

To Unitholders of Ichigo Office REIT Investment Corporation

Berkeley Global Makes Proposals to Ichigo Office REIT Investment Corporation

March 17, 2023

Berkeley Global, LLC

(A unitholder of Ichigo Office REIT Investment Corporation /
a member of Star Asia Group)



To Unitholders of Ichigo Office REIT Investment Corporation (“IOR”)

- Berkeley Global, LLC is **an ongoing holder of over 3.0% of IOR’s issued and outstanding investment units for more than six months**, vested with the power to request to hold unitholders’ meetings and submit proposals
- We believe that the J-REIT market has a highly public nature, and that listed REITs are bound by fiduciary duties, with an obligation to give due consideration to unitholders and ensure that their opinions are reflected in how their assets are managed
- As unitholder, we proposed certain ideas to IOR and its asset management company, Ichigo Investment Advisors (“the “Asset Management Company”), including the **lowering** of its very high asset management fees. When calculated as a ratio relative to gross assets, the asset management fee is higher than any other J-REIT in the market. However, despite our rounds of dialogue, they showed no inclination to take our suggestions seriously, and, therefore, we have decided therefore to make an official unitholder proposal for the benefit of all unitholders
- One element of our proposal is a new fee structure which, if approved, would improve the dividend per-unit to ¥158 (c. +7.7% based on the fiscal period ended October 2022) according to our estimates
- We additionally propose at the unitholders’ meeting that the number of executive and supervisory directors be increased, in order to **achieve much needed improvements in governance**
- We would like for unitholders of IOR to sincerely consider our proposal and give an opportunity for the unitholders to express their views regarding our proposals

Star Asia Group
Berkeley Global, LLC
Toru Sugihara

(signature)



Proposal to Unitholders of Ichigo Office REIT Investment Corporation

Proposals to improve IOR unitholders' investment value and their goal

- As a unitholder of IOR, Berkley Global, LLC would like to propose the following

<Proposal>

Revision of the asset management fee structure

1 Lowering of NOI & Dividend Performance Fee

2 Abolition of Gains on Sale Performance Fee and adoption of Asset Acquisition Fee and Asset Disposition Fee

3 Abolition of Gains on Merger Performance Fee / Gains on REIT TOB Sale Performance Fee and adoption of Merger Fee

Appointment of a new REIT Executive Director and a REIT Supervisory Director

1 Appointment of a new REIT Executive Director

2 Appointment of a new REIT Supervisory Director

3 Adoption of a cap to compensations for REIT Executive Directors and REIT Supervisory Directors

<Goal>

Improve-dividend payments to unitholders by lowering of asset management fees ; Abolition of a *de facto* takeover defense measure

Lower IOR's asset management fees – which, when calculated as a ratio of asset management fees to total assets, is higher level than any other J-REIT in the market – and bring it more in line with the J-REIT prevailing. Allocate the savings to increase unitholder dividends and create an environment that facilitates external growth accompanying a public offering,

Correct double recording of gain on sales of assets by introducing a fee structure including compensation for the acquisition and transfer of assets that will contribute to growth of IOR

Abolish the unreasonable current asset management fee structure, which functions as a *de facto* takeover defense measure, that reduces opportunities for reorganization, acquisition, etc., and inhibit maximizing shareholder value

Improvement of governance through hiring of persons who has experience in management of J-REIT

Strengthen the Board's internal control functions by increasing its size and bringing in new directors with proven J-REIT management experience

Limit the burden on IOR by adoption a cap to total directors' compensation

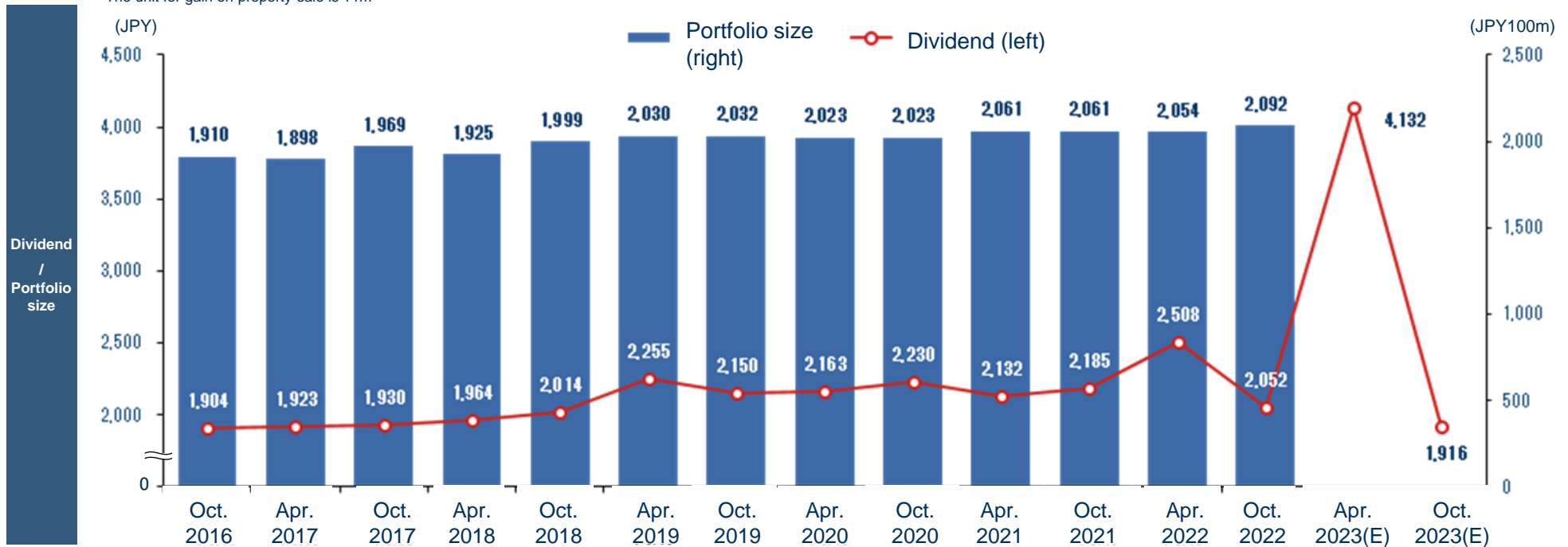
Historical Development of Ichigo Office REIT Investment Corporation (1)

Growth in portfolio size and dividends have remained weak for a long time

- For the past c. 7 years since May 2016, IOR **has not achieved any external growth through public offerings**. Out of all 60 existing J-REITs in the market, there are only two that have not conducted a PO during that period
- **LTV has increased** backed by asset replacement and **leveraged** investment in new assets, but IOR **has still failed to achieve** the medium-term DPU and EPU targets it announced during the fiscal period ended Apr 2019

LTV / Yield / Gain on sale	Net asset LTV	46.0%	45.7%	47.5%	46.9%	47.6%	48.1%	48.0%	48.1%	48.2%	48.9%	48.9%	48.8%	49.2%
	NOI Yield	5.3%	5.5%	5.5%	5.5%	5.5%	5.6%	5.6%	5.7%	5.7%	5.7%	5.5%	5.5%	5.3%
	Gain on property sale	7	38	0	159	0	669	441	398	0	0	0	940	0

