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More Sustainable**

[Provisional Translation Only]

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Issuer

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Ichigo Hotel Operating Results – February 2022

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (21 Hotels)

	February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
Revenue (JPY million)	333.9	240.5	+93.4	+38.8%	617.2
RevPAR (JPY)	3,393	2,760	+634	+23.0%	7,016
Occupancy (%)	68.6	55.2	+13.4	+24.4%	85.9
ADR (JPY)	4,945	5,001	-56	-1.1%	8,166

Variable Rent Hotels (15 Hotels)

	February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
Revenue (JPY million)	256.7	149.3	+107.4	+72.0%	418.4
RevPAR (JPY)	3,673	2,509	+1,164	+46.4%	8,647
Occupancy (%)	77.5	56.5	+21.1	+37.3%	94.2
ADR (JPY)	4,737	4,443	+294	+6.6%	9,178

Fixed Rent Hotels (6 Hotels)

	February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
Revenue (JPY million)	77.2	91.3	-14.0	-15.4%	198.9
RevPAR (JPY)	2,729	3,238	-509	-15.7%	5,744
Occupancy (%)	47.5	52.8	-5.3	-10.1%	85.5
ADR (JPY)	5,752	6,138	-386	-6.3%	6,720

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (15 Hotels)

		February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	22.9	18.1	+4.8	+26.7%	80.5
	RevPAR (JPY)	4,271	3,085	+1,186	+38.4%	15,434
	Occupancy (%)	93.7	84.1	+9.5	+11.3%	98.0
	ADR (JPY)	4,558	3,667	+892	+24.3%	15,743
Nest Hotel Sapporo Odori	Revenue (JPY million)	16.7	6.0	+10.7	+179.5%	67.2
	RevPAR (JPY)	4,323	1,740	+2,583	+148.4%	18,755
	Occupancy (%)	90.9	47.3	+43.6	+92.3%	97.2
	ADR (JPY)	4,755	3,681	+1,074	+29.2%	19,290
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	22.6	17.7	+5.0	+28.2%	30.7
	RevPAR (JPY)	7,132	5,447	+1,685	+30.9%	9,546
	Occupancy (%)	99.0	93.8	+5.2	+5.6%	98.6
	ADR (JPY)	7,201	5,806	+1,395	+24.0%	9,685
HOTEL EMIT SHIBUYA	Revenue (JPY million)	11.7	6.9	+4.8	+68.7%	
	RevPAR (JPY)	5,794	3,430	+2,364	+68.9%	
	Occupancy (%)	98.7	68.8	+29.9	+43.4%	
	ADR (JPY)	5,870	4,982	+888	+17.8%	
Hotel Wing International Nagoya	Revenue (JPY million)	34.2	6.8	+27.4	+405.3%	38.1
	RevPAR (JPY)	5,455	960	+4,495	+468.1%	5,464
	Occupancy (%)	100	23.0	+77.0	+335.3%	90.4
	ADR (JPY)	5,455	4,179	+1,276	+30.5%	6,045

		February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
Smile Hotel Kyoto Shijo	Revenue (JPY million)	6.7	2.6	+4.1	+157.8%	25.3
	RevPAR (JPY)	1,519	619	+900	+145.4%	5,782
	Occupancy (%)	60.6	23.3	+37.3	+160.1%	99.8
	ADR (JPY)	2,505	2,656	-150	-5.7%	5,796
The OneFive Osaka Sakaisuji	Revenue (JPY million)	8.0	—	—	—	22.2
	RevPAR (JPY)	2,183	—	—	—	6,103
	Occupancy (%)	93.2	—	—	—	85.8
	ADR (JPY)	2,342	—	—	—	7,114
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	14.6	1.8	+12.8	+721.0%	69.5
	RevPAR (JPY)	1,476	—	—	—	7,629
	Occupancy (%)	46.3	—	—	—	92.0
	ADR (JPY)	3,190	—	—	—	8,294
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	13.2	13.6	-0.4	-2.8%	
	RevPAR (JPY)	3,358	3,262	+96	+3.0%	
	Occupancy (%)	47.2	52.3	-5.1	-9.8%	
	ADR (JPY)	7,118	6,236	+882	+14.1%	
Nest Hotel Matsuyama	Revenue (JPY million)	14.4	13.3	+1.1	+8.6%	40.5
	RevPAR (JPY)	2,240	2,144	+96	+4.5%	5,359
	Occupancy (%)	53.7	52.6	+1.1	+2.0%	86.9
	ADR (JPY)	4,173	4,074	+98	+2.4%	6,168
The OneFive Okayama	Revenue (JPY million)	17.9	9.9	+8.1	+82.1%	31.4
	RevPAR (JPY)	2,935	1,678	+1,256	+74.9%	5,143
	Occupancy (%)	96.8	68.0	+28.9	+42.5%	90.7
	ADR (JPY)	3,031	2,470	+561	+22.7%	5,673
The OneFive Garden Kurashiki	Revenue (JPY million)	2.1	6.4	-4.3	-67.2%	19.5
	RevPAR (JPY)	629	1,624	-995	-61.3%	5,759
	Occupancy (%)	12.0	32.5	-20.5	-62.9%	98.0
	ADR (JPY)	5,216	4,994	+222	+4.4%	5,876
Valie Hotel Hiroshima	Revenue (JPY million)	36.3	28.4	+7.9	+27.9%	
	RevPAR (JPY)	7,500	5,923	+1,577	+26.6%	
	Occupancy (%)	100	77.8	+22.2	+28.5%	
	ADR (JPY)	7,500	7,614	-114	-1.5%	

