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March 16, 2023

Issuer

Ichigo Hotel REIT Investment Corporation (“Ichigo Hotel,” 3463)

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Acquisition of Five Hotel Assets

Ichigo Hotel decided today to acquire five hotel assets.

Of the five hotel assets, because the seller of the four, HOTEL THE KNOT YOKOHAMA, Quintessa Hotel Ise Shima, Quintessa Hotel Ogaki, and THE KNOT SAPPORO is a related party as defined under the Investment Trust and Investment Corporation Law (1951 Law, Act No. 198, including subsequent revisions), Ichigo Hotel received approval for the acquisition of these four hotels at today’s Board of Directors meeting. Hakata Hotels, the hotel operator of THE KNOT SAPPORO, is a related party as defined in the Investment Trust and Investment Corporation Law (with limited impact on the assets of registered investment corporation defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law Article 245-2), and the lease contract with Hakata Hotels is a related party transaction as defined in Ichigo Investment Advisor (“IIA”)’s internal rules, Ichigo Hotel received approval at the Board of Directors meeting.

1. Acquisition Summary

(Total Appraisal Value: JPY 16,353,000,000; Total Acquisition Price: JPY 15,080,000,000)

Hotel No. Hotel Name	029 Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	030 HOTEL THE KNOT YOKOHAMA	031 Quintessa Hotel Ise Shima	032 Quintessa Hotel Ogaki	033 THE KNOT SAPPORO
Hotel Type	Lodging-focused ¹				
Date Built	September 2002	January 1984	February 1998	June 1989	February 2020
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)				
Appraisal Value ²	JPY 3,860,000,000	JPY 5,520,000,000	JPY 633,000,000	JPY 1,130,000,000	JPY 5,210,000,000

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Acquisition Price ³	JPY 3,700,000,000	JPY 4,800,000,000	JPY 610,000,000	JPY 1,070,000,000	JPY 4,900,000,000
Seller	GK Shinsaibashi Jisho Tokumei Kumiai	Ichigo Estate			
Contract Date	March 16, 2023				
Closing Date	April 3, 2023				
Financing Method	Proceeds from new share issuance (Public Offering) ⁴ , Loan ⁵ , Cash-on hand (Expected)				
Settlement Method	Lump-sum payment				

¹ Lodging-focused hotels are hotels specialized in lodging with a limited or minimum amount of related facilities located near train stations, airports, tourist sites, business and commercial districts, and other key transport infrastructure such as major train stations and highway interchanges.

² Appraisal Value is calculated by Tanizawa Sogo Appraisal as of January 1, 2023, and is in compliance with the appraisal guidelines of IIA as well as the rules of the Investment Trusts Association of Japan.

³ Acquisition Price excludes incidental expenses such as fees and property, city planning, and consumption taxes. The assets to be acquired may include personal property.

⁴ For further details, please refer to today's release "Issuance of New Shares and Secondary Share Offering."

⁵ For further details of the new loan, please refer to today's release "New Loan."

2. Acquisition Rationale

Ichigo Hotel continues to execute on its strategy to build a stable, diversified portfolio and drive shareholder value. As part of this strategy, Ichigo Hotel acquired the Comfort Hotel Nagano in May 2022, later renaming the hotel to Smile Hotel Nagano and changing the hotel operator in December 2022, and acquired the Hotel Sunshine Utsunomiya in September 2022 from a third-party seller via IIA's sourcing network.

Since October 2022, the hotel market has been recovering on the back of increased domestic tourism demand due to a domestic travel subsidy program by the Japanese government, as well as a recovery in inbound tourism demand due to the lifting of overseas travel restrictions and a weak yen.

Ichigo Hotel has decided to grow its portfolio and take full advantage of Ichigo's sponsor support in order to maximize shareholder value via further diversification of its portfolio and driving income stability and earnings growth.

Ichigo Hotel will acquire the five hotels using proceeds from the new share issuance announced in today's release, "Issuance of New Shares and Secondary Share Offering," a new syndicated loan from partner banks, and cash-on-hand. Today's acquisitions will grow Ichigo Hotel's portfolio to 30 hotels and JPY 69.8 billion, and contribute to increasing liquidity.

Ichigo Hotel's variable rent leases with the hotel operators of the five hotels will drive stability, and the variable rent component will increase the potential for upside earnings growth due to increased inbound and domestic hotel demand.

The average appraisal NOI yield and average post-depreciation NOI yield of the five

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hotels are 5.7% and 4.8% respectively.

Ichigo, Ichigo Hotel’s sponsor, is strengthening its commitment to drive further growth and shareholder value for its two TSE-listed REITs and a solar power producer. Ichigo Hotel will continue execute on its strategies for acquisition-driven growth and organic growth to maximize shareholder value on the back of further hotel demand growth.

Note 1: Average appraisal NOI yield is equal to the total appraisal NOI of the five hotels divided by the total acquisition price of the five hotels. Average appraisal NOI yield, calculated by IIA based on the real estate appraisal report, is not the actual number in the report and may not reflect the actual post-acquisition NOI yield.

Note 2: Average post-depreciation NOI yield is calculated as appraisal NOI minus depreciation divided by the total acquisition price of the five hotels, where depreciation is an estimated value calculated by IIA using the straight-line method. Average post-depreciation NOI yield, calculated by IIA based on the real estate appraisal report, is not the actual number in the report, and may not reflect the actual post-acquisition post-depreciation NOI yield.

3. Hotel Lease Status

(1) Lessees

Hotel No.	Hotel Name	Lessee
029	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	Greens Co., Ltd.
030	HOTEL THE KNOT YOKOHAMA	K.K. Hospitality Operations
031	Quintessa Hotel Ise Shima	Core Global Management Co., Ltd.
032	Quintessa Hotel Ogaki	Core Global Management Co., Ltd.
033	THE KNOT SAPPORO	Hakata Hotels Inc.

(2) Date of Change in Lease Contract

April 3, 2023 (Expected)

(3) For details on the lease terms, please refer to 4. Acquisition Details below.

(4) Lessees meet Ichigo Hotel’s selection criteria.

(Note: If Ichigo Hotel is the lessee under a master lease contract, then the tenant refers to the sub-lessee.)

4. Acquisition Details

Notes to Acquisition Details

- The location and description of each hotel are based on information obtained by IIA via real estate appraisal reports, building evaluation reports, market reports, and publicly available information on the builders’ websites.
- Legal Form of Asset is a type of specified real estate asset.
- Trustee refers to the trustee as of today or the expected trustee.

