOI of the six assets by 5.1% vs. the initial forecast, contributing to our earnings growth.

Next, in October 2024, we sold the Ichigo Kudan 2 Chome Building (book value 740 million yen), an asset which the value-add renovations and re-tenanting activities has achieved certain goals, to a third-party company at 2.05 billion yen, and earned a gain on sales of 1.05 billion yen.

We also focused on sustainability initiatives, and fully completed the renewable energy transition to all of our assets including partially-owned and co-owned portfolio assets, by purchasing non-fossil fuel certificates with tracking for Ichigo power plants (Note).

As a result of such activities, Ichigo Office's October 2024 earnings were: operating revenue of 9,223 million yen, operating profit of 4,991 million yen, recurring profit of 4,082 million yen, and net income of 4,081 million yen. The dividend per share was 2,692 yen, a 9 yen (0.3%) increase from our forecast at period-start. The value of our assets has also increased, as our NAV per share at period-end was 101,306 yen, a record high.

Ichigo Office has already made announcements in order to further enhance its shareholder value for the April 2025 period.

First of all, we have decided on the sales of four assets (Ichigo Yotsuya 4 Chome Building, Ichigo Tameike Building, Ichigo Kudan 3 Chome Building, Future Izumi, total sales price 3.6 billion yen) and is expected to earn a gain on sales of 491 million yen.

Next, Ichigo Office became the first J-REIT to borrow loans in order to finance the deployment of value-add capex to drive the value of its portfolio. We will proactively deploy value-add capex for select assets to differentiate its mid-size office portfolio.

Ichigo Office commits to build a robust mid-size office portfolio and promote its ESG activities with the aim to drive sustainable growth and maximize shareholder value.

Thank you so much for your prolonged support.



Takafumi Kagiya, Executive Director
Ichigo Office REIT Investment Corporation

(Note) The certificates certify the value of non-fossil electricity with tracking information of renewable energy plants in order to meet RE100 requirements.

Asset Management Overview

1 Historical Investment Performance

			34th Fiscal Period From May 1, 2022 to October 31, 2022	35th Fiscal Period From November 1, 2022 to April 30, 2023	36th Fiscal Period From May 1, 2023 to October 31, 2023	37th Fiscal Period From November 1, 2023 to April 30, 2024	38th Fiscal Period From May 1, 2024 to October 31, 2024
Operating Revenue	million yen		7,800	12,380	7,914	8,068	9,223
(Real Estate Rental Income)	million yen		(7,798)	(7,985)	(7,807)	(7,761)	(8,171)
Operating Expenses	million yen		4,025	5,191	4,000	3,973	4,231
(Real Estate Rental Expenses)	million yen		(3,122)	(3,223)	(3,131)	(3,160)	(3,373)
Operating Profit	million yen		3,775	7,189	3,914	4,094	4,991
Recurring Profit	million yen		3,001	6,390	3,096	3,323	4,082
Net Income	million yen		3,001	6,390	3,095	3,323	4,081
Total Assets	million yen		229,966	235,897	231,001	231,225	244,755
(Period-on-Period Change)	%		(0.9)	(2.6)	(-2.1)	(0.1)	(5.9)
Net Assets	million yen		102,011	105,296	101,999	102,122	106,375
(Period-on-Period Change)	%		(-0.8)	(3.2)	(-3.1)	(0.1)	(4.2)
Shareholders' Equity	million yen		67,675	67,675	67,675	67,675	71,175
Number of Shares Outstanding	shares		1,513,367	1,513,367	1,513,367	1,513,367	1,554,934
Net Assets per Share	yen		67,407	69,577	67,399	67,479	68,411
Total Dividends	million yen		3,105	6,392	3,200	3,327	4,185
Dividend per Share	yen		2,052	4,224	2,115	2,199	2,692
(Profit Distributions per Share)	yen		(2,052)	(4,224)	(2,115)	(2,199)	(2,692)
(Distributions in Excess of Earnings per Share)	yen		(-)	(-)	(-)	(-)	(-)
Ratio of Recurring Profit to Total Assets	(Note 1)	%	1.3(2.6)	2.7(5.5)	1.3(2.6)	1.4(2.9)	1.7(3.4)
Return on Equity	(Note 1)	%	2.9(5.8)	6.2(12.4)	3.0(5.9)	3.3(6.5)	3.9(7.8)
Shareholder Equity Ratio	(Note 1)	%	44.4	44.6	44.2	44.2	43.5
(Period-on-Period Change)		%	(-0.7)	(0.3)	(-0.5)	(0.0)	(-0.7)
Dividend Payout Ratio	(Note 2)	%	103.4	100.0	103.4	100.1	102.5
Other Reference Information							
Number of Assets	assets		86	88	88	87	92
Number of Tenants at End of Period	tenants		938	998	1,008	1,006	1,071
Total Leasable Area	m ²		266,866.48	269,700.94	269,114.17	266,944.42	278,292.10
Occupancy at End of Period	%		96.5	95.9	96.8	96.6	95.7
Depreciation	million yen		910	950	971	982	980
Capital Expenditure	thousand yen		632,888	828,674	775,081	1,039,299	948,289
NOI (Net Operating Income)	(Note 1)	million yen	5,586	5,712	5,648	5,583	5,778
FFO (Funds from Operations) per Share	(Note 1)	yen	2,584	1,947	2,617	2,643	2,579
Number of Days in the Period	days		184	181	184	182	184

(Note 1) The indicators stated are calculated using the formulas below. Figures in parentheses are annualized values.

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

(Note 2) Dividend Payout Ratio is calculated using the formula below and rounded down to the nearest unit:

Dividend per Share (excluding distributions in excess of earnings per share) / Net Income per Share

However, as new shares were issued for the 38th fiscal period, the calculation is based on the following method.

Total distributions (excluding distributions in excess of earnings per share) / Net income

2 Summary of Operating Results for the Fiscal Period Ended October 31, 2024

(1) Overview

In the fiscal period ended October 31, 2024, Ichigo Office's 38th fiscal period, Ichigo Office sold an office asset located in Chiyoda-ku, Tokyo at 2.7x book value and 1.7x recent appraisal value. The agreement for this transaction was concluded during the previous period, on April 26, 2024. On the same date, Ichigo Office also sold an asset located in Kamakura City, Kanagawa. By using the proceeds from these asset sales and issuance of new share via third-party allotment (to Ichigo Trust), Ichigo Office acquired six office assets (three in central Tokyo, three in central Fukuoka, total acquisition price: 15.4 billion yen). Ichigo Office will deploy value-add capex to these assets in order to maximize shareholder value. Also, in August 2024, Ichigo Office decided to sell an asset located in Shinjuku-ku, Tokyo at 2.0x book value and 1.7x recent appraisal value. This asset sale was executed by Ichigo Investment Advisors, the asset management company of Ichigo Office, with no broker in between, and the sale has been already completed on November 29, 2024. Ichigo Office has continuously made efforts to strengthen its earnings growth potential by 1) increasing asset value and investment efficiency via its value-add capex (Note) and 2) driving earnings growth with a focus on tenant satisfaction, as well as strategic asset acquisitions and sales. In order to increase asset value via value-add capex, Ichigo Office will proactively deploy value-add capex for select assets. Ichigo Office seeks to construct a portfolio specializing in mid-size offices, which can generate both earnings stability and earnings growth.

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

(2) Market Environment and Investment Performance

(i) Market Environment

Although the Bank of Japan's normalization of the monetary policy has an effect in the market, the demands for real estate investments continue to be quite strong, because of the weak yen and domestic interest rates considerably lower than other countries. Due to the increase in construction costs, new supplies of mid-size offices are limited, therefore the yield for such assets remains at low levels, and the growth of market prices continues to be strong. Limited investment opportunities in Central Tokyo due to high prices is driving greater interest for investments in regional cities as investors look for higher yields and changes in working styles. Furthermore, an increasing global interest in environmental and social issues is expected to accelerate ESG initiatives within the real estate market and become an increasingly important factor for real estate investments. Ichigo Office is fully aware of these changes in the market and will adjust its investment activity accordingly and with a long-term perspective.

(ii) Investment Performance

During the current fiscal period, Ichigo Office worked to drive the earnings of individual assets with the aim of increasing portfolio NOI, while taking into consideration rent levels and occupancy. Due to successful leasing activities, particularly in Central Tokyo, the occupancy at period-end was 95.7%, which was slightly lower than the previous period-end. In line with the spirit of RE100, a global initiative to accelerate the transition of electricity used by businesses to 100% renewable energy, Ichigo Office has fully completed its renewable energy transition to all assets, including partially owned and co-owned assets, by purchasing non-fossil fuel certificates with tracking for Ichigo plants (Note), as well as installing LED lights in an aim to conserve energy.

Ichigo Office sold the Ichigo Kudan 2 Chome Building at 2.7x book value and 1.7x recent appraisal value, and distributed the gain on sales to its shareholders, as well as acquiring six office assets located in central Tokyo and Fukuoka (Ichigo Akihabara East Building, Ichigo Hakata Meiji Dori Building, Ichigo Hakata Gion Building, Ichigo Tenjin North Building, Ichigo Gotanda West Building, Ichigo Otemachi North Building). As a result, the number of assets owned at period-end was 92 assets (total acquisition price: 225,125 million yen).

(Note) The certificates are non-fossil fuel energy certificates with a feed-in-tariff traded in the renewable energy value trading market. It certifies the value of non-fossil electricity with tracking information of renewable energy plants in order to meet RE100 requirements.

(3) Financing

During the current fiscal period, Ichigo Office borrowed 8,500 million yen in loans and issued new shares via third-party allotment to procure 3,499 million yen (net proceeds) in May 2024 to finance the acquisition of six office assets. Ichigo Office also borrowed 4,192 million yen from banks to repay loans which came due in September 2024.

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 9,223 million yen, operating profit of 4,991 million yen, recurring profit of 4,082 million yen and net income of 4,081 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, mainly due to the loss on sales of real estate posted when assets were transferred in the past for the purpose of improving portfolio quality, it may internally reserve profits if it has total net gains on sales of real estate assets and other profits from operations.

For this period, Ichigo Office has decided to pay a total dividend of 4,185 million yen, which is the total amount (except for fractions in which the dividend per share is less than one yen) of unappropriated retained earnings (4,081 million yen) and the reversal of reserves for temporary difference adjustments (105 million yen) minus gain of sales real estate transferred to dividend reserves in compliance with J-REIT conduit rules (101 million yen). As a result, the dividend per share came to 2,692 yen.

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	
April 12, 2021	Shares Cancelled	(18,920)	1,513,367	–	67,675	(Note 1)
May 30, 2024	Third-Party Allotment	41,567	1,554,934	3,499	71,175	(Note 2)

(Note 1) Ichigo Office purchased its own shares in the Tokyo Stock Exchange, through in-market purchase via a securities firm between January 8, 2021 and February 12, 2021. On March 26, 2021, the Board of Directors approved to cancel the acquired shares, and the shares were cancelled on April 12, 2021. Since Ichigo Office used its Capital Reserve Surplus to purchase the shares, the amount of the Shareholders’ Equity did not change.

(Note 2) New shares were issued through a third-party allotment at an issue price of 84,200 yen per share for the purpose of procuring funds to acquire new properties.

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.

	34th Fiscal Period From May 1, 2022 to October 31, 2022	35th Fiscal Period From November 1, 2022 to April 30, 2023	36th Fiscal Period From May 1, 2023 to October 31, 2023	37th Fiscal Period From November 1, 2023 to April 30, 2024	38th Fiscal Period From May 1, 2024 to October 31, 2024
High	88,400 yen	101,700 yen	91,400 yen	85,700 yen	85,400 yen
Low	81,000 yen	83,300 yen	83,800 yen	76,700 yen	76,400 yen

4 Dividends

With respect to dividends in the current fiscal period, the dividend distribution policy set out in Article 37 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of dividends shall exceed an amount equivalent to 90% of distributable earnings as provided for in Article 67-15, Paragraph 1 of the Special Measures Taxation Act. Based on this policy, Ichigo Office has decided to pay a total dividend of 4,185 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 4,081 million yen, plus 105 million yen, which is the reversal of reserves for temporary difference adjustments and minus 101 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 2,692 yen.

		34th Fiscal Period From May 1, 2022 to October 31, 2022	35th Fiscal Period From November 1, 2022 to April 30, 2023	36th Fiscal Period From May 1, 2023 to October 31, 2023	37th Fiscal Period From November 1, 2023 to April 30, 2024	38th Fiscal Period From May 1, 2024 to October 31, 2024
Unappropriated Retained Earnings	thousand yen	3,001,684	6,391,351	3,096,669	3,324,059	4,081,572
Retained Earnings for Dividend Reserve	thousand yen	–	103,000	–	101,000	–
Total Dividends	thousand yen	3,105,429	6,392,462	3,200,771	3,327,894	4,185,882
(Dividend per Share)	yen	(2,052)	(4,224)	(2,115)	(2,199)	(2,692)
Profit Distributions	thousand yen	3,105,429	6,392,462	3,200,771	3,327,894	4,185,882
(Profit Distributions per Share)	yen	(2,052)	(4,224)	(2,115)	(2,199)	(2,692)
Total Refund of Capital	thousand yen	–	–	–	–	–
(Refund of capital per share)	yen	(–)	(–)	(–)	(–)	(–)
Of the Total Refund of Capital, Total Distribution from Reserves for Temporary Difference Adjustment	thousand yen	–	–	–	–	–
(Of the Refund of Capital per Share, Distribution from Reserves for Temporary Difference Adjustment per Share)	yen	(–)	(–)	(–)	(–)	(–)
Of the Total Refund of Capital, Total Distribution from the Distribution Associated with a Decrease in Investment for Tax Purposes	thousand yen	–	–	–	–	–
(Of the Refund of Capital per Share, Distribution from the Distribution Associated with a Decrease in Investment for Tax Purposes)	yen	(–)	(–)	(–)	(–)	(–)

5 Investment Policies and Strategies

(1) Asset Acquisitions (Acquisition-Driven Growth)

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

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

(2) Portfolio Management (Organic Growth)

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

- Provide differentiated high-quality office spaces such as Ready to Move In Office and Ichigo Lounge
- Increase asset value and investment returns via value-add capex
- Pursue investment efficiency
- Minimize downtime at re-tenanting and free-rent periods

(3) Financing Strategy

For the refinancing of existing loans, Ichigo Office will consider fixing interest rates and promoting the extension and diversification of loan periods, due to the unstable social situations leading to a rise in interest rates. With respect to the long-term issuer rating it has acquired from Japan Credit Rating Agency, Ltd., Ichigo Office will strengthen its financial base and expand its cash flows while diversifying its financing using investment corporation bonds, with the aim of further improving the current rating of "A+ (Outlook: Stable)."

6 Significant Subsequent Events

(1) Asset Sale Agreement

The sales and purchase agreements for the following asset have been made in accordance with the guidelines specified in Ichigo Office's Articles of Incorporation.

Asset Name	Ichigo Tameike Building Ichigo Kudan 3 Chome Building Future IZUMI
Sale Price (Note 1)	2,600,000 thousand yen
Book Value (Note 2)	2,301,000 thousand yen
Contract Date (Note 3)	November 29, 2024
Closing Date (Note 3)	March 21, 2025
Buyer (Note 4)	Third-Party Japanese Company

(Note 1) Sale price is the sale price of the assets and excludes incidental expenses such as fees and applicable property, city planning, and consumption taxes. Ichigo Office expects to record a gain on sales of 67,840 thousand yen for the April 2025 fiscal period.

(Note 2) Book Value is an estimate based upon the most recent book value (as of October 31, 2024), adjusted for expected capital expenditures and depreciation through the Closing Date.

(Note 3) The sale of the assets shown above (the "Sale") constitute a "forward commitment" by Ichigo Office as stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators" by the Financial Services Agency^(Note). In the event of a violation of the provisions of the Sale by Ichigo Office or the buyer, the other party shall have the right to terminate the Sale and claim an amount equivalent to 10% of the purchase price as a penalty. As Ichigo Office is the seller, it is highly unlikely that Ichigo Office will not be able to fulfill its obligations under the Sale.

(Note) Forward commitment refers to a post-dated purchase and sales agreement under which payment and property delivery shall be made at least one month after the conclusion of the agreement, or any other agreement similar thereto.

(Note 4) The buyer did not provide consent to disclose its name.

Ichigo Tameike Building

Location	2-12-18 Akasaka, Minato-ku, Tokyo
Legal Form of Asset	Real Estate
Property Rights	Land: Freehold Building: Freehold

Ichigo Kudan 3 Chome Building

Location	3-2-7 Kudan Minami, Chiyoda-ku, Tokyo
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Property Rights	Land: Freehold Building: Freehold

Future IZUMI

Location	1-20-1 Fuchucho, Izumi, Osaka
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Property Rights	Land: Freehold (ownership ratio: 15.15%) Building: Freehold (ownership ratio: 43.53%)

(2) Asset Sale

The following asset was sold in accordance with the guidelines specified in Ichigo Office's Articles of Incorporation.

