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September 17, 2026

July 2026 Fiscal Period Earnings

Ichigo Hotel REIT Investment Corporation ("Ichigo Hotel," Tokyo Stock Exchange, 3463)
Representative: Eriko Ishii, Executive Director
www.ichigo-hotel.co.jp/en

Ichigo Investment Advisors Co., Ltd. (Asset Management Company)
Representative: Hiroshi Iwai, President
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Telephone: +81-3-4485-5232

Submission of Financial Report (*Yuka Shoken Hokokusho*): October 28, 2026 (expected)
Dividend Payment: October 20, 2026 (expected)
Supplemental Material to Financial and Business Results: Yes (Corporate Presentation)
Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. Financial Results for the July 2026 Fiscal Period (February 1, 2026 to July 31, 2026)

(1) Earnings

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
July 2026	2,902	-7.8%	1,625	-5.7%	1,232	-9.1%	1,231	-9.1%
January 2026	3,148	+3.2%	1,724	-0.6%	1,355	-1.7%	1,354	-1.7%

	Net Income per Share (JPY)	Return on Equity (6 months)	Recurring Profit to Total Assets (6 months)	Recurring Profit to Operating Revenue
July 2026	3,760	3.0%	1.5%	42.5%
January 2026	4,136	3.3%	1.7%	43.0%

Note: Net Income per Share is based on the average number of outstanding shares during the period.

(2) Dividends

	Dividend per Share (JPY)	Total Dividends (JPY million)	Dividend per Share in Excess of Earnings (JPY)	Total Dividends in Excess of Earnings (JPY million)	Payout Ratio	Dividend on Equity (DOE)
July 2026	3,761	1,231	–	–	100.0%	3.0%
January 2026	4,136	1,354	–	–	100.0%	3.3%

(3) Assets and Equity

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
July 2026	80,807	40,929	50.7%	124,979
January 2026	81,290	41,052	50.5%	125,354

(4) Cash Flows

(JPY million)

	Cash Flows from Operations	Cash Flows from Investments	Cash Flows from Financing	Cash and Cash Equivalents at End of the Period
July 2026	2,872	-1,704	-1,356	6,923
January 2026	2,580	-4,092	624	7,112

2. Earnings Forecasts for the January 2027 Fiscal Period (August 1, 2026 to January 31, 2027) and July 2027 Fiscal Period (February 1, 2027 to July 31, 2027)

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
January 2027	2,917	+0.5%	1,478	-9.0%	1,013	-17.8%	1,012	-17.8%
July 2027	2,934	+0.6%	1,518	+2.7%	1,016	+0.3%	1,015	+0.3%

(JPY)

	Dividend per Share	Dividend per Share in Excess of Earnings
January 2027	3,091	–
July 2027	3,101	–

Note: Forecast Net Income per Share is JPY 3,091 (-25.3% year-on-year) and JPY 3,100 (-17.6% year-on-year), respectively, for the January 2027 and July 2027 fiscal periods.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

(i)	Changes Accompanying Amendments to Accounting Standards	None
(ii)	Changes Not Listed in (i)	None
(iii)	Changes in Accounting Estimates	None
(iv)	Retrospective Restatements	None

(2) Number of Shares Issued and Outstanding

The number of issued and outstanding shares (including treasury shares) was 327,489 as of both January 31, 2026 and July 31, 2026.

Completion Status of Auditing Procedures

This document is not subject to the auditing requirements set forth in the Financial Instruments and Exchange Law of Japan. The auditing procedures in accordance with those requirements have thus not been completed as of the date of the publication of this document.

Appropriate Use of Forecasts and Other Matters of Special Note

The forecasts presented in this document are current figures based on certain preconditions. Accordingly, actual results may vary due to changes in circumstances, and these forecasts should not be construed as a guarantee of such results.

For details on the forecast preconditions, please refer to the “Preconditions for the January 2027 Earnings Forecast” on page 10 and “Preconditions for the July 2027 Earnings Forecast” on page 13.

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Table of Contents

1. Operating Results

(1) Operating Results

A. Summary of the Current Period

(a) Ichigo Hotel Overview

Ichigo Hotel REIT Investment Corporation ("Ichigo Hotel") was established on July 22, 2015, with Ichigo Investment Advisors Co., Ltd. ("Asset Management Company") as its incorporator and Ichigo Inc. as its sponsor, pursuant to the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the "Investment Trust Act"). At the time of establishment, the paid-in capital was JPY 300 million and the total number of shares issued was 3,000. Ichigo Hotel was listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market (securities code: 3463) on November 30, 2015.

(b) Investment Environment and Operating Results

During the July 2026 fiscal period, Japan's real GDP grew by 0.3% from the previous quarter (preliminary figures, 1.1% annualized) in the April to June 2026 quarter. Although personal consumption and capital investment were weak, external demand contributed to growth, resulting in a third consecutive quarter of positive growth and a moderate economic recovery. Meanwhile, inflation risk, interest rate risk, and geopolitical risk continue to require close monitoring.

According to estimates by the Japan National Tourism Organization (JNTO), the cumulative number of inbound tourists from January through July 2026 was 24.52 million, down 1.7% year-on-year. While China's Japan travel advisory continued to have an impact, inbound tourism from other markets, particularly East Asia excluding China and Southeast Asia, continued to grow. Going forward, Ichigo Hotel will closely monitor demand trends by country and region, appropriately capture seasonal tourism demand, and further strengthen its ability to attract diversified sources of demand.

At the hotels owned by Ichigo Hotel, domestic demand from leisure travel, live concerts, sports events, and academic conferences remained firm, with further support from stable business demand. However, operating results were affected by a decline in tourists from China as well as a post-World Expo 2025 drop-off in demand. During the July 2026 fiscal period, Nest Hotel Sapporo Odori and HOTEL THE KNOT YOKOHAMA were fully closed for renovations from March 2026 and April 2026, respectively. As a result, rental revenue from the portfolio decreased 5.2% year-on-year, but exceeded the forecast following the upward revision announced on May 15, 2026, by 1.9%. Ichigo Hotel views contract renewals with hotel operators as opportunities to enhance earnings and is pursuing initiatives such as revising rent terms and making value-add investments. Nest Hotel Sapporo Odori was repositioned as the higher-tier Nest hotel alt. Sapporo Odori and reopened following renovations on September 1, 2026, during the January 2027 fiscal period.

Ichigo Hotel is also shifting its portfolio to hotels expected to capture strong inbound and leisure demand in order to enhance portfolio growth potential. In line with this strategy, during the July 2026 fiscal period Ichigo Hotel sold Hotel Livemax Nihombashi-Hakozaki for 1.3X its book value after considering factors including its rent structure and asset size. The proceeds from the sale will be used for investments that enhance portfolio quality and growth potential, while the gains on sale will be distributed to shareholders as dividends.

As a result of these initiatives, as of the end of the July 2026 fiscal period, Ichigo Hotel owned 29 assets with a total acquisition price of JPY 71,743 million, with total shares outstanding of 327,489 shares.

Looking ahead, Ichigo Hotel will continue its work to grow shareholder value by capturing growth opportunities in the travel accommodation and tourism markets, enhancing earnings at the existing hotels and improving the quality, scale, and growth potential of its overall portfolio.

(c) Financing Activity

In February 2026 Ichigo Hotel borrowed JPY 2,000 million with a 5.5-year term to refinance an existing loan of the same amount. Ichigo Hotel did not undertake any new financing, including new loans, bond issuances, or public offerings.

Following the sale of the Hotel Livemax Nihombashi-Hakozaki, Ichigo Hotel secured proceeds of JPY 1,580 million. The gains on sale will be distributed to shareholders and the remaining proceeds will be used for future asset acquisitions and value-add investments.

(d) Earnings Performance and Dividends

For the July 2026 fiscal period operating revenue was JPY 2,902 million, operating profit was JPY 1,625 million, recurring profit was JPY 1,232 million, and net income was JPY 1,231 million.

Dividends are determined in accordance with Article 37 of the Investment Corporation's Articles of Incorporation and are set at an amount exceeding 90% of distributable profit as defined in Article 67-15, Clause 1 of the Act on Special Measures Concerning Taxation.

Furthermore, amounts deemed necessary for maintaining or enhancing asset value – such as long-term repair reserves, reserve for dividends, reserve for temporary difference adjustments, reserve for special depreciation, reserve for dividends in excess of earnings, and other similar reserves and allowances – may be appropriated from distributable profit through accumulation, retention, or other methods.

