Creating peace of mind through honest and committed management.

[Provisional Translation Only]

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March 4, 2016

REIT Issuer
Ichigo Office REIT Investment Corporation (8975)
1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative: Yoshihiro Takatsuka, Executive Director
www.ichigo-office.co.jp/english

Asset Management Company
Ichigo Real Estate Investment Advisors Co., Ltd.
Representative: Wataru Orii, President & Representative Statutory Executive Officer
Inquiries: Hiroto Tajitsu, Head of Administration & Statutory Executive Officer
Tel: +81-3-3502-4891

Sale of Portfolio Assets (Ichigo Meieki Building, Ichigo Yokohama Nishiguchi Building)

Ichigo Real Estate Investment Advisors Co., Ltd. (IRE), the asset management company of Ichigo Office REIT, today contracted to sell the Ichigo Meieki Building and the Ichigo Yokohama Nishiguchi Building.

1. Sale Overview

(1) Ichigo Meieki Building

Name	Ichigo Meieki Building
Asset Type/Property No.	Office O-33
Building Completion Date	March 22, 2001
Legal Form of Asset	Trust beneficiary interest in real estate (*juekiken*)
Acquisition Date (Original acquisition date)	November 1, 2011 (Ichigo Office REIT merger) (March 15, 2006)
Sale Price[1]	799,595,200 yen
Forecast Book Value[2]	737,993,309 yen
Difference between Sale Price and Forecast Book Value	61,601,891 yen
Appraisal Value	719,000,000 yen (as of October 31, 2015)
Contract Date	March 4, 2016
Transfer Date	April 15, 2016
Settlement Date	April 15, 2016
Transfer Method	Assignment of trust beneficiary interest in real estate

(2) Ichigo Yokohama Nishiguchi Building

Name	Ichigo Yokohama Nishiguchi Building
Asset Type/Property No.	Other Z-06
Building Completion Date	January 26, 1984
Legal Form of Asset	Trust beneficiary interest in real estate (*juekiken*)
Acquisition Date (Original acquisition date)	November 1, 2011 (Ichigo Office REIT merger) (March 16, 2006)
Sale Price[1]	1,150,000,000 yen
Forecast Book Value[2]	893,907,975 yen
Difference between Sale Price and Forecast Book Value	256,092,025 yen
Appraisal Value	984,000,000 yen (as of October 31, 2015)
Contract Date	March 4, 2016
Transfer Date	March 30, 2016
Settlement Date	March 30, 2016
Transfer Method	Assignment of trust beneficiary interest in real estate

[1] Sale price excludes incidental expenses such as property, city planning, and consumption taxes.

[2] Forecast Book Value is an estimate for book value based upon the most recent book value (October 2015 fiscal period) adjusted for any capital expenditure and depreciation between the most recent book value and the Settlement Date.

2. Sale Rationale

As part of its current Stage V of its Growth Strategy Roadmap ("Lay Foundation for Sustainable Dividend Growth"), Ichigo Office REIT is executing on its strategy of "Increase portfolio size and scale and be smart in portfolio restructuring."

Ichigo Office REIT regularly reviews its portfolio for profitability and makes a determination whether it is in the best interest of shareholders to continue to own each asset based upon its maintenance needs and competitiveness with nearby assets. In this case, Ichigo Office REIT concluded that selling the assets is consistent with its Stage V objective of selling assets with limited potential in order to improve its portfolio and increase shareholder value.

3. Asset Overview

(1) Ichigo Meieki Building

Asset Overview		
Name		Ichigo Meieki Building
Legal Form of Asset		Trust beneficiary interest in real estate (*juekiken*)
Location		5-30-1 Meieki, Nakamura-ku, Nagoya City, Aichi Prefecture
Land	Property Right	Ownership
	Size	374.39 m^2
	Zoning	Commercial
	Coverage Ratio Floor Area Ratio	80% 800%
Building	Property Right	Ownership
	Use	Office, Clinic, Retail
	Structure	Steel 10F
	Total Floor Area	2,716.21 m^2
	Construction Date	March 22, 2001
Number of Tenants		10 (as of March 4, 2016)
Monthly Rent[3]		5,168 thousand yen (as of March 4, 2016)
Tenant Security Deposits[3]		48,926 thousand yen (as of March 4, 2016)
Leasable Area		2,063.52 m^2 (as of March 4, 2016)
Leased Area		2,063.52 m^2 (as of March 4, 2016)
Occupancy		100.0 % (as of March 4, 2016)
Acquisition Price		837 million yen
Appraisal	Appraiser	Rich Appraisal Institute Co., Ltd.
	Date	October 31, 2015
	Value	719 million yen

