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[Provisional Translation Only]

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Issuer

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Ichigo Hotel Operating Results – August 2020

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (19 Hotels)

	August 2020 (A)	(Previous) August 2019 (B)	Difference (A) - (B)	YOY Change
Revenue (JPY million)	198.1	775.9	-577.7	-74.5%
RevPAR (JPY)	2,319	7,417	-5,098	-68.7%
Occupancy (%)	48.9	89.0	-40.1	-45.0%
ADR (JPY)	4,739	8,334	-3,595	-43.1%

Variable Rent Hotels (12 Hotels)

	August 2020 (A)	(Previous) August 2019 (B)	Difference (A) - (B)	YOY Change
Revenue (JPY million)	114.1	505.7	-391.6	-77.4%
RevPAR (JPY)	2,295	7,630	-5,335	-69.9%
Occupancy (%)	53.0	88.3	-35.4	-40.0%
ADR (JPY)	4,333	8,638	-4,305	-49.8%

Fixed Rent Hotels (7 Hotels)

	August 2020 (A)	(Previous) August 2019 (B)	Difference (A) - (B)	YOY Change
Revenue (JPY million)	84.1	270.2	-186.1	-68.9%
RevPAR (JPY)	2,347	7,079	-4,731	-66.8%
Occupancy (%)	44.0	90.0	-46.0	-51.1%
ADR (JPY)	5,335	7,862	-2,526	-32.1%

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (14 Hotels)

		August 2020 (A)	(Previous) August 2019 (B)	Difference (A) - (B)	YOY Change
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	26.0	72.1	-46.1	-63.9%
	RevPAR (JPY)	4,326	12,585	-8,258	-65.6%
	Occupancy (%)	96.9	96.3	+0.6	+0.7%
	ADR (JPY)	4,464	13,071	-8,607	-65.8%
Nest Hotel Sapporo Odori	Revenue (JPY million)	18.1	55.7	-37.7	-67.6%
	RevPAR (JPY)	4,325	13,611	-9,286	-68.2%
	Occupancy (%)	92.2	94.9	-2.7	-2.9%
	ADR (JPY)	4,691	14,337	-9,646	-67.3%
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	12.5	31.5	-19.0	-60.3%
	RevPAR (JPY)	3,473	8,872	-5,399	-60.9%
	Occupancy (%)	75.5	97.7	-22.3	-22.8%
	ADR (JPY)	4,602	9,078	-4,476	-49.3%
HOTEL EMIT SHIBUYA	Revenue (JPY million)	8.0			
	RevPAR (JPY)	3,558			
	Occupancy (%)	98.5			
	ADR (JPY)	3,611			
Hotel Wing International Nagoya	Revenue (JPY million)	6.0	40.4	-34.3	-85.1%
	RevPAR (JPY)	781	5,248	-4,467	-85.1%
	Occupancy (%)	18.3	84.4	-66.1	-78.3%
	ADR (JPY)	4,265	6,220	-1,955	-31.4%
Smile Hotel Kyoto Shijo	Revenue (JPY million)	4.8	32.5	-27.7	-85.2%
	RevPAR (JPY)	1,034	6,694	-5,661	-84.6%
	Occupancy (%)	34.5	99.7	-65.2	-65.4%
	ADR (JPY)	2,997	6,717	-3,720	-55.4%

