



Ichigo Preserves and Improves Real Estate

*[Provisional Translation Only]*

*This English translation of the original Japanese document is provided solely for information purposes.*

*Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*

June 14, 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](http://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

**Partial Amendment to Articles of Incorporation and Election of Directors**

Ichigo Office REIT decided at its board meeting today to submit proposals to its shareholders for amendments to its Articles of Incorporation and the election of Directors at the Ichigo Office REIT shareholder meeting to be scheduled for July 30, 2016. The new Articles of Incorporation and the terms of the Directors will become effective by resolution at the shareholder meeting.

1. Explanation of the Proposed Amendments

The Articles of Incorporation are proposed to be amended for the following reasons:

- (a) To clarify language related to recent amendments to Calculation Rules for Investment Corporations and the Act on Special Measures Concerning Taxation regarding the difference between tax and accounting treatment of investment corporations' profits (Article 37, Paragraph 1 below).
- (b) To delete unnecessary language and to clarify expressions (all other changes).

Below are the proposed changes to the Articles of Incorporation.

(Amendments are underlined)

| Before Amendment  | After Amendment   |
|---|---|
| <p>Article 37 Dividend Distribution Policy<br/>(omitted)</p> <p>(1) Distribution of earnings<br/>(i) (omitted)<br/>(ii) The amount of dividend is in principle more than 90 percent of the investment corporation's distributable earnings as prescribed in Article 67-15 Paragraph 1 of Special Measures Concerning Taxation ("Special Provisions for Taxation on Investment Corporations") (or, should there be changes to the calculation method due to amendments to laws and regulations, the amount after the change). However, this shall not apply when there is a tax loss or when there is no tax income due to loss carried forward; in such cases, the Investment Corporation shall reasonably determine the amount of dividend.</p> <p>The Investment Corporation can set aside from the distributable amount such items as long-term reserves for repairs deemed necessary for the maintenance and value enhancements of assets under management, payment reserves, dividend reserves, and other similar reserves and allowances.</p> <p><b>Attachments</b></p> <p>Structure of Fee Paid to the Asset Management Company<br/>(omitted)</p> <p>1 – 4. (omitted)</p> <p>5. Performance Fee</p> <p>(1) Fee shall be calculated as follows when (i) the cash flow per share stays the same as or increases from the previous period for six consecutive periods (including the period when fee is calculated; the same shall apply hereinafter), and (ii) the cash flow per share of the period when fee is calculated increased from the previous period.</p> <p>Performance fee = (cash flow per share of the</p> | <p>Article 37 Dividend Distribution Policy<br/>(no change)</p> <p>(1) Distribution of earnings<br/>(i) (no change)<br/>(ii) The amount of dividend is in principle more than 90 percent of the investment corporation's distributable earnings as prescribed in Article 67-15 Paragraph 1 of Special Measures Concerning Taxation ("Special Provisions for Taxation on Investment Corporations") (or, should there be changes to the calculation method due to amendments to laws and regulations, the amount after the change). However, this shall not apply when there is a tax loss or when there is no tax income due to loss carried forward; in such cases, the Investment Corporation shall reasonably determine the amount of dividend.</p> <p>The Investment Corporation can set aside, <u>suspend, or process for other purposes</u> from the distributable amount such items as long-term reserves for repairs deemed necessary for the maintenance and value enhancements of assets under management, payment reserves, dividend reserves, and other similar reserves and allowances, <u>in whatever amount necessary</u>.</p> <p><b>Attachments</b></p> <p>Structure of Fee Paid to the Asset Management Company<br/>(no change)</p> <p>1 – 4. (no change)</p> <p>5. Performance Fee</p> <p>(1) Fee shall be calculated as follows when (i) the cash flow per share stays the same as or increases from the previous period for six consecutive periods (including the period when fee is calculated; the same shall apply hereinafter), and (ii) the cash flow per share of the period when fee is calculated increased from the previous period.</p> <p>Performance fee = (cash flow per share of the</p> |

| Before Amendment  | After Amendment  |
|---|--|
| <p>current period – cash flow per share of the previous period) * total shares issued in the current period * 30.0%</p>   | <p>current period – cash flow per share of the previous period) * total <u>number of</u> shares issued in the current period * 30.0%</p>   |
| <p>(2) Fee shall be calculated as follows provided that the above conditions set forth in (1)(i) are not met and cash flow per share is above the simple average of cash flow per share of the latest six periods, and that the conditions set forth in (2)(ii) are met.</p>  | <p>(2) Fee shall be calculated as follows provided that the above conditions set forth in (1)(i) are not met and cash flow per share is above the simple average of cash flow per share of the latest six periods, and that the conditions set forth in (2)(ii) are met.</p>   |
| <p>Performance fee = (cash flow per share of the current period – simple average of cash flow per share of the latest six consecutive periods) * total shares issued in the current period * 30.0%</p>  | <p>Performance fee = (cash flow per share of the current period – simple average of cash flow per share of the latest six consecutive periods) * total <u>number of</u> shares issued in the current period * 30.0%</p>  |
| <p>(3) (omitted)</p>  | <p>(3) (no change)</p>   |
| <p>6. Merger Fee</p>  | <p>6. Merger Fee</p>   |
| <p>With regards to mergers conducted by the Investment Corporation, in cases where the Asset Management Company conducts research, valuation, and other operations related to the merger and the Investment Corporation succeeds the assets owned by the other party (<u>including the succession as a result of the merger between the Investment Corporation and Ichigo Real Estate Investment Corporation as per the August 8, 2011 merger agreement between the two parties; the former was the surviving corporation, and the latter was the absorbed corporation</u>), the fee shall be 0.5% times the valuation of real estate or real estate bonds the Investment Corporation succeeds upon merger.</p> | <p>With regards to mergers conducted by the Investment Corporation, in cases where the Asset Management Company conducts research, valuation, and other operations related to the merger and the Investment Corporation succeeds the assets owned by the other party, the fee shall be 0.5% times the valuation of real estate or real estate bonds the Investment Corporation succeeds upon merger.</p> |