Ichigo Yotsuya 4 Chome Building

Sale Price (Note 1)	1,000,000 thousand yen
Book Value (Note 2)	495,893 thousand yen
Location	4-3-20 Yotsuya, Shinjuku-ku, Tokyo
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Property Rights	Land: Freehold Building: Freehold
Contract Date	August 8, 2024
Closing Date	November 29, 2024
Buyer	Trust East Real Estate Investment Company Limited

(Note 1) The sale price is the sale price of the trust beneficiary interest (*juekiken*) itself and does not include fees and applicable property, city planning, and consumption taxes. Ichigo Office expects to record a gain on sale of 424,516 thousand yen in the April 2025 fiscal period.

(Note 2) Book Value is the most recent book value (as of October 31, 2024)

(3) Committed Term Loan

Ichigo Office executed an agreement for a bilateral committed term loan on November 29, 2024.

Lender	SMBC
Available Loan Amount	1,000,000 thousand yen
Contract date	November 29, 2024
Borrowing Period	November 29, 2024 to November 28, 2025
Use of Proceeds	Value-add capex (including fees associated with the loan)
Collateralized	No

Ichigo Office Overview

1 Shares and Shareholders' Equity

		34th Fiscal Period October 31, 2022	35th Fiscal Period April 30, 2023	36th Fiscal Period October 31, 2023	37th Fiscal Period April 30, 2024	38th Fiscal Period October 31, 2024
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	1,513,367	1,513,367	1,513,367	1,513,367	1,554,934
Shareholders' Equity	million yen	67,675	67,675	67,675	67,675	71,175
Number of Shareholders	persons	16,125	20,032	19,997	21,828	26,302

2 Major Shareholders

Major shareholders as of October 31, 2024 are as follows:

Name	Shares	Ratio of Shares Held to Total Number of Shares Issued (%) (Note)
Ichigo Trust Pte. Ltd.	384,704	24.74
Custody Bank of Japan, Ltd., Trust Bank	241,633	15.53
The Master Trust Bank of Japan	165,861	10.66
Ichigo Inc.	149,208	9.59
Nomura Trust & Banking Co., Ltd. Investment Trust Account	47,616	3.06
Ichigo Trust	41,567	2.67
STATE STREET BANK WEST CLIENT - TREATY 505234	20,533	1.32
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	16,400	1.05
SMBC Nikko Securities Inc.	14,548	0.93
Japan Securities Finance Co., Ltd.	12,919	0.83
Total	1,094,989	70.42

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

3 Executive Director and Supervisory Directors

(1) Ichigo Office's directors and auditor as of October 31, 2024 are as follows:

Title	Name of Director	Other Major Positions	Total Compensation During the Current Fiscal Period (thousand yen)
Executive Director	Takafumi Kagiya	—	2,160
Supervisory Directors	Noriko Ichiba	Ichiba CPA Office, Representative UPRISE Certified Tax Accountant's Co., Representative Daiho Corporation, External Auditor COMPASS Co. Ltd., Partner Nisshinbo Holdings Inc., External Auditor	1,440
	Yuji Maruo	Equity Partners Co., Ltd., Representative Director Saint Clair Co., Ltd., Representative Director	1,440
Accounting Auditor	Deloitte Touche Tohmatsu LLC	—	9,800 (Note 4)

(Note 1) The Executive and Supervisory Directors do not own shares of Ichigo Office under either their own name or another person's name.

(Note 2) Agreements of indemnity between Ichigo Office and the Executive and Supervisory Directors do not exist.

(Note 3) Keisuke Chiba, Executive Director, and Masahiro Terada, Supervisory Director, resigned at the conclusion of the 15th Shareholder Meeting held on July 20, 2024. Also, at the conclusion of the same shareholder meeting, Grant Thornton Taiyo LLC resigned, and Deloitte Touche Tohmatsu LLC was newly appointed as accounting auditor.

(Note 4) The total amount of fees to be paid to Deloitte Touche Tohmatsu LLC includes fees (1,600 thousand yen) for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law. In addition, there is no fees paid to any person belonging to the same network as the aforementioned audit firm.

(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.

(3) Person(s) Subject to Disciplinary Action Ordering the Suspension of Operations in the Past Two Years

On December 26, 2023, Grant Thornton Taiyo LLC, Ichigo Office's previous accounting auditor received disciplinary action ordering the suspension of operations related to the conclusion of new contracts for a period of three months (January 1, 2024 to March 31, 2024) from the Financial Services Agency (FSA).

4 Directors and Officers Liability Insurance

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

Beneficiary	Details of the D&O Insurance
Executive and Supervisory Directors	(1) Insurance Coverage Overview The D&O liability insurance covers damages and litigation expenses resulting from litigations arising from the actions (including negligence) of persons serving in a role of Executive or Supervisory Director.
	(2) Insurance Premiums Ichigo Office will bear the cost of insurance premiums, including the special provision for shareholder derivative lawsuits.
	(3) Measures to Ensure Appropriate Performance of Duties Damages resulting from willful misconduct and gross negligence are not covered by this insurance.

5 Asset Management Company, Asset Custodian, and Administrative Agents

The asset management company, asset custodian, and administrative agents as of October 31, 2024 are as follows:

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

Assets under Management

1 Asset Composition

Asset Type	Area (Note 1)	37th Fiscal Period (as of April 30, 2024)		38th Fiscal Period (as of October 31, 2024)	
		Book Value (million yen) (Note 2)	Ratio to Total Assets (%)	Book Value (million yen) (Note 2)	Ratio to Total Assets (%)
Real Estate	Central Tokyo	5,983	2.6	5,992	2.4
	Tokyo Metropolitan Area	5,834	2.5	5,910	2.4
	Four Major Regional Cities	10,036	4.3	10,019	4.1
Trust Beneficiary Interest in Real Estate (<i>juekiken</i>) (Note 3)	Central Tokyo	107,849	46.6	116,156	47.5
	Tokyo Metropolitan Area	38,679	16.7	38,792	15.8
	Four Major Regional Cities	27,926	12.1	34,268	14.0
	Other Regional Cities	10,039	4.3	9,960	4.1
Subtotal		206,349	89.2	221,100	90.3
Investment in Securities (Note 4)		39	0.0	–	–
Deposits and Other Assets		24,837	10.7	23,654	9.7
Total Assets		231,225	100.0	244,755	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 Kizuna1 GK TK

2 Major Assets Owned

The table below is a summary of the major assets owned by Ichigo Office as of October 31, 2024 (top ten assets in terms of book value).

Asset Name	Book Value (million yen) (Note 1)	Leasable Area (m ²)	Leased Area (m ²)	Occupancy (%) (Note 2)	Ratio to Total Rent Revenue (%)	Asset Type
Ichigo Jingumae Building	7,399	4,510.00	4,510.00	100.0	2.4	Office
Ichigo Ebisu Green Glass	5,713	3,159.27	3,159.27	100.0	2.4	Office
Ichigo Akihabara North Building	5,403	6,250.53	6,250.53	100.0	2.8	Office
Ichigo Marunouchi Building	5,292	8,009.11	7,821.52	97.7	2.9	Office
Ichigo Sasazuka Building	5,039	6,425.29	4,358.76	67.8	1.5	Office
Ichigo Gotanda Building	4,751	5,346.39	4,404.35	82.4	2.3	Office
Ichigo Sakae Building	4,726	3,928.12	3,604.52	91.8	1.9	Office
Ichigo Higashi Ikebukuro Building	4,640	4,443.97	4,443.97	100.0	1.9	Office
Ichigo Nihonbashi East Building	4,229	4,216.97	4,216.97	100.0	1.9	Office
Ichigo Hiroo Building	3,955	3,510.44	3,299.14	94.0	1.5	Office
Total	51,152	49,800.09	46,069.03	92.5	21.4	

(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 October 31, 2024.

Asset Name		Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at End of Period (million yen) (Note 1)	Book Value at End of Period (million yen) (Note 2)
O-02	Ichigo Nishisando Building	Yoyogi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,523.19	3,290	3,299
O-03	Ichigo Mita Building	Shiba, Minato-ku, Tokyo	Trust beneficiary interest in real estate	4,119.74	3,800	2,742
O-04	Ichigo Nanpeidai Building	Nanpeidaicho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,925.24	2,840	1,862
O-05	Ichigo Hanzomon Building	Hayabusacho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,080.37	2,220	1,508
O-06	Ichigo Hijirizaka Building	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,947.90	1,530	1,202
O-07	Ichigo Shibuya Kamiyamacho Building	Kamiyamacho, Shibuya-ku, Tokyo	Real estate	1,321.54	1,950	1,353
O-09	Ichigo Shibakoen Building	Shiba, Minato-ku, Tokyo	Real estate	1,602.29	1,270	1,144
O-10	Ichigo Ebisu Nishi Building	Ebisu-Nishi, Shibuya-ku, Tokyo	Real estate	1,484.39	2,760	1,889
O-11	Ichigo Ginza 612 Building	Ginza, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,363.22	2,420	1,798
O-12	Ichigo Uchikanda Building	Uchikanda, Chiyoda-ku, Tokyo	Real estate	1,378.83	1,490	1,108
O-14	Ichigo Yotsuya 4 Chome Building	Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	780.64	591	495
O-15	Ichigo Tameike Building	Akasaka, Minato-ku, Tokyo	Real estate	494.14	739	496
O-16	Ichigo Jimbocho Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,904.53	2,530	1,835
O-17	Ichigo Hakozaeki Building	Nihonbashi Kakigaracho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,397.73	1,460	1,120
O-19	Ichigo Kudan 3 Chome Building	Kudan Minami, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,302.43	936	804
O-20	Ichigo Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	5,346.39	6,950	4,751
O-21	Ichigo Shin Yokohama Building	Shin Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Trust beneficiary interest in real estate	4,097.85	1,800	1,636
O-22	Ichigo Minami Ikebukuro Building	Minami Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	1,491.50	2,210	1,325
O-23	Ichigo Nakano North Building	Arai, Nakano-ku, Tokyo	Trust beneficiary interest in real estate	1,264.11	1,080	701
O-24	Ichigo Eitai Building	Eitai, Koto-ku, Tokyo	Real estate	2,605.54	1,470	1,411
O-26	Ichigo Ikejiri Building	Ohashi, Meguro-ku, Tokyo	Real estate	2,385.69	2,480	1,916
O-27	Ichigo Nishi Ikebukuro Building	Ikebukuro, Toshima-ku, Tokyo	Real estate	1,261.91	1,070	576
O-28	Ichigo Nishi Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	1,335.75	997	753
O-29	Ichigo Kichijoji Building	Kichijoji Honcho, Musashino City, Tokyo	Trust beneficiary interest in real estate	4,210.87	3,010	2,127
O-34	Ichigo Sakae Building	Sakae, Naka-ku, Nagoya City, Aichi	Real estate	3,928.12	5,100	4,726
O-37	Ichigo Marunouchi Building	Marunouchi, Naka-ku, Nagoya City, Aichi	Real estate	8,009.11	8,140	5,292
O-38	Ichigo Toyamaeki Nishi Building	Jinzu Honmachi, Toyama City, Toyama	Trust beneficiary interest in real estate	8,601.72	1,730	1,381
O-39	Ichigo Mirai Shinkin Building	Niagemachi, Oita City, Oita	Trust beneficiary interest in real estate	3,551.46	1,440	1,064

	Asset Name	Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at End of Period (million yen) (Note 1)	Book Value at End of Period (million yen) (Note 2)
O-42	Ichigo Takamatsu Building	Kotobukicho, Takamatsu City, Kagawa	Trust beneficiary interest in real estate	6,329.33	4,000	1,936
O-46	Ichigo Kanda Nishikicho Building	Kanda-Nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,523.09	3,320	2,023
O-47	Ichigo Akihabara North Building	Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,250.53	7,900	5,403
O-48	Ichigo Sakaisuji Honmachi Building	Honmachi, Chuo-ku, Osaka City, Osaka	Trust beneficiary interest in real estate	3,729.35	2,620	1,660
O-49	Ichigo Kanda Ogawamachi Building	Kanda-Ogawamachi, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,309.39	2,480	2,187
O-50	Ichigo Hatchobori Building	Shintomi, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,716.33	2,770	1,701
O-51	Ichigo Ebisu Green Glass	Ebisu Minami, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,159.27	7,690	5,713
O-52	Ichigo Omori Building	Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,585.93	4,770	3,788
O-53	Ichigo Takadanobaba Building	Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest in real estate	1,609.56	1,940	1,593
O-54	Ichigo Omiya Building	Miyacho, Omiya-ku, Saitama City, Saitama	Trust beneficiary interest in real estate	6,213.30	4,620	3,503
O-55	Ichigo Sagamihara Building	Sagamihara, Chuo-ku, Sagamihara City, Kanagawa	Trust beneficiary interest in real estate	2,960.81	1,350	1,198
O-57	Ichigo Sendai East Building	Miyagino, Miyagino-ku, Sendai, Miyagi	Trust beneficiary interest in real estate	5,205.49	2,200	1,499
O-58	Ichigo Kumamoto Building	Karashimacho, Chuo-ku, Kumamoto City, Kumamoto	Trust beneficiary interest in real estate	4,507.59	1,680	1,570
O-59	Ichigo Jingumae Building	Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,510.00	8,090	7,399
O-60	Ichigo Shibuya Dogenzaka Building	Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,789.86	5,820	3,714
O-61	Ichigo Hiroo Building	Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	3,510.44	4,880	3,955
O-62	Ichigo Sasazuka Building	Sasazuka, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	6,425.29	7,600	5,039
O-63	Ichigo Nihonbashi East Building	Nihonbashi Bakurocho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	4,216.97	5,730	4,229
O-64	Ichigo Sakurabashi Building	Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,971.22	3,330	2,518
O-65	Ichigo Shinkawa Building	Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	2,312.03	3,220	2,400
O-66	Ichigo Kudan Building	Kanda Jimbocho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	3,090.65	3,720	3,246
O-67	Ichigo Higashi Gotanda Building	Higashi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	4,548.10	4,650	3,650
O-68	Axior Mita	Mita, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,369.82	2,830	1,675
O-69	Ichigo Higashi Ikebukuro Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	4,443.97	5,590	4,640
O-70	Koriyama Big-i (Office Section)	Ekimae, Koriyama City, Fukushima	Trust beneficiary interest in real estate	3,433.07	2,200	1,492
O-71	Ichigo Kawasaki Building	Higashidacho, Kawasaki-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	3,905.51	2,370	1,849
O-72	Ichigo Shibuya East Building	Higashi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,041.36	1,760	1,385
O-73	Ichigo Ningyocho Building	Nihonbashi Horidomecho, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	1,769.75	1,800	1,500
O-74	Ichigo Nishi Honmachi Building	Awaza, Nishi-ku, Osaka City, Osaka	Trust beneficiary interest in real estate	6,152.00	2,600	2,228
O-75	Ichigo Hakata Building	Gionmachi, Hakata-ku, Fukuoka City, Fukuoka	Trust beneficiary interest in real estate	2,423.86	1,650	1,379
O-76	Ichigo Nishiki First Building	Nishiki, Naka-ku, Nagoya City, Aichi	Trust beneficiary interest in real estate	3,324.70	2,270	1,949