		August 2020 (A)	(Previous) August 2019 (B)	Difference (A) - (B)	YOY Change
Chisun Inn Osaka Hommachi	Revenue (JPY million)	–	22.0	-22.0	-100%
	RevPAR (JPY)	–	5,459	-5,459	-100%
	Occupancy (%)	–	79.0	-79.0	-100%
	ADR (JPY)	–	6,908	-6,908	-100%
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	2.3	63.7	-61.4	-96.4%
	RevPAR (JPY)	–	6,259	-6,259	-100%
	Occupancy (%)	–	78.3	-78.3	-100%
	ADR (JPY)	–	7,991	-7,991	-100%
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	9.8	33.3	-23.5	-70.6%
	RevPAR (JPY)	2,042	7,247	-5,204	-71.8%
	Occupancy (%)	31.6	86.9	-55.3	-63.6%
	ADR (JPY)	6,463	8,341	-1,879	-22.5%
Nest Hotel Matsuyama	Revenue (JPY million)	19.0	50.8	-31.8	-62.6%
	RevPAR (JPY)	2,660	6,172	-3,512	-56.9%
	Occupancy (%)	62.3	91.4	-29.2	-31.9%
	ADR (JPY)	4,273	6,751	-2,479	-36.7%
Court Hotel Kurashiki	Revenue (JPY million)	0.1	36.7	-36.6	-99.7%
	RevPAR (JPY)	–	9,379	-9,379	-100%
	Occupancy (%)	–	97.7	-97.7	-100%
	ADR (JPY)	–	9,596	-9,596	-100%
Valie Hotel Hiroshima	Revenue (JPY million)	–			
	RevPAR (JPY)	–			
	Occupancy (%)	–			
	ADR (JPY)	–			
Valie Hotel Tenjin	Revenue (JPY million)	3.4	23.6	-20.2	-85.5%
	RevPAR (JPY)	1,042	9,221	-8,179	-88.7%
	Occupancy (%)	25.4	96.2	-70.8	-73.6%
	ADR (JPY)	4,099	9,587	-5,488	-57.2%
Nest Hotel Kumamoto	Revenue (JPY million)	12.1	43.3	-31.3	-72.2%
	RevPAR (JPY)	1,671	6,223	-4,552	-73.1%
	Occupancy (%)	49.1	80.0	-30.9	-38.6%
	ADR (JPY)	3,403	7,777	-4,374	-56.2%

Fixed Rent Hotels (6 Hotels – excludes Hotel Livemax Nihombashi-Hakozaki)

		August 2020 (A)	(Previous) August 2019 (B)	Difference (A) - (B)	YOY Change
Comfort Hotel Kushiro	Revenue (JPY million)	21.2	30.5	-9.3	-30.6%
	RevPAR (JPY)	5,148	7,547	-2,399	-31.8%
	Occupancy (%)	87.0	92.0	-5.0	-5.5%
	ADR (JPY)	5,918	8,203	-2,285	-27.9%
Comfort Hotel Hamamatsu	Revenue (JPY million)	11.2	35.6	-24.3	-68.4%
	RevPAR (JPY)	1,849	5,851	-4,003	-68.4%
	Occupancy (%)	39.8	90.0	-50.3	-55.8%
	ADR (JPY)	4,647	6,498	-1,851	-28.5%
Comfort Hotel Central International Airport	Revenue (JPY million)	21.3	99.7	-78.4	-78.6%
	RevPAR (JPY)	1,927	8,896	-6,969	-78.3%
	Occupancy (%)	26.2	92.1	-65.9	-71.6%
	ADR (JPY)	7,356	9,658	-2,302	-23.8%
Comfort Hotel Suzuka	Revenue (JPY million)	8.4	18.8	-10.4	-55.4%
	RevPAR (JPY)	2,543	5,728	-3,185	-55.6%
	Occupancy (%)	49.7	82.8	-33.1	-40.0%
	ADR (JPY)	5,118	6,918	-1,800	-26.0%
Comfort Hotel Okayama	Revenue (JPY million)	16.8	39.1	-22.3	-57.0%
	RevPAR (JPY)	2,453	5,836	-3,383	-58.0%
	Occupancy (%)	55.5	88.8	-33.3	-37.5%
	ADR (JPY)	4,421	6,572	-2,151	-32.7%
Urbain Hiroshima Executive	Revenue (JPY million)	2.4	39.7	-37.4	-94.0%
	RevPAR (JPY)	866	7,495	-6,629	-88.4%
	Occupancy (%)	14.9	92.7	-77.7	-83.9%
	ADR (JPY)	5,795	8,089	-2,294	-28.4%

Notes:

1. The above data are as provided by the hotel operators or as calculated by Ichigo Investment Advisors based on information provided by the hotel operators. The data have not been audited and thus their accuracy cannot be guaranteed and may not match data disclosed in future releases.
2. Revenue is revenue from accommodations and related services only. Rent from retail tenants at the Chisun Inn Osaka Hommachi, Hotel Wing International Kobe Shin Nagata Ekimae, and the Smile Hotel Tokyo Asagaya, and rent from the banquet hall at the Nest Hotel Kumamoto are not included.