(2) Ichigo Yokohama Nishiguchi Building

Asset Overview		
Name		Ichigo Yokohama Nishiguchi Building
Legal Form of Asset		Trust beneficiary interest in real estate (*juekiken*)
Location		2-13-12 Minami-Saiwai, Nishi-ku, Yokohama City, Kanagawa
Land	Property Right	Ownership
	Size	289.65 m^2
	Zoning	Commercial
	Coverage Ratio Floor Area Ratio	80% 500%
Building	Property Right	Ownership
	Use	Office
	Structure	SRC 8F
	Total Floor Area	1,315.19 m^2
	Construction Date	January 26, 1984
Number of Tenants		9 (as of March 4, 2016)
Monthly Rent[3]		5,998 thousand yen (as of March 4, 2016)
Tenant Security Deposits[3]		134,508 thousand yen (as of March 4, 2016)
Leasable Area		1,264.26 m^2 (as of March 4, 2016)
Leased Area		1,264.26 m^2 (as of March 4, 2016)
Occupancy		100.0 % (as of March 4, 2016)
Acquisition Price		903 million yen
Appraisal	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Date	October 31, 2015
	Value	984 million yen

[3] Monthly Rent and Tenant Security Deposits refer to those stated in the rental contract. Monthly Rent includes cost of utilities.

4. Appraisal Overview

Appraisal Overview			
Asset Name		Ichigo Meieki Building	
Appraisal Value		719,000,000 yen	
Appraiser		Rich Appraisal Institute Co., Ltd.	
Appraisal Date		October 31, 2015	
		Amount	Notes
Appraisal Value		719,000,000 yen	Valuation determined via integrating a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method		764,000,000 yen	
Income		74,661,364 yen	
Maximum Obtainable Rental Income		80,834,732 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss		6,173,368 yen	Based on mid- to long-term vacancy rate
Expenses		27,979,897 yen	
Administrative and Maintenance Expenses		6,456,000 yen	Based on similar assets and past actual amounts
Utility Expenses		8,463,000 yen	Based on similar assets and past actual amounts
Repair Expenses		3,083,000 yen	Based on engineering reports and similar assets
PM Fees		1,875,226 yen	Based on similar assets and past actual amounts
Leasing Brokerage Fees		560,821 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes		7,232,400 yen	Based on FY2015 actual amounts
Insurance Premiums		131,050 yen	Based on the standard of similar assets and past actual amounts
Other Expenses		178,400 yen	Based on materials provided by the client
Net Operating Income (NOI)		46,681,467 yen	
Income on Investment of Deposits Received		1,002,219 yen	Based on 2.0% investment yield
Capital Expenditure		7,194,000 yen	Based on engineering reports and similar assets
Net Profit		40,489,686 yen	
Cap Rate		5.3%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, market trends, etc.
Value via DCF Method		699,000,000 yen	
Discount Rate		5.2%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate		5.5%	Based upon risk-adjusted NOI
Value via Cost Approach		727,000,000 yen	
Land		45.1%	
Property		54.9%	
Notes			
None			

Appraisal Overview	
Asset Name	Ichigo Yokohama Nishiguchi Building
Appraisal Value	984,000,000 yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	October 31, 2015

	Amount	Notes
Appraisal Value	984,000,000 yen	Valuation determined via integrating a direct capitalization valuation and DCF valuation
Value by Direct Capitalization Method	982,000,000 yen	
Income	74,567,931 yen	
Maximum Obtainable Rental Income	78,345,296 yen	Based on rental income, common area service income, parking lot income, and other income
Vacancy Loss	3,777,365 yen	Based on mid- to long-term vacancy rate
Expenses	19,206,878yen	
Administrative and Maintenance Expenses	4,359,816 yen	Based on similar assets and past actual amounts
Utility Expenses	5,277,672 yen	Based on similar assets and past actual amounts
Repair Expenses	2,011,000 yen	Based on engineering reports and similar assets
PM Fees	1,592,201 yen	Based on similar assets and past actual amounts
Leasing Brokerage Fees	481,821 yen	Based on the expected turnover rate and tenant acquisition costs for similar assets
Taxes	5,031,600 yen	Based on FY2015 actual amounts
Insurance Premiums	70,200 yen	Based on the standard of similar assets and past actual amounts
Other Expenses	382,568 yen	Based on materials provided by the client
Net Operating Income (NOI)	55,361,053 yen	
Income on Investment of Deposits Received	923,391 yen	Based on 2.0% investment yield
Capital Expenditure	5,216,667 yen	Based on engineering reports and similar assets
Net Profit	51,067,777 yen	
Cap Rate	5.2%	Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, market trends, etc.
Value via DCF Method	985,000,000 yen	
Discount Rate	5.0%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.4%	Based upon risk-adjusted NOI
Value via Cost Approach	563,000,000 yen	
Land	85.9%	
Property	14.1%	