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- Period of Trust Contract refers to the trust period specified under the trust contract as of Ichigo Hotel’s acquisition date.
- Location refers to the postal address (or the location in the real estate registry (if multiple locations are available, one of the multiple locations) if a postal address is not available) of the hotel.
- Land and Building Property Rights refer to the type of right to be acquired by Ichigo Hotel or the trustee. If Ichigo Hotel or the trustee is acquiring ownership of a building unit with a land right, the land right ratio in the real estate registry is included in parentheses.
- Land Area is the land area in the real estate registry.
- Zoning is the type of zoning stipulated in the City Planning Act Article 8, Clause 1, Item 1.
- Coverage Ratio is the ratio of the building to the land stipulated in the Building Standards Act Article 53, Clause 1, and is determined for each zone for city planning purposes. An asset may have more than one coverage ratio.
- Floor Area Ratio is the ratio of the building area to the land area stipulated in the Building Standards Act Article 52, and is determined for each zone for city planning purposes. An asset may have more than one floor area ratio.
- Building Use refers to the main use included in the real estate registry.
- Building Structure refers to the structure mentioned in the real estate registry. The following abbreviations are used with regards to structure: RC stands for reinforced concrete; SRC for steel-reinforced concrete; F for number of floors; and B for basement.
- Total Floor Area refers to the total floor area in the real estate registry, and does not include the area of attached buildings.
- Date Built refers to the date built in the real estate registry.
- Appraiser refers to the author of the real estate appraisal report
- Appraisal Value, Appraisal Date, and Value by Direct Capitalization Method are based on the real estate appraisal report from the Appraiser.
- Names of the architect, builder, structural designer, and inspection agency are those as of when the building was built.
- Collateral refers to whether there is collateral after Ichigo Hotel’s acquisition.
- Lease Details refer to the tenant lease contracts for each hotel, excluding the Number of Tenants.
- Number of Tenants, Rental Income, Deposit, Leasable Area, and Leased Area are based on the lease contract and any other relevant memoranda of understanding effective as of each hotel’s acquisition date.
- Property Management Company refers to the property management companies appointed to provide property management services for each hotel as of each hotel’s acquisition date.
- Master Lease Company refers to the master lease companies appointed to provide master lease services for each hotel as of each hotel’s acquisition date.
- Master Lease Type refers to the main type of master lease contract. Pass-through refers to when the rent amount paid by the tenant to the master lease company is equal to the rent paid by the master lease company, and Rent Guarantee refers to when the master lease company pays a guaranteed rent, both under a master lease contract effective as of each hotel’s acquisition date.
- Appraisal NOI Yield = Appraisal NOI (Net Operating Income) in the real estate appraisal report divided by the Acquisition Price. This figure is independently calculated by IIA based upon the above data, and is therefore not in the real estate appraisal report itself and may differ from the actual NOI Yield.
- Post-Depreciation NOI Yield = Appraisal NOI in the real estate appraisal report

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minus Depreciation, divided by the Acquisition Price. Depreciation is independently calculated by IIA using the straight-line method, and the Post-Depreciation NOI Yield is calculated by IIA based upon the above data and are therefore not in the real estate appraisal report itself, and may differ from the actual post-depreciation NOI Yield.

- Special Items include items that significantly impact real estate rights and use, value, earnings, and disposal.

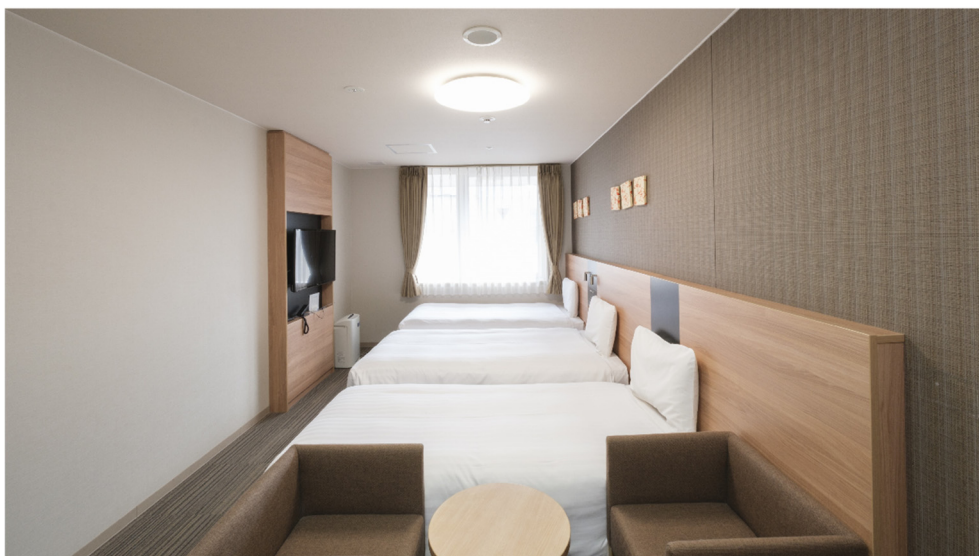
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(1) Description and Location of the Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)

The Comfort Hotel Osaka Shinsaibashi is a lodging-focused hotel with retail space located within a five-minute walk from Shinsaibashi Station on the Osaka Metro Midosuji and Nagahori Tsurumi-ryokuchi Lines, a five-minute walk from Nagahoribashi Station on the Osaka Metro Sakaisuji and Nagahori Tsurumi-ryokuchi Lines, and a ten-minute walk from the Kintetsu Nipponbashi Station on the Kintetsu Nara Line.

One of Osaka City’s main retail districts, the Shinsaibashi area is home to large retail facilities and restaurants, including department stores and flagship stores of high-end fashion brands located along Midosuji Street, and fast fashion stores and pharmacies located along Shinsaibashisuji Shopping Street.

The hotel offers convenient access to Osaka City’s major tourist attractions such as Universal Studios Japan and Kyocera Dome Osaka, thus allowing it to capture business demand as well as domestic and inbound leisure demand.



