

[Provisional Translation Only]

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Issuer

Ichigo Office REIT Investment Corporation (“Ichigo Office,” 8975)

1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo

Representative: Yoshihiro Takatsuka, Executive Director

www.ichigo-office.co.jp/english

Asset Management Company

Ichigo Investment Advisors Co., Ltd.

Representative: Wataru Orii, President

Inquiries: Hiroto Tajitsu, Head of Administration

Tel: +81-3-3502-4891

New Loan and Interest Rate Swap

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

1. Reason for New Loan and Interest Rate Swap

The new loan will be used to acquire the Ichigo Minami Otsuka Building, as announced in the December 14, 2018 release “Acquisition of Two Office Assets and Sale of Two Non-Office Assets.”

Ichigo Office is fixing the interest rate on the new loan via a swap in order to hedge against any future rise in interest rates.

2. Loan and Interest Rate Swap Details

Term Loan XVI

Lender	SMBC, Aozora Bank
Loan Amount	JPY 1.4 billion
Use of Proceeds	Asset acquisition and related costs
Loan Date	December 21, 2018
Principal Repayment Date	September 30, 2026 (7.7 year loan term)
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.68% (p.a.) ¹
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be January 31, 2019 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

¹ The swap will fix the interest rate for Term Loan XVI at 0.9075%. However, the interest rate for the payment on the first payment date (from December 21, 2018 through January 31, 2019) will be 0.73804%.

Swap Details

Counterparty	Mizuho Bank
Contract Date	December 19, 2018
Fixed Interest Rate	0.9075%

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. Earnings Outlook

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

4. Other

Risks related to the loan 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 Loan

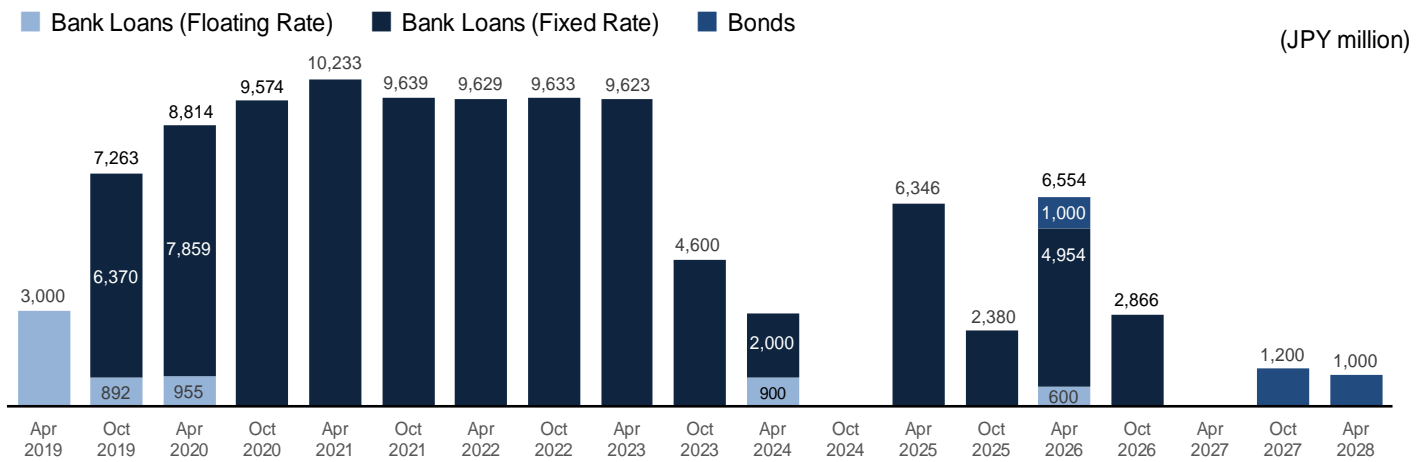
Outstanding Loan and Bond Balance

(JPY million)

	Before New Loan (A)	After New Loan (B)	Change (B) - (A)
Short-term bank loans	–	–	–
Long-term bank loans (due within one year)	12,875	12,875	–
Long-term bank loans	89,523	90,923	+1,400
Total bank loans	102,398	103,798	+1,400
Bonds	3,200	3,200	–
Total bank loans and bonds	105,598	106,998	+1,400
Other interest-bearing liabilities	–	–	–
Total interest-bearing liabilities	105,598	106,998	+1,400

Distribution of Loan and Bond Maturities

Before New Loan



After New Loan

