



**Ichigo Hotel July 2022 Fiscal Period
Corporate Presentation**

September 14, 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 global Covid pandemic and by the war and humanitarian crisis in Ukraine, 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



Ichigo

TOP PARTNER

©J.LEAGUE

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- ✓ Full Recovery in Occupancy to Pre-Covid Level
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- ✓ Increasing Stability via Contract Renewals & Rebranding
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July 2022 Results

July 2022 Highlights

	Results	Details
Asset Acquisition	Comfort Hotel Nagano (Acquisition Price JPY 670M)	<ul style="list-style-type: none"> • Expected to capture both business and leisure demand • Acquired with cash-on-hand
Net Income	JPY 361M +JPY 50M (+16.2%) vs. revised forecast	<ul style="list-style-type: none"> • +JPY 93M (+34.5% YOY) • +JPY 148M (+69.5%) vs. initial forecast announced on Mar 2022
RevPAR	JPY 4,348 (15 variable rent hotels) +JPY 377 (+9.3%) vs. revised forecast	<ul style="list-style-type: none"> • Occupancy: 84.7% (vs. 78.1% forecast) • ADR: JPY 5,132 (vs. JPY 5,084 forecast)
NOI	JPY 1,052M +JPY 63M (+6.4%) vs. revised forecast	<ul style="list-style-type: none"> • Increase in variable rent • +JPY 185M, +21.3% vs. initial forecast announced on Mar 2022
FFO	JPY 2,853 +JPY 435 (+18.0%) YOY	<ul style="list-style-type: none"> • FFO up on NOI increase
Dividend	JPY 1,418 +JPY 198 (+16.2%) vs. revised forecast	<ul style="list-style-type: none"> • Operating Revenue increase driving Dividend increase • +JPY 580, +69.2% vs. initial forecast announced on Mar 2022
NAV	JPY 129,964 +JPY 1,195 (+0.9%) vs. previous period	<ul style="list-style-type: none"> • Total unrealized gains: JPY 1.5B

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

July 2022 Earnings Breakdown

(JPY million)

	Jul 2021 Actual	Jul 2022 Actual (A)	Forecast (B) (Jul 2022)	vs. Forecast (A) - (B)	Forecast (Mar 2022)	Major Variation Factors (vs. Forecast)
Operating Revenue	1,117	1,248	1,197	+51	1,069	
Variable Rent	126	302	243	+59	122	Increase in variable rent +62 (Nagoya, Sapporo Ekimae, Valie Hiroshima, Sapporo Odori, Kumamoto, Asagaya, Matsuyama, Yokohama)
Fixed Rent	947	900	908	-8	902	Decrease in fixed rent (Okayama)
Other (Gains on Sales, etc.)	44	45	44	+1	45	
Operating Expenses	652	681	681	-	647	
Repair & Maintenance	46	38	49	-11	44	Decrease due to unused reserve
Depreciation	347	364	360	+4	351	
Operating Profit	465	566	515	+51	421	
Recurring Profit	269	362	312	+50	214	
Net Income	268	361	311	+50	213	
Dividend	JPY 1,055	JPY 1,418	JPY 1,220	+JPY 198	JPY 838	+16.2% vs. Revised forecast announced on Jul 2022 +69.2% vs. Initial forecast announced on Mar 2022 +34.4% YOY (+JPY 363)
FFO	JPY 2,418	JPY 2,853	-	-	-	
NOI	912	1,052	989	+63	867	
Post-Depreciation NOI	565	687	628	+59	515	
Capex	335	199	283	-84	283	Decrease due to shift in renovation schedule
Book Value	52,064	52,445	-	-	-	

YOY Increases in Revenue, RevPAR, Occupancy, & ADR

Variable Rent Hotels (15 Hotels)

	Feb 1, 2021 - Jul 31, 2021	Feb 1, 2022 - Jul 31, 2022	Change	YOY	Feb 1, 2019 - Jul 31, 2019
Room Revenue (JPY M)	1,008	1,852	+844	+83.7%	2,583
Total Revenue (JPY M)	1,140	1,988	+848	+74.4%	2,902
RevPAR (JPY)	2,865	4,348	+1,483	+51.8%	7,104
Occupancy	65.4%	84.7%	+19.3%	+29.6%	86.4%
ADR (JPY)	4,381	5,132	+751	+17.1%	8,218

Total Portfolio (21 Hotels)

	Feb 1, 2021 - Jul 31, 2021	Feb 1, 2022 - Jul 31, 2022	Change	YOY	Feb 1, 2019 - Jul 31, 2019
Room Revenue (JPY M)	1,456	2,520	+1,064	+73.1%	3,722
Total Revenue (JPY M)	1,598	2,672	+1,074	+67.2%	4,069
RevPAR (JPY)	2,740	4,162	+1,422	+51.9%	6,853
Occupancy	58.3%	77.8%	+19.4%	+33.3%	86.2%
ADR (JPY)	4,696	5,351	+655	+13.9%	7,946

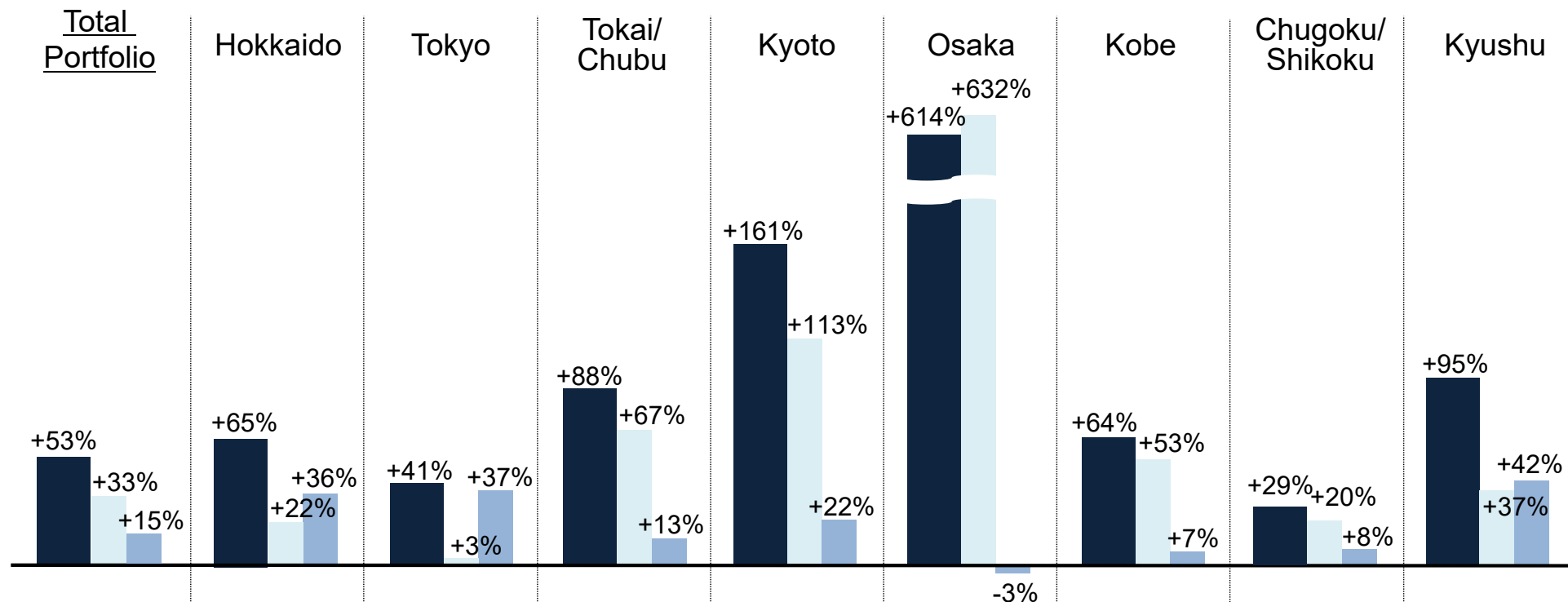
Feb 1, 2019 – Jul 31, 2019 data excludes HOTEL EMIT SHIBUYA acquired on February 25, 2020. Data excludes Capsule Plus Yokohama and Washington Hotel Plaza Shimonoseki Eki Nishi. Change and YOY calculations exclude Comfort Hotel Nagano acquired on May 31, 2022. Operating results before acquisition are based on data provided by previous owner.

RevPAR Increase YOY in All Regions

YOY by Region (Feb 2022– July 2022)

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

■ RevPAR ■ Occupancy ■ ADR



(JPY)

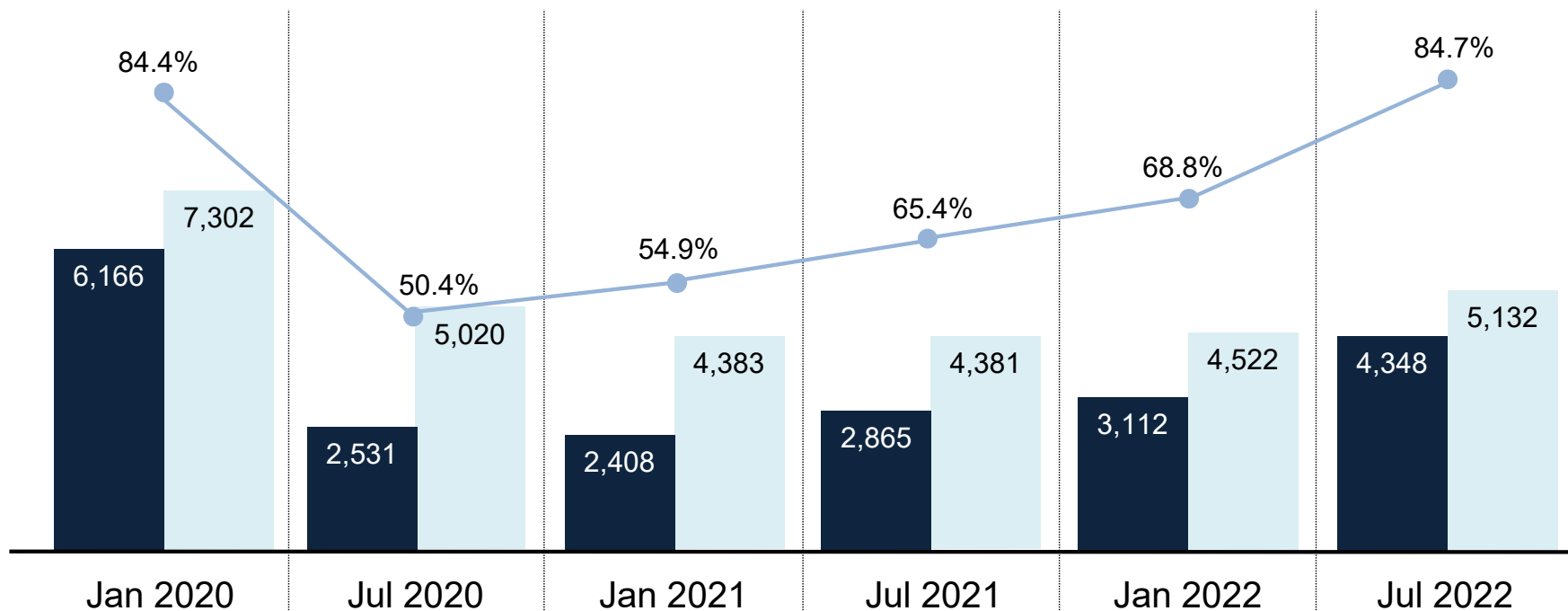
RevPAR	5,024	5,709	4,398	2,262	2,360	4,696	4,059	4,704
No. Hotels	3	3	4	1	2	1	5	2
% of Total Portfolio Rental Income	9%	13%	23%	3%	6%	4%	27%	11%



