



Asset Sale & Acquisition

August 24, 2018

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

We express our deepest condolences to all those affected by the recent heavy rainfall in western Japan and our wishes for the earliest possible recovery.



World-Class Excellence

Ichigo's
Hiromi Miyake

ICHIGO



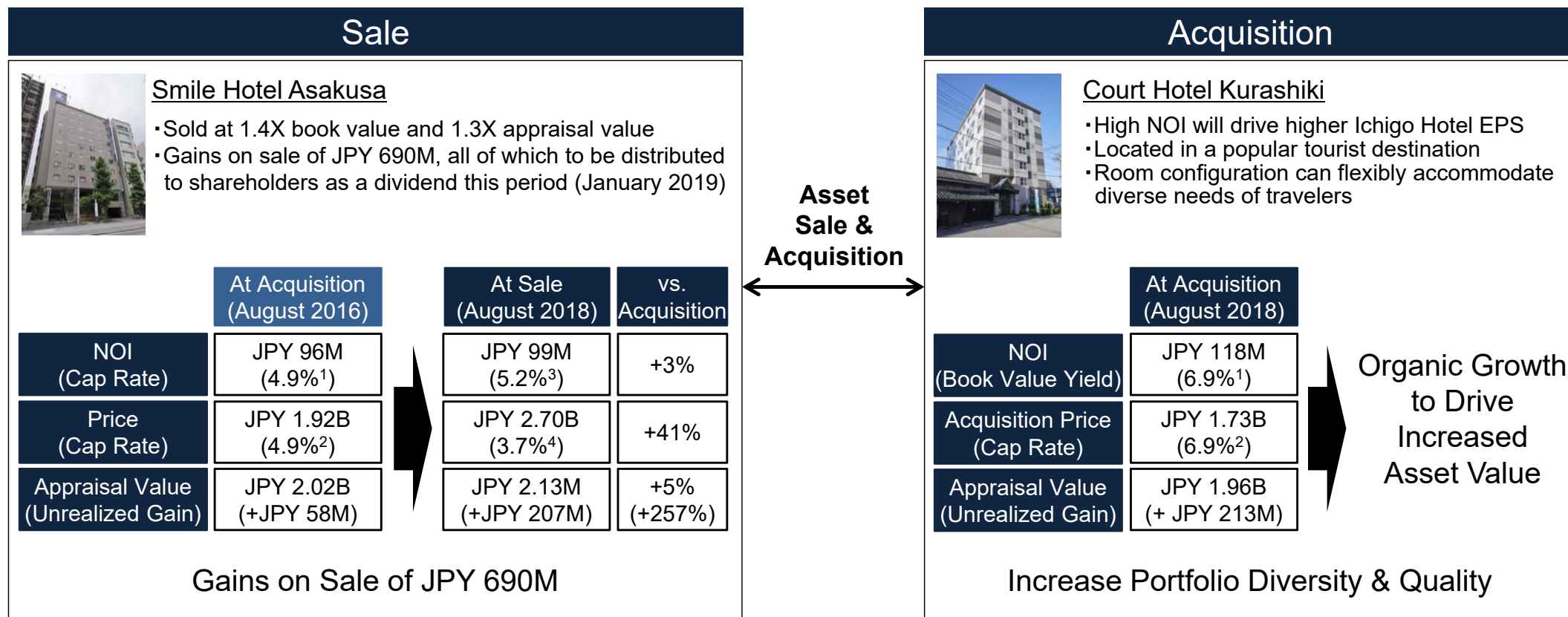
This material is a summary of the following two releases detailing Ichigo Hotel's most recent asset sale and acquisition:

“Hotel Sale (Smile Hotel Asakusa),” April 20, 2018

“Hotel Acquisition (Court Hotel Kurashiki),” August 24, 2018

Asset Sale & Acquisition Objectives

- Accelerate Organic Growth and Maximize Gains on Asset Sale in a Strong Seller's Market
- Fully Distribute Gains on Sale as Dividend to Shareholders and Reinvest Principal Proceeds in Hotel with Strong Growth Potential



Maximize Shareholder Value

¹ Appraisal NOI divided by acquisition date book value ² Appraisal NOI divided by acquisition price

³ Actual NOI (Feb 2017 – Jan 2018) divided by sale date book value ⁴ Actual NOI (Feb 2017 – Jan 2018) divided by sale price

Acquisition: Court Hotel Kurashiki (F-04)

- Acquired from Ichigo (2337), Ichigo Hotel's sponsor
- 6.9% NOI Yield (Appraisal Basis), +23% NOI* vs. Smile Hotel Asakusa Sold in August
- Further Earnings Growth Expected on Back of Growing Inbound and Business Demand

* Calculated based upon actual NOI of Smile Hotel Asakusa, August 1, 2017 – July 31, 2018



Hotel Overview

Acquisition Price	JPY 1.73B
Appraisal Value	JPY 1.96B
NOI (NOI Yield)	JPY 118M (6.9%) (appraisal basis)
Asset Type	Stay-only hotel
Location	2-2-26 Chuo, Kurashiki, Okayama
Leasable Area	3,964.19m ²
Structure	RC 8F
Date Built	March 1993
Occupancy	100% (as of July 31, 2018)

Major Tourist Spots

- Kurashiki Bikan Historical Quarter¹
- Kojima Area (Jeans Street)
- Tamashima Area
- Mitsui Outlet Park Kurashiki
- Kurashiki Muscat Stadium
- Ohara Museum of Art
- Okayama Koraku-en
- (One of the Three Great Gardens of Japan)
- Mt. Washuzan Observatory
- Great Seto Bridge

Business Demand

- Third populous city in the Chugoku region (after Hiroshima and Okayama)
- Kurashiki Prefectural Office
- Mizushima Coastal Industrial Complex

Convenient Access

- 35 min. by bus to Okayama Airport
- 10 min. by train to Shin Kurashiki Station (Shinkansen station)
- 3 train lines to Kurashiki: JR Sanyo & Hakubi and Mizushima Coastal



¹ Kurashiki Bikan Historical Quarter is a tourist destination popular for its historical Edo-period buildings, attracting 3.85 million tourists in 2016.

Disclaimer

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

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

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

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



Contact:

Ichigo Hotel IR Desk (3463)

TEL: +81-3-3502-4892

IR_Hotel@ichigo.gr.jp

www.ichigo-hotel.co.jp/english

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