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[Provisional Translation Only]

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REIT Issuer

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Ichigo Hotel REIT Operating Results – February 2016

Ichigo Hotel REIT hereby announces its February 2016 Occupancy, ADR, RevPAR, and Revenues:

Total Occupancy, ADR, and RevPAR of Ichigo Hotel REIT Portfolio Assets

	Feb 2016 (A)	Feb 2015 (B)	Difference (A-B)	YOY Change
Occupancy (%)	91.8	91.6	+0.2	+0.2%
ADR (yen)	8,192	7,601	+591	+7.8%
RevPAR (yen)	7,520	6,960	+560	+8.0%

Occupancy, ADR, RevPAR, and Revenues for Individual Assets

		Feb 2016 (A)	Feb 2015 (B)	Difference (A-B)	YOY Change
Smile Hotel Kyoto Shijo	Occupancy (%)	100.3	100.1	+0.2	+0.2%
	ADR (yen)	7,879	7,427	+452	+6.1%
	RevPAR (yen)	7,898	7,433	+465	+6.3%
	Revenues (mm yen)	34	31	+3	+8.5%
Hotel Vista Premio Kyoto	Occupancy (%)	88.4	91.1	- 2.7	- 2.9%
	ADR (yen)	10,793	9,262	+1,531	+16.5%
	RevPAR (yen)	9,544	8,435	+1,109	+13.1%
	Revenues (mm yen)	25	21	+4	+18.0%
Hotel Wing International Nagoya	Occupancy (%)	97.6			
	ADR (yen)	5,650			
	RevPAR (yen)	5,514			
	Revenues (mm yen)	41			

		Feb 2016 (A)	Feb 2015 (B)	Difference (A-B)	YOY Change
Nest Hotel Sapporo Ekimae	Occupancy (%)	98.0	98.7	- 0.7	- 0.7%
	ADR (yen)	10,144	8,892	+1,252	+14.1%
	RevPAR (yen)	9,943	8,778	+1,165	+13.3%
	Revenues (mm yen)	57	50	+7	+13.2%
Chisun Inn Osaka Hommachi	Occupancy (%)	91.0	86.4	+4.6	+5.3%
	ADR (yen)	10,115	6,950	+3,165	+45.5%
	RevPAR (yen)	9,203	6,005	+3,198	+53.3%
	Revenues (mm yen)	35	22	+13	+57.7%
Comfort Hotel Hamamatsu	Occupancy (%)	81.4			
	ADR (yen)	6,057			
	RevPAR (yen)	4,931			
	Revenues (mm yen)	28			
Nest Hotel Sapporo Odori	Occupancy (%)	96.9	97.4	- 0.5	- 0.5%
	ADR (yen)	12,228	11,197	+1,031	+9.2%
	RevPAR (yen)	11,849	10,906	+943	+8.6%
	Revenues (mm yen)	44	40	+4	+9.5%
Valie Hotel Tenjin	Occupancy (%)	90.8	94.4	- 3.6	- 3.8%
	ADR (yen)	10,231	7,211	+3,020	+41.9%
	RevPAR (yen)	9,291	6,810	+2,481	+36.4%
	Revenues (mm yen)	22	16	+6	+38.3%

Notes:

- The above data is as provided by the hotel operators or as calculated by Ichigo Real Estate Investment Advisors (“IRE”) based on information provided by the hotel operators. The data has not been audited and thus its accuracy cannot be guaranteed and may not match data disclosed in future Financial Reports.
- Occupancy is calculated as follows:
Occupancy = Total number of guest rooms occupied during the period / (number of guest rooms x number of days the hotel was in operation during the period)
Occupancy may exceed 100% in the following cases: 1) a guest had pre-paid for a guest room but checked out early, allowing the guest room to be occupied by a different guest; or 2) a guest room is occupied for less than one day by different guests.
- ADR or Average Daily Rate is calculated as follows:
 $ADR = \text{Total revenues from accommodations (excluding restaurant charges and other service fees)} / \text{number of guest rooms occupied.}$
- RevPAR or Revenue Per Available Room is calculated as follows:
 $RevPAR = \text{Total revenues from accommodations (excluding restaurant charges and other service fees)} / \text{number of available guest rooms.}$
- Revenues are total revenues from accommodations and related services only. Rent from retail tenants at Hotel Vista Premio Kyoto and Chisun Inn Osaka Hommachi is not included.
- Past data for Hotel Wing International Nagoya and Comfort Hotel Hamamatsu and data for Hotel Suave Kobe Asuta are not included above, as the hotel operators have not given consent to disclose the data.
- Since the rent for Comfort Hotel Hamamatsu is fixed, operating results have no impact on the rent.

Value-Add Actions

At the Nest Hotel Sapporo Ekimae and Nest Hotel Sapporo Odori, Ichigo Hotel REIT did a major LED lighting upgrade in January. This 8 million yen investment is expected to reduce annual energy costs at the two hotels by 1.4 million yen.

Ichigo's hotels are benefiting from growing demand that is driving higher revenues. Ichigo Hotel REIT will continue to work closely with its hotel operator partners to carry out strategic value-add CAPEX to increase operating efficiency and reduce unnecessary costs, such as via the above LED lighting upgrade, and improve guest satisfaction via guest room renovations and the introduction of new guest services such as restaurants and lounges.