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Issuer

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**Upward Earnings Forecast Revision for the July 2025 Fiscal Period**

Ichigo Hotel is revising upward its earnings forecast for the July 2025 fiscal period announced in the March 14, 2025 release “January 2025 Fiscal Period Earnings.”

1. July 2025 Earnings Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (JPY)
Previous Forecast (A)	2,730	1,558	1,184	1,183	3,613
New Forecast (B)	2,951	1,672	1,314	1,313	4,010
Difference (B) - (A)	+221	+114	+130	+130	+397
% Change	+8.1%	+7.3%	+11.0%	+11.0%	+11.0%
Reference: July 2024	2,440	1,313	996	995	3,040

Reference: Net Income per Share: JPY 4,010

Period-end number of shares outstanding: 327,489 shares

Note: The new forecast is based on the “Preconditions for the July 2025 Earnings Forecast” on page 3. Actual results may vary due to changes in circumstances, so these forecasts should not be construed as a guarantee of such results. Ichigo Hotel will make a forecast revision should a material discrepancy emerge between this forecast and results.

## 2. July 2025 Earnings Forecast Revision Rationale

According to the Japan National Tourism Organization (JNTO), the cumulative number of inbound tourists during the first half of the year reached 21.51 million, a 21% increase year-on-year.

During the July 2025 fiscal period, Ichigo Hotel's earnings increased due to growing hotel demand across its portfolio, with variable rent increasing significantly on the back of earnings growth at two Sapporo hotels due to the Sapporo Snow Festival and two Osaka hotels due to the World Expo 2025 in Osaka. In addition, earnings significantly exceeded forecasts at Ichigo Hotel's three hotels in Fukuoka City, including The OneFive Marine Fukuoka acquired in January 2025 and the Nest Hotel Hakata Ekimae acquired in February 2025, thus driving variable rent.

As a result, Ichigo Hotel's dividend is forecast to increase by JPY 397 (+11.0%) versus the previously announced forecast.

The impact of the February 3, 2025 sale of Nest Hotel Osaka Shinsaibashi has already been factored into the previous forecast.

There is no change to the January 2026 fiscal period operating results and forecast at this time.

# Preconditions for the July 2025 Earnings Forecast

	Preconditions							
Period	● February 1, 2025 to July 31, 2025 (181 days)							
Number of Hotels	● 29 hotels							
Operating Revenue	Within operating revenue, rental income is forecast based on current lease contracts, taking into consideration such factors as hotel and market conditions. <sup>1</sup>							
	<u>Forecast Operating Performance<sup>2</sup></u>							
	<table><tr><td></td><td>July 2025 Fiscal Period</td></tr><tr><td>Occupancy<sup>3</sup></td><td>81.4%</td></tr><tr><td>ADR<sup>4</sup></td><td>JPY 11,076</td></tr></table>		July 2025 Fiscal Period	Occupancy <sup>3</sup>	81.4%	ADR <sup>4</sup>	JPY 11,076	
		July 2025 Fiscal Period						
	Occupancy <sup>3</sup>	81.4%						
	ADR <sup>4</sup>	JPY 11,076						
	<sup>1</sup> The forecast rental income assumes operators and tenants will fully pay their contractual rents without delay or default.							
	<sup>2</sup> The 22 variable rent hotels are: Smile Hotel Kyoto Shijo, Hotel Wing International Nagoya, The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, Nest Hotel Sapporo Odori, The OneFive Fukuoka Tenjin, Smile Hotel Tokyo Asagaya, Nest Hotel Matsuyama, The OneFive Okayama, Capsule Plus Yokohama, The OneFive Garden Kurashiki, Nest Hotel Kumamoto, The OneFive Tokyo Shibuya, Smile Hotel Nagano, Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building), HOTEL THE KNOT YOKOKAMA, Quintessa Hotel Ise Shima, Quintessa Hotel Ogaki, THE KNOT SAPPORO, The OneFive Marine Fukuoka, Nest Hotel Hakata Ekimae, and Comfort Hotel Central International Airport (Comfort Hotel Central International Airport’s contract changed from a fixed rent contract to a fixed + variable rent contract in May 2025). Data for Capsule Plus Yokohama is excluded from the above forecast because the operator did not give consent to disclose forecasts.							
	<sup>3</sup> Occupancy is calculated with the following formula: Occupancy = Total number of guest rooms occupied during the period / (total number of guest rooms * number of days hotel was in operation during the period)							
	<sup>4</sup> ADR or Average Daily Rate is calculated with the following formula: ADR = Total sales from accommodation (excluding restaurant charges and other service fees) / number of guest rooms occupied during the period							
<u>Details of the July 2025 Rental Income Forecast by Hotel</u>								
(JPY million)								
<table><tr><td>Hotel Name</td><td>Fixed Rent/ Minimum Guaranteed Rent</td><td>Variable Rent</td><td>Total</td></tr><tr><td>Smile Hotel Kyoto Shijo</td><td>38</td><td>57</td><td>96</td></tr></table>	Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total	Smile Hotel Kyoto Shijo	38	57	96
Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total					
Smile Hotel Kyoto Shijo	38	57	96					

Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total
The OneFive Osaka Sakaisuji	11	70	82
Comfort Hotel Hamamatsu	55	–	55
Nest Hotel Sapporo Odori	27	74	101
The OneFive Fukuoka Tenjin	34	52	86
Nest Hotel Osaka Shinsaibashi <sup>1</sup>	–	1	1
Comfort Hotel Central International Airport	154	–	154
Smile Hotel Tokyo Asagaya	52	84	136
Nest Hotel Matsuyama	36	55	92
The OneFive Okayama	62	44	106
Comfort Hotel Kushiro	18	–	18
Comfort Hotel Suzuka	15	–	15
The OneFive Garden Kurashiki	46	15	62
Nest Hotel Kumamoto	25	35	60
The OneFive Tokyo Shibuya	47	89	137
Smile Hotel Nagano	10	38	49
Hotel Sunshine Utsunomiya	64	–	64
HOTEL THE KNOT YOKOHAMA	76	112	189
Quintessa Hotel Ise Shima	35	18	54
Quintessa Hotel Ogaki	19	7	26
THE KNOT SAPPORO	76	141	217
The OneFive Marine Fukuoka	26	60	87
Nest Hotel Hakata Ekimae <sup>1</sup>	45	165	210
Other <sup>2</sup>	284	96	381
Total	1,266	1,223	2,490

<sup>1</sup> Ichigo sold the Nest Hotel Osaka Shinsaibashi on February 3, 2025 and acquired the Nest Hotel Hakata Ekimae on February 4, 2025.

<sup>2</sup> Figures for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, Washington Hotel Plaza Shimonoseki Eki Nishi, and Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building) are included in “Other” because the hotel operators did not provide consent to disclose hotel-specific data.

- Retail: JPY 106 million of rental income from retail tenants at The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, Smile Hotel Tokyo Asagaya, Nest Hotel Kumamoto, Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building), HOTEL THE KNOT YOKOHAMA, and THE KNOT SAPPORO.

Operating Expenses	<ul style="list-style-type: none"> <li>• Depreciation: JPY 440 million. Depreciation has been calculated using the straight-line method.</li> <li>• Property and city planning taxes: JPY 153 million.</li> <li>• Building maintenance and repair expenses are based on what Ichigo Investment Advisors, the asset management company of Ichigo Hotel, estimates will be necessary for each hotel during the period. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected building damage, etc.</li> <li>• Rental expenses, Ichigo Hotel's principal operating expense (other than depreciation, see above), are calculated based on historical data adjusted for anticipated expense variations.</li> <li>• Actual operating expenses may differ significantly from these assumptions due to unforeseeable factors.</li> <li>• SG&amp;A expenses: JPY 402 million for asset management fee, JPY 23 million for appraisal report costs, and JPY 65 million for non-deductible consumption tax.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• Interest expenses and other borrowing-related expenses: JPY 357 million</li> <li>• Amortization of share issuance expenses: JPY 3 million</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>• Total borrowings: JPY 36.02 billion as of July 31, 2025</li> </ul>
Number of Shares	<ul style="list-style-type: none"> <li>• Total 327,489 shares</li> <li>• The forecast assumes there will be no additional new shares issued through July 31, 2025</li> </ul>
Dividend	<ul style="list-style-type: none"> <li>• The dividend forecast assumes that dividends will comply with the dividend distribution policy stipulated in Ichigo Hotel's Articles of Incorporation.</li> <li>• The dividend is subject to change due to factors such as sales of portfolio assets, changes in rental income associated with operator turnover, the occurrence of unexpected maintenance and repair costs, and fluctuations in interest rates.</li> </ul>
Dividend in Excess of Earnings	<ul style="list-style-type: none"> <li>• Ichigo Hotel does not plan on paying any Dividend in Excess of Earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.</li> </ul>