[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 XV") 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 repay part of an existing loan of JPY 3.867 billion. Details of the loan being repaid are in Section 3 below. The remainder of that existing loan will be repaid from the bond issuance announced on November 22, 2018.

The term of the new loan is 7.8 years, longer than the loan being repaid, further strengthening Ichigo Office's finances. 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 XV

Lender	SMBC, Mizuho Bank, Shinsei Bank, Aozora Bank
Loan Amount	JPY 2.866 billion
Use of Proceeds	Repayment of existing loan (SMBC Syndicate Loan II (Term Loan 2))
Loan Date	November 30, 2018
Principal Repayment Date	September 30, 2026
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 December 28, 2018 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 XV at 0.975%.

Swap Details

Counterparty	Mizuho Bank
Contract Date	November 28, 2018
Fixed Interest Rate	0.975%

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 Being Repaid

SMBC Syndicate Loan II (Term Loan 2)

Lender	SMBC, Mizuho Bank, Shinsei Bank, Aozora Bank
Loan Amount	JPY 3.867 billion (original loan amount: JPY 4 billion)
Use of Proceeds	Asset acquisition and related costs
Loan Date	December 10, 2013
Principal Repayment Date	November 30, 2018
Principal Repayment Terms	JPY 5 million of the principal will be repaid on each Partial Principal Repayment Date; the remainder will be repaid in full on the Principal Repayment Date.
Partial Principal Repayment Date	Final day of January, April, July, and October following the Loan Date
Interest Rate	3M JPY TIBOR + 0.95% (p.a.)
Collateralized	No

4. Earnings Outlook

The impact of the new loan and interest rate swap on Ichigo Office's 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 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

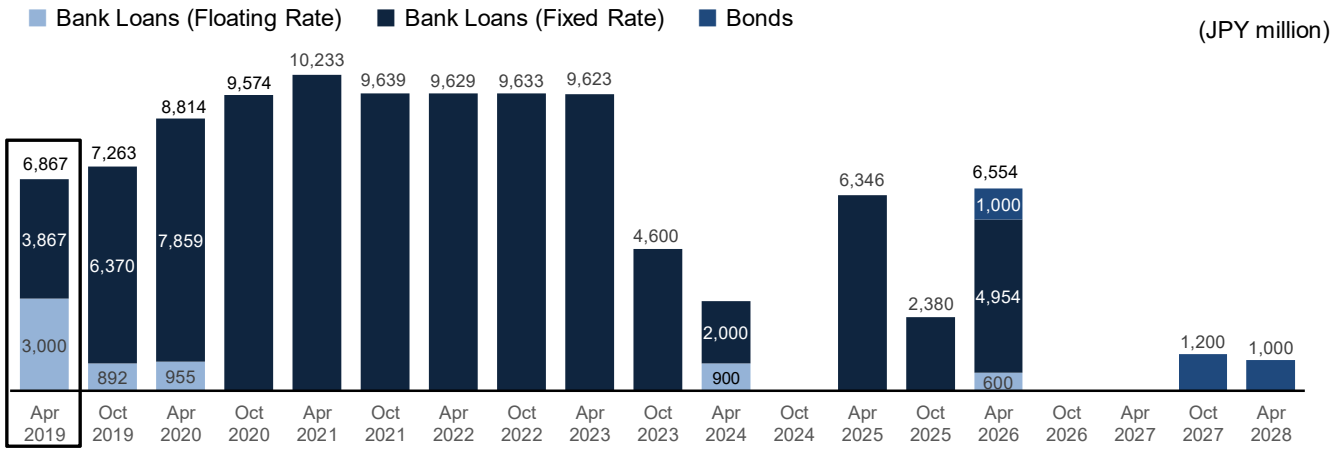
(JPY million)

	Before New Loan (A)	After New Loan (B)	Change (B) - (A)
Short-term bank loans	–	–	–
Long-term bank loans (due within one year)	16,743	12,875	-3,867
Long-term bank loans	86,657	89,523	+2,866
Total bank loans	**103,400**	**102,398**	**-1,001**
Bonds	3,200	3,200	–
Total bank loans and bonds	**106,600**	**105,598**	**-1,001**
Other interest-bearing liabilities	–	–	–
Total interest-bearing liabilities	**106,600**	**105,598**	**-1,001**

Note: Includes JPY 1 billion in proceeds from the bond issuance announced on November 22.

Distribution of Loan and Bond Maturities

Before New Loan



After New Loan

