

**Ichigo Office
(8975)**



Strategic Portfolio Restructuring Update

January 24, 2023

**Ichigo Office REIT Investment Corporation (8975)
Ichigo Investment Advisors Co., Ltd.**



This material provides supplementary explanatory information with respect to Ichigo Office’s asset acquisitions and sale during the April 2023 fiscal period, as detailed in the below releases:

“Sale of Portfolio Asset (Ichigo Ikenohata Building),” October 31, 2022

“Acquisition of Office Asset (Ichigo Marunouchi South Building),”
November 24, 2022

“Acquisition of Two Office Assets (Ichigo Hakataeki Higashi Building,
Fukuoka Kensetsu Kaikan),” January 24, 2023 (Today)

The sale of the Ichigo Ikenohata Building and the acquisitions of the Ichigo Marunouchi South Building, the Ichigo Hakataeki Higashi Building, and the Fukuoka Kensetsu Kaikan are collectively referred to as the “Asset Acquisitions and Sale” in this presentation



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Asset Acquisitions & Sale Impact

Asset Sale: Monetize Growth in Asset Value Generated by Value-Add & Drive Earnings Growth

- ✓ Sale Price: 1.9X Appraisal Value, 2.1X Book Value
 - Feb 2022 Sale of Ichigo Akasaka 5 Chome Building Also >2X Book Value
 - Gains on Sale of JPY 4.4B to be Distributed via Apr 2023 Dividend, Retaining JPY 103M for Internal Reserves
- April 2023 Dividend Forecast (Announced Dec 15, 2022): JPY 4,132

Asset Acquisitions: Investing in High-Quality, Prime Location, Mid-Size Office Assets With Upside Potential

- ✓ Further Drive Dividend and Growth in Shareholder Value
- ✓ Acquired 2 Assets (JPY 6.2B) From Bridge Fund Created With Sponsor Support
- ✓ Contributing Towards a Diversified Portfolio With High Earnings Stability
 - Acquired 1 Mid-Size Office Located in Nagoya City Center & 2 Mid-Size Offices Located in Fukuoka's Prime Central Business District (CBD)

Overview of Asset Acquisitions & Sale

	Before Acquisitions & Sale	Asset Sale	Asset Acquisitions	After Acquisitions & Sale
Asset Size	86 assets/ JPY 209.2B	1 asset/ JPY 5.1B	3 assets/ JPY 8.0B	88 assets/ JPY 212.1B
Office %	96.8%	–	–	96.9%
Central Tokyo %	54.8%	–	–	54.1%
Tokyo Metropolitan Area %	24.6%	–	–	21.8%
Four Major Regional Cities %	14.9%	–	–	18.5%
Occupancy	96.5%	100%	94.7%	96.5%
Number of Tenants	938	7	65	995
Annual NOI	JPY 11.13B	JPY 250M	JPY 370M	JPY 11.24B

(as of October 31, 2022)


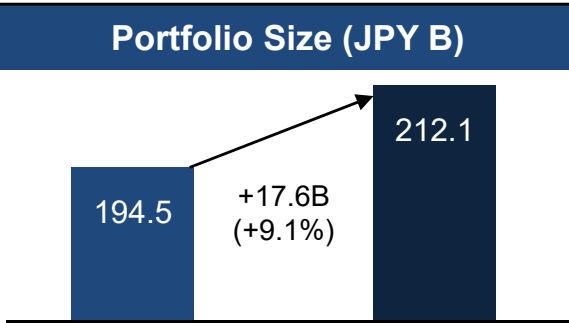
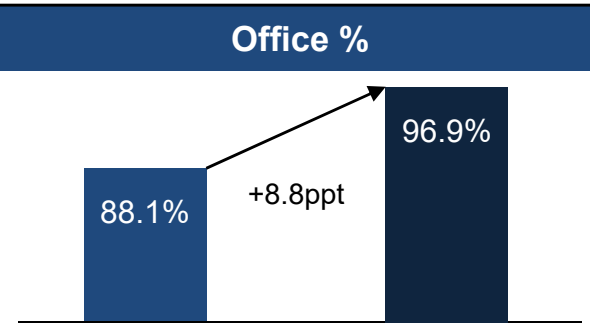


