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Issuer

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**Earnings and Dividend Forecast Revisions for the October 2017 Fiscal Period and Forecast for the April 2018 Fiscal Period**

Ichigo Office REIT is revising up its October 2017 earnings and dividend forecast that was announced in the December 15, 2016 release “Financial Report for the October 2016 Fiscal Period.”

April 2017 earnings will be announced on June 14, 2017. The current April 2017 forecast is unchanged.

1. October 2017 Earnings and Dividend Forecast Revision

	Operating Revenue (JPY million)	Operating Profit (JPY million)	Recurring Profit (JPY million)	Net Income (JPY million)	Dividend per Share (JPY)
Previous Announced Forecast (A)	7,333	3,328	2,591	2,590	1,920
Current Amended Forecast (B)	7,462	3,450	2,707	2,706	1,930
Difference (B) - (A)	+128	+121	+115	+115	+10
% Change	+1.7%	+3.6%	+4.4%	+4.4%	+0.5%

Number of shares outstanding at the end of the October 2017 fiscal period: 1,532,287 shares

The forecast presented above is based on certain preconditions set out below in “Preconditions for the October 2017 Earnings and Dividend Forecast.” The actual operating revenue, operating profit, recurring profit, net income, and dividend per share may vary due to changes in circumstances such as asset acquisitions and dispositions, tenant turnover, unexpected maintenance and repair costs and other expenses, changes in interest rates, and the issuance of new shares. These forecasts should not be construed as a guarantee of such performance or results. Ichigo Office REIT will make a forecast revision should there be a substantial discrepancy between the forecast and actual operating results.

## 2. October 2017 Earnings and Dividend Forecast Revision Rationale

Ichigo Office REIT is raising its earnings and dividend forecast to reflect strong operating results and the impact of the strategic portfolio restructuring (“Strategic Restructuring”) announced in today’s release “Acquisition of Three Office Assets and Sale of Four Non-Office Assets.”

Ichigo Office REIT continues to execute on its strategy to drive stable dividend growth (Stage VI, Growth Strategy Roadmap). By acquiring three Tokyo office assets and selling four earnings-volatile Tokyo non-office assets (three serviced apartments and one retail asset), the Strategic Restructuring will increase the stability and quality of Ichigo Office REIT’s portfolio. Because the office assets have higher occupancy and a higher NOI yield than the non-office assets being sold, the Strategic Restructuring will also increase Ichigo Office REIT’s earnings.

Operating revenue is expected to exceed the previous forecast by JPY 128 million, comprised of a JPY 49 million rental income increase due to the Strategic Restructuring, a JPY 82 million rental income increase from the current portfolio, JPY 8 million from lease termination penalties received, and a JPY 11 million decrease in operating revenue due to lower utilities income from tenants.

Operating expenses are expected to exceed the previous forecast by JPY 7 million, comprised of a JPY 33 million decrease in rental expenses offset by a JPY 41 million increase in asset management fees. The JPY 33 million decrease in rental expenses is driven by a JPY 20 million decrease from the Strategic Restructuring, a JPY 45 million decrease in utilities expenses, and a JPY 32 million increase in maintenance repair costs and service provider fees. Operating profit is therefore expected to increase by JPY 121 million.

Non-operating expenses are expected to increase c. JPY 4 million, comprised of a JPY 8 million increase in up-front financing fees from the new loans to be executed in May 2017, partially offset by a JPY 3 million decrease in interest expenses from lower interest rates on the new loans. As a result, recurring profit and net income are each forecast to increase by JPY 115 million.

Ichigo Office REIT therefore expects to raise its October 2017 dividend by JPY 10 to JPY 1,930 per share and pay total dividends of JPY 2,957 million. The dividend forecast assumes JPY 200 million of negative goodwill amortization and a dividend reserve reversal of JPY 50 million that reflects capital gains on asset sales.

### 3. April 2018 Earnings and Dividend Forecast Rationale

	Operating Revenue (JPY million)	Operating Profit (JPY million)	Recurring Profit (JPY million)	Net Income (JPY million)	Dividend per Share (JPY)
Previous Announced April 2018 Forecast (A)	7,338	3,551	2,735	2,735	1,940
Current Amended October 2017 Forecast (B)	7,462	3,450	2,707	2,706	1,930
Difference (B) - (A)	-123	+101	+28	+28	+10
% Change	-1.6%	+2.9%	+1.0%	+1.0%	+0.5%

Number of shares outstanding at the end of the April 2018 fiscal period: 1,532,287 shares

The forecast presented above is based on certain preconditions set out below in “Preconditions for the April 2018 Earnings and Dividend Forecast.” The actual operating revenue, operating profit, recurring profit, net income, and dividend per share may vary due to changes in circumstances such as asset acquisitions and dispositions, tenant turnover, unexpected maintenance and repair costs and other expenses, changes in interest rates, and the issuance of new shares. These forecasts should not be construed as a guarantee of such performance or results. Ichigo Office REIT will make a forecast revision should there be a substantial discrepancy between the forecast and actual operating results.

