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November 14, 2024

**Ichigo Inc.** (Tokyo Stock Exchange Prime, 2337)

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## **Sale of Two Hotel Assets to Ichigo Hotel**

Ichigo decided today to sell two hotel assets in the Hakata area of Fukuoka Prefecture to Ichigo Hotel (3463), a TSE-listed REIT managed by Ichigo's wholly-owned subsidiary, Ichigo Investment Advisors ("IIA"). Ichigo is Ichigo Hotel's sponsor, and the hotel sale will support Ichigo Hotel's growth and drive shareholder value for Ichigo Hotel shareholders.

### **1. Background and Sale Rationale**

As Ichigo Hotel's sponsor, Ichigo has decided to sell two hotel assets to Ichigo Hotel in order to support Ichigo Hotel's growth.

The two hotels are both located in the Hakata area of Fukuoka, and are expected to attract leisure demand including inbound travel. The OneFive Marine Fukuoka is a hotel under one of Ichigo's original hotel brands, which completed value-add renovations in August 2020 with an additional investment of c. JPY 380 million, increasing the number of guest rooms by c. 15%. The sale of the two hotels will contribute to Ichigo Hotel's strategy to build a stable, diversified portfolio that captures diverse lodging demand.

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).

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. As the sponsor of the only J-REITs implementing a no fixed fee, performance-fee only structure that fully aligns with value creation for J-REIT shareholders, Ichigo believes today's sales will contribute to increased shareholder value for both Ichigo and Ichigo Hotel shareholders.

## 2. Details of Hotel Assets Being Sold

### The OneFive Marine Fukuoka (Real Estate for Sale)

Location	10-21 Narayamachi, Hakata-ku, Fukuoka
Land Area / Total Floor Area	495.89m <sup>2</sup> / 1,921.55m <sup>2</sup>
Form of Ownership	Freehold <sup>1</sup>
Hotel Operator	OneFive Hotels Inc. (wholly-owned subsidiary of Ichigo)

<sup>1</sup> Will be placed in a trust as of January 10, 2025 and sold in the form of trust beneficiary interest in real estate.

### Nest Hotel Hakata Ekimae (Fixed Asset)

Location	2-11-27 Hakata Ekimae, Hakata-ku, Fukuoka
Land Area / Total Floor Area	590.56m <sup>2</sup> / 3,669.22m <sup>2</sup>
Form of Ownership	Trust beneficiary interest in real estate
Hotel Operator	Nest Hotel Japan Corporation

## 3. Buyer Overview

Name	Ichigo Hotel REIT Investment Corporation
Address	2-6-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Executive Director, Eriko Ishii
Asset Management Company	Ichigo Investment Advisors Co., Ltd. (wholly-owned subsidiary of Ichigo)

## 4. Sale Prices

The OneFive Marine Fukuoka	JPY 2,600 million
Nest Hotel Hakata Ekimae	JPY 6,500 million

## 5. Transaction Schedule

Contract Date	November 14, 2024
Settlement Dates	January 10, 2025 (The OneFive Marine Fukuoka) February 4, 2025 (Nest Hotel Hakata Ekimae)

## 6. Earnings Impact

Although there is no change to Ichigo's FY25/2 consolidated earnings forecast announced on April 15, 2024 as a result of today's sale, this transaction will contribute to the growth of Ichigo's asset management business and will drive Ichigo's long-term stock earnings.