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Hotel Details						
Legal Form of Asset		Trust beneficiary interest in real estate (<i>juekiken</i>)				
Trustee		Mizuho Trust & Banking Co., Ltd.				
Period of Trust Contract		April 27, 2005 – April 30, 2033 (Expected)				
Location		1-15-15 Higashi Shinsaibashi, Chuo-ku, Osaka				
Land	Property Right	Freehold				
	Area	1,276.87m ²				
	Zoning	Commercial				
	Coverage Ratio Floor Area Ratio	80% 500%				
Building	Property Right	Freehold				
	Use	Hotel, Retail				
	Structure	Steel/RC, B1/11F				
	Total Floor Area	6,114.29m ²				
	Date Built	September 6, 2002				
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.				
Appraisal Value		JPY 3,860,000,000				
Appraisal Date		January 1, 2023				
Value by Direct Capitalization Method		JPY 3,990,000,000				
Number of Guest Rooms		214				
Architect		Konoike Construction Co., Ltd., Osaka Branch, First-Class Registered Architects Office				
Builder		Konoike Construction Co., Ltd., Osaka Branch				
Structural Designer		Konoike Construction Co., Ltd., Osaka Branch, First-Class Registered Architects Office				
Inspection Agency		The Building Center of Japan				
PML (Assessor)		2.5% (Sompo Risk Management Inc.)				
Collateral		None				
Lease Details						
Tenant Overview						
Number of Tenants		5				
Rental Income		The hotel operator did not provide consent to disclose lease details. Ichigo Hotel has a variable-rent lease with the operator.				
Deposit		Lease deposit: JPY 135,644,160. No guarantee deposit.				
Leasable Area		5,760.79m ²				
Leased Area		5,453.97m ²				
Occupancy		September 2022	October 2022	November 2022	December 2022	January 2023
		94.7%	94.7%	94.7%	94.7%	94.7%

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Property Management Company	Itochu Urban Community Co., Ltd.
Master Lease Company	Ichigo Hotel
Master Lease Type	Pass-through
Appraisal NOI Yield	4.7%
Post-Depreciation NOI Yield	4.1%
Special Items	
<p>1. A monthly electric transmission and distribution system inspection report indicates the following issue with the building. The seller has agreed to rectify the issue at the seller's expense by the acquisition date.</p> <p>(1) The generator testing function is faulty.</p>	

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Appraisal Details		
Hotel Name	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	
Appraisal Value	JPY 3,860,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	January 1, 2023	
	Amount	Note
Appraisal Value	JPY 3,860,000,000	Calculated using a DCF valuation derived from expected net profit as a basis
Value by Direct Capitalization Method	JPY 3,990,000,000	
Income	JPY 252,210,149	Based on expected income and reference to similar assets
Maximum Obtainable Rental Income	JPY 256,110,169	
Vacancy Loss	JPY 3,900,020	
Expenses	JPY 78,186,445	
Administrative & Maintenance Expenses	JPY 15,692,392	Based on actual amounts
Utility Expenses	JPY 28,204,828	Based on actual amounts
Repair Expenses	JPY 5,625,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	JPY 2,722,794	Based on documents submitted by Ichigo Hotel
Leasing Brokerage Fees	JPY 523,360	Based on a 10% p.a. turnover rate (retail section)
Taxes	JPY 22,527,600	Based on FY2022 tax reports
Insurance Premiums	JPY 1,125,000	Based on insurance documents
Other Expenses	JPY 1,765,471	Based on actual amounts and reference to similar assets
Net Operating Income (NOI)	JPY 174,023,704	
Income on Investment of Deposits Received	JPY 1,951,562	Based on 1.0% investment yield for deposits
Capital Expenditure	JPY 12,375,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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	FF&E Reserve	–	Borne by tenant
	Net Profit	JPY 163,600,266	
	Cap Rate	4.1%	Based on transactions of similar assets located in nearby areas and similar locations
	Value via DCF Method	JPY 3,800,000,000	
	Discount Rate	4.2%	Base rate adjusted for individual risks assuming a holding period of ten years
	Terminal Cap Rate	4.3%	Cap rate adjusted for uncertainties
	Value via Cost Approach	JPY 4,330,000,000	
	Ratio of Land	84.2%	Land value divided by total land and building value
	Ratio of Building	15.8%	Building value divided by total land and building value
Notes			
None			

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(2) Location and Description of HOTEL THE KNOT YOKOHAMA

The hotel is a boutique hotel located within a five-minute walk from the JR Yokohama Station.

The area around Yokohama Station West Exit is a busy retail district home to various retail facilities including JR Yokohama Tower, a Yokohama landmark, the Takashimaya department store, large-scale retail stores such as Yodobashi Camera electronic store, and various stores located along the main street, Palnade Dori. The adjacent Yokohama Minami Saiwai District is currently undergoing development, with Aeon Mall, the main tenant, scheduled to open in fall 2023.

The hotel's convenient location and passenger ship-inspired single-bed rooms and twin-bed rooms allow it to capture both tourism and business demand.



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Hotel Details		
Legal Form of Asset		Trust beneficiary interest in real estate (<i>juekiken</i>)
Trustee		Mitsubishi UFG Trust and Bank Corporation
Period of Trust Contract		March 31, 2016 – April 30, 2033 (Expected)
Location		2-16-28 Minami-Saiwai, Nishi-ku, Yokohama, Kanagawa
Land	Property Right	Freehold
	Area	854.06m ²
	Zoning	Commercial
	Coverage Ratio Floor Area Ratio	80% 700%
Building	Property Right	Freehold
	Use	Hotel
	Structure	SRC 10F
	Total Floor Area	5,794.75m ²
	Date Built	January 20, 1984
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Value		JPY 5,520,000,000
Appraisal Date		January 1, 2023
Value by Direct Capitalization Method		JPY 5,720,000,000
Number of Guest Rooms		145
Architect		Honda Sekkei
Builder		Nara Construction Co., Ltd.
Structural Designer		Honda Sekkei
Inspection Agency		Yokohama City
PML (Assessor)		10.8% (Sompo Risk Management Inc.)
Collateral		None
Lease Details		
Tenant Overview		
Number of Tenants		2
Rental Income		Minimum Guaranteed Rent*: JPY 98,921,800 p.a. Variable Rent: Monthly GOP (Gross Operating Profit) – (Monthly Minimum Guaranteed Rent + Percentage of Monthly Revenue + Percentage of Monthly GOP) *Minimum Guaranteed Rent from March 1, 2022 to February 28, 2023
Deposit ¹		No lease or guarantee deposit.
Leasable Area		5,794.75m ²
Leased Area		5,794.75m ²