*The unit for gain on property sale is ¥1m



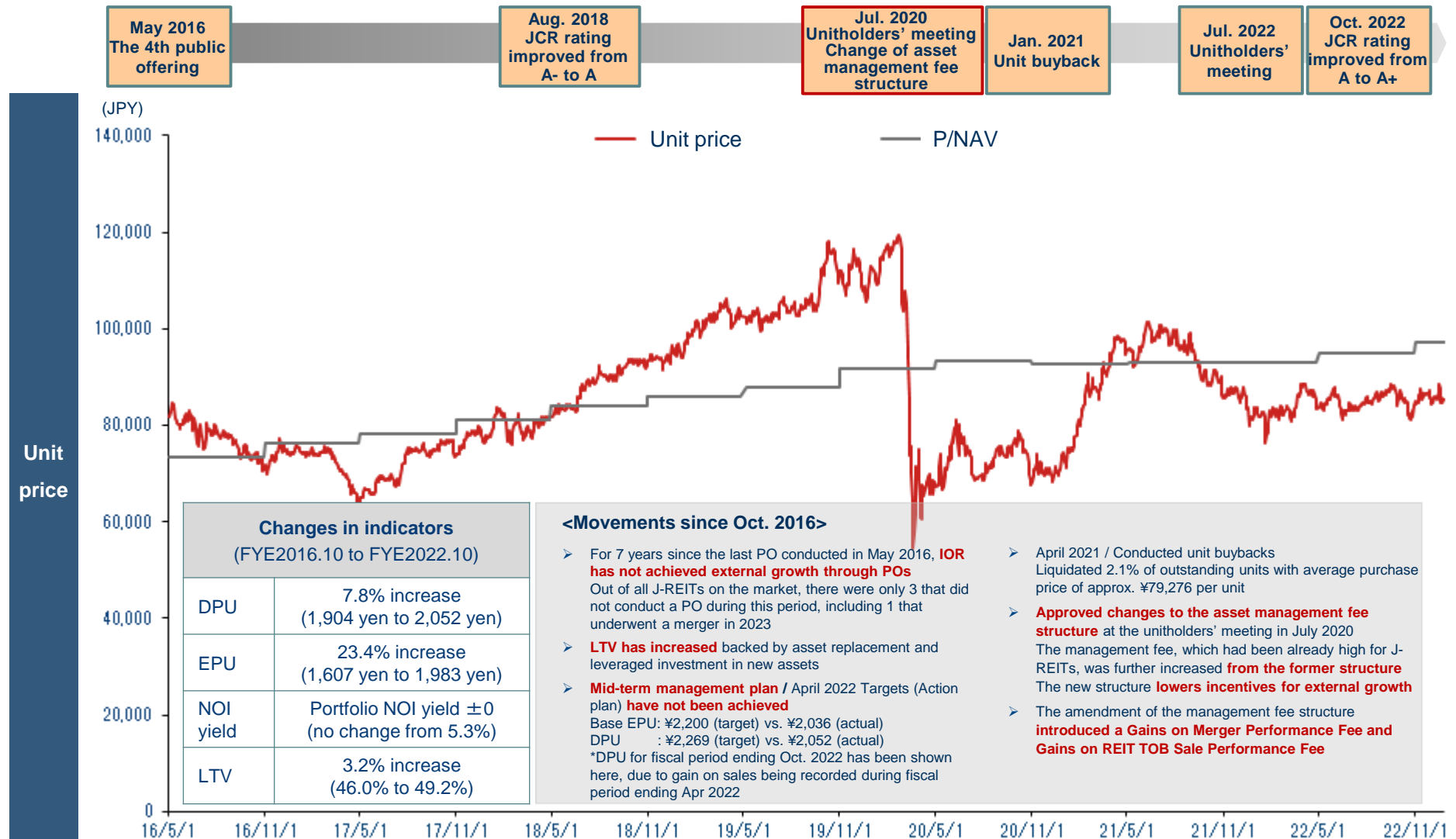
Value of property transactions (and # of properties)	*Acquired	293 (+13)	35 (+1)	71 (+3)	0	74 (+3)	61 (+2)	23 (+1)	15 (+1)	0	38 (+1)	0	0	38 (+1)
	*Sold	10 (-1)	45 (-4)	0	60 (-3)	0	36 (-2)	24 (-1)	28 (-1)	0	0	0	17 (-1)	0
	Total # of properties	85	82	85	82	85	85	85	85	85	86	86	85	86

*Numbers in parentheses indicate changes in total property count caused by property acquisitions and sales Acquisition/sale values are expressed in units of ¥100m Forecast figures are based on IOR disclosure materials

Historical Development of Ichigo Office REIT Investment Corporation (2)

Since the outbreak of the COVID-19 pandemic, P/NAV ratio has remained significantly lower than 1.0x

- Although IOR has conducted unit buybacks since the sudden fall of its unit price due to the pandemic, **P/NAV ratio has remained below 1.0x**
- IOR is in a situation where it is critical to take some actions to remedy the current situation that significantly impairs IOR unitholders' investment value



Areas for Improvement and Solutions for Ichigo Office REIT Investment Corporation

Proposals to improve IOR unitholders' investment value (details)

- As a unitholder of IOR, we recognize the following points for improvement and would like to propose solutions that benefit all unitholders

<Areas for improvement>

(1)

Management fee structure contradictory to the improvement of unitholder value

- **The highest level of asset management fee rate** among the 61 J-REIT issues* (ratio of asset management fees to total assets)
- Under the asset management fee structure approved in the unitholders' meeting held in July 2020, i.e., NOI & Dividend Performance Fee and Gains on Sale Performance Fee, **gains on sale of assets are counted towards the overall fee twice**, --once as NOI & Dividend Performance Fee and once as Gains on Sale Performance Fee, nevertheless, extremely high levels of rates are set, without careful consideration
- The asset management fee structure of **Gains on Merger Performance Fee / Gains on REIT TOB Sale Performance Fee** approved at the unitholders' meeting held in July 2020 **is not used by any others among the 61 J-REIT issues**. The lack any connection with the services provided by an asset management company, the amount of which is expected to be high, and the lack of clarity makes it difficult to determine how it is even calculated. It would be fair, therefore, to characterize this working as a **takeover defensive measure**

(Please refer to page 6 & 7 for details about the asset management fee structure)

(2)

Areas for improvement concerning governance

- At the unitholders' meeting held in July 2020, the management explained that the **asset management fee structure will become "fully tied to performance," putting it in alignment with unitholder value**.
- However, **the actual amount of asset management fee after the change of fee structure is higher than** the previous structure
- IOR has neither followed up on the **validity of its May 2020 disclosure literature** outlining the proposed fee structure change, **nor conducted a study tracking the trajectory of its actual AM fee**. **There has been a lack of clear communication to unitholders**

(Please refer to our verification on page 8)

<Solutions>

Optimization of asset management fees by introducing a asset management fee structure that is closely linked to IOR unitholders' investment value

- The asset management fee structure before amendment was "AM Fee Structure with High Unitholder Alignment" (according to the IOR Apr 2019 Fiscal Period Corporate Presentation); therefore, IOR should introduce a revised asset management fee structure to align the interests of the asset management company with unitholders
- Through revision of asset management fee structure, **lower asset management fees** to the average level of the 61 J-REIT issues* (total asset basis)
- **Change in the rate of NOI & Dividend Performance Fee to an appropriate level and abolition of the Gains on Sale Performance Fee**, and reinstate the former Asset Disposition Fee, so that the Asset Manager Company is compensated for the actual work that it does
- **Abolition of Gains on Merger Performance Fee and Gains on REIT TOB Sale Performance Fee** as these fees do not bring any benefit to IOR unitholders' investment value
- (Please refer to page 9 & 10 for details about the proposed revision)

Improvement of governance through hiring of persons who has experience in management of J-REIT

