

*[Provisional Translation Only]*

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**Ichigo Inc.** (Tokyo Stock Exchange First Section, 2337)  
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## Execution of Interest Rate Hedges

Ichigo has significantly reduced its interest rate risk should Japanese interest rates rise by executing 5-year and 7-year interest rate swaps that convert Ichigo's floating rate loans into fixed rate loans and purchasing 7-year interest rate caps that cap Ichigo's interest rates at 0.1%.

In its most recent transactions, Ichigo executed interest rate swaps with Sumitomo Mitsui Banking Corporation (SMBC) and Mizuho Bank on March 24, 2017 and with Sumitomo Mitsui Trust Bank (SMTB) on March 29, 2017. In total, Ichigo has executed hedges on JPY 54 billion of floating interest rate loans. In combination with Ichigo's fixed rate loans, Ichigo has fixed the interest rates on 74% of its JPY 93.5 billion corporate loan portfolio expected as of March 31, 2017.<sup>1</sup>

These interest rate hedges lock-in Japan's historically low interest rates and support Ichigo's ongoing earnings stability even in a rising interest rate environment.

<sup>1</sup> The loan for the Ichigo Showamura Ogose ECO Power Plant has been excluded from this corporate loan total. While it is currently a corporate loan, once the plant commences operation this fall it will convert to a non-recourse loan with an interest rate hedge already completed.

### 1. Interest Rate Hedge Details

Interest Rate Swaps (Total: JPY 44 billion)

#### SMBC

Amount	JPY 15 billion
Counterparty	SMBC
Period	September 30, 2016 to August 31, 2021 (c. 5 years)
Interest Rate	3M JPY TIBOR (Floating Rate Converted to Fixed)
Contract Date	September 16, 2016

#### Mizuho Bank

Amount	JPY 10 billion
Counterparty	Mizuho Bank
Period	September 30, 2016 to August 31, 2021 (c. 5 years)
Interest Rate	3M JPY TIBOR (Floating Rate Converted to Fixed)
Contract Date	September 16, 2016

### SMBC

Amount	JPY 10 billion
Counterparty	SMBC
Period	March 31, 2017 to February 29, 2024 (c. 7 years)
Interest Rate	3M JPY TIBOR (Floating Rate Converted to Fixed)
Contract Date	March 24, 2017

### Mizuho Bank

Amount	JPY 7 billion
Counterparty	Mizuho Bank
Period	March 31, 2017 to February 29, 2024 (c. 7 years)
Interest Rate	3M JPY TIBOR (Floating Rate Converted to Fixed)
Contract Date	March 24, 2017

### SMTB

Amount	JPY 2 billion
Counterparty	SMTB
Period	March 31, 2017 to February 29, 2024 (c. 7 years)
Interest Rate	3M JPY TIBOR (Floating Rate Converted to Fixed)
Contract Date	March 29, 2017

Interest Rate Caps (Total: JPY 10 billion)

### Tokyo Star Bank

Amount	JPY 5 billion
Counterparty	Tokyo Star Bank
Period	February 1, 2017 to January 31, 2024 (7 years)
Interest Rate	3M JPY TIBOR
Cap	0.10%
Contract Date	January 30, 2017

### Mizuho Bank

Amount	JPY 3 billion
Counterparty	Mizuho Bank
Period	February 1, 2017 to January 31, 2024 (7 years)
Interest Rate	3M JPY TIBOR
Cap	0.10%
Contract Date	January 30, 2017

### Shinsei Bank

Amount	JPY 1 billion
Counterparty	Shinsei Bank
Period	February 1, 2017 to January 31, 2024 (7 years)
Interest Rate	3M JPY TIBOR
Cap	0.10%
Contract Date	January 30, 2017

### Citigroup Global Markets Japan

Amount	JPY 1 billion
Counterparty	Citigroup Global Markets Japan
Period	February 1, 2017 to January 31, 2024 (7 years)
Interest Rate	3M JPY TIBOR
Cap	0.10%
Contract Date	January 30, 2017

### 2. Earnings Outlook

Ichigo believes that these interest rate hedges further secure and strengthen Ichigo's financial position. The impact of the hedges will be reflected in Ichigo's FY18/2 consolidated earnings forecast to be announced in April 2017.