



Ichigo Hotel January 2021 Fiscal Period Corporate Presentation

March 17, 2021

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



We would like to express our deepest condolences to all those affected by the M7.3 earthquake off the coast of Fukushima in February and by the Covid pandemic globally, and our wishes for the earliest and fullest possible recovery.



**Make The World
More Sustainable**



World-Class Excellence

Ichigo's
Hiromi Miyake



Ichigo



 J.LEAGUE	 Ichigo
TOP PARTNER	

©J.LEAGUE

**Ichigo is a
J.League Top Partner**

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January 2021 Results

January 2021 Highlights

Dividend +3.5% vs. Forecast Despite Ongoing Covid Impact

	Results	Details
Net Income	JPY 209M +JPY 7M (+3.5%) vs. forecast	<ul style="list-style-type: none"> Recorded 4 months variable rent income
RevPAR	JPY 2,335 (14 variable rent hotels) -JPY 236 (-9.2%) vs. forecast	<ul style="list-style-type: none"> Occupancy: 53.4% (vs. 55.8% forecast) ADR: JPY 4,371 (vs. JPY 4,609 forecast)
NOI	JPY 844M -JPY 11M (-1.3%) vs. forecast	<ul style="list-style-type: none"> Operating revenue -JPY 1M vs. forecast Increase in repair expenses due to hotel rebranding
Financing	Issuance of First Investment Corporation Bond (JPY 500M)	<ul style="list-style-type: none"> Subordinated bonds with sponsor Ichigo as allottee Strengthening financial base amid market uncertainty
FFO	JPY 2,162 +JPY 33 (+1.6%) YOY	<ul style="list-style-type: none"> FFO up on lower AM fees (Shift to performance-based AM fee structure)
Dividend	JPY 823 +JPY 28 (+3.5%) vs. forecast	<ul style="list-style-type: none"> Effective cost control helped reduce expenses
NAV	JPY 129,503 -JPY 3,165 (-2.4%) vs. previous period	<ul style="list-style-type: none"> Total unrealized gains: JPY 1.4B

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 + Accrued Asset Disposal Costs +/- Losses/Gains on Sales +/- Extraordinary Losses/Gains) / Number of Shares Outstanding

NAV = BPS + Unrealized Capital Gains per Share

January 2021 Earnings Breakdown

(JPY million)

	Jan 2020 Actual	Jan 2021 Actual (A)	Forecast (B)	vs. Forecast (A)-(B)	Major Variation Factors (vs. Forecast)
Operating Revenue	3,561	1,035	1,037	-1	
Variable Rent	564	-3	18	-22	Increase: +2 (Asagaya, Kurashiki) Decrease: -17 (Tenjin, Hommachi, Sapporo Ekimae, Kumamoto) Decrease due to disposition: -7 (Naha sold in Jan 2020)
Fixed Rent	993	993	975	+18	Decrease: -8 (Shibuya, Okayama)
Other (Gains on Sales, etc.)	2,003	45	43	-2	Other: Valie Hiroshima, Okayama
Operating Expenses	1,226	626	618	+7	Decrease in other expenses: -6 (Shibuya)
Repair & Maintenance	26	43	30	+13	Increase: +22 (Tenjin, Okayama, Shinsaibashi, Valie Hiroshima, Hommachi) Decrease: -8 (Yokohama, Shibuya, Kyoto, Hakozaki, Central International Airport, Shimonoseki)
Depreciation	352	341	342	-1	
Operating Profit	2,334	409	418	-9	
Recurring Profit	2,132	210	203	+7	Non-Operating income: +2 Decrease in interest expenses: -10 Decrease in borrowing-related expenses: -3
Net Income	2,130	209	202	+7	
Dividend	JPY 8,356	JPY 823	JPY 795	+JPY 28	+3.5% vs. forecast -90.2% (-JPY 7,533) YOY due to fall-off of gains on sales
FFO	JPY 2,129	JPY 2,162	-	-	
NOI	1,438	844	855	-10	
Post-Depreciation NOI	1,086	503	512	-9	
Capex	257	123	449	-325	Effective cost control
Book Value	47,555	52,076	-	-	

Ongoing Covid Impact

Variable Rent Hotels (14 Hotels)

	Aug 1, 2019 - Jan 31, 2020	Aug 1, 2020 - Jan 31, 2021	Change	YOY
Room Revenue (JPY M)	2,538	791	-1,746	-68.8%
Total Revenue (JPY M)	2,853	907	-1,946	-68.2%
RevPAR (JPY)	6,166	2,335	-3,831	-62.1%
Occupancy	84.4%	53.4%	-31.0%	-36.7%
ADR (JPY)	7,302	4,371	-2,932	-40.1%

Total Portfolio (20 Hotels)

	Aug 1, 2019 - Jan 31, 2020	Aug 1, 2020 - Jan 31, 2021	Change	YOY
Room Revenue (JPY M)	3,645	1,273	-2,372	-65.1%
Total Revenue (JPY M)	3,990	1,402	-2,587	-64.9%
RevPAR (JPY)	6,136	2,478	-3,658	-59.6%
Occupancy	83.8%	51.2%	-32.6%	-38.9%
ADR (JPY)	7,322	4,840	-2,482	-33.9%

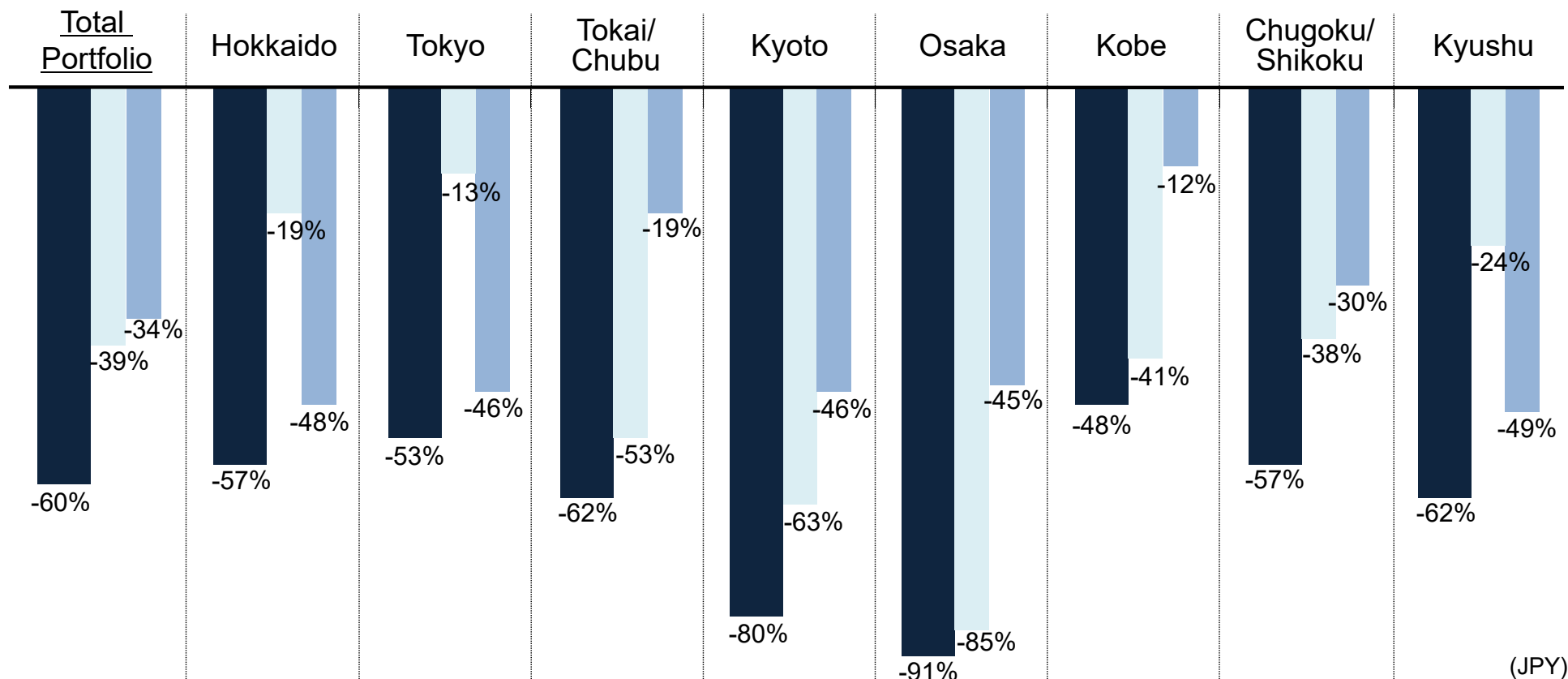
* Excludes HOTEL EMIT SHIBUYA, Grandpark-Inn Yokohama, and Washington Hotel Plaza Shimonoseki Eki Nishi. Operating results before acquisition are based on data provided by previous owner.

Nationwide Covid Impact

YOY by Region (Aug 2020 – Jan 2021)

20 Hotels (excludes Grandpark-Inn Yokohama, HOTEL EMIT SHIBUYA, and Washington Hotel Plaza Shimonoseki Eki Nishi)

■ RevPAR ■ Occupancy ■ ADR

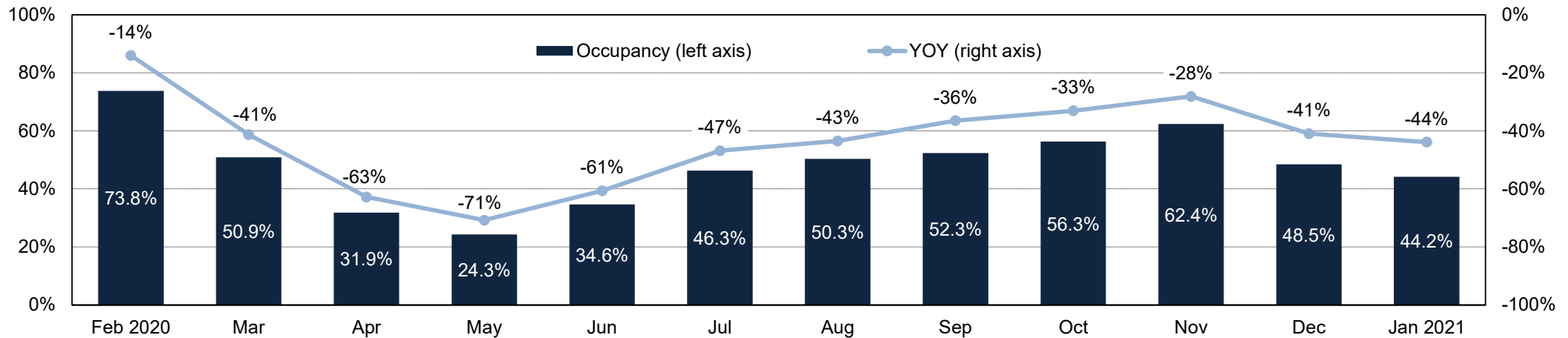
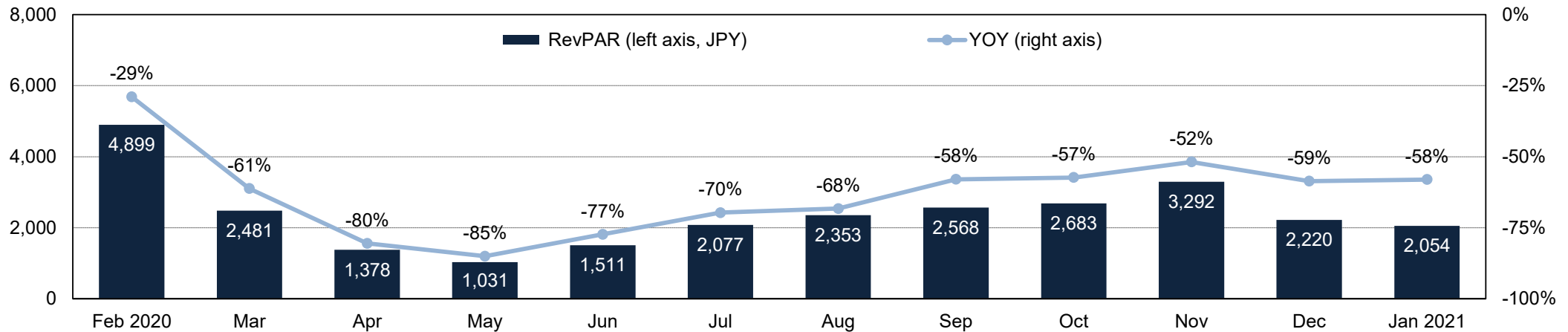


(JPY)

RevPAR	3,326	3,590	2,290	1,383	441	3,190	2,387	2,294
No. Hotels	3	2	4	1	2	1	5	2
% of Total Portfolio Rental Income	8%	10%	29%	3%	11%	5%	17%	4%