Full Recovery in Occupancy to Pre-Covid Level

Variable Rent Hotels (Jan 2020 – July 2022)

■ RevPAR ■ Occupancy ● ADR



(JPY)

No. Hotels	14	15	15	15	15	15
RevPAR	6,166	2,531	2,408	2,865	3,112	4,348
Occupancy	84.4%	50.4%	54.9%	65.4%	68.8%	84.7%
ADR	7,302	5,020	4,383	4,381	4,522	5,132

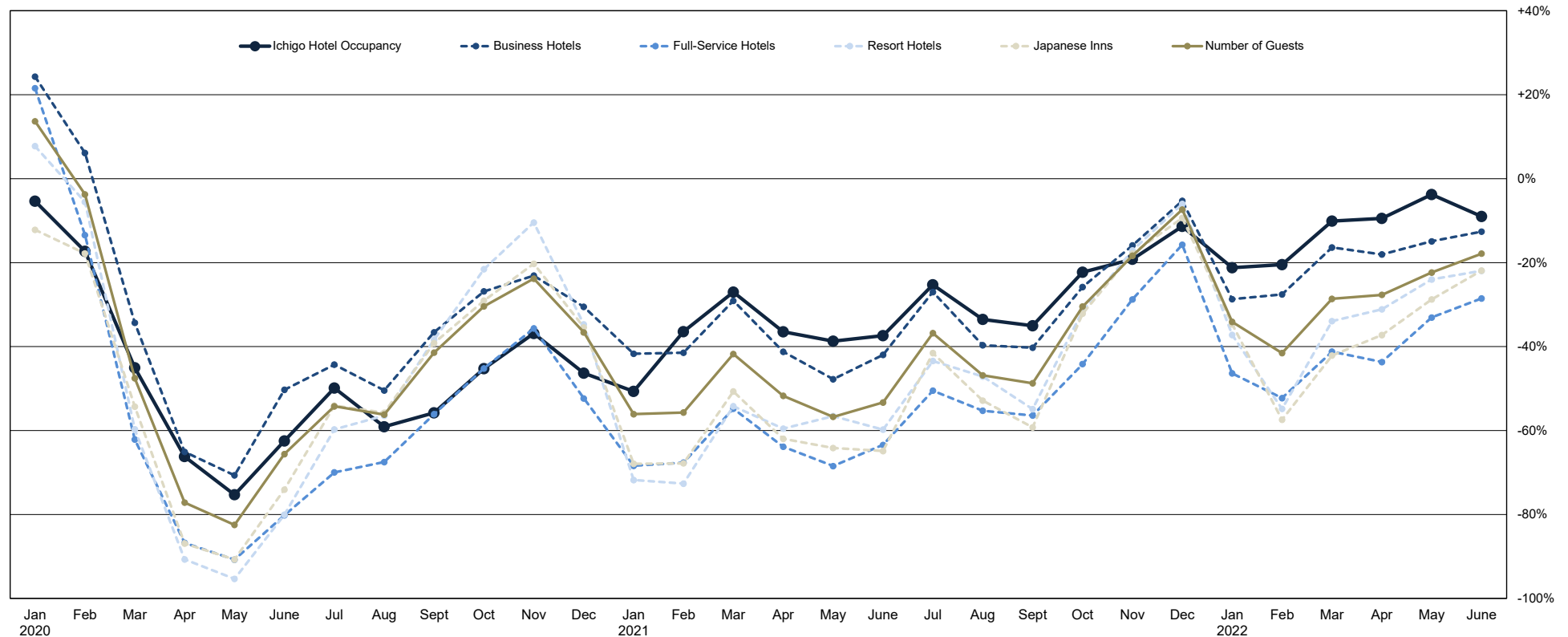
Excludes Capsule Plus Yokohama



Ichigo Hotel Portfolio Occupancy Exceeds Market Recovery

- Hotel demand recovery continues
- Ongoing recovery expected due to government lifting Covid-related restrictions and expanding inbound travel
- Covid impact on business hotels was minimal compared to other hotel types

Ichigo Hotel Occupancy (vs. 2019) and Hotel Reservations



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

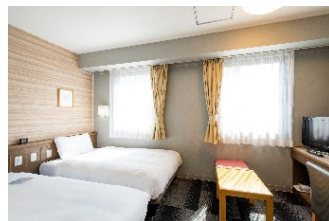
Increasing Stability via Contract Renewals & Rebranding

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
Dec 2022	Comfort Hotel Nagano	Fixed Rent	Lease Termination	<ul style="list-style-type: none"> Currently in selection process from multiple operator candidates

Strengthened Portfolio via Hotel Acquisition (1)

Comfort Hotel Nagano (Acquisition Price JPY 670M, Acquired on May 31, 2022)

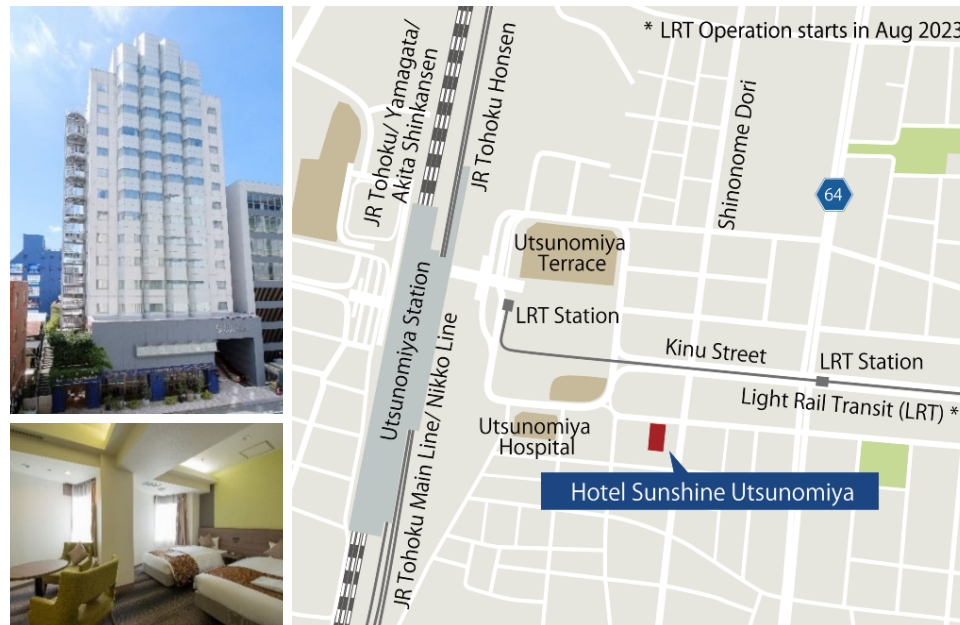
- A lodging-focused hotel located in Nagano City, one of the major cities in the Kanto Koshinetsu Area
- Acquired using proceeds from a Jan 2020 hotel sale & cash-on-hand
- Pre-Covid level occupancy & ADR contributing to portfolio earnings stability
- Hotel operator change scheduled upon current contract-end in Dec 2022 to drive increased income



Strengthened Portfolio via Hotel Acquisition (2)

Hotel Sunshine Utsunomiya (Acquisition Price JPY 2.2B, Acquired on Sep 20, 2022)

- A lodging-focused hotel located in Utsunomiya City of Tochigi Prefecture, the largest city in the North Kanto area
- Stable business demand from one of Japan's largest industrial parks & corporate research institutes in the area
- Acquired using proceeds from Jan 2020 hotel sale & cash-on-hand
- A retail complex with a convention hall to be completed on the eastern side of Utsunomiya Station by Nov 2022; Light Rail Transit, a next-generation streetcar system, to start operations in Aug 2023
- Fixed-rent lease hotel acquisition to drive portfolio earnings stability



Shareholder Discount Program

Program Established to Express Gratitude to Ichigo Hotel Shareholders and to Support the Hotel Industry Impacted by Covid

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

Minacia Co., Ltd.

■ Hotel Wing International

- ✓ Special rate 12% lower than rates on hotel website
- ✓ 39 Hotel Wing International Hotels located across Japan, from Hokkaido to Kagoshima



K.K. Hospitality Operations

■ Smile Hotels

- ✓ Special rate 10% lower than rates on hotel website
- ✓ 68 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 YieldCo that it manages, in its shareholder program (70,000 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

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



Energy Efficiency Improvements

- Conducting planning and research to reduce energy consumption via installing LED lights and water-saving systems across all hotels

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

- Began sourcing renewable energy at 9 hotels as of July 2022 fiscal period
- 15 remaining hotels to be transitioned sequentially

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

RE100

CLIMATE GROUP

CDP

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 Continues Recovery

Occupancy and ADR Forecasts for 15 Variable Hotels

- Forecasting Occupancy at -10~-20%, ADR at -30~-40%, and RevPAR -40%~-50% vs. 2019 (Pre-Covid) levels

	July 2019 Actual	July 2020 Actual	July 2021 Actual	July 2022 Actual	July 2023 Forecast	YOY
Occupancy	86.2%	49.9%	65.4%	84.7%	77.9%	-8.1%
ADR	JPY 8,475	JPY 5,102	JPY 4,381	JPY 5,132	JPY 6,409	+24.9%
RevPAR	JPY 7,307	JPY 2,544	JPY 2,865	JPY 4,348	JPY 4,990	+14.8%
	January 2019 Actual	January 2020 Actual	January 2021 Actual	January 2022 Actual	January 2023 Forecast	YOY
Occupancy	92.0%	84.3%	54.9%	68.8%	76.8%	+11.6%
ADR	JPY 8,242	JPY 7,428	JPY 4,383	JPY 4,522	JPY 5,505	+21.7%
RevPAR	JPY 7,586	JPY 6,259	JPY 2,408	JPY 3,112	JPY 4,226	+35.8%

* Data of 11 hotels for January 2019 fiscal period, 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 and onward

January 2023 Forecast

Dividend JPY 1,106, -17.8% YOY

✓ Decrease in Dividend YOY due to fall-off of previous period's extraordinary gain, despite YOY NOI increase

(JPY million)

	Jan 2022 Actual (A)	Jan 2023 Previous Forecast (Mar 2022)	Jul 2023 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,125	1,093	1,205	+80	Increase in variable rent +117 (Kumamoto, Sapporo Ekimae, Yokohama, Nagoya, Matsuyama, Sapporo Odori, Kurashiki, Asagaya)
Variable Rent	147	135	180	+33	Decrease in variable rent -84 (Valie Hiroshima)*Due to termination of contract leasing all rooms
Fixed Rent	933	912	974	+41	Increase in fixed rent +73 (Utsunomiya, Nagano, Fukuoka, Osaka Sakaisuji)
Other (Gains on Sales, etc.)	44	45	50	+6	Decrease in fixed rent -32 (Kurashiki, Nagoya)
Operating Expenses	653	642	690	+37	Increase in property tax +8, Management outsourcing fee +2
Repair & Maintenance	34	35	42	+8	AM fee +9, Administration fees -6
Depreciation	355	351	371	+16	
Operating Profit	472	451	514	+42	
Recurring Profit	274	219	283	+9	Borrowing-related expenses/Interest expenses +26
Net Income	342	218	282	-60	Fall-off of non-operating income -7
Dividend	JPY 1,345	JPY 858	JPY 1,106	-JPY 239	Fall-off of extraordinary gains -69
NOI	938	901	998	+60	-17.8% YOY
Post-Depreciation NOI	583	550	627	+44	+28.9% (+JPY 248) vs. previous forecast
Capex	206	456	513	+307	Change in hotel operator (Nagano)
					Equipment upgrades (Valie Hiroshima, Kurashiki, Osaka Sakaisuji)

July 2023 Forecast

Dividend JPY 1,380, -2.7% YOY

✓ YOY NOI increase; Conservative forecast of non-operating expenses

(JPY million)

	Jul 2022 Actual (A)	Jul 2023 Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,248	1,326	+78	
Variable Rent	302	305	+3	Increase in variable rent +164 (Sapporo Ekimae, Sapporo Odori, Matsuyama, Yokohama, Osaka Sakaisuji, Nagano) Decrease in variable rent -161 (Valie Hiroshima, Kumamoto, Nagoya) *Due to termination of contracts leasing all rooms
Fixed Rent	900	972	+72	Increase in fixed rent +76 (Utsunomiya, Kurashiki, Osaka Sakaisuji) Decrease in fixed rent -4 (Nagano, Okayama)
Other (Gains on Sales, etc.)	45	48	+3	
Operating Expenses	681	723	+42	Property tax +9, Management outsourcing fee +6 AM fee +2, SG&A expenses +4
Repair & Maintenance	38	44	+6	
Depreciation	364	378	+14	
Operating Profit	566	603	+37	
Recurring Profit	362	352	-10	Borrowing-related expenses/Interest expenses +45 Fall-off of non-operating income -1
Net Income	361	351	-10	
Dividend	JPY 1,418	JPY 1,380	-JPY 38	-2.7% YOY
NOI	1,052	1,110	+58	
Post-Depreciation NOI	687	732	+45	
Capex	199	670	+471	Guest room renovations (Kurashiki), Equipment upgrades (Sapporo Ekimae, Kumamoto, Matsuyama)

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.