Against unappropriated retained earnings of JPY 1,231 million, Ichigo Hotel decided to distribute the full amount, excluding fractions of less than one yen per share, as dividends for the July 2026 fiscal period. As a result, dividend per share will be JPY 3,761.

B. Outlook for the January 2027 Fiscal Period

(a) New Asset Acquisitions

Ichigo Hotel primarily invests in hotel assets to secure stable cash flows while building a portfolio positioned for growth as accommodation demand rises.[1]

Ichigo Hotel classifies its target hotel real estate assets into four categories – "Lodging-Focused Hotels," "Full-Service Hotels," "Resort Hotels," and "Other" – and conducts due diligence to assess the characteristics and competitiveness of each asset.[2] Based on this process, Ichigo Hotel has selectively invested in hotel real estate assets that will enhance the quality and profitability of its portfolio.

Despite the impact from China's travel advisory, inbound demand from other countries has continued to increase, with inbound tourism demand expected to grow going forward.

Ichigo Hotel will continue to appropriately capture changes in the hotel market and invest primarily in lodging-focused hotels. It will comprehensively consider regional characteristics, hotel type, asset size, profitability, and growth potential, while selectively investing in hotel assets that enhance the quality, scale, and growth potential of its portfolio.

Since its listing, Ichigo Hotel has maximized Ichigo's sourcing capabilities and support system to expand its portfolio via external growth, while diversifying its hotel asset investments across geographic areas and hotel operators.[3] Going forward, while maintaining portfolio stability, Ichigo Hotel will invest in highly profitable hotels with strong growth potential that are expected to capture inbound and leisure demand. Furthermore, Ichigo Hotel will pursue opportunities to acquire high-quality hotel assets, including resort hotels and full-service hotels.[4]

[1] “Hotel assets” refer to:

(i) real estate primarily used as lodging facilities and related facilities/equipment for operating accommodation businesses as defined under the Inns and Hotels Act;

(ii) real estate used for residences or lodging facilities that are leased or provided with furnishings and other necessary infrastructure and that may provide front desk and other services to tenants or guests, as well as related facilities/equipment; or

(iii) in cases where multiple real estate assets may be integrally utilized from a socioeconomic perspective, such multiple real estate assets if any of them fall under (i) or (ii), provided that Ichigo Hotel acquires them on the condition that it acquires or holds the related (i) or (ii) assets.

[2] Ichigo Hotel’s Hotel Categories:

a. Lodging-Focused Hotels: Located in demand-generating areas such as near train stations, airports, tourist spots, business districts, and commercial districts, or near transportation hubs such as terminal stations or highway interchanges. Such hotels limit or minimize ancillary facilities, focusing primarily on lodging. Includes capsule hotels.

b. Full-Service Hotels: Located in demand-generating areas such as near train stations, airports, tourist spots, business districts, commercial districts, metropolitan areas, government ordinance-designated cities, prefectural capitals, and suburban urban areas. These hotels offer full-line services with lodging facilities, food & beverage establishments such as restaurants, banquet halls, conference facilities, and other ancillary facilities.

c. Resort Hotels: Located in tourist destinations, scenic spots, or near leisure facilities, offering relatively spacious accommodation along with restaurants, banquet halls, conference rooms, sports facilities, and other diverse ancillary facilities.

d. Other: Lodging facilities (other than hotels) operated under the Inns and Hotels Act, as well as serviced apartments and similar facilities, located in areas with high transportation accessibility such as urban centers, suburbs, near train stations, airports, tourist spots, business districts, commercial districts, and transportation hubs such as terminal stations.

[3] Ichigo refers to Ichigo Inc. and its consolidated subsidiaries (including Ichigo Hotel's asset management company).

[4] “Sourcing capabilities” refers to the comprehensive capabilities to acquire investment assets, including the ability to gather asset information and to negotiate acquisitions.

(b) Value-Add and Organic Growth

Through monthly meetings with hotel operators, Ichigo Hotel will continue to monitor operating conditions and the market environment as well as discuss measures to enhance earnings. Ichigo Hotel will also leverage the Ichigo Group's accumulated real estate value-add expertise and strong operating platform to enhance the earnings and asset value of its hotels via value-add capex, operating efficiencies, sales initiatives, and revisions to contract terms that strengthen hotel competitiveness.

Going forward, Ichigo Hotel will accurately capture changes in the hotel market and each hotel's operating performance, while working closely with hotel operators, and driving organic growth by flexibly implementing cost-effective capex investments and earnings enhancement initiatives.

Note: In principle, Ichigo Hotel undertakes capex within the scope of total depreciation expenses recorded in each period, although it may exceed this level depending on circumstances. Based on operational policies tailored to the characteristics of each asset, Ichigo Hotel seeks to execute value-creation capex that is cost-effective, thereby carrying out capex investments that are both effective and strategic.

(c) Financing Strategy

Ichigo Hotel prioritizes securing stable earnings over the long term, steady growth in the value of its assets under management, and financial stability. To this end, it seeks to extend borrowing terms, and diversify debt maturities and lenders. Amid an upward trend in interest rates, Ichigo Hotel will actively monitor financing conditions and interest rate trends to mitigate interest rate risk and optimize financing costs by maintaining an appropriate balance between fixed-rate and floating-rate borrowings.

For the refinancing of existing loans, Ichigo Hotel will work to ensure reliable refinancing by leveraging the sponsor's creditworthiness and network, maintain strong relationships with its existing lenders, and work to secure stable financing and diversify debt maturities.

As part of its strategy to enhance capital efficiency and enhance shareholder returns, Ichigo Hotel may consider share buybacks and the cancellation of acquired shares. Guided by the principle of enhancing shareholder value over the long term, decisions are made after carefully assessing cash on hand, the interest-bearing debt ratio, future funding needs, the balance between the share price and NAV per share, and financial market trends.

(2) Material Matters after Closing of the Fiscal Period

N/A

(3) Earnings Forecasts

Earnings Forecast for the January 2027 Fiscal Period (August 1, 2026 to January 31, 2027)

For details on the preconditions for this forecast, please refer to page 10.

Operating Revenue	JPY 2,917 million
Operating Profit	JPY 1,478 million
Recurring Profit	JPY 1,013 million
Net Income	JPY 1,012 million
Dividend per Share	JPY 3,091
Dividend in Excess of Earnings	–

Earnings Forecast for the July 2027 Fiscal Period (February 1, 2027 to July 31, 2027)

For details on the preconditions for this forecast, please refer to page 13.

Operating Revenue	JPY 2,934 million
Operating Profit	JPY 1,518 million
Recurring Profit	JPY 1,016 million
Net Income	JPY 1,015 million
Dividend per Share	JPY 3,101
Dividend in Excess of Earnings	–