Monthly Operational Results Under Year of Covid

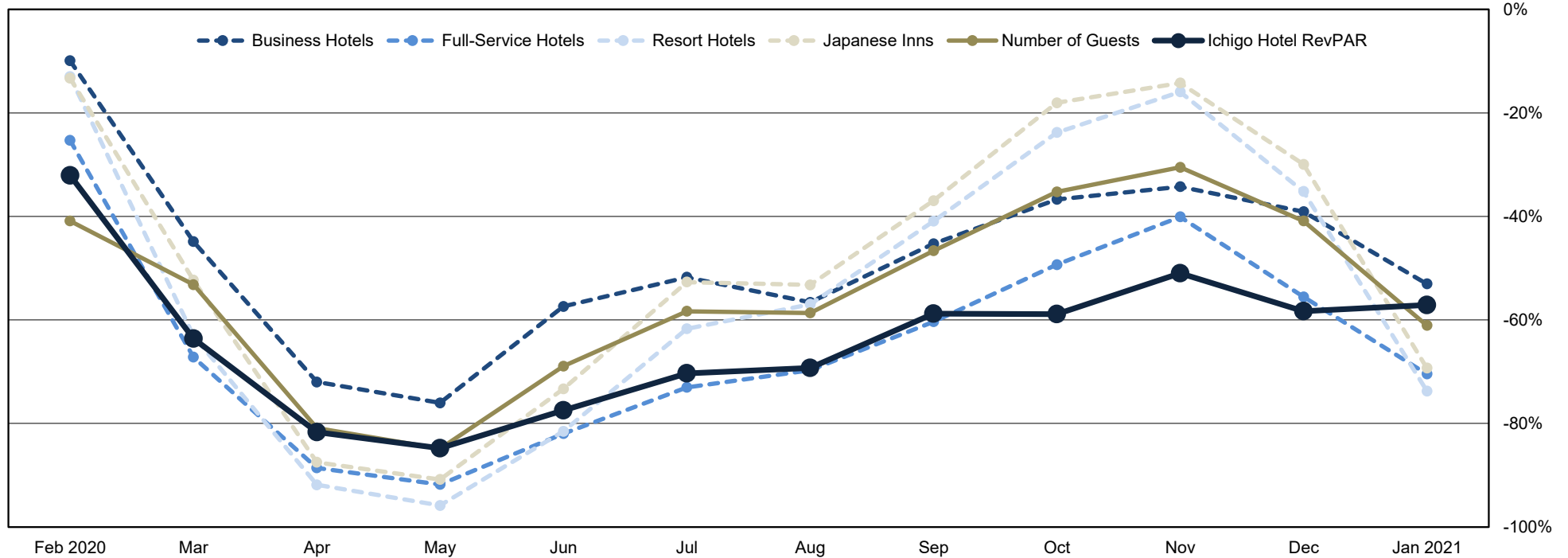


State of emergency declared for 7 prefectures	State of emergency lifted	Ban on travel between prefectures lifted	Start of Go To Travel campaign	Tokyo added to Go To Travel campaign	Go To Travel campaign suspended in Osaka/Sapporo	Go To Travel campaign suspended	State of emergency declared for 4 prefectures
State of emergency extended to rest of Japan							State of emergency extended to 11 prefectures



Covid Impact on Hotel Demand

Hotel Reservations and Ichigo Hotel RevPAR (vs. previous year)



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

- Ichigo Hotel performance correlated to overall hotel industry demand
- Largest negative impact was in May 2020 (first state of emergency)
- October and November 2020 saw a recovery in demand owing to the Go To Travel campaign
- Second state of emergency in Jan 2021 saw less of an impact than the first one in April 2020
- Impact on business hotels limited compared to other hotel types
- Strong uplift in non-business hotels due to Go To Travel tourism subsidy program

Covid Response

Safety Measures and Services for Guests

- Hand sanitizers, periodic disinfections, and mandatory mask-wearing for employees
- Confirming guest and staff health
- Offering remote work options

Temporarily Closed Hotels during January 2021 Fiscal Period

Hotel	Dates Closed	Current Status
Chisun Inn Osaka Hommachi	April 17, 2020 – June 30, 2021	Scheduled to reopen and rebrand under new operator, Hakata Hotels
Grandpark-Inn Yokohama	November 1, 2020 – February 28, 2021	Rebranded and reopened as Capsule Plus Yokohama
Nest Hotel Osaka Shinsaibashi	January 13, 2021 – March 31, 2021	Scheduled to reopen
Nest Hotel Sapporo Odori	January 17, 2021 – February 7, 2021	Reopened

Asset Management Company Safety Measures

- Remote work from March 2020
- Social distancing at office via flextime and limiting office utilization to 30%

Sponsor Support Amid the Covid Pandemic

Investment Corporation Bond Issuance (JPY 500 million)

- Allottee: Ichigo (100%)
- ✓ Demonstrating commitment and support as sponsor
- Objective: To further strengthen Ichigo Hotel's financial base amid an uncertain market environment

Hakata Hotels (Ichigo's wholly-owned subsidiary)

- A hotel operator with AI expertise that operates 13 hotels across Japan, with many located in the Hakata (Fukuoka) area
- Offers competitive rates and strong collaboration
- Will become the operator of Chisun Inn Osaka Hommachi (to be rebranded as The OneFive Osaka Sakaisuji) in July 2021
(Recently became the operator of Okayama and Fukuoka Tenjin hotels)
- Selected as operator among multiple candidates due to better lease terms
- Helps to avoid absence of a hotel operator under Covid uncertainty

Hotel Industry Support: Shareholder Hotel Discount Program

Program Established to Express Gratitude to Ichigo Hotel Shareholders and to Support the Hotel Industry Impacted by Covid

Special Discount Rates (including hotels not owned by Ichigo Hotel)

Minacia Co., Ltd.

■ Hotel Wing International

- ✓ Special rate 10% lower than rates on hotel website
- ✓ 36 Hotel Wing International Hotels located across Japan, from Hokkaido in the north to Kagoshima in the south. New hotels scheduled for opening are Kyoto Sanjo (March 2021) and Hida Takayama (April 2021).



Greens Co., Ltd.

■ Choice Hotels

- ✓ Premium rates set at each hotel
- ✓ 66 Comfort brand hotels located across Japan, from Hokkaido to Okinawa



■ Green Hotels

- ✓ Member-only fixed rates set at each hotel
- ✓ A diverse brand of 32 hotels mainly in Mie and Aichi prefectures and the Hokuriku region



Ichigo J.League Shareholder Program

Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and listed solar power producer that it manages, in its shareholder program (67,000 shareholders total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

Ichigo is deepening its partnership with the J.League and working to further Ichigo's mission of promoting local community development.



Events & Gifts

- Ichigo Kids J.League Events
 - ✓ Escort players onto field
 - ✓ High-fives with players
 - ✓ Other programs
- J.League Merchandise
 - ✓ Autographed jerseys from all J.League clubs
 - ✓ Ichigo original J.League towels
 - ✓ Autographed official match balls
- J.League Online Events

Ichigo J.League Shareholder Program Website Landing Page

Sustainability as a Key Management Priority

Sustainability Initiatives

Minimizing Environmental Impact of Ichigo Hotel-Owned Assets

GRESB Real Estate Assessment

- Preparing to participate in assessment
- Applying for various environmental certifications



Shifting to Renewable Energy

Ichigo RE Target: Sourcing 100% Renewable Electricity Across Its Operations by 2040

- In line with sponsor Ichigo joining RE100, Ichigo Hotel will shift to using renewable electricity across its operations
- Target: source 100% of electricity needs across Ichigo Hotel-owned assets from renewable energy

RE100

CLIMATE
GROUP

CDP

Operator Change to Generate Higher Earnings

Chisun Inn Osaka Hommachi

- Hotel operator change from third-party operator to Ichigo-owned Hakata Hotels
- Scheduled to rebrand and reopen as The OneFive Osaka Sakaisuji in July 2021
- Deploying Ichigo's PROPERA, an AI-based hotel revenue management system, to drive higher earnings & customer satisfaction
(PROPERA operating track record: Earnings +10-40%)



Hakata Hotels	
Name	Hakata Hotels Inc.
Address	3-13-1 Haruyoshi, Chuo-ku, Fukuoka
Representative	Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President
Establishment Date	March 2019
Paid-In Capital	JPY 10 million (100% Ichigo group subsidiary)
Relationship to Ichigo Hotel/IIA	Consolidated subsidiary of Ichigo Investment Advisor's parent company, Ichigo (Hakata Hotels is a related party as defined in the Ordinance of the Investment Trust and Investment Corporation Law and IIA's internal rules)

Achieving Organic Rent Growth at Contract Renewals

Timing		Hotel Name	Lease Terms	Changes	
Actual	Jun 2017	Chisun Inn Osaka Hommachi	Variable+Fixed Rent	Renewal at Higher Rent	<ul style="list-style-type: none"> Increased fixed rent Increased variable rent
	Mar 2019	Hotel Wing International Kobe Shin Nagata Ekimae	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Increased fixed rent Added variable rent
	Jun 2019	Nest Hotel (4 Hotels)	Variable+Fixed Rent	Renewal at Higher Rent	<ul style="list-style-type: none"> Increased fixed rent
	Sep 2019	Valie Hotel Hiroshima	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Rebrand and reopen Added variable rent
	Jun 2020	Smile Hotel Tokyo Asagaya	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> Increased fixed rent Increased variable rent
	Oct 2020	The OneFive Okayama (formerly Comfort Hotel Okayama)	Fixed → Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Increased fixed rent & added variable rent
	Oct 2020	The OneFive Fukuoka Tenjin (formerly Valie Hotel Tenjin)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent clause
	Feb 2021	Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama)	Fixed → Variable Rent	Rebranding	<ul style="list-style-type: none"> Added GOP-linked variable rent
	Feb 2021	Chisun Inn Osaka Hommachi	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent clause
Plan	2021	2 Hotels	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> Operator to be selected from among multiple candidates, including the current operator

July 2021 and January 2022 Forecasts

Market Environment & Forecast Assumptions

Hotel Market Remains Uncertain

- Hotel demand is forecast to gradually recover on the back of vaccine rollout, but will likely take up to one year to significantly recover

Occupancy and ADR Forecasts for 14 Variable Hotels

- Forecasting Occupancy at -20~-40% & ADR at -35~-50% vs. 2019 (Pre-Covid) levels

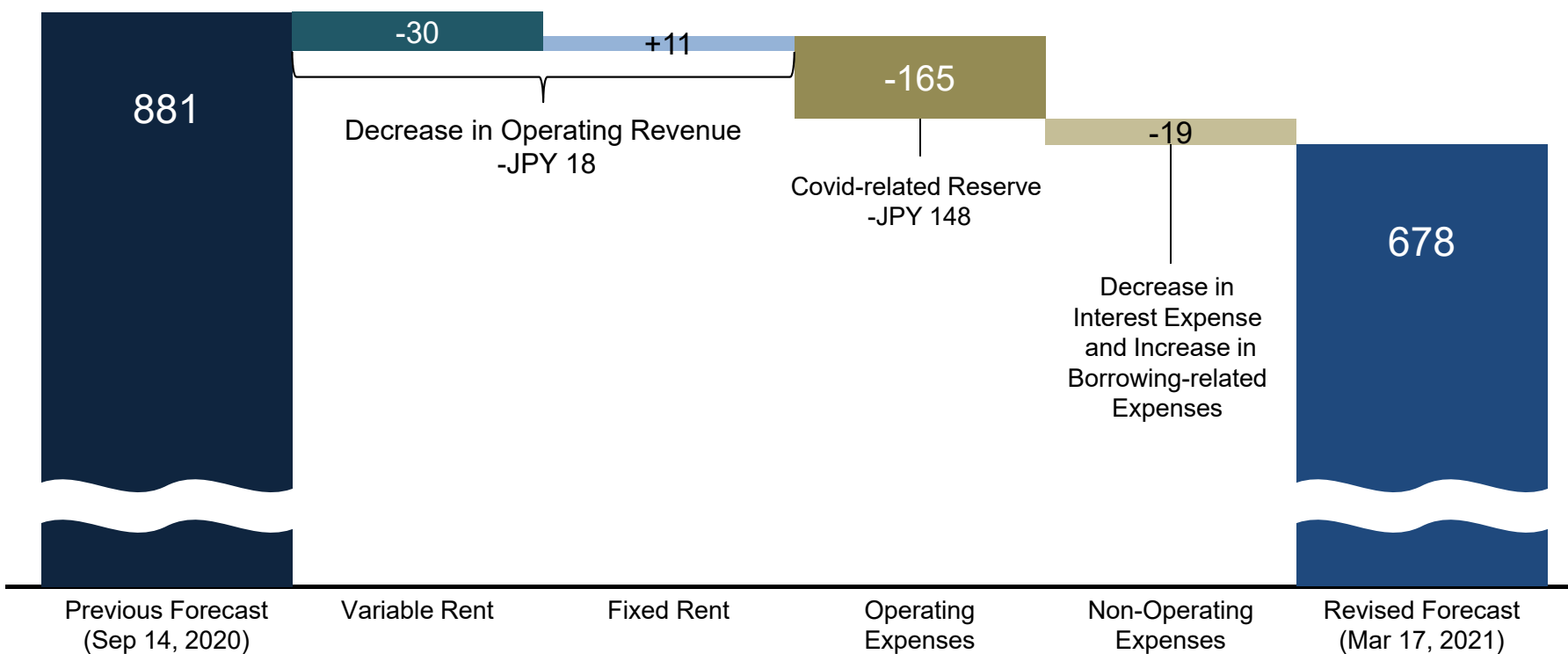
	July 2021 Forecast	January 2022 Forecast
Occupancy	57.8%	68.1%
ADR	JPY 4,737	JPY 4,988
(Reference)	July 2019 Actual*	January 2020 Actual*
Occupancy	89.7%	85.4%
ADR	JPY 8,668	JPY 7,760

