



Ichigo Preserves and Improves Real Estate

[Provisional Translation Only]

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July 22, 2016

REIT Issuer

Ichigo Hotel REIT Investment Corporation (3463)

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

Representative: Osamu Miyashita, Executive Director

www.ichigo-hotel.co.jp/english

Asset Management Company

Ichigo Real Estate Investment Advisors Co., Ltd.

Representative: Wataru Orii, President & Representative Statutory Executive Officer

Inquiries: Hiroto Tajitsu, Statutory Executive Officer, Head of Administration

Tel: +81-3-3502-4892

Acquisition of Ten Hotel Assets

Ichigo Real Estate Investment Advisors Co., Ltd. (“IRE”), the asset management company of Ichigo Hotel REIT, decided today to acquire ten hotel assets (total acquisition price: 27,258,000,000 yen) at Ichigo Hotel REIT.

I. Acquisition Summary

Total appraisal value: 28,213,000,000 yen, total acquisition price: 27,258,000,000 yen

| Asset No. Asset Name | 010 Nest Hotel Osaka Shinsaibashi | 011 Comfort Hotel Central International Airport | 012 Smile Hotel Tokyo Asagaya | 013 Nest Hotel Naha | 014 Smile Hotel Asakusa |
|--------------------------------|--|---|-------------------------------------|------------------------|-------------------------------|
| Hotel Type | Stay-Only ¹ | | | | |
| Date Built | August 1984 | November 2004 | January 1993 | February 1975* | September 1992 |
| Form of Ownership | Trust beneficiary interest in real estate (<i>juekiken</i>) | | | | |
| Appraisal Value ² | 7,660,000,000 yen | 5,770,000,000 yen | 3,940,000,000 yen | 3,770,000,000 yen | 2,020,000,000 yen |
| Acquisition Price ³ | 7,600,000,000 yen | 5,308,000,000 yen | 3,910,000,000 yen | 3,750,000,000 yen | 1,920,000,000 yen |
| Seller | Nishi Nihon Holdings GK | Shinsaibashi Jisho GK | | | |
| Contract Date | July 22, 2016 | July 22, 2016 | July 22, 2016 | July 22, 2016 | July 22, 2016 |
| Closing Date | August 17, 2016 | August 17, 2016 | August 17, 2016 | August 17, 2016 | August 17, 2016 |
| Financing Method | New share issuance, borrowing, and cash-on-hand ^{4,5} | | | | |
| Settlement Method | Lump-sum payment | | | | |

* Completed full seismic reinforcement to current standards in June 2015.

| Asset No. Asset Name | 015 Nest Hotel Matsuyama | 016 Hotel Livemax Nihombashi- Hakozaki | 017 Comfort Hotel Okayama | 018 Comfort Hotel Kushiro | 019 Comfort Hotel Suzuka |
|--------------------------------|--|---|---------------------------------|---------------------------------|--------------------------------|
| Hotel Type | Stay-Only ¹ | | | | |
| Date Built | November 1988 | February 2015 | November 1983 | August 2009 | July 2007 |
| Form of Ownership | Trust beneficiary interest in real estate (<i>juekiken</i>) | | | | |
| Appraisal Value ² | 1,640,000,000 yen | 1,410,000,000 yen | 1,220,000,000 yen | 413,000,000 yen | 370,000,000 yen |
| Acquisition Price ³ | 1,610,000,000 yen | 1,360,000,000 yen | 1,200,000,000 yen | 300,000,000 yen | 300,000,000 yen |
| Seller | Shinsaibashi Jisho GK | | | | |
| Contract Date | July 22, 2016 | July 22, 2016 | July 22, 2016 | July 22, 2016 | July 22, 2016 |
| Closing Date | August 17, 2016 | August 17, 2016 | August 17, 2016 | August 17, 2016 | August 17, 2016 |
| Financing Method | New share issuance, borrowing, and cash-on-hand ^{4,5} | | | | |
| Settlement Method | Lump-sum payment | | | | |

¹ Stay-only hotels are located near train stations, airports, business centers, major thoroughfares, shopping centers, and other areas of high customer traffic, these hotels service travelers primarily as places to stay at very attractive rates, without extraneous banquet facilities, etc.

² Appraisal value is as of May 1, 2016.

³ Acquisition price excludes incidental expenses such as property, city planning, and consumption taxes.

⁴ For further details, please refer to today's release "Issuance of New Shares and Secondary Share Offering."

⁵ Financing details will be announced when determined.

II. Acquisition Rationale

By taking full advantage of its sponsor Ichigo's deep value-add capabilities and executing upon Ichigo Hotel REIT's growth-driving action plans, Ichigo Hotel REIT is committed to maximizing shareholder value for Ichigo hotel REIT shareholders.

With today's ten hotel acquisitions, Ichigo Hotel REIT is more than doubling its portfolio size from JPY 20.4 billion to JPY 47.6 billion.² The acquisitions will be financed by the public-offering net proceeds, bank borrowing, and cash-on-hand. The growth in Ichigo Hotel REIT's market capitalization and shares outstanding via this public offering is expected to significantly improve Ichigo Hotel REIT's share liquidity.

Of the ten hotels, five have variable rent leases with the hotel operators (in which Ichigo Hotel REIT shareholders share in the upside/downside of higher/lower hotel rates) and five are fixed rent leases. The forecast average NOI yield of the acquired assets is 5.5% and the average post-depreciation NOI yield is 4.3%.³

Ichigo Hotel REIT believes that today's acquisitions will contribute both to Ichigo Hotel REIT's earnings stability via geographic and asset diversification and its ongoing earnings growth. The acquisitions of these ten stay-only hotels will also support the generation of core earnings stability for Ichigo Hotel REIT shareholders via fixed rent leases, while providing earnings upside via variable rent leases at hotels benefiting from overseas tourist demand and rising hotel rates in Tokyo, Osaka, Hokkaido, and Okinawa.

Ichigo Hotel REIT will continue to work to maximize shareholder value via the execution of its external and organic growth strategies and by leveraging Ichigo Group's strengths.

¹ Portfolio size is on an acquisition price basis. It does not include consumption tax or other expenses related to acquisitions (brokerage fees, taxes, and public charges).

² Average NOI = Total NOI (net operating income) of the ten assets divided by the total acquisition price of the ten assets, where NOI is the NOI derived from the Direct Capitalization Method (DCM) in the real estate appraisal report at acquisition.

³ Average post-depreciation NOI Yield is calculated as NOI plus depreciation divided by the total acquisition price of the ten assets, where NOI is the NOI derived from the Direct Capitalization Method (DCM) in the real estate appraisal report at acquisition. Depreciation is an estimated value calculated by Ichigo Real Estate Investment Advisors using the straight-line method.

III. Hotel Lease Status

(1) Hotels

| No. | Hotel Name | Lessee |
|-----|---|-----------------------------|
| 010 | Nest Hotel Osaka Shinsaibashi | Nest Hotel Japan |
| 011 | Comfort Hotel Central International Airport | Greens Co., Ltd. |
| 012 | Smile Hotel Tokyo Asagaya | K.K. Hospitality Operations |
| 013 | Nest Hotel Naha | Nest Hotel Japan |
| 014 | Smile Hotel Asakusa | K.K. Hospitality Operations |
| 015 | Nest Hotel Matsuyama | Nest Hotel Japan |
| 016 | Hotel Livemax Nihombashi-Hakozaki | Live Max Inc. |
| 017 | Comfort Hotel Okayama | Greens Co., Ltd. |
| 018 | Comfort Hotel Kushiro | Greens Co., Ltd. |
| 019 | Comfort Hotel Suzuka | Greens Co., Ltd. |

- (2) Date of lease contract change or succession: August 17, 2016 (Expected)
- (3) For details about lease terms, please refer to “Rent Overview” in IV “Asset Details.”
- (4) Lessees meet Ichigo Hotel REIT’s selection criteria set forth in the “Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties.” (Note: If Ichigo Hotel REIT is the lessee under a master lease contract, then the tenant refers to the sub-lessee.)