Preconditions for the January 2027 Earnings Forecast

<table>
<tr><td></td><td>Preconditions</td></tr>
<tr><td>Period</td><td>• August 1, 2026 to January 31, 2027 (184 days)</td></tr>
<tr><td>Number of Hotels</td><td>• 29 hotels</td></tr>
<tr><td>Operating Revenue</td><td>
Within operating revenue, rental income is forecast based on current lease contracts, taking into consideration such factors as hotel and market conditions.[1]
<u>Forecast Operating Performance[2]</u>
<table>
<tr><td></td><td>January 2027 Fiscal Period</td></tr>
<tr><td>Occupancy[3]</td><td>84.9%</td></tr>
<tr><td>ADR[4]</td><td>JPY 11,004</td></tr>
</table>
[1] The forecast rental income assumes operators and tenants will fully pay their contractual rents without delay or default.
[2] Data for Capsule Plus Yokohama is excluded from the above forecast because the operator did not give consent to disclose forecasts.
[3] Occupancy is calculated with the following formula:
Occupancy = Total number of guest rooms occupied during the period / (total number of guest rooms * number of days hotel was in operation during the period)
[4] ADR or Average Daily Rate is calculated with the following formula:
ADR = Total sales from accommodation (excluding restaurant charges and other service fees) / number of guest rooms occupied during the period
<u>Details of the January 2027 Rental Income Forecast by Hotel</u>
(JPY million)
<table>
<tr><td>Hotel Name</td><td>Fixed Rent/ Minimum Guaranteed Rent</td><td>Variable Rent</td><td>Total</td></tr>
<tr><td>Smile Hotel Kyoto Shijo</td><td>35</td><td>54</td><td>90</td></tr>
<tr><td>The OneFive Osaka Sakaisuji</td><td>17</td><td>28</td><td>45</td></tr>
<tr><td>Comfort Hotel Hamamatsu</td><td>55</td><td>N/A</td><td>55</td></tr>
<tr><td>Nest hotel alt. Sapporo Odori</td><td>63</td><td>63</td><td>127</td></tr>
<tr><td>The OneFive Fukuoka Tenjin</td><td>40</td><td>59</td><td>100</td></tr>
<tr><td>Comfort Hotel Central International Airport</td><td>169</td><td>4</td><td>174</td></tr>
<tr><td>Smile Hotel Tokyo Asagaya</td><td>84</td><td>73</td><td>158</td></tr>
<tr><td>Nest Hotel Matsuyama</td><td>35</td><td>76</td><td>112</td></tr>
<tr><td>The OneFive Okayama</td><td>72</td><td>23</td><td>95</td></tr>
<tr><td>Comfort Hotel Kushiro</td><td>18</td><td>N/A</td><td>18</td></tr>
<tr><td>The OneFive Garden Kurashiki</td><td>52</td><td>10</td><td>62</td></tr>
<tr><td>Nest Hotel Kumamoto</td><td>27</td><td>59</td><td>86</td></tr>
<tr><td>The OneFive Tokyo Shibuya</td><td>44</td><td>111</td><td>156</td></tr>
<tr><td>Smile Hotel Nagano</td><td>13</td><td>61</td><td>75</td></tr>
<tr><td>Hotel Sunshine Utsunomiya</td><td>64</td><td>N/A</td><td>64</td></tr>
<tr><td>HOTEL THE KNOT YOKOHAMA</td><td>55</td><td>–</td><td>55</td></tr>
<tr><td>Quintessa Hotel Ise Shima</td><td>34</td><td>50</td><td>85</td></tr>
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<td></td>
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<table>
<tr><td>Quintessa Hotel Ogaki</td><td>19</td><td>29</td><td>49</td></tr>
<tr><td>THE KNOT SAPPORO</td><td>66</td><td>121</td><td>187</td></tr>
<tr><td>The OneFive Marine Fukuoka</td><td>33</td><td>64</td><td>97</td></tr>
<tr><td>Nest Hotel Hakata Ekimae</td><td>59</td><td>192</td><td>251</td></tr>
<tr><td>Smile Hotel Miyakojima</td><td>12</td><td>40</td><td>53</td></tr>
<tr><td>Hotel Enoe Toyama</td><td>27</td><td>100</td><td>128</td></tr>
<tr><td>Other[1]</td><td>248</td><td>166</td><td>414</td></tr>
<tr><td>Total</td><td>1,354</td><td>1,392</td><td>2,746</td></tr>
</table>
[1] Figures in “Other” represent the aggregate of six hotels that did not consent to the disclosure of hotel-specific data.
Fixed rent hotels: Urbain Hiroshima Executive and Washington Hotel Plaza Shimonoseki Eki Nishi
Variable rent hotels: KOKO HOTEL Nagoya Marunouchi, KOKO HOTEL Kobe Shin Nagata, Capsule Plus Yokohama, and Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)

Retail: JPY 104 million of rental income from retail tenants at The OneFive Osaka Sakaisuji, KOKO HOTEL Kobe Shin Nagata, Smile Hotel Tokyo Asagaya, Nest Hotel Kumamoto, Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building), HOTEL THE KNOT YOKOHAMA, and THE KNOT SAPPORO.
Temporary closure due to full renovation: Nest Hotel Sapporo Odori was closed for one month and HOTEL THE KNOT YOKOHAMA will be closed for four months.
Nest Hotel Sapporo Odori was renamed Nest hotel alt. Sapporo Odori and reopened in September 2026 following a full renovation and upgrade to a higher hotel category.
HOTEL THE KNOT YOKOHAMA is currently undergoing a full renovation and is scheduled to reopen in December 2026. In conjunction with the reopening, the hotel will undergo an operator change and renamed THE KNOT YOKOHAMA.

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<td>Operating Expenses</td>
<td>

Depreciation: JPY 582 million. Depreciation has been calculated using the straight-line method.
Property and city planning taxes: JPY 170 million
Building maintenance and repair expenses are based on what Ichigo Investment Advisors, the asset management company of Ichigo Hotel, estimates will be necessary for each hotel during the period. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected building damage, etc.
Rental expenses, Ichigo Hotel’s principal operating expense (other than depreciation, see above), are calculated based on historical data adjusted for anticipated expense variations.
Actual operating expenses may differ significantly from these assumptions due to unforeseeable factors.
SG&A expenses: JPY 386 million for asset management fee and JPY 16 million for real estate appraisal report costs.

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<tr>
<td>Non-Operating Expenses</td>
<td>

Interest expenses and other borrowing-related expenses: JPY 475 million

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<tr>
<td>Borrowings</td>
<td>

Total borrowings: JPY 38.02 billion as of January 31, 2027

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Number of Shares	• Total 327,489 shares • The forecast assumes there will be no additional new shares issued through January 31, 2027.
Dividend	• The dividend forecast assumes that dividends will comply with the dividend distribution policy stipulated in Ichigo Hotel's Articles of Incorporation. • The dividend is subject to change due to factors such as sales of portfolio assets, changes in rental income associated with operator turnover, and the occurrence of unexpected maintenance and repair costs.
Dividend in Excess of Earnings	• Ichigo Hotel does not plan on paying any Dividend in Excess of Earnings.
Other	• This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Management Association of Japan, and no material changes in the state of the economy and real estate market conditions.

Preconditions for the July 2027 Earnings Forecast

	Preconditions
Period	• February 1, 2027 to July 31, 2027 (181 days)
Number of Hotels	• 29 hotels
Operating Revenue	Within operating revenue, rental income is forecast based on current lease contracts and expected contract renewals, taking into consideration such factors as hotel and market conditions.[1]

Forecast Operating Performance[2]

	July 2027 Fiscal Period
Occupancy[3]	87.9%
ADR[4]	JPY 10,926

[1] The forecast rental income assumes operators and tenants will fully pay their contractual rents without delay or default.
[2] Data for Capsule Plus Yokohama is excluded from the above forecast because the operator did not give consent to disclose forecasts.
[3] Occupancy is calculated with the following formula:
Occupancy = Total number of guest rooms occupied during the period / (total number of guest rooms * number of days hotel was in operation during the period)
[4] ADR or Average Daily Rate is calculated with the following formula:
ADR = Total sales from accommodation (excluding restaurant charges and other service fees) / number of guest rooms occupied during the period

Details of the July 2027 Rental Income Forecast by Hotel

(JPY million)

Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total
Smile Hotel Kyoto Shijo	40	35	76
The OneFive Osaka Sakaisuji	11	20	31
Comfort Hotel Hamamatsu	55	N/A	55
Nest hotel alt. Sapporo Odori	80	80	160
The OneFive Fukuoka Tenjin	34	61	95
Comfort Hotel Central International Airport	169	–	169
Smile Hotel Tokyo Asagaya	93	71	164
Nest Hotel Matsuyama	36	62	98
The OneFive Okayama	62	59	121
Comfort Hotel Kushiro	18	N/A	18
The OneFive Garden Kurashiki	46	23	70
Nest Hotel Kumamoto	25	50	76
The OneFive Tokyo Shibuya	47	95	143
Smile Hotel Nagano	10	39	50
Hotel Sunshine Utsunomiya	41	12	54
HOTEL THE KNOT YOKOHAMA	164	14	178

