

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

November 28, 2018

Issuer

Ichigo Hotel REIT Investment Corporation (“Ichigo Hotel,” 3463)

1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo

Representative: Osamu Miyashita, Executive Director

www.ichigo-hotel.co.jp/english

Asset Management Company

Ichigo Investment Advisors Co., Ltd.

Representative: Wataru Orii, President

Inquiries: Hiroto Tajitsu, Head of Administration

Tel: +81-3-3502-4892

New Loans and Interest Rate Swap

Ichigo Hotel decided today to borrow funds via new loans (“Term Loan 8” and “Term Loan 9”) and enter into an interest rate swap to lock-in the interest rate on one of the loans.

1. Reason for New Loans and Interest Rate Swap

The new loans will be used to repay an existing floating rate loan of JPY 3.25 billion.

Details of the loan being repaid are in Section 3 below.

Ichigo Hotel is fixing the interest rate on JPY 1.5 billion (Term Loan 9) via a swap in order to hedge against any future rise in interest rates. The swap will increase the proportion of Ichigo Hotel’s fixed-rate loans from 74% to 81%.

2. Loan and Interest Rate Swap Details

Term Loan 8

Lender	SMBC, Mizuho Bank, Shinsei Bank, Resona Bank
Loan Amount	JPY 1.75 billion
Use of Proceeds	Repayment of existing loan (Term Loan 1)
Loan Date	November 30, 2018
Principal Repayment Date	May 31, 2020
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.40% (p.a.)
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be December 28, 2018 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

Term Loan 9

Lender	SMBC, Mizuho Bank, Shinsei Bank, Resona Bank
Loan Amount	JPY 1.5 billion
Use of Proceeds	Repayment of existing loan (Term Loan 1)
Loan Date	November 30, 2018
Principal Repayment Date	November 30, 2024
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.70% (p.a.) ¹
Interest Payment Date	Final day of each month following the Loan Date (the first payment date will be December 28, 2018 and the last payment date will be the same as the Principal Repayment Date)
Collateralized	No

¹ The swap will fix the interest rate for Term Loan 9 at 0.92000%.

Swap Details

Counterparty	Mizuho Bank
Contract Date	November 28, 2018
Fixed Interest Rate	0.92000%

Notes:

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

In the event the interest payment date is not a business day, payment shall be made on the previous business day.

3. Existing Loan Being Repaid

Term Loan 1

Lender	SMBC, Mizuho Bank, Shinsei Bank, Resona Bank
Loan Amount	JPY 3.25 billion
Use of Proceeds	Asset acquisition and related costs
Loan Date	November 30, 2015
Principal Repayment Date	November 30, 2018
Principal Repayment Terms	Repayment will be made in full on the Principal Repayment Date
Interest Rate	1M JPY TIBOR + 0.60% (p.a.)
Collateralized	No

4. Earnings Outlook

The impact of the new loans and the interest rate swap on Ichigo Hotel's January 2019 and July 2019 fiscal period earnings has already been reflected in Ichigo Hotel's September 13, 2018 release "July 2018 Fiscal Period Earnings."

5. Other

Risks related to these loans have no material impact on the “Investment Risks” described in the latest Financial Report submitted October 26, 2018.

Reference: Loan Composition after New Loans

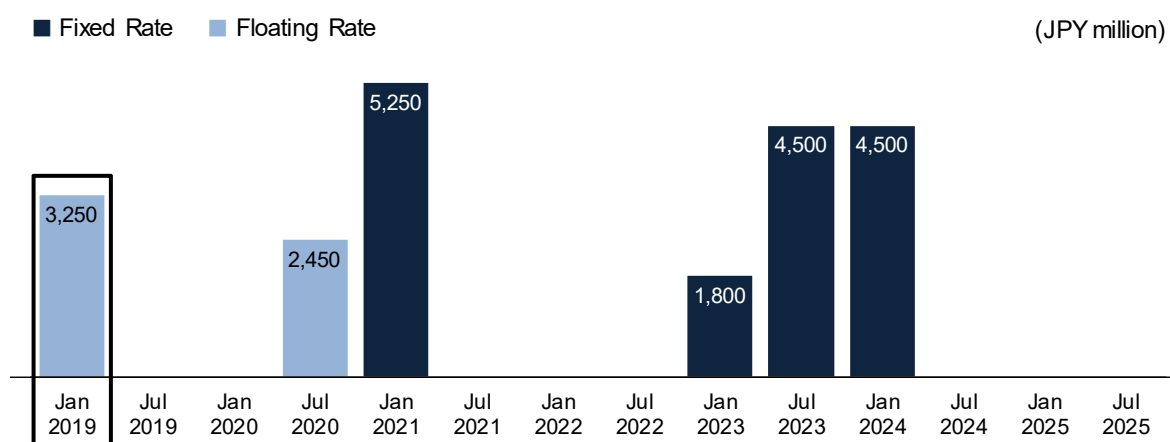
Outstanding Loan Balance

(JPY million)

	Before New Loans (A)	After New Loans (B)	Change (B) - (A)
Short-term bank loans	—	—	—
Long-term bank loans (due within one year)	3,250	—	-3,250
Long-term bank loans	18,500	21,750	+3,250
Total bank loans	21,750	21,750	—
Bonds	—	—	—
Total bank loans and bonds	21,750	21,750	—
Other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	21,750	21,750	—

Distribution of Loan Maturities

Before New Loans



After New Loans

