



**Make The World
More Sustainable**

[Provisional Translation Only]

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Issuer

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Ichigo Hotel Operating Results – August 2022

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (22 Hotels)

| | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| Revenue (JPY million) | 593.8 | 321.5 | +272.3 | +84.7% | 775.9 |
| RevPAR (JPY) | 5,332 | 2,978 | +2,354 | +79.0% | 7,417 |
| Occupancy (%) | 83.5 | 59.9 | +23.6 | +39.4% | 89.0 |
| ADR (JPY) | 6,385 | 4,973 | +1,412 | +28.4% | 8,334 |

Variable Rent Hotels (15 Hotels)

| | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| Revenue (JPY million) | 420.9 | 228.6 | +192.2 | +84.1% | 505.7 |
| RevPAR (JPY) | 5,422 | 2,989 | +2,434 | +81.4% | 8,255 |
| Occupancy (%) | 88.2 | 64.3 | +23.8 | +37.0% | 95.6 |
| ADR (JPY) | 6,150 | 4,645 | +1,505 | +32.4% | 8,638 |

Fixed Rent Hotels (7 Hotels)

| | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| Revenue (JPY million) | 172.9 | 92.9 | +80.0 | +86.2% | 270.2 |
| RevPAR (JPY) | 5,133 | 2,956 | +2,177 | +73.7% | 7,079 |
| Occupancy (%) | 73.2 | 50.1 | +23.1 | +46.1% | 90.0 |
| ADR (JPY) | 7,008 | 5,897 | +1,111 | +18.8% | 7,862 |

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (15 Hotels)

| | | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|---------------------------------|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| Nest Hotel Sapporo Ekimae | Revenue (JPY million) | 50.2 | 25.3 | +24.9 | +98.5% | 72.1 |
| | RevPAR (JPY) | 8,897 | 4,164 | +4,732 | +113.6% | 12,585 |
| | Occupancy (%) | 91.5 | 90.9 | +0.6 | +0.7% | 96.3 |
| | ADR (JPY) | 9,724 | 4,583 | +5,140 | +112.2% | 13,071 |
| Nest Hotel Sapporo Odori | Revenue (JPY million) | 40.7 | 18.0 | +22.6 | +125.4% | 55.7 |
| | RevPAR (JPY) | 9,658 | 4,054 | +5,604 | +138.2% | 13,611 |
| | Occupancy (%) | 92.3 | 81.8 | +10.6 | +12.9% | 94.9 |
| | ADR (JPY) | 10,458 | 4,956 | +5,501 | +111.0% | 14,337 |
| Smile Hotel Tokyo Asagaya | Revenue (JPY million) | 26.1 | 17.8 | +8.2 | +46.0% | 31.5 |
| | RevPAR (JPY) | 7,416 | 5,045 | +2,371 | +47.0% | 8,872 |
| | Occupancy (%) | 100 | 98.9 | +1.1 | +1.1% | 97.7 |
| | ADR (JPY) | 7,416 | 5,099 | +2,317 | +45.4% | 9,078 |
| HOTEL EMIT SHIBUYA | Revenue (JPY million) | 17.0 | 10.3 | +6.7 | +65.4% | |
| | RevPAR (JPY) | 7,627 | 4,592 | +3,036 | +66.1% | |
| | Occupancy (%) | 99.4 | 98.6 | +0.8 | +0.8% | |
| | ADR (JPY) | 7,675 | 4,658 | +3,017 | +64.8% | |
| Hotel Wing International Nagoya | Revenue (JPY million) | 37.9 | 14.3 | +23.6 | +165.8% | 40.4 |
| | RevPAR (JPY) | 5,455 | 1,802 | +3,653 | +202.8% | 5,248 |
| | Occupancy (%) | 100 | 41.6 | +58.4 | +140.3% | 84.4 |
| | ADR (JPY) | 5,455 | 4,329 | +1,126 | +26.0% | 6,220 |

| | | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|---|--------------------------|--------------------|----------------------------------|-------------------------|---------------|-------------------------------|
| Smile Hotel Kyoto Shijo | Revenue (JPY million) | 11.4 | 4.8 | +6.6 | +138.6% | 32.5 |
| | RevPAR (JPY) | 2,298 | 1,026 | +1,272 | +123.9% | 6,694 |
| | Occupancy (%) | 59.9 | 42.3 | +17.6 | +41.6% | 99.7 |
| | ADR (JPY) | 3,839 | 2,428 | +1,411 | +58.1% | 6,717 |
| The OneFive Osaka Sakaisuji | Revenue (JPY million) | 12.7 | – | – | – | 22.0 |
| | RevPAR (JPY) | 3,136 | – | – | – | 5,459 |
| | Occupancy (%) | 96.6 | – | – | – | 79.0 |
| | ADR (JPY) | 3,247 | – | – | – | 6,908 |
| Nest Hotel Osaka Shinsaibashi | Revenue (JPY million) | 31.3 | 5.2 | +26.1 | +503.4% | 63.7 |
| | RevPAR (JPY) | 3,134 | 427 | +2,707 | +634.3% | 6,259 |
| | Occupancy (%) | 77.3 | 13.3 | +64.0 | +481.6% | 78.3 |
| | ADR (JPY) | 4,053 | 3,210 | +843 | +26.3% | 7,991 |
| Hotel Wing International Kobe Shin Nagata Ekimae | Revenue (JPY million) | 25.5 | 18.0 | +7.5 | +41.7% | 33.3 |
| | RevPAR (JPY) | 5,608 | 3,671 | +1,936 | +52.7% | 7,247 |
| | Occupancy (%) | 68.8 | 51.8 | +17.0 | +32.9% | 86.9 |
| | ADR (JPY) | 8,150 | 7,090 | +1,060 | +14.9% | 8,341 |
| Nest Hotel Matsuyama | Revenue (JPY million) | 32.2 | 18.1 | +14.1 | +78.1% | 50.8 |
| | RevPAR (JPY) | 4,585 | 2,669 | +1,917 | +71.8% | 6,172 |
| | Occupancy (%) | 68.3 | 60.0 | +8.2 | +13.7% | 91.4 |
| | ADR (JPY) | 6,718 | 4,447 | +2,272 | +51.1% | 6,751 |
| The OneFive Okayama | Revenue (JPY million) | 29.1 | 21.1 | +7.9 | +37.7% | 39.1 |
| | RevPAR (JPY) | 4,340 | 3,146 | +1,195 | +38.0% | 5,836 |
| | Occupancy (%) | 99.6 | 98.7 | +0.9 | +0.9% | 88.8 |
| | ADR (JPY) | 4,357 | 3,187 | +1,170 | +36.7% | 6,572 |
| The OneFive Garden Kurashiki | Revenue (JPY million) | 22.9 | 8.9 | +14.0 | +157.0% | 36.7 |
| | RevPAR (JPY) | 6,314 | 2,005 | +4,309 | +214.9% | 9,379 |
| | Occupancy (%) | 81.3 | 31.6 | +49.7 | +157.3% | 97.7 |
| | ADR (JPY) | 7,768 | 6,346 | +1,422 | +22.4% | 9,596 |
| Valie Hotel Hiroshima | Revenue (JPY million) | 40.0 | 44.9 | -5.0 | -11.0% | |
| | RevPAR (JPY) | 7,500 | 7,500 | – | – | |
| | Occupancy (%) | 100 | 100 | – | – | |
| | ADR (JPY) | 7,500 | 7,500 | – | – | |

| | | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|----------------------------|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| The OneFive Fukuoka Tenjin | Revenue (JPY million) | 12.9 | 7.7 | +5.2 | +67.5% | 23.6 |
| | RevPAR (JPY) | 4,992 | 2,822 | +2,170 | +76.9% | 9,221 |
| | Occupancy (%) | 97.9 | 97.8 | +0.1 | +0.1% | 96.2 |
| | ADR (JPY) | 5,101 | 2,886 | +2,215 | +76.7% | 9,587 |
| Nest Hotel Kumamoto | Revenue (JPY million) | 31.2 | 14.3 | +16.9 | +118.3% | 43.3 |
| | RevPAR (JPY) | 5,000 | 2,073 | +2,927 | +141.2% | 6,223 |
| | Occupancy (%) | 100 | 57.5 | +42.5 | +73.9% | 80.0 |
| | ADR (JPY) | 5,000 | 3,603 | +1,397 | +38.8% | 7,777 |