	Asset Name	Location	Form of Ownership	Leasable Area (m ²)	Appraisal Value at End of Period (million yen) (Note 1)	Book Value at End of Period (million yen) (Note 2)
O-78	Ichigo Ikebukuro East Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,118.69	3,690	3,001
O-79	Ichigo Motoazabu Building	Motoazabu, Minato-ku, Tokyo	Trust beneficiary interest in real estate	1,329.96	2,230	1,914
O-80	Ichigo Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,616.77	3,370	2,767
O-81	Ichigo Nagoya Building	Meieki, Nakamura-ku, Nagoya City, Aichi	Trust beneficiary interest in real estate	4,930.30	3,950	3,601
O-82	Ichigo Fushimi Building	Nishiki, Naka-ku, Nagoya City, Aichi	Trust beneficiary interest in real estate	4,155.60	2,610	2,321
O-83	Ichigo Nishiki Building	Nishiki, Naka-ku, Nagoya City, Aichi	Trust beneficiary interest in real estate	2,006.78	1,500	1,285
O-84	Ichigo Minami Morimachi Building	Matsugaecho, Kita-ku, Osaka City, Osaka	Trust beneficiary interest in real estate	2,521.51	1,330	1,087
O-85	Ichigo Shibuya Udagawacho Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,491.68	4,330	3,522
O-86	Win Gotanda Building	Nishi Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,689.88	4,090	3,088
O-87	Ichigo Hongo Building	Hongo, Bunkyo-ku, Tokyo	Trust beneficiary interest in real estate	2,744.02	2,920	2,312
O-88	Oimachi Center Building	Oi, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	2,771.41	2,170	1,783
O-89	Win Gotanda Building 2	Osaki, Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	3,434.69	3,920	3,277
O-90	MIF Building	Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,690.27	2,350	2,190
O-91	Ichigo Uchi Honmachi Building	Uchi Honmachi, Chuo-ku, Osaka City, Osaka	Trust beneficiary interest in real estate	3,004.07	1,880	1,997
O-92	Ichigo Minami Otsuka Building	Minami Otsuka, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	3,129.49	3,390	2,886
O-93	Ichigo Nogizaka Building	Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,199.35	3,680	3,477
O-94	Ichigo Hakata East Building	Hakataeki Higashi, Hakata-ku, Fukuoka City, Fukuoka	Trust beneficiary interest in real estate	2,901.99	2,990	2,337
O-95	Ichigo Nakameguro Building	Aobadai, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,083.70	1,590	1,630
O-96	Ichigo Tachikawa Building	Akebonocho, Tachikawa, Tokyo	Trust beneficiary interest in real estate	4,879.78	4,020	3,848
O-97	Ichigo Higashi Ikebukuro 3 Chome Building	Higashi Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interest in real estate	2,764.59	3,810	3,919
O-98	Ichigo Marunouchi South Building	Nishiki, Naka-ku, Nagoya City, Aichi	Trust beneficiary interest in real estate	1,973.27	1,830	1,827
O-99	Ichigo Hakataeki Higashi Building	Hakataeki Higashi, Hakata-ku, Fukuoka City, Fukuoka	Trust beneficiary interest in real estate	3,596.71	3,860	3,482
O-100	Fukuoka Kensetsu Kaikan	Hakataeki Higashi, Hakata-ku, Fukuoka City, Fukuoka	Trust beneficiary interest in real estate	2,949.22	2,830	2,763
O-101	Ichigo Kinshicho South Building	Kotobashi, Sumida-ku, Tokyo	Real estate	2,059.78	2,060	2,005
O-102	Ichigo Akihabara East Building	Kanda Sakumacho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	2,100.93	3,380	3,249
O-103	Ichigo Hakata Meiji Dori Building	Tenymachi, Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	3,374.97	3,690	3,080
O-104	Ichigo Hakata Gion Building	Gionmachi Hakata-ku, Fukuoka	Trust beneficiary interest in real estate	1,632.29	1,710	1,702
O-105	Ichigo Tenjin North Building	Tenjin Chuo-ku, Fukuoka	Trust beneficiary interest in real estate	1,475.75	1,610	1,564
O-106	Ichigo Gotanda West Building	Nishi Gotanda Shinagawa-ku, Tokyo	Trust beneficiary interest in real estate	2,735.34	4,030	3,953
O-107	Ichigo Otemachi North Building	Uchikanda Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	1,237.43	2,060	1,954
Z-09	Future IZUMI	Fuchucho, Izumi City, Osaka	Trust beneficiary interest in real estate	3,733.66	553	1,014
Z-10	Ichigo Shibuya Bunkamura Dori Building	Udagawacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	778.77	2,940	2,441
Z-14	Ichigo Kamata Building	Nishi Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	2,124.68	1,310	1,442
Total				278,292.10	276,436	221,100

- (Note 1) The appraisal value at end of period 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 the end of period does not include construction in progress or construction in progress in trust.

The table below shows the status of rental activities at Ichigo Office assets in the 37th and 38th fiscal Periods:

Asset Name		37th Fiscal Period From November 1, 2023 to April 30, 2024				38th Fiscal Period From May 1, 2024 to October 31, 2024			
		Number of Tenants at End of Period (tenants) (Note 1)	Occupancy at End of Period (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at End of Period (tenants) (Note 1)	Occupancy at End of Period (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)
O-02	Ichigo Nishisando Building	16	100.0	135,299	1.7	16	100.0	138,013	1.7
O-03	Ichigo Mita Building	11	94.2	97,882	1.3	11	100.0	113,985	1.4
O-04	Ichigo Nanpeidai Building	13	100.0	80,439	1.0	12	90.2	75,836	0.9
O-05	Ichigo Hanzomon Building	5	100.0	65,896	0.8	5	100.0	67,529	0.8
O-06	Ichigo Hijirizaka Building	3	94.1	55,305	0.7	3	94.1	56,221	0.7
O-07	Ichigo Shibuya Kamiyamacho Building	5	87.0	47,434	0.6	5	86.7	43,415	0.5
O-09	Ichigo Shibakoen Building	2	86.3	39,902	0.5	2	86.3	40,829	0.5
O-10	Ichigo Ebisu Nishi Building	8	100.0	63,470	0.8	8	100.0	70,645	0.9
O-11	Ichigo Ginza 612 Building	24	94.2	84,748	1.1	25	100.0	69,188	0.8
O-12	Ichigo Uchikanda Building	10	100.0	42,287	0.5	10	100.0	50,027	0.6
O-14	Ichigo Yotsuya 4 Chome Building	9	81.8	19,353	0.2	9	81.8	18,560	0.2
O-15	Ichigo Tameike Building	6	100.0	21,399	0.3	6	100.0	22,063	0.3
O-16	Ichigo Jimbocho Building	8	92.7	68,694	0.9	8	92.7	76,509	0.9
O-17	Ichigo Hakozaki Building	6	100.0	58,242	0.8	7	100.0	72,627	0.9
O-18	Ichigo Kudan 2 Chome Building (Note 3)	1	100.0	44,716	0.6	–	–	44,803	0.5
O-19	Ichigo Kudan 3 Chome Building	4	63.2	26,473	0.3	5	81.0	27,289	0.3
O-20	Ichigo Gotanda Building	12	85.1	191,744	2.5	12	82.4	185,061	2.3
O-21	Ichigo Shin Yokohama Building	13	100.0	84,814	1.1	13	100.0	93,922	1.2
O-22	Ichigo Minami Ikebukuro Building	8	100.0	62,486	0.8	8	100.0	61,232	0.7
O-23	Ichigo Nakano North Building	7	100.0	39,413	0.5	7	100.0	44,021	0.5
O-24	Ichigo Eitai Building	10	100.0	71,580	0.9	10	100.0	70,685	0.9
O-26	Ichigo Ikejiri Building	6	100.0	89,932	1.2	6	100.0	93,993	1.2
O-27	Ichigo Nishi Ikebukuro Building	1	100.0	29,217	0.4	1	100.0	29,217	0.4
O-28	Ichigo Nishi Gotanda Building	8	88.9	36,963	0.5	9	100.0	34,735	0.4
O-29	Ichigo Kichijoji Building	14	100.0	117,184	1.5	14	100.0	120,328	1.5
O-34	Ichigo Sakae Building	18	91.8	152,545	2.0	18	91.8	153,221	1.9
O-37	Ichigo Marunouchi Building	24	97.7	236,279	3.0	23	97.7	235,945	2.9
O-38	Ichigo Toyamaeki Nishi Building	15	100.0	116,015	1.5	15	100.0	114,620	1.4
O-39	Ichigo Mirai Shinkin Building	21	100.0	77,235	1.0	21	100.0	79,574	1.0
O-42	Ichigo Takamatsu Building	15	100.0	158,056	2.0	15	100.0	160,698	2.0
O-46	Ichigo Kanda Nishikicho Building	11	100.0	97,547	1.3	11	100.0	98,659	1.2
O-47	Ichigo Akihabara North Building	1	100.0	226,946	2.9	1	100.0	230,224	2.8
O-48	Ichigo Sakaisuji Honmachi Building	14	100.0	97,846	1.3	14	100.0	99,656	1.2
O-49	Ichigo Kanda Ogawamachi Building	9	100.0	75,553	1.0	9	100.0	83,426	1.0
O-50	Ichigo Hatchobori Building	7	100.0	78,668	1.0	7	100.0	94,568	1.2
O-51	Ichigo Ebisu Green Glass	6	100.0	207,228	2.7	6	100.0	196,202	2.4
O-52	Ichigo Omori Building	11	100.0	132,206	1.7	11	100.0	135,626	1.7
O-53	Ichigo Takadanobaba Building	7	90.7	51,694	0.7	8	100.0	55,968	0.7
O-54	Ichigo Omiya Building	30	100.0	152,846	2.0	30	100.0	169,757	2.1

Asset Name		37th Fiscal Period From November 1, 2023 to April 30, 2024				38th Fiscal Period From May 1, 2024 to October 31, 2024			
		Number of Tenants at End of Period (tenants) (Note 1)	Occupancy at End of Period (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at End of Period (tenants) (Note 1)	Occupancy at End of Period (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)
O-55	Ichigo Sagamihara Building	12	93.6	53,502	0.7	14	100.0	56,689	0.7
O-56	Ichigo Ofuna Building (Note 4)	–	–	64,155	0.8	–	–	–	–
O-57	Ichigo Sendai East Building	9	95.4	94,961	1.2	9	95.4	98,240	1.2
O-58	Ichigo Kumamoto Building	35	100.0	83,328	1.1	35	100.0	88,559	1.1
O-59	Ichigo Jingumae Building	5	100.0	188,920	2.4	5	100.0	193,994	2.4
O-60	Ichigo Shibuya Dogenzaka Building	11	92.7	125,082	1.6	11	92.7	130,512	1.6
O-61	Ichigo Hiroo Building	4	94.0	125,754	1.6	3	94.0	123,343	1.5
O-62	Ichigo Sasazuka Building	7	67.8	128,011	1.6	7	67.8	125,084	1.5
O-63	Ichigo Nihonbashi East Building	7	100.0	135,868	1.8	7	100.0	154,343	1.9
O-64	Ichigo Sakurabashi Building	6	100.0	88,267	1.1	6	100.0	88,693	1.1
O-65	Ichigo Shinkawa Building	6	100.0	85,346	1.1	6	100.0	86,682	1.1
O-66	Ichigo Kudan Building	10	100.0	108,192	1.4	10	100.0	109,835	1.3
O-67	Ichigo Higashi Gotanda Building	20	100.0	136,312	1.8	20	100.0	139,269	1.7
O-68	Axior Mita	11	100.0	70,892	0.9	11	100.0	71,693	0.9
O-69	Ichigo Higashi Ikebukuro Building	18	91.6	152,269	2.0	21	100.0	153,962	1.9
O-70	Koriyama Big-i (Office Section)	16	100.0	110,454	1.4	16	100.0	110,660	1.4
O-71	Ichigo Kawasaki Building	17	92.0	82,442	1.1	19	91.9	87,187	1.1
O-72	Ichigo Shibuya East Building	3	100.0	44,751	0.6	2	27.0	35,520	0.4
O-73	Ichigo Ningyocho Building	8	100.0	45,539	0.6	8	100.0	51,969	0.6
O-74	Ichigo Nishi Honmachi Building	31	100.0	112,372	1.4	30	99.3	114,015	1.4
O-75	Ichigo Hakata Building	27	100.0	54,972	0.7	27	100.0	57,143	0.7
O-76	Ichigo Nishiki First Building	7	100.0	77,300	1.0	6	71.7	74,433	0.9
O-78	Ichigo Ikebukuro East Building	2	100.0	84,551	1.1	2	100.0	102,346	1.3
O-79	Ichigo Motoazabu Building	2	56.8	42,519	0.5	2	56.8	38,101	0.5
O-80	Ichigo Otsuka Building	8	100.0	103,412	1.3	8	100.0	104,218	1.3
O-81	Ichigo Nagoya Building	35	89.8	133,869	1.7	35	89.8	144,544	1.8
O-82	Ichigo Fushimi Building	40	89.0	92,913	1.2	39	89.0	88,408	1.1
O-83	Ichigo Nishiki Building	25	100.0	48,930	0.6	24	94.3	49,159	0.6
O-84	Ichigo Minami Morimachi Building	12	100.0	50,437	0.6	12	100.0	50,707	0.6
O-85	Ichigo Shibuya Udagawacho Building	8	89.0	58,835	0.8	7	89.0	62,407	0.8
O-86	Win Gotanda Building	11	100.0	109,745	1.4	10	99.5	114,822	1.4
O-87	Ichigo Hongo Building	6	94.1	77,899	1.0	6	94.1	82,209	1.0
O-88	Oimachi Center Building	6	100.0	76,391	1.0	5	81.6	71,227	0.9
O-89	Win Gotanda Building 2	10	100.0	111,815	1.4	10	100.0	115,308	1.4
O-90	MIF Building	8	100.0	59,757	0.8	9	100.0	65,981	0.8
O-91	Ichigo Uchi Honmachi Building	18	100.0	66,879	0.9	18	100.0	67,459	0.8
O-92	Ichigo Minami Otsuka Building	8	100.0	82,446	1.1	9	100.0	85,526	1.0
O-93	Ichigo Nogizaka Building	6	100.0	80,937	1.0	5	82.0	81,312	1.0

Asset Name		37th Fiscal Period From November 1, 2023 to April 30, 2024				38th Fiscal Period From May 1, 2024 to October 31, 2024			
		Number of Tenants at End of Period (tenants) (Note 1)	Occupancy at End of Period (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)	Number of Tenants at End of Period (tenants) (Note 1)	Occupancy at End of Period (%) (Note 2)	Rental Income (thousand yen)	Ratio to Total Rental Income (%)
O-94	Ichigo Hakata East Building	19	100.0	72,863	0.9	19	100.0	74,459	0.9
O-95	Ichigo Nakameguro Building	7	100.0	36,391	0.5	7	100.0	40,197	0.5
O-96	Ichigo Tachikawa Building	16	95.9	114,271	1.5	17	100.0	121,628	1.5
O-97	Ichigo Higashi Ikebukuro 3 Chome Building	6	100.0	97,154	1.3	4	83.3	83,598	1.0
O-98	Ichigo Marunouchi South Building	27	100.0	49,406	0.6	27	100.0	50,201	0.6
O-99	Ichigo Hakataeki Higashi Building	30	93.8	86,325	1.1	31	97.8	89,807	1.1
O-100	Fukuoka Kensetsu Kaikan	11	100.0	82,836	1.1	11	100.0	83,943	1.0
O-101	Ichigo Kinshicho South Building	7	100.0	56,904	0.7	7	84.9	39,562	0.5
O-102	Ichigo Akihabara East Building	–	–	–	–	4	100.0	64,323	0.8
O-103	Ichigo Hakata Meiji Dori Building	–	–	–	–	13	91.8	62,273	0.8
O-104	Ichigo Hakata Gion Building	–	–	–	–	13	100.0	30,372	0.4
O-105	Ichigo Tenjin North Building	–	–	–	–	15	94.9	30,152	0.4
O-106	Ichigo Gotanda West Building	–	–	–	–	7	85.4	72,675	0.9
O-107	Ichigo Otemachi North Building	–	–	–	–	12	100.0	38,174	0.5
Z-09	Future IZUMI	2	100.0	50,568	0.7	2	100.0	48,562	0.6
Z-10	Ichigo Shibuya Bunkamura Dori Building	5	100.0	75,028	1.0	5	100.0	77,676	1.0
Z-14	Ichigo Kamata Building	2	100.0	52,660	0.7	2	100.0	53,856	0.7
Total		1,008	96.8	7,807,619	100.0	1,071	95.7	8,165,941	100.0

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

(Note 2) “Occupancy Rate at End of Period” is the ratio of the Leased Area within the Leasable Area of the real estate or real estate in trust as of the final day of the fiscal period. The ratio is rounded off to the first decimal place.

(Note 3) The asset was sold on October 31, 2024.

(Note 4) The asset was sold on April 26, 2024.

Details of Renewable Energy Power Generation Equipment

N/A

Details of PPP and PFI

N/A

Details of Investments in Securities

N/A

4 Status of Other Assets

Trust beneficiary rights whose major asset is real estate are included in “3. Portfolio Overview” above, and major specified assets in which the Investment Corporation invests as of October 31, 2024 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 October 31, 2024.

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)	106,860,000	95,020,000	–
Total		106,860,000	95,020,000	–

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

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

5 Assets by Country and Region

All Ichigo Office assets are located in Japan.