Ichigo Ikenohata Building

Ichigo Marunouchi South Building
Ichigo Hakataeki Higashi Building
Fukuoka Kensetsu Kaikan



Drive Shareholder Value via Strategic Portfolio Restructuring

Optimize Portfolio & Drive Growth in Asset & Shareholder Value

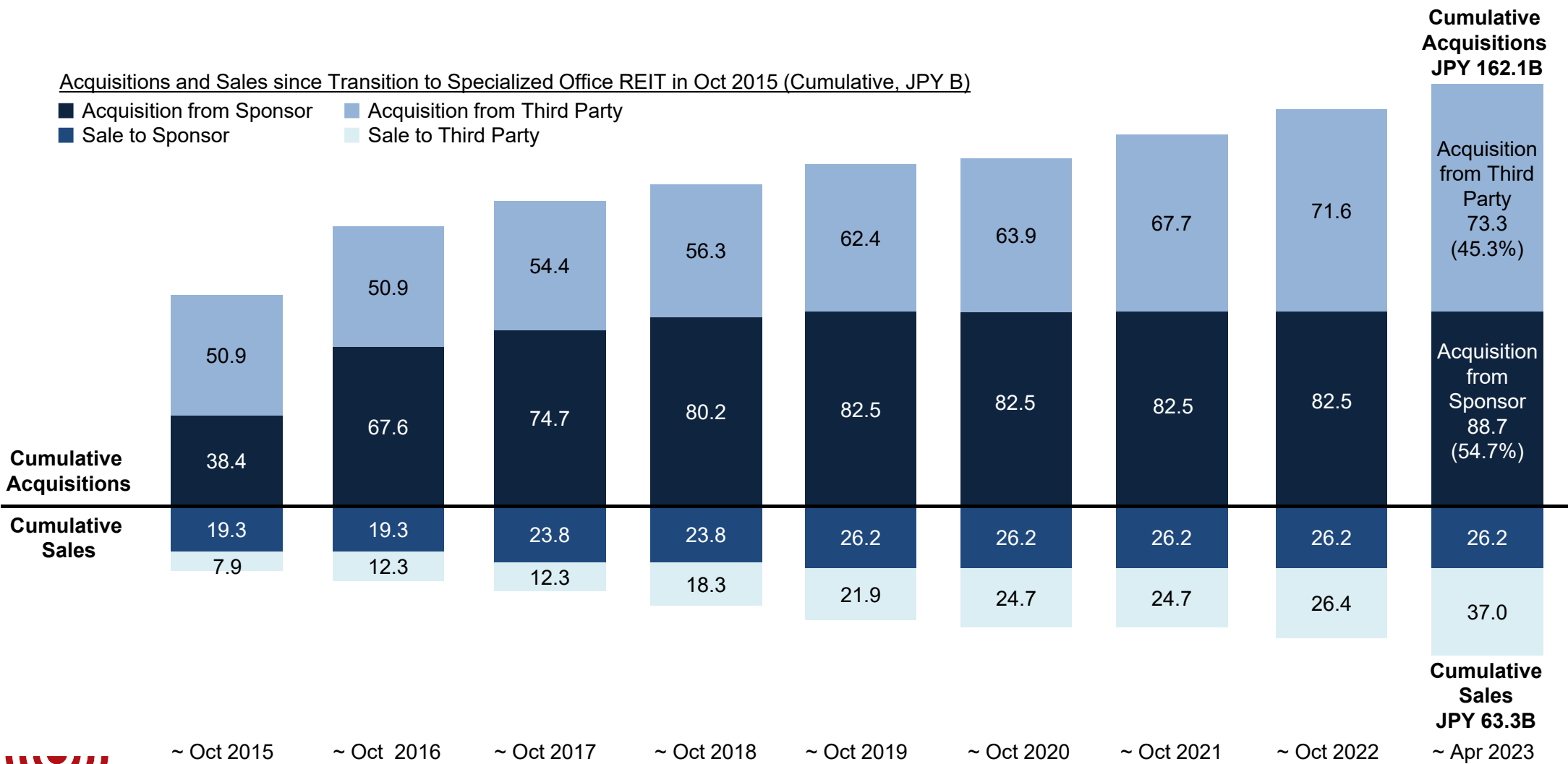
	Portfolio Restructuring Since 2017 (Timing of Most Recent PO)		Bridge Fund										
Asset Sales	13 Assets Total Sales Price JPY 31.6B (Gains on Sales JPY 8.4B)	<u>Recent Asset Acquisitions</u> High-quality, mid-size offices in Nagoya & Fukuoka 	<table border="1"> <tr> <td>Acquisition Price*</td> <td>JPY 6,320M</td> </tr> <tr> <td>Total Appraisal Value</td> <td>JPY 6,740M</td> </tr> <tr> <td>TK Equity Investment</td> <td>JPY 38M</td> </tr> <tr> <td>Exercise Period*</td> <td>January 31, 2025</td> </tr> <tr> <td>Underlying Assets</td> <td>2</td> </tr> </table>	Acquisition Price*	JPY 6,320M	Total Appraisal Value	JPY 6,740M	TK Equity Investment	JPY 38M	Exercise Period*	January 31, 2025	Underlying Assets	2
Acquisition Price*	JPY 6,320M												
Total Appraisal Value	JPY 6,740M												
TK Equity Investment	JPY 38M												
Exercise Period*	January 31, 2025												
Underlying Assets	2												
Asset Acquisitions	15 Assets Total Acquisition Price JPY 39.9B												
Impact	NOI Increase JPY +630M p.a.	NOI Increase = Forecast NOI of acquired assets calculated by IIA minus actual NOI of sold assets											
	Portfolio Size (JPY B) 	Office % 	 Ogaku Building  Ichigo Hakata Meiji Dori Building										

