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Issuer

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**Ichigo Hotel Operating Results – July 2020**

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (18 Hotels)

	July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	165.0	693.4	-528.4	-76.2%	1,172.5	-2,947.7	-71.5%
RevPAR (JPY)	2,016	6,902	-4,886	-70.8%	2,335	-4,675	-66.7%
Occupancy (%)	45.2	87.6	-42.4	-48.4%	44.3	-44.5	-50.1%
ADR (JPY)	4,455	7,878	-3,423	-43.4%	5,267	-2,628	-33.3%

Variable Rent Hotels (11 Hotels)

	July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	94.7	456.4	-361.7	-79.3%	707.2	-2,034.9	-74.2%
RevPAR (JPY)	2,221	7,377	-5,155	-69.9%	2,556	-5,024	-66.3%
Occupancy (%)	52.5	88.7	-36.2	-40.8%	49.0	-41.5	-45.9%
ADR (JPY)	4,232	8,321	-4,089	-49.1%	5,220	-3,154	-37.7%

Fixed Rent Hotels (7 Hotels)

	July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	70.3	237.0	-166.7	-70.3%	465.3	-912.8	-66.2%
RevPAR (JPY)	1,815	6,202	-4,387	-70.7%	2,090	-4,081	-66.1%
Occupancy (%)	38.2	86.1	-47.9	-55.6%	39.2	-47.1	-54.6%
ADR (JPY)	4,754	7,207	-2,453	-34.0%	5,331	-1,823	-25.5%

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (14 Hotels)

		July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	18.4	77.7	-59.3	-76.3%	105.4	-289.3	-73.3%
	RevPAR (JPY)	3,129	13,477	-10,348	-76.8%	3,041	-8,088	-72.7%
	Occupancy (%)	74.2	96.1	-21.9	-22.8%	58.8	-39.5	-40.2%
	ADR (JPY)	4,218	14,031	-9,813	-69.9%	5,172	-6,150	-54.3%
Nest Hotel Sapporo Odori	Revenue (JPY million)	13.7	59.9	-46.2	-77.1%	88.5	-211.4	-70.5%
	RevPAR (JPY)	3,332	14,896	-11,564	-77.6%	3,573	-9,072	-71.7%
	Occupancy (%)	74.8	95.9	-21.1	-22.0%	63.3	-33.4	-34.5%
	ADR (JPY)	4,458	15,534	-11,076	-71.3%	5,646	-7,435	-56.8%
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	11.8	30.2	-18.4	-61.0%	90.9	-98.4	-52.0%
	RevPAR (JPY)	3,282	8,537	-5,255	-61.6%	4,311	-4,811	-52.7%
	Occupancy (%)	68.8	97.3	-28.5	-29.3%	76.8	-21.6	-22.0%
	ADR (JPY)	4,771	8,777	-4,005	-45.6%	5,612	-3,656	-39.4%
HOTEL EMIT SHIBUYA	Revenue (JPY million)	8.6				41.6		
	RevPAR (JPY)	3,772				3,576		
	Occupancy (%)	98.3				95.6		
	ADR (JPY)	3,839				3,739		
Hotel Wing International Nagoya	Revenue (JPY million)	7.8	40.9	-33.0	-80.8%	62.5	-182.7	-74.5%
	RevPAR (JPY)	1,026	5,372	-4,345	-80.9%	1,843	-3,646	-66.4%
	Occupancy (%)	24.3	82.8	-58.6	-70.7%	31.7	-55.3	-63.6%
	ADR (JPY)	4,231	6,486	-2,254	-34.8%	5,812	-497	-7.9%

