



Ichigo Hotel January 2022 Fiscal Period Corporate Presentation

March 17, 2022

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



We would like to express our deepest condolences to all those affected by the March 16, 2022 earthquake off the coast of Fukushima, by the war and humanitarian crisis in Ukraine, and by the global Covid pandemic, along with our heartfelt wish for the immediate cessation of hostilities in Ukraine and the earliest and fullest possible recovery for all.

Take care, be safe.



**Make The World
More Sustainable**



**World-Class
Excellence**



Ichigo's
Hiromi Miyake



Ichigo

Ichigo is a J.League Top Partner



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January 2022 Results

January 2022 Highlights

Net Income & Dividend Exceeded Revised Forecast Announced in Jan 2022

	Results	Details
Net Income	JPY 342M +JPY 60M (+21.3%) vs. revised forecast	<ul style="list-style-type: none"> Generated variable rent at 3 hotels +JPY 158M (+85.9%) vs. initial forecast announced on Sep 2021
RevPAR	JPY 3,112 (15 variable rent hotels) -JPY 91 (-2.8%) vs. revised forecast	<ul style="list-style-type: none"> Occupancy: 68.8% (vs. 66.7% forecast) ADR: JPY 4,522 (vs. JPY 4,802 forecast)
NOI	JPY 938M +JPY 66M (+7.6%) vs. revised forecast	<ul style="list-style-type: none"> Operating Revenue +JPY 23M, +2.1% vs. initial forecast Decrease in Operating Expenses due to unused Covid-related reserves
FFO	JPY 2,471 +JPY 309 (+14.3%) YOY	<ul style="list-style-type: none"> FFO up on NOI increase
Dividend	JPY 1,345 +JPY 237 (+21.4%) vs. revised forecast	<ul style="list-style-type: none"> Operating Revenue increase driving Dividend increase +JPY 621, +85.8% vs. initial forecast announced on Sep 2021
NAV	JPY 128,766 -JPY 241 (-0.2%) vs. previous period	<ul style="list-style-type: none"> Total unrealized gains: JPY 1.29B

FFO (Funds from Operations) = (Net Income + Depreciation + Amortization of Expenses Related to REIT Establishment + Amortization of Share Issuance Expenses + Loss on Disposal of Fixed Assets + Accrued Asset Disposal Costs +/- Losses/Gains on Sales +/- Extraordinary Losses/Gains) / Number of Shares Outstanding

NAV = BPS + Unrealized Capital Gains per Share



January 2022 Earnings Breakdown

(JPY million)

	Jan 2021 Actual	Jan 2022 Actual (A)	Forecast (B) (Jan 2022)	vs. Forecast (A) - (B)	Forecast (Sep 2021)	Major Variation Factors (vs. Forecast)
Operating Revenue	1,035	1,125	1,102	+23	1,007	
Variable Rent	-3	147	124	+23	33	Increase in variable rent (Valie Hiroshima, Yokohama, Asagaya)
Fixed Rent	993	933	933	-	933	
Other (Gains on Sales, etc.)	45	44	44	-	44	
Operating Expenses	626	653	687	-34	670	Decrease in property tax -4, Decrease in Covid-related reserve -36 Increase in AM fee +12, Decrease in administration fees -7
Repair & Maintenance	43	34	36	-2	36	
Depreciation	341	355	351	+4	351	
Operating Profit	409	472	414	+58	336	
Recurring Profit	210	274	209	+65	111	Non-operating income +6 Decrease in borrowing-related expenses -1
Net Income	209	342	282	+60	184	
Dividend	JPY 823	JPY 1,345	JPY 1,108	+JPY 237	JPY 724	+21.4% vs. Revised forecast announced on Jan 2022 +85.8% vs. Initial forecast announced on Sep 2021 +63.4% YOY (+JPY 522)
FFO	JPY 2,162	JPY 2,471	-	-	-	
NOI	844	938	872	+66	777	
Post-Depreciation NOI	503	583	521	+62	425	
Capex	123	206	388	-182	388	Decrease due to effective cost controls & shift in renovation schedule
Book Value	52,076	51,915	-	-	-	

January 2022 Room Revenue +56.8%, RevPAR +29.2% YOY

Variable Rent Hotels (15 Hotels)

	Aug 1, 2020 - Jan 31, 2021	Aug 1, 2021 - Jan 31, 2022	Change	YOY	Aug 1, 2019 - Jan 31, 2020
Room Revenue (JPY M)	848	1,330	+482	+56.8%	2,538
Total Revenue (JPY M)	964	1,483	+519	+53.8%	2,853
RevPAR (JPY)	2,408	3,112	+704	+29.2%	6,166
Occupancy	54.9%	68.8%	+13.9%	+25.3%	84.4%
ADR (JPY)	4,383	4,522	+138	+3.2%	7,302

Total Portfolio (21 Hotels)

	Aug 1, 2020 - Jan 31, 2021	Aug 1, 2021 - Jan 31, 2022	Change	YOY	Aug 1, 2019 - Jan 31, 2020
Room Revenue (JPY M)	1,330	1,883	+553	+41.6%	3,645
Total Revenue (JPY M)	1,458	2,049	+591	+40.5%	3,990
RevPAR (JPY)	2,523	3,088	+565	+22.4%	6,136
Occupancy	52.3%	64.4%	+12.1%	+23.2%	83.8%
ADR (JPY)	4,828	4,795	-33	-0.7%	7,322

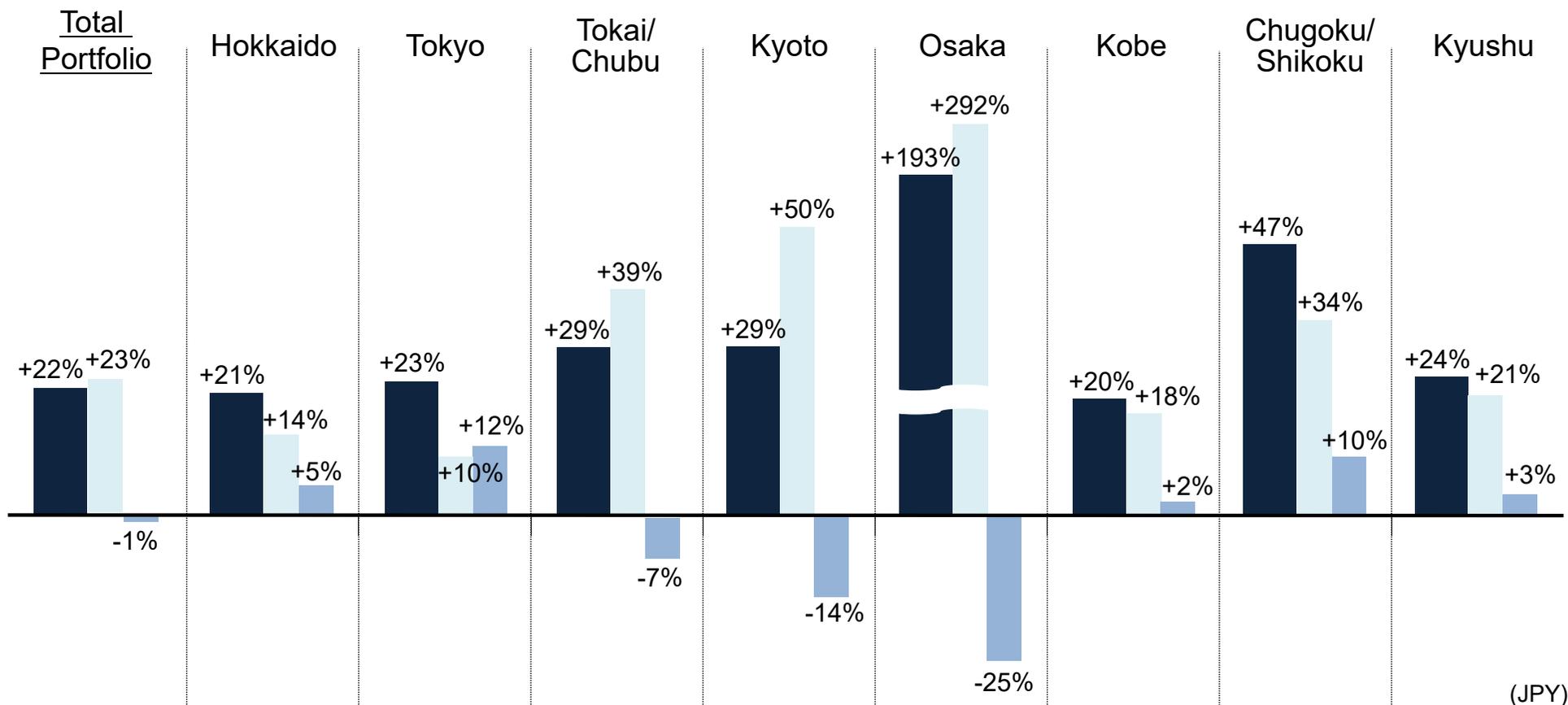
* Excludes Capsule Plus Yokohama and Washington Hotel Plaza Shimonoseki Eki Nishi. Operating results before acquisition are based on data provided by previous owner.

Strong Recovery in Hotel Demand

YOY by Region (Aug 2021– January 2022)

21 Hotels (excludes Capsule Plus Yokohama and Washington Hotel Plaza Shimonoseki Eki Nishi)

■ RevPAR ■ Occupancy ■ ADR

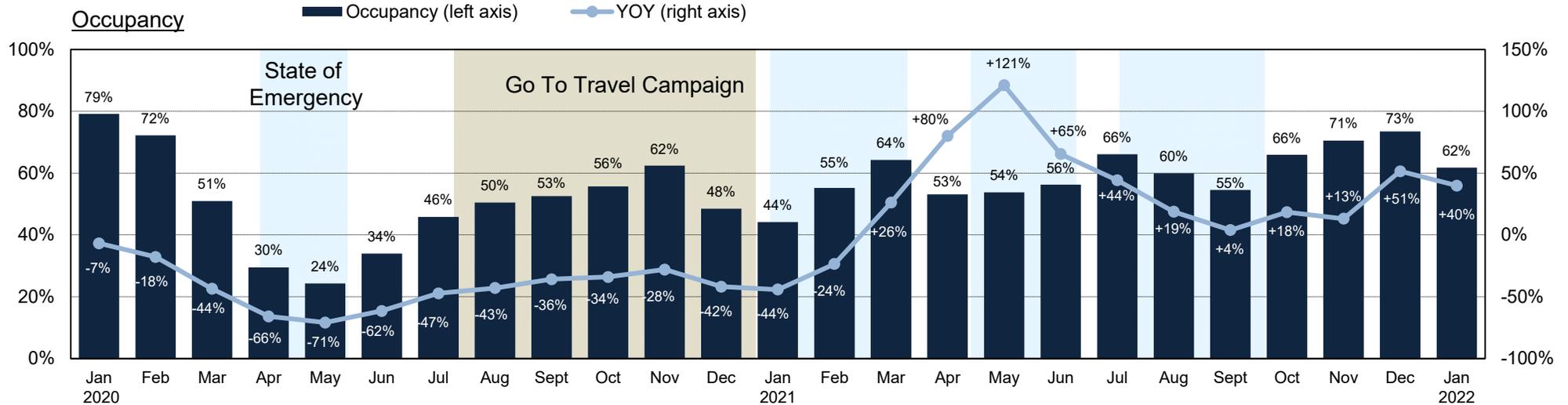
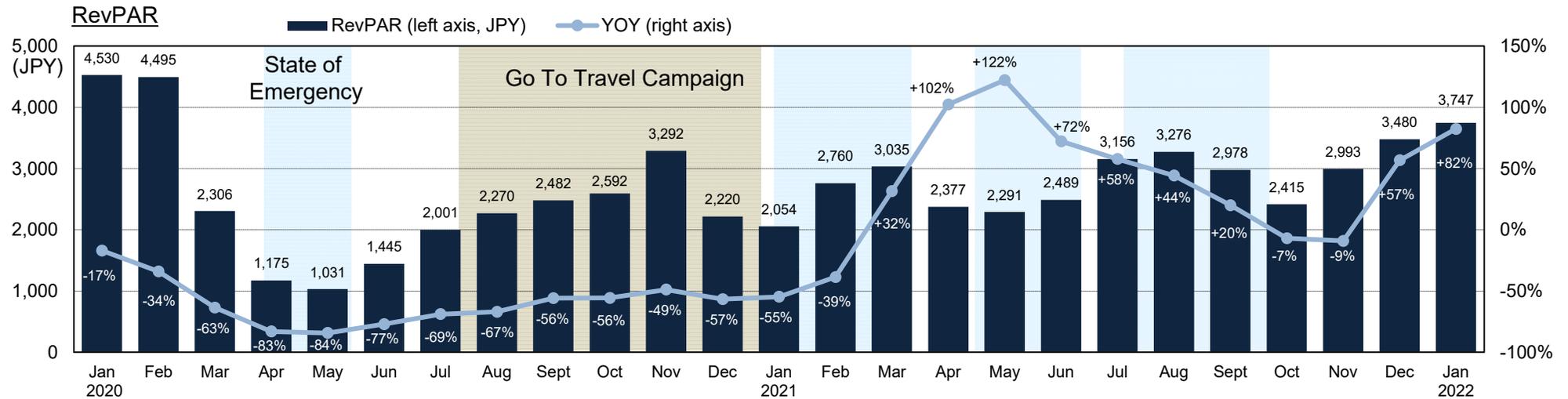


(JPY)

RevPAR	4,008	4,690	2,953	1,780	1,293	3,837	2,636	2,851
No. Hotels	3	3	4	1	2	1	5	2
% of Total Portfolio Rental Income	7%	13%	23%	3%	6%	4%	33%	5%

Nest Hotel Osaka Shinsaibashi was closed from April 17, 2020 to November 19, 2020, January 13, 2021 to March 31, 2021, and April 18, 2021 to August 6, 2021, and The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Honmachi) was closed from April 17, 2020 to August 31, 2021

Monthly Operating Results Under Covid (Jan 2020 – Jan 2022)



