



**Ichigo Hotel July 2021 Fiscal Period  
Corporate Presentation**

**September 14, 2021**

**Ichigo Hotel REIT Investment Corporation (3463)  
Ichigo Investment Advisors Co., Ltd.**



---

We would like to express our deepest condolences to all those across the world affected by the Covid pandemic, and our wishes for the earliest and fullest possible recovery.

Take care, be safe.



**Make The World  
More Sustainable**



**World-Class  
Excellence**



Ichigo's  
Hiromi Miyake



**Ichigo**

# Ichigo is a J.League Top Partner



©J.LEAGUE

---

## July 2021 Results

- ✓ July 2021 Highlights
- ✓ July 2021 Earnings Breakdown
- ✓ July 2021 Operating Results Up YOY
- ✓ Hotel Demand Recovering
- ✓ Monthly Operating Results Under Covid
- ✓ Relatively Small Decrease in Ichigo Hotel RevPAR vs. 2019
- ✓ Driving Stability via Contract Renewals and Rebranding
- ✓ Sponsor Support Driving Stability
- ✓ Covid Response
- ✓ Shareholder Program (1) Shareholder Hotel Discount Program
- ✓ Shareholder Program (2) Ichigo J.League Shareholder Program

## Sustainability as a Key Management Priority

- ✓ Sustainability Initiatives
- ✓ Market Environment & Forecast Assumptions
- ✓ January 2022 Forecast
- ✓ July 2022 Forecast

## Ichigo's Commitment to ESG

- ✓ Ichigo Sustainability Policy
- ✓ Ichigo ESG – Environmental
- ✓ Ichigo ESG – Social
- ✓ Ichigo ESG – Governance

## Appendices

- ✓ Portfolio Details
- ✓ Loan Details & Shareholder Composition
- ✓ Growth Roadmap, Sponsor, Shareholder Alignment

# July 2021 Results

---

# July 2021 Highlights

## Net Income and Dividend Exceeded Forecast Announced in June 2021

	Results	Details
Net Income	JPY 268M +JPY 35M (+15.2%) vs. forecast	<ul style="list-style-type: none"> <li>Recorded variable rent at Valie Hotel Hiroshima</li> </ul>
RevPAR	JPY 2,815 (14 variable rent hotels) +JPY 156 (+5.9%) vs. forecast	<ul style="list-style-type: none"> <li>Occupancy: 64.3% (vs. 59.0% forecast)</li> <li>ADR: JPY 4,380 (vs. JPY 4,507 forecast)</li> </ul>
NOI	JPY 912M +JPY 31M (+3.6%) vs. forecast	<ul style="list-style-type: none"> <li>Operating Revenue +JPY 5M vs. forecast</li> <li>Decrease in Operating Expenses due to unused Covid-related reserve</li> </ul>
FFO	JPY 2,418 +JPY 409 (+20.4%) YOY	<ul style="list-style-type: none"> <li>FFO up on NOI increase</li> </ul>
Dividend	JPY 1,055 +JPY 140 (+15.3%) vs. forecast	<ul style="list-style-type: none"> <li>Operating Revenue increase driving Dividend increase</li> </ul>
NAV	JPY 129,007 -JPY 496 (-0.4%) vs. previous period	<ul style="list-style-type: none"> <li>Total unrealized gains: JPY 1.2B</li> </ul>

FFO (Funds from Operations) = (Net Income + Depreciation + Amortization of Expenses Related to REIT Establishment + Amortization of Share Issuance Expenses + Loss on Disposal of Fixed Assets + Accrued Asset Disposal Costs +/- Losses/Gains on Sales +/- Extraordinary Losses/Gains) / Number of Shares Outstanding

NAV = BPS + Unrealized Capital Gains per Share

# July 2021 Earnings Breakdown

(JPY million)

	Jul 2020 Actual	Jul 2021 Actual (A)	Forecast (B) (Jun 2021)	vs. Forecast (A) - (B)	Major Variation Factors (vs. Forecast)
<b>Operating Revenue</b>	<b>953</b>	<b>1,117</b>	<b>1,112</b>	<b>+5</b>	
Variable Rent	-25	126	121	+5	Increase in variable rent +9 (Valie Hiroshima) Decrease in variable rent -4 (Kumamoto, Yokohama)
Fixed Rent	935	947	947	-	
Other (Gains on Sales, etc.)	42	44	44	-	
<b>Operating Expenses</b>	<b>581</b>	<b>652</b>	<b>675</b>	<b>-23</b>	Increase in property tax +7, Decrease in Covid-related reserve -35 Increase in AM fee +6, Decrease in administration fees -4
Repair & Maintenance	21	46	45	+1	
Depreciation	336	347	345	+2	
<b>Operating Profit</b>	<b>371</b>	<b>465</b>	<b>437</b>	<b>+28</b>	
<b>Recurring Profit</b>	<b>171</b>	<b>269</b>	<b>234</b>	<b>+35</b>	Non-operating income +1 Decrease in interest expenses -3 Decrease in borrowing-related expenses -3
<b>Net Income</b>	<b>170</b>	<b>268</b>	<b>233</b>	<b>+35</b>	
<b>Dividend</b>	<b>JPY 670</b>	<b>JPY 1,055</b>	<b>JPY 915</b>	<b>+JPY 140</b>	+15.3% vs. forecast +57.5% YOY (+JPY 385)
<b>FFO</b>	<b>JPY 2,009</b>	<b>JPY 2,418</b>	-	-	
<b>NOI</b>	787	912	881	+31	
<b>Post-Depreciation NOI</b>	450	565	536	+29	
<b>Capex</b>	128	335	361	-26	Decrease due to effective cost controls and rescheduling renovations
<b>Book Value</b>	52,294	52,064	-	-	

# July 2021 Operating Results Up YOY

## Variable Rent Hotels (14 Hotels)

	Feb 1, 2020 - Jul 31, 2020	Feb 1, 2021 - Jul 31, 2021	Change	YOY	Feb 1, 2019 - Jul 31, 2019
Room Revenue (JPY M)	792	954	+162	+20.5%	2,583
Total Revenue (JPY M)	902	1,086	+184	+20.4%	2,902
RevPAR (JPY)	2,493	2,815	+322	+12.9%	7,104
Occupancy	48.8%	64.3%	+15.5%	+31.7%	86.4%
ADR (JPY)	5,110	4,380	-730	-14.3%	8,218

## Total Portfolio (20 Hotels)

	Feb 1, 2020 - Jul 31, 2020	Feb 1, 2021 - Jul 31, 2021	Change	YOY	Feb 1, 2019 - Jul 31, 2019
Room Revenue (JPY M)	1,149	1,402	+253	+22.0%	3,722
Total Revenue (JPY M)	1,269	1,543	+274	+21.6%	4,069
RevPAR (JPY)	2,323	2,705	+381	+16.4%	6,853
Occupancy	44.2%	57.4%	+13.3%	+30.0%	86.2%
ADR (JPY)	5,258	4,708	-550	-10.5%	7,946

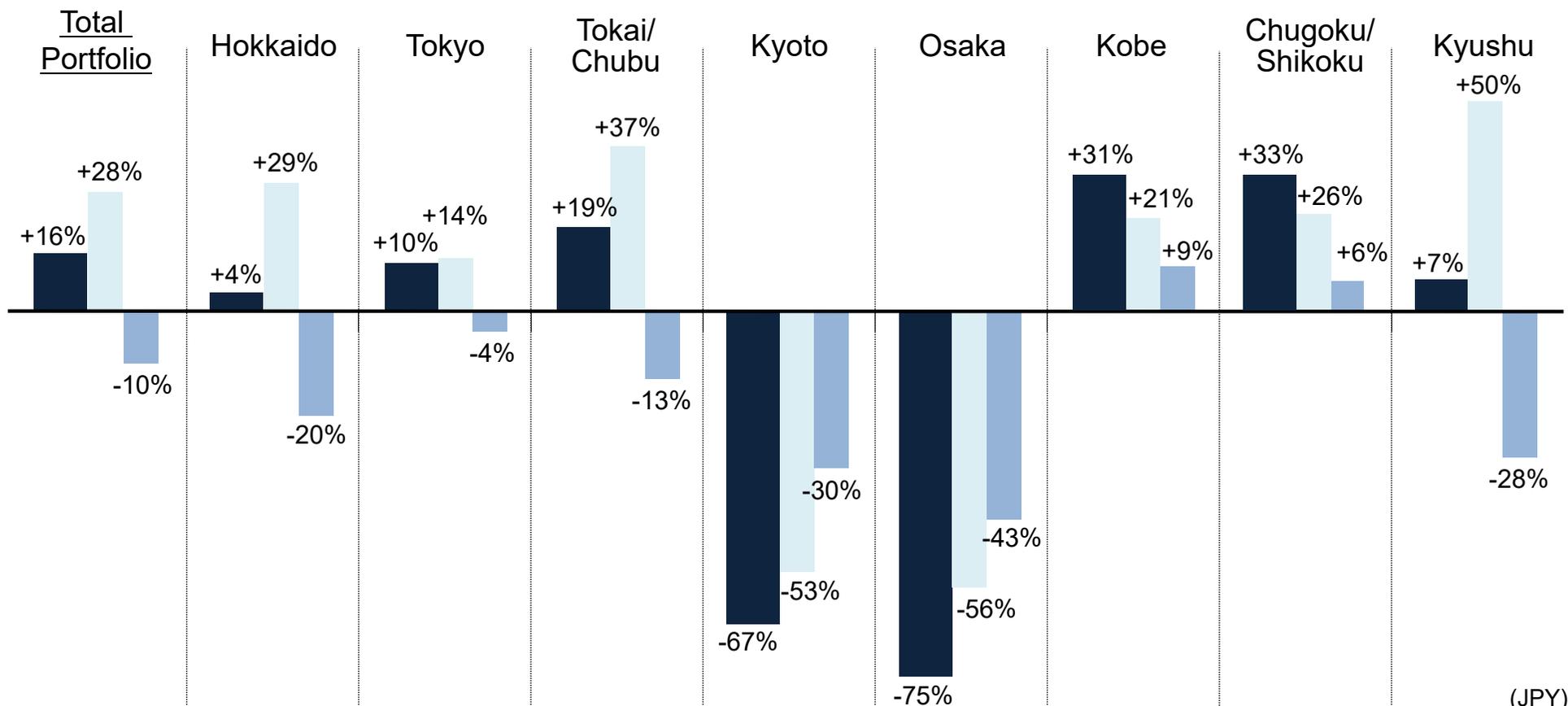
\* Excludes HOTEL EMIT SHIBUYA, Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama) and Washington Hotel Plaza Shimonoseki Eki Nishi.  
Operating results before acquisition are based on data provided by previous owner.

# Hotel Demand Recovering

YOY by Region (Feb 2021 – July 2021)

■ RevPAR    ■ Occupancy    ■ ADR

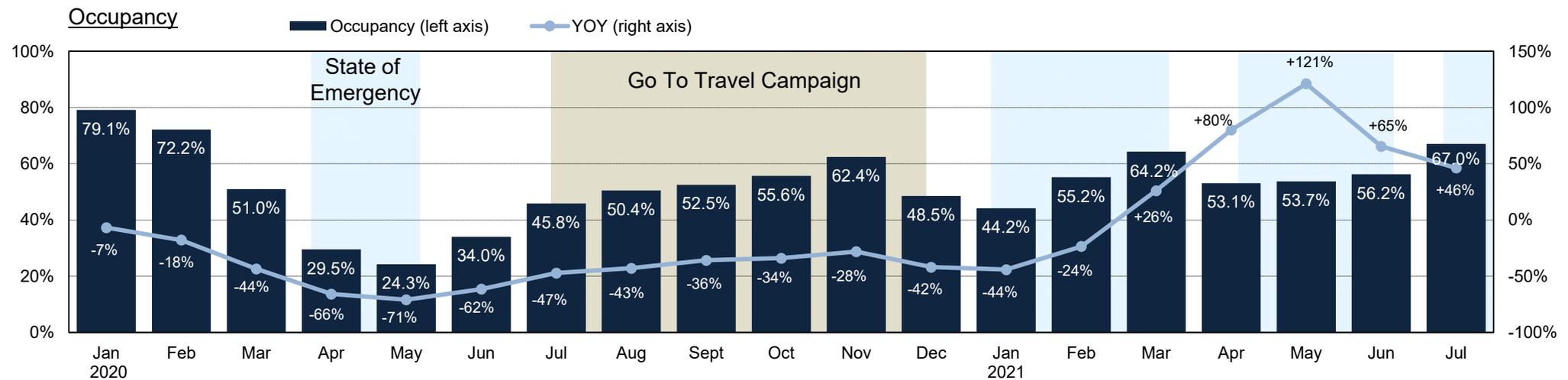
21 Hotels (excludes Capsule Plus Yokohama and Washington Hotel Plaza Shimonoseki Eki Nishi)



	(JPY)							
RevPAR	3,047	4,048	2,334	867	331	2,860	2,451	2,417
No. Hotels	3	3	4	1	2	1	5	2
% of Total Portfolio Rental Income	7%	14%	26%	3%	6%	4%	32%	4%



