



## Strategic Portfolio Restructuring

October 13, 2023

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



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

“Sale of Retail Asset (Twicere Yokohama Isogo),” September 22, 2023

“Acquisition of Ichigo Kinshicho South Building,” October 13, 2023  
(Today)

The sale of Twicere Yokohama Isogo (Retail Section) and the acquisition of the Ichigo Kinshicho South Building are collectively referred to as the “Asset Acquisition and Sale” in this presentation



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# Asset Acquisition & Sale via Ichigo Office's Sourcing Network

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## Asset Sale: Sold Retail Asset Located in Yokohama to Third-Party Buyer

- ✓ Sale Price: +6.0% vs. Appraisal Value, +12.8% vs. Book Value, Gains on Sale to be Distributed as Dividends
    - As a Result of Leasing Activities Focused on Earnings Recovery, Ichigo Office Successfully Leased up Half of Vacant Space to a Notable Retail Tenant
    - Gains on Sale of JPY 112M to be Distributed as October 2023 Dividend
- October 2023 Dividend Forecast (Announced Sep 22, 2023): JPY 2,116 (+5.0% vs. Previous Forecast)

## Asset Acquisition: Acquiring Mid-Size Office Located in Kinshicho From Third-Party Seller

- ✓ Upside Earnings Potential to Contribute Towards a Diversified Portfolio With High Earnings Stability
- ✓ Convenient Access via Train to Main Office Areas in Central Tokyo: 8 Minutes to Tokyo Station, 12 Minutes to Otemachi Station
- ✓ Upward Rent Renewals for Majority of Building's Tenants are Expected to Drive Future NOI Growth
  - Drive Further Earnings Growth via Value-Add, Including Common Area and Restroom Renovations

# Overview of Asset Acquisition & Sale

	Before Acquisition & Sale	Asset Sale	Asset Acquisition	After Acquisition & Sale
Asset Size	88 assets/ JPY 212.2B	1 asset/ JPY 1.6B	1 asset/ JPY 1.9B	88 assets/ JPY 212.4B
Appraisal Value	JPY 255.3B	JPY 1.5B	JPY 2.1B	JPY 255.9B
Office %	96.9%	–	–	97.6%
Other %	3.1%	–	–	2.4%
Tokyo Metropolitan Area %	21.8%	–	–	21.9%
Occupancy	96.6% (as of Sep 30, 2023)	89.7%	100%	96.7%
Number of Tenants	1,011 (as of Sep 30, 2023)	8	7	1,010
Annual NOI	JPY 11.7B	JPY 61M	JPY 77M	JPY 11.7B

Twicere Yokohama Isogo  
(Retail Section)  
Sale Date:  
October 30, 2023 (expected)

Ichigo Kinshicho South  
Building  
Acquisition Date:  
October 31, 2023 (expected)

# Drive Shareholder Value via Strategic Portfolio Restructuring

## Optimize Portfolio & Drive Growth in Asset & Shareholder Value

Acquisitions & Sales After 2017 (After Public Offering in May 2016)