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Occupancy	September 2022	October 2022	November 2022	December 2022	January 2023
		100%	100%	100%	100%
Property Management Company	Shimizu Comprehensive Development Corporation				
Master Lease Company	Ichigo Hotel				
Master Lease Type	Pass-through				
Appraisal NOI Yield	5.6%				
Post-Depreciation NOI Yield	4.9%				
Special Items					
<p>1. Although the hotel does not have the number of parking spaces required under Yokohama City’s parking lot regulations, the lessee has secured hourly parking spaces via contracts with nearby parking lots, and received confirmation from Yokohama City that the City will not formally order the hotel to rectify the situation.</p> <p>2. A building evaluation report indicates the following issues with the building. The seller has agreed to rectify them at the seller’s expense by the acquisition date.</p> <p>(1) Although the third-floor lobby was designed as a single lobby and hallway space under the building plans, it is currently divided into the lobby hallway, office, storage room, and smoking room, and it cannot be confirmed whether there is sufficient natural smoke ventilation.</p> <p>(2) The door of the first-floor break room, which is a smoke prevention section similar to the lobby hall, has been removed. Although fire-fighting equipment was installed near the smoke exhaust window indicated in the renovation plans, the window is not properly functioning, and it cannot be confirmed whether there is sufficient smoke ventilation.</p>					

¹ The lease details include the rent, lease deposit, and guarantee deposit under the hotel lease contract. There is a separate lease contract for the retail space of the hotel.

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Appraisal Details		
Hotel Name	HOTEL THE KNOT YOKOHAMA	
Appraisal Value	JPY 5,520,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	January 1, 2023	
	Amount	Note
Appraisal Value	JPY 5,520,000,000	Calculated using a DCF valuation derived from expected net profit as a basis
Value by Direct Capitalization Method	JPY 5,720,000,000	
Income	JPY 304,784,304	Based on income forecasts and reference to similar assets
Maximum Obtainable Rental Income	JPY 304,784,304	
Vacancy Loss	–	
Expenses	JPY 34,022,722	
Administrative & Maintenance Expenses	–	Borne by tenant
Utility Expenses	–	Borne by tenant
Repair Expenses	JPY 9,900,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	JPY 1,440,000	Based on property management reports
Leasing Brokerage Fees	–	
Taxes	JPY 20,168,800	Based on FY2022 tax reports
Insurance Premiums	JPY 990,000	Based on reference to similar assets
Other Expenses	JPY 1,523,922	Based on reference to similar assets
Net Operating Income (NOI)	JPY 270,761,582	
Income on Investment of Deposits Received	–	
Capital Expenditure	JPY 21,780,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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		FF&E Reserve	JPY 8,700,000	Based on reference to similar assets
		Net Profit	JPY 240,281,582	
		Cap Rate	4.2%	Based on transactions of similar assets located in nearby areas and similar locations
		Value via DCF Method	JPY 5,430,000,000	
		Discount Rate	4.3%	Base rate adjusted for individual risks assuming a holding period of ten years
		Terminal Cap Rate	4.4%	Cap rate adjusted for uncertainties
		Value via Cost Approach	JPY 5,440,000,000	
		Ratio of Land	90.4%	Land value divided by total land and building value
		Ratio of Building	9.6%	Building value divided by total land and building value
Notes				
None				

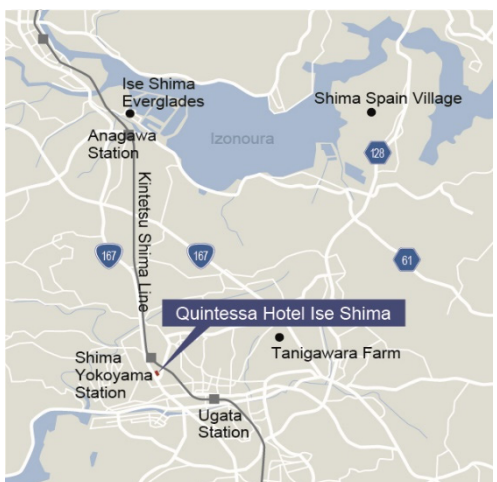
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(3) Location and Description of the Quintessa Hotel Ise Shima

The hotel is a lodging-focused hotel located within a three-minute walk from Shima Yokoyama Station on the Kintetsu Shima Line and a ten-minute walk from Ugata Station on the Kintetsu Shima Line.

Part of the Ise-Shima National Park, Ise City is an area filled with nature and an archipelago where the 2016 G7 Ise Shima Summit was held. There are many Japanese-style inns, hotels, and recreational facilities in Ise, which is known for its beautiful scenery overlooking Ago Bay and its proximity to Kashiko Island, one of Mie Prefecture's major tourist attractions.

The hotel offers convenient access to surrounding areas including Toba and Ise Cities via train and car, allowing it to flexibly accommodate the diverse needs of travelers, including tourists, students on school trips, and business travelers.



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Hotel Details		
Legal Form of Asset		Trust beneficiary interest in real estate (<i>juekiken</i>)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Period of Trust Contract		January 20, 2017 – April 30, 2033 (Expected)
Location		1210-1, Ugata, Agocho, Ise City, Mie
Land	Property Right	Freehold
	Area	4,341.37m ²
	Zoning	Not designated
	Coverage Ratio Floor Area Ratio	60% 200%
Building	Property Right	Freehold
	Use	Hotel
	Structure	Steel B1F/9F
	Total Floor Area	11,523.25m ²
	Date Built	February 10, 1998
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Value		JPY 633,000,000
Appraisal Date		January 1, 2023
Value by Direct Capitalization Method		JPY 612,000,000
Number of Guest Rooms		150
Architect		Penta-Ocean Construction Co., Ltd., Nagoya Branch, First-Class Registered Architects Office
Builder		Penta-Ocean Construction Co., Ltd., Nagoya Branch
Structural Designer		Penta-Ocean Construction Co., Ltd.
Inspection Agency		Agocho
PML (Assessor)		8.8% (Sompo Risk Management Inc.)
Collateral		None
Lease Details		
Tenant Overview		
Number of Tenants		1
Rental Income		Minimum Guaranteed Rent*: JPY 41,089,489 p.a. Variable Rent: Monthly GOP (Gross Operating Profit) – (Monthly Minimum Guaranteed Rent + Percentage of Monthly Revenue + Percentage of Monthly GOP) *Minimum Guaranteed Rent from March 1, 2022 to February 28, 2023
Deposit		No lease or guarantee deposit.
Leasable Area		11,523.25m ²
Leased Area		11,523.25m ²

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Occupancy	September 2022	October 2022	November 2022	December 2022	January 2023
		100%	100%	100%	100%
Property Management Company	Shimizu Comprehensive Development Corporation				
Master Lease Company	Ichigo Hotel				
Master Lease Type	Pass-through				
Appraisal NOI Yield	11.7%				
Post-Depreciation NOI Yield	8.6%				
Special Items					
<ol style="list-style-type: none"> 1. The building was built prior to the revised building regulations, and the building's floor area ratio exceeds the floor area ratio limit stipulated in the current regulations. 2. A building evaluation report indicates the following issue with the building. The seller has agreed to rectify the issue at the seller's expense by the acquisition date. <ol style="list-style-type: none"> (1) A vent in one of the walls of the B1F garbage area and parking lot is left open. 					