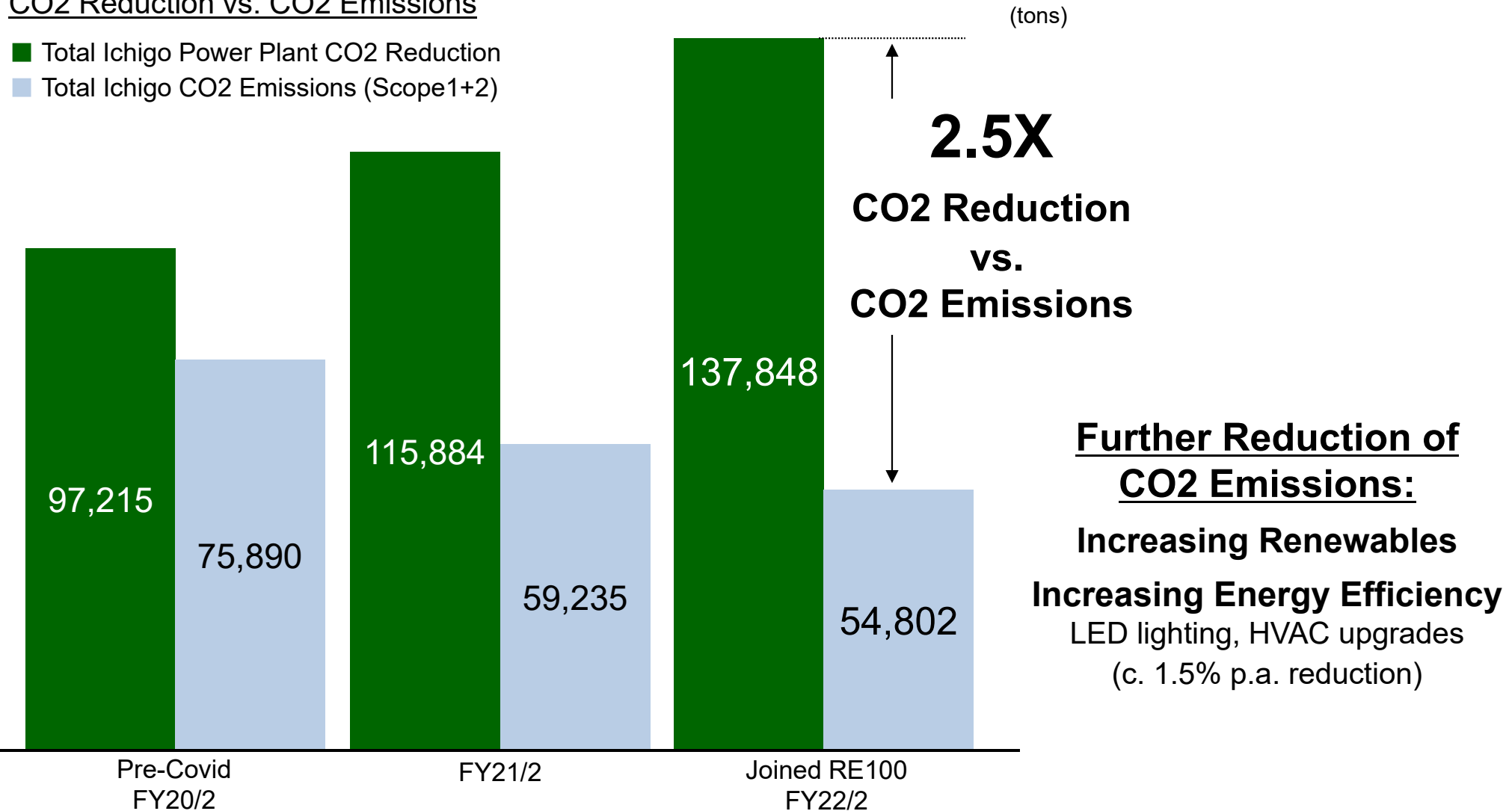
Sustainability Performance Communication and Disclosure

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.

Climate Positive: CO2 Reduction > Emissions

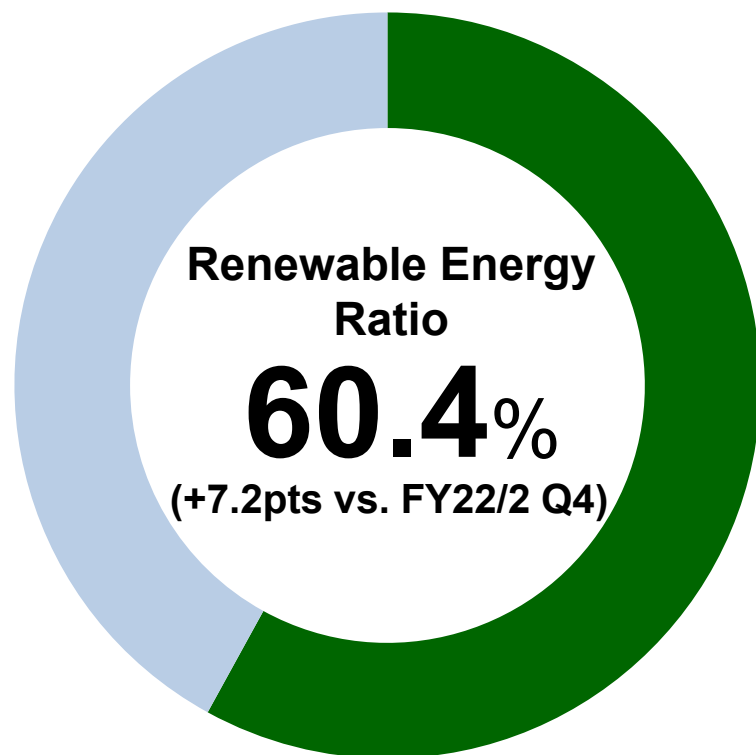
Ichigo's Clean Energy Growth Addressing Critical Environmental Issues

CO2 Reduction vs. CO2 Emissions



RE100 by 2025 On Track

Ichigo RE100 Progress



As of FY23/2 Q1 (May 31, 2022)


Includes all Ichigo, Ichigo Hotel (3463), and Ichigo Office (8975) assets

FY23/2 Forecast RE100 Transition Impact

CO2 Reduction 35,815 tons

% Reduction 47.2%

CO2 Emissions of Cars

 × **15,572**

Note:

% Reduction = Amount of CO2 reduction vs. 75,890 tons (FY20/2 actual)

Annual CO2 emission per car c. 2,300kg (Ministry of Environment)

RE100

CLIMATE GROUP



Ichigo ESG – Environmental

Sustainability-Driven & Climate Positive

Ichigo
ESG



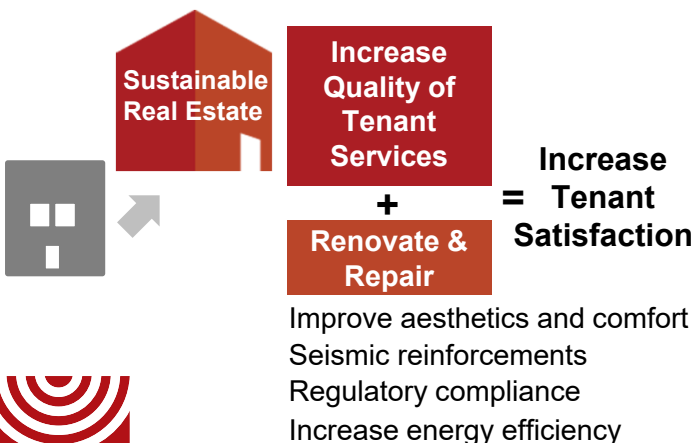
Environmental

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

217,758,958 kWh

Equivalent to annual energy consumption of 72,586 households

Annual CO2 Reduction

124,281,000 kg

Equivalent to annual CO2 emission of 54,035 cars

* July 2021 – June 2022 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) GRESB (Since 2021) <ul style="list-style-type: none"> Received Green Star. Evaluated for ESG, management, & performance Transition to Renewable Energy <ul style="list-style-type: none"> Completed at 9 hotels To be transitioned sequentially at other hotels 	Certifications <ul style="list-style-type: none"> 20 (19 assets) 33.3% of total leasable office area 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 all 74 assets by April 2022 (excludes partially-owned assets)

(as of August 31, 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

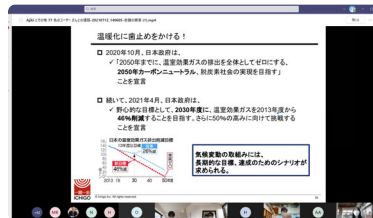
Ichigo University

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

➡ 27 of 61 J-REITs have AMC Presidents serving as Executive Director of the REIT

All Ichigo Hotel Directors are Independent

Independent Directors at AMC

➡ Only 3 Asset Management Companies have any Independent Directors


3 of 5 Ichigo Investment Advisors' Directors are Independent

* Based on research as of August 31, 2022


Appendix: Portfolio Details

Hotel Map


Tokyo



C-1
Smile Hotel
Tokyo Asagaya

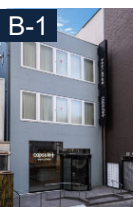


C-3
Hotel Livemax
Nihombashi-
Hakozaki




C-4
HOTEL
EMIT
SHIBUYA

Kanto/Koshinetsu




B-1
Capsule Plus
Yokohama




B-2
Comfort Hotel
Nagano


Hokkaido



A-1
Nest Hotel
Sapporo Ekimae

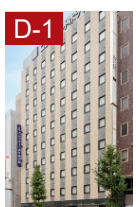


A-2
Nest Hotel
Sapporo Odori




A-3
Comfort
Hotel Kushiro


Hokuriku/Tokai




D-1
Comfort Hotel
Hamamatsu



D-2
Hotel Wing
International
Nagoya



D-3
Comfort Hotel
Central International
Airport



D-4
Comfort Hotel
Suzuka

Kinki (Kyoto/Osaka/Kobe)