IV. Asset Details

Details of the acquired assets follow.

Notes to the Asset Details:

- 1) The names of the architect, builder, structural engineer, and inspection agency are those of when the building was built.
- 2) Forecast NOI is the difference between the operating revenues and the operating expenses of the asset for the initial year. NOI yield is calculated by dividing NOI by Acquisition Price. Amounts less than a million are rounded off.
- 3) The average post-depreciation NOI Yield is calculated as NOI (net operating income) minus depreciation divided by the total acquisition price of the ten assets. Depreciation is an estimated value calculated by IRE using the straight-line method.
- 4) Structure of a building refers to the structure mentioned in the real estate register. The following abbreviations are used with regards to structure: RC stands for reinforced concrete; SRC for steel reinforced concrete; F for number of stories; and B for basement.

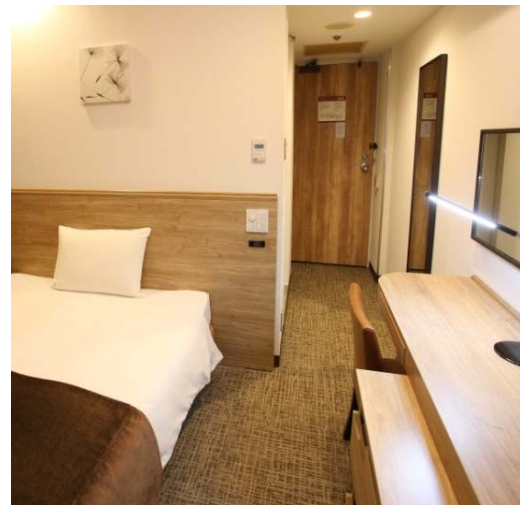
(1) Nest Hotel Osaka Shinsaibashi

(i) Location and Features

Rebranded as a Nest Hotel in 2014, this stay-only hotel is a 1-minute walk from Nagahoribashi Station on Osaka Municipal Subway's Sakaisuji Line and Nagahori Tsurumi-ryokuchi Line as well as a 6-minute walk from Shinsaibashi Station on Midosuji Line.

The hotel is situated in the Shinsaibashi district, one of Osaka's major commercial and shopping areas full of large commercial complexes and restaurants. It is conveniently located to meet business and leisure (domestic and inbound) demand, with easy access to tourist spots, such as Universal Studios Japan and Kyocera Dome Osaka.

(ii) Property Photos and Map



| Asset Overview | | |
|---|--|-------------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (<i>juekiken</i>) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | January 30, 2004 - August 31, 2026 (Expected) | |
| Location | 2-4-10 Minamisenba, Chuo-ku, Osaka City, Osaka | |
| Land | Property Right | Freehold |
| | Size | 1,072.78 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/800% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | SRC 13F |
| | Total Floor Area | 7,968.49m ² |
| | Construction Date | August 28, 1984 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 7,660,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 7,740,000,000 yen | |
| Number of Guest Rooms | 302 | |
| Architect | The Zenitaka Corporation First-Class Registered Architects Office | |
| Builder | The Zenitaka Corporation Osaka Office | |
| Structural Engineer | The Zenitaka Corporation First-Class Registered Architects Office | |
| Inspection Agency | Osaka City | |
| PML (Assessor) | 5.70% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None (Expected) | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | Minimum Guaranteed Rent: 128,555,633 yen p.a. ¹ Variable Rent: GOP of the month – (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | |
| Deposit | Lease deposit: 32,200,000 yen, No guarantee deposit | |
| Leasable Space | 8,057.26 m ² | |
| Leased Space | 8,057.26 m ² | |
| Occupancy | 100% | |
| Property Management Company | Building Management & Strategy Inc. | |
| Master Lease Company | Ichigo Hotel REIT Investment Corporation | |
| Master Lease Type | Pass-through | |
| Assumed NOI (NOI yield) | 5.3% | |
| Depreciation Ratio | 4.6% | |
| Special Items | | |
| The hotel is equipped with a machine-operated, multi-level parking lot in accordance with a government ordinance concerning required parking facilities for buildings. However, the parking facility is currently out of operation for maintenance. | | |

¹ Minimum Guaranteed Rent is the annual minimum guaranteed rent covering the 12 months from August 2016 to July 2017.

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Nest Hotel Osaka Shinsaibashi | |
| Appraisal Value | 7,660,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 7,660,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 7,740,000,000 yen | |
| Income | 438,096,000 yen | |
| Maximum Obtainable Rental Income | 438,096,000 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 32,697,867 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 2,825,667 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 2,400,000 yen | 200,000 yen per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 24,770,200 yen | Based on FY2016 actual amounts (including depreciable asset tax) |
| Insurance Premiums | 511,520 yen | Based on insurance estimates |
| Other Expenses | 2,190,480 yen | 0.5% of Income calculated as variable expense |
| Net Operating Income (NOI) | 405,398,133 yen | |
| Income on Investment of Deposits Received | 644,000 yen | Based on 2.0% investment yield |
| Capital Expenditure | 50,144,391 yen | Based on average renewal expense of the past 12 years in engineering reports and FF&E reserves |
| Net Profit | 355,897,742 yen | |
| Cap Rate | 4.6% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 7,620,000,000 yen | |
| Discount Rate | 4.4% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 4.8% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 2,290,000,000 yen | |
| Land | 77.5% | |
| Building | 22.5% | Sum of building and FF&E prices divided by sum of building, FF&E, and land prices |
| Notes | | |
| None | | |

(2) Comfort Hotel Central International Airport

(i) Location and Features

This stay-only hotel is a 5-minute walk from Central Japan International Airport and a 3-minute walk from the Central Japan International Airport Station of Nagoya Railroad. The hotel is connected to the airport and the station via a walkway.

The airport has seen a rise in arrivals and departures by low-cost carriers in recent years. Located close to such a growing international airport, the hotel can serve a variety of customers – business travelers, tourists, and airport and airline staffers.

The hotel is expected to meet rising inbound tourism demand as it is situated at the base of the so-called “dragon tourism route” spanning the Chubu and Hokuriku regions.

The hotel has relatively spacious guest rooms – single-bed rooms of 20 square meters, double-bed rooms of 25 square meters, and twin-bed rooms of 25 square meters – so that it can meet the demands of both tourists and business travelers. All the rooms command a nice view of the ocean or the airport.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|---|---|
| Legal Form of Asset | Trust beneficiary interest in real estate (<i>juekiken</i>) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | December 27, 2012 - August 31, 2026 (Expected) | |
| Location | 4-2-3 Centrair, Tokoname City, Aichi | |
| Land | Property Right | Freehold |
| | Size | (1) 3,314.30 m ² (2) 3,322.81 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/500% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | RC 8F |
| | Total Floor Area | (1) 5,250.18 m ² (2) 6,349.45 m ² |
| | Construction Date | (1) November 2, 2004 (2) June 29, 2006 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 5,770,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 5,850,000,000 yen | |
| Number of Guest Rooms | 346 | |
| Architect | Takenaka Corporation First-Class Registered Architects Office | |
| Builder | Takenaka Corporation Nagoya Office | |
| Structural Engineer | Takenaka Corporation First-Class Registered Architects Office | |
| Inspection Agency | Japan ERI Co., Ltd. | |
| PML (Assessor) | 13.57% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | Fixed Rent: 25,240,333 yen / monthly, Variable Rent: None | |
| Deposit | Lease deposit: 151,441,998 yen, No guarantee deposit | |
| Leasable Space | 11,599.63 m ² | |
| Leased Space | 11,599.63 m ² | |
| Occupancy | 100% | |
| Property Management Company | Uniho Co., Ltd. | |
| Master Lease Company | None | |
| Master Lease Type | — | |
| Assumed NOI (NOI yield) | 5.0% | |
| Depreciation Ratio | 4.0% | |