# Monthly Operating Results Under Covid



**Major Events**

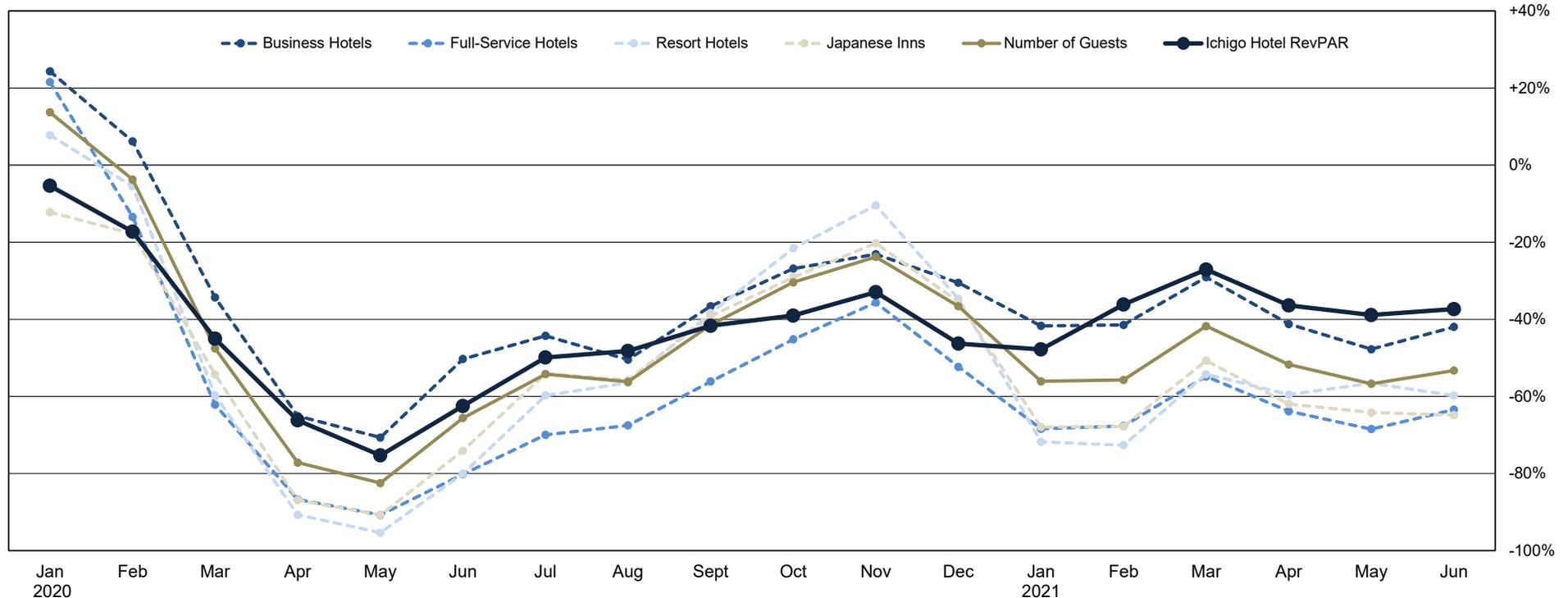
- Mar 2020 State of emergency
- Jun 2020 Ban on travel between prefectures lifted
- Oct 2020 Tokyo added to Go To Travel campaign
- Dec 2020 Restrictions on entry from overseas
- Feb 2021 Vaccine rollout begins with healthcare workers
- Apr 2021 Vaccine rollout expanded to the elderly
- Jul 2021 Tokyo Olympics

\* Excludes Washington Hotel Plaza Shimonoseki Eki Nishi because the operator did not provide consent to disclose information



# Relatively Small Decrease in Ichigo Hotel RevPAR vs. 2019

Ichigo Hotel RevPAR (vs. 2019) and Hotel Reservations



\* Calculated by Ichigo Investment Advisors based on Japan Tourism Agency (JTA) "Statistical Survey of Travelers"

- Demand temporarily recovered due to the Go To Travel campaign in October and November 2020
- After January 2021, demand gradually recovered on back of the vaccine rollout, but slowed due to an increase in case numbers and additional state of emergencies
- Business hotel RevPAR decrease vs. 2019 was minimal compared to other hotel types
- Decrease in Ichigo Hotel RevPAR better than business hotels after February 2021
- Hotel market is expected to recover due to Japan's vaccination rate reaching c. 60%

\* Ichigo Hotel RevPAR is that for variable rent hotels

# Driving Stability via Contract Renewals and Rebranding

Timing		Hotel Name	Lease Terms	Changes	
Actual	Jun 2020	Smile Hotel Tokyo Asagaya	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> <li>Increased fixed rent</li> <li>Increased variable rent</li> </ul>
	Oct 2020	The OneFive Okayama (formerly Comfort Hotel Okayama)	Fixed → Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> <li>Operator change to Hakata Hotels</li> <li>Increased fixed rent &amp; added variable rent</li> </ul>
	Oct 2020	The OneFive Fukuoka Tenjin (formerly Valie Hotel Tenjin)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> <li>Operator change to Hakata Hotels</li> <li>Revised variable rent clause</li> </ul>
	Feb 2021	Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama)	Fixed → Variable Rent	Rebranding	<ul style="list-style-type: none"> <li>Added GOP-linked variable rent</li> </ul>
	Aug 2021	Hotel Wing International Nagoya	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> <li>Decreased fixed rent</li> <li>Increased variable rent</li> </ul>
	Sep 2021	The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Hommachi)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> <li>Operator change to Hakata Hotels</li> <li>Revised variable rent clause</li> </ul>
Plan	2021	1 Hotel	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> <li>Operator to be selected from among multiple candidates, including the current operator</li> </ul>

# Sponsor Support Driving Stability

---

## Hakata Hotels (Ichigo's wholly-owned subsidiary)

- A hotel operator with expertise in AI revenue management systems (PROPERA) that operates 12 hotels across Japan, with a focus in the Hakata (Fukuoka) area
  - ✓ Maintained high occupancy despite occupancy decrease at other hotels  
(Hotels using PROPERA achieved 90% occupancy during the July 2021 fiscal period)
- Offers competitive rates and strong collaboration
- Became the operator of Chisun Inn Osaka Hommachi (rebranded as The OneFive Osaka Sakaisuji) in September 2021, following on from becoming the operator of the Okayama and Fukuoka Tenjin hotels.
- Selected as operator among multiple candidates due to better overall terms
- Helps to avoid absence of a hotel operator under Covid uncertainty

## Investment Corporation Bond Issuance (JPY 500 million, November 2020)

- Allottee: Ichigo (100%)
  - ✓ Demonstrates strong commitment and support from the sponsor
- Objective: To further strengthen Ichigo Hotel's financial base amid an uncertain market environment

# Covid Response

## Safety Measures and Services for Guests

- Installed self-check-in terminals
- Offering remote work options (strengthened Wi-Fi networks to accommodate remote work demand)
- Provision of hand sanitizers, periodic disinfections, and mandatory mask-wearing for employees
- Confirming guest and staff health

### Temporarily Closed Hotels during the July 2021 Fiscal Period

Hotel	Dates Closed	Current Status
The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Hommachi)	Apr 17, 2020 – Aug 31, 2021	Selected Hakata Hotels as new operator, replacing previous operator whose lease contract ended on Dec 31, 2020 Rebranded and reopened as The OneFive Osaka Sakaisuji
Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama)	Nov 1, 2020 – Feb 28, 2021	Rebranded and reopened as Capsule Plus Yokohama
Nest Hotel Osaka Shinsaibashi	Jan 13, 2021 – Mar 31, 2021	Reopened
	Apr 18, 2021 – Aug 5, 2021	
Nest Hotel Sapporo Odori	Jan 17, 2021 – Feb 7, 2021	Reopened

# Shareholder Hotel Discount Program

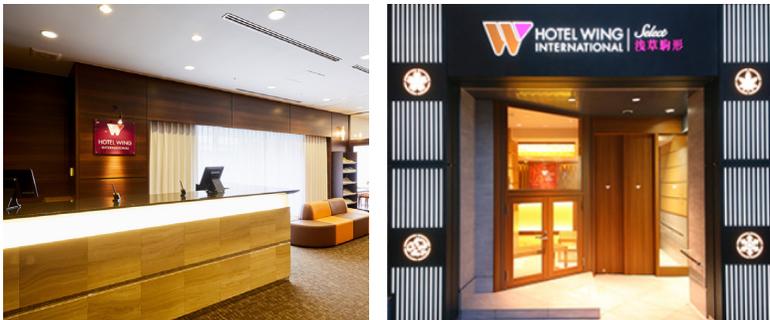
Program Established to Express Gratitude to Ichigo Hotel Shareholders and to Support the Hotel Industry Impacted by Covid

## Special Discount Rates (including hotels not owned by Ichigo Hotel)

### Minacia Co., Ltd.

#### ■ Hotel Wing International

- ✓ Special rate 10% lower than rates on hotel website
- ✓ 39 Hotel Wing International Hotels located across Japan, from Hokkaido to Kagoshima



### Greens Co., Ltd.

#### ■ Choice Hotels

- ✓ Premium rates set at each hotel
- ✓ 71 Comfort brand hotels located across Japan, from Hokkaido to Okinawa



#### ■ Greens Hotels

- ✓ Available at member-only fixed rates set at each hotel
- ✓ A diverse brand of 28 hotels mainly in Mie and Aichi prefectures and the Hokuriku region



# Ichigo J.League Shareholder Program

## Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and listed solar power producer that it manages, in its shareholder program (65,000 shareholders total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

Ichigo is deepening its partnership with the J.League and working to further Ichigo's mission of promoting local community development.



Ichigo J.League Shareholder Program Website Landing Page

## Events & Gifts

- Ichigo Kids J.League Events
  - ✓ Escort players onto field
  - ✓ High-fives with players
  - ✓ Other programs
- J.League Merchandise
  - ✓ Autographed jerseys from all J.League clubs
  - ✓ Ichigo original J.League towels
  - ✓ Autographed official match balls
- J.League Online Events

# Sustainability as a Key Management Priority

---

# Sustainability Initiatives

---

## Minimizing Environmental Impact of Ichigo Hotel-Owned Assets

### Environmental Certifications

- HOTEL EMIT SHIBUYA (BELS 4 Stars)
- Joined GRESB Real Estate Assessment in 2021



### Shifting to Renewable Energy

Ichigo RE100 Target: Sourcing 100% Renewable Electricity Across Its Operations by 2025

- In line with sponsor Ichigo joining RE100, Ichigo Hotel will shift to using renewable electricity across its operations
- Target: source 100% of electricity needs across Ichigo Hotel-owned assets from renewable energy
- Transition starting from the January 2022 fiscal period

RE100

CLIMATE  
GROUP



# Market Environment & Forecast Assumptions

## Hotel Market Remains Uncertain

- Full-scale recovery is expected to take time despite gradual hotel demand recovery on the back of Covid vaccine rollout (57.6% complete for first-time vaccination as of Sep 1<sup>st</sup>)

## Occupancy and ADR Forecasts for 15 Variable Hotels

- Forecasting Occupancy at -20~-30% & ADR at -40~-50% vs. 2019 (Pre-Covid) levels

	January 2021 Actual	January 2022 Forecast	YOY	January 2019 (Reference)
Occupancy	53.4%	63.9%	+19.7%	92.1%
ADR	JPY 4,371	JPY 4,548	+4.0%	JPY 8,488
	July 2021 Actual	July 2022 Forecast	YOY	July 2019 (Reference)
Occupancy	64.3%	71.4%	+11.0%	86.2%
ADR	JPY 4,380	JPY 5,152	+17.6%	JPY 8,475

\* Data of 10 hotels for January 2019 fiscal period, 12 hotels for July 2019 fiscal period, 14 hotels for January 2021 & July 2021 fiscal periods, and 15 hotels for January 2022 & July 2022 fiscal periods

## Continuing with JPY 37M Expense Reserve for Covid-Related Hotel Operator Support and/or Potential Rent Reductions for January 2022 Fiscal Period

# January 2022 Forecast

Dividend JPY 724, -12.0% YOY

(JPY million)

	Jan 2021 Actual (A)	Jan 2022 Previous Forecast (Mar 2021)	Jan 2022 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
<b>Operating Revenue</b>	<b>1,035</b>	<b>1,058</b>	<b>1,007</b>	<b>-28</b>	January 2021: Rent from sold asset (Naha) +7 Increase in variable rent +29 (Valie Hiroshima, Kumamoto, Yokohama) Decrease in variable rent -3 (Asagaya, Fukuoka, Kurashiki)
Variable Rent	-3	81	30	+33	
Fixed Rent	993	932	933	-60	Increase in fixed rent +61 (Okayama, Fukuoka, Shibuya) Decrease in fixed rent -121 (Nagoya, Osaka Sakaisuji, Yokohama, Kurashiki)
Other (Gains on Sales, etc.)	45	44	44	-1	
<b>Operating Expenses</b>	<b>626</b>	<b>663</b>	<b>670</b>	<b>+44</b>	Increase in property tax +10 (Shibuya, Shimonoseki, Matsuyama), Covid-related reserve +37 Decrease in AM fee -6 Increase in repair expenses +15 (Yokohama, Kurashiki, Asagaya, Shinsaibashi, Shimonoseki) Decrease in repair expenses -22 (Fukuoka, Nest Osaka, Okayama, Valie Hiroshima)
Repair & Maintenance	43	33	36	-7	
Depreciation	341	347	351	+10	Increase in Depreciation: Okayama, Yokohama, Urbain Hiroshima, Shimonoseki, Kumamoto
<b>Operating Profit</b>	<b>409</b>	<b>395</b>	<b>336</b>	<b>-73</b>	
<b>Recurring Profit</b>	<b>210</b>	<b>184</b>	<b>111</b>	<b>-99</b>	Borrowing-related expenses +24 Fall-off of non-operating income -2
<b>Net Income</b>	<b>209</b>	<b>183</b>	<b>184</b>	<b>-25</b>	Extraordinary gains +74 (legal settlement)
<b>Dividend</b>	<b>JPY 823</b>	<b>JPY 719</b>	<b>JPY 724</b>	<b>-JPY 99</b>	-12.0% YOY +0.7% (+ JPY 5) vs. previous forecast
NOI	844	833	777	-67	
Post-Depreciation NOI	503	486	425	-78	
Capex	123	345	388	+265	