Capital Expenditures

1 Schedule of Capital Expenditures

The major renovation-related capital expenditures planned as of October 31, 2024 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
Ichigo Hakataeki Higashi Building (Fukuoka)	Renovate common areas	From March 2025 to October 2025	101,120	—	—
Ichigo Shibuya East Building (Shibuya-ku, Tokyo)	Renovate office space	From November 2024 to December 2024	90,000	—	—
Ichigo Shibuya East Building (Shibuya-ku, Tokyo)	Renovate common areas	From November 2024 to March 2025	90,000	—	—
Ichigo Jingumae Building (Shibuya-ku, Tokyo)	Renovate common areas	From April 2025 to July 2025	50,980	—	—
Ichigo Hijirizaka Building (Minato-ku, Tokyo)	Renovate entrance hall	From January 2025 to March 2025	50,000	—	—
Ichigo Kanda Ogawamachi Building (Chiyoda-ku, Tokyo)	Renovate office space and common areas	From December 2024 to March 2025	50,000	—	—
Ichigo Higashi Ikebukuro 3 Chome Building (Toshima-ku, Tokyo)	Upgrade air conditioning systems	From May 2025 to May 2025	45,970	—	—
Ichigo Higashi Ikebukuro 3 Chome Building (Toshima-ku, Tokyo)	Upgrade air conditioning systems	From November 2024 to November 2024	43,930	—	—
Toyamaeki Nishi Building (Toyama)	Renovate common areas	From April 2025 to April 2025	40,870	—	—
Ichigo Nanpeidai Building (Shibuya-ku, Tokyo)	Renovate entrance hall and office space	From January 2025 to April 2025	40,000	—	—
Ichigo Otsuka Building (Toshima-ku, Tokyo)	Renovate exterior walls	From October 2025 to October 2025	37,810	—	—
Ichigo Takamatsu Building (Takamatsu)	Upgrade air conditioning systems	From October 2025 to October 2025	35,770	—	—
Ichigo Nishihonmachi Building (Osaka)	Renovate exterior walls (Phase 4)	From January 2025 to February 2025	30,670	—	—
Fukuoka Kensetsu Kaikan (Fukuoka)	Renovate common areas	From April 2025 to April 2025	30,670	—	—
Ichigo Oimachi Center Building (Shinagawa-ku, Tokyo)	Upgrade air conditioning systems	From April 2025 to May 2025	30,466	—	—
Fukuoka Kensetsu Kaikan (Fukuoka)	Elevator Upgrade	From September 2025 to October 2025	30,196	—	—
Ichigo Hijirizaka Building (Minato-ku, Tokyo)	Upgrade air conditioning systems	From March 2025 to April 2025	29,650	—	—
Ichigo Kinshicho South Building (Sumida-ku, Tokyo)	Upgrade air conditioning systems	From October 2025 to October 2025	27,610	—	—
Ichigo Shibuya Kamiyamacho Building (Shibuya-ku, Tokyo)	Renovate office space	From March 2025 to April 2025	27,253	—	—
Ichigo Ginza 612 Building (Chuo-ku, Tokyo)	Renovate exterior walls (Phase 1)	From May 2025 to June 2025	26,074	—	300
Ichigo Sakurabashi Building (Chuo-ku, Tokyo)	Elevator Upgrade	From May 2025 to May 2025	25,570	—	—

Asset Name (Location)	Purpose	Period	Expected Payment Amount (thousand yen)		
			Total Amount	Amount Paid in the Fiscal Period under Review	Amount Already Paid
Ichigo Kanda Ogawamachi Building (Chiyoda-ku, Tokyo)	Renovate office space and common areas	From November 2024 to December 2024	25,000	—	—
Ichigo Kawasaki Building (Kawasaki, Kanagawa)	Upgrade air handling units	From March 2025 to May 2025	24,690	—	—
Ichigo Nishihonmachi Building (Osaka)	Upgrade air conditioning systems	From September 2025 to October 2025	24,550	—	—
Ichigo Jimbocho Building (Chiyoda-ku, Tokyo)	Renovate office space	From April 2025 to May 2025	24,000	—	—
Ichigo Takadanobaba Building (Shinjuku-ku, Tokyo)	Renovate exterior walls (Phase 2)	From September 2025 to October 2025	23,530	—	—
Ichigo Kanda Ogawamachi Building (Chiyoda-ku, Tokyo)	Renovate exterior walls	From September 2025 to October 2025	22,950	—	—
Ichigo Tenjin North Building (Fukuoka)	Renovate office space and common areas	From February 2025 to April 2025	22,624	—	—
Ichigo Jimbocho Building (Chiyoda-ku, Tokyo)	Upgrade firefighting equipment	From March 2025 to March 2025	22,510	—	—
Ichigo Takadanobaba Building (Shinjuku-ku, Tokyo)	Renovate exterior walls (Phase 1)	From March 2025 to April 2025	20,470	—	—
Ichigo Kinshicho South Building (Sumida-ku, Tokyo)	Renovate entrance hall	From April 2025 to April 2025	20,470	—	—
Ichigo Otemachi North Building (Chiyoda-ku, Tokyo)	Upgrade air conditioning systems	From May 2025 to May 2025	20,350	—	—
Oimachi Center Building (Shinagawa-ku, Tokyo)	Upgrade air conditioning systems	From December 2024 to December 2024	18,226	—	—
Ichigo Nakameguro Building (Meguro-ku, Tokyo)	Upgrade air conditioning systems	From April 2025 to April 2025	17,053	—	—
Ichigo Nakameguro Building (Meguro-ku, Tokyo)	Upgrade air conditioning systems	From October 2025 to October 2025	17,053	—	—
Ichigo Uchikanda Building (Chiyoda-ku, Tokyo)	Renovate exterior walls	From January 2025 to March 2025	15,033	—	—
Ichigo Shibuya East Building (Shibuya-ku, Tokyo)	Upgrade air conditioning systems	From December 2024 to February 2025	14,260	—	—
Ichigo Sagamiyama Building (Sagamiyama, Kanagawa)	Repair machine equipment	From October 2025 to October 2025	12,310	—	—
Ichigo Nishigotanda Building (Shinagawa-ku, Tokyo)	Upgrade air conditioning systems	From May 2025 to May 2025	10,270	—	—

2 Capital Expenditures during the Current Fiscal Period

Capital expenditures during the current fiscal period amounted to 948,249 thousand yen, and construction work of a total of 1,080,815 thousand yen were conducted, combined with repair expenses of 132,526 thousand yen.

Asset Name (Location)	Purpose	Period	Payment Amount (thousand yen)
Ichigo Shibakoen Building (Minato-ku, Tokyo)	Renovate exterior walls	From May 2024 to June 2024	25,876
Ichigo Nakameguro Building (Meguro-ku, Tokyo)	Renovate exterior walls	From May 2024 to June 2024	25,774
Ichigo Marunouchi South Building (Nagoya)	Elevator Upgrade	From October 2024 to October 2024	25,264
Oimachi Center Building (Shinagawa-ku, Tokyo)	Upgrade air conditioning systems	From July 2024 to October 2024	23,734
Ichigo Eitai Building (Koto-ku, Tokyo)	Elevator Upgrade	From September 2024 to September 2024	17,206
Ichigo Ningyocho Building (Chiyoda-ku, Tokyo)	Renovate exterior walls	From July 2024 to September 2024	15,380
Ichigo Nakano North Building (Nakano-ku, Tokyo)	Elevator Upgrade	From April 2024 to May 2024	8,931
Other			806,124
Total			948,289

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)

	34th Fiscal Period From May 1, 2022 to October 31, 2022	35th Fiscal Period From November 1, 2022 to April 30, 2023	36th Fiscal Period From May 1, 2023 to October 31, 2023	37th Fiscal Period From November 1, 2023 to April 30, 2024	38th Fiscal Period From May 1, 2024 to October 31, 2024
Balance of Reserves at Beginning of Period	1,508,839	1,597,254	1,447,264	1,458,399	1,381,587
Gains	868,312	783,823	742,966	1,083,133	876,471
Reversals	779,896	933,812	731,831	1,159,944	803,303
Amount Brought Forward to Next Period	1,597,254	1,447,264	1,458,399	1,381,587	1,454,754

Expenses and Liabilities

1 Details of Operating Expenses

(Thousand yen)

	37th Fiscal Period From November 1, 2023 to April 30, 2024	38th Fiscal Period From May 1, 2024 to October 31, 2024
a. Asset Management Fees	655,270	688,499
b. Asset Custody Fees	15,240	15,249
c. Administrative Service Fees	46,873	50,992
d. Directors' Compensation	8,640	6,840
e. Other Operating Expenses	87,321	97,052
Total	813,344	858,633

(Note) Other than the asset management fees shown above, there is an asset sales performance fee of 54,010 thousand yen for the 37th fiscal period, and 185,499 thousand yen for the 38th fiscal period, which has been deducted from the gain on on sales of investment properties.

2 Borrowings

The table below shows borrowings as of October 31, 2024.

	Lender	Loan Date	Balance at Start of Period (million yen)	Balance at End of Period (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	May 10, 2017	1,100	1,100	0.852 (Note 2)	November 10, 2024	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank	May 10, 2017	1,000	1,000	0.852 (Note 2)	November 10, 2024			
	SBI Shinsei Bank	May 10, 2017	900	900	0.852 (Note 2)	November 10, 2024			
	Resona Bank	May 10, 2017	400	400	0.852 (Note 2)	November 10, 2024			
	SMBC	November 7, 2017	633	633	0.948 (Note 2)	October 31, 2025			
	Mizuho Bank		508	508					
	MUFG Bank		425	425					
	Resona Bank		356	356					
	SBI Shinsei Bank		201	201					
	Aozora Bank		257	257					
	SMBC	April 27, 2018	352	352	0.990 (Note 2)	April 30, 2026			
	Mizuho Trust & Banking		1,352	1,352					
	Aozora Bank		901	901					
	SBI Shinsei Bank		901	901					
	Resona Bank		448	448					
	SMBC	June 15, 2018	835	835	0.860 (Note 2)	November 11, 2024			
	Mizuho Bank		491	491					
	SBI Shinsei Bank		393	393					
	MUFG Bank		393	393					
	Aozora Bank		393	393					
	Resona Bank		294	294					
	The Kagawa Bank		147	147					
	SMBC	October 31, 2018	1,000	1,000	0.962 (Note 2)	April 30, 2026			
	Mizuho Bank	October 31, 2018	400	400	0.898	April 30, 2026			

	Lender	Loan Date	Balance at Start of Period (million yen)	Balance at End of Period (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SBI Shinsei Bank	October 31, 2018	200	200	0.898	April 30, 2026	Lump-sum repayment	(Note 3)	No (No Guarantee)
	SMBC	November 30, 2018	954	954	0.975 (Note 2)	September 30, 2026			
	Aozora Bank		656	656					
	Mizuho Bank		773	773					
	SBI Shinsei Bank		483	483					
	SMBC	December 21, 2018	830	830	0.907 (Note 2)	September 30, 2026			
	Aozora Bank		570	570					
	SMBC	December 28, 2018	250	250	0.850 (Note 2)	April 30, 2026			
	Mizuho Bank		400	400					
	Development Bank of Japan		400	400					
	MUFG Bank		300	300					
	SBI Shinsei Bank		250	250					
	SMBC	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026			
	Resona Bank	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026			
	Bank of Fukuoka	April 26, 2019	1,000	1,000	0.867 (Note 2)	September 25, 2026			
	SMBC	July 31, 2019	1,239	1,239	0.822 (Note 2)	March 25, 2027			
	Mizuho Bank		1,074	1,074					
	SBI 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			
	SMBC	September 30, 2019	692	692	0.726 (Note 2)	March 25, 2026			
	SMBC	November 29, 2019	672	672	0.844 (Note 2)	September 25, 2027			
	Mizuho Bank		610	610					
	SBI Shinsei Bank		641	641					
	MUFG Bank		549	549					
	SMBC	December 16, 2019	1,224	1,224	0.876 (Note 2)	September 25, 2027			
	Mizuho Bank		1,224	1,224					
	SBI Shinsei Bank		783	783					
	MUFG Bank		783	783					
	Aozora Bank		783	783					
Resona Bank		587	587						
The Kagawa Bank	March 31, 2020	955	955	0.899	March 25, 2027				
SMBC	May 29, 2020	543	543	0.740 (Note 2)	March 25, 2027				
SBI Shinsei Bank		518	518						
Mizuho Bank		494	494						
MUFG Bank		445	445						
Aozora Bank	August 31, 2020	2,127	2,127	0.828 (Note 2)	August 25, 2028				
SBI Shinsei Bank	August 31, 2020	998	998	0.722 (Note 2)	March 25, 2027				

	Lender	Loan Date	Balance at Start of Period (million yen)	Balance at End of Period (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SBI Shinsei Bank	August 31, 2020	1,000	1,000	0.828 (Note 2)	August 25, 2028	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank	August 31, 2020	400	400	0.828 (Note 2)	August 25, 2028			
	SMBC	December 10, 2020	407	407	0.569 (Note 2)	September 25, 2025			
	MUFG Bank		781	781					
	Resona Bank		586	586					
	Mizuho Bank		407	407					
	SBI Shinsei Bank		260	260					
	Aozora Bank		260	260					
	SMBC	December 10, 2020	814	814	0.787 (Note 2)	November 25, 2028			
	Mizuho Bank		814	814					
	SBI Shinsei Bank		521	521					
	Aozora Bank		521	521					
	SMBC	December 18, 2020	800	800	0.802 (Note 2)	November 25, 2028			
	Mizuho Bank	December 18, 2020	700	700	0.802 (Note 2)	November 25, 2028			
	Bank of Yokohama	December 18, 2020	500	500	0.802 (Note 2)	November 25, 2028			
	SMBC	March 31, 2021	527	—	0.798	September 25, 2024			
	MUFG Bank		494	—					
	Mizuho Bank		355	—					
	Bank of Yokohama		285	—					
	Mizuho Trust & Banking		95	—					
	SMBC	March 31, 2021	1,055	1,055	0.876 (Note 2)	March 25, 2029			
	Mizuho Bank		710	710					
	Aozora Bank		571	571					
	Resona Bank		571	571					
	Mizuho Trust & Banking		190	190					
	SMBC	May 7, 2021	329	—	0.798	September 25, 2024			
	MUFG Bank		1,372	—					
	Bank of Fukuoka		376	—					
	Mizuho Bank		329	—					
	Bank of Yokohama		30	—					
	SMBC	May 7, 2021	329	329	0.733 (Note 2)	March 25, 2028			
	Mizuho Bank		329	329					
	Resona Bank		287	287					
Aozora Bank	174		174						
SBI Shinsei Bank	162		162						
Bank of Yokohama	161		161						
SMBC	May 7, 2021	988	988	0.819 (Note 2)	May 25, 2029				
Mizuho Bank		988	988						
Resona Bank		862	862						
SBI Shinsei Bank		487	487						
Aozora Bank		422	422						
Development Bank of Japan	September 30, 2021	500	500	0.764	September 25, 2028				

	Lender	Loan Date	Balance at Start of Period (million yen)	Balance at End of Period (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	November 8, 2021	194	194	0.612 (Note 2)	September 25, 2026	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank		194	194					
	MUFG Bank		1,622	1,622					
	Bank of Fukuoka		446	446					
	Bank of Yokohama		90	90					
	SMBC	November 8, 2021	389	389	0.720 (Note 2)	March 25, 2028			
	Mizuho Bank		389	389					
	Resona Bank		271	271					
	SBI Shinsei Bank		154	154					
	Aozora Bank		117	117					
	Bank of Yokohama	356	356						
	SMBC	November 8, 2021	1,363	1,363	0.833 (Note 2)	November 25, 2029			
	Mizuho Bank		1,363	1,363					
	Resona Bank		1,086	1,086					
	SBI Shinsei Bank		617	617					
	Aozora Bank		470	470					
	Development Bank of Japan	January 31, 2022	500	500	0.859	January 25, 2029			
	SMBC	May 31, 2022	222	222	0.717 (Note 2)	May 25, 2027			
	Mizuho Bank		193	193					
	MUFG Bank		1,580	1,580					
	Bank of Fukuoka		494	494					
	Nishi-Nippon City Bank	100	100						
	SMBC	May 31, 2022	628	628	0.816 (Note 2)	May 25, 2028			
	Mizuho Bank		385	385					
	SBI Shinsei Bank		217	217					
	Aozora Bank		98	98					
	Nishi-Nippon City Bank		111	111					
	Resona Bank	125	125						
	SMBC	May 31, 2022	2,360	2,360	1.019 (Note 2)	May 27, 2030			
	Mizuho Bank		1,348	1,348					
	SBI Shinsei Bank		869	869					
	Aozora Bank		396	396					
Nishi-Nippon City Bank	283		283						
Resona Bank	220	220							
SMBC	June 20, 2022	950	950	1.107 (Note 2)	May 25, 2029				
Mizuho Bank	June 20, 2022	950	950	1.107 (Note 2)	May 25, 2029				
SMBC	November 30, 2022	1,000	1,000	0.958 (Note 2)	November 25, 2027				
Mizuho Bank		524	524						
MUFG Bank		1,579	1,579						
SBI Shinsei Bank		307	307						
Bank of Fukuoka		493	493						
Nishi-Nippon City Bank		493	493						
Resona Bank		245	245						