Special Items

1. Smoke ventilation windows have been installed in some places but have yet to be put in place in others, according to the hotel building's application drawing. Therefore, the hotel's overall smoke ventilation area may be insufficient. The seller has agreed to rectify the issue at the seller's expense.
2. Smoke vents are installed within a two-meter radius from the hotel's exterior emergency stairs. The seller has agreed to rectify the issue at the seller's expense.

| Appraisal Overview | | |
|---|---|--|
| Name | Comfort Hotel Central International Airport | |
| Appraisal Value | 5,770,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 5,770,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 5,850,000,000 yen | |
| Income | 302,883,996 yen | |
| Maximum Obtainable Rental Income | 302,883,996 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 36,911,569 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 8,657,333 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 1,140,000 yen | Based on outsourcing contract |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 25,259,300 yen | Based on FY2016 actual amounts (including depreciable asset tax) |
| Insurance Premiums | 594,600 yen | Based on insurance estimates |
| Other Expenses | 1,260,336 yen | 0.4% of Income calculated as variable expense, road occupancy fees, etc. |
| Net Operating Income (NOI) | 265,972,427 yen | |
| Income on Investment of Deposits Received | 3,028,840 yen | Based on 2.0% investment yield |
| Capital Expenditure | 29,342,000 yen | Based on average renewal expense of the past 12 years in engineering reports |
| Net Profit | 239,659,267 yen | |
| Cap Rate | 4.1% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 5,730,000,000 yen | |
| Discount Rate | 3.9% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 4.3% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 5,790,000,000 yen | |
| Land | 70.5% | |
| Building | 29.5% | |
| Notes | | |
| None | | |

(3) Smile Hotel Tokyo Asagaya

(i) Location and Features

Rebranded as a Smile Hotel in 2010, this stay-only hotel is located a 1 minute-walk from Asagaya Station on the JR Chuo and Sobu Lines.

With only a 10-minute train ride to Shinjuku Station, one of the major terminal stations in Tokyo, the hotel has easy transportation access to central Tokyo. There are a number of old-style Japanese restaurants in the neighborhood, and the hotel can meet business and leisure demand.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|--|-------------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (<i>juekiken</i>) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | June 30, 2010 - August 31, 2026 (Expected) | |
| Location | 3-37-11 Asagaya-minami, Suginami-ku, Tokyo | |
| Land | Property Right | Freehold |
| | Size | 919.72 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/500% |
| Building | Property Right | Freehold |
| | Zoning | Hotel, Retail |
| | Structure | RC B1F/5F |
| | Total Floor Area | 2,732.47 m ² |
| | Construction Date | January 29, 1993 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 3,940,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 4,000,000,000 yen | |
| Number of Guest Rooms | 112 | |
| Architect | Shin Kensetsu First-Class Registered Architects Office | |
| Builder | Shin Kensetsu | |
| Structural Engineer | Shin Kensetsu First-Class Registered Architects Office | |
| Inspection Agency | Suginami Ward | |
| PML (Assessor) | 6.31% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 8 | |
| Monthly Rental Income ¹ | Minimum Guaranteed Rent: 58,413,994 yen p.a. ² Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | |
| Deposit | No lease deposit, No guarantee deposit | |
| Leasable Space | 2,721.70 m ² | |
| Leased Space | 2,721.70 m ² | |
| Occupancy | 100% | |
| Property Management Company | Building Management & Strategy Inc. | |
| Master Lease Company | Ichigo Hotel REIT Investment Corporation | |
| Master Lease Type | Pass-through | |
| Assumed NOI (NOI Yield) | 5.0% | |
| Depreciation Rate | 4.0% | |

Special Items

1. Part of a building's concrete foundation in the north-side adjacent land cross over into the hotel's premises. There is no memorandum of understanding with the other building owner that covers this issue.
2. A construction inspection report indicates that certain emergency lighting should be repaired. The seller has agreed to rectify the issue at the seller's expense.

¹ Monthly Rental Income and Deposit indicated are of the hotel facility. A separate retail contract exists.

² Minimum Guaranteed Rent is the annual minimum guaranteed rent covering the 12 months from August 2016 to July 2017.

| Appraisal Overview | | |
|---|---------------------------------------|---|
| Name | Smile Hotel Tokyo Asagaya | |
| Appraisal Value | 3,940,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 3,940,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 4,000,000,000 yen | |
| Income | 232,136,658 yen | |
| Maximum Obtainable Income | 233,592,720 yen | |
| Vacancy Loss | 1,456,062 yen | |
| Expenses | 35,561,999 yen | |
| Administrative and Maintenance Expenses | 0 yen | Offset by common fee and pass-through |
| Utility Expenses | 24,186,000 yen | Based on past actual amounts |
| Repair Expenses | 1,152,667 yen | Based on the average of the past 12 years of engineering reports |
| PM Fees | 1,800,000 yen | 150,000 yen per month |
| Leasing Brokerage Fees | 188,419 yen | Based on the expected turnover rate and tenant acquisition costs for similar assets |
| Taxes | 6,892,500 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 181,730 yen | Based on insurance estimates |
| Other Expenses | 1,160,683 yen | 0.5% of Income calculated as variable expense |
| Net Operating Income (NOI) | 196,574,659 yen | |
| Income on Investment of Deposits Received | 492,999 yen | Based on 2.0% investment yield. |
| Capital Expenditure | 17,147,911 yen | Based on average renewal expense of the past 12 years in engineering reports and FF&E reserves |
| Net Profit | 179,919,747 yen | |
| Cap Rate | 4.5% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, market trends, etc. |
| Value via DCF Method | 3,920,000,000 yen | |
| Discount Rate | 4.3% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 4.7% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 1,080,000,000 yen | |
| Land | 70.8% | |
| Property | 29.2% | Sum of building and FF&E prices divided by sum of building, FF&E, and land prices |
| Notes | | |
| None | | |

(4) Nest Hotel Naha

(i) Location and Features

Rebranded as a Nest Hotel in 2013, this stay-only hotel has good transportation access, and is 7 minutes from Naha Airport by car and a 5-minute walk from Asahibashi Station on the Okinawa Urban Monorail.

The hotel is also within a walking distance from the Kokusai-dori (International Street), the biggest shopping district full of shops and restaurants in Okinawa prefecture. The hotel can capture business and leisure (domestic and inbound) demand.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|---|-------------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (<i>juekiken</i>) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | December 16, 2004 - August 31, 2026 (Expected) | |
| Location | 1-6-1 Nishi, Naha City, Okinawa | |
| Land | Property Right | Freehold |
| | Size | 2,322.62 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/400% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | SRC 11F |
| | Total Floor Area | 9,240.20 m ² |
| | Construction Date | February 28, 1975 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 3,770,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 3,800,000,000 yen | |
| Number of Guest Rooms | 193 | |
| Architect | Nissei Sekkei | |
| Builder | Obayashi Corporation Tokyo Head Office | |
| Structural Engineer | Nissei Sekkei | |
| Inspection Agency | Naha City | |
| PML (Assessor) | 4.63% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | Minimum Guaranteed Rent: 100,640,513 yen p.a. ¹ Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | |
| Deposit | Lease deposit: 25,200,000 yen, No guarantee deposit | |
| Leasable Space | 9,240.20 m ² | |
| Leased Space | 9,240.20 m ² | |
| Occupancy | 100% | |
| Property Management Company | Nippon Kanzai Co., Ltd. | |
| Master Lease Company | Ichigo Hotel REIT Investment Corporation | |
| Master Lease Type | Pass-through | |
| Assumed NOI (NOI Yield) | 6.2% | |
| Depreciation Rate | 4.7% | |

Special Items

The hotel was designed and built in accordance with the former quake-resistance standards before the amendments in 1981, but full seismic reinforcement to meet current standards was completed in June 2015. The Naha City Mayor has approved the building's quake-resistance renovation plan in accordance with paragraph 3, Article 17 of the Act for Promotion of Renovation for Earthquake-Resistant Structures of Buildings, and has confirmed the completion of the construction.

