

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

September 14, 2023

July 2023 Fiscal Period Earnings

Ichigo Hotel REIT Investment Corporation (“Ichigo Hotel,” Tokyo Stock Exchange, 3463)

Representative: Eriko Ishii, Executive Director

www.ichigo-hotel.co.jp/en

Ichigo Investment Advisors Co., Ltd. (Ichigo Hotel Asset Management Company)

Representative: Hiroshi Iwai, President

Inquiries: Hidehito Iwasaka, Head of Ichigo Hotel

Telephone: +81-3-3502-4892

Submission of Financial Report (*Yuka Shoken Hokokusho*): October 26, 2023 (expected)

Dividend Payment: October 20, 2023 (expected)

Supplemental Material to Financial and Business Results: Yes (Corporate Presentation)

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. Financial Results for the July 2023 Fiscal Period (February 1, 2023 to July 31, 2023)

(1) Earnings

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
July 2023	1,796	+16.9%	933	+19.5%	722	+26.3%	721	+26.4%
January 2023	1,537	+23.1%	781	+37.9%	572	+57.9%	571	+58.0%

	Net Income per Share (JPY)	Return on Equity (6 months)	Recurring Profit to Total Assets (6 months)	Recurring Profit to Operating Revenue
July 2023	2,831	2.2%	1.2%	40.2%
January 2023	2,240	1.8%	1.0%	37.2%

Note: Net Income per Share is based on the average number of outstanding shares during the period.

(2) Dividends

	Dividend per Share (JPY)	Total Dividends (JPY million)	Dividend per Share in Excess of Earnings (JPY)	Total Dividends in Excess of Earnings (JPY million)	Payout Ratio	Dividend on Equity (DOE)
July 2023	2,831	721	–	–	100.0%	2.2%
January 2023	2,240	571	–	–	100.0%	1.8%

(3) Assets and Equity

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
July 2023	59,042	32,319	54.7%	126,756
January 2023	59,766	32,168	53.8%	126,165

(4) Cash Flows

(JPY million)

	Cash Flows from Operations	Cash Flows from Investments	Cash Flows from Financing	Cash and Cash Equivalents at End of the Period
July 2023	1,275	-549	-570	3,903
January 2023	937	-2,475	-361	3,748

2. Earnings Forecasts for the January 2024 Fiscal Period (August 1, 2023 to January 31, 2024) and July 2024 Fiscal Period (February 1, 2024 to July 31, 2024)

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
January 2024	2,094	+36.2%	1,086	+39.1%	736	+28.7%	735	+28.8%
July 2024	2,372	+13.3%	1,229	+13.1%	894	+21.4%	893	+21.4%

(JPY)

	Dividend per Share	Dividend per Share in Excess of Earnings
January 2024	2,246	—
July 2024	2,728	—

Note: Forecast Net Income per Share is JPY 2,246 (+58.5% year-on-year) and JPY 2,727 (+21.7% year-on-year), respectively, for the January 2024 and July 2024 fiscal periods.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

- (i) Changes Accompanying Amendments to Accounting Standards: None
- (ii) Changes Not Listed in (i): None
- (iii) Changes in Accounting Estimates: None
- (iv) Retrospective Restatements: None

(2) Number of Shares Issued and Outstanding

The number of issued and outstanding shares (including treasury shares) was 254,974 as of both January 31, 2023 and July 31, 2023.

Completion Status of Auditing Procedures

This document is not subject to the auditing requirements set forth in the Financial Instruments and Exchange Law of Japan. The auditing procedures in accordance with those requirements have thus not been completed as of the date of the publication of this document.

Appropriate Use of Forecasts and Other Matters of Special Note

The forecasts presented in this document are current figures based on certain preconditions. Accordingly, actual results may vary due to changes in circumstances, and these forecasts should not be construed as a guarantee of such results.

For details on the forecast preconditions, please refer to the “Preconditions for the January 2024 Earnings Forecast” on page 7 and “Preconditions for the July 2024 Earnings Forecast” on page 10.

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Material Matters after Closing of the Fiscal Period

1. Issuance of New Shares

Issuance of New Shares through Third-Party Allotment

Number of shares to be offered	72,515 shares
Paid-in price (issue price)	JPY 111,700 per share
Total paid-in amount (total issue amount)	JPY 8,099,925,500
Payment date	August 25, 2023
Allottees	Ichigo Trust Ichigo

2. Asset Acquisitions

Comfort Hotel Osaka Shinsaibashi (Ichigo Shinsaibashi Building); hereinafter referred to as “Comfort Hotel Osaka Shinsaibashi”

Acquisition Price	JPY 3.700 billion
Location	1-15-15 Higashi Shinsaibashi, Chuo-ku, Osaka
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Contract Date	August 16, 2023
Closing Date	August 25, 2023
Seller	GK Shinsaibashi Jisho

HOTEL THE KNOT YOKOHAMA

Acquisition Price	JPY 4.800 billion
Location	2-16-28 Minami-Saiwai, Nishi-ku, Yokohama, Kanagawa
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Contract Date	August 16, 2023
Closing Date	August 25, 2023
Seller	Ichigo Estate

Quintessa Hotel Ise Shima

Acquisition Price	JPY 610 million
Location	1210-1, Ugata, Agocho, Shima City, Mie
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Contract Date	August 16, 2023
Closing Date	August 25, 2023
Seller	Ichigo Estate

Quintessa Hotel Ogaki

Acquisition Price	JPY 1.070 billion
Location	1-13 Miyamachi, Ogaki City, Gifu
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Contract Date	August 16, 2023
Closing Date	August 25, 2023
Seller	Ichigo Estate

THE KNOT SAPPORO

Acquisition Price	JPY 4.900 billion
Location	3-16-2 Minami Sanjo Nishi, Chuo-ku, Sapporo, Hokkaido
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Contract Date	August 16, 2023
Closing Date	August 25, 2023
Seller	Ichigo Estate

Note: Sale Price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

3. New Loan

Loan Date	Lenders	Loan Amount (JPY million)	Interest Rate	Repayment Date (Loan Term)	Repayment Terms	Collateralized
Aug 25, 2023	SMBC Mizuho Bank SBI Shinsei Bank Resona Bank Aozora Bank	7,000	3M JPY TIBOR +0.60% (p.a.)	Aug 25, 2026	Lump-sum repayment	No
Total		7,000				

Note: Ichigo Hotel has executed an interest rate swap to lock in the interest rate on the loan.

Earnings Forecasts

Earnings Forecast for the January 2024 Fiscal Period (August 1, 2023 to January 31, 2024)

For details on the preconditions for this forecast, please refer to page 7.

Operating Revenue	JPY 2,094 million
Operating Profit	JPY 1,086 million
Recurring Profit	JPY 736 million
Net Income	JPY 735 million
Dividend per Share	JPY 2,246
Dividend in Excess of Earnings	—

Earnings Forecast for the July 2024 Fiscal Period (February 1, 2024 to July 31, 2024)

For details on the preconditions for this forecast, please refer to page 10.

Operating Revenue	JPY 2,372 million
Operating Profit	JPY 1,229 million
Recurring Profit	JPY 894 million
Net Income	JPY 893 million
Dividend per Share	JPY 2,728
Dividend in Excess of Earnings	—

