

[Provisional Translation Only]

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Issuer

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New Loan and Interest Rate Swap

Ichigo Office decided today to borrow funds via a new loan (“Term Loan X”) and to enter into an interest rate swap to lock-in the interest rate on this new loan.

1. Reason for New Loan and Interest Rate Swap

To repay an existing loan (JPY 4.958 billion). Ichigo is also entering into a swap contract to fix the interest rate on the new loan and hedge against any future rise in interest rates. For details of the loan to be repaid, please refer to “3. Existing Loan” below.

2. Loan and Interest Rate Swap Details

Term Loan X

Lender	SMBC, Mizuho Trust & Banking, Aozora Bank, Shinsei Bank, Resona Bank
Loan Amount	JPY 3.954 billion
Use of Proceeds	Repayment of existing loan
Loan Date	April 27, 2018
Principal Repayment Date	April 30, 2026
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.72% (p.a.) ¹
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be May 31, 2018 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

Swap Details

Counterparty	Mizuho Bank
Contract Date	April 25, 2018
Fixed Interest Rate	0.99000%

¹ As a result of the interest rate swap, the interest rate for Term Loan X is fixed at 0.99000%. However, the interest rate for the payment on the first payment date (from April 27, 2018 through May 31, 2018) will be 0.77364%.

Notes:

The base rate for the loans will be JPY TIBOR as published by the Japanese Bankers Association (JBA) two business days before each interest payment date. For current JPY TIBOR rates, please visit the JBA's website: www.jbatibor.or.jp/english/rate

In the event the interest payment date is not a business day, payment shall be made on the previous business day.

3. Existing Loan (to be repaid)

SMBC Syndicate Loan I (Term Loan 5)

Lender	SMBC, Mizuho Trust & Banking, Aozora Bank, Shinsei Bank, Resona Bank
Loan Amount	JPY 4.958 billion (original loan amount: JPY 4.985 billion)
Use of Proceeds	Repayment of existing loan
Loan Date	April 30, 2015
Principal Repayment Date	April 27, 2018
Principal Repayment Terms	JPY 2,492,750 of the principal will be repaid on each Partial Principal Repayment Date, with the remainder to be repaid in full on the Principal Repayment Date
Partial Repayment Date	Final business day of January, April, July, and October following the Loan Date
Interest Rate	1M JPY TIBOR + 0.75% (p.a.)
Collateralized	No

4. Earnings Outlook

The impact of the new loan and the interest rate swap on Ichigo Office's October 2018 and April 2019 fiscal period earnings has already been reflected in Ichigo Office's 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 New Loan

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

(JPY million)

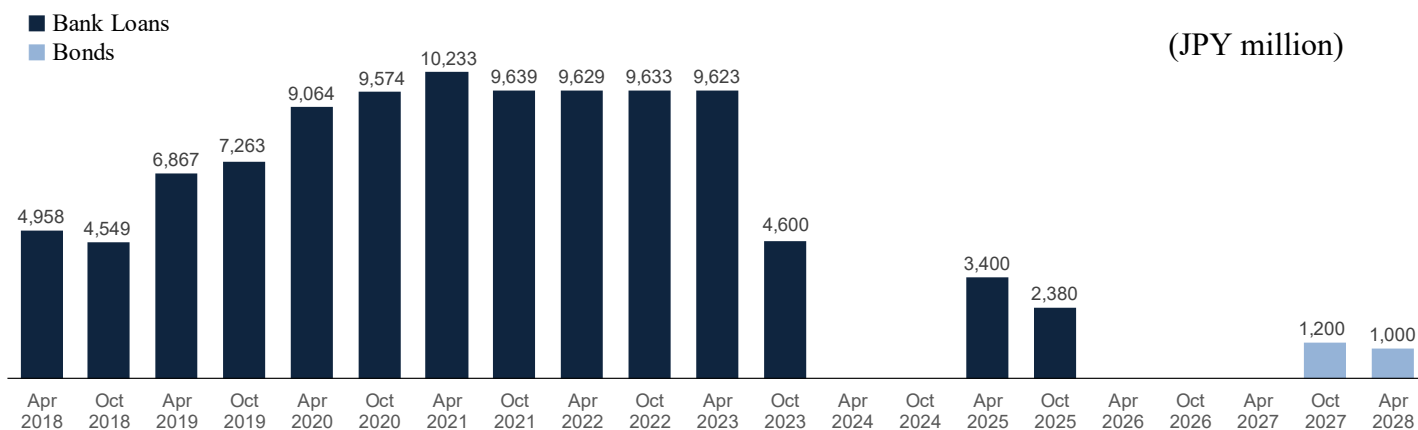
	Before New Loan (A) ¹	After New Loan (B) ²	Change (B) - (A)
Short-term bank loans	–	–	–
Long-term bank loans (due within one year)	13,539	11,575	-1,964
Long-term bank loans	88,345	89,012	+667
Total bank loans	101,885	100,587	-1,297
Bonds	2,200	2,200	–
Total bank loans and bonds	104,085	102,787	-1,297
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 includes the new loan (JPY 3.954 billion) and excludes the existing loan to be repaid (JPY 4.958 billion), the early partial principal repayment of an existing loan (JPY 250 million) announced in today’s release “Loan Repayment,” and the partial principal repayment (JPY 43 million) scheduled on April 27, 2018.

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

Before New Loan



After New Loan

