



Ichigo Hotel July 2021 Fiscal Period Corporate Presentation

September 14, 2021

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



We would like to express our deepest condolences to all those across the world affected by the Covid pandemic, and our wishes for the earliest and fullest possible recovery.

Take care, be safe.



**Make The World
More Sustainable**



**World-Class
Excellence**

Ichigo's
Hiromi Miyake



Ichigo

Ichigo is a J.League Top Partner



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July 2021 Results

July 2021 Highlights

Net Income and Dividend Exceeded Forecast Announced in June 2021

	Results	Details
Net Income	JPY 268M +JPY 35M (+15.2%) vs. forecast	<ul style="list-style-type: none"> Recorded variable rent at Valie Hotel Hiroshima
RevPAR	JPY 2,815 (14 variable rent hotels) +JPY 156 (+5.9%) vs. forecast	<ul style="list-style-type: none"> Occupancy: 64.3% (vs. 59.0% forecast) ADR: JPY 4,380 (vs. JPY 4,507 forecast)
NOI	JPY 912M +JPY 31M (+3.6%) vs. forecast	<ul style="list-style-type: none"> Operating Revenue +JPY 5M vs. forecast Decrease in Operating Expenses due to unused Covid-related reserve
FFO	JPY 2,418 +JPY 409 (+20.4%) YOY	<ul style="list-style-type: none"> FFO up on NOI increase
Dividend	JPY 1,055 +JPY 140 (+15.3%) vs. forecast	<ul style="list-style-type: none"> Operating Revenue increase driving Dividend increase
NAV	JPY 129,007 -JPY 496 (-0.4%) vs. previous period	<ul style="list-style-type: none"> Total unrealized gains: JPY 1.2B

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

July 2021 Earnings Breakdown

(JPY million)

	Jul 2020 Actual	Jul 2021 Actual (A)	Forecast (B) (Jun 2021)	vs. Forecast (A) - (B)	Major Variation Factors (vs. Forecast)
Operating Revenue	953	1,117	1,112	+5	
Variable Rent	-25	126	121	+5	Increase in variable rent +9 (Valie Hiroshima) Decrease in variable rent -4 (Kumamoto, Yokohama)
Fixed Rent	935	947	947	-	
Other (Gains on Sales, etc.)	42	44	44	-	
Operating Expenses	581	652	675	-23	Increase in property tax +7, Decrease in Covid-related reserve -35 Increase in AM fee +6, Decrease in administration fees -4
Repair & Maintenance	21	46	45	+1	
Depreciation	336	347	345	+2	
Operating Profit	371	465	437	+28	
Recurring Profit	171	269	234	+35	Non-operating income +1 Decrease in interest expenses -3 Decrease in borrowing-related expenses -3
Net Income	170	268	233	+35	
Dividend	JPY 670	JPY 1,055	JPY 915	+JPY 140	+15.3% vs. forecast +57.5% YOY (+JPY 385)
FFO	JPY 2,009	JPY 2,418	-	-	
NOI	787	912	881	+31	
Post-Depreciation NOI	450	565	536	+29	
Capex	128	335	361	-26	Decrease due to effective cost controls and rescheduling renovations
Book Value	52,294	52,064	-	-	

July 2021 Operating Results Up YOY

Variable Rent Hotels (14 Hotels)

	Feb 1, 2020 - Jul 31, 2020	Feb 1, 2021 - Jul 31, 2021	Change	YOY	Feb 1, 2019 - Jul 31, 2019
Room Revenue (JPY M)	792	954	+162	+20.5%	2,583
Total Revenue (JPY M)	902	1,086	+184	+20.4%	2,902
RevPAR (JPY)	2,493	2,815	+322	+12.9%	7,104
Occupancy	48.8%	64.3%	+15.5%	+31.7%	86.4%
ADR (JPY)	5,110	4,380	-730	-14.3%	8,218

Total Portfolio (20 Hotels)

	Feb 1, 2020 - Jul 31, 2020	Feb 1, 2021 - Jul 31, 2021	Change	YOY	Feb 1, 2019 - Jul 31, 2019
Room Revenue (JPY M)	1,149	1,402	+253	+22.0%	3,722
Total Revenue (JPY M)	1,269	1,543	+274	+21.6%	4,069
RevPAR (JPY)	2,323	2,705	+381	+16.4%	6,853
Occupancy	44.2%	57.4%	+13.3%	+30.0%	86.2%
ADR (JPY)	5,258	4,708	-550	-10.5%	7,946

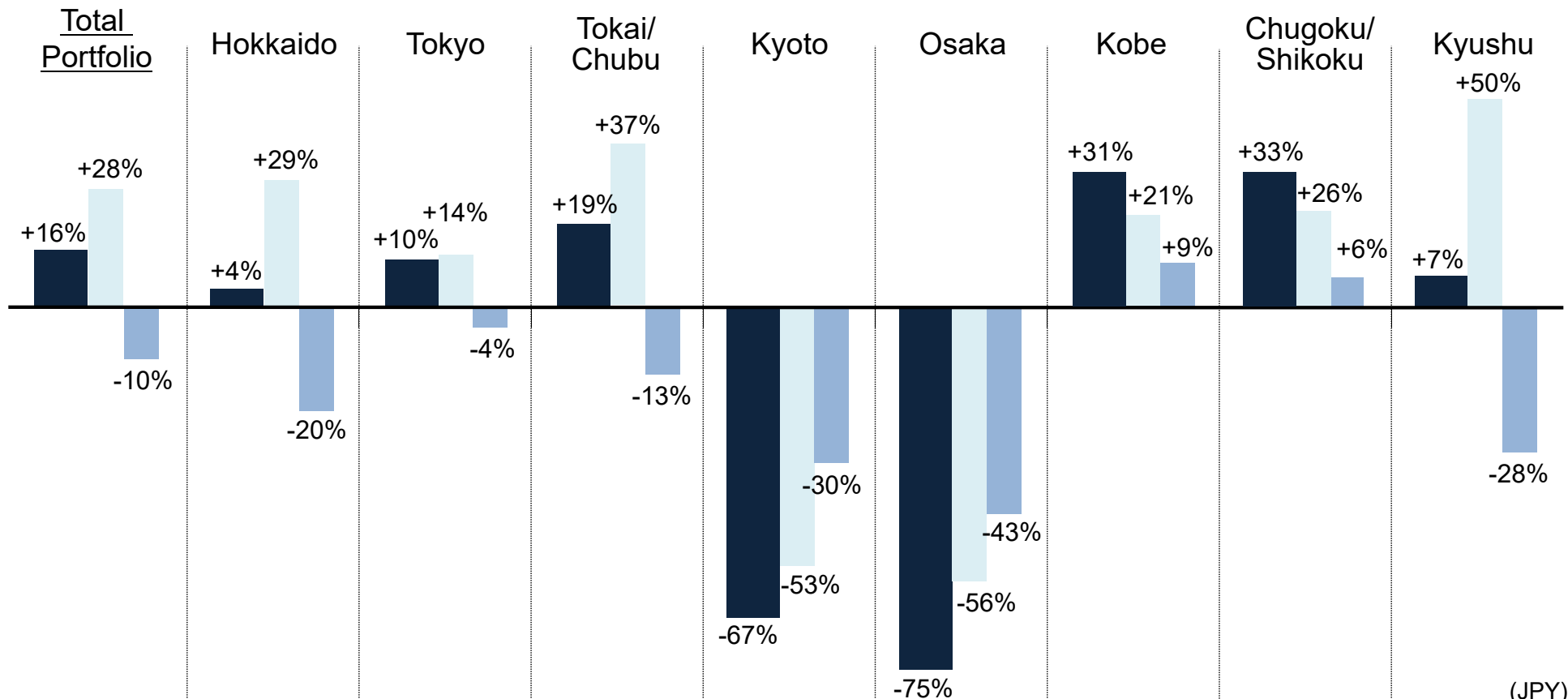
* Excludes HOTEL EMIT SHIBUYA, Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama) and Washington Hotel Plaza Shimonoseki Eki Nishi.
Operating results before acquisition are based on data provided by previous owner.