* Actual data of 13 hotels for July 2019 fiscal period and 12 hotels for January 2020 fiscal period

Revision of July 2021 Fiscal Period Forecast (Announced in Sep 2020)

- Operating revenue -0.4%, DPS -23.0% vs. previous forecast
- Recorded Covid-related reserve on the back of requests for rent forgiveness/deferral
- Will carefully respond to rent forgiveness/deferral requests and work to minimize forecast impact

Previous Forecast vs. Revised Forecast (DPS-basis, JPY)



July 2021 Forecast

Dividend JPY 678, +1.2% YOY

(JPY million)

	July 2020 Actual (A)	July 2021 Previous Forecast (Sep 2020)	July 2021 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	953	1,041	1,037	+84	
Variable Rent	-25	53	46	+71	Increase due to nonoccurrence of adjustments of variable rent +36 Increase in variable rent +45 (Hiroshima, Matsuyama, Kumamoto, Yokohama) Decrease in variable rent -10 (Asagaya, Tenjin, Kurashiki)
Fixed Rent	935	944	947	+11	Full-year contribution of Shibuya and Shimonoseki +35 Increase in fixed rent +61 (Asagaya, Okayama, Nagoya) Decrease in fixed rent -85 (Yokohama, Hommachi, Tenjin)
Other (Gains on Sales, etc.)	42	43	44	+1	
Operating Expenses	581	618	660	+78	Increase in fixed asset taxes +12 (Shibuya, Shimonoseki, Kumamoto) Covid-related reserve +37.8
Repair & Maintenance	21	26	28	+7	Increase +13 (Yokohama, Kurashiki, Asagaya, Shinsaibashi, Shimonoseki) Decrease -5 (Tenjin, Valie Hiroshima, Central International Airport, Sapporo Odori)
Depreciation	336	343	346	+9	Increase: Okayama, Shimonoseki, Valie Hiroshima
Operating Profit	371	423	376	+5	Engineering report costs +3, Environmental certification costs +2
Recurring Profit	171	225	173	+2	Borrowing-related expenses +15, Interest expenses -8 Completion of amortization of expenses related to REIT establishment -5, Decrease in non-operating income -2
Net Income	170	224	172	+2	
Dividend	JPY 670	JPY 881	JPY 678	+JPY 8	-23.0%(-JPY 203) vs. previous forecast +1.2% (+JPY 8) YOY
NOI	787	859	813	+26	
Post-Depreciation NOI	450	516	467	+16	
Capex	128	707	463	+335	

January 2022 Forecast

Dividend JPY 719, -12.6% YOY

(JPY million)

	January 2021 Actual (A)	January 2022 Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,035	1,058	+23	
Variable Rent	-3	81	+85	Increase in variable rent +80 (Yokohama, Kumamoto, Nagoya, Matsuyama, Kurashiki, Valie Hiroshima) Decrease in variable rent -2 (Asagaya, Tenjin)
Fixed Rent	993	932	-61	Increase in fixed rent +61 (Okayama, Tenjin, Shibuya) Decrease in fixed rent -122 (Nagoya, Yokohama, Hommachi, Valie Hiroshima)
Other (Gains on Sales, etc.)	45	44	-1	
Operating Expenses	626	663	+36	Covid-related reserve
Repair & Maintenance	43	33	-10	Increase +12 (Nagoya, Sapporo Odori, Asagaya) Decrease -23 (Tenjin, Shinsaibashi, Okayama, Valie Hiroshima)
Depreciation	341	347	+5	Increase: Okayama, Tenjin, Kumamoto, Kurashiki, Asagaya, Valie Hiroshima
Operating Profit	409	395	-13	Engineering report costs +3 Environmental certification costs +1
Recurring Profit	210	184	-26	
Net Income	209	183	-26	
Dividend	JPY 823	JPY 719	-JPY 104	-12.6% YOY
NOI	844	833	-11	
Post-Depreciation NOI	503	486	-17	
Capex	123	345	+221	

Ichigo's Commitment to ESG



Ichigo Sustainability Policy

Harmony with the Environment

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

Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

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.

Training and Awareness

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

Sustainability Performance Communication and Disclosure

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

Ichigo ESG – Environmental

Contributing to a Low-Carbon World

Clean Energy

Annual Power Generation 158,586,005 kWh



Equivalent to annual energy consumption of 52,862 households
The Federation of Electric Power Companies of Japan - Annual energy consumption per household 3,000kWh

Annual CO2 Reduction 104,666,758 kg



Equivalent to annual CO2 emission of 45,507 cars
Ministry of Environment
Annual CO2 emission per car c. 2,300kg
(Jul 2019~Jun 2020 Actuals – Ichigo & Ichigo Green)

Sponsor Ichigo Joins RE100

Ichigo RE100 Target: Source 100% of Electricity Needs Across Its Operations from Renewable Energy by 2040



Environmental Sustainability For a Better World

Sustainable Real Estate

Preserve & Improve Real Estate to End Wasteful Demolition

- Lengthen useful life of real estate
- Shrink environmental footprint by reducing wasteful demolition & consumption of raw materials, energy, & human talent in construction



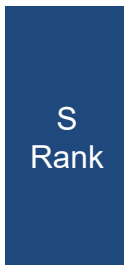
Lowest Impact
Highest Efficiency

Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.

Sustainable Real Estate – Environmental Certifications (Ichigo Office 8975)

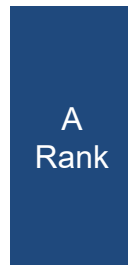
CASBEE



Ichigo Takamatsu Building



Ichigo Marunouchi Building



Ebisu Green Glass
Ichigo Sakaisuji Honmachi Building
Ichigo Sendai East Building
Ichigo Kanda Nishikicho Building
Ichigo Ikenohata Building
Ichigo Mirai Shinkin Building
Win Gotanda Building 2

Other Certifications

BELS (Building-housing Energy-efficiency Labeling System),
DBJ Green Building

GRESB



G R E S B
★ ★ ★ ★ ★ 2020
Green Star (Highest Ranking)
4 years in a row



Ichigo ESG – Social

Supporting Local Communities

- Ichigo's Boutique Hotel THE KNOT
A place where visitors, communities, and the old and the new can come together
- Miyako City, Nanbu Wholesale Market
Foster community interactions
- J.League Top Partner
Promote community development, revitalize local economies, and renovate & upgrade stadiums
- TSUBASA+ AR Smartphone Game
Promote Japanese culture and community links
- Smart Agriculture



Working with Tenants

- Conduct tenant surveys to understand needs to implement effective value-add
- Exclusive investor for Oshii Mamoru's new anime VLADLOVE to promote Japan's anime culture and build synergies with Ichigo's retail asset AKIBA CULTURES ZONE
- Support tenant sales channel expansion and sales growth
- Operate self-storage and laundromats to support livelihood



Make The World More Sustainable



HR & Internal Start-Ups

- Ichigo University for employees
Taught by subject matter experts
- Ichigo Sustainable Lab
Promotion of R&D and internal start-ups
- Support for Employees
100% return rate for employees who take maternity/paternity leave
- Women in Leadership
24% of management positions held by Women

Sports & Arts

- Support National & World-Class Athletes
- Support University of Miyazaki's Program for Children with Cancer
- Support community-based soccer clubs
- Support artists with disabilities

Weightlifting Athlete
Hiromi Miyake



Disaster Response

- Typhoon disaster preventative measures
- Rapid damage assessment
- Rapid disaster response
On-site inspections and measures to prevent secondary disasters, preserve asset value, and supply essential items to local communities
- Neighborhood watch
- Street cleaning and snow shoveling

Ichigo ESG – Governance

Best Practice Governance

REIT

Monitors Asset Management Company

- All Ichigo Hotel Directors are Independent Directors
- Active dialogue and effective internal controls via Board discussions led by REIT Executive Director
- Draw upon expertise of REIT Supervisory Directors (qualified lawyers & accountants)

Asset Management Company (AMC)

Best Practice

- Majority of AMC Directors (3 of 5) are Independent Directors
- Independent asset management teams within AMC ensures best-practice execution on behalf of Ichigo Hotel
- Compliance and Audit are directly under the AMC President to monitor and review critical compliance matters
- Ensure objectivity by including third-party, independent lawyers and accountants in the Investment Committee and Risk & Compliance Committee



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

- ✓ Performance-linked fee structure to support shareholder value creation
- ✓ Pro-active, dynamic management of Ichigo Hotel assets on behalf of shareholders

Ichigo Hotel (3463) and Ichigo Office (8975) are the only J-REITs (out of 61) that both have an Asset Management Company (AMC) board that has a majority of Independent Directors and whose AMC President does NOT serve as the Executive Director of the REIT

Independence of the Investment Corporation from AMC

30 of 61 J-REITs have AMC Presidents serving as Executive Director of the REIT

Ichigo Hotel:
All Directors are Independent

Independent Directors at AMC


Only 4 Asset Management Companies have any Independent Directors

Ichigo Investment Advisors:
3 of 5 Directors are Independent

* Based on information as of December 31, 2020

Appendix: Portfolio Details

Hotel Map

Tokyo			Kanto	Hokkaido			Hokuriku/Tokai			
C-1 	C-3 	C-4 	B-1 	A-1 	A-2 	A-3 	D-1 	D-2 	D-3 	D-4 
Smile Hotel Tokyo Asagaya	Hotel Livemax Nihombashi- Hakozaki	HOTEL EMIT SHIBUYA	Grandpark-Inn Yokohama *	Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Comfort Hotel Hamamatsu	Hotel Wing International Nagoya	Comfort Hotel Central International Airport	Comfort Hotel Suzuka

Kinki (Kyoto/Osaka/Kobe)

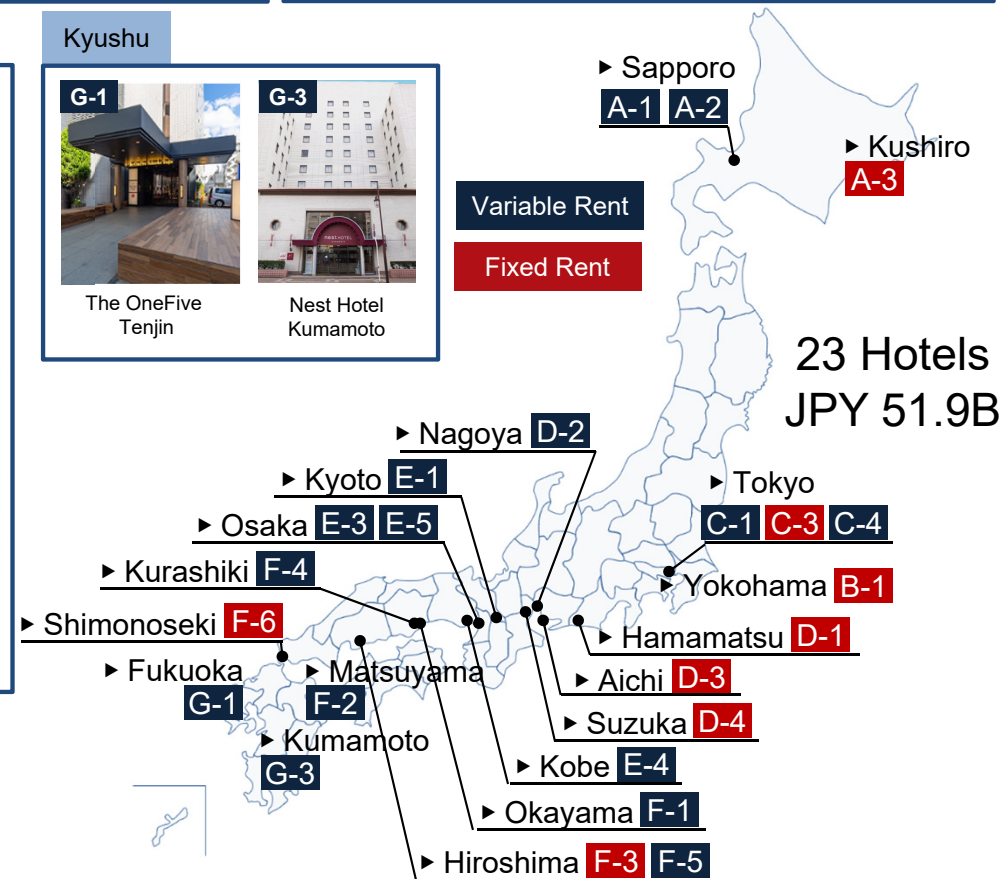
E-1 	E-3 
Smile Hotel Kyoto Shijo	Chisun Inn Osaka Hommachi
E-4 	E-5 
Hotel Wing International Kobe Shin Nagata Ekimae	Nest Hotel Osaka Shinsaibashi

Chugoku/Shikoku

F-1 	F-2 	F-3 
The OneFive Okayama	Nest Hotel Matsuyama	Urbain Hiroshima Executive
F-4 	F-5 	F-6 
Court Hotel Kurashiki	Valie Hotel Hiroshima	Washington Hotel Plaza Shimonoseki Eki Nishi