Major Events

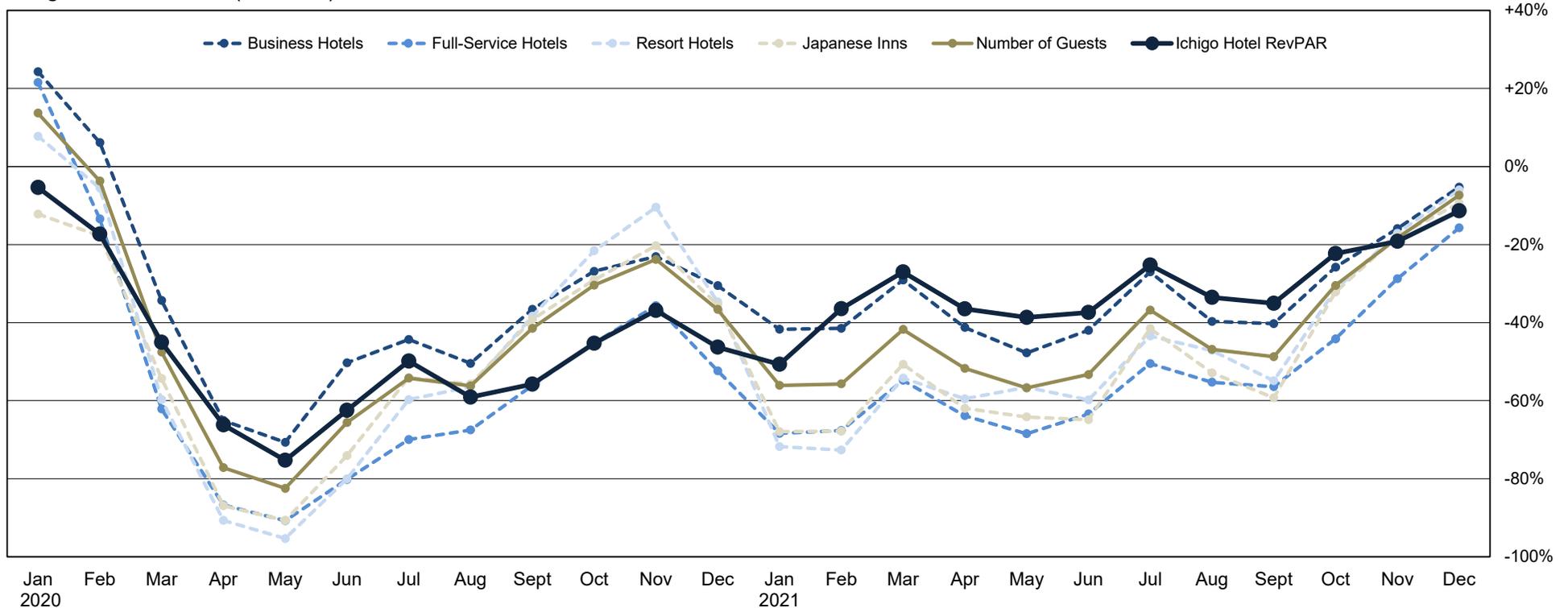
Mar 2020	State of emergency	Dec 2020	Restrictions on entry from overseas	Jul 2021	Tokyo Olympics
Jun 2020	Ban on travel between prefectures lifted	Feb 2021	Vaccine rollout begins for healthcare workers	Sep 2021	State of emergency lifted
Oct 2020	Tokyo added to Go To Travel campaign	Apr 2021	Vaccine rollout expanded to the elderly	Jan 2022	Quasi-state of emergency

* Excludes Washington Hotel Plaza Shimonoseki Eki Nishi because the operator did not provide consent to disclose information



Continued Hotel Demand Recovery Since Mid-2021

Ichigo Hotel RevPAR (vs. 2019) and Hotel Reservations



* Calculated by Ichigo Investment Advisors based on Japan Tourism Agency (JTA) "Statistical Survey of Travelers"

- After October 2021, demand gradually recovered on back of vaccine rollout and lifting of the state of emergencies
- Business hotel RevPAR decrease was minimal compared to other hotel types
- Number of inbound tourists in 2021 dropped 94% vs. 2020, and recovery is not expected for a while
- Occupancy at Ichigo Hotel portfolio assets outperformed during February to October 2021

* Ichigo Hotel RevPAR is that for variable rent hotels

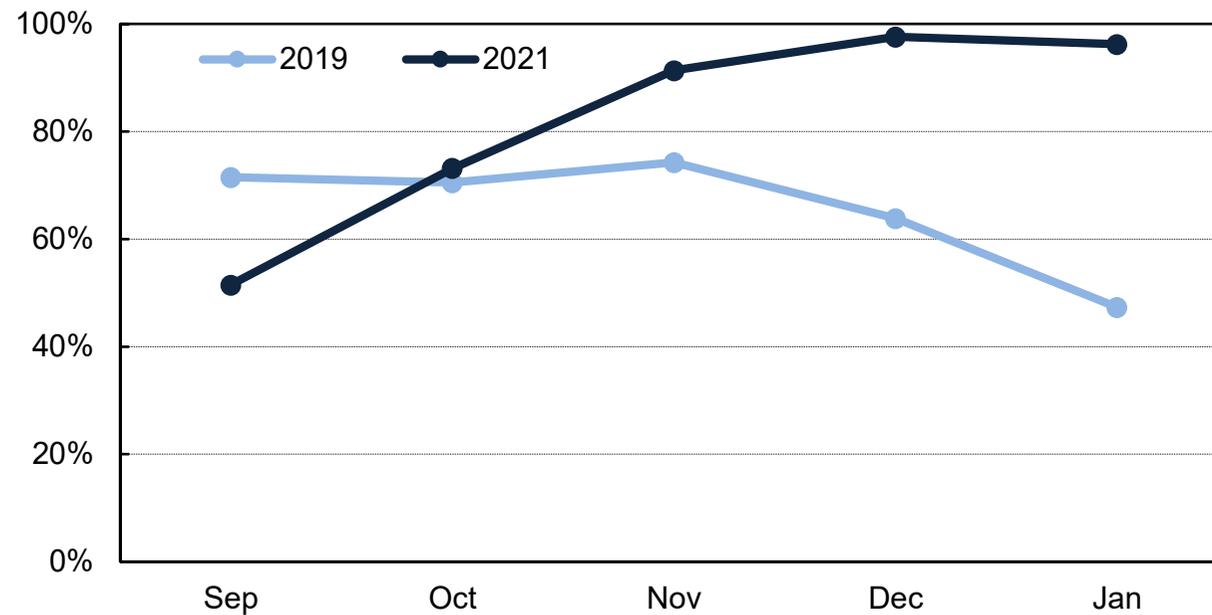


Operator Changes to Drive Earnings Growth (1)

The OneFive Osaka Sakaisuji (Former Chisun Inn Osaka Honmachi)

- Hotel operator change from third-party operator to Ichigo-owned Hakata Hotels upon expiration of lease contract
- Rebranded and reopened as The OneFive Osaka Sakaisuji
- Occupancy on track since rebranding in September 2021

Before vs. After Rebranding



Note: 2020 comparison is unavailable because the hotel was closed from Sep 2020 to Jan 2021.



Operator Changes to Drive Earnings Growth (2)

The OneFive Garden Kurashiki (Former Court Hotel Kurashiki)

- Hotel operator change from third-party operator to Ichigo-owned Hakata Hotels upon expiration of lease contract
- Rebranded and reopened as The OneFive Garden Kurashiki in February 2022
- Growing revenue amidst Covid via collaboration with sponsor Ichigo



Increasing Stability via Contract Renewals & Rebranding

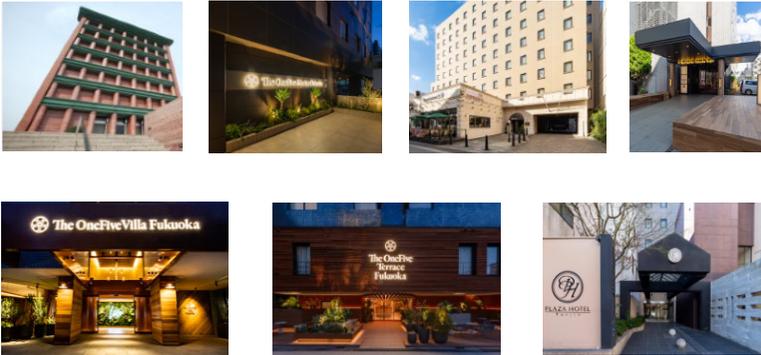
Timing	Hotel Name	Lease Terms	Changes	
Jun 2020	Smile Hotel Tokyo Asagaya	Variable+Fixed Rent	Lease Renewal	<ul style="list-style-type: none"> Increased fixed rent Revised variable rent
Oct 2020	The OneFive Okayama (formerly Comfort Hotel Okayama)	Fixed → Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Increased fixed rent & added variable rent
Oct 2020	The OneFive Fukuoka Tenjin (formerly Valie Hotel Tenjin)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent
Feb 2021	Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama)	Fixed → Variable Rent	Rebranding	<ul style="list-style-type: none"> Added GOP-linked variable rent
Aug 2021	Hotel Wing International Nagoya	Variable+Fixed Rent	Lease Renewal	<ul style="list-style-type: none"> Decreased fixed rent Revised variable rent
Sep 2021	The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Hommachi)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent
Feb 2022	The OneFive Garden Kurashiki (formerly Court Hotel Kurashiki)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels

Strong Sponsor Support (1)

Changed Hotel Operator to Ichigo-owned Hakata Hotels

- Veteran hotel operator with expertise in AI revenue management (PROPERA) – operates 14 hotels with focus on the Hakata (Fukuoka) area
- Maintained high occupancy, substantially outperforming other hotels (Hotels using PROPERA achieved 90% occupancy during the January 2022 fiscal period)
- Became the operator of Court Hotel Kurashiki (rebranded as The OneFive Garden Kurashiki) in February 2022 – already the operator of the Okayama, Fukuoka Tenjin, and Osaka Sakaisuji hotels
 - Selected as operator among multiple candidates due to offering superior terms
 - Prevented loss of a hotel operator amidst Covid

Hotels Operated by Hakata Hotels

Kyushu (Fukuoka City)	Chugoku	Kansai	Tokyo	Hokkaido (Sapporo City)
				

Strong Sponsor Support (2)

Bond Issuances Further Strengthening Ichigo Hotel's Financial Base

- Demonstrates strong commitment and support from the sponsor
- Objective: To further strengthen Ichigo Hotel's financial base amid an uncertain market environment

Issue Date	Name	Issue Amount	Interest Rate	Issuance Period
November 25, 2020	First Unsecured Investment Corporation Bond	JPY 500M	2.0%	5.4 years
September 30, 2021	Second Unsecured Investment Corporation Bond	JPY 370M	2.0%	5.5 years
Total		JPY 870M	—	—

Shareholder Discount Program

- Program Established to Express Gratitude to Ichigo Hotel Shareholders and to Support the Hotel Industry Impacted by Covid
- K.K. Hospitality Operations Added as Operator From January 2022 Fiscal Period

Special Discount Rates (including hotels not owned by Ichigo Hotel)

Minacia Co., Ltd.	Greens Co., Ltd.	K.K. Hospitality Operations
<ul style="list-style-type: none"> ■ <u>Hotel Wing International</u> <ul style="list-style-type: none"> ✓ Special rate 10% lower than rates on hotel website ✓ 39 Hotel Wing International Hotels located across Japan, from Hokkaido to Kagoshima  	<ul style="list-style-type: none"> ■ <u>Choice Hotels</u> <ul style="list-style-type: none"> ✓ Premium rates set at each hotel ✓ 73 Comfort brand hotels located across Japan, from Hokkaido to Okinawa ■ <u>Greens Hotels</u> <ul style="list-style-type: none"> ✓ Available at member-only fixed rates set at each hotel ✓ A diverse brand of 27 hotels mainly in Mie and Aichi prefectures and the Hokuriku region   	<ul style="list-style-type: none"> ■ <u>Smile Hotels</u> <ul style="list-style-type: none"> ✓ Special rate 10% lower than rates on hotel website ✓ 66 Smile Hotel and Hotel Emisia brand hotels located across Japan, from Hokkaido to Okinawa   

Ichigo J.League Shareholder Program

Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and listed solar power producer that it manages, in its shareholder program (65,000 shareholders total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

Ichigo is deepening its partnership with the J.League and working to further Ichigo's mission of promoting local community development.



Ichigo J.League Shareholder Program Website Landing Page

Events & Gifts

- Ichigo Kids J.League Events
 - ✓ Escort players onto field
 - ✓ High-fives with players
 - ✓ Other programs
- J.League Merchandise
 - ✓ Autographed jerseys from all J.League clubs
 - ✓ Ichigo original J.League towels
 - ✓ Autographed official match balls
- J.League Online Events

Sustainability as a Key Management Priority

Sustainability Initiatives (1)

Minimizing Environmental Impact of Ichigo Hotel-Owned Assets

Environmental Certifications

- HOTEL EMIT SHIBUYA (BELS 4 Stars)
- Joined GRESB Real Estate Assessment in 2021
 - Awarded 2 Stars in GRESB rating
 - Won Green Star designation
- Energy efficiency assessments for 2 hotels to be conducted from April 2022



Energy Efficiency Improvements

- 68 energy efficiency improvements made between August 2020 and July 2021, including installing LED lights and upgrading air conditioning units, water heating systems, water faucets, and toilet tanks
- c. 25% of expenses (value-add capex + repair expenses) is related to energy efficiency improvements

Disclosure of Energy Consumption Levels and Energy Reduction Targets

- Aiming to disclose energy consumption levels and energy reduction targets on the Ichigo Hotel website by January 2023

Sustainability Initiatives (2)

Shift to Renewable Energy

- Executed renewable energy contracts for 9 hotels as of January 2022 fiscal period, of which 2 hotels have begun sourcing renewable energy
- 14 remaining hotels to be transitioned sequentially from February 2022 onwards

Renewable Energy Transition Completed	Renewable Energy Contracts Executed
Court Hotel Suzuka HOTEL EMIT SHIBUYA	Nest Hotel Sapporo Ekimae Nest Hotel Sapporo Odori The OneFive Fukuoka Tenjin The OneFive Okayama Capsule Plus Yokohama The OneFive Osaka Sakaisuji Smile Hotel Kyoto Shijo



RE100

A global initiative bringing together businesses committed to 100% renewable electricity, including solar, wind, hydro, and biomass energy, and accelerating the change towards a zero-carbon society.

