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Issuer

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Interest Rate Swaps

Ichigo Hotel decided today to enter into interest rate swaps to lock in the interest rates on Term Loans 24 and 25.

1. Reason for Interest Rate Swaps

Ichigo Hotel will fix the interest rates on Term Loans 24 and 25 announced in the August 16, 2023 release “New Loans and Repayment of Existing Loan” via swaps in order to hedge against any future rise in interest rates.

2. Loan Details

Term Loan 24

| Loan Date | Lenders | Loan Amount (JPY million) | Interest Rate | Repayment Date (Loan Term) | Repayment Terms | Collateralized |
|--------------|--|---------------------------|---|----------------------------|--------------------|----------------|
| Aug 31, 2023 | SMBC Mizuho Bank SBI Shinsei Bank Resona Bank Fukuoka Bank Nishi-Nippon City Bank | 1,200 | 3M JPY TIBOR +0.55% (p.a.) ¹ | Aug 25, 2026 (3.0 years) | Lump-sum repayment | No |

¹ The interest rate is fixed at 0.96400% as a result of this interest rate swap.

Term Loan 25

| Loan Date | Lenders | Loan Amount (JPY million) | Interest Rate | Repayment Date (Loan Term) | Repayment Terms | Collateralized |
|--------------|--|---------------------------|---|----------------------------|--------------------|----------------|
| Aug 31, 2023 | SMBC Mizuho Bank SBI Shinsei Bank Resona Bank | 3,300 | 3M JPY TIBOR +0.65% (p.a.) ² | Aug 31, 2028 (5.0 years) | Lump-sum repayment | No |

² The interest rate is fixed at 1.23900% as a result of this interest rate swap.

Note:

The interest payment date of Term Loans 24 and 25 is the final day of every third month following the first interest payment date (the first payment date will be November 30, 2023 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 Term Loans 24 and 25 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

3. Swap Details

| Counterparty | Notional (JPY million) | Contract Start Date | Contract End Date | Fixed Interest Rate (Pay) | Floating Interest Rate (Receive) |
|--------------|------------------------|---------------------|--------------------------|---------------------------|----------------------------------|
| Mizuho Bank | 1,200 | Aug 31, 2023 | Aug 25, 2026 (3.0 years) | 0.96400% | 3M JPY TIBOR +0.55% (p.a.) |
| Mizuho Bank | 3,300 | Aug 31, 2023 | Aug 31, 2028 (5.0 years) | 1.23900% | 3M JPY TIBOR +0.65% (p.a.) |

4. Earnings Impact

The impact of the new loans and the interest rate swaps has already been factored into Ichigo Hotel's January 2024 fiscal period earnings forecast presented in Ichigo Hotel's August 16, 2023 release "Upward Earnings Forecast Revision for the January 2024 Fiscal Period."

5. Other

Risks related to the loans and the interest rate swaps have no material impact on the investment risks described in "Section 2: Reference Information, Part 2: Supplementary Information of Documents for Reference, 3: Investment Risks" of the Securities Registration Statement submitted on August 16, 2023.