



Strategic Portfolio Restructuring

April 8, 2016

Ichigo Office REIT Investment Corporation (8975)

Ichigo Real Estate Investment Advisors Co., Ltd.



Ichigo's Hiromi Miyake
(Weightlifting)



**World-Class
Excellence**



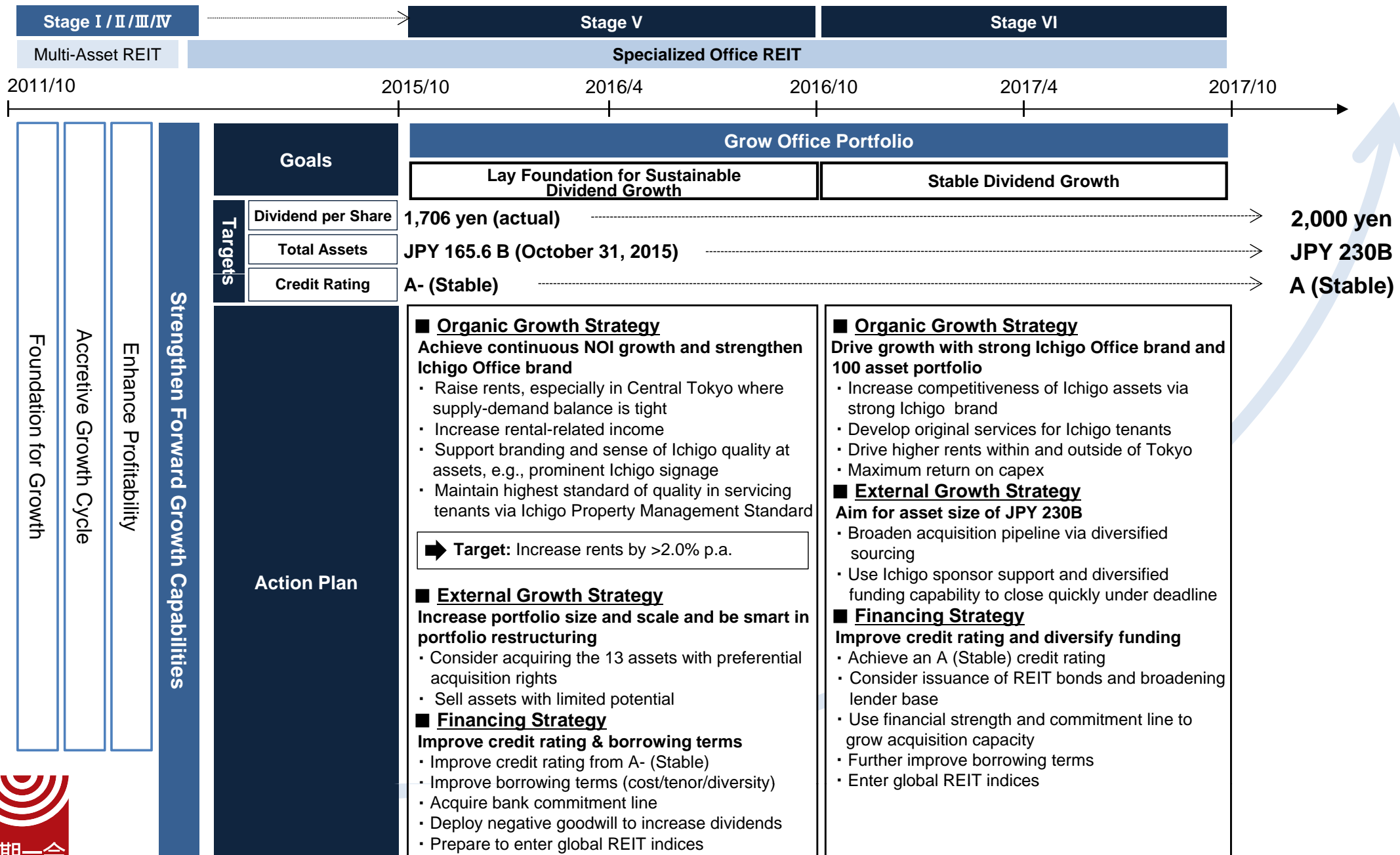
Ichigo's Yasuyo Matsumoto
(Rifle Shooting)

This material is a summary of the following two releases detailing Ichigo Office REIT's strategic portfolio restructuring as described in its Growth Strategy Roadmap:

“Acquisition of Five Office Assets,” April 8, 2016

“Earnings and Dividend Forecast Revisions for the October 2016 Fiscal Period and Earnings and Dividend Forecast for the April 2017 Fiscal Period,” April 8, 2016

Ichigo Office REIT Growth Strategy Roadmap



Strategic Portfolio Restructuring

4 Asset Sales

Sell Low-Upside Assets (Low Value-Add, High Maintenance Costs, Low Occupancy) and Reinvest Proceeds

Sale Price JPY 3.3B
Profits on Sale JPY 300M

- 1) Akita Sanno 21 Building (Akita)
- 2) Ichigo Meieki Building (Nagoya)
- 3) Ichigo Yokohama Nishiguchi (Yokohama)
- 4) Ichigo Saga Building (Saga)

Annual NOI JPY 210M



Strategic
Portfolio
Restructuring

5 Asset Acquisitions

Increase NOI, Dividend, & Portfolio Quality with Prime Location Assets

Acquisition Price JPY 8.3B

- 1) Ichigo Shibuya East Building (Central Tokyo)
- 2) Ichigo Ningyocho Building (Central Tokyo)
- 3) Ichigo Nishi Honmachi Building (Osaka)
- 4) Ichigo Hakata Building (Fukuoka)
- 5) Nishiki First Building (Nagoya)

Annual NOI JPY 470M



(Notes) Profits on sale are calculated as the sales price minus expenses, less the book value as of the sale date. The NOI of the assets sold is the annualized amount based on the results of October 2015 fiscal period. The NOI of the assets acquired is the NOI employed in the direct capitalization calculation method in the appraisal report at acquisition.

Strategic Restructuring Objectives

Increase NOI and Dividend

- ✓ Increase NOI with High-Quality Acquisitions using Proceeds from Asset Sales and Low-Cost Debt (Low LTV = Additional Borrowing Capacity)
- ✓ Reduce Cost of Debt by Paying Down Higher-Cost Existing Debt with the Proceeds from Asset Sales, while Funding New Acquisitions with Lower-Cost Debt
- ✓ Revise Up October 2016 Dividend (+90 yen vs. Initial Forecast)

Increase Portfolio Quality

- ✓ Sold Low-Upside Assets
- ✓ Acquired High-Quality Prime Location Assets via Ichigo's Sponsor Support

Generate Capital Gains on Low-Upside Asset Sales into Strong Market

- ✓ Sell Low-Upside Assets into a Strong Market and Generate JPY 300M in Capital Gains
- ✓ Retain Capital Gains in Dividend Reserve and Deploy against Future Dividends

Increased NOI and Portfolio Quality

	Pre- Acquisition	Asset Sales	Asset Acquisitions	Post- Acquisition
Number of Assets	77	4	5	78
Acquisition Price (billion yen)	165.6	2.9	8.3	171.0
Office Ratio	85.5%	69.5%	100.0%	86.5%
Annual NOI (billion yen) ¹	9.1	0.2	0.5	9.4
Average Post-Depreciation NOI Yield ²	4.5%	5.1%	4.8%	4.5%
Average Occupancy ³	96.0%	93.8%	96.8%	96.2%
Number of Tenants ³	725	50	72	747
Unrealized Gains (billion yen) ⁴	+8.4	0	+0.3	+8.7

¹ Pre-Acquisition NOI yield annualizes the actual NOI for the October 2015 fiscal period (except for assets acquired within the fiscal period, which use the NOI from the Direct Capitalization Method (DCM) appraisal at acquisition). Asset Acquisitions NOI yield uses the NOI in the DCM appraisal value at acquisition.