E-1
Smile Hotel
Kyoto Shijo



E-3
The OneFive
Osaka Sakaisuji



E-4
Hotel Wing International
Kobe Shin Nagata Ekimae



E-5
Nest Hotel Osaka
Shinsaibashi

Chugoku/Shikoku



F-1
The OneFive
Okayama



F-2
Nest Hotel
Matsuyama



F-3
Urban Hiroshima
Executive



F-4
The OneFive
Garden
Kurashiki



F-5
Valie Hotel
Hiroshima



F-6
Washington Hotel
Plaza Shimonoseki
Eki Nishi

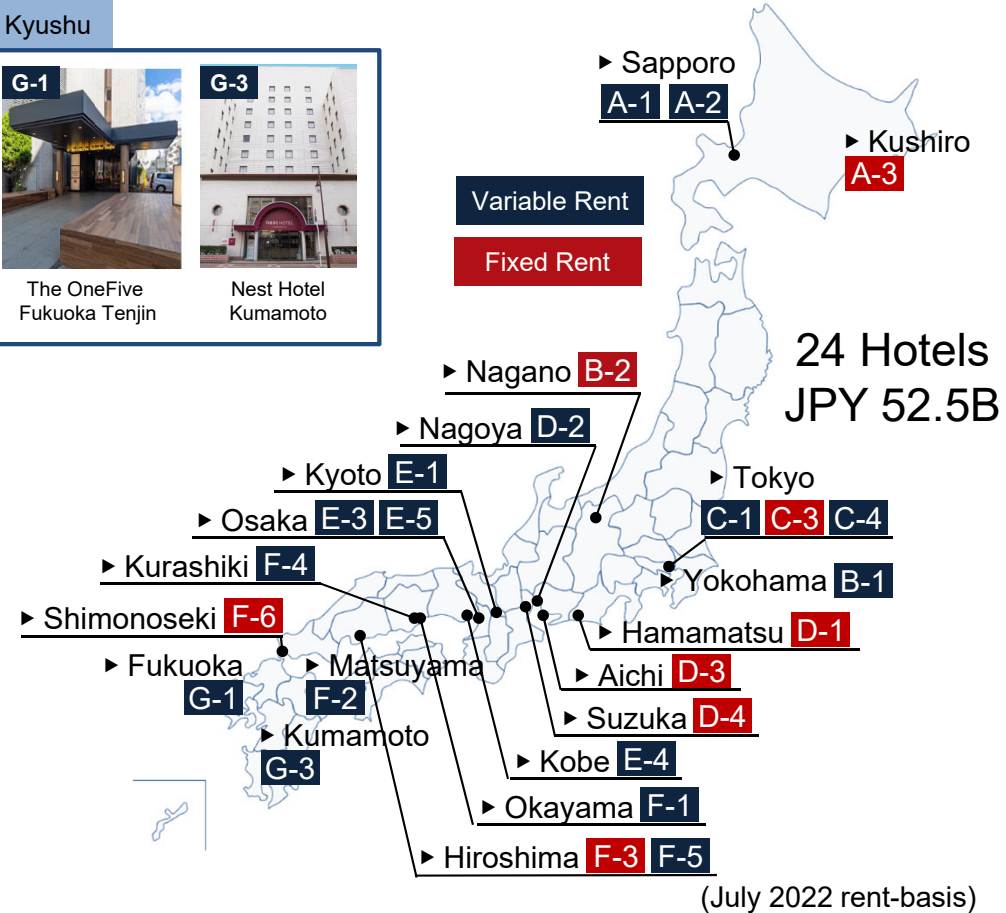
Kyushu




G-1
The OneFive
Fukuoka Tenjin



G-3
Nest Hotel
Kumamoto



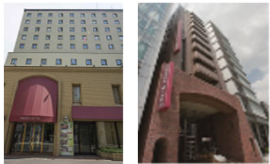

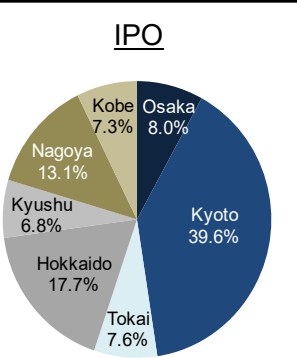
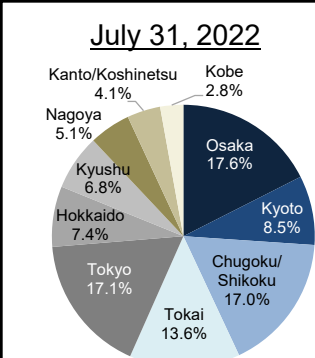


B-3

January 2023
Hotel Acquisition
(Scheduled)

Hotel Sunshine
Utsunomiya

Portfolio Growth

	IPO (Nov 30, 2015)	January 2017 through July 2022 Fiscal Periods									
Acquisitions	<u>IPO Acquisitions</u> 9 Hotels JPY 20.4B (Appraisal NOI Yield 5.9%) 	<u>Jan 2017</u> 10 Hotels JPY 27.2B (5.5%)	<u>Jul 2017</u> 1 Hotel JPY 1.4 B (5.0%)	<u>Jan 2018</u> 1 Hotel JPY 1.8 B (6.3%)	<u>Jan 2019</u> 1 Hotel JPY 1.7B (6.9%)	<u>July 2019</u> 2 Hotels JPY 3.7B (6.9%)	<u>Jan 2020</u> None	<u>July 2020</u> 2 Hotels JPY 4.7B (4.9%)	<u>Jan 2021- Jan 2022</u> None	<u>Jul 2022</u> 1 Hotel JPY 0.6B (6.5%)	
											
Sales	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			
Portfolio Size	9 Hotels : JPY 20.4B (January 2016 end)	19 Hotels JPY 47.6B	20 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		24 Hotels JPY 52.5B	
Location		<div style="border: 1px solid black; padding: 10px; display: inline-block;"> Geographic Diversification Increases Earnings Stability </div> <div style="display: flex; align-items: center; justify-content: center; gap: 20px;"> <div style="text-align: center;"> <p>Steady Portfolio Growth via Acquisitions</p> </div> <div style="font-size: 2em;">→</div> </div>									

Portfolio Lease Details

Operator Diversification Driving Earnings Stability

(as of July 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 (July 2022 Actual)	JPY 392M (32.6%)	JPY 101M (8.4%)	JPY 690M (57.4%)	Not Available ¹	JPY 1,203M (100%)
Number of Hotels	8 Hotels	2 Hotels	13 Hotels	1 Hotel	24 Hotels
Total Acquisition Price	JPY 12.37B (23.5%)	JPY 4.16B (7.9%)	JPY 34.57B (65.7%)	JPY 1.49B (2.8%)	JPY 52.58B (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 • Comfort Hotel Nagano² 	<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 • The OneFive Garden Kurashiki • HOTEL EMIT SHIBUYA • The OneFive Okayama • The OneFive Osaka Sakaisuji 	<ul style="list-style-type: none"> • Capsule Plus Yokohama 	–

¹ Operator did not provide consent to disclose information

² Comfort Hotel Nagano was acquired on May 31, 2022

Individual Hotel Summary

(as of July 31, 2022)

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m ²)	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jul 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	2,133	2,590	5.1	+456
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,445	1,820	5.0	+374
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	284	365	5.5	+80
	B-1	Capsule Plus Yokohama	Variable Rent	Yokohama	1,183.26	1,490	1,556	1,270	4.8	-286
	B-2	Comfort Hotel Nagano	Fixed Rent	Nagano	1,921.45	670	692	701	4.9	+8
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,870	4,360	4.3	+489
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,269	1,380	4.6	+110
	C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	1,470.52	3,700	3,795	3,960	3.6	+164
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,395	1,750	5.2	+354
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,691	2,150	4.7	-541
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,204	5,790	4.1	+585
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	263	359	5.0	+95
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,502	3,570	4.5	-932
	E-3	The OneFive Osaka Sakaisuji	Variable + Fixed Rent	Osaka	3,568.32	1,630	1,754	1,220	4.8	-534
	E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	4,540.90	1,490	1,375	1,810	4.7	+434
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,539	5,480	4.4	-2,059
	F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	5,543.70	1,200	1,195	1,760	5.7	+564
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,624	1,970	5.6	+345
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,780	2,030	5.3	+249
	F-4	The OneFive Garden Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,811	2,240	5.2	+428
	F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	4,332.50	1,500	1,538	1,670	5.0	+131
	F-6	Washington Hotel Plaza Shimonoseki Eki Nishi	Fixed Rent	Shimonoseki, Yamaguchi	5,709.35	1,080	1,066	1,180	4.9	+113
	G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,446	2,230	4.3	+783
	G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	6,404.36	2,220	2,207	2,330	5.4	+122
Total (24 Hotels)					104,271.58	52,583	52,445	53,985	4.7	+1,539

July 2022 Fiscal Period Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. of Guest Rooms	July 2022 (February 2022 - July 2022)							
					RevPAR (JPY)		Occupancy (%)		ADR (JPY)		Revenue (JPY M)	
A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	5,156	(+55.3%)	94.2%	(+7.7%)	5,473	(+44.2%)	183.3	(+46.9%)
A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	5,355	(+114.6%)	95.2%	(+45.7%)	5,625	(+47.3%)	139.3	(+108.5%)
A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	4,536	(+41.5%)	76.8%	(+22.8%)	5,909	(+15.2%)	109.8	(+42.1%)
B-2	Comfort Hotel Nagano	Fixed Rent	Nagano	76	6,467	-	94.3%	-	6,860	-	30.2	-
C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	6,496	(+36.4%)	96.9%	(+0.5%)	6,703	(+35.7%)	133.5	(+34.5%)
C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	72	6,289	(+51.3%)	99.0%	(+4.9%)	6,353	(+44.2%)	82.0	(+51.0%)
D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	3,675	(+48.6%)	68.3%	(+34.8%)	5,379	(+10.3%)	130.4	(+48.6%)
D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	5,455	(+255.4%)	100%	(+149.9%)	5,455	(+42.2%)	221.2	(+217.0%)
D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	4,190	(+55.3%)	56.1%	(+45.1%)	7,465	(+7.0%)	270.3	(+55.9%)
D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	4,174	(+61.8%)	73.8%	(+42.6%)	5,655	(+13.5%)	80.0	(+61.0%)
E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	2,262	(+161.0%)	60.0%	(+113.3%)	3,769	(+22.4%)	64.5	(+168.3%)
E-3	The OneFive Osaka Sakaisuji	Variable + Fixed Rent	Osaka	130	2,651	-	96.2%	-	2,755	-	62.9	-
E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	133	4,696	(+64.2%)	63.4%	(+53.1%)	7,413	(+7.2%)	121.4	(+56.7%)
E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	2,235	(+575.7%)	61.6%	(+526.3%)	3,627	(+7.9%)	134.4	(+960.0%)
F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	208	3,536	(+49.6%)	97.8%	(+9.1%)	3,618	(+37.1%)	138.7	(+50.0%)
F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	3,747	(+62.3%)	76.8%	(+41.4%)	4,881	(+14.8%)	162.3	(+64.6%)
F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	171	2,144	(+32.7%)	39.7%	(+71.4%)	5,400	(-22.6%)	66.4	(+32.7%)
F-4	The OneFive Garden Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	107	3,192	(+61.8%)	44.3%	(+29.5%)	7,209	(+24.9%)	68.4	(+43.4%)
F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	171	7,500	(+3.3%)	100%	(+3.6%)	7,500	(-0.2%)	233.5	(-0.3%)
G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	77	3,932	(+61.4%)	93.6%	(+3.5%)	4,200	(+55.9%)	60.6	(+52.6%)
G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	201	5,000	(+107.5%)	100%	(+55.0%)	5,000	(+33.9%)	182.6	(+85.1%)
Other				455								
Variable Rent Hotels				2,523	4,348	(+51.8%)	84.7%	(+29.6%)	5,132	(+17.1%)	1,988.8	(+74.4%)
Fixed Rent Hotels				1,306	3,721	(+49.1%)	61.3%	(+37.7%)	6,066	(+8.3%)	683.4	(+49.3%)
Total				3,829	4,162	(+51.9%)	77.8%	(+33.3%)	5,351	(+13.9%)	2,672.1	(+67.2%)

* Year-on-year comparisons for Comfort Hotel Nagano are excluded because the hotel was acquired during July 2022 Fiscal Period on May 31, 2022.