# July 2022 Forecast

Dividend JPY 666, -36.9% YOY

(JPY million)

	Jul 2021 Actual (A)	Jul 2022 Forecast (B)	(B) - (A)	Major Factors for Variation
<b>Operating Revenue</b>	<b>1,117</b>	<b>1,024</b>	<b>-93</b>	
Variable Rent	126	79	-47	Increase in variable rent +77 (Kumamoto, Matsuyama, Sapporo Ekimae, Kurashiki, Nagoya) Decrease in variable rent -124 (Valie Hiroshima)
Fixed Rent	947	902	-45	Increase in fixed rent +29 (Okayama, Fukuoka) Decrease in fixed rent -74 (Nagoya, Kurashiki, Osaka Sakaisuji)
Other (Gains on Sales, etc.)	44	43	-1	
<b>Operating Expenses</b>	<b>652</b>	<b>629</b>	<b>-23</b>	Decrease in AM fee -17, Other expenses +2
Repair & Maintenance	46	34	-12	Increase in repair expenses +10 (Kyoto, Central International Airport, Asagaya, Shimonoseki) Decrease in repair expenses -22 (Osaka Sakaisuji, Matsuyama, Yokohama, Kurashiki)
Depreciation	347	351	+4	Increase in Depreciation: Fukuoka, Okayama, Yokohama
<b>Operating Profit</b>	<b>465</b>	<b>395</b>	<b>-70</b>	
<b>Recurring Profit</b>	<b>269</b>	<b>170</b>	<b>-99</b>	Borrowing-related expenses +18, Interest expenses +9 Fall-off of non-operating income -2
<b>Net Income</b>	<b>268</b>	<b>169</b>	<b>-99</b>	
<b>Dividend</b>	<b>JPY 1,055</b>	<b>JPY 666</b>	<b>-JPY 389</b>	-36.9% YOY
NOI	912	832	-80	
Post-Depreciation NOI	565	481	-84	
Capex	335	546	+211	

# Ichigo's Commitment to ESG

---



# Ichigo Sustainability Policy

---

## Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its business operations.

## Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

## Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently-established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

## Training and Awareness

Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

## Sustainability Performance Communication and Disclosure

Ichigo communicates its Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

# Ichigo ESG – Environmental

## Contributing to a Low-Carbon World

### Clean Energy

Annual Power Generation 186,921,674kWh



Equivalent to annual energy consumption of 62,307 households  
The Federation of Electric Power Companies of Japan - Annual energy consumption per household 3,000kWh

Annual CO2 Reduction 123,368,301kg

Equivalent to annual CO2 emission of 53,638 cars



Ministry of Environment  
Annual CO2 emission per car c. 2,300kg  
(Jul 2020 ~ Jun 2021 Actuals – Ichigo & Ichigo Green)

### Sponsor Ichigo Joins RE100

Ichigo RE100 Target: Source 100% of Electricity Needs Across Its Operations From Renewable Energy by 2025 (Including Ichigo Office and Ichigo Hotel Assets)



Environmental Sustainability For a Better World

## Sustainable Real Estate

### Preserve & Improve Real Estate to End Wasteful Demolition

- Lengthen useful life of real estate
- Shrink environmental footprint by reducing wasteful demolition & consumption of raw materials, energy, & human talent in construction



Lowest Impact  
Highest Efficiency

### Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.

## Ichigo Hotel (3463) & Ichigo Office (8975) Initiatives

### Ichigo Hotel (3463)

- Environmental Certifications  
HOTEL EMIT SHIBUYA (BELS 4 Stars)
- GRESB  
Joined in 2021
- Sourcing Renewable Energy  
Transition starting from the January 2022 fiscal period

### Ichigo Office (8975)

- Environmental Certifications  
15 certifications (14 assets), 25.1% of total leasable area
- GRESB (since 2016)  
Green Star (Highest Ranking) 4 years in a row
- Sourcing Renewable Energy  
Transition to 100% renewable energy at all assets by April 2022 (excluding partially-owned and co-owned assets)



G R E S B  
★ ★ ★ ★ ★ 2020



# Ichigo ESG – Social

## Supporting Local Communities

- Ichigo's Boutique Hotel THE KNOT  
A place where visitors, communities, and the old and the new can come together
- Miyako City, Nanbu Wholesale Market  
Foster community interactions
- J.League Top Partner  
Promote community development, revitalize local economies, and renovate & upgrade stadiums
- TSUBASA+ AR Smartphone Game  
Promote Japanese culture and community links
- Smart Agriculture



## Working With Tenants

- Conduct tenant surveys to understand needs to implement effective value-add
- Exclusive investor for Oshii Mamoru's new anime VLADLOVE to promote Japan's anime culture and build synergies with Ichigo's retail asset AKIBA CULTURES ZONE
- Support tenant sales channel expansion and sales growth
- Operate self-storage and laundromats to support livelihood



Make The World More Sustainable



## HR & Internal Start-Ups

- Ichigo University for employees  
Taught by subject matter experts
- Ichigo Sustainable Lab  
Promotion of R&D and internal start-ups
- Support for Employees  
100% return rate for employees who take maternity/paternity leave
- Women in Leadership  
32% of management positions held by Women

## Sports & Arts

- Support National & World-Class Athletes
- Support University of Miyazaki's Program for Children with Cancer
- Support community-based soccer clubs
- Support artists with disabilities

Weightlifting Athlete  
Hiromi Miyake



## Disaster Response

- Typhoon disaster preventative measures
- Rapid damage assessment
- Rapid disaster response  
On-site inspections and measures to prevent secondary disasters, preserve asset value, and supply essential items to local communities
- Neighborhood watch
- Street cleaning and snow shoveling

# Ichigo ESG – Governance

## Best Practice Governance

### REIT

#### Monitors Asset Management Company

- All Ichigo Hotel Directors are Independent Directors
- Active dialogue and effective internal controls via Board discussions led by REIT Executive Director
- Draw upon expertise of REIT Supervisory Directors (qualified lawyers & accountants)

### Asset Management Company (AMC)

#### Best Practice

- Majority of AMC Directors (3 of 5) are Independent Directors
- Independent asset management teams within AMC ensures best-practice execution on behalf of Ichigo Hotel
- Compliance and Audit are directly under the AMC President to monitor and review critical compliance matters
- Ensure objectivity by including third-party, independent lawyers and accountants in the Investment Committee and Risk & Compliance Committee



## First J-REIT With No Fixed Fee, Performance Fee-Only Structure

- ✓ Performance-linked fee structure to support shareholder value creation
- ✓ Pro-active, dynamic management of Ichigo Hotel assets on behalf of shareholders

Ichigo Hotel (3463) and Ichigo Office (8975) are the only J-REITs (out of 62) that both have an Asset Management Company (AMC) board that has a majority of Independent Directors and whose AMC President does NOT serve as the Executive Director of the REIT

### Independence of the Investment Corporation from AMC

28 of 62 J-REITs have AMC Presidents serving as Executive Director of the REIT

Ichigo Hotel:  
All Directors are Independent

### Independent Directors at AMC

Only 3 Asset Management Companies have any Independent Directors

Ichigo Investment Advisors:  
3 of 5 Directors are Independent

\* Based on information as of August 31, 2021

## Appendix: Portfolio Details

---

# Hotel Map

Tokyo			Kanto	Hokkaido			Hokuriku/Tokai			
<b>C-1</b> 	<b>C-3</b> 	<b>C-4</b> 	<b>B-1</b> 	<b>A-1</b> 	<b>A-2</b> 	<b>A-3</b> 	<b>D-1</b> 	<b>D-2</b> 	<b>D-3</b> 	<b>D-4</b> 
Smile Hotel Tokyo Asagaya	Hotel Livemax Nihombashi-Hakozaki	HOTEL EMIT SHIBUYA	Capsule Plus Yokohama	Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Comfort Hotel Hamamatsu	Hotel Wing International Nagoya	Comfort Hotel Central International Airport	Comfort Hotel Suzuka

### Kinki (Kyoto/Osaka/Kobe)

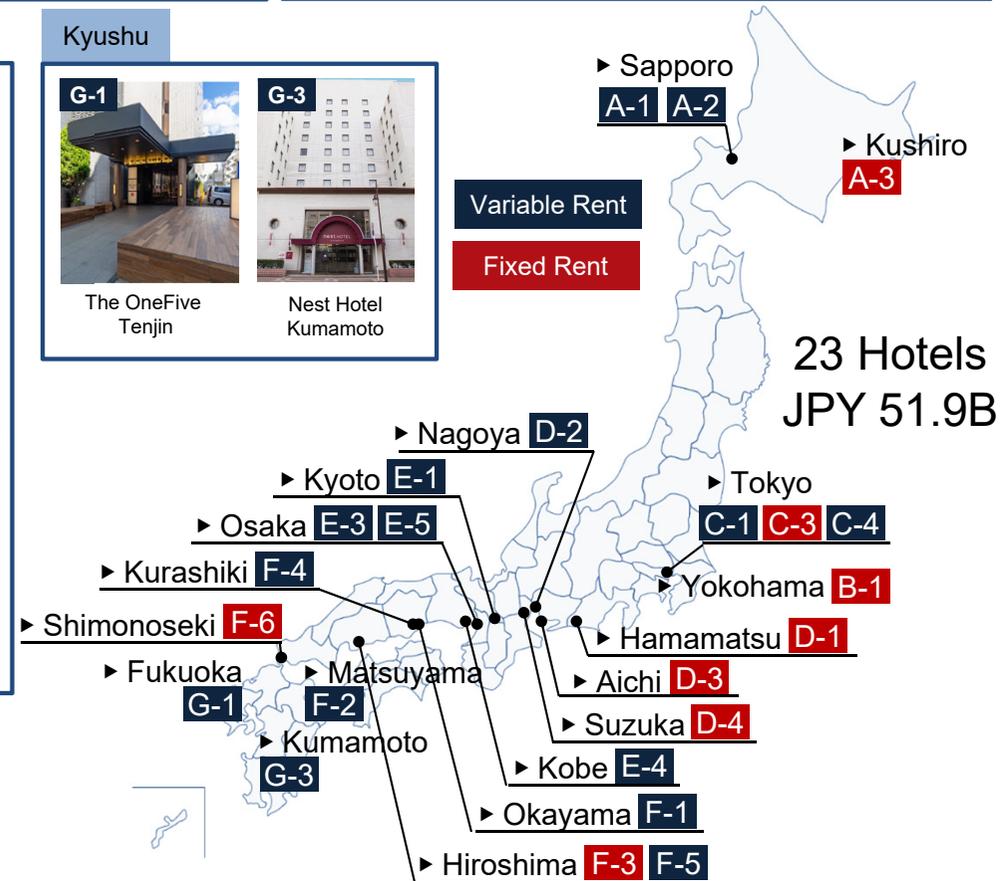
<b>E-1</b> 	<b>E-3</b> 
<b>E-4</b> 	<b>E-5</b> 
Smile Hotel Kyoto Shijo	Chisun Inn Osaka Hommachi*
Hotel Wing International Kobe Shin Nagata Ekimae	Nest Hotel Osaka Shinsaibashi

### Chugoku/Shikoku

<b>F-1</b> 	<b>F-2</b> 	<b>F-3</b> 
<b>F-4</b> 	<b>F-5</b> 	<b>F-6</b> 
The OneFive Okayama	Nest Hotel Matsuyama	Urbain Hiroshima Executive
Court Hotel Kurashiki	Valie Hotel Hiroshima	Washington Hotel Plaza Shimonoseki Eki Nishi

### Kyushu

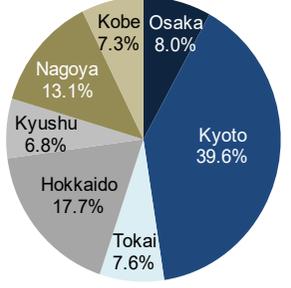
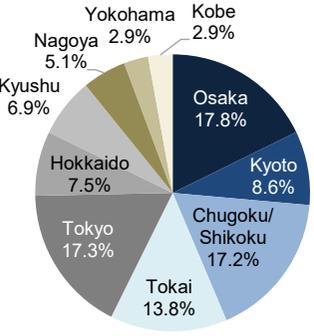
<b>G-1</b> 	<b>G-3</b> 
The OneFive Tenjin	Nest Hotel Kumamoto



\* Rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021

(July 2021 rent-basis)