### 4. April 2018 Earnings and Dividend Forecast Rationale

April 2018 operating revenue is expected to decrease by JPY 123 million versus October 2017, because a JPY 13 million increase from the Strategic Restructuring is expected to be offset by a JPY 94 million decrease in rental income, a JPY 35 million seasonal decrease in utilities income from tenants, and a JPY 8 million decrease in lease termination penalties received.

Operating expenses are expected to decrease by JPY 225 million versus October 2017 due to a JPY 67 million decrease in rental expenses from seasonal variation in utilities expenses and lower maintenance repair costs and service provider fees and a JPY 159 million decrease in asset management fees. Operating profit is thus expected to increase by JPY 101 million.

Ichigo Office REIT expects a JPY 73 million increase in non-operating expenses versus October 2017, primarily due to an increase in up-front financing fees of an existing loan maturing October 31, 2017 which will be refinanced. As a result, recurring profit and net income are each forecast to increase by JPY 28 million.

Ichigo Office REIT therefore expects to raise its April 2018 dividend by JPY 10 to 1,940 per share and pay total dividends of JPY 2,972 million. The dividend forecast assumes JPY 200 million of negative goodwill amortization and a dividend reserve reversal of JPY 38 million that reflects capital gains on asset sales.

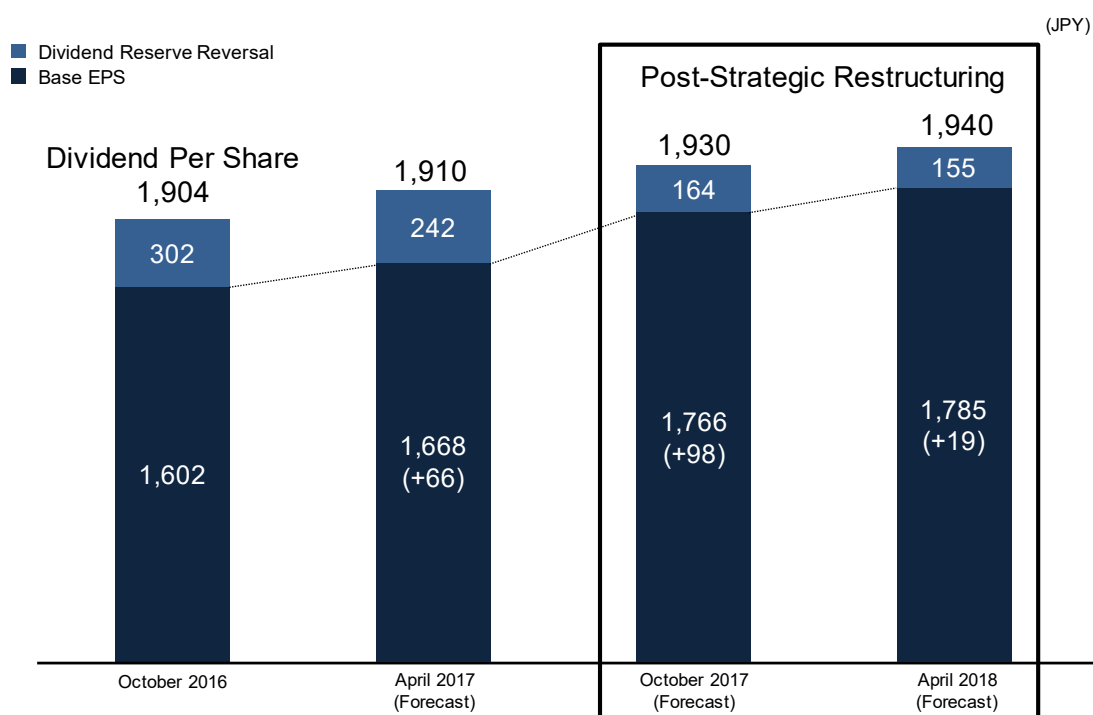
## Preconditions for October 2017 Earnings and Dividend Forecast