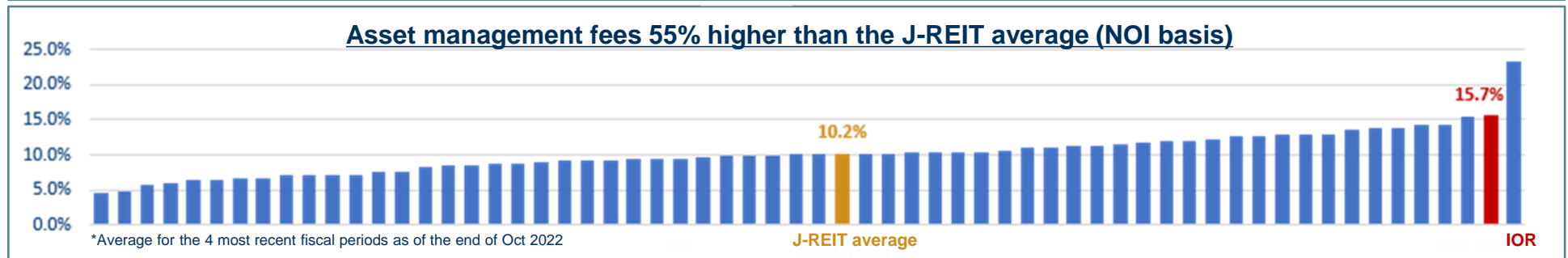
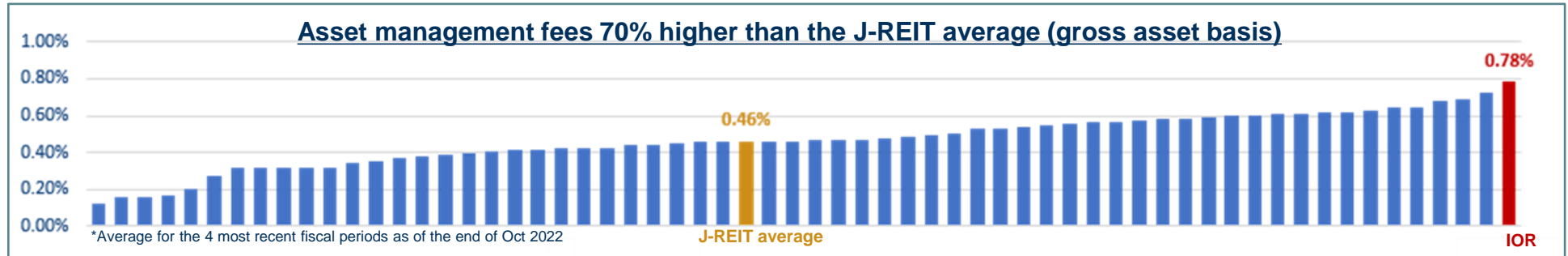
- To strengthen internal controls via Board of Directors, enlarge the **Board structure to 5 members**, comprising the current three members **plus a new REIT Executive Director and a new REIT Supervisory Director** who have vast experience as J-REIT asset managers (the term for each shall be the same as the existing Executive Directors and Supervisory Directors)

(Please refer to page 11 & 12 for candidates' details)

Asset Management Fee Structure Contradictory to the Improvement of IOR Unitholders' Investment Value (1)

Lowering of asset management fees through revision of the asset management fee structure

- We would like to propose a revision of asset management fees and the fee structure, currently the highest fee level among J-REITs (on a total asset basis), to lower to the average level for J-REITs
- If asset management fees are **lowered** to the J-REIT average, IOR can **secure surplus funds of JPY 239m for dividend payment** as well as **an increase of about 158 yen in dividend per unit** (based on the fiscal period ended Oct 2022)



Asset management fees 70% higher than the J-REIT average

- ✓ The ratio of asset management fees to gross assets is the highest among J-REITs

IOR:	0.78 %
J-REIT average:	0.46 %
Office REIT average:	0.35 %

- ✓ If we use NOI, a metric that indicates an asset investment's profitability, as a calculation basis, the asset management fees ratio would still **exceed the J-REIT average by 55%**

Effect of lowering Asset management fees

- ✓ Lowering asset management fees to the average level of J-REITs on a gross asset basis can be expected to **raise dividend funds by JPY239m** (based on the fiscal period ended October 2022) as well as **increase** dividend per unit by **158 yen** (based on the fiscal period ended Oct 2022)
- ✓ Increase in dividend payment will bring upward pressure on the unit price and generate an environment conducive to acquisition driven-growth through public offerings

Asset Management Fee Structure Contradictory to the Improvement of IOR Unitholders' Investment Value (2)

Abolition of Gains on Merger Performance Fee / Gains on REIT TOB Sale Performance Fee that can be considered as a takeover defense measures

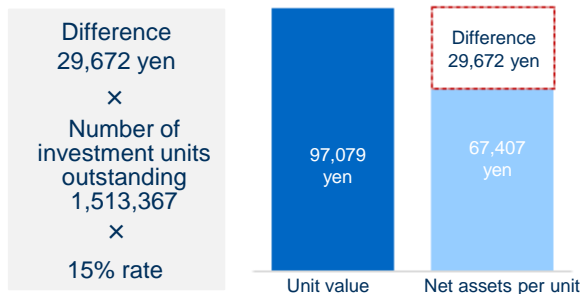
- Gains on Merger Performance Fee / Gains on REIT TOB Sale Performance Fee are **fees received by the Asset Management Company that should belong to unitholders**
- These fees discourage mergers and acquisitions, even in instances where it would increase benefit unitholder value. We do not believe that this is how performance fees for listed J-REITs should work

Issues of the Gains on Merger Performance Fee

1. Risk of large payment

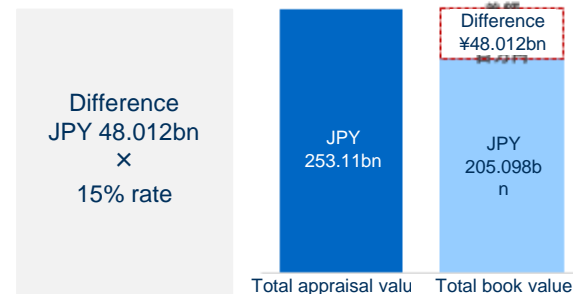
- Gains on Merger Performance Fee is paid for any type of merger including consolidation and absorption type mergers regardless of extinguishment or survival; we estimate that the AM fee charged to IOR in any merger **will be higher than twice of its net income** in the FP ended October 2022 (JPY 3.001bn), though the formula is unclear as described in 2 below.

<Estimate in case of consolidation / extinguishment in absorption-type merger>



(Note) Calculation based on a formula using unrealized profit per unit
Calculated unit value being as NAV per unit (fiscal period ended October 2022)

<Estimate in case of survival in absorption-type merger>



(Note) Calculation based on a formula using the book value

2. Calculation of actual amounts is difficult due to the unclear formula

- According to the Articles of Incorporation, in addition to the formula using unrealized profit per unit, there is also a formula using the book value of real estate-related assets in the event of a merger by another J-REIT, and it is unclear which formula will be applied.
- According to the Article of Incorporation, Gains on Merger Performance Fee is decided by calculating "net assets at the time the merger is approved at the Unitholders Meeting," but this would be practically difficult at times other than financial closing (the figure could be calculated by doing the same work that would be done upon financial closing, but this would entail added costs)
- According to the Article of Incorporation, asset management fee accrues "at the time the merger is approved at the Unitholders Meeting" which means expenses higher than net income are incurred without waiting for a resolution of approval at a unitholder's meeting of the other party (i.e., at a stage when the merger may not be consummated) (In other listed J-REITs, standard is at the time that "the merger is consummated")

Issues of the Gains on REIT TOB Sale Performance Fee

Same as the issues of the Gains on Merger Performance Fee, it could be expensive and difficult to calculate