* 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	The OneFive Garden Kurashiki	Valie Hotel Hiroshima	The OneFive Fukuoka Tenjin	Nest Hotel Kumamoto	
(A) Rental Income	1,248,372	52,654	32,684	18,419	67,615	47,568	55,361	151,441	15,442	30,744	1,848	66,291	62,161	47,534	2,249	151,382	34,056	94,427	316,487
Fixed Rent	900,497	31,129	27,072	18,419	61,603	47,568	55,361	151,441	15,442	30,744	1,454	66,291	62,161	36,323	994	17,934	34,056	25,134	217,364
Variable Rent	302,719	21,525	5,612	-	6,011	-	-	-	-	-	394	-	-	11,210	1,255	132,848	-	69,293	54,567
Other Rent	45,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	-	-	44,555
(B) Rental Expenses	195,795	8,824	10,846	5,730	9,572	8,828	3,813	15,008	4,081	6,386	6,499	18,885	7,041	6,855	16,639	9,139	5,433	6,839	45,370
Outsourcing Fees	17,721	600	600	900	2,393	700	600	570	540	600	1,015	1,200	600	720	600	720	700	780	3,882
Insurance	3,726	198	201	105	117	72	128	374	64	170	125	316	187	262	129	172	69	236	792
Repair Expenses	38,651	2,560	1,403	290	2,995	2,793	430	1,053	1,336	231	1,294	2,331	1,923	1,065	10,865	3,721	511	608	3,236
Taxes	117,781	5,047	8,215	4,023	3,656	4,803	2,384	12,552	1,730	5,025	3,397	14,627	3,891	4,378	4,110	4,157	3,485	4,804	27,489
Other Expenses	17,914	418	426	411	409	460	270	458	410	359	666	410	437	427	933	367	667	410	9,969
(C) NOI (A) - (B)	1,052,577	43,830	21,837	12,689	58,042	38,739	51,548	136,433	11,361	24,358	-4,650	47,405	55,120	40,679	-14,389	142,242	28,622	87,588	271,116
(D) Depreciation	364,915	15,728	18,078	5,820	26,361	7,784	15,058	34,998	4,166	17,156	9,552	35,953	16,879	19,036	12,560	21,368	8,554	22,148	73,707
Net Rental Income (C) - (D)	687,662	28,102	3,759	6,868	31,680	30,954	36,490	101,434	7,195	7,202	-14,203	11,452	38,241	21,642	-26,950	120,874	20,068	65,439	197,409

* Rents for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, Washington Hotel Plaza Shimonoseki Eki Nishi, and Comfort Hotel Nagano 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.

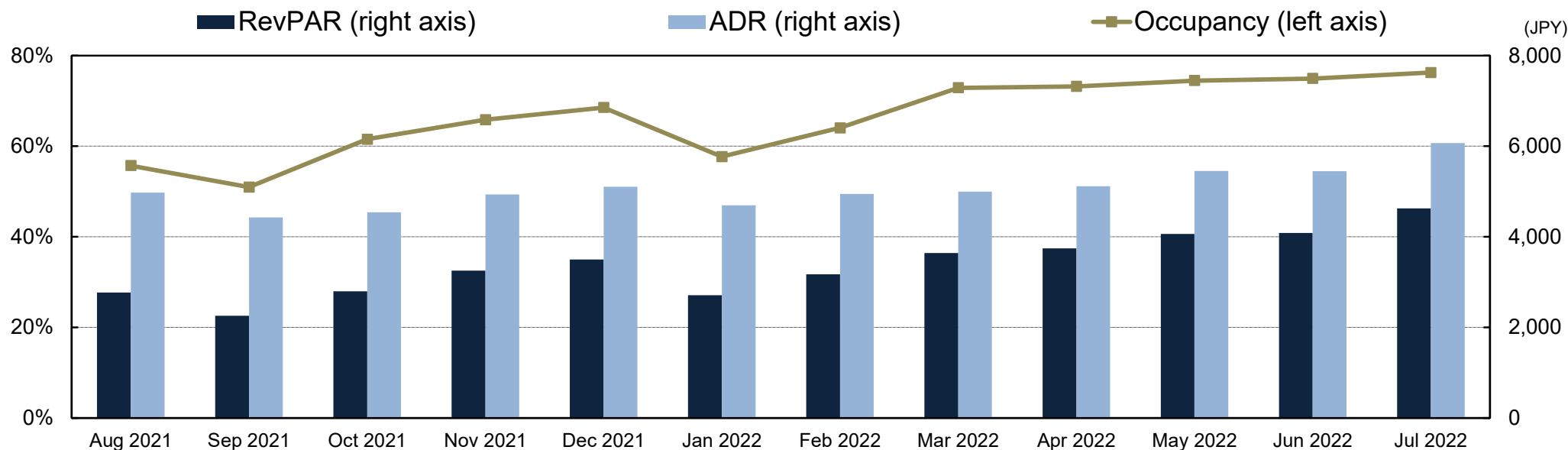
Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

Fixed/Variable Rent

(JPY thousand)

		Jul 2021		Jan 2022		Jul 2022	
		Rent	Ratio	Rent	Ratio	Rent	Ratio
Rent	Fixed	976,196	87.3%	962,540	85.5%	929,692	74.5%
	Fixed Rent from Operators	947,031	84.7%	933,355	82.9%	900,497	72.1%
	Other (Rent from Retail Tenants)	29,164	2.6%	29,184	2.6%	29,194	2.3%
	Variable Rent	126,577	11.3%	147,812	13.1%	302,719	24.2%
Other (Utility Income)		15,184	1.4%	15,466	1.4%	15,960	1.3%
Total		1,117,958	100%	1,125,819	100%	1,248,372	100%

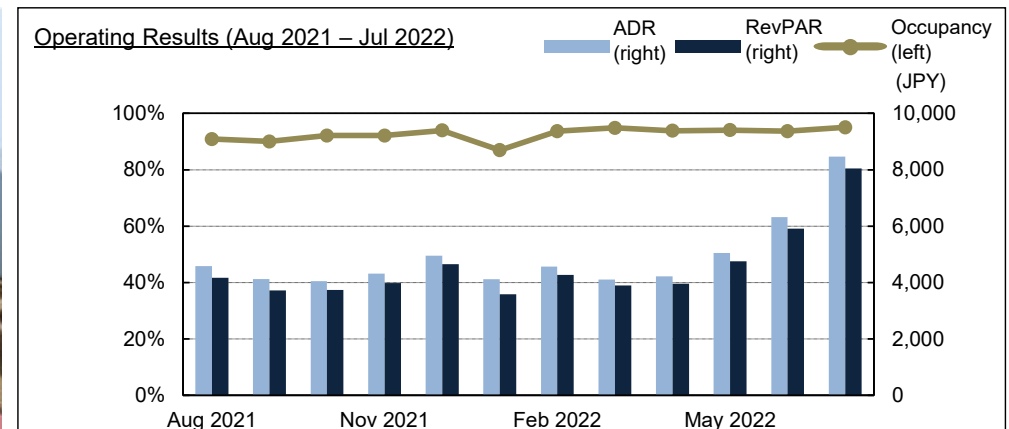
Operating Results (Aug 2021 – Jul 2022)



Variable Rent Hotel Details

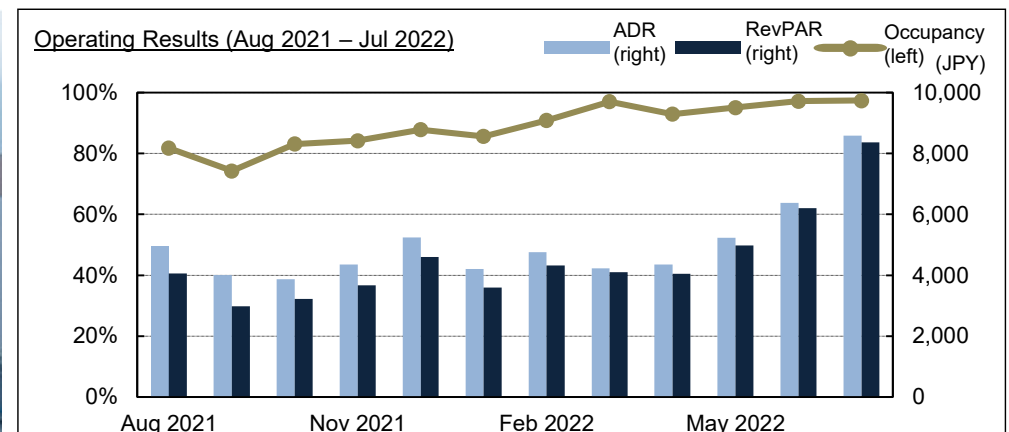
A-1 Nest Hotel Sapporo Ekimae

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

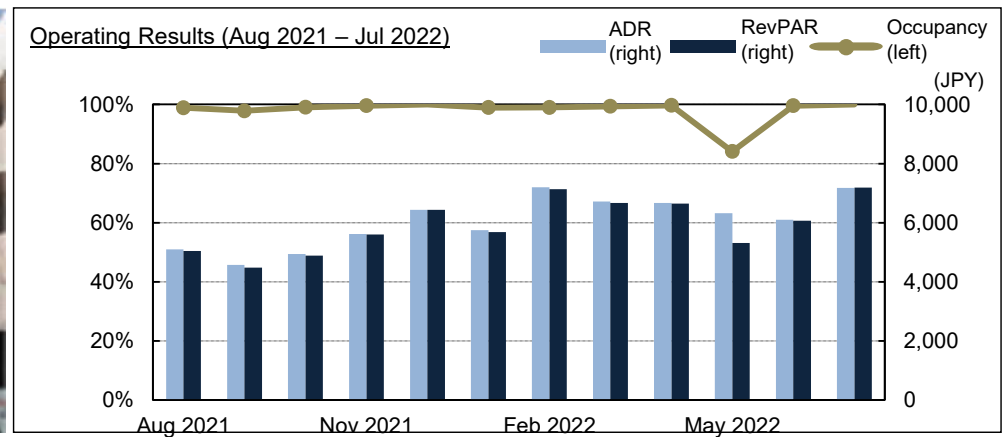
Location	Yokohama, Kanagawa
Access	6-minute walk from Yokohama Station on JR/ Subway Line
Operator	nine hours Inc.
Guest Rooms	169
Acquisition Price	JPY 1.49B



The hotel operator did not give consent to disclose data.

