



**Ichigo Hotel January 2019 Fiscal Period
Corporate Presentation**

March 14, 2019

**Ichigo Hotel REIT Investment Corporation (3463)
Ichigo Investment Advisors Co., Ltd.**

Ichigo Preserves and Improves Real Estate



World-Class Excellence

Ichigo's
Hiromi Miyake

ICHIGO



January 2019 Results

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- ✓ January 2019 Earnings Breakdown
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January 2019 Results

January 2019 Highlights

	Achievements	Drivers
Net Income	JPY 1,398M +JPY 557M (+66.2%) YOY	<ul style="list-style-type: none"> Gains on sale of Asakusa asset: JPY 694M Limited impact from natural disasters due to geographically diversified portfolio
Asset Acquisition	Court Hotel Kurashiki (Acquisition Price: JPY 1.73B)	<ul style="list-style-type: none"> Asset acquisition via Ichigo sponsor support
Asset Sale	Smile Hotel Asakusa (Sale Price: JPY 2.7B)	<ul style="list-style-type: none"> Sale price: 1.4X book value, 1.3X appraisal value
RevPAR	JPY 8,137 (12 variable rent hotels) -JPY 127 (-1.5%) YOY	<ul style="list-style-type: none"> RevPAR slightly down due to natural disasters and downward price pressure from new hotel supply
NOI	JPY 1.57B -JPY 45M (-2.8%) YOY	<ul style="list-style-type: none"> NOI gain on asset sale & acquisition offset by decline due to new supply in the Kinki area and natural disasters
FFO	JPY 4,055 -JPY 531 (-11.6%) YOY	<ul style="list-style-type: none"> FFO down on lower NOI
Dividend	JPY 5,487 +JPY 2,185 (+66.2%) YOY	<ul style="list-style-type: none"> Gains on sale fully paid out to shareholders as dividend +JPY 58 (+1.1%) vs. forecast
NAV	JPY 145,726 -JPY 591 (-0.4%) vs. previous period	<ul style="list-style-type: none"> NAV down versus previous period on dropping out of Asakusa asset that generated JPY 694M gains on sale NAV +JPY 2,681 (+1.9%) YOY

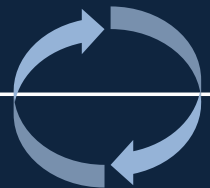

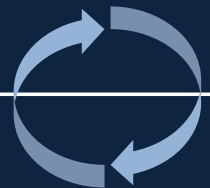

FFO (Funds from Operations) = (Net Income + Depreciation + Amortization of Expenses Related to REIT Establishment + Amortization of Share Issuance Expenses + Loss on Disposal of Fixed Assets + Liability for Asset Retirement Obligation +/- Losses/Gains on Sales +/- Extraordinary Losses/Gains) / Number of Shares Outstanding
 NAV = BPS + Unrealized Capital Gains per Share

January 2019 Earnings Breakdown

(JPY million)

	Jan 2018 Actual	Jan 2019 Actual (A)	Forecast (B) (Sep 2018)	vs. Forecast (A) - (B)	Major Variation Factors (vs. Forecast)
Operating Revenue	1,782	2,439	2,448	-8	
Variable Rent	748	701	711	-9	Above forecast: 4 hotels Below forecast: 7 hotels
Fixed Rent	974	984	984	-	
Other	59	753	752	+1	Increase in bicycle parking space income
Operating Expenses	747	866	874	-8	
Repair & Maintenance	15	16	20	-3	Effective cost control
Depreciation	302	308	312	-3	
Operating Profit	1,034	1,573	1,574	-	
Recurring Profit	842	1,399	1,385	+14	Insurance income from natural disaster
Net Income	841	1,398	1,384	+14	
Dividend	JPY 3,302	JPY 5,487	JPY 5,429	+JPY 58	+1.1% vs. forecast +66.2% (+JPY 2,185) YOY
FFO	JPY 4,586	JPY 4,055	JPY 4,030	+JPY 25	
NOI	1,620	1,574	1,583	-8	
Post-Depreciation NOI	1,318	1,266	1,270	-4	
Capex	283	321	379	-57	Effective cost control
Book Value	51,512	51,299	-	-	

Accretive Asset Sale & Acquisition

	Smile Hotel Asakusa															
		<p>Sale Price: JPY 2.70B (1.4X Book Value)</p> <ul style="list-style-type: none"> ✓ Gains on sale exceeded NAV-based unrealized gains (1.3X appraisal value) ✓ Fully distributed gains on sale as dividend to shareholders (JPY 694M) 														
	Court Hotel Kurashiki															
		<p>Acquisition Price: JPY 1.73B (Appraisal Value: JPY 1.96B)</p> <ul style="list-style-type: none"> ✓ Geographic diversification supports earnings stability ✓ NOI and growth potential are both higher than Smile Hotel Asakusa, which will drive dividend growth 														
Sale & Acquisition Impact	Greater Geographic Diversification	NOI Growth														
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">(Before)</td> <td style="text-align: center;">→</td> <td style="text-align: center;">(After)</td> </tr> <tr> <td style="text-align: center;">Tokyo 14.1%</td> <td></td> <td style="text-align: center;">Tokyo 10.4%</td> </tr> <tr> <td style="text-align: center;">Chugoku/Shikoku 9.0%</td> <td></td> <td style="text-align: center;">Chugoku/Shikoku 12.5%</td> </tr> </table>	(Before)	→	(After)	Tokyo 14.1%		Tokyo 10.4%	Chugoku/Shikoku 9.0%		Chugoku/Shikoku 12.5%	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Smile Hotel Asakusa Jan 2018 (6 months)</td> <td style="text-align: center;">→</td> <td style="text-align: center;">Court Hotel Kurashiki Jan 2019 (5 months)</td> </tr> <tr> <td colspan="3" style="text-align: center;">+JPY 17.6M (+40%)</td> </tr> </table>	Smile Hotel Asakusa Jan 2018 (6 months)	→	Court Hotel Kurashiki Jan 2019 (5 months)	+JPY 17.6M (+40%)	
(Before)	→	(After)														
Tokyo 14.1%		Tokyo 10.4%														
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Smile Hotel Asakusa Jan 2018 (6 months)	→	Court Hotel Kurashiki Jan 2019 (5 months)														
+JPY 17.6M (+40%)																

* Court Hotel Kurashiki's NOI is based on a 5-month period starting August 31, 2018, its acquisition date. NOI growth +JPY 14M (+32%) factors in Court Hotel Kurashiki's 5-month property tax.

Steady Operating Results Despite Natural Disasters

Variable Rent Hotels (12 Hotels)

	Aug 1, 2017 - Jan 31, 2018	Aug 1, 2018 - Jan 31, 2019	Difference	YOY
Room Revenue (JPY M)	2,797	2,764	-32	-1.2%
Revenue (JPY M)	3,241	3,207	-33	-1.0%
RevPAR (JPY)	8,264	8,137	-127	-1.5%
Occupancy	92.0%	91.2%	-0.8%	-0.9%
ADR (JPY)	8,980	8,919	-62	-0.7%

Total Portfolio (19 Hotels)

	Aug 1, 2017 - Jan 31, 2018	Aug 1, 2018 - Jan 31, 2019	Difference	YOY
Room Revenue (JPY M)	4,117	4,136	+19	+0.5%
Revenue (JPY M)	4,634	4,620	-13	-0.3%
RevPAR (JPY)	7,361	7,380	+18	+0.2%
Occupancy	89.1%	89.0%	-	-
ADR (JPY)	8,266	8,290	+24	+0.3%

* Excludes Hotel Suave Kobe Asuta and Grandpark-Inn Yokohama. Operating results before acquisition are based on data provided by previous owner.

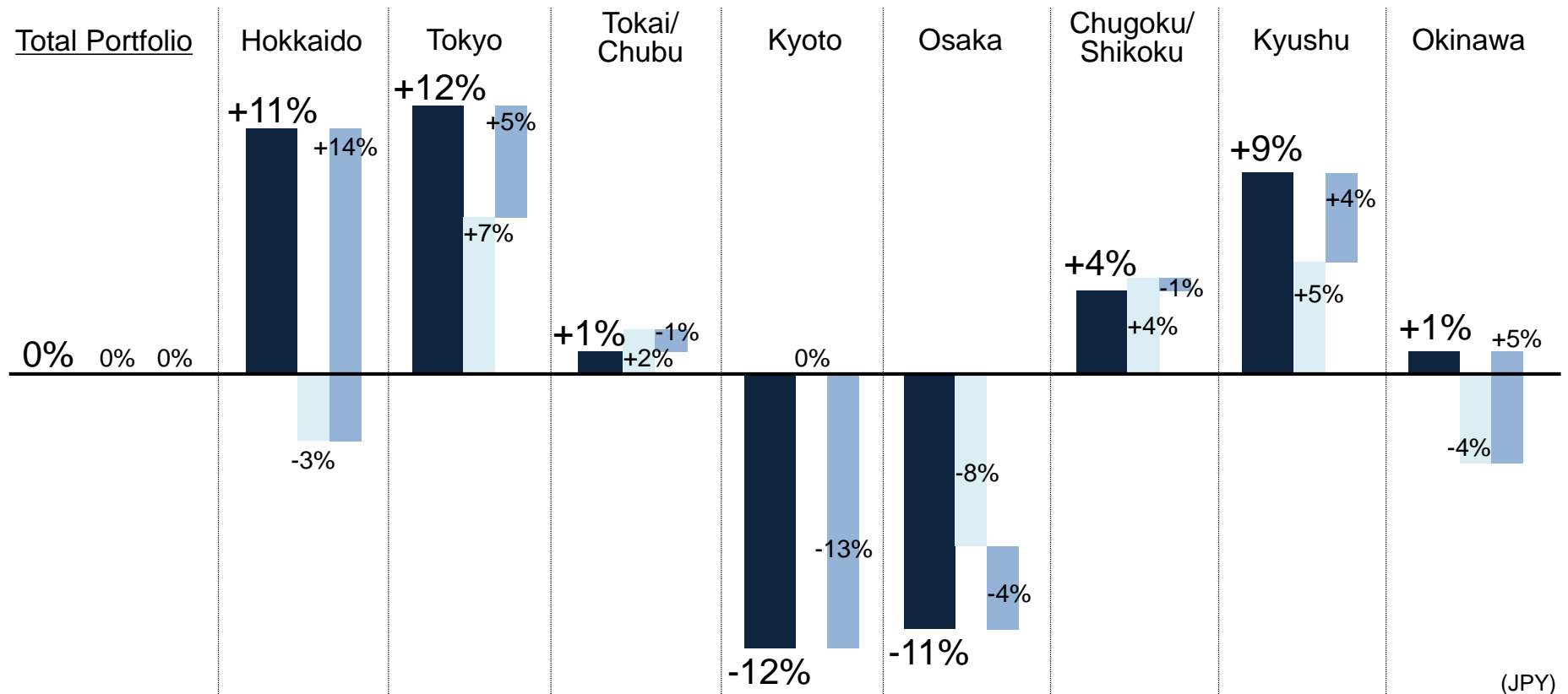
Geographic Diversification Supports Earnings Stability

Negative Results in Kyoto and Osaka Offset by Other Regions

YOY by Region (Aug 2018 – Jan 2019)

RevPAR Occupancy ADR

18 Hotels (excludes Grandpark-Inn Yokohama, Hotel Suave Kobe Asuta, and Hotel Livemax Nihombashi-Hakozaki)



RevPAR	8,539	9,131	6,339	9,288	7,499	6,300	9,532	9,257
No. Hotels	3	1	4	2	2	4	1	1
% of Total Portfolio Rental Income	14%	8%	18%	11%	14%	16%	4%	9%

(JPY)



Actions to Grow Earnings

- Following Actions Forecast to Increase NOI by JPY 23.8M p.a.
- Revenue Drivers:
 - ✓ Value-Add Capex: NOI +JPY 18.2M p.a.

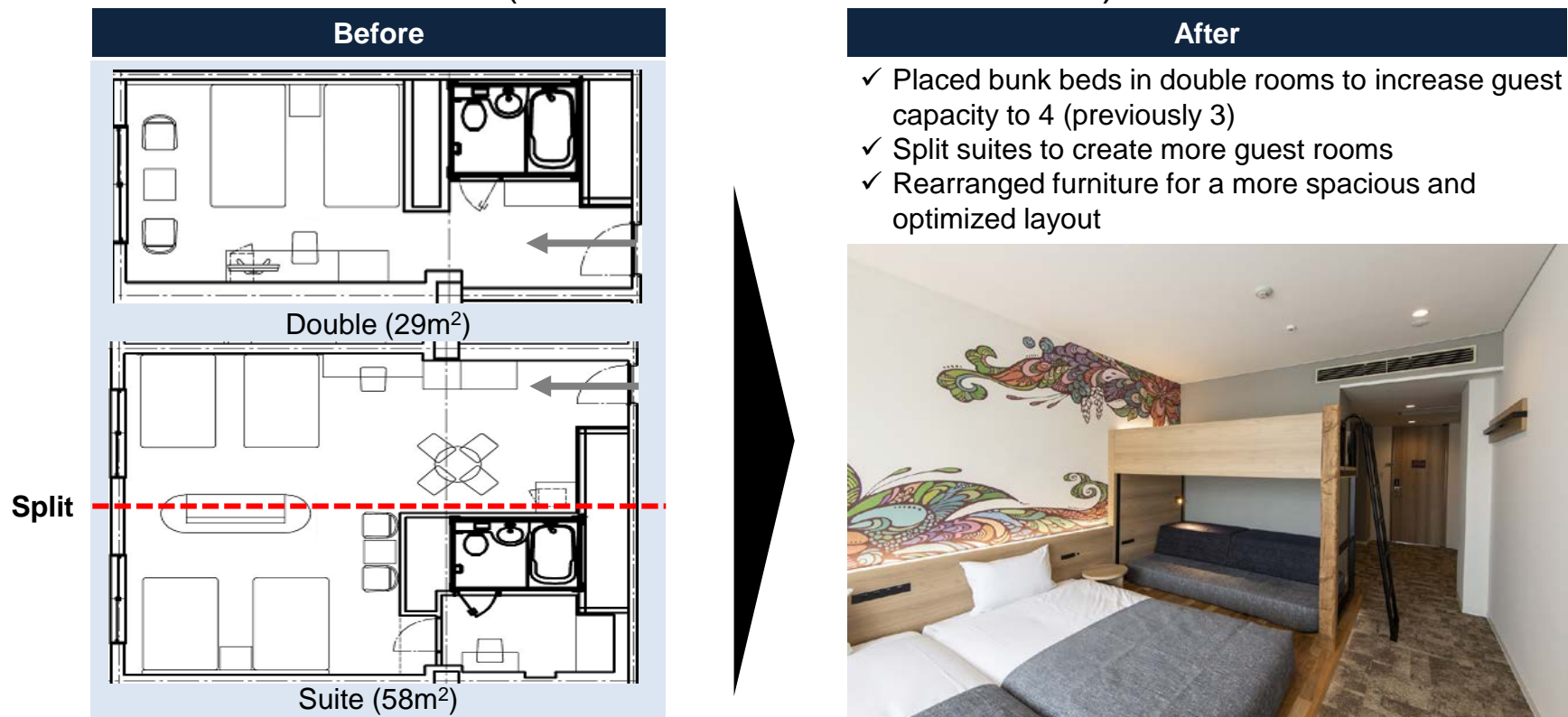
Capex Timing	Hotel	Capex Details	Capex Amount	NOI Increase	ROI
Sept 2018	Hotel Wing International Nagoya	Convert storage space to guest rooms (4 additional rooms)	JPY 14.3M	+JPY 2.8M p.a.	19.8%
Sept 2018	Nest Hotel Sapporo Odori	Increase restaurant capacity	JPY 0.8M	-	-
Jan 2019	Nest Hotel Naha	Renovate and split guest rooms	JPY 50.0M	+JPY 9.9M p.a.	19.8%
Jan 2019	Court Hotel Kurashiki	Convert double rooms into twin-bed rooms	JPY 29.9M	+JPY 5.5M p.a.	18.5%