¹ Minimum Guaranteed Rent is the annual minimum guaranteed rent covering the 12 months from August 2016 to July 2017.

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Nest Hotel Naha | |
| Appraisal Value | 3,770,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 3,770,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 3,800,000,000 yen | |
| Income | 250,464,000 yen | |
| Maximum Obtainable Rental Income | 250,464,000 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 19,685,862 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 6,442,000 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 2,160,000 yen | 180,000 yen per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 9,335,602 yen | Based on FY2016 actual amounts (including depreciable asset tax) |
| Insurance Premiums | 495,940 yen | Based on insurance estimates |
| Other Expenses | 1,252,320 yen | 0.5% of Income calculated as variable expense |
| Net Operating Income (NOI) | 230,778,138 yen | |
| Income on Investment of Deposits Received | 504,000 yen | Based on 2.0% investment yield |
| Capital Expenditure | 25,949,641 yen | Based on average renewal expense of the past 12 years in engineering reports and FF&E reserves |
| Net Profit | 205,332,497 yen | |
| Cap Rate | 5.4% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 3,750,000,000 yen | |
| Discount Rate | 5.2% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 5.6% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 1,250,000,000 yen | |
| Land | 75.3% | |
| Building | 24.7% | Sum of building and FF&E prices divided by sum of building, FF&E, and land prices |
| Notes | | |
| None | | |

(5) Smile Hotel Asakusa

(i) Location and Features

Rebranded as a Smile Hotel in 2010, this stay-only hotel is within walking distance from Tokyo's major tourist destination Asakusa. It is also a 10-minute walk from Asakusa Station on the Tokyo Metro's Ginza Line, and is conveniently located to meet business and leisure demand.

The hotel's east-side rooms command an up-close view of the Tokyo Skytree, offering guests a great view of the tower.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|--|-------------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (<i>juekiken</i>) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | June 30, 2010 - August 31, 2026 (Expected) | |
| Location | 6-35-8 Asakusa, Taito-ku, Tokyo | |
| Land | Property Right | Freehold |
| | Size ¹ | 361.38 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/500% |
| Building | Property Right | Freehold |
| | Zoning | Hotel, Retail |
| | Structure | SRC 10F |
| | Total Floor Area | 1,793.43 m ² |
| | Construction Date | September 22, 1992 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 2,020,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 2,040,000,0000 yen | |
| Number of Guest Rooms | 96 | |
| Architect | Atelier Core | |
| Builder | Shin Kensetsu | |
| Structural Engineer | Atelier Core | |
| Inspection Agency | Taito Ward | |
| PML (Assessor) | 3.92% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | Minimum Guaranteed Rent: 31,316,680 yen p.a. ¹ Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | |
| Deposit | No lease deposit, No guarantee deposit | |
| Leasable Space | 1,793.43 m ² | |
| Leased Space | 1,793.43 m ² | |
| Occupancy | 100% | |
| Property Management Company | Building Management & Strategy Inc. | |
| Master Lease Company | Ichigo Hotel REIT Investment Corporation | |
| Master Lease Type | Pass-through | |
| Assumed NOI (NOI Yield) | 5.0% | |
| Depreciation Rate | 3.7% | |

Special Items

The fire-fighting equipment and facility (special fire-fighting equipment and facility) inspection indicated that the automatic fire alarm system's detection suffers from malfunctions. The seller has agreed to rectify the issue at the seller's expense.

¹ Minimum Guaranteed Rent is the annual minimum guaranteed rent covering the 12 months from August 2016 to July 2017.

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Smile Hotel Asakusa | |
| Appraisal Value | 2,020,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 2,020,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 2,040,000,000 yen | |
| Income | 105,144,000 yen | |
| Maximum Obtainable Rental Income | 105,144,000 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 8,235,077 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenant |
| Utility Expenses | 0 yen | Borne by tenant |
| Repair Expenses | 1,137,417 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 1,200,000 yen | 100,000 yen per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 4,729,700 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 116,520 yen | Based on insurance estimates |
| Other Expenses | 1,051,440 yen | 1.0% of Income calculated as variable expense |
| Net Operating Income (NOI) | 96,908,923 yen | |
| Income on Investment of Deposits Received | 0 yen | None, based on current contract |
| Capital Expenditure | 11,061,735 yen | Based on average renewal expense of the past 12 years in engineering reports and FF&E reserves |
| Net Profit | 85,847,188 yen | |
| Cap Rate | 4.2% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 2,010,000,000 yen | |
| Discount Rate | 4.0% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 4.4% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 544,000,000 yen | |
| Land | 63.9% | |
| Building | 36.1% | Sum of building and FF&E prices divided by sum of building, FF&E, and land prices |
| Notes | | |
| None | | |

(6) Nest Hotel Matsuyama

(i) Location and Features

Rebranded as a Nest Hotel in 2015, this stay-only hotel is a 3-minute walk from Katsuyamacho Station on Iyo Railway's Intra-city Street Car Jonan Line and 25 minutes from Matsuyama Airport by car.

The hotel is situated in Matsuyama City's largest commercial and shopping area of Okaido/Nibancho, and can thus capture business and leisure demand. In addition, the hotel is within a walking distance from Matsuyama Castle and an adjacent park. Togo Onsen (hot spring) is a 10-minute ride from Katsuyamacho Station by street car.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|--|-------------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (juekiken) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | March 29, 2005 - August 31, 2026 (Expected) | |
| Location | 1-7-1 Niban-cho, Matsuyama City, Ehime | |
| Land | Property Right | Freehold |
| | Size | 1,692.01 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/500% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | RC 11F |
| | Total Floor Area | 6,671.94 m ² |
| | Construction Date | November 16, 1988 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 1,640,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 1,640,000,000 yen | |
| Number of Guest Rooms | 190 | |
| Architect | Daiken Architects Associates | |
| Builder | Shimizu Corporation Shikoku Office | |
| Structural Engineer | Daiken Architects Associates | |
| Inspection Agency | Matsuyama City | |
| PML (Assessor) | 5.68% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | Minimum Guaranteed Rent: 69,494,400 yen p.a. ¹ Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | |
| Deposit | Lease deposit: 18,000,000 yen, No guarantee deposit | |
| Leasable Space | 6,671.94 m ² | |
| Leased Space | 6,671.94 m ² | |
| Occupancy | 100% | |
| Property Management Company | Nippon Kanmai Co., Ltd. | |
| Master Lease Company | Ichigo Hotel REIT Investment Corporation | |
| Master Lease Type | Pass-through | |
| Assumed NOI (NOI Yield) ² | 7.4% | |
| Depreciation Rate ³ | 5.5% | |

Special Items

1. Buttress-free concrete block walls, measuring over 1.2-meters high, are in place on the east, southwest, and southeast sides of the hotel premises. The engineering report indicates that the walls present no immediate problem.
2. The seller has agreed to rectify at the seller's expense the following issues described in the engineering report.
 - A. An air-conditioning refrigerant pipe penetrates through a ventilation louver installed in an area that could catch fire in case of a fire nearby. Thus, the louver fails to meet fire-protection requirements..
 - B. Eaves of over one-meter width are in place, even though those eaves don't appear to be a temporary feature.
 - C. A banquet room is divided into four sections by operable partitions, and the smoke ventilation is insufficient when the east-side banquet rooms are combined or all the four sections are put together.
 - D. The fuel injection pump of the emergency power supply is defective.

¹ Minimum Guaranteed Rent is the annual minimum guaranteed rent covering the 12 months from August 2016 to July 2017.