Kyushu

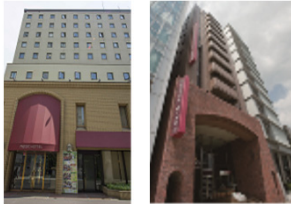








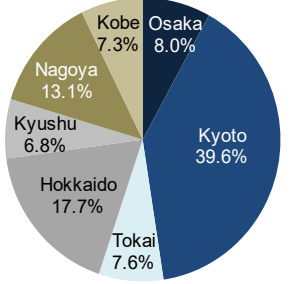
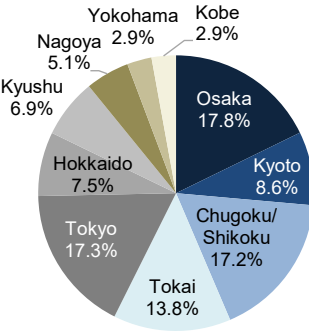
G-1 	G-3 
The OneFive Tenjin	Nest Hotel Kumamoto



* Rebranded and Reopened as Capsule Plus Yokohama in March 2021

(January 2021 rent-basis)

Portfolio Growth

	IPO (Nov 30, 2015)	Jan 2017 Fiscal Period	July 2017 through Jan 2021 Fiscal Periods						
Acquisitions	IPO Acquisitions 9 hotels JPY 20.4B (Appraisal NOI Yield 5.9%)	PO Acquisitions 10 hotels JPY 27.2B (Appraisal NOI Yield 5.5%)	July 2017 1 hotel JPY 1.4B (Appraisal NOI Yield 5.0%)	Jan 2018 1 hotel JPY 1.8B (Appraisal NOI Yield 6.3%)	Jan 2019 1 hotel JPY 1.7B (Appraisal NOI Yield 6.9%)	July 2019 2 hotels JPY 3.7B (Appraisal NOI Yield 6.9%)	Jan 2020 None	July 2020 2 hotels JPY 4.7B (Appraisal NOI Yield 4.9%)	Jan 2021 None
									
Sales	None	None	None	None	1 Hotel JPY 2.7B Gains on Sale JPY 0.69B	None	2 Hotels JPY 9.7B Gains on Sale JPY 1.94B	None	None
Portfolio Size	9 Hotels : JPY 20.4B (January 2016 end)	19 Hotels JPY 47.6B	20 Hotels JPY 49.1B	21 Hotels JPY 50.9B	21 Hotels JPY 50.7B	23 Hotels JPY 54.4B	21 Hotels JPY 47.1B	23 Hotels JPY 51.9B	23 Hotels JPY 51.9B
Location	<p>IPO</p> 	<p>Geographic Diversification Increases Earnings Stability</p> <p>Steady Portfolio Growth via Acquisitions</p>							<p>January 31, 2021</p> 

Acquisition price-basis

Portfolio Lease Details

Operator Diversification Driving Earnings Stability

(as of Jan 31, 2021)

Lease Terms	Fixed Rent	Fixed + Variable Rent		Total
Form of Contract	Lease	Lease	Lease	–
Fixed Rent	Yes	Yes	Yes	–
Variable Rent	–	Fixed Portion of Revenue Upside	Fixed Portion of Hotel GOP	–
Rental Income (Jan 2021 Actual)	JPY 426M (43.1%)	JPY 147M (14.9%)	JPY 415M (42.0%)	JPY 989M (100%)
Number of Hotels	8 Hotels	3 Hotels	12 Hotels	23 Hotels
Total Acquisition Price	JPY 13.19B (25.4%)	JPY 5.79B (11.2%)	JPY 32.94B (63.4%)	JPY 51.91B (100%)
Hotels	Comfort Hotel Kushiro Comfort Hotel Hamamatsu Comfort Hotel Central International Airport Comfort Hotel Suzuka Grandpark-Inn Yokohama Hotel Livemax Nihombashi- Hakozaki Urbain Hiroshima Executive Washington Hotel Plaza Shimonoseki Eki Nishi	Hotel Wing International Nagoya Hotel Wing International Kobe Shin Nagata Ekimae Chisun Inn Osaka Hommachi	Nest Hotel Sapporo Ekimae Nest Hotel Sapporo Odori Nest Hotel Osaka Shinsaibashi Nest Hotel Matsuyama Nest Hotel Kumamoto Smile Hotel Tokyo Asagaya Smile Hotel Kyoto Shijo Valie Hotel Hiroshima The OneFive Fukuoka Tenjin Court Hotel Kurashiki HOTEL EMIT SHIBUYA The OneFive Okayama	<p>Operator Mix</p> <p>Fixed Rent: Greens, Hospitality Solutions, Other (Livemax, etc.)</p>

Individual Hotel Summary

(as of Jan 31, 2021)

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m ²)	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jan 2021 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	2,115	2,520	5.1	+404
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,463	1,770	5.0	+306
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	287	421	5.5	+133
	B-1	Grandpark-Inn Yokohama	Fixed Rent	Yokohama	1,183.26	1,490	1,496	1,310	4.8	-186
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,936	4,140	4.3	+203
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,296	1,400	4.6	+103
	C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	1,470.52	3,700	3,816	3,950	3.6	+133
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,428	1,750	5.2	+321
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,698	2,580	4.7	-118
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,296	5,730	4.1	+433
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	274	378	5.0	+103
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,521	3,570	4.5	-951
	E-3	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	3,690.00	1,630	1,717	1,300	4.7	-417
	E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	4,540.90	1,490	1,399	1,810	4.7	+410
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,604	5,730	4.4	-1,874
	F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	5,543.70	1,200	1,203	1,800	5.7	+596
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,618	1,950	5.6	+331
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,811	2,060	5.3	+248
	F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,780	1,990	5.1	+209
	F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	4,332.50	1,500	1,585	1,650	5.0	+64
	F-6	Washington Hotel Plaza Shimonoseki Eki Nishi	Fixed Rent	Shimonoseki, Yamaguchi	5,709.35	1,080	1,098	1,170	4.9	+71
	G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,448	2,190	4.3	+741
	G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	6,404.36	2,220	2,177	2,330	5.4	+152
Total (23 Hotels)					102,471.81	51,913	52,076	53,499	5.0	+1,422

January 2021 Fiscal Period Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. of Guest Rooms	January 2021 (August 2020 - January 2021)				
					RevPAR (JPY)	Occupancy (%)	ADR (JPY)	Revenue (JPY M)	
A-1	004	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	3,415 (-61.8%)	81.2 (-16.1%)	4,206 (-54.5%)	125.7 (-61.5%)
A-2	008	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	2,871 (-69.4%)	66.1 (-27.9%)	4,347 (-57.5%)	73.8 (-68.1%)
A-3	018	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	3,648 (-23.9%)	70.0 (-12.2%)	5,215 (-13.3%)	89.6 (-23.2%)
C-1	012	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	4,179 (-51.8%)	84.0 (-13.9%)	4,975 (-44.0%)	89.2 (-51.6%)
C-4	025	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	72	4,278 -	93.7 -	4,568 -	56.9 -
D-1	006	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	2,111 (-53.2%)	42.5 (-44.1%)	4,963 (-16.2%)	76.1 (-53.2%)
D-2	003	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	1,390 (-74.0%)	31.1 (-63.8%)	4,468 (-28.0%)	64.1 (-73.4%)
D-3	011	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	2,873 (-63.8%)	37.2 (-56.7%)	7,726 (-16.5%)	189.3 (-64.1%)
D-4	019	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	2,623 (-40.2%)	51.7 (-31.1%)	5,073 (-13.2%)	51.2 (-40.2%)
E-1	001	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	1,383 (-79.7%)	36.4 (-62.5%)	3,801 (-45.7%)	37.8 (-80.5%)
E-3	005	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	130	-	-	-	-
E-4	007	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	133	3,190 (-48.2%)	45.5 (-41.3%)	7,003 (-11.7%)	88.2 (-47.4%)
E-5	010	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	441 (-92.1%)	11.5 (-85.2%)	3,821 (-46.6%)	18.8 (-94.4%)
F-1	017	The OneFive Okayama	Variable + Fixed Rent	Okayama	208	2,117 (-59.8%)	69.7 (-19.1%)	3,035 (-50.3%)	69.3 (-67.0%)
F-2	015	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	2,984 (-45.0%)	63.4 (-26.9%)	4,703 (-24.8%)	125.6 (-53.3%)
F-3	021	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	171	2,851 (-54.3%)	42.7 (-51.5%)	6,669 (-5.7%)	68.3 (-65.2%)
F-4	022	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	107	2,503 (-66.6%)	34.8 (-60.8%)	7,199 (-14.7%)	50.9 (-70.8%)
F-5	024	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	171	1,327 -	30.9 -	4,297 -	32.6 -
G-1	009	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	77	2,007 (-76.1%)	61.9 (-34.7%)	3,244 (-63.4%)	32.9 (-74.3%)
G-3	023	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	201	2,399 (-52.7%)	63.5 (-19.7%)	3,779 (-41.1%)	98.7 (-53.7%)
		Other	-	-	461	-	-	-	-
Variable Rent Hotels					2,354	2,335 (-62.1%)	53.4 (-36.7%)	4,371 (-40.1%)	907.7 (-68.2%)
Fixed Rent Hotels					1,405	2,755 (-54.6%)	46.9 (-43.1%)	5,876 (-20.3%)	494.4 (-56.5%)
Total					3,759	2,533 (-59.5%)	52.2 (-32.4%)	4,855 (-34.3%)	1,369.4 (-65.0%)

* Operating Results data for Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn Yokohama, and Washington Hotel Plaza Shimonoseki Eki Nishi 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. Operating results for Valie Hotel Hiroshima before rebranding and reopening are unavailable because the operators did not provide consent to disclose.

Individual Hotel Financials

(JPY thousand)

	Total	A-1	A-2	A-3	C-1	C-4	D-1	D-3	D-4	E-1	E-3	E-5	F-1	F-2	F-4	F-5	G-1	G-2	G-3	Other
		Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Smile Hotel Tokyo Asagaya	HOTEL EMIT SHIBUYA	Comfort Hotel Hamamatsu	Comfort Hotel Central International Airport	Comfort Hotel Suzuka	Smile Hotel Kyoto Shijo	Chisun Inn Osaka Hommachi	Nest Hotel Osaka Shinsaibashi	The OneFive Okayama	Nest Hotel Matsuyama	Court Hotel Kurashiki	Valie Hotel Hiroshima	The OneFive Fukuoka Tenjin	Nest Hotel Naha	Nest Hotel Kumamoto	
(A) Rental Income	1,035,576	32,493	26,184	18,419	60,974	39,476	55,361	151,441	15,442	34,644	39,604	65,588	35,597	35,821	33,472	23,731	8,666	-7,479	28,295	337,838
Fixed Rent	993,875	32,392	26,083	18,419	59,282	39,476	55,361	151,441	15,442	34,644	39,600	65,487	34,984	35,717	33,013	23,131	8,226	-	27,348	293,820
Variable Rent	-3,942	-	-	-	1,691	-	-	-	-	-	-	-	-	-	459	-	440	-7,479	946	-
Other Rent	45,643	101	101	-	-	-	-	-	-	-	4	101	613	104	-	600	-	-	-	44,018
(B) Rental Expenses	190,955	8,704	10,190	6,837	10,752	1,147	4,430	14,304	2,869	6,917	7,693	21,713	15,185	6,227	5,962	8,762	13,341	51	6,574	39,289
Outsourcing Fees	17,487	600	600	900	2,520	600	600	570	540	600	1,016	1,200	600	720	600	720	600	-	780	3,720
Insurance	3,195	174	186	92	98	68	110	312	53	151	110	271	159	221	117	148	64	-	203	651
Repair Expenses	43,455	2,238	552	1,414	3,954	120	1,016	298	89	765	2,475	5,306	9,467	926	548	3,204	8,868	-	474	1,735
Taxes	108,182	5,233	8,387	4,020	3,772	-	2,432	12,716	1,779	5,040	3,324	14,495	3,854	3,915	4,266	4,253	3,377	51	4,670	22,589
Other Expenses	18,634	458	463	410	407	359	271	406	406	359	765	440	1,104	444	431	436	430	-	445	10,593
(C) NOI (A) - (B)	844,620	23,789	15,993	11,582	50,221	38,329	50,931	137,137	12,573	27,727	31,911	43,874	20,411	29,594	27,510	14,968	-4,674	-7,531	21,720	298,549
(D) Depreciation	341,139	16,044	16,515	5,407	26,866	7,566	14,696	34,862	4,165	16,395	7,378	34,397	15,131	17,895	10,374	20,731	8,731	-	19,150	64,830
Net Rental Income (C) - (D)	503,481	7,744	-521	6,175	23,355	30,762	36,235	102,275	8,407	11,332	24,532	9,477	5,279	11,698	17,136	-5,762	-13,405	-7,531	2,570	233,719

* Rents for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn Yokohama, Urbain Hiroshima Executive, and Washington Hotel Plaza Shimonoseki Eki Nishi as well as retail income of Chisun Inn Osaka Hommachi, Smile Hotel Tokyo Asagaya and Nest Hotel Kumamoto are included in Other, as the operators did not provide consent to disclose the data.