- ✓ Pro-active monetization of common areas: NOI +JPY 4.6M p.a.
 - Increased bicycle parking & fee income (Smile Hotel Tokyo Asagaya)
- Cost Reductions: NOI +JPY 1.0M p.a.
 - ✓ Revised electricity utility contracts & reduced water consumption (Court Hotel Kurashiki, Nest Hotel Matsuyama)

Value-Add Capex: Nest Hotel Naha

Increased guest room capacity to cater to needs of guests traveling with family or friends

- Increased guest capacity in 6 double rooms (capacity increased by 6 guests)
- Split 2 suites into 4 double rooms (capacity increased by 8 guests)
- Expected outcome: +JPY 9.9M p.a. rental income
- Forecast ROI 19.8% (Total renovation cost JPY 50M)



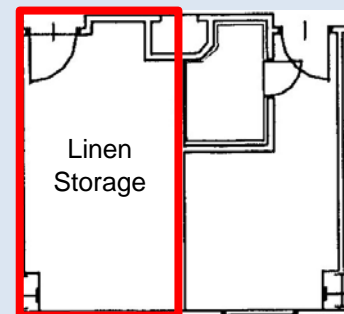
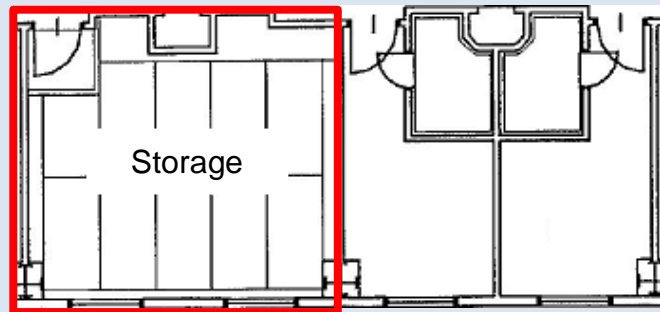
Value-Add Capex: Hotel Wing International Nagoya

Converted non-revenue generating storage spaces into 4 single rooms

- Outcome: +JPY 2.8M p.a. rental income
- Forecast ROI 19.8% (Total capex JPY 14.3M, joint investment with operator)

Before

Converted 2 storage spaces into guest rooms



After

4 single rooms primarily used by business travelers



Ongoing Earnings Growth

Growth Driver: Value-Add Capex

- Adding 8 new guest rooms in July 2019 period
- Continuing high-ROI value-add capex to meet changes in demand trends

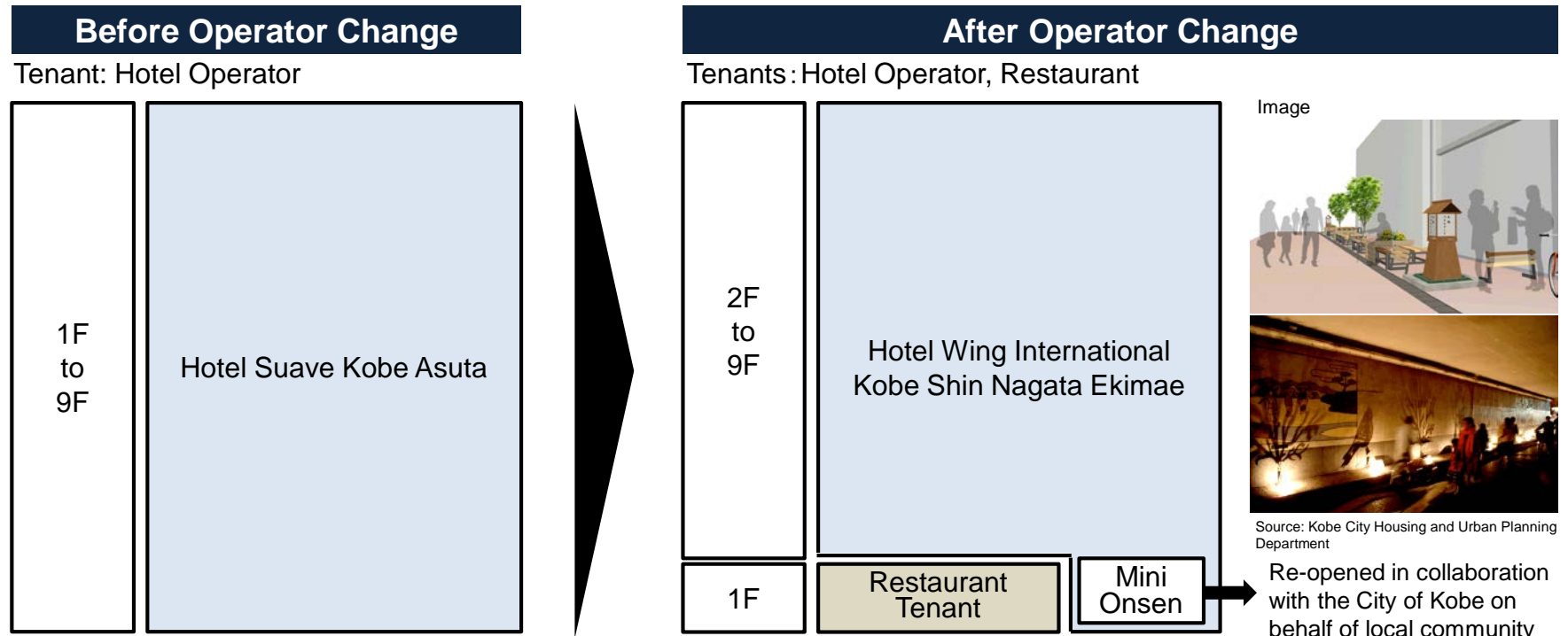
	From IPO (Nov 30, 2015) to January 2019	July 2019 (Forecast)		Cumulative
		Court Hotel Kurashiki	Nest Hotel Naha	
Capex Details	Renovate and create new guest rooms	Add 6 new guest rooms	Add 2 new guest rooms	-
Capex Amount	JPY 423M	JPY 62M	JPY 22M	JPY 507M
NOI Increase	+JPY 103.9M p.a.	+JPY 10.6M p.a.	+JPY 3.7M p.a.	+JPY 118.2M p.a.
ROI	24.6%	17.2%	17.0%	23.3%

Note: NOI Increase includes forecast rent increase

Growth Driver: Hotel Operator Replacement

Replacing Operator of Hotel Suave Kobe Asuta

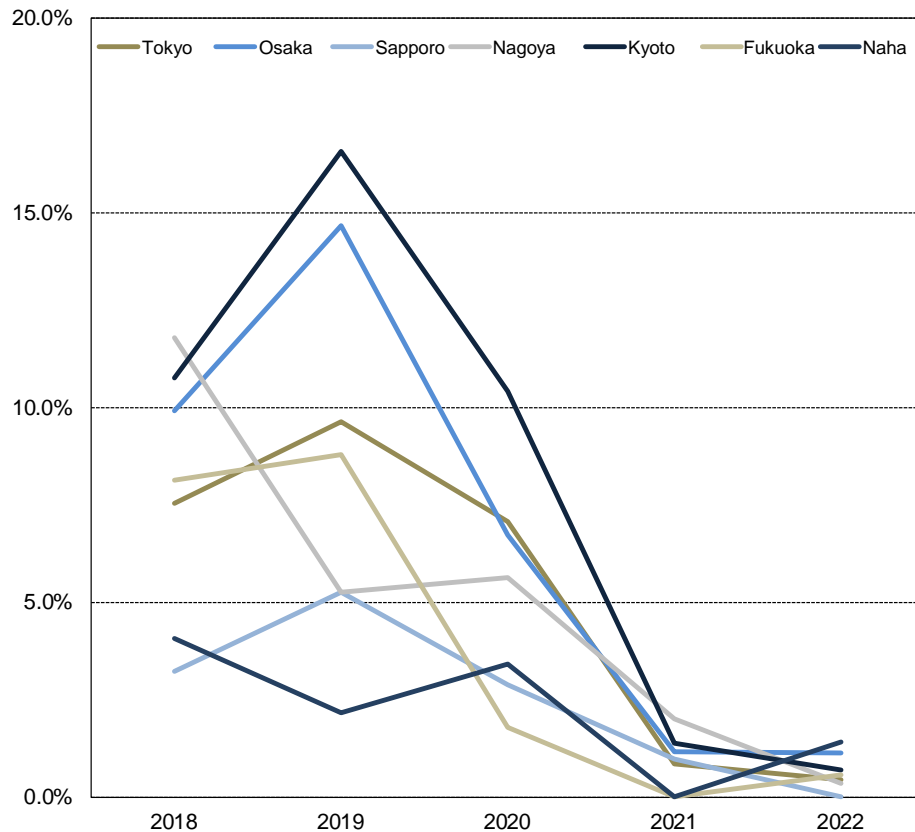
- New lease will both increase fixed rent & add variable rent
- Changing hotel name to Hotel Wing International Kobe Shin Nagata Ekimae (June 2019)
- Higher demand from June with completion of nearby government building
- Adding new restaurant & mini onsen (hot spring) to drive NOI & additional traffic



Growth Driver: Strong Inbound Demand

- New hotel supply forecast to peak in 2019
- Domestic demand firm while inbound demand continues to grow

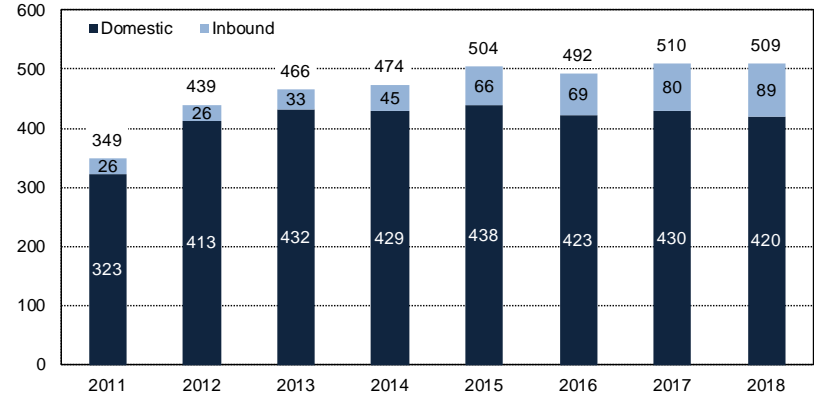
Growth in New Hotel Supply By Major City vs. 2017



* Calculated by Ichigo Investment Advisors based on Ministry of Health, Labor, and Welfare's "Report on Public Health Administration and Services" and hotel and restaurant data published December 7, 2018. Does not include new hotels whose opening dates are not confirmed.

Total Number of Tourists in Domestic Lodging Facilities

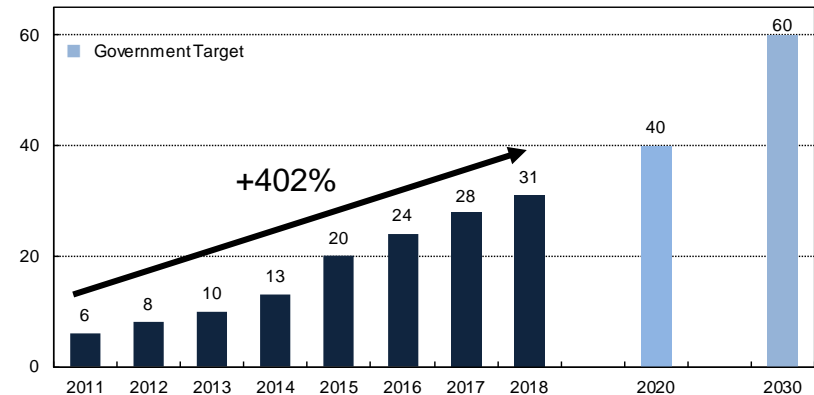
(million persons)



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

Number of Inbound Tourists

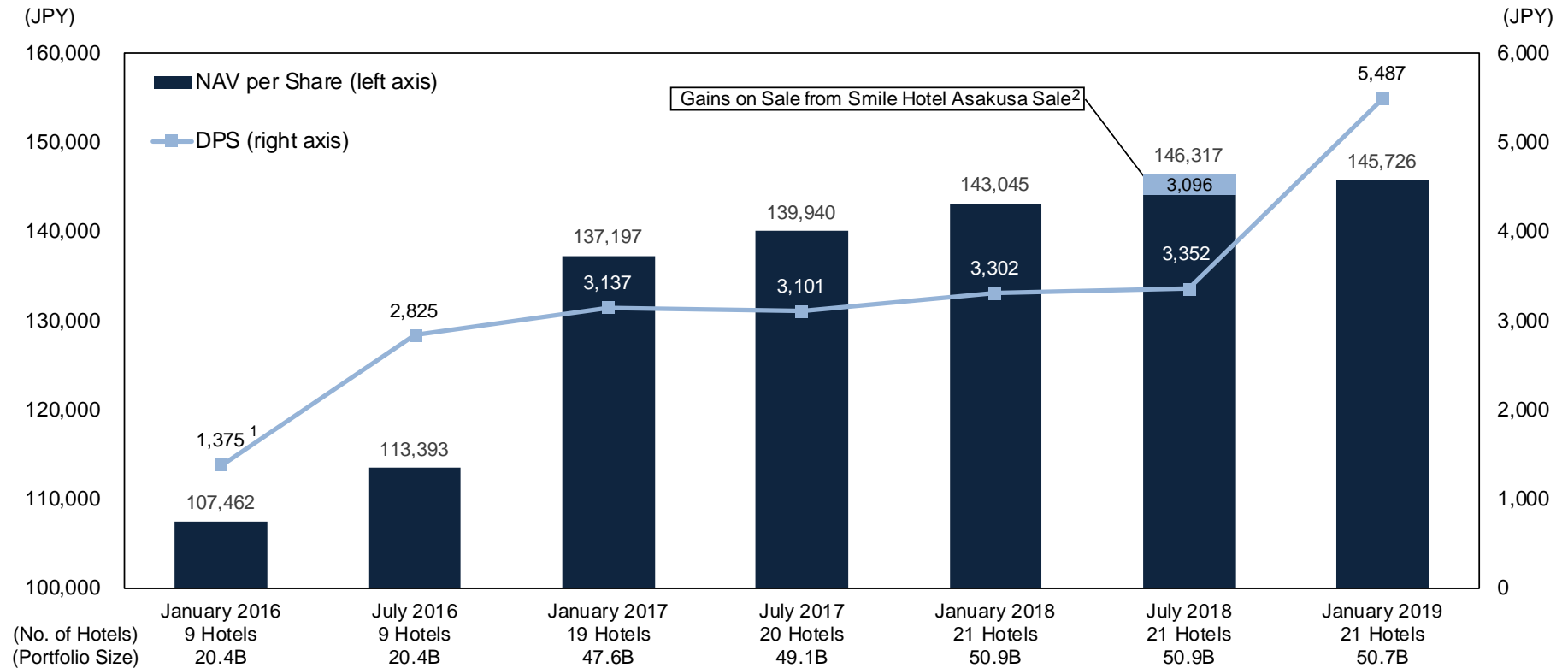
(million persons)