Hotel Demand Recovering

YOY by Region (Feb 2021 – July 2021)

■ RevPAR ■ Occupancy ■ ADR

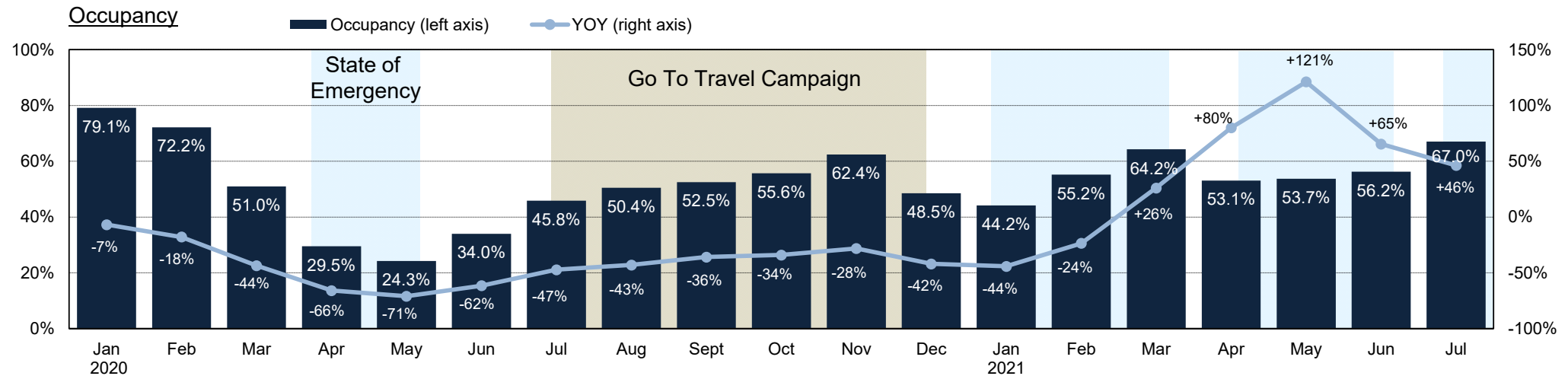
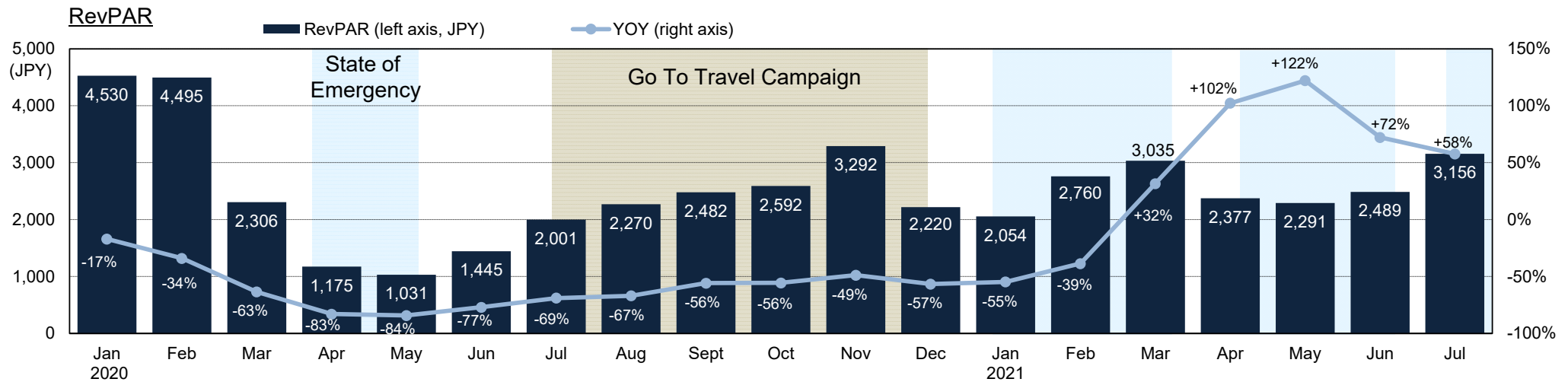
21 Hotels (excludes Capsule Plus Yokohama and Washington Hotel Plaza Shimonoseki Eki Nishi)



	(JPY)							
RevPAR	3,047	4,048	2,334	867	331	2,860	2,451	2,417
No. Hotels	3	3	4	1	2	1	5	2
% of Total Portfolio Rental Income	7%	14%	26%	3%	6%	4%	32%	4%



