



[Provisional Translation Only]

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Issuer

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Loan Repayment

Ichigo Office today completed partial repayment (JPY 250 million) of SMBC Syndicate Loan III (Term Loan 1-A) using proceeds from the sale of Ichigo Daimyo Balcony, announced in the March 16, 2018 release “Sale of Two Retail Assets (Ichigo Sapporo Minami 2 Nishi 3 Building, Ichigo Daimyo Balcony).”

1. Reason for Repayment

Reduce overall interest expense by repaying a loan with a relatively high interest rate.

2. Repayment Details

SMBC Syndicate Loan III (Term Loan 1-A)

Lenders	SMBC, Shinsei Bank, Mizuho Bank, MUFG Bank
Outstanding Balance before Repayment	JPY 2,733 million
Repayment Amount	JPY 250 million
Outstanding Balance after Repayment	JPY 2,483 million
Date of Repayment	April 25, 2018
Interest Rate	1M JPY TIBOR + 0.81% (p.a.)
Collateralized	No
Original Date of Loan	April 30, 2015
Loan Maturity Date	November 30, 2019

To hedge against any future rise in interest rates, the interest rate on this loan is fixed at 1.148% via an interest rate swap. The notional value of the swap has been reduced to match the new outstanding loan balance of JPY 2,483 million.

3. Earnings Outlook

The impact of this repayment on Ichigo Office’s earnings has already been reflected in the March 29, 2018 release “Earnings Forecast Revision for the April 2018 Fiscal Period” and today’s release “Earnings Forecast Revision for the October 2018 Fiscal Period and Earnings Forecast for the April 2019 Fiscal Period.”

Reference: Loan and Bond Composition after Repayment

Outstanding Loan and Bond Balance (as of April 27, 2018)

(JPY million)

	Before Repayment (A) ¹	After Repayment (B) ²	Change (B) - (A)
Short-term bank loans	–	–	–
Long-term bank loans (due within one year)	13,539	11,575	-1,964
Long-term bank loans	88,345	89,012	+667
Total bank loans	101,885	100,587	-1,297
Bonds	2,200	2,200	–
Total bank loans and bonds	104,085	102,787	-1,297
Other interest-bearing liabilities	–	–	–
Total interest-bearing liabilities	104,085	102,787	-1,297

¹ The amount includes JPY 1 billion of the Ichigo Office Second Unsecured Investment Corporation Bonds that were announced in the April 20, 2018 release “Bond Issuance.”

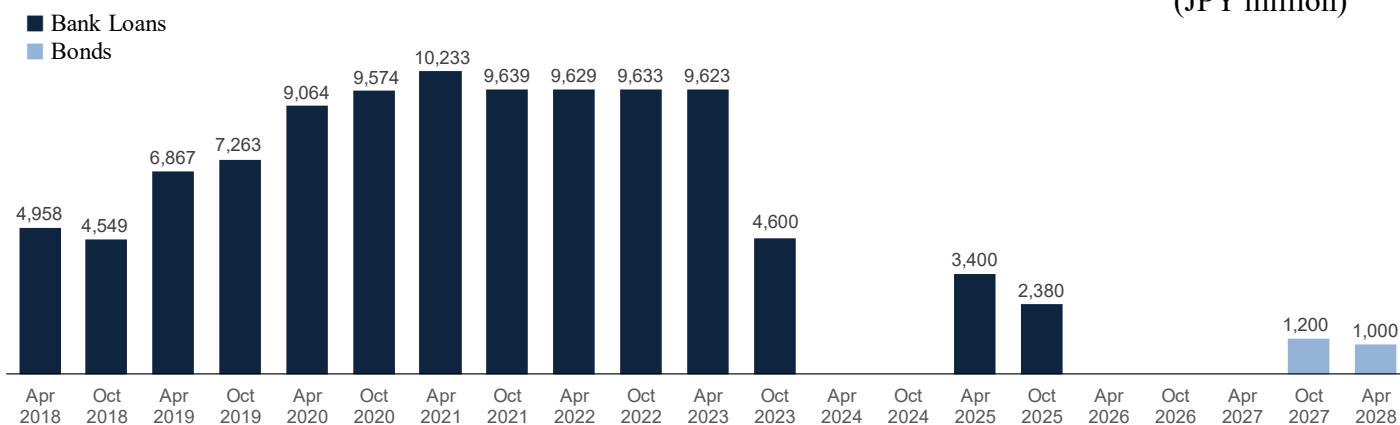
² The amount:

- (a) excludes today’s JPY 250 million repayment;
- (b) includes the new loan (JPY 3.954 billion) and excludes the existing loan to be repaid (JPY 4.958 billion) as per today’s release “New Loan and Interest Rate Swap”;
- (c) excludes a JPY 43 million partial principal repayment scheduled on April 27, 2018.

Distribution of Loan and Bond Maturities (as of April 27, 2018)

Before Repayment

(JPY million)



After Repayment

(JPY million)

