

[Provisional Translation Only]

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March 29, 2018

REIT Issuer

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**Sale of Retail Asset
(Ichigo Burg Omori Building)**

Ichigo Investment Advisors (“IIA”), the asset management company of Ichigo Office, decided today to sell a retail asset, the Ichigo Burg Omori Building in Tokyo.

The sale price of the Ichigo Burg Omori Building is 1.4X book value, generating gains on sale of c. JPY 970 million.

1. Asset Sale Summary

Total appraisal value: JPY 2,970 million Total sale price: JPY 4,200 million

Asset Number	Z-03
Asset Name	Ichigo Burg Omori Building
Asset Type	Retail
Date Built	June 1, 1968 (Building extension on August 1, 1990)
Legal Form of Asset	Trust beneficiary interest in real estate (<i>juekiken</i>)
Acquisition Date	November 1, 2011 (Ichigo Office merger) March 17, 2006 (Original acquisition date)
Appraisal Value ¹	JPY 2,970 million
Sale Price ²	JPY 4,200 million
Book Value ³	JPY 3,098 million
Gain on Sale ⁴	c. JPY 970 million
Contract Date	March 29, 2018
Transaction Date	March 30, 2018
Closing Date	March 30, 2018
Transaction Method	Sale of trust beneficiary interest in real estate

¹ Appraisal Value is as calculated by Rich Appraisal Institute Co., Ltd. as of October 31, 2017, and is compliant with the appraisal guidelines of IIA as well as the rules of The Investment Trusts Association, Japan.

² Sale Price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

³ Book Value is an estimate based on the most recent book value (October 2017 fiscal period), adjusted for expected capital expenditures and depreciation through the Closing Date.

⁴ Gain on Sale is an estimate calculated as the Sale Price less Book Value and forecast sale expenses, and is subject to change.

2. Sale Rationale

Ichigo Office continues to execute on its strategy to grow long-term value for Ichigo Office shareholders by focusing its portfolio on high-quality office assets. Consistent with this strategy, Ichigo Office is selling this retail asset, in addition to the two retail asset sales announced earlier this month. Ichigo Office is therefore selling a total of three non-office assets during the April 2018 fiscal period, and expects to deploy the funds for growth investments such as asset acquisitions and value-add capex.¹

Ichigo Office regularly reviews its portfolio for profitability and determines whether it is in the best interest of shareholders to continue to own each asset. In this case, Ichigo Office decided to sell the Ichigo Burg Omori Building based upon anticipated increases in future maintenance costs and rental outlook for restaurant tenants.

The total sale price is 1.4X book value and 1.4X appraisal value, resulting in gains on sale of c. JPY 970 million.

¹ For details of the sale of the two retail assets, please refer to the March 16, 2018 release “Sale of Two Retail Assets (Ichigo Sapporo Minami 2 Nishi 3 Building, Ichigo Daimyo Balcony).”

3. Asset Overview

Asset Overview						
Asset Name		Ichigo Burg Omori Building				
Form of Ownership		Trust beneficiary interest in real estate (<i>juekiken</i>)				
Address		1-1-2, 5 Omorikita, Ota-ku, Tokyo				
Land	Property Right	Freehold				
	Area	1,210.70m ²				
	Zoning	Retail				
	Coverage Ratio	80%				
	Floor Area Ratio	600%				
Building	Property Right	Freehold				
	Use	Retail, office				
	Structure ²	SRC/RC 8 Floors plus 3 Basement Floors				
	Total Floor Area	7,411.31m ²				
	Date Built	June 1, 1968 (building extension on August 1, 1990)				
Number of Tenants		37 (as of February 28, 2018)				
Monthly Rental Income ¹		JPY 21.922 million (as of February 28, 2018)				
Tenant Security Deposits ¹		JPY 202.593 million (as of February 28, 2018)				
Leasable Area		5,345.62m ² (as of February 28, 2018)				
Leased Area		5,004.84m ² (as of February 28, 2018)				
Occupancy		Apr 2016	Oct 2016	Apr 2017	Oct 2017	Feb 2018
		92.4%	93.6%	92.8%	92.8%	93.6%
Acquisition Price		JPY 3,218 million				
Appraisal	Appraiser	Rich Appraisal Institute Co., Ltd.				
	Date	October 31, 2017				
	Value	JPY 2,970 million				