# Portfolio Growth

	IPO (Nov 30, 2015)	Jan 2017 Fiscal Period	July 2017 through July 2021 Fiscal Periods						
Acquisitions	IPO Acquisitions 9 hotels JPY 20.4B  (Appraisal NOI Yield 5.9%)	PO Acquisitions 10 hotels JPY 27.2B  (Appraisal NOI Yield 5.5%)	July 2017 1 hotel JPY 1.4B  (Appraisal NOI Yield 5.0%)	Jan 2018 1 hotel JPY 1.8B  (Appraisal NOI Yield 6.3%)	Jan 2019 1 hotel JPY 1.7B  (Appraisal NOI Yield 6.9%)	July 2019 2 hotels JPY 3.7B  (Appraisal NOI Yield 6.9%)	Jan 2020  None	July 2020 2 hotels JPY 4.7B  (Appraisal NOI Yield 4.9%)	Jan 2021 July 2021  None
									
Sales	None	None	None	None	1 Hotel JPY 2.7B Gains on Sale JPY 0.69B	None	2 Hotels JPY 9.7B Gains on Sale JPY 1.94B	None	None
Portfolio Size	9 Hotels : JPY 20.4B (January 2016 end)	19 Hotels JPY 47.6B	20 Hotels JPY 49.1B	21 Hotels JPY 50.9B	21 Hotels JPY 50.7B	23 Hotels JPY 54.4B	21 Hotels JPY 47.1B	23 Hotels JPY 51.9B	23 Hotels JPY 51.9B
Location	<p>IPO</p> 	<p>Geographic Diversification Increases Earnings Stability</p> <p>Steady Portfolio Growth via Acquisitions</p>							<p>July 31, 2021</p> 

Acquisition price-basis

# Portfolio Lease Details

## Operator Diversification Driving Earnings Stability

(as of July 31, 2021)

Lease Terms	Fixed Rent	Fixed + Variable Rent		Variable Rent	Total
Form of Contract	Lease	Lease	Lease	Lease	–
Fixed Rent	Yes	Yes	Yes	–	–
Variable Rent	–	Fixed Portion of Revenue Upside	Fixed Portion of Hotel GOP	Excess Above Fixed Portion of Hotel GOP	–
Rental Income (July 2021 Actual)	JPY 385M (35.9%)	JPY 108M (10.1%)	JPY 580M (54.0%)	Not Available <sup>2</sup>	JPY 1,073M (100%)
Number of Hotels	7 Hotels	2 Hotels	13 Hotels	1 Hotel	23 Hotels
Total Acquisition Price	JPY 11.70B (22.5%)	JPY 4.16B (8.0%)	JPY 34.57B (66.6%)	JPY 1.49B (2.9%)	JPY 51.91B (100%)
Hotels	<ul style="list-style-type: none"> <li>• Comfort Hotel Kushiro</li> <li>• Comfort Hotel Hamamatsu</li> <li>• Comfort Hotel Central International Airport</li> <li>• Comfort Hotel Suzuka</li> <li>• Hotel Livemax Nihombashi-Hakozaki</li> <li>• Urbain Hiroshima Executive</li> <li>• Washington Hotel Plaza Shimonoseki Eki Nishi</li> </ul>	<ul style="list-style-type: none"> <li>• Hotel Wing International Nagoya</li> <li>• Hotel Wing International Kobe Shin Nagata Ekimae</li> </ul>	<ul style="list-style-type: none"> <li>• Nest Hotel Sapporo Ekimae</li> <li>• Nest Hotel Sapporo Odori</li> <li>• Nest Hotel Osaka Shinsaibashi</li> <li>• Nest Hotel Matsuyama</li> <li>• Nest Hotel Kumamoto</li> <li>• Smile Hotel Tokyo Asagaya</li> <li>• Smile Hotel Kyoto Shijo</li> <li>• Valie Hotel Hiroshima</li> <li>• The OneFive Fukuoka Tenjin</li> <li>• Court Hotel Kurashiki</li> <li>• HOTEL EMIT SHIBUYA</li> <li>• The OneFive Okayama</li> <li>• Chisun Inn Osaka Hommachi<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Capsule Plus Yokohama</li> </ul>	–

<sup>1</sup> Changed operator, and rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021

<sup>2</sup> Operator did not provide consent to disclose information

# Individual Hotel Summary

(as of July 31, 2021)

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m <sup>2</sup> )	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jul 2021 Appraisal		Unrealized Gains (JPY M) (B) - (A)
								Value (JPY M) (B)	Cap Rate (%)	
Hotel	A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	5,734.93	2,160	2,112	2,590	5.1	+477
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,470	1,830	5.0	+359
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	288	421	5.5	+132
	B-1	Capsule Plus Yokohama	Fixed Rent	Yokohama	1,183.26	1,490	1,561	1,310	4.8	-251
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,915	4,240	4.3	+324
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,287	1,400	4.6	+112
	C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	1,470.52	3,700	3,809	3,960	3.6	+150
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,419	1,750	5.2	+330
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,689	2,470	4.8	-219
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,265	5,790	4.1	+524
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	271	359	5.0	+87
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,519	3,570	4.5	-949
	E-3	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	3,690.00	1,630	1,758	1,200	4.9	-558
	E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	4,540.90	1,490	1,388	1,810	4.7	+421
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,583	5,460	4.4	-2,123
	F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	5,543.70	1,200	1,208	1,800	5.7	+591
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,617	1,970	5.6	+352
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,805	2,060	5.3	+254
	F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,798	2,000	5.1	+201
	F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	4,332.50	1,500	1,566	1,660	5.0	+93
	F-6	Washington Hotel Plaza Shimonoseki Eki Nishi	Fixed Rent	Shimonoseki, Yamaguchi	5,709.35	1,080	1,098	1,180	4.9	+81
	G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,455	2,200	4.3	+744
	G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	6,404.36	2,220	2,173	2,330	5.4	+156
<b>Total (23 Hotels)</b>					<b>102,471.81</b>	<b>51,913</b>	<b>52,064</b>	<b>53,360</b>	<b>4.7</b>	<b>+1,295</b>

# July 2021 Fiscal Period Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. Of Guest Rooms	July 2021 (February 2021 - July 2021)							
					RevPAR (JPY)		Occupancy (%)		ADR (JPY)		Revenue (JPY M)	
A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	3,319	(+9.1%)	87.5%	(+48.7%)	3,795	(-26.6%)	124.8	(+18.4%)
A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	2,495	(-30.2%)	65.3%	(+3.2%)	3,820	(-32.3%)	66.8	(-24.6%)
A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	3,205	(+45.6%)	62.5%	(+29.7%)	5,129	(+12.2%)	77.3	(+42.0%)
C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	4,761	(+10.4%)	96.4%	(+25.5%)	4,939	(-12.0%)	99.3	(+9.3%)
C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	72	4,157	-	94.4%	-	4,405	-	54.3	-
D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	2,473	(+26.5%)	50.7%	(+29.5%)	4,879	(-2.3%)	87.7	(+25.8%)
D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	1,535	(-16.7%)	40.0%	(+26.2%)	3,836	(-34.0%)	69.8	(+11.5%)
D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	2,699	(+28.8%)	38.7%	(+52.6%)	6,977	(-15.6%)	173.4	(+26.2%)
D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	2,580	(+45.7%)	51.8%	(+35.2%)	4,983	(+7.8%)	49.7	(+44.9%)
E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	867	(-67.0%)	28.1%	(-52.6%)	3,079	(-30.5%)	24.0	(-42.5%)
E-3	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	130	-	-	-	-	-	-	-	-
E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	133	2,860	(+31.5%)	41.4%	(+21.0%)	6,913	(+8.7%)	77.4	(+32.4%)
E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	331	(-74.1%)	9.8%	(-52.5%)	3,362	(-45.5%)	12.7	(-70.4%)
F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	208	2,364	(-2.6%)	89.6%	(+64.2%)	2,638	(-40.6%)	92.5	(-5.6%)
F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	2,308	(-9.4%)	54.3%	(+5.0%)	4,252	(-13.7%)	98.6	(-10.1%)
F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	171	1,616	(-11.1%)	23.2%	(-32.1%)	6,977	(+31.0%)	50.0	-
F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	107	1,974	(-28.9%)	34.2%	(-33.6%)	5,770	(+7.0%)	47.7	(+43.2%)
F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	171	7,261	(+228.4%)	96.6%	(+78.2%)	7,519	(+84.3%)	234.2	(+505.1%)
G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	77	2,436	(-41.1%)	90.4%	(+30.4%)	2,694	(-54.8%)	39.7	(+11.7%)
G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	201	2,409	(+26.9%)	64.5%	(+47.1%)	3,735	(-13.8%)	98.7	(+19.6%)
Other				455								
Variable Rent Hotels				2,523	2,815	(+12.9%)	64.3%	(+31.7%)	4,380	(-14.3%)	1,086.1	(+20.4%)
Fixed Rent Hotels				1,230	2,496	(+23.7%)	44.6%	(+24.1%)	5,602	(-0.3%)	457.6	(+24.5%)
<b>Total</b>				<b>3,753</b>	<b>2,705</b>	<b>(+16.4%)</b>	<b>57.4%</b>	<b>(+30.0%)</b>	<b>4,708</b>	<b>(-10.5%)</b>	<b>1,543.7</b>	<b>(+21.6%)</b>

\* Operating Results data for Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, and Washington Hotel Plaza Shimonoseki Eki Nishi are consolidated under Other, because the hotel operators did not provide consent to disclose hotel-specific data. Fixed Rent Hotels and Total include Hotel Livemax Nihombashi-Hakozaki's operating results.

# Individual Hotel Financials

(JPY thousand)

	Total	A-1	A-2	A-3	C-1	C-4	D-1	D-3	D-4	E-1	E-3	E-5	F-1	F-2	F-4	F-5	G-1	G-3	Other
		Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Smile Hotel Tokyo Asagaya	HOTEL EMIT SHIBUYA	Comfort Hotel Hamamatsu	Comfort Hotel Central International Airport	Comfort Hotel Suzuka	Smile Hotel Kyoto Shijo	Chisun Inn Osaka Hommachi	Nest Hotel Osaka Shinsaibashi	The OneFive Okayama	Nest Hotel Matsuyama	Court Hotel Kurashiki	Valie Hotel Hiroshima	The OneFive Fukuoka Tenjin	Nest Hotel Kumamoto	
(A) Rental Income	1,117,958	31,129	27,072	18,419	61,603	47,568	55,361	151,441	15,442	30,744	2,828	66,291	61,227	36,323	31,665	145,079	14,062	25,134	296,561
Fixed Rent	947,031	31,129	27,072	18,419	61,603	47,568	55,361	151,441	15,442	30,744	2,828	66,291	61,227	36,323	31,665	17,934	14,062	25,134	252,780
Variable Rent	126,577	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126,545	-	-	32
Other Rent	44,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	-	-	43,748
(B) Rental Expenses	204,982	9,218	10,948	5,464	9,197	6,201	3,641	14,061	4,114	7,467	15,309	17,612	7,035	10,451	9,074	6,391	6,370	8,324	54,095
Outsourcing Fees	19,234	600	600	900	2,442	600	600	570	540	600	2,831	1,200	600	720	600	720	600	790	3,720
Insurance	3,286	177	190	95	99	70	114	323	55	151	113	279	167	227	118	151	63	210	674
Repair Expenses	46,520	3,062	1,601	48	2,578	507	268	111	1,374	1,451	8,815	1,633	2,097	4,678	3,907	1,080	1,987	2,218	9,097
Taxes	115,462	4,953	8,127	4,009	3,665	4,653	2,387	12,600	1,733	4,905	3,161	14,088	3,732	4,397	4,083	4,071	3,355	4,691	26,843
Other Expenses	20,478	424	429	411	410	369	271	455	411	359	386	411	438	429	363	369	364	411	13,759
(C) NOI (A) - (B)	912,975	21,910	16,123	12,955	52,405	41,366	51,719	137,380	11,328	23,276	-12,481	48,678	54,192	25,871	22,591	138,687	7,692	16,810	242,465
(D) Depreciation	347,112	16,030	17,287	5,426	26,773	7,699	14,744	34,905	4,145	16,559	7,818	34,332	15,771	18,135	11,248	21,057	8,065	19,455	67,654
Net Rental Income (C) - (D)	565,863	5,880	-1,163	7,528	25,632	33,666	36,975	102,474	7,182	6,717	-20,299	14,346	38,420	7,736	11,342	117,630	-373	-2,644	174,811

\* Rents for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, and Washington Hotel Plaza Shimonoseki Eki Nishi as well as retail income of Chisun Inn Osaka Hommachi, Smile Hotel Tokyo Asagaya and Nest Hotel Kumamoto are included in Other, as the operators did not provide consent to disclose the data.