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Appraisal Details		
Hotel Name	Quintessa Hotel Ise Shima	
Appraisal Value	JPY 633,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	January 1, 2023	
	Amount	Note
Appraisal Value	JPY 633,000,000	Calculated using a DCF valuation derived from expected net profit as a basis
Value by Direct Capitalization Method	JPY 612,000,000	
Income	JPY 99,569,304	Based on expected income and reference to similar assets
Maximum Obtainable Rental Income	JPY 99,569,304	
Vacancy Loss	–	
Expenses	JPY 28,240,424	
Administrative & Maintenance Expenses	–	Borne by tenant
Utility Expenses	–	Borne by tenant
Repair Expenses	JPY 14,364,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	JPY 1,680,000	Based on Ichigo Hotel interviews and reference to similar assets
Leasing Brokerage Fees	–	
Taxes	JPY 9,704,300	Based on FY2022 tax reports
Insurance Premiums	JPY 1,596,000	Based on reference to similar assets
Other Expenses	JPY 896,124	Based on reference to similar assets
Net Operating Income (NOI)	JPY 71,328,880	
Income on Investment of Deposits Received	–	
Capital Expenditure	JPY 33,516,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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	FF&E Reserve	JPY 6,000,000	Based on repair expenses and capital expenditure
	Net Profit	JPY 31,812,880	
	Cap Rate	5.2%	Based on transactions of similar assets located in nearby areas and similar locations
	Value via DCF Method	JPY 642,000,000	
	Discount Rate	5.3%	Base rate adjusted for individual risks assuming a holding period of ten years
	Terminal Cap Rate	5.4%	Cap rate adjusted for uncertainties
	Value via Cost Approach	JPY 666,000,000	
	Ratio of Land	12.9%	Land value divided by total land and building value
	Ratio of Building	87.1%	Building value divided by total land and building value
Notes			
None			

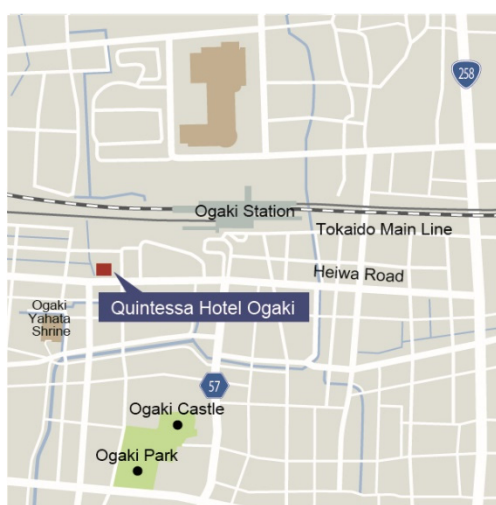
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(4) Location and Description of the Quintessa Hotel Ogaki

The Quintessa Hotel Ogaki is a lodging-focused hotel located within a five-minute walk from Ogaki Station on the JR Tokaido Line, Yoro Railway Yoro Line, and Tarumi Railway Tarumi Line.

Ogaki City is located in the center of Japan and is the second most populous city in Gifu Prefecture, which has historically been a strategic area for east-to-west transport and facilitating economic and cultural exchange. The JR Tokaido Line and Meishin Highway run through Ogaki City, offering convenient access to Nagoya and major cities in the Kanto and Kansai areas.

The hotel's rooms are at least 20m² in size, and can be used by both business and leisure travelers. The hotel also has conference rooms and banquet halls, which are not widely available in the surrounding area and thus can flexibly accommodate the diverse needs of guests.



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Hotel Details		
Legal Form of Asset		Trust beneficiary interest in real estate (<i>juekiken</i>)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Period of Trust Contract		May 31, 2017 – April 30, 2033 (Expected)
Location		1-13 Miyamachi, Ogaki City, Gifu
Land	Property Right	Freehold
	Area	(1) 1,592.95m ² (2) 691.23m ²
	Zoning	Commercial
	Coverage Ratio Floor Area Ratio	80% 500%, 400%
Building	Property Right	Freehold
	Use	(1) Hotel (2) Parking lot
	Structure	(1) SRC/RC, B1F/12F (2) Steel 1F
	Total Floor Area	(1) 7,798.78m ² (2) 84.51m ²
	Date Built	June 22, 1989
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Value		JPY 1,130,000,000
Appraisal Date		January 1, 2023
Value by Direct Capitalization Method		JPY 1,130,000,000
Number of Guest Rooms		98
Architect		Kume Construction
Builder		Takenaka Corporation, Nagoya Branch
Structural Designer		Kume Construction
Inspection Agency		Ogaki City
PML (Assessor)		2.0% (Sompo Risk Management Inc.)
Collateral		None
Lease Details		
Tenant Overview		
Number of Tenants		1
Rental Income		Minimum Guaranteed Rent*: JPY 30,898,380 p.a. Variable Rent: Monthly GOP (Gross Operating Profit) – (Monthly Minimum Guaranteed Rent + Percentage of Monthly Revenue + Percentage of Monthly GOP) *Minimum Guaranteed Rent from March 1, 2022 to February 28, 2023
Deposit		No lease or guarantee deposit.
Leasable Area		7,883.29m ²
Leased Area		7,883.29m ²

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Occupancy	September 2022	October 2022	November 2022	December 2022	January 2023
	100%	100%	100%	100%	100%
Property Management Company	Shimizu Comprehensive Development Corporation				
Master Lease Company	Ichigo Hotel				
Master Lease Type	Pass-through				
Appraisal NOI Yield	9.9%				
Post-Depreciation NOI Yield	7.2%				
Special Items					
<ol style="list-style-type: none"> 1. An elevator inspection report indicates the main control and brake control unit has not been replaced within the time frame specified by the manufacturer, which the seller has agreed to rectify at the seller's expense by the acquisition date. 2. The building parking lot is currently not in operation, and has not been inspected. 					