<table>
<tr><td></td><td>
<table>
<tr><td>Quintessa Hotel Ise Shima</td><td>38</td><td>25</td><td>64</td></tr>
<tr><td>Quintessa Hotel Ogaki</td><td>19</td><td>2</td><td>22</td></tr>
<tr><td>THE KNOT SAPPORO</td><td>76</td><td>104</td><td>181</td></tr>
<tr><td>The OneFive Marine Fukuoka</td><td>26</td><td>51</td><td>78</td></tr>
<tr><td>Nest Hotel Hakata Ekimae</td><td>45</td><td>182</td><td>228</td></tr>
<tr><td>Smile Hotel Miyakojima</td><td>13</td><td>51</td><td>65</td></tr>
<tr><td>Hotel Enoe Toyama</td><td>27</td><td>79</td><td>106</td></tr>
<tr><td>Other[1]</td><td>291</td><td>152</td><td>443</td></tr>
<tr><td>Total</td><td>1,476</td><td>1,279</td><td>2,756</td></tr>
</table>
[1] Figures in “Other” represent the aggregate of six hotels that did not consent to the disclosure of hotel-specific data.
Fixed rent hotels: Urbain Hiroshima Executive and Washington Hotel Plaza Shimonoseki Eki Nishi
Variable rent hotels: KOKO HOTEL Nagoya Marunouchi, KOKO HOTEL Kobe Shin Nagata , Capsule Plus Yokohama, and Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)
• Retail: JPY 115 million of rental income from retail tenants at The OneFive Osaka Sakaisuji, KOKO HOTEL Kobe Shin Nagata, Smile Hotel Tokyo Asagaya, Nest Hotel Kumamoto, Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building), HOTEL THE KNOT YOKOHAMA, and THE KNOT SAPPORO.
• Ichigo Hotel expects an one-month temporary closure at the Hotel Sunshine Utsunomiya upon the expiration of its current lease contract in April 2027.
</td></tr>
<tr><td>Operating Expenses</td><td>
• Depreciation: JPY 597 million. Depreciation has been calculated using the straight-line method.
• Property and city planning taxes: JPY 171 million
• Building maintenance and repair expenses are based on what Ichigo Investment Advisors, the asset management company of Ichigo Hotel, estimates will be necessary for each hotel during the period. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected building damage, etc.
• Rental expenses, Ichigo Hotel’s principal operating expense (other than depreciation, see above), are calculated based on historical data adjusted for anticipated expense variations.
• Actual operating expenses may differ significantly from these assumptions due to unforeseeable factors.
• SG&A expenses: JPY 403 million for asset management fee and JPY 18 million for real estate appraisal report costs.
</td></tr>
<tr><td>Non-Operating Expenses</td><td>• Interest expenses and other borrowing-related expenses: JPY 507 million</td></tr>
<tr><td>Borrowings</td><td>• Total borrowings: JPY 38.02 billion as of July 31, 2027</td></tr>
<tr><td>Number of Shares</td><td>• Total 327,489 shares
• The forecast assumes there will be no additional new shares issued through July 31, 2027.</td></tr>
</table>

Dividend	• The dividend forecast assumes that dividends will comply with the dividend distribution policy stipulated in Ichigo Hotel's Articles of Incorporation. • The dividend is subject to change due to factors such as sales of portfolio assets, changes in rental income associated with operator turnover, the occurrence of unexpected maintenance and repair costs, and fluctuations in interest rates.
Dividend in Excess of Earnings	• Ichigo Hotel does not plan on paying any Dividend in Excess of Earnings.
Other	• This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment ManagementAssociation of Japan, and no material changes in the state of the economy and real estate market conditions.

2. Financial Statements

(1) Balance Sheet

(JPY thousand)

	January 2026 (as of January 31, 2026)	July 2026 (as of July 31, 2026)
Assets		
Current Assets		
Cash and cash equivalents	4,097,412	4,287,568
Cash and cash equivalents in trust	3,015,399	2,636,242
Accounts receivable	453,957	364,121
Prepaid expenses	252,430	217,804
Income tax refund receivable	651	288
Total Current Assets	7,819,852	7,506,023
Fixed Assets		
Property, Plant, and Equipment		
Buildings	26,088,746	25,952,572
Depreciation	-5,172,624	-5,448,567
Buildings (net)	20,916,121	20,504,005
Structures	47,306	48,086
Depreciation	-11,426	-12,955
Structures (net)	35,880	35,131
Machinery and equipment	144,182	148,811
Depreciation	-73,115	-80,012
Machinery and equipment (net)	71,066	68,799
Fixtures	588,235	605,993
Depreciation	-322,193	-352,969
Fixtures (net)	266,042	253,024
Land	51,729,073	51,023,737
Buildings under construction	17,286	1,026,989
Total Property, Plant, and Equipment	73,035,470	72,911,688
Intangible Assets		
Software	3,515	3,157
Total Intangible Assets	3,515	3,157
Investments and Other Assets		
Leasehold and security deposits	10,297	10,297
Long-term prepaid expenses	417,848	376,490
Total Investments and Other Assets	428,145	386,787
Total Fixed Assets	73,467,132	73,301,633
Deferred Assets		
Share issuance expenses	3,965	–
Total Deferred Assets	3,965	–
Total Assets	81,290,949	80,807,657

(JPY thousand)

	January 2026 (as of January 31, 2026)	July 2026 (as of July 31, 2026)
Liabilities		
Current Liabilities		
Accounts payable	423,880	280,351
Long-term loans (due within one year)	10,200,000	11,200,000
Accounts payable – other	621,244	420,102
Accrued expenses	52,802	51,589
Consumption taxes payable	45,981	50,727
Advances received	115,336	111,940
Other	8,612	12,876
Total Current Liabilities	11,467,857	12,127,588
Long-Term Liabilities		
Long-term loans	27,820,000	26,820,000
Tenant leasehold and security deposits in trust	950,784	930,776
Total Long-Term Liabilities	28,770,784	27,750,776
Total Liabilities	40,238,641	39,878,364
Net Assets		
Shareholders' Equity		
Paid-in capital	39,997,471	39,997,471
Treasury shares	-299,921	-299,921
Paid-in capital (net)	39,697,549	39,697,549
Surplus		
Unappropriated retained earnings	1,354,758	1,231,744
Total Surplus	1,354,758	1,231,744
Total Shareholders' Equity	41,052,308	40,929,293
Total Net Assets	41,052,308	40,929,293
Total Liabilities and Net Assets	81,290,949	80,807,657

(2) Income Statement

(JPY thousand)

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
Operating Revenue		
Rental income	2,942,530	2,556,599
Other rental income	72,257	64,963
Gains on sale of asset	133,842	280,606
Total Operating Revenue	3,148,630	2,902,169
Operating Expenses		
Rental expenses	803,526	825,970
Asset management fee	541,686	354,961
Custodian fee	5,937	6,096
Other administrative expenses	27,703	28,173
Directors’ compensation	4,200	4,200
Other	41,552	57,117
Total Operating Expenses	1,424,605	1,276,519
Operating Profit	1,724,024	1,625,650
Non-Operating Income		
Interest income	10,077	6,973
Reversal of accrued dividend	341	328
Interest on tax refund	664	–
Miscellaneous income	2,901	–
Other	7	–
Total Non-Operating Income	13,991	7,301
Non-Operating Expenses		
Interest expenses	236,428	255,948
Borrowing-related expenses	142,211	140,779
Amortization of share issuance expenses	3,965	3,965
Total Non-Operating Expenses	382,605	400,693
Recurring Profit	1,355,410	1,232,259
Pre-Tax Income	1,355,410	1,232,259
Income Taxes – Current	891	779
Total Income Taxes	891	779
Net Income	1,354,518	1,231,479
Retained Earnings Brought Forward	239	264
Unappropriated Retained Earnings	1,354,758	1,231,744

(3) Statement of Shareholders' Equity

Previous Period (August 1, 2025 to January 31, 2026)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Treasury Shares	Paid-In Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of August 1, 2025	39,997,471	-299,921	39,697,549	1,377,986	1,377,986
Changes during the Period					
Dividends				-1,377,746	-1,377,746
Net Income				1,354,518	1,354,518
Total Changes	–	–	–	-23,227	-23,227
Balance as of January 31, 2026	39,997,471	-299,921	39,697,549	1,354,758	1,354,758

	Shareholders' Equity	Total Net Assets
	Total Shareholders' Equity	
Balance as of August 1, 2025	41,075,535	41,075,535
Changes during the Period		
Dividends	-1,377,746	-1,377,746
Net Income	1,354,518	1,354,518
Total Changes	-23,227	-23,227
Balance as of January 31, 2026	41,052,308	41,052,308

Current Period (February 1, 2026 to July 31, 2026)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Treasury Shares	Paid-In Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of February 1, 2026	39,997,471	-299,921	39,697,549	1,354,758	1,354,758
Changes during the Period					
Dividends				-1,354,494	-1,354,494
Net Income				1,231,479	1,231,479
Total Changes	–	–	–	-123,014	-123,014
Balance as of July 31, 2026	39,997,471	-299,921	39,697,549	1,231,744	1,231,744

	Shareholders' Equity	Total Net Assets
	Total Shareholders' Equity	
Balance as of February 1, 2026	41,052,308	41,052,308
Changes during the Period		
Dividends	-1,354,494	-1,354,494
Net Income	1,231,479	1,231,479
Total Changes	-123,014	-123,014
Balance as of July 31, 2026	40,929,293	40,929,293

(4) Dividend Statement

(JPY)

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
I Unappropriated Retained Earnings	1,354,758,818	1,231,744,131
II Total Dividends (Dividend per Share)	1,354,494,504 (4,136)	1,231,686,129 (3,761)
III Retained Earnings Carried Forward	264,314	58,002
Dividend calculation	Pursuant to the dividend distribution policy stipulated under Article 37 of Ichigo Hotel's Articles of Incorporation, total dividends exceed the amount equivalent to 90% of the profit distributable as dividend defined under Article 67-15, Clause 1 of the Act on Special Measures Concerning Taxation, and Ichigo Hotel has decided to distribute JPY 1,354,494,504 of JPY 1,354,758,818 in Unappropriated Retained Earnings as Dividends, excluding amounts where Dividend per Share would be less than JPY 1. As a result, Dividend per Share is JPY 4,136.	Pursuant to the dividend distribution policy stipulated under Article 37 of Ichigo Hotel's Articles of Incorporation, total dividends exceed the amount equivalent to 90% of the profit distributable as dividend defined under Article 67-15, Clause 1 of the Act on Special Measures Concerning Taxation, and Ichigo Hotel has decided to distribute JPY 1,231,686,129 of JPY 1,231,744,131 in Unappropriated Retained Earnings as Dividends, excluding amounts where Dividend per Share would be less than JPY 1. As a result, Dividend per Share is JPY 3,761.