Monthly Operating Results Under Covid



Major Events

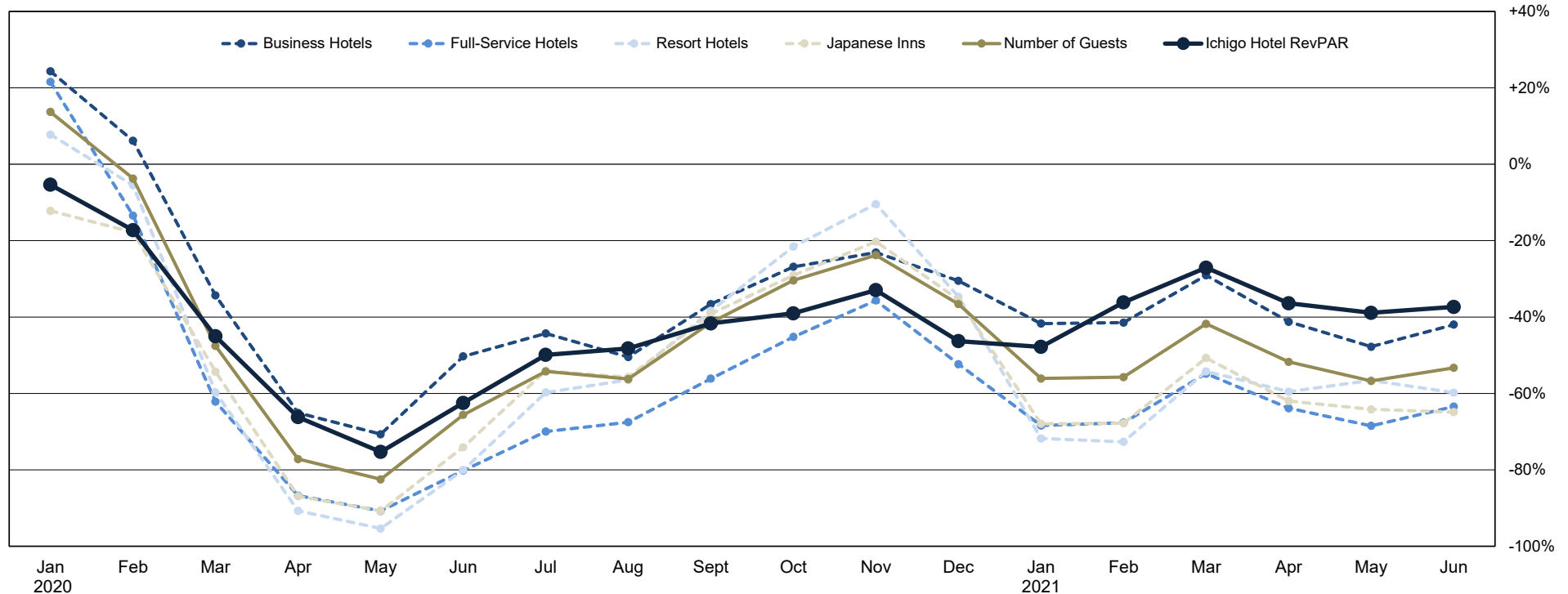
- Mar 2020 State of emergency
- Jun 2020 Ban on travel between prefectures lifted
- Oct 2020 Tokyo added to Go To Travel campaign
- Dec 2020 Restrictions on entry from overseas
- Feb 2021 Vaccine rollout begins with healthcare workers
- Apr 2021 Vaccine rollout expanded to the elderly
- Jul 2021 Tokyo Olympics

* Excludes Washington Hotel Plaza Shimonoseki Eki Nishi because the operator did not provide consent to disclose information



Relatively Small Decrease in Ichigo Hotel RevPAR vs. 2019

Ichigo Hotel RevPAR (vs. 2019) and Hotel Reservations



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

- Demand temporarily recovered due to the Go To Travel campaign in October and November 2020
- After January 2021, demand gradually recovered on back of the vaccine rollout, but slowed due to an increase in case numbers and additional state of emergencies
- Business hotel RevPAR decrease vs. 2019 was minimal compared to other hotel types
- Decrease in Ichigo Hotel RevPAR better than business hotels after February 2021
- Hotel market is expected to recover due to Japan's vaccination rate reaching c. 60%

Driving Stability via Contract Renewals and Rebranding

Timing		Hotel Name	Lease Terms	Changes	
Actual	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
	Aug 2021	Hotel Wing International Nagoya	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> Decreased fixed rent Increased variable rent
	Sep 2021	The OneFive Osaka Sakaisuji (formerly 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	1 Hotel	Variable+Fixed Rent	Lease Expiry	<ul style="list-style-type: none"> Operator to be selected from among multiple candidates, including the current operator

Sponsor Support Driving Stability

Hakata Hotels (Ichigo's wholly-owned subsidiary)

- A hotel operator with expertise in AI revenue management systems (PROPERA) that operates 12 hotels across Japan, with a focus in the Hakata (Fukuoka) area
 - ✓ Maintained high occupancy despite occupancy decrease at other hotels
(Hotels using PROPERA achieved 90% occupancy during the July 2021 fiscal period)
- Offers competitive rates and strong collaboration
- Became the operator of Chisun Inn Osaka Hommachi (rebranded as The OneFive Osaka Sakaisuji) in September 2021, following on from becoming the operator of the Okayama and Fukuoka Tenjin hotels.
- Selected as operator among multiple candidates due to better overall terms
- Helps to avoid absence of a hotel operator under Covid uncertainty

Investment Corporation Bond Issuance (JPY 500 million, November 2020)

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

Covid Response

Safety Measures and Services for Guests

- Installed self-check-in terminals
- Offering remote work options (strengthened Wi-Fi networks to accommodate remote work demand)
- Provision of hand sanitizers, periodic disinfections, and mandatory mask-wearing for employees
- Confirming guest and staff health

Temporarily Closed Hotels during the July 2021 Fiscal Period

Hotel	Dates Closed	Current Status
The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Hommachi)	Apr 17, 2020 – Aug 31, 2021	Selected Hakata Hotels as new operator, replacing previous operator whose lease contract ended on Dec 31, 2020 Rebranded and reopened as The OneFive Osaka Sakaisuji
Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama)	Nov 1, 2020 – Feb 28, 2021	Rebranded and reopened as Capsule Plus Yokohama
Nest Hotel Osaka Shinsaibashi	Jan 13, 2021 – Mar 31, 2021	Reopened
	Apr 18, 2021 – Aug 5, 2021	
Nest Hotel Sapporo Odori	Jan 17, 2021 – Feb 7, 2021	Reopened

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
- ✓ 39 Hotel Wing International Hotels located across Japan, from Hokkaido to Kagoshima



Greens Co., Ltd.

■ Choice Hotels

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



■ Greens Hotels

- ✓ Available at member-only fixed rates set at each hotel
- ✓ A diverse brand of 28 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 (65,000 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.



Ichigo J.League Shareholder Program Website Landing Page

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

Sustainability as a Key Management Priority

Sustainability Initiatives

Minimizing Environmental Impact of Ichigo Hotel-Owned Assets

Environmental Certifications

- HOTEL EMIT SHIBUYA (BELS 4 Stars)
- Joined GRESB Real Estate Assessment in 2021



Shifting to Renewable Energy

Ichigo RE100 Target: Sourcing 100% Renewable Electricity Across Its Operations by 2025

- 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
- Transition starting from the January 2022 fiscal period



Market Environment & Forecast Assumptions

Hotel Market Remains Uncertain

- Full-scale recovery is expected to take time despite gradual hotel demand recovery on the back of Covid vaccine rollout (57.6% complete for first-time vaccination as of Sep 1st)

Occupancy and ADR Forecasts for 15 Variable Hotels

- Forecasting Occupancy at -20~-30% & ADR at -40~-50% vs. 2019 (Pre-Covid) levels