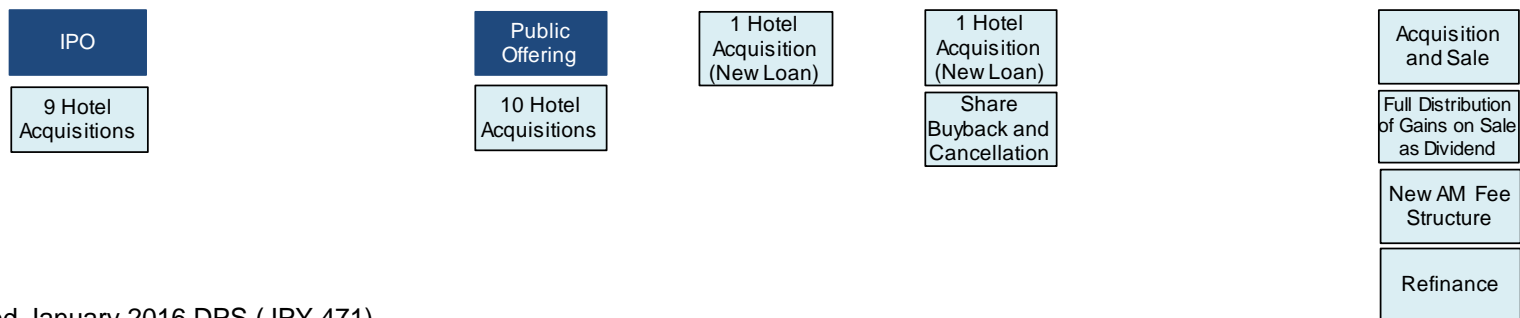
* Calculated by Ichigo Investment Advisors based on Japan National Tourism Organization (JNTO)'s "Visitor Trends" and Prime Minister's Office of Japan's published documents



Strong Growth Track Record



Events



¹ Annualized January 2016 DPS (JPY 471)

² Unrealized gains of Smile Hotel Asakusa (sold in August 2018) = (Sales price – book value at sale) / number of shares outstanding

Ongoing Potential to Drive Increased Shareholder Value

Dividend Growth and Highly Secure Earnings Base Support Further Growth in Shareholder Value

	Dividend Growth	Highly Secure Earnings Base
Organic Growth	<ul style="list-style-type: none"> • Pro-actively execute value-add capex • Dispose of hotels with limited growth potential 	<ul style="list-style-type: none"> • Geographic diversification and centrally-located hotels with stable demand support high earnings stability • High underlying land values reflect high location attractiveness and value • Focus on major regional cities with convenient public transportation access and revenue upside from local events further reinforces earnings stability
Acquisition-Led Growth	<ul style="list-style-type: none"> • Recycle capital <ul style="list-style-type: none"> – Deploy proceeds from sales into higher-return acquisitions • Use low-cost borrowing capacity <ul style="list-style-type: none"> – Increase capital efficiency (substitute low-cost debt for high-cost shareholder equity) – Manage interest rate risk (extend loan maturities and fix interest rates) • Grow with sponsor support <ul style="list-style-type: none"> – Acquire assets without having to participate in competitive auctions 	

Drive Increased Shareholder Value

Portfolio Growth Opportunity via Ichigo Sponsor Support

16 Hotels (JPY 43.9B) in Sponsor Pipeline as of January 31, 2019

- Locations: Major cities such as Tokyo, Yokohama, Osaka, Fukuoka, and Kumamoto
- New hotels also in-development

Completed



Yokohama



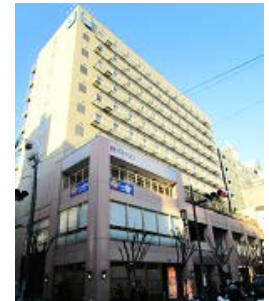
Shinjuku



Kumamoto



Fukuoka



Osaka

July 2019 and January 2020 Forecasts

July 2019 Forecast

Reflects expected negative impact from new hotel supply in Kyoto and Osaka and conservative forecast of variable-rent income

(JPY million)

	Jul 2018 Actual (A)	Jul 2019 Previous Forecast (Sep 2018)	Jul 2019 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,814	1,823	1,785	-28	
Variable Rent	803	794	750	-53	Expected RevPAR at Variable Rent Hotels: JPY 8,374 (-2.0% YOY)
Fixed Rent	952	963	969	+16	Increase due to acquisition & sale: +15, Increase in rent from revised lease contract (Sapporo Odori, Osaka Shinsaibashi, Naha, Matsuyama): +6 Decrease due to revised lease contract (Kobe): -5
Other	58	64	65	+7	Increase due to revised lease contract (Kobe): +6 Increase due to revised bicycle parking space contract (Asagaya): +2
Operating Expenses	771	811	796	+24	Increase in property tax due to acquisition: +3 Engineering report-related expense: +2
Repair & Maintenance	20	21	22	+1	
Depreciation	310	323	317	+6	Increase in capex conducted in Jul 2018 through Jul 2019
Operating Profit	1,042	1,011	989	-53	
Recurring Profit	855	827	810	-45	
Net Income	854	827	809	-45	
Dividend	JPY 3,352	JPY 3,243	JPY 3,174	-JPY 178	-2.1% (-JPY 69) vs. previous forecast -5.3% YOY
FFO	JPY 4,671	JPY 4,567	JPY 4,473	-JPY 198	
NOI	1,640	1,644	1,606	-34	
Post-Depreciation NOI	1,329	1,320	1,288	-40	
Capex	246	310	319	+72	

January 2020 Forecast

Lower forecast reflects drop off of January 2019 gains on sale (JPY 694M)

(JPY million)

	Jan 2019 Actual (A)	Jan 2020 Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	2,439	1,773	-666	
Variable Rent	701	713	+11	Expected RevPAR at Variable Rent Hotels: JPY 8,290 (+1.9% YOY)
Fixed Rent	984	991	+7	Increase due to asset acquisition & sale: +8, Increase due to revised lease contract (Sapporo Odori, Osaka Shinsaibashi, Naha, Matsuyama): +5 Decrease due to revised lease contract (Kobe): -6
Other	753	68	-685	Increase due to revised lease contract (Kobe): +7, Increase due to revised bicycle parking space contract (Asagaya): +1, Decrease in gains on sale: -694
Operating Expenses	866	793	-72	Increase in property tax due to acquisition: +3 Engineering report-related expense: +2, Decrease in AM fee: -78 Decrease in sale-related exemption of consumption tax: -19
Repair & Maintenance	16	23	+6	
Depreciation	308	322	+13	Increase in capex conducted in Jan 2019 through Jan 2020
Operating Profit	1,573	979	-593	
Recurring Profit	1,399	803	-596	
Net Income	1,398	802	-596	
Dividend	JPY 5,487	JPY 3,147	-JPY 2,340	-42.6% YOY
FFO	JPY 4,055	JPY 4,432	+JPY 377	
NOI	1,574	1,592	+17	
Post-Depreciation NOI	1,266	1,270	+4	
Capex	321	317	-3	

Appendix: Hotel Market Environment

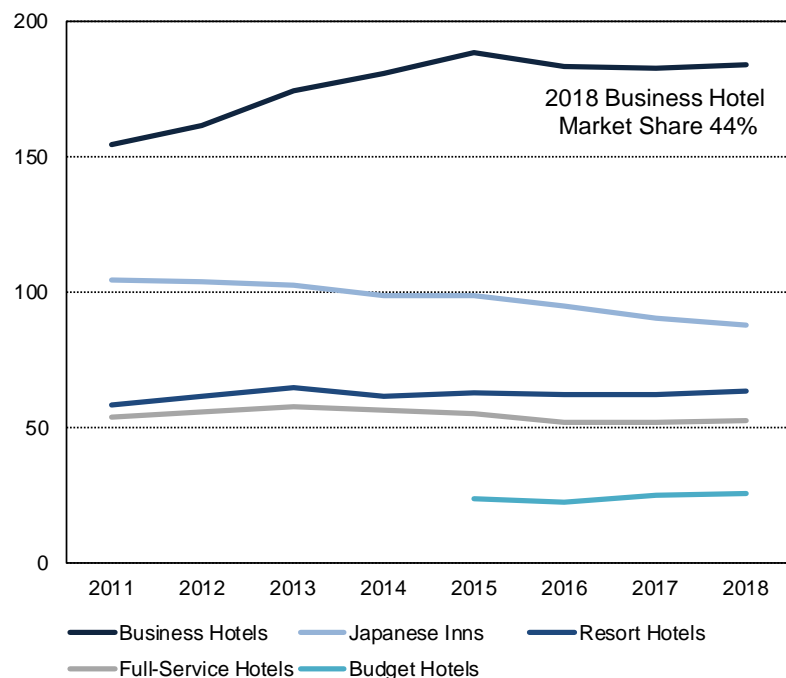
Business Hotel Demand Strong and Growing

Business hotels benefit from both robust domestic demand and growing inbound demand

- 183M domestic business hotel guests in 2018, +1% YOY
- 33M inbound business hotel guests in 2018, +16% YOY

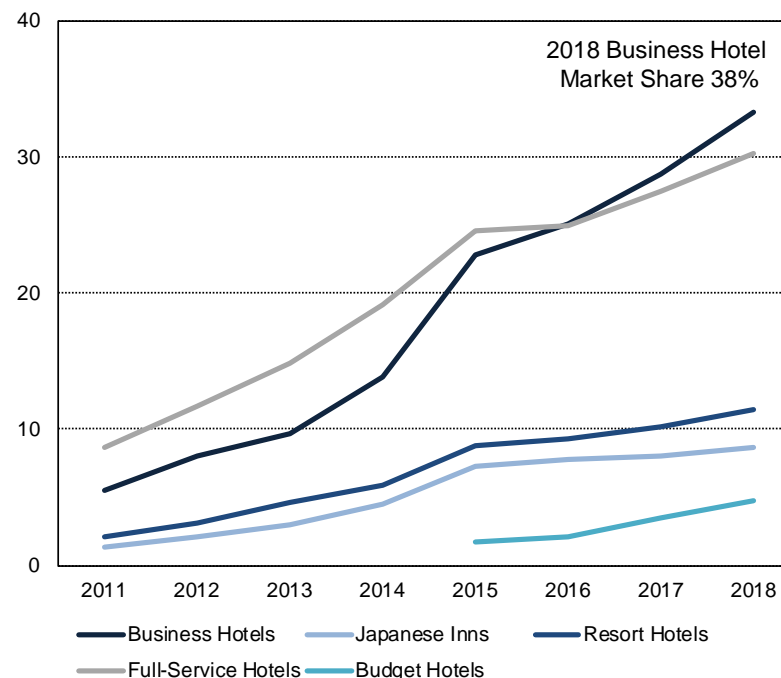
No. of Guests by Hotel Type (Domestic)

(million persons)



No. of Guests by Hotel Type (Inbound)

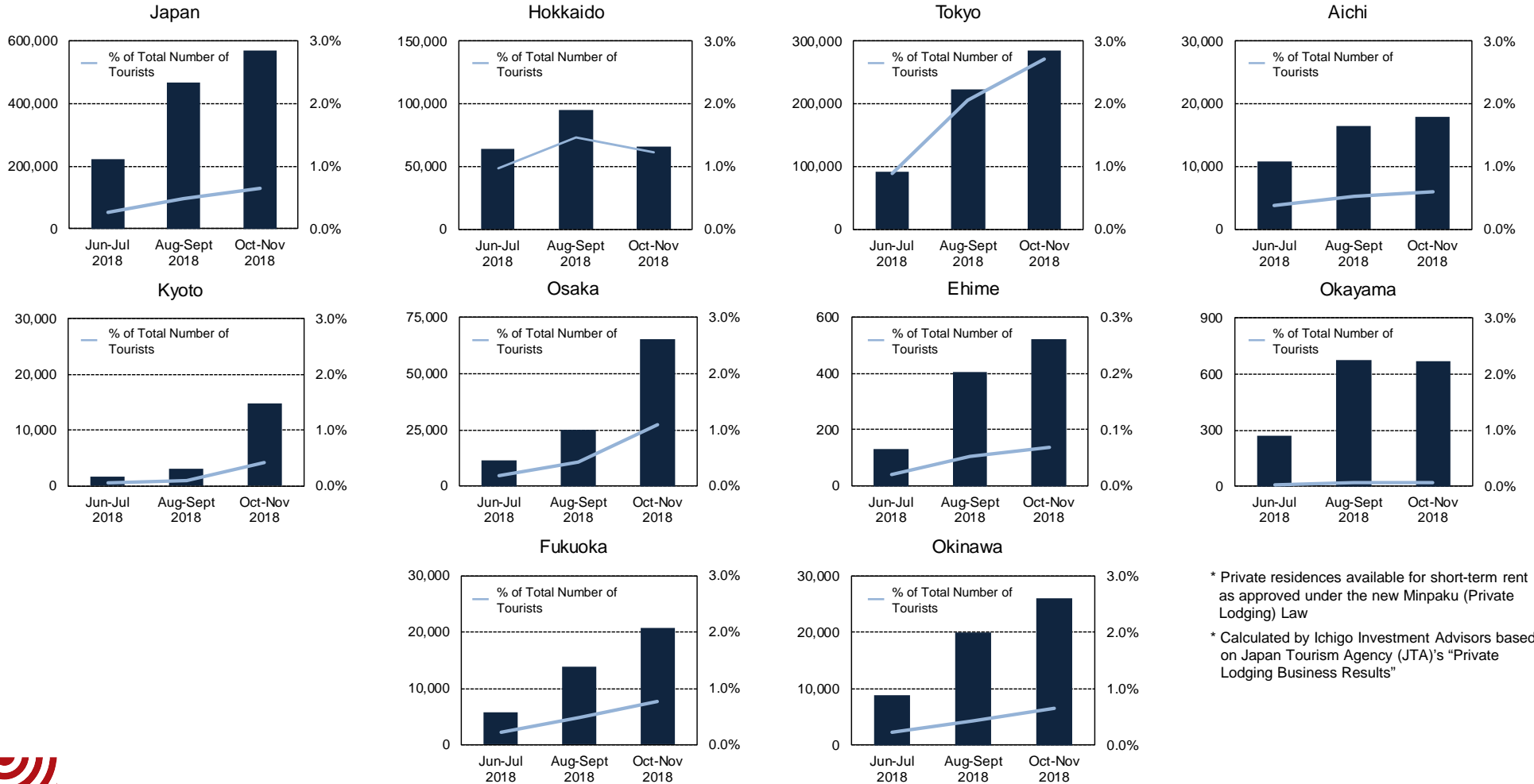
(million persons)