(5) Cash Flow Statement

(JPY thousand)

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
Cash Flows from Operations:		
Pre-tax income	1,355,410	1,232,259
Depreciation	492,538	497,987
Amortization of share issuance expenses	3,965	3,965
Interest income	-10,076	-6,971
Interest expense	236,428	255,948
Decrease (increase) in accounts receivable	-34,877	89,836
Decrease (increase) in consumption taxes receivable	341,298	–
Decrease (increase) in prepaid expenses	13,403	34,626
Decrease (increase) in long-term prepaid expenses	55,330	41,357
Increase (decrease) in accrued consumption taxes	-13,764	4,745
Increase (decrease) in accounts payable	5,765	-21,350
Increase (decrease) in accounts payable – other	90,722	-201,141
Increase (decrease) in advances received	-1,934	-3,395
Increase (decrease) in rent to be reimbursed to hotel operators	-5,726	6,600
Proceeds from sale of property, plant, and equipment	271,538	1,199,988
Other	6,779	-11,435
Sub-total	2,806,800	3,123,020
Interest income received	10,076	6,971
Interest expense paid	-234,160	-257,161
Income taxes paid	-1,964	-416
Net Cash from (Used for) Operations	2,580,751	2,872,414
Cash Flows from Investments:		
Acquisition of property, plant, and equipment	-4,084,185	-1,684,906
Acquisition of intangible assets	-3,575	–
Increase in tenant leasehold and security deposits in trust	10,446	–
Decrease in tenant leasehold and security deposits in trust	-15,442	-20,008
Net Cash from (Used for) Investments	-4,092,756	-1,704,914
Cash Flows from Financing:		
Proceeds from long-term loans	2,000,000	2,000,000
Repayment of long-term loans	–	-2,000,000
Dividends paid	-1,375,662	-1,356,501
Net Cash from (Used for) Financing	624,337	-1,356,501
Net Increase (Decrease) in Cash and Cash Equivalents	-887,667	-189,002
Cash and Cash Equivalents at Beginning of Period	8,000,479	7,112,812
Cash and Cash Equivalents at End of Period	7,112,812	6,923,810

(6) Going Concern
N/A

(7) Notes on Significant Accounting Policies

1. Depreciation Methods for Fixed Assets	(1) Property, Plant, and Equipment (including trust properties) Depreciated using the straight-line method. The useful lives of major property, plants, and equipment are as follows: Buildings: 2–72 years Structures: 10–50 years Machinery and Equipment: 3–10 years Fixtures: 3–15 years (2) Intangible Assets (including trust properties) Depreciated using the straight-line method. The useful life of software is as follows: Software: 5 years (3) Long-term Prepaid Expenses Depreciated using the straight-line method.
2. Method of Amortization of Deferred Assets	Share Issuance Expenses Amortized using the straight-line method over three years.
3. Basis of Recording Revenues and Expenses	(1) Basis of Recording Revenues The principal performance obligations arising from contracts with customers and the typical timing of satisfaction of such obligations (i.e., the timing of revenue recognition) are as follows: A. Sales of Real Estate With respect to sales of real estate, revenue is recognized when the buyer, as the customer, obtains control of the relevant property, which occurs upon fulfillment of the delivery obligation stipulated in the sales contract. B. Utility Income Utility income is recognized based on lease agreements for real estate and related arrangements, in accordance with the supply of electricity, water, and other utilities to tenants as customers. For the utility income where Ichigo Hotel is deemed to act as an agent, revenue is recognized on a net basis, i.e., the amount received from tenants as charges for electricity, gas, etc. supplied by other parties, less the amount paid to such other parties.

	(2) Treatment of Fixed Asset Taxes Fixed asset taxes, city planning taxes, and depreciable asset taxes related to owned real estate are expensed as rental business expenses as an amount corresponding to the relevant fiscal period, based on the assessed tax amount. However, with respect to the portion of fixed asset taxes to be borne by Ichigo Hotel in the first year upon the acquisition of real estate or trust beneficiary interests in real estate, such amounts are not recorded as expenses but are instead included in the acquisition cost of the relevant real estate. There are no amounts equivalent to fixed assets taxes included in the acquisition cost of real estate during the current fiscal period.
4. Hedge Accounting Method	(1) Hedge Accounting Method Interest rate swaps that meet the criteria for special treatment are accounted for under the special treatment method. (2) Hedging Instruments and Hedging Targets Hedging instruments Interest rate swaps Hedging targets Interest rate on loans (3) Hedging Policy In accordance with its risk management rules, Ichigo Hotel enters into derivative transactions for the purpose of hedging risks stipulated in the Articles of Incorporation of the Investment Corporation. (4) Evaluation Method of the Effectiveness of Hedges Because the interest rate swaps meet the requirements for special treatment, the assessments of hedge effectiveness are omitted.
5. Scope of Funds in the Cash Flow Statement	Funds (cash and cash equivalents) in the Statement of Cash Flows consist of cash on hand, cash in trust, deposits and trust deposits withdrawable at any time, and short-term investments that are readily convertible into cash, have insignificant risk of changes in value, and mature within three months from the date of acquisition.

6. Other Material Matters Related to the Preparation of the Financial Statements	(1) Accounting Treatment of Trust Beneficiary Interests Backed by Real Estate, etc. For trust beneficiary interests backed by owned real estate, etc., all assets and liabilities within the trust property, as well as all revenues and expenses arising therein, are recorded under the relevant accounts in the balance sheet and the income statement. Among the trust property items recorded under the relevant accounts, the following material items are separately presented in the balance sheet: A. Cash and deposits in trust B. Buildings, structures, machinery and equipment, fixtures, land, and construction in progress in trust C. Tenant leasehold and security deposits in trust (2) Treatment of Non-deductible Consumption Taxes Non-deductible consumption taxes related to the acquisition of assets are included in the acquisition cost of the respective assets.

(8) Notes on Significant Accounting Estimates

Valuation of Fixed Assets

1. Amounts Recorded in the Financial Statements

(JPY thousand)

	Previous Period (as of January 31, 2026)	Current Period (as of July 31, 2026)
Property, Plant, & Equipment	73,018,184	71,884,698
Intangible Assets	3,515	3,157
Impairment Loss	–	–

Note: Construction in progress held in trust is not included under Property, Plant, & Equipment.

2. Information on Significant Accounting Estimates for Identified Items

Ichigo Hotel applies the accounting treatment in accordance with accounting standards for impairment of fixed assets, under which the book value of fixed assets is reduced to the recoverable amount when a decline in profitability makes recovery of the investment amount unlikely.

In applying this accounting treatment, each asset held by Ichigo Hotel is treated as an individual asset group, and the necessity of recognizing an impairment loss is determined when indications of impairment are deemed to exist, such as continuous operating losses, a significant decline in market value, or a significant deterioration in the business environment.

The assessment of whether to recognize an impairment loss is based on estimated future cash flows. When recognition of an impairment loss is deemed necessary, the book value is reduced to the recoverable amount, and the reduced amount is recorded as an impairment loss.

In estimating future cash flows, assumptions regarding rents, occupancy rates, rental business expenses are determined comprehensively by taking into account budgets prepared by operators, past performance, market trends, and comparable real estate transaction cases.

The performance and market value of each asset may be affected by trends in the real estate leasing market and the real estate transaction market. Accordingly, if there are changes in the underlying assumptions, such changes may affect Ichigo Hotel's assets and profit/loss position in the following fiscal period.

