



**Make The World
More Sustainable**

[Provisional Translation Only]

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Issuer

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Ichigo Hotel Operating Results – July 2021

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (20 Hotels)

	July 2021 (A)	(Previous) July 2020 (B)	Difference (A) - (B)	YOY Change	February 2021 – July 2021 (Current Period-To-Date)			July 2019 (Reference)
					Cumulative	YOY Difference	YOY Change	
Revenue (JPY million)	319.6	175.8	+143.8	+81.8%	1,543.7	+273.9	+21.6%	719.9
RevPAR (JPY)	3,231	2,029	+1,203	+59.3%	2,705	+381	+16.4%	6,856
Occupancy (%)	65.3	44.8	+20.5	+45.7%	57.4	+13.3	+30.0%	87.0
ADR (JPY)	4,952	4,529	+423	+9.3%	4,708	-550	-10.5%	7,877

Variable Rent Hotels (14 Hotels)

	July 2021 (A)	(Previous) July 2020 (B)	Difference (A) - (B)	YOY Change	February 2021 – July 2021 (Current Period-To-Date)			July 2019 (Reference)
					Cumulative	YOY Difference	YOY Change	
Revenue (JPY million)	224.7	121.7	+103.1	+84.7%	1,086.1	+183.8	+20.4%	482.9
RevPAR (JPY)	3,345	2,239	+1,106	+49.4%	2,815	+322	+12.9%	7,866
Occupancy (%)	71.9	51.8	+20.1	+38.7%	64.3	+15.5	+31.7%	94.9
ADR (JPY)	4,651	4,319	+333	+7.7%	4,380	-730	-14.3%	8,292

Fixed Rent Hotels (6 Hotels)

	July 2021 (A)	(Previous) July 2020 (B)	Difference (A) - (B)	YOY Change	February 2021 – July 2021 (Current Period-To-Date)			July 2019 (Reference)
					Cumulative	YOY Difference	YOY Change	
Revenue (JPY million)	94.8	54.1	+40.7	+75.2%	457.6	+90.1	+24.5%	237.0
RevPAR (JPY)	3,021	1,709	+1,311	+76.7%	2,496	+478	+23.7%	6,202
Occupancy (%)	52.8	34.1	+18.8	+55.1%	44.6	+8.6	+24.1%	86.1
ADR (JPY)	5,716	5,017	+698	+13.9%	5,602	-17	-0.3%	7,207

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (15 Hotels)

	July 2021 (A)	(Previous) July 2020 (B)	Difference (A) - (B)	YOY Change	February 2021 – July 2021 (Current Period-To-Date)			July 2019 (Reference)	
					Cumulative	YOY Difference	YOY Change		
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	32.1	18.4	+13.6	+74.0%	124.8	+19.4	+18.4%	77.7
	RevPAR (JPY)	4,414	3,129	+1,285	+41.1%	3,319	+278	+9.1%	13,477
	Occupancy (%)	94.3	74.2	+20.1	+27.1%	87.5	+28.7	+48.7%	96.1
	ADR (JPY)	4,682	4,218	+465	+11.0%	3,795	-1,377	-26.6%	14,031
Nest Hotel Sapporo Odori	Revenue (JPY million)	19.2	13.7	+5.5	+40.1%	66.8	-21.7	-24.6%	59.9
	RevPAR (JPY)	3,601	3,332	+268	+8.1%	2,495	-1,077	-30.2%	14,896
	Occupancy (%)	79.3	74.8	+4.6	+6.1%	65.3	+2.0	+3.2%	95.9
	ADR (JPY)	4,540	4,458	+82	+1.8%	3,820	-1,826	-32.3%	15,534
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	19.0	11.8	+7.3	+61.6%	99.3	+8.4	+9.3%	30.2
	RevPAR (JPY)	5,373	3,282	+2,091	+63.7%	4,761	+450	+10.4%	8,537
	Occupancy (%)	99.0	68.8	+30.2	+43.9%	96.4	+19.6	+25.5%	97.3
	ADR (JPY)	5,429	4,771	+658	+13.8%	4,939	-673	-12.0%	8,777
HOTEL EMIT SHIBUYA	Revenue (JPY million)	11.2	8.6	+2.6	+30.6%	54.3			
	RevPAR (JPY)	5,015	3,772	+1,243	+33.0%	4,157			
	Occupancy (%)	99.3	98.3	+1.0	+1.0%	94.4			
	ADR (JPY)	5,051	3,839	+1,212	+31.6%	4,405			
Hotel Wing International Nagoya	Revenue (JPY million)	14.1	7.8	+6.2	+79.1%	69.8	+7.2	+11.5%	40.9
	RevPAR (JPY)	1,857	1,026	+831	+81.0%	1,535	-308	-16.7%	5,372
	Occupancy (%)	46.8	24.3	+22.6	+93.2%	40.0	+8.3	+26.2%	82.8
	ADR (JPY)	3,965	4,231	-267	-6.3%	3,836	-1,976	-34.0%	6,486