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Appraisal Details		
Hotel Name	Quintessa Hotel Ogaki	
Appraisal Value	JPY 1,130,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	January 1, 2023	
	Amount	Note
Appraisal Value	JPY 1,130,000,000	Calculated using a DCF valuation derived from expected net profit as a basis
Value by Direct Capitalization Method	JPY 1,130,000,000	
Income	JPY 142,338,264	Based on expected income and reference to similar assets
Maximum Obtainable Rental Income	JPY 142,338,264	
Vacancy Loss	–	
Expenses	JPY 36,056,730	
Administrative & Maintenance Expenses	–	Borne by tenant
Utility Expenses	–	Borne by tenant
Repair Expenses	JPY 18,980,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	JPY 1,440,000	Based on conditions provided by Ichigo Hotel
Leasing Brokerage Fees	–	
Taxes	JPY 13,322,700	Based on FY2022 tax reports
Insurance Premiums	JPY 1,460,000	Based on reference to similar assets
Other Expenses	JPY 854,030	Based on actual amounts and reference to similar assets
Net Operating Income (NOI)	JPY 106,281,534	
Income on Investment of Deposits Received	–	
Capital Expenditure	JPY 43,800,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations

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		FF&E Reserve	JPY 4,900,000	Based on repair expenses and capital expenditure
		Net Profit	JPY 57,581,534	
		Cap Rate	5.1%	Based on transactions of similar assets located in nearby areas and similar locations
		Value via DCF Method	JPY 1,130,000,000	
		Discount Rate	5.2%	Base rate adjusted for individual risks assuming a holding period of ten years
		Terminal Cap Rate	5.3%	Cap rate adjusted for uncertainties
		Value via Cost Approach	JPY 1,190,000,000	
		Ratio of Land	31.5%	Land value divided by total land and building value
		Ratio of Building	68.5%	Building value divided by total land and building value
Notes				
None				

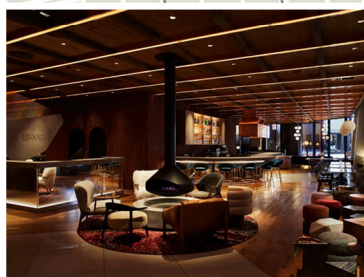
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(5) Location and Description of THE KNOT SAPPORO

THE KNOT SAPPORO is a boutique hotel located within a two-minute walk from Susukino Station on the Sapporo Municipal Subway Namboku Line.

The hotel is located between Odori Station, where large department stores such as Mitsukoshi are located, and Susukino Station, where one of Japan's largest entertainment districts is located, in a busy area close to the Tanukikoji Shopping Street, a major tourist spot. There are multiple development projects scheduled in the surrounding areas.

Designed based on the theme of "Modern & Nature," the hotel's single-bed rooms and twin-bed rooms allow it to flexibly accommodate both inbound tourism demand and business demand.



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Hotel Details		
Legal Form of Asset		Trust beneficiary interest in real estate (<i>juekiken</i>)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Period of Trust Contract		April 3, 2023 – April 30, 2033 (Expected)
Location		3-16-2, Minami Sanjo Nishi, Chuo-ku, Sapporo, Hokkaido
Land	Property Right	Freehold, Leasehold
	Area	609.26m ²
	Zoning	Commercial
	Coverage Ratio Floor Area Ratio	80% 800%
Building	Property Right	Freehold
	Use	Hotel
	Structure	Steel/SRC, B1F/13F
	Total Floor Area	5,153.60m ²
	Date Built	February 28, 2020
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Value		JPY 5,210,000,000
Appraisal Date		January 1, 2023
Value by Direct Capitalization Method		JPY 5,360,000,000
Number of Guest Rooms		140
Architect		Iwata Chizaki Inc.
Builder		Iwata Chizaki Inc.
Structural Designer		Kume Sekkei Co., Ltd.
Inspection Agency		Japan ERI Co., Ltd.
PML (Assessor)		0.3% (Sompo Risk Management Inc.)
Collateral		None
Lease Details		
Tenant Overview		
Number of Tenants		3
Rental Income		Minimum Guaranteed Rent*: JPY 50,218,264 p.a. Variable Rent: Monthly GOP (Gross Operating Profit) – (Monthly Minimum Guaranteed Rent + Percentage of Monthly Revenue + Percentage of Monthly GOP) *Minimum Guaranteed Rent from March 1, 2022 to February 28, 2023
Deposit ¹		No lease or guarantee deposit.
Leasable Area		4,828.49m ²
Leased Area		4,828.49m ²

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Occupancy	September 2022	October 2022	November 2022	December 2022	January 2023
		100%	100%	100%	100%
Property Management Company	Tokyo Capital Management Co., Ltd.				
Master Lease Company	Ichigo Hotel				
Master Lease Type	Pass-through				
Appraisal NOI Yield	4.9%				
Post-Depreciation NOI Yield	4.1%				
Special Items					
<ol style="list-style-type: none"> 1. Land size includes a leasehold. The leased land size is 226.37m². 2. If the leasehold is transferred to a third party, Ichigo Hotel will pay a consent fee to the lessor and consent to transfer the leasehold will be provided beforehand. 					

¹ The lease details include the rent, lease deposit, and guarantee deposit under the hotel lease contract. There is a separate lease contract for the retail space of the hotel.

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Appraisal Details		
Hotel Name	THE KNOT SAPPORO	
Appraisal Value	JPY 5,210,000,000	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	January 1, 2023	
	Amount	Note
Appraisal Value	JPY 5,210,000,000	Calculated using an income approach, with a DCF valuation derived from expected net profit as a basis
Value by Direct Capitalization Method	JPY 5,360,000,000	
Income	JPY 285,569,210	Based on expected income and reference to similar assets
Maximum Obtainable Rental Income	JPY 286,749,360	
Vacancy Loss	JPY 1,180,150	
Expenses	JPY 43,493,849	
Administrative & Maintenance Expenses	–	Borne by tenant
Utility Expenses	1,057,630	Based on actual amounts
Repair Expenses	JPY 2,280,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
PM Fee	JPY 1,560,000	Based on PM interviews
Leasing Brokerage Fees	JPY 204,550	Based on a 10% p.a. turnover rate (retail section)
Taxes	JPY 25,106,100	Based on FY2022 tax reports
Insurance Premiums	JPY 760,000	Based on reference to similar assets
Other Expenses	JPY 12,525,569	Based on reference to similar assets
Net Operating Income (NOI)	JPY 242,075,361	
Income on Investment of Deposits Received	JPY 71,779	Based on a 1.0% investment yield for the retail section deposit
Capital Expenditure	JPY 4,560,000	Based on engineering reports, reference to similar assets, and a 3:7 (Repair Expenses: Capital Expenditure) allocation based on the Corporate Tax Law Basic Interpretive Regulations
FF&E Reserve	JPY 7,000,000	Based on reference to similar assets