		July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Smile Hotel Kyoto Shijo	Revenue (JPY million)	4.7	31.2	-26.5	-84.9%	41.9	-180.5	-81.2%
	RevPAR (JPY)	990	6,250	-5,260	-84.2%	2,629	-5,204	-66.4%
	Occupancy (%)	30.3	99.6	-69.3	-69.6%	59.4	-40.1	-40.3%
	ADR (JPY)	3,272	6,276	-3,004	-47.9%	4,429	-3,448	-43.8%
Chisun Inn Osaka Hommachi	Revenue (JPY million)	–	19.6	-19.6	-100%	14.2	-119.8	-89.4%
	RevPAR (JPY)	–	4,872	-4,872	-100%	1,439	-4,257	-74.7%
	Occupancy (%)	–	73.6	-73.6	-100%	26.5	-54.5	-67.3%
	ADR (JPY)	–	6,616	-6,616	-100%	5,429	-1,601	-22.8%
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	1.9	65.0	-63.1	-97.1%	42.8	-393.7	-90.2%
	RevPAR (JPY)	–	6,346	-6,346	-100%	1,277	-6,142	-82.8%
	Occupancy (%)	–	85.6	-85.6	-100%	20.7	-69.7	-77.1%
	ADR (JPY)	–	7,416	-7,416	-100%	6,165	-2,042	-24.9%
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	10.8	26.5	-15.7	-59.3%	58.5		
	RevPAR (JPY)	2,260	5,842	-3,582	-61.3%	2,175		
	Occupancy (%)	36.7	74.6	-37.9	-50.8%	34.2		
	ADR (JPY)	6,159	7,835	-1,677	-21.4%	6,359		
Nest Hotel Matsuyama	Revenue (JPY million)	20.2	47.9	-27.7	-57.9%	109.6	-178.0	-61.9%
	RevPAR (JPY)	2,728	5,527	-2,799	-50.6%	2,547	-3,279	-56.3%
	Occupancy (%)	58.3	88.7	-30.4	-34.3%	51.7	-35.6	-40.8%
	ADR (JPY)	4,682	6,230	-1,548	-24.8%	4,924	-1,746	-26.2%
Court Hotel Kurashiki	Revenue (JPY million)	0.9	26.1	-25.2	-96.6%	33.3	-152.9	-82.1%
	RevPAR (JPY)	1,791	6,880	-5,089	-74.0%	2,777	-5,584	-66.8%
	Occupancy (%)	15.4	92.5	-77.1	-83.3%	51.5	-44.8	-46.5%
	ADR (JPY)	11,616	7,438	+4,178	+56.2%	5,391	-3,294	-37.9%
Valie Hotel Hiroshima	Revenue (JPY million)	–				38.7		
	RevPAR (JPY)	–				2,211		
	Occupancy (%)	–				54.2		
	ADR (JPY)	–				4,080		
Valie Hotel Tenjin	Revenue (JPY million)	0.9	22.8	-21.9	-95.9%	35.6	-111.7	-75.8%
	RevPAR (JPY)	–	8,889	-8,889	-100%	4,134	-5,772	-58.3%
	Occupancy (%)	–	96.2	-96.2	-100%	69.3	-28.0	-28.8%
	ADR (JPY)	–	9,237	-9,237	-100%	5,962	-4,216	-41.4%

		July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Nest Hotel Kumamoto	Revenue (JPY million)	14.3	35.1	-20.8	-59.2%	82.5	-116.6	-58.6%
	RevPAR (JPY)	1,995	4,925	-2,930	-59.5%	1,899	-2,889	-60.3%
	Occupancy (%)	57.0	81.6	-24.6	-30.1%	43.9	-33.5	-43.3%
	ADR (JPY)	3,499	6,034	-2,535	-42.0%	4,331	-1,858	-30.0%

Fixed Rent Hotels (6 Hotels – excludes Hotel Livemax Nihombashi-Hakozaki)

		July 2020 (A)	(Previous) July 2019 (B)	Difference (A) - (B)	YOY Change	February 2020 – July 2020 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Comfort Hotel Kushiro	Revenue (JPY million)	16.5	25.3	-8.8	-34.9%	54.4	-47.0	-46.3%
	RevPAR (JPY)	3,931	6,219	-2,288	-36.8%	2,202	-2,018	-47.8%
	Occupancy (%)	80.5	87.5	-7.0	-8.0%	48.2	-27.3	-36.2%
	ADR (JPY)	4,884	7,109	-2,226	-31.3%	4,570	-1,022	-18.3%
Comfort Hotel Hamamatsu	Revenue (JPY million)	10.3	29.9	-19.6	-65.5%	69.7	-108.3	-60.8%
	RevPAR (JPY)	1,696	4,920	-3,224	-65.5%	1,954	-3,063	-61.1%
	Occupancy (%)	37.5	81.6	-44.1	-54.0%	39.1	-43.3	-52.5%
	ADR (JPY)	4,518	6,025	-1,507	-25.0%	4,994	-1,091	-17.9%
Comfort Hotel Central International Airport	Revenue (JPY million)	13.0	93.9	-80.9	-86.2%	137.5	-408.9	-74.8%
	RevPAR (JPY)	1,173	8,410	-7,237	-86.0%	2,095	-6,270	-75.0%
	Occupancy (%)	16.7	91.1	-74.4	-81.6%	25.3	-66.2	-72.3%
	ADR (JPY)	7,015	9,234	-2,219	-24.0%	8,266	-872	-9.5%
Comfort Hotel Suzuka	Revenue (JPY million)	7.1	14.4	-7.3	-50.8%	34.3	-52.0	-60.3%
	RevPAR (JPY)	2,145	4,376	-2,232	-51.0%	1,771	-2,726	-60.6%
	Occupancy (%)	44.7	68.4	-23.7	-34.6%	38.3	-37.3	-49.4%
	ADR (JPY)	4,795	6,393	-1,599	-25.0%	4,623	-1,322	-22.2%
Comfort Hotel Okayama	Revenue (JPY million)	16.2	35.0	-18.8	-53.8%	97.9	-112.6	-53.5%
	RevPAR (JPY)	2,321	5,212	-2,892	-55.5%	2,426	-2,920	-54.6%
	Occupancy (%)	57.8	84.6	-26.8	-31.7%	54.6	-33.8	-38.2%
	ADR (JPY)	4,015	6,160	-2,145	-34.8%	4,445	-1,604	-26.5%
Urbain Hiroshima Executive	Revenue (JPY million)	4.5	31.1	-26.6	-85.7%	50.0	-152.8	-75.3%
	RevPAR (JPY)	841	5,864	-5,023	-85.7%	1,818	-4,735	-72.3%
	Occupancy (%)	15.7	92.5	-76.8	-83.0%	34.1	-57.8	-62.9%
	ADR (JPY)	5,347	6,340	-993	-15.7%	5,327	-1,803	-25.3%