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Nest Hotel Matsuyama | |
| Appraisal Value | 1,640,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 1,640,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 1,640,000,000 yen | |
| Income | 138,000,000 yen | |
| Maximum Obtainable Rental Income | 138,000,000 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 18,124,257 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 3,761,417 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 2,160,000 yen | 180,000 yen per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 10,801,400 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 417,840 yen | Based on insurance estimates |
| Other Expenses | 983,600 yen | 0.7 % of Income calculated as variable expense |
| Net Operating Income (NOI) | 119,875,743 yen | |
| Income on Investment of Deposits Received | 360,000 yen | Based on 2.0% investment yield |
| Capital Expenditure | 25,390,131 yen | Based on average renewal expense of the past 12 years in engineering reports and FF&E reserves |
| Net Profit | 93,845,612 yen | |
| Cap Rate | 5.8% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 1,640,000,000 yen | |
| Discount Rate | 5.6% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 6.0% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 1,180,000,000 yen | |
| Land | 46.4% | |
| Building | 53.6% | Sum of building and FF&E prices divided by sum of building, FF&E, and land prices |
| Notes | | |
| None | | |

(7) Hotel Livemax Nihombashi-Hakozaki

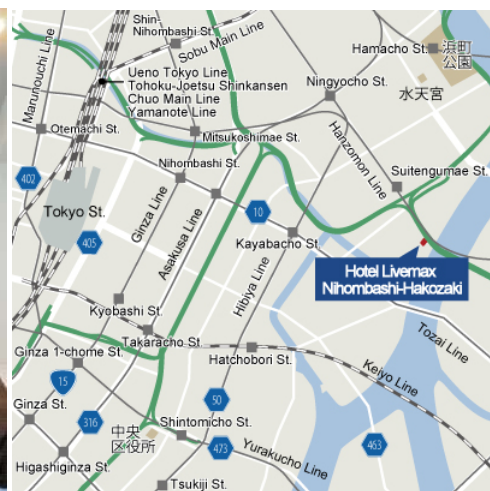
(i) Location and Features

Built in February 2015, this new stay-only hotel is a 3-minute walk from Suitengumae Station on Tokyo Metro's Hanzomon Line.

The hotel is well-located near central Tokyo with good access to the Tokyo Station area and the Nihombashi and Ginza districts. Moreover, it is within a 5-minute walking distance from the Tokyo City Air Terminal that is directly linked to Suitengumae Station. The hotel offers easy transportation access to both Haneda Airport and Narita Airport via limousine services.

Access to Tokyo's main tourist destinations, such as Tokyo Skytree, is convenient and the hotel is well-suited to meet both business and leisure demand.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|--|-----------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (juekiken) | |
| Trustee | Mizuho Trust Bank, Limited | |
| Period of Trust Contract | September 30, 2015 - August 31, 2026 (Expected) | |
| Location | 29-5 Nihombashi-Hakozakicho, Chuo-ku, Tokyo | |
| Land | Property Right | Freehold |
| | Size | 123.54 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/700% |
| Building | Property Right | Freehold |
| | Zoning | Hotel, Retail |
| | Structure | Steel 11F |
| | Total Floor Area | 853.00 m ² |
| | Construction Date | February 17, 2015 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 1,410,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 1,430,000,000 yen | |
| Number of Guest Rooms | 48 | |
| Architect | Jyukyo Kensetsu, Tokyo Office First-Class Registered Architects Office | |
| Builder | Jyukyo Kensetsu | |
| Structural Engineer | Jyukyo Kensetsu, Tokyo Office First-Class Registered Architects Office | |
| Inspection Agency | Good-Eyes | |
| PML (Assessor) | 3.20% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | The tenant has not consented to disclosure. ¹ | |
| Deposit | The tenant has not consented to disclosure. | |
| Leasable Space | 853.00 m ² | |
| Leased Space | 853.00 m ² | |
| Occupancy | 100% | |
| Property Management Company | Uniho Co., Ltd. | |
| Master Lease Company | Ichigo Hotel REIT Investment Corporation | |
| Master Lease Type | Pass-through | |
| Assumed NOI (NOI Yield) | 4.9% | |
| Depreciation Rate | 3.5% | |
| Special Items | | |
| None | | |

¹ Fixed rent

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Hotel Livemax Nihombashi-Hakozaki | |
| Appraisal Value | 1,410,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 1,410,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 1,430,000,000 yen | |
| Income | 72,000,000 yen | |
| Maximum Obtainable Rental Income | 72,000,000 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 5,783,945 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 609,417 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 1,080,000 yen | 90,000 yen per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 3,812,608 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 65,920 yen | Based on insurance estimates |
| Other Expenses | 216,000 yen | 0.3% of Income calculated as variable expense |
| Net Operating Income (NOI) | 66,216,055 yen | |
| Income on Investment of Deposits Received | 360,000 yen | Based on 2.0% investment yield |
| Capital Expenditure | 861,750 yen | Based on average renewal expense of the past 12 years in engineering reports |
| Net Profit | 65,714,305 yen | |
| Cap Rate | 4.6% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 1,400,000,000 yen | |
| Discount Rate | 4.4% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 4.8% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 599,000,000 yen | |
| Land | 51.2% | |
| Building | 48.8% | |
| Notes | | |
| None | | |

(8) Comfort Hotel Okayama

(i) Location and Features

This stay-only hotel is a 15-minute walk from Okayama Station, a major railway hub in the Chugoku and Shikoku regions where JR West's Sanyo Shinkansen high-speed train, Sanyo Main Line, Uno Line and other local trains converge. The station serves as a center of business and leisure activities in these regions.

The hotel is in the heart of Okayama City's downtown and within walking distance of the city's major tourist spots, Okayama Castle and one of Japan's three greatest gardens, Okayama Korakuen.

In addition, Kurashiki – a historic scenic town and a major sightseeing destination in Okayama Prefecture – is accessible by train in 16 minutes from JR Okayama Station to JR Kurashiki Station.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|---------------------------------|--|
| Legal Form of Asset | | Trust beneficiary interest in real estate (juekiken) |
| Trustee | | Mitsubishi UFJ Trust and Banking Corporation |
| Period of Trust Contract | | December 21, 2010 - August 31, 2026 (Expected) |
| Location | | 1-1-13 Marunouchi, Kita-ku, Okayama City, Okayama |
| Land | Property Right | Freehold |
| | Size | 986.26 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/400%, 600% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | SRC 10F |
| | Total Floor Area | 5,543.70 m ² |
| | Construction Date | November 30, 1983 |
| Appraiser | | Daiwa Real Estate Appraisal Co., Ltd. |
| Appraisal Value | | 1,220,000,000 yen |
| Appraisal Date | | May 1, 2016 |
| Value by Direct Capitalization Method | | 1,210,000,000 yen |
| Number of Guest Rooms | | 208 |
| Architect | | Shimizu Corporation |
| Builder | | Shimizu Corporation Hiroshima Office |
| Structural Engineer | | Shimizu Corporation |
| Inspection Agency | | Okayama City |
| PML (Assessor) | | 5.12% (Sompo Risk Management & Health Care Inc.) |
| Collateral | | None (Expected) |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | | 1 |
| Monthly Rental Income | | Fixed Rent: 7,650,000 yen / monthly, Variable Rent: None |
| Deposit | | Lease deposit: 30,600,000 yen, No guarantee deposit |
| Leasable Space | | 5,543.70 m ² |
| Leased Space | | 5,543.70 m ² |
| Occupancy | | 100% |
| Property Management Company | | Nippon Kanzai Co., Ltd. |
| Master Lease Company | | None |
| Master Lease Type | | — |
| Assumed NOI (NOI Yield) ² | | 6.6% |
| Depreciation Rate ³ | | 4.7% |

Special Items

The property does not have sufficient parking spaces to meet the requirements of Okayama City's ordinance on parking facilities for public buildings. To meet this requirement, the hotel has contracted with the owners of nearby parking lots to use their parking facilities.