Preconditions for the January 2024 Earnings Forecast

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Period	<ul style="list-style-type: none"> • August 1, 2023 to January 31, 2024 (184 days) 																																						
Number of Hotels	<ul style="list-style-type: none"> • 30 hotels – the total of 25 hotels held as of July 31, 2023 plus five hotels (Comfort Hotel Osaka Shinsaibashi, HOTEL THE KNOT YOKOHAMA, Quintessa Hotel Ise Shima, Quintessa Hotel Ogaki, and THE KNOT SAPPORO) acquired on August 25, 2023 																																						
Operating Revenue	<p>Within operating revenue, rental income is forecast based on current lease contracts, taking into consideration such factors as hotel and market conditions.¹</p> <p><u>Forecast Operating Performance²</u></p> <table border="1"> <thead> <tr> <th></th> <th>January 2024 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>Occupancy³</td> <td>84.6%</td> </tr> <tr> <td>ADR⁴</td> <td>JPY 8,217</td> </tr> </tbody> </table> <p>¹ The forecast rental income assumes operators and tenants will fully pay their contractual rents without delay or default.</p> <p>² The 22 variable rent hotels are: Smile Hotel Kyoto Shijo, Hotel Wing International Nagoya, Nest Hotel Sapporo Ekimae, The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, Nest Hotel Sapporo Odori, The OneFive Fukuoka Tenjin, Nest Hotel Osaka Shinsaibashi, Smile Hotel Tokyo Asagaya, Nest Hotel Matsuyama, The OneFive Okayama, Capsule Plus Yokohama, The OneFive Garden Kurashiki, Nest Hotel Kumamoto, Valie Hotel Hiroshima, The OneFive Tokyo Shibuya, Smile Hotel Nagano, Comfort Hotel Osaka Shinsaibashi, HOTEL THE KNOT YOKOKAMA, Quintessa Hotel Ise Shima, Quintessa Hotel Ogaki, and THE KNOT SAPPORO. Data for Capsule Plus Yokohama is excluded from the above forecast because the operator did not give consent to disclose forecasts.</p> <p>³ Occupancy is calculated with the following formula: Occupancy = Total number of guest rooms occupied during the period / (total number of guest rooms * number of days hotel was in operation during the period)</p> <p>⁴ ADR or Average Daily Rate is calculated with the following formula: ADR = Total sales from accommodation (excluding restaurant charges and other service fees) / number of guest rooms occupied during the period</p> <p><u>Details of the January 2024 Rental Income Forecast by Hotel</u></p> <p style="text-align: right;">(JPY million)</p> <table border="1"> <thead> <tr> <th>Hotel Name</th> <th>Fixed Rent/ Minimum Guaranteed Rent</th> <th>Variable Rent</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Smile Hotel Kyoto Shijo</td> <td>34</td> <td>13</td> <td>48</td> </tr> <tr> <td>Nest Hotel Sapporo Ekimae</td> <td>32</td> <td>66</td> <td>98</td> </tr> <tr> <td>The OneFive Osaka Sakaisuji</td> <td>17</td> <td>18</td> <td>35</td> </tr> <tr> <td>Comfort Hotel Hamamatsu</td> <td>55</td> <td>–</td> <td>55</td> </tr> <tr> <td>Nest Hotel Sapporo Odori</td> <td>26</td> <td>51</td> <td>77</td> </tr> <tr> <td>The OneFive Fukuoka Tenjin</td> <td>40</td> <td>25</td> <td>66</td> </tr> <tr> <td>Nest Hotel Osaka Shinsaibashi</td> <td>65</td> <td>66</td> <td>131</td> </tr> </tbody> </table>		January 2024 Fiscal Period	Occupancy ³	84.6%	ADR ⁴	JPY 8,217	Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total	Smile Hotel Kyoto Shijo	34	13	48	Nest Hotel Sapporo Ekimae	32	66	98	The OneFive Osaka Sakaisuji	17	18	35	Comfort Hotel Hamamatsu	55	–	55	Nest Hotel Sapporo Odori	26	51	77	The OneFive Fukuoka Tenjin	40	25	66	Nest Hotel Osaka Shinsaibashi	65	66	131
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Operating Expenses	<ul style="list-style-type: none"> • Depreciation: JPY 473 million. Depreciation has been calculated using the straight-line method. • Property and city planning taxes: JPY 126 million. • Building maintenance and repair expenses are based on what Ichigo Investment Advisors, the asset management company of Ichigo Hotel, estimates will be necessary for each hotel during the period. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected building damage, etc. • Rental expenses, Ichigo Hotel’s principal operating expense (other than depreciation, see above), are calculated based on historical data adjusted for anticipated expense variations. • Actual operating expenses may differ significantly from these assumptions due to unforeseeable factors. • SG&A expenses: JPY 183 million for asset management fee and JPY 14 million for engineering report costs. 																																																																												
Non-Operating Expenses	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses: JPY 345 million • Expenses related to issuance of new shares: JPY 5 million 																																																																												

Borrowings	<ul style="list-style-type: none"> • Total borrowings: JPY 32.47 billion as of January 31, 2024, including loans.
Number of Shares	<ul style="list-style-type: none"> • Total 327,489 shares (254,974 shares outstanding, 72,515 new shares issued via the third-party allotment on August 25, 2023) • The forecast assumes there will be no additional new shares issued through January 31, 2024
Dividend	<ul style="list-style-type: none"> • The dividend forecast assumes that dividends will comply with the dividend distribution policy stipulated in Ichigo Hotel's Articles of Incorporation. • The dividend is subject to change due to factors such as sales of portfolio assets, changes in rental income associated with operator turnover, the occurrence of unexpected maintenance and repair costs, and fluctuations in interest rates.
Dividend in Excess of Earnings	<ul style="list-style-type: none"> • Ichigo Hotel does not plan on paying any Dividend in Excess of Earnings.
Other	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.

Preconditions for the July 2024 Earnings Forecast

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	<table border="1"> <tbody> <tr> <td>Smile Hotel Tokyo Asagaya</td> <td>61</td> <td>66</td> <td>128</td> </tr> <tr> <td>Nest Hotel Matsuyama</td> <td>36</td> <td>31</td> <td>67</td> </tr> <tr> <td>The OneFive Okayama</td> <td>61</td> <td>35</td> <td>96</td> </tr> <tr> <td>Comfort Hotel Kushiro</td> <td>18</td> <td>–</td> <td>18</td> </tr> <tr> <td>Comfort Hotel Suzuka</td> <td>15</td> <td>–</td> <td>15</td> </tr> <tr> <td>The OneFive Garden Kurashiki</td> <td>39</td> <td>30</td> <td>70</td> </tr> <tr> <td>Nest Hotel Kumamoto</td> <td>25</td> <td>44</td> <td>69</td> </tr> <tr> <td>Valie Hotel Hiroshima</td> <td>29</td> <td>30</td> <td>59</td> </tr> <tr> <td>The OneFive Tokyo Shibuya</td> <td>47</td> <td>65</td> <td>112</td> </tr> <tr> <td>Smile Hotel Nagano</td> <td>6</td> <td>28</td> <td>34</td> </tr> <tr> <td>Hotel Sunshine Utsunomiya</td> <td>57</td> <td>–</td> <td>57</td> </tr> <tr> <td>Comfort Hotel Osaka Shinsaibashi</td> <td>67</td> <td>7</td> <td>75</td> </tr> <tr> <td>HOTEL THE KNOT YOKOHAMA</td> <td>63</td> <td>99</td> <td>163</td> </tr> <tr> <td>Quintessa Hotel Ise Shima</td> <td>20</td> <td>1</td> <td>21</td> </tr> <tr> <td>Quintessa Hotel Ogaki</td> <td>15</td> <td>23</td> <td>39</td> </tr> <tr> <td>THE KNOT SAPPORO</td> <td>74</td> <td>92</td> <td>166</td> </tr> <tr> <td>Other¹</td> <td>216</td> <td>72</td> <td>289</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>1,265</td> <td>967</td> <td>2,232</td> </tr> </tbody> </table> <p>¹ Figures for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, and Washington Hotel Plaza Shimonoseki Eki Nishi are included in “Other” because the hotel operators did not provide consent to disclose hotel-specific data.</p> <ul style="list-style-type: none"> • Retail: JPY 96 million of rental income from retail tenants at The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, Smile Hotel Tokyo Asagaya, Hotel Sunshine Utsunomiya, Comfort Hotel Osaka Shinsaibashi, HOTEL THE KNOT YOKOHAMA, and THE KNOT SAPPORO. 	Smile Hotel Tokyo Asagaya	61	66	128	Nest Hotel Matsuyama	36	31	67	The OneFive Okayama	61	35	96	Comfort Hotel Kushiro	18	–	18	Comfort Hotel Suzuka	15	–	15	The OneFive Garden Kurashiki	39	30	70	Nest Hotel Kumamoto	25	44	69	Valie Hotel Hiroshima	29	30	59	The OneFive Tokyo Shibuya	47	65	112	Smile Hotel Nagano	6	28	34	Hotel Sunshine Utsunomiya	57	–	57	Comfort Hotel Osaka Shinsaibashi	67	7	75	HOTEL THE KNOT YOKOHAMA	63	99	163	Quintessa Hotel Ise Shima	20	1	21	Quintessa Hotel Ogaki	15	23	39	THE KNOT SAPPORO	74	92	166	Other ¹	216	72	289	Total	1,265	967	2,232
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Total	1,265	967	2,232																																																																						
Operating Expenses	<ul style="list-style-type: none"> • Depreciation: JPY 481 million. Depreciation has been calculated using the straight-line method. • Property and city planning taxes: JPY 175 million • Building maintenance and repair expenses are based on what Ichigo Investment Advisors, the asset management company of Ichigo Hotel, estimates will be necessary for each hotel during the period. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected building damage, etc. • Rental expenses, Ichigo Hotel’s principal operating expense (other than depreciation, see above), are calculated based on historical data adjusted for anticipated expense variations. • Actual operating expenses may differ significantly from these assumptions due to unforeseeable factors. • SG&A expenses: JPY 260 million for asset management fee and JPY 18 million for engineering report costs. 																																																																								
Non-Operating Expenses	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses: JPY 330 million • Expenses related to issuance of new shares: JPY 5 million 																																																																								
Borrowings	<ul style="list-style-type: none"> • Total borrowings: JPY 32.47 billion as of July 31, 2024. 																																																																								

Number of Shares	<ul style="list-style-type: none"> • Total 327,489 shares (254,974 shares outstanding, 72,515 new shares issued via the third-party allotment on August 25, 2023) • The forecast assumes there will be no additional new shares issued through July 31, 2024.
Dividend	<ul style="list-style-type: none"> • The dividend forecast assumes that dividends will comply with the dividend distribution policy stipulated in Ichigo Hotel's Articles of Incorporation. • The dividend is subject to change due to factors such as sales of portfolio assets, changes in rental income associated with operator turnover, the occurrence of unexpected maintenance and repair costs, and fluctuations in interest rates.
Dividend in Excess of Earnings	<ul style="list-style-type: none"> • Ichigo Hotel does not plan on paying any Dividend in Excess of Earnings.
Other	<ul style="list-style-type: none"> • This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.