		February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
The OneFive Fukuoka Tenjin	Revenue (JPY million)	6.8	5.1	+1.7	+33.7%	24.9
	RevPAR (JPY)	2,700	1,895	+805	+42.5%	10,861
	Occupancy (%)	75.5	78.5	-3.0	-3.8%	98.3
	ADR (JPY)	3,578	2,415	+1,163	+48.2%	11,051
Nest Hotel Kumamoto	Revenue (JPY million)	28.3	12.8	+15.5	+121.1%	
	RevPAR (JPY)	4,997	2,010	+2,987	+148.6%	
	Occupancy (%)	100	54.7	+45.3	+82.7%	
	ADR (JPY)	4,997	3,671	+1,326	+36.1%	

Fixed Rent Hotels (5 Hotels – excludes Hotel Livemax Nihombashi-Hakozaki)

		February 2022 (A)	(Previous) February 2021 (B)	Difference (A) - (B)	YOY Change	February 2019 (Reference)
Comfort Hotel Kushiro	Revenue (JPY million)	11.4	11.2	+0.2	+1.4%	16.5
	RevPAR (JPY)	3,039	2,998	+40	+1.3%	4,447
	Occupancy (%)	64.6	63.8	+0.9	+1.3%	83.7
	ADR (JPY)	4,702	4,701	+1	+0.0%	5,312
Comfort Hotel Hamamatsu	Revenue (JPY million)	15.5	11.3	+4.2	+37.2%	25.0
	RevPAR (JPY)	2,819	2,055	+763	+37.2%	4,549
	Occupancy (%)	54.0	40.7	+13.3	+32.6%	81.4
	ADR (JPY)	5,224	5,051	+173	+3.4%	5,589
Comfort Hotel Central International Airport	Revenue (JPY million)	35.0	21.7	+13.3	+61.3%	79.8
	RevPAR (JPY)	3,530	2,180	+1,350	+61.9%	7,875
	Occupancy (%)	46.2	28.5	+17.7	+61.9%	88.8
	ADR (JPY)	7,646	7,646	+1	+0.0%	8,864
Comfort Hotel Suzuka	Revenue (JPY million)	9.1	6.9	+2.2	+32.0%	9.7
	RevPAR (JPY)	3,097	2,305	+792	+34.4%	3,247
	Occupancy (%)	62.4	49.5	+13.0	+26.2%	64.5
	ADR (JPY)	4,960	4,658	+302	+6.5%	5,038
Urbain Hiroshima Executive	Revenue (JPY million)	2.9	37.0	-34.1	-92.3%	28.1
	RevPAR (JPY)	597	7,728	-7,131	-92.3%	5,877
	Occupancy (%)	11.9	100.0	-88.1	-88.1%	90.8
	ADR (JPY)	4,998	7,728	-2,730	-35.3%	6,471

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 OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, and 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:
$$\text{RevPAR} = \text{Total Revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of available guest rooms.}$$
4. Occupancy is calculated with the following formula:
$$\text{Occupancy} = \text{Total number of guest rooms occupied during the period} / (\text{total number of guest rooms} * \text{number of days hotel was in operation during the period})$$

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:
$$\text{ADR} = \text{Total revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of guest rooms occupied during the period.}$$
6. The Capsule Plus Yokohama and the Washington Hotel Plaza Shimonoseki Eki Nishi are excluded from the above data because the hotel operators 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 and fixed rent hotels data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
7. Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.
8. Aichi Prefecture has temporarily leased all rooms of the Hotel Wing International Nagoya starting on January 28, 2022.
9. Kumamoto Prefecture has temporarily leased all rooms of the Nest Hotel Kumamoto starting on February 1, 2022.
10. Pre-acquisition data for acquired hotels are based on data received from the previous owners.
11. February 2019 Revenue, RevPAR, Occupancy, and ADR data provided as a reference is for the 17 hotels owned since February 2019, and is not available for Hotel Wing International Kobe Shin Nagata Ekimae, Valie Hotel Hiroshima, Nest Hotel Kumamoto, and HOTEL EMIT SHIBUYA. The OneFive Okayama was operating under the name Comfort Hotel Okayama in February 2019, and hotel data is included as a fixed rent hotel.

Explanation of Changes

February 2022 Revenue, RevPAR, and Occupancy increased significantly year-on-year due to high occupancy in areas such as Sapporo and Asagaya. However, Ichigo Hotel's 21 hotels have yet to fully recover to the pre-Covid levels of February 2019. Ichigo Hotel will continue to implement Covid countermeasures as hotel demand recovers on the back of the lifting of Japan's quasi-state of emergency.

Value-Add Actions

Ichigo Hotel strengthened the Smile Hotel Kyoto Shijo's Wi-Fi networks to accommodate remote work demand using a government subsidy for hotel businesses to finance up to half of the costs. The upgrade has been well received by guests. Ichigo Hotel will continue to carry out value-add renovations and services that cater to the changing lifestyles and needs of guests to increase guest satisfaction and drive higher earnings.