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

Minpaku* (Airbnb, etc.) Serves <1% of Tourists Nationwide

No. of Guests at Minpaku Rentals by Prefecture

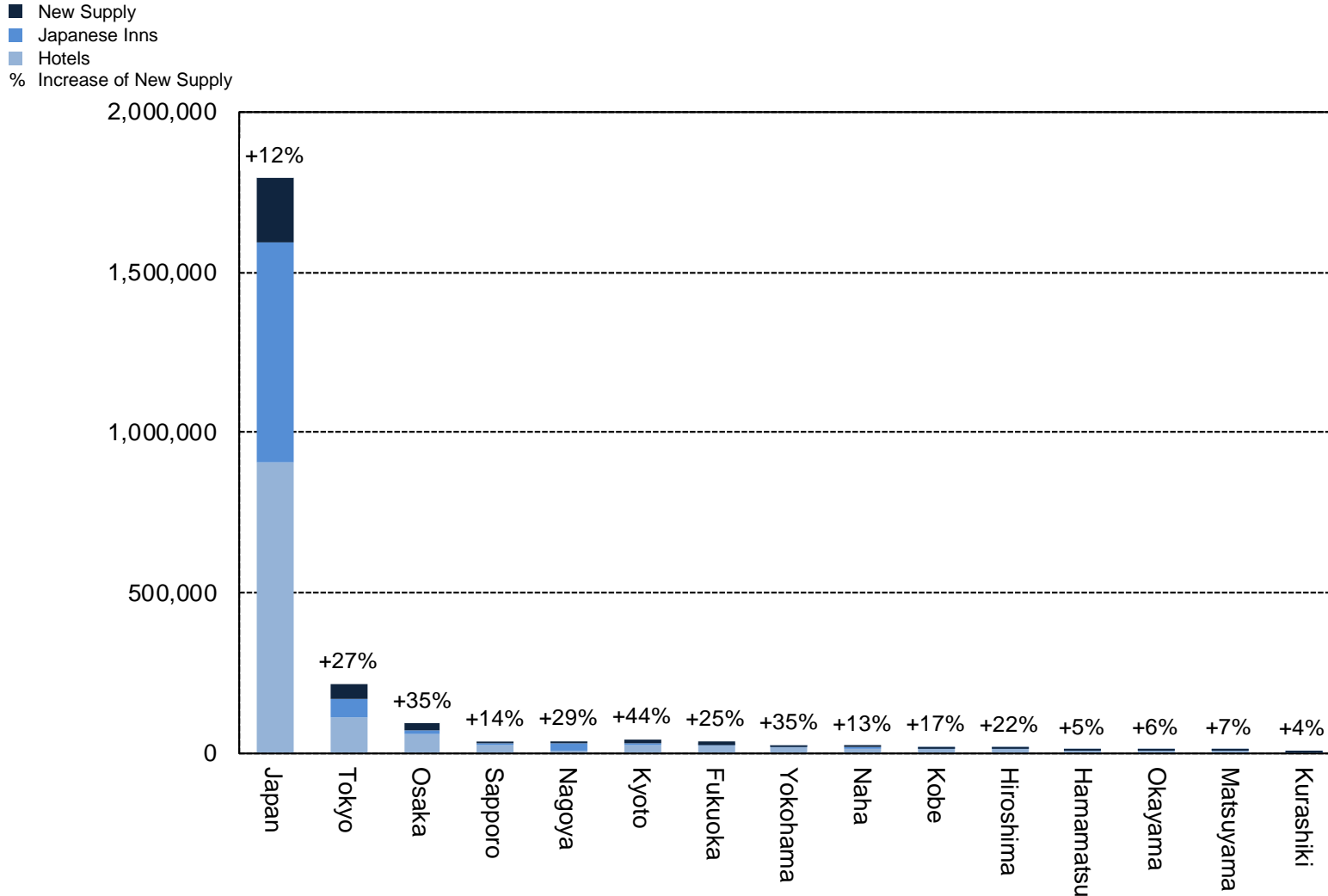


* Private residences available for short-term rent as approved under the new Minpaku (Private Lodging) Law

* Calculated by Ichigo Investment Advisors based on Japan Tourism Agency (JTA)'s "Private Lodging Business Results"

New Hotel Room Supply in Japan +12%

No. of New Hotel Rooms Planned for Completion (after March 31, 2018)

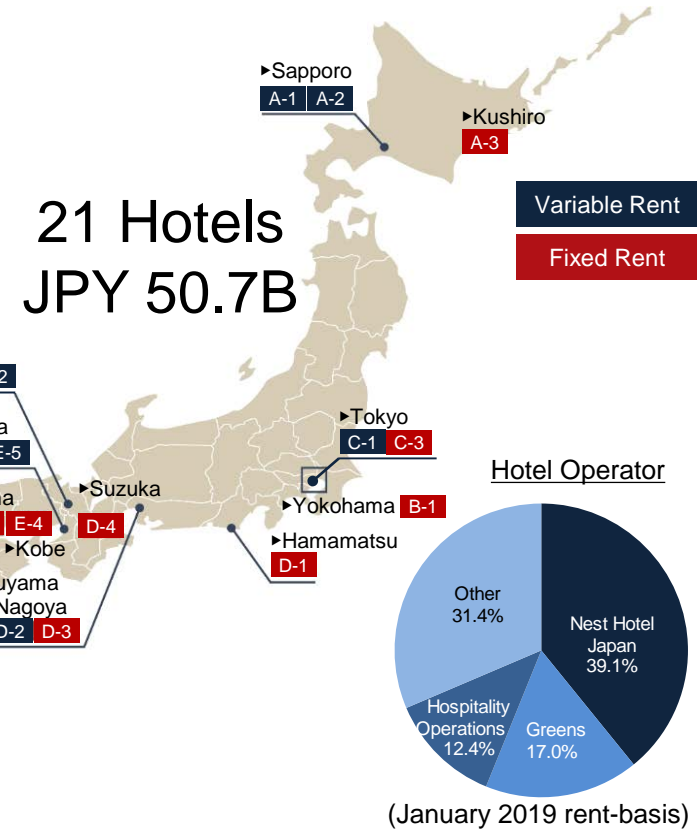
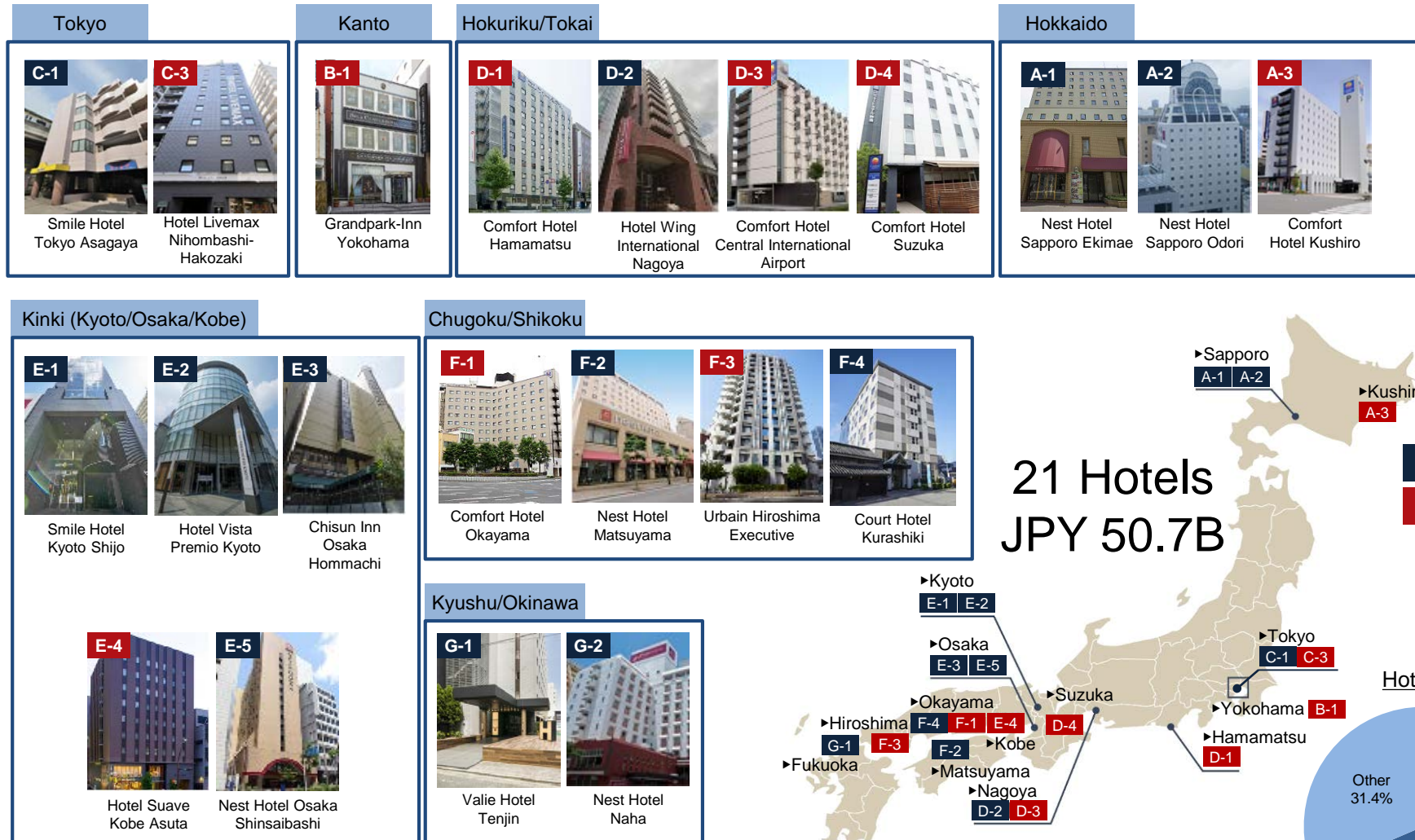


* Increase of new supply relative to existing hotel rooms calculated by Ichigo Investment Advisors based on Ministry of Health, Labor, and Welfare's "Report on Public Health Administration and Services" published on October 25, 2018 and hotel and restaurant data published December 7, 2018.






* New hotel rooms include rooms whose opening dates are not confirmed.

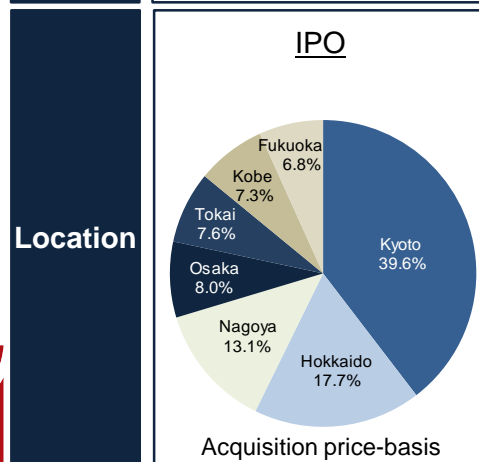
Appendix: Portfolio Details

Hotel Map



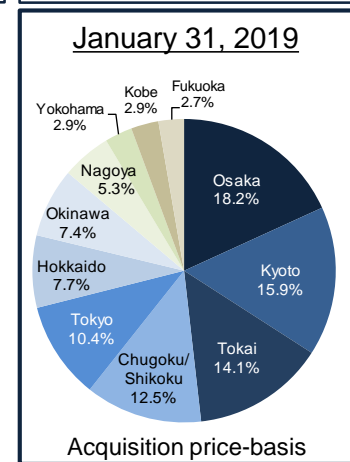
Portfolio Growth

	IPO (November 30, 2015)	January 2017 Fiscal Period	July 2017 Fiscal Period	January 2018 Fiscal Period	January 2019 Fiscal Period
Hotels	<p><u>Portfolio Size</u> 9 hotels JPY 20.4B (Appraisal Value JPY 21.3B)</p> <p><u>IPO Acquisitions</u> 9 hotels JPY 20.4B (Appraisal NOI Yield 5.9%)</p>  <p>Hokkaido: 2 Kyoto: 2 Nagoya: 1 Tokai: 1 Osaka: 1 Kobe: 1 Fukuoka: 1</p>	<p><u>Portfolio Size</u> 19 hotels JPY 47.6B (Appraisal Value JPY 51.6B)</p> <p><u>PO Acquisitions</u> 10 hotels JPY 27.2B (Appraisal NOI Yield 5.5%)</p>  <p>Hokkaido: 1 Tokyo: 3 Tokai: 2 Osaka: 1 Chugoku/Shikoku: 2 Okinawa: 1</p>	<p><u>Portfolio Size</u> 20 hotels JPY 49.1B (Appraisal Value JPY 53.7B)</p> <p><u>Acquisition</u> 1 hotel JPY 1.4B (Appraisal NOI Yield 5.0%)</p>  <p>Yokohama: 1</p>	<p><u>Portfolio Size</u> 21 hotels JPY 50.9B (Appraisal Value JPY 56.3B)</p> <p><u>Acquisition</u> 1 hotel JPY 1.8B (Appraisal NOI Yield 6.3%)</p>  <p>Chugoku/Shikoku: 1</p>	<p><u>Portfolio Size</u> 21 hotels JPY 50.7B</p> <p><u>Acquisition</u> 1 hotel JPY 1.7B (Appraisal NOI Yield 6.9%)</p>  <p>Chugoku/Shikoku: 1 Sale 1 hotel JPY 2.7B</p>



Geographic Diversification
Increases Earnings Stability

Steady Portfolio Growth
via Acquisitions



Individual Hotel Summary

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m ²)	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jan 2019 Appraisal		Unrealized Gains (JPY M) (B) - (A)
								Value (JPY M) (B)	Cap Rate (%)	
Hotel	A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	5,734.93	2,160	2,152	2,640	5.3	+487
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,465	1,780	5.2	+314
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	295	421	5.5	+125
	B-1	Grandpark-Inn Yokohama	Fixed Rent	Yokohama	1,183.26	1,490	1,505	1,560	4.6	+54
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,987	4,310	4.4	+322
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,333	1,440	4.5	+106
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,482	1,850	5.3	+367
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,701	2,920	4.9	+218
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,325	5,890	4.0	+564
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	290	377	5.0	+86
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,567	4,640	4.5	+72
	E-2	Hotel Vista Premio Kyoto	Variable + Fixed Rent	Kyoto	3,867.66	3,600	3,587	3,960	4.2	+372
	E-3	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	3,690.00	1,630	1,704	1,990	4.5	+285
	E-4	Hotel Suave Kobe Asuta	Fixed Rent	Kobe	4,633.16	1,490	1,431	1,820	4.8	+388
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,722	7,690	4.5	-32
	F-1	Comfort Hotel Okayama	Fixed Rent	Okayama	5,543.70	1,200	1,193	1,260	5.3	+66
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,672	1,890	5.7	+217
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,848	2,080	5.3	+231
	F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,780	1,960	5.1	+179
	G-1	Valie Hotel Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,445	2,200	4.3	+754
G-2	Nest Hotel Naha	Variable + Fixed Rent	Naha, Okinawa	9,240.20	3,750	3,805	4,180	5.3	+374	
21 Hotels					97,755.20	50,763	51,299	56,858	4.7	+5,558

* While Hotel Suave Kobe Asuta's lease contract includes a variable rent clause, it has never been triggered. Because Ichigo Hotel does not anticipate receiving variable rent at this hotel, it has been classified as a fixed rent hotel.

Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. of Guest Rooms	January 2019 (August 2018 - January 2019)								
					RevPAR (JPY)		Occupancy (%)		ADR (JPY)		Revenue (JPY M)		
A-1	004	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	9,821	(+17.9%)	95.8	(-0.9%)	10,257	(+19.0%)	354.1	(+17.9%)
A-2	008	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	11,301	(+9.7%)	94.5	(-2.2%)	11,959	(+12.2%)	275.5	(+8.4%)
A-3	018	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	4,237	(-1.8%)	73.2	(-5.3%)	5,792	(+3.8%)	103.5	(-2.2%)
C-1	012	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	9,131	(+11.6%)	98.5	(+6.7%)	9,267	(+4.5%)	193.0	(+10.7%)
D-1	006	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	4,783	(+1.9%)	81.2	(+1.8%)	5,892	(-)	172.5	(+1.9%)
D-2	003	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	5,504	(-6.2%)	88.9	(-0.5%)	6,193	(-5.8%)	254.1	(-5.2%)
D-3	011	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	8,126	(+2.4%)	90.7	(+3.7%)	8,960	(-1.2%)	542.2	(-3.6%)
D-4	019	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	5,126	(+9.1%)	78.9	(+2.5%)	6,498	(+6.4%)	100.3	(+9.0%)
E-1	001	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	8,350	(-13.7%)	97.5	(-1.5%)	8,563	(-12.3%)	236.3	(-9.9%)
E-2	002	Hotel Vista Premio Kyoto	Variable + Fixed Rent	Kyoto	84	10,896	(-10.1%)	88.4	(+4.0%)	12,332	(-13.6%)	185.1	(-8.0%)
E-3	005	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	130	6,318	(-16.9%)	84.7	(-7.5%)	7,458	(-10.1%)	151.1	(-16.9%)
E-5	010	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	8,007	(-9.0%)	89.2	(-8.2%)	8,979	(-1.0%)	476.0	(-9.8%)
F-1	017	Comfort Hotel Okayama	Fixed Rent	Okayama	208	5,610	(-0.3%)	88.9	(-0.6%)	6,313	(+0.3%)	223.7	(+0.1%)
F-2	015	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	5,544	(-11.8%)	89.2	(-1.3%)	6,216	(-10.7%)	273.9	(-11.9%)
F-3	021	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	171	6,883	(+14.3%)	90.9	(+4.4%)	7,574	(+9.5%)	216.6	(+14.3%)
F-4	022	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	104	8,106	(+20.2%)	97.7	(+26.2%)	8,296	(-4.7%)	182.8	(+18.4%)
G-1	009	Valie Hotel Tenjin	Variable + Fixed Rent	Fukuoka	77	9,532	(+8.9%)	94.9	(+5.1%)	10,046	(+3.6%)	144.3	(+7.4%)
G-2	013	Nest Hotel Naha	Variable + Fixed Rent	Naha, Okinawa	198	9,257	(+1.1%)	85.3	(-4.0%)	10,855	(+5.4%)	481.5	(+1.8%)
		Other	Fixed Rent		356		-		-		-		-
Variable Rent Hotels					1,848	8,137	(-1.5%)	91.2	(-0.9%)	8,919	(-0.7%)	3,207.9	(-1.0%)
Fixed Rent Hotels					1,508	6,220	(+3.8%)	85.8	(+1.7%)	7,251	(+2.1%)	1,358.7	(+1.2%)
Total					3,356	7,380	(+0.2%)	89.0	(-)	8,290	(+0.3%)	4,620.4	(-0.3%)

* No. of Guest Rooms data for Hotel Suave Kobe Asuta, Hotel Livemax Nihombashi-Hakozaki, and Grandpark-Inn Yokohama are consolidated under Other, because the hotel operators did not provide consent to disclose hotel-specific data. Fixed Rent Hotels and Total include Hotel Livemax Nihombashi-Hakozaki's operating results. Although Hotel Suave Kobe Asuta's lease contract includes a variable rent clause, Ichigo Hotel does not anticipate receiving variable rent at this hotel and has thus classified it as a fixed rent hotel.

Individual Hotel Financials

(JPY thousand)

No.		A-1	A-2	A-3	C-1	C-2	D-1	D-3	D-4	E-1	E-2	E-3	E-5	F-1	F-2	G-1	G-2	F-4	
Hotel Name	Total	Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Smile Hotel Tokyo Asagaya	Smile Hotel Asakusa	Comfort Hotel Hamamatsu	Comfort Hotel Central International Airport	Comfort Hotel Suzuka	Smile Hotel Kyoto Shijo	Hotel Vista Premio Kyoto	Chisun Inn Osaka Hommachi	Nest Hotel Osaka Shinsaibashi	Comfort Hotel Okayama	Nest Hotel Matsuyama	Valle Hotel Tenjin	Nest Hotel Naha	Court Hotel Kurashiki	Other
(A) Rental Income	1,745,367	120,997	91,985	18,419	101,048	17	55,361	151,441	15,442	108,809	80,209	39,600	199,862	45,914	90,176	69,435	157,136	63,096	336,409
Fixed Rent	984,468	32,392	23,385	18,419	28,372	-	55,361	151,441	15,442	34,644	75,000	39,600	63,974	45,900	35,558	24,752	59,109	25,093	256,020
Variable Rent	701,671	88,605	68,600	-	72,676	-	-	-	-	74,165	5,209	-	135,887	-	54,566	44,683	98,027	37,959	21,288
Other Rent	59,227	-	-	-	-	17	-	-	-	-	-	-	-	14	51	-	-	43	59,101
(B) Rental Expenses	170,595	10,387	12,137	5,566	8,021	376	3,516	14,158	2,865	6,586	9,647	6,101	15,311	5,293	6,220	4,416	8,100	1,000	50,886
Outsourcing Fees	18,612	600	600	900	2,700	-	600	570	540	600	1,475	915	1,200	600	720	600	1,081	590	4,320
Insurance	2,628	150	158	82	90	-	95	279	48	148	102	101	247	140	200	56	239	89	397
Repair Expenses	16,501	4,212	2,759	144	1,426	-	120	350	84	690	513	1,601	611	278	1,002	70	1,941	-	697
Taxes	102,866	4,993	8,182	4,030	3,396	376	2,430	12,552	1,786	4,789	7,144	3,120	12,846	3,857	3,864	3,326	4,423	-	21,746
Other Expenses	29,987	430	436	408	407	-	271	406	406	359	412	363	406	417	434	363	414	321	23,725
(C) NOI (A) - (B)	1,574,772	110,610	79,848	12,853	93,027	-359	51,844	137,283	12,577	102,222	70,561	33,498	184,550	40,621	83,955	65,019	149,035	62,095	285,523
(D) Depreciation	308,764	13,763	16,521	4,913	25,760	2,212	14,480	31,329	4,154	15,501	13,501	6,532	33,797	12,574	17,108	9,039	33,250	7,898	46,424
Net Rental Income (C) - (D)	1,266,007	96,847	63,327	7,939	67,266	-2,571	37,364	105,954	8,422	86,721	57,060	26,966	150,753	28,046	66,847	55,979	115,785	54,197	239,098

* Rents for Hotel Wing International Nagoya, Hotel Suave Kobe Asuta, Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn Yokohama, and Urbain Hiroshima Executive as well as all retail rents are included in Other, as the operators did not provide consent to disclose the data. NOI for Other includes NOI for Hotel Wing International Nagoya, Hotel Suave Kobe Asuta, Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn Yokohama, and Urbain Hiroshima Executive, which are JPY 74 million, JPY 43.9 million, JPY 33.1 million, JPY 37.4 million, and JPY 58 million respectively. Depreciation for Other includes depreciation for Hotel Wing International Nagoya, Hotel Suave Kobe Asuta, Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn Yokohama, and Urbain Hiroshima Executive, which are JPY 8.8 million, JPY 12.7 million, JPY 9.1 million, JPY 2.2 million, and JPY 13.6 million respectively.

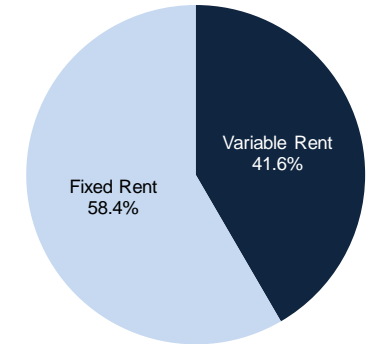
Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

Fixed/Variable Rent

(JPY thousand)

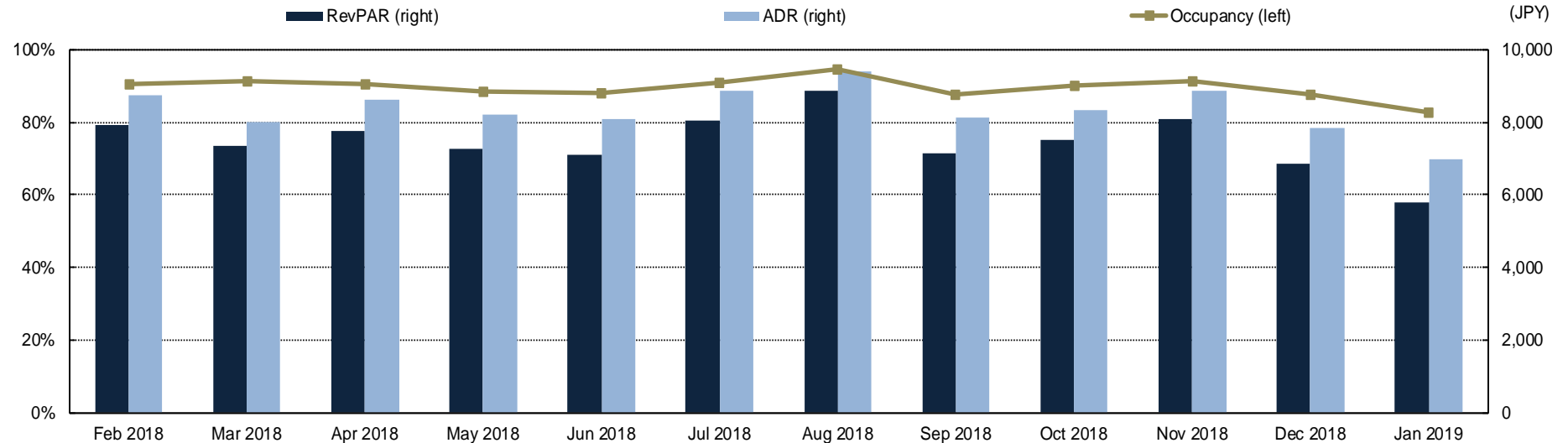
	Jan 2018		Jul 2018		Jan 2019	
	Rent	Ratio	Rent	Ratio	Rent	Ratio
Fixed Rent	1,034,015	58.0%	1,010,663	55.7%	1,043,696	59.8%
Fixed Rent from Operators	974,852	54.7%	952,653	52.5%	984,468	56.4%
Other (Rent from Retail Tenants)	59,163	3.3%	58,010	3.2%	59,227	3.4%
Variable Rent	748,007	42.0%	803,401	44.3%	701,671	40.2%
Total	1,782,023	100.0%	1,814,064	100.0%	1,745,367	100.0%

Total Rent (excludes Other Revenue)



(January 2019 rent-basis)

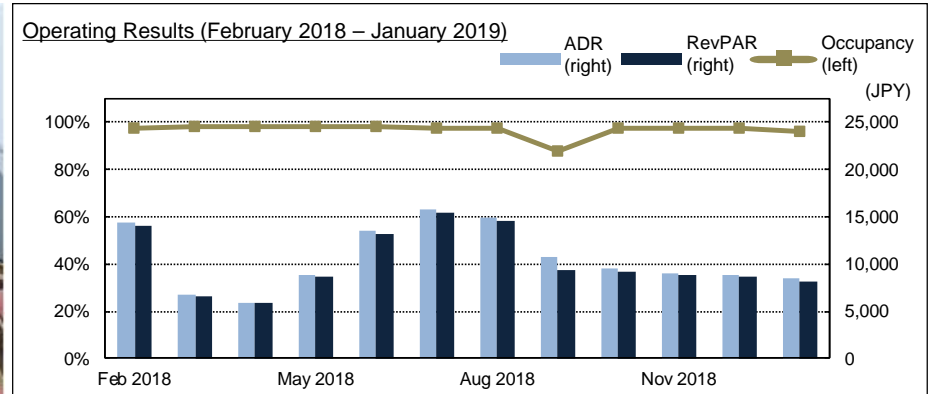
Operating Results (Feb 2018 – January 2019)



Variable Rent Hotel Details

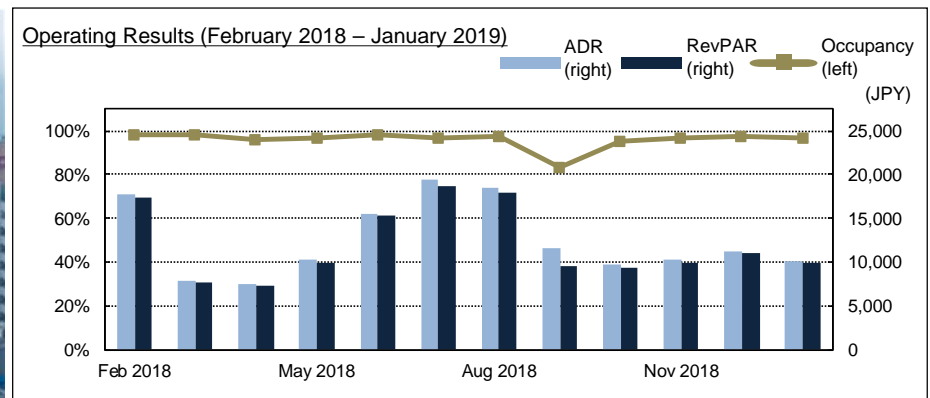
A-1 Nest Hotel Sapporo Ekimae

Location	Sapporo
Access	5-minute walk from Sapporo Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	162
Acquisition Price	JPY 2.16B



