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Issuer

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## Interest Rate Swap

Ichigo Hotel decided today to enter into an interest rate swap to lock-in the interest rate on Term Loan 13.

### 1. Reason for New Interest Rate Swap

Of the new loans announced in the February 27, 2020 release “New Loans” (total amount: JPY 2,450 million), Ichigo Hotel will fix the interest rate on Term Loan 13, amounting to JPY 2,000 million, via a swap in order to hedge against any future rise in interest rates. The proportion of fixed interest rate loans will increase from 84% to 91% via the swap.

### 2. Loan Details

#### Term Loan 13

Loan Date	Lender	Loan Amount (JPY million)	Interest Rate	Repayment Date	Repayment Terms	Collateralized
Feb 28, 2020	SMBC Mizuho Bank Shinsei Bank Resona Bank Bank of Fukuoka Nishi-Nippon City Bank	2,000	3M JPY TIBOR +0.70% (p.a.) <sup>1</sup>	Feb 27, 2026 (6.0 years)	Lump-sum repayment	No

<sup>1</sup> The swap will fix the interest rate for Term Loan 13 at 0.656%. The interest rate for the payment on the first payment date (from February 28, 2020 through April 30, 2020) will be 0.76909%.

Notes:

The interest payment date is the final day of every third month following the first interest payment date. (The first payment date will be April 30, 2020 and the last payment date will be the same as the principal repayment date.) In the event the interest payment date is not a business day, payment shall be made on the following business day. If the following business day falls into the following month, payment shall be made on the previous business day.

The base rate for the loan will be JPY TIBOR as published by the Japanese Bankers Association (JBA) two business days before each interest payment date. For current JPY TIBOR rates, please visit the JBA's website: [www.jbatibor.or.jp/english/rate](http://www.jbatibor.or.jp/english/rate)

### 3. Swap Details

Counterparty	Notional (JPY million)	Contract Date	Termination Date	Fixed Interest Rate (Pay)	Floating Interest Rate (Receive)
Mizuho Bank	2,000	March 3, 2020	Feb 27, 2026 (5.9 years)	0.656%	3M JPY TIBOR +0.70% (p.a.)

### 4. Earnings Outlook

The impact of the interest rate swap on Ichigo Hotel's July 2020 fiscal period earnings has already been reflected in the forecasts presented in Ichigo Hotel's January 30, 2020 release "Earnings Forecast Revisions for the January 2020 and July 2020 Fiscal Periods."