(9) Notes to Financial Statements

Notes to the Balance Sheet

1. Minimum Net Assets as stipulated in Article 67, Clause 4 of the Act on Investment Trusts and Investment Corporations

(JPY thousand)

Previous Period (as of January 31, 2026)	Current Period (as of July 31, 2026)
50,000	50,000

Notes to the Income Statement

Rental Income Details

(JPY thousand)

		Previous Period January 2026 (August 1, 2025 to January 31, 2026)		Current Period July 2026 (February 1, 2026 to July 31, 2026)	
A.	Real Estate Rental Income				
	Real Estate Rental Income	2,942,530	2,942,530	2,556,599	2,556,599
	Other Rental Income				
	Utilities Income	44,186		44,451	
	Other	28,070	72,257	20,511	64,963
	Total Income		3,014,788		2,621,563
B.	Real Estate Rental Expenses				
	Rental Expenses				
	Outsourcing Fees	36,846		40,349	
	Utilities	44,320		48,985	
	Trust Fees	18,080		11,692	
	Depreciation Expense	492,538		497,987	
	Repair Expenses	30,577		37,256	
	Property and City Planning Taxes	147,137		171,506	
	Insurance	9,210		9,625	
	Other Expenses	24,815		8,566	
	Total Expenses		803,526		825,970
C.	Net Rental Income (A) – (B)		2,211,262		1,795,592

Gains on Sale of Real Estate

Previous January 2026 Period (August 1, 2025 to January 31, 2026)

(JPY thousand)

Comfort Hotel Suzuka	
Sale Proceeds	430,000
Book Value	271,538
Other Sale Expenses	24,619
Gains on Sale	133,842

Current July 2026 Period (February 1, 2026 to July 31, 2026)

(JPY thousand)

Hotel Livemax Nihombashi-Hakozaki	
Sale Proceeds	1,580,000
Book Value	1,199,988
Other Sale Expenses	99,404
Gains on Sale	280,606

Notes to Statement of Shareholders' Equity

(shares)

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
Number of Authorized Shares	10,000,000	10,000,000
Number of Issued & Outstanding Shares	327,489	327,489

Notes to Cash Flow Statement

Relationship between Cash and Cash Equivalents and Items Shown on Balance Sheet

(JPY thousand)

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
Cash and deposits	4,097,412	4,287,568
Cash and deposits in trust	3,015,399	2,636,242
Cash and cash equivalents	7,112,812	6,923,810

Notes to Financial Instruments

1. Matters Concerning the Status of Financial Instruments

(1) Policy for Dealing with Financial Instruments

Ichigo Hotel aims to secure stable earnings over the medium to long term by investing primarily in specified assets such as real estate. With respect to financing, its policy is to raise funds mainly through the issuance of investment shares, borrowings, or bonds.

Derivative transactions are conducted solely for the purpose of hedging risks such as future fluctuations in interest rates, and not for speculative purposes. Surplus funds are managed cautiously, taking into account safety and liquidity, as well as financial conditions and cash flow requirements, so as not to incur excessive risk.

(2) Details of Financial Instruments, Related Risks, and Risk Management System

Borrowings are used mainly to fund the acquisition of real estate and real estate trust beneficiary interests, as well as the repayment of borrowings, and are therefore exposed to liquidity risk at maturity. Ichigo Hotel manages this risk by controlling the loan-to-value (LTV) ratio within an appropriate range, diversifying financing methods, repayment maturities, and lenders, and by having the asset management company formulate cash flow plans.

Borrowings with floating interest rates are exposed to interest rate fluctuation risk; however, by appropriately managing the LTV and other factors, and by utilizing derivative transactions (interest rate swaps) as hedging instruments, the impact of rising market interest rates on Ichigo Hotel's operations is limited.

(3) Supplementary Information on Fair Value of Financial Instruments

The fair value of financial instruments is calculated based on certain assumptions. Therefore, fair values may differ if different assumptions are applied.

2. Matters Concerning Fair Value of Financial Instruments

The carrying amounts, fair values, and their differences as of January 31, 2026, are as follows:

"Cash and Deposits" and "Cash and Deposits in Trust" are settled within a short period, and their fair values are deemed to approximate their book values; accordingly, they are not presented.

In addition, "Tenant Leasehold and Security Deposits in Trust" are omitted as they are considered immaterial.

(JPY thousand)

	Amount Recorded on Balance Sheet	Fair Value	Difference
(1) Long-term loans due within one year	10,200,000	10,161,412	-38,587
(2) Long-term loans	27,820,000	27,462,903	-357,096
Total liabilities	38,020,000	37,624,316	-395,683
(3) Derivative transactions	–	–	–

The carrying amounts, fair values, and their differences as of July 31, 2026, are as follows:

“Cash and Deposits” and “Cash and Deposits in Trust” are settled within a short period, and their fair values are deemed to approximate their book values; accordingly, they are not presented.

In addition, “Tenant Leasehold and Security Deposits in Trust” are omitted as they are considered immaterial.

(JPY thousand)

	Amount Recorded on Balance Sheet	Fair Value	Difference
(1) Long-term loans due within one year	11,200,000	11,196,922	-3,077
(2) Long-term loans	26,820,000	26,302,832	-517,167
Total liabilities	38,020,000	37,499,755	-520,244
(3) Derivative transactions	–	–	–

Note 1: Method of Calculating Fair Value of Financial Instruments and Matters Concerning Derivative Transactions

(1) Long-Term Loans Due Within One Year, (2) Long-Term Loans

The fair value of long-term loans with fixed interest rates is calculated by discounting the total amount of principal and interest using an assumed interest rate that would be applied if similar new borrowings were undertaken.

For long-term loans with floating interest rates, since the interest rates are reset at certain intervals, their fair values are deemed to approximate their book values, and therefore such book values are used.

In addition, for long-term loans with floating interest rates that are subject to special treatment for interest rate swaps (see “Notes on Derivative Transactions” below), the fair value is calculated by discounting the total amount of principal and interest, treated together with the relevant interest rate swaps, using a reasonably estimated interest rate that would be applied if similar borrowings were undertaken.

(3) Derivative Transactions

Please refer to “Notes on Derivative Transactions” below.

Note 2: Long-Term Loan Maturity Distribution

January 2026 Fiscal Period-End

(JPY thousand)

	Within 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	Over 5 years
Long-term loans (due within one year)	10,200,000	–	–	–	–	–
Long-term loans	–	6,500,000	6,850,000	5,750,000	6,720,000	2,000,000
Total	10,200,000	6,500,000	6,850,000	5,750,000	6,720,000	2,000,000

July 2026 Fiscal Period-End

(JPY thousand)

	Within 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	Over 5 years
Long-term loans (due within one year)	11,200,000	–	–	–	–	–
Long-term loans	–	7,050,000	5,550,000	5,720,000	6,500,000	2,000,000
Total	11,200,000	7,050,000	5,550,000	5,720,000	6,500,000	2,000,000

Notes to Derivative Transactions

1. Non-Hedge Accounting

N/A

2. Hedge Accounting

Previous Fiscal Period (as of January 31, 2026)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
				>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	29,470,000	19,270,000	Note	–

Note: Interest rate swaps accounted under the Special Treatment of Interest Rate Swap method are accounted together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans. (Please refer to "Notes on Financial Instruments 2. Matters Concerning Fair Value of Financial Instruments Note 1 (1), (2)")

Current Fiscal Period (as of July 31, 2026)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
				>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	27,470,000	19,270,000	Note	–

Note: Interest rate swaps accounted under the Special Treatment of Interest Rate Swap method are accounted together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans. (Please refer to "Notes on Financial Instruments 2. Matters Concerning Fair Value of Financial Instruments Note 1 (1), (2)") Notes on Deferred Tax Accounting

1. Breakdown of the primary causes of deferred tax assets and deferred tax liabilities

(JPY thousand)

	Previous Period (January 31, 2026)	Current Period (July 31, 2026)
Deferred Tax Assets		
Non-deductible Amount of Accrued Enterprise Taxes	13	8
Sub-total	13	8
Valuation Allowance	-13	-8
Total deferred Tax Assets	–	–
Net Deferred Tax Assets	–	–

2. Breakdown of major items causing significant differences between the statutory effective tax rate and the effective tax rate after applying tax effect accounting

(JPY thousand)

	Previous Period (January 31, 2026)	Current Period (July 31, 2026)
Statutory Effective Tax Rate	31.46%	31.46%
(Adjustment)		
Deductible Amount of Dividend Payments	-31.44%	-31.45%
Other	0.04%	0.05%
Effective Tax Rate after Applying Tax Effect Accounting	0.07%	0.06%

Notes to Rental Real Estate

Changes in book value and the period-end market value of Ichigo Hotel's hotel assets are as shown below:

(JPY thousand)

<table>
<tr><th>Asset Type</th><th colspan="2"></th><th>January 2026
(August 1, 2025 to
January 31, 2026)</th><th>July 2026
(February 1, 2026 to
July 31, 2026)</th></tr>
<tr><td rowspan="5">Hotel</td><td colspan="2">Book value</td><td></td><td></td></tr>
<tr><td rowspan="3"></td><td>Beginning of fiscal period</td><td>69,634,796</td><td>73,021,699</td></tr>
<tr><td>Changes during fiscal period</td><td>3,386,903</td><td>-1,133,843</td></tr>
<tr><td>End of fiscal period</td><td>73,021,699</td><td>71,887,855</td></tr>
<tr><td colspan="2">Market value at end of fiscal period</td><td>90,897,000</td><td>92,264,000</td></tr>
</table>

Note 1: Book value is acquisition price less accumulated depreciation.