Robust Sourcing to Support Acquisition-Driven Growth

Acquisitions Leverage Both Sponsor Support & Ichigo Office's Sourcing Network

Acquisitions and Sales since Transition to Specialized Office REIT in Oct 2015 (Cumulative, JPY B)

■ Acquisition from Sponsor ■ Acquisition from Third Party
■ Sale to Sponsor ■ Sale to Third Party



Ichigo Marunouchi South Building (O-98)

Mid-Size Office Located in Nagoya City Center

Asset Details

Acquisition Price	JPY 1,750M
Appraisal Value	JPY 1,850M
Expected NOI Yield	4.8%
Asset Type	Office
Location	2-2-24 Nishiki, Naka-ku, Nagoya City, Aichi
Leasable Area	1,973.27m ²
Structure	SRC, 8 floors
Date Built	January 1988
Occupancy	82.7% (as of December 31, 2022)

Location/Building Features

- Mid-size office building located within a 2-minute walk from the Marunouchi Station on the Sakura Dori Subway Line
- Area benefits from stable tenant demand spanning multiple industries owing to its proximity to government buildings including the Aichi Prefectural Office and the Nagoya City Hall
- Standard floor plate of 88 tsubo (290 m²) sub-divisible into five zones, with raised access floors and individual air conditioning units that cater to the needs of many tenants
- Current tenants include the Nagoya branch offices of an IT company and a logistics equipment manufacturing company, and a law firm

Building Exterior, Entrance Hall, & Location



Ichigo Hakataeki Higashi Building (O-99)

