

[Provisional Translation Only]

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Ichigo Hotel Share Purchase

Ichigo has decided to purchase newly issued shares 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 to Ichigo Hotel as its sponsor and drive 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 increased shareholder value for Ichigo Hotel shareholders.

Ichigo Hotel decided today to issue new shares via third-party allotment and acquire five hotels from Ichigo. Ichigo’s sale of hotels to Ichigo Hotel is part of Ichigo’s ongoing sponsor support to maximize Ichigo Hotel 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 increased shareholder value for Ichigo Hotel shareholders.

Ichigo is strengthening its asset management business to achieve its Ichigo 2030 KPI of increasing its stock earnings. In line with this policy, Ichigo is increasing its support to Ichigo Hotel (“IHR”), Ichigo Office (“IOR,” 8975), and Ichigo Green (“IGI,” 9282) .

When Ichigo acquires assets that meet IHR, IOR, and IGI investment criteria, Ichigo will work to provide them to IHR, IOR, and IGI after completing value-add activities to deliver stable earnings, including via the use of dedicated IHR, IOR, and IGI bridge funds. In turn, IHR, IOR, and IGI will leverage Ichigo’s value-add capabilities to drive organic growth that contributes to their long-term dividend growth.

Ichigo will also continue to strengthen its sponsor commitment to IHR, IOR, and IGI via increasing its share ownership, with IHR, IOR, and IGI’s dividends supporting Ichigo’s long-term growth in stock earnings. Ichigo’s recent purchase of Ichigo Hotel shares, announced on June 8, 2023, was based on this policy.

Ichigo views IHR, IOR, and IGI’s growth as important drivers of Ichigo shareholder value. Ichigo’s sponsor support will contribute to an increase in Ichigo’s assets under management and to IHR, IOR, and IGI’s dividend growth, increasing shareholder value for Ichigo, IHR, IOR, and IGI shareholders. IHR and IOR are the only J-REITs implementing a no fixed fee, performance-fee only structure that fully aligns with value creation for IHR and IOR shareholders.

2. Share Purchase Details

- (1) Number of Shares to be Purchased 13,428 shares
(2) Purchase Method Third-party allotment
(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	72,515	327,489
Number of Ichigo-Owned Shares ²	9,653	13,428	23,081
% Ichigo Ownership	3.78%	–	7.04%

¹ Total Shares Outstanding before the share purchase is as of July 31 2023.

² Ichigo is currently purchasing Ichigo Hotel shares through in-market purchases via a securities firm, as announced in the June 8, 2023 release, “Ichigo Hotel Share Purchase.”

3. Share Lock-Up

Ichigo has agreed with Ichigo Hotel and IIA that it will not sell shares owned before the share purchase or shares purchased via the share purchase until after 180 days from the settlement date without the prior written consent of Ichigo Hotel and IIA.

4. Earnings Impact

There is no change to Ichigo’s FY24/2 consolidated earnings forecast announced on April 19, 2023 as a result of this share purchase.