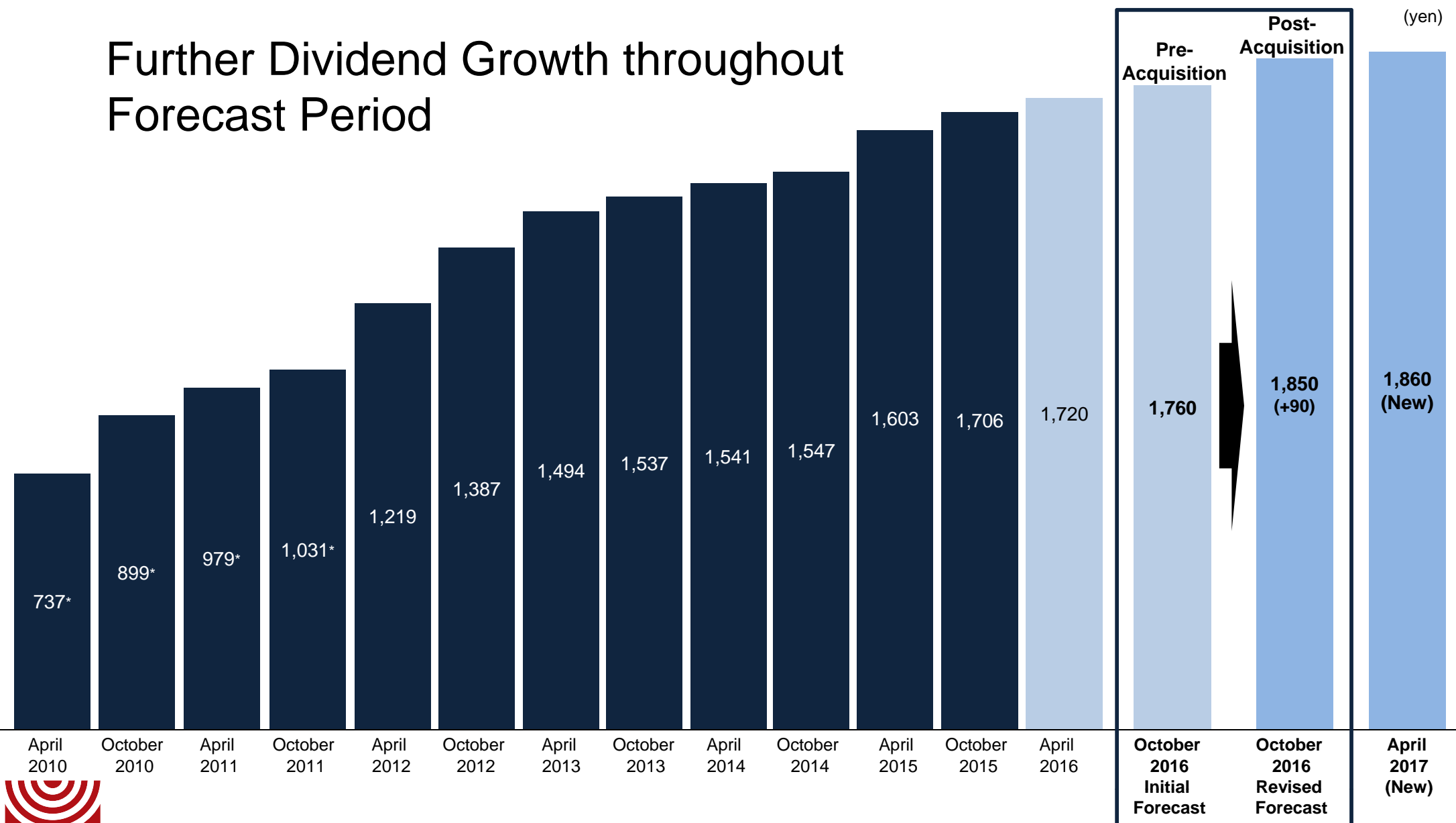
² Average Post-Depreciation NOI Yield is calculated as the total NOI of the five assets at acquisition minus actual depreciation during the October 2015 fiscal period converted to annual amount divided by the total acquisition price. Asset Acquisitions Post-Depreciation NOI Yield is a provisional calculation by the asset management company. Using provisional data that reflects the in-hand tenant lease termination notice at Akita Sanno 21 Building, which brings that building's occupancy to below 50%, the Asset Sales Post-Depreciation NOI Yield is 3.5%.

³ Average Occupancy and Number of Tenants is as of December 31, 2015 for Pre-Acquisition and Asset Sales, and as of February 29, 2016 for Asset Acquisitions and Post-Acquisition.

⁴ Pre-Acquisition and Asset Sales Unrealized Gains are calculated using the appraisal value and period-end book value of the October 2015 fiscal period. Asset Acquisitions Unrealized Gains are calculated based on the appraisal value at acquisition and the expected acquisition price.