Ichigo (2337), Ichigo Hotel's sponsor, joined RE100 in February 2021 and set a target to source 100% renewable electricity across its operations, including Ichigo Hotel (3463) and Ichigo Office (8975), by 2025.

Market Environment & Forecast Assumptions

Hotel Market Gradually Recovering

- Conservative forecasts despite gradual hotel demand recovery

Occupancy and ADR Forecasts for 15 Variable Hotels

- Forecasting Occupancy at -10~-20% & ADR at -30~-40% vs. 2019 (Pre-Covid) levels

	July 2019 Actual	July 2020 Actual	July 2021 Actual	July 2022 Forecast	YOY
Occupancy	86.2%	49.9%	65.4%	73.0%	+11.7%
ADR	JPY 8,475	JPY 5,102	JPY 4,381	JPY 4,891	+11.6%
	January 2020 Actual	January 2021 Actual	January 2022 Actual	January 2023 Forecast	YOY
Occupancy	84.3%	54.9%	68.8%	75.9%	+10.3%
ADR	JPY 7,428	JPY 4,383	JPY 4,522	JPY 5,602	+23.9%

* Data of 12 hotels for July 2019 fiscal period, 13 hotels for January 2020 fiscal period, 14 hotels for July 2020 fiscal period, and 15 hotels for January 2021 fiscal period

July 2022 Forecast

Dividend JPY 838, -20.6% YOY

✓ Assumes Covid-related hotel leases to local governments will last 2-3 months, not entire fiscal period

(JPY million)

	Jul 2021 Actual (A)	Jul 2022 Previous Forecast (Sept 2021)	Jul 2022 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,117	1,024	1,069	-48	
Variable Rent	126	79	122	-4	Increase in variable rent +78 (Kumamoto, Yokohama, Sapporo Ekimae, Nagoya, Matsuyama, Kurashiki, Osaka Sakaisuji, Sapporo Odori) Decrease in variable rent -83 (Valie Hiroshima)
Fixed Rent	947	902	902	-45	Increase in fixed rent +29 (Fukuoka, Okayama) Decrease in fixed rent -74 (Nagoya, Kurashiki, Osaka Sakaisuji)
Other (Gains on Sales, etc.)	44	43	45	+1	
Operating Expenses	652	629	647	-5	
Repair & Maintenance	46	34	44	-2	Increase in property tax +3, Management outsourcing fee -5 Decrease in AM fee -9, Administration fees +4
Depreciation	347	351	351	+4	Increase in Depreciation: Okayama, Fukuoka, Yokohama, Urbain Hiroshima, Matsuyama
Operating Profit	465	395	421	-44	
Recurring Profit	269	170	214	-55	Interest expenses +9, Amortization of bond issuance expenses +1 Fall-off of non-operating income -1
Net Income	268	169	213	-55	
Dividend	JPY 1,055	JPY 666	JPY 838	-JPY 217	-20.6% YOY +25.8% (+JPY 172) vs. previous forecast
NOI	912	832	867	-45	
Post-Depreciation NOI	565	481	515	-50	
Capex	335	546	283	-52	

January 2023 Forecast

Dividend JPY 858, -36.2% YOY

- ✓ Assumes no Covid-related hotel leases to local governments
- ✓ Fall-off of previous period's extraordinary gain from lawsuit settlement

(JPY million)

	Jan 2022 Actual (A)	Jan 2023 Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,125	1,093	-32	
Variable Rent	147	135	-12	Increase in variable rent +117 (Sapporo Ekimae, Nagoya, Yokohama, Osaka Sakaisuji) Decrease in variable rent -129 (Valie Hiroshima)
Fixed Rent	933	912	-21	Increase in fixed rent +19 (Fukuoka, Osaka Sakaisuji) Decrease in fixed rent -40 (Kurashiki, Nagoya, Okayama)
Other (Gains on Sales, etc.)	44	45	+1	
Operating Expenses	653	642	-11	Increase in property tax +4, Decrease in AM fee -20 Shareholder meeting-related expenses +4, SG&A expenses +4
Repair & Maintenance	34	35	+1	
Depreciation	355	351	-4	Decrease in Depreciation: Osaka Sakaisuji, Sapporo Odori, Kurashiki
Operating Profit	472	451	-21	
Recurring Profit	274	219	-55	Borrowing-related expenses +12, Interest expenses +14 Amortization of bond issuance expenses +1, Fall-off of non-operating income -7
Net Income	342	218	-124	
Dividend	JPY 1,345	JPY 858	-JPY 487	-36.2% YOY
NOI	938	901	-37	
Post-Depreciation NOI	583	550	-33	
Capex	157	456	+299	

Ichigo's Commitment to ESG



Ichigo Sustainability Policy

Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its business operations.

Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently-established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

Training and Awareness

Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

Sustainability Performance Communication and Disclosure

Ichigo communicates its Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

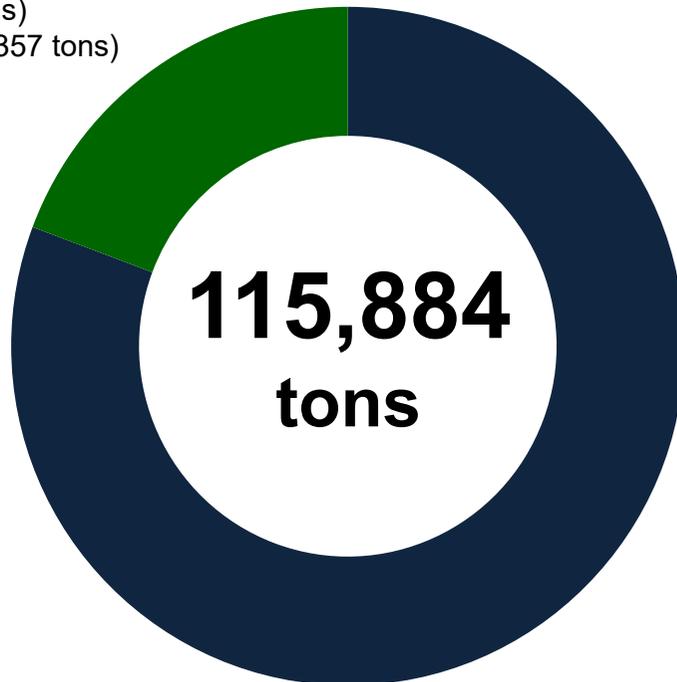
Delivering on Sustainability

Clean Energy Business Growth Addressing Critical Environmental Issues

Ichigo is Net Zero Carbon Today

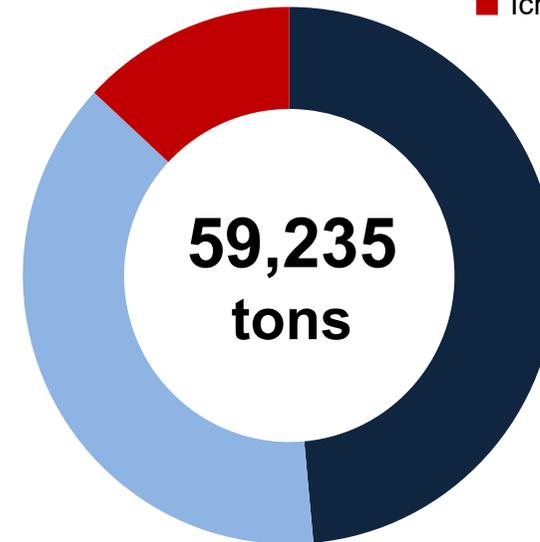
Total Ichigo Power Plant CO2 Reductions

- Ichigo (93,526 tons)
- Ichigo Green (22,357 tons)



Total Ichigo CO2 Emissions

- Ichigo (28,763 tons)
- Ichigo Office (22,727 tons)
- Ichigo Hotel (7,745 tons)



FY21/2 Actuals

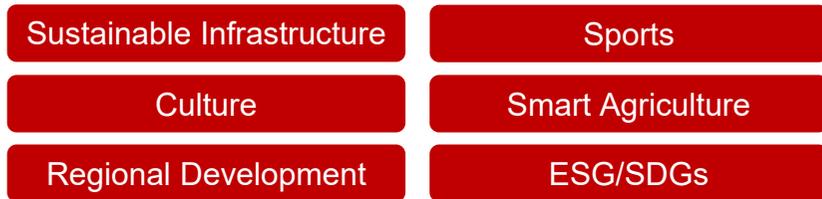
Note: Ichigo CO2 reductions are also significantly greater than pre-Covid emissions. FY20/2 CO2 Emissions: 75,807 tons

Full ESG Transparency & Disclosure

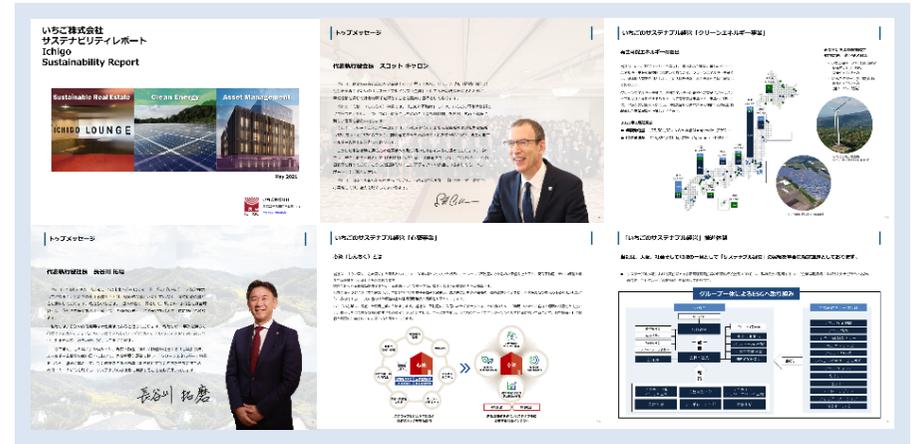
ICHIGO Sustainable City



Introducing Ichigo's Vision for Society's Future



Ichigo Sustainability Report



Promoting Awareness of Ichigo's Sustainability Initiatives via Ichigo Sustainability Report



Ichigo Brand Site: ICHIGO Sustainable City
www.ichigo.gr.jp/company/brand (Japanese only)



Ichigo Sustainability Report
www.ichigo.gr.jp/pdf/esg/Ichigo_Sustainability_Report_ENG.pdf



Ichigo ESG – Environmental



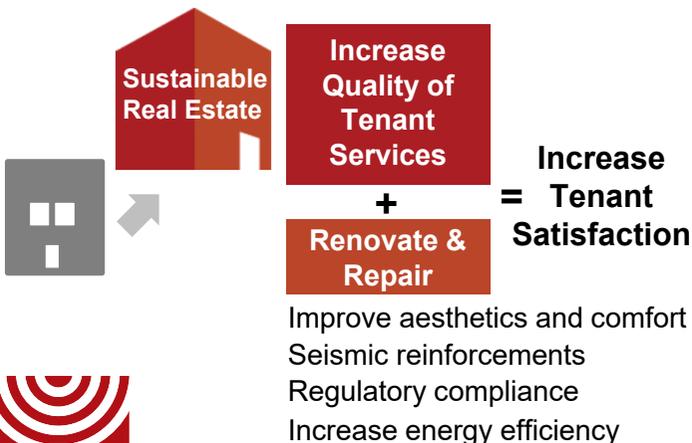
Sustainability-Driven & Climate Positive

Effective Use of Existing Real Estate

Preserve & Improve Real Estate to End Wasteful Demolition

Ichigo's Sustainable Real Estate business has a proven track record of preserving and improving existing real estate. Ichigo will build on this long-standing commitment to sustainability by developing new technologies to extend the lives of buildings and other social infrastructure 100 years and beyond.

Ichigo's Sustainable Real Estate Preserve & Create Value



Towards a Net Zero Carbon Society

Community-Based, Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.

Annual Power Production



186,921,674 kWh

Equivalent to annual energy consumption of 62,307 households

Annual CO2 Reduction



123,368,301 kg

Equivalent to annual CO2 emission of 53,638 cars

* July 2020 – June 2021 Actuals

J-REIT Initiatives

Pro-Active Environmental Certifications

By obtaining certifications such as GRESB, CASBEE, BELS, and DBJ Green Building, Ichigo is demonstrating our long-standing commitment to sustainability via initiatives that benefit investors, tenants, clients, and other stakeholders.

Ichigo Hotel (3463)	Ichigo Office (8975)
Certifications <ul style="list-style-type: none"> HOTEL EMIT SHIBUYA (BELS, 4 stars) 	Certifications <ul style="list-style-type: none"> 20 (19 assets) 33.2% of total leasable office area
GRESB (Since 2021) <ul style="list-style-type: none"> Received Green Star. Evaluated for ESG, management, & performance 	GRESB (Since 2016) <ul style="list-style-type: none"> Received Green Star for 5 years in a row. Evaluated for ESG, management, & performance
Transition to Renewable Energy <ul style="list-style-type: none"> Completed at 2 hotels To be transitioned sequentially at other hotels from February 2022 onwards 	Transition to Renewable Energy <ul style="list-style-type: none"> To be completed at all 74 assets by April 2022 (excludes partially-owned assets)

(as of February 28, 2022)



Ichigo ESG – Social

Contributing to a Sustainable Society



Contributing to Regional Revitalization

Ichigo works to revitalize local communities and promote regional economic development. Ichigo's model of preserving and improving existing real estate creates jobs and supports businesses, and our clean energy plants also support their host communities by providing new and sustainable sources of income.

THE KNOT TOKYO
Shinjuku
Hotel / Tokyo
<https://hotel-the-knot.jp/tokyoshinjuku/en>



Miyako City
Retail Asset / Miyazaki
www.miyakocity.com



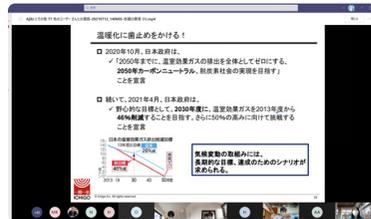
Ichigo University

Ichigo established Ichigo University in May 2013 to support employees' continuing education and personal growth.

