

[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 17, 2023

Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)

Representative: Scott Callon, Chairman

Inquiries: Takanori Sakamatsu, Senior Statutory Executive Officer

Telephone: +81-3-3502-4818 www.ichigo.gr.jp/en

Ichigo Hotel Share Purchase

Ichigo has decided to purchase newly issued shares (“Share Purchase”) of Ichigo Hotel (3463), a TSE-listed REIT managed by its wholly-owned subsidiary, Ichigo Investment Advisors, Co., Ltd. (“IIA”), in order to strengthen its commitment towards Ichigo Hotel as its sponsor and drive growth and increased shareholder value for Ichigo Hotel shareholders.

1. Share Purchase Rationale

Ichigo Hotel continues to execute on its strategy to build a stable, diversified portfolio and leverage Ichigo’s value-add capabilities to increase the value of its assets and drive shareholder value.

Ichigo Hotel decided yesterday to issue new shares via a public offering and to acquire five hotels from Ichigo. This sale of hotels to Ichigo Hotel is part of Ichigo’s ongoing sponsor support to maximize shareholder value via growing Ichigo Hotel’s portfolio and driving income stability and earnings growth.

Ichigo has also decided to purchase newly issued shares of Ichigo Hotel to strengthen its commitment to Ichigo Hotel as its sponsor and drive growth and shareholder value for Ichigo Hotel shareholders.

Ichigo has set a clear policy to further strengthen its asset management business as a means to achieving one of its Ichigo 2030 vision goals of increasing its stock earnings ratio. In line with this policy, Ichigo will enhance its support to Ichigo Hotel, Ichigo Office (8975), and Ichigo Green (9282) (collectively, “Investment Corporations”) that are all managed by IIA.

Of the assets that Ichigo acquires, for those that qualify to be owned by the Investment Corporations, Ichigo will work to expedite the provision of such assets after ensuring they can deliver stable earnings and by leveraging bridge funds. The Investment Corporations will leverage Ichigo’s value-add capabilities to drive organic growth that contributes towards long-term dividend growth.

Ichigo will continue to strengthen its sponsor commitment via increasing its share ownership percentage in the Investment Corporations, and the dividends from the Investment Corporations will help Ichigo drive the increase of its long-term stock earnings. Ichigo’s recent purchase of Ichigo Office shares, as announced on January 25, 2023, was also based on this policy.

Ichigo sees the growth of its Investment Corporations as an important factor in increasing value for Ichigo shareholders. In addition to Ichigo’s purchase of newly issued Ichigo Hotel shares, its ongoing sponsor support will contribute towards an increase in AUM (assets under management) and dividend growth at its Investment Corporations, which will be mutually beneficial in driving higher value for both the shareholders of the

Investment Corporations and for Ichigo as the sponsor of the only J-REITs implementing a no fixed fee, performance-fee only structure that fully aligns with value creation for shareholders.

Please refer to yesterday’s Ichigo Hotel release “Issuance of New Shares and Secondary Share Offering” for details of the public offering.

2. Share Purchase Details

- (1) Number of Shares to be Purchased 10,000 shares (maximum)
 However, if the number of shares to be purchased multiplied by the issue price exceeds JPY 1,000,000,000, then the number of shares to be purchased will be calculated by dividing JPY 1,000,000,000 by the issue price (rounded off to the nearest whole number).
 The issue price will be determined between March 27, 2023 and March 29, 2023 (“Pricing Date”).
- (2) Purchase Method Ichigo will purchase the shares as a designated buyer from SMBC Nikko Securities, Co., Ltd. and Mizuho Securities Co., Ltd. (collectively “Joint Lead Managers”) as part of the new share issuance announced in Ichigo Hotel’s March 16, 2023 release, “Issuance of New Shares and Secondary Share Offering.”
 The Share Purchase is contingent on the Securities Registration Statement regarding the public offering taking effect.

(3) Ichigo Hotel Shares Owned by Ichigo

	Before Share Purchase (A)	Share Purchase (B) ¹	After Share Purchase (A)+ (B)
Total Shares Outstanding	254,974	113,000	367,974
Number of Ichigo-Owned Shares	6,500	10,000	16,500
% Ichigo Ownership	2.54%	–	4.48%

¹ Total Shares Outstanding is the maximum number of shares assuming all shares are issued under the third-party allotment approved yesterday by Ichigo Hotel’s Board of Directors, and the Number of Ichigo-Owned Shares assumes Ichigo acquires 10,000 shares, the maximum number of shares under the Share Purchase.

3. Restrictions on Sale of Shares

Ichigo has agreed with the Joint Lead Managers that it will not sell shares owned before the Share Purchase or shares purchased via the Share Purchase during the period starting on the Pricing Date and until after 180 days from the delivery date without the prior written consent from the Joint Lead Managers (excluding the lending of shares in relation to the over-allotment secondary offering).

4. Earnings Impact

Because the Share Purchase will be executed during March and April 2023, there is no impact on Ichigo’s FY23/2 consolidated earnings. The impact of the Share Purchase will be reflected in the FY24/2 consolidated earnings forecast to be announced on April 19, 2023.