Preconditions	
Period	October 2017: May 1, 2017 – October 31, 2017 (184 days)
Number of Assets	<ul style="list-style-type: none"> <li>• 85 assets after the Strategic Restructuring. The forecast assumes there will be no additional acquisitions or sales through October 31, 2017.</li> </ul>
Number of Shares	<ul style="list-style-type: none"> <li>• 1,532,287 shares issued and outstanding as of today</li> </ul>
Operating Revenue	<ul style="list-style-type: none"> <li>• Rental income is calculated conservatively based on lease contracts that are in effect as of today while taking into consideration such factors as historical rents, the competitiveness of the properties, and market conditions.</li> <li>• Total occupancy: 97.1% as of October 31, 2017</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>• Among rental expenses, Ichigo Office REIT's principal operating expenses (other than depreciation – see below) are calculated based on historical data while taking into consideration variable expenses.</li> <li>• Property and city planning taxes: JPY 595 million. The prorated property and city planning taxes related to the Strategic Restructuring will be included in the acquisition cost and shall be excluded from operating expenses.</li> <li>• Building maintenance and repair expenses: JPY 128 million. However, expenses for each period may differ significantly from these estimated amounts for reasons including the variability of maintenance and repair expenses, costs due to unexpected building damage, etc.</li> <li>• Service provider expenses including property management fees: JPY 664 million.</li> <li>• Depreciation: JPY 925 million. Depreciation has been calculated using the straight-line method and includes the depreciation of forecast future capital expenditures in the depreciation amount.</li> <li>• Performance fees: JPY 165 million</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• Interest expenses: JPY 532 million</li> <li>• Borrowing-related expenses: JPY 211 million</li> </ul>
Loans	<ul style="list-style-type: none"> <li>• Total borrowings: JPY 103,193 million as of October 31, 2017</li> </ul>
Dividend per Share	<ul style="list-style-type: none"> <li>• The dividend forecast assumes that distributions will comply with the dividend distribution policy stipulated in Ichigo Office REIT's Articles of Incorporation.</li> <li>• Dividends for the October 2017 period are forecast to be the total of unappropriated retained earnings of JPY 2,706 million, JPY 200 million of negative goodwill amortization, and a JPY 50 million dividend reserve reversal.</li> <li>• The dividend is subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares.</li> </ul>
Dividend in Excess of Earnings per Share	<ul style="list-style-type: none"> <li>• Ichigo Office REIT does not plan on making any dividend distribution in excess of earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.</li> </ul>

## Preconditions for April 2018 Earnings and Dividend Forecast

Preconditions	
Period	April 2018: November 1, 2017 – April 30, 2018 (181 days)
Number of Assets	<ul style="list-style-type: none"> <li>• 85 assets after the Strategic Restructuring. The forecast assumes there will be no additional acquisitions or sales through April 30, 2018.</li> </ul>
Number of Shares	<ul style="list-style-type: none"> <li>• 1,532,287 shares issued and outstanding as of today</li> </ul>
Operating Revenue	<ul style="list-style-type: none"> <li>• Rental income is calculated conservatively based on lease contracts that are in effect as of today while taking into consideration such factors as historical rents, the competitiveness of the properties, and market conditions.</li> <li>• Total occupancy: 96.8% as of April 30, 2018</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>• Among rental expenses, Ichigo Office REIT's principal operating expenses (other than depreciation – see below) are calculated based on historical data while taking into consideration variable expenses.</li> <li>• Property and city planning taxes: JPY 589 million. The prorated property and city planning taxes related to the Strategic Restructuring will be included in the acquisition cost and shall be excluded from operating expenses.</li> <li>• Building maintenance and repair expenses: JPY 110 million. However, expenses for each period may differ significantly from these estimated amounts for reasons including the variability of maintenance and repair expenses, costs due to unexpected building damage, etc.</li> <li>• Service provider expenses including property management fees: JPY 651 million.</li> <li>• Depreciation: JPY 918 million. Depreciation has been calculated using the straight-line method and includes the depreciation of forecast future capital expenditures in the depreciation amount.</li> <li>• Performance fees: zero</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• Interest expenses: JPY 526 million</li> <li>• Borrowing-related expenses: JPY 289 million</li> </ul>
Loans	<ul style="list-style-type: none"> <li>• Total borrowings: JPY 103,151 million as of April 30, 2018</li> </ul>
Dividend per Share	<ul style="list-style-type: none"> <li>• The dividend forecast assumes that distributions will comply with the dividend distribution policy stipulated in Ichigo Office REIT's Articles of Incorporation.</li> <li>• Dividends for the April 2018 period are forecast to be the total of unappropriated retained earnings of JPY 2,735 million, JPY 200 million of negative goodwill amortization, and a JPY 38 million dividend reserve reversal.</li> <li>• The dividend is subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares.</li> </ul>
Dividend in Excess of Earnings per Share	<ul style="list-style-type: none"> <li>• Ichigo Office REIT does not plan on making any dividend distribution in excess of earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.</li> </ul>

## Post-Strategic Restructuring – Base EPS & DPS



\* Base EPS = EPS excluding capital gains on asset sales  
 Figures in parentheses are the difference versus previous fiscal period.