	January 2021 Actual	January 2022 Forecast	YOY	January 2019 (Reference)
Occupancy	53.4%	63.9%	+19.7%	92.1%
ADR	JPY 4,371	JPY 4,548	+4.0%	JPY 8,488
	July 2021 Actual	July 2022 Forecast	YOY	July 2019 (Reference)
Occupancy	64.3%	71.4%	+11.0%	86.2%
ADR	JPY 4,380	JPY 5,152	+17.6%	JPY 8,475

* Data of 10 hotels for January 2019 fiscal period, 12 hotels for July 2019 fiscal period, 14 hotels for January 2021 & July 2021 fiscal periods, and 15 hotels for January 2022 & July 2022 fiscal periods

Continuing with JPY 37M Expense Reserve for Covid-Related Hotel Operator Support and/or Potential Rent Reductions for January 2022 Fiscal Period

January 2022 Forecast

Dividend JPY 724, -12.0% YOY

(JPY million)

	Jan 2021 Actual (A)	Jan 2022 Previous Forecast (Mar 2021)	Jan 2022 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,035	1,058	1,007	-28	January 2021: Rent from sold asset (Naha) +7 Increase in variable rent +29 (Valie Hiroshima, Kumamoto, Yokohama) Decrease in variable rent -3 (Asagaya, Fukuoka, Kurashiki)
Variable Rent	-3	81	30	+33	
Fixed Rent	993	932	933	-60	Increase in fixed rent +61 (Okayama, Fukuoka, Shibuya) Decrease in fixed rent -121 (Nagoya, Osaka Sakaisuji, Yokohama, Kurashiki)
Other (Gains on Sales, etc.)	45	44	44	-1	
Operating Expenses	626	663	670	+44	Increase in property tax +10 (Shibuya, Shimonoseki, Matsuyama), Covid-related reserve +37 Decrease in AM fee -6 Increase in repair expenses +15 (Yokohama, Kurashiki, Asagaya, Shinsaibashi, Shimonoseki) Decrease in repair expenses -22 (Fukuoka, Nest Osaka, Okayama, Valie Hiroshima)
Repair & Maintenance	43	33	36	-7	
Depreciation	341	347	351	+10	Increase in Depreciation: Okayama, Yokohama, Urbain Hiroshima, Shimonoseki, Kumamoto
Operating Profit	409	395	336	-73	
Recurring Profit	210	184	111	-99	Borrowing-related expenses +24 Fall-off of non-operating income -2
Net Income	209	183	184	-25	Extraordinary gains +74 (legal settlement)
Dividend	JPY 823	JPY 719	JPY 724	-JPY 99	-12.0% YOY +0.7% (+ JPY 5) vs. previous forecast
NOI	844	833	777	-67	
Post-Depreciation NOI	503	486	425	-78	
Capex	123	345	388	+265	

July 2022 Forecast

Dividend JPY 666, -36.9% YOY

(JPY million)

	Jul 2021 Actual (A)	Jul 2022 Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,117	1,024	-93	
Variable Rent	126	79	-47	Increase in variable rent +77 (Kumamoto, Matsuyama, Sapporo Ekimae, Kurashiki, Nagoya) Decrease in variable rent -124 (Valie Hiroshima)
Fixed Rent	947	902	-45	Increase in fixed rent +29 (Okayama, Fukuoka) Decrease in fixed rent -74 (Nagoya, Kurashiki, Osaka Sakaisuji)
Other (Gains on Sales, etc.)	44	43	-1	
Operating Expenses	652	629	-23	Decrease in AM fee -17, Other expenses +2
Repair & Maintenance	46	34	-12	Increase in repair expenses +10 (Kyoto, Central International Airport, Asagaya, Shimonoseki) Decrease in repair expenses -22 (Osaka Sakaisuji, Matsuyama, Yokohama, Kurashiki)
Depreciation	347	351	+4	Increase in Depreciation: Fukuoka, Okayama, Yokohama
Operating Profit	465	395	-70	
Recurring Profit	269	170	-99	Borrowing-related expenses +18, Interest expenses +9 Fall-off of non-operating income -2
Net Income	268	169	-99	
Dividend	JPY 1,055	JPY 666	-JPY 389	-36.9% YOY
NOI	912	832	-80	
Post-Depreciation NOI	565	481	-84	
Capex	335	546	+211	

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 186,921,674kWh



Equivalent to annual energy consumption of 62,307 households
The Federation of Electric Power Companies of Japan - Annual energy consumption per household 3,000kWh

Annual CO2 Reduction 123,368,301kg

Equivalent to annual CO2 emission of 53,638 cars



Ministry of Environment
Annual CO2 emission per car c. 2,300kg
(Jul 2020 ~ Jun 2021 Actuals – Ichigo & Ichigo Green)

Sponsor Ichigo Joins RE100

Ichigo RE100 Target: Source 100% of Electricity Needs Across Its Operations From Renewable Energy by 2025 (Including Ichigo Office and Ichigo Hotel Assets)



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.

Ichigo Hotel (3463) & Ichigo Office (8975) Initiatives

Ichigo Hotel (3463)

- Environmental Certifications
HOTEL EMIT SHIBUYA (BELS 4 Stars)
- GRESB
Joined in 2021
- Sourcing Renewable Energy
Transition starting from the January 2022 fiscal period

Ichigo Office (8975)

- Environmental Certifications
15 certifications (14 assets), 25.1% of total leasable area
- GRESB (since 2016)
Green Star (Highest Ranking) 4 years in a row
- Sourcing Renewable Energy
Transition to 100% renewable energy at all assets by April 2022 (excluding partially-owned and co-owned assets)



G R E S B
★ ★ ★ ★ ★ 2020



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
32% 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 With 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 62) 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

28 of 62 J-REITs have AMC Presidents serving as Executive Director of the REIT

Ichigo Hotel:
All Directors are Independent

Independent Directors at AMC

Only 3 Asset Management Companies have any Independent Directors

Ichigo Investment Advisors:
3 of 5 Directors are Independent

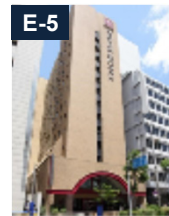
* Based on information as of August 31, 2021

Appendix: Portfolio Details

Hotel Map

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

Kinki (Kyoto/Osaka/Kobe)

