[Provisional Translation Only]
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New Loan and Interest Rate Swap

Ichigo Office decided today to borrow funds via a new loan ("Term Loan XI") 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

Ichigo Office continues to execute on its strategy to grow long-term value for its shareholders by focusing its portfolio on high-quality office assets.

Consistent with this strategy, Ichigo Office sold three non-office retail assets during the April 2018 fiscal period and will acquire two Central Tokyo offices with strong tenant demand and upside rent potential on May 9.[1,2] The new loan will be used along with cash-on-hand to acquire the two offices, and will lengthen Ichigo Office's overall loan maturity. The interest rate swap will fix the interest rate to hedge against any future rise in interest rates.

[1] For details of the sales, please refer to the March 16, 2018 release "Sale of Two Retail Assets (Ichigo Sapporo Minami 2 Nishi 3 Building, Ichigo Daimyo Balcony)" and the March 29, 2018 release "Sale of Retail Asset (Ichigo Burg Omori Building)."

[2] For details of the acquisitions, please refer to the April 25, 2018 releases "Acquisition of Two Office Assets (Win Gotanda Building 2, MIF Building)" and "Strategic Portfolio Restructuring."

2. Loan and Interest Rate Swap Details

Term Loan XI

Lender	SMBC, Mizuho Bank, Shinsei Bank, MUFG Bank, Bank of Fukuoka, Nishi-Nippon City Bank, Kagawa Bank
Loan Amount	JPY 2 billion
Use of Proceeds	Asset acquisition and related costs
Loan Date	May 9, 2018
Principal Repayment Date	April 30, 2024
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.60% (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

Interest Rate Swap

Counterparty	Mizuho Bank
Contract Date	May 7, 2018
Fixed Interest Rate	0.795%

[1] As a result of the interest rate swap, the interest rate for Term Loan XI is fixed at 0.795%. However, the interest rate for the payment on the first payment date (from May 9, 2018 through May 31, 2018) will be 0.03249%. The notional value of the swap will be equal to the loan amount.

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 the interest rate swap on Ichigo Office's October 2018 and April 2019 fiscal period earnings has already been reflected in Ichigo Office's April 25, 2018 release "Earnings Forecast Revision for the October 2018 Fiscal Period and Earnings Forecast for the April 2019 Fiscal Period."

4. Other

Risks related to this loan have no material impact on the "Investment Risks" described in the latest Financial Report submitted January 26, 2018.

Reference: Loan and Bond Composition after New Loan

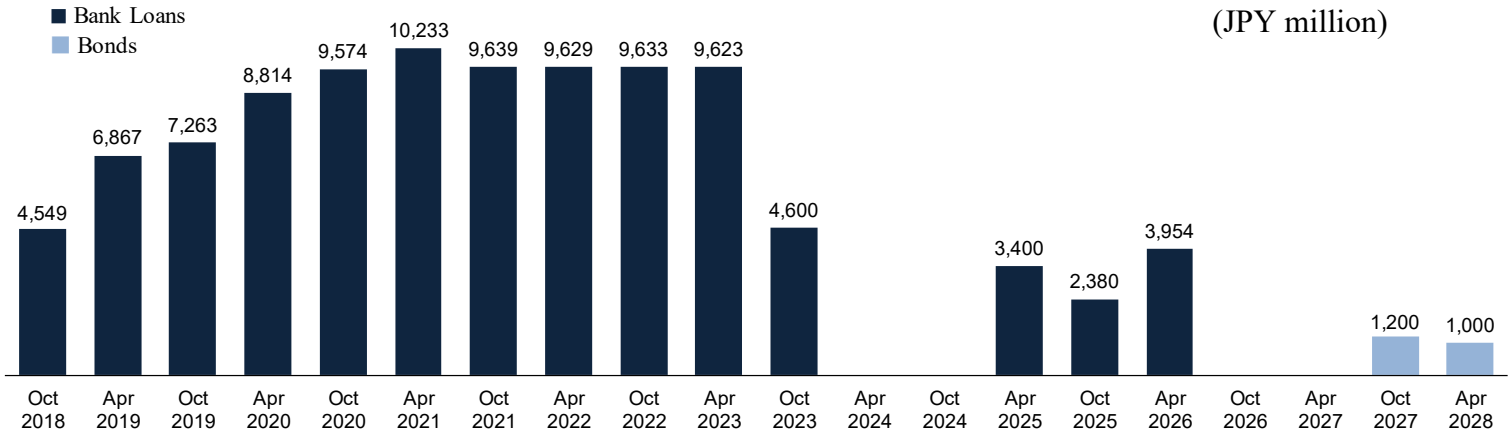
Outstanding Loan and Bond Balance (as of May 9, 2018)

(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)	11,575	11,575	–
Long-term bank loans	89,012	91,012	+2,000
Total bank loans	**100,587**	**102,587**	**+2,000**
Bonds	2,200	2,200	–
Total bank loans and bonds	**102,787**	**104,787**	**+2,000**
Other interest-bearing liabilities	–	–	–
Total interest-bearing liabilities	**102,787**	**104,787**	**+2,000**

Distribution of Loan and Bond Maturities (as of May 9, 2018)

Before New Loan



After New Loan