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

| | | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|---|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| Comfort Hotel Kushiro | Revenue (JPY million) | 31.8 | 26.4 | +5.4 | +20.6% | 30.5 |
| | RevPAR (JPY) | 7,829 | 6,507 | +1,322 | +20.3% | 7,547 |
| | Occupancy (%) | 94.0 | 89.2 | +4.7 | +5.3% | 92.0 |
| | ADR (JPY) | 8,332 | 7,293 | +1,040 | +14.3% | 8,203 |
| Comfort Hotel Hamamatsu | Revenue (JPY million) | 29.0 | 17.4 | +11.7 | +67.2% | 35.6 |
| | RevPAR (JPY) | 4,775 | 2,856 | +1,919 | +67.2% | 5,851 |
| | Occupancy (%) | 77.9 | 57.3 | +20.6 | +36.0% | 90.0 |
| | ADR (JPY) | 6,127 | 4,984 | +1,143 | +22.9% | 6,498 |
| Comfort Hotel Central International Airport | Revenue (JPY million) | 52.4 | 33.9 | +18.5 | +54.4% | 99.7 |
| | RevPAR (JPY) | 4,755 | 3,093 | +1,662 | +53.7% | 8,896 |
| | Occupancy (%) | 59.3 | 49.7 | +9.6 | +19.4% | 92.1 |
| | ADR (JPY) | 8,014 | 6,226 | +1,788 | +28.7% | 9,658 |
| Comfort Hotel Suzuka | Revenue (JPY million) | 18.6 | 8.9 | +9.7 | +109.5% | 18.8 |
| | RevPAR (JPY) | 5,676 | 2,701 | +2,975 | +110.1% | 5,728 |
| | Occupancy (%) | 89.4 | 50.2 | +39.2 | +78.2% | 82.8 |
| | ADR (JPY) | 6,349 | 5,384 | +965 | +17.9% | 6,918 |
| Urbain Hiroshima Executive | Revenue (JPY million) | 19.4 | 3.3 | +16.1 | +491.0% | 39.7 |
| | RevPAR (JPY) | 3,656 | 619 | +3,037 | +491.0% | 7,495 |
| | Occupancy (%) | 61.1 | 11.5 | +49.6 | +432.7% | 92.7 |
| | ADR (JPY) | 5,983 | 5,393 | +590 | +10.9% | 8,089 |

| | | August 2022 (A) | (Previous) August 2021 (B) | Difference (A) - (B) | YOY Change | August 2019 (Reference) |
|----------------------|-----------------------|-----------------|----------------------------|----------------------|------------|-------------------------|
| Comfort Hotel Nagano | Revenue (JPY million) | 17.0 | – | – | – | |
| | RevPAR (JPY) | 7,136 | – | – | – | |
| | Occupancy (%) | 95.6 | – | – | – | |
| | ADR (JPY) | 7,466 | – | – | – | |

Notes:

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

$$\text{RevPAR} = \text{Total Revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of available guest rooms}$$
- 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.
- ADR (Average Daily Rate) is calculated with the following formula:

$$\text{ADR} = \text{Total revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of guest rooms occupied during the period}$$
- 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.
- Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.
- Aichi Prefecture has temporarily leased all rooms of the Hotel Wing International Nagoya starting on January 28, 2022.
- Kumamoto Prefecture has temporarily leased all rooms of the Nest Hotel Kumamoto starting on February 1, 2022.
- Pre-acquisition data for acquired hotels are based on data received from the previous owners.
- August 2019 Revenue, RevPAR, Occupancy, and ADR data provided as a reference is for the 19 hotels owned since August 2019, and is not available for Valie Hotel Hiroshima, HOTEL EMIT SHIBUYA, and Comfort Hotel Nagano. The OneFive Okayama was operating under the name Comfort Hotel Okayama in August 2019, and hotel data is included as a fixed rent hotel.

Explanation of Changes

August 2022 Revenue, RevPAR, Occupancy, and ADR increased significantly year-on-year due to business travelers on weekdays and a recovery in domestic tourism demand from weekend, summer holiday travel and various events. As a result, RevPAR increased to its highest level since March 2020. Although Ichigo Hotel's 22 hotels have yet to fully recover to the pre-Covid levels of August 2019, hotel demand is expected to continue recovering on the back of the lifting of daily arrival caps for international tourists and local government programs subsidizing domestic tourism.

ESG Initiatives Toward a Sustainable Society

On September 20, Ichigo Hotel acquired the Hotel Sunshine Utsunomiya, a lodging-focused hotel located in Utsunomiya City of Tochigi Prefecture, an area with business and leisure demand. As the first Ichigo Hotel asset in the North Kanto area, it will drive Ichigo Hotel portfolio's geographic diversification, while its fixed-rent lease with the hotel operator will drive portfolio earnings stability. Currently, all rooms are being leased to Tochigi Prefecture.

Ichigo Hotel will continue to work closely with hotel operators to increase guest satisfaction and drive earnings on the back of expected hotel demand recovery to maximize shareholder value.

Hotel Sunshine Utsunomiya

