

[Provisional Translation Only]

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Issuer

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Hotel Sale (Comfort Hotel Suzuka)

Ichigo Hotel decided today to sell the Comfort Hotel Suzuka.

1. Sale Summary

Hotel No.	019
Hotel Name	Comfort Hotel Suzuka
Hotel Type	Lodging-focused ¹
Date Built	July 2007
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Acquisition Date	August 17, 2016
Buyer ²	Third-Party Japanese Company
Broker	N/A
Sale Price ³	JPY 430 million
Book Value ⁴	JPY 274 million
Sale Price less Book Value	JPY 155 million
Gains on Sale ⁵	JPY 130 million
Appraisal Value ⁶	JPY 362 million
Contract Date	August 8, 2025
Transaction Date	September 1, 2025
Closing Date	September 1, 2025

¹ Lodging-focused hotels are hotels specialized in lodging with a limited or minimum amount of related facilities located near train stations, airports, tourist sites, business and commercial districts, and other key transport infrastructure such as major train stations and highway interchanges.

² The buyer, a third-party Japanese company, did not provide consent to disclose its name.

³ Sale Price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

⁴ Book Value is an estimate based on the most recent book value (January 2025 fiscal period-end), adjusted for expected capital expenditures and depreciation through the Transaction Date.

⁵ Gains on Sale is an estimate calculated by Ichigo Investment Advisors (“IIA”) as the Sale Price less Book Value and forecast sale expenses, and is subject to change.

⁶ Appraisal Value is as calculated by Daiwa Real Estate Appraisal Co., Ltd. as of January 31, 2025, and is compliant with the appraisal guidelines of IIA as well as the rules of The Investment Trusts Association, Japan.

2. Sale Rationale

Although the Comfort Hotel Suzuka was a fixed-rent hotel contributing to Ichigo Hotel’s earnings stability on the back of hotel demand stability, it is the smallest hotel in Ichigo Hotel’s portfolio. Ichigo Hotel determined that the hotel’s contribution to its growth is limited based on the hotel’s rent structure, location, and earnings potential.

Ichigo Hotel continues to execute on its strategy to build a stable portfolio and drive growth and shareholder value, conducting comprehensive analyses of its hotels with respect to cash flow, earnings, and potential sale price, and growing its portfolio to include hotels with earnings upside via selective assets sales.

As part of this investment strategy, Ichigo Hotel decided that it is in the best interest of shareholders to sell the hotel, realize the profits from the increase in asset value, and use the sale proceeds for growth investments to drive asset value, including hotel acquisitions and conduct value-add.

The hotel’s sale price is JPY 430 million (1.2X appraisal value and 1.6X book value), and Ichigo Hotel is expected to record JPY 130 million in gains on sale, which will be fully distributed as dividend. As a result, Ichigo Hotel has revised upwards its January 2026 fiscal period earnings forecast. Please refer to today’s release “Upward Earnings Forecast Revision for the January 2026 Fiscal Period.”

www.ichigo-hotel.co.jp/en/ir/news

3. Hotel Overview

Hotel Overview					
Hotel Name		Comfort Hotel Suzuka			
Form of Ownership		Trust beneficiary interest in real estate (<i>juekiken</i>)			
Address		14-26 Shiroko Ekimae, Suzuka City, Mie			
Trustee		Mitsubishi UFJ Trust and Bank Corporation			
Period of Trust Contract		December 27, 2012 – August 31, 2026			
Land	Property Right	Freehold			
	Area	553.26m ²			
	Zoning	Commercial			
	Coverage Ratio Floor Area Ratio	80% 400%			
Building	Property Right	Freehold			
	Use	Hotel			
	Structure	Steel, 6 Floors			
	Total Floor Area	2,186.65m ²			
	Date Built	July 17, 2007			
Number of Tenants		1 (as of July 31, 2025)			
Monthly Rental Income ¹		Fixed rent: JPY 2,573,833 per month Variable rent: None			
Deposit		Deposit: JPY 15,442,998, no guarantee deposit			
Leasable Area		2,186.65m ²			
Leased Area		2,186.65m ²			
Occupancy		Mar 2025	Apr 2025	May 2025	Jun 2025
		100%	100%	100%	100%
Acquisition Price		JPY 300 million			
Appraisal	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.			
	Date	January 31, 2025			
	Value	JPY 362 million			

Appraisal Details		
Hotel Name	Comfort Hotel Suzuka	
Appraisal Value	JPY 362,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	January 31, 2025	
	Amount (JPY)	Notes
Appraisal Value	362,000,000	Based on a DCF valuation derived from expected net profit as a basis
Value by Direct Capitalization Method	359,000,000	
Income	30,885,996	Based on expected income
Maximum Obtainable Rental Income	30,885,996	
Vacancy Loss	—	
Expenses	7,285,933	
Administrative and Maintenance Expenses	—	Borne by tenant
Utility Expenses	—	Borne by tenant
Repair Expenses	2,384,833	Based on the average of past 12 years of engineering reports
PM Fees	1,080,000	Based on the contractual amount
Leasing Brokerage Fees	—	
Taxes	3,339,800	Based on FY2024 tax reports
Insurance Premiums	181,300	Based on the insurance documents
Other Expenses	300,000	1.0% of rental income (accounted for as a variable expense)
Net Operating Income (NOI)	23,600,063	
Income on Investment of Deposits Received	154,430	Based on 1.0% investment yield for deposits
Capital Expenditures	5,824,917	Based on the average renewal expenses of past 12 years of engineering reports
FF&E Reserve	—	
Net Profit	17,929,576	
Cap Rate	5.0%	Based on transactions of similar assets located in nearby areas and similar locations
Value via DCF Method	363,000,000	
Discount Rate	4.8%	Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account
Terminal Cap Rate	5.2%	Based on risk-adjusted NOI

	Amount (JPY)	Notes
Value via Cost Approach	313,000,000	
Land	29.5%	
Building	70.5%	
Notes		
None		

4. Buyer Profile

Name	The buyer, a third-party Japanese company, did not provide consent to disclose its name.
Relationship with Ichigo Hotel or IIA	The buyer does not have any material capital, personnel, or transactional relationship with Ichigo Hotel or IIA. In addition, the buyer is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of IIA.