Mid-Size Office Located in Fukuoka's Prime CBD

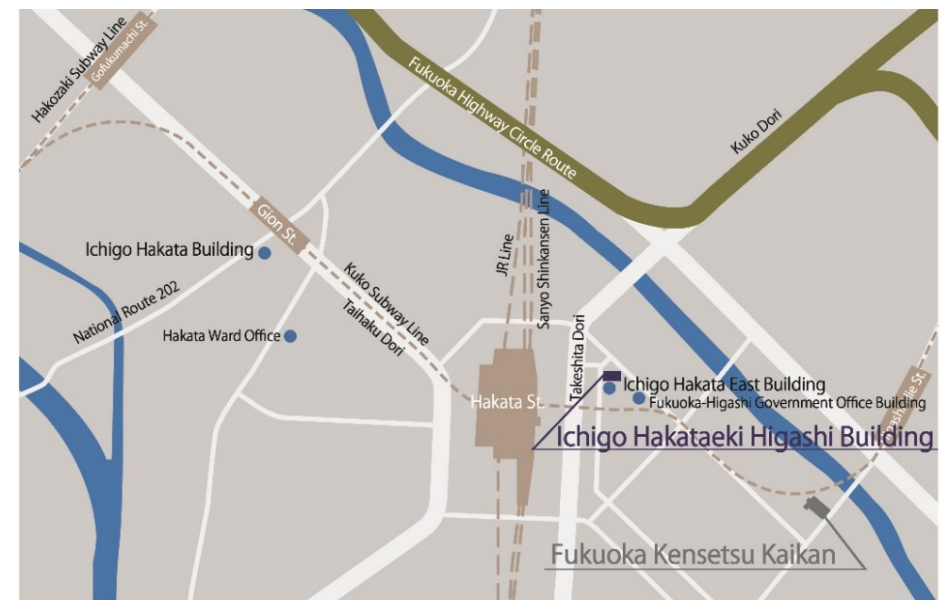
Asset Details

Acquisition Price	JPY 3,500M
Appraisal Value	JPY 3,630M
Expected NOI Yield	4.5%
Asset Type	Office
Location	1-13-9 Hakataeki Higashi, Hakata-ku, Fukuoka City
Leasable Area	3,596.71m ²
Structure	SRC, 8 floors; RC, 1 floor
Date Built	October 1987
Occupancy	96.8% (as of December 31, 2022)

Location/Building Features

- Mid-size office building located within a 4-minute walk from the Chikushi Exit of Hakata Station, offering access to rail lines including the JR Kagoshima Main Line and the Fukuoka City Subway Kuko Line
- Area is part of Fukuoka's main business/commercial district and home to many office buildings
- Standard floor plate of 135 tsubo (445m²) sub-divisible into 6 zones, with raised access floors and individual air conditioning units that cater to the needs of many tenants
- Current tenants include the branch and sales offices of listed companies, construction companies, and a medical clinic

Building Exterior, Entrance Hall, & Location



Fukuoka Kensetsu Kaikan (O-100)

Mid-Size Office Located in Fukuoka's Prime CBD

Asset Details

Acquisition Price	JPY 2,750M
Appraisal Value	JPY 2,810M
Expected NOI Yield	4.6%
Asset Type	Office
Location	3-14-18 Hakataeki Higashi, Hakata-ku, Fukuoka City
Leasable Area	2,949.22m ²
Structure	Steel, 9 floors; RC, 1 floor
Date Built	November 1997
Occupancy	100% (as of December 31, 2022)

Location/Building Features

- Mid-size office building located within a 2-minute walk from Higashi-Hie Station on the Fukuoka City Subway Kuko Line
- Area is part of Fukuoka's main business/commercial district and home to many office buildings
- Standard floor plate of 117 tsubo (386m²) sub-divisible into 5 zones, with raised access floors and individual air conditioning units that cater to the needs of many tenants
- Current tenants include construction companies, an industry organization, IT companies, and a real estate company

Building Exterior, Entrance Hall, & Location



Notes

Preconditions for the Overview of Asset Acquisitions & Sale (p.5)

- Occupancy, Number of Tenants
Before Acquisitions & Sale: Data as of October 31, 2022
Asset Sale: As of actual date of sale
Asset Acquisitions: Data as of December 31, 2022
After Acquisitions & Sale: Data as of December 31, 2022 (including the Ichigo Marunouchi South Building) plus data for the Ichigo Hakataeki Higashi Building and Fukuoka Kensetsu Kaikan as of December 31, 2022
- Annual NOI
Before Acquisitions & Sale: Annualized NOI for the October 2022 fiscal period (for assets acquired during the October 2022 fiscal period, NOI is calculated using the direct capitalization method based on appraisal value at acquisition)
Asset Sale: Annualized NOI for the October 2022 fiscal period
Asset Acquisitions: NOI is calculated using the direct capitalization method based on appraisal value at acquisition
After Acquisitions & Sale: NOI before acquisitions & sale minus NOI of asset sold plus NOI of assets to be acquired

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We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.