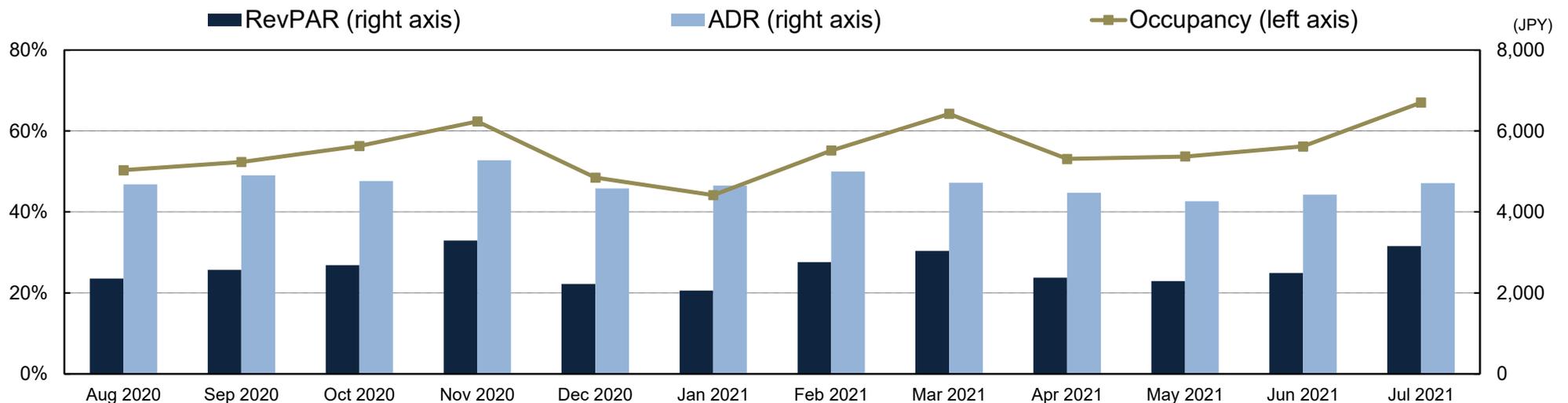
# Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

## Fixed/Variable Rent

(JPY thousand)

		Jul 2020		Jan 2021		Jul 2021	
		Rent	Ratio	Rent	Ratio	Rent	Ratio
Rent	Fixed Rent	963,173	–	1,023,281	–	976,195	87.3%
	Fixed Rent from Operators	935,606	–	993,875	–	947,031	84.7%
	Other (Rent from Retail Tenants)	27,566	–	29,405	–	29,164	2.6%
	Variable Rent	-25,467	–	-3,942	–	126,577	11.3%
Other (Utility Income)		15,371	–	16,238	–	15,184	1.4%
<b>Total</b>		<b>937,705</b>	<b>100%</b>	<b>1,035,576</b>	<b>100%</b>	<b>1,117,958</b>	<b>100%</b>

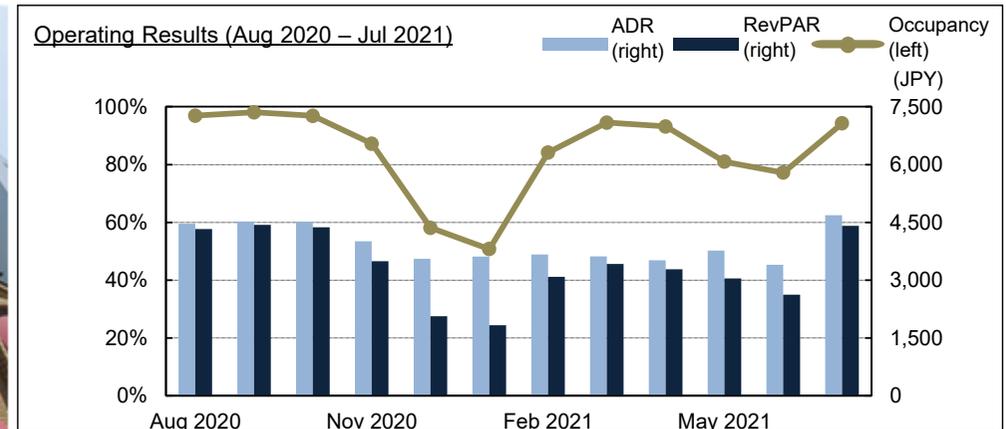
## Operating Results (Aug 2020 – Jul 2021)



# Variable Rent Hotel Details

## A-1 Nest Hotel Sapporo Ekimae

<b>Location</b>	Sapporo
<b>Access</b>	5-minute walk from Sapporo Station on Sapporo City Metro Namboku Line
<b>Operator</b>	Nest Hotel Japan Corporation
<b>Guest Rooms</b>	162
<b>Acquisition Price</b>	JPY 2.16B



## A-2 Nest Hotel Sapporo Odori

<b>Location</b>	Sapporo
<b>Access</b>	4-minute walk from Odori Station on Sapporo City Metro Namboku Line
<b>Operator</b>	Nest Hotel Japan Corporation
<b>Guest Rooms</b>	121
<b>Acquisition Price</b>	JPY 1.45B



# Variable Rent Hotel Details

## B-1 Capsule Plus Yokohama

<b>Location</b>	Yokohama, Kanagawa
<b>Access</b>	6-minute walk from Yokohama Station on JR/ Subway Line
<b>Operator</b>	nine hours Inc.
<b>Guest Rooms</b>	169
<b>Acquisition Price</b>	JPY 1.49B

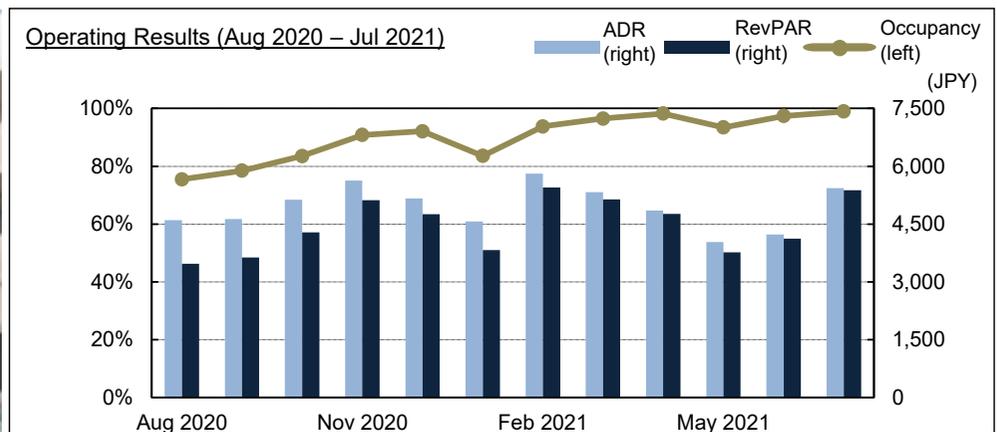


The hotel operator did not give consent to disclose data.

\* Changed operator and changed hotel name to Capsule Plus Yokohama in March 2021.

## C-1 Smile Hotel Tokyo Asagaya

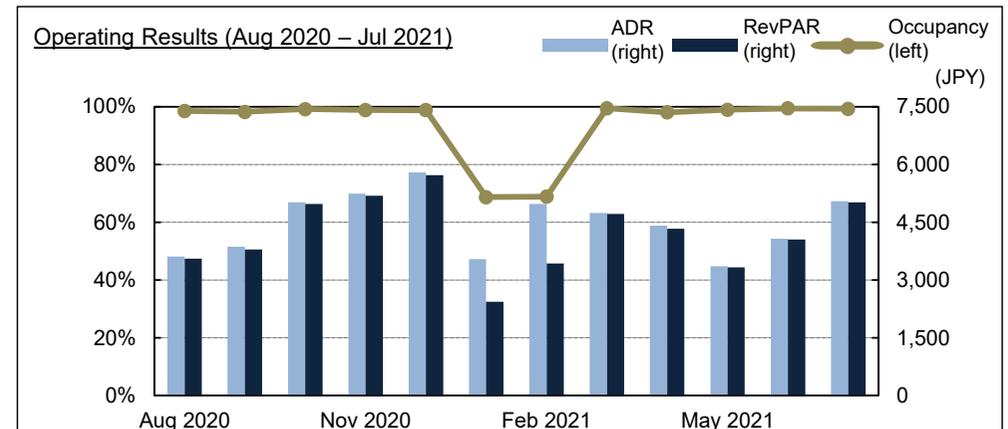
<b>Location</b>	Suginami-ku, Tokyo
<b>Access</b>	1-minute walk from Asagaya Station on JR Chuo/Sobu Line
<b>Operator</b>	K.K. Hospitality Operations
<b>Guest Rooms</b>	112
<b>Acquisition Price</b>	JPY 3.91B



# Variable Rent Hotel Details

## C-4 HOTEL EMIT SHIBUYA

<b>Location</b>	Shibuya-ku, Tokyo
<b>Access</b>	6-minute walk from Shibuya Station on JR, Tokyu, Keio, and Tokyo Metro Lines
<b>Operator</b>	Hakata Hotels Inc.
<b>Guest Rooms</b>	72
<b>Acquisition Price</b>	JPY 3.7B



## D-2 Hotel Wing International Nagoya

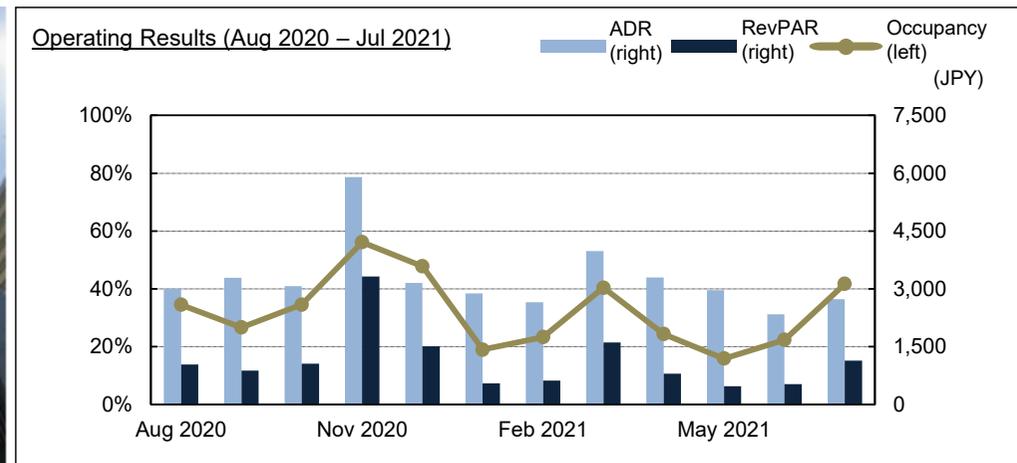
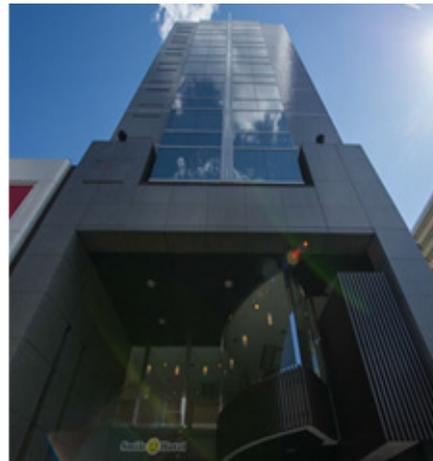
<b>Location</b>	Nagoya
<b>Access</b>	2-minute walk from Marunouchi Station on both Nagoya Subway Network Sakuradori Line and Tsurumai Line
<b>Operator</b>	Minacia Co., Ltd.
<b>Guest Rooms</b>	224
<b>Acquisition Price</b>	JPY 2.67B



# Variable Rent Hotel Details

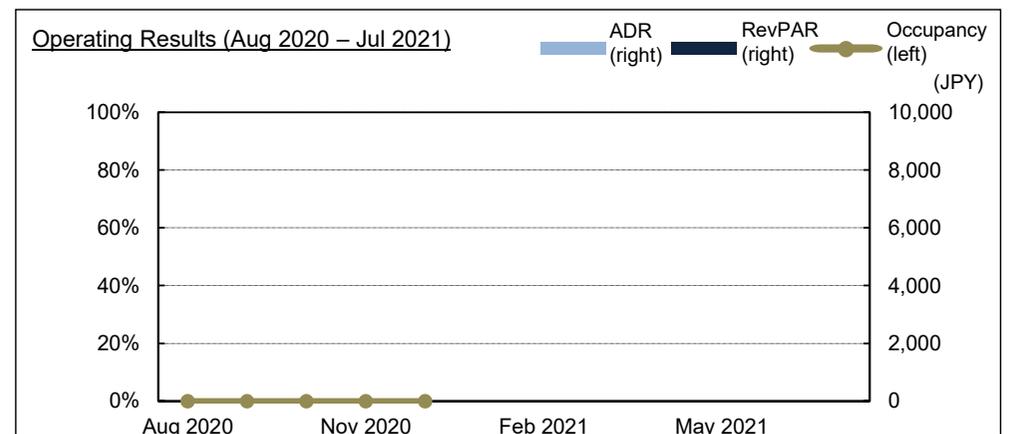
## E-1 Smile Hotel Kyoto Shijo

<b>Location</b>	Kyoto
<b>Access</b>	5-minute walk from Shijo Station on Kyoto City Subway Karasuma Line and Karasuma Station on Hankyu Kyoto Main Line
<b>Operator</b>	K.K. Hospitality Operations
<b>Guest Rooms</b>	144
<b>Acquisition Price</b>	JPY 4.48B



## E-3 Chisun Inn Osaka Hommachi

<b>Location</b>	Osaka
<b>Access</b>	5-minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line
<b>Operator</b>	SHR Hotel Lease Co., Ltd.
<b>Guest Rooms</b>	130
<b>Acquisition Price</b>	JPY 1.63B

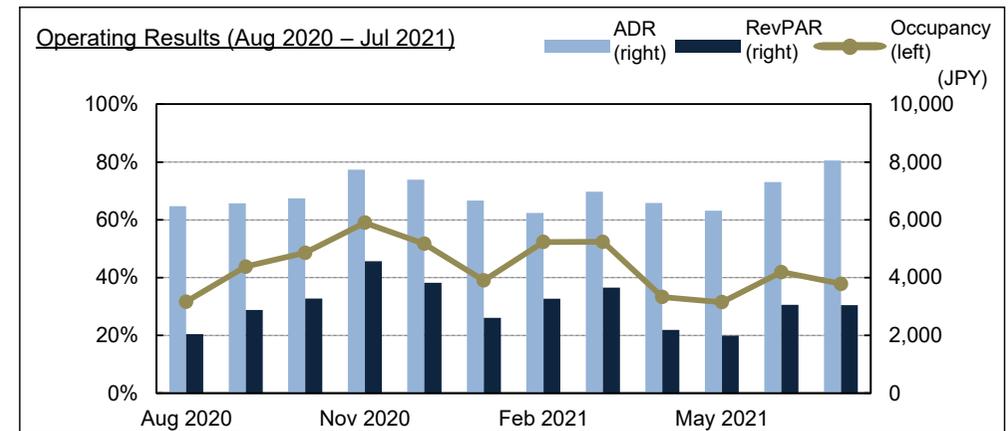


\* Changed operator and changed hotel name to The OneFive Osaka Sakaisuji on September 1, 2021.