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Comfort Hotel Okayama | |
| Appraisal Value | 1,220,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 1,220,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 1,210,000,000 yen | |
| Income | 91,800,000 yen | |
| Maximum Obtainable Rental Income | 91,800,000 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 12,512,417 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 1,911,167 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 1,800,000 yen | 150,000 yen per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 8,191,400 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 299,450 yen | Based on insurance estimates |
| Other Expenses | 310,400 yen | 0.3% of Income calculated as variable expense and based on actual amounts for road occupancy fees |
| Net Operating Income (NOI) | 79,287,583 yen | |
| Income on Investment of Deposits Received | 612,000 yen | Based on 2.0% investment yield |
| Capital Expenditure | 14,627,333 yen | Based on average renewal expense of the past 12 years in engineering reports |
| Net Profit | 65,272,250 yen | |
| Cap Rate | 5.4% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 1,220,000,000 yen | |
| Discount Rate | 5.2% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 5.6% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 569,000,000 yen | |
| Land | 47.9% | |
| Building | 52.1% | |
| Notes | | |
| None | | |

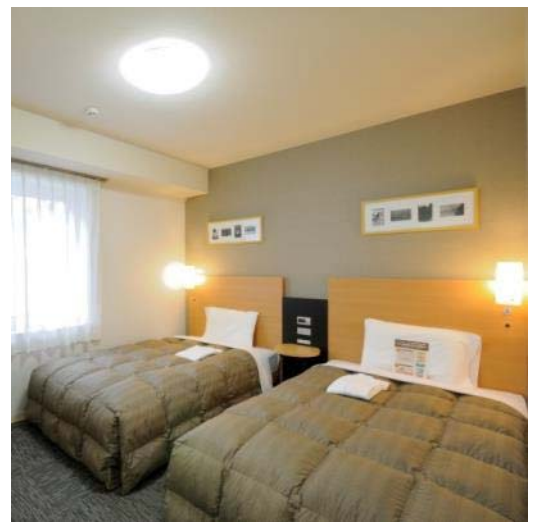
(9) Comfort Hotel Kushiro

(i) Location and Features

This stay-only hotel is a 2-minute walk from Kushiro Station on the JR Nemuro Main Line. It is located in a commercial district in front of the station and close to a limousine bus stop for Tancho Kushiro Airport. The hotel offers easy access to the airport, and can meet demand among business travelers and tourists visiting eastern Hokkaido.

Kushiro City was designated as a tourism-oriented model city in January 2016, and the municipal government has been promoting tourism with a campaign focused on the city's wealth of nature, which is expected to increase visits from overseas tourists.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|---------------------------------|---|
| Legal Form of Asset | | Trust beneficiary interest in real estate (juekiken) |
| Trustee | | Mitsubishi UFJ Trust and Banking Corporation |
| Period of Trust Contract | | December 27, 2012 - August 31, 2026 (Expected) |
| Location | | 13-1-1 Kita-odori, Kushiro City, Hokkaido |
| Land | Property Right | Freehold |
| | Size | 895.05 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/600% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | RC 9F |
| | Total Floor Area | 3,180.58 m ² |
| | Construction Date | August 7, 2009 |
| Appraiser | | Daiwa Real Estate Appraisal Co., Ltd. |
| Appraisal Value | | 413,000,000 yen |
| Appraisal Date | | May 1, 2016 |
| Value by Direct Capitalization Method | | 412,000,000 yen |
| Number of Guest Rooms | | 126 |
| Architect | | Taisei Corporation First-Class Registered Architects Office |
| Builder | | Taisei Corporation Sapporo Office |
| Structural Engineer | | Taisei Corporation First-Class Registered Architects Office |
| Inspection Agency | | Kushiro City |
| PML (Assessor) | | 8.82% (Sompo Risk Management & Health Care Inc.) |
| Collateral | | None |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | | 1 |
| Monthly Rental Income | | Fixed Rent: 3,069,917 yen / monthly, Variable Rent: none |
| Deposit | | Lease deposit: 18,419,502 yen, No guarantee deposit |
| Leasable Space | | 3,180.58 m ² |
| Leased Space | | 3,180.58 m ² |
| Occupancy | | 100% |
| Property Management Company | | Nippon Kanzai Co., Ltd. |
| Master Lease Company | | None |
| Master Lease Type | | — |
| Assumed NOI (NOI Yield) | | 7.7% |
| Depreciation Rate | | 4.8% |
| Special Items | | |
| None | | |

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Comfort Hotel Kushiro | |
| Appraisal Value | 413,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 413,000,00 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 412,000,000 yen | |
| Income | 36,839,004 yen | |
| Maximum Obtainable Rental Income | 36,839,004 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 13,671,795 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 3,329,000 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 1,800,000 yen | 150,000 per month |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 8,182,100 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 176,500 yen | Based on insurance estimates |
| Other Expenses | 184,195 yen | 0.5% of Income calculated as variable expense |
| Net Operating Income (NOI) | 23,167,209 yen | |
| Income on Investment of Deposits Received | 368,390 yen | Based on 2.0% investment yield |
| Capital Expenditure | 445,917 yen | Based on average renewal expense of the past 12 years in engineering reports |
| Net Profit | 23,089,682 yen | |
| Cap Rate | 5.6% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 414,000,000 yen | |
| Discount Rate | 5.4% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 5.8% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 850,000,000 yen | |
| Land | 17.7% | |
| Building | 82.3% | |
| Notes | | |
| None | | |

(10) Comfort Hotel Suzuka

(i) Location and Features

This stay-only hotel is a 3-minute walk from Shiroko Station on the Kintetsu Nagoya Line of Kintetsu Railway. The hotel is 15 minutes by car from Suzuka Circuit, Japan's premiere motor racing course and a major event venue with an amusement park and sports facilities. Suzuka Circuit can accommodate as many as 160,000 spectators and hosts a number of big motor sports events throughout the year.

In addition, there are a lot of factories of major companies in the area. With easy access to these factory sites by car, the hotel is well-positioned to capture business demand.

(ii) Property Photos and Map



| Asset Overview | | |
|---------------------------------------|---|-------------------------|
| Legal Form of Asset | Trust beneficiary interest in real estate (juekiken) | |
| Trustee | Mitsubishi UFJ Trust and Banking Corporation | |
| Period of Trust Contract | December 27, 2012 - August 31, 2026 (Expected) | |
| Location | 14-26, Shiroko-Ekimae, Suzuka City, Mie | |
| Land | Property Right | Freehold |
| | Size | 553.26 m ² |
| | Zoning | Commercial |
| | Coverage Ratio/Floor Area Ratio | 80%/400% |
| Building | Property Right | Freehold |
| | Zoning | Hotel |
| | Structure | Steel 6F |
| | Total Floor Area | 2,186.65 m ² |
| | Construction Date | July 17, 2007 |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Value | 370,000,000 yen | |
| Appraisal Date | May 1, 2016 | |
| Value by Direct Capitalization Method | 371,000,000 yen | |
| Number of Guest Rooms | 105 | |
| Architect | Takenaka Corporation Nagoya Office First-Class Registered Architects Office | |
| Builder | Takenaka Corporation Nagoya Office | |
| Structural Engineer | Takenaka Corporation Nagoya Office First-Class Registered Architects Office | |
| Inspection Agency | Bureau Veritas Japan | |
| PML (Assessor) | 7.39% (Sompo Risk Management & Health Care Inc.) | |
| Collateral | None | |
| Rent Overview (as of July 22, 2016) | | |
| Number of Tenants | 1 | |
| Monthly Rental Income | Fixed Rent: 2,573,833 yen/ monthly, Variable Rent: none | |
| Deposit | Lease deposit: 15,442,998 yen, No guarantee deposit | |
| Leasable Space | 2,186.65 m ² | |
| Leased Space | 2,186.65 m ² | |
| Occupancy | 100% | |
| Property Management Company | Uniho Co., Ltd. | |
| Master Lease Company | None | |
| Master Lease Type | — | |
| Assumed NOI (NOI Yield) ² | 7.7% | |
| Depreciation Rate ³ | 5.1% | |
| Special Items | | |
| None | | |

