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More Sustainable**

[Provisional Translation Only]

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Issuer

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Ichigo Hotel Operating Results – August 2021

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (21 Hotels)

	August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
Revenue (JPY million)	321.4	206.2	+115.2	+55.9%	775.9
RevPAR (JPY)	2,978	1,868	+1,110	+59.4%	7,417
Occupancy (%)	59.9	40.0	+19.9	+49.9%	89.0
ADR (JPY)	4,973	4,677	+296	+6.3%	8,334

Variable Rent Hotels (15 Hotels)

	August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
Revenue (JPY million)	228.6	138.9	+89.8	+64.7%	505.7
RevPAR (JPY)	2,989	1,752	+1,236	+70.6%	8,255
Occupancy (%)	64.3	40.9	+23.5	+57.5%	95.6
ADR (JPY)	4,645	4,288	+357	+8.3%	8,638

Fixed Rent Hotels (6 Hotels)

	August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
Revenue (JPY million)	92.7	67.3	+25.4	+37.8%	270.2
RevPAR (JPY)	2,956	2,129	+826	+38.8%	7,079
Occupancy (%)	50.1	37.9	+12.2	+32.2%	90.0
ADR (JPY)	5,898	5,616	+282	+5.0%	7,862

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (15 Hotels)

		August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	25.3	26.0	-0.7	-2.8%	72.1
	RevPAR (JPY)	4,164	4,326	-162	-3.7%	12,585
	Occupancy (%)	90.9	96.9	-6.1	-6.2%	96.3
	ADR (JPY)	4,583	4,464	+119	+2.7%	13,071
Nest Hotel Sapporo Odori	Revenue (JPY million)	18.0	18.1	—	-0.2%	55.7
	RevPAR (JPY)	4,054	4,325	-271	-6.3%	13,611
	Occupancy (%)	81.8	92.2	-10.4	-11.3%	94.9
	ADR (JPY)	4,956	4,691	+265	+5.6%	14,337
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	17.8	12.5	+5.3	+42.6%	31.5
	RevPAR (JPY)	5,045	3,473	+1,572	+45.3%	8,872
	Occupancy (%)	98.9	75.5	+23.5	+31.1%	97.7
	ADR (JPY)	5,099	4,602	+498	+10.8%	9,078
HOTEL EMIT SHIBUYA	Revenue (JPY million)	10.3	8.0	+2.3	+29.0%	
	RevPAR (JPY)	4,592	3,558	+1,034	+29.1%	
	Occupancy (%)	98.6	98.5	—	—	
	ADR (JPY)	4,658	3,611	+1,047	+29.0%	
Hotel Wing International Nagoya	Revenue (JPY million)	14.3	6.0	+8.2	+136.3%	40.4
	RevPAR (JPY)	1,802	781	+1,020	+130.6%	5,248
	Occupancy (%)	41.6	18.3	+23.3	+127.2%	84.4
	ADR (JPY)	4,329	4,265	+64	+1.5%	6,220

		August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
Smile Hotel Kyoto Shijo	Revenue (JPY million)	4.8	4.8	-	-0.9%	32.5
	RevPAR (JPY)	1,026	1,034	-8	-0.7%	6,694
	Occupancy (%)	42.3	34.5	+7.8	+22.5%	99.7
	ADR (JPY)	2,428	2,997	-569	-19.0%	6,717
Chisun Inn Osaka Hommachi	Revenue (JPY million)	-	-	-	-	22.0
	RevPAR (JPY)	-	-	-	-	5,459
	Occupancy (%)	-	-	-	-	79.0
	ADR (JPY)	-	-	-	-	6,908
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	5.2	2.3	+2.9	+129.3%	63.7
	RevPAR (JPY)	427	-	+427	-	6,259
	Occupancy (%)	13.3	-	+13.3	-	78.3
	ADR (JPY)	3,210	-	+3,210	-	7,991
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	18.0	9.8	+8.2	+83.8%	33.3
	RevPAR (JPY)	3,671	2,042	+1,629	+79.8%	7,247
	Occupancy (%)	51.8	31.6	+20.2	+63.9%	86.9
	ADR (JPY)	7,090	6,463	+628	+9.7%	8,341
Nest Hotel Matsuyama	Revenue (JPY million)	18.1	19.0	-0.9	-4.8%	50.8
	RevPAR (JPY)	2,669	2,660	+9	+0.3%	6,172
	Occupancy (%)	60.0	62.3	-2.2	-3.6%	91.4
	ADR (JPY)	4,447	4,273	+174	+4.1%	6,751
The OneFive Okayama	Revenue (JPY million)	21.1	16.8	+4.3	+25.4%	39.1
	RevPAR (JPY)	3,146	2,453	+693	+28.2%	5,836
	Occupancy (%)	98.7	55.5	+43.2	+77.9%	88.8
	ADR (JPY)	3,187	4,421	-1,234	-27.9%	6,572
Court Hotel Kurashiki	Revenue (JPY million)	8.9	0.1	+8.8	+7,587.6%	36.7
	RevPAR (JPY)	2,005	-	+2,005	-	9,379
	Occupancy (%)	31.6	-	+31.6	-	97.7
	ADR (JPY)	6,346	-	+6,346	-	9,596
Valie Hotel Hiroshima	Revenue (JPY million)	44.9	-	+44.9	-	
	RevPAR (JPY)	7,500	-	+7,500	-	
	Occupancy (%)	100	-	+100	-	
	ADR (JPY)	7,500	-	+7,500	-	

		August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
The OneFive Fukuoka Tenjin	Revenue (JPY million)	7.7	3.4	+4.3	+124.5%	23.6
	RevPAR (JPY)	2,822	1,042	+1,780	+170.7%	9,221
	Occupancy (%)	97.8	25.4	+72.4	+284.5%	96.2
	ADR (JPY)	2,886	4,099	-1,213	-29.6%	9,587
Nest Hotel Kumamoto	Revenue (JPY million)	14.3	12.1	+2.2	+18.4%	43.3
	RevPAR (JPY)	2,073	1,671	+401	+24.0%	6,223
	Occupancy (%)	57.5	49.1	+8.4	+17.1%	80.0
	ADR (JPY)	3,603	3,403	+200	+5.9%	7,777

Fixed Rent Hotels (5 Hotels – excludes Hotel Livemax Nihombashi-Hakozaki)

		August 2021 (A)	(Previous) August 2020 (B)	Difference (A) - (B)	YOY Change	August 2019 (Reference)
Comfort Hotel Kushiro	Revenue (JPY million)	26.4	21.2	+5.2	+24.8%	30.5
	RevPAR (JPY)	6,507	5,148	+1,359	+26.4%	7,547
	Occupancy (%)	89.2	87.0	+2.2	+2.6%	92.0
	ADR (JPY)	7,293	5,918	+1,375	+23.2%	8,203
Comfort Hotel Hamamatsu	Revenue (JPY million)	17.4	11.2	+6.1	+54.5%	35.6
	RevPAR (JPY)	2,856	1,849	+1,007	+54.5%	5,851
	Occupancy (%)	57.3	39.8	+17.5	+44.1%	90.0
	ADR (JPY)	4,984	4,647	+336	+7.2%	6,498
Comfort Hotel Central International Airport	Revenue (JPY million)	33.9	21.3	+12.6	+59.3%	99.7
	RevPAR (JPY)	3,093	1,927	+1,167	+60.5%	8,896
	Occupancy (%)	49.7	26.2	+23.5	+89.7%	92.1
	ADR (JPY)	6,226	7,356	-1,131	-15.4%	9,658
Comfort Hotel Suzuka	Revenue (JPY million)	8.9	8.4	+0.5	+6.3%	18.8
	RevPAR (JPY)	2,701	2,543	+159	+6.2%	5,728
	Occupancy (%)	50.2	49.7	+0.5	+1.0%	82.8
	ADR (JPY)	5,384	5,118	+266	+5.2%	6,918
Urbain Hiroshima Executive	Revenue (JPY million)	3.3	2.4	+0.9	+38.4%	39.7
	RevPAR (JPY)	619	447	+171	+38.4%	7,495
	Occupancy (%)	11.5	7.7	+3.8	+48.7%	92.7
	ADR (JPY)	5,393	5,795	-402	-6.9%	8,089

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 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 Capsule Plus Yokohama and the Washington Hotel Plaza Shimonoseki Eki Nishi are excluded from the above data because the hotel operators 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 and fixed rent hotels data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
7. Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.
8. Pre-acquisition data for acquired hotels are based on data received from the previous owners.
9. August 2019 Revenue, RevPAR, Occupancy, and ADR data provided as a reference is for the 18 hotels owned since August 2019, and is not available for HOTEL EMIT SHIBUYA, Hotel Wing International Kobe Shin Nagata Ekimae, and Valie Hotel Hiroshima (rebranded and reopened in September 2019). The OneFive Okayama was operating under the name Comfort Hotel Okayama in August 2019, and hotel data is included as a fixed rent hotel.

Status of Temporarily Closed Hotels

Hotel	Close Start Date	Status
Chisun Inn Osaka Hommachi	April 17, 2020	Selected Hakata Hotels as the new operator, replacing the previous operator whose lease contract ended on December 31, 2020 Rebranded and reopened as The OneFive Osaka Sakaisuji on September 1, 2021

Explanation of Changes

Although Revenue, RevPAR, Occupancy, and ADR for the portfolio in August 2021 were below pre-Covid levels of August 2019, Revenue, RevPAR, Occupancy, and ADR increased significantly year-on-year compared to August 2020 despite an ongoing difficult operating environment due to the extension of Japan's state of emergency and Covid prevention measures.

Amid a difficult operating environment, Ichigo Hotel continues to work to capture hotel demand and drive earnings via effective cost management and offering new products and services tailored to customer needs.

ESG Initiatives Toward a Sustainable Society

Ichigo Hotel and its sponsor, Ichigo, are dedicated to making the world more sustainable.

In recent years, Ichigo Hotel's assets have faced increasing risk of natural disasters such as earthquakes and physical damage due to intensifying winds and flooding caused by global warming. In order to promptly identify areas affected by natural disasters and quickly assess any damage to its assets, Ichigo Hotel uses Susport®, a real-time reporting system developed by its sponsor, Ichigo.

Susport® enables prompt crisis management during a disaster by clearly identifying assets subject to the disaster and allowing for chronological tracking of Ichigo Hotel's response.

Ichigo Hotel prioritizes making prompt disclosures to its stakeholders. Timely disclosure of any impact on its assets resulting from natural disasters is made with the aim of providing peace of mind to tenants, shareholders, local residents, and all other stakeholders.