# Variable Rent Hotel Details

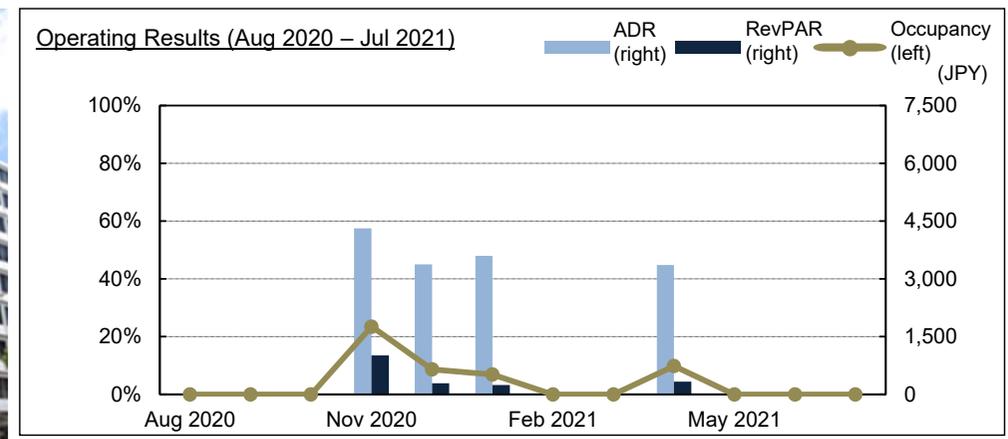
## E-4 Hotel Wing International Kobe Shin Nagata Ekimae

<b>Location</b>	Kobe
<b>Access</b>	2-minute walk from Shin Nagata Station on JR Kobe Line and JR Sanyo Honsen Line
<b>Operator</b>	Minacia Co., Ltd.
<b>Guest Rooms</b>	133
<b>Acquisition Price</b>	JPY 1.49B



## E-5 Nest Hotel Osaka Shinsaibashi

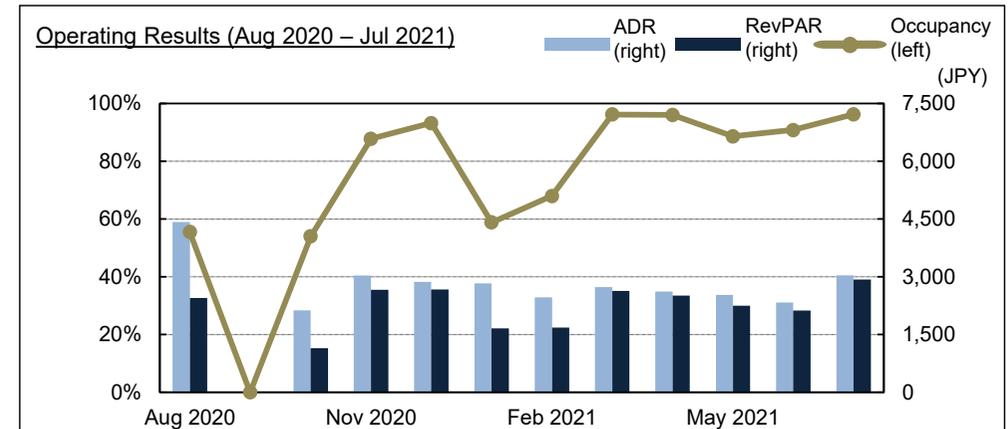
<b>Location</b>	Osaka
<b>Access</b>	1-minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line
<b>Operator</b>	Nest Hotel Japan Corporation
<b>Guest Rooms</b>	302
<b>Acquisition Price</b>	JPY 7.60B



# Variable Rent Hotel Details

## F-1 The OneFive Okayama

<b>Location</b>	Okayama
<b>Access</b>	15-minute walk from Okayama Station on Sanyo Shinkansen, Sanyo Main Line, Uno Line
<b>Operator</b>	Hakata Hotels Inc.
<b>Guest Rooms</b>	208
<b>Acquisition Price</b>	JPY 1.20B



## F-2 Nest Hotel Matsuyama

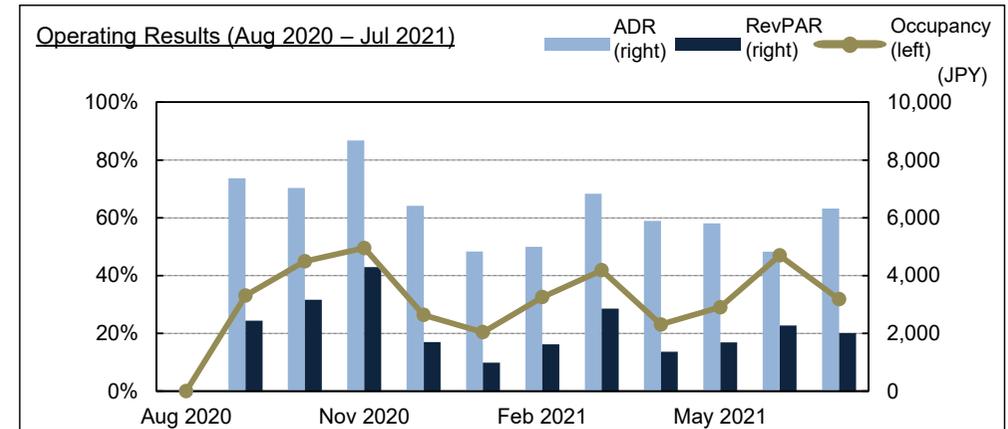
<b>Location</b>	Matsuyama, Ehime
<b>Access</b>	25-minute drive from Matsuyama Airport, 3-minute walk from Katsuyamacho Station on Iyo Railway Jonan Line
<b>Operator</b>	Nest Hotel Japan Corporation
<b>Guest Rooms</b>	190
<b>Acquisition Price</b>	JPY 1.61B



# Variable Rent Hotel Details

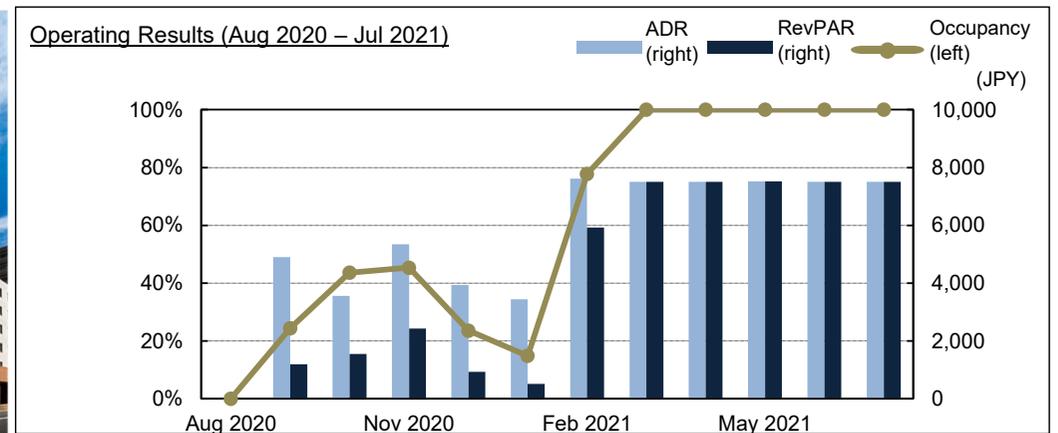
## F-4 Court Hotel Kurashiki

<b>Location</b>	Kurashiki, Okayama
<b>Access</b>	8-minute walk from Kurashiki Station on JR Sanyo Main Line
<b>Operator</b>	The Court Co., Ltd.
<b>Guest Rooms</b>	107
<b>Acquisition Price</b>	JPY 1.73B



## F-5 Valie Hotel Hiroshima

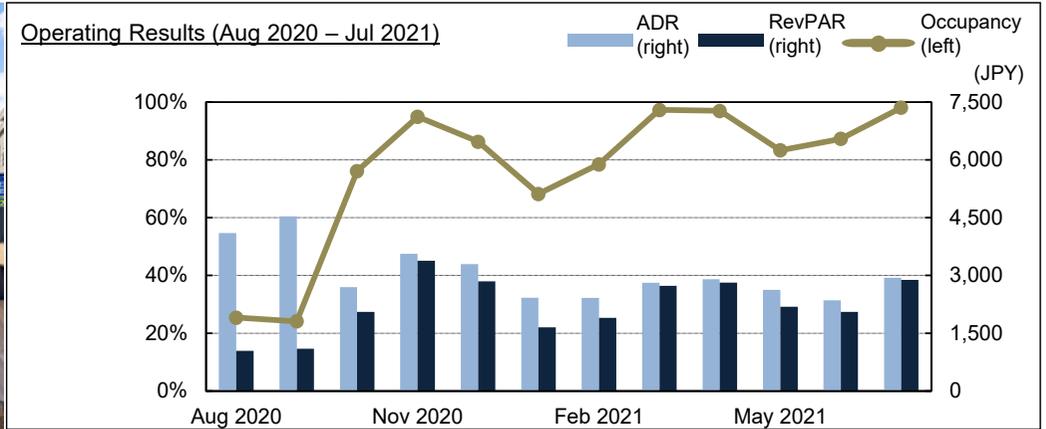
<b>Location</b>	Hiroshima
<b>Access</b>	3-minute walk from Jogakuin-mae Station on Hiroden Tram Line
<b>Operator</b>	The Court Co., Ltd.
<b>Guest Rooms</b>	171
<b>Acquisition Price</b>	JPY 1.50B



# Variable Rent Hotel Details

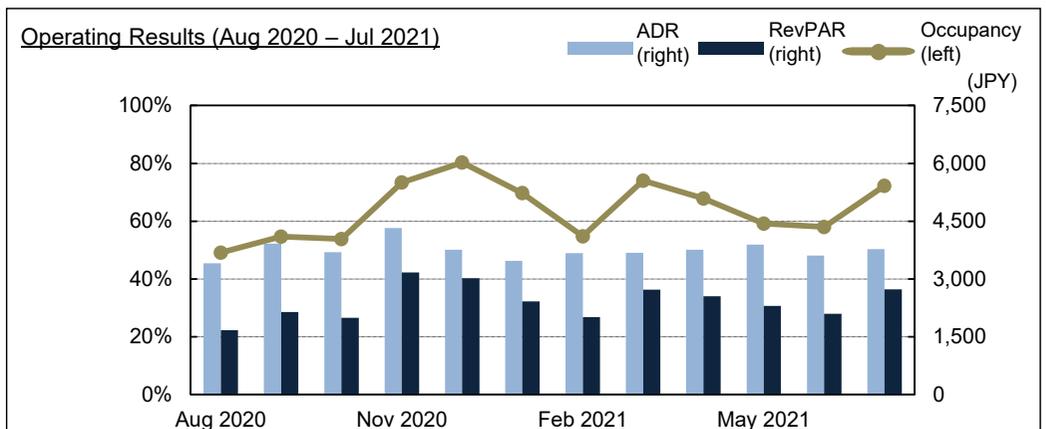
## G-1 The OneFive Fukuoka Tenjin

<b>Location</b>	Fukuoka
<b>Access</b>	6-minute walk from Tenjin Station on Fukuoka City Subway Kuko Line
<b>Operator</b>	Hakata Hotels Inc.
<b>Guest Rooms</b>	77
<b>Acquisition Price</b>	JPY 1.38B



## G-3 Nest Hotel Kumamoto

<b>Location</b>	Kumamoto
<b>Access</b>	2-minute walk from Nishikarashimacho Station on Kumamoto City Tram Line
<b>Operator</b>	Nest Hotel Japan Corporation
<b>Guest Rooms</b>	201
<b>Acquisition Price</b>	JPY 2.22B



# Fixed Rent Hotel Details

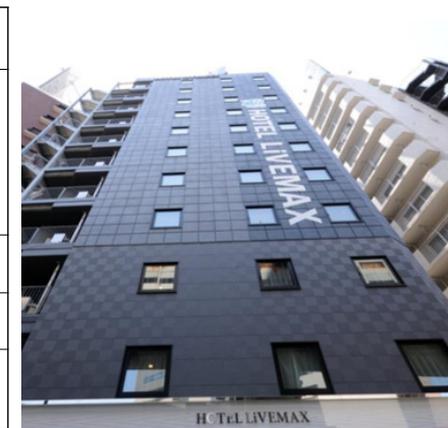
## A-3 Comfort Hotel Kushiro

<b>Location</b>	Kushiro, Hokkaido
<b>Access</b>	2-minute walk from Kushiro Station on JR Nemuro Main Line
<b>Operator</b>	Greens Co., Ltd.
<b>Guest Rooms</b>	126
<b>Acquisition Price</b>	JPY 300M