Notes
None

5. Buyer Profile

(1) Ichigo Meieki Building

Name	The buyer is a domestic operating company,[4] but did not give consent to disclose its name.
Relationship with Ichigo Office REIT or IRE	The buyer does not have any capital, personnel, or business relationship of note with Ichigo Office REIT or IRE. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal regulations of the Asset Management Company.

(2) Ichigo Yokohama Nishiguchi Building

Name	The buyer is a domestic operating company,[4] but did not give consent to disclose its name.
Relationship with Ichigo Office REIT or IRE	The buyer does not have any capital, personnel, or business relationship of note with Ichigo Office REIT or IRE. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal regulations of the Asset Management Company.

[4] The buyers are two separate operating companies.

6. Broker Profile

(1) Ichigo Meieki Building, (2) Ichigo Yokohama Nishiguchi Building

Name	Nomura Real Estate Urban Net Co., Ltd.
Address	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Seishi Miyajima, President
Principal Businesses	Real estate brokerage
Capital	1,000 million yen
Established Date	November 6, 2000
Relationship with Ichigo Office REIT or IRE	The broker does not have any capital, personnel, or business relationship of note with Ichigo Office REIT/IRE. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal regulations of the Asset Management Company.
Brokerage Fee	The broker did not give consent to disclose the fee.

7. Forward Commitment

The sale agreement for the Ichigo Meieki Building (hereafter, the “Conveyance Agreement”) constitutes a forward commitment or similar agreement[5] by Ichigo Office REIT as stipulated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by the Financial Services Agency.

In the event of a violation of the provisions of the Conveyance Agreement by Ichigo Office REIT or the seller, the other party shall have the right to terminate the Conveyance Agreement and claim an amount equivalent to 20% of the purchase price as penalty for the agreement termination. The Conveyance Agreement does not prohibit the other party to claim additional

damages if the amount of damages exceeds the above-mentioned amount.

Since Ichigo Office REIT is the seller, it is highly unlikely that Ichigo Office REIT will not be able to fulfill its obligations under the Conveyance Agreement.

[5] Refers to a postdated purchase and sale agreement under which payment and property delivery shall be made at least 1 month after the conclusion of the agreement, or any other agreement similar thereto.

8. Use of Sale Proceeds

Ichigo Office REIT will allocate part of the sale proceeds towards prepayment of existing loans and the rest will be retained as cash-on-hand for future strategic use including asset acquisitions. Details of the loan prepayment will be announced as soon as they have been decided.

9. Future Outlook

The impact of the sale on Ichigo Office REIT's earnings and dividend forecasts for the April 2016 and October 2016 fiscal periods is minimal, and therefore the forecasts are unchanged. The capital gains from the sale will be allocated to dividend reserve to maintain stability of future dividends.

Portfolio Reference Information

1. Post-Sale Portfolio Summary

	Before Sale (A)	After Sale (B)	Difference (B-A)
Occupancy	95.9%[1]	95.9%	—
Diversification by Area – Greater Tokyo Area/Other Areas[2]	83.0%/17.0%	83.4%/16.6%	+0.4%/-0.4%

[1] As of January 31, 2016
[2] "Greater Tokyo Area" refers to "Central Tokyo" and "Tokyo Metropolitan Area." "Other Areas" refers to "Four Major Regional Cities" and "Other Regional Cities." The ratio is based on acquisition prices.