Ichigo University courses are taught by employees and external professionals who are specialists in their fields and have deep experience.

Average Annual Number of Courses: 30

Ichigo University Classes



Online



In-Person

Sports Initiatives

As a top partner of the J.League professional soccer league, we support the league's mission to promote community development. Ichigo supports outstanding athletes in weightlifting, rifle shooting, and track and field.



Hiromi Miyake
(Weightlifting)



Chisato Kiyoyama
(Track and Field)

Ichigo Sports Site (Japanese only)
www.ichigo.gr.jp/ichigosports



Global Best Practice Governance



No Fixed Fee, Performance Fee-Only Structure

- ✓ Shifted to performance-linked fee structure to support shareholder value creation on February 1, 2019
- ✓ Pro-active, dynamic management of Ichigo Hotel assets on behalf of shareholders

Best Practice Governance

REIT

- ✓ Monitors Asset Management Company
 - All Ichigo Hotel Directors are Independent Directors
 - Active dialogue and effective internal controls via Board discussions led by REIT Executive Director
 - Draw upon expertise of REIT Supervisory Directors (qualified lawyers & accountants)

Asset Management Company (AMC)

- ✓ Best Practice
 - Majority of AMC Directors (3 of 5) are Independent Directors
 - Independent asset management team & best practice execution on behalf of Ichigo Hotel REIT within AMC
 - Compliance and Audit are directly under the AMC President to monitor and review critical compliance matters
 - Ensure objectivity by including third-party, independent lawyers and accountants in the Investment and Risk & Compliance Committees

Only 3 J-REITS (out of 61), including Ichigo Hotel (3463) and Ichigo Office (8975), have both an Asset Management Company (AMC) board that has a majority of Independent Directors and whose AMC President does NOT serve as the Executive Director of the REIT

Independence of the Investment Corporation From AMC	Independent Directors at AMC
<p>➡ 28 of 61 J-REITs have AMC Presidents serving as Executive Director of the REIT</p> <p>All Ichigo Hotel Directors are Independent</p>	<p>➡ Only 3 Asset Management Companies have any Independent Directors</p> <p>3 of 5 Ichigo Investment Advisors' Directors are Independent</p>

* Based on research as of February 28, 2022

Appendix: Portfolio Details

Hotel Map

Tokyo			Kanto	Hokkaido			Hokuriku/Tokai			
Smile Hotel Tokyo Asagaya	Hotel Livemax Nihombashi- Hakozaki	HOTEL EMIT SHIBUYA	Capsule Plus Yokohama	Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Comfort Hotel Hamamatsu	Hotel Wing International Nagoya	Comfort Hotel Central International Airport	Comfort Hotel Suzuka

Kinki (Kyoto/Osaka/Kobe)

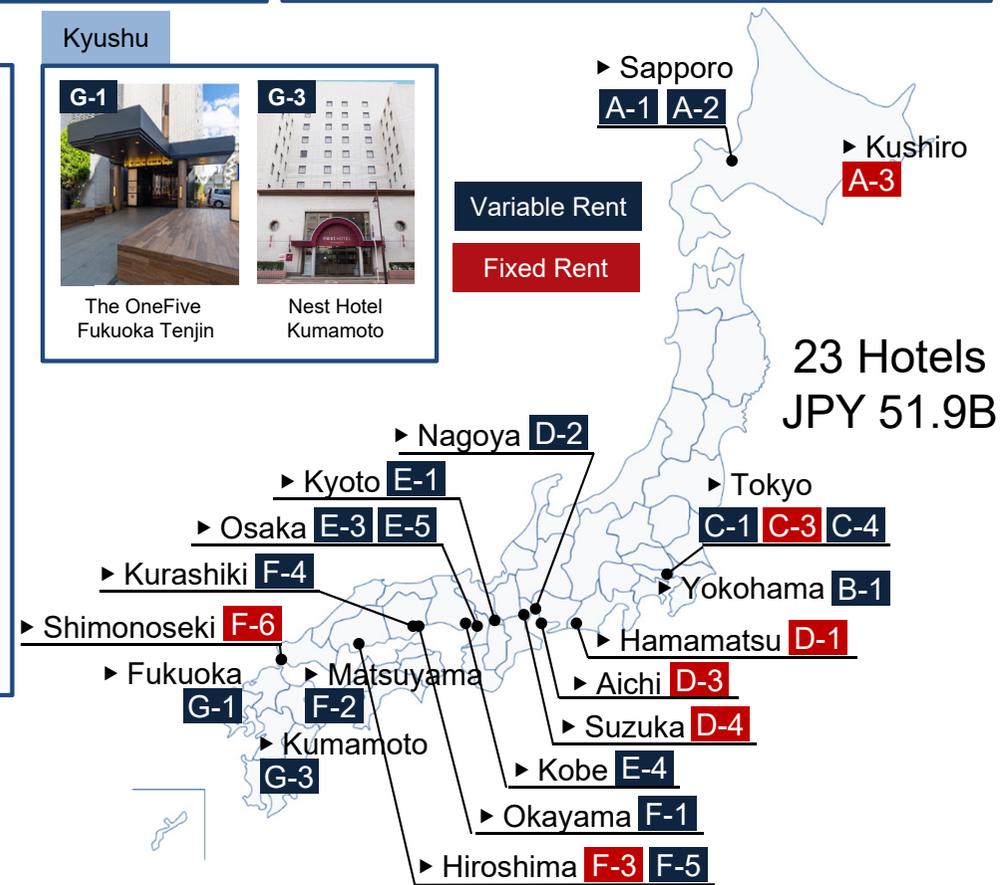
Smile Hotel Kyoto Shijo	The OneFive Osaka Sakaisuji
Hotel Wing International Kobe Shin Nagata Ekimae	Nest Hotel Osaka Shinsaibashi

Chugoku/Shikoku

The OneFive Okayama	Nest Hotel Matsuyama	Urbain Hiroshima Executive
Court Hotel Kurashiki*	Valie Hotel Hiroshima	Washington Hotel Plaza Shimonoseki Eki Nishi

Kyushu

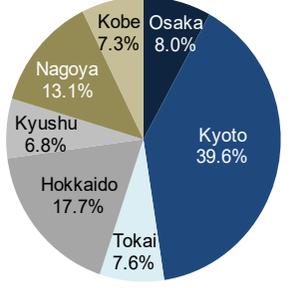
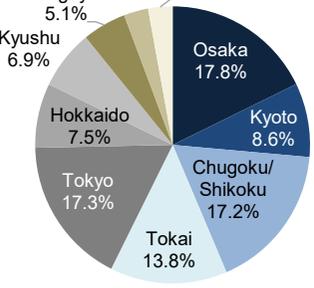
The OneFive Fukuoka Tenjin	Nest Hotel Kumamoto



* Rebranded and reopened as The OneFive Garden Kurashiki in February 2022

(January 2022 rent-basis)

Portfolio Growth

	IPO (Nov 30, 2015)	Jan 2017 Fiscal Period	July 2017 through January 2022 Fiscal Periods						
Acquisitions	IPO Acquisitions 9 hotels JPY 20.4B (Appraisal NOI Yield 5.9%)	PO Acquisitions 10 hotels JPY 27.2B (Appraisal NOI Yield 5.5%)	July 2017 1 hotel JPY 1.4B (Appraisal NOI Yield 5.0%)	Jan 2018 1 hotel JPY 1.8B (Appraisal NOI Yield 6.3%)	Jan 2019 1 hotel JPY 1.7B (Appraisal NOI Yield 6.9%)	July 2019 2 hotels JPY 3.7B (Appraisal NOI Yield 6.9%)	Jan 2020 None	July 2020 2 hotels JPY 4.7B (Appraisal NOI Yield 4.9%)	Jan 2021 - Jan 2022 None
									
Sales	None	None	None	None	1 Hotel JPY 2.7B Gains on Sale JPY 0.69B	None	2 Hotels JPY 9.7B Gains on Sale JPY 1.94B	None	None
Portfolio Size	9 Hotels : JPY 20.4B (January 2016 end)	19 Hotels JPY 47.6B	21 Hotels JPY 49.1B	21 Hotels JPY 50.9B	21 Hotels JPY 50.7B	23 Hotels JPY 54.4B	21 Hotels JPY 47.1B	23 Hotels JPY 51.9B	23 Hotels JPY 51.9B
Location	<p>IPO</p> 	<p>Geographic Diversification Increases Earnings Stability</p> <p>Steady Portfolio Growth via Acquisitions</p>							<p>January 31, 2022</p> 

Acquisition price-basis

Portfolio Lease Details

Operator Diversification Driving Earnings Stability

(as of January 31, 2022)

Lease Terms	Fixed Rent	Fixed + Variable Rent		Variable Rent	Total
Form of Contract	Lease	Lease	Lease	Lease	–
Fixed Rent	Yes	Yes	Yes	–	–
Variable Rent	–	Fixed Portion of Revenue Upside	Fixed Portion of Hotel GOP	Excess Above Fixed Portion of Hotel GOP	–
Rental Income (January 2022 Actual)	JPY 385M (35.7%)	JPY 71M (6.6%)	JPY 615M (56.9%)	Not Available ²	JPY 1,081M (100%)
Number of Hotels	7 Hotels	2 Hotels	13 Hotels	1 Hotel	23 Hotels
Total Acquisition Price	JPY 11.70B (22.5%)	JPY 4.16B (8.0%)	JPY 34.57B (66.6%)	JPY 1.49B (2.9%)	JPY 51.91B (100%)
Hotels	<ul style="list-style-type: none"> • Comfort Hotel Kushiro • Comfort Hotel Hamamatsu • Comfort Hotel Central International Airport • Comfort Hotel Suzuka • Hotel Livemax Nihombashi-Hakozaki • Urbain Hiroshima Executive • Washington Hotel Plaza Shimonoseki Eki Nishi 	<ul style="list-style-type: none"> • Hotel Wing International Nagoya • Hotel Wing International Kobe Shin Nagata Ekimae 	<ul style="list-style-type: none"> • Nest Hotel Sapporo Ekimae • Nest Hotel Sapporo Odori • Nest Hotel Osaka Shinsaibashi • Nest Hotel Matsuyama • Nest Hotel Kumamoto • Smile Hotel Tokyo Asagaya • Smile Hotel Kyoto Shijo • Valie Hotel Hiroshima • The OneFive Fukuoka Tenjin • Court Hotel Kurashiki¹ • HOTEL EMIT SHIBUYA • The OneFive Okayama • The OneFive Osaka Sakaisuji 	<ul style="list-style-type: none"> • Capsule Plus Yokohama 	–

¹ Changed operator, and rebranded and reopened as The OneFive Garden Kurashiki in February 2022

² Operator did not provide consent to disclose information

Individual Hotel Summary

(as of January 31, 2022)

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m ²)	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jan 2022 Appraisal		Unrealized Gains (JPY M) (B) - (A)
								Value (JPY M) (B)	Cap Rate (%)	
Hotel	A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	5,734.93	2,160	2,104	2,590	5.1	+485
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,461	1,820	5.0	+358
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	287	366	5.5	+78
	B-1	Capsule Plus Yokohama	Fixed Rent	Yokohama	1,183.26	1,490	1,557	1,310	4.8	-247
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,893	4,280	4.3	+386
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,278	1,380	4.6	+101
	C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	1,470.52	3,700	3,802	3,960	3.6	+157
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,406	1,750	5.2	+343
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,692	2,150	4.7	-542
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,233	5,790	4.1	+556
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	267	359	5.0	+91
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,519	3,570	4.5	-949
	E-3	The OneFive Osaka Sakaisuji	Variable + Fixed Rent	Osaka	3,568.32	1,630	1,753	1,220	4.8	-533
	E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	4,540.90	1,490	1,380	1,810	4.7	+429
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,569	5,460	4.4	-2,109
	F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	5,543.70	1,200	1,203	1,760	5.7	+556
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,611	1,970	5.6	+358
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,790	2,060	5.3	+269
	F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,816	2,220	5.2	+403
	F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	4,332.50	1,500	1,546	1,660	5.0	+113
	F-6	Washington Hotel Plaza Shimonoseki Eki Nishi	Fixed Rent	Shimonoseki, Yamaguchi	5,709.35	1,080	1,082	1,180	4.9	+97
	G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,451	2,220	4.3	+768
	G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	6,404.36	2,220	2,204	2,330	5.4	+125
Total (23 Hotels)					102,350.13	51,913	51,915	53,215	4.7	+1,299

January 2022 Fiscal Period Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. Of Guest Rooms	January 2022 (August 2021 - January 2022)							
					RevPAR (JPY)		Occupancy (%)		ADR (JPY)		Revenue (JPY M)	
A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	3,970	(+16.2%)	91.0%	(+12.1%)	4,363	(+3.7%)	147.3	(+17.2%)
A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	3,692	(+28.6%)	82.9%	(+25.5%)	4,454	(+2.5%)	99.7	(+35.1%)
A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	4,362	(+19.6%)	75.5%	(+7.9%)	5,779	(+10.8%)	106.9	(+19.3%)
C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	5,360	(+28.3%)	99.1%	(+17.9%)	5,410	(+8.7%)	112.6	(+26.3%)
C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	72	5,224	(+22.1%)	98.9%	(+5.5%)	5,285	(+15.7%)	69.3	(+21.8%)
D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	2,884	(+36.6%)	58.8%	(+38.2%)	4,906	(-1.1%)	104.0	(+36.6%)
D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	1,911	(+37.5%)	45.1%	(+45.2%)	4,233	(-5.3%)	87.2	(+35.9%)
D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	3,670	(+27.8%)	54.0%	(+45.3%)	6,791	(-12.1%)	239.5	(+26.5%)
D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	2,941	(+12.1%)	61.0%	(+18.0%)	4,821	(-5.0%)	57.4	(+12.1%)
E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	1,780	(+28.7%)	54.6%	(+50.0%)	3,263	(-14.2%)	48.5	(+28.4%)
E-3	The OneFive Osaka Sakaisuji	Variable + Fixed Rent	Osaka	130	1,946	-	82.1%	-	2,371	-	39.0	-
E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	133	3,837	(+20.3%)	53.5%	(+17.5%)	7,169	(+2.4%)	104.4	(+18.3%)
E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	1,053	(+138.7%)	31.8%	(+175.0%)	3,317	(-13.2%)	68.8	(+265.9%)
F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	208	3,082	(+45.6%)	97.6%	(+40.0%)	3,157	(+4.0%)	123.3	(+77.9%)
F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	2,962	(-0.7%)	64.4%	(+1.6%)	4,598	(-2.2%)	131.5	(+4.7%)
F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	171	1,183	(-58.5%)	23.7%	(-44.6%)	4,998	(-25.1%)	37.2	(-45.5%)
F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	107	1,603	(-35.9%)	25.9%	(-25.5%)	6,190	(-14.0%)	40.7	(-19.9%)
F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	171	7,500	(+465.0%)	100.0%	(+223.7%)	7,500	(+74.5%)	249.6	(+664.7%)
G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	77	3,338	(+66.3%)	97.0%	(+56.7%)	3,442	(+6.1%)	53.0	(+61.0%)
G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	201	2,664	(+11.1%)	68.5%	(+7.9%)	3,889	(+2.9%)	108.2	(+9.7%)
Other				455								
Variable Rent Hotels				2,523	3,112	(+29.2%)	68.8%	(+25.3%)	4,522	(+3.2%)	1,483.2	(+53.8%)
Fixed Rent Hotels				1,230	3,032	(+10.1%)	54.1%	(+15.3%)	5,608	(-4.5%)	566.4	(+14.6%)
Total				3,753	3,088	(+22.4%)	64.4%	(+23.2%)	4,795	(-0.7%)	2,049.6	(+40.5%)

* Operating Results data for Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, and Washington Hotel Plaza Shimonoseki Eki Nishi are consolidated under Other, because the hotel operators did not provide consent to disclose hotel-specific data. Fixed Rent Hotels and Total include Hotel Livemax Nihombashi-Hakozaki's operating results.