## C-3 Hotel Livemax Nihombashi-Hakozaki

<b>Location</b>	Chuo-ku, Tokyo
<b>Access</b>	3-minute walk from Suitengumae Station on Tokyo Metro Hanzomon Line
<b>Operator</b>	Live Max Inc.
<b>Guest Rooms</b>	48
<b>Acquisition Price</b>	JPY 1.36B



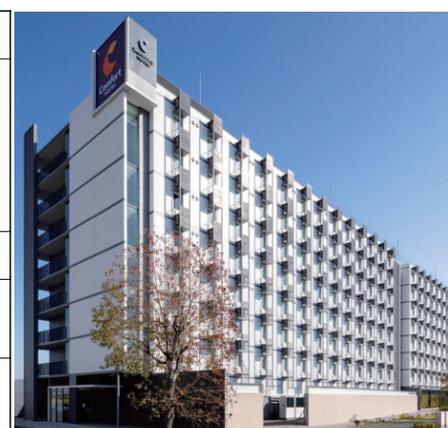
## D-1 Comfort Hotel Hamamatsu

<b>Location</b>	Hamamatsu, Shizuoka
<b>Access</b>	2-minute walk from Hamamatsu Station on JR Tokaido Main Line, Tokaido Shinkansen
<b>Operator</b>	Greens Co., Ltd.
<b>Guest Rooms</b>	196
<b>Acquisition Price</b>	JPY 1.55B



## D-3 Comfort Hotel Central International Airport

<b>Location</b>	Tokoname, Aichi
<b>Access</b>	5-minute walk from Central International Airport, 3-minute walk from Central International Airport Station on Meitetsu Airport Line
<b>Operator</b>	Greens Co., Ltd.
<b>Guest Rooms</b>	346
<b>Acquisition Price</b>	JPY 5.31B



# Fixed Rent Hotel Details

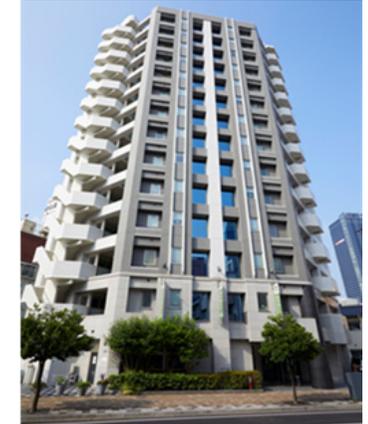
## D-4 Comfort Hotel Suzuka

<b>Location</b>	Suzuka, Mie
<b>Access</b>	3-minute walk from Shirako Station on Kintetsu Nagoya Line
<b>Operator</b>	Greens Co., Ltd.
<b>Guest Rooms</b>	105
<b>Acquisition Price</b>	JPY 300M



## F-3 Urbain Hiroshima Executive

<b>Location</b>	Hiroshima
<b>Access</b>	6-minute walk from Hiroshima Station on JR Sanyo Shinkansen and Sanyo Main Line
<b>Operator</b>	Yuki Corporation
<b>Guest Rooms</b>	171
<b>Acquisition Price</b>	JPY 1.80B



## F-6 Washington Hotel Plaza Shimonoseki Eki Nishi

<b>Location</b>	Shimonoseki, Yamaguchi
<b>Access</b>	3-minute walk from Shimonoseki Station on JR Sanyo Main Line
<b>Operator</b>	Washington Hotel Corp.
<b>Guest Rooms</b>	238
<b>Acquisition Price</b>	JPY 1.08B



## Appendix: Loan Details & Shareholder Composition

---

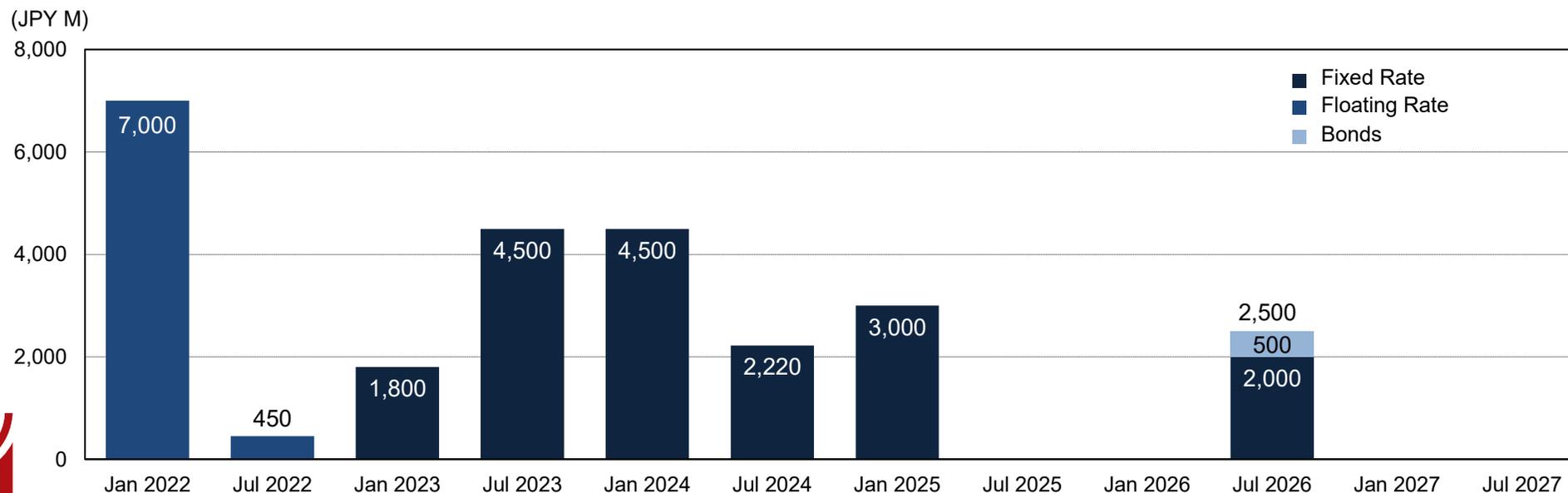
# Stable Financial Base

## Outstanding Loan Balance

	Jul 31, 2019	Jan 31, 2020	Jul 31, 2020	Jan 31, 2021	Jul 31, 2021
<b>Amount</b>	JPY 25.47B				
<b>Long-Term Loan Ratio</b>	100%	100%	93.1%	72.5%	70.7%
<b>Fixed Rate Ratio</b>	83.5%	83.5%	91.4%	70.7%	70.7%
<b>Average Interest Rate</b>	0.86%	0.88%	0.87%	0.82%	0.75%
<b>Average Remaining Maturity</b>	3.0 years	2.5 years	2.5 years	2.3 years	1.8 years
<b>LTV (Total Assets Basis)</b>	43.0%	41.5%	43.6%	43.3%	43.2%

\* The above does not include investment corporation bonds.

## Distribution of Loan Maturities



# Loan Details

(as of July 31, 2021)

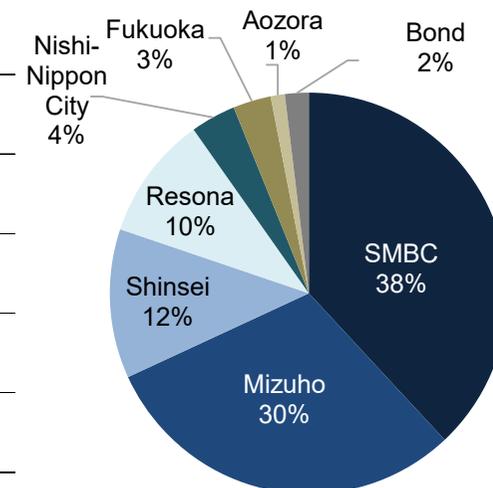
Loan	Lender	Amount (JPY million)	Floating/Fixed	Interest Rate (%)	Borrowing Date	Maturity
Term Loan 4	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.90750%	August 17, 2016	February 28, 2023
Term Loan 5	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.98500%	August 17, 2016	August 31, 2023
Term Loan 7	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	1,800	Fixed	0.78750%	August 1, 2017	January 31, 2023
Term Loan 9	SMBC, Mizuho, Shinsei, Resona	1,500	Fixed	0.92000%	November 30, 2018	November 29, 2024
Term Loan 10	SMBC, Mizuho, Shinsei, Resona, Nishi-Nippon City	2,220	Fixed	0.75450%	April 25, 2019	April 30, 2024
Term Loan 11	SMBC, Mizuho, Shinsei, Resona, Aozora	1,500	Fixed	0.73575%	July 19, 2019	November 29, 2024
Term Loan 12	SMBC	450	Variable	0.52909%	February 28, 2020	February 28, 2022
Term Loan 13	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	2,000	Fixed	0.65600%	February 28, 2020	February 27, 2026
Term Loan 15	SMBC, Mizuho, Shinsei, Resona	7,000	Variable	0.50727%	November 30, 2020	November 29, 2021

<b>Total Borrowings</b>	<b>25,470</b>	<b>Average 0.75%</b>	<b>Average Remaining Loan Term 1.8 years</b>
-------------------------	---------------	----------------------	--

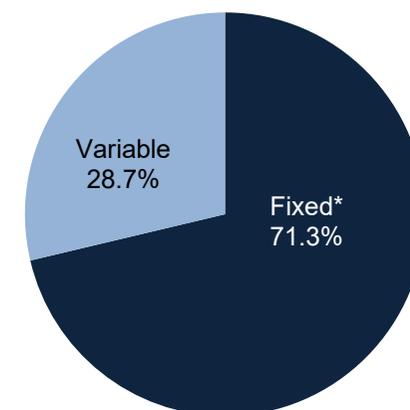
Issue Date	Name	Issue Amount (JPY million)	Interest Rate	Redemption Date	Issuance Period
November 25, 2020	First Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	500	2.00%	April 30, 2026	5.4 years

<b>Total Interest-Bearing Liabilities</b>	<b>25,970</b>	<b>Average 0.78%</b>	<b>Average Remaining Loan Term 1.9 years</b>
---	---------------	----------------------	--

## Lender Composition



## Fixed vs. Floating



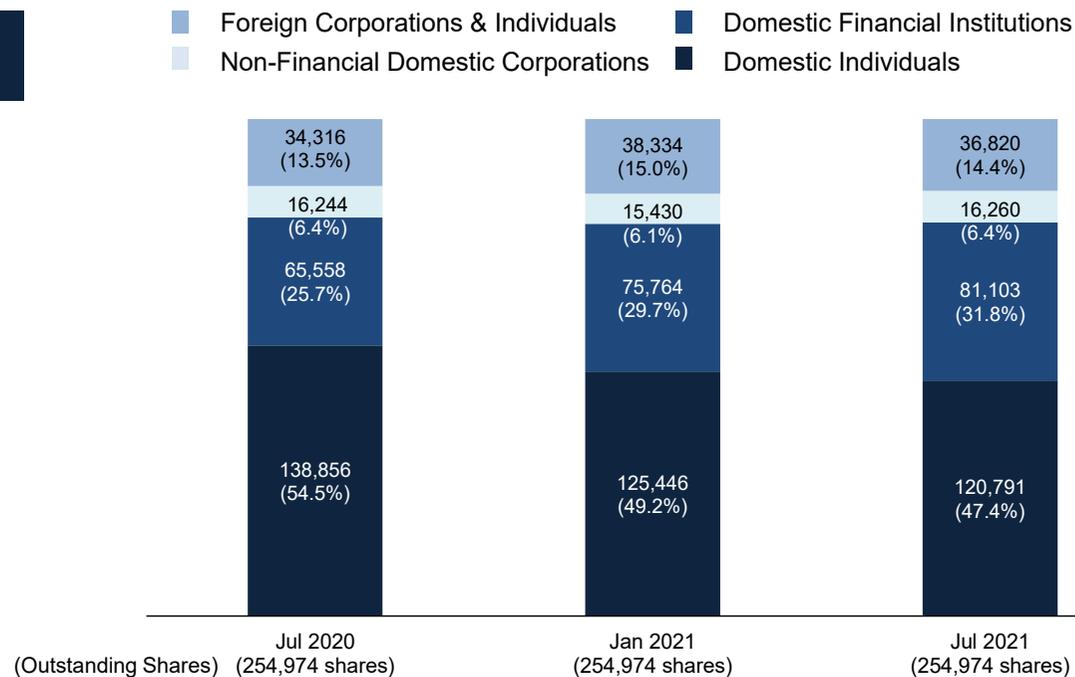
\* Includes interest fixed via swaps

# Shareholder Composition

## Major Shareholders (as of July 31, 2021)

	Name	No. Of Shares	Share
1	Custody Bank of Japan, Ltd., Trust Account	24,741	9.7%
2	The Master Trust Bank of Japan, Trust Account	24,629	9.7%
3	Ichigo Trust Pte. Ltd.	10,908	4.3%
4	Nomura Trust & Banking Co., Ltd., Investment Trust Account	9,417	3.7%
5	Ichigo Inc. (Sponsor)	6,500	2.5%
6	Custody Bank of Japan, Ltd., Securities Investment Trust Account	4,933	1.9%
7	Banshu Shinkin Bank	4,900	1.9%
8	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/SECURITIES – AIFM	4,352	1.7%
9	Individual Shareholder	3,140	1.2%
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,112	1.2%
	<b>Total</b>	<b>96,632</b>	<b>37.9%</b>

