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[Provisional Translation Only]

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Issuer

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Change in Hotel Operator

Ichigo Investment Advisors (“IIA”), the asset management company of Ichigo Hotel, today decided to appoint a new hotel operator for the Court Hotel Kurashiki.

1. Operator Change Overview

As part of the operator change, the Court Hotel Kurashiki is expected to be rebranded and renamed as The OneFive Garden Kurashiki.

	After Change	Before Change
Operator	Hakata Hotels Inc. (“Hakata Hotels”)	The COURT Co., Ltd. (“The Court”)
Lease Contract	Fixed Rent (minimum guaranteed rent) + Variable rent	Fixed Rent (minimum guaranteed rent) + Variable rent
Rent	Minimum guaranteed rent: Forecast GOP – [(2% of Forecast GOR) + (10% of Forecast GOP)] x Rate* *Rate Feb 2022 – Jan 2023: 10% Feb 2023 – Jan 2024: 30% Feb 2024 & onwards: 50% Variable rent: Actual GOP – Minimum guaranteed rent – [(2% of Actual GOR) + (10% of Actual GOP)]	Minimum guaranteed rent: 50% of Forecast GOP Variable rent: Actual GOP – Minimum guaranteed rent – (10% of Actual GOP)
Tenant Leasehold and Security Deposits	None	None

GOP: Gross operating profit

GOR: Gross operating revenue

2. Reason for Change

IIA is changing the hotel operator because of the upcoming expiration of the current lease contract with The Court. The new hotel operator will be Hakata Hotels, a consolidated subsidiary of Ichigo, IIA's parent company. Hakata Hotels currently operates 12 hotels, including the HOTEL EMIT SHIBUYA, The OneFive Okayama, The OneFive Fukuoka Tenjin, and The OneFive Osaka Sakaisuji which are owned by Ichigo Hotel.

Hakata Hotels was chosen from among several candidate operators based on its competitive price offering. Under the new contract, the Court Hotel Kurashiki's fixed rent will increase significantly, while the revision of the variable rent component will increase the potential for upside earnings growth. Hakata Hotels will deploy PROPERA, an AI-based revenue management system that Ichigo developed based on its expertise in increasing hotel revenue, to maximize earnings and increase guest satisfaction.

3. New Hotel Operator Profile

Name	Hakata Hotels Inc.
Address	3-13-1 Haruyoshi, Chuo-ku, Fukuoka
Representatives	Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President
Capital	JPY 100 million
Establishment Date	March 11, 2019
Principal Business	<ol style="list-style-type: none">1. Development, operation, lease, and management of retail buildings, hotels and restaurants2. Lease and management of real estate3. Design and construction of buildings and interior designs4. Consulting services related to retail buildings, retail facilities, and restaurants
Relationship with Ichigo Hotel or IIA	<ul style="list-style-type: none">• The hotel operator is an operator of the HOTEL EMIT SHIBUYA, The OneFive Okayama, The OneFive Fukuoka Tenjin, and The OneFive Osaka Sakaisuji which are owned by Ichigo Hotel.• The hotel operator is a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, and is a related party as defined in IIA's internal rules, given that the hotel operator is a consolidated subsidiary of Ichigo, IIA's parent company.

4. Date of Operator Change

February 1, 2022 (expected)

5. Related-Party Transaction

Hakata Hotels is a consolidated subsidiary of Ichigo, IIA's parent company. Because Hakata Hotels is a related party as defined in the Ordinance of the Investment Trust and Investment Corporation Law and IIA's internal rules, Ichigo Hotel obtained prior approval for a lease contract as a related-party transaction from IIA's Board of Directors.

6. Earnings Outlook

The impact of the operator change on Ichigo Hotel's January 2022 and July 2022 fiscal period earnings has already been reflected in the forecasts presented in the September 14, 2021 release "July 2021 Fiscal Period Earnings."