C-1 Smile Hotel Tokyo Asagaya

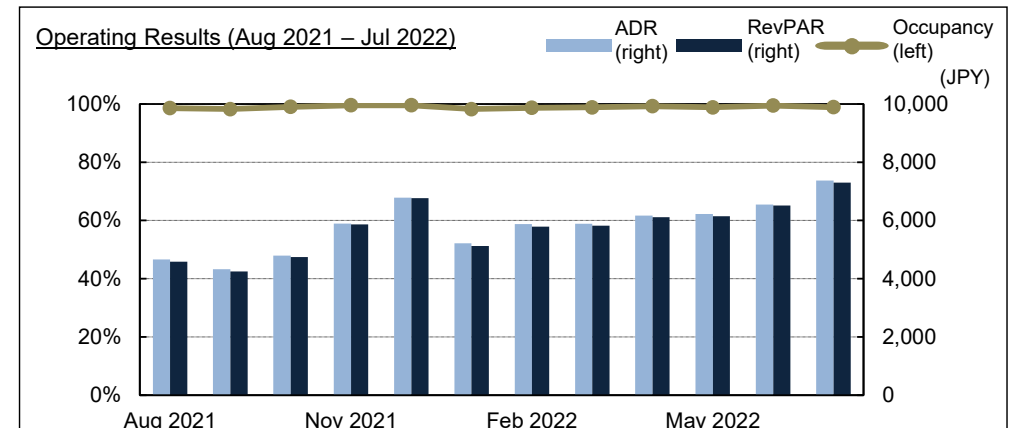
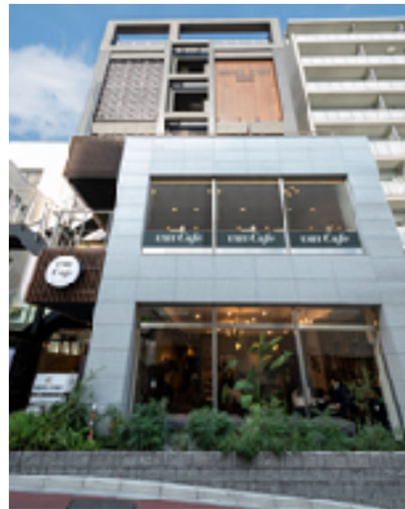
Location	Suginami-ku, Tokyo
Access	1-minute walk from Asagaya Station on JR Chuo/Sobu Line
Operator	K.K. Hospitality Operations
Guest Rooms	112
Acquisition Price	JPY 3.91B



Variable Rent Hotel Details

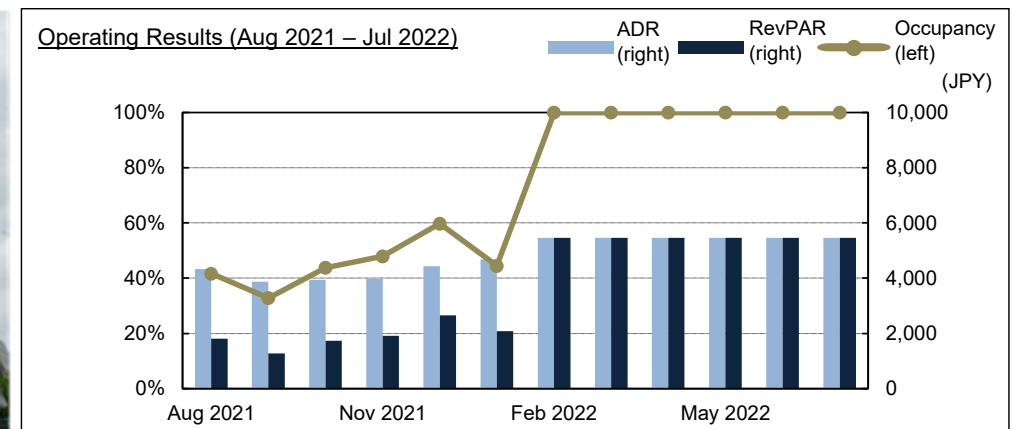
C-4 HOTEL EMIT SHIBUYA

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

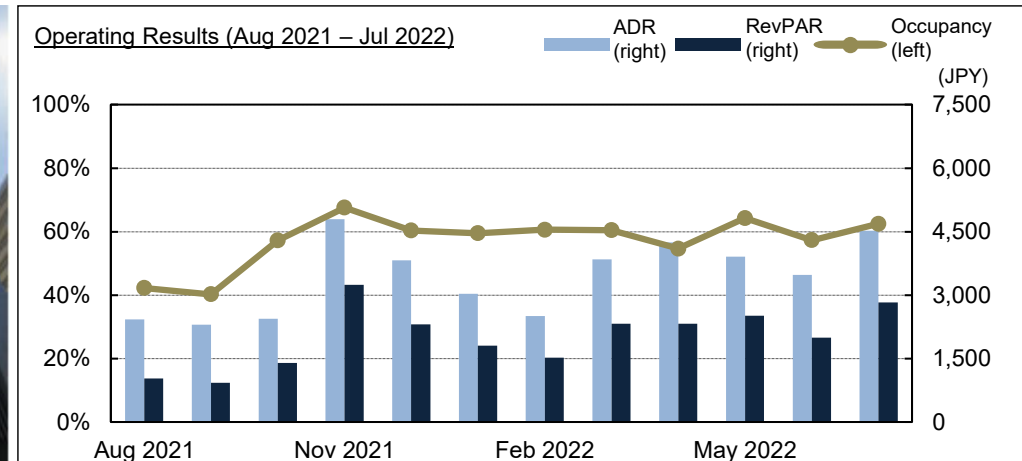
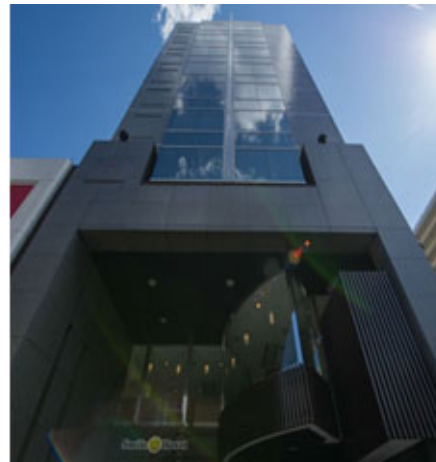


* Aichi Prefecture has temporarily leased all rooms of Hotel Wing International Nagoya starting on January 28, 2022.

Variable Rent Hotel Details

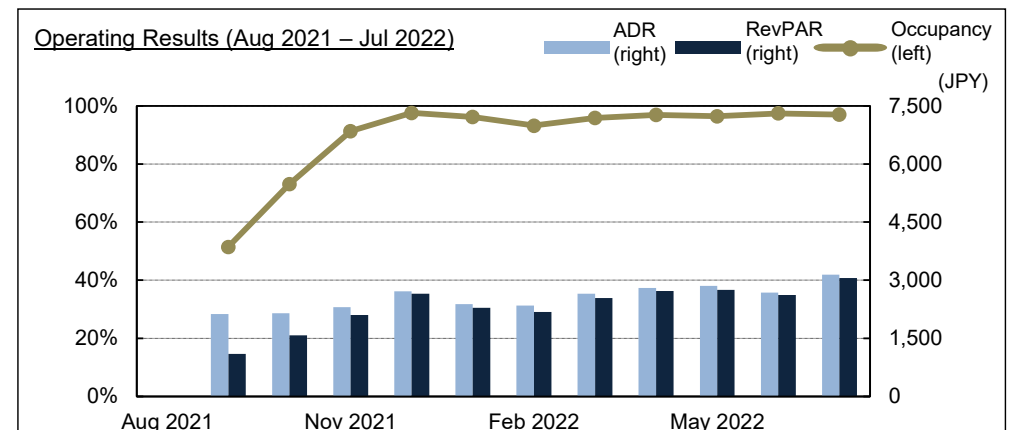
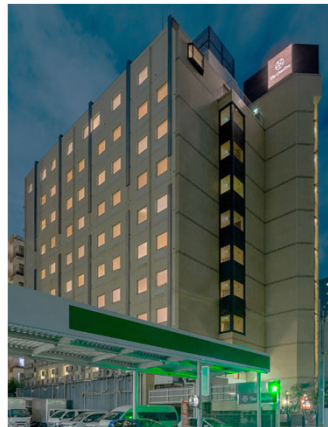
E-1 Smile Hotel Kyoto Shijo

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

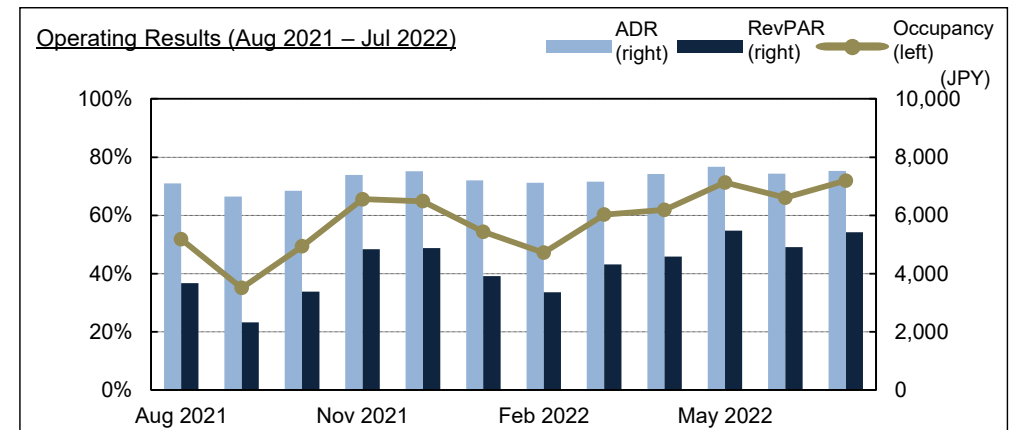


* Closed in December 2020. Changed operator and rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021.

Variable Rent Hotel Details

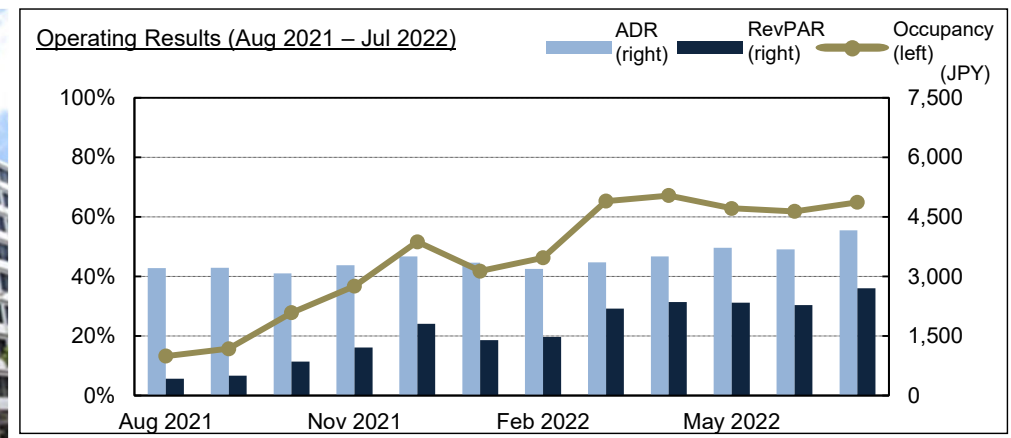
E-4 Hotel Wing International Kobe Shin Nagata Ekimae

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

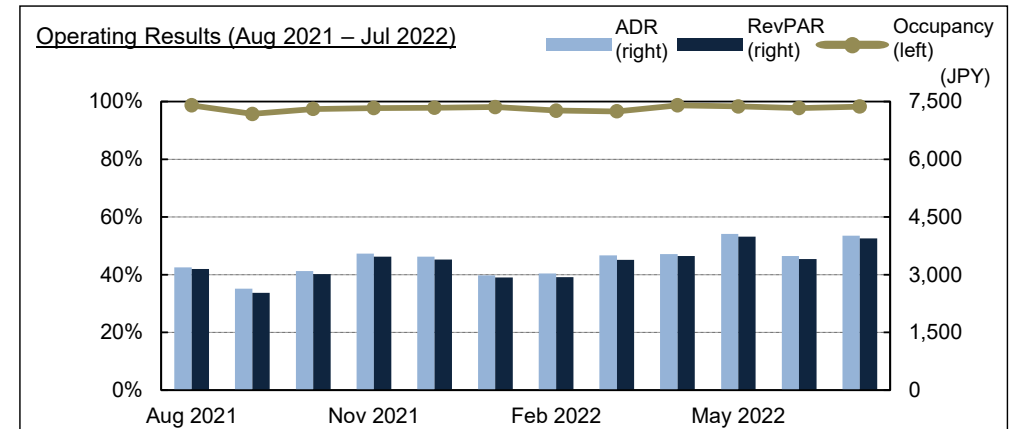
Location	Osaka
Access	1-minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	302
Acquisition Price	JPY 7.60B