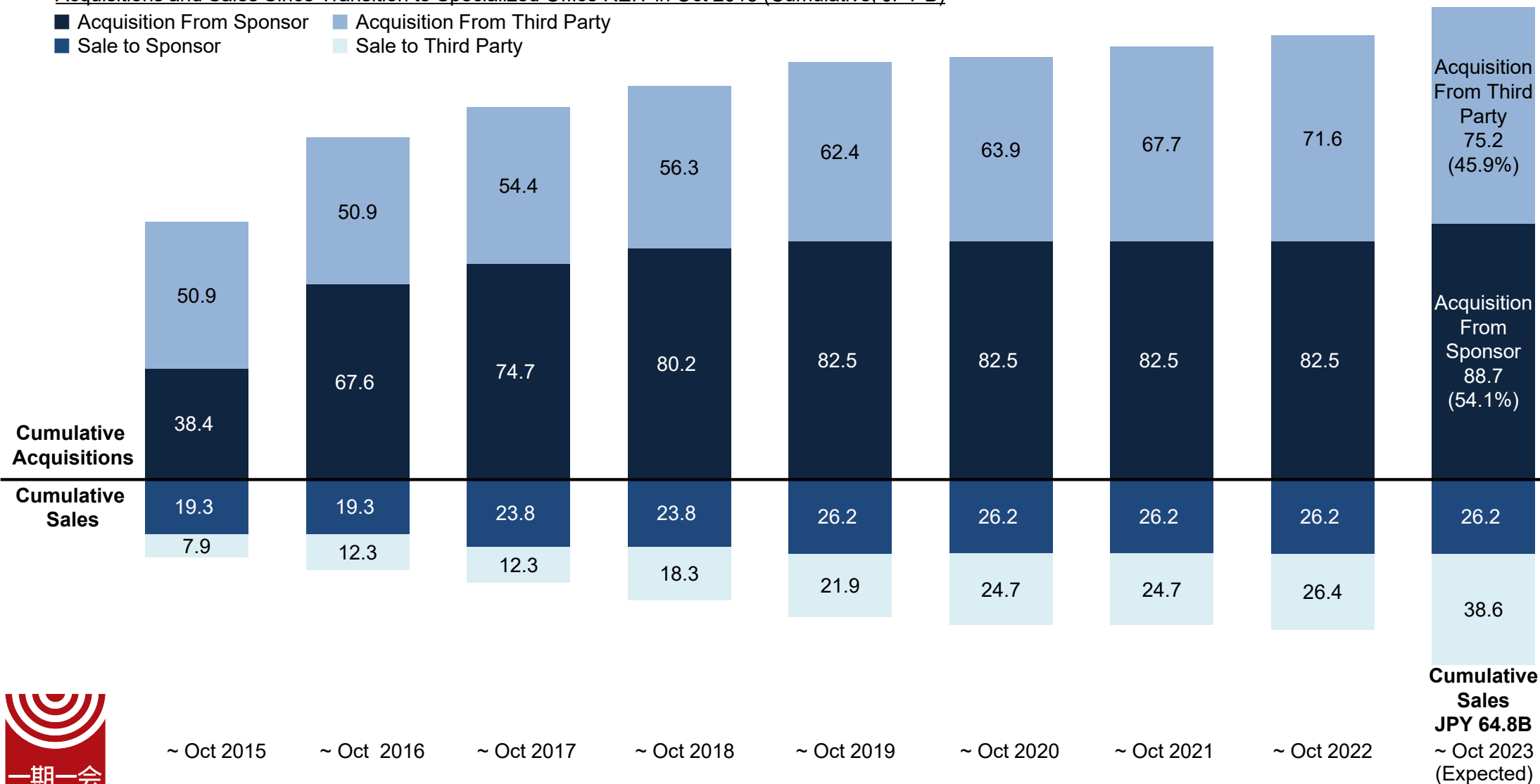
Asset Sales	Asset Acquisitions	Impact	
14 Assets Total Sales Price JPY 33.2B (Gains on Sales JPY 8.5B)	16 Assets Total Acquisition Price JPY 41.8B	<b>NOI Increase*</b>	JPY 648M p.a. * NOI Increase = Forecast NOI of acquired assets calculated by IIA minus actual NOI of sold assets
<b>Asset to be Acquired:                      Ichigo Kinshicho South Building</b>		<b>Portfolio Size                      (JPY B)</b>	
Mid-size office located in Kinshicho area offering convenient access to main office areas in central Tokyo 			
		<b>Office %</b>	

# Robust Sourcing to Support Acquisition-Driven Growth

## Acquisitions & Sales 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



## Mid-Size Office Offering Convenient Access to Tokyo's Main Office Areas

### Asset Details

<b>Acquisition Price</b>	JPY 1,875M
<b>Appraisal Value</b>	JPY 2,060M
<b>Expected NOI Yield</b>	4.5%
<b>Asset Type</b>	Office
<b>Location</b>	2-2-3 Kotobashi, Sumida-ku, Tokyo
<b>Leasable Area</b>	2,054.47m <sup>2</sup>
<b>Structure</b>	SRC, B1F/8F
<b>Date Built</b>	January 1993
<b>Occupancy</b>	100% (as of September 30, 2023)

### Building Exterior, Entrance Hall, & Location



### Location/Building Features

- Mid-size office building located within a 6-minute walk from Kinshicho Station on the JR Sobu Line, JR Sobu Rapid Line, and Tokyo Metro Hanzomon Line
- Located in a central area in Tokyo's Joto district offering convenient access to main office areas in central Tokyo: 8 minutes to Tokyo Station, 12 minutes to Otemachi Station
- Standard floor plate of 93 tsubo (307m<sup>2</sup>), with individual air conditioning units and security systems, catering to the needs of many clients.
- Current tenants include an IT company, import-export agent, nursing care company, and interior construction company





# Notes

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

- Asset Size, Appraisal Value: Data as of April 30, 2023
- Occupancy, Number of Tenants
  - Before Acquisition & Sale: Data as of September 30, 2023
  - Asset Sale: Data as of September 22, 2023 (Resolution Date)
  - Asset Acquisition: Data as of September 30, 2023
  - After Acquisition & Sale: Data as of September 30, 2023, including Twicere Yokohama Isogo (Retail Section), minus data for Twicere Yokohama Isogo (Retail Section) plus data for the Ichigo Kinshicho South Building
- Annual NOI
  - Before Acquisition & Sale: Annualized NOI for the April 2023 fiscal period
    - ✓ Excludes NOI of asset sold during the April 2023 fiscal period, and for assets acquired during the April 2023 fiscal period, NOI is calculated using the direct capitalization method based on appraisal value at acquisition
  - Asset Sale: Annualized NOI for the April 2023 fiscal period
  - Asset Acquisition: NOI is calculated using the direct capitalization method based on appraisal value at acquisition
  - After Acquisition & Sale: NOI before acquisition & sale minus NOI of asset sold plus NOI of asset 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.