11 Consecutive Periods of Dividend Growth – No. 1 vs. All J-REITs

Further Dividend Growth throughout Forecast Period



Note: 11 consecutive periods of dividend growth through Oct. 2015 period, adjusted to reflect stock split on November 1, 2011



Acquisition: Ichigo Shibuya East Building (O-72)

Asset Overview

Acquisition Price	1,350 mm yen
Appraisal Value	1,450 mm yen
NOI yield	4.6%
Asset Type	Office
Location	1 Chome, Higashi, Shibuya-ku, Tokyo
Leasable Area	1,041.36 m ²
Structure	RC 6F
Construction Date	October, 1985
Occupancy	100.0%



Location and Features

This mid-size office building is a 9-minute walk from Shibuya Station, which is serviced by a large number of railways such as the JR Line.

The standard floor area is 58 tsubo (190 m²). The building has specifications suited for the demands of the typical tenant, such as individual air conditioning systems for each floor and raised access flooring.

A convenience store occupies the first floor, and the other floors are occupied by tenants in the telecommunications industry.

Acquisition: Ichigo Ningyocho Building (O-73)

Asset Overview

Acquisition Price	1,450 mm yen
Appraisal Value	1,530 mm yen
NOI yield	5.2%
Asset Type	Office
Location	1 Chome, Nihonbashi-horidomecho, Chuo-ku, Tokyo
Leasable Area	1,769.09 m ²
Structure	SRC 11F
Construction Date	March 1984
Occupancy	100.0%

Location and Features

This mid-size office building is a 4-minute walk from Ningyocho Station on the Toei Asakusa Line and the Tokyo Metro Hibiya Line, and Kodenmachi Station on the Tokyo Metro Hibiya Line.

The standard floor area of this building is 60 tsubo (190 m²), with individual air conditioning systems and raised access flooring, making it a competitive offering in the area.



Acquisition: Ichigo Nishi Honmachi Building (O-74)

Asset Overview

Acquisition Price	2,190 mm yen
Appraisal Value	2,290 mm yen
NOI yield	6.2%
Asset Type	Office
Location	2 Chome, Awaza, Nishi-ku, Osaka
Leasable Area	6,151.98 m ²
Structure	SRC 14F
Construction Date	October 1990
Occupancy	94.1%

Location and Features

This mid-size office building situated on Chuo Odori Boulevard is a 4-minute walk from Awaza Station on the Osaka Municipal Subway Chuo Line and Sennichimae Line.

Each floor has a standard floor plate of 162 tsubo (530 m²) which is sub-divisible to suit the needs of tenants. The common areas in the building were renovated in February 2014.



Acquisition: Ichigo Hakata Building (O-75)

Asset Overview

Acquisition Price	1,380 mm yen
Appraisal Value	1,410 mm yen
NOI yield	6.1%
Asset Type	Office
Location	Gioncho, Hakata-ku, Fukuoka
Leasable Area	2,423.86 m ²
Structure	SRC B1F/9F
Construction Date	April 1989
Occupancy	100.0%



Location and Features

This mid-size office building is conveniently located within walking distance from Tenjin and Central Hakata and is only a one-minute walk from Gion Station of the Fukuoka City Subway Kuko Line.

The building has an aluminum curtain wall façade. With a standard floor area of 88 tsubo (290 m²) and ceilings that are 2.5 meters high, the building has high competitiveness in the area thanks to its individual air conditioning systems and mechanical parking garage accommodating up to 36 cars.



Acquisition: Nishiki First Building (O-76)

Asset Overview

Acquisition Price	2,000 mm yen
Appraisal Value	2,050 mm yen
NOI yield	5.8%
Asset Type	Office
Location	1 Chome, Nishiki, Naka-ku, Nagoya, Aichi Prefecture
Leasable Area	3,324.54 m ²
Structure	SRC B1F/7F
Construction Date	October 1984
Occupancy	100.0%

Location and Features

This mid-size office building is a 6-minute walk from Fushimi Station on the Nagoya City Subway Tsurumai Line and Higashiyama Line.

The standard floor plate is 180 tsubo (594 m²) offering a relatively large space for tenants seeking office space in the Fushimi area. The building is competitive from a leasing perspective, with 2.5 meters high ceilings, individual air conditioning for the office spaces, raised access flooring, and frequently-refreshed common areas.

A subsidiary of a TSE First Section-listed telecommunications company is currently the single tenant renting the whole building.



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