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More Sustainable**

[Provisional Translation Only]

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Issuer

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**Cancellation of Issuance of New Shares and Secondary Share Offering,
New Loan, and Acquisition of Five Hotel Assets**

Ichigo Hotel has decided to cancel the issuance of new shares via public offering announced in the March 16, 2023 release “Issuance of New Shares and Secondary Share Offering” and the pricing for the issuance new shares announced in the March 27, 2023 release “Pricing for Issuance of New Shares.”

Ichigo Hotel is also cancelling the borrowing of funds described in the release “New Loans,” as well as the asset acquisition described in the release “Acquisition of Five Hotel Assets,” both announced on March 16, 2023.

Details

Ichigo Hotel’s Board of Directors decided to issue new shares through a public offering, and had determined the pricing for the issuance of new shares for the purpose of acquiring five hotels through Ichigo’s sponsor support.

However, Ichigo Hotel discovered a miscalculation in the rents received during the January 2023 fiscal period after the pricing was determined. There were certain months where the rents received were double-counted, so the announced earnings for the fiscal period were larger than the actual amount. The exact impact is under investigation, but the January 2023 dividends are expected to fall by approximately 100 yen per share. Because the earnings results for the January 2023 fiscal period were important disclosure material for the issuance of new shares and secondary share offering, Ichigo Hotel’s Board of Directors has decided to cancel the share issuance.

Ichigo Hotel also decided to cancel the borrowing of funds as described in the release “New Loans” and the acquisition of the five hotels as described in the release “Acquisition of Five Hotel Assets,” both announced on March 16, 2023.

Ichigo Hotel is urgently recalculating the results for the January 2023 fiscal period previously announced in “January 2023 Fiscal Period Earnings” released on March 16, 2023.

Ichigo Hotel is also recalculating the forecasts for the July 2023 and January 2024 fiscal periods included in “January 2023 Fiscal Period Earnings” mentioned above, as well as

the “January 2023 Fiscal Period Earnings Results Versus Forecast and Earnings Forecast Revision for the July 2023 Fiscal Period,” both announced on March 16, 2023, and will promptly disclose the details caused by the cancellation of the issuance of new shares through public offering, new loans, and the acquisition of the five hotel assets.

(Reference)

Announcements Released on March 16, 2023

“January 2023 Fiscal Period Earnings”

“Issuance of New Shares and Secondary Share Offering”

“Acquisition of Five Hotel Assets”

“New Loans”

“January 2023 Fiscal Period Earnings Results Versus Forecast and Earnings Forecast Revision for the July 2023 Fiscal Period”

Announcement Released on March 27, 2023

“Pricing for Issuance of New Shares”