Variable Rent Hotel Details

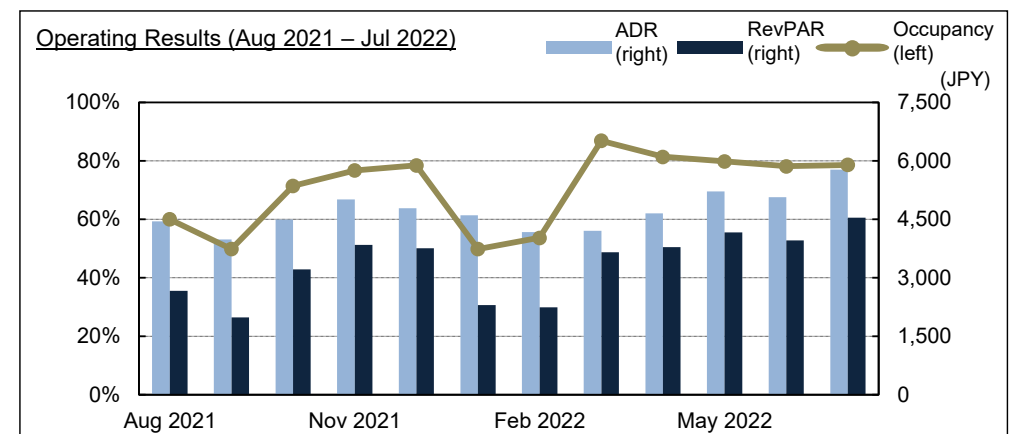
F-1 The OneFive Okayama

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

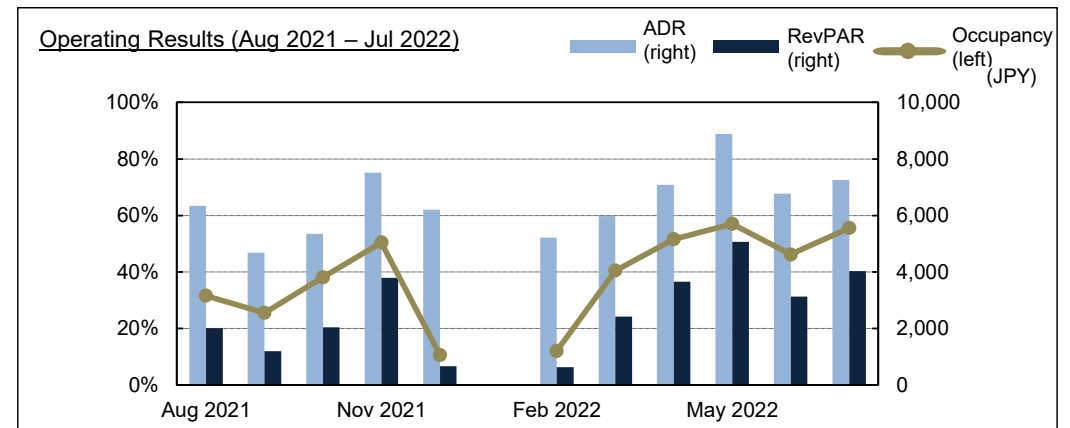
Location	Matsuyama, Ehime
Access	25-minute drive from Matsuyama Airport, 3-minute walk from Katsuyamacho Station on Iyo Railway Jonan Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	190
Acquisition Price	JPY 1.61B



Variable Rent Hotel Details

F-4 The OneFive Garden Kurashiki

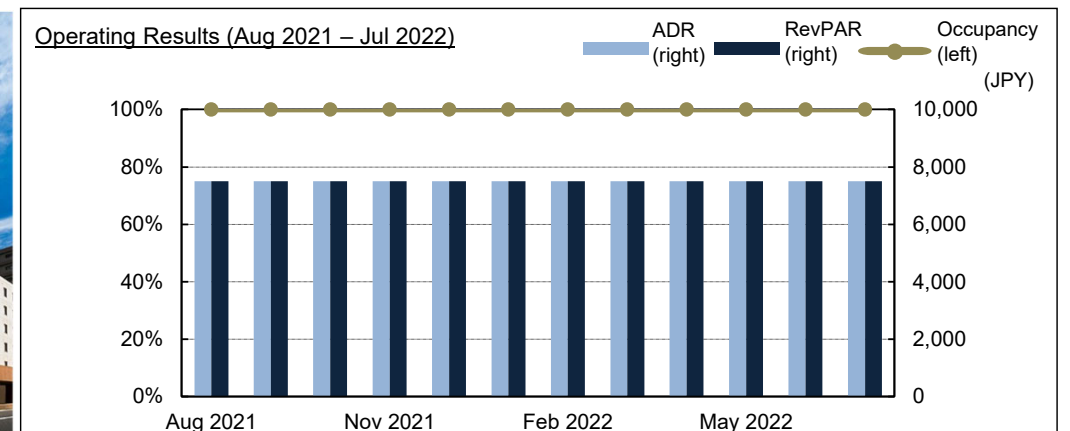
Location	Kurashiki, Okayama
Access	8-minute walk from Kurashiki Station on JR Sanyo Main Line
Operator	Hakata Hotels Inc.
Guest Rooms	107
Acquisition Price	JPY 1.73B



* 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

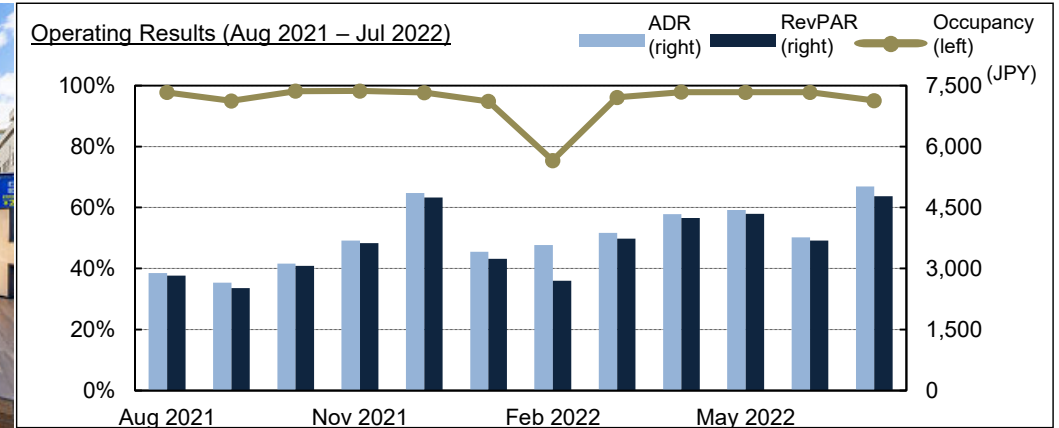


* Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.

Variable Rent Hotel Details

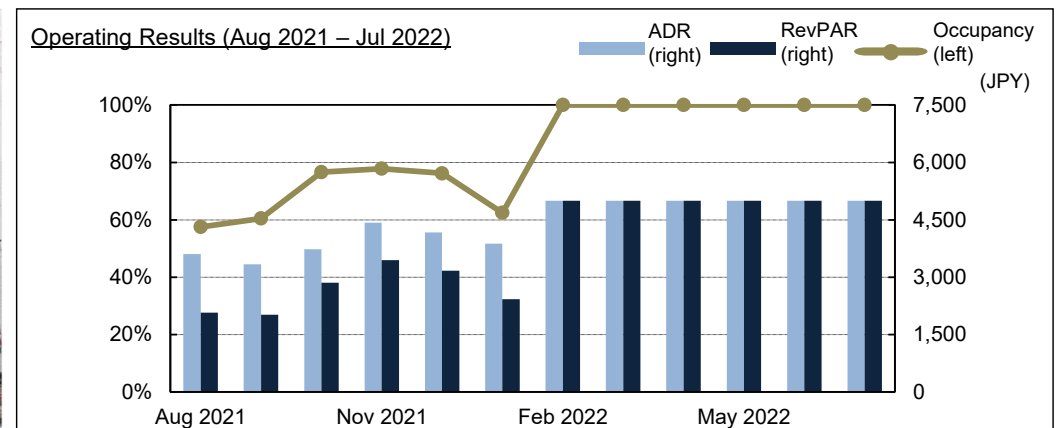
G-1 The OneFive Fukuoka Tenjin

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



B-2 Comfort Hotel Nagano

Location	Nagano
Access	3-minute walk from Nagano Station on JR Hokuriku Shinkansen
Operator	Greens Co., Ltd.
Guest Rooms	76
Acquisition Price	JPY 670M



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



Fixed Rent Hotel Details

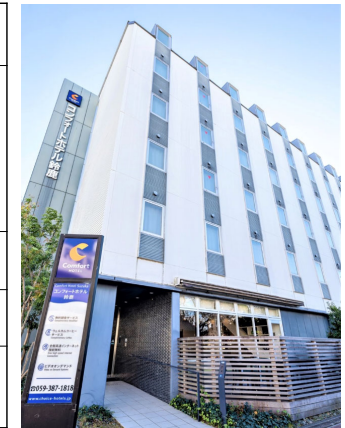
D-3 Comfort Hotel Central International Airport

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



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



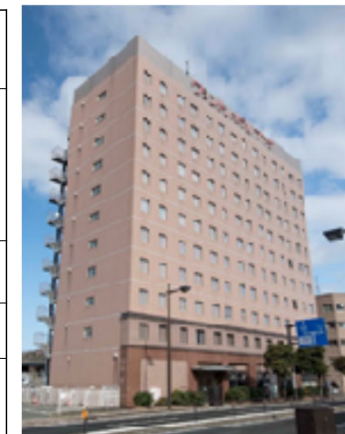
F-3 Urbain Hiroshima Executive

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

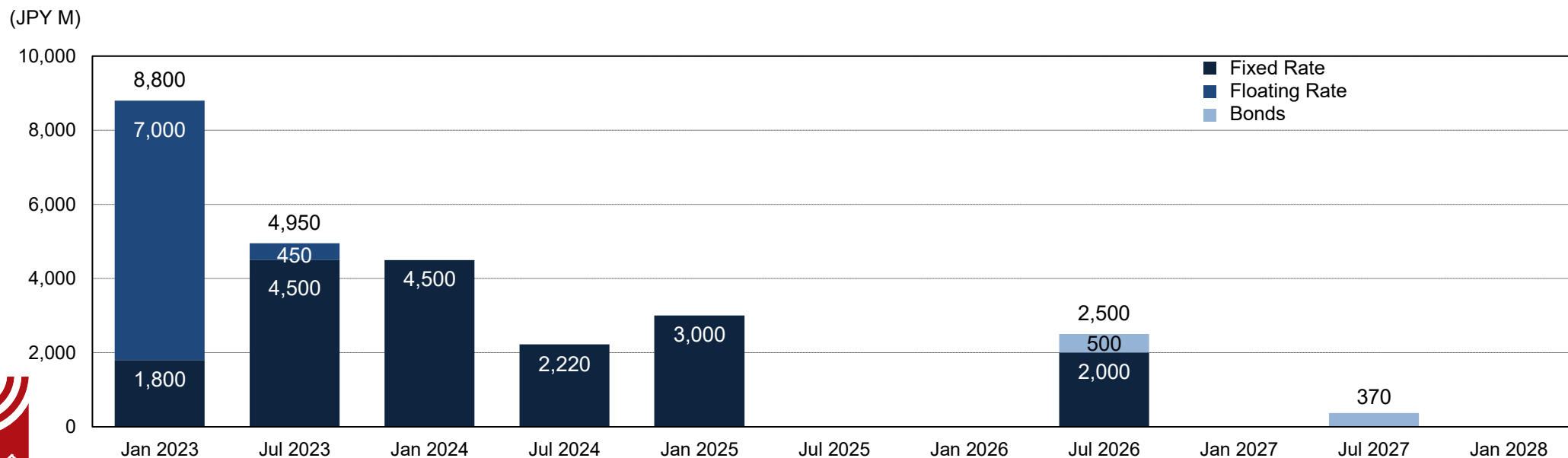
Stable Financial Base

Outstanding Loan Balance

	Jul 31, 2020	Jan 31, 2021	Jul 31, 2021	Jan 31, 2022	Jul 31, 2022
Amount	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B
Long-Term Loan Ratio	93.1%	72.5%	72.5%	72.5%	70.7%
Fixed Rate Ratio	91.4%	70.7%	70.7%	70.7%	70.7%
Average Interest Rate	0.87%	0.82%	0.75%	0.77%	0.77%
Average Remaining Maturity	2.5 years	2.3 years	1.8 years	1.6 years	1.1 years
LTV (Total Assets Basis)	43.6%	43.3%	43.2%	42.9%	42.9%

* The above does not include investment corporation bonds.