	Lender	Loan Date	Balance at Start of Period (million yen)	Balance at End of Period (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	November 30, 2022	1,500	1,500	1.036 (Note 2)	August 25, 2028	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank		800	800					
	SBI Shinsei Bank		778	778					
	Aozora Bank		200	200					
	SMBC	November 30, 2022	707	707	1.609 (Note 2)	September 25, 2032			
	Mizuho Bank		600	600					
	Aozora Bank		293	293					
	Resona Bank		100	100					
	Bank of Fukuoka	January 27, 2023	300	300	1.405 (Note 2)	October 25, 2029			
	Nishi-Nippon City Bank	January 27, 2023	200	200	1.405 (Note 2)	October 25, 2029			
	SMBC	January 27, 2023	700	700	1.723 (Note 2)	January 25, 2032			
	Mizuho Bank	January 27, 2023	600	600	1.723 (Note 2)	January 25, 2032			
	Development Bank of Japan	May 10, 2023	2,000	2,000	1.108	September 25, 2029			
	SMBC	September 25, 2023	127	127	1.160 (Note 2)	April 25, 2028			
	Mizuho Bank		100	100					
	MUFG Bank		677	677					
	SBI Shinsei Bank		100	100					
	SMBC	September 25, 2023	700	700	1.644 (Note 2)	July 25, 2031			
	Mizuho Bank		653	653					
	SBI Shinsei Bank		690	690					
	SMBC		October 31, 2023	100					
	Mizuho Bank	100		100					
	MUFG Bank	283		283					
	SBI Shinsei Bank	135		135					
	Bank of Fukuoka	95		95					
	Resona Bank	100		100					
	SMBC	October 31, 2023	115	115	1.773 (Note 2)	October 25, 2031			
	Mizuho Bank		240	240					
	Bank of Fukuoka		100	100					
	Resona Bank		137	137					
	Kansai Mirai Bank		195	195					
	SMBC	October 31, 2023	1,000	1,000	1.772 (Note 2)	October 25, 2031			
SMBC	February 29, 2024	500	500	1.522 (Note 2)	October 25, 2031				
Mizuho Bank	February 29, 2024	400	400	1.522 (Note 2)	October 25, 2031				
SMBC	April 30, 2024	20	20	1.284 (Note 2)	March 25, 2029				
Mizuho Bank		15	15						
MUFG Bank		300	300						
SBI Shinsei Bank		100	100						
Bank of Fukuoka		100	100						
Nishi-Nippon City Bank		100	100						

	Lender	Loan Date	Balance at Start of Period (million yen)	Balance at End of Period (million yen)	Average Interest Rate (%) (Note 1)	Repayment Date	Repayment Terms	Use	Collateralized
Long-Term Loans	SMBC	April 30, 2024	380	380	1.642 (Note 2)	October 25, 2031	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank		335	335					
	SBI Shinsei Bank		200	200					
	Bank of Fukuoka		125	125					
	Nishi-Nippon City Bank		125	125					
	The Kagawa Bank		200	200					
	SMBC	May 30, 2024	—	3,300	1.653 (Note 2)	April 25, 2031			
	Mizuho Bank	May 30, 2024	—	2,000	1.653 (Note 2)	April 25, 2031			
	MUFG Bank	May 30, 2024	—	900	1.316	April 25, 2029			
	SBI Shinsei Bank	May 30, 2024	—	300	1.387 (Note 2)	April 25, 2029			
	SBI Shinsei Bank	May 30, 2024	—	1,000	1.653 (Note 2)	April 25, 2031			
	Aozora Bank	May 30, 2024	—	1,000	1.653 (Note 2)	April 25, 2031			
	SMBC	September 25, 2024	—	56	1.153	October 25, 2028			
	Mizuho Bank		—	34					
	MUFG Bank		—	1,866					
	Bank of Fukuoka		—	176					
	SMBC	September 25, 2024	—	800	0.949	April 25, 2031			
	Mizuho Bank		—	650					
	Bank of Fukuoka		—	200					
	Bank of Yokohama		—	315					
Mizuho Trust & Banking	—		95						
Total			108,007	116,507					

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

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

(Note 3) The proceeds are used for acquisition of real estate 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 October 31, 2024 is as follows:

	Date of Issuance	Balance at Start of Period (million yen)	Balance at End of Period (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) (Note 2)	No (No guarantee)
Second unsecured investment corporation bonds	April 26, 2018	1,000	1,000	0.900	April 26, 2028	Lump-sum repayment		
Third unsecured investment corporation bonds	November 29, 2018	1,000	1,000	0.750	November 28, 2025	Lump-sum repayment		
Fourth unsecured investment corporation bonds	July 26, 2019	1,200	1,200	0.890	July 26, 2029	Lump-sum repayment		
Fifth unsecured investment corporation bonds	March 26, 2020	1,000	1,000	0.300	March 26, 2025	Lump-sum repayment		
Sixth unsecured investment corporation bonds	May 6, 2021	1,500	1,500	0.850	May 2, 2031	Lump-sum repayment		
First callable unsecured investment corporation bonds	November 20, 2023	350	350	1.000	November 20, 2033	Lump-sum repayment	(Note 3)	
Total		7,250	7,250					

(Note 1) The proceeds are used for repaying existing loans and acquisition of assets.

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

(Note 3) The proceeds are used for value-add capex.

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 Type	Asset Name	Acquisitions		Sales			
		Date	Price (million yen) (Note)	Date	Price (million yen) (Note)	Book Value (million yen)	Gain (loss) on Sales (million yen)
Trust beneficiary interest in real estate	Ichigo Akihabara East Building	May 30, 2024	3,240	—	—	—	—
Trust beneficiary interest in real estate	Ichigo Hakata Meijidori Building	May 30, 2024	3,080	—	—	—	—
Trust beneficiary interest in real estate	Ichigo Hakata Gion Building	May 30, 2024	1,700	—	—	—	—
Trust beneficiary interest in real estate	Ichigo Tenjin North Building	May 30, 2024	1,550	—	—	—	—
Trust beneficiary interest in real estate	Ichigo Gotanda West Building	May 30, 2024	3,950	—	—	—	—
Trust beneficiary interest in real estate	Ichigo Otemachi North Building	May 30, 2024	1,946	—	—	—	—
Trust beneficiary interest in real estate	Ichigo Kudan 2 Chome Building	—	—	October 31, 2024	2,050	749	1,051

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

2 Acquisition and Sales of Other Assets

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

3 Review of Asset Values (Appraisal Values)

(1) Real Estate

Transaction	Asset Name	Transaction Date	Transaction Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraiser	Date of Appraisal
Acquisition	Ichigo Akihabara East Building	May 30, 2024	3,240	3,370	Tanizawa Sogo Appraisal Co., Ltd.	May 1, 2024
Acquisition	Ichigo Hakata Meijidori Building	May 30, 2024	3,080	3,460	Tanizawa Sogo Appraisal Co., Ltd.	May 1, 2024

Transaction	Asset Name	Transaction Date	Transaction Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraiser	Date of Appraisal
Acquisition	Ichigo Hakata Gion Building	May 30, 2024	1,700	1,710	Daiwa Real Estate Appraisal	May 1, 2024
Acquisition	Ichigo Tenjin North Building	May 30, 2024	1,550	1,570	Tanizawa Sogo Appraisal Co., Ltd.	May 1, 2024
Acquisition	Ichigo Gotanda West Building	May 30, 2024	3,950	4,010	Tanizawa Sogo Appraisal Co., Ltd.	May 1, 2024
Acquisition	Ichigo Otemachi North Building	May 30, 2024	1,946	2,060	Tanizawa Sogo Appraisal Co., Ltd.	May 1, 2024
Sales	Ichigo Kudan 2 Chome Building	October 31, 2024	2,050	1,180	Daiwa Real Estate Appraisal	October 31, 2023

(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 Deloitte Touche Tohmatsu LLC. For the inspection period from May 1, 2024 to October 31, 2024, the transactions subject to price verification were five 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

Classification	Sales Amount	
	Acquisition Price (thousand yen)	Sales Price (thousand yen)
Total Amount	15,466,000	2,050,000
Transaction with Related Parties (Note 1)		
Ichigo Estate	9,146,000 (59.1%)	— (—%)
Total	9,146,000 (59.1%)	— (—%)

(Note 1) “Related Parties” refers to parties, etc. of the asset management company which has concluded an asset investment entrustment contract with Ichigo Office as defined in Article 123 of the Enforcement Ordinance of the Investment Trust and Investment Corporation Law and Article 26, Paragraph 1, Item 27 of the Rules regarding investment reports for Investment Trusts and Investment Corporations established by the Investment Trust Association, Japan.

(Note 2) The acquisition price is the transaction price of the trust beneficiary interest in real estate (*juekiken*) itself and does not include fees and applicable property, city planning, and consumption taxes.

(2) Leases

N/A

(3) 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 “(1) Balance Sheet,” “(2) Income Statement,” “(3) Statement of Changes in Net Assets,” “(4) Statement of Dividends” “(5) Cash Flow Statement,” and “(6) Notes to Financial Statements” under the “Financial Statements” section shown 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 End of Period (shares)	Value of Shares Held at End of Period (thousand yen) (Note)	Ratio of Total Outstanding Shares (%)
29th Fiscal Period (November 1, 2019 to April 30, 2020)	1,400	95,760	0.1
30th Fiscal Period (May 1, 2020 to October 31, 2020)	1,400	94,500	0.1
31st Fiscal Period (November 1, 2020 to April 30, 2021)	1,400	133,700	0.1
32nd Fiscal Period (May 1, 2021 to October 31, 2021)	1,400	120,820	0.1
33rd Fiscal Period (November 1, 2021 to April 30, 2022)	1,400	116,620	0.1
34th Fiscal Period (May 1, 2022 to October 31, 2022)	1,400	117,460	0.1
35th Fiscal Period (November 1, 2022 to April 30, 2023)	1,400	123,340	0.1
36th Fiscal Period (May 1, 2023 to October 31, 2023)	1,400	118,860	0.1
37th Fiscal Period (November 1, 2023 to April 30, 2024)	1,400	113,260	0.1
38th Fiscal Period (May 1, 2024 to October 31, 2024)	1,400	109,480	0.1

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

2 Notices

(1) Shareholder Meeting

Ichigo Office's 15th Shareholder Meeting was held on July 20, 2024. The items approved at the meeting are as follows.

Agenda	Note
Amendment to the AOI (1)	<p>(1) Pursuant to the amendments stipulated under the Supplementary Provisions No. 3 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act Partially Amending the Companies Act (Act No. 71 of 2019), effective September 1, 2022, Ichigo Office has stipulated electronic provision measures for the contents of shareholder meeting reference materials and omit all or part of the information provided in electronic versions of reference materials and required under the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 129 of 2000, including subsequent revisions) from documents to be provided to shareholders that have requested paper copies.</p> <p>(2) Because it is necessary for Ichigo Office to make investments pursuant to the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949, including subsequent revisions) and Shinkin Bank Act (Act No. 238 of 1951, including subsequent revisions) when borrowing funds via loans from credit associations or credit unions (<i>shinkin banks</i>), Ichigo Office is proposing to add these investments to its scope of investments.</p> <p>(3) Pursuant to the stipulation of “Total Investments” as a result of revisions to the Investment Trust and Investment Corporation Act and Ordinance on Accounting at Investment Corporations (Cabinet Order No. 47 of 2006, including subsequent revisions), Ichigo Office has similarly stipulated “Total Investments” in its AOI.</p>
Amendment to the AOI (2)	<p>(1) The rate of the Gains on Merger Performance Fee and Gains on REIT TOB Sale Performance Fee has been reduced from 15% to 10%.</p> <p>(2) The definition of unrealized gains used to calculate the Gains on Merger Performance Fee has changed from appraisal value to Ichigo Office’s share value, in order to align Ichigo Office’s asset management company more strongly to focus on increasing Ichigo Office’s share value.</p>
Nomination of Executive Director	Takafumi Kagiya was appointed as Executive Director.
Nomination of Supervisory Directors	Noriko Ichiba and Yuji Maruo were appointed as Supervisory Directors.
Nomination of Alternate Executive Director	Keisuke Chiba was appointed as Alternate Executive Director.
Nomination of Alternate Supervisory Director	Nagahisa Kita was appointed as Alternate Supervisory Director.
Approval of Director Compensation	Director compensation has been set as Executive Director: 360,000 yen per person per month Supervisory Director: 240,000 yen per person per month.
Appointment of Independent Auditor	Deloitte Touche Tohmatsu LLC was appointed as Independent Auditor.

(2) Board of Directors

Major matters approved by the Board of Directors are as follows:

Approval Date	Subject	Note
May 20, 2024	Conclusion of Agreement Regarding Entrustment of Solicitation of Shares	SMBC Nikko Securities Inc. was appointed as the administrator for the issuance of new shares via third-party allotment approved by the Board of Directors on May 20, 2024.

Approval Date	Subject	Note
June 25,2024	Amendment of Entrustment Contract for Asset Investment	Subject to approval at the Shareholder Meeting, the Entrustment Contract for Asset Investment was amended according to the amendments to the AOI mentioned in (1) Shareholder Meeting shown above.
October 28, 2024	Conclusion of Audit Engagement with Deloitte Touche Tohmatsu LLC.	Upon approval at the Shareholder Meeting, the audit contract with Deloitte Touche Tohmatsu LLC was concluded.

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.

Financial Statements

(1) Balance Sheet

(Thousand Yen)

	Previous fiscal period (As of April 30, 2024)	Current fiscal period (As of October 31, 2024)
Assets		
Current assets		
Cash and deposits	8,676,152	6,858,448
Cash and deposits in trust	14,222,740	14,594,547
Operating accounts receivable	14,875	31,397
Prepaid expenses	478,434	529,846
Consumption taxes receivable	—	165,486
Other	183	13,551
Total current assets	23,392,386	22,193,277
Non-current assets		
Property, plant and equipment		
Buildings	7,647,776	7,799,837
Accumulated depreciation	(2,579,118)	(2,667,402)
Buildings, net	5,068,657	5,132,434
Structures	30,587	30,587
Accumulated depreciation	(26,171)	(26,418)
Structures, net	4,415	4,168
Machinery and equipment	362,091	369,355
Accumulated depreciation	(275,546)	(283,110)
Machinery and equipment, net	86,545	86,244
Tools, furniture and fixtures	97,314	107,440
Accumulated depreciation	(71,695)	(77,200)
Tools, furniture and fixtures, net	25,619	30,239
Land	16,669,592	16,669,592
Construction in progress	289	231
Buildings in trust	49,204,667	51,765,746
Accumulated depreciation	(13,629,624)	(14,348,627)
Buildings in trust, net	35,575,042	37,417,119
Structures in trust	85,820	86,929
Accumulated depreciation	(44,006)	(46,286)
Structures in trust, net	41,813	40,643
Machinery and equipment in trust	1,017,710	1,089,977
Accumulated depreciation	(558,043)	(599,140)
Machinery and equipment in trust, net	459,667	490,836
Tools, furniture and fixtures in trust	409,295	426,224
Accumulated depreciation	(279,298)	(300,977)
Tools, furniture and fixtures in trust, net	129,996	125,247
Land in trust	143,793,109	156,609,712
Construction in progress in trust	2,674	30,393
Total property, plant and equipment	201,857,424	216,636,861
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>) equity interest	39,846	—
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	1,284,476	1,269,298
Other	111,002	120,178
Total investments and other assets	1,445,326	1,399,477
Total non-current assets	207,797,330	222,530,919
Deferred assets		
Investment bond issuance costs	36,192	30,976
Total deferred assets	36,192	30,976
Total Assets	231,225,909	244,755,173

(Thousand Yen)

	Previous fiscal period (As of April 30, 2024)	Current fiscal period (As of October 31, 2024)
Liabilities		
Current Liabilities		
Operating accounts payable	753,822	1,082,303
Long-term bonds (due within one year)	1,000,000	1,000,000
Long-term loans (due within one year)	10,538,000	11,840,000
Accounts payable – other	782,617	826,539
Accrued expenses	28,753	34,653
Income taxes payable	605	605
Accrued consumption taxes	151,255	80,080
Advances received	1,456,555	1,565,490
Other	42,989	58,778
Total current liabilities	14,754,597	16,488,452
Long-Term Liabilities		
Investment corporation bonds	6,250,000	6,250,000
Long-term loans	97,469,000	104,667,000
Tenant leasehold and security deposits	1,352,027	1,285,257
Tenant leasehold and security deposits in trust	9,152,237	9,549,193
Asset retirement obligations	19,759	28,425
Other	106,281	111,385
Total long-term liabilities	114,349,307	121,891,261
Total Liabilities	129,103,904	138,379,713
Net Assets		
Shareholders' Equity		
Shareholders' capital	67,675,274	71,175,215
Surplus		
Capital reserve surplus	20,566,420	20,566,420
Capital reserve surplus deduction	*2 (1,499,919)	*2 (1,499,919)
Capital reserve surplus (net)	19,066,500	19,066,500
Discretionary reserves		
Reserve for dividends	3,471,625	3,572,625
Reserve for temporary difference adjustments	*3 8,584,544	*3 8,479,544
Total discretionary reserves	12,056,170	12,052,170
Unappropriated retained earnings (undisposed loss)	3,324,059	4,081,572
Total surplus	34,446,730	35,200,243
Total Shareholders' Equity	102,122,004	106,375,459
Total Net Assets	*1 102,122,004	*1 106,375,459
Total Liabilities and Net Assets	231,225,909	244,755,173

