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April 8, 2016

**Ichigo Inc.** (Tokyo Stock Exchange First Section, 2337)

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### **Sale of Five Office Assets to Ichigo Office REIT**

Ichigo decided today to sell five assets (total sale price: JPY 8.37 billion) owned by its subsidiaries, Motoazabu Holdings GK Tokumei Kumiai (“Motoazabu TK”) and Ikenohata Holdings GK Tokumei Kumiai (“Ikenohata TK”), to Ichigo Office REIT (8975). As announced in the July 28, 2015 release “Asset Acquisitions, New Loans, and New Subsidiary Consolidations,” Ichigo acquired these assets jointly with Ichigo Office REIT and is now selling these assets fully to Ichigo Office REIT.

On today’s asset sales, Ichigo expects to record consolidated revenues of c. JPY 8.4 billion.

#### **1. Background**

As Ichigo Office REIT’s sponsor, Ichigo is working to generate win-win outcomes for both Ichigo’s and Ichigo Office REIT’s shareholders. Ichigo’s sponsor support includes deploying Ichigo’s network for asset acquisitions, asset warehousing, value-add enhancements to Ichigo Office REIT assets, and tenant leasing. Through these activities, Ichigo is expanding its stable earnings base and further increasing its capital efficiency via the growth of its asset management business.

Ichigo executed the purchase and sale of these assets to Ichigo Office REIT as part of its asset warehousing activities as Ichigo Office REIT’s sponsor. With today’s transaction, Ichigo Office REIT continues to execute on its action plan to “Increase portfolio size and scale and be smart in portfolio restructuring” as described in Stage V (“Lay Foundation for Sustainable Dividend Growth”) of its Growth Strategy Roadmap.

## 2. Asset Details

### (i) Motoazabu TK Assets

#### Ichigo Shibuya East Building (Current Name: Dai 5 Akiyama Building)

Location	1-Chome, Higashi, Shibuya-ku, Tokyo
Access	9-minute walk from Shibuya Station on the JR Yamanote Line
Land Area	297.16 m <sup>2</sup>
Total Floor Area	1,159.16 m <sup>2</sup>
Zoning	Commercial, Category II Mid/High-Rise Residential
Structure	RC 6F
Builder	Tobishima Corporation

#### Ichigo Ningyocho Building (Current Name: Ningyocho Central Building)

Location	1-Chome, Nihonbashi Horidomecho, Chuo-ku, Tokyo
Access	4-minute walk from both Ningyocho and Kodenmacho Stations on the Tokyo Metro Hibiya Line
Land Area	318.89 m <sup>2</sup>
Total Floor Area	2,122.71 m <sup>2</sup>
Zoning	Commercial
Structure	SRC 11F
Builder	Taisei Corporation

#### Ichigo Nishi Honmachi Building (Current Name: Osaka Nishi Honmachi Building)

Location	2-Chome, Awaza, Nishi-ku, Osaka
Access	4-minute walk from Awaza Station on the Osaka Municipal Subway Chuo Line
Land Area	1,081.64 m <sup>2</sup>
Total Floor Area	8,452.34 m <sup>2</sup>
Zoning	Commercial
Structure	SRC 14F
Builder	Konoike Construction Co., Ltd.

### (ii) Ikenohata TK Assets

#### Ichigo Hakata Building (Current Name: Sigma Hakata Building)

Location	Gioncho, Hakata-ku, Fukuoka
Access	1-minute walk from Gion Station on the Fukuoka City Subway Kuko Line
Land Area	644.27 m <sup>2</sup>
Total Floor Area	3,469.90 m <sup>2</sup>
Zoning	Commercial
Structure	SRC B1/9F
Builder	Araigumi Co., Ltd.

### Nishiki First Building

Location	1-Chome, Nishiki, Naka-ku, Nagoya
Access	6-minute walk from Fushimi Station on the Nagoya Municipal Subway Higashiyama and Tsurumai Lines
Land Area	947.10 m <sup>2</sup>
Total Floor Area	5,740.45 m <sup>2</sup>
Zoning	Commercial
Structure	SRC B1/7F
Builder	Joint venture of Obayashi Corporation, Sato Kogyo Co., Ltd. and Shimizu Corporation

### 3. Buyer Overview

Name	Ichigo Office REIT Investment Corporation (8975)
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Yoshihiro Takatsuka, Representative Director
Asset Manager	Ichigo Real Estate Investment Advisors Co., Ltd.

### 4. Seller Overview

#### Motoazabu TK

Company Name	Motoazabu Holdings GK Tokumei Kumiai
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
TK Operator	Motoazabu Holdings GK
Representative	Managing Member: Ippan Shadan Hojin Star Holding Manager: Mariko Hirano
Business	Acquisition, holding, sale, lease, and management of trust beneficiary interest and real estate, and other ancillary services
Paid-In Capital	JPY 100,000
Establishment Date	July 28, 2015
Relationship to Parent Company	The TK does not have any capital, personnel, or business relationship of note to Ichigo.
Business and Financial Conditions in Past Three Years	Since the TK was recently established on July 28, 2015, there are no past earnings results.

#### Ikenohata TK

Company Name	Ikenohata Holdings GK Tokumei Kumiai
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
TK Operator	Ikenohata Holdings GK
Representative	Managing Member: Ippan Shadan Hojin Star Holding Manager: Hiroshi Sasaki
Business	Acquisition, holding, sale, lease, and management of trust beneficiary interest and real estate, and other ancillary services
Paid-In Capital	JPY 100,000
Establishment Date	July 28, 2015
Relationship to Parent Company	The TK does not have any capital, personnel, or business relationship of note to Ichigo.
Business and Financial Conditions in Past Three Years	Since the TK was recently established on July 28, 2015, there are no past earnings results.

## 5. Sale Prices

(i)	Motoazabu TK-Owned Assets	
	Ichigo Shibuya East Building	JPY 1.35 billion
	Ichigo Ningyocho Building	JPY 1.45 billion
	Ichigo Nishi Honmachi Building	JPY 2.19 billion
	<u>Sub-Total</u>	<u>JPY 4.99 billion</u>
(ii)	Ikenohata TK-Owned Assets	
	Ichigo Hakata Building	JPY 1.38 billion
	Nishiki First Building	JPY 2.00 billion
	<u>Sub-Total</u>	<u>JPY 3.38 billion</u>
	<u>Total</u>	<u>JPY 8.37 billion</u>

## 6. Schedule

Contract Date	April 8, 2016
Expected Settlement Date	May 9, 2016

## 7. Future Outlook

This asset sale will be reflected in Ichigo's FY17/2 earnings forecast to be released on April 19, 2016. While Ichigo received rental income from these assets during FY16/2 and FY17/2, will record FY17/2 consolidated revenues of c. JPY 8.4 billion from the sale, and will earn asset management fees on the assets from FY17/2 forward as the manager of Ichigo Office REIT, the asset sale itself is not expected to have a material impact on Ichigo's FY17/2 earnings.

## 8. Other

For further details, please refer to today's release from Ichigo Office REIT (8975), "Acquisition of Five Office Assets".