## 2. Election of Directors

Due to the expiration of the directors' current terms of office in September 2016, Ichigo Office REIT's board is proposing the re-election of Executive Director Yoshihiro Takatsuka and Supervisory Directors Takaaki Fukunaga and Masahiro Terada.

To ensure the minimum number of executive directors as required by law and ordinance, Ichigo Office REIT's board is also proposing the election of a new Alternative Executive Director and a new Alternative Supervisory Director.

### Career Summaries of Candidates

| Title                                  | Name<br>(Birth Date)                              | Career Summary, Positions, Responsibilities and<br>Important Concurrent Positions   |   |
|--|---|---|---|
| Executive<br>Director<br>(Candidate)   | Yoshihiro<br>Takatsuka<br>(September<br>21, 1955) | <p>April 1978<br/>April 1985</p> <p>December 1996<br/>December 2000<br/>August 2007</p> <p>July 2010</p> <p>September 2010</p> <p>September 2011</p> <p>February 2015</p> | <p>Joined Bank of Tokyo, Ltd.<br/>Joined Salomon Brothers Asia Securities,<br/>Ltd.</p> <p>Joined Chase Securities Company<br/>Joined Nikko Citigroup Securities Limited<br/>Joined Credit Suisse Securities Japan<br/>Limited</p> <p>Established R's Consulting as the<br/>President (current)</p> <p>Joined Ichigo Office REIT and appointed<br/>Executive Director (current)</p> <p>Joined Oct Advisors Inc. as Partner<br/>(current)</p> <p>Appointed Director of Oct Advisors Inc.<br/>(current)</p>   |
| Supervisory<br>Director<br>(Candidate) | Takaaki<br>Fukunaga<br>(October 29,<br>1972)      | <p>October 1998<br/>October 2004</p> <p>October 2005</p> <p>September 2010</p> <p>January 2011</p> <p>June 2014</p> <p>October 2014</p> <p>December 2015</p>              | <p>Joined KPMG Tokyo<br/>Established Fukunaga C.P.A. Office as<br/>Representative (current)</p> <p>Joined Global Solutions Consulting Co.,<br/>Ltd. and appointed Representative<br/>Director (current)</p> <p>Joined Ichigo Office REIT and appointed<br/>Supervisory Director (current)</p> <p>Joined GreenOak Investment Management<br/>K.K. and appointed Corporate Auditor<br/>(current)</p> <p>Joined HIRAYAMA Co., Ltd. and<br/>appointed Corporate Auditor (current)</p> <p>Joined Ticket Guard Small Amount &amp;<br/>Short Term Insurance Co.,Ltd. and<br/>appointed Corporate Auditor (current)</p> <p>Joined PP Japan Co., Ltd. and appointed<br/>Corporate Auditor (current)</p> |

|  |                                    |  |  |
|--|------------------------------------|--|--|
| Supervisory Director (Candidate)             | Masahiro Terada (May 7, 1968)      | April 1996<br>May 1998<br>May 2000<br>August 2002<br>September 2003<br>August 2004<br>January 2006<br>October 2011 | Qualified as Attorney at Law (Daini Tokyo Bar Association)<br>Joined Daiwa Securities Co., Ltd. (presently Daiwa Securities Group Inc.) as an in-house counsel<br>Joined Morgan Stanley Japan Limited (presently Morgan Stanley MUFG Securities Co., Ltd.) as an in-house counsel<br>Attended Duke University School of Law<br>Joined Nixon Peabody LLP as a visiting attorney<br>Joined City-Yuwa Partners<br>Appointed Partner (current)<br>Joined Ichigo Office REIT and appointed Supervisory Director (current) |
| Alternative Executive Director (Candidate)   | Keisuke Chiba (September 10, 1979) | October 2006<br>January 2010<br>September 2014   | Qualified as Attorney at Law (Tokyo Bar Association)<br>Joined Atsumi & Partners (presently Atsumi & Sakai)<br>Sent on loan to the legal department of Mitsui & Co., Ltd.<br>Joined Hokuto Law Office (current)  |
| Alternative Supervisory Director (Candidate) | Nagahisa Kita (April 15, 1984)     | December 2012<br>January 2013<br>April 2015  | Qualified as Attorney at Law (Tokyo Bar Association)<br>Joined Midosuji Legal Profession Corporation<br>Joined Partners Law Office (current)   |

The candidates do not hold any shares of the Investment Corporation, and there is no special relationship between Ichigo Office REIT and the candidates.

### 3. Schedule

|               |  |
|---------------|--|
| June 14, 2016 | Board of Directors resolution                    |
| July 8, 2016  | Shareholder meeting materials release (expected) |
| July 30, 2016 | Shareholder meeting (expected)                   |