Individual Hotel Financials

(JPY thousand)

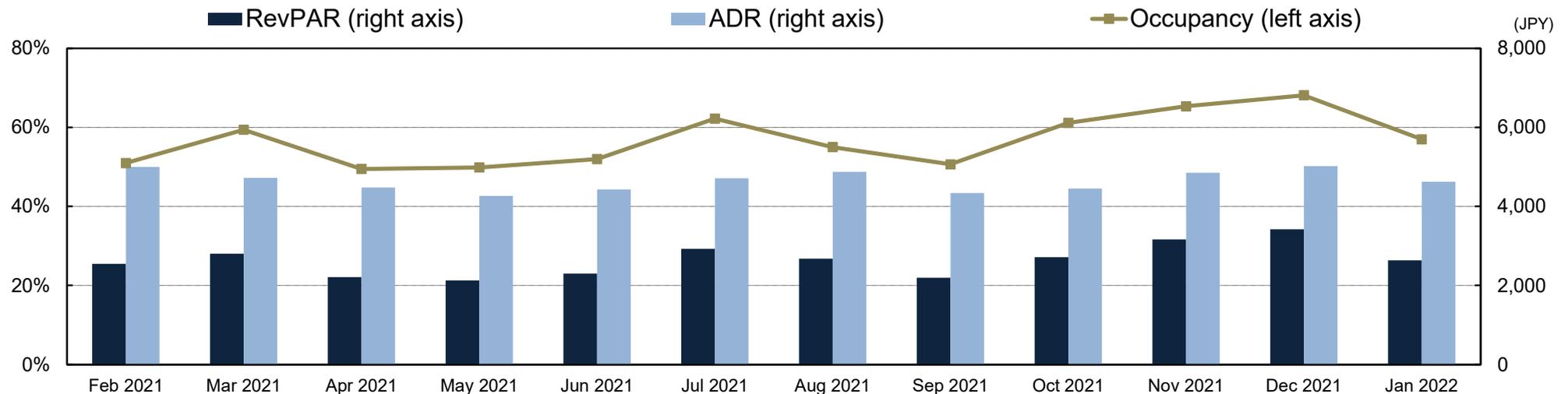
	Total	A-1	A-2	A-3	C-1	C-4	D-1	D-3	D-4	E-1	E-3	E-5	F-1	F-2	F-4	F-5	G-1	G-3	Other
		Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Smile Hotel Tokyo Asagaya	HOTEL EMIT SHIBUYA	Comfort Hotel Hamamatsu	Comfort Hotel Central International Airport	Comfort Hotel Suzuka	Smile Hotel Kyoto Shijo	The OneFive Osaka Sakaisuji	Nest Hotel Osaka Shinsaibashi	The OneFive Okayama	Nest Hotel Matsuyama	Court Hotel Kurashiki	Valie Hotel Hiroshima	The OneFive Fukuoka Tenjin	Nest Hotel Kumamoto	
(A) Rental Income	1,125,819	32,392	26,083	18,419	64,265	44,932	55,361	151,441	15,442	34,644	201	65,487	72,233	35,720	28,267	158,520	26,745	26,401	269,256
Fixed Rent	933,355	32,392	26,083	18,419	59,282	44,932	55,361	151,441	15,442	34,644	201	65,487	72,233	35,717	28,267	22,871	26,745	27,348	216,480
Variable Rent	147,812	-	-	-	4,982	-	-	-	-	-	-	-	-	-	-	135,049	-	-946	8,728
Other Rent	44,650	-	-	-	-	-	-	-	-	-	-	-	-	3	-	600	-	-	44,047
(B) Rental Expenses	187,056	9,948	12,308	5,933	9,961	5,982	3,931	14,510	3,740	6,757	7,056	17,242	6,053	6,567	15,474	6,829	4,778	7,583	42,396
Outsourcing Fees	17,676	600	600	900	2,721	600	600	570	540	600	1,005	1,200	600	720	600	720	600	780	3,720
Insurance	3,599	193	200	103	112	73	124	359	61	166	122	307	182	252	127	166	68	230	745
Repair Expenses	34,437	3,780	2,946	508	3,055	295	550	572	995	730	2,404	1,238	1,123	1,400	10,303	1,502	392	1,470	1,169
Taxes	114,835	4,951	8,127	4,008	3,662	4,653	2,386	12,599	1,733	4,902	3,161	14,088	3,730	3,784	4,080	4,071	3,355	4,691	26,847
Other Expenses	16,506	422	434	412	409	359	271	409	409	359	362	409	416	409	363	368	362	410	9,914
(C) NOI (A) - (B)	938,762	22,443	13,774	12,486	54,303	38,950	51,430	136,931	11,702	27,886	-6,855	48,245	66,180	29,153	12,793	151,691	21,966	18,817	226,859
(D) Depreciation	355,572	16,050	17,961	5,668	26,589	7,731	14,921	34,890	4,148	16,878	9,353	34,852	16,612	18,612	11,982	21,205	8,415	20,057	69,641
Net Rental Income (C) - (D)	583,190	6,393	-4,186	6,818	27,713	31,218	36,508	102,040	7,554	11,008	-16,208	13,392	49,567	10,541	810	130,486	13,551	-1,239	157,218

* Rents for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, and Washington Hotel Plaza Shimonoseki Eki Nishi as well as retail income of The OneFive Osaka Sakaisuji, Smile Hotel Tokyo Asagaya, and Nest Hotel Kumamoto are included in Other, as the operators did not provide consent to disclose the data.

Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

		Jan 2021		Jul 2021		Jan 2022	
		Rent	Ratio	Rent	Ratio	Rent	Ratio
Rent	Fixed Rent	1,023,280	–	976,196	87.3%	962,540	85.5%
	Fixed Rent from Operators	993,875	–	947,031	84.7%	933,355	82.9%
	Other (Rent from Retail Tenants)	29,405	–	29,164	2.6%	29,184	2.6%
	Variable Rent	-3,942	–	126,577	11.3%	147,812	13.1%
Other	(Utility Income)	16,238	–	15,184	1.4%	15,466	1.4%
Total		1,035,576	100%	1,117,958	100%	1,125,819	100%

Operating Results (Feb 2021 – Jan 2022)



Variable Rent Hotel Details

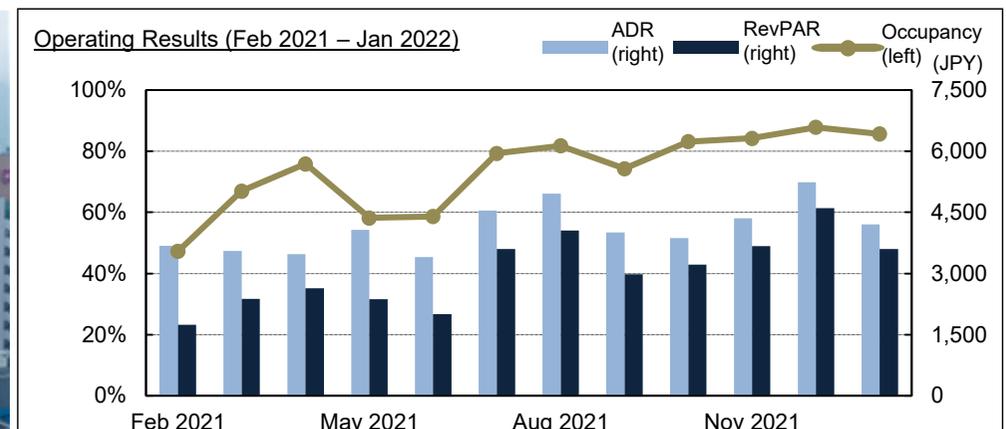
A-1 Nest Hotel Sapporo Ekimae

Location	Sapporo
Access	5-minute walk from Sapporo Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	162
Acquisition Price	JPY 2.16B



A-2 Nest Hotel Sapporo Odori

Location	Sapporo
Access	4-minute walk from Odori Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	121
Acquisition Price	JPY 1.45B



Variable Rent Hotel Details

B-1 Capsule Plus Yokohama

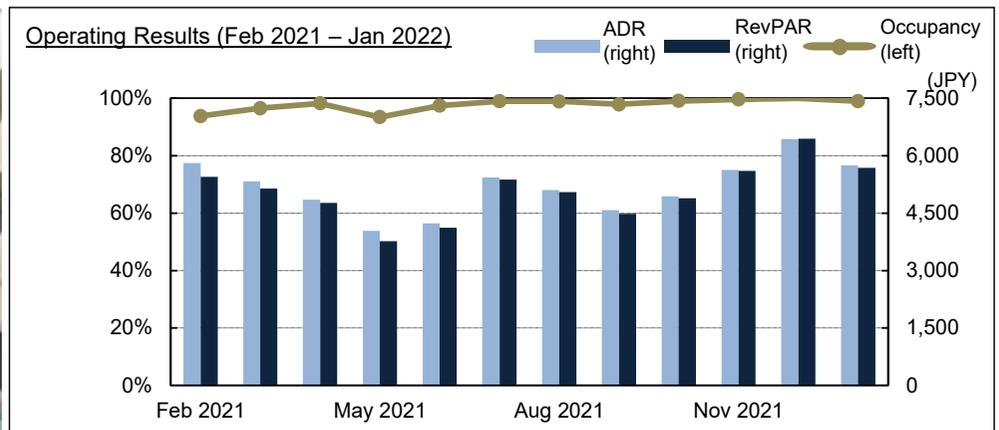
Location	Yokohama, Kanagawa
Access	6-minute walk from Yokohama Station on JR/ Subway Line
Operator	nine hours Inc.
Guest Rooms	169
Acquisition Price	JPY 1.49B



The hotel operator did not give consent to disclose data.

C-1 Smile Hotel Tokyo Asagaya

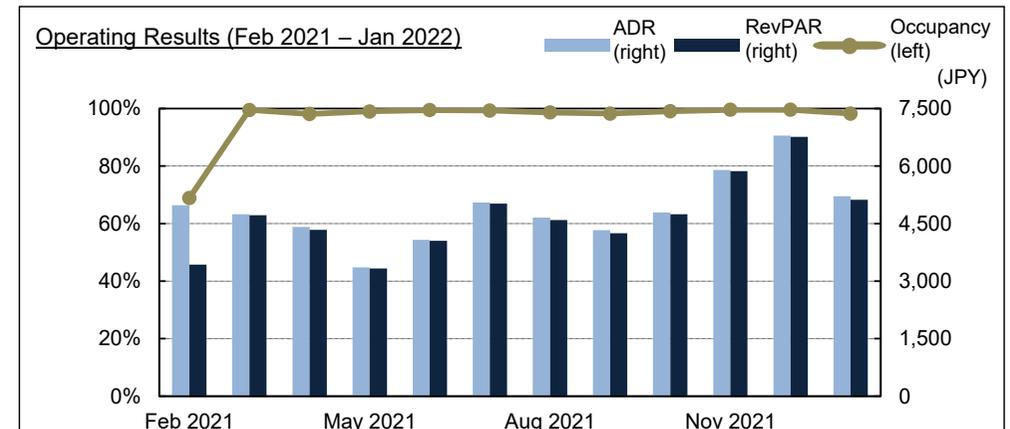
Location	Suginami-ku, Tokyo
Access	1-minute walk from Asagaya Station on JR Chuo/Sobu Line
Operator	K.K. Hospitality Operations
Guest Rooms	112
Acquisition Price	JPY 3.91B



