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REIT Issuer

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**Earnings and Dividend Forecasts for the January 2016,
July 2016, and January 2017 Fiscal Periods**

Ichigo Hotel REIT Investment Corporation (“Ichigo Hotel REIT”) hereby announces its earnings and dividend forecasts for the January 2016, July 2016, and January 2017 fiscal periods.

Earnings and Dividend Forecasts

| | Operating Revenue (million yen) | Operating Profit (million yen) | Recurring Profit (million yen) | Net Income (million yen) | Dividend per Share ¹ (yen) | Dividend in Excess of Earnings per Share (yen) |
|--------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------|--|---|
| January 2016 (First Period) | 178 | 74 | 32 | 31 | 227 | 0 |
| July 2016 (Second Period) | 701 | 412 | 320 | 319 | 2,304 | 0 |
| January 2017 (Third Period) | 687 | 398 | 305 | 304 | 2,197 | 0 |

¹ Dividend per Share does not include dividend in excess of earnings per share.

(Reference) Forecast number of shares outstanding at the end of each fiscal period and forecast net income per share respectively:

| | | |
|--------------|----------------|-----------|
| January 2016 | 138,500 shares | 227 yen |
| July 2016 | 138,500 shares | 2,304 yen |
| January 2017 | 138,500 shares | 2,197 yen |

(Note 1) Ichigo Hotel REIT’s fiscal periods are February – July and August – January. Ichigo Hotel REIT’s first period runs from the day the REIT was founded on July 22, 2015 to January 31, 2016. The REIT’s actual operating timeframe during the first period is November 30, 2015, the day of the asset acquisitions, to January 31, 2016.

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 earnings and dividend forecast for the January 2016, July 2016, and January 2017 fiscal periods 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.

- (Note 2) The issuance price of new shares used to calculate the forecast presented above is 100,000 yen per share.
- (Note 3) The forecasts presented above for the January 2016, July 2016, and January 2017 periods are based on certain preconditions set out below in “Preconditions for the January 2016, July 2016, and January 2017 Earnings Forecasts.” The preconditions are subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares. The actual operating revenue, operating profit, recurring profit, net income, and dividend per share (excluding the dividend in excess of earnings per share) may vary due to changes in circumstances. These forecasts should not be construed as a guarantee of such performance or results.
- (Note 4) Ichigo Hotel REIT will make a forecast revision should there be a substantial discrepancy between the forecast and actual operating results.
- (Note 5) Ichigo Hotel REIT will list its shares on the Tokyo Stock Exchange (“TSE”) on November 30, 2015.
- (Note 6) Fractions are rounded off to the nearest full unit.

* 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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Preconditions for the January 2016, July 2016, and January 2017 Earnings Forecasts

| Item | Preconditions | | | | | | | | | | | | |
|-------------------------------------|---|------------------------------|--------------------------------|------------------------------|--------------------------------|-------------------------------------|------|------|------|--------------------------|-------|-------|-------|
| Period | <p>January 2016 (First Fiscal Period): July 22, 2015 –January 31, 2016 (194 days)</p> <p>July 2016 (Second Fiscal Period): February 1, 2016 –July 31, 2016 (182 days)</p> <p>January 2017 (Third Fiscal Period): August 1, 2016 –January 31, 2017 (184 days)</p> | | | | | | | | | | | | |
| Portfolio Assets | <ul style="list-style-type: none"> • 9 assets (“To-be Acquired Assets”), with no additional acquisitions or sales before the end of January 2017. • The total number of portfolio assets may change due to acquisitions or sales. | | | | | | | | | | | | |
| Number of Shares | <ul style="list-style-type: none"> • 138,500 shares: the sum of 3,000 shares issued and outstanding as of today plus 129,000 shares to be issued from this initial public offering and a maximum of 6,500 shares to be issued from a third-party allotment (should the over-allotment option be exercised). • The forecast assumes there will be no additional new issuance before the end of January 2017. • Dividend per Share is based on the 138,500 shares issued and outstanding as of the end of January 2016, July 2016, and January 2017 fiscal periods. | | | | | | | | | | | | |
| Operating Revenue | <ul style="list-style-type: none"> • Rental revenue is calculated based on the information provided by the current owners of the To-be Acquired Assets while taking into consideration such factors as tenant trends, the competitiveness of the properties, and market conditions. <p>Assumed Operating Performance</p> <table border="1"> <thead> <tr> <th></th> <th>January 2016 (First Period)</th> <th>July 2016 (Second Period)</th> <th>January 2017 (Third Period)</th> </tr> </thead> <tbody> <tr> <td>Occupancy Ratio¹ (%)</td> <td>88.3</td> <td>92.6</td> <td>91.9</td> </tr> <tr> <td>ADR^{2,3} (yen)</td> <td>7,189</td> <td>8,283</td> <td>8,333</td> </tr> </tbody> </table> <p>¹ Occupancy Ratio is calculated from the following formula: Occupancy Ratio = Total number of guest rooms occupied during the period/(total number of guest rooms * number of days hotel was in operation during the period)</p> <p>² ADR or Average Daily Rate is calculated from the following formula: ADR = Total sales from accommodation (excluding restaurant charges and other service fees)/number of guest rooms occupied during the period (rounded to the nearest full unit)</p> <p>³ ADR does not include rent from retail tenants at Hotel Vista Premio Kyoto and Chisun Inn Osaka Honmachi.</p> | | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) | Occupancy Ratio ¹ (%) | 88.3 | 92.6 | 91.9 | ADR ^{2,3} (yen) | 7,189 | 8,283 | 8,333 |
| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) | | | | | | | | | | |
| Occupancy Ratio ¹ (%) | 88.3 | 92.6 | 91.9 | | | | | | | | | | |
| ADR ^{2,3} (yen) | 7,189 | 8,283 | 8,333 | | | | | | | | | | |

