

[Provisional Translation Only]

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January 17, 2022

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)
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Ichigo's PROPERA AI-Based Hotel Revenue Management System Licensed to DEVELOP for Deployment at All of Its Hotels by 2024

Ichigo signed an agreement with DEVELOP Co., Ltd. ("DEVELOP") to license Ichigo's PROPERA AI-based hotel revenue management system, and today began deployment of the system at DEVELOP's hotels. Under the agreement, PROPERA will be deployed at all 44 hotels currently operated by DEVELOP (including hotels preparing for new opening) and any hotel that DEVELOP opens by December 31, 2024.

2. PROPERA Overview

Ichigo developed PROPERA, an AI (artificial intelligence)-based hotel revenue management system that calculates the optimal pricing for hotel rooms in order to maximize hotel operator revenues. PROPERA identifies optimal pricing based on multivariate statistical analysis of 365 days of historical data and the use of machine learning, and can flexibly respond to changes in market conditions.

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 is now being rolled out to third-party hotel operators after having been tested at hotels owned by Ichigo and Ichigo Hotel (3463).

PROPERA will drive competitiveness of hotels by maximizing hotel earnings and increasing productivity.

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

2. License Agreement Overview

DEVELOP's "rescue hotel" business model serves the public interest by allowing for its business hotels to be readily repurposed into temporary accommodations during times of disasters. The company is rapidly expanding its business, entering into disaster support agreements with many municipalities across Japan. DEVELOP operates 44 hotels with a total 1,475 guest rooms (including hotels preparing for new opening) across Japan as of December 31, 2021, and is expected to further grow as it continues to open new hotels.

This license agreement aims to support DEVELOP's further business expansion by introducing PROPERA to help maximize hotel revenues. PROPERA will be sequentially deployed at all hotels that DEVELOP opens by December 31, 2024.

PROPERA's earnings are linked to hotel revenue, and Ichigo will support DEVELOP to drive its revenue, which will in turn, increase PROPERA's earnings.

3. PROPERA Deployment Start Date

January 17, 2022

4. DEVELOP Company Overview

Name	DEVELOP Co., Ltd.
Main Business	Construction & real estate, energy business, hotel development & operations, facilities management, and asset management https://develop-group.jp (Japanese only)
Address	1-4-10 Ichikawa, Ichikawa City, Chiba Prefecture
Representative	Takeshi Okamura, Representative Director

5. Earnings Outlook

Although this agreement has minimal impact on Ichigo's FY22/2 earnings, it is expected to support earnings growth and operational efficiency at DEVELOP's hotels and contribute to growing PROPERA as well as driving Ichigo's stock earnings over the next three years.