(2) Income Statement

(Thousand yen)

	Previous fiscal period (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
Operating Revenue		
Rental revenue	*1 7,225,840	*1 7,516,118
Other rental revenue	*1 535,592	*1 655,619
Gain on sales of real estate	*2 306,062	*2 1,051,166
Dividend from TK (<i>tokumei kumiai</i>)	822	217
Total operating revenue	8,068,318	9,223,122
Operating Expenses		
Rental expenses	*1 3,160,602	*1 3,373,137
Asset management fee	655,270	688,499
Asset custody fee	15,240	15,249
Administrative service fees	46,873	50,992
Directors' compensation	8,640	6,840
Other operating expenses	87,321	97,052
Total operating expenses	3,973,946	4,231,770
Operating Profit	4,094,371	4,991,351
Non-Operating Revenues		
Interest income	102	2,030
Reversal of distribution payable	619	457
Insurance payment income	7,908	1,057
Total non-operating revenues	8,630	3,545
Non-operating expenses		
Interest expenses	516,585	597,004
Loan related expenses	257,574	287,784
Share issuance expenses	—	22,879
Amortization of bond issuance expenses	5,075	5,216
Total non-operating expenses	779,236	912,884
Recurring Profit	3,323,766	4,082,012
Pre-tax income	3,323,766	4,082,012
Income taxes - current	605	605
Total income taxes	605	605
Net Income	3,323,161	4,081,407
Retained earnings brought forward	897	165
Unappropriated retained earnings (undisposed loss)	3,324,059	4,081,572

(3) Statement of Changes in Net Assets

Previous fiscal period (November 1, 2023 to April 30, 2024)

(Thousand yen)

	Shareholders' equity						
	Shareholders' capital	Surplus					
		Capital reserve surplus	Capital reserve surplus deduction	Capital reserve surplus (net)	Discretionary reserves		
					Dividend reserve	Temporary difference adjustment reserve	Total discretionary reserves
Balance at beginning of period	67,675,274	20,566,420	(1,499,919)	19,066,500	3,471,625	8,689,544	12,161,170
Changes during the period							
Release from temporary difference adjustment reserve						(105,000)	(105,000)
Dividends							
Net Income							
Total changes during the period	—	—	—	—	—	(105,000)	(105,000)
Balance at end of period	67,675,274	20,566,420	(1,499,919)	19,066,500	3,471,625	8,584,544	12,056,170

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	3,096,669	34,324,340	101,999,614	101,999,614
Changes during the period				
Release from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,200,771)	(3,200,771)	(3,200,771)	(3,200,771)
Net Income	3,323,161	3,323,161	3,323,161	3,323,161
Total changes during period	227,390	122,390	122,390	122,390
Balance at end of period	3,324,059	34,446,730	102,122,004	102,122,004

Current fiscal period (May 1, 2024 to October 31, 2024)

(Thousand yen)

	Shareholders' equity						
	Shareholders' capital	Surplus					
		Capital reserve surplus	Capital reserve surplus deduction	Capital reserve surplus (net)	Discretionary reserves		
					Dividend reserve	Temporary difference adjustment reserve	Total discretionary reserves
Balance at beginning of period	67,675,274	20,566,420	(1,499,919)	19,066,500	3,471,625	8,584,544	12,056,170
Changes during the period							
Issuance of New Shares	3,499,941						
Increase in Dividend Reserve					101,000	—	101,000
Reversal from temporary difference adjustment reserve						(105,000)	(105,000)
Dividends							
Net Income							
Total changes during the period	3,499,941	—	—	—	101,000	(105,000)	(4,000)
Balance at end of period	71,175,215	20,566,420	(1,499,919)	19,066,500	3,572,625	8,479,544	12,052,170

	Shareholders' equity			Total net assets
	Surplus		Total shareholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	3,324,059	34,446,730	102,122,004	102,122,004
Changes during the period				
Issuance of New Shares			3,499,941	3,499,941
Increase in Dividend Reserve	(101,000)	—	—	—
Reversal from temporary difference adjustment reserve	105,000	—	—	—
Dividends	(3,327,894)	(3,327,894)	(3,327,894)	(3,327,894)
Net Income	4,081,407	4,081,407	4,081,407	4,081,407
Total changes during period	757,513	753,513	4,253,454	4,253,454
Balance at end of period	4,081,572	35,200,243	106,375,459	106,375,459

(4) Statement of Dividends

	Previous fiscal period (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
I. Unappropriated Retained Earnings	3,324,059,209 yen	4,081,572,637 yen
II. Discretionary Reserve Reversal Reversal of Temporary Difference Adjustment Reserve	105,000,000 yen	105,000,000 yen
III. Total Dividends (Dividend per share)	3,327,894,033 yen (2,199 yen)	4,185,882,328 yen (2,692 yen)
IV. Discretionary Reserves Provision to Dividend Reserve	101,000,000 yen	— yen
V. Retained Earnings Carried Forward	165,176 yen	690,309 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, 3,327,894,033 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 3,324,059,209 yen of unappropriated retained earnings, and transferring 101,000,000 yen of gains on sales of real estate to dividend reserves, within J-REIT conduit rules. As a result, dividend per share came to 2,199 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, 4,185,882,328 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 4,081,572,637 yen of unappropriated retained earnings, As a result, dividend per share came to 2,692 yen.</p>

(5) Cash Flow Statement

(Thousand yen)

	Previous fiscal period (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
Cash flows from operating activities		
Pre-tax income	3,323,766	4,082,012
Depreciation	982,864	980,043
Interest income	(102)	(2,030)
Interest expense	516,585	597,004
Decrease (increase) in operating accounts receivable	(5,364)	(16,052)
Decrease (increase) in consumption taxes receivable	—	(165,486)
Decrease (increase) in prepaid expenses	40,560	(51,411)
Decrease (increase) in long-term prepaid expenses	124,271	15,178
Increase (decrease) in accrued consumption taxes	(126,788)	(71,175)
Increase (decrease) in operating accounts payable	5,066	242,424
Increase (decrease) in accounts payable	(58,495)	43,921
Increase (decrease) in advances received	(94)	149,506
Decrease due to sales of property, plant, and equipment in trust	1,981,264	749,415
Other	(160)	1,884
Subtotal	6,783,374	6,555,234
Interest income received	102	2,030
Interest expenses paid	(516,277)	(591,103)
Income taxes paid	(605)	(605)
Net Cash flows from (used for) operations	6,266,593	5,965,555
Cash flows from investing activities		
Purchase of property, plant and equipment	(95,973)	(143,705)
Purchase of property, plant and equipment in trust	(998,367)	(16,270,791)
Proceeds from tenant leasehold and security deposits	49,085	36,742
Repayments from tenant leasehold and security deposits	(55,338)	(103,512)
Proceeds from tenant leasehold and security deposits in trust	489,254	689,482
Repayments from tenant leasehold and security deposits in trust	(495,577)	(333,568)
Proceeds from redemption of investment securities	—	39,846
Net Cash flows from (used for) investments	(1,106,917)	(16,085,505)
Cash flows from financing activities		
Increase in long-term loans	2,900,000	12,692,000
Decrease in long-term loans	(2,900,000)	(4,192,000)
Proceeds from new share issuance	—	3,499,941
Proceeds from bond issuance	341,879	—
Dividends paid	(3,200,935)	(3,326,926)
Net Cash flows from (used for) financing	(2,859,055)	8,673,015
Net increase (decrease) in cash and cash equivalents	2,300,621	(1,446,934)
Cash and cash equivalents at beginning of period	20,486,693	22,787,314
Cash and cash equivalents at end of period	*1 22,787,314	*1 21,340,379

(6) Notes to Financial Statements

(Going concern note)

N/A

(Summary of Significant Accounting Policies)

1. Standards and methods for valuation of assets	<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.</p> <p>Investments in TK (<i>tokumei kumiai</i>) real estate equity interest</p> <p>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> <table> <tr> <td>Buildings</td><td>: 1 to 63 years</td></tr> <tr> <td>Structures</td><td>: 2 to 45 years</td></tr> <tr> <td>Machinery and equipment</td><td>: 1 to 15 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>: 1 to 15 years</td></tr> </table> <p>(2) Long-term prepaid expenses</p> <p>The depreciation of long-term prepaid expenses is calculated using the straight-line method.</p>	Buildings	: 1 to 63 years	Structures	: 2 to 45 years	Machinery and equipment	: 1 to 15 years	Tools, furniture and fixtures	: 1 to 15 years
Buildings	: 1 to 63 years								
Structures	: 2 to 45 years								
Machinery and equipment	: 1 to 15 years								
Tools, furniture and fixtures	: 1 to 15 years								
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>(1) Accounting for revenues</p> <p>Details of performance obligations regarding revenue from contracts between Ichigo Office and its customers and the general point of time under normal circumstances such revenues should be recognized are as follows:</p> <p>(i) Real estate property sales</p> <p>Revenue from real estate property sales is recognized as revenues when the buyer (customer) obtains control over a real estate property following the seller's fulfilment of its obligation to hand over the property which is stipulated in the contract associated with the sale of real estate property.</p> <p>(ii) Utilities revenue</p> <p>Utilities revenue is recognized according to the supply of electricity, water, etc. to lessees who are customers based on lease agreements and other terms related to the real estate properties.</p> <p>For utilities revenue which Ichigo Office regards itself as an agent, the net amount calculated by subtracting the amount paid to a party from the total amount received as charges for electricity, gas, etc. supplied by the same party is recognized as revenue.</p> <p>(2) Accounting for fixed asset taxes, etc.</p> <p>Of the amount of fixed asset taxes, city planning taxes and depreciable asset taxes imposed on real estate owned that was assessed and determined, the amount corresponding to the relevant computation period is recognized as expenses in the rental business.</p> <p>The amount corresponding to fixed asset taxes for the first fiscal year which 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. The amount corresponding to fixed asset taxes which was included in the acquisition costs of the real estate for the current fiscal period was 26,651 thousand yen.</p>								

5. Method of hedge accounting	<p>(1) Method of hedge accounting In cases where the interest rate swaps meet the conditions for special treatment, the special treatment is adopted.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans</p> <p>(3) Hedging policy 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 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 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. 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 non-deductible consumption taxes Non-deductible consumption taxes on assets are included in the acquisition costs of individual assets.</p>

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 April 30, 2024)	Current fiscal period (As of October 31, 2024)
	50,000	50,000

*2. Cancellation of Treasury Shares

	Previous fiscal period (As of April 30, 2024)	Current fiscal period (As of October 31, 2024)
Number of shares cancelled	18,920	18,920
Total amount of shares cancelled (JPY thousand)	1,499,919	1,499,919

(Note) There were no cancellations of treasury shares during the current fiscal period.

*3. Provision and reversal of temporary difference adjustment reserves

Previous fiscal period (As of April 30, 2024)

(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	8,689,544	—	105,000	8,584,544	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 thousand yen was reversed from the reserve.

Current fiscal period (As of October 31, 2024)

(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	8,584,544	—	105,000	8,479,544	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 thousand yen was reversed from the reserve.

(Notes to Income Statement)

*1. Details of real estate rental income

(Thousand yen)

	Previous fiscal period (November 1, 2023 to April 30, 2024)		Current fiscal period (May 1, 2024 to October 31, 2024)	
A.	Real estate rental revenue			
	Rental Revenue			
	Rental revenue	5,962,790	6,230,656	
	Common area charges	900,677	914,323	
	Parking lot rental revenue	292,573	300,409	
	Facility use charges	69,798	7,225,840	7,516,118
	Other rental revenue			
	Utilities revenue	469,282	621,677	
	Other	66,310	535,592	655,619
	Total real estate rental revenue	7,761,433		8,171,737
B.	Real estate rental expenses			
	Rental expenses			
	Service provider expenses	721,758	702,812	
	Utilities	489,173	682,451	
	Trust fees	37,200	43,223	
	Depreciation	982,864	980,043	
	Repair expenses	132,914	132,526	
	Taxes and public dues	731,302	760,049	
	Non-life insurance expenses	18,225	19,739	
	Other rental expenses	47,162	52,292	
	Total real estate rental expenses	3,160,602		3,373,137
C.	Net rental income	4,600,831		4,798,600
	(A-B)			

*2. Details of real estate sales

Previous fiscal period (November 1, 2023 to April 30, 2024)

Ichigo Ofuna Building	(Thousand Yen)
Real estate sale revenue	2,420,000
Real estate sale cost	1,981,264
Other real estate sale expenses	132,673
Gain on real estate sales	306,062

Current fiscal period (May 1, 2024 to October 31, 2024)

Ichigo Kudan 2 Chome Building	(Thousand Yen)
Real estate sale revenue	2,050,000
Real estate sale cost	749,415
Other real estate sale expenses	249,418
Gain on real estate sales	1,051,166

(Notes to statement of changes in net assets)

	Previous fiscal period (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
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	1,513,367 shares	1,554,934 shares

(Notes to statement of dividends)

Previous fiscal period (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
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 thousand 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 thousand 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 thousand yen starting from the 24th fiscal period. For this fiscal period, 105,000 thousand 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 thousand 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 thousand 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 thousand yen starting from the 24th fiscal period. For this fiscal period, 105,000 thousand 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 (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
Cash and deposits	8,676,152	6,858,448
Cash and deposits in trust	14,222,740	14,594,547
Miscellaneous deposits	(111,578)	(112,616)
Cash and cash equivalents	22,787,314	21,340,379

(Notes to lease transactions)

Operating lease transactions

(Lessee)

(Thousand yen)

	Previous fiscal period (As of April 30, 2024)	Current fiscal period (As of October 31, 2024)
Outstanding lease charges		
One year or less	82,092	82,599
Over one year	1,438,906	1,397,606
Total	1,520,998	1,480,206

(Lessor)

(Thousand yen)

	Previous fiscal period (As of April 30, 2024)	Current fiscal period (As of October 31, 2024)
Outstanding lease charges		
One year or less	7,197,722	7,402,276
Over one year	945,208	508,982
Total	8,142,931	7,911,258

(Notes to financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

Because of certain parameters, etc. are adopted in the calculation of the market values of financial instruments, there may be cases where the values concerned will vary when different parameters, etc. are adopted.

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

The carrying amount on the balance sheet on April 30, 2024, the market value, and the difference between the carrying amount and the market value were as follows. Investments in TK (*tokumei kumiai*) real estate equity interest (Note 2) are not included in the table below.

“Cash and deposits” and “Cash and deposits in trust” has been omitted because the market value of these items are almost equal to their book values since they are settled within a short period.

“Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” also has been omitted since these items are not material.

(Thousand yen)

	Carrying value	Market value	Difference
(1) Investment corporation bonds (due within one year)	1,000,000	992,833	(7,166)
(2) Long-term loans (due within one year)	10,538,000	10,537,077	(922)
(3) Investment corporation bonds	6,250,000	6,079,076	(170,923)
(4) Long-term loans	97,469,000	96,748,284	(720,715)
Total liabilities	115,257,000	114,357,271	(899,728)
(5) Derivative transactions	—	—	—

The carrying amount on the balance sheet on October 31, 2024, the market value, and the difference between the carrying amount and the market value were as follows. Investments in TK (*tokumei kumiai*) real estate equity interest (Note 2) are not included in the table below.

“Cash and deposits” and “Cash and deposits in trust” has been omitted because the market value of these items are almost equal to their book values since they are settled within a short period.

“Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” also has been omitted since these items are not material.

(Thousand yen)

	Carrying value	Market value	Difference
(1) Investment corporation bonds (due within one year)	1,000,000	996,744	(3,255)
(2) Long-term loans (due within one year)	11,840,000	11,830,463	(9,536)
(3) Investment corporation bonds	6,250,000	5,743,503	(506,496)
(4) Long-term loans	104,667,000	104,627,090	(39,909)
Total liabilities	123,757,000	123,197,802	(559,197)
(5) Derivative transactions	—	—	—

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

(1) Investment corporation bonds (due within one year) (3) 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.

(2) Long-term loans (due within one year) (4) Long-term loans

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

(5) Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

(Note 2) Investments in TK (*tokumei kumiai*) real estate equity interest

Previous fiscal period (As of April 30, 2024)

In accordance with the treatments stipulated in Paragraph 24-16 of “Implementation Guidance on Accounting for Fair Value Measurement” (Accounting Standards Board of Japan (ASBJ) Guidance No.31, June 17, 2021, Accounting Standards Board of Japan), matters set down on Paragraph 4-1 of “Implementation Guidance on Fair Value Measurement of Financial Instruments” (Accounting Standards Board of Japan (ASBJ) Guidance No.19, March 31, 2020) has been omitted.

The carrying amount on the balance sheet for the Investment in TK real estate equity interest according to the above implementation is 39,846 thousand yen.