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| | | | | |
|--|--|--------------------------------|--------------------------------|--------------------------------|
| Operating Revenue | Minimum Guaranteed Rent and Variable Rent at Smile Hotel Kyoto Shijo | | | |
| | Minimum Guaranteed Rent: 64,975,890 yen p.a. | | | |
| | Variable Rent = GOP of the month - (Minimum Guaranteed Rent + 2% of revenue +10% of the GOP) (GOP is Gross Operating Profit) | | | |
| | (Million yen) | | | |
| | | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) |
| | Minimum Guaranteed Rent | 7 | 30 | 34 |
| | Variable Rent | 25 | 127 | 112 |
| | Total | 32 | 157 | 147 |
| | ¹ Minimum Guaranteed Rent is the amount agreed upon in advance based on the monthly operation budget for from January through December 2016. ² GOP or Gross Operating Profit is the hotel revenues minus the operating costs of the hotel. The operating costs of the hotel generally include the following items: revenues, labor costs, operation costs (linens, amenities, outsourcing expenses for maintenance and management, utilities expenses, and supplies expenses), sales promotion costs, and indirect costs (communications expenses, commission charges, and taxes associated with hotel operations). | | | |
| | Fixed Rent and Variable Rent at Hotel Vista Premio Kyoto | | | |
| Fixed Rent: 12,500,000 yen per month | | | | |
| Variable Rent: 35% of amount in excess in case GOP exceeds 165 million yen | | | | |
| (Million yen) | | | | |
| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) | |
| Fixed Rent | 25 | 75 | 75 | |
| Variable Rent | 0 | 0 | 13 | |
| Total | 25 | 75 | 88 | |
| ¹ Fixed rent is the monthly fixed rent. ² Variable rent occurs in case annual actual GPO exceeds 165 million yen. | | | | |

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| | | | | |
|---|---|--------------------------------|--------------------------------|--------------------------------|
| Operating Revenue | Minimum Guaranteed Rent and Variable Rent at Nest Hotel Sapporo Ekimae | | | |
| | Minimum Guaranteed Rent: 63,521,729 yen p.a. | | | |
| | Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | | | |
| | (Million yen) | | | |
| | | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) |
| | Minimum Guaranteed Rent | 7 | 31 | 32 |
| | Variable Rent | 6 | 55 | 51 |
| | Total | 13 | 86 | 83 |
| | Minimum Guaranteed Rent and Variable Rent at Nest Hotel Sapporo Odori | | | |
| | Minimum Guaranteed Rent: 47,152,040 yen p. a. | | | |
| Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | | | | |
| (Million yen) | | | | |
| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) | |
| Minimum Guaranteed Rent | 2 | 23 | 23 | |
| Variable Rent | 5 | 50 | 43 | |
| Total | 7 | 74 | 66 | |
| Minimum Guaranteed Rent and Variable Rent at Valie Hotel Tenjin | | | | |
| Minimum Guaranteed Rent: 46,416,444 yen p. a. | | | | |
| Variable Rent = GOP of the month - (Minimum Guaranteed Rent + a certain percentage of revenues of the month + a certain percentage of the GOP of the month) | | | | |
| (Million yen) | | | | |
| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) | |
| Minimum Guaranteed Rent | 7 | 21 | 24 | |
| Variable Rent | 5 | 21 | 20 | |
| Total | 13 | 43 | 44 | |

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Operating
Revenue

Fixed Rent and Variable Rent at Chisun Inn Osaka Honmachi

Fixed rent: 6,000,000 yen/month

Variable Rent 1): 35% of the amount exceeding 228,572,000 yen when the total amount of hotel room revenue p.a. is more than 228,572,000 yen and less than 286,000,000 yen.

Variable Rent 2): 15% of the amount exceeding 286,000,000 yen in addition to 1) when the total amount of hotel room revenue p.a. is more than 286,000,000 yen.