3. RevPAR (Revenue Per Available Room) is calculated with the following formula:

$$\text{RevPAR} = \frac{\text{Total Revenue from accommodations (excluding restaurant charges and other service fees)}}{\text{number of available guest rooms}}$$
4. Occupancy is calculated with the following formula:

$$\text{Occupancy} = \frac{\text{Total number of guest rooms occupied during the period}}{(\text{total number of guest rooms} * \text{number of days hotel was in operation during the period})}$$

Occupancy may exceed 100% in the following cases: 1) a guest had pre-paid for a guest room but checked out early, allowing the guest room to be occupied by a different guest; or 2) a guest room is occupied for less than one day by different guests.
5. ADR (Average Daily Rate) is calculated with the following formula:

$$\text{ADR} = \frac{\text{Total revenue from accommodations (excluding restaurant charges and other service fees)}}{\text{number of guest rooms occupied during the period}}$$
6. The Grandpark-Inn Yokohama and the Washington Hotel Plaza Shimonoseki Eki Nishi are excluded from the above data because the hotel operator did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons. Data for the Hotel Livemax Nihombashi-Hakozaki are included in the total hotel and fixed rent hotel data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
7. August 2019 data for the HOTEL EMIT SHIBUYA and the Valie Hotel Hiroshima are not separately disclosed and are excluded from the Total and Variable Rent Hotels data on page 1, because the previous hotel operators did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons.
8. The above data for Urbain Hiroshima Executive reflects data from August 1, 2020 to August 16, 2020, before the hotel closed on August 17, 2020.
9. Pre-acquisition data for acquired hotels are based on data received from the previous owners.

Status of Hotels that Closed Temporarily due to Covid-19

Hotel	Date Closed	Status
Smile Hotel Kyoto Shijo	April 13, 2020	Reopened on July 1, 2020
Chisun Inn Osaka Hommachi	April 17, 2020	TBD
Nest Hotel Osaka Shinsaibashi	April 17, 2020	TBD
Valie Hotel Tenjin	May 1, 2020	Reopened on August 1, 2020
Court Hotel Kurashiki	May 1, 2020	Reopened on September 1, 2020
Valie Hotel Hiroshima	May 10, 2020	Reopened on September 15, 2020
Urbain Hiroshima Executive	August 17, 2020	Scheduled to reopen on October 1, 2020

Explanation of Changes

All hotels saw year-on-year decreases in Revenue, RevPAR, Occupancy, and ADR due to ongoing Covid-19 impacts causing a drop in both domestic and inbound demand.

Value-Add Actions

The Comfort Hotel Okayama is rebranding and reopening as The OneFive Okayama on October 1, 2020 under a new hotel operator, as announced in the March 13, 2020 release “Change in Hotel Operator.”

As part of the rebranding, Ichigo Hotel and Hakata Hotels, the new hotel operator, are installing key cards for guest rooms, replacing TVs, and renovating guest rooms and the first-floor reception area.

Ichigo Hotel will also deploy PROPERA, an AI-based revenue management system developed by Ichigo, to maximize earnings and increase guest satisfaction.

Ichigo Hotel will continue to work closely with its hotel operators to carry out value-add renovations to increase guest satisfaction and drive higher earnings.

The OneFive Okayama Logo



The OneFive Okayama Website (Japanese only)

www.hakatahotels.co.jp/theonefiveokayama