

[Provisional Translation Only]

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February 27, 2020

Issuer

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New Loans

Ichigo Hotel decided today to borrow funds via new loans (“Term Loan 12” and “Term Loan 13”).

1. Reason for New Loans

The new loans will be used to repay two existing loans (total amount: JPY 2,450 million). Details of the loans to be repaid are in Section 3 below.

The two existing loans to be repaid have floating interest rates. Ichigo Hotel will fix the interest rate on Term Loan 13 amounting to JPY 2,000 million via a swap within the next few days in order to hedge against any future rise in interest rates.

2. Loan Details

Term Loan 12

Loan Date	Lender	Loan Amount (JPY million)	Interest Rate	Repayment Date	Repayment Terms	Collateralized
Feb 28, 2020	SMBC	450	3M JPY TIBOR +0.45% (p.a.) ¹	Feb 28, 2022 (2.0 years)	Lump-sum repayment	No

¹ The interest rate for the payment on the first payment date (from February 28, 2020 through April 30, 2020) will be 0.51909%.

Term Loan 13

Loan Date	Lender	Loan Amount (JPY million)	Interest Rate	Repayment Date	Repayment Terms	Collateralized
Feb 28, 2020	SMBC Mizuho Bank Shinsei Bank Resona Bank Bank of Fukuoka Nishi-Nippon City Bank	2,000	3M JPY TIBOR +0.70% (p.a.) ²	Feb 27, 2026 (6.0 years)	Lump-sum repayment	No

² The interest rate for the payment on the first payment date (from February 28, 2020 through April 30, 2020) will be 0.76909%.

Notes:

The interest payment date is the final day of every third month following the first interest payment date. (The first payment date will be April 30, 2020 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 loan 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. Existing Loans Being Repaid

Term Loan 3

Loan Date	Lender	Loan Amount (JPY million)	Interest Rate	Repayment Date	Repayment Terms	Collateralized
Aug 17, 2016	SMBC Mizuho Bank Shinsei Bank Resona Bank Bank of Fukuoka Nishi-Nippon City Bank	2,000	1M JPY TIBOR +0.55% (p.a.)	Feb 29, 2020 (3.5 years) ¹	Lump-sum repayment	No

¹ Since the repayment date falls into a non-business day, the principal repayment date will be February 28, 2020.

Term Loan 6

Loan Date	Lender	Loan Amount (JPY million)	Interest Rate	Repayment Date	Repayment Terms	Collateralized
Mar 27, 2017	SMBC	450	1M JPY TIBOR +0.50% (p.a.)	Feb 28, 2020 (2.9 years)	Lump-sum repayment	No

4. Earnings Outlook

The impact of the new loans on Ichigo Hotel's July 2020 fiscal period earnings has already been reflected in the forecasts presented in Ichigo Hotel's January 30, 2020 release "Earnings Forecast Revisions for the January 2020 and July 2020 Fiscal Periods."

5. Other

Risks related to these loans have no material impact on the "Investment Risks" described in the latest Financial Report submitted October 25, 2019.

Reference: Loan Composition after New Loans

Outstanding Loan Balance

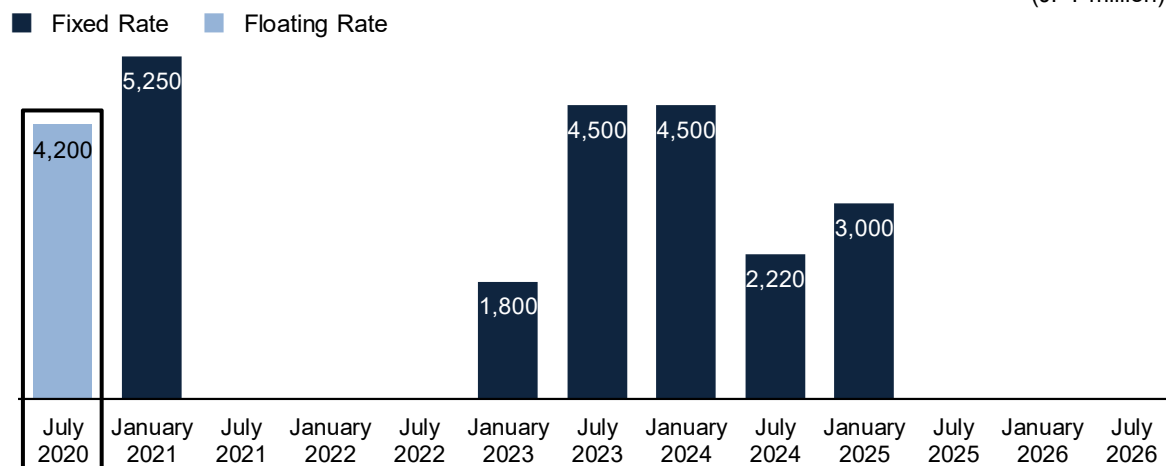
(JPY million)

	Before New Loans (A)	After New Loans (B)	Change (B) - (A)
Short-term bank loans	—	—	—
Long-term bank loans (due within one year)	9,450	7,000	-2,450
Long-term bank loans	16,020	18,470	+2,450
Total bank loans	25,470	25,470	—
Bonds	—	—	—
Total bank loans and bonds	25,470	25,470	—

Distribution of Loan Maturities

Before New Loans

(JPY million)



After New Loans

(JPY million)