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	Net Profit	JPY 230,587,140	
	Cap Rate	4.3%	Based on transactions of similar assets located in nearby areas and similar locations
	Value via DCF Method	JPY 5,150,000,000	
	Discount Rate	4.4%	Base rate adjusted for individual risks assuming a holding period of ten years
	Terminal Cap Rate	4.5%	Cap rate adjusted for uncertainties
	Value via Cost Approach	JPY 4,890,000,000	
	Ratio of Land	66.3%	Land value divided by total land and building value
	Ratio of Building	33.7%	Building value divided by total land and building value
Notes			
None			

5. Seller Profiles

Name	GK Shinsaibashi Jisho Tokumei Kumiai
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative	Managing Member: Ippan Shadan Hojin IES2 Manager: Takehisa Tei
Principal Businesses	1. Investment in trust beneficiary interests (<i>juekiken</i>) 2. Acquisition, development, holding, disposition, leasing, and management of real estate 3. Acquisition, holding, and disposition of shares and equity interests of businesses relating to the aforementioned businesses 4. Other businesses relating to the above businesses
Capital	JPY 100,000
Establishment Date	March 26, 2010
Relationship with Ichigo Hotel or IIA	Although the seller is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, it is a related party as defined in IIA's internal rules because Ichigo, IIA's 100% shareholder, a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, is a silent partner, and the seller receives asset management advice from Ichigo Estate, a related party.

Note: Because GK Shinsaibashi Jisho Tokumei Kumiai is a related party as specified in IIA's internal rules, Ichigo Hotel fully implemented its related party transaction procedures and received approval from its Board of Directors. Ichigo is a silent partner, and 100% shareholder of GK Shinsaibashi Jisho Tokumei Kumiai. Ichigo Hotel has obtained third-party appraisals on the acquired hotels and has cross-checked the third-party appraisals with additional third-party second opinion appraisals.

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Name	Ichigo Estate	
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo	
Representative	Representative Director & President Yasuhide Hosono	
Capital	JPY 500 million	
Establishment Date	November 10, 2005	
Principal Business	Sustainable real estate, preserving and improving existing real estate	
Net Assets	JPY 14,527 million (as of February 28, 2022)	
Total Assets	JPY 79,574 million (as of February 28, 2022)	
Major Shareholder and Shareholding Ratio	Ichigo 100% (as of February 28, 2022)	100%
Relationship with Ichigo Hotel or IIA	Ichigo Estate is a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law and the internal rules of IIA.	

6. Ownership History

Hotel Name	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)		
Overview	Current Owner	Previous Owner	Previous Owner
Name	GK Shinsaibashi Jisho Tokumei Kumiai	Ichigo Real Estate Investment Corporation (currently, Ichigo Office)	Unrelated Party
Relationship to Ichigo Hotel	Please refer to 5. Seller Profiles above.	Although Ichigo Real Estate Investment Corporation is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, it is a related party as specified in IIA's internal rules because it receives asset management advice from IIA.	—
Acquisition Rationale	Investment	Investment (Long-term investment as J-REIT)	—
Acquisition Price	JPY 2,810,000,000	Omitted because the asset was held for more than one year	—
Acquisition Date	May 2015	October 2005	—

Note: Ichigo Hotel's acquisition price of the hotel is greater than the acquisition price of GK Shinsaibashi Jisho Tokumei Kumiai's acquisition from the previous owner, Ichigo Real Estate Investment Corporation (currently, Ichigo Office), but is lower than the appraisal value. Ichigo Hotel has confirmed the reasonableness of the hotel's

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acquisition price based on the increase in asset value as a result of increased earnings due to Ichigo’s value-add, rent increase, and reductions in operating expenses.

Hotel Name	HOTEL THE KNOT YOKOHAMA	
Overview	Current Owner	Previous Owner
Name	Ichigo Estate	Unrelated Party
Relationship to Ichigo Hotel	Please refer to 5. Seller Profiles above.	—
Acquisition Rationale	Investment	—
Acquisition Price	JPY 2,289,000,000	—
Acquisition Date	March 2016	—

Note: Ichigo Hotel’s acquisition price of the hotel is greater than Ichigo Estate’s acquisition price, which it acquired via sponsor Ichigo’s sourcing network, but is lower than the appraisal value. Ichigo Hotel has confirmed the reasonableness of the hotel’s acquisition price based on the increase in asset value as a result of increased earnings due to Ichigo’s value-add, rent increase, and reductions in operating expenses.

Hotel Name	Quintessa Hotel Ise Shima	
Overview	Current Owner	Previous Owner
Name	Ichigo Estate	Unrelated Party
Relationship to Ichigo Hotel	Please refer to 5. Seller Profiles above.	—
Acquisition Rationale	Investment	—
Acquisition Price	JPY 541,000,000	—
Acquisition Date	January 2017	—

Note: Ichigo Hotel’s acquisition price of the hotel is greater than the acquisition price of Ichigo Estate’s acquisition, which it acquired via sponsor Ichigo’s sourcing network, but is lower than the appraisal value. Ichigo Hotel has confirmed the reasonableness of the hotel’s acquisition price based on the increase in asset value as a result of increased earnings due to Ichigo’s value-add, rent increase, and reductions in operating expenses.

Hotel Name	Quintessa Hotel Ogaki	
Overview	Current Owner	Previous Owner
Name	Ichigo Estate	Unrelated Party
Relationship to Ichigo Hotel	Please refer to 5. Seller Profiles above.	—
Acquisition Rationale	Investment	—
Acquisition Price	JPY 1,243,000,000	—
Acquisition Date	May 2017	—

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Hotel Name	THE KNOT SAPPORO		
Overview	Current Owner	Previous Owner	
	Name	Ichigo Estate	None
	Relationship to Ichigo Hotel	Please refer to 5. Seller Profiles above.	—
	Acquisition Rationale	Investment	—
	Acquisition Price	JPY 3,519,000,000	—
	Acquisition Date	March 2020	—

Note: Ichigo, Ichigo Hotel’s sponsor, built THE KNOT SAPPORO to sell to Ichigo Hotel. Ichigo Hotel’s acquisition price of the hotel is greater than Ichigo Estate’s acquisition price, but is lower than the appraisal value. Ichigo Hotel has confirmed the reasonableness of the hotel’s acquisition price based on the increase in asset value as a result of increased earnings due to Ichigo’s value-add, rent increase, and reductions in operating expenses.