¹ Monthly Rent (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

² SRC = Steel-Reinforced Concrete, RC = Reinforced Concrete

Appraisal Details		
Asset Name	Ichigo Burg Omori Building	
Appraisal Value	JPY 2,970 million	
Appraiser	Rich Appraisal Institute Co., Ltd.	
Appraisal Date	October 31, 2017	
	Amount (JPY)	Notes
Appraisal Value	2,970,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	3,030,000,000	
Income	314,149,533	
Maximum Obtainable Rental Income	334,175,444	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	20,025,911	Based on long-term vacancy rate
Expenses	123,231,236	
Administrative and Maintenance Expenses	34,008,000	Based on similar assets and past actual amounts
Utility Expenses	54,343,000	Based on similar assets and past actual amounts
Repair Expenses	9,788,000	Based on engineering reports and similar assets
PM Fees	3,911,037	Based on similar assets and past actual amounts
Leasing Brokerage Fees	1,862,359	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	18,890,900	Based on FY2017 actual amounts
Insurance Premiums	426,330	Based on FY2017 actual amounts
Other Expenses	1,610	Based on materials provided by IIA
Net Operating Income (NOI)	190,918,297	
Income on Investment of Deposits Received	1,873,114	Based on a 1.0% investment yield
Capital Expenditures	22,838,000	Based on engineering reports and similar assets
Net Profit	169,953,411	
Cap Rate	5.6%	Based on transactions of similar assets and a comprehensive assessment of the asset's location, its individual characteristics, and market trends
Value via DCF Method	2,950,000,000	
Discount Rate	5.5%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.9%	Based on risk-adjusted NOI

	Amount (JPY)	Notes
Value via Cost Approach	2,760,000,000	
Land	74.2%	
Building	25.8%	
Notes		
None		

4. Buyer Profile

Name	The buyer, a Japanese operating company, did not provide consent to disclose its name.
Relationship with Ichigo Office or IIA	The buyer does not have any capital, personnel, or business relationship of note with Ichigo Office or IIA. In addition, the buyer is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of the Asset Management Company.

5. Broker Profile

Name	SMBC Trust Bank Ltd.
Address	1-3-1 Nishi-Shinbashi, Minato-ku, Tokyo
Representative	Hidetoshi Furukawa, President & CEO
Principal Businesses	Trust banking, banking
Capital	JPY 87.55 billion (as of December 20, 2017)
Establishment Date	February 25, 1986
Relationship with Ichigo Office or IIA	The broker does not have any capital, personnel, or business relationship of note with Ichigo Office /IIA. In addition, the broker is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of the Asset Management Company.
Brokerage Fee	The broker did not provide consent to disclose the fee.

6. Settlement Method

Lump-sum payment

7. Use of Sale Proceeds

Ichigo Office will retain the sale proceeds for future use for asset acquisitions and value-add capex.

8. Earnings Outlook

The sale is forecast to generate gains on sale of c. JPY 970 million, which will be retained and used to grow shareholder value through asset acquisitions and value-add capex. For details of the impact of this sale on April 2018 fiscal period earnings, please refer to today's announcement "Earnings Forecast Revision for the April 2018 Fiscal Period."

For the October 2018 fiscal period, the impact on Ichigo Office's earnings and dividend forecast due to the decrease in operating revenue from the sale is minimal and therefore the forecast is unchanged.