2. Post-Sale Portfolio Assets

No.	Property	Area[1]	Acquisition Price[2] (mm yen)	% of Portfolio[3]
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	2.0%
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.7%
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	1.2%
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.9%
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.7%
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.9%
O-08	Ichigo Akasaka 5 Chome Building	Central Tokyo	735	0.4%
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	0.7%
O-10	Ichigo Ebisu Nishi Building	Central Tokyo	1,917	1.2%
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	1.1%
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.7%
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.3%
O-15	Ichigo Tameike Building	Central Tokyo	580	0.4%
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	1.1%
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.7%
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.5%
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.5%
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	3.1%
O-21	Ichigo Shin Yokohama Building	Tokyo Metropolitan Area	1,816	1.1%
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metropolitan Area	1,460	0.9%
O-23	Ichigo Nakano North Building	Tokyo Metropolitan Area	764	0.5%
O-24	Ichigo Eitai Building	Tokyo Metropolitan Area	1,490	0.9%
O-25	Ichigo Yokosuka Building	Tokyo Metropolitan Area	971	0.6%
O-26	Ichigo Ikejiri Building	Tokyo Metropolitan Area	2,030	1.2%
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metropolitan Area	639	0.4%
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.5%

No.	Property	Area[1]	Acquisition Price[2] (mm yen)	% of Portfolio[3]
O-29	Ichigo Kichijoji Building	Tokyo Metropolitan Area	2,160	1.3%
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.9%
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	4.1%
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,650	1.0%
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.7%
O-40	Ichigo Saga Building	Other Regional Cities	659	0.4%
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.8%
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.3%
O-47	Ichigo Akiharaba North Building	Central Tokyo	5,500	3.4%
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.2%
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.4%
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	1.2%
O-51	Ebisu Green Glass	Central Tokyo	5,900	3.6%
O-52	Ichigo Omori Building	Central Tokyo	3,850	2.4%
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	1.0%
O-54	Ichigo Omiya Building	Tokyo Metropolitan Area	3,430	2.1%
O-55	Ichigo Sagamihara Building	Tokyo Metropolitan Area	1,174	0.7%
O-56	Ichigo Ofuna Building	Tokyo Metropolitan Area	2,000	1.2%
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	1.1%
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.9%
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	4.4%
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	2.2%
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	2.4%
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.9%
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.9%
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.5%
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.4%
O-66	Ichigo Kudan Building	Central Tokyo	3,190	2.0%
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	2.2%
O-68	Axior Mita	Central Tokyo	1,800	1.1%
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metropolitan Area	4,570	2.8%
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	1.0%
O-71	Ichigo Kawasaki Building	Tokyo Metropolitan Area	1,750	1.1%
Subtotal - Office (59 Properties)			140,277	85.9%

No.	Property	Area[1]	Acquisition Price[2] (mm yen)	% of Portfolio[3]
R-04	Ichigo Serviced Apartments Takanawadai	Central Tokyo	1,360	0.8%
R-06	B-SITE Hamamatsucho	Central Tokyo	701	0.4%
R-09	Ichigo Serviced Apartments Ginza	Central Tokyo	946	0.6%
Z-02	Ichigo Fiesta Shibuya	Central Tokyo	1,970	1.2%
Z-03	Ichigo Burg Omori	Tokyo Metropolitan Area	3,218	2.0%
Z-04	Ichigo Pagoda Asakusa	Tokyo Metropolitan Area	1,640	1.0%
Z-05	Ichigo Machida East Building	Tokyo Metropolitan Area	1,310	0.8%
Z-07	Ichigo Sapporo Minami 2 Nishi 3 Building	Four Major Regional Cities	558	0.3%
Z-08	Ichigo Daimyo Balcony	Four Major Regional Cities	638	0.4%
Z-09	Konami Sports Club Izumi Fuchu	Other Regional Cities	1,210	0.7%
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.5%
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metropolitan Area	1,620	1.0%
Z-12	Lions Square Kawaguchi	Tokyo Metropolitan Area	2,430	1.5%
Z-13	Ichigo Shin Yokohama Arena Dori Building	Tokyo Metropolitan Area	1,700	1.0%
Z-14	Ichigo Kamata Building	Tokyo Metropolitan Area	1,400	0.9%
		Subtotal - Others (15 Properties)	23,101	14.1%
		Total (74 Properties)	163,378	100.0%

Investments in Securities	Motoazabu Holdings GK TK Equity Interest	1,000	—
	Ikenohata Holdings GK TK Equity Interest	1,000	—
	Total (2 TK Equity Interests)	2,000	—

[1] "Central Tokyo" refers to Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa Wards. "Tokyo Metropolitan 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 consumption tax. For the 39 assets acquired via the REIT merger on November 1, 2011 (O-02 to O-42 and Z-02 to Z-08), the appraisal value is shown as of October 31, 2011.

[3] % of Portfolio is the Acquisition Price of the Total Acquisition Price and rounded to the nearest second decimal place.