Notes:

1. The above data are as provided by the hotel operators or as calculated by Ichigo Investment Advisors based on information provided by the hotel operators. The data have not been audited and thus their accuracy cannot be guaranteed and may not match data disclosed in future releases.
2. Revenue is revenue from accommodations and related services only. Rent from retail tenants at the Chisun Inn Osaka Hommachi, Hotel Wing International Kobe Shin Nagata Ekimae, and the Smile Hotel Tokyo Asagaya, and rent from the banquet hall at the Nest Hotel Kumamoto are not included.
3. RevPAR (Revenue Per Available Room) is calculated with the following formula:  
$$\text{RevPAR} = \text{Total Revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of available guest rooms.}$$
4. Occupancy is calculated with the following formula:  
$$\text{Occupancy} = \text{Total number of guest rooms occupied during the period} / (\text{total number of guest rooms} * \text{number of days hotel was in operation during the period})$$

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.
5. ADR (Average Daily Rate) is calculated with the following formula:  
$$\text{ADR} = \text{Total revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of guest rooms occupied during the period.}$$
6. The Grandpark-Inn Yokohama and the Washington Hotel Plaza Shimonoseki Eki Nishi are excluded from the above data because the hotel operator did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons. Data for the Hotel Livemax Nihombashi-Hakozaki are included in the total hotel and fixed rent hotel data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
7. July 2019 data for the HOTEL EMIT SHIBUYA and the Valie Hotel Hiroshima are not separately disclosed and are excluded from the Total and Variable Rent Hotels data on page 1, because the previous hotel operators did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons. The Hotel Wing International Kobe Shin Nagata Ekimae, which rebranded and re-opened on June 1, 2019, is similarly excluded from the Total and Variable Rent Hotels data on page 1 because the previous hotel operator did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons.
8. July 2020 data for Court Hotel Kurashiki is for the four days it re-opened on July 9, 23, 24, and 25. (The hotel has closed again.)
9. Pre-acquisition data for acquired hotels are based on data received from the previous owners.

## Status of Hotels that Closed Temporarily due to Covid-19

<b>Hotel</b>	<b>Date Closed</b>	<b>Status</b>
Smile Hotel Kyoto Shijo	April 13, 2020	Reopened on July 1, 2020
Chisun Inn Osaka Hommachi	April 17, 2020	Scheduled to reopen on October 1, 2020
Nest Hotel Osaka Shinsaibashi	April 17, 2020	TBD
Valie Hotel Tenjin	May 1, 2020	Reopened on August 1, 2020
Court Hotel Kurashiki	May 1, 2020	TBD (Opened temporarily on July 9 & 23~25)
Valie Hotel Hiroshima	May 10, 2020	TBD

### Explanation of Changes

All hotels saw year-on-year decreases in Revenue, RevPAR, Occupancy, and ADR due to ongoing Covid-19 impacts causing a drop in both domestic and inbound demand.

### Valie Hotel Tenjin Wins Fukuoka Prefecture Outdoor Advertisement Landscape Award

Ichigo Hotel's Valie Hotel Tenjin won the Outdoor Advertisement Landscape Award, part of the Ninth Fukuoka Prefecture Outdoor Advertisement Landscape Awards, as announced in the August 13, 2020 release "Valie Hotel Tenjin Wins Fukuoka Prefecture Outdoor Advertisement Landscape Award."

Fukuoka Prefecture began awarding the Fukuoka Prefecture Outdoor Advertisement Landscape Awards in 2011 to outdoor advertisements displayed in harmony with the surrounding cityscape and natural landscape.

Of the 135 entries for the ninth 2019 award, the Fukuoka Prefecture evaluation committee awarded one Best Outdoor Advertisement Landscape Award, one Outstanding Outdoor Advertisement Landscape Award, and three Outdoor Advertisement Landscape Awards, one of which was awarded to the Valie Hotel Tenjin.

#### Award Assessment Key Points

- (1) The lighted H-shaped sign is strategically positioned within a cluster of buildings, and its height and size are appropriate for its setting.
- (2) The H-shaped sign and signage at the hotel entrance are color coordinated, using the same warm lighting and color. This color coordination and simple signage create a calm, safe environment for guests.
- (3) The signs convey the hotel's comfortable guest environment.

Ichigo Hotel will continue to work closely with its hotel operator partners to carry out value-add renovations to increase guest satisfaction and drive higher earnings.

Reference: August 13, 2020 release "Valie Hotel Tenjin Wins Fukuoka Prefecture Outdoor Advertisement Landscape Award":

[www.ichigo-hotel.co.jp/module/newsPdfHotel/96338253/IchigoHotel\\_20200813\\_Valie\\_Tenjin\\_Design\\_Award\\_ENG.pdf](http://www.ichigo-hotel.co.jp/module/newsPdfHotel/96338253/IchigoHotel_20200813_Valie_Tenjin_Design_Award_ENG.pdf)