

[Provisional Translation Only]

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Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)

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Dividend Increase

Ichigo's decided today to increase its dividend to JPY 9. The dividend is payable to all shareholders of record as of February 29, 2024, and is subject to shareholder approval at Ichigo's shareholder meeting on May 26, 2024.

1. Dividend Increase Details

| | Revised Dividend | Dividend Forecast (April 19, 2023) | FY23/2 |
|----------------------|-------------------|---------------------------------------|-------------------|
| Dividend Record Date | February 29, 2024 | February 29, 2024 | February 28, 2023 |
| Dividend per Share | JPY 9 | JPY 8 | JPY 8 |
| Total Dividends | JPY 3,963 million | – | JPY 3,627 million |
| Payment Date | May 27, 2024 | – | May 29, 2023 |
| Source | Retained Earnings | – | Retained Earnings |

2. Dividend Increase Rationale

Ichigo's FY24/2 Net Income and Cash Net Income were JPY 12,108 million and JPY 17,878 million, +21.1% and +15.3% versus the forecast announced on April 19, 2023.

During FY24/2 Ichigo achieved record stock earnings and growth across all business segments, with hotel earnings (asset management fees, rental income, and hotel operator revenue) contributing to stock earnings growth that significantly exceeded forecast on strong hotel demand. Driving flow earnings growth, Ichigo sold five hotels, including two Ichigo brand hotels, to Ichigo Hotel (TSE 3463) as part of its sponsor support for Ichigo Hotel, and Ichigo Owners delivered earnings growth and sales channel expansion via launching multiple Ichigo Residence Tokens.

Ichigo focuses on maximizing long-term cash flows for shareholders. These cash flows fund growth investments and buybacks that drive Ichigo's EPS growth. With robust ongoing cash flows, Ichigo has also decided to increase its dividend.

On the back of its strong earnings stability, in FY17/2 Ichigo implemented a progressive dividend policy, under which Ichigo's dividend is maintained or raised every year, but not cut. Ichigo seeks to support long-term growth in shareholder value via a shareholder return policy that focuses on dividend stability, transparency, and growth.

As announced in today's release "Updated Ichigo 2030 KPIs," Ichigo has decided to increase its ongoing Dividend on Equity (DOE) payout ratio from 3% to 4%. Based on this shareholder return policy, Ichigo is increasing its dividend to JPY 10 in FY25/2.

Please refer to today's release "FY24/2 Earnings" for details on the FY25/2 earnings forecasts.

Although dividend payout ratios are frequently used in shareholder return policies, the problem with dividend payout ratios is that they are highly sensitive to short-term earnings volatility and thus generate uncertainty for shareholders with respect to the actual dividend payout. Ichigo's adoption of a progressive dividend policy underscores its commitment to long-term value growth for its shareholders.

Today's release "Updated Ichigo 2030 KPIs"

www.ichigo.gr.jp/en/ir/news/p_news_file/file/Ichigo_20240415_Updated_Ichigo2030_KPIs_ENG.pdf

Today's release "FY24/2 Earnings"

www.ichigo.gr.jp/en/ir/news/p_news_file/file/Ichigo_20240415_Q4_Feb2024_Earnings_ENG.pdf

3. Rationale for Seeking Shareholder Approval for Ichigo's Dividends

All Directors on Ichigo's Board of Directors are deeply aware of their fiduciary responsibilities to shareholders, and work collaboratively with Ichigo stakeholders to drive sustained value creation. To support best-in-class execution of the board's fiduciary responsibilities on behalf of shareholders, Ichigo was an early adopter of strong corporate governance, implementing in 2006 a Company with Committees (Nominating, Audit, Compensation) governance structure, with Ichigo's Board of Directors comprised by a majority of Independent Directors.

Pursuant to Article 459, Clause 1 of Japan's Companies Act, given the strong protections this governance provides for shareholders, the Company with Committee structure allows for dividends to be decided by the board. Per this legal framework, Ichigo's dividends have been decided at the board level since 2006.

Ichigo is committed to strengthening its shareholder-oriented governance by seeking shareholder input on key corporate decisions. Ichigo has thus decided to seek approval for dividends at Ichigo shareholder meetings, starting with the FY24/2 dividend at this year's May AGM.