Proposal to abolish the Gains on Merger Performance Fee and the Gains on REIT TOB Sale Performance Fee, and reinstate the former fee structure

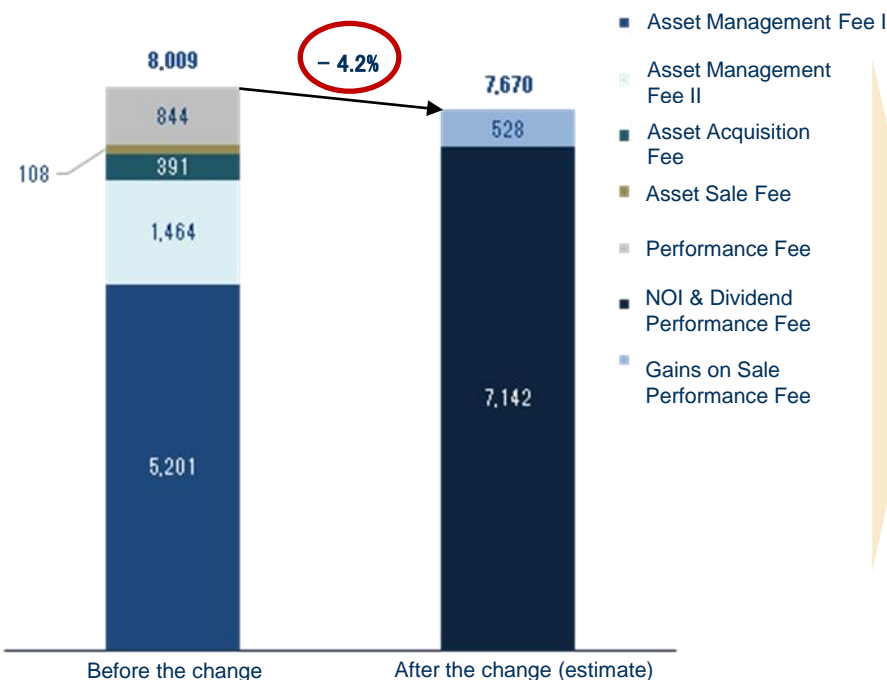
- The Gains on Merger Performance Fee and the Gains on REIT TOB Sale Performance Fee **can run high, even exceeding the twice of the net income for the relevant period**. In our opinion, it effectively acts as **a takeover defense measure**, preventing acquisitions and mergers even in instances where they would enhance unitholder value

Governance Issues

Proposals of changes in the AM fee structure contradictory to the improvement of IOR unitholders' investment value

- When the revision to the asset management fee structure was approved in July 2020, unitholders were told that introducing a compensation system would be "fully tied to performance", and it would **lead to lower fees compared with before**. However, **the amount of the fee has actually risen and the formula is difficult to calculate in practice for some fees, putting it at odds with the goal of increasing IOR unitholders' investment value**
- IOR's problem – such as **its misleading disclosures and the adoption of an asset management fee structure with an opaque, difficult-to-verify calculation formula** – has compelled us to conclude that it needs to be guided by a stronger governance system led by directors with practical industry experience and strong track record

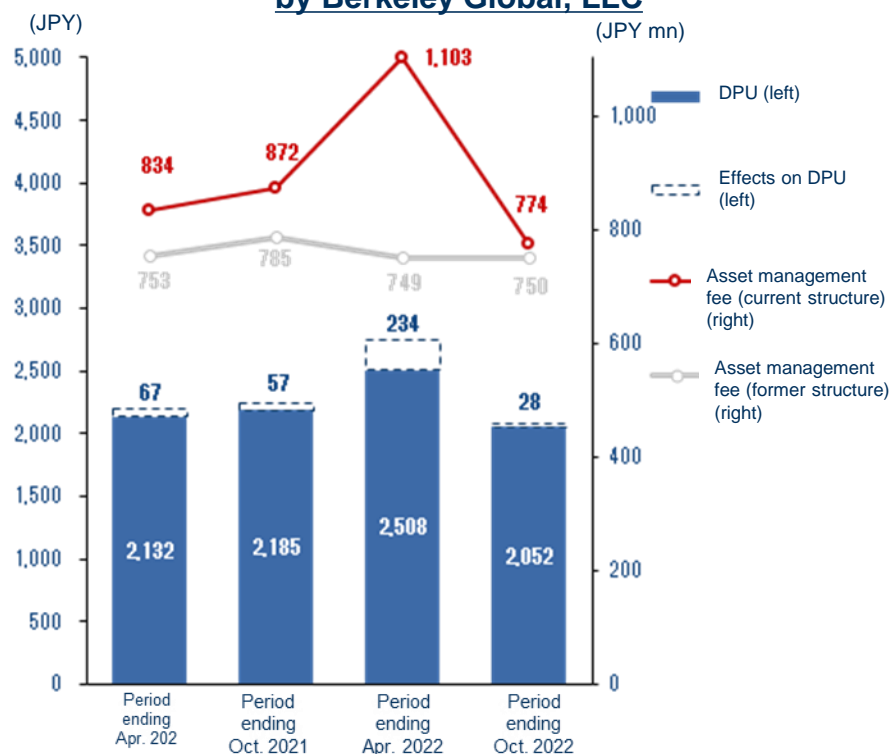
Asset management fees disclosed by Ichigo Office REIT Investment Corporation when changes in the asset management fee structure were proposed



* Unit: JPY mn, based on disclosures as of June 15, 2020

- Changes in the asset management fee structure were justified as being more rewarding to unitholders and improving IOR unitholders' investment value as total fees for the periods from fiscal period ending Oct 2015 to fiscal period ending Apr 2020 under the current asset management fee structure would be **lower than under the former asset management fee structure**

Comparison of the current and old asset management fee structures by Berkeley Global, LLC



- Since the change in the asset management fee structure, the total fees for all periods from the period ended April 2021 under the current structure have been higher than under the former structure; the change in the structure conflicts with the previous explanation that IOR unitholders' investment value will improve

Proposals for Solving Issues Faced by Ichigo Office REIT Investment Corporation (1)

Effects of changes in the asset management fee structure

- **Lower the level** of the asset management fees to **increase DPU resources and put upward pressure on unit price**, improving external growth potential with public offerings
- Abolition of Gains on Merger Performance Fee and Gains on REIT TOB Sale Performance Fee that may **be considered a takeover defense measures** to prevent restructuring and acquisition that would contribute to increase in IOR unitholders' investment value, securing opportunities to appropriately improve IOR unitholders' investment value

Outline of proposals for the change in the asset management fee structure

		Rate	
		Current structure	New structure

- Change in the rate of NOI & Dividend Performance Fees

NOI & Dividend Performance Fee (Rate Change)	DPU x NOI x rate	0.0054%	0.0036%
--	------------------	---------	---------

- Abolition of Gains on Sale Performance Fee / Adoption of Asset Acquisition Fee and Asset Disposition Fee

Gains on Sale Performance Fee (Abolition)	Gain on sale of assets x rate	15.0%	Elimination
Asset Acquisition Fee (Adoption)	Asset acquisition price x rate	—	0.5% (Maximum)
Asset Disposition Fee (Adoption)	Asset sale price x rate	—	0.5% (Maximum)

- Abolition of Gains on Merger Performance Fee and Gains on REIT TOB Sale Performance Fee / Adoption of Merger Fee

Gains on Merger Performance Fee (Abolition)	Unrealized gain per unit x number of outstanding units x rate	15.0%	Elimination
Gains on REIT TOB Sale Performance Fee (Abolition)	Unrealized gain per unit x number of units acquired through TOB x rate	15.0%	Elimination
Merger Fee (Adoption)	Assets valuation x rate	—	0.5% (Maximum)

Comparison of the current and newly proposed asset management fee structure

	Period ending Apr 2021	Period ending Oct 2021	Period ending Apr 2022	Period ending Oct 2022	Total
Current structure*	JPY 834mn	JPY 872mn	JPY 1,103mn	JPY 774mn	JPY 3,582mn
Newly proposed structure	JPY 575mn	JPY 581mn	JPY 65mn	JPY 535mn	JPY 2,341mn
Changes	△ 31.0%	△ 33.3%	△ 41.1%	△ 30.9%	△ 34.6%
Effects on DPU	+ JPY 171	+ JPY 192	+ JPY 299	+ JPY 158	+ JPY 205

- The above chart shows the asset management fee with application of the proposed asset management fee structure to the performance of IOR for the past four periods
- The amount of asset management fees decreased by 34.6% and dividends per unit increased by JPY 205 for the four periods (simple mean value)

*Currently effective asset management fee structure in effect for the fiscal year ending Apr 2021 and thereafter.

