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Issuer

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**Earnings and Dividend Forecast Revisions for the April 2017 Fiscal Period
and Forecast for the October 2017 Fiscal Period**

Ichigo Office REIT has amended its earnings and dividend forecast for the April 2017 fiscal period that was announced in “Financial Report for the Fiscal Period Ending April 2016” on June 14, 2016. It is also announcing its earnings and dividend forecast for the October 2017 fiscal period.

October 2016 fiscal period earnings will be announced on December 15, 2016, and the current forecast is unchanged.

1. April 2017 Earnings and Dividend Forecast Revision

	Operating Revenue (million yen)	Operating Profit (million yen)	Recurring Profit (million yen)	Net Income (million yen)	Dividend per Share (yen)	Dividend in Excess of Earnings per Share (yen)
Previous Announced Forecast (A)	7,188	3,244	2,503	2,503	1,900	0
Current Amended Forecast (B)	7,247	3,277	2,556	2,556	1,910	0
Difference (B-A)	+58	+33	+53	+53	+10	0
Change	+0.8%	+1.0%	+2.1%	+2.1%	+0.5%	—

Forecast number of shares outstanding at the end of the fiscal period: 1,532,287 shares

The forecasts presented above are based on certain preconditions set forth in “Preconditions for the April 2017 Earnings Forecast” below. The actual operating revenue, operating profit, recurring profit, net income, and dividend per share may vary due to changes in circumstances such as asset acquisitions and dispositions,

tenant turnover, unexpected maintenance and repair costs and other expenses, changes in interest rates, and the issuance of new shares. These forecasts should not be construed as a guarantee of such performance or results. Ichigo Office REIT will make a forecast revision should there be a substantial discrepancy between the forecast and actual operating results.

2. April 2017 Earnings and Dividend Forecast Revision Rationale

Ichigo Office REIT is raising its earnings and dividend forecast due to better-than-forecast operating results, gains on sale from an asset sale in the October 2016 period, loan repayment using proceeds from the sale (which reduces interest costs), and gains on sale from an asset sale in the April 2017 period.^{1,2,3}

The revised April 2017 forecast reflects an increase in rental income and common area services income of JPY 82 million, an increase in rental income of JPY 11 million as a result of the above-mentioned asset sale and asset acquisition, and a decrease in utilities revenue from tenants due to seasonal factors of JPY 33 million. Ichigo Office REIT thus expects an increase in operating revenue of JPY 58 million relative to the previous forecast.

Operating expenses are expected to increase by JPY 25 million and operating profit is expected to increase by JPY 33 million due to an increase in rental expenses of JPY 3 million relative to the previous announced forecast. The increase in rental expenses is due to an increase in service provider fees, property and city planning taxes, and building maintenance and repair expenses of JPY 53 million, and a decrease in utilities expenses of JPY 49 million. Other than rental expenses, asset management fees are expected to increase by JPY 14 million and other fees are expected to increase by JPY 7 million. However, because interest expenses and borrowing-related expenses are expected to decrease by JPY 20 million due to lower interest rates on new loans executed in May 2016, recurring profit and net income will each increase by JPY 53 million.

Ichigo Office REIT thus expects to increase its April 2017 dividend to JPY 1,910, JPY 10 above its previous forecast, resulting in a total dividend to shareholders of JPY 2,926 million. The dividend assumes a payment of JPY 164 million of performance fees to the asset management company to be paid from a reserve for adjustment of temporary differences, JPY 200 million of negative goodwill amortization, and a dividend reserve reversal of JPY 6 million on gains on sale.

¹ For details of the October 2016 period asset sale, please refer to the September 23, 2016 release “Sale of Portfolio Asset (Ichigo Yokosuka Building).”

² For details of the loan repayment, please refer to the October 6, 2016 release “Notice of Partial Repayment of Existing Loan.”

³ For details of the April 2017 period asset sale, please refer to the October 14, 2016 release “Office Asset Acquisition (Ichigo Shibuya Udagawacho Building).”

3. October 2017 Earnings and Dividend Forecast Rationale

	Operating Revenue (million yen)	Operating Profit (million yen)	Recurring Profit (million yen)	Net Income (million yen)	Dividend per Share (yen)	Dividend in Excess of Earnings per Share (yen)
October 2017	7,333	3,328	2,591	2,590	1,920	0

Forecast number of shares outstanding at the end of the fiscal period: 1,532,287 shares

The forecasts presented above are based on certain preconditions set forth in “Preconditions for the October 2017 Earnings Forecast” below. The actual operating revenue, operating profit, recurring profit, net income, and dividend per share may vary due to changes in circumstances such as asset acquisitions and dispositions, tenant turnover, unexpected maintenance and repair costs and other expenses, changes in interest rates, and the issuance of new shares. These forecasts should not be construed as a guarantee of such performance or results. Ichigo Office REIT will make a forecast revision should there be a substantial discrepancy between the forecast and actual operating results.

4. October 2017 Earnings and Dividend Forecast Rationale

October 2017 operating revenue is expected to increase by JPY 86 million relative to the April 2017 period forecast, primarily due to an increase in rental income and common area services income and seasonal factors such as higher utilities revenue from tenants. However, operating expenses are expected to increase by JPY 35 million owing to an increase in property tax from some of the assets acquired in the October 2016 period and the to-be acquired asset in the April 2017 period and an increase in utilities expenses due to seasonal factors.

Operating profit is thus expected to increase by JPY 51 million. Recurring profit and net income are each forecast to increase by JPY 34 million, because Ichigo Office REIT expects an increase in borrowing-related expenses related to refinancing an existing loan which matures on October 31, 2017.

