

[Provisional Translation Only]

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Issuer

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Issuance of New Shares and Secondary Share Offering

Ichigo Hotel’s Board of Directors decided today to issue new shares via a public offering and conduct an over-allotment secondary share offering (“Greenshoe”) with the underwriters in support of this new share issuance.

1. Issuance of New Shares through Public Offering

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| (1) Number of shares to be offered | 107,620 shares |
| (2) Paid-in amount (issue amount) | The paid-in amount will be determined at a Board of Directors meeting held between March 27, 2023 and March 29, 2023 (the “Pricing Date”). |
| (3) Total paid-in amount (total issue amount) | To be determined |
| (4) Offering price | To be determined |

The shares will be offered as a public offering and underwritten in full by a group of underwriters (including joint lead managers) (collectively, “Underwriters”). The offering price of the public offering will be calculated by multiplying the closing price of Ichigo Hotel’s shares on the Tokyo Stock Exchange (“TSE”) on the Pricing Date (or the closing price on the day preceding the Pricing Date in the event there is no closing price) by a factor of 0.90~1.00 (rounded off to the nearest one yen), and will be determined in

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- consideration of demand and other factors.
- (5) Total offering amount To be determined
- (6) Offering method The shares will be offered as a public offering and underwritten in full by the Underwriters.
- Some of the above shares for subscription may be sold to international investors in overseas markets mainly in Europe and Asia (excluding the United States and Canada).
- (7) Underwriting agreement The Underwriters will pay Ichigo Hotel the total paid-in amount on the “Payment date” below. The difference between the total issue amount and the total offering amount shall be the Underwriters’ proceeds. Ichigo Hotel will not pay any commission to the Underwriters.
- (8) Subscription period The business day following the Pricing Date
- (9) Application margin payment date From the business day following the Pricing Date to the second business day following the Pricing Date
- (10) Subscription unit One share or more in single share multiples
- (11) Payment date A date between March 31, 2023 and April 4, 2023 that is four business days following the Pricing Date
- (12) Delivery date The business day following the payment date
- (13) The issue amount, the offering price, and other necessary items relating to the issuance of new shares will be decided at a Board of Directors meeting to be held later. Amendments prior to the determination will be delegated to the Executive Officers.
- (14) The aforementioned items will be subject to the effectiveness of the procedures in accordance with the Financial Instruments and Exchange Act.

2. Over-Allotment Secondary Share Offering by Underwriter (“Greenshoe”)

- (1) Seller The designated underwriter
- (2) Number of shares to be offered 5,380 shares
- This is the maximum number of shares that may be issued through the

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Greenshoe. Depending on demand and other factors, there may be cases where this number is reduced or the Greenshoe itself is not held at all. The number of shares to be offered through the Greenshoe will be determined at a Board of Directors meeting on the Pricing Date.

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| (3) Distribution price | To be determined (The offer price will be determined on the Pricing Date and shall be the same as the offering price for the public offering.) |
| (4) Total distribution amount | To be determined |
| (5) Offering method | The designated underwriter will offer the shares borrowed from Ichigo Inc. (“Ichigo”) shareholders (maximum: 5,380 shares), depending on demand and other factors. |
| (6) Subscription period | Same as the subscription period for the public offering as described in Section 1 (8) above |
| (7) Application margin payment date | Same as the subscription period for the public offering as described in Section 1 (9) above |
| (8) Subscription units | One share or more in single share multiples |
| (9) Delivery date | Same as the delivery date for the public offering as described in Section 1 (12) above |
| (10) The distribution price and other items necessary for the Greenshoe will be determined at a Board of Directors meeting to be held later. Amendments prior to the determination will be delegated to the Executive Officers. | |
| (11) Each of the aforementioned items shall be subject to the effectiveness of the procedures in accordance with the Financial Instruments and Exchange Act. | |

3. Issuance of New Shares to be Offered via Third-Party Allotment

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| (1) Number of shares to be offered | 5,380 shares |
| (2) Allottee and number of shares to be issued to the allottee | The designated underwriter
5,380 shares |
| (3) Paid-in amount (issue amount) | To be determined (The paid-in amount will be determined on the Pricing Date at the Board of Directors meeting and will be same as the issue amount for the public offering.) |

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- (4) Total paid-in amount (total issue amount) To be determined
- (5) Subscription period (Subscription date) April 25, 2023
- (6) Subscription units One share or more in single share multiples
- (7) Payment date April 26, 2023
- (8) The paid-in amount and other items necessary for the Third-party allotment will be determined at a Board of Directors meeting to be held later. Amendments prior to the determination will be delegated to the Executive Officers.
- (9) If there are no subscriptions for all or a part of the shares on or before the subscription period described in (5) above, the issuance of such shares will be canceled.
- (10) If the public offering is suspended, the Third-party allotment will also be suspended.
- (11) Each of the aforementioned items will be subject to the effectiveness of procedures in accordance with the Financial Instruments and Exchange Act.

