

*[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.*

March 14, 2018

**Ichigo Inc.** (Tokyo Stock Exchange First Section, 2337)  
Representative: Scott Callon, Chairman  
Inquiries: Takeyuki Yoshimatsu, Executive Managing Director  
Telephone: +81-3-3502-4818 [www.ichigo.gr.jp/en](http://www.ichigo.gr.jp/en)

## **New Hotel Acquisition and Subsidiary Consolidation**

Ichigo decided today to acquire a newly-built hotel in Fukuoka, Nest Hotel Hakata Ekimae (“Nest Hotel”), and the special purpose company (SPC) created for the acquisition on March 8 will become Ichigo’s wholly-owned subsidiary on March 15.

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

Opening April 1, Nest Hotel is located in a prime location in Fukuoka where demand for travel accommodation is rapidly increasing, and is expected to contribute to Ichigo’s ongoing earnings growth.

Nest Hotel is a 5-minute walk from Hakata Station, Fukuoka’s major train station, and a 5-minute subway ride from Fukuoka Airport, the major air gateway to Japan’s Kyushu region. Fukuoka is also home to Hakata Port, which has the most cruise ship arrivals in Japan and 2 million passenger visits annually. Both domestic and inbound tourist demand is growing in Fukuoka due to its convenient access via a full set of air, rail, road, and sea transport infrastructure.

The Hakata area of Fukuoka where Nest Hotel is located is also a favored place to stay for those touring Kyushu, a region rich in both urban and natural tourism resources, including Beppu hot springs, Yufuin hot springs, Kurokawa hot springs, the Huis Ten Bosch amusement park, Aso Mountain, and Kagoshima Prefecture in the south. Thus, Hakata features not only stable business demand but also significant tourist demand, and Nest Hotel’s prime location next to Hakata Station means that it is well positioned to capture this growing accommodation demand.

## 2. Subsidiary (SPC) Overview

Name	Hakata GK Tokumei Kumiai
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
SPC Operator	Hakata GK
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Takafumi Inaba
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	March 8, 2018
Total Assets	JPY 3.1 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 was established on March 8, 2018, there are no past earnings results.

## 3. Key Transaction Dates

Ichigo Acquisition Approval	March 14, 2018
Contract Signing	March 14, 2018
Subsidiary Consolidation	March 15, 2018
Acquisition Closing	March 15, 2018

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

JPY 3.17 billion (100%)

## 5. Earnings Outlook

The impact of the Nest Hotel acquisition will be reflected in Ichigo's FY19/2 consolidated earnings forecast to be announced on April 18, 2018.

## Hotel Details

### Nest Hotel Hakata Ekimae

[www.nesthotel.co.jp/hakata](http://www.nesthotel.co.jp/hakata) (Japanese only)

Location	Hakata Ekimae, Hakata-ku, Fukuoka
Access	5-minute walk from Hakata Station on the Kyushu Shinkansen (bullet train) and Fukuoka City Subway Kuko Line
Land Area	590.56m <sup>2</sup>
Total Floor Area	3,669.22m <sup>2</sup>
Zoning	Commercial
Structure	Reinforced Concrete, 12 Floors
Builder	Shoei Kensetsu Corporation
Completion Date	January 2018
Guest Rooms	160 (single rooms, double rooms, and triple rooms)