Proposals for Solving Issues Faced by Ichigo Office REIT Investment Corporation (2)

Request to Call for a Unitholders' Meeting and proposition to amend the Articles of Incorporation and nominate an Executive Director and a Supervisory Director

- Berkeley Global, LLC, one of the largest unitholders of IOR, **has requested to hold a Unitholders' Meeting** and submitted the following **proposals for resolution at the meeting**
- We would like to give an opportunity for the unitholders to express their views regarding our proposals that would contribute to improvement of IOR unitholders' investment value

Proposals for the Ichigo Office REIT Investment Corporation Unitholders Meeting and their rationales

Optimizing the amount of asset management fees by transitioning to an asset management fee structure that is closely linked to and aligned with unitholders' interests

Proposal	Theme	Description	Rationale
Amendments to the Articles of Incorporation (a)	Change in the rate of NOI & Dividend Performance Fee	DPU x NOI x fee rate Change in the fee rate from 0.0054% → 0.0036% (new rate)	Lower the rate of asset management fees related to regular property management to the J-REIT prevailing level
Amendments to the Articles of Incorporation (b)	Abolition of Gains on Sale Performance Fee Adoption of Asset Acquisition Fee and Asset Disposition Fee	Gain on sale of assets x fee rate (15%) → Abolition Asset Acquisition fee: Asset Acquisition price x fee rate (0.5%) (Maximum) → Adoption Asset Disposition fee: Sales price x fee rate (0.5%) (Maximum) → Adoption	Abolition of the incentive characteristics of the fee on sales and make it a consideration for the provision of practical services related to acquisition and sales
Amendments to the Articles of Incorporation (c)	Abolition of Gains on Merger Performance Fee Abolition of Gains on REIT TOB Sale Performance Fee Adoption of Merger Fee	Unrealized profit per unit x number of outstanding units x fee rate (15%) → Abolition Merger Fee: Appraisal value x fee rate (0.5%) (Maximum) → Adoption	Abolition of the Gains on Merger Performance Fee/REIT TOB Sale Performance Fee that conflicts with the improvement of IOR unitholders' investment value and can be considered as a takeover defense measure, and make it a consideration for provision of practical services related to merger (investigation and valuation of assets of the counterparty, etc.)

Improvement of Governance by Nomination of an Executive Director and a Supervisory Director with strong J-REIT Experience

Proposal	Theme	Description	Rationale
Nomination of an Executive Director	Nomination of a new Executive Director, bringing the total number to two	Candidate: Mr. Toru Sugihara	Improvement of governance through appointment of an Executive Director with strong J-REIT management and executive management experience The monthly remuneration will be ¥10,000
Nomination of a Supervisory Director	Nomination of a new Supervisory Director, bringing the total number to three	Candidate: Mr. Akihiko Fujinaga	Improvement of governance through appointment of a Supervisory Director with rich experience in and deep understanding of J-REIT management
Amendments to the Articles of Incorporation (d)	Adoption of a cap on remuneration for Executive Directors and Supervisory Directors	Total compensation (monthly): JPY 1,090,000	Limit newly the financial burden of IOR by adopting the total compensation amount: JPY 360,000 for the current Executive Directors, JPY 480,000 for the current two Supervisory Director (these can be confirmed in the disclosure material), JPY 10,000 for the new Executive Director, and JPY 240,000 for the new Supervisory Director

Proposals for Solving Issues Faced by Ichigo Office REIT Investment Corporation (3)

Introduction to the Candidate for Executive Director

- Berkeley Global proposes Mr. Sugihara Toru, the Manager of Berkeley Global, LLC (Star Asia Group) as candidate for Executive Director, confident in his ability to improve and strengthen the governance of IOR in seeking improvement in unitholder value on the back of his over five years of experience in J-REIT and prior experience as an executive director of a J-REIT

Candidate for Executive Director of Ichigo Office REIT Investment Corporation



Mr. Toru Sugihara

Berkeley Global, LLC (Star Asia Group), Manager
(Former Director and Vice President of Star Asia Investment Management Co., Ltd. / Former Executive Director of Sakura Sogo REIT Investment Corporation)

I have been wishing for the growth of the J-REIT market since its establishment from the standpoint of underwriter and J-REIT sponsor. Since June 2015, I have been focusing on managing assets to gain the confidence of as many investors as possible from the standpoint of asset manager. I am aware that J-REITs, required to obtain licenses of the Financial Services Agency and Ministry of Land, Infrastructure, Transport and Tourism to conduct business, have high public interest and are responsible for managing assets to meet and exceed the expectations of investors

I will work most diligently to gain the understanding of as many unitholders as possible for our proposal, and based on their rational judgment, ensure the implementation of a proper and most effective asset management fee structure and governance system for IOR to seek significant improvement in IOR unitholder's investment value

Profile

Apr 1991	Joined Nomura Securities Co. Ltd.	Engaged in sales of shares, bonds, and investment funds to corporate and retail customers in Shinurayasu Branch and Ueno Branch. Became RM for the real estate sector in 2000, and engaged in IPOs and equity financing, securitization of real estate assets, and structuring of private real estate funds
Oct 2006	Joined Barclays Securities Japan Limited	Provided and arranged real estate non-recourse loans as leader of the Japanese real estate sector business. Engaged in structuring and restructuring of CMBS
Jul 2012	Joined Kenedix, Inc.	Engaged in development of deals on investment in real estate and real estate-backed bonds. Engaged in structuring of bridge funds for intra-group REITs
Feb 2015	Joined Star Asia Management Japan Limited, Tokyo Branch	Joined the company as a member in charge of planning and executing group strategy
Jun 2015	Star Asia Investment Management Co. Ltd. on secondment as Representative Director and General Manager of Finance Department	Seconded to Star Asia Investment Management Co. Ltd. to handle J-REIT structuring (Star Asia Investment Corporation)
Aug 2015	Director and General Manager of Finance Department, at Star Asia Investment Management Co. Ltd.	Engaged in discussion with regulatory authorities, establishment of an investment policy, and financing and successfully concluded Star Asia Investment Corporation's IPO Executed equity financing five times and led investment in mezzanine loan bonds, etc.
Apr 2019	Lion Partners Godo Kaisha (Star Asia Group), Representative	Made proposals as a unitholder of Sakura Sogo REIT Investment Corporation
Aug 2019	Sakura Sogo REIT Investment Corporation, Executive Director	Led the merger with Star Asia Investment Corporation as Executive Director; engaged in formation of an independent committee, and execution of the deal through fair consideration and procedures
Aug 2020	Star Asia Investment Management Co. Ltd. on secondment as Director and Vice President	Led the growth of Star Asia Investment Corporation after the merger, as asset manager
Feb 2023	Berkeley Global, LLC (Star Asia Group), Manager	Made proposals as a unitholder of Ichigo Office REIT Investment Corporation