		July 2021 (A)	(Previous) July 2020 (B)	Difference (A) - (B)	YOY Change	February 2021 – July 2021 (Current Period-To-Date)			July 2019 (Reference)
						Cumulative	YOY Difference	YOY Change	
Smile Hotel Kyoto Shijo	Revenue (JPY million)	5.4	4.7	+0.7	+15.1%	24.0	-17.8	-42.5%	31.2
	RevPAR (JPY)	1,139	990	+148	+15.0%	867	-1,762	-67.0%	6,250
	Occupancy (%)	41.7	30.3	+11.4	+37.8%	28.1	-31.2	-52.6%	99.6
	ADR (JPY)	2,729	3,272	-542	-16.6%	3,079	-1,350	-30.5%	6,276
Chisun Inn Osaka Hommachi	Revenue (JPY million)	–	–	–	–	–	-14.2	-100%	19.6
	RevPAR (JPY)	–	–	–	–	–	–	–	4,872
	Occupancy (%)	–	–	–	–	–	–	–	73.6
	ADR (JPY)	–	–	–	–	–	–	–	6,616
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	2.1	1.9	+0.2	+8.5%	12.7	-30.1	-70.4%	65.0
	RevPAR (JPY)	–	–	–	–	331	-947	-74.1%	6,346
	Occupancy (%)	–	–	–	–	9.8	-10.9	-52.5%	85.6
	ADR (JPY)	–	–	–	–	3,362	-2,803	-45.5%	7,416
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	13.6	10.8	+2.8	+26.2%	77.4	+18.9	+32.4%	26.5
	RevPAR (JPY)	3,041	2,260	+781	+34.6%	2,860	+685	+31.5%	5,842
	Occupancy (%)	37.8	36.7	+1.1	+3.0%	41.4	+7.2	+21.0%	74.6
	ADR (JPY)	8,048	6,159	+1,890	+30.7%	6,913	+554	+8.7%	7,835
Nest Hotel Matsuyama	Revenue (JPY million)	23.8	20.2	+3.7	+18.2%	98.6	-11.0	-10.1%	47.9
	RevPAR (JPY)	3,019	2,728	+291	+10.7%	2,308	-239	-9.4%	5,527
	Occupancy (%)	68.2	58.3	+9.9	+17.0%	54.3	+2.6	+5.0%	88.7
	ADR (JPY)	4,428	4,682	-254	-5.4%	4,252	-672	-13.7%	6,230
The OneFive Okayama	Revenue (JPY million)	19.7	16.2	+3.5	+21.9%	92.5	-5.4	-5.6%	35.0
	RevPAR (JPY)	2,927	2,321	+606	+26.1%	2,364	-62	-2.6%	5,212
	Occupancy (%)	96.2	57.8	+38.4	+66.5%	89.6	+35.0	+64.2%	84.6
	ADR (JPY)	3,042	4,015	-973	-24.2%	2,638	-1,807	-40.6%	6,160
Court Hotel Kurashiki	Revenue (JPY million)	8.2	0.9	+7.3	+808.8%	47.7	+14.4	+43.2%	26.1
	RevPAR (JPY)	2,008	1,791	+216	+12.1%	1,974	-803	-28.9%	6,880
	Occupancy (%)	31.8	15.4	+16.4	+106.1%	34.2	-17.3	-33.6%	92.5
	ADR (JPY)	6,318	11,616	-5,298	-45.6%	5,770	+379	+7.0%	7,438
Valie Hotel Hiroshima	Revenue (JPY million)	39.8	–	+39.8	–	234.2	+195.5	+505.1%	
	RevPAR (JPY)	7,500	–	+7,500	–	7,261	+5,050	+228.4%	
	Occupancy (%)	100	–	+100	–	96.6	+42.4	+78.2%	
	ADR (JPY)	7,500	–	+7,500	–	7,519	+3,439	+84.3%	

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						Cumulative	YOY Difference	YOY Change	
The OneFive Fukuoka Tenjin	Revenue (JPY million)	7.8	0.9	+6.9	+744.8%	39.7	+4.2	+11.7%	22.8
	RevPAR (JPY)	2,885	–	+2,885	–	2,436	-1,698	-41.1%	8,889
	Occupancy (%)	98.1	–	+98.1	–	90.4	+21.1	+30.4%	96.2
	ADR (JPY)	2,941	–	+2,941	–	2,694	-3,268	-54.8%	9,237
Nest Hotel Kumamoto	Revenue (JPY million)	19.9	14.3	+5.6	+39.3%	98.7	+16.2	+19.6%	35.1
	RevPAR (JPY)	2,729	1,995	+734	+36.8%	2,409	+510	+26.9%	4,925
	Occupancy (%)	72.3	57.0	+15.2	+26.7%	64.5	+20.7	+47.1%	81.6
	ADR (JPY)	3,777	3,499	+278	+7.9%	3,735	-596	-13.8%	6,034