A-2 Nest Hotel Sapporo Odori

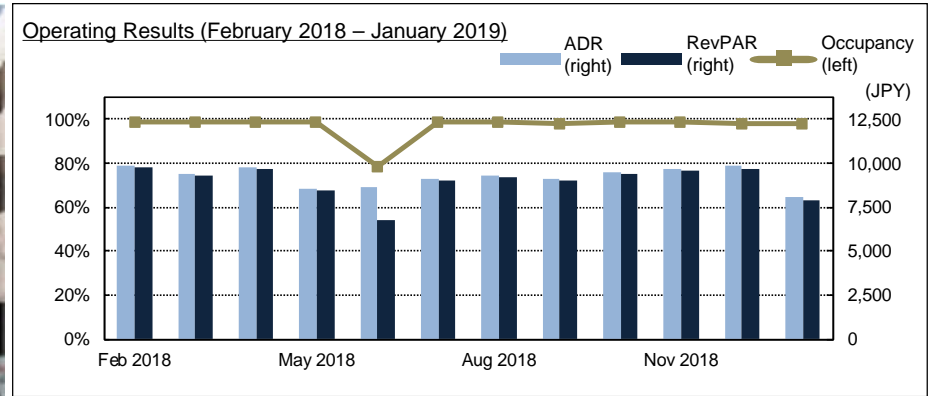
Location	Sapporo
Access	4-minute walk from Odori Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	121
Acquisition Price	JPY 1.45B



Variable Rent Hotel Details

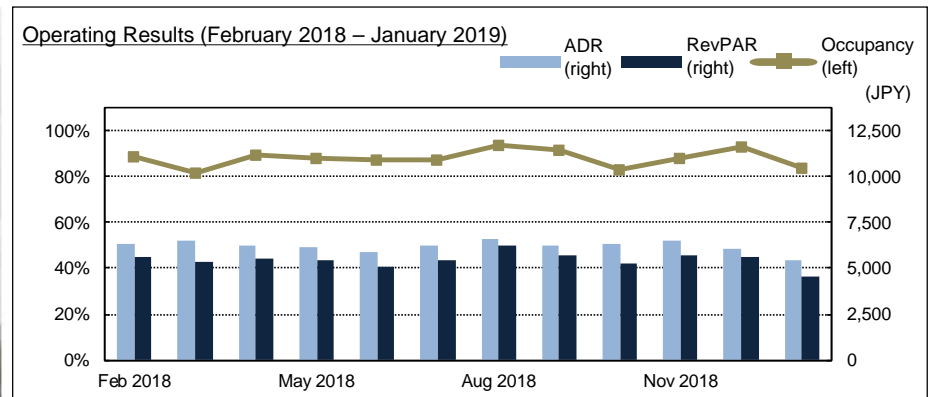
C-1 Smile Hotel Tokyo Asagaya

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



D-2 Hotel Wing International Nagoya

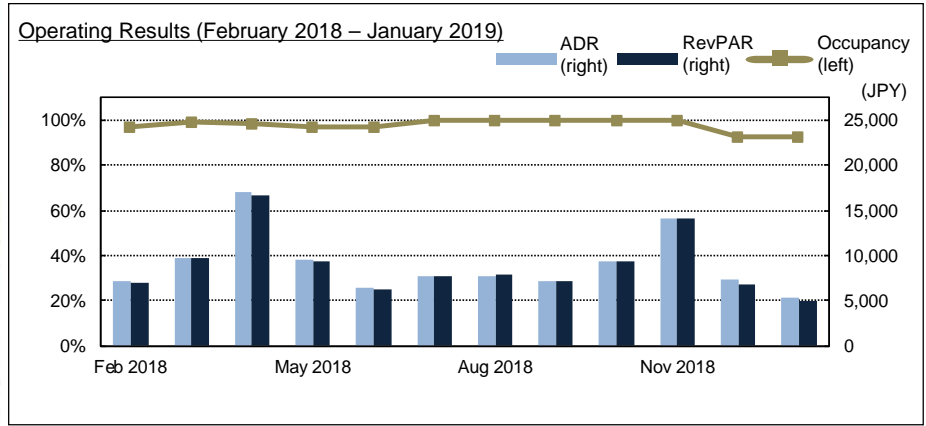
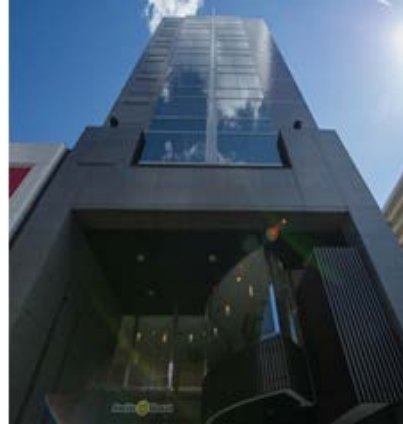
Location	Nagoya
Access	2-minute walk from Marunouchi Station on both Nagoya Subway Network Sakuradori Line and Tsurumai Line
Operator	Forbes Co., Ltd.
Guest Rooms	224
Acquisition Price	JPY 2.67B



Variable Rent Hotel Details

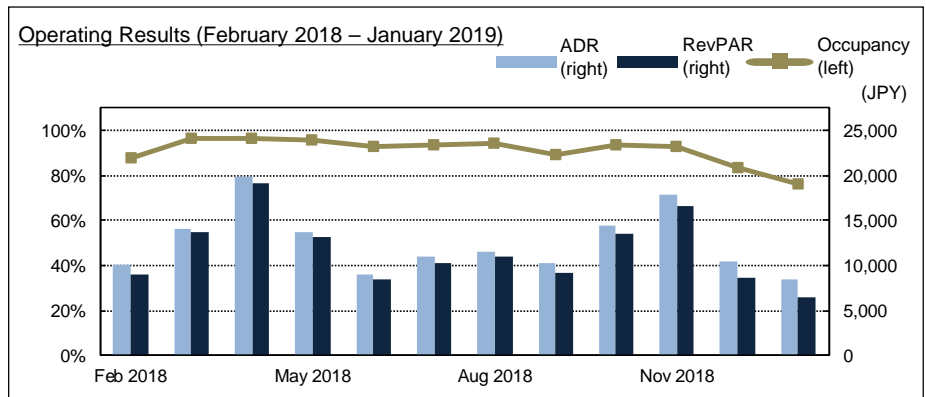
E-1 Smile Hotel Kyoto Shijo

Location	Kyoto
Access	5-minute walk from Shijo Station on Kyoto City Subway Karasuma Line and Karasuma Station on Hankyu Kyoto Main Line
Operator	K.K. Hospitality Operations
Guest Rooms	144
Acquisition Price	JPY 4.48B



E-2 Hotel Vista Premio Kyoto

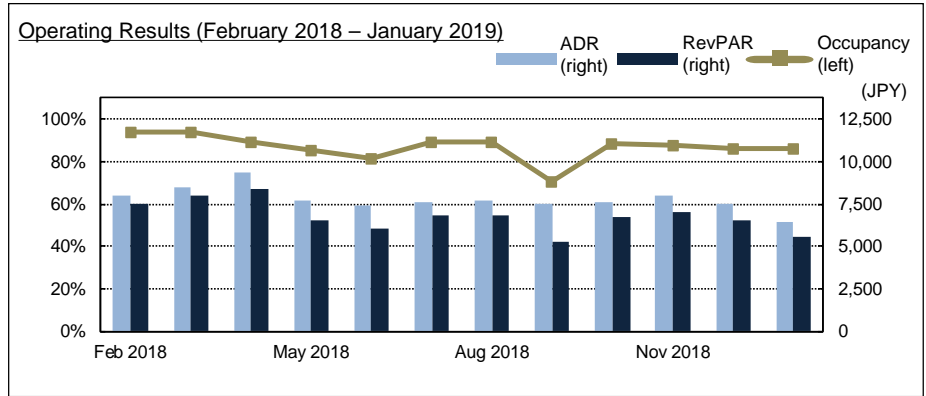
Location	Kyoto
Access	5-minute walk from Kyoto Shiyakushomae Station on Kyoto City Subway Tozai Line
Operator	Vista Hotel Management Co., Ltd.
Guest Rooms	84
Acquisition Price	JPY 3.60B



Variable Rent Hotel Details

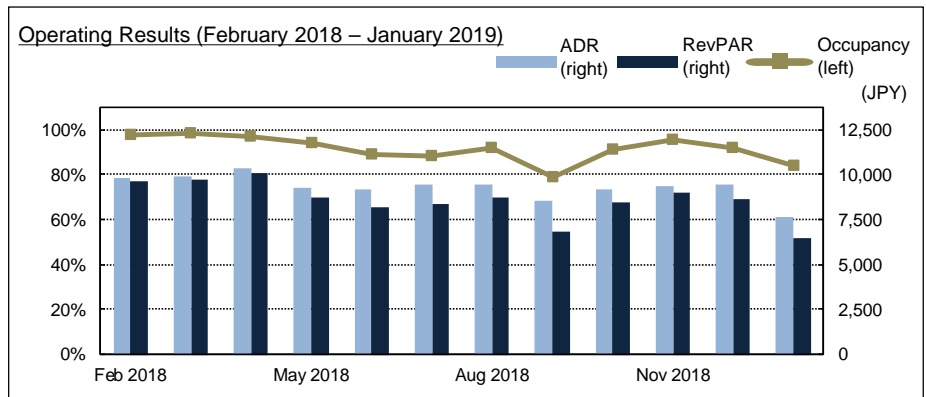
E-3 Chisun Inn Osaka Hommachi

Location	Osaka
Access	5-minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line
Operator	SHR Hotel Lease Co., Ltd.
Guest Rooms	130
Acquisition Price	JPY 1.63B



E-5 Nest Hotel Osaka Shinsaibashi

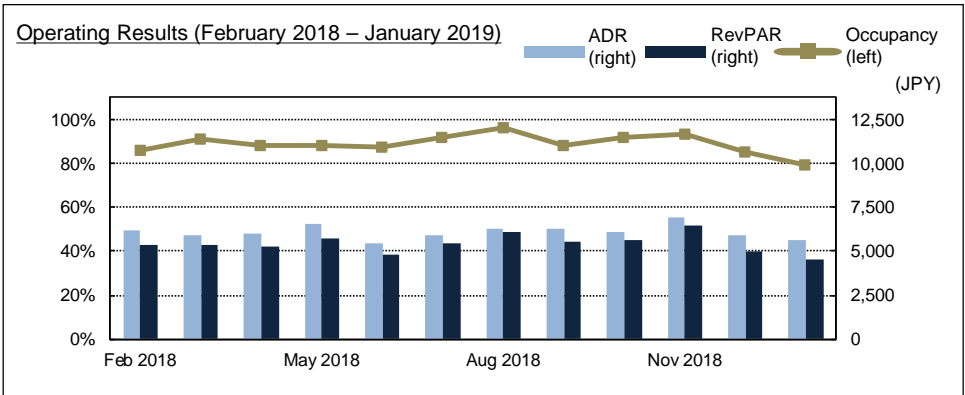
Location	Osaka
Access	1-minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line and Nagahoritsurumi-Ryokuchi Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	302
Acquisition Price	JPY 7.60B



Variable Rent Hotel Details

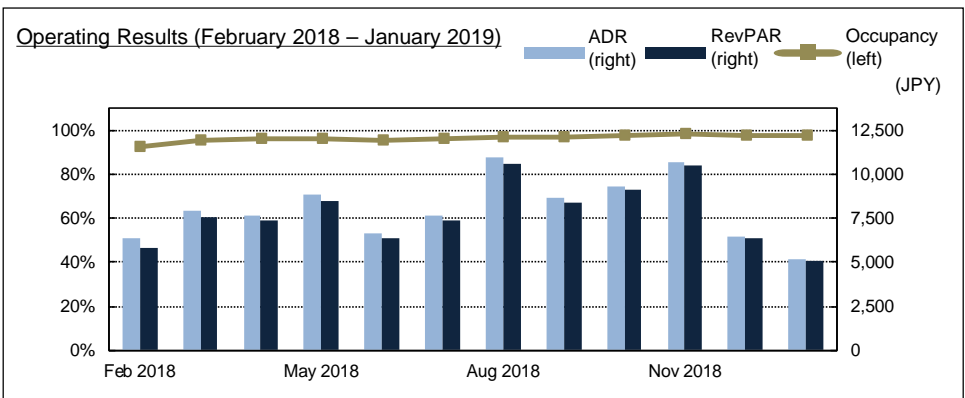
F-2 Nest Hotel Matsuyama

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



F-4 Court Hotel Kurashiki

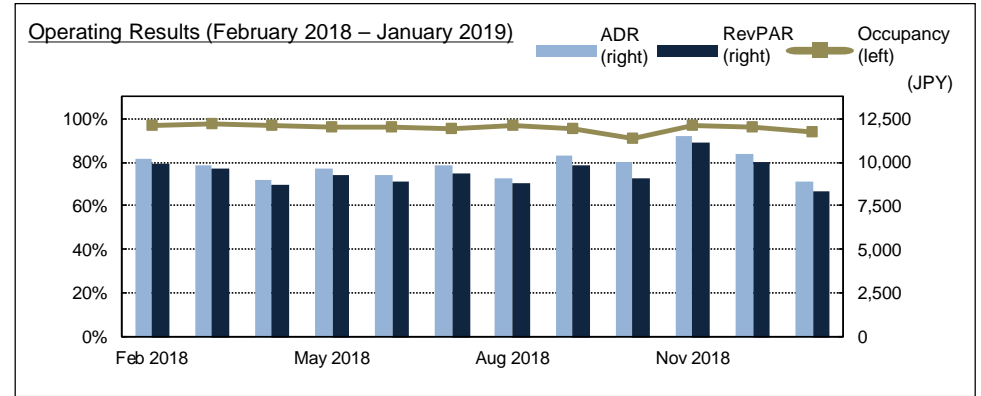
Location	Kurashiki, Okayama
Access	8-minute walk from Kurashiki Station on JR Sanyo Main Line
Operator	The Court Co., Ltd.
Guest Rooms	104
Acquisition Price	JPY 1.73B