Financial Statements
(1) Balance Sheet

(JPY thousand)

	January 2023 (as of January 31, 2023)	July 2023 (as of July 31, 2023)
Assets		
Current Assets		
Cash and cash equivalents	2,545,733	1,651,479
Cash and cash equivalents in trust	2,072,880	2,252,130
Accounts receivable	254,642	277,272
Prepaid expenses	150,420	111,726
Consumption taxes receivable	22,338	—
Total Current Assets	5,046,015	4,292,608
Fixed Assets		
Property, Plant, and Equipment		
Buildings	19,915,411	20,381,917
Depreciation	-3,780,423	-4,134,848
Buildings (net)	16,134,988	16,247,069
Structures	30,521	34,521
Depreciation	-5,503	-6,548
Structures (net)	25,018	27,972
Machinery and equipment	114,450	117,383
Depreciation	-44,122	-49,948
Machinery and equipment (net)	70,327	67,435
Fixtures	391,091	469,403
Depreciation	-203,664	-229,884
Fixtures (net)	187,426	239,518
Land	38,122,076	38,122,076
Buildings under construction	115,808	8,863
Total Property, Plant, and Equipment	54,655,646	54,712,937
Investments and Other Assets		
Leasehold and security deposits	10,000	10,000
Long-term prepaid expenses	47,128	27,030
Total Investments and Other Assets	57,128	37,030
Total Fixed Assets	54,712,774	54,749,967
Capitalized Expenses		
Bond issuance expenses	7,778	—
Total Capitalized Expenses	7,778	—
Total Assets	59,766,569	59,042,576

(JPY thousand)

	January 2023 (as of January 31, 2023)	July 2023 (as of July 31, 2023)
Liabilities		
Current Liabilities		
Accounts payable	243,236	91,541
Short-term loans	9,250,000	13,750,000
Long-term loans (due within one year)	9,000,000	6,720,000
Accounts payable – other	168,096	255,602
Accrued expenses	11,723	11,961
Income taxes payable	969	988
Consumption taxes payable	9,781	63,627
Advances received	79,162	85,134
Other	3,878	3,216
Total Current Liabilities	18,766,848	20,982,073
Long-Term Liabilities		
Bonds	870,000	–
Long-term loans	7,220,000	5,000,000
Tenant leasehold and security deposits	735,838	735,817
Accrued asset disposal costs	5,027	5,032
Total Long-Term Liabilities	8,830,866	5,740,850
Total Liabilities	27,597,714	26,722,923
Net Assets		
Shareholders' Equity		
Paid-in capital	31,897,545	31,897,545
Treasury shares	-299,921	-299,921
Paid-in capital (net)	31,597,623	31,597,623
Surplus		
Unappropriated retained earnings	571,231	722,028
Total Surplus	571,231	722,028
Total Shareholders' Equity	32,168,855	32,319,652
Total Net Assets	32,168,855	32,319,652
Total Liabilities and Net Assets	59,766,569	59,042,576

(2) Income Statement

(JPY thousand)

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Operating Revenue		
Rental income	1,517,142	1,778,010
Other rental income	20,059	18,535
Total Operating Revenue	1,537,201	1,796,545
Operating Expenses		
Rental expenses	556,821	594,546
Asset management fee	135,232	209,249
Custodian fee	4,451	4,482
Other administrative expenses	20,622	18,616
Directors' compensation	4,200	4,200
Other	34,285	31,840
Total Operating Expenses	755,613	862,936
Operating Profit	781,587	933,609
Non-Operating Income		
Interest income	33	23
Reversal of accrued dividend	432	1,258
Interest on tax refund	–	50
Total Non-Operating Income	465	1,332
Non-Operating Expenses		
Interest expenses	107,477	95,569
Borrowing-related expenses	101,322	108,661
Amortization of bond issuance expenses	1,071	7,778
Total Non-Operating Expenses	209,871	212,010
Recurring Profit	572,181	722,931
Extraordinary Gains		
Compensation income	–	54,937
Total Extraordinary Gains	–	54,937
Extraordinary Losses		
Share issuance expenses	–	54,937
Total Extraordinary Losses	–	54,937
Pre-Tax Income	572,181	722,931
Income Taxes – Current	974	992
Total Income Taxes	974	992
Net Income	571,206	721,939
Retained Earnings Brought Forward	24	89
Unappropriated Retained Earnings	571,231	722,028

(3) Statement of Shareholders' Equity

Previous Period (January 2023 Fiscal Period)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Treasury Shares	Paid-In Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of August 1, 2022	31,897,545	-299,921	31,597,623	361,577	361,577
Changes during the Period					
Dividends				-361,553	-361,553
Net Income				571,206	571,206
Total Changes	–	–	–	209,653	209,653
Balance as of January 31, 2023	31,897,545	-299,921	31,597,623	571,231	571,231

	Shareholders' Equity	Total Net Assets
	Total Shareholders' Equity	
Balance as of August 1, 2022	31,959,201	31,959,201
Changes during the Period		
Dividends	-361,553	-361,553
Net Income	571,206	571,206
Total Changes	209,653	209,653
Balance as of January 31, 2023	32,168,855	32,168,855

Current Period (July 2023 Fiscal Period)

(JPY thousand)

	Shareholders' Equity				
	Paid-In Capital			Surplus	
	Paid-In Capital	Treasury Shares	Paid-In Capital (net)	Unappropriated Retained Earnings	Total Surplus
Balance as of February 1, 2023	31,897,545	-299,921	31,597,623	571,231	571,231
Changes during the Period					
Dividends				-571,141	-571,141
Net Income				721,939	721,939
Total Changes	–	–	–	150,797	150,797
Balance as of July 31, 2023	31,897,545	-299,921	31,597,623	722,028	722,028

	Shareholders' Equity	Total Net Assets
	Total Shareholders' Equity	
Balance as of February 1, 2023	32,168,855	32,168,855
Changes during the Period		
Dividends	-571,141	-571,141
Net Income	721,939	721,939
Total Changes	150,797	150,797
Balance as of July 31, 2023	32,319,652	32,319,652

(4) Dividend Statement

(JPY)

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
I Unappropriated Retained Earnings	571,231,242	722,028,830
II Total Dividends (Dividend per Share)	571,141,760 (2,240)	721,831,394 (2,831)
III Retained Earnings Carried Forward	89,482	197,436

(5) Cash Flow Statement

(JPY thousand)

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Cash Flows from Operations:		
Pre-tax income	572,181	722,931
Depreciation	373,178	387,515
Interest income	-33	-23
Interest expense	107,477	95,569
Compensation income	–	-54,937
Share issuance expenses	–	54,937
Decrease (increase) in accounts receivable	-89,248	-22,629
Decrease (increase) in consumption taxes receivable	-22,338	22,338
Decrease (increase) in prepaid expenses	-33,751	38,693
Decrease (increase) in long-term prepaid expenses	38,097	20,098
Increase (decrease) in accrued consumption taxes	-3,753	53,845
Increase (decrease) in accounts payable	25,911	-36,432
Increase (decrease) in accounts payable – other	78,912	87,505
Increase (decrease) in advances received	1,708	5,972
Increase (decrease) in rent to be reimbursed to hotel operators	-9,322	–
Other	7,866	-3,952
Sub-total	1,046,885	1,371,430
Interest income received	33	23
Interest expense paid	-108,343	-95,330
Income taxes paid	-931	-972
Net Cash from (Used for) Operations	937,643	1,275,151
Cash Flows from Investments:		
Acquisition of property, plant, and equipment	-2,503,351	-549,590
Receipt of tenant security deposits	41,981	–
Return of tenant security deposits	-14,093	-21
Net Cash from (Used for) Investments	-2,475,463	-549,611
Cash Flows from Financing:		
Proceeds from short-term loans	8,800,000	4,950,000
Repayment of short-term loans	-7,000,000	-450,000
Repayment of long-term loans	-1,800,000	-4,500,000
Redemption of investment corporation bonds	–	-870,000
Proceeds from return of deposits with restricted withdrawals	–	870,000
Dividends paid	-361,136	-570,544
Net Cash from (Used for) Financing	-361,136	-570,544
Net Decrease (Increase) in Cash and Cash Equivalents	-1,898,956	154,994
Cash and Cash Equivalents at Beginning of Period	5,647,571	3,748,614
Cash and Cash Equivalents at End of Period	3,748,614	3,903,609