(Million yen)

| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) |
|---------------|--------------------------------|------------------------------|--------------------------------|
| Fixed Rent | 12 | 36 | 36 |
| Variable Rent | 0 | 13 | 0 |
| Total | 12 | 49 | 36 |

Fixed Rent and Variable Rent at Comfort Hotel Hamamatsu

Fixed Rent: 9,226,981 yen per month

(Million yen)

| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) |
|------------|--------------------------------|------------------------------|--------------------------------|
| Fixed Rent | 18 | 55 | 55 |

Fixed Rent and Variable Rent at Hotel Suave Kobe Asuta and Hotel Wing International Nagoya

(Million yen)

| | January 2016 (First Period) | July 2016 (Second Period) | January 2017 (Third Period) |
|----------------------------|--------------------------------|------------------------------|--------------------------------|
| Fixed Rent | 38 | 114 | 114 |
| Variable Rent ¹ | 8 | 21 | 27 |
| Total | 46 | 135 | 141 |

¹ While it is the policy of Ichigo Hotel REIT to disclose information on variable rent for each hotel, information on variable rent for the two hotels are not disclosed as the lessee of the two hotels have not agreed to disclose the details.

- Operating Revenue assumes that tenants will fully pay their contractual rents.

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| | |
|------------------------|--|
| Operating Expenses | <ul style="list-style-type: none"> • Rental expenses, Ichigo Hotel REIT's principal operating expense, are calculated based on historical data and information provided by the current owners of each asset, adjusted for anticipated expense variations. (Depreciation expenses are treated separately.) • Depreciation is calculated based on acquisition price including incidental costs using the straight-line method. Depreciation of 48 million yen has been anticipated for the January 2016 period, 95 million yen for the July 2016 period, and 98 million yen for the January 2017 period. • Generally, in a purchase and sale of real estate, property tax and city planning tax are divided proportionally to time of use between the current owner and the purchaser and paid at acquisition. However, at Ichigo Hotel REIT, the prorated property tax and city planning tax related to these acquisitions will be included in the acquisition cost and shall be excluded from operating expenses. The property tax and city planning tax will not be included in operating expenses for the January 2016 fiscal year, while a part of the property tax and city planning tax for the calendar year 2016 will be included in operating expenses from the July 2016 fiscal period. The anticipated amount of property tax and city planning tax for the To-be Acquired Assets to be included in the acquisition cost is 8 million yen. • The amount for building maintenance and repair expenses are the estimated amount Ichigo Real Estate Investment Advisors, Co., Ltd., the asset management company of Ichigo Hotel REIT, has estimated as the necessary cost for each period. However, expenses for each period could differ significantly from these estimated amounts for reasons including the variability of maintenance and repair expenses, costs due to unexpected building damage, etc. Actual operating expenses may differ significantly from assumptions due to unforeseeable factors. |
| Non-Operating Expenses | <ul style="list-style-type: none"> • Expenses related to the new share issuance and TSE listing, offering-related expenses, and expenses related to the establishment of Ichigo Hotel REIT of 133 million yen in total are anticipated for the January 2016 fiscal period. Ichigo Hotel REIT plans to amortize the expenses associated with the new share issuance and listing of the shares for 36 months, and the expenses for the establishment of Ichigo Hotel REIT for 60 months using the straight-line method. Ichigo Hotel REIT anticipates such expenses of 11million yen in the January 2016 period, 18 million yen in the July 2016 period, and 18 million yen in the January 2017 period. Interest expenses of 492 million yen are anticipated for the October 2015 period. • Interest expenses and other borrowing-related expenses of 30 million yen are anticipated for the January 2016 period, 73 million yen for the July 2016 period, and 73 million yen for the January 2017 period. |
| Borrowings | <ul style="list-style-type: none"> • Ichigo Hotel REIT will borrow 9,200 million yen in November 2015 from Qualified Institutional Investors prescribed in Article 2(3)(i) of Financial Securities and Exchange Act as well as in Article 67-15 of Act on Special Measures concerning Taxation. Ichigo Hotel REIT anticipates the repayment of borrowings for the To-be Acquired Assets and future asset acquisitions from the net proceeds from a maximum of 6,500 shares to be issued through a third-party allotment (should the over-allotment option be exercised). • LTV may change due to the issue price of shares issued in this new share issuance. |

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| | |
|--|---|
| Dividend per Share | <ul style="list-style-type: none"> • Dividends per share are based on the assumption that distribution will comply with the dividend distribution policy stipulated in Ichigo Hotel REIT's Articles of Incorporation. • The dividend per share amount is subject to change due to such factors as tenant turnover, property changes, unexpected maintenance and repair costs and other expenses, fluctuations in interest rates, and the issuance of additional shares. |
| Dividend in Excess of Earnings per Share | <ul style="list-style-type: none"> • Ichigo Hotel REIT does not plan on making any dividend distribution in excess of earnings per share or retained earnings. |
| Other | <ul style="list-style-type: none"> • The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and ordinances, the tax system, accounting standards, listing rules, rules of the Investment Trusts Association, Japan, etc. • Performance forecasts are based on the assumption that there will be no unexpected material change in general economic trends, real estate market conditions, etc. |

The forecasts presented above are current figures based on certain preconditions. Accordingly, the actual operating revenue, operating income, recurring profit, net income, and dividend per share may vary due to changes in circumstances. Ichigo Hotel REIT does not plan on making any dividend distribution in excess of earnings per share or retained earnings.

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