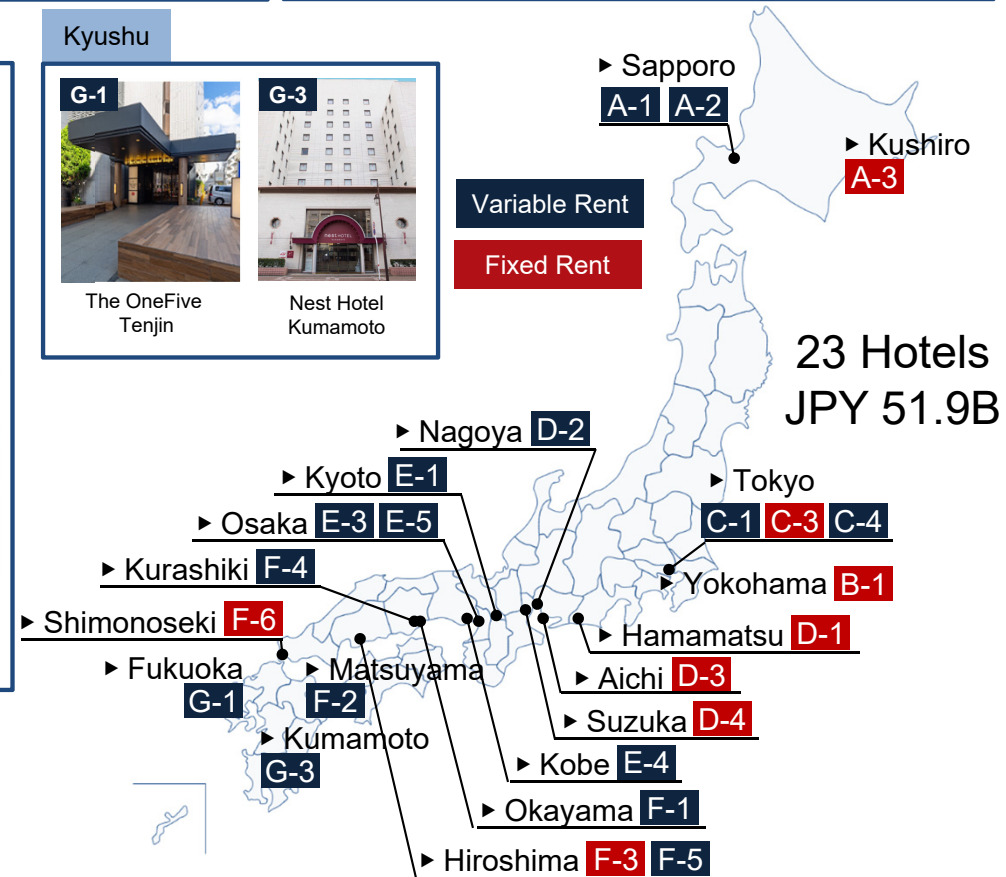
E-1  Smile Hotel Kyoto Shijo	E-3  Chisun Inn Osaka Hommachi*
E-4  Hotel Wing International Kobe Shin Nagata Ekimae	E-5  Nest Hotel Osaka Shinsaibashi

Chugoku/Shikoku

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

Kyushu










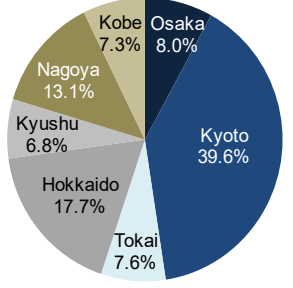
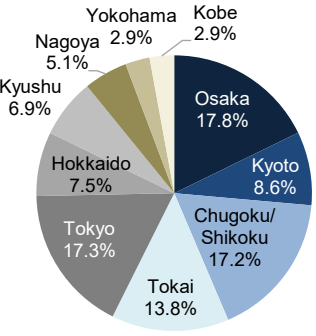
G-1  The OneFive Tenjin	G-3  Nest Hotel Kumamoto
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* Rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021

(July 2021 rent-basis)

Portfolio Growth

	IPO (Nov 30, 2015)	Jan 2017 Fiscal Period	July 2017 through July 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 July 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>July 31, 2021</p> 

Acquisition price-basis

Portfolio Lease Details

Operator Diversification Driving Earnings Stability

(as of July 31, 2021)

Lease Terms	Fixed Rent	Fixed + Variable Rent		Variable Rent	Total
Form of Contract	Lease	Lease	Lease	Lease	–
Fixed Rent	Yes	Yes	Yes	–	–
Variable Rent	–	Fixed Portion of Revenue Upside	Fixed Portion of Hotel GOP	Excess Above Fixed Portion of Hotel GOP	–
Rental Income (July 2021 Actual)	JPY 385M (35.9%)	JPY 108M (10.1%)	JPY 580M (54.0%)	Not Available ²	JPY 1,073M (100%)
Number of Hotels	7 Hotels	2 Hotels	13 Hotels	1 Hotel	23 Hotels
Total Acquisition Price	JPY 11.70B (22.5%)	JPY 4.16B (8.0%)	JPY 34.57B (66.6%)	JPY 1.49B (2.9%)	JPY 51.91B (100%)
Hotels	<ul style="list-style-type: none"> • Comfort Hotel Kushiro • Comfort Hotel Hamamatsu • Comfort Hotel Central International Airport • Comfort Hotel Suzuka • Hotel Livemax Nihombashi-Hakozaki • Urbain Hiroshima Executive • Washington Hotel Plaza Shimonoseki Eki Nishi 	<ul style="list-style-type: none"> • Hotel Wing International Nagoya • Hotel Wing International Kobe Shin Nagata Ekimae 	<ul style="list-style-type: none"> • 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 • Chisun Inn Osaka Hommachi¹ 	<ul style="list-style-type: none"> • Capsule Plus Yokohama 	–

¹ Changed operator, and rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021

² Operator did not provide consent to disclose information

Individual Hotel Summary

(as of July 31, 2021)

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m ²)	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jul 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	2,112	2,590	5.1	+477
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,470	1,830	5.0	+359
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	288	421	5.5	+132
	B-1	Capsule Plus Yokohama	Fixed Rent	Yokohama	1,183.26	1,490	1,561	1,310	4.8	-251
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,915	4,240	4.3	+324
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,287	1,400	4.6	+112
	C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	1,470.52	3,700	3,809	3,960	3.6	+150
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,419	1,750	5.2	+330
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,689	2,470	4.8	-219
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,265	5,790	4.1	+524
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	271	359	5.0	+87
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,519	3,570	4.5	-949
	E-3	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	3,690.00	1,630	1,758	1,200	4.9	-558
	E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	4,540.90	1,490	1,388	1,810	4.7	+421
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,583	5,460	4.4	-2,123
	F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	5,543.70	1,200	1,208	1,800	5.7	+591
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,617	1,970	5.6	+352
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,805	2,060	5.3	+254
	F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,798	2,000	5.1	+201
	F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	4,332.50	1,500	1,566	1,660	5.0	+93
	F-6	Washington Hotel Plaza Shimonoseki Eki Nishi	Fixed Rent	Shimonoseki, Yamaguchi	5,709.35	1,080	1,098	1,180	4.9	+81
	G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,455	2,200	4.3	+744
	G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	6,404.36	2,220	2,173	2,330	5.4	+156
Total (23 Hotels)					102,471.81	51,913	52,064	53,360	4.7	+1,295

