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REIT Issuer

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Earnings and Dividend Forecast Revisions for the January 2016 Fiscal Period

Ichigo Hotel REIT hereby is revising its earnings and dividend forecasts for the January 2016 fiscal period announced in the November 30, 2015 release “Earnings and Dividend Forecasts for the January 2016, July 2016, and January 2017 Fiscal Periods.”

I. Earnings and Dividend Forecasts for the January 2016 Fiscal Period

	Operating Revenue (million yen)	Operating Profit (million yen)	Recurring Profit (million yen)	Net Income (million yen)	Dividend per Share (yen)	Dividend in Excess of Earnings per Share (yen)
Previous Forecast (A)	178	74	34	33	242	0
Revised Forecast (B)	197	102	66	65	470	0
Change (B-A)	19	28	32	32	228	0
% Change	10.7%	37.8%	94.1%	97.0%	94.2%	0

(Reference) Number of shares outstanding at the end of January 2016 fiscal period: 138,500 shares

(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.

(Note 2) The forecasts presented above for the January 2016 period are based on certain preconditions set out below in “Preconditions for the January 2016 Earnings Forecast.”

(Note 3) Fractions are rounded off to the nearest full unit. Percentages are rounded to the nearest tenths.

II. Reasons for the Earnings and Dividend Forecast Revisions

Ichigo Hotel REIT has revised its earnings and dividend forecast to reflect the operating results for the January 2016 fiscal period. The major factors are as follows:

(1) Higher Variable Rents

At the six hotels with variable rents, rental income has increased. Thus, operating revenue is expected to increase by 16 million yen relative to the previous forecast.

(2) Decreased Operating Expenses and Non-Operating Expenses

Operating expenses are forecast to decrease by 15 million yen and non-operating expenses by 3 million yen.

III. Earnings and Dividend Forecasts for the July 2016 and January 2017 Fiscal Periods

At the current time, the forecasts are unchanged.

Preconditions for the January 2016 Earnings Forecasts

Item	Preconditions
Period	January 2016 (First Fiscal Period): July 22, 2015 –January 31, 2016 (194 days)
Portfolio Assets	<ul style="list-style-type: none"> • 9 assets acquired on November 30, 2015.
Operating Revenue	<p>Rental revenue is calculated based on November 2015 - January 2016 actual (unaudited). The anticipated operating revenue assumes that tenants will fully pay their contractual rents without delays or default of payments.</p> <ul style="list-style-type: none"> • Fixed rent/minimum guaranteed rent: 119 million yen • Variable rent: 66 million yen • Other rent: 11 million yen (Total rent from retail tenants at Hotel Vista Premio Kyoto and Chisun Inn Osaka Hommachi) <p>Total rental revenue: 197 million yen</p>
Operating Expenses	<p>Rental expenses, Ichigo Hotel REIT's principal operating expense, are anticipated as follows:</p> <ul style="list-style-type: none"> • Building maintenance and repair expenses: 16 million yen (of which, repair expense: 1 million yen) • Depreciation: 50 million yen • Other expenses: 1 million yen • Total rental expenses: 67 million yen <p>Operating expenses other than rental expenses are anticipated as follows:</p> <ul style="list-style-type: none"> • Total operating expenses other than rental expenses: 27 million yen (of which, asset management fee: 16 million yen) • In the previous forecast, operating expenses other than rental expenses were anticipated at 42 million yen. However, since listing-related expenses initially anticipated at 18 million yen actually amounted to 2 million yen, the anticipated total is now 27 million yen.
Non-Operating Expenses	<p>Anticipated non-operating expenses are as follows:</p> <ul style="list-style-type: none"> • Interest expenses: 14 million yen • Borrowing-related expenses: 12 million yen • Expenses related to the new share issuance: 4 million yen • Expenses related to the establishment of Ichigo Hotel REIT: 5 million yen
Borrowings	Total borrowings as of January 31, 2016 is 8,500 million yen.
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.
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.