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

		July 2021 (A)	(Previous) July 2020 (B)	Difference (A) - (B)	YOY Change	February 2021 – July 2021 (Current Period-To-Date)			July 2019 (Reference)
						Cumulative	YOY Difference	YOY Change	
Comfort Hotel Kushiro	Revenue (JPY million)	21.6	16.5	+5.1	+31.1%	77.3	+22.8	+42.0%	25.3
	RevPAR (JPY)	5,286	3,931	+1,354	+34.5%	3,205	+1,004	+45.6%	6,219
	Occupancy (%)	86.6	80.5	+6.1	+7.6%	62.5	+14.3	+29.7%	87.5
	ADR (JPY)	6,104	4,884	+1,221	+25.0%	5,129	+559	+12.2%	7,109
Comfort Hotel Hamamatsu	Revenue (JPY million)	17.6	10.3	+7.3	+71.3%	87.7	+18.0	+25.8%	29.9
	RevPAR (JPY)	2,905	1,696	+1,209	+71.3%	2,473	+518	+26.5%	4,920
	Occupancy (%)	60.6	37.5	+23.1	+61.6%	50.7	+11.6	+29.5%	81.6
	ADR (JPY)	4,789	4,518	+271	+6.0%	4,879	-115	-2.3%	6,025
Comfort Hotel Central International Airport	Revenue (JPY million)	37.9	13.0	+24.9	+191.6%	173.4	+36.0	+26.2%	93.9
	RevPAR (JPY)	3,452	1,173	+2,279	+194.2%	2,699	+604	+28.8%	8,410
	Occupancy (%)	51.7	16.7	+35.0	+209.0%	38.7	+13.3	+52.6%	91.1
	ADR (JPY)	6,680	7,015	-334	-4.8%	6,977	-1,289	-15.6%	9,234
Comfort Hotel Suzuka	Revenue (JPY million)	11.9	7.1	+4.9	+69.0%	49.7	+15.4	+44.9%	14.4
	RevPAR (JPY)	3,638	2,145	+1,494	+69.7%	2,580	+809	+45.7%	4,376
	Occupancy (%)	67.5	44.7	+22.8	+51.0%	51.8	+13.5	+35.2%	68.4
	ADR (JPY)	5,388	4,795	+594	+12.4%	4,983	+360	+7.8%	6,393
Urbain Hiroshima Executive	Revenue (JPY million)	2.5	4.5	-2.0	-44.4%	50.0	–	–	31.1
	RevPAR (JPY)	468	841	-373	-44.4%	1,616	-201	-11.1%	5,864
	Occupancy (%)	8.6	15.7	-7.1	-45.4%	23.2	-11.0	-32.1%	92.5
	ADR (JPY)	5,453	5,347	+106	+2.0%	6,977	+1,650	+31.0%	6,340

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. Because Ichigo Hotel acquired the HOTEL EMIT SHIBUYA on February 25, 2020, period-to-date YOY comparison data is not available.
8. Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.
9. Pre-acquisition data for acquired hotels are based on data received from the previous owners.
10. July 2019 Revenue, RevPAR, Occupancy, and ADR data provided as a reference is for the 18 hotels owned since July 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 July 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 Preparing to rebrand and reopen as The OneFive Osaka Sakaisuji on September 1, 2021
Nest Hotel Osaka Shinsaibashi	April 18, 2021	Temporarily closed due to the third state of emergency declared by the Japanese government Reopened on April 1, 2021, but temporarily closed again on April 18, 2021 Reopened on August 6, 2021

Explanation of Changes

Although Revenue, RevPAR, Occupancy, and ADR for the portfolio in July 2021 was below pre-Covid levels in July 2019, Revenue, RevPAR, Occupancy, and ADR increased significantly year-on-year compared to July 2020. Amid an ongoing difficult operating environment due to the extension of Japan's state of emergency and Covid prevention measures, 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 preserves and enhances existing real estate, via extending the real estate's useful life and reducing its environmental impact, as part of its long-standing commitment to conserving the environment.

As part of its ongoing ESG initiatives, Ichigo Hotel recently completed renovating the water heating system at the Washington Hotel Plaza Shimonoseki Eki Nishi, which will provide stable warm water throughout the hotel more efficiently, and is expected to reduce both annual electricity consumption and CO2 emissions at the hotel by c. 26%.

Ichigo Hotel will continue to carry out renovations to extend the useful life of real estate and drive higher asset value, and contribute towards a net zero carbon society by reducing energy consumption.