July 2021 Fiscal Period Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. Of Guest Rooms	July 2021 (February 2021 - July 2021)							
					RevPAR (JPY)		Occupancy (%)		ADR (JPY)		Revenue (JPY M)	
A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	3,319	(+9.1%)	87.5%	(+48.7%)	3,795	(-26.6%)	124.8	(+18.4%)
A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	2,495	(-30.2%)	65.3%	(+3.2%)	3,820	(-32.3%)	66.8	(-24.6%)
A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	3,205	(+45.6%)	62.5%	(+29.7%)	5,129	(+12.2%)	77.3	(+42.0%)
C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	4,761	(+10.4%)	96.4%	(+25.5%)	4,939	(-12.0%)	99.3	(+9.3%)
C-4	HOTEL EMIT SHIBUYA	Variable + Fixed Rent	Tokyo	72	4,157	-	94.4%	-	4,405	-	54.3	-
D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	2,473	(+26.5%)	50.7%	(+29.5%)	4,879	(-2.3%)	87.7	(+25.8%)
D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	1,535	(-16.7%)	40.0%	(+26.2%)	3,836	(-34.0%)	69.8	(+11.5%)
D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	2,699	(+28.8%)	38.7%	(+52.6%)	6,977	(-15.6%)	173.4	(+26.2%)
D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	2,580	(+45.7%)	51.8%	(+35.2%)	4,983	(+7.8%)	49.7	(+44.9%)
E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	867	(-67.0%)	28.1%	(-52.6%)	3,079	(-30.5%)	24.0	(-42.5%)
E-3	Chisun Inn Osaka Hommachi	Variable + Fixed Rent	Osaka	130	-	-	-	-	-	-	-	-
E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	133	2,860	(+31.5%)	41.4%	(+21.0%)	6,913	(+8.7%)	77.4	(+32.4%)
E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	331	(-74.1%)	9.8%	(-52.5%)	3,362	(-45.5%)	12.7	(-70.4%)
F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	208	2,364	(-2.6%)	89.6%	(+64.2%)	2,638	(-40.6%)	92.5	(-5.6%)
F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	2,308	(-9.4%)	54.3%	(+5.0%)	4,252	(-13.7%)	98.6	(-10.1%)
F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	171	1,616	(-11.1%)	23.2%	(-32.1%)	6,977	(+31.0%)	50.0	-
F-4	Court Hotel Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	107	1,974	(-28.9%)	34.2%	(-33.6%)	5,770	(+7.0%)	47.7	(+43.2%)
F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	171	7,261	(+228.4%)	96.6%	(+78.2%)	7,519	(+84.3%)	234.2	(+505.1%)
G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	77	2,436	(-41.1%)	90.4%	(+30.4%)	2,694	(-54.8%)	39.7	(+11.7%)
G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	201	2,409	(+26.9%)	64.5%	(+47.1%)	3,735	(-13.8%)	98.7	(+19.6%)
Other				455								
Variable Rent Hotels				2,523	2,815	(+12.9%)	64.3%	(+31.7%)	4,380	(-14.3%)	1,086.1	(+20.4%)
Fixed Rent Hotels				1,230	2,496	(+23.7%)	44.6%	(+24.1%)	5,602	(-0.3%)	457.6	(+24.5%)
Total				3,753	2,705	(+16.4%)	57.4%	(+30.0%)	4,708	(-10.5%)	1,543.7	(+21.6%)

* Operating Results data for Hotel Livemax Nihombashi-Hakozaki, Capsule Plus 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.

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-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 Kumamoto	
(A) Rental Income	1,117,958	31,129	27,072	18,419	61,603	47,568	55,361	151,441	15,442	30,744	2,828	66,291	61,227	36,323	31,665	145,079	14,062	25,134	296,561
Fixed Rent	947,031	31,129	27,072	18,419	61,603	47,568	55,361	151,441	15,442	30,744	2,828	66,291	61,227	36,323	31,665	17,934	14,062	25,134	252,780
Variable Rent	126,577	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126,545	-	-	32
Other Rent	44,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	-	-	43,748
(B) Rental Expenses	204,982	9,218	10,948	5,464	9,197	6,201	3,641	14,061	4,114	7,467	15,309	17,612	7,035	10,451	9,074	6,391	6,370	8,324	54,095
Outsourcing Fees	19,234	600	600	900	2,442	600	600	570	540	600	2,831	1,200	600	720	600	720	600	790	3,720
Insurance	3,286	177	190	95	99	70	114	323	55	151	113	279	167	227	118	151	63	210	674
Repair Expenses	46,520	3,062	1,601	48	2,578	507	268	111	1,374	1,451	8,815	1,633	2,097	4,678	3,907	1,080	1,987	2,218	9,097
Taxes	115,462	4,953	8,127	4,009	3,665	4,653	2,387	12,600	1,733	4,905	3,161	14,088	3,732	4,397	4,083	4,071	3,355	4,691	26,843
Other Expenses	20,478	424	429	411	410	369	271	455	411	359	386	411	438	429	363	369	364	411	13,759
(C) NOI (A) - (B)	912,975	21,910	16,123	12,955	52,405	41,366	51,719	137,380	11,328	23,276	-12,481	48,678	54,192	25,871	22,591	138,687	7,692	16,810	242,465
(D) Depreciation	347,112	16,030	17,287	5,426	26,773	7,699	14,744	34,905	4,145	16,559	7,818	34,332	15,771	18,135	11,248	21,057	8,065	19,455	67,654
Net Rental Income (C) - (D)	565,863	5,880	-1,163	7,528	25,632	33,666	36,975	102,474	7,182	6,717	-20,299	14,346	38,420	7,736	11,342	117,630	-373	-2,644	174,811

* Rents 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 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.

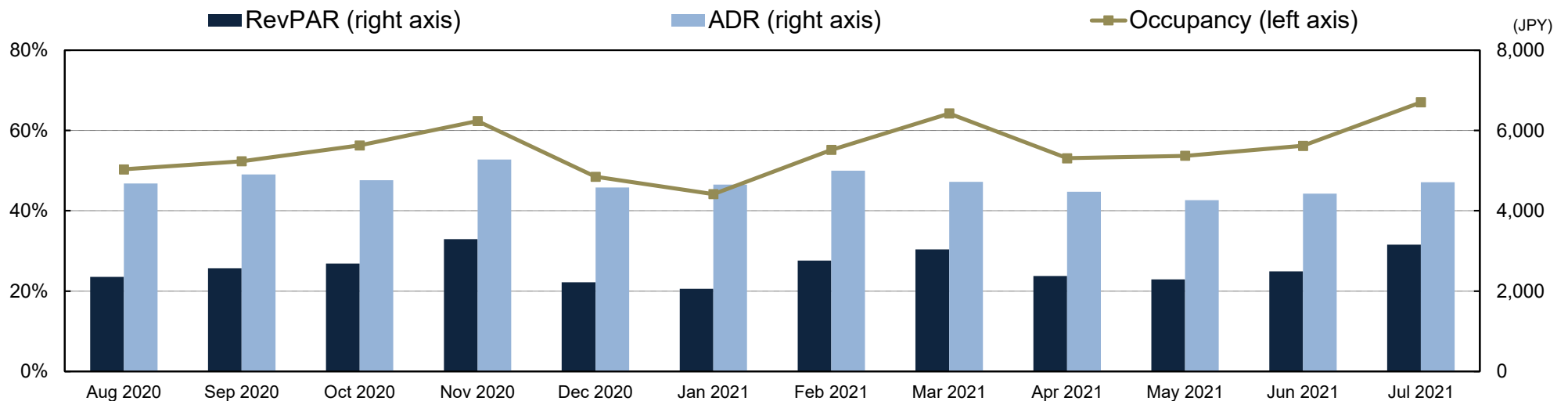
Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