5. Settlement Method

Lump-sum payment on closing date

6. Use of Sale Proceeds

Ichigo Hotel will distribute the gains on sale of c. JPY 130 million to shareholders as January 2026 dividend, and retain the remainder as cash-on-hand for future use, including asset acquisitions and value-add capex, to maximize shareholder value.

7. Earnings Impact

The impact of the sale on the January 2026 fiscal period is detailed in today's release "Upward Earnings Forecast Revision for the January 2026 Fiscal Period." There is no change to the July 2025 fiscal period earnings forecast.

Appendix: Post-Sale Portfolio¹

Hotel No. ²	Hotel Name	Prefecture	Lease Terms	Acquisition Price ³ (JPY million)	% of Portfolio ⁴
A-2 008	Nest Hotel Sapporo Odori	Hokkaido	Variable Rent	1,450	2.0
A-3 018	Comfort Hotel Kushiro	Hokkaido	Fixed Rent	300	0.4
A-4 033	THE KNOT SAPPORO	Hokkaido	Variable Rent	4,900	6.7
B-1 020	Capsule Plus Yokohama	Kanagawa	Variable Rent	1,490	2.0
B-2 027	Smile Hotel Nagano	Nagano	Variable Rent	670	0.9
B-3 028	Hotel Sunshine Utsunomiya	Tochigi	Fixed Rent	2,200	3.0
B-4 030	HOTEL THE KNOT YOKOHAMA	Kanagawa	Variable Rent	4,800	6.6
C-1 012	Smile Hotel Tokyo Asagaya	Tokyo	Variable Rent	3,910	5.3
C-3 016	Hotel Livemax Nihombashi-Hakozaki	Tokyo	Fixed Rent	1,360	1.9
C-4 025	The OneFive Tokyo Shibuya	Tokyo	Variable Rent	3,700	5.1
D-1 006	Comfort Hotel Hamamatsu	Shizuoka	Fixed Rent	1,550	2.1
D-2 003	Hotel Wing International Nagoya	Aichi	Variable Rent	2,670	3.7
D-3 011	Comfort Hotel Central International Airport	Aichi	Variable Rent	5,308	7.3
D-5 031	Quintessa Hotel Ise Shima	Mie	Variable Rent	610	0.8
D-6 032	Quintessa Hotel Ogaki	Gifu	Variable Rent	1,070	1.5
D-7 037	Hotel Enoe Toyama	Toyama	Variable Rent	3,400	4.7
E-1 001	Smile Hotel Kyoto Shijo	Kyoto	Variable Rent	4,480	6.1
E-3 005	The OneFive Osaka Sakaisuji	Osaka	Variable Rent	1,630	2.2
E-4 007	Hotel Wing International Kobe Shin Nagata Ekimae	Hyogo	Variable Rent	1,490	2.0
E-6 029	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	Osaka	Variable Rent	3,700	5.1
F-1 017	The OneFive Okayama	Okayama	Variable Rent	1,200	1.6
F-2 015	Nest Hotel Matsuyama	Ehime	Variable Rent	1,610	2.2
F-3 021	Urbain Hiroshima Executive	Hiroshima	Fixed Rent	1,800	2.5
F-4 022	The OneFive Garden Kurashiki	Okayama	Variable Rent	1,725	2.4
F-6 026	Washington Hotel Plaza Shimonoseki Eki Nishi	Yamaguchi	Fixed Rent	1,080	1.5
G-1 009	The OneFive Fukuoka Tenjin	Fukuoka	Variable Rent	1,380	1.9
G-3 023	Nest Hotel Kumamoto	Kumamoto	Variable Rent	2,220	3.0
G-4 034	The One Five Marine Fukuoka	Fukuoka	Variable Rent	2,600	3.6
G-5 035	Nest Hotel Hakata Ekimae	Fukuoka	Variable Rent	6,500	8.9
G-6 036	Smile Hotel Miyakojima	Okinawa	Variable Rent	2,300	3.1
Total 30 Hotels				73,103	100

¹ Includes the Hotel Enoe Toyama scheduled to be acquired on August 29, 2025.

² The initial letter (A, B, etc.) is a region code which identifies the area in which the hotel is located.

Code	Region	Prefectures
A	Hokkaido/Tohoku	Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima
B	Kanto	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Kanagawa, Yamanashi, Nagano, Niigata
C	Tokyo	Tokyo
D	Hokuriku/Tokai	Toyama, Ishikawa, Fukui, Gifu, Shizuoka, Aichi, Mie
E	Kinki	Osaka, Hyogo, Kyoto, Shiga, Nara, Wakayama
F	Chugoku/Shikoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Kagawa, Tokushima, Kochi, Ehime
G	Kyushu/Okinawa	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa

³ Acquisition Price is the price as indicated in the purchase and sales agreement for the hotel (excluding fees and incidental expenses such as property, city planning, and consumption taxes). The assets to be acquired may include personal property.

⁴ % of Portfolio is the Acquisition Price of each hotel as a percentage of the Total Acquisition Price for the portfolio, rounded to the nearest tenth.