Current fiscal period (As of October 31, 2024)

N/A

(Note 3) Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (April 30, 2024)

(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
Investment corporation bonds (due within one year)	1,000,000	—	—	—	—	—
Long-term loans (due within one year)	10,538,000	—	—	—	—	—
Investment corporation bonds	—	1,000,000	—	2,200,000	—	3,050,000
Long-term loans	—	13,340,000	18,720,000	19,208,000	18,584,000	27,617,000
Total	11,538,000	14,340,000	18,720,000	21,408,000	18,584,000	30,667,000

Maturity profile of investment corporation bonds and long-term loans after the fiscal period-end date (October 31, 2024)

(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
Investment corporation bonds (due within one year)	1,000,000	—	—	—	—	—
Long-term loans (due within one year)	11,840,000	—	—	—	—	—
Investment corporation bonds	—	1,000,000	1,200,000	1,000,000	1,200,000	1,850,000
Long-term loans	—	17,658,000	19,353,000	20,577,000	18,249,000	28,830,000
Total	12,840,000	18,658,000	20,553,000	21,577,000	19,449,000	30,680,000

(Notes to securities)

Previous fiscal period (As of April 30, 2024)

Investments in TK (*tokumei kumiai*) real estate equity interest (carrying amount on the balance sheet: 39,846 thousand yen) has been omitted in accordance with the regulations noted on Article 8-6-2, Paragraph 3 of the amended Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements, etc.

Current fiscal period (As of October 31, 2024)

N/A

(Notes to derivative transactions)

1. Non-hedge accounting derivatives

Not applicable in the previous fiscal period (ended April 30, 2024) and the current fiscal period (ended October 31, 2024).

2. Hedge accounting derivatives

Previous fiscal period (As of April 30, 2024)

(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 loans	99,260,000	92,914,000	(Note)	—

(Note) Interest rate swaps accounted under the special treatment method are processed together with the hedged items (in this case, a long-term loan). Therefore, their market values are included in the market values of (2) Long-term loans (due within one year) (4) long-term loans in “Notes to financial instruments, 2. Matters concerning the market value, etc. of financial instruments” above.

Current fiscal period (As of October 31, 2024)

(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 loans	106,860,000	95,020,000	(Note)	—

(Note) Interest rate swaps accounted under the special treatment method are processed together with the hedged items (in this case, a long-term loan). Therefore, their market values are included in the market values of (2) Long-term loans (due within one year) (4) long-term loans in “Notes to financial instruments, 2. Matters concerning the market value, etc. of financial instruments” above.

(Notes to retirement benefits)

Previous fiscal period (As of April 30, 2024)

N/A

Current fiscal period (As of October 31, 2024)

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 April 30, 2024)	Current fiscal period (As of October 31, 2024)
Deferred tax assets		
Valuation difference of assets transferred at merger	5,157,936	5,030,736
Asset retirement obligations	1,964	2,338
Other	563	373
Subtotal	5,160,464	5,033,448
Valuation allowance	(5,160,464)	(5,033,448)
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 April 30, 2024)	Current fiscal period (As of October 31, 2024)
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Deductible dividend distribution	(31.45%)	(28.36%)
Change in valuation allowance	(0.01%)	(3.10%)
Other	0.02%	0.02%
Effective tax rate	0.02%	0.01%

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

Previous fiscal period (November 1, 2023 to April 30, 2024)

N/A

Current fiscal period (May 1, 2024 to October 31, 2024)

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 November 1, 2023 to April 30, 2024) and the current fiscal period (from May 1, 2024 to October 31, 2024)

2. Affiliated companies

Not applicable in the previous fiscal period (from November 1, 2023 to April 30, 2024) and the current fiscal period (from May 1, 2024 to October 31, 2024)

3. Fellow subsidiaries

Not applicable in the previous fiscal period (from November 1, 2023 to April 30, 2024) and the current fiscal period (from May 1, 2024 to October 31, 2024)

4. Directors and principal individual shareholders

Not applicable in the previous fiscal period (from November 1, 2023 to April 30, 2024) and the current fiscal period (from May 1, 2024 to October 31, 2024)

(Notes to asset retirement obligations)

Previous fiscal period (November 1, 2023 to April 30, 2024)

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

Current fiscal period (May 1, 2024 to October 31, 2024)

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 (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
Office	Carrying amount		
	Balance at the beginning of period	203,348,433	201,440,799
	Increase (decrease) during period	(1,907,633)	14,761,988
	Balance at end of period	201,440,799	216,202,788
	Market value at end of period	254,170,000	271,633,000
Other	Carrying amount		
	Balance at the beginning of period	4,924,546	4,908,240
	Increase (decrease) during period	(16,305)	(10,212)
	Balance at end of period	4,908,240	4,898,028
	Market value at end of period	5,008,000	4,803,000
Total	Carrying amount		
	Balance at the beginning of period	208,272,979	206,349,040
	Increase (decrease) during period (Note2)	(1,923,939)	14,751,776
	Balance at end of period	206,349,040	221,100,817
	Market value at end of period	259,178,000	276,436,000

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

(Note 2) The major decrease in rental assets during the previous fiscal period was due to sale of a trust beneficiary interest in real estate of one asset (1,981,264 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 six assets (15,532,395 thousand yen), and the major decrease was due to a sale of trust beneficiary interest in real estate of one asset (749,415 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 are stated in “Notes to Income Statement.”

(Notes regarding revenue recognition)

1. Breakdown of revenue from contracts with customers

Previous fiscal period (November 1, 2023 to April 30, 2024)

(Thousand yen)

	Revenues generated from contracts with customers (Note 1)	Sales to external customers
Real estate property sales	2,420,000	(Note 2) 306,062
Utilities revenue	469,282	469,282
Other	—	7,292,150
Total	2,889,282	8,067,495

(Note 1) Rental revenues, etc. which are subject to Accounting Standard for Lease Transactions (Accounting Standards Board of Japan (ASBJ) Statement No. 13) and the transfer of real estate properties which is subject to Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies (Accounting System Committee Report No.15 of the Japanese Institute of Certified Public Accountants) are not included in the above amounts as they are excluded from revenue recognition accounting standards. Revenues generated from contracts with major customers are real estate property sales and utilities revenue.

(Note 2) Real estate property sales are shown as gain on sales of real estate (cost related to sales of real estate and other expenses related to sales of real estate subtracted from revenue from real estate sales) on the Income Statement. Ichigo Office recognizes gain on sales of real estate as operating revenue, and loss on sales of real estate as operating expenses, therefore the amount of gain on sales of real estate is shown above.

Current fiscal period (May 1, 2024 to October 31, 2024)

(Thousand yen)

	Revenues generated from contracts with customers (Note 1)	Sales to external customers
Real estate property sales	2,050,000	(Note 2) 1,051,166
Utilities revenue	621,677	621,677
Other	—	7,550,060
Total	2,671,677	9,222,904

(Note 1) Rental revenues, etc. which are subject to Accounting Standard for Lease Transactions (Accounting Standard Boards of Japan (ASBJ) Statement No. 13) and the transfer of real estate properties which is subject to Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies (Accounting System Committee Report No.15 of the Japanese Institute of Certified Public Accountants) are not included in the above amounts as they are excluded from revenue recognition accounting standards. Revenues generated from contracts with major customers are real estate property sales and utilities revenue.

(Note 2) Real estate property sales are shown as gain on sales of real estate (cost related to sales of real estate and other expenses related to sales of real estate subtracted from revenue from real estate sales) on the Income Statement. Ichigo Office recognizes gain on sales of real estate as operating revenue, and loss on sales of real estate as operating expenses, therefore the amount of gain on sales of real estate is shown above.

2. Basis for understanding of revenues generated from contracts with customers

Previous fiscal period (November 1, 2023 to April 30, 2024)

Basis is as indicated in the Summary of Significant Accounting Policies.

Current fiscal period (May 1, 2024 to October 31, 2024)

Basis is as indicated in the Summary of Significant Accounting Policies.

3. Information on revenue recognized during the current fiscal period, or that expected to be recognized in the next fiscal period or thereafter

Previous fiscal period (November 1, 2023 to April 30, 2024)

(1) Balance of contract assets and contract liabilities, etc.

(Thousand yen)

	Previous fiscal period (November 1, 2023 to April 30, 2024)
Receivables generated from contracts with customers (balance at the beginning of period)	653
Receivables generated from contracts with customers (balance at end of period)	2,167
Contract assets (balance at the beginning of period)	—
Contract assets (balance at end of period)	—
Contract liabilities (balance at the beginning of period)	—
Contract liabilities (balance at end of period)	—

(2) Transaction price allocated to remaining performance obligations

N/A

For utilities revenue, as Ichigo Office has the rights to receive from customers an amount directly corresponding to the value for the lessees who are customers of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim according to Paragraph 19 of the Implementation Guidelines of the Accounting Standard for Revenue Recognition is recognized as revenue. Accordingly, such is not included in the note on transaction price allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

Current fiscal period (May 1, 2024 to October 31, 2024)

(1) Balance of contract assets and contract liabilities, etc.

(Thousand yen)

	Current fiscal period (May 1, 2024 to October 31, 2024)
Receivables generated from contracts with customers (balance at the beginning of period)	2,167
Receivables generated from contracts with customers (balance at end of period)	5,128
Contract assets (balance at the beginning of period)	—
Contract assets (balance at end of period)	—
Contract liabilities (balance at the beginning of period)	—
Contract liabilities (balance at end of period)	—

(2) Transaction price allocated to remaining performance obligations

N/A

For utilities revenue, as Ichigo Office has the rights to receive from customers an amount directly corresponding to the value for the lessees who are customers of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim according to Paragraph 19 of the Implementation Guidelines of the Accounting Standard for Revenue Recognition is recognized as revenue. Accordingly, such is not included in the note on transaction price allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

(Notes to segment information)

(Segment information)

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

(Related information)

Previous fiscal period (November 1, 2023 to April 30, 2024)

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 (May 1, 2024 to October 31, 2024)

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 (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
Net assets per share (yen)	67,479	68,411
Net income per share (yen)	2,195	2,635

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

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

	Previous fiscal period (November 1, 2023 to April 30, 2024)	Current fiscal period (May 1, 2024 to October 31, 2024)
Net Income (Thousand yen)	3,323,161	4,081,407
Amount not attributable to common shareholders (Thousand yen)	—	—
Net income attributable to common shareholders (Thousand yen)	3,323,161	4,081,407
Average number of shares during period (Shares)	1,513,367	1,548,383

(Notes to Significant Subsequent Events)

(1) Asset Sale Agreement

The sales and purchase agreement for the following assets has been made in accordance with the guidelines specified in Ichigo Office's Articles of Incorporation.

Asset Name	Ichigo Tameike Building Ichigo Kudan 3 Chome Building Future IZUMI
Sale Price ^(Note 1)	2,600,000 thousand yen
Book Value ^(Note 2)	2,301,000 thousand yen
Contract Date ^(Note 3)	November 29, 2024
Closing Date ^(Note 3)	March 21, 2025
Buyer ^(Note 4)	Third-Party Japanese Company

(Note 1) Sale price is the sale price of the assets and excludes incidental expenses such as fees and applicable property, city planning, and consumption taxes. Ichigo Office expects to record a gain on sales of 67,840 thousand yen for the next fiscal period (November 1, 2024 to April 30, 2025).

(Note 2) Book Value is an estimate based upon the most recent book value (as of October 31, 2024), adjusted for expected capital expenditures and depreciation through the Closing Date.

(Note 3) The sale of the assets shown above (the "Sale") constitute a "forward commitment" by Ichigo Office as stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators" by the Financial Services Agency ^(Note). In the event of a violation of the provisions of the Sale by Ichigo Office or the buyer, the other party shall have the right to terminate the Sale and claim an amount equivalent to 10% of the purchase price as a penalty. As Ichigo Office is the seller, it is highly unlikely that Ichigo Office will not be able to fulfill its obligations under the Sale.

(Note) Forward commitment refers to a post-dated purchase and sales agreement under which payment and property delivery shall be made at least one month after the conclusion of the agreement, or any other agreement similar thereto.

(Note 4) The buyer did not provide consent to disclose its name.

Ichigo Tameike Building

Location	2-12-18 Akasaka, Minato-ku, Tokyo
Legal Form of Asset	Real Estate
Property Rights	Land: Freehold Building: Freehold

Ichigo Kudan 3 Chome Building

Location	3-2-7 Kudan Minami, Chiyoda-ku, Tokyo
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Property Rights	Land: Freehold Building: Freehold

Future IZUMI

Location	1-20-1 Fuchucho, Izumi, Osaka
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Property Rights	Land: Freehold (ownership ratio: 15.15%) Building: Freehold (ownership ratio: 43.53%)

(2) Asset Sale

The following asset was sold in accordance with the guidelines specified in Ichigo Office's Articles of Incorporation.

Ichigo Yotsuya 4 Chome Building

Sale Price ^(Note 1)	1,000,000 thousand yen
Book Value ^(Note 2)	495,893 thousand yen
Location	4-3-20 Yotsuya, Shinjuku-ku, Tokyo
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Property Rights	Land: Freehold Building: Freehold
Contract Date	August 8, 2024
Closing Date	November 29, 2024
Buyer	Trust East Real Estate Investment Company Limited

(Note 1) The sale price is the sale price of the trust beneficiary interest (*juekiken*) itself and does not include fees and applicable property, city planning, and consumption taxes. Ichigo Office expects to record a Gains on Sale of 424,516 thousand yen in the next fiscal period (November 1, 2024 to April 30, 2025).

(Note 2) Book Value is the most recent book value (as of October 31, 2024)

(3) Committed Term Loan

Ichigo Office executed an agreement for a bilateral committed term loan on November 29, 2024.

Lender	SMBC
Available Loan Amount	1,000,000 thousand yen
Contract date	November 29, 2024
Borrowing Period	November 29, 2024 to November 28, 2025
Use of Proceeds	Value-add capex (including fees associated with the loan)
Collateralized	No

(7) Supplementary Schedules

(i) Schedule of securities

(a) Stocks

N/A

(b) Securities other than stocks

N/A

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

(Thousand yen)

Classification	Type	Contract amount (Note 1)		Market value (Note 2)
			Exceeding 1 year	
Transactions other than market transactions	Interest rate swap (pay fixed, receive floating)	106,860,000	95,020,000	—
Total		106,860,000	95,020,000	—

(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		Total balance at end of current period	Remarks
							Depreciation or amortization during period		
Property, plant and equipment	Buildings	7,647,776	152,061	—	7,799,837	2,667,402	88,284	5,132,434	(Note)
	Structures	30,587	—	—	30,587	26,418	247	4,168	(Note)
	Machinery and equipment	362,091	7,263	—	369,355	283,110	7,564	86,244	(Note)
	Tools, furniture and fixtures	97,314	10,125	—	107,440	77,200	5,505	30,239	(Note)
	Land	16,669,592	—	—	16,669,592	—	—	16,669,592	
	Construction in progress	289	—	57	231	—	—	231	
	Buildings in trust	49,204,667	2,900,753	339,674	51,765,746	14,348,627	811,923	37,417,119	(Note)
	Structures in trust	85,820	1,109	0	86,929	46,286	2,279	40,643	(Note)
	Machinery and equipment in trust	1,017,710	72,266	—	1,089,977	599,140	41,096	490,836	(Note)
	Tools, furniture and fixtures in trust	409,295	18,645	1,715	426,224	300,977	23,141	125,247	(Note)
	Land in trust	143,793,109	13,319,010	502,408	156,609,712	—	—	156,609,712	(Note)
	Construction in progress in trust	2,674	27,718	—	30,393	—	—	30,393	
	Subtotal	219,320,929	16,508,953	843,856	234,986,026	18,349,164	980,043	216,636,861	
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		223,815,509	16,508,953	843,856	239,480,606	18,349,164	980,043	221,131,441	

(Note) The major increase during the current fiscal period was due to the acquisition of trust beneficiary interest in real estate of six assets (15,524,566 thousand yen), and the major decrease was due to the sale of a trust beneficiary interest in real estate of one asset (749,415 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 start of period	Decrease during period	Balance at end of period	Interest rate (%)	Redemption date	Use	Collateralized
First unsecured investment corporation bonds	September 22, 2017	1,200,000	—	1,200,000	0.900	September 22, 2027	(Note 1) (Note 2)	No (No Guarantee)
Second unsecured investment corporation bonds	April 26, 2018	1,000,000	—	1,000,000	0.900	April 26, 2028		
Third unsecured investment corporation bonds	November 29, 2018	1,000,000	—	1,000,000	0.750	November 28, 2025		
Fourth unsecured investment corporation bonds	July 26, 2019	1,200,000	—	1,200,000	0.890	July 26, 2029		
Fifth unsecured investment corporation bonds	March 26, 2020	1,000,000	—	1,000,000	0.300	March 26, 2025		
Sixth unsecured investment corporation bonds	May 6, 2021	1,500,000	—	1,500,000	0.850	May 2, 2031		
First callable unsecured investment corporation bonds	November 20, 2023	350,000	—	350,000	1.000	November 20, 2033	(Note 3)	
Total		7,250,000	—	7,250,000	—	—	—	—

(Note 1) The proceeds are used for repaying existing loans and acquisition of assets.