Fixed/Variable Rent

(JPY thousand)

		Jul 2020		Jan 2021		Jul 2021	
		Rent	Ratio	Rent	Ratio	Rent	Ratio
Rent	Fixed Rent	963,173	–	1,023,281	–	976,195	87.3%
	Fixed Rent from Operators	935,606	–	993,875	–	947,031	84.7%
	Other (Rent from Retail Tenants)	27,566	–	29,405	–	29,164	2.6%
	Variable Rent	-25,467	–	-3,942	–	126,577	11.3%
Other (Utility Income)		15,371	–	16,238	–	15,184	1.4%
Total		937,705	100%	1,035,576	100%	1,117,958	100%

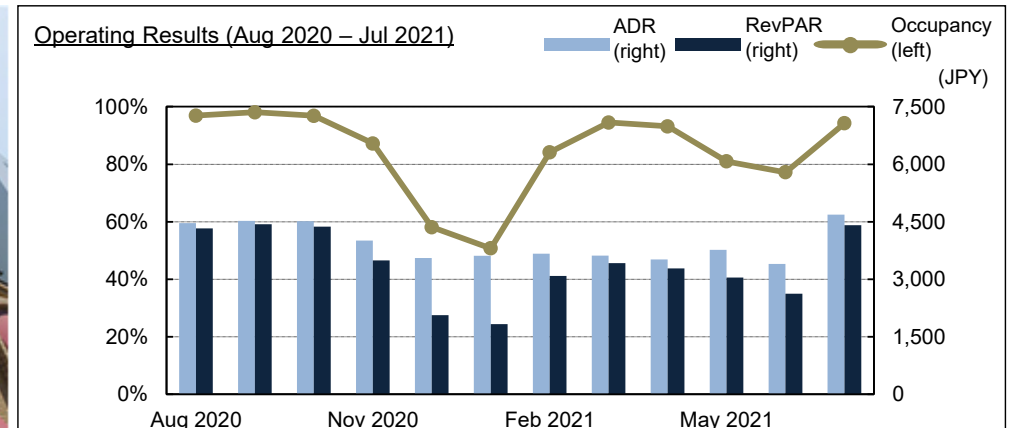
Operating Results (Aug 2020 – Jul 2021)



Variable Rent Hotel Details

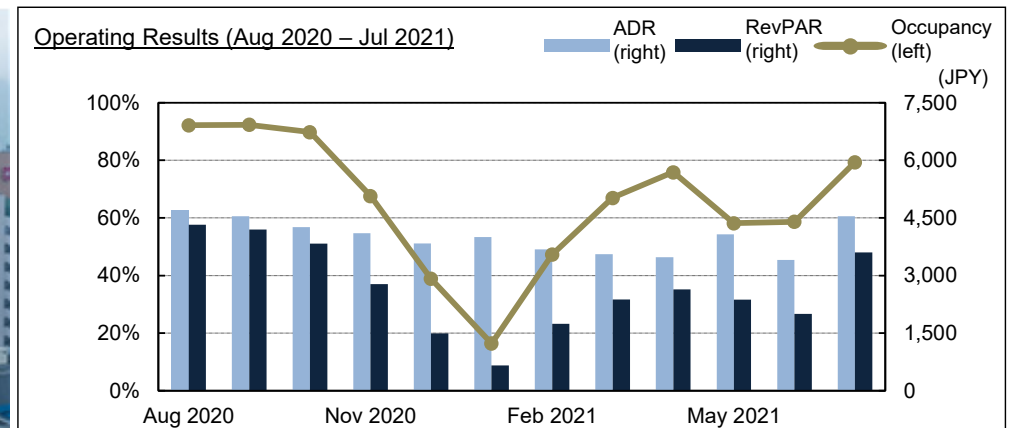
A-1 Nest Hotel Sapporo Ekimae

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

B-1 Capsule Plus Yokohama

Location	Yokohama, Kanagawa
Access	6-minute walk from Yokohama Station on JR/ Subway Line
Operator	nine hours Inc.
Guest Rooms	169
Acquisition Price	JPY 1.49B

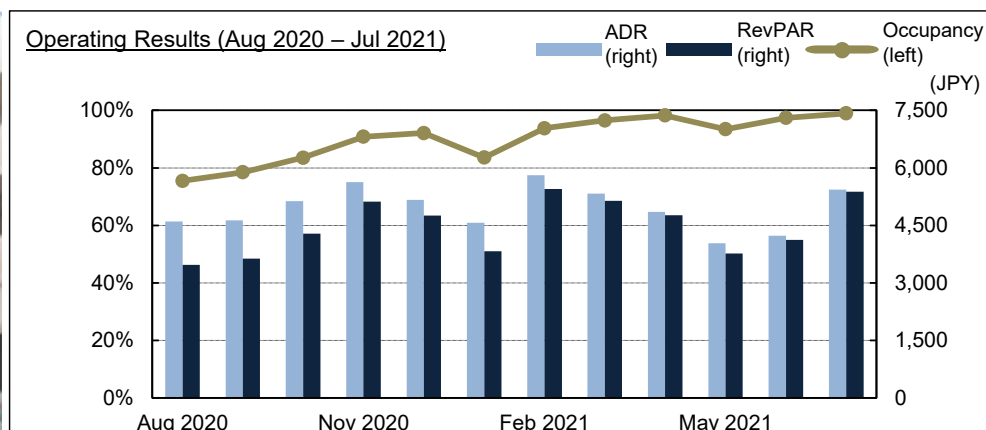


The hotel operator did not give consent to disclose data.

* Changed operator and changed hotel name to Capsule Plus Yokohama in March 2021.