Variable Rent Hotel Details

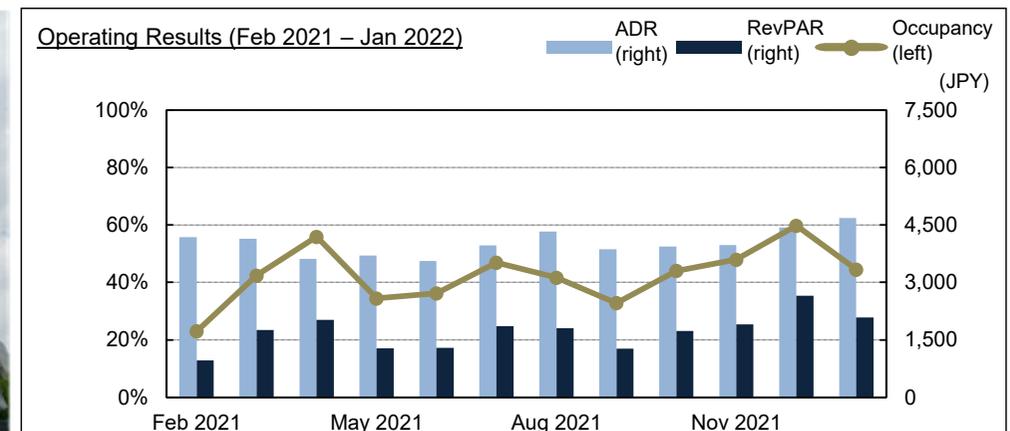
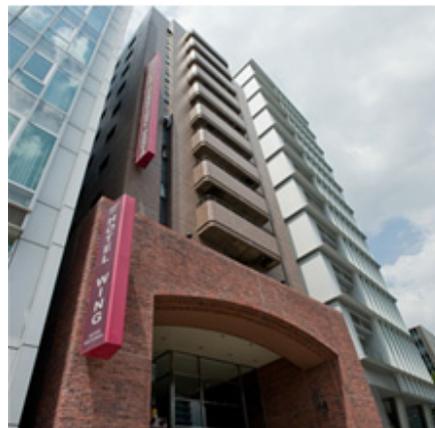
C-4 HOTEL EMIT SHIBUYA

Location	Shibuya-ku, Tokyo
Access	6-minute walk from Shibuya Station on JR, Tokyu, Keio, and Tokyo Metro Lines
Operator	Hakata Hotels Inc.
Guest Rooms	72
Acquisition Price	JPY 3.7B



D-2 Hotel Wing International Nagoya

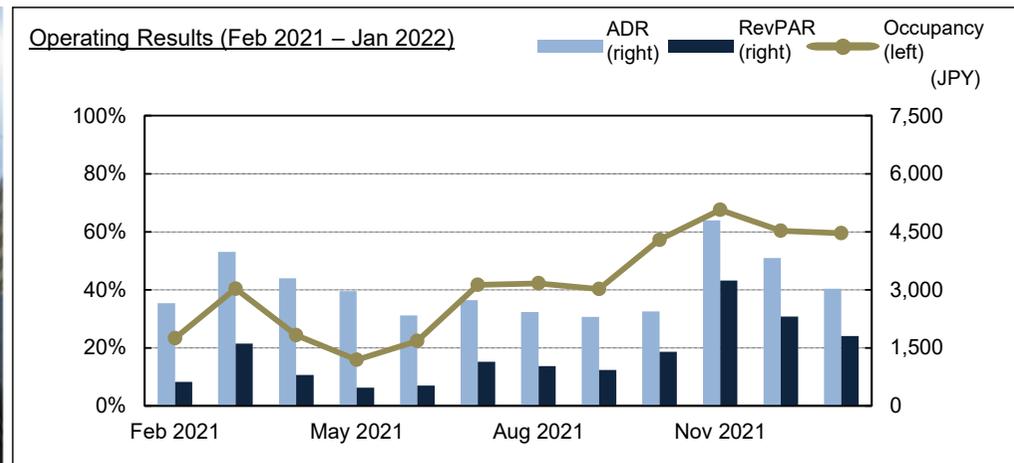
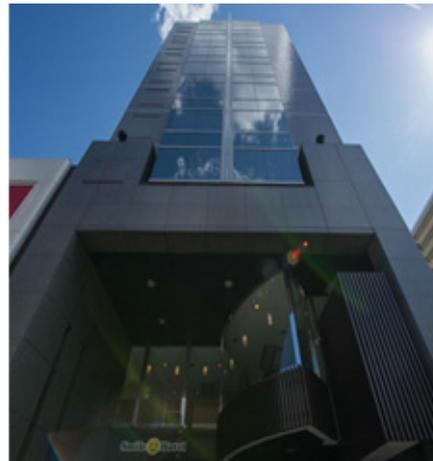
Location	Nagoya
Access	2-minute walk from Marunouchi Station on both Nagoya Subway Network Sakuradori Line and Tsurumai Line
Operator	Minacia Co., Ltd.
Guest Rooms	224
Acquisition Price	JPY 2.67B



Variable Rent Hotel Details

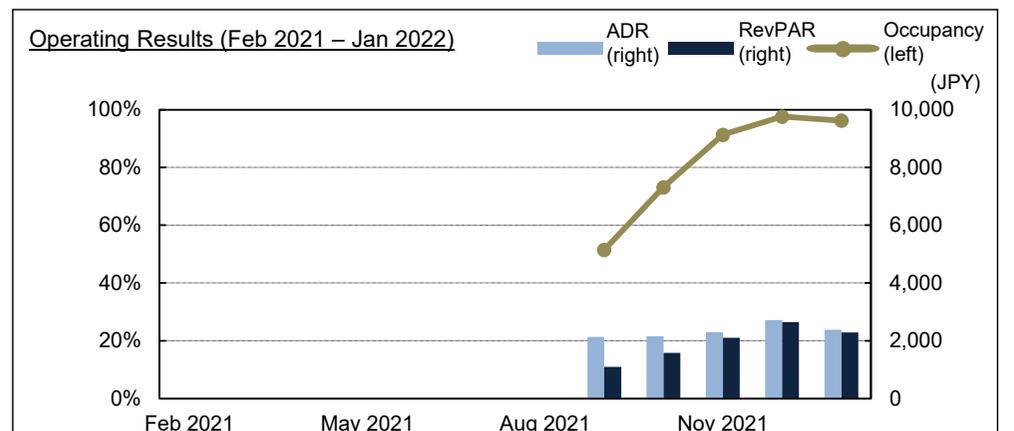
E-1 Smile Hotel Kyoto Shijo

Location	Kyoto
Access	5-minute walk from Shijo Station on Kyoto City Subway Karasuma Line and Karasuma Station on Hankyu Kyoto Main Line
Operator	K.K. Hospitality Operations
Guest Rooms	144
Acquisition Price	JPY 4.48B



E-3 The OneFive Osaka Sakaisuji

Location	Osaka
Access	5-minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line
Operator	Hakata Hotels Inc.
Guest Rooms	130
Acquisition Price	JPY 1.63B



* Closed in December 2020. Changed operator and rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021.

Variable Rent Hotel Details

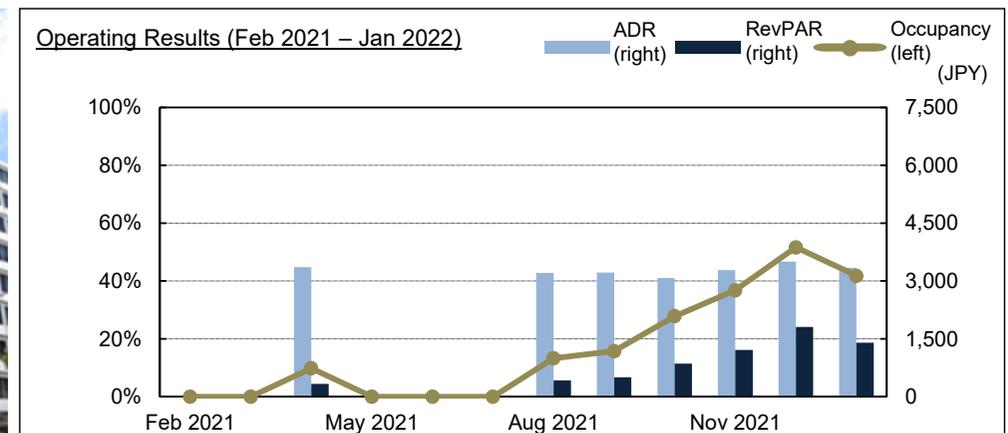
E-4 Hotel Wing International Kobe Shin Nagata Ekimae

Location	Kobe
Access	2-minute walk from Shin Nagata Station on JR Kobe Line and JR Sanyo Honsen Line
Operator	Minacia Co., Ltd.
Guest Rooms	133
Acquisition Price	JPY 1.49B



E-5 Nest Hotel Osaka Shinsaibashi

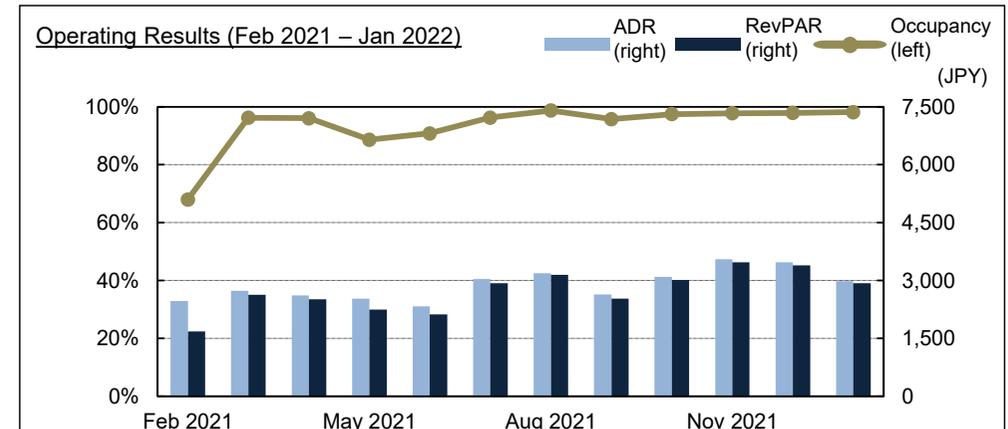
Location	Osaka
Access	1-minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	302
Acquisition Price	JPY 7.60B



Variable Rent Hotel Details

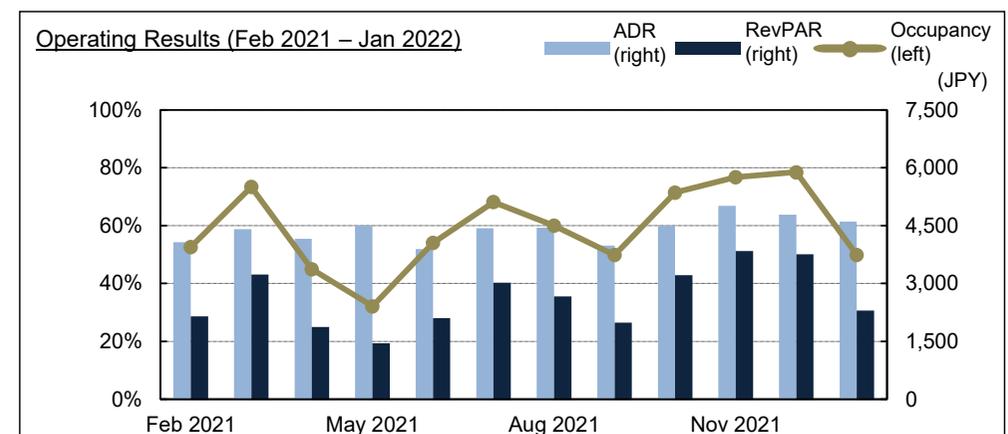
F-1 The OneFive Okayama

Location	Okayama
Access	15-minute walk from Okayama Station on Sanyo Shinkansen, Sanyo Main Line, Uno Line
Operator	Hakata Hotels Inc.
Guest Rooms	208
Acquisition Price	JPY 1.20B



F-2 Nest Hotel Matsuyama

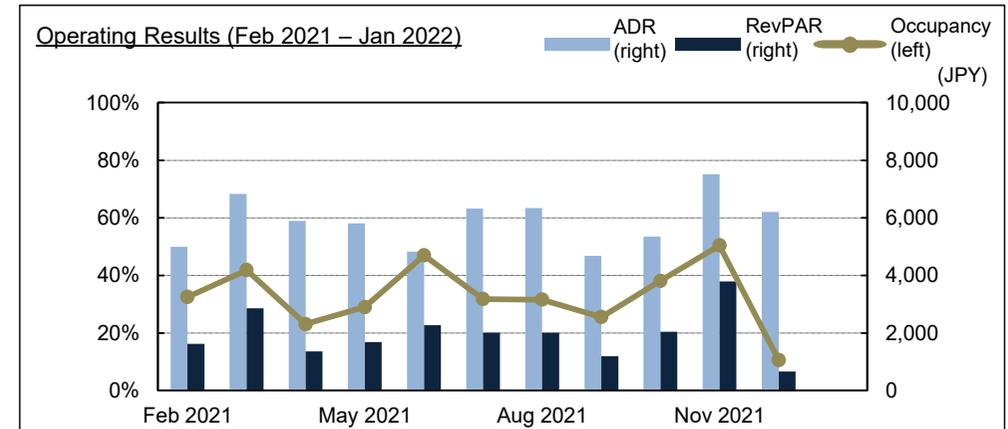
Location	Matsuyama, Ehime
Access	25-minute drive from Matsuyama Airport, 3-minute walk from Katsuyamacho Station on Iyo Railway Jonan Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	190
Acquisition Price	JPY 1.61B



Variable Rent Hotel Details

F-4 Court Hotel Kurashiki

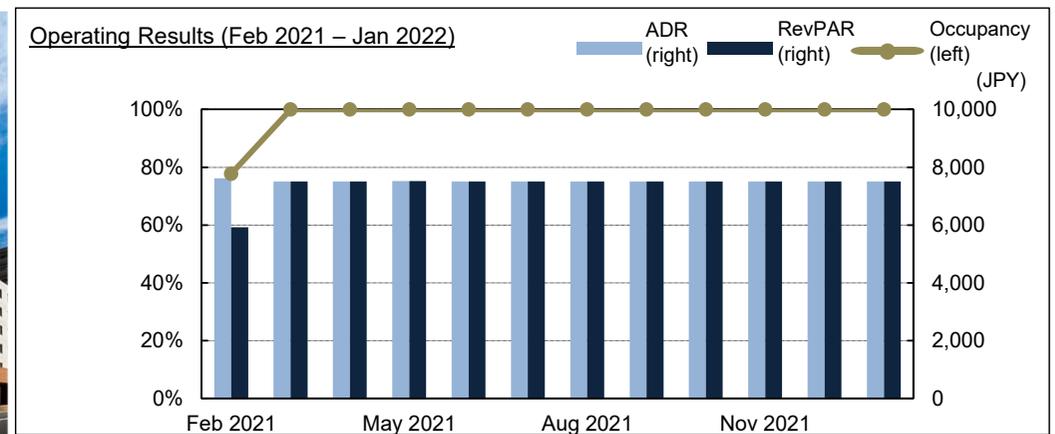
Location	Kurashiki, Okayama
Access	8-minute walk from Kurashiki Station on JR Sanyo Main Line
Operator	The Court Co., Ltd.
Guest Rooms	107
Acquisition Price	JPY 1.73B



* Closed in December 2021. Changed operator and rebranded and reopened as The OneFive Garden Kurashiki in February 2022.

