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[Provisional Translation Only]
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New Loans and Interest Rate Swaps

Ichigo Office decided today to borrow funds via new loans ("Term Loan XVIII-A," "Term Loan XVIII-B," and "Term Loan XVIII-C") and enter into interest rate swaps to lock-in the interest rates on the three loans.

1. Reason for New Loans and Interest Rate Swaps

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

The terms of the new loans are 7.4 years, longer than the existing loans to be repaid, further strengthening Ichigo Office's finances. Ichigo Office is fixing the interest rates on the three loans via swaps in order to hedge against any future rise in interest rates.

2. Loans and Interest Rate Swaps Details

Term Loan XVIII-A

Lender	SMBC
Loan Amount	JPY 1 billion
Use of Proceeds	Repayment of existing loan (Term Loan VII-A)
Loan Date	April 26, 2019
Principal Repayment Date	September 25, 2026 (7.4 year loan term)
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	25th of each month following the Loan Date (the first payment date will be May 25, 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 XVIII-A at 0.867%.

Swap Details

Counterparty	Mizuho Bank
Contract Date	April 24, 2019
Fixed Interest Rate	0.867%

Term Loan XVIII-B

Lender	Resona Bank
Loan Amount	JPY 1 billion
Use of Proceeds	Repayment of existing loan (Syndicate Loan IV)
Loan Date	April 26, 2019
Principal Repayment Date	September 25, 2026 (7.4 year loan term)
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	25th of each month following the Loan Date (the first payment date will be May 25, 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 XVIII-B at 0.867%.

Swap Details

Counterparty	Mizuho Bank
Contract Date	April 24, 2019
Fixed Interest Rate	0.867%

Term Loan XVIII-C

Lender	Bank of Fukuoka
Loan Amount	JPY 1 billion
Use of Proceeds	Repayment of existing loan (Syndicate Loan IV)
Loan Date	April 26, 2019
Principal Repayment Date	September 25, 2026 (7.4 year loan term)
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	25th of each month following the Loan Date (the first payment date will be May 25, 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 XVIII-C at 0.867%.

Swap Details

Counterparty	Mizuho Bank
Contract Date	April 24, 2019
Fixed Interest Rate	0.867%

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 following business day. If the following business day falls into the following month, payment shall be made on the previous business day.

3. Existing Loans Being Repaid

Term Loan VII-A

Lender	SMBC
Loan Amount	JPY 1 billion
Use of Proceeds	Asset acquisition and related costs
Loan Date	November 2, 2016
Principal Repayment Date	April 30, 2019
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.39% (p.a.)
Collateralized	No

Syndicate Loan IV

Lender	Resona Bank, Bank of Fukuoka
Loan Amount	JPY 2 billion
Use of Proceeds	Repayment of existing loans
Loan Date	April 30, 2014
Principal Repayment Date	April 30, 2019
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	3M JPY TIBOR + 0.90% (p.a.)
Collateralized	No

4. Earnings Outlook

The impact of the new loans and interest rate swaps 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."

5. Other

Risks related to the loans have no material impact on the "Investment Risks" described in the latest Financial Report submitted January 28, 2019.

Reference: Loan and Bond Composition after New Loans

Outstanding Loan and Bond Balance

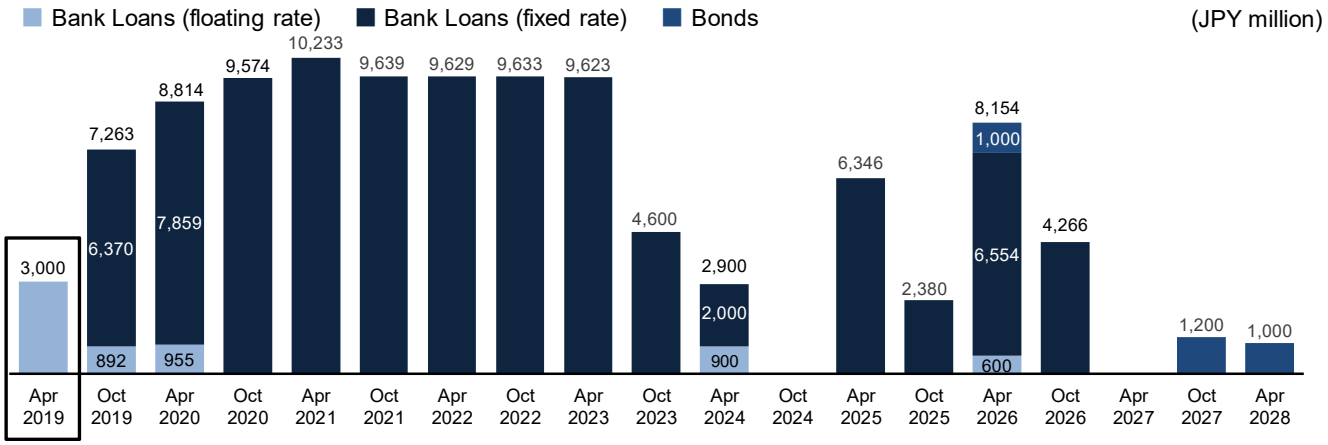
(JPY million)

	Before New Loans (A)	After New Loans (B)[1]	Change (B) - (A)
Short-term bank loans	–	–	–
Long-term bank loans (due within one year)	19,207	16,198	-3,009
Long-term bank loans	86,153	89,126	+2,972
Total bank loans	**105,361**	**105,324**	**-36**
Bonds	3,200	3,200	–
Total bank loans and bonds	**108,561**	**108,524**	**-36**
Other interest-bearing liabilities	–	–	–
Total interest-bearing liabilities	**108,561**	**108,524**	**-36**

[1] The amount excludes a JPY 36 million partial principal repayment scheduled on April 26, 2019.

Distribution of Loan and Bond Maturities

Before New Loans



After New Loans