C-1 Smile Hotel Tokyo Asagaya

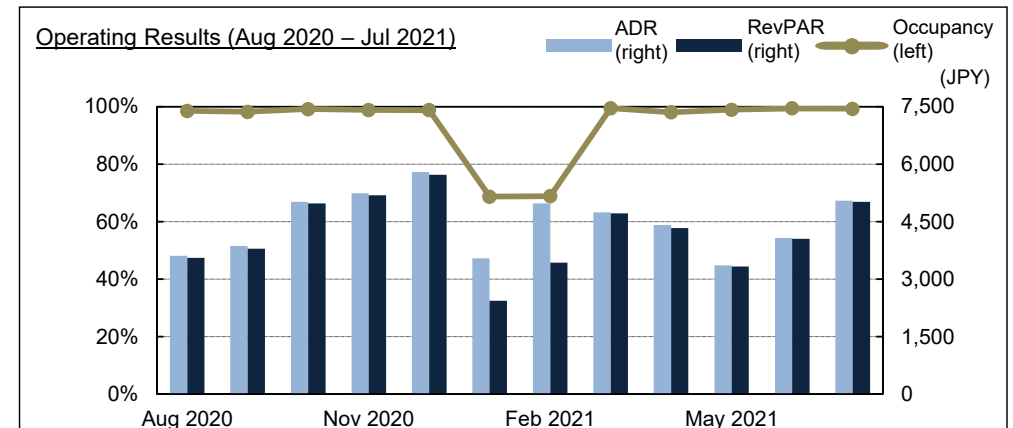
Location	Suginami-ku, Tokyo
Access	1-minute walk from Asagaya Station on JR Chuo/Sobu Line
Operator	K.K. Hospitality Operations
Guest Rooms	112
Acquisition Price	JPY 3.91B



Variable Rent Hotel Details

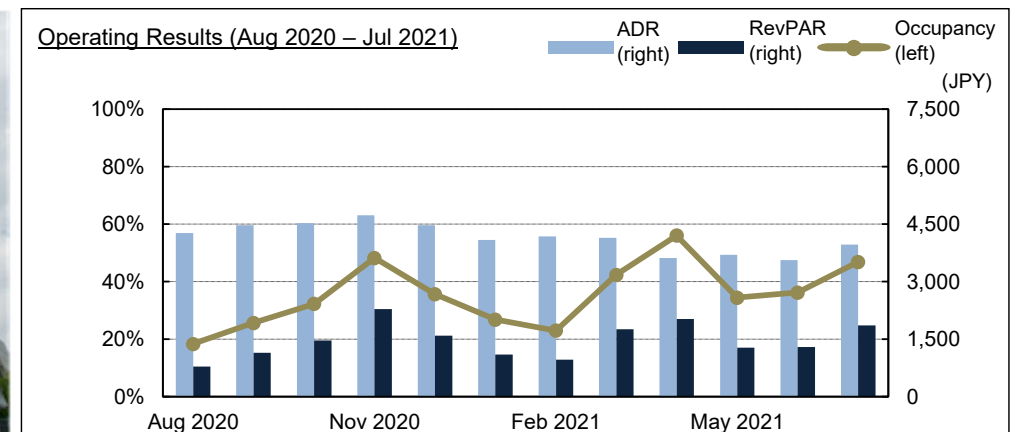
C-4 HOTEL EMIT SHIBUYA

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



D-2 Hotel Wing International Nagoya

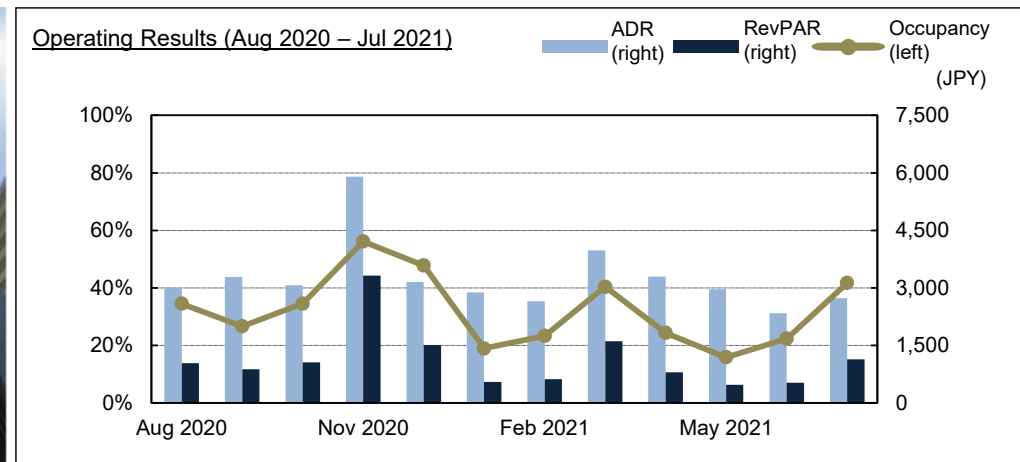
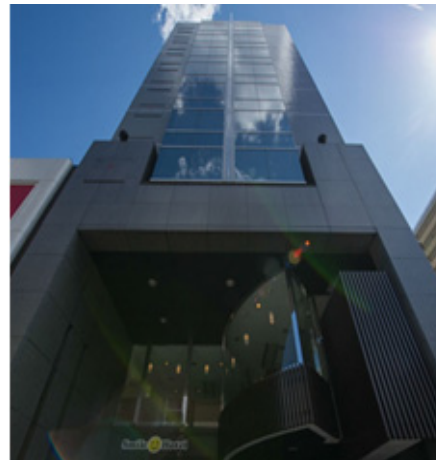
Location	Nagoya
Access	2-minute walk from Marunouchi Station on both Nagoya Subway Network Sakuradori Line and Tsurumai Line
Operator	Minacia Co., Ltd.
Guest Rooms	224
Acquisition Price	JPY 2.67B



Variable Rent Hotel Details

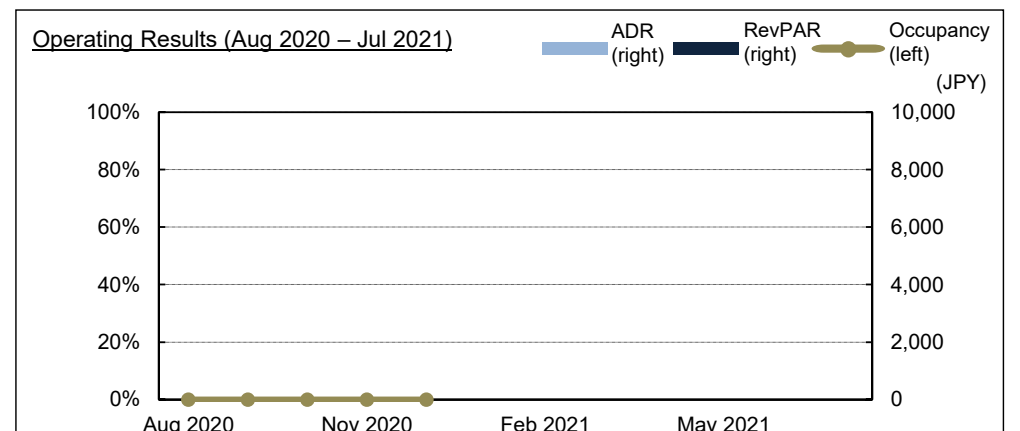
E-1 Smile Hotel Kyoto Shijo

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



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