Variable Rent Hotel Details

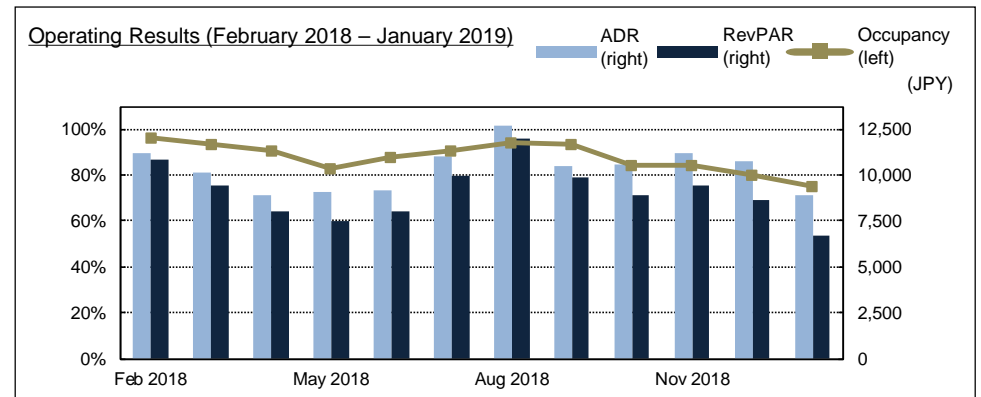
G-1 Valie Hotel Tenjin

Location	Fukuoka
Access	6-minute walk from Tenjin Station on Fukuoka City Subway Kuko Line
Operator	The Court Co., Ltd.
Guest Rooms	77
Acquisition Price	JPY 1.38B



G-2 Nest Hotel Naha

Location	Naha, Okinawa
Access	7-minute drive from Naha Airport, 5-minute walk from Asahibashi Station on Okinawa Urban Monorail
Operator	Nest Hotel Japan Corporation
Guest Rooms	198
Acquisition Price	JPY 3.75B



Fixed Rent Hotel Details

A-3 Comfort Hotel Kushiro

Location	Kushiro, Hokkaido
Access	2-minute walk from Kushiro Station on JR Nemuro Main Line
Operator	Greens Co., Ltd.
Guest Rooms	126
Acquisition Price	JPY 300M



B-1 Grandpark-Inn Yokohama

Location	Yokohama
Access	6-minute walk from Yokohama Station on JR Line, private railways, and subway
Operator	MiddleWood Co., Ltd.
Guest Rooms	175
Acquisition Price	JPY 1.49B



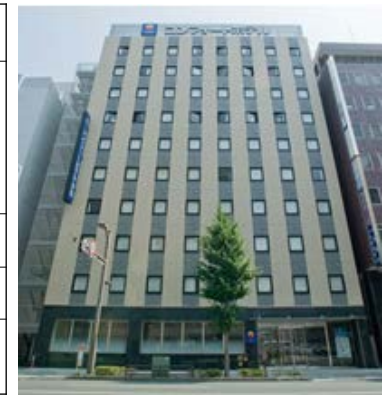
C-3 Hotel Livemax Nihombashi-Hakozaki

Location	Chuo-ku, Tokyo
Access	3-minute walk from Suitengumae Station on Tokyo Metro Hanzomon Line
Operator	Live Max Inc.
Guest Rooms	48
Acquisition Price	JPY 1.36B



D-1 Comfort Hotel Hamamatsu

Location	Hamamatsu, Shizuoka
Access	2-minute walk from Hamamatsu Station on JR Tokaido Main Line, Tokaido Shinkansen
Operator	Greens Co., Ltd.
Guest Rooms	196
Acquisition Price	JPY 1.55B



Fixed Rent Hotel Details

D-3 Comfort Hotel Central International Airport

Location	Tokoname, Aichi
Access	5-minute walk from Central International Airport, 3-minute walk from Central International Airport Station on Meitetsu Airport Line
Operator	Greens Co., Ltd.
Guest Rooms	346
Acquisition Price	JPY 5.31B



D-4 Comfort Hotel Suzuka

Location	Suzuka, Mie
Access	3-minute walk from Shirako Station on Kintetsu Nagoya Line
Operator	Greens Co., Ltd.
Guest Rooms	105
Acquisition Price	JPY 300M



E-4 Hotel Suave Kobe Asuta

Location	Kobe
Access	2-minute walk from Shinnagata Station on JR Kobe Line (Sanyo Main Line)
Operator	Hotel Tetora
Guest Rooms	133
Acquisition Price	JPY 1.49B



F-1 Comfort Hotel Okayama

Location	Okayama
Access	15-minute walk from Okayama Station on Sanyo Shinkansen, Sanyo Main Line, Uno Line
Operator	Greens Co., Ltd.
Guest Rooms	208
Acquisition Price	JPY 1.20B



Fixed Rent Hotel Details

F-3 Urbain Hiroshima Executive

Location	Hiroshima
Access	6-minute walk from Hiroshima Station on JR Sanyo Shinkansen and Sanyo Main Line
Operator	Yuki Corporation
Guest Rooms	171
Acquisition Price	JPY 1.80B



Appendix: Loan Details & Shareholder Composition

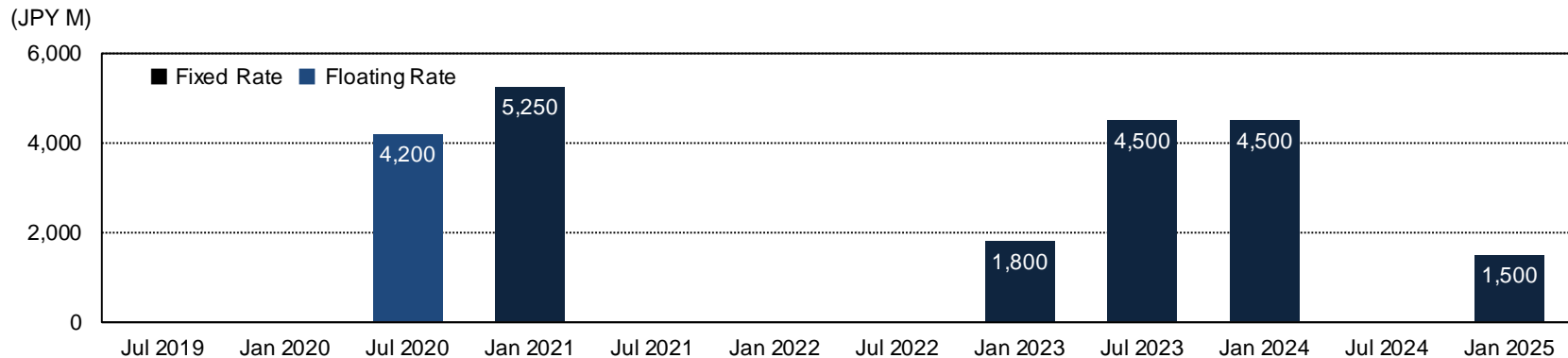
Stable Financial Base

- Shorter-term loans are floating rate to take advantage of current low interest rates
- 80% of loans are fixed to hedge against a rise in interest rates

Outstanding Loan Balance

	Jan 31, 2017	Jul 31, 2017	Jan 31, 2018	Jul 31, 2018	Jan 1, 2019
Amount	JPY 19.50B	JPY 19.95B	JPY 21.75B	JPY 21.75B	JPY 21.75B
Long-Term Loan Ratio	100.0%	100.0%	100.0%	100.0%	100.0%
Fixed Rate Ratio	73.1%	71.4%	73.8%	73.8%	80.7%
Average Interest Rate	0.89%	0.88%	0.88%	0.88%	0.89%
Average Remaining Maturity	4.5 years	4.1 years	3.6 years	3.1 years	3.2 years
LTV (Total Assets Basis)	36.6%	37.1%	39.2%	39.1%	38.8%

Distribution of Loan Maturities

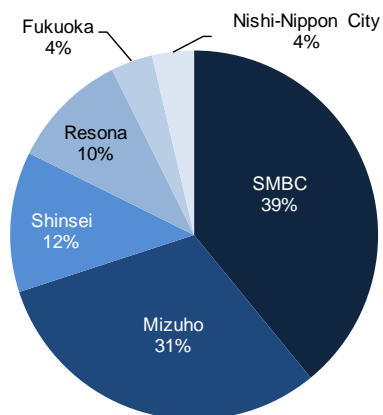


Loan Details

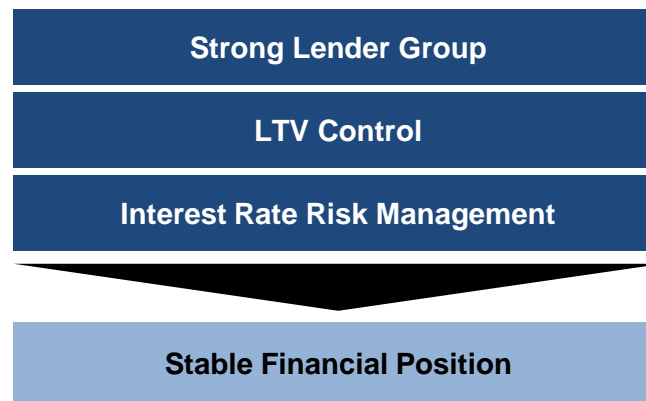
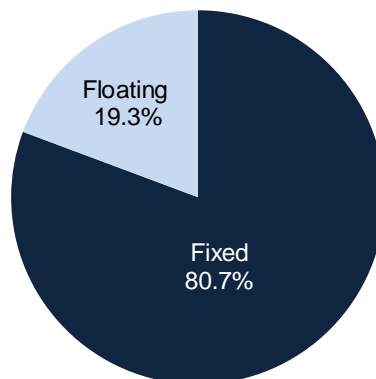
Loan Balances

Loan	Lender	Amount (JPY million)	Floating/Fixed	Interest Rate (%)	Borrowing Date	Maturity
Term Loan II	SMBC, Mizuho, Shinsei, Resona	5,250	Fixed	1.08000	November 30, 2015	November 30, 2020
Term Loan III	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	2,000	Floating	0.61091	August 17, 2016	February 28, 2020
Term Loan IV	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.90750	August 17, 2016	February 28, 2023
Term Loan V	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.98500	August 17, 2016	August 31, 2023
Term Loan VI	SMBC	450	Floating	0.56091	March 27, 2017	February 28, 2020
Term Loan VII	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	1,800	Fixed	0.78750	August 1, 2017	January 31, 2023
Term Loan VIII	SMBC, Mizuho, Shinsei, Resona	1,750	Floating	0.46091	November 30, 2018	May 29, 2020
Term Loan IX	SMBC, Mizuho, Shinsei, Resona	1,500	Fixed	0.92000	November 30, 2018	November 29, 2024
Total		21,750		Average 0.89%	Average Remaining Loan Term	3.2 years

Lender Composition



Fixed vs. Floating

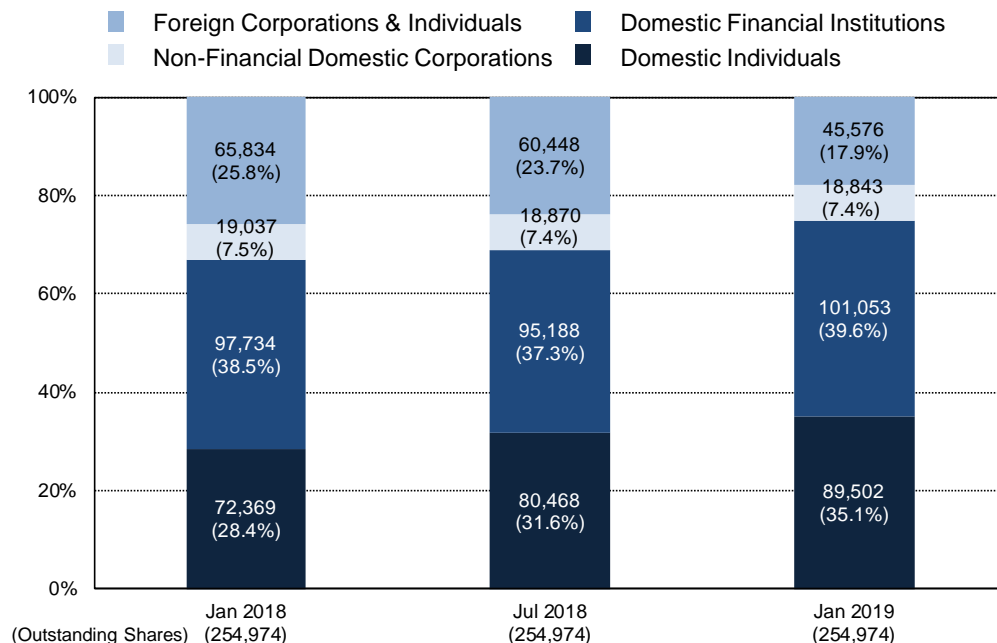


Shareholder Composition

Major Shareholders (as of January 31, 2019)

Name	No. of Shares	Share
1 Japan Trustee Services Bank, Ltd., Trust Account	31,339	12.3%
2 The Master Trust Bank of Japan, Trust Account	28,192	11.1%
3 Trust & Custody Service Bank, Ltd., Securities Investment Trust Account	11,451	4.5%
4 SIX SIS LTD.	9,533	3.7%
5 The Nomura Trust and Banking Co., Ltd., Investment Trust Account	8,714	3.4%
6 Ichigo Inc. (Sponsor)	6,500	2.5%
7 GOLDMAN SACHS INTERNATIONAL	6,445	2.5%
8 Ichigo Trust Pte. Ltd.	6,424	2.5%
9 BNYMSANV RE GCLB RE JP RD LMGC	4,215	1.7%
10 Fukoku Mutual Life Insurance Company	2,800	1.1%
	115,613	45.3%

By Number of Shares Held:



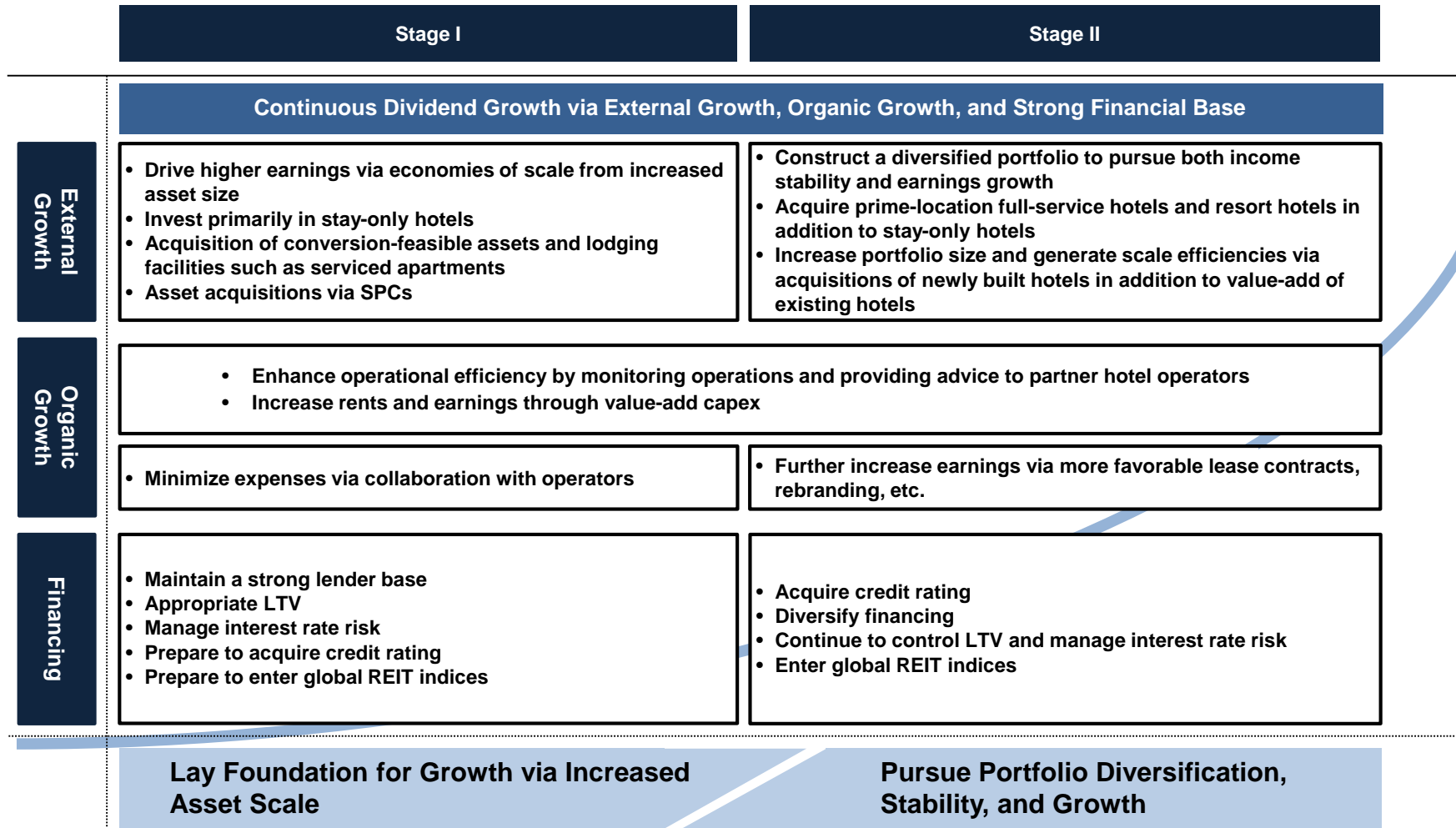
By Number of Shareholders:

	Jan 31, 2018	Jul 31, 2018	Jan 31, 2019	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	10,503	11,299	13,101	97.4%
Domestic Financial Institutions	53	54	48	0.4%
City Banks, trust banks	8	7	7	0.1%
Regional banks	4	4	3	–
Other (including securities companies)	41	43	38	0.3%
Non-Financial Domestic Corporations	179	183	218	1.6%
Foreign Corporations & Individuals	90	107	78	0.6%
Total	10,825	11,643	13,445	100.0%

Appendix: Growth Roadmap, Sponsor, Governance, Sustainability, Shareholder Alignment

Growth Strategy Roadmap

Flexibly Responding to Market Environment



Ichigo Hotel's Sponsor: Ichigo (2337)

Core Businesses: Asset Management, Real Estate Value-Add, Clean Energy

- Manages Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
- TSE First Section, JPX-Nikkei 400 Member
- Deeply committed to CSR and Sustainability
- Japan's first zero-carbon listed real estate company



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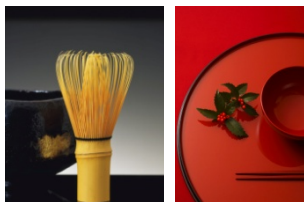
Key Ichigo Subsidiaries

Ichigo
(TSE First Section 2337)

Ichigo Preserves and Improves Real Estate

The word "Ichigo" comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning "One lifetime, one encounter." The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony for every guest, because that particular moment will only exist once and must be fully lived and realized.

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

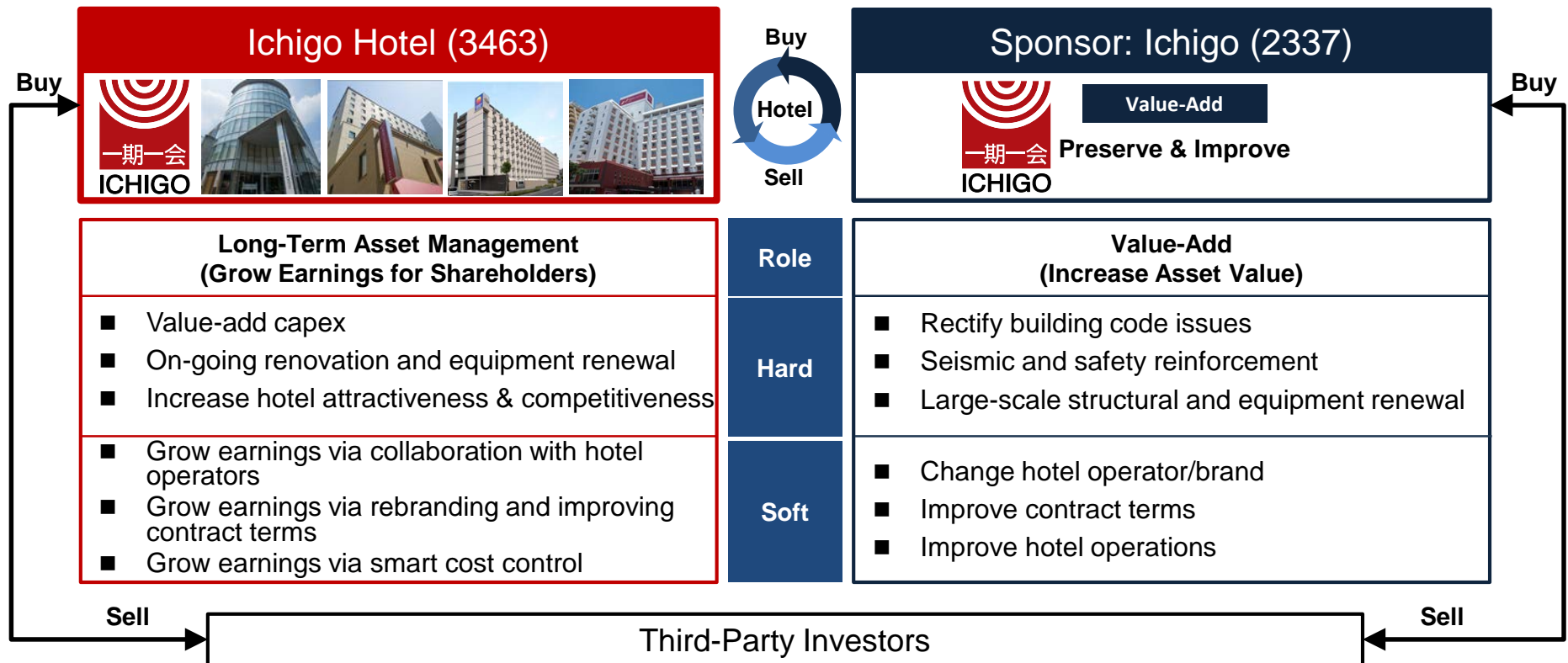


Ichigo Investment Advisors	Asset manager of Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
Ichigo Estate	Real estate value-add
Ichigo ECO Energy	Clean energy business focusing on utility-scale solar power production, making purposeful use of idle land nationwide
Ichigo Owners	Real estate investment services
Ichigo Land Shinchiku	Real estate value-add
Ichigo Real Estate Services Fukuoka	Real estate business centered on Fukuoka
Ichigo Marché	Operates Matsudo Nanbu wholesale market in Chiba Prefecture
Miyako City	Operates Miyako City shopping mall in Miyazaki Prefecture
Centro	New real estate-related businesses
Storage Plus	High-grade self storage
Tenuto	Smart Agriculture technology



Synergies Between Ichigo Hotel and Sponsor

- Strengthen acquisitions through leveraging Ichigo’s sourcing network
- Increase asset value through Ichigo’s real estate value-add capabilities
- Drive higher returns for Ichigo Hotel shareholders



Ichigo Sustainability Activities

Ichigo Sustainability Policy

Ichigo believes that working on behalf of society and the environment is a fundamental social responsibility and will support the sustainable growth of Ichigo and Ichigo Hotel REIT. Ichigo has thus made sustainability a key priority, and has established the following Sustainability Policy to actively work to reduce Ichigo's environmental impact and support sustainable outcomes.

1. Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its real estate operations.

2. Energy Conservation, CO2 Emissions Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by lowering its energy consumption, extending the useful life of its assets, actively recycling and reducing waste and water consumption.

3. Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently-established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

4. Training and Awareness

Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

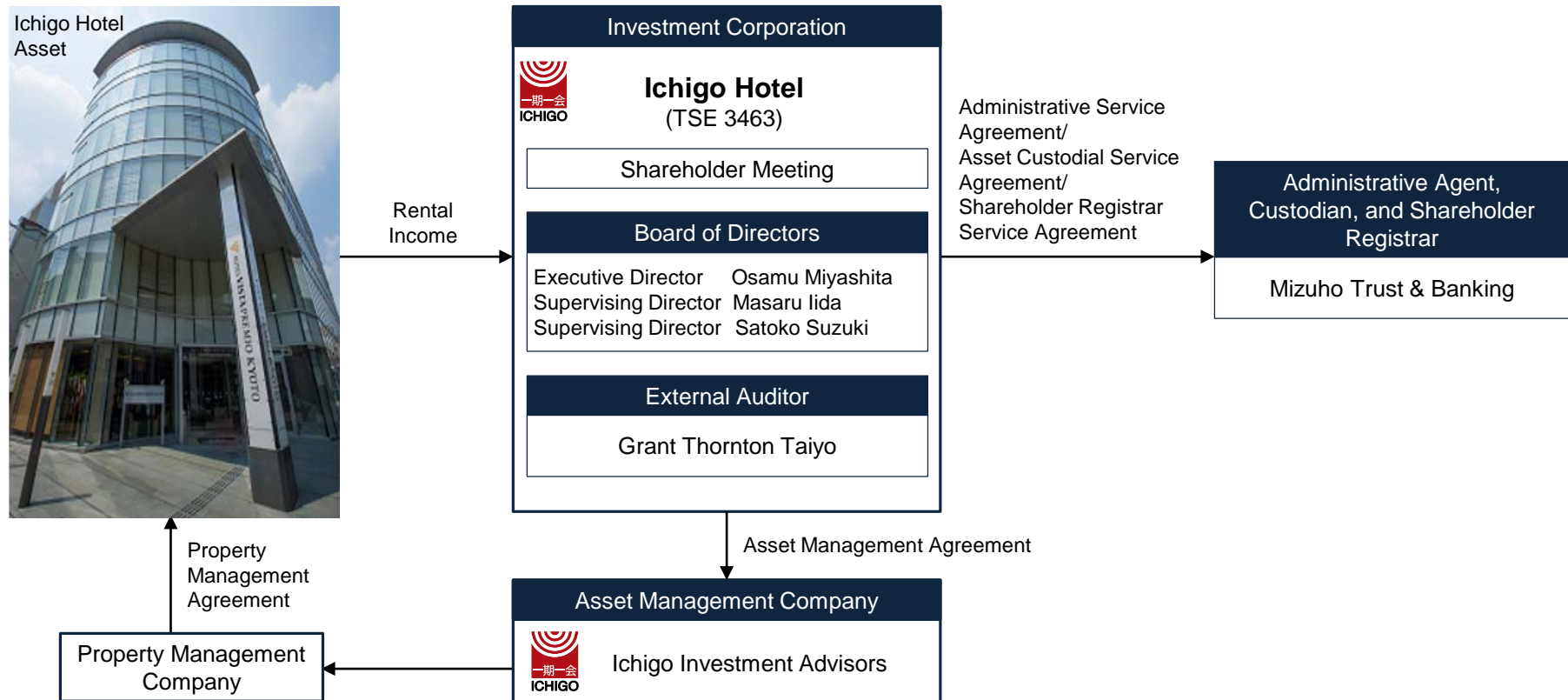
5. Sustainability Performance Communication and Disclosure

Ichigo communicates this Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

Global Best-Practice Corporate Governance

Strong focus on ESG issues to support long-term value growth for shareholders

- All Ichigo Hotel Directors are Independent Directors
- External experts also support asset management decision-making
- Risk & Compliance Committee carries out ongoing monitoring & management of any potential conflicts of interests



First J-REIT No Fixed Fee, Performance Fee-Only Structure

Overwhelming Shareholder Support (99.3% Yes Vote at AGM)

Asset Management Fee Structure				Before Change (Until January 31, 2019)	After Change (From February 1, 2019)
Asset Size- Based	AM Fee I	Total Asset Value	X	0.4%	–
	Asset Acquisition Fee	Acquisition Price	X	1%	–
	Asset Sale Fee	Sale Price	X	0.5%	–
Earnings- Based	AM Fee II (NOI & Dividend Performance Fee)	NOI x Dividend	X	0.002%	0.0036%
	Gains on Sale Performance Fee	Gains on Sale	X	–	15%

Eliminated
Increased
New

Note: The Gains on Sale Performance Fee has a high-water mark, so that it will only be paid if Ichigo Hotel's cumulative Gains/Losses on Sales to-date are positive.

– Fee Change Outcomes

- ✓ Support Ichigo Hotel earnings growth and shareholder value creation
- ✓ Support pro-active, dynamic (vs. static) management of Ichigo Hotel assets on behalf of shareholders

Ichigo Hotel Overview

Ichigo Hotel

Name	Ichigo Hotel REIT Investment Corporation
Securities Code	3463
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Executive Director	Osamu Miyashita
Fiscal Periods	January (August 1 - January 31) and July (February 1 - July 31)

Asset Management Company

Name	Ichigo Investment Advisors Co., Ltd.
President	Hiroshi Iwai
Registration & Membership	Financial Instruments Dealer License (Investment Management Services, Investment Advisory & Agency Services, and Type II Financial Instruments Services) Minister of Finance, Kanto Financial Bureau #318



Disclaimer

These materials are for informational purposes only, and do not constitute or form a part of, and should not be construed as, an offer to sell or buy securities of Ichigo Hotel REIT Investment Corporation (Ichigo Hotel).

These materials may contain forward-looking statements regarding the intent, belief or current expectations of Ichigo Hotel with respect to financial condition and future results. These statements are based on certain assumptions founded on currently available information. Accordingly, such statements are subject to risks and uncertainties, and there is no assurance as to actual financial conditions or future results. Actual results may vary from those indicated in the forward-looking statements.

In creating these materials, Ichigo Hotel and Ichigo Investment Advisors Co., Ltd. (IIA) have sought to provide accurate information. However, there can be no assurance given as to the accuracy, certainty, validity or fairness of any such information. The content of these materials is also subject to revision or retraction without prior notice.

This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.



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www.ichigo-hotel.co.jp/english

Ichigo is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.