Note 2: With respect to changes during each fiscal period, the January 2026 fiscal period increase was primarily due to the acquisition of trust beneficiary interest in one asset (JPY 3,411,659 thousand), while the decrease was primarily due to the sale of trust beneficiary interest in one asset (JPY 271,538 thousand) and depreciation. The July 2026 fiscal period decrease was primarily due to the sale of trust beneficiary interest in one asset (JPY 1,199,988 thousand) and depreciation.

Note 3: Market value is the appraisal value calculated by third-party appraisers.

With respect to income and expenses related to rental real estate, please refer to "Notes to the Income Statement."

Notes on Revenue Recognition

1. Disaggregated Information on Revenue Arising from Contracts with Customers

Previous Period (August 1, 2025 to January 31, 2026)

(JPY thousand)

	Revenue From Contracts With Customers[1]	Revenue From External Customers
Sales of Real Estate[2]	430,000	133,842
Utility Income	44,186	44,186
Other	–	2,970,601
Total	474,186	3,148,630

Note 1: Rental business income subject to Accounting Standard for Lease Transactions (ASBJ Statement No. 13) and sales of real estate subject to the Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies (ASBJ PITF No. 10) are outside the scope of the Accounting Standard for Revenue Recognition, and therefore are not included in “Revenue From Contracts With Customers.” The principal revenue from contracts with customers consists of income from sales of real estate and utility income.

Note 2: Income from sales of real estate is presented in the statement of income as “Gain (Loss) on Sale of Assets” (the amount obtained by deducting the cost of sales of real estate and other selling expenses from sales of real estate). At Ichigo Hotel, gains on sales of real estate are recorded as operating revenue, while losses on sales of real estate are recorded as operating expenses; accordingly, only the gains on sales of real estate amount is presented in the above table.

Current Period (February 1, 2026 to July 31, 2026)

(JPY thousand)

	Revenue From Contracts With Customers[1]	Revenue From External Customers
Sales of Real Estate[2]	1,580,000	280,606
Utility Income	44,451	44,451
Other	–	2,577,111
Total	1,624,451	2,902,169

Note 1: Rental business income subject to Accounting Standard for Lease Transactions (ASBJ Statement No. 13) and sales of real estate subject to the Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies (ASBJ PITF No. 10) are outside the scope of the Accounting Standard for Revenue Recognition, and therefore are not included in “Revenue From Contracts With Customers.” The principal revenue from contracts with customers consists of income from sales of real estate and utility income.

Note 2: Income from sales of real estate is presented in the statement of income as “Gain (Loss) on Sale of Assets” (the amount obtained by deducting the cost of sales of real estate and other selling expenses from sales of real estate). At Ichigo Hotel, gains on sales of real estate are recorded as operating revenue, while losses on sales of real estate are recorded as operating expenses; accordingly, only the gains on sales of real estate amount is presented in the above table.

2. Basic Information for Understanding Revenue Arising from Contracts with Customers

Previous Period (August 1, 2025 to January 31, 2026)

Please refer to “Notes on Significant Accounting Policies.”

Current Fiscal Period (February 1, 2026 to July 31, 2026)

Please refer to “Notes on Significant Accounting Policies.”

3. Information on the Relationship Between Satisfaction of Performance Obligations Under Contracts with Customers and Related Cash Flows, and on the Amount and Timing of Revenue Expected to be Recognized in Future Fiscal Periods from Contracts with Customers Existing at the End of the Current Fiscal Period

(1) Balances of Contract Assets and Contract Liabilities

(JPY thousand)

	Previous Period (August 1, 2025 to January 31, 2026)	Current Period (February 1, 2026 to July 31, 2026)
Receivables Arising From Contracts With Customers (beginning of fiscal period)	8,252	7,499
Receivables Arising From Contracts With Customers (end of fiscal period)	7,499	9,423
Contract Assets (beginning of fiscal period)	–	–
Contract Assets (end of fiscal period)	–	–
Contract Liabilities (beginning of fiscal period)	–	–
Contract Liabilities (end of fiscal period)	–	–

(2) Transaction Price Allocated to Remaining Performance Obligations

N/A

With respect to utility income, since Ichigo Hotel has the right to receive consideration from tenants (its customers) in an amount that directly corresponds to the value of the portion of performance completed by the end of the fiscal period, revenue is recognized at the amount that Ichigo Hotel has the right to invoice, in accordance with Clause 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition.

Accordingly, in line with the provision of Clause 80-22 (2) of the Accounting Standard for Revenue Recognition, such amounts are not included in the notes on transaction prices allocated to remaining performance obligations.

Notes on Segment Information

Segment Information

As Ichigo Hotel operates in a single segment, the real estate rental business, the disclosure is omitted.

Relevant Information

Previous Fiscal Period (August 1, 2025 to January 31, 2026)

1. Information on Products and Services

Omitted because operating revenue from a single product and service category accounts for more than 90% of operating revenue from external customers in the income statement.

2. Information by Region

(1) Operating Revenue

Omitted because operating revenue from external customers in Japan accounts for more than 90% of operating revenue in the income statement.

(2) Property, Plants, and Equipment

Omitted because the amount of property, plants, and equipment located in Japan accounts for more than 90% of property, plants, and equipment in the balance sheet.

3. Major Tenants (Hotel Operators)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
OneFive Hotels Inc.	871,572
Nest Hotel Japan Corporation	543,871
K.K. Hospitality Operations	520,390

Current Fiscal Period (February 1, 2026 to July 31, 2026)

1. Information on Products and Services

Omitted because operating revenue from a single product and service category accounts for more than 90% of operating revenue from external customers in the income statement.

2. Information by Region

(1) Operating Revenue

Omitted because operating revenue from external customers in Japan accounts for more than 90% of operating revenue in the income statement.

(2) Property, Plants, and Equipment

Omitted because the amount of property, plants, and equipment located in Japan accounts for more than 90% of property, plants, and equipment in the balance sheet.

3. Major Tenants (Hotel Operators)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
OneFive Hotels Inc.	674,468
K.K. Hospitality Operations	495,116
Nest Hotel Japan Corporation	422,609

Per Share Information

(JPY)

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
Net Assets per Share	125,354	124,979
Net Income per Share	4,136	3,760

Note: Net Income per Share is calculated by dividing Net Income by the weighted average number of shares in the period. Diluted Net Income per Share is not stated, because there are no dilutive shares.

	January 2026 (August 1, 2025 to January 31, 2026)	July 2026 (February 1, 2026 to July 31, 2026)
Net Income (JPY thousand)	1,354,518	1,231,479
Net Income not attributable to common shareholders (JPY thousand)	–	–
Net Income attributable to common shareholders (JPY thousand)	1,354,518	1,231,479
Average number of shares in the period	327,489	327,489

Material Matters after Closing of the Fiscal Period

N/A

Omission of disclosure

Since disclosure of notes regarding lease transactions, securities, retirement benefits, equity-method income and losses, transactions with related parties, and asset retirement obligations is not particularly necessary in this *tanshin* earnings report, such disclosures have been omitted.

(10) New Share Issuance

Date	Method	Total Number of Shares		Issue Amount[1] (JPY million)	
		Issued	Outstanding	Increase	Outstanding
August 25, 2023	Third-party allotment	72,515	327,489	8,099	39,697

[1] Issue amount excludes deduction from shareholders' capital (treasury share).

Note: Ichigo Hotel issued new shares via the third-party allotment at a price of JPY 111,700 per share for the acquisition of hotel assets.