| Appraisal Overview | | |
|---|---------------------------------------|--|
| Name | Comfort Hotel Suzuka | |
| Appraisal Value | 370,000,000 yen | |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. | |
| Appraisal Date | May 1, 2016 | |
| | Amount | Note |
| Appraisal Value | 370,000,000 yen | Valuation determined via both a direct capitalization valuation and DCF valuation |
| Value by Direct Capitalization Method | 371,000,000 yen | |
| Income | 30,885,996 yen | |
| Maximum Obtainable Rental Income | 30,885,996 yen | |
| Vacancy Loss | 0 yen | |
| Expenses | 7,874,857 yen | |
| Administrative and Maintenance Expenses | 0 yen | Borne by tenants |
| Utility Expenses | 0 yen | Borne by tenants |
| Repair Expenses | 2,794,167 yen | Based on the average of the past 12 years of engineering reports |
| PM Fee | 1,080,000 yen | Based on outsourcing contract |
| Leasing Brokerage Fees | 0 yen | |
| Taxes | 3,648,100 yen | Based on FY2016 actual amounts |
| Insurance Premiums | 102,590 yen | Based on insurance estimates |
| Other Expenses | 250,000 yen | 0.8% of Income calculated as variable expense |
| Net Operating Income (NOI) | 23,011,139 yen | |
| Income on Investment of Deposits Received | 308,860 yen | Based on 2.0% investment yield |
| Capital Expenditure | 4,413,083 yen | Based on average renewal expense of the past 12 years in engineering reports |
| Net Profit | 18,906,916 yen | |
| Cap Rate | 5.1% | Based on transactions of similar assets and comprehensive assessment of the asset's location, its individual characteristics, property right, etc. |
| Value via DCF Method | 370,000,000 yen | |
| Discount Rate | 4.9% | Based on transactions of similar assets and the yields of financial assets with the asset's individual characteristics taken into account |
| Terminal Cap Rate | 5.3% | Based upon risk-adjusted NOI |
| Value via Cost Approach | 452,000,000 yen | |
| Land | 22.3% | |
| Building | 77.7% | Sum of building and FF&E prices divided by sum of building, FF&E, and land prices |
| Notes | | |
| None | | |

V. Seller Profile

| | |
|---|--|
| Name | Nishi Nihon Holdings GK |
| Address | 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo |
| Representative | Managing Member: Ippan Shadan Hojin VSL Manager: Hiroshi Sasaki |
| Principal Businesses | <ol style="list-style-type: none"> 1. The acquisition, holding, and sale of trust beneficiary interest (<i>juekiken</i>) 2. The holding, management, and sale of real estate 3. Other businesses relating to the above |
| Capital | 100,000 yen |
| Establishment Date | October 23, 2015 |
| Equity Holder | Ippan Shadan Hojin VSL |
| Relationship with Ichigo Hotel REIT or Asset Manager ¹ | While the Seller is not a related party as defined in the Act on Investment Trusts and Investment Corporations (the “Act”), the acquisition process has followed the internal rules of IRE vis-à-vis related party transactions for the following reasons. First, Ichigo Inc., the 100% owner of IRE, is a related party according to the Act, and Ichigo Inc. owns more than half of the equity of Nishi Nihon Holdings GK. Second, Ichigo Estate Co., Ltd., a related party as defined in the Act, has provided asset management advisory services to IRE. |

| | |
|---|---|
| Name | Shinsaibashi Jisho Holdings GK |
| Address | 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo |
| Representative | Managing Member: Ippan Shadan Hojin IES2 Manager: Takehisa Tei |
| Principal Businesses | <ol style="list-style-type: none"> 1. The acquisition, holding, and sale of trust beneficiary interest (<i>juekiken</i>) 2. The holding, management, and sale of real estate 3. Acquisition, holding, and disposition of shares, equity, and specific investment regarding the above 4. Other businesses relating to the above |
| Capital | 100,000 yen |
| Establishment Date | March 26, 2010 |
| Equity Holder | Ippan Shadan Hojin IES2 |
| Relationship with Ichigo Hotel REIT or Asset Manager ¹ | While the Seller is not a related party as defined in the Act on Investment Trusts and Investment Corporations (the “Act”), the acquisition process has followed the internal rules of IRE vis-à-vis related party transactions for the following reasons. First, Ichigo Inc., the 100% owner of IRE, is a related party according to the Act, and Ichigo Inc. owns more than half of the equity of Shinsaibashi Jisho Holdings GK. Second, Ichigo Estate Co., Ltd., a related party as defined in the Act, has provided asset management advisory services to IRE. |

¹ Ichigo Hotel REIT also followed strict related-party procedures to manage conflicts of interest, and obtained second opinions to assess the fairness of the transaction prices.

VI. Ownership History

| Asset Name | Nest Hotel Osaka Shinsaibashi | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Nishi Nihon Holdings GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price ¹ | 4,935,603,687 yen | — |
| Acquisition Date | December 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| Asset Name | Comfort Hotel Central International Airport | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price | 5,245,000,000 yen | — |
| Acquisition Date | February 2016 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| Asset Name | Smile Hotel Tokyo Asagaya | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price ¹ | 2,850,000,000 yen | — |
| Acquisition Date | December 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| Asset Name | Nest Hotel Naha | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Holdings GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price | 2,180,279,647 yen | — |
| Acquisition Date | December 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| Asset Name | Smile Hotel Asakusa | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price ¹ | 1,330,000,000 yen | — |
| Acquisition Date | December 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| | | |
|-----------------------------------|--|-----------------|
| Asset Name | Nest Hotel Matsuyama | |
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price ¹ | 1,170,653,492 yen | — |
| Acquisition Date | December 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| | | |
|-----------------------------------|--|-----------------|
| Asset Name | Hotel Livemax Nihombashi-Hakozaki | |
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price ¹ | 1,230,000,000 yen | — |
| Acquisition Date | September 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| | | |
|-----------------------------------|--|-----------------|
| Asset Name | Comfort Hotel Okayama | |
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price | 990,000,000 yen | — |
| Acquisition Date | December 2015 | — |

¹ The acquisition price exceeds the current owner’s (sponsor Ichigo) acquisition price, but is below the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| Asset Name | Comfort Hotel Kushiro | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price | 350,000,000 yen | — |
| Acquisition Date | February 2016 | — |

¹ The acquisition price is both below the current owner’s (sponsor Ichigo) acquisition price and the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

| Asset Name | Comfort Hotel Suzuka | |
|-----------------------------------|--|-----------------|
| Overview | Current Owner | Previous Owner |
| Name | Shinsaibashi Jisho GK | Unrelated Party |
| Relationship to Ichigo Hotel REIT | Related Party as defined in the internal rules of IRE. Please see “Seller Profile” in Section V. | — |
| Acquisition Rationale | Investment | — |
| Acquisition Price ¹ | 320,000,000 yen | — |
| Acquisition Date | February 2016 | — |

¹ The acquisition price is both below the current owner’s (sponsor Ichigo) acquisition price and the hotel’s most recent appraisal value. Given Ichigo’s value-add actions after acquiring the hotel to increase NOI and lower operating costs, Ichigo Hotel REIT is confident that the transaction price is fair.

VII. Broker Profile

N/A

VIII. Acquisition Schedule

| | |
|---------------------------------|----------------------------|
| Contract Date | July 22, 2016 |
| Acquisition and Settlement Date | August 17, 2016 (Expected) |

IX. Earnings Outlook

For the acquisition’s earnings impact, please refer to today’s release “Earnings and Dividend Forecast Revision for the January 2017 Fiscal Period and Earnings and Dividend Forecast for the July 2017 Fiscal Period.”