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

(Note 3) The proceeds are used for value-add capex.

(Note 4) The total amounts of investment corporation bonds scheduled for redemption 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
Investment corporation bonds due within one year	1,000,000	—	—	—	—
Investment corporation bonds	—	1,000,000	1,200,000	1,000,000	1,200,000
Total	1,000,000	1,000,000	1,200,000	1,000,000	1,200,000

(vi) Schedule of loans

	Lender	Balance at start of period (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	1,100,000	—	—	1,100,000	0.852 (Note 2)	November 10, 2024	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank	1,000,000	—	—	1,000,000	0.852 (Note 2)	November 10, 2024			
	SBI Shinsei Bank	900,000	—	—	900,000	0.852 (Note 2)	November 10, 2024			
	Resona Bank	400,000	—	—	400,000	0.852 (Note 2)	November 10, 2024			
	SMBC	633,000	—	—	633,000	0.948 (Note 2)	October 31, 2025			
	Mizuho Bank	508,000	—	—	508,000					
	MUFG Bank	425,000	—	—	425,000					
	Resona Bank	356,000	—	—	356,000					
	SBI Shinsei Bank	201,000	—	—	201,000					
	Aozora Bank	257,000	—	—	257,000	0.990 (Note 2)	April 30, 2026			
	SMBC	352,000	—	—	352,000					
	Mizuho Trust & Banking	1,352,000	—	—	1,352,000					
	Aozora Bank	901,000	—	—	901,000					
	SBI Shinsei Bank	901,000	—	—	901,000					
	Resona Bank	448,000	—	—	448,000	0.860 (Note 2)	November 11, 2024			
	SMBC	835,000	—	—	835,000					
	Mizuho Bank	491,000	—	—	491,000					
	SBI 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	0.962 (Note 2)	April 30, 2026			
	SMBC	1,000,000	—	—	1,000,000					
	Mizuho Bank	400,000	—	—	400,000	0.898	April 30, 2026			
	SBI Shinsei Bank	200,000	—	—	200,000	0.898	April 30, 2026			
	SMBC	954,000	—	—	954,000	0.975 (Note 2)	September 30, 2026			
	Aozora Bank	656,000	—	—	656,000					
	Mizuho Bank	773,000	—	—	773,000					
	SBI Shinsei Bank	483,000	—	—	483,000	0.907 (Note 2)	September 30, 2026			
	SMBC	830,000	—	—	830,000					
Aozora Bank	570,000	—	—	570,000	0.850 (Note 2)	April 30, 2026				
SMBC	250,000	—	—	250,000						
Mizuho Bank	400,000	—	—	400,000						
Development Bank of Japan	400,000	—	—	400,000						
MUFG Bank	300,000	—	—	300,000						
SBI Shinsei Bank	250,000	—	—	250,000	0.867 (Note 2)	September 25, 2026				
SMBC	1,000,000	—	—	1,000,000						
Resona Bank	1,000,000	—	—	1,000,000	0.867 (Note 2)	September 25 2026				

	Lender	Balance at start of period (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long- Term Loans	Bank of Fukuoka	1,000,000	—	—	1,000,000	0.867 (Note 2)	September 25, 2026	Lump-sum repayment	(Note 3)	No (No Guarantee)
	SMBC	1,239,000	—	—	1,239,000	0.822 (Note 2)	March 25, 2027			
	Mizuho Bank	1,074,000	—	—	1,074,000					
	SBI 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					
	SMBC	692,000	—	—	692,000					
	SMBC	672,000	—	—	672,000	0.726 (Note 2)	March 25, 2026			
	Mizuho Bank	610,000	—	—	610,000					
	SBI Shinsei Bank	641,000	—	—	641,000					
	MUFG Bank	549,000	—	—	549,000	0.844 (Note 2)	September 25, 2027			
	SMBC	1,224,000	—	—	1,224,000					
	Mizuho Bank	1,224,000	—	—	1,224,000					
	SBI Shinsei Bank	783,000	—	—	783,000	0.876 (Note 2)	September 25, 2027			
	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	0.899	March 25, 2027			
	SMBC	543,000	—	—	543,000	0.740 (Note 2)	March 25, 2027			
	SBI Shinsei Bank	518,000	—	—	518,000					
	Mizuho Bank	494,000	—	—	494,000					
	MUFG Bank	445,000	—	—	445,000					
	Aozora Bank	2,127,000	—	—	2,127,000	0.828 (Note 2)	August 25, 2028			
	SBI Shinsei Bank	998,000	—	—	998,000	0.722 (Note 2)	March 25, 2027			
	SBI Shinsei Bank	1,000,000	—	—	1,000,000	0.828 (Note 2)	August 25, 2028			
	Mizuho Bank	400,000	—	—	400,000	0.828 (Note 2)	August 25, 2028			
	SMBC	407,000	—	—	407,000	0.569 (Note 2)	September 25, 2025			
	MUFG Bank	781,000	—	—	781,000					
Resona Bank	586,000	—	—	586,000						
Mizuho Bank	407,000	—	—	407,000						
SBI Shinsei Bank	260,000	—	—	260,000						
Aozora Bank	260,000	—	—	260,000						
SMBC	814,000	—	—	814,000	0.787 (Note 2)	November 25, 2028				
Mizuho Bank	814,000	—	—	814,000						
SBI Shinsei Bank	521,000	—	—	521,000						
Aozora Bank	521,000	—	—	521,000						
SMBC	800,000	—	—	800,000	0.802 (Note 2)	November 25, 2028				
Mizuho Bank	700,000	—	—	700,000	0.802 (Note 2)	November 25, 2028				

	Lender	Balance at start of period (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	Bank of Yokohama	500,000	—	—	500,000	0.802 (Note 2)	November 25, 2028	Lump-sum repayment	(Note 3)	No (No Guarantee)
	SMBC	527,000	—	527,000	—	0.798	September 25, 2024			
	MUFG Bank	494,000	—	494,000	—					
	Mizuho Bank	355,000	—	355,000	—					
	Bank of Yokohama	285,000	—	285,000	—					
	Mizuho Trust & Banking	95,000	—	95,000	—					
	SMBC	1,055,000	—	—	1,055,000					
	Mizuho Bank	710,000	—	—	710,000					
	Aozora Bank	571,000	—	—	571,000					
	Resona Bank	571,000	—	—	571,000	0.798	September 25, 2024			
	Mizuho Trust & Banking	190,000	—	—	190,000					
	SMBC	329,000	—	329,000	—					
	MUFG Bank	1,372,000	—	1,372,000	—					
	Bank of Fukuoka	376,000	—	376,000	—					
	Mizuho Bank	329,000	—	—	329,000					
	Bank of Yokohama	30,000	—	30,000	—					
	SMBC	329,000	—	—	329,000					
	Mizuho Bank	329,000	—	—	329,000	0.819 (Note 2)	May 25, 2029			
	Resona Bank	287,000	—	—	287,000					
	Aozora Bank	174,000	—	—	174,000					
	SBI Shinsei Bank	162,000	—	—	162,000					
	Bank of Yokohama	161,000	—	—	161,000					
	SMBC	988,000	—	—	988,000					
	Mizuho Bank	988,000	—	—	988,000					
	Resona Bank	862,000	—	—	862,000					
	SBI Shinsei Bank	487,000	—	—	487,000	0.612 (Note 2)	September 25, 2026			
	Aozora Bank	422,000	—	—	422,000					
	Development Bank of Japan	500,000	—	—	500,000					
	SMBC	194,000	—	—	194,000					
	Mizuho Bank	194,000	—	—	194,000					
MUFG Bank	1,622,000	—	—	1,622,000						
Bank of Fukuoka	446,000	—	—	446,000						
Bank of Yokohama	90,000	—	—	90,000						
SMBC	389,000	—	—	389,000						
Mizuho Bank	389,000	—	—	389,000	0.720 (Note 2)	March 25, 2028				
Resona Bank	271,000	—	—	271,000						
SBI Shinsei Bank	154,000	—	—	154,000						
Aozora Bank	117,000	—	—	117,000						
Bank of Yokohama	356,000	—	—	356,000						

	Lender	Balance at start of period (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long- Term Loans	SMBC	1,363,000	—	—	1,363,000	0.833 (Note 2)	November 25, 2029	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank	1,363,000	—	—	1,363,000					
	Resona Bank	1,086,000	—	—	1,086,000					
	SBI Shinsei Bank	617,000	—	—	617,000					
	Aozora Bank	470,000	—	—	470,000					
	Development Bank of Japan	500,000	—	—	500,000	0.859	January 25, 2029			
	SMBC	222,000	—	—	222,000	0.717 (Note 2)	May 25, 2027			
	Mizuho Bank	193,000	—	—	193,000					
	MUFG Bank	1,580,000	—	—	1,580,000					
	Bank of Fukuoka	494,000	—	—	494,000					
	Nishi-Nippon City Bank	100,000	—	—	100,000					
	SMBC	628,000	—	—	628,000	0.816 (Note 2)	May 25, 2028			
	Mizuho Bank	385,000	—	—	385,000					
	SBI Shinsei Bank	217,000	—	—	217,000					
	Aozora Bank	98,000	—	—	98,000					
	Nishi-Nippon City Bank	111,000	—	—	111,000					
	Resona Bank	125,000	—	—	125,000					
	SMBC	2,360,000	—	—	2,360,000	1.019 (Note 2)	May 27, 2030			
	Mizuho Bank	1,348,000	—	—	1,348,000					
	SBI Shinsei Bank	869,000	—	—	869,000					
	Aozora Bank	396,000	—	—	396,000					
	Nishi-Nippon City Bank	283,000	—	—	283,000					
	Resona Bank	220,000	—	—	220,000					
	SMBC	950,000	—	—	950,000	1.107 (Note 2)	May 25, 2029			
	Mizuho Bank	950,000	—	—	950,000	1.107 (Note 2)	May 25, 2029			
SMBC	1,000,000	—	—	1,000,000	0.958 (Note 2)	November 25, 2027				
Mizuho Bank	524,000	—	—	524,000						
MUFG Bank	1,579,000	—	—	1,579,000						
SBI Shinsei Bank	307,000	—	—	307,000						
Bank of Fukuoka	493,000	—	—	493,000						
Nishi-Nippon City Bank	493,000	—	—	493,000	1.036 (Note 2)	August 25, 2028				
Resona Bank	245,000	—	—	245,000						
SMBC	1,500,000	—	—	1,500,000						
Mizuho Bank	800,000	—	—	800,000						
SBI Shinsei Bank	778,000	—	—	778,000						
Aozora Bank	200,000	—	—	200,000						

	Lender	Balance at start of period (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	707,000	—	—	707,000	1.609 (Note 2)	September 25, 2032	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank	600,000	—	—	600,000					
	Aozora Bank	293,000	—	—	293,000					
	Resona Bank	100,000	—	—	100,000					
	Bank of Fukuoka	300,000	—	—	300,000	1.405 (Note 2)	October 25, 2029			
	Nishi-Nippon City Bank	200,000	—	—	200,000	1.405 (Note 2)	October 25, 2029			
	SMBC	700,000	—	—	700,000	1.723 (Note 2)	January 25, 2032			
	Mizuho Bank	600,000	—	—	600,000	1.723 (Note 2)	January 25, 2032			
	Development Bank of Japan	2,000,000	—	—	2,000,000	1.108	September 25, 2029			
	SMBC	127,000	—	—	127,000	1.160 (Note 2)	April 25, 2028			
	Mizuho Bank	100,000	—	—	100,000					
	MUFG Bank	677,000	—	—	677,000					
	SBI Shinsei Bank	100,000	—	—	100,000					
	SMBC	700,000	—	—	700,000	1.644 (Note 2)	July 25, 2031			
	Mizuho Bank	653,000	—	—	653,000					
	SBI Shinsei Bank	690,000	—	—	690,000					
	SMBC	100,000	—	—	100,000	1.202 (Note 2)	May 25, 2028			
	Mizuho Bank	100,000	—	—	100,000					
	MUFG Bank	283,000	—	—	283,000					
	SBI Shinsei Bank	135,000	—	—	135,000					
	Bank of Fukuoka	95,000	—	—	95,000					
	Resona Bank	100,000	—	—	100,000					
	SMBC	115,000	—	—	115,000	1.773 (Note 2)	October 25, 2031			
	Mizuho Bank	240,000	—	—	240,000					
	Bank of Fukuoka	100,000	—	—	100,000					
	Resona Bank	137,000	—	—	137,000					
Kansai Mirai Bank	195,000	—	—	195,000						
SMBC	1,000,000	—	—	1,000,000	1.772 (Note 2)	October 25, 2031				
SMBC	500,000	—	—	500,000	1.522 (Note 2)	October 25, 2031				
Mizuho Bank	400,000	—	—	400,000	1.522 (Note 2)	October 25, 2031				

	Lender	Balance at start of period (Thousand yen)	Increase during period (Thousand yen)	Decrease during period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment terms	Use	Collateralized
Long-Term Loans	SMBC	20,000	—	—	20,000	1.284 (Note 2)	March 25, 2029	Lump-sum repayment	(Note 3)	No (No Guarantee)
	Mizuho Bank	15,000	—	—	15,000					
	MUFG Bank	300,000	—	—	300,000					
	SBI Shinsei Bank	100,000	—	—	100,000					
	Bank of Fukuoka	100,000	—	—	100,000					
	Nishi-Nippon City Bank	100,000	—	—	100,000					
	SMBC	380,000	—	—	380,000	1.642 (Note 2)	October 25, 2031			
	Mizuho Bank	335,000	—	—	335,000					
	SBI Shinsei Bank	200,000	—	—	200,000					
	Bank of Fukuoka	125,000	—	—	125,000					
	Nishi-Nippon City Bank	125,000	—	—	125,000					
	The Kagawa Bank	200,000	—	—	200,000					
	SMBC	—	3,300,000	—	3,300,000	1.653 (Note 2)	April 25, 2031			
	Mizuho Bank	—	2,000,000	—	2,000,000	1.653 (Note 2)	April 25, 2031			
	MUFG Bank	—	900,000	—	900,000	1.316	April 25, 2029			
	SBI Shinsei Bank	—	300,000	—	300,000	1.387 (Note 2)	April 25, 2029			
	SBI Shinsei Bank	—	1,000,000	—	1,000,000	1.653 (Note 2)	April 25, 2031			
	Aozora Bank	—	1,000,000	—	1,000,000	1.653 (Note 2)	April 25, 2031			
	SMBC	—	56,000	—	56,000	1.153	October 25, 2028			
	Mizuho Bank	—	34,000	—	34,000					
MUFG Bank	—	1,866,000	—	1,866,000						
Bank of Fukuoka	—	176,000	—	176,000						
SMBC	—	800,000	—	800,000	0.949	April 25, 2031				
Mizuho Bank	—	650,000	—	650,000						
Bank of Fukuoka	—	200,000	—	200,000						
The Bank of Yokohama	—	315,000	—	315,000						
Mizuho Trust & Banking	—	95,000	—	95,000						
Total		108,007,000	12,692,000	4,192,000	116,507,000					

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

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

(Note 3) The proceeds are used for acquisition of assets and/or beneficiary rights of real estate in trust and repayment of loans.

(Note 4) 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 loans due within one year	11,840,000	—	—	—	—
Long-term loans	—	17,658,000	19,353,000	20,577,000	18,249,000
Total	11,840,000	17,658,000	19,353,000	20,577,000	18,249,000

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

January 24, 2025

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

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Masashi Tsurumi

Designated Engagement Partner,
Certified Public Accountant:

Takeshi Shimoizaka

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the financial statements of Ichigo Office REIT Investment Corporation ("the Corporation"), namely, the balance sheet as of October 31, 2024, and the income statement, statement of changes in net assets, the statement of dividends and the cash flow statement for the six months from May 1, 2024 to October 31, 2024, and a summary of significant accounting policies and other explanatory information, and the supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of October 31, 2024, and its financial performance and its cash flows for the six months then ended in accordance with 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 Corporation in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Corporation for the six months ended April 30, 2024, were audited by predecessor auditor who expressed an unqualified opinion on those statements on July 23, 2024.

Other Information

Management is responsible for the other information. Supervisory Directors are responsible for overseeing the Executive Director's execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Semi-Annual Report, but does not include the financial statements and our auditor's report thereon.

(TRANSLATION)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory Directors are responsible for overseeing the Executive Director's execution of duties relating to the design and operating effectiveness of the controls over the Corporation'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. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, 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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.

(TRANSLATION)

- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Corporation which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader. The other information in the Semi-Annual Report referred to in the "Other Information" section of this English translation is not translated.