Portfolio Reference Information

Post-Sale Portfolio

No.	Asset Name	Area ¹	Acquisition Price ² (JPY million)	% of Portfolio ³
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	1.7
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.4
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	1.0
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.8
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.6
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.8
O-08	Ichigo Akasaka 5 Chome Building	Central Tokyo	735	0.4
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	0.6
O-10	Ichigo Ebisu Nishi Building	Central Tokyo	1,917	1.0
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	0.9
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.6
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.3
O-15	Ichigo Tameike Building	Central Tokyo	580	0.3
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	0.9
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.6
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.4
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.4
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	2.6
O-21	Ichigo Shin Yokohama Building	Tokyo Metro Area	1,816	0.9
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metro Area	1,460	0.8
O-23	Ichigo Nakano North Building	Tokyo Metro Area	764	0.4
O-24	Ichigo Eitai Building	Tokyo Metro Area	1,490	0.8
O-26	Ichigo Ikejiri Building	Tokyo Metro Area	2,030	1.1
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metro Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.4
O-29	Ichigo Kichijoji Building	Tokyo Metro Area	2,160	1.1
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.4
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.5
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,650	0.9
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.6
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.6
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.1
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.9
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.0

No.	Asset Name	Area ¹	Acquisition Price ² (JPY million)	% of Portfolio ³
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.1
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	1.0
O-51	Ebisu Green Glass	Central Tokyo	5,900	3.1
O-52	Ichigo Omori Building	Central Tokyo	3,850	2.0
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	0.8
O-54	Ichigo Omiya Building	Tokyo Metro Area	3,430	1.8
O-55	Ichigo Sagamihara Building	Tokyo Metro Area	1,174	0.6
O-56	Ichigo Ofuna Building	Tokyo Metro Area	2,000	1.0
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	1.0
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.8
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.7
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.9
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	2.1
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.5
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.4
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.3
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.2
O-66	Ichigo Kudan Building	Central Tokyo	3,190	1.7
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	1.9
O-68	Axior Mita	Central Tokyo	1,800	0.9
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metro Area	4,570	2.4
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.9
O-71	Ichigo Kawasaki Building	Tokyo Metro Area	1,750	0.9
O-72	Ichigo Shibuya East Building	Central Tokyo	1,350	0.7
O-73	Ichigo Ningyocho Building	Central Tokyo	1,450	0.8
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.1
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.7
O-76	Ichigo Nishiki First Building	Four Major Regional Cities	2,000	1.0
O-77	Ichigo Ikenohata Building	Tokyo Metro Area	5,130	2.7
O-78	Ichigo Ikebukuro East Building	Tokyo Metro Area	3,010	1.6
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	1.0
O-80	Ichigo Otsuka Building	Tokyo Metro Area	2,740	1.4
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.8
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.2
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.7

No.	Asset Name	Area ¹	Acquisition Price ² (JPY million)	% of Portfolio ³
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5
O-85	Ichigo Shibuya Udagawacho Building	Central Tokyo	3,500	1.8
O-86	Win Gotanda Building	Central Tokyo	3,100	1.6
O-87	Ichigo Hongo Building	Tokyo Metro Area	2,300	1.2
O-88	Oimachi Center Building	Central Tokyo	1,680	0.9
Subtotal - Office (74 Assets)			178,497	92.7
Z-02	Ichigo Fiesta Shibuya Building	Central Tokyo	1,970	1.0
Z-05	Ichigo Machida East Building	Tokyo Metro Area	1,310	0.7
Z-09	Konami Sports Club Izumi Fuchu	Other Regional Cities	1,210	0.6
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.2
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metro Area	1,620	0.8
Z-12	Lions Square Kawaguchi	Tokyo Metro Area	2,430	1.3
Z-13	Ichigo Shin Yokohama Arena Dori Building	Tokyo Metro Area	1,700	0.9
Z-14	Ichigo Kamata Building	Tokyo Metro Area	1,400	0.7
Subtotal - Other (8 Assets)			14,040	7.3
Total (82 Assets)			192,537	100.0

¹ Central Tokyo refers to Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa Wards. Tokyo Metro Area refers to Tokyo (excluding the six wards above), Kanagawa, Chiba, and Saitama Prefectures. Four Major Regional Cities refers to Osaka, Nagoya, Fukuoka, and Sapporo.

² Acquisition Price excludes incidental expenses such as consumption taxes and other fees. Assets O-02 through O-42 (31 assets) and assets Z-02 and Z-05 (2 assets) show the appraisal value as of October 31, 2011.

³ % of Portfolio is based upon acquisition price.