7. Broker Profile

N/A

8. Acquisition Schedule

Ichigo Hotel Board Resolution Date	March 16, 2023
Contract Date	March 16, 2023
Acquisition and Settlement Date	April 3, 2023 (Expected)

9. Earnings Impact

Ichigo Hotel’s July 2023 and January 2024 fiscal period earnings forecasts have been announced in today’s releases “January 2023 Fiscal Period Earnings Results Versus Forecast and Earnings Forecast Revision for the July 2023 Fiscal Period” and “January 2023 Fiscal Period Earnings,” respectively.

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Appendix A: Engineering Report Summary

Hotel No.	Hotel Name	Inspector Name	Inspection Date	Short-Term Repair Expenses ¹	Long-Term Repair Expenses ² (JPY thousand)
029	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	Tokyo Marine dR Co., Ltd.	February 2023	–	18,408
030	HOTEL THE KNOT YOKOHAMA			–	29,287
031	Quintessa Hotel Ise Shima			–	41,758
032	Quintessa Hotel Ogaki			–	55,108
033	THE KNOT SAPPORO	Daiwa Real Estate Appraisal Co., Ltd.		–	8,332

¹ Short-Term Repair Expenses are defined as repair expenses considered necessary beyond the scope of ordinary maintenance within a year from the time of inspection.

² Long-Term Repair Expenses are defined as cumulative repair expenses considered necessary for the maintenance of the hotel within twelve years from the time of inspection.

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Appendix B: Post-Acquisition Portfolio

Hotel No. ¹	Hotel Name	Prefecture	Lease Terms	Acquisition Price ² (JPY million)	% of Portfolio ³
A-1 004	Nest Hotel Sapporo Ekimae	Hokkaido	Variable Rent	2,160	3.1
A-2 008	Nest Hotel Sapporo Odori	Hokkaido	Variable Rent	1,450	2.1
A-3 018	Comfort Hotel Kushiro	Hokkaido	Fixed Rent	300	0.4
A-4 033	THE KNOT SAPPORO	Hokkaido	Variable Rent	4,900	7.0
B-1 020	Capsule Plus Yokohama	Kanagawa	Variable Rent	1,490	2.1
B-2 027	Smile Hotel Nagano	Nagano	Variable Rent	670	1.0
B-3 028	Hotel Sunshine Utsunomiya	Tochigi	Fixed Rent	2,200	3.1
B-4 030	HOTEL THE KNOT YOKOHAMA	Kanagawa	Variable Rent	4,800	6.9
C-1 012	Smile Hotel Tokyo Asagaya	Tokyo	Variable Rent	3,910	5.6
C-3 016	Hotel Livemax Nihombashi-Hakozaki	Tokyo	Fixed Rent	1,360	1.9
C-4 025	The OneFive Tokyo Shibuya	Tokyo	Variable Rent	3,700	5.3
D-1 006	Comfort Hotel Hamamatsu	Shizuoka	Fixed Rent	1,550	2.2
D-2 003	Hotel Wing International Nagoya	Aichi	Variable Rent	2,670	3.8
D-3 011	Comfort Hotel Central International Airport	Aichi	Fixed Rent	5,308	7.6
D-4 019	Comfort Hotel Suzuka	Mie	Fixed Rent	300	0.4
D-5 031	Quintessa Hotel Ise Shima	Mie	Variable Rent	610	0.9
D-6 032	Quintessa Hotel Ogaki	Gifu	Variable Rent	1,070	1.5
E-1 001	Smile Hotel Kyoto Shijo	Kyoto	Variable Rent	4,480	6.4
E-3 005	The OneFive Osaka Sakaisuji	Osaka	Variable Rent	1,630	2.3
E-4 007	Hotel Wing International Kobe Shin Nagata Ekimae	Hyogo	Variable Rent	1,490	2.1
E-5 010	Nest Hotel Osaka Shinsaibashi	Osaka	Variable Rent	7,600	10.9
E-6 029	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	Osaka	Variable Rent	3,700	5.3
F-1 017	The OneFive Okayama	Okayama	Variable Rent	1,200	1.7
F-2 015	Nest Hotel Matsuyama	Ehime	Variable Rent	1,610	2.3
F-3 021	Urbain Hiroshima Executive	Hiroshima	Fixed Rent	1,800	2.6
F-4 022	The OneFive Garden Kurashiki	Okayama	Variable Rent	1,725	2.5
F-5 024	Valie Hotel Hiroshima	Hiroshima	Variable Rent	1,500	2.1
F-6 026	Washington Hotel Plaza Shimonoseki Eki Nishi	Yamaguchi	Fixed Rent	1,080	1.5
G-1 009	The OneFive Fukuoka Tenjin	Fukuoka	Variable Rent	1,380	2.0

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Hotel No. ¹	Hotel Name	Prefecture	Lease Terms	Acquisition Price ² (JPY million)	% of Portfolio ³
G-3 023	Nest Hotel Kumamoto	Kumamoto	Variable Rent	2,220	3.2
Total 30 Hotels				69,863	100

¹ The initial letter (A, B, etc.) is a region code which identifies the area in which the hotel is located.

Code	Region	Prefectures
A	Hokkaido/Tohoku	Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima
B	Kanto	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Kanagawa, Yamanashi, Nagano, Niigata
C	Tokyo	Tokyo
D	Hokuriku/Tokai	Toyama, Ishikawa, Fukui, Gifu, Shizuoka, Aichi, Mie
E	Kinki	Osaka, Hyogo, Kyoto, Shiga, Nara, Wakayama
F	Chugoku/Shikoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Kagawa, Tokushima, Kochi, Ehime
G	Kyushu/Okinawa	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa

² Acquisition Price is the price as indicated in the purchase and sales agreement for the hotel (excluding fees and incidental expenses such as property, city planning, and consumption taxes). The assets to be acquired may include personal property.

³ % of Portfolio is the Acquisition Price of each hotel as a percentage of the Total Acquisition Price for the portfolio, rounded to the nearest tenth.

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