Introduction to the Candidate for Supervisory Director

- Berkeley Global proposes Mr. Akihiko Fujinaga as candidate for Supervisory Director

Candidate for Supervisory Director of Ichigo Office REIT Investment Corporation

Mr. Akihiko Fujinaga

<Rationale for recommendation>

Mr. Akihiko Fujinaga has contributed to the development of the J-REIT market as Manager of the Finance and Accounting Department of Japan Real Estate Asset Management, the asset management company of Japan Real Estate Investment Corporation, one of the first listed J-REITs, executing the first J-REIT equity financing, rated transactions, issuance of investment corporation bonds, and more. He also has extensive experience in management of real estate and rich experience in private and public J-REIT offerings. In addition, he has deep expertise in business management and compliance, making him the perfect person to serve as Supervisory Director

Profile

Apr 1980	Joined Tokio Marine Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
Sep 2001	Seconded to Japan Real Estate Asset Management Co.,Ltd., Manager of the Finance and Accounting Department and Executive Director
May 2006	Secured Capital Japan Co., Ltd. (currently PAG Investment Management Ltd), Manager of Management Planning Division
Apr 2007	New City Corporation K.K., Senior Vice President and Executive Director
Dec 2007	MS Real Estate Advisors K.K., CFO and Director
Jan 2009	LaSalle Investment Management K.K., COO and Executive Director
Jan 2015	LaSalle Investment Management K.K., Senior Executive Advisor
Feb 2017	Tosei Asset Advisors, Inc., President & Representative Director
Feb 2020	Tosei Asset Advisors, Inc., Chairperson
Feb 2022	Left Tosei Asset Advisors, Inc.

Reference: Asset Management Fees Rules for All J-REITs (1)

Code	Company name	Assets Outstanding (Annual rate)	Earnings	Net Operating Income (NOI)	Asset Acquisition (External / Stakeholder Transactions)	Asset Sale (External / Stakeholder Transactions)	Merger (External / Stakeholder Transactions)	Other / Remarks
Office								
8951	Nippon Building Fund (NBF)	-	3.00%	2.50%	0.50%*1*2	0.50%*1*2	-	
8952	Japan Real Estate Investment Corporation (JRE)	-	-	4.00%	0.50%*1	0.50%*1	0.50%*1	Performance fee: Pre-tax net income \times 2.5% \times DPU growth rate (vs simple average of the six most recent periods, including the current FP) *Not including gains (losses) on sales during the current FP Gains (losses) on Sales \times 12.5% (0 for negative values) The merger fee shall be paid within three months from the last day of the month in which the merger takes effect
8958	Global One Real Estate Investment (GOR)	0.30%	5.00%	-	0.50%	0.50%	0.50%*1	The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8972	Kenedix Office Investment Corporation (KDO)	0.13%	-	-	1.00%	-	1.00%*1	DPU linked fee: Adjusted DPU \times 23,000 Performance fee: DPU increase (vs. simple average of the four most recent periods) \times No. of shares outstanding \times 10% If the final gains on sale occur during the current FP, gains on sale \times 10.0% Merger fees shall be paid within three months from the effective date of the merger
8975	Ichigo Office REIT Investment Corporation (IRE)	-	-	-	-	-	-	NOI & Dividend performance fee = DPU before deduction of NOI & Dividend performance fee \times NOI \times 0.0054% Gains on sale performance fee=Gains on sale before deduction of Gains on sale performance fee \times 15% Gains on merger performance Fee=Gains per share at the time of the merger \times No. of shares outstanding \times 15% Gains on REIT TOB sale performance fee=Gains per share at the time of REIT TOB sale \times No. of TOB shares \times 15%
8976	Daiwa Office Investment Corporation (DOI)	0.05%	3.50%	5.50%	0.75% / 0.50%*1	0.50%	0.75%*1	The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
3290	One REIT (ONE)	0.30%*1	-	2.50%*1	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00%*1	EPU linked fee: EPU \times 2,000*1 The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
Commercial								
8964	Frontier Real Estate Investment Corporation (FRI)	0.30%*1	2.00%*1	-	0.50% / 0.25%*1	0.50% / 0.25%*1	-	
3292	AEON REIT Investment Corporation (ARI)	0.30%*1	-	-	0.50% / 0.25%*1	0.50% / -*1	-	NOI & DPU linked fee: DPU before deduction of DPU linked fee \times NOI \times 0.001%*1 - The maximum total amount of AUM linked fee and NOI & DPU linked fee is 0.4% of total assets
3453	Kenedix Retail REIT Corporation (KRR)	0.27%	-	-	1.00%	0.50%	1.00%*1	DPU linked fee (AM fee II): Net income before deduction of AM fee II \times DPU before deduction of AM fee II \times 0.0013% Investment unit price linked fee: Excess return over TSE REIT index \times Market cap \times 0.1% Asset acquisition fee includes redevelopment and expansion Merger fee shall be paid within three months of the effective date of the merger
2971	ESCON JAPAN REIT Investment Corporation	0.45%*1	3.00%*1	-	1.00% / 0.50%*1	1.00% / 0.50%*1	-	

*1: Maximum rate *2: Declining rate

Reference: Asset Management Fees Rules for All J-REITs (2)

