



Creating peace of mind through honest and committed management.

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REIT Issuer

Ichigo Hotel REIT Investment Corporation (3463)

1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo

Representative: Osamu Miyashita, Executive Director

Asset Management Company

Ichigo Real Estate Investment Advisors Co., Ltd.

Representative: Wataru Orii, President & Representative Statutory Executive Officer

Inquiries: Hiroto Tajitsu, Head of Administration & Statutory Executive Officer

Tel: +81-3-3502-4892

**Notice of Approval to List Shares
on the Tokyo Stock Exchange REIT Market**

Ichigo Hotel REIT Investment Corporation (“Ichigo Hotel REIT”) hereby announces that it has today obtained approval from the Tokyo Stock Exchange (“TSE”) to list its shares on the TSE REIT Market.

Ichigo Hotel REIT was established on July 22, 2015 pursuant to the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent amendments) (“Investment Trust Act”). Its assets are managed by Ichigo Real Estate Investment Advisors Co., Ltd. (“IRE”) as an asset management company under the Investment Trust Act in accordance with the objectives and policies of asset management prescribed in the Investment Trust Act and in the Articles of Incorporation of Ichigo Hotel REIT.

Ichigo Hotel REIT is a J-REIT that invests in hotel assets, making maximum use of Ichigo’s value-add capabilities.^{1,2} Ichigo Hotel REIT will deploy Ichigo’s deep real estate expertise to increase asset profitability via, for example, the strategic and effective use of value-add capex.³ Ichigo Hotel REIT also expects to pro-actively pursue portfolio growth and economies of scale for shareholders by deploying the Ichigo’s robust sourcing capabilities.⁴

Backed by the expansion of inbound tourism, Ichigo Hotel REIT focuses on Japanese hotel assets. In pursuit of stable growth for its shareholders, Ichigo Hotel REIT is initially targeting stay-only hotels, a hotel type that offers return stability and defensive characteristics in economic downturns.⁵ Over time, Ichigo Hotel REIT expects to grow its hotel portfolio by deploying the Ichigo’s robust sourcing and support capabilities, thereby diversifying locations, types, and contractual terms and creating a hotel portfolio that offers both return stability and growth potential. After building a robust operating platform in stay-only hotels, in the future Ichigo Hotel REIT expects to seek further growth and solidify its J-REIT market position as a pure hotel REIT via potential acquisitions of resort and full-service hotels.^{6,7}

By listing on the TSE REIT market, Ichigo Hotel REIT will obtain the means to raise capital and execute its growth strategy for shareholders, taking advantage of external growth opportunities in hotels and Ichigo’s deep value-add capabilities and management know-how.

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement regarding the approval to list shares by Ichigo Hotel REIT, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to Ichigo Hotel REIT’s prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

¹ Hotel assets are defined as:

- i) real estate mainly used as lodging facilities and related facilities for running a hotel business prescribed in the Hotel Business Law;
- ii) residential or lodging facilities equipped with furniture and well-maintained to serve their purposes, or residential or lodging facilities and related facilities where reception service is available to tenants or users;
- iii) a group of real estate assets acquired by Ichigo Hotel REIT on the condition that it shall acquire or hold relevant real estate set forth in i) or ii) above and the asset group operated as a totality fulfills this standard.

² Ichigo here refers to Ichigo Inc. (2337) and its consolidated subsidiaries (including IRE).

³ In general, Ichigo Hotel REIT's capex (capital expenditures) are expected to be less than or equal to the total amount of depreciation in each period. Also, it seeks to be effective, strategic, accurate, and cost-effective in its capex.

⁴ Sourcing capabilities are comprehensive capabilities, including the ability to collect information on assets that are possible targets of investment and the ability to negotiate for the acquisition of target investment assets.

⁵ Stay-only hotels are hotels specialized in lodging with a limited or minimum amount of related facilities. Stay-only hotels are located near train stations, airports, tourist sites, business and commercial districts, and other key transport infrastructure such as major train stations and highway interchanges.

⁶ Resort hotels are relatively spacious lodging facilities with a variety of related facilities including restaurants, banquet halls, conference and meeting areas, and sports facilities that are located near tourist sites, scenic points, and leisure facilities.

⁷ Full-service hotels are hotels offering a full line of services comprised of related facilities such as restaurants, banquet halls, conference and meeting areas in addition to lodging facilities that are located near train stations, airports, tourist sites, business and commercial districts, major cities, government designated cities, and major cities and suburbs of prefectural capitals.

* Distribution of this material: the Kabuto Club, the press club of the Ministry of Land, Infrastructure, Transport, and Tourism, and the press club for construction industry newspapers at the Ministry of Land, Infrastructure, Transport, and Tourism.

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