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Reference Information

1. Details of the Greenshoe and Third-party allotment

The designated underwriter may implement a secondary offering of shares (up to a maximum of 5,380 shares) borrowed from Ichigo's shareholders based on demand. The number of shares under the over-allotment secondary offering may vary based on demand, and the Greenshoe itself may not be held.

In order for the designated underwriter to acquire the shares needed to return the borrowed shares offered in the Greenshoe, Ichigo Hotel's Board of Directors has resolved to issue 5,380 new shares via Third-party allotment to the underwriter, with the underwriter as the allottee. The payment date is designated as April 26, 2023.

In order to return the borrowed shares used in the Greenshoe the designated underwriter may also purchase shares up to the number in the Greenshoe in the TSE market (the "syndicate covering transaction") from the day following the close of the subscription period until April 24, 2023 (the "syndicate covering transaction period"). All of the shares purchased by the designated underwriter through the syndicate covering transaction will be used to return the borrowed shares. At its own discretion, the designated underwriter may choose not to conduct the syndicate covering transaction or choose to end the syndicate covering transaction with a total number of shares that is smaller than the number offered through the Greenshoe.

Moreover, the designated underwriter may conduct stabilizing transactions in relation to the public offering and the Greenshoe. The shares purchased through such stabilizing transactions may be used, in whole or in part, to return the borrowed shares.

The designated underwriter, as the allottee of the Third-party allotment, intends to agree with the allotment via the Third-party allotment for the following number of shares: the shares in the Greenshoe minus the shares purchased by the designated underwriter through the stabilizing transactions and the syndicate covering transaction. As a result, there may be cases in which there will be no subscription either in whole or in part to the shares offered in the Third-party allotment and, accordingly, the final number of shares issued via the Third-party allotment may decrease due to forfeiture of rights or such issuance itself will not take place at all.

Whether or not the Greenshoe will be conducted as well as the number of shares that will be offered will be determined on the Pricing Date. If the Greenshoe will not be conducted, the designated underwriter will not borrow any shares from shareholders. Subsequently, there will be no subscription by the designated underwriter to the shares offered in the Third-party allotment, and accordingly, the shares shall not be issued in the Third-party allotment due to forfeiture of rights. Further, there will be no syndicate covering transaction at the TSE.

The designated underwriter will conduct these aforementioned transactions in accordance with consultations with the other joint lead manager.

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2. Change in Number of Shares Outstanding After New Issuance

Total number of shares outstanding	254,974 shares
Increase in shares from public offering	107,620 shares
Total number of shares outstanding after public offering	362,594 shares
Increase in shares from the Third-party allotment	5,380 shares ¹
Total number of shares after the Third-party allotment	367,974 shares ¹

¹ Assumes that the designated underwriter subscribes to all the shares offered in the Third-party allotment and that all such shares are issued.

3. New Issuance Rationale

In order to maximize shareholder value via the further diversifying its portfolio and driving income stability and earnings growth, and based on a comprehensive analysis of market trends and dividend per share, Ichigo Hotel is acquiring five hotels in line with the Investment Trust and Investment Corporation Law Article 2, Clause 1 (1951 Law, Act No. 198, including subsequent revisions) using proceeds from the new share issuance, a syndicated loan from partner banks, and cash-on hand, as announced in today's release "Acquisition of Five Hotel Assets."

Today's acquisitions will grow Ichigo Hotel's portfolio to 30 hotels (total acquisition price JPY 69.8 billion), and contribute to increasing liquidity.

4. Electronic Delivery of Prospectus

The Underwriters will provide all of the prospectuses for the public offering and the Greenshoe by means of electronic delivery, rather than delivery of printed documents.

(Note) The electronic delivery of the prospectus refers to the provision of the prospectus by electronic or magnetic means. When the prospectus provider provides the prospectus by electronic or magnetic means with the consent of the prospectus recipient, the prospectus is deemed to have been delivered (Financial Instruments and Exchange Act Article 27-30-9, Clause 1 and Cabinet Office Order on Disclosure of Information on Regulated Securities Article 32-2, Clause 1). Although the prospectus cannot be delivered electronically if the prospectus recipient does not provide consent, or consent is withdrawn (Cabinet Office Order on Disclosure of Information on Regulated Securities Article 32-2, Clause 7), for public offerings and secondary offerings via over-allotment, the underwriters will only sell shares to investors who have provided consent and have not withdrawn their consent.