Rental Income Details

(JPY thousand)

	Previous Period January 2023 (August 1, 2022 to January 31, 2023)		Current Period July 2023 (February 1, 2023 to July 31, 2023)		
A	Real Estate Rental Income				
	Real Estate Rental Income	1,517,142	1,517,142	1,778,010	1,778,010
	Other Rental Income				
	Utilities Income	8,149		7,690	
	Other	11,909	20,059	10,844	18,535
	<u>Total Income</u>	<u>1,537,201</u>		<u>1,796,545</u>	
B	Real Estate Rental Expenses				
	Rental Expenses				
	Outsourcing Fees	18,616		18,923	
	Utilities	8,848		10,523	
	Trust Fees	9,506		9,400	
	Depreciation Expense	373,178		387,515	
	Repair Expenses	21,539		31,684	
	Property and City Planning Taxes	117,126		127,420	
	Insurance	4,162		4,235	
	Other Expenses	3,843		4,844	
	<u>Total Expenses</u>	<u>556,821</u>		<u>594,546</u>	
C	Net Rental Income				
	(A) – (B)	980,380		1,201,998	

Notes to Statement of Shareholders' Equity

(shares)

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Number of Authorized Shares	10,000,000	10,000,000
Number of Issued & Outstanding Shares	254,974	254,974

Notes to Cash Flow Statement

Relationship between Cash and Cash Equivalents and Items Shown on Balance Sheet

(JPY thousand)

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Cash and deposits	2,545,733	1,651,479
Cash and deposits in trust	2,072,880	2,252,130
Deposits with restricted withdrawals	-870,000	—
Cash and cash equivalents	3,748,614	3,903,609

Long-Term Loan Maturity Distribution

January 2023 Fiscal Period-End

(JPY thousand)

	Within 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	Over 5 years
Long-term loans due within 1 year	9,000,000	—	—	—	—	—
Bonds	—	—	—	500,000	370,000	—
Long-term loans	—	5,220,000	—	2,000,000	—	—
Total	9,000,000	5,220,000	—	2,500,000	370,000	—

July 2023 Fiscal Period-End

(JPY thousand)

	Within 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	Over 5 years
Long-term loans due within 1 year	6,720,000	—	—	—	—	—
Long-term loans	—	3,000,000	2,000,000	—	—	—
Total	6,720,000	3,000,000	2,000,000	—	—	—

Notes to Derivative Transactions

1. Non-Hedge Accounting

N/A

2. Hedge Accounting

Previous Fiscal Period (as of January 31, 2023)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
				>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	16,220,000	7,220,000	Note	–

Note: Interest rate swaps accounted under the Special Treatment of Interest Rate Swap method are accounted together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans.

Current Fiscal Period (as of July 31, 2023)

(JPY thousand)

Accounting Method	Transaction Type	Hedging Target	Contract Amount		Market Value	Method of Marking to Market
				>1 year		
Special Treatment of Interest Rate Swap method	Interest rate swap (pay fixed, receive floating)	Long-term loan	11,720,000	5,000,000	Note	–

Note: Interest rate swaps accounted under the Special Treatment of Interest Rate Swap method are accounted together with the hedging target (in this case, a long-term loan), and therefore their market values are included in the balance sheet as part of Long-Term Loans.

Notes to Rental Real Estate

Changes in book value and the period-end market value of Ichigo Hotel's hotel assets are as shown below:

(JPY thousand)

Asset Type		January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Hotel	Book value		
	Beginning of fiscal period	52,445,233	54,539,837
	Changes during fiscal period	2,094,603	164,235
	End of fiscal period	54,539,837	54,704,073
	Market value at end of fiscal period	56,667,000	58,006,000

Notes:

- 1) Book value is acquisition price less accumulated depreciation.
- 2) With respect to changes during each fiscal period, the January 2023 fiscal period increase and decrease were primarily due to the acquisition of trust beneficiary interest in real estate (JPY 2,272,963 thousand) and depreciation, respectively. The July 2023 fiscal period increase and decrease were primarily due to capital expenditures and depreciation, respectively.
- 3) Market value is the appraisal value calculated by third-party appraisers.

Major Tenants (Hotel Operators)

Previous Fiscal Period (January 2023)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
Nest Hotel Japan Corporation	349,753
Hakata Hotels Inc.	251,472
Greens Co., Ltd.	256,433

Note: Hakata Hotels Inc. has changed its name to OneFive Hotels Inc. on May 31, 2023.

Current Fiscal Period (July 2023)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
Nest Hotel Japan Corporation	493,945
OneFive Hotels Inc.	365,087
Greens Co., Ltd.	240,666
K.K. Hospitality Operations	222,437

Per Share Information

(JPY)

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Net Assets per Share	126,165	126,756
Net Income per Share	2,240	2,831

Note: Net Income per Share is calculated by dividing Net Income by the average number of shares in the period. Diluted Net Income per Share is not stated, because there are no dilutive shares.

	January 2023 (August 1, 2022 to January 31, 2023)	July 2023 (February 1, 2023 to July 31, 2023)
Net Income (JPY thousand)	571,206	721,939
Net Income not attributable to common shareholders (JPY thousand)	—	—
Net Income attributable to common shareholders (JPY thousand)	571,206	721,939
Average number of shares in the period	254,974	254,974

Portfolio Information

Portfolio Composition by Region (Book Value)

	Region	July 2023 Fiscal Period-End	
		Total (JPY million)	% of Total
Trust beneficiary interest in real estate (<i>juekiken</i>)	Hokkaido & Tohoku	3,828	6.5
	Kanto (ex-Tokyo)	4,543	7.7
	Tokyo	8,871	15.0
	Hokuriku & Tokai	9,494	16.1
	Kinki	15,091	25.6
	Chugoku & Shikoku	9,271	15.7
	Kyushu & Okinawa	3,604	6.1
Sub-total		54,704	92.7
Deposits & Other Assets		4,338	7.3
Total Assets		59,042	100

Regions are defined as follows:

Hokkaido & Tohoku	Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima Prefectures
Kanto (ex-Tokyo)	Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma, Yamanashi, Niigata, and Nagano Prefectures
Tokyo	Tokyo
Hokuriku & Tokai	Toyama, Ishikawa, Fukui, Gifu, Shizuoka, Aichi, and Mie Prefectures
Kinki	Osaka, Hyogo, Kyoto, Shiga, Nara, and Wakayama Prefectures
Chugoku & Shikoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Kagawa, Tokushima, Kochi, and Ehime Prefectures
Kyushu & Okinawa	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, and Okinawa Prefectures

Hotel Acquisition Price, Book Value, Appraisal Value, and Portfolio Weighting

(as of July 31, 2023)

Hotel Type	Hotel No.	Hotel Name	Acquisition Price (JPY million)	Book Value (JPY million)	Appraisal Value (JPY million)	Portfolio Weighting (%)	
Lodging-Focused	001	Smile Hotel Kyoto Shijo	4,480	4,501	3,690	8.2	
	003	Hotel Wing International Nagoya	2,670	2,683	2,150	4.9	
	004	Nest Hotel Sapporo Ekimae	2,160	2,139	2,590	3.9	
	005	The OneFive Osaka Sakaisuji	1,630	1,744	1,230	3.0	
	006	Comfort Hotel Hamamatsu	1,550	1,371	1,780	2.8	
	007	Hotel Wing International Kobe Shin Nagata Ekimae	1,490	1,361	1,870	2.7	
	008	Nest Hotel Sapporo Odori	1,450	1,415	1,820	2.6	
	009	The OneFive Fukuoka Tenjin	1,380	1,437	2,230	2.5	
	010	Nest Hotel Osaka Shinsaibashi	7,600	7,484	5,650	13.9	
	011	Comfort Hotel Central International Airport	5,308	5,156	5,800	9.7	
	012	Smile Hotel Tokyo Asagaya	3,910	3,833	4,640	7.1	
	015	Nest Hotel Matsuyama	1,610	1,632	2,030	2.9	
	016	Hotel Livemax Nihombashi-Hakozaki	1,360	1,251	1,380	2.5	
	017	The OneFive Okayama	1,200	1,180	1,900	2.2	
	018	Comfort Hotel Kushiro	300	272	365	0.5	
	019	Comfort Hotel Suzuka	300	282	354	0.5	
	020	Capsule Plus Yokohama	1,490	1,549	1,330	2.7	
	021	Urbain Hiroshima Executive	1,800	1,751	1,990	3.3	
	022	The OneFive Garden Kurashiki	1,725	2,137	2,430	3.1	
	023	Nest Hotel Kumamoto	2,220	2,166	2,440	4.1	
	024	Valie Hotel Hiroshima	1,500	1,533	1,740	2.7	
	025	The OneFive Tokyo Shibuya	3,700	3,786	4,240	6.8	
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	1,080	1,036	1,220	2.0	
	027	Smile Hotel Nagano ¹	670	728	717	1.2	
	028	Hotel Sunshine Utsunomiya	2,200	2,264	2,420	4.0	
	Total			54,783	54,704	58,006	100

¹Smile Hotel Nagano was rebranded and reopened on March 1, 2023 after the contact with the former operator ended on December 26, 2022.