Portfolio Reference Information

I. Post-Acquisition Portfolio Assets

| No. | | Property | Area ¹ | Acquisition Price ² (mm yen) | % of Portfolio ³ |
|---------------------|-----|-------------------------------------|-------------------|--|-----------------------------|
| 001 | E-1 | Smile Hotel Kyoto Shijo | Kinki | 4,480 | 9.4% |
| 002 | E-2 | Hotel Vista Premio | Kinki | 3,600 | 7.6% |
| 003 | D-2 | Hotel Wing International Nagoya | Hokuriku/Tokai | 2,670 | 5.6% |
| 004 | A-1 | Nest Hotel Sapporo Ekimae | Hokkaido/ Tohoku | 2,160 | 4.5% |
| 005 | E-3 | Chisun Inn Osaka Hommachi | Kinki | 1,630 | 3.4% |
| 006 | D-1 | Comfort Hotel Hamamatsu | Hokuriku/Tokai | 1,550 | 3.3% |
| 007 | E-4 | Hotel Suave Kobe Asuta | Kinki | 1,490 | 3.1% |
| 008 | A-2 | Nest Hotel Sapporo Odori | Hokkaido/ Tohoku | 1,450 | 3.0% |
| 009 | G-1 | Valie Hotel Tenjin | Kyushu/Okinawa | 1,380 | 2.9% |
| 010 | E-5 | Nest Hotel Osaka Shinsaibashi | Kinki | 7,600 | 15.9% |
| 011 | D-3 | Comfort Hotel Central Airport Hotel | Hokuriku/Tokai | 5,308 | 11.1% |
| 012 | C-1 | Smile Hotel Tokyo Asagaya | Tokyo | 3,910 | 8.2% |
| 013 | G-4 | Nest Hotel Naha | Kyushu/Okinawa | 3,750 | 7.9% |
| 014 | C-2 | Smile Hotel Asakusa | Tokyo | 1,920 | 4.0% |
| 015 | F-2 | Nest Hotel Matsuyama | Chugoku/Shikoku | 1,610 | 3.4% |
| 016 | C-3 | Hotel Livemax Nihombashi Hakozaiki | Tokyo | 1,360 | 2.9% |
| 017 | F-1 | Comfort Hotel Okayama | Chugoku/Shikoku | 1,200 | 2.5% |
| 018 | A-3 | Comfort Hotel Kushiro | Hokkaido/ Tohoku | 300 | 0.6% |
| 019 | D-4 | Comfort Hotel Suzuka | Hokuriku/Tokai | 300 | 0.6% |
| Total 19 Properties | | | | 47,668 | 100.0% |

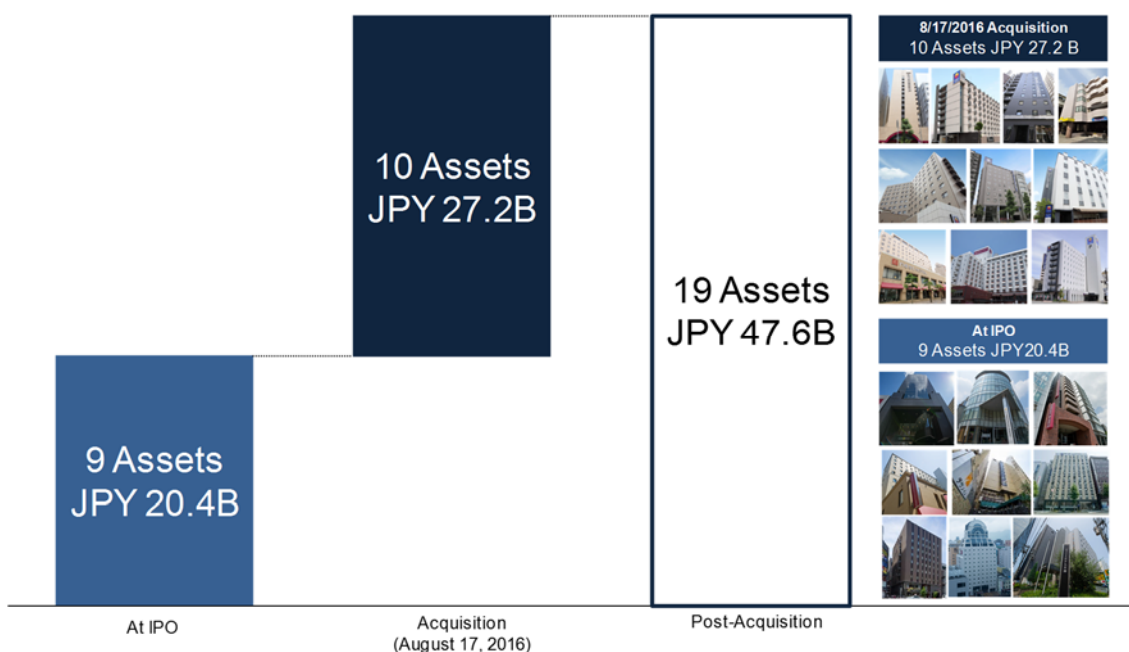
¹ The regional code identifies the area in which the asset is located.

| Code | Region | Prefectures |
|------|-----------------|--|
| A | Hokkaido/Tohoku | Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima |
| B | Kanto | Ibaraki, 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, Miyazaki, Kagoshima, Okinawa |

² Acquisition Price is the price as indicated in the purchase and sales agreement for the asset (excluding fees and incidental expenses such as property, city planning, and consumption taxes).

³ % of Portfolio is the Acquisition Price as a percentage of the Total Acquisition Price and rounded to the nearest second decimal place.

II. Rapid Portfolio Growth via Ichigo's Sponsor Support



III. Acquisition Summary

10 Hotels, Total Acquisition Price JPY 27B, Average NOI Yield: 5.5%

| No. | Name | Hotel Type | Location | Acquisition Price (million yen) | Appraisal Value (million yen) | NOI Yield | Rent Terms | No. of Guest Rooms |
|--------------|---|------------|----------|---------------------------------|-------------------------------|---------------------|----------------|--------------------|
| 010 | Nest Hotel Osaka Shinsaibashi | Stay-only | Osaka | 7,600 | 7,660 | 5.3% | Fixed+Variable | 302 |
| 011 | Comfort Hotel Central International Airport | Stay-only | Aichi | 5,308 | 5,770 | 5.0% | Fixed | 346 |
| 012 | Smile Hotel Tokyo Asagaya | Stay-only | Tokyo | 3,910 | 3,940 | 5.0% | Fixed+Variable | 112 |
| 013 | Nest Hotel Naha | Stay-only | Okinawa | 3,750 | 3,770 | 6.2% | Fixed+Variable | 193 |
| 014 | Smile Hotel Asakusa | Stay-only | Tokyo | 1,920 | 2,020 | 5.0% | Fixed+Variable | 96 |
| 015 | Nest Hotel Matsuyama | Stay-only | Ehime | 1,610 | 1,640 | 7.4% | Fixed+Variable | 190 |
| 016 | Hotel Livemax Nihombashi-Hakozaki | Stay-only | Tokyo | 1,360 | 1,410 | 4.9% | Fixed | 48 |
| 017 | Comfort Hotel Okayama | Stay-only | Okayama | 1,200 | 1,220 | 6.6% | Fixed | 208 |
| 018 | Comfort Hotel Kushiro | Stay-only | Hokkaido | 300 | 413 | 7.7% | Fixed | 126 |
| 019 | Comfort Hotel Suzuka | Stay-only | Mie | 300 | 370 | 7.7% | Fixed | 105 |
| Total | | | | 27,258 | 28,213 | Average 5.5% | | 1,726 Rooms |