5. Amount to be Procured & Use of Proceeds and Timing

(1) Amount to be procured (net proceeds) JPY 12,087,000,000 (maximum)

This amount represents the sum of JPY 11,512,000,000 in net proceeds Ichigo Hotel will receive from the public offering and the maximum amount of JPY 575,000,000 Ichigo Hotel will receive from the Third-party allotment, estimated based on the closing price of Ichigo Hotel shares in regular trading at the TSE on March 8, 2023.

(2) Use of proceeds and timing

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Ichigo Hotel plans to use the net proceeds from the public offering to acquire the hotel assets specified in today’s release “Acquisition of Five Hotel Assets.” The proceeds from the Third-party allotment will be used to repay the loan financing the hotel acquisitions and fund future asset acquisitions.

(Note 1) Each of the aforementioned proceeds is calculated based on the closing price of Ichigo Hotel shares in regular trading at the TSE on March 8, 2023.

(Note 2) The procured funds will be kept at financial institutions until disbursement.

6. Designated Allocation to Counterparties

The underwriters, as designated by Ichigo Hotel, plan to allocate a maximum of 10,000 shares (if the total acquisition price exceeds JPY 1 billion, the total number of shares will be JPY 1 billion divided by the offering price) to Ichigo.

7. Earnings Impact

Ichigo Hotel’s July 2023 and January 2024 fiscal period earnings forecasts are detailed in today’s release “January 2023 Fiscal Period Earnings Results Versus Forecast and Earnings Forecast Revision for the July 2023 Fiscal Period” and “January 2023 Fiscal Period Earnings,” respectively.

8. Financial Results for the Past Three Fiscal Periods and Equity Financing History

(1) Financial results for the past three fiscal periods¹

	January 2022	July 2022	January 2023
Net Income per Share	JPY 1,345	JPY 1,417	JPY 2,311
Dividend per Share	JPY 1,345	JPY 1,418	JPY 2,311
Payout Ratio	100%	100.1%	100.0%
Net Assets per Share	JPY 125,270	JPY 125,342	JPY 126,236

Note: Although the January 2023 fiscal period has been independently audited pursuant to the Investment Trust and Investment Corporation Law Article 130, the independent audit of the financial statements pursuant to the Financial Instruments and Exchange Law Article 193-2, Clause 1 has not been completed.

(2) Recent share price

(i) Share price in the last three fiscal periods

	January 2022	July 2022	January 2023
Opening Price	JPY 89,700	JPY 77,300	JPY 94,600
Highest Price ²	JPY 97,500	JPY 98,200	JPY 115,200
Lowest Price	JPY 73,600	JPY 76,500	JPY 93,500
Closing Price	JPY 77,100	JPY 93,900	JPY 114,100

Note: The opening price, highest price, and lowest price are based on the closing price of Ichigo Hotel’s shares in regular trading at the TSE.

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(ii) Share price in the last six months

(JPY)

	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023 ²
Opening Price ¹	102,200	108,600	102,600	106,000	116,400	115,600
Highest Price ¹	108,300	108,600	110,200	115,200	119,100	117,400
Lowest Price ¹	99,600	99,900	101,800	104,800	112,100	112,700
Closing Price ¹	107,000	102,500	108,000	114,100	119,100	113,100

¹ The opening price, the highest price, and the lowest price are based upon the closing price of Ichigo Hotel's shares in regular trading at the TSE.

² The share price for March 2023 is as of March 15, 2023.

(iii) Share price on the business day prior to the issuance resolution date

	March 15, 2023
Opening Price	JPY112,400
Highest Price	JPY114,900
Lowest Price	JPY112,400
Closing Price	JPY113,100

(3) Equity financing conducted in the past three fiscal periods

N/A

9. Restrictions on Sale and Additional Issuance of Shares (Lock-Up)

- (1) The Joint Lead Managers will request Ichigo Inc. to agree that it will not sell the 6,500 shares it owned prior to the public offering and the 10,000 shares (maximum) to be acquired via the public offering 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). The Joint Lead Managers reserve the right, at their own discretion, to revoke all or part of the above sale restriction as well as to shorten the duration of the restriction..
- (2) Ichigo Trust Pte. Ltd. has agreed with the joint lead managers that it will not sell shares during the period from the pricing date to 45 days from the delivery date without prior written consent from the joint lead managers. The joint lead managers retain the right to lift a part of or all of this restriction during the restriction period or shorten the restriction period at its own discretion.
- (3) Ichigo Hotel has agreed with the joint lead managers that it will not issue shares during the period from the pricing date to 90 days from the delivery date without prior written consent from the joint lead managers (excluding public offerings, issuance of shares via Third-party allotments, and issuance of shares via stock-splits). The joint lead managers retain the right to lift a part or all of this restriction during the restriction period or shorten the restriction period at its own discretion.

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