	Code	Company name	Assets Outstanding (Annual rate)	Earnings	Net Operating Income (NOI)	Asset Acquisition (External / Stakeholder Transactions)	Asset Sale (External / Stakeholder Transactions)	Merger (External / Stakeholder Transactions)	Other / Remarks
Hotel									
	8963	Invincible Investment Corporation (INV)	0.40%*1	-	-	0.50%*1	0.50%*1	-	The maximum amount of assets outstanding fee is 150 million yen from January 2022 to December 2022 (3 months) The minimum amount of assets outstanding fee is 25 million yen after January 2023 (3 months)
	8985	Japan Hotel REIT Investment Corporation (JHR)	0.35%*1	-	1.00%*1	0.75% / 0.50%*1	0.50% / 0.25%*1	0.25%*1	DPU linked fee: DPU × 43,000 (maximum rate)*1 Merger fee shall be paid within three months from the effective date of the merger
	3287	Hoshino Resorts REIT (HRR)	0.70%*1	-	-	2.00% / 1.00%*1	1.50% / 0.75%*1	1.00%*1	NOI & DPU linked fee: DPU × NOI × 0.00015%*1 Merger fee shall be paid within three months from the effective date of the merger
	3463	Ichigo Hotel REIT Investment Corporation (IHR)	-	-	-	-	-	-	NOI & Dividend performance fee : DPU before deduction of NOI & Dividend performance fee × NOI × 0.0036% Gains on sale performance fee=Gains on sale before deduction of gains on sale performance fee × 15% Gains on merger performance Fee=Gains per share at the time of the merger × No. of shares outstanding × 15% Gains on REIT TOB sale performance fee=Gains per share at the time of REIT TOB sale × No. of TOB shares × 15% Merger fee shall be paid within a month of the effective date of the merger
	3472	Osedo Onsen Reit Investment Corporation (SPA)	1.00%*1	-	-	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00%*1	DPU linked fee: AM fee II in the previous FP × (DPU before deduction of AM fee II in the current FP / DPU before deduction of AM fee II in the previous FP) × AM fee II revised ratio Minimum amount of asset acquisition fee is 5 million yen / case Merger fee shall be paid within three months of the effective date of the merger
	3478	MORI TRUST Hotel Reit (MTH)	0.50%*1	-	4.00%*1	1.00%*1	1.00%*1	-	
Residential									
	8979	Starts Proceed Investment Corporation (SPI)	0.40-0.70%*2	3.00%	-	0.60% / 0.55%*1	0.60% / 0.55%*1	-	
	8986	Daiwa Securities Living Investment Corporation (DLI)	0.20%*1	8.00%*1	-	Rates differ by asset (1.00-1.50%)*1	0.50%*1	1.00%*1	Asset acquisition fee: Rental housing 1.00%, Healthcare facility 1.50%*1 Merger fee shall be paid within three months from the effective date of the merger
	3226	Nippon Accomodations Fund (NAF)	-	5.00%*1	5.00%*1	1.00% / 0.50%*1	1.00% / 0.50%*1	0.50%*1	Merger fee shall be paid within three months from the effective date of the merger
	3269	Advance Residence Investment Corporation (ADR)	-	-	7.00%*1	1.00%*1	0.50%*1	0.50%*1	FFO linked fee: NOI linked management fee × Adjusted FFO per unit × 0.005% Merger fee shall be paid within three months from the effective date of the merger
	3278	Kenedix Residential Next Investment Corporation (KDR)	0.27%	-	-	1.00%	0.50%	1.00%*1	EPU linked fee: Distributable amount × EPU × 0.00145% Index linked fee: Performance against TSE REIT Index × Market cap × 0.15% Merger fee shall be paid within three months from the effective date of the merger
	3282	Comforia Residential REIT (CRR)	0.20%*1	-	-	1.00% / 0.50%	1.00% / 0.50%	0.50%	Ordinary CF linked fee: Ordinary CF × 5.40%*1 Ordinary CF growth rate linked fee: Ordinary CF × Ordinary CF growth rate per unit × 10.0% The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
	3459	Samty Residential Investment Corporation (SRR)	0.45%	-	-	1.00%	0.50%	1.00%*1	Earnings linked fee (AM fee II): Pre-tax net income before deduction of AM fee II × 5.0% × (Total assets – 50 billion yen) / Total assets If the acquired asset is trust beneficiary interest and is acquired from a party other than an interested party, Acquisition Fee shall include the amount obtained when the maximum amount of remuneration provided in the Real Estate Brokerage Act after subtracting the brokerage fee for the trust beneficiary interest, multiplied by 0.5 Merger fee shall be paid within three months of the effective date of the merger

*1: Maximum rate *2: Declining rate

Reference: Asset Management Fees Rules for All J-REITs (3)

	Code	Company name	Assets Outstanding (Annual rate)	Earnings	Net Operating Income (NOI)	Asset Acquisition (External / Stakeholder Transactions)	Asset Sale (External / Stakeholder Transactions)	Merger (External / Stakeholder Transactions)	Other / Remarks
Logistics									
	8967	Japan Logistics Fund (JLF)	-	-	7.00%*1	0.70%*1	-	-	Adjusted earnings × Adjusted DPU × 0.0009% Redevelopment fee: Construction cost × 0.7%
	3281	GLP J-REIT (GLP)	0.18%*1	-	3.50%*1	0.50% / 0.30%*1	0.50% / 0.30%*1	0.50% / 0.30%*1	EPU linked fee: (Total assets linked management fee + NOI linked management fee × Adjusted EPU × 0.033%*1 Asset acquisition fee includes redevelopment and expansion Merger fee shall be paid within three months from the effective date of the merger
	3283	Nippon Prologis REIT (NPR)	-	6.00%*1	7.50%*1	1.00% / 0.50%*1	0.50% / 0.25%*1	0.50%*1	Merger fee shall be paid within three months from the effective date of the merger
	3466	LaSalle LOGIPORT REIT (LLR)	-	-	-	1.00%*1	-	1.00%*1	Earnings linked fee: (NOI + gains (losses) on sales) × 10%*1 EPU linked fee: Pre-tax net income × EPU × 0.002%*1 NAV linked fee: NAV × NAV per unit × 0.6%*1 Merger fee shall be paid within three months of the effective date of the merger
	3471	Mitsui Fudosan Logistics Park (MFL)	0.10%*1	5.50%*1	-	0.50% / 0.25%*1	0.50% / 0.25%*1	-	EPU linked fee: Pre-tax net income before deduction of AM fee × EPU before deduction of AM fee × 0.001%*1 For asset acquisition and asset sale fees, 0.25% is applied to related party transaction by an overseas real estate holding corporation
	3481	Mitsubishi Estate Logistics REIT Investment Corporation (MEL)	0.20%*1	-	5.00%*1	1.00%*1	0.50%*1	1.00%*1	Earnings linked fee: Adjusted pre-tax net income × Net income per unit × 0.001%*1 Investment unit price linked fee: Performance against TSE REIT Index ((a) – (b)) × market cap (for each FP) × 0.1%*1 (a): Fluctuations in MEL's investment unit price (including dividends) (b): Fluctuations in TSE REIT Index (including dividends) Merger fee shall be paid within three months of the effective date of the merger
	3487	CRE Logistics REIT (CRE)	0.30%	-	-	1.00% / 0.50%*1	-	-	EPU linked fee: Pre-tax net income × Net income per unit × 0.0019%
	3493	Advance Logistics Investment Corporation (IAL)	0.05%*1	-	5.00%*1	1.00% / 0.50%*1	0.50%*1	1.00%*1	EPU linked fee: Pre-tax net income × Adjusted EPU × 0.004%*1 Merger fee shall be paid within three months of the effective date of the merger
	2979	SOSiLA Logistics REIT (SLR)	0.20%*1	-	5.00%*1	1.00%*1	1.00%*1	1.00%*1	EPU linked fee: Net income before deduction of AM fee × EPU before deduction of AM fee × 0.002%*1 Merger fee shall be paid within three months of the effective date of the merger
Healthcare									
	3455	Healthcare & Medical Investment Corporation (HCM)	1.00%*1	-	-	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00%*1	DPU linked fee (AM fee II): DPU before deduction of AM fee II × Operating profit before deduction of AM fee II × 0.01%*1 Merger fee shall be paid within three months of the effective date of the merger

Reference: Asset Management Fees Rules for All J-REITs (4)

