

[Provisional Translation Only]
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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 rates on loans (JPY 1,800 million).

1. Reason for Interest Rate Swap

Ichigo Hotel will fix the interest rates on the loans announced in the January 23, 2024 release “New Loans” via an interest rate swap in order to hedge against any future rise in interest rates.

2. Loan Details (JPY 1,800 million)

Loan Date	Lender	Loan Amount (JPY million)	Interest Rate	Repayment Date (Loan Term)	Repayment Terms	Collateralized
Jan 31, 2024	SMBC	400	3M JPY TIBOR +0.70% (p.a.) ¹	Jul 31, 2029 (5.5 years)	Lump-sum repayment	No
	Mizuho Bank	300				
	SBI Shinsei Bank	300				
	Resona Bank	200				
	Fukuoka Bank	300				
	Nishi-Nippon City Bank	300				

¹ The interest rate is fixed at 1.39800% as a result of this interest rate swap.

Note:

The interest payment date of the loans is the final day of every third month following the first interest payment date (the first payment date will be April 30, 2024 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 loans 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	1,800	Jan 31, 2024	Jul 31, 2029 (5.5 years)	1.39800%	3M JPY TIBOR +0.70% (p.a.)

4. Earnings Impact

The impact of the new loans and the interest rate swap has already been factored into Ichigo Hotel's January 2024 and July 2024 fiscal period earnings forecasts presented in the September 14, 2023 release "July 2023 Fiscal Period Earnings."

5. Other

Risks related to the loans have no material impact on the "Investment Risks" described in the latest Financial Report submitted on October 26, 2023.