

*[Provisional Translation Only]*

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November 29, 2017

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

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## **New Hotel Acquisitions and Subsidiary Consolidation**

Ichigo decided today to acquire two newly-built hotels, UAN kanazawa in Kanazawa and Hotel WBF Yodoyabashi Minami in Osaka, and the special purpose company (SPC) for the acquisitions will become Ichigo's wholly-owned subsidiary.

Ichigo acquired these two hotels via its business tie-up with ES-CON JAPAN Ltd. ("ES-CON"), in which ES-CON shares information on its hotel development projects while Ichigo shares information on its ground lease projects that are appropriate for retail development. Following this transaction, Ichigo plans to sell a retail ground lease asset to ES-CON. For details on the business tie-up with ES-CON, please refer to the May 31, 2016 release "Business Tie-Up with ES-CON JAPAN."

### **1. Purpose of New Hotel Acquisitions and SPC Consolidation**

Both hotels are located in areas where hospitality demand is increasing and are expected to contribute to the growth of Ichigo's earnings. The SPC will be created on November 30, and will become Ichigo's wholly-owned subsidiary.

UAN kanazawa, scheduled to open on December 1, is located on the Sea of Japan in the city of Kanazawa, which has seen a surge in tourist demand since the launch of the Hokuriku Shinkansen bullet train. As a historic castle town, Kanazawa is famous for its many historical and cultural sites, such as the Kenroku-en Garden and Kanazawa Castle Park, and thus benefits from both stable domestic tourist demand and a growing number of international tourists arriving via direct flights and cruise ships. Overlooking the Kanazawa Castle moat with 47 guest rooms, the hotel is in a quiet area, carrying the ambiance of a modern Japanese tea house. The hotel's modern Japanese exterior naturally blends into the historic features of the city, and the Japanese design should appeal to both domestic and international guests.

Hotel WBF Yodoyabashi Minami, which opened in April, is located in Osaka, home to many tourist attractions including Osaka Castle, Dotonbori, and Universal Studios Japan. In addition to durable domestic tourist demand, the number of international tourists visiting Osaka continues to set new records due to an increase in LCC flights. The hotel also expects to see stable business demand given its location in the central business district of Yodoyabashi. It is competitively differentiated via its high-quality services that cater to the needs of guests seeking new discoveries and memorable experiences.

## 2. Subsidiary (SPC) Overview

Name	Kinjo GK Tokumei Kumiai
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
SPC Operator	Kinjo GK
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Yuki Yamamoto
Business	1. Investment in trust beneficiary interests ( <i>juekiken</i> ) 2. Investment in and management of real estate 3. Other businesses relating to the aforementioned businesses
Paid-In Capital	JPY 100,000
Establishment Date	November 30, 2017
Total Assets	JPY 3.6 billion
SPC Investor	Ichigo Inc. (100%)
Relationship to Parent Company	The SPC does not have any capital, personnel, or business relationship of note to Ichigo.
Business and Financial Conditions in Past Three Years	Since the SPC will be established on November 30, 2017, there are no past earnings results.

## 3. Key Transaction Dates

Ichigo Acquisition Approval	November 29, 2017
Contract Signing	November 29, 2017
Subsidiary Consolidation	November 30, 2017
Acquisition Closing	November 30, 2017

## 4. Ichigo SPC Investment Amount and % Ownership of SPC

JPY 3.6 billion (100%)

## 5. Earnings Outlook

There is no change to Ichigo's FY18/2 consolidated earnings forecast announced on April 19, 2017, as the impact of these acquisitions has already been reflected in the forecast.

## Hotel Details

UAN kanazawa

[www.uan-kanazawa.com/en](http://www.uan-kanazawa.com/en)

Location	Oyamamachi, Kanazawa, Ishikawa Prefecture
Access	5-minute walk from Musashigatsuji Omichoichiba bus stop, which is a 6-minute ride from JR Kanazawa Station
Land Area	730.13m <sup>2</sup>
Total Floor Area	2,866.02m <sup>2</sup>
Zoning	Commercial
Structure	Steel-Reinforced Concrete, 6 Floors
Builder	Matsui Construction
Completion Date	September 2017
Guest Rooms	47 (41 rooms with two single beds, 2 rooms with a double bed, and 4 suites)



Hotel WBF Yodoyabashi Minami

[www.hotelwbf.com/yodoyabashiminami](http://www.hotelwbf.com/yodoyabashiminami) (Japanese only)

Location	3-Chome, Hiranomachi, Chuo-ku, Osaka
Access	5-minute walk from Yodoyabashi Station on the Midosuji Subway Line
Land Area	295.42m <sup>2</sup>
Total Floor Area	1,842.15m <sup>2</sup>
Zoning	Commercial
Structure	Steel-Reinforced Concrete, 9 Floors
Builder	Matsumotogumi K.K.
Completion Date	February 2017
Guest Rooms	96 (73 single rooms and 23 rooms with two single beds)

