

[Provisional Translation Only]

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Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
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System Integration of Ichigo's PROPERA AI-Based Hotel Revenue Management System and ALMEX's Hospitality Property Management System

Ichigo and ALMEX Inc., a member of USEN-NEXT GROUP, have agreed to integrate Ichigo's PROPERA AI-based hotel revenue management system and ALMEX's Wincal hospitality property management system. Under the agreement, PROPERA will use Wincal's room availability and revenue data to compute optimal hotel room pricing for hotel operators.

1. PROPERA Overview

PROPERA is a hotel revenue management system developed by Ichigo that uses artificial intelligence (AI) to drive a dynamic-pricing algorithm that calculates optimal pricing for hotel rooms in order to maximize hotel operator revenues. PROPERA's AI-based dynamic pricing can respond to changes in the market by using machine learning to analyze past data and calculate optimal hotel room pricing up to 365 days in advance.

At its own hotels, Ichigo has developed revenue management know-how that has increased annual revenues by 10% to 40%. This accumulated expertise forms the basis of PROPERA, which has been deployed at hotels owned by Ichigo and Ichigo Hotel (3463). Ichigo is now rolling out the system to third-party hotel operators.

Please see PROPERA's website for more detailed information about this AI-based hotel revenue management system: propera.me (Japanese only)

2. Wincal Overview

Wincal is a hospitality property management system that assists front desk activities, including tracking guest information and managing room availability and revenues.

3. System Integration Rationale

The agreement between Ichigo and ALMEX will give hotel operators the ability to use PROPERA to analyze Wincal's room availability and revenue data in order to calculate optimal hotel room pricing.

4. ALMEX Company Overview

Name	ALMEX Inc. (USEN-NEXT GROUP)
Main Business	Self check-in and check-out system; front desk management system; planning, development, sales, and maintenance of IT solutions for improved business process efficiency; related website management service for hotels, medical facilities, restaurants, golf courses, and retail businesses
Address	3-1-1 Kami Osaki, Shinagawa-ku, Tokyo
Representative	Shohei Mabuchi, Representative Director

5. Earnings Outlook

There is minimal impact on Ichigo's FY20/2 earnings. Going forward, Ichigo expects the system integration to drive third-party hotel operators' revenue growth by improving their operational efficiency while generating a new earnings stream for Ichigo that will contribute to Ichigo's growth as a sustainable infrastructure company.