Code	Company name	Assets Outstanding (Annual rate)	Earnings	Net Operating Income (NOI)	Asset Acquisition (External / Stakeholder Transactions)	Asset Sale (External / Stakeholder Transactions)	Merger (External / Stakeholder Transactions)	Other / Remarks
Complex type / diversified type								
8953	Japan Metropolitan Fund Investment Corporation (JMF)	0.75%*1	-	-	2.00%*1	1.50%*1	2.00%*1	AM fee II : Total distribution × 9%*1 If there is losses on sale, there is no asset sale fee The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8954	ORIX JREIT (OJR)	0.175%	3.00%	-	0.50%*1	0.50%*1	0.50%*1	The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8955	Japan Prime Realty Investment Corporation (JPR)	Total acquisition price × 0.05%	-	Total income × 1.20%	0.50%	0.50%	0.50%	Basic distributable amount × 3.8% × Rate of fluctuation of basic distributable amount per unit The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8956	NTT UD REIT Investment Corporation (NUD)	-	-	2.50%*1	0.50%*1	0.25%*1	0.50%*1	The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8957	Tokyu Real Estate Investment Trust (TRE)	0.115-0.125%*2	-	-	-	-	-	CF linked fee: Standard CF × 6.0% of declining rate Investment unit price linked fee: (Average investment unit price in the current FP – Highest average investment unit price over all previous periods) × No. of units × 0.4 %
8960	United Urban Investment Corporation (UUR)	0.45%	-	-	0.80%	0.80%	0.40%	Acquisition linked fee: (Total acquisition price at the end of the previous month + Total acquisition price at the end of the month before the previous month) × 0.45% / (12 × 2) AM fee II (DPU linked fee): Total distribution × 5% The merger fee shall be paid within three months from the last day of the month in which the merger takes effect
8961	Mori Trust Sogo REIT (MTR)	0.20%*1	3.00%*1	-	0.05-0.40%*1*2	0.05%*1	0.05-0.40%*1*2	Merger fee shall be paid within three months from the effective date of the merger
8966	Heiwa Real Estate REIT (HFR)	0.30%*1	-	-	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00% / 0.50%*1	FFO linked fee: FFO (excluding gains (losses) on Sale) × 4.50%*1 DPU linked fee: DPU × 50,000*1 The merger fee shall be paid within three months from the last day of the month in which the merger takes effect
8968	Fukuoka REIT Corporation (FRC)	0.25%	3.60%	2.00%	0-0.50% / 0-0.25%*2	0-0.50% / 0-0.25%*2	-	- Asset acquisition / sale fee accrues only for the portion of less than 50 billion yen
8977	Hankyu Hanshin REIT (HHR)	0.15%	-	-	0.50%	0.50%	0.50%*1	Distributable amount per unit × NOI × 0.0011% The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8984	Daiwa House REIT Investment Corporation (DHR)	0.40%*1	-	5.00%*1	0.50% / 0.25%*1	0.50% / 0.25%*1	0.80%*1	Sustainability index-linked fee 1) Total assets × 0.008% × (1+GHG emissions reduction ratio)*1 2) Total assets × 0.002% × GRESBB rating (1star=0.8~5stars=1.2)*1 3) Total assets × 0.002% × CDP rating (D=0.6~A=1.3)*1 The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
8987	Japan Excellent (JEI)	0.125-5.00%*1*2	5.00%*1	-	-	-	-	The following declining rate is applied to total assets-linked management fee 100 billion yen or less: 0.5%*1 100 billion yen to 200 billion yen (excluding 100 billion yen): 0.25%*1 200 billion yen or more: 0.125%*1
3234	Mori Hills REIT Investment Corporation (MHR)	-	-	-	1.00% / 0.10%*1	-	1.00%*1	DPU linked fee: DPU × 1,000,000 × 9.0%*1 NAV linked fee: NAV per unit × 1,000,000 × 0.4%*1 Investment unit price linked fee: Performance against TSE REIT Index × Market cap × 0.15%*1 The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
3249	Industrial & Infrastructure Fund Investment Corporation (IIF)	1.00%*1	-	-	2.00%*1	1.50%*1	2.00%*1	The merger fee shall be paid by the last day of the month following the month in which the merger takes effect

*1: Maximum rate *2: Declining rate

Reference: Asset Management Fees Rules for All J-REITs (5)

Code	Company name	Assets Outstanding (Annual rate)	Earnings	Net Operating Income (NOI)	Asset Acquisition (External / Stakeholder Transactions)	Asset Sale (External / Stakeholder Transactions)	Merger (External / Stakeholder Transactions)	Other / Remarks
Complex type / diversified type								
3279	Activia Properties (API)	0.30%*1	-	-	0.70% / 0.50%*1	0.50% / -*1	0.70% / 0.50%*1	I & DPU linked fee: $DPU \times NOI \times 0.00021\%$ The maximum amount of management fee I and II : Total assets \times 0.5% (annual rate) The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
3295	Hulic Reit (HLC)	0.50%*1	-	-	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00%*1	DPU linked fee (AM fee II) : DPU before deduction of AM fee II \times Operating profit before deduction of AM fee II \times 0.004%*1 The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
3296	NIPPON REIT Investment Corporation (NRT)	0.35%*1	-	-	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00%*1	NOI & DPU linked fee : $NOI \times (\text{maximum rate } 2.5\% \times \text{DPU volatility})$ (maximum rate of DPU volatility is 5.0%) DPU volatility = $(DPU \text{ of the current FP} - DPU \text{ of the previous FP}) / DPU \text{ of the previous FP} + 1$ (if the DPU volatility is 0.75 or less or exceeds 1, it is deemed to be 1) Merger fee shall be paid within two months of the effective date of the merger
3451	Tosei Reit Investment Corporation (TRI)	0.60%*1	6.00%*1	-	1.00% / 0.50%	1.00% / 0.50%	1.00% / 0.50%	Merger fee shall be paid within three months of the effective date of the merger
3309	Sekisui House Reit (SHR)	-	-	-	0.50% / -*1	0.50% / -*1	0.80%*1	Total assets/ Investment unit price linked fee : Total assets \times Performance against TSE REIT Index (maximum rate of the performance against TSE REIT Index is 0.02% and minimum rate is -0.02%) DPU linked fee (AM fee II) : DPU before deduction of AM fee II \times Operating profit before deduction of AM fee II \times 0.004%*1 Merger fee shall be paid within two months of the effective date of the merger
3462	Nomura Real Estate Master Fund (NMF)	0.45%	5.50%	-	1.00% / 0.50%*1	1.00% / 0.50%*1	-	-
3468	Star Asia Investment Corporation (SAR)	0.20%*1	-	7.50%*1	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00% / 0.50%*1	The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
3470	marimo Regional Revitalization REIT (MRR)	0.40%*1	-	-	1.00% / 0.50%*1	1.00% / 0.50%*1	1.00% / 0.50%*1	NOI & EPU linked fee: $NOI \times EPU$ before deduction of AM fee II \times 0.0015% The merger fee shall be paid by the last day of the month following the month in which the merger takes effect
3476	MIRAI Corporation (MRI)	0.50%*1	-	-	1.00%*1	1.00%*1	1.00%*1	OI linked fee: DPU before deduction of AM fee II \times NOI after depreciation \times 0.001%*1 Merger fee shall be paid within three months of the effective date of the merger
3488	XYMAXREIT Investment Corporation (XYR)	1.00%*1	-	7.50%*1	1.00%*1	-	-	DPU linked fee: DPU before deduction of DPU linked fee \times NOI \times 0.01%*1 Gains on sale performance fee: Gains on sale \times 15%*1
3492	Takara Leben Real Estate Investment Corporation (TLR)	0.30%*1	-	-	1.00%*1	-	1.00%*1	Earnings linked fee: Pre-tax net income \times Pre-tax Net income per unit \times 0.003%*1 The maximum total of total assets linked AM fee and earnings linked AM fee is 0.5% of the total assets Merger fee shall be paid within three months of the effective date of the merger
2972	SANKEI REAL ESTATE (SRE)	0.50%*1	-	5.00%*1	1.00%*1	1.00%*1	1.00%*1	Merger fee shall be paid within three months of the effective date of the merger
2989	Tokaido REIT (TKDR)	0.50%*1	-	3.00%*1	1.00% / 0.50%*1	1.00%*1	-	-

<Contact information for this material>

Berkeley Global, LLC (Tokyo Office)

■ **Tel: 03-5860-1028**

■ **E-mail : tsugihara@starasiamanagement.com**

■ **Youtube : <https://www.youtube.com/channel/UCYasJn4xrns2fhyZFKMAELw>**

- This material is provided for the purpose of providing identifying points for improvement of Ichigo Office REIT Investment Corporation proposed by us (Berkeley Global, LLC) and providing information on solutions to such points, and is not intended as an offer, solicitation or marketing of any specific products
- Copying, reprinting or any other use of the contents of this material without prior approval is strictly prohibited. This material includes charts, graphs, data, etc. publicized by third parties. It also includes descriptions related to analysis, judgments and other opinions by Berkeley Global, LLC and Star Asia Group