Distribution of Loan Maturities

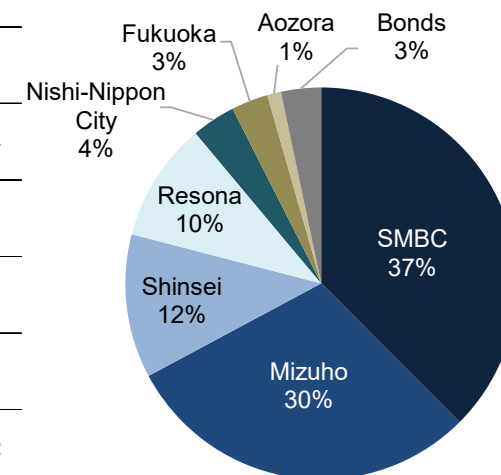


Loan Details

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 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
Term Loan 17	SMBC	450	Variable	0.56727%	February 28, 2022	February 28, 2023

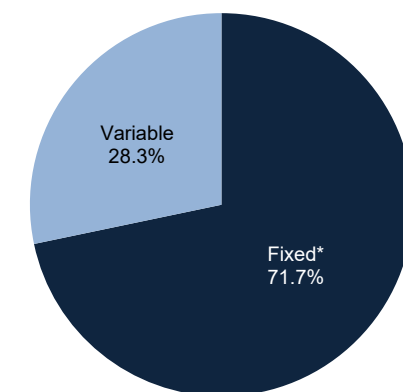
(as of July 31, 2022)

Lender Composition



Total Borrowings		25,470	Average 0.77%	Average Remaining Loan Term	1.1 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	1.2 years

Fixed vs. Floating



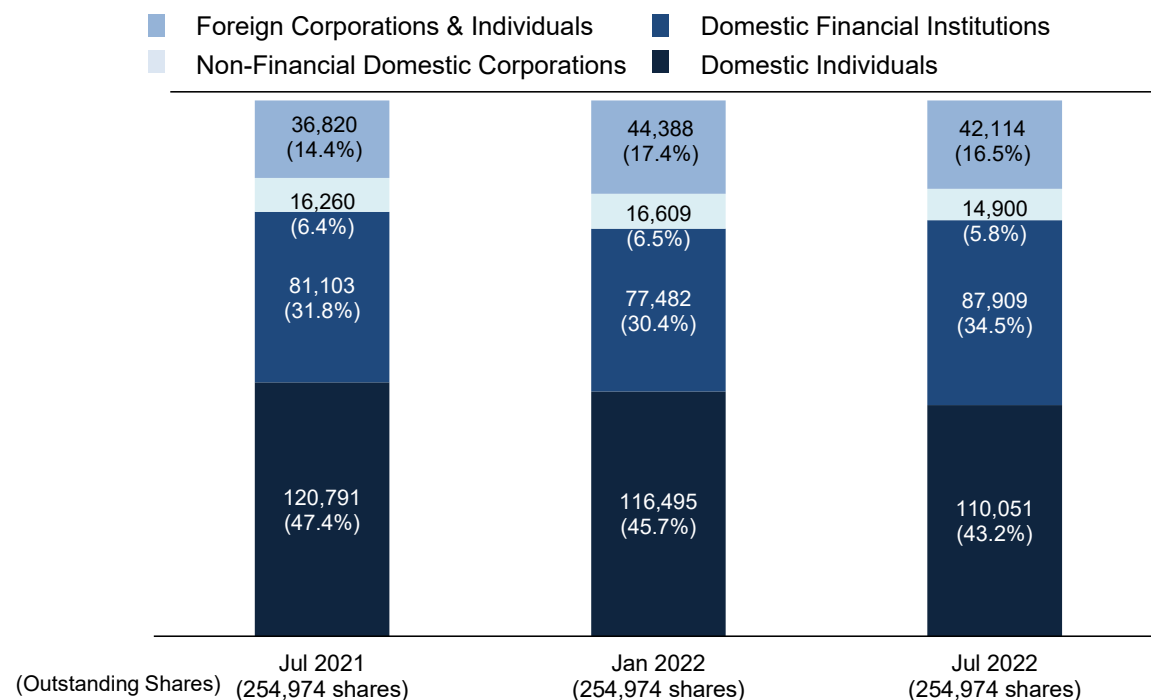
* Includes interest fixed via swaps

Shareholder Composition

Major Shareholders (as of July 31, 2022)

	Name	No. Of Shares	Share
1	The Master Trust Bank of Japan, Trust Account	34,906	13.7%
2	Custody Bank of Japan, Ltd., Trust Account	32,857	12.9%
3	Nomura Trust & Banking Co., Ltd., Investment Trust Account	11,718	4.6%
4	Ichigo Trust Pte. Ltd.	10,908	4.3%
5	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/SECURITIES – AIFM	9,243	3.6%
6	Ichigo Inc. (Sponsor)	6,500	2.5%
7	Individual Shareholder	3,270	1.3%
8	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,996	1.2%
9	Individual Shareholder	2,590	1.0%
10	INTERACTIVE BROKERS LLC	1,875	0.7%
	Total	116,863	45.8%

By Number of Shares Held



By Number of Shareholders

	Jul 31, 2021	Jan 31, 2022	Jul 31, 2022	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	16,178	15,456	15,075	97.5%
Domestic Financial Institutions	35	34	34	0.2%
City banks, trust banks	4	4	4	–
Regional banks	–	–	–	–
Other (including securities companies)	31	30	30	0.2%
Non-Financial Domestic Corporations	226	222	212	1.4%
Foreign Corporations & Individuals	154	155	146	0.9%
Total	16,593	15,867	15,467	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)
- Sustainable Real Estate business adds value to existing buildings by drawing upon its real estate technologies and expertise
- Deeply committed to CSR and Sustainability



©J.LEAGUE Hiromi Miyake (Weightlifting)

Ichigo
(TSE Prime 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.

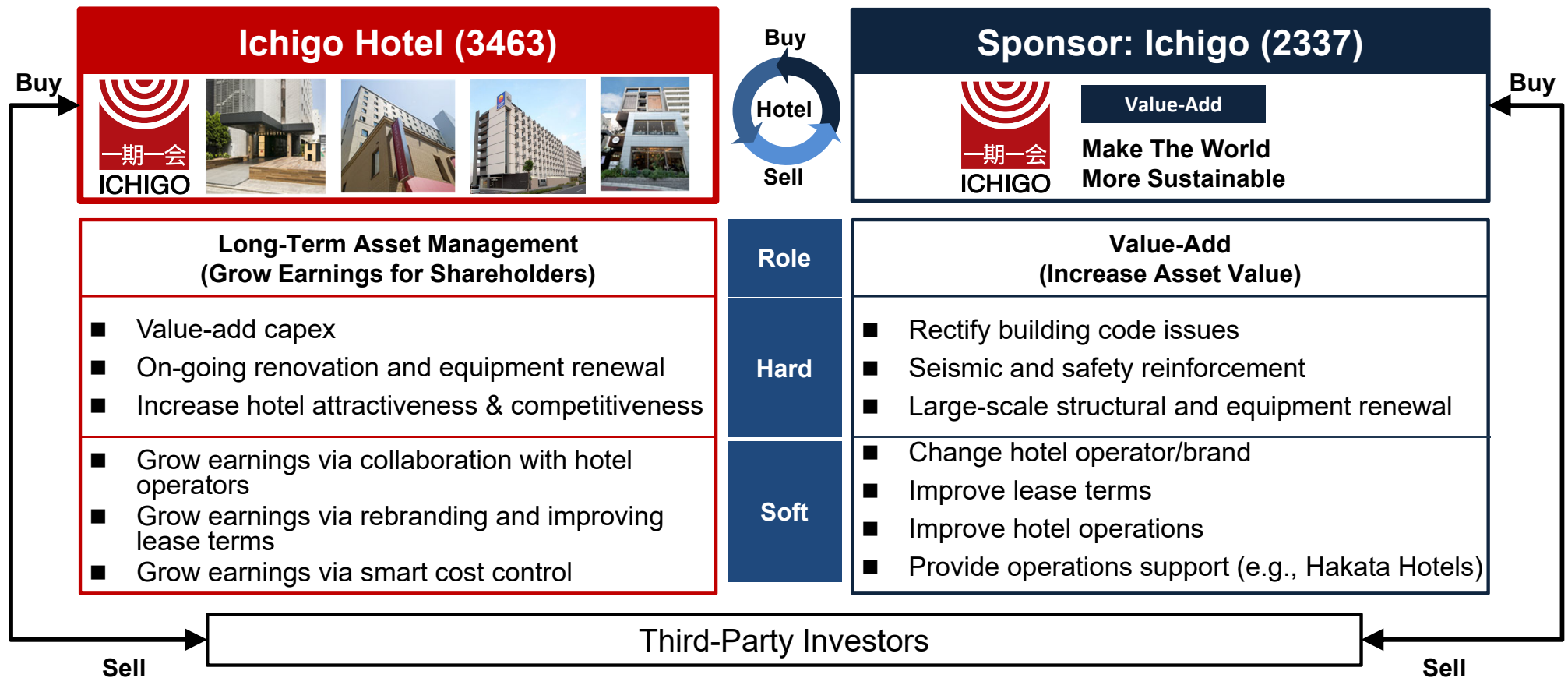
Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.

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



Strong Sponsor Support

Changed Hotel Operator to Ichigo-owned Hakata Hotels

- Veteran hotel operator with expertise in AI revenue management (PROPERA) – operates 13 hotels with focus on the Hakata (Fukuoka) area
- Maintained high occupancy, substantially outperforming other hotels (Hotels using PROPERA achieved 87.4% occupancy during the July 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)
				

Hakata Hotels & PROPERA

- Hakata Hotels, a consolidated subsidiary of Ichigo, is a hotel operator operating 13 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) <u>Tokyo</u>: HOTEL EMIT SHIBUYA (72) <u>Kyoto</u>: The OneFive Kyoto Shijo (146) <u>Osaka</u>: The OneFive Osaka Sakaisuji (130) <u>Okayama</u>: The OneFive Okayama (208), The OneFive Garden Kurashiki (107) <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 62B) in Ichigo Sponsor Pipeline as of May 31, 2022

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



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

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.



**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.