F-5 Valie Hotel Hiroshima

Location	Hiroshima
Access	3-minute walk from Jogakuin-mae Station on Hiroden Tram Line
Operator	The Court Co., Ltd.
Guest Rooms	171
Acquisition Price	JPY 1.50B

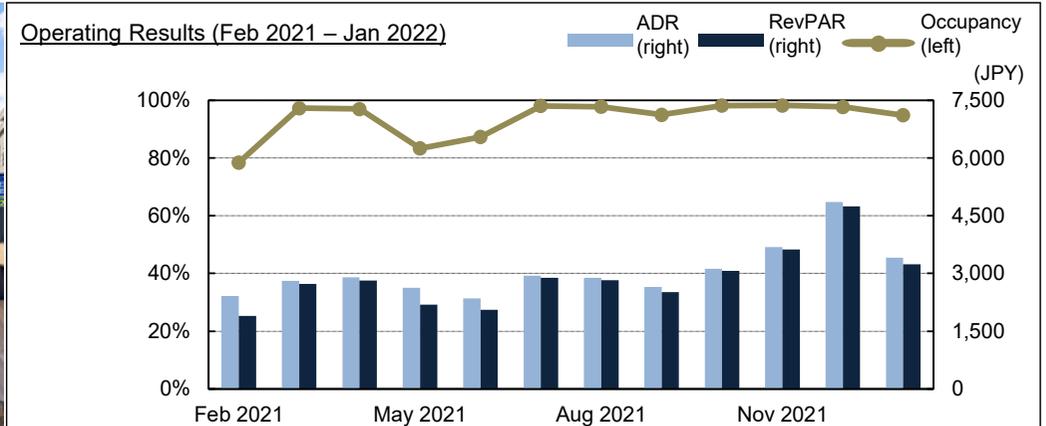


* Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.

Variable Rent Hotel Details

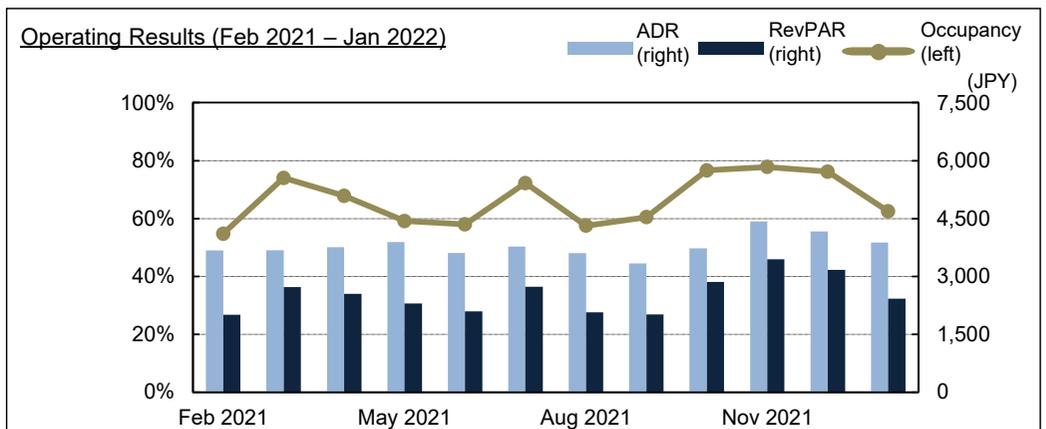
G-1 The OneFive Fukuoka Tenjin

Location	Fukuoka
Access	6-minute walk from Tenjin Station on Fukuoka City Subway Kuko Line
Operator	Hakata Hotels Inc.
Guest Rooms	77
Acquisition Price	JPY 1.38B



G-3 Nest Hotel Kumamoto

Location	Kumamoto
Access	2-minute walk from Nishikarashimacho Station on Kumamoto City Tram Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	201
Acquisition Price	JPY 2.22B



Fixed Rent Hotel Details

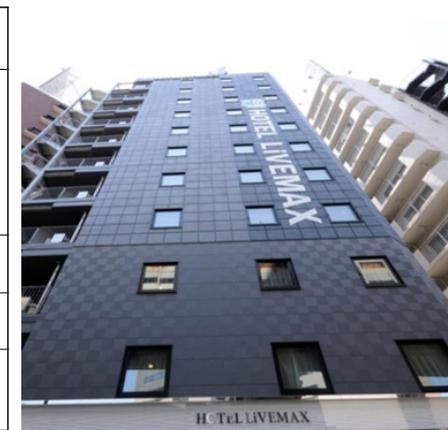
A-3 Comfort Hotel Kushiro

Location	Kushiro, Hokkaido
Access	2-minute walk from Kushiro Station on JR Nemuro Main Line
Operator	Greens Co., Ltd.
Guest Rooms	126
Acquisition Price	JPY 300M



C-3 Hotel Livemax Nihombashi-Hakozaki

Location	Chuo-ku, Tokyo
Access	3-minute walk from Suitengumae Station on Tokyo Metro Hanzomon Line
Operator	Live Max Inc.
Guest Rooms	48
Acquisition Price	JPY 1.36B



D-1 Comfort Hotel Hamamatsu

Location	Hamamatsu, Shizuoka
Access	2-minute walk from Hamamatsu Station on JR Tokaido Main Line, Tokaido Shinkansen
Operator	Greens Co., Ltd.
Guest Rooms	196
Acquisition Price	JPY 1.55B



D-3 Comfort Hotel Central International Airport

Location	Tokoname, Aichi
Access	5-minute walk from Central International Airport, 3-minute walk from Central International Airport Station on Meitetsu Airport Line
Operator	Greens Co., Ltd.
Guest Rooms	346
Acquisition Price	JPY 5.31B



Fixed Rent Hotel Details

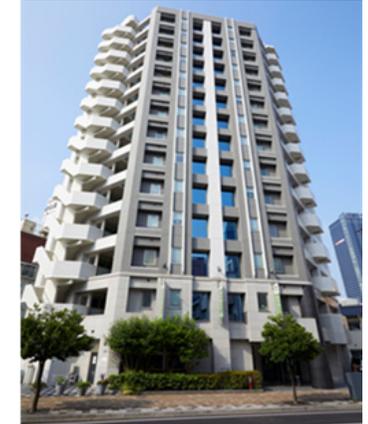
D-4 Comfort Hotel Suzuka

Location	Suzuka, Mie
Access	3-minute walk from Shirako Station on Kintetsu Nagoya Line
Operator	Greens Co., Ltd.
Guest Rooms	105
Acquisition Price	JPY 300M



F-3 Urbain Hiroshima Executive

Location	Hiroshima
Access	6-minute walk from Hiroshima Station on JR Sanyo Shinkansen and Sanyo Main Line
Operator	Yuki Corporation
Guest Rooms	171
Acquisition Price	JPY 1.80B



F-6 Washington Hotel Plaza Shimonoseki Eki Nishi

Location	Shimonoseki, Yamaguchi
Access	3-minute walk from Shimonoseki Station on JR Sanyo Main Line
Operator	Washington Hotel Corp.
Guest Rooms	238
Acquisition Price	JPY 1.08B



Appendix: Loan Details & Shareholder Composition

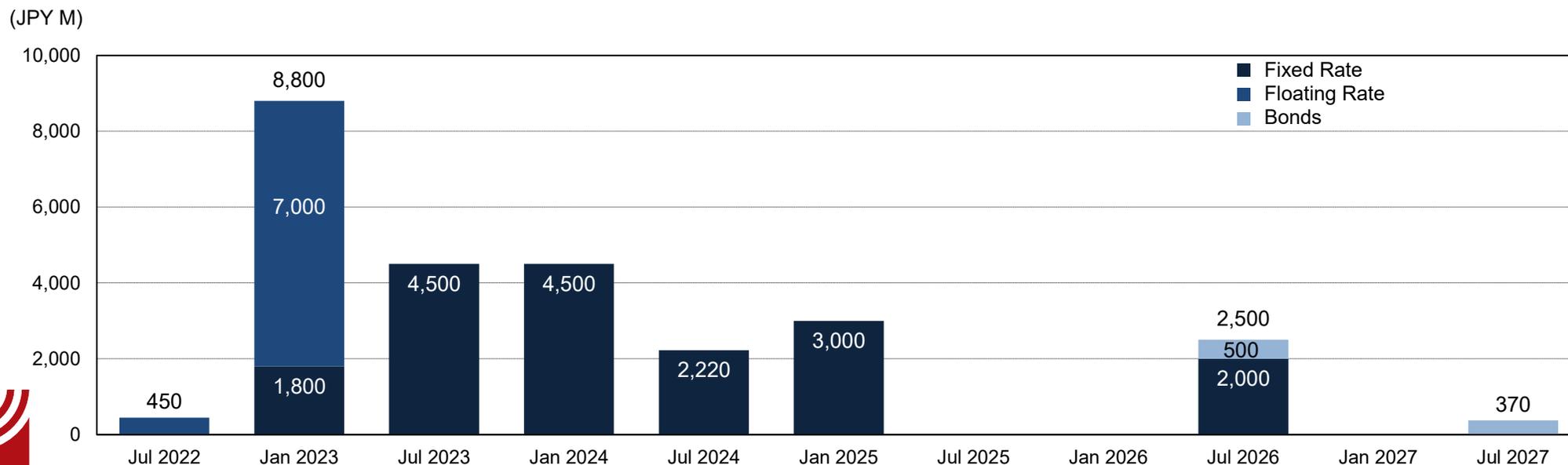
Stable Financial Base

Outstanding Loan Balance

	Jan 31, 2020	Jul 31, 2020	Jan 31, 2021	Jul 31, 2021	Jan 31, 2022
Amount	JPY 25.47B				
Long-Term Loan Ratio	100%	93.1%	72.5%	72.5%	72.5%
Fixed Rate Ratio	83.5%	91.4%	70.7%	70.7%	70.7%
Average Interest Rate	0.88%	0.87%	0.82%	0.75%	0.77%
Average Remaining Maturity	2.5 years	2.5 years	2.3 years	1.8 years	1.6 years
LTV (Total Assets Basis)	41.5%	43.6%	43.3%	43.2%	42.9%

* The above does not include investment corporation bonds.

Distribution of Loan Maturities

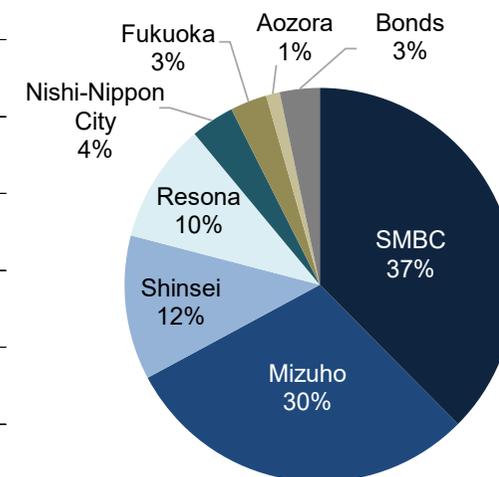


Loan Details

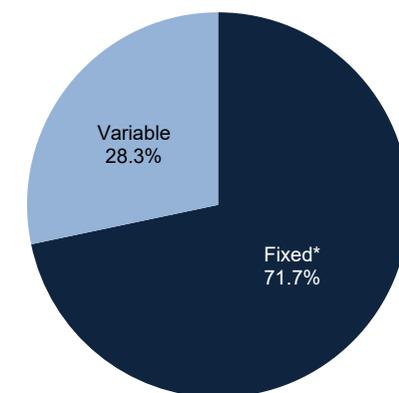
Loan	Lender	Amount (JPY million)	Floating/ Fixed	Interest Rate (%)	Borrowing Date	Maturity
Term Loan 4	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.90750%	August 17, 2016	February 28, 2023
Term Loan 5	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.98500%	August 17, 2016	August 31, 2023
Term Loan 7	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	1,800	Fixed	0.78750%	August 1, 2017	January 31, 2023
Term Loan 9	SMBC, Mizuho, Shinsei, Resona	1,500	Fixed	0.92000%	November 30, 2018	November 29, 2024
Term Loan 10	SMBC, Mizuho, Shinsei, Resona, Nishi-Nippon City	2,220	Fixed	0.75450%	April 25, 2019	April 30, 2024
Term Loan 11	SMBC, Mizuho, Shinsei, Resona, Aozora	1,500	Fixed	0.73575%	July 19, 2019	November 29, 2024
Term Loan 12	SMBC	450	Variable	0.51727%	February 28, 2020	February 28, 2022
Term Loan 13	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	2,000	Fixed	0.65600%	February 28, 2020	February 27, 2026
Term Loan 16	SMBC, Mizuho, Shinsei, Resona	7,000	Variable	0.56727%	November 30, 2021	November 30, 2022
Total Borrowings		25,470		Average 0.77%	Average Remaining Loan Term 1.6 years	
Issue Date	Name	Issue Amount (JPY million)		Interest Rate	Redemption Date	Issuance Period
November 25, 2020	First Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	500		2.00%	April 30, 2026	5.4 years
September 30, 2021	Second Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	370		2.00%	March 31, 2027	5.5 years
Total Bonds		870		Average 2.00%		
Total Interest-Bearing Liabilities		26,340		Average 0.81%	Average Remaining Loan Term 1.7 years	

(as of January 31, 2022)

