

[Provisional Translation Only]

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Issuer

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New Loans and Interest Rate Swap

Ichigo Office decided today to borrow funds via new loans (“Term Loan XIV-A,” “Term Loan XIV-B,” and “Term Loan XIV-C”) and to enter into an interest rate swap to lock-in the interest rate on one of the loans.

1. Reason for New Loans and Interest Rate Swap

The new loans will be used to repay existing loans (JPY 1.6 billion). Details of the loans to be repaid are in Section 3 below.

The terms of the new loans are seven and a half years, significantly longer than the existing loans to be repaid, further strengthening Ichigo Office’s finances. Ichigo Office is fixing the interest rate on Term Loan XIV-A (JPY 1 billion) via a swap in order to hedge against any future rise in interest rates.

2. Loan and Interest Rate Swap Details

Term Loan XIV-A

Lender	SMBC
Loan Amount	JPY 1 billion
Use of Proceeds	Repayment of existing loan (Term Loan VIII-A)
Loan Date	October 31, 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 + 0.65% (p.a.) ¹
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be November 30, 2018 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

Swap Details

Counterparty	Mizuho Bank
Contract Date	October 29, 2018
Fixed Interest Rate	0.9625%

¹ As a result of the interest rate swap, the interest rate for Term Loan XIV-A is fixed at 0.9625%.

Term Loan XIV-B

Lender	Mizuho Bank
Loan Amount	JPY 400 million
Use of Proceeds	Repayment of existing loan (Term Loan VIII-C)
Loan Date	October 31, 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 + 0.65% (p.a.)
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be November 30, 2018 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

Term Loan XIV-C

Lender	Shinsei Bank
Loan Amount	JPY 200 million
Use of Proceeds	Repayment of existing loan (Term Loan VIII-E)
Loan Date	October 31, 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 + 0.65% (p.a.)
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be November 30, 2018 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

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 Loans Being Repaid

Term Loan VIII-A

Lender	SMBC
Loan Amount	JPY 1 billion
Use of Proceeds	Asset acquisition and related costs
Loan Date	May 10, 2017
Principal Repayment Date	October 31, 2018
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.33% (p.a.)
Collateralized	No

Term Loan VIII-C

Lender	Mizuho Bank
Loan Amount	JPY 400 million
Use of Proceeds	Asset acquisition and related costs
Loan Date	May 10, 2017
Principal Repayment Date	October 31, 2018
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Partial Repayment Date	1M JPY TIBOR + 0.33% (p.a.)
Collateralized	No

Term Loan VIII-E

Lender	Shinsei Bank
Loan Amount	JPY 200 million
Use of Proceeds	Asset acquisition and related costs
Loan Date	May 10, 2017
Principal Repayment Date	October 31, 2018
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.33% (p.a.)
Collateralized	No

4. Earnings Outlook

The impact of the new loans and interest rate swap on Ichigo Office's October 2018 and April 2019 fiscal period earnings has already been reflected in Ichigo Office's June 14, 2018 release "April 2018 Fiscal Period Earnings."

5. Other

Risks related to these loans have no material impact on the "Investment Risks" described in the latest Financial Report submitted July 26, 2018.

Reference: Loan and Bond Composition after New Loans

Outstanding Loan and Bond Balance

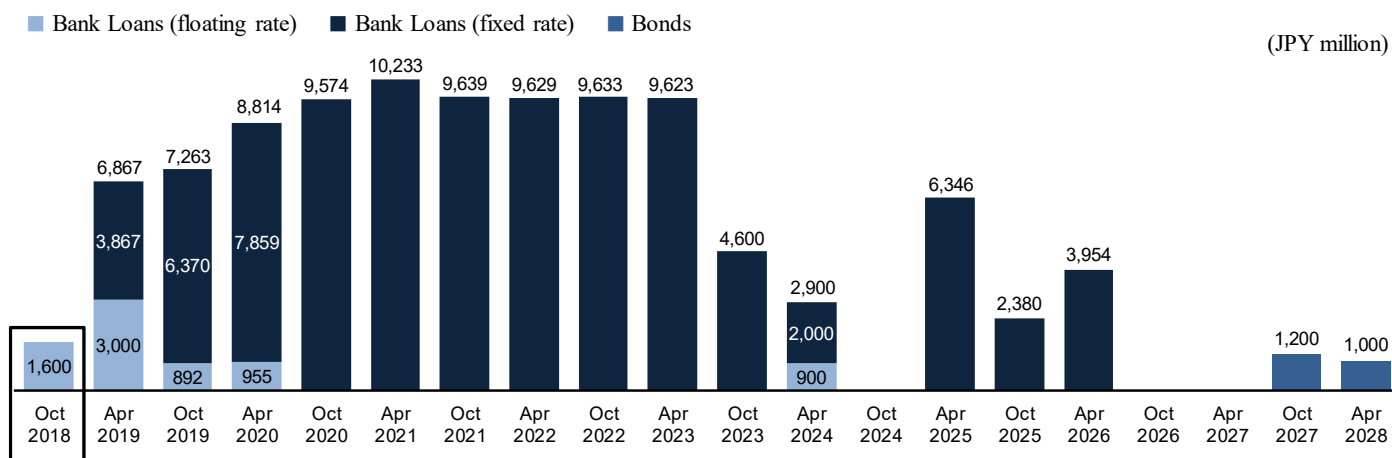
(JPY million)

	Before New Loans (A)	After New Loans (B) ¹	Change (B) - (A)
Short-term bank loans	–	–	–
Long-term bank loans (due within one year)	15,879	14,270	-1,609
Long-term bank loans	87,562	89,130	+1,567
Total bank loans	103,442	103,400	-41
Bonds	2,200	2,200	–
Total bank loans and bonds	105,642	105,600	-41
Other interest-bearing liabilities	–	–	–
Total interest-bearing liabilities	105,642	105,600	-41

¹ The amount excludes a JPY 41 million partial principal repayment scheduled on October 31, 2018.

Distribution of Loan and Bond Maturities

Before New Loans



After New Loans