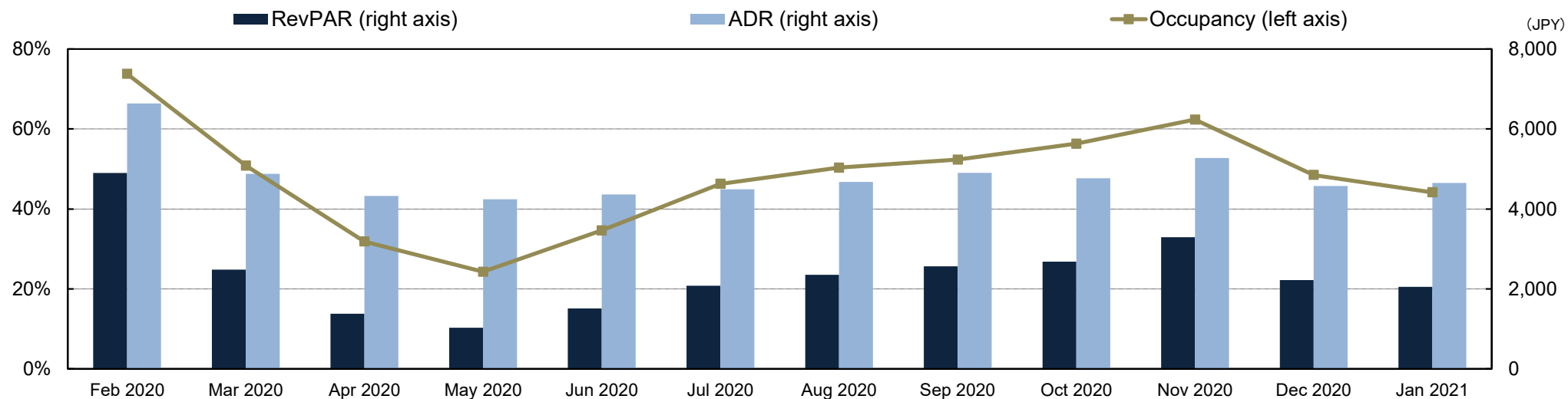
Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

Fixed/Variable Rent

(JPY thousand)

		Jan 2020		Jul 2020		Jan 2021	
		Rent	Ratio	Rent	Ratio	Rent	Ratio
Rent	Fixed Rent	1,032,448	63.9%	963,173	–	1,023,281	–
	Fixed Rent from Operators	993,479	61.5%	935,606	–	993,875	–
	Other (Rent from Retail Tenants)	38,969	2.4%	27,566	–	29,405	–
	Variable Rent	564,434	34.9%	-25,467	–	-3,942	–
	Other (Utility Income)	19,104	1.2%	15,371	–	16,238	–
Total		1,615,986	100%	937,705	100%	1,035,576	100%

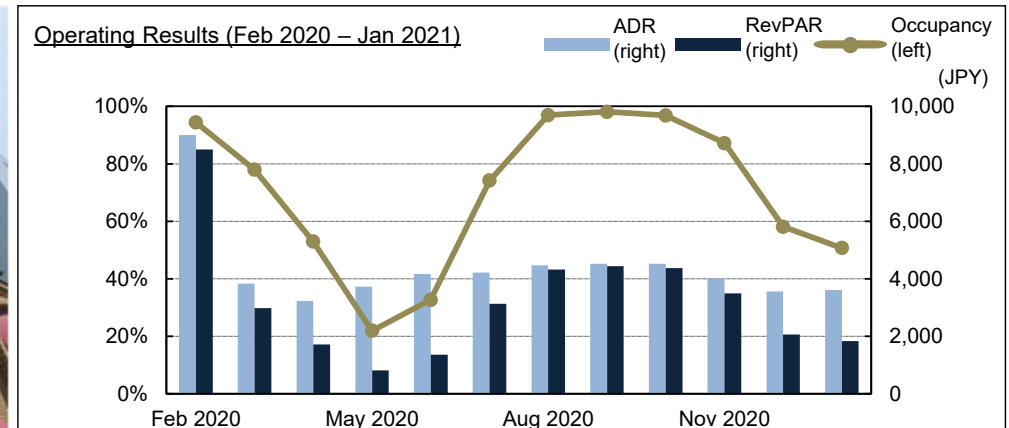
Operating Results (Feb 2020 – Jan 2021)



Variable Rent Hotel Details

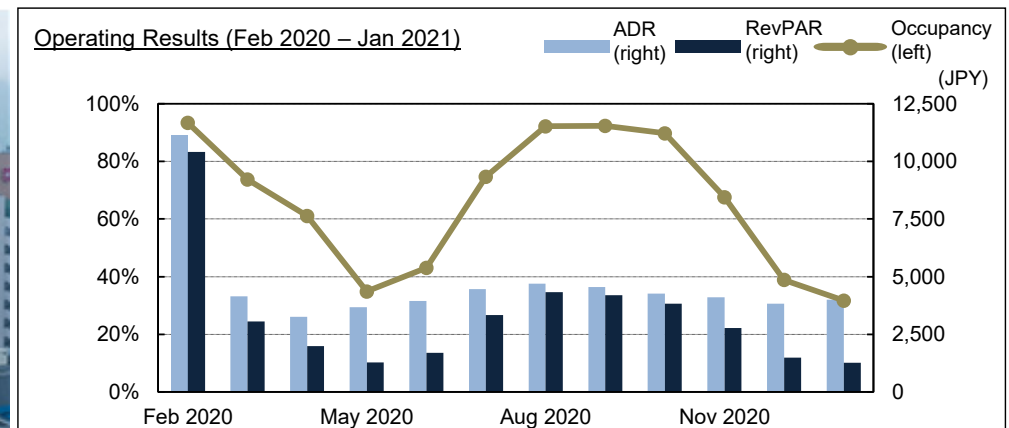
A-1 Nest Hotel Sapporo Ekimae

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

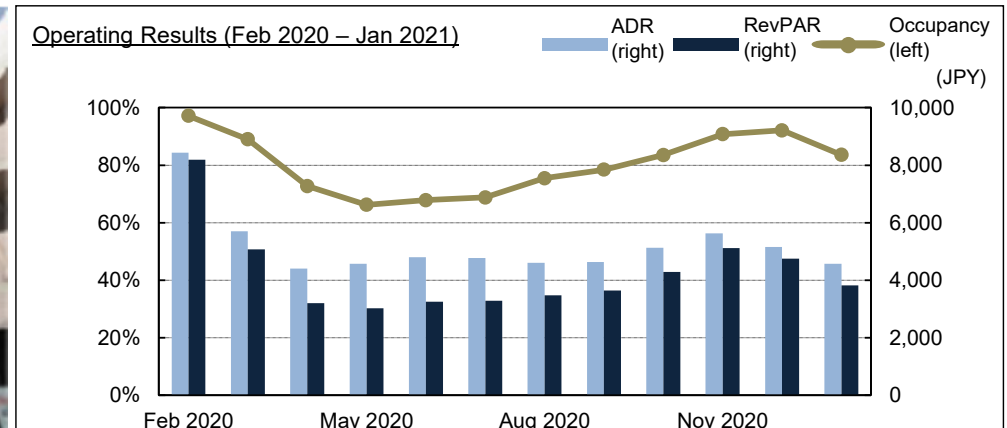
Location	Sapporo
Access	4-minute walk from Odori Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	121
Acquisition Price	JPY 1.45B



Variable Rent Hotel Details

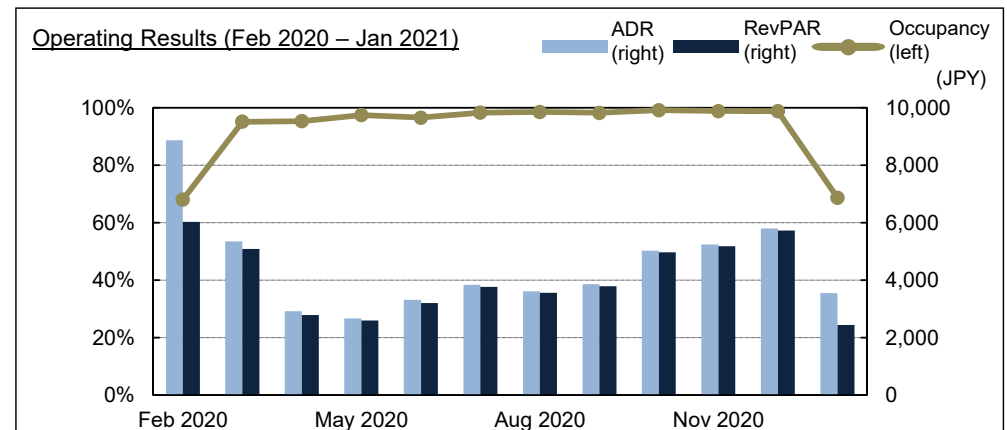
C-1 Smile Hotel Tokyo Asagaya

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



C-4 HOTEL EMIT SHIBUYA

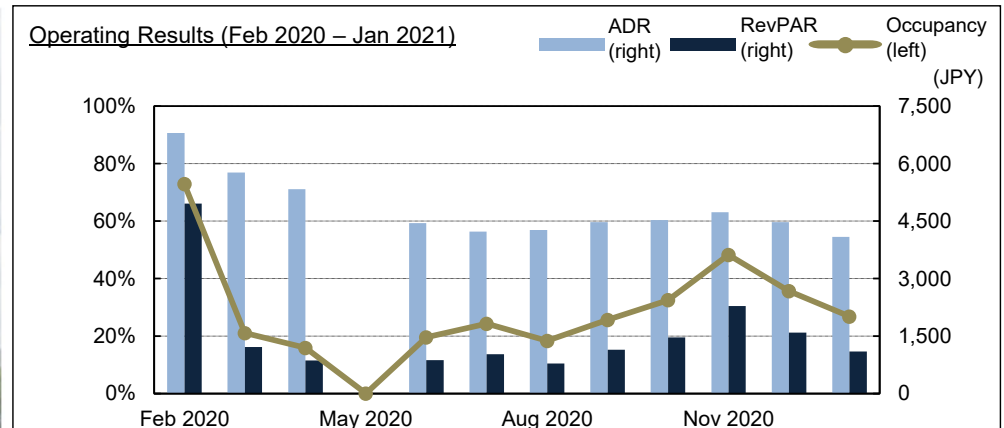
Location	Shibuya-ku, Tokyo
Access	6-minute walk from Shibuya Station on JR, Tokyu, Keio, and Tokyo Metro Lines
Operator	Hakata Hotels Inc. Shidax Daishinto Human Services Inc.
Guest Rooms	72
Acquisition Price	JPY 3.7B



Variable Rent Hotel Details

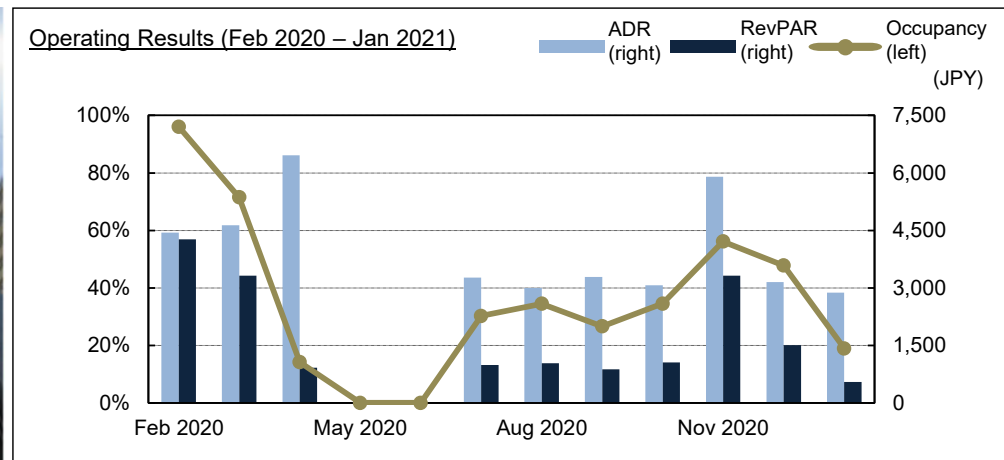
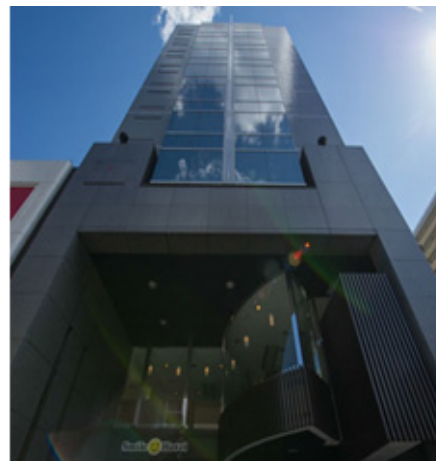
D-2 Hotel Wing International Nagoya