Lender Composition



Fixed vs. Floating



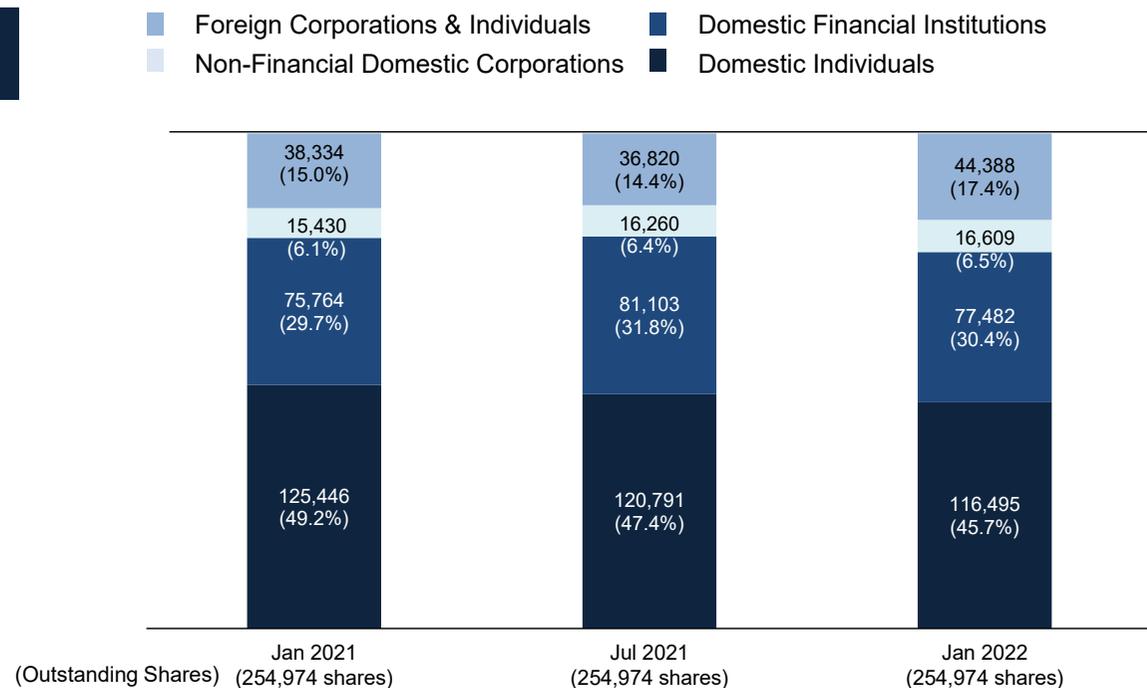
* Includes interest fixed via swaps

Shareholder Composition

Major Shareholders (as of January 31, 2022)

	Name	No. Of Shares	Share
1	Custody Bank of Japan, Ltd., Trust Account	26,813	10.5%
2	The Master Trust Bank of Japan, Trust Account	24,401	9.6%
3	Ichigo Trust Pte. Ltd.	10,908	4.3%
4	Nomura Trust & Banking Co., Ltd., Investment Trust Account	9,634	3.8%
5	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/SECURITIES – AIFM	9,243	3.6%
6	Ichigo Inc. (Sponsor)	6,500	2.5%
7	Custody Bank of Japan, Ltd., Securities Investment Trust Account	4,304	1.7%
8	Individual Shareholder	3,215	1.3%
9	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,041	1.2%
10	Ueda Yagi Tanshi Co., Ltd.	2,482	1.0%
	Total	100,541	39.4%

By Number of Shares Held



By Number of Shareholders

	Jan 31, 2021	Jul 31, 2021	Jan 31, 2022	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	16,985	16,178	15,456	97.4%
Domestic Financial Institutions	36	35	34	0.2%
City banks, trust banks	4	4	4	–
Regional banks	–	–	–	–
Other (including securities companies)	32	31	30	0.2%
Non-Financial Domestic Corporations	232	226	222	1.4%
Foreign Corporations & Individuals	144	154	155	1.0%
Total	17,397	16,593	15,867	100%

Appendix: Growth Roadmap, Sponsor, Shareholder Alignment

Ongoing Actions to Drive Increased Shareholder Value

Portfolio Growth & Diversification Drive Earnings Growth & Stability

Organic Growth	External Growth
<p><u>Current Environment</u></p> <ul style="list-style-type: none"> • Both Japanese and inbound demand has dropped significantly due to Covid, generating ongoing impact on the hotel market • Supply is exceeding demand in some areas in Japan due to excessive number of new hotel openings • Financial strength of hotel operators needs to be closely monitored to verify their rent-paying ability • No new growth driver is currently expected 	<p><u>Current Environment</u></p> <ul style="list-style-type: none"> • Sales and acquisitions limited due to ongoing market uncertainty • Market recovery is expected after vaccine & treatment regimes become available • Competition for quality assets is expected to intensify
<p><u>Actions</u></p> <ul style="list-style-type: none"> • Proactively execute value-add capex tailored to each hotel • Sell hotels with limited growth potential • Increase earnings by revising fixed rent and variable rent terms at lease renewal • Grow with sponsor support (Hakata Hotels/PROPERA) 	<p><u>Actions</u></p> <ul style="list-style-type: none"> • Continue to grow portfolio of lodging-focused hotels, a hotel type with stable earnings • High underlying land values reflect Ichigo Hotel's high location attractiveness and value • Ichigo Hotel's focus on major regional cities with convenient public transport access and revenue upside from local events further reinforces earnings stability • Geographic diversification and centrally-located hotels with stable demand also support high earnings stability

Dividend Growth

Ichigo Hotel's Sponsor: Ichigo (2337)

Core Businesses: Asset Management, Sustainable Real Estate, Clean Energy

- Manages Ichigo Hotel (3463), Ichigo Office (8975), and Ichigo Green (9282)
- TSE First Section, JPX-Nikkei 400 Member
- Deeply committed to CSR and Sustainability
- Japan's first zero-carbon listed real estate company



©J.LEAGUE Hiromi Miyake (Weightlifting)

Ichigo
(TSE First Section 2337)

Ichigo Preserves and Improves Real Estate

The word "Ichigo" comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning "One lifetime, one encounter." The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized.

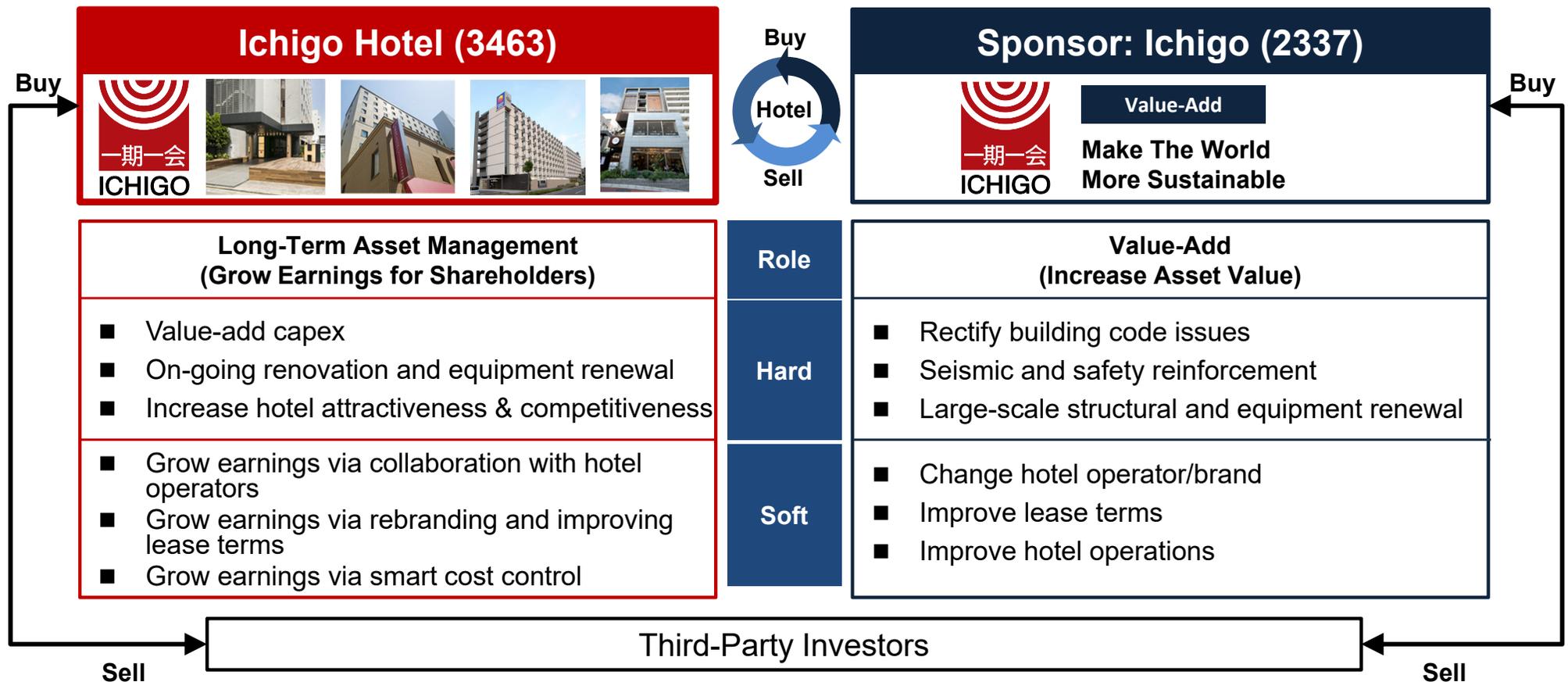
Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.

Asset Management	Ichigo Investment Advisors	Ichigo Green (9282)
		Ichigo Office (8975)
		Ichigo Hotel (3463)
Sustainable Real Estate	Ichigo Estate	Miyako City
	Ichigo Owners	Centro
	Ichigo Land Shinchiku	Storage Plus
	Ichigo Real Estate Services Fukuoka	Ichigo Animation
	Ichigo Marché	Hakata Hotels
	Clean Energy	Ichigo ECO Energy
Other	Ichigo Si	



Synergies Between Ichigo Hotel and Sponsor

- Strengthen acquisitions through leveraging Ichigo’s sourcing network
- Increase asset value through Ichigo’s real estate value-add capabilities
- Drive higher returns for Ichigo Hotel shareholders



Hakata Hotels & PROPERA

- Hakata Hotels, a consolidated subsidiary of Ichigo, is a hotel operator operating 14 hotels across Japan with many located in the Hakata (Fukuoka) area
- Hakata Hotels is deploying PROPERA, an AI-based revenue management system developed by Ichigo, to maximize earnings and increase guest satisfaction

Name	Hakata Hotels Inc.
Address	3-13-1 Haruyoshi, Chuo-ku, Fukuoka
Representatives	Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President
Paid-In Capital	JPY 10 million (100% shareholding by Centro Co. Ltd., a 100% Ichigo subsidiary)
Establishment Date	March 2019
Main Business	<ul style="list-style-type: none"> • Development, operation, lease, and management of retail buildings, hotels and restaurants • Lease and management of real estate • Design and construction of buildings and interior designs • Consulting services related to retail buildings, retail facilities, and restaurants
Operating Hotels (Number of rooms in parentheses)	<p><u>Hokkaido</u>: THE KNOT SAPPORO (140)</p> <p><u>Tokyo</u>: HOTEL EMIT SHIBUYA (72), MusBee Tokyo Hamamatsucho (29)</p> <p><u>Kyoto</u>: The OneFive Kyoto Shijo (146)</p> <p><u>Osaka</u>: The OneFive Osaka Sakaisuji (130)</p> <p><u>Okayama</u>: The OneFive Okayama (208), The OneFive Garden Kurashiki (107)</p> <p><u>Fukuoka</u>: The OneFive Villa Fukuoka (50), Plaza Hotel Tenjin (205), Plaza Hotel Premiere (170), Hotel II Palazzo (62), The OneFive Marine Fukuoka (103), The OneFive Terrace Fukuoka (82), The OneFive Fukuoka Tenjin (77)</p>

PROPERA

- Increases guest satisfaction
- Operating track record of increasing earnings by 10-40%
- Starting third-party sales


HAKATA HOTELS

Portfolio Growth Opportunity via Ichigo Sponsor Support

20 Hotels (JPY 64B) in Ichigo Sponsor Pipeline as of November 30, 2021

- Lodging-focused hotels across Japan
- Locations: Major cities such as Hokkaido, Tokyo, Yokohama, Osaka, and Fukuoka



Covid Response

Safety Measures and Services for Guests

- Installed self-check-in terminals
- Offering remote work options (strengthened Wi-Fi networks to accommodate remote work demand)
- Provision of hand sanitizers, periodic disinfections, and mandatory mask-wearing for employees
- Confirming guest and staff health

Temporarily Closed Hotels during the January 2022 Fiscal Period

Hotel	Dates Closed	Current Status
The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Hommachi)	Apr 17, 2020 – Aug 31, 2021	Selected Hakata Hotels as new operator, replacing previous operator whose lease contract ended on Dec 31, 2020 Rebranded and reopened as The OneFive Osaka Sakaisuji
The OneFive Garden Kurashiki (formerly Court Hotel Kurashiki)	Dec 16, 2021 – Jan 31, 2022	Selected Hakata Hotels as new operator, replacing previous operator whose lease contract ended on Dec 15, 2021 Rebranded and reopened as The OneFive Garden Kurashiki

Ichigo Hotel Overview

Ichigo Hotel

Name	Ichigo Hotel REIT Investment Corporation
Securities Code	3463
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Executive Director	Osamu Miyashita
Fiscal Periods	January (August 1 - January 31) and July (February 1 - July 31)

Asset Management Company

Name	Ichigo Investment Advisors Co., Ltd.
President	Hiroshi Iwai
Registration & Membership	Financial Instruments Dealer License (Investment Management Services, Investment Advisory & Agency Services, and Type II Financial Instruments Services) Minister of Finance, Kanto Financial Bureau #318

Disclaimer

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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.

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**Make The World
More Sustainable**

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E-mail: ir_hotel@ichigo.gr.jp

www.ichigo-hotel.co.jp/en



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.