The October 2017 dividend is thus forecast to be JPY 1,920, JPY 10 higher than the April 2017 dividend. The total dividend payout is forecast to be JPY 2,941 million, which assumes a payment of JPY 127 million of performance fees to the asset management company to be paid from a reserve for adjustment of temporary differences, JPY 200 million of negative goodwill amortization, and a dividend reserve reversal of JPY 22 million on gains on sale.

Preconditions for the April 2017 Earnings Forecast

Item	Preconditions
Period	April 2017 Fiscal Period: November 1, 2016 – April 30, 2017 (181 days)
Portfolio Assets	<ul style="list-style-type: none"> • 86 assets, which is the total of 85 assets as of today and 1 asset newly acquiring on November 2, 2016. The forecast assumes there will be no additional acquisitions or sales through April 2017. • The number of assets may change due to acquisitions or sales.
Number of Shares	<ul style="list-style-type: none"> • 1,532,287 shares issued and outstanding
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue is calculated conservatively based on lease contracts that are in effect as of today while taking into consideration such factors as historical rents, the competitiveness of the properties, and market conditions. • Total occupancy: 97.2% as of April 30, 2017
Operating Expenses	<ul style="list-style-type: none"> • Among rental activity expenses, Ichigo Office REIT's principal operating expenses other than depreciation are calculated based on historical data while taking into consideration variable expenses. • Property and city planning taxes: JPY 559 million. The prorated property and city planning taxes related to acquisitions in the October 2016 period and the above-mentioned acquisition will be included in the acquisition cost and shall be excluded from operating expenses. • Building maintenance and repair expenses: JPY129 million. However, expenses for each period may differ significantly from these estimated amounts for reasons including the variability of maintenance and repair expenses, costs due to unexpected building damage, etc. • Service provider expenses including property management fees: JPY 658 million • Depreciation: JPY 925 million. Depreciation has been calculated by including the depreciation for future additional capital expenditures in the depreciation amount using the straight-line method. • Performance fees as part of asset management fees: JPY 163 million • Actual operating expenses may differ significantly from assumptions due to unforeseeable factors.
Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses: JPY 527 million • Borrowing-related expenses: JPY 193 million
Borrowings	<ul style="list-style-type: none"> • Total borrowings: JPY 99,914 million as of April 30, 2017
Dividend per Share	<ul style="list-style-type: none"> • The dividend forecast assumes that distributions will comply with the dividend distribution policy stipulated in Ichigo Office REIT's Articles of Incorporation. • Dividends for the April 2017 period are assumed to be JPY 2,926 million, which is the total amount of unappropriated retained earnings of JPY 2,556 million, a JPY 364 million reserve for adjustment of temporary differences (including JPY 200 million corresponding to amortization of negative goodwill), and a JPY 6 million dividend reserve . The whole amount of JPY 2,926 million will be distributed excluding any fraction of less than 1 yen per share. • The dividend per share amount is subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares.

Dividend Distribution in Excess of Earnings per Share	<ul style="list-style-type: none"> • Ichigo Office REIT does not plan on making any dividend distribution in excess of earnings per share or retained earnings.
Other	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.

Preconditions for the October 2017 Earnings Forecast

Item	Preconditions
Period	October 2017 Fiscal Period: May 1, 2017 – October 31, 2017 (184 days)
Portfolio Assets	<ul style="list-style-type: none"> • 86 assets, which is the total of 85 assets as of today and 1 asset newly acquiring on November 2, 2016. The forecast assumes there will be no additional acquisitions or sales through October 2017. • The total number of portfolio assets may change due to acquisitions or sales.
Number of Shares	<ul style="list-style-type: none"> • 1,532,287 shares issued and outstanding, with no additional new issuance until the end of October 2017.
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue is calculated conservatively based on lease contracts that are in effect as of today while taking into consideration such factors as historical rents, the competitiveness of the properties, and market conditions. • Total occupancy: 96.8% as of October 31, 2017
Operating Expenses	<ul style="list-style-type: none"> • Among rental activity expenses, Ichigo Office REIT's principal operating expenses other than depreciation are calculated based on historical data while taking into consideration variable expenses. • Property and city planning taxes: JPY 598 million. • The amount for building maintenance and repair expenses is estimated to be JPY 114 million for the October 2017 period. However, expenses for each period may differ significantly from these estimated amounts for reasons including the variability of maintenance and repair expenses, costs due to unexpected building damage, etc. • Service provider expenses including property management fees: JPY 651 million • Depreciation : JPY 930 million. Depreciation has been calculated by including the depreciation for future additional capital expenditures in the depreciation amount using the straight-line method. . • Performance fees as part of asset management fees are estimated to be JPY 127 million for the October 2017 period. • Actual operating expenses may differ significantly from assumptions due to unforeseeable factors.
Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses: JPY 535 million • Borrowing-related expenses: JPY 202 million
Borrowings	<ul style="list-style-type: none"> • Total borrowings: JPY 99,780 million as of October 31, 2017.
Dividend per Share	<ul style="list-style-type: none"> • The dividend forecast assumes that distributions will comply with the dividend distribution policy stipulated in Ichigo Office REIT's Articles of Incorporation. • Dividends for the October 2017 period are assumed to be JPY 2,941 million, which is the total amount of unappropriated retained earnings of JPY 2,591 million, a JPY 327 million reserve for adjustment of temporary differences (including JPY 200 million corresponding to amortization of negative goodwill), and a JPY 22 million dividend reserve. The whole amount of JPY 2,941 million will be distributed excluding any fraction of less than 1 yen per share. • The dividend per share amount is subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares.

<p>Dividend Distribution in Excess of Earnings per Share</p>	<ul style="list-style-type: none"> • Ichigo Office REIT does not plan on making any dividend distribution in excess of earnings per share or retained earnings.
<p>Other</p>	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.