## By Number of Shares Held



## By Number of Shareholders

	Jul 31, 2020	Jan 31, 2021	Jul 31, 2021	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	18,688	16,985	16,178	97.5%
Domestic Financial Institutions	38	36	35	0.2%
City banks, trust banks	4	4	4	–
Regional banks	–	–	–	–
Other (including securities companies)	34	32	31	0.2%
Non-Financial Domestic Corporations	248	232	226	1.4%
Foreign Corporations & Individuals	124	144	154	0.9%
<b>Total</b>	<b>19,098</b>	<b>17,397</b>	<b>16,593</b>	<b>100%</b>

# Appendix: Growth Roadmap, Sponsor, Shareholder Alignment

---

# Ongoing Actions to Drive Increased Shareholder Value

## Portfolio Growth & Diversification Drive Earnings Growth & Stability

Organic Growth	External Growth
<p><u>Current Environment</u></p> <ul style="list-style-type: none"> <li>• Both Japanese and inbound demand has dropped significantly due to Covid, generating ongoing impact on the hotel market</li> <li>• Supply is exceeding demand in some areas in Japan due to excessive number of new hotel openings</li> <li>• Financial strength of hotel operators needs to be closely monitored to verify their rent-paying ability</li> <li>• No new growth driver is currently expected</li> </ul>	<p><u>Current Environment</u></p> <ul style="list-style-type: none"> <li>• Sales and acquisitions limited due to market uncertainty</li> <li>• Market recovery is expected after vaccine &amp; treatment regimes become available</li> <li>• Competition for quality assets is expected to intensify</li> </ul>
<p><u>Actions</u></p> <ul style="list-style-type: none"> <li>• Proactively execute value-add capex tailored to each hotel</li> <li>• Sell hotels with limited growth potential</li> <li>• Increase earnings by revising fixed rent and variable rent terms at lease renewal</li> <li>• Grow with sponsor support (Hakata Hotels/PROPERA)</li> </ul>	<p><u>Actions</u></p> <ul style="list-style-type: none"> <li>• Continue to grow portfolio of lodging-focused hotels, a hotel type with stable earnings</li> <li>• High underlying land values reflect Ichigo Hotel's high location attractiveness and value</li> <li>• Ichigo Hotel's focus on major regional cities with convenient public transport access and revenue upside from local events further reinforces earnings stability</li> <li>• Geographic diversification and centrally-located hotels with stable demand also support high earnings stability</li> </ul>

**Dividend Growth**

# Growth Strategy Roadmap

## Flexibly Responding to Market Environment

	Stage I	Stage II
<b>Continuous Dividend Growth via External Growth, Organic Growth, and Strong Financial Base</b>		
<b>External Growth</b>	<ul style="list-style-type: none"> <li>• Drive higher earnings via economies of scale from increased asset size</li> <li>• Invest primarily in lodging-focused hotels</li> <li>• Acquisition of conversion-feasible assets and lodging facilities such as serviced apartments</li> <li>• Asset acquisitions via SPCs</li> <li>• Asset acquisitions using low-cost borrowing capacity (LTV)</li> </ul>	<ul style="list-style-type: none"> <li>• Construct a diversified portfolio to pursue both income stability and earnings growth</li> <li>• Maximize dividend and earnings via unrealized gains via asset acquisitions and sales</li> <li>• Acquire prime-location full-service hotels and resort hotels in addition to lodging-focused hotels</li> <li>• Increase portfolio size and generate scale efficiencies via acquisitions of newly built hotels in addition to value-add of existing hotels</li> </ul>
<b>Organic Growth</b>	<ul style="list-style-type: none"> <li>• Enhance operational efficiency by monitoring operations and providing advice to partner hotel operators</li> <li>• Increase rents and earnings through value-add capex</li> </ul>	
<b>Financing</b>	<ul style="list-style-type: none"> <li>• Maintain a strong lender base</li> <li>• Appropriate LTV</li> <li>• Manage interest rate risk</li> <li>• Prepare to acquire credit rating</li> <li>• Shift to no fixed fee, performance fee-only structure</li> </ul>	<ul style="list-style-type: none"> <li>• Acquire credit rating</li> <li>• Diversify financing</li> <li>• Continue to control LTV and manage interest rate risk</li> <li>• Prepare to enter global REIT indices</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Conduct share buybacks to increase dividend and maintain appropriate share price</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct share buybacks to increase dividend and maintain appropriate share price</li> <li>• Promote responsiveness to disasters (Respond to ESG requirements)</li> </ul>

# Ichigo Hotel's Sponsor: Ichigo (2337)

## Core Businesses: Asset Management, Sustainable Real Estate, Clean Energy

- Manages Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
- TSE First Section, JPX-Nikkei 400 Member
- Deeply committed to CSR and Sustainability
- Japan's first zero-carbon listed real estate company

**Ichigo**  
(TSE First Section 2337)

**Ichigo Preserves and Improves Real Estate**




**Hiromi Miyake**  
(Weightlifting)

The word "Ichigo" comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning "One lifetime, one encounter." The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized.

Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.

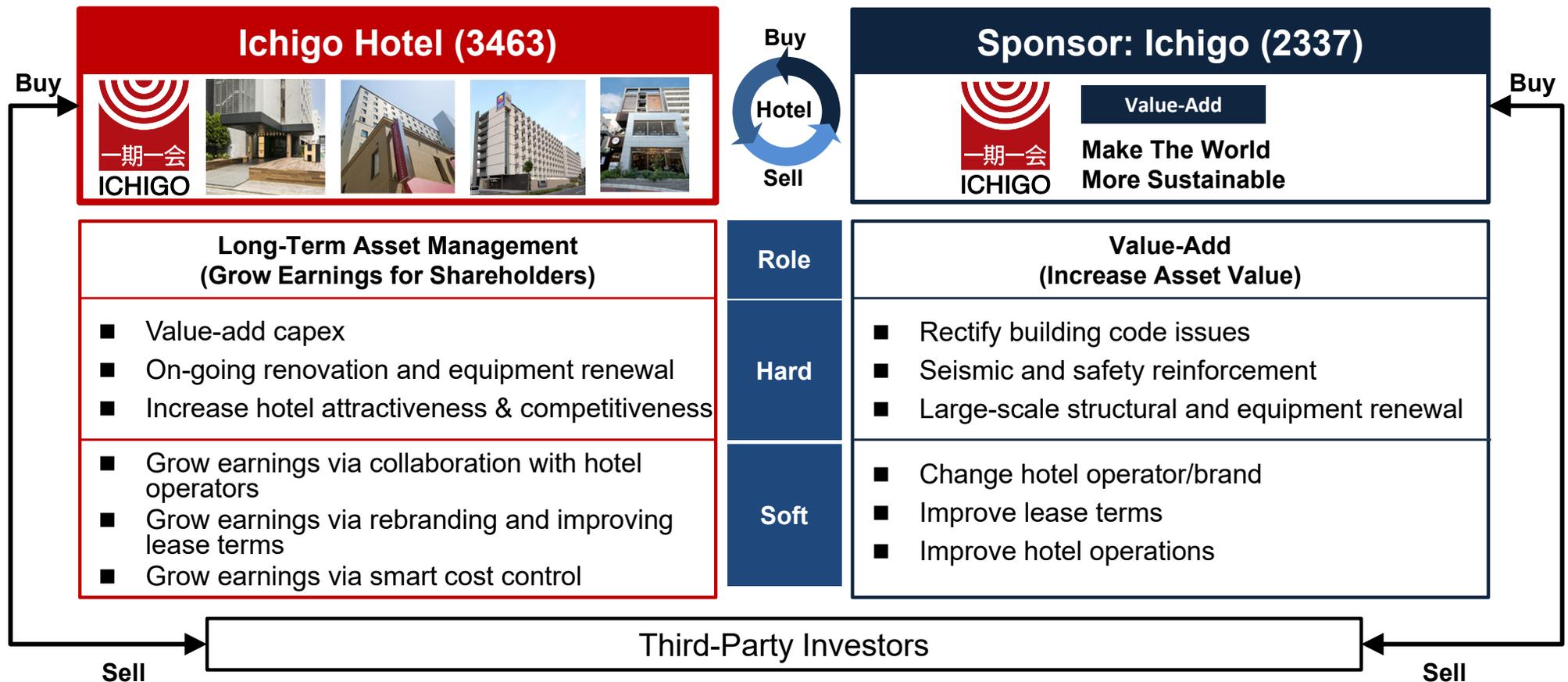
Asset Management	Ichigo Investment Advisors	<b>Ichigo Hotel (3463)</b>
		<b>Ichigo Green (9282)</b>
		Ichigo Office (8975)
Sustainable Real Estate	Ichigo Estate	Miyako City
	Ichigo Owners	Centro
	Ichigo Land Shinchiku	Storage Plus
	Ichigo Real Estate Services Fukuoka	Ichigo Animation
	Ichigo Marché	Hakata Hotels
Clean Energy	Ichigo ECO Energy	



©J.LEAGUE

# Synergies Between Ichigo Hotel and Sponsor

- Strengthen acquisitions through leveraging Ichigo’s sourcing network
- Increase asset value through Ichigo’s real estate value-add capabilities
- Drive higher returns for Ichigo Hotel shareholders



# Hakata Hotels & PROPERA

- Hakata Hotels, a consolidated subsidiary of Ichigo, is a hotel operator operating 12 hotels across Japan with many located in the Hakata (Fukuoka) area
- Hakata Hotels is deploying PROPERA, an AI-based revenue management system developed by Ichigo, to maximize earnings and increase guest satisfaction.

<b>Name</b>	Hakata Hotels Inc.
<b>Address</b>	3-13-1 Haruyoshi, Chuo-ku, Fukuoka
<b>Representatives</b>	Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President
<b>Paid-In Capital</b>	JPY 10 million (100% shareholding by Centro Co. Ltd., a 100% Ichigo subsidiary)
<b>Establishment Date</b>	March 2019
<b>Main Business</b>	<ul style="list-style-type: none"> <li>•Development, operation, lease, and management of retail buildings, hotels and restaurants</li> <li>•Lease and management of real estate</li> <li>•Design and construction of buildings and interior designs</li> <li>•Consulting services related to retail buildings, retail facilities, and restaurants</li> </ul>
<b>Operating Hotels (Number of rooms in parentheses)</b>	<u>Tokyo</u> : HOTEL EMIT SHIBUYA (72), MusBee Tokyo Hamamatsucho (29) <u>Kyoto</u> : The OneFive Kyoto Shijo (146) <u>Osaka</u> : The OneFive Osaka Sakaisuji (130) <u>Okayama</u> : The OneFive Okayama (208) <u>Fukuoka</u> : The OneFive Villa Fukuoka (50), Plaza Hotel Tenjin (205), Plaza Hotel Premiere (170), Hotel Il Palazzo (62), The OneFive Marine Fukuoka (103), The OneFive Terrace Fukuoka (82), The OneFive Fukuoka Tenjin (77)

## PROPERA AI-based revenue management system developed by Ichigo

- Increases guest satisfaction
- Operating track record of increasing earnings by 10-40%
- Starting third-party sales

 **HAKATA HOTELS**

# Portfolio Growth Opportunity via Ichigo Sponsor Support

20 Hotels (JPY 64B) in Ichigo Sponsor Pipeline as of May 31, 2021

- Lodging-focused hotels across Japan
- Locations: Major cities such as Hokkaido, Tokyo, Yokohama, Osaka, and Fukuoka



# Ichigo Hotel Overview

---

## Ichigo Hotel

<b>Name</b>	Ichigo Hotel REIT Investment Corporation
<b>Securities Code</b>	3463
<b>Address</b>	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
<b>Executive Director</b>	Osamu Miyashita
<b>Fiscal Periods</b>	January (August 1 - January 31) and July (February 1 - July 31)

## Asset Management Company

<b>Name</b>	Ichigo Investment Advisors Co., Ltd.
<b>President</b>	Hiroshi Iwai
<b>Registration &amp; Membership</b>	Financial Instruments Dealer License (Investment Management Services, Investment Advisory & Agency Services, and Type II Financial Instruments Services) Minister of Finance, Kanto Financial Bureau #318

# Disclaimer

---

These materials are for informational purposes only, and do not constitute or form a part of, and should not be construed as, an offer to sell or buy securities of Ichigo Hotel REIT Investment Corporation (Ichigo Hotel ).

These materials may contain forward-looking statements regarding the intent, belief or current expectations of Ichigo Hotel with respect to financial condition and future results. These statements are based on certain assumptions founded on currently available information. Accordingly, such statements are subject to risks and uncertainties, and there is no assurance as to actual financial conditions or future results. Actual results may vary from those indicated in the forward-looking statements.

In creating these materials, Ichigo Hotel and Ichigo Investment Advisors Co., Ltd. (IIA) have sought to provide accurate information. However, there can be no assurance given as to the accuracy, certainty, validity or fairness of any such information. The content of these materials is also subject to revision or retraction without prior notice.

This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.



**Make The World  
More Sustainable**

Contact:

**Ichigo Hotel IR Desk (3463)**

TEL: +81-3-3502-4892

E-mail: [ir\\_hotel@ichigo.gr.jp](mailto:ir_hotel@ichigo.gr.jp)

[www.ichigo-hotel.co.jp/en](http://www.ichigo-hotel.co.jp/en)



Ichigo is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.