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



E-1 Smile Hotel Kyoto Shijo

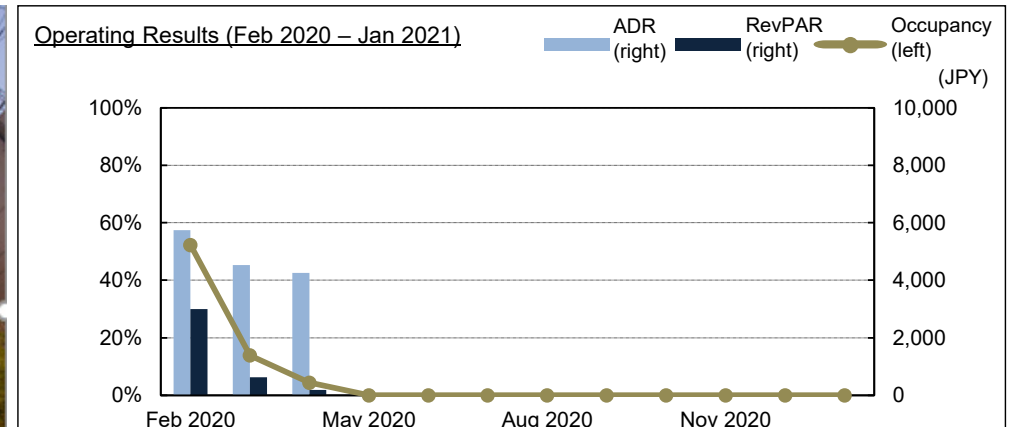
Location	Kyoto
Access	5-minute walk from Shijo Station on Kyoto City Subway Karasuma Line and Karasuma Station on Hankyu Kyoto Main Line
Operator	K.K. Hospitality Operations
Guest Rooms	144
Acquisition Price	JPY 4.48B



Variable Rent Hotel Details

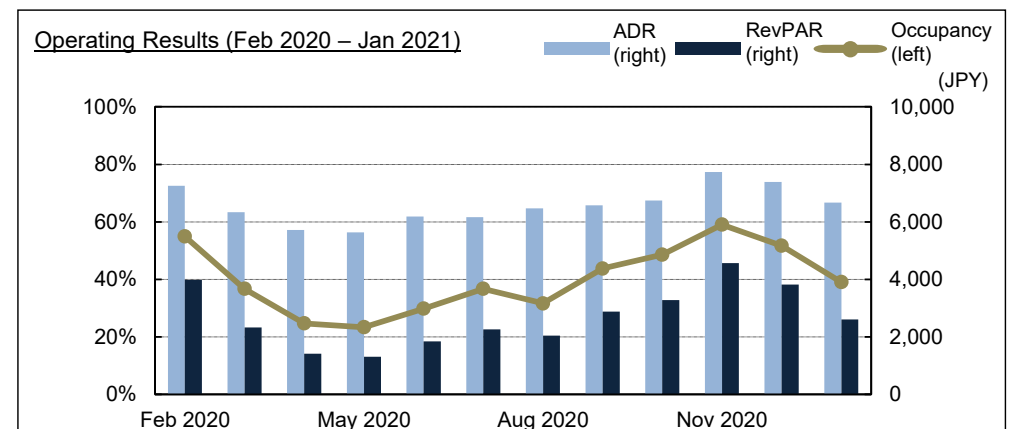
E-3 Chisun Inn Osaka Hommachi

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-4 Hotel Wing International Kobe Shin Nagata Ekimae

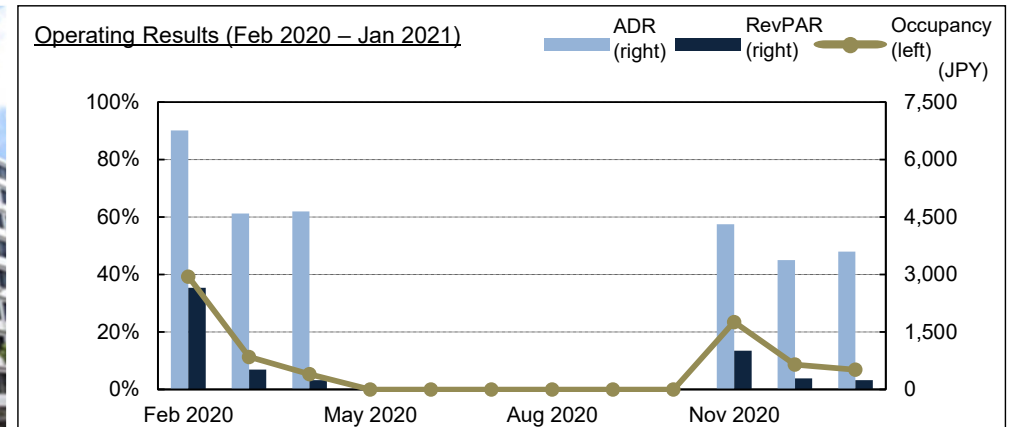
Location	Kobe
Access	2-minute walk from Shin Nagata Station on JR Kobe Line and JR Sanyo Honsen Line
Operator	Minacia Co., Ltd.
Guest Rooms	133
Acquisition Price	JPY 1.49B



Variable Rent Hotel Details

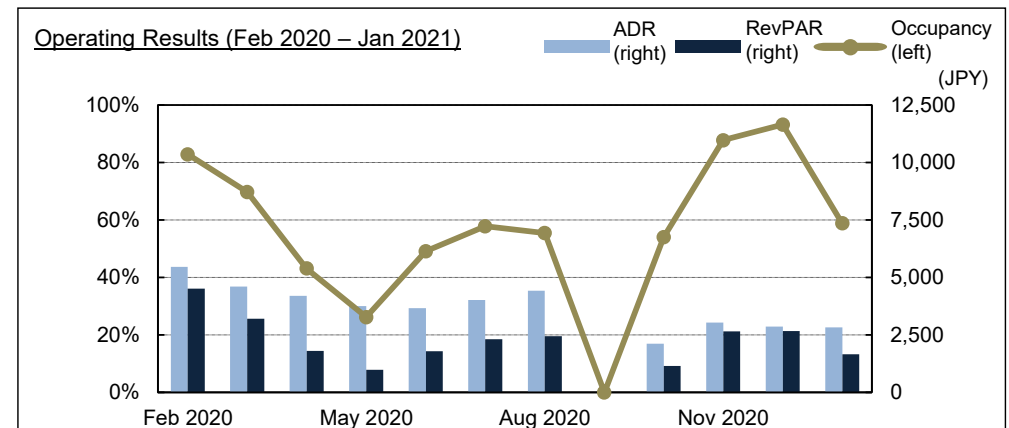
E-5 Nest Hotel Osaka Shinsaibashi

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



F-1 The OneFive 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

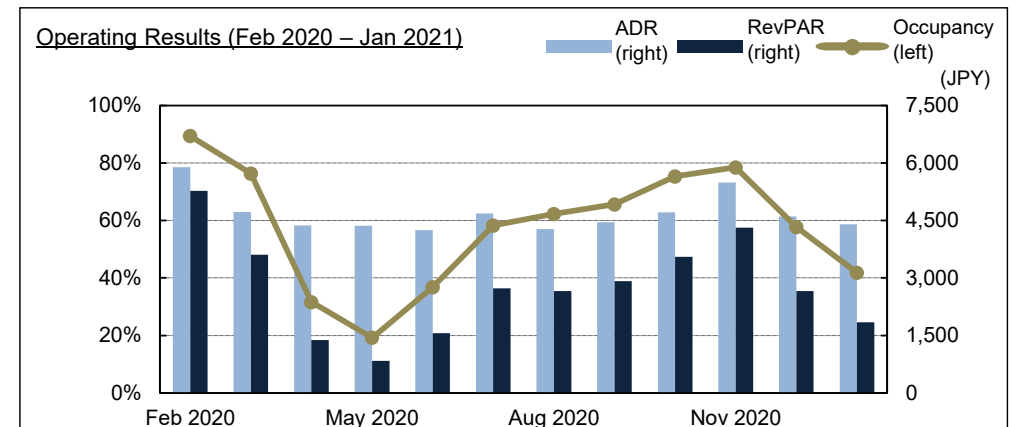
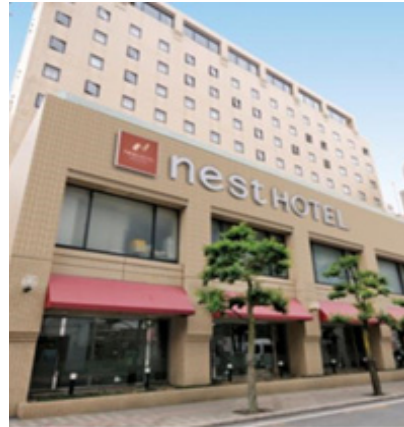


* Changed operator and changed hotel name to The OneFive Okayama. Rebranded and reopened in October 2020.

Variable Rent Hotel Details

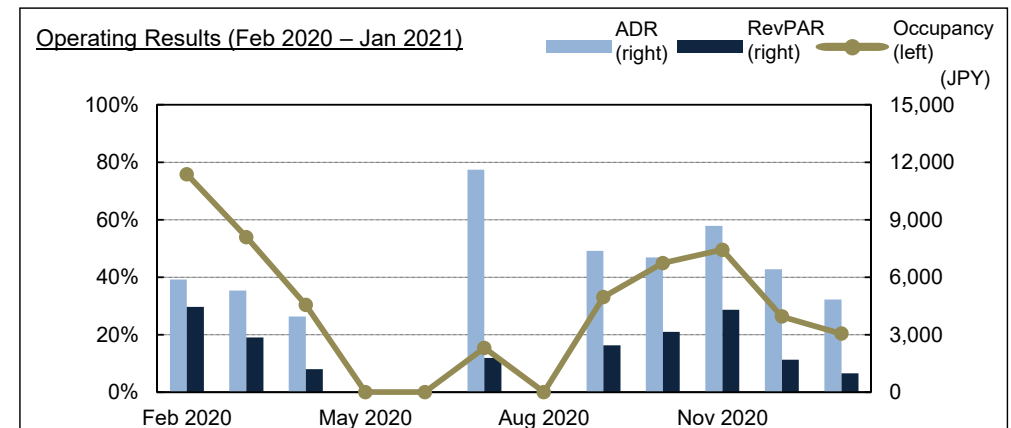
F-2 Nest Hotel Matsuyama

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

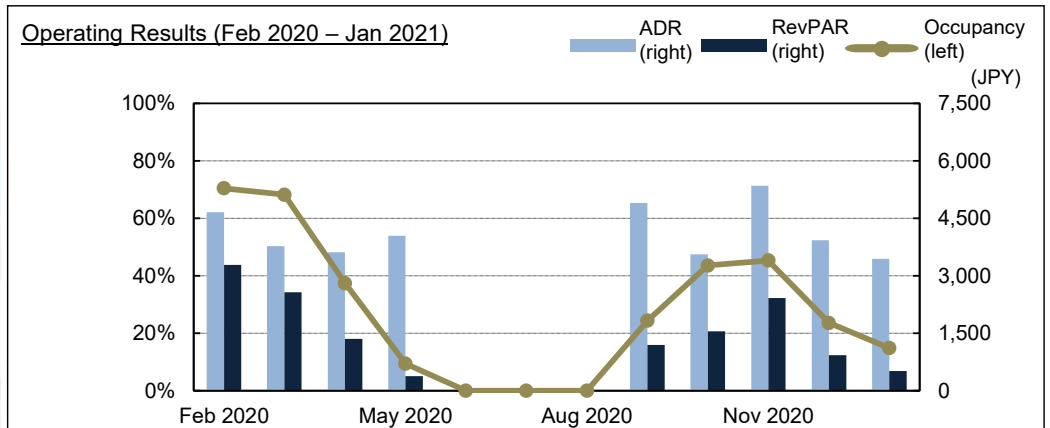
Location	Kurashiki, Okayama
Access	8-minute walk from Kurashiki Station on JR Sanyo Main Line
Operator	The Court Co., Ltd.
Guest Rooms	107
Acquisition Price	JPY 1.73B



Variable Rent Hotel Details

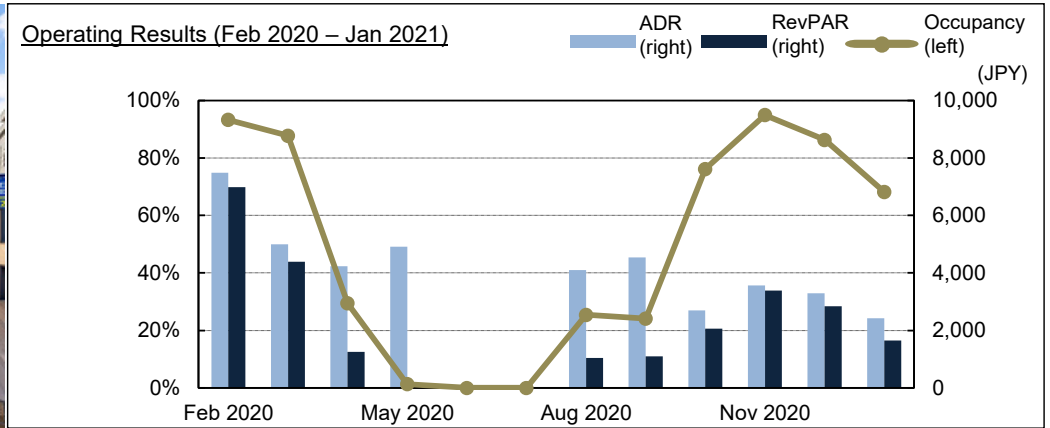
F-5 Valie Hotel Hiroshima

Location	Hiroshima
Access	3-minute walk from Jogakuin-mae Station on Hiroden Tram Line
Operator	The Court Co., Ltd.
Guest Rooms	171
Acquisition Price	JPY 1.5B



G-1 The OneFive Fukuoka 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

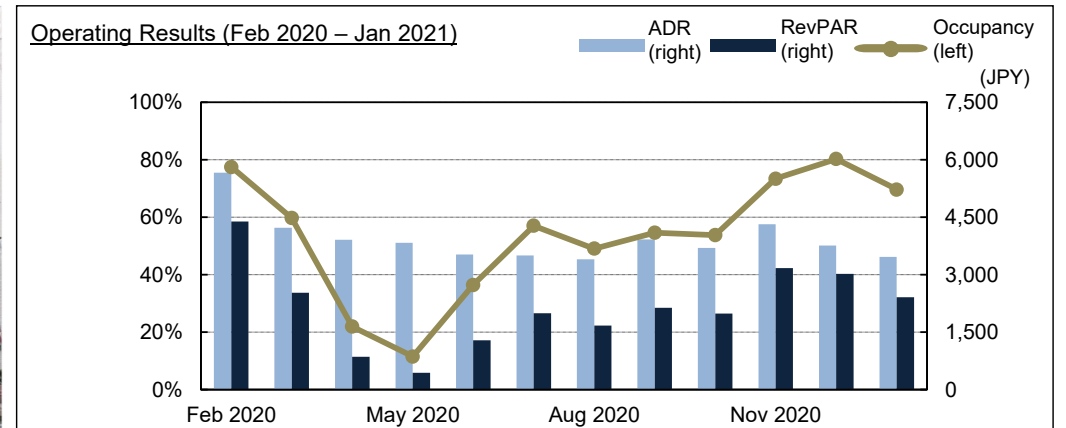


* Changed operator and changed hotel name to The OneFive Fukuoka Tenjin. Rebranded and reopened in October 2020.

Variable Rent Hotel Details

G-3 Nest Hotel Kumamoto

Location	Kumamoto
Access	2-minute walk from Nishikarashimacho Station on Kumamoto City Tram Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	201
Acquisition Price	JPY 2.22B



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



* Scheduled to change operator to be rebranded and reopened as Capsule Plus Yokohama in March 2021.

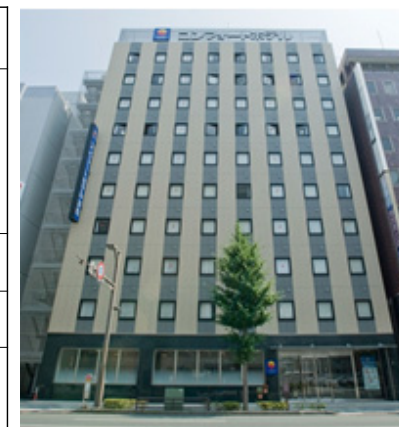
C-3 Hotel Livemax Nihombashi-Hakozaki

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



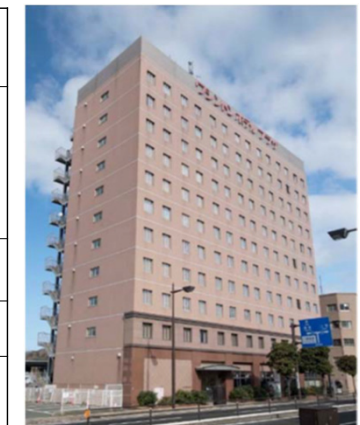
F-3 Urbain Hiroshima Executive

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



F-6 Washington Hotel Plaza Shimonoseki Eki Nishi

Location	Shimonoseki, Yamaguchi
Access	3-minute walk from Shimonoseki Station on JR Sanyo Main Line
Operator	Washington Hotel Corp.
Guest Rooms	238
Acquisition Price	JPY 1.08B



Appendix: Loan Details & Shareholder Composition

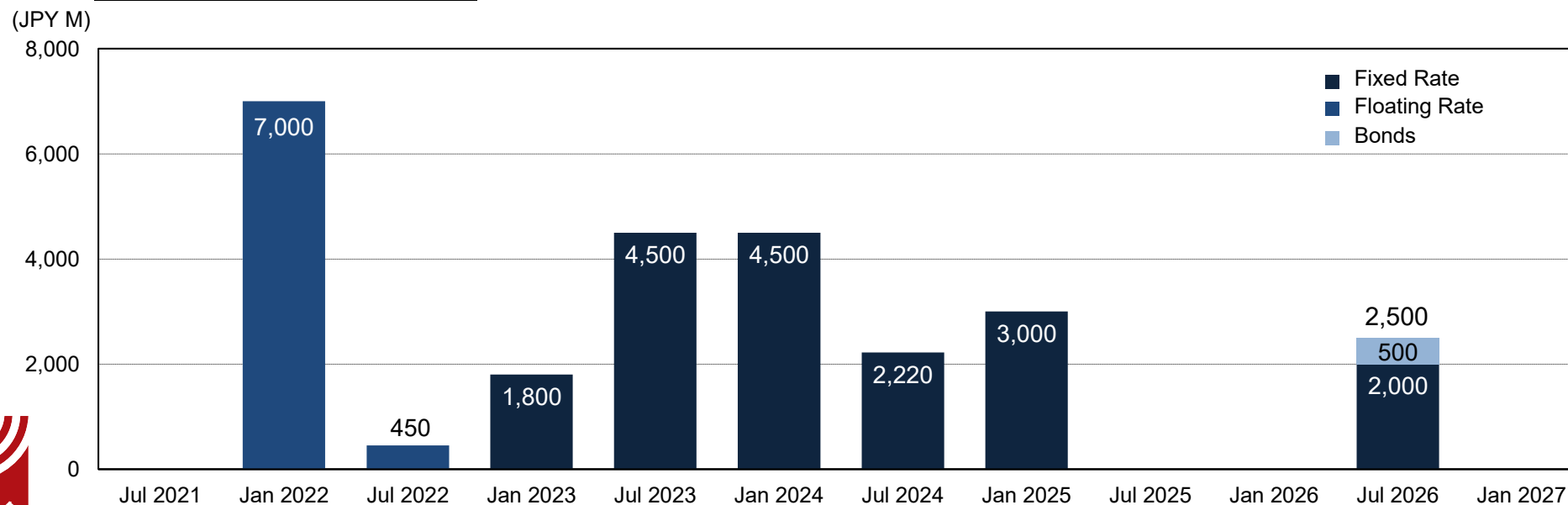
Stable Financial Base

Outstanding Loan Balance

	Jan 31, 2019	Jul 31, 2019	Jan 31, 2020	Jul 31, 2020	Jan 31, 2021
Amount	JPY 21.75B	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B
Long-Term Loan Ratio	100%	100%	100%	93.1%	72.5%
Fixed Rate Ratio	80.7%	83.5%	83.5%	91.4%	70.7%
Average Interest Rate	0.91%	0.86%	0.88%	0.87%	0.82%
Average Remaining Maturity	3.2 years	3.0 years	2.5 years	2.5 years	2.3年
LTV (Total Assets Basis)	38.8%	43.0%	41.5%	43.6%	43.3%

* The above does not include investment corporation bonds.

Distribution of Loan Maturities



Loan Details

Loan	Lender	Amount (JPY million)	Floating/Fixed	Interest Rate (%)	Borrowing Date	Maturity
Term Loan 4	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.90750%	August 17, 2016	February 28, 2023
Term Loan 5	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.98500%	August 17, 2016	August 31, 2023
Term Loan 7	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	1,800	Fixed	0.78750%	August 1, 2017	January 31, 2023
Term Loan 9	SMBC, Mizuho, Shinsei, Resona	1,500	Fixed	0.92000%	November 30, 2018	November 29, 2024
Term Loan 10	SMBC, Mizuho, Shinsei, Resona, Nishi-Nippon City	2,220	Fixed	0.75450%	April 25, 2019	April 30, 2024
Term Loan 11	SMBC, Mizuho, Shinsei, Resona, Aozora	1,500	Fixed	0.73575%	July 19, 2019	November 29, 2024
Term Loan 12	SMBC	450	Variable	0.52909%	February 28, 2020	February 28, 2022
Term Loan 13	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	2,000	Fixed	0.65600%	February 28, 2020	February 27, 2026
Term Loan 15	SMBC, Mizuho, Shinsei, Resona	7,000	Variable	0.52909%	November 30, 2020	November 29, 2021

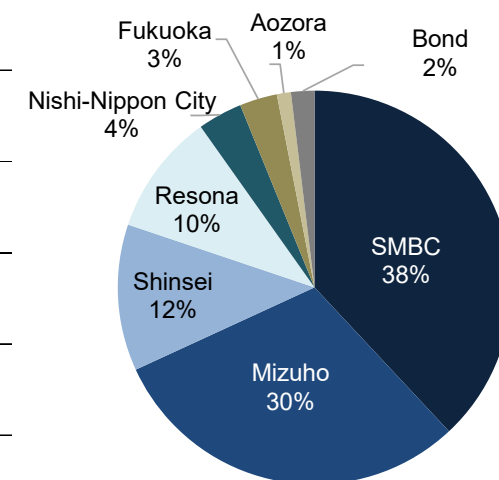
Total Borrowings	25,470	Average 0.76%	Average Remaining Loan Term 2.3 years
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Issue Date	Name	Issue Amount (JPY million)	Interest Rate	Redemption Date	Issuance Period
November 25, 2020	First Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	500	2.00%	April 30, 2026	5.4 years

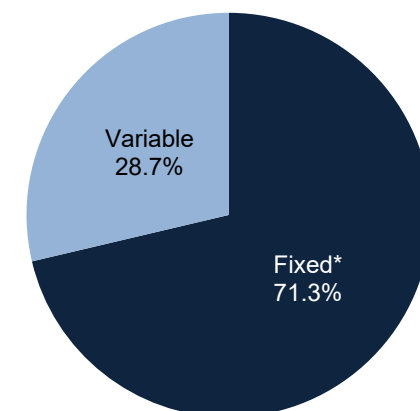
Total Interest-Bearing Liabilities	25,970	Average 0.78%	Average Remaining Loan Term 2.3 years
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(as of January 31, 2021)

Lender Composition



Fixed vs. Floating



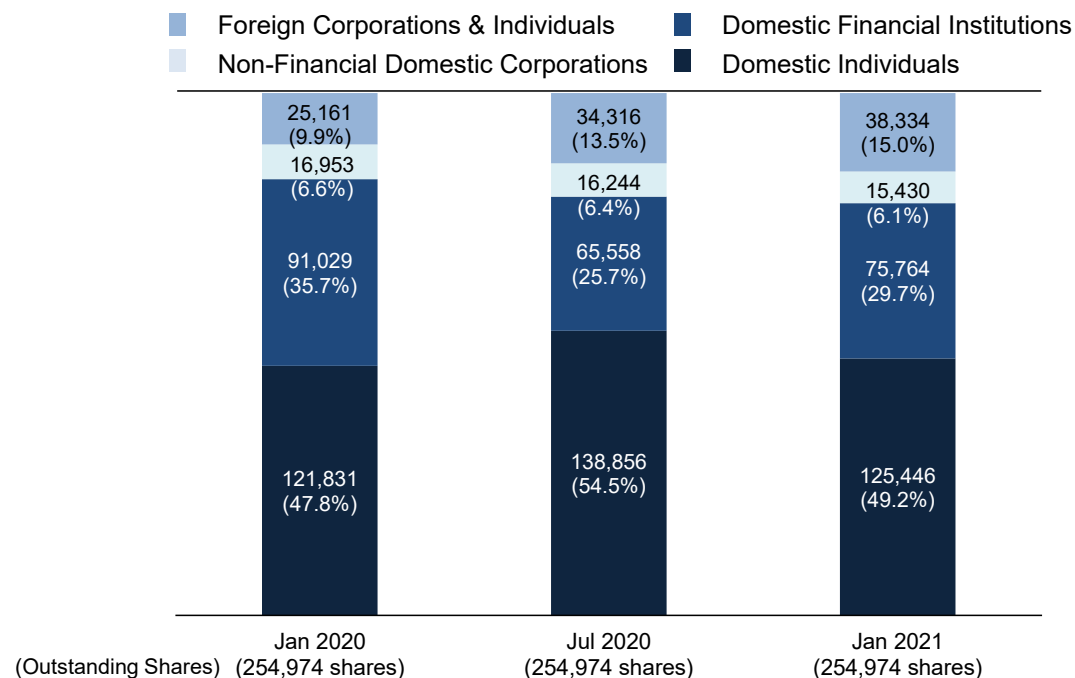
* Includes interest fixed via swaps

Shareholder Composition

Major Shareholders (as of January 31, 2021)

	Name	No. of Shares	Share
1	The Master Trust Bank of Japan, Trust Account	23,412	9.2%
2	Custody Bank of Japan, Ltd., Trust Account	22,115	8.7%
3	Ichigo Trust Pte. Ltd.	10,908	4.3%
4	Nomura Trust & Banking Co., Ltd. Investment Trust Account	10,400	4.1%
5	Ichigo Inc. (Sponsor)	6,500	2.5%
6	Banshu Shinkin Bank	4,900	1.9%
7	Custody Bank of Japan, Ltd., Securities Investment Trust Account	4,670	1.8%
8	Individual Shareholder	3,140	1.2%
9	Morgan Stanley MUFG Securities	3,098	1.2%
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,990	1.2%
	Total	92,133	36.1%

By Number of Shares Held



By Number of Shareholders

	Jan 31, 2020	Jul 31, 2020	Jan 31, 2021	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	17,201	18,688	16,985	97.6%
Domestic Financial Institutions	56	38	36	0.2%
City banks, trust banks	6	4	4	—
Regional banks	3	—	—	—
Other (including securities companies)	47	34	32	0.2%
Non-Financial Domestic Corporations	248	248	232	1.3%
Foreign Corporations & Individuals	99	124	144	0.8%
Total	17,604	19,098	17,397	100%

Appendix: Growth Roadmap, Sponsor, Shareholder Alignment

Ongoing Actions to Drive Increased Shareholder Value

Portfolio Growth & Diversification Drive Earnings Growth & Stability

Organic Growth	External Growth
<p><u>Current Environment</u></p> <ul style="list-style-type: none"> • Both Japanese and inbound demand has dropped significantly due to Covid, generating ongoing impact on the hotel market • Supply is exceeding demand in some areas in Japan due to excessive number of new hotel openings • Financial strength of hotel operators needs to be closely monitored to verify their rent-paying ability • No new growth driver is currently expected 	<p><u>Current Environment</u></p> <ul style="list-style-type: none"> • Sales and acquisitions limited due to market uncertainty • Market recovery is expected after vaccine & treatment regimes become available • Competition for quality assets is expected to intensify
<p><u>Actions</u></p> <ul style="list-style-type: none"> • Proactively execute value-add capex tailored to each hotel • Sell hotels with limited growth potential • Increase earnings by revising fixed rent and variable rent terms at lease renewal • Grow with sponsor support (Hakata Hotels/PROPERA) 	<p><u>Actions</u></p> <ul style="list-style-type: none"> • Continue to grow portfolio of lodging-focused hotels, a hotel type with stable earnings • High underlying land values reflect Ichigo Hotel's high location attractiveness and value • Ichigo Hotel's focus on major regional cities with convenient public transport access and revenue upside from local events further reinforces earnings stability • Geographic diversification and centrally-located hotels with stable demand also support high earnings stability

Dividend Growth

Growth Strategy Roadmap

Flexibly Responding to Market Environment

	Stage I	Stage II
Continuous Dividend Growth via External Growth, Organic Growth, and Strong Financial Base		
External Growth	<ul style="list-style-type: none"> • Drive higher earnings via economies of scale from increased asset size • Invest primarily in lodging-focused hotels • Acquisition of conversion-feasible assets and lodging facilities such as serviced apartments • Asset acquisitions via SPCs • Asset acquisitions using low-cost borrowing capacity (LTV) 	<ul style="list-style-type: none"> • Construct a diversified portfolio to pursue both income stability and earnings growth • Maximize dividend and earnings via unrealized gains via asset acquisitions and sales • Acquire prime-location full-service hotels and resort hotels in addition to lodging-focused hotels • Increase portfolio size and generate scale efficiencies via acquisitions of newly built hotels in addition to value-add of existing hotels
Organic Growth	<ul style="list-style-type: none"> • Enhance operational efficiency by monitoring operations and providing advice to partner hotel operators • Increase rents and earnings through value-add capex 	
Financing	<ul style="list-style-type: none"> • Minimize expenses via collaboration with operators • Increase earnings via more favorable lease terms, rebranding, etc. 	<ul style="list-style-type: none"> • Examine opportunities for large-scale renovations and rebranding to increase earnings • Further increase earnings via more favorable lease terms, rebranding, etc.
Other	<ul style="list-style-type: none"> • Maintain a strong lender base • Appropriate LTV • Manage interest rate risk • Prepare to acquire credit rating • Shift to no fixed fee, performance fee-only structure 	<ul style="list-style-type: none"> • Acquire credit rating • Diversify financing • Continue to control LTV and manage interest rate risk • Prepare to enter global REIT indices
Other	<ul style="list-style-type: none"> • Conduct share buybacks to increase dividend and maintain appropriate share price 	<ul style="list-style-type: none"> • Conduct share buybacks to increase dividend and maintain appropriate share price • Promote responsiveness to disasters (Respond to ESG requirements)

Ichigo Hotel's Sponsor: Ichigo (2337)

Core Businesses: Asset Management, Sustainable Real Estate, 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

Ichigo
(TSE First Section 2337)

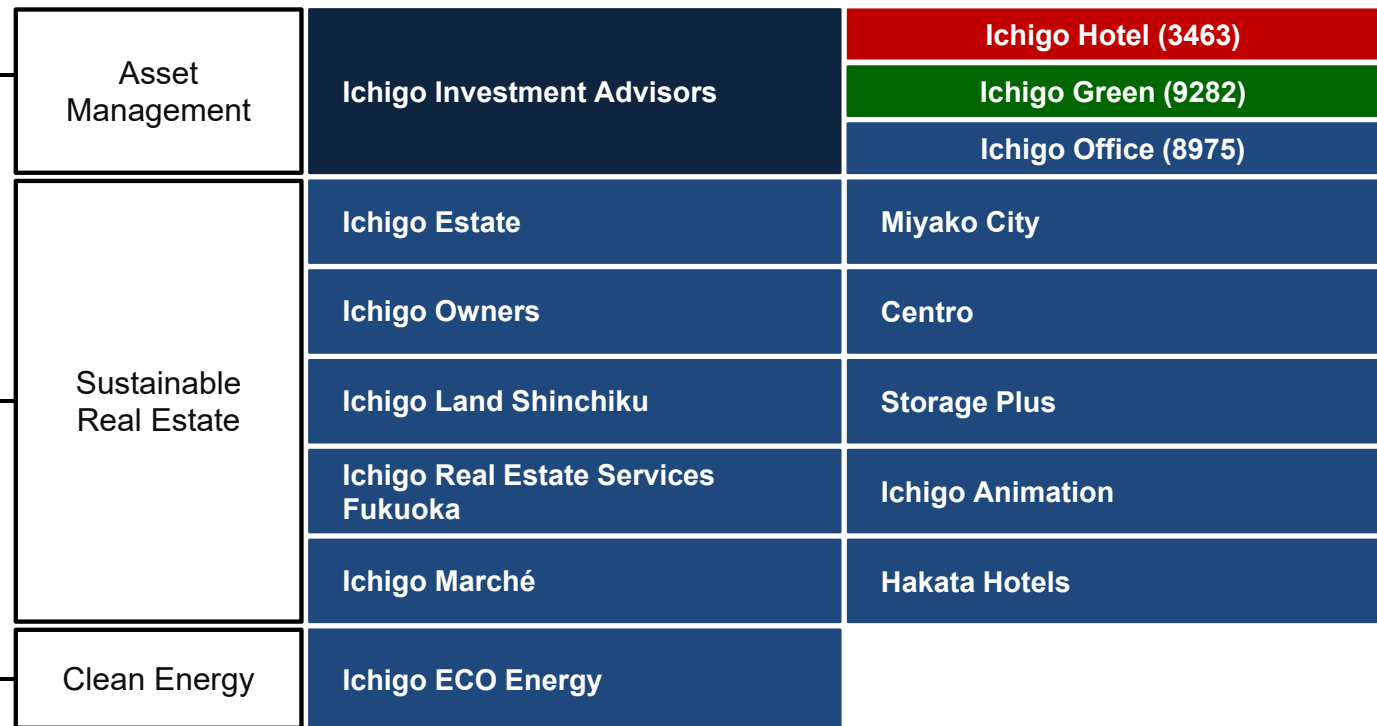
Ichigo Preserves and Improves Real Estate




Hiromi Miyake
(Weightlifting)

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.

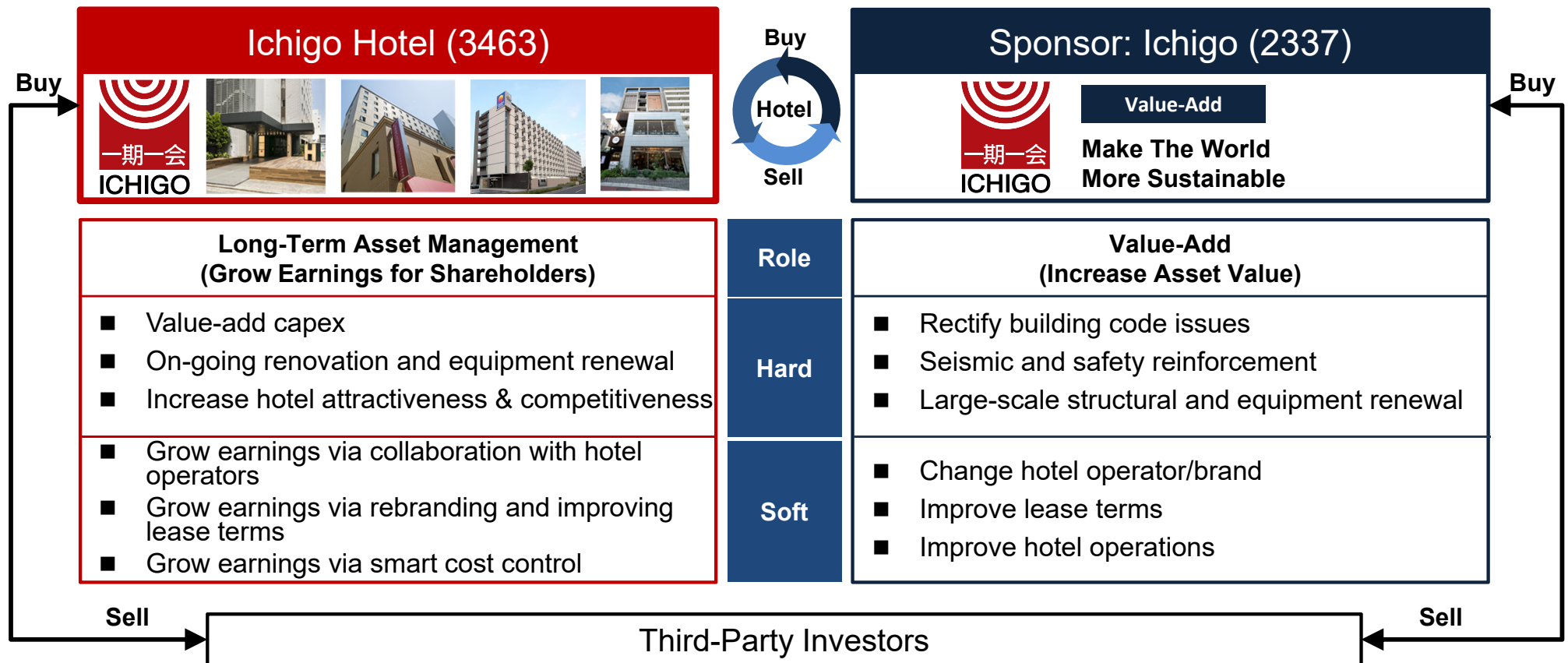
Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.



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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



Hakata Hotels & PROPERA

- Hakata Hotels, a consolidated subsidiary of Ichigo, is a hotel operator operating 13 hotels across Japan with many located in the Hakata (Fukuoka) area
- Hakata Hotels is deploying PROPERA, an AI-based revenue management system developed by Ichigo, to maximize earnings and increase guest satisfaction.

Name	Hakata Hotels Inc.
Address	3-13-1 Haruyoshi, Chuo-ku, Fukuoka
Representatives	Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President
Paid-In Capital	JPY 10 million (100% shareholding by Centro Co. Ltd., a 100% Ichigo subsidiary)
Establishment Date	March 2019
Main Business	<ul style="list-style-type: none"> • Development, operation, lease, and management of retail buildings, hotels and restaurants • Lease and management of real estate • Design and construction of buildings and interior designs • Consulting services related to retail buildings, retail facilities, and restaurants
Operating Hotels (No. of rooms in parentheses)	<p><u>Tokyo</u>: HOTEL EMIT SHIBUYA (72), MusBee Tokyo Hamamatsucho (29), The OneFive Tokyo Kanda (50)</p> <p><u>Kyoto</u>: The OneFive Kyoto Shijo (146)</p> <p><u>Osaka</u>: The OneFive Osaka Midosuji (136)</p> <p><u>Okayama</u>: The OneFive Okayama (208)</p> <p><u>Fukuoka</u>: The OneFive Villa Fukuoka (50), Plaza Hotel Tenjin (205), Plaza Hotel Premiere (170), Hotel Il Palazzo (62), The OneFive Marine Fukuoka (103), The OneFive Terrace Fukuoka (82), The OneFive Fukuoka Tenjin (77)</p>

PROPERA AI-based revenue management system developed by Ichigo

- Increases guest satisfaction
- Operating track record of increasing earnings by 10-40%
- Starting third-party sales

 **HAKATA HOTELS**

Portfolio Growth Opportunity via Ichigo Sponsor Support

20 Hotels (JPY 64B) in Ichigo Sponsor Pipeline as of November 30, 2020

- Lodging-focused hotels across Japan
- Locations: Major cities such as Hokkaido, Tokyo, Yokohama, Osaka, and Fukuoka



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.



**Make The World
More Sustainable**

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E-mail: ir_hotel@ichigo.gr.jp

www.ichigo-hotel.co.jp/en



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.