Hotel Location, Rent, Occupancy, and Structural Details

(as of July 31, 2023)

Hotel Type	Hotel No.	Hotel Name	Location	Land Area (m ²)	Total Floor Area (m ²)	Construction Date	Fixed Rent p.a. (JPY million)	Total Leased Area (m ²)	Total Leasable Area (m ²)	Occupancy (%)	No. of Operators/Tenants	Total No. of Guest Rooms
Lodging-Focused	001	Smile Hotel Kyoto Shijo	Kyoto	662.83	4,891.84	Jan 1991	65	4,891.84	4,891.84	100	1	144
	003	Hotel Wing International Nagoya	Nagoya	603.37	5,255.66	Oct 1984	Undisclosed	5,255.66	5,255.66	100	1	224
	004	Nest Hotel Sapporo Ekimae	Sapporo	899.01	5,734.93	Jun 1984	63	5,734.93	5,734.93	100	1	162
	005	The OneFive Osaka Sakaisuji	Osaka	596.21	3,568.32	Oct 1982	17	3,568.32	3,568.32	100	2	130
	006	Comfort Hotel Hamamatsu	Hamamatsu, Shizuoka	835.12	4,173.92	Sep 2009	110	4,173.92	4,173.92	100	1	196
	007	Hotel Wing International Kobe Shin Nagata Ekimae	Kobe	838.88	4,540.90	Jan 2008	Undisclosed	4,540.90	4,540.90	100	2	133
	008	Nest Hotel Sapporo Odori	Sapporo	812.56	5,634.88	Aug 1992	53	5,638.78	5,638.78	100	1	121
	009	The OneFive Fukuoka Tenjin	Fukuoka	788.62	1,910.94	Mar 1994	74	1,910.94	1,910.94	100	1	77
	010	Nest Hotel Osaka Shinsaibashi	Osaka	1,072.78	7,968.49	Aug 1984	131	8,057.26	8,057.26	100	1	302
	011	Comfort Hotel Central International Airport	Tokoname, Aichi	6,637.11	11,599.63	Nov 2004 Jun 2006	302	11,599.63	11,599.63	100	1	346
	012	Smile Hotel Tokyo Asagaya	Tokyo	919.72	2,732.47	Jan 1993	120	2,721.70	2,721.70	100	8	112
	015	Nest Hotel Matsuyama	Matsuyama, Ehime	1,692.01	6,671.94	Nov 1988	72	6,671.94	6,671.94	100	1	190
	016	Hotel Livemax Nihombashi-Hakozaki	Tokyo	123.54	853.00	Feb 2015	Undisclosed	853.00	853.00	100	1	48
	017	The OneFive Okayama	Okayama	986.26	5,543.70	Nov 1983	134	5,543.70	5,543.70	100	1	208
	018	Comfort Hotel Kushiro	Kushiro, Hokkaido	895.05	3,180.58	Aug 2009	36	3,180.58	3,180.58	100	1	126
	019	Comfort Hotel Suzuka	Suzuka, Mie	553.26	2,186.65	Jul 2007	30	2,186.65	2,186.65	100	1	105
	020	Capsule Plus Yokohama	Yokohama	516.22	1,183.26	Dec 1993	Undisclosed	1,183.26	1,183.26	100	1	169
021	Urbain Hiroshima Executive	Hiroshima	693.96	2,756.20	Jun 2008	Undisclosed	2,756.20	2,756.20	100	1	171	
022	The OneFive Garden Kurashiki	Kurashiki, Okayama	1,031.57	3,964.19	Mar 1993	12	3,964.19	3,964.19	100	1	107	
023	Nest Hotel Kumamoto	Kumamoto	1,074.39	6,404.36	Aug 1984	52	6,038.43	6,404.36	94.3	1	201	

Hotel Type	Hotel No.	Hotel Name	Location	Land Area (m ²)	Total Floor Area (m ²)	Construction Date	Fixed Rent p.a. (JPY million)	Total Leased Area (m ²)	Total Leasable Area (m ²)	Occupancy (%)	No. of Operators / Tenants	Total No. of Guest Rooms
	024	Valie Hotel Hiroshima	Hiroshima	1,090.97	4,332.50	Aug 1985	66	4,332.50	4,332.50	100	1	171
	025	The OneFive Tokyo Shibuya	Tokyo	388.82	1,470.52	Jan 2018	92	1,470.52	1,470.52	100	1	72
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	Shimonoseki, Yamaguchi	978.36	5,228.95	Mar 1999	Undisclosed	5,709.35	5,709.35	100	1	238
	027	Smile Hotel Nagano	Nagano	396.28	1,921.45	Aug 1992	Undisclosed	1,921.45	1,921.45	100	1	76
	028	Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	1,038.75	5,259.65	Feb 1991	99	5,267.16	5,267.16	100	1	160
Total			–	26,125.65	108,968.93	–	1,538	109,172.81	109,538.74	99.7	34	3,989

Appraisal Data

(as of July 31, 2023)

Hotel Type	Hotel No.	Hotel Name	Appraiser	Appraisal Value (JPY million)	Value via Cost Approach (JPY million)	Value (JPY million)						Appraisal NOI yield (%)	Post-Depreciation NOI Yield (%)
						Value via Direct Capitalization Method	Cap Rate (%)	Value via DCF Method	Discount Rate (%)	Terminal Cap Rate (%)	Appraisal NOI (JPY thousand)		
Lodging-Focused	001	Smile Hotel Kyoto Shijo	The Tanizawa Sogo Appraisal Co., Ltd.	3,690	3,460	3,820	4.4	3,640	4.4	4.5	185,734	4.1	3.4
	003	Hotel Wing International Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,150	3,040	2,230	4.7	2,120	4.5	4.9	119,729	4.5	3.6
	004	Nest Hotel Sapporo Ekimae	Daiwa Real Estate Appraisal Co., Ltd.	2,590	1,770	2,690	5.1	2,550	4.9	5.3	160,346	7.4	5.8
	005	The OneFive Osaka Sakaisuji	Daiwa Real Estate Appraisal Co., Ltd.	1,230	1,430	1,240	4.8	1,230	4.5	4.9	69,037	4.2	2.9
	006	Comfort Hotel Hamamatsu	The Tanizawa Sogo Appraisal Co., Ltd.	1,780	1,520	1,790	5.1	1,780	5.1	5.3	100,159	6.5	4.4
	007	Hotel Wing International Kobe Shin Nagata Ekimae	The Tanizawa Sogo Appraisal Co., Ltd.	1,870	1,640	1,860	4.6	1,870	4.6 ¹ 4.7 ²	4.8	93,124	6.2	4.3
	008	Nest Hotel Sapporo Odori	Daiwa Real Estate Appraisal Co., Ltd.	1,820	1,810	1,880	5.0	1,790	4.8	5.2	113,092	7.8	5.3
	009	The OneFive Fukuoka Tenjin	Japan Real Estate Institute	2,230	2,090	2,260	4.2	2,190	4.0	4.4	106,955	7.8	6.5
	010	Nest Hotel Osaka Shinsaibashi	Daiwa Real Estate Appraisal Co., Ltd.	5,650	3,230	5,820	4.4	5,570	4.2	4.6	288,594	3.8	2.9
	011	Comfort Hotel Central International Airport	Daiwa Real Estate Appraisal Co., Ltd.	5,800	6,020	5,870	4.1	5,770	3.9	4.3	269,054	5.1	3.7
	012	Smile Hotel Tokyo Asagaya	Daiwa Real Estate Appraisal Co., Ltd.	4,640	1,210	4,720	4.3	4,600	4.1	4.5	216,405	5.5	4.4
	015	Nest Hotel Matsuyama	Daiwa Real Estate Appraisal Co., Ltd.	2,030	944	2,030	5.6	2,030	5.4	5.8	140,842	8.7	6.2
	016	Hotel Livemax Nihombashi-Hakozaki	Daiwa Real Estate Appraisal Co., Ltd.	1,380	614	1,390	4.6	1,370	4.4	4.8	65,995	4.9	3.5
	017	The OneFive Okayama	Daiwa Real Estate Appraisal Co., Ltd.	1,900	548	1,890	5.7	1,900	5.5	5.9	129,483	10.8	7.8
	018	Comfort Hotel Kushiro	Daiwa Real Estate Appraisal Co., Ltd.	365	658	359	5.5	368	5.3	5.7	23,596	7.9	4.0