3. Reference Information

(1) Portfolio Information

A. Portfolio Composition by Region (Book Value)

	Region	July 2026 Fiscal Period-End	
		Total (JPY million)	% of Total
Trust beneficiary interest in real estate (*juekiken*)	Hokkaido & Tohoku	6,510	8.1
	Kanto (ex-Tokyo)	9,341	11.6
	Tokyo	7,729	9.6
	Hokuriku & Tokai	14,229	17.6
	Kinki	11,374	14.1
	Chugoku & Shikoku	7,767	9.6
	Kyushu & Okinawa	14,933	18.5
Sub-Total		71,887	89.0
Deposits & Other Assets		8,919	11.0
Total Assets		80,807	100

Regions are defined as follows:

Hokkaido & Tohoku	Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima Prefectures
Kanto (ex-Tokyo)	Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma, Yamanashi, Niigata, and Nagano Prefectures
Tokyo	Tokyo
Hokuriku & Tokai	Toyama, Ishikawa, Fukui, Gifu, Shizuoka, Aichi, and Mie Prefectures
Kinki	Osaka, Hyogo, Kyoto, Shiga, Nara, and Wakayama Prefectures
Chugoku & Shikoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Kagawa, Tokushima, Kochi, and Ehime Prefectures
Kyushu & Okinawa	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, and Okinawa Prefectures

B. Portfolio

a. Hotel Acquisition Price, Book Value, Appraisal Value, and Portfolio Weighting

(as of July 31, 2026)

Hotel Type	Hotel No.	Hotel Name	Acquisition Price (JPY million)	Book Value (JPY million)	Appraisal Value (JPY million)	Cap Rate (%)	Appraiser	Portfolio Weighting (%)
Lodging-Focused	001	Smile Hotel Kyoto Shijo	4,480	4,443	3,860	4.3	Tanizawa	6.2
	003	KOKO HOTEL Nagoya Marunouchi	2,670	2,709	3,250	4.5	Daiwa	3.7
	005	The OneFive Osaka Sakaisuji	1,630	1,768	1,740	4.5	Daiwa	2.3
	006	Comfort Hotel Hamamatsu	1,550	1,364	1,810	5.0	Tanizawa	2.2
	007	KOKO HOTEL Kobe Shin Nagata	1,490	1,437	2,320	4.4	Tanizawa	2.1
	008	Nest hotel alt. Sapporo Odori	1,450	1,443	4,620	4.9	Daiwa	2.0
	009	The OneFive Fukuoka Tenjin	1,380	1,422	2,680	4.1	JREI	1.9
	011	Comfort Hotel Central International Airport	5,308	5,074	6,530	4.2	Daiwa	7.4
	012	Smile Hotel Tokyo Asagaya	3,910	3,977	5,880	4.1	Daiwa	5.5
	015	Nest Hotel Matsuyama	1,610	1,692	2,460	5.5	Daiwa	2.2
	017	The OneFive Okayama	1,200	1,172	2,550	5.5	Daiwa	1.7
	018	Comfort Hotel Kushiro	300	262	404	5.3	Daiwa	0.4
	020	Capsule Plus Yokohama	1,490	1,534	1,740	4.5	Daiwa	2.1
	021	Urbain Hiroshima Executive	1,800	1,698	2,050	5.2	Daiwa	2.5
	022	The OneFive Garden Kurashiki	1,725	2,093	2,270	4.8	Tanizawa	2.4
	023	Nest Hotel Kumamoto	2,220	2,142	2,340	5.1	Tanizawa	3.1
	025	The OneFive Tokyo Shibuya	3,700	3,751	5,730	3.4	Tanizawa	5.2
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	1,080	1,111	1,140	4.7	Tanizawa	1.5
	027	Smile Hotel Nagano	670	708	1,200	5.0	Tanizawa	0.9
	028	Hotel Sunshine Utsunomiya	2,200	2,313	2,500	4.8	Tanizawa	3.1
	029	Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building)	3,700	3,725	4,590	4.1	Tanizawa	5.2
	030	HOTEL THE KNOT YOKOHAMA	4,800	4,784	5,520	4.2	Tanizawa	6.7
	031	Quintessa Hotel Ise Shima	610	647	729	5.2	Tanizawa	0.9
	032	Quintessa Hotel Ogaki	1,070	1,062	811	5.1	Tanizawa	1.5
	033	THE KNOT SAPPORO	4,900	4,804	6,250	4.3	Tanizawa	6.8
	034	The OneFive Marine Fukuoka	2,600	2,602	2,710	4.2	Tanizawa	3.6
	035	Nest Hotel Hakata Ekimae	6,500	6,444	7,930	4.0	Daiwa	9.1
	036	Smile Hotel Miyakojima	2,300	2,321	2,760	4.4	Daiwa	3.2
	037	Hotel Enoe Toyama	3,400	3,370	3,890	4.9	Tanizawa	4.7
Total			71,743	71,887	92,264	—		100

Note 1: “Hotel Type” is classified into one of the following categories according to the hotel types targeted for investment by Ichigo Hotel: “Lodging-focused Hotels,” “Full-service Hotels,” “Resort Hotels,” and “Other.”

Note 2: “Book Value” does not include construction in progress held in trust.

Note 3: “Appraised Value” is based on the asset valuation methods and standards stipulated in the Articles of Incorporation of the Investment Corporation and the rules prescribed by the Investment Management Association of Japan, and represents the appraisal values determined by real estate appraisers of Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., and Tanizawa Sogo Appraisal Co., Ltd.

Note 4: “Appraiser” is abbreviated in the above table as follows:

JREI:	Japan Real Estate Institute
Daiwa:	Daiwa Real Estate Appraisal Co., Ltd.
Tanizawa:	Tanizawa Sogo Appraisal Co., Ltd.

Note 5: “Portfolio Weighting” represents the ratio of the acquisition price of each asset to the total acquisition price.

Note 6: As of July 31, 2026, no collateral has been provided for any of the assets held.

(2) Major Capital Expenditures

a. Major Planned Capital Expenditures

Hotel Name	Location	Purpose	Timing	Forecast Expenditure (JPY million)	Incurred Amount (JPY million) Current Period
Nest hotel alt. Sapporo Odori	Sapporo	Major renovation	Mar – Aug 2026	1,677	–
HOTEL THE KNOT YOKOHAMA	Yokohama	Major renovation	Apr – Oct 2026	1,351	–
KOKO HOTEL Nagoya Marunouchi	Nagoya	Absorption chiller-heater replacement	May 2027	106	–
Washington Hotel Plaza Shimonoseki Eki Nishi	Shimonoseki, Yamaguchi	High-voltage receiving equipment replacement	Feb 2027	65	–
Nest Hotel Kumamoto	Kumamoto	HVAC upgrade	Apr 2027	24	–
Smile Hotel Miyakojima	Miyakojima, Okinawa	HVAC upgrade for the main wing	Jan 2027	23	–
Washington Hotel Plaza Shimonoseki Eki Nishi	Shimonoseki, Yamaguchi	Absorption chiller-heater replacement	May 2027	21	–
Washington Hotel Plaza Shimonoseki Eki Nishi	Shimonoseki, Yamaguchi	Emergency generator replacement	Jan 2027	20	–
The OneFive Osaka Sakaisuji	Osaka	Renovation of guest bathrooms	Jan 2027	18	–
The OneFive Okayama	Okayama	Boiler replacement	Jul 2027	11	–

b. Major Capital Expenditures Completed during the July 2026 Fiscal Period

Construction work totaled JPY 601 million during the July 2026 Fiscal Period comprising capital expenditure of JPY 564 million and repair work of JPY 37 million expensed during the period.

Hotel Name	Location	Purpose	Timing	Expenditure (JPY million)
Nest hotel alt. Sapporo Odori	Sapporo	Elevator upgrade	Apr – Jun 2026	98
Washington Hotel Plaza Shimonoseki Eki Nishi	Shimonoseki, Yamaguchi	Repair of exterior walls	May – Jul 2026	30
Nest Hotel Matsuyama	Matsuyama, Ehime	Repair of exterior walls	Feb – Apr 2026	30
KOKO HOTEL Kobe Shin Nagata	Kobe	HVAC upgrade	Jun 2026	29
Nest Hotel Matsuyama	Matsuyama, Ehime	Elevator upgrade	Apr 2026	26
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	Elevator upgrade	Jul 2026	26
The OneFive Garden Kurashiki	Kurashiki, Okayama	Elevator upgrade	Jun 2026	21
Quintessa Hotel Ogaki	Ogaki, Gifu	Emergency generator upgrade	Jan – Feb 2026	17
Quintessa Hotel Ogaki	Ogaki, Gifu	HVAC upgrade	Jan – Feb 2026	14
Other				268
Total				564