Hotel Type	Hotel No.	Hotel Name	Appraiser	Appraisal Value (JPY million)	Value via Cost Approach (JPY million)	Value (JPY million)						Appraisal NOI yield (%)	Post-Depreciation NOI Yield (%)
						Value via Direct Capitalization Method	Cap Rate (%)	Value via DCF Method	Discount Rate (%)	Terminal Cap Rate (%)	Appraisal NOI (JPY thousand)		
Lodging-Focused	019	Comfort Hotel Suzuka	Daiwa Real Estate Appraisal Co., Ltd.	354	338	350	5.1	356	4.9	5.3	23,525	7.8	4.9
	020	Capsule Plus Yokohama	Daiwa Real Estate Appraisal Co., Ltd.	1,330	2,120	1,350	4.7	1,320	4.5	4.9	65,524	4.4	3.6
	021	Urbain Hiroshima Executive	Daiwa Real Estate Appraisal Co., Ltd.	1,990	1,340	2,000	5.4	1,990	5.2	5.6	112,615	6.3	4.5
	022	The OneFive Garden Kurashiki	The Tanizawa Sogo Appraisal Co., Ltd.	2,430	2,110	2,540	4.9	2,380	5.0	5.1	139,662	8.1	5.6
	023	Nest Hotel Kumamoto	The Tanizawa Sogo Appraisal Co., Ltd.	2,440	2,380	2,480	5.2	2,420	5.3	5.4	149,183	6.7	4.7
	024	Valie Hotel Hiroshima	The Tanizawa Sogo Appraisal Co., Ltd.	1,740	1,640	1,800	4.8	1,720	4.9	5.0	105,081	7.0	4.0
	025	The OneFive Tokyo Shibuya	The Tanizawa Sogo Appraisal Co., Ltd.	4,240	3,730	4,380	3.4	4,180	3.5	3.6	154,355	4.2	3.7
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	The Tanizawa Sogo Appraisal Co., Ltd.	1,220	1,060	1,250	4.8	1,210	4.8 ¹ 4.9 ²	5.0	79,345	7.3	4.7
	027	Smile Hotel Nagano	The Tanizawa Sogo Appraisal Co., Ltd.	717	619	739	4.9	708	5.0	5.1	44,022	6.6	4.5
	028	Hotel Sunshine Utsunomiya	The Tanizawa Sogo Appraisal Co., Ltd.	2,420	2,070	2,480	4.9	2,400	5.0	5.1	133,033	6.0	5.6
Total/Average				58,006	47,391	59,218	4.6	57,462	–	–	3,088,500	5.6	4.2

¹ From first to sixth year

² From seventh year onwards

Major Tenant Data (Hotel Operators)

Name	Industry	Hotel	Fixed Rent in July 2023 Fiscal Period		Total Leased Area	
			(JPY million)	Ratio (%) ¹	(m ²)	Ratio (%)
Nest Hotel Japan Corporation	Hotel Operation	Nest Hotel Sapporo Ekimae Nest Hotel Sapporo Odori Nest Hotel Osaka Shinsaibashi Nest Hotel Matsuyama Nest Hotel Kumamoto	185	18.7	32,141.34	29.4
Greens Co., Ltd.	Hotel Operation	Comfort Hotel Hamamatsu Comfort Hotel Central International Airport Comfort Hotel Kushiro Comfort Hotel Suzuka	240	24.3	21,140.78	19.4
Hakata Hotels Inc.	Hotel Operation	The OneFive Osaka Sakaisuji The OneFive Fukuoka Tenjin The OneFive Okayama The OneFive Garden Kurashiki The OneFive Tokyo Shibuya	165	16.7	16,268.97	14.9

Note: Covers operators occupying more than 10% of total leasable area

¹ Operator fixed rent as percentage of total portfolio fixed rent

Individual Hotel Financials

(JPY thousand)

Hotel No.		001	004	005	006	008	009
Hotel Name	Total	Smile Hotel Kyoto Shijo	Nest Hotel Sapporo Ekimae	The One Five Osaka Sakaisuji ¹	Comfort Hotel Hamamatsu	Nest Hotel Sapporo Odori	The OneFive Fukuoka Tenjin
(A) Rental Income	1,796,545	50,930	130,126	56,555	55,361	81,202	73,977
Fixed Rent	992,218	30,744	31,129	11,425	55,361	27,072	34,056
Variable Rent ³	756,458	20,185	98,996	45,129	–	54,130	39,920
Other Rent	47,868	–	–	–	–	–	–
(B) Rental Expenses	207,031	6,528	8,079	6,741	3,426	9,985	4,948
Outsourcing Fees	18,923	600	600	915	600	600	600
Insurance	4,235	182	208	139	135	221	75
Repair Expenses	31,684	90	1,604	1,718	–	310	190
Taxes	127,420	5,296	5,250	3,600	2,420	8,430	3,718
Other Expenses	24,768	359	415	367	270	424	365
(C) NOI (A) - (B)	1,589,514	44,401	122,046	49,813	51,935	71,216	69,028
(D) Depreciation	387,515	17,641	17,219	10,550	15,646	18,012	8,905
(E) Net Rental Income (C) - (D)	1,201,998	26,759	104,827	39,263	36,289	53,204	60,122

(JPY thousand)

Hotel No.	010	011	012	015	017	018	019
Hotel Name	Nest Hotel Osaka Shinsaibashi	Comfort Hotel Central International Airport	Smile Hotel Tokyo Asagaya ¹	Nest Hotel Matsuyama	The OneFive Okayama	Comfort Hotel Kushiro	Comfort Hotel Suzuka
(A) Rental Income	149,401	151,441	141,555	62,634	90,503	18,419	15,442
Fixed Rent	66,291	151,441	61,603	36,323	62,161	18,419	15,442
Variable Rent ³	83,110	–	79,952	26,311	28,342	–	–
Other Rent	–	–	–	–	–	–	–
(B) Rental Expenses	18,904	14,748	10,351	6,615	6,580	5,435	3,456
Outsourcing Fees	1,200	570	2,798	720	600	900	540
Insurance	342	395	121	279	205	117	68
Repair Expenses	1,216	783	3,174	847	1,577	–	709
Taxes	15,735	12,541	3,747	4,341	3,760	4,008	1,729
Other Expenses	410	458	510	427	437	409	410
(C) NOI (A) - (B)	130,497	136,693	131,203	56,019	83,923	12,983	11,986
(D) Depreciation	35,854	35,692	22,941	20,323	17,696	5,840	4,471
(E) Net Rental Income (C) - (D)	94,642	101,000	108,262	35,695	66,226	7,143	7,514

(JPY thousand)

Hotel No.	022	023	024	025	027	028	Other ¹
Hotel Name	The OneFive Garden Kurashiki	Nest Hotel Kumamoto ¹	Valie Hotel Hiroshima	The OneFive Tokyo Shibuya	Smile Hotel Nagano	Hotel Sunshine Utsunomiya	
(A) Rental Income	24,375	70,579	92,392	119,676	29,952	64,263	317,751
Fixed Rent	10,646	25,134	29,137	47,568	3,677	57,799	216,780
Variable Rent ³	13,728	45,445	62,655	72,108	26,274	–	60,167
Other Rent	–	–	600	–	–	6,463	40,804
(B) Rental Expenses	9,076	7,574	10,858	8,403	12,928	6,389	45,995
Outsourcing Fees	600	780	720	600	480	780	3,720
Insurance	136	250	180	75	64	213	822
Repair Expenses	3,855	1,149	5,283	2,268	4,921	305	1,680
Taxes	4,122	4,983	4,306	5,097	1,257	4,727	28,343
Other Expenses	362	410	367	362	6,205	363	11,429
(C) NOI (A) - (B)	15,299	63,005	81,534	111,272	17,023	57,874	271,756
(D) Depreciation	21,576	22,251	22,537	8,075	6,905	4,555	70,815
(E) Net Rental Income (C) - (D)	-6,277	40,753	58,996	103,197	10,117	53,318	200,940

Note 1: Hotel-operator rental income for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, and Washington Hotel Plaza Shimonoseki Eki Nishi, and retail-tenant rental income for The OneFive Osaka Sakaisuji, Smile Hotel Tokyo Asagaya, and Nest Hotel Kumamoto are included in Other, as the operators did not provide consent to disclose the data. The NOI and Depreciation of hotels included in Other are as shown below.

(JPY thousand)

	Hotel Wing International Nagoya	Hotel Wing International Kobe Shin Nagata Ekimae	Hotel Livemax Nihombashi-Hakozaki	Capsule Plus Yokohama	Urbain Hiroshima Executive	Washington Hotel Plaza Shimonoseki Eki Nishi
NOI	32,705	47,802	32,902	39,113	57,315	38,699
Depreciation	11,318	14,825	9,106	5,644	15,474	14,445

Individual Hotel Operating Results

ADR = Average Daily Rate

RevPAR = Revenue per Available Room

GOP = Gross Operating Profit

001 Smile Hotel Kyoto Shijo

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	59.9	65.3	57.8	80.5	59.9	44.4	58.7	76.9	74.6	69.7	67.2	55.4	64.2
ADR (JPY)	3,838	4,432	5,021	8,419	7,163	5,354	5,094	8,898	10,444	8,248	6,188	7,632	6,926
RevPAR (JPY)	2,297	2,896	2,900	6,776	4,289	2,377	2,992	6,847	7,792	5,751	4,161	4,229	4,444
Revenue (JPY million)	11	13	13	30	20	11	12	31	35	27	19	19	247
GOP (JPY million)	-2	-	1	16	3	-3	-	17	17	10	2	5	70

003 Hotel Wing International Nagoya

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	100	100	93.5	100	100	100	100	100	23.5	32.9	44.9	61.1	79.6
ADR (JPY)	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	6,762	7,902	5,969	7,341	5,719
RevPAR (JPY)	5,455	5,455	5,103	5,455	5,455	5,455	5,455	5,455	1,590	2,599	2,680	4,483	4,554
Revenue (JPY million)	37	36	35	36	37	37	34	37	11	19	19	33	378
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose GOP.

004 Nest Hotel Sapporo Ekimae

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	91.5	95.8	91.6	93.2	94.6	90.6	94.6	92.4	88.5	97.0	99.0	98.4	93.9
ADR (JPY)	9,723	9,114	7,302	6,722	7,824	6,102	12,507	8,097	6,831	9,427	12,023	19,039	9,625
RevPAR (JPY)	8,896	8,728	6,690	6,264	7,401	5,531	11,837	7,483	6,043	9,142	11,904	18,728	9,040
Revenue (JPY million)	50	49	39	36	43	33	59	46	36	56	68	105	626
GOP (JPY million)	26	24	15	13	17	8	31	18	11	27	40	70	306

005 The OneFive Osaka Sakaisuji

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	96.6	97.2	97.3	97.3	96.7	97.2	97.0	96.9	96.3	96.4	96.8	97.2	96.9
ADR (JPY)	3,246	3,194	3,734	6,075	7,543	5,422	6,936	7,771	7,836	7,169	5,571	6,041	5,869
RevPAR (JPY)	3,135	3,105	3,634	5,912	7,298	5,273	6,726	7,528	7,548	6,910	5,395	5,872	5,688
Revenue (JPY million)	12	12	14	23	29	21	24	30	29	27	21	23	270
GOP (JPY million)	-	-	2	9	16	4	8	15	14	11	6	9	99

006 Comfort Hotel Hamamatsu

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	77.9	79.6	80.5	80.5	83.1	73.6	83.2	86.7	82.0	80.0	82.4	80.6	80.8
ADR (JPY)	6,126	5,670	6,098	6,173	6,308	5,794	6,431	6,896	6,594	7,498	6,685	7,463	6,490
RevPAR (JPY)	4,774	4,514	4,912	4,967	5,242	4,266	5,348	5,978	5,405	6,000	5,512	6,015	5,245
Revenue (JPY million)	29	26	29	29	31	25	29	36	31	36	32	36	375
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose GOP.

007 Hotel Wing International Kobe Shin Nagata Ekimae

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	68.8	60.7	78.8	81.0	82.2	62.5	58.8	79.9	67.9	77.5	76.3	68.2	72.0
ADR (JPY)	8,149	7,769	8,187	8,909	8,962	8,274	9,001	8,611	8,748	8,743	7,602	8,228	8,442
RevPAR (JPY)	5,607	4,716	6,451	7,214	7,364	5,173	5,288	6,877	5,944	6,777	5,797	5,613	6,077
Revenue (JPY million)	25	20	28	31	33	23	20	32	25	30	24	24	322
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose GOP.

008 Nest Hotel Sapporo Odori

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	92.3	96.7	91.7	91.1	92.1	84.8	91.5	91.2	83.6	89.4	92.8	69.5	88.8
ADR (JPY)	10,457	9,721	7,351	7,180	9,234	6,660	14,285	9,147	7,272	9,890	12,172	19,918	10,096
RevPAR (JPY)	9,657	9,397	6,737	6,541	8,503	5,644	13,075	8,344	6,082	8,846	11,293	13,837	8,970
Revenue (JPY million)	40	38	29	27	35	24	47	35	25	36	45	55	442
GOP (JPY million)	18	18	8	7	12	3	22	11	6	16	22	31	180

009 The OneFive Fukuoka Tenjin

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	97.9	97.6	97.8	97.9	98.2	95.2	98.1	97.7	97.7	98.0	97.7	97.6	97.6
ADR (JPY)	5,101	5,417	6,449	10,284	11,976	8,499	11,196	11,390	9,432	10,499	10,325	11,315	9,317
RevPAR (JPY)	4,992	5,286	6,309	10,065	11,765	8,089	10,983	11,132	9,216	10,288	10,092	11,040	9,094
Revenue (JPY million)	12	13	16	24	29	20	24	27	22	25	24	27	268
GOP (JPY million)	2	2	5	12	18	8	12	16	11	14	11	14	131

010 Nest Hotel Osaka Shinsaibashi

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	77.3	78.5	73.6	84.2	79.9	75.2	77.4	77.7	76.7	73.3	73.4	79.2	77.2
ADR (JPY)	4,053	3,952	4,726	6,563	9,085	6,828	8,075	7,842	9,681	8,819	7,438	7,607	7,048
RevPAR (JPY)	3,133	3,101	3,478	5,523	7,256	5,134	6,247	6,094	7,428	6,466	5,457	6,022	5,439
Revenue (JPY million)	31	30	34	51	68	48	53	57	67	60	49	56	608
GOP (JPY million)	6	6	12	25	37	19	26	29	39	31	21	26	283

011 Comfort Hotel Central International Airport

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	59.3	59.4	64.3	63.0	68.5	56.7	63.7	64.1	63.4	71.0	71.2	73.8	64.9
ADR (JPY)	8,013	8,342	8,351	8,844	9,320	8,305	8,358	8,400	9,125	9,472	9,057	8,993	8,744
RevPAR (JPY)	4,754	4,957	5,369	5,571	6,380	4,712	5,321	5,386	5,784	6,727	6,445	6,637	5,674
Revenue (JPY million)	52	52	58	59	69	51	52	58	61	73	68	73	731
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose GOP.

012 Smile Hotel Tokyo Asagaya

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	100	99.5	87.3	100.1	100.1	100	99.9	99.6	99.4	99.5	100	99.4	98.7
ADR (JPY)	7,416	6,959	8,119	9,551	11,185	9,516	12,291	13,113	13,452	11,736	10,589	10,711	10,396
RevPAR (JPY)	7,416	6,922	7,090	9,557	11,191	9,516	12,276	13,064	13,372	11,678	10,592	10,649	10,262
Revenue (JPY million)	26	23	24	32	39	33	38	45	45	40	35	37	423
GOP (JPY million)	14	12	13	19	25	19	24	30	30	25	21	22	258

015 Nest Hotel Matsuyama

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	68.3	64.5	75.4	76.8	69.0	66.6	75.6	82.1	73.5	81.3	82.5	83.5	74.9
ADR (JPY)	6,718	5,726	5,881	6,441	6,002	5,523	5,997	6,045	6,146	6,232	5,611	5,362	5,969
RevPAR (JPY)	4,585	3,693	4,434	4,944	4,142	3,676	4,536	4,965	4,520	5,069	4,629	4,479	4,472
Revenue (JPY million)	32	25	32	33	30	27	30	36	33	39	34	35	392
GOP (JPY million)	11	4	10	12	8	5	9	13	10	14	11	11	124

016 Hotel Livemax Nihombashi-Hakozaki

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	-	-	-	-	-	-	-	-	-	-	-	-	-
ADR (JPY)	-	-	-	-	-	-	-	-	-	-	-	-	-
RevPAR (JPY)	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose operating results.

017 The OneFive Okayama

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	99.6	98.9	99.3	99.1	99.3	98.5	98.4	99.0	98.7	98.6	98.9	99.2	99.0
ADR (JPY)	4,357	4,728	5,090	6,555	4,627	4,063	4,999	6,091	5,480	7,566	5,336	5,244	5,345
RevPAR (JPY)	4,340	4,678	5,055	6,497	4,597	4,003	4,917	6,031	5,406	7,458	5,277	5,200	5,289
Revenue (JPY million)	29	30	33	41	30	26	29	39	34	49	33	34	413
GOP (JPY million)	11	10	14	21	10	3	5	19	15	27	12	14	167

018 Comfort Hotel Kushiro

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	94.0	95.3	90.0	76.4	77.6	59.8	87.0	93.9	82.3	88.3	93.4	95.6	86.1
ADR (JPY)	8,332	7,751	7,459	6,361	6,020	6,280	6,174	6,227	6,073	6,978	7,293	9,203	7,092
RevPAR (JPY)	7,828	7,384	6,710	4,858	4,671	3,756	5,371	5,844	4,998	6,162	6,812	8,802	6,107
Revenue (JPY million)	31	29	28	19	19	15	20	23	19	25	26	35	295
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose GOP.

019 Comfort Hotel Suzuka

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	89.4	78.2	78.8	79.6	77.0	60.2	71.9	85.4	71.5	72.4	78.8	82.2	77.2
ADR (JPY)	6,348	5,412	8,407	6,907	6,170	5,588	5,444	7,039	6,135	6,134	5,732	6,677	6,376
RevPAR (JPY)	5,675	4,230	6,625	5,499	4,752	3,365	3,913	6,012	4,386	4,438	4,518	5,487	4,919
Revenue (JPY million)	18	13	22	17	15	11	11	19	13	14	14	17	190
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The operator did not give consent to disclose GOP.

020 Capsule Plus Yokohama

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	–	–	–	–	–	–	–	–	–	–	–	–	–
ADR (JPY)	–	–	–	–	–	–	–	–	–	–	–	–	–
RevPAR (JPY)	–	–	–	–	–	–	–	–	–	–	–	–	–
Revenue (JPY million)	–	–	–	–	–	–	–	–	–	–	–	–	–
GOP (JPY million)	–	–	–	–	–	–	–	–	–	–	–	–	–

Note: The operator did not give consent to disclose operating results.

021 Urbain Hiroshima Executive

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	61.1	58.9	62.9	68.6	56.0	47.2	59.1	69.5	50.1	59.1	60.1	66.4	59.9
ADR (JPY)	5,983	5,397	5,862	6,738	6,002	6,046	6,599	7,351	7,630	10,338	7,138	7,103	6,862
RevPAR (JPY)	3,655	3,181	3,688	4,621	3,361	2,856	3,897	5,110	3,824	6,111	4,291	4,719	4,113
Revenue (JPY million)	19	16	19	23	17	15	18	27	19	32	22	25	256
GOP (JPY million)	–	–	–	–	–	–	–	–	–	–	–	–	–

Note: The operator did not give consent to disclose GOP.

022 The OneFive Garden Kurashiki

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	81.3	77.3	83.3	84.9	80.1	–	–	77.9	87.3	94.8	96.3	93.9	85.7
ADR (JPY)	7,767	7,809	9,149	10,140	7,237	–	–	8,523	7,254	11,016	7,359	7,205	8,362
RevPAR (JPY)	6,313	6,033	7,621	8,611	5,797	–	–	6,642	6,335	10,442	7,086	6,766	7,166
Revenue (JPY million)	22	20	26	29	20	–	–	23	22	36	24	24	252
GOP (JPY million)	5	–	7	3	-5	–	–	7	–	13	1	–	34

Note 1: Temporarily closed from January 1, 2023, and reopened on March 1, 2023

023 Nest Hotel Kumamoto

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	100	100	100	100	100	100	100	100	57.5	72.8	69.9	77.8	89.8
ADR (JPY)	5,000	5,000	5,000	5,000	5,000	5,000	5,007	5,000	6,014	7,555	6,311	6,621	5,432
RevPAR (JPY)	5,000	5,000	5,000	5,000	5,000	5,000	5,007	5,000	3,456	5,498	4,411	5,148	4,880
Revenue (JPY million)	31	30	31	30	31	31	28	31	22	36	28	33	364
GOP (JPY million)	23	22	25	25	22	23	21	23	6	17	10	14	236

024 Valie Hotel Hiroshima

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	100	100	100	100	100	100	100	100	69.1	86.5	57.8	64.7	89.9
ADR (JPY)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,042	7,567	6,939	7,213	7,429
RevPAR (JPY)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	4,863	6,547	4,013	4,668	6,675
Revenue (JPY million)	39	38	39	38	40	40	35	39	27	41	20	25	428
GOP (JPY million)	27	27	30	29	27	26	24	29	9	20	7	9	270

025 The OneFive Tokyo Shibuya

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	99.4	98.7	99.2	99.1	98.2	98.9	99.0	99.0	98.1	98.7	99.2	98.9	98.9
ADR (JPY)	7,675	7,474	9,484	14,343	19,583	12,442	14,341	20,624	22,155	17,307	14,545	15,450	14,610
RevPAR (JPY)	7,627	7,377	9,412	14,210	19,232	12,309	14,199	20,421	21,745	17,082	14,431	15,284	14,446
Revenue (JPY million)	17	15	21	31	43	28	29	46	47	38	31	34	386
GOP (JPY million)	5	3	7	17	29	10	13	31	32	19	14	19	205

026 Washington Hotel Plaza Shimonoseki Eki Nishi

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	–	–	–	–	–	–	–	–	–	–	–	–	–
ADR (JPY)	–	–	–	–	–	–	–	–	–	–	–	–	–
RevPAR (JPY)	–	–	–	–	–	–	–	–	–	–	–	–	–
Revenue (JPY million)	–	–	–	–	–	–	–	–	–	–	–	–	–
GOP (JPY million)	–	–	–	–	–	–	–	–	–	–	–	–	–

Note: The operator did not give consent to disclose operating results.

027 Smile Hotel Nagano

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	95.6	94.0	96.4	94.6	78.7	–	–	98.8	99.8	98.5	96.9	96.0	96.1
ADR (JPY)	7,465	6,825	7,478	7,588	6,974	–	–	5,854	6,959	7,467	6,757	6,907	7,028
RevPAR (JPY)	7,136	6,418	7,211	7,179	5,489	–	–	5,785	6,944	7,356	6,547	6,631	6,751
Revenue (JPY million)	16	14	17	16	4	–	–	14	16	18	15	16	150
GOP (JPY million)	–	–	–	–	–	–	–	6	7	7	6	6	–

Note 1: Rebranded and reopened on March 1, 2023 following the end of contract with the former operator on December 26, 2022. The former operator did not give consent to disclose GOP.

028 Hotel Sunshine Utsunomiya

	2022					2023							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	98.1	98.1	98.1	98.1	98.1	98.1	98.1	98.1	62.8	68.7	62.4	61.6	86.7
ADR (JPY)	7,727	7,727	8,272	8,272	8,272	8,272	8,272	8,272	6,281	6,638	6,112	6,405	7,700
RevPAR (JPY)	7,582	7,582	8,117	8,117	8,117	8,117	8,117	8,117	3,941	4,562	3,813	3,947	6,675
Revenue (JPY million)	37	36	40	39	40	40	36	40	60	24	20	21	439
GOP (JPY million)	21	20	23	22	23	24	20	21	38	5	1	4	227

Note 1: Pre-acquisition operating results are those provided by the former operator.

Portfolio Weighting & NOI Yield by Region

Region	Number of Hotels	Acquisition Price (JPY million)	Portfolio Weighting (%)	Average Appraisal NOI Yield (%)
Hokkaido & Tohoku	3	3,910	7.1	7.6
Kanto (ex-Tokyo)	3	4,360	8.0	5.6
Tokyo	3	8,970	16.4	4.9
Hokuriku & Tokai	4	9,828	17.9	5.2
Kinki	4	15,200	27.7	4.2
Chugoku & Shikoku	6	8,915	16.3	7.9
Kyushu & Okinawa	2	3,600	6.6	7.1
Total	25	54,783	100	5.6

Major Capital Expenditures

a. Major Planned Capital Expenditures

Hotel Name	Location	Purpose	Timing	Forecast Expenditure (JPY million)
Hotel Sunshine Utsunomiya	Utsunomiya Tochigi	Upgrade of HVAC	May 2024	42
Hotel Wing International Kobe Shin Nagata Ekimae	Kobe, Hyogo	Upgrade of HVAC	May 2024	28
Hotel Wing International Kobe Shin Nagata Ekimae	Kobe, Hyogo	Repair of exterior walls	Jul 2024	18
The OneFive Fukuoka Tenjin	Fukuoka	Upgrade of elevators	Jan 2024	15
Washington Hotel Plaza Shimonoseki Eki Nishi	Shimonoseki Yamaguchi	Upgrade of air handling units	Dec 2023	13

b. Major Capital Expenditures Completed during the July 2023 Fiscal Period

Construction work totaled JPY 583 million during the July 2023 Fiscal Period comprising capital expenditure of JPY 551 million and repair work of JPY 31 million expensed during the period.

Hotel Name	Location	Purpose	Timing	Expenditure (JPY million)
The OneFive Garden Kurashiki	Kurashiki Okayama	Renovation of guest rooms	Jan – Mar 2023	319
Valie Hotel Hiroshima	Hiroshima	Upgrade of fan coil units	Mar 2023	21
Comfort Hotel Suzuka	Suzuka, Mie	Repair of exterior walls	Feb – Apr 2023	11
Smile Hotel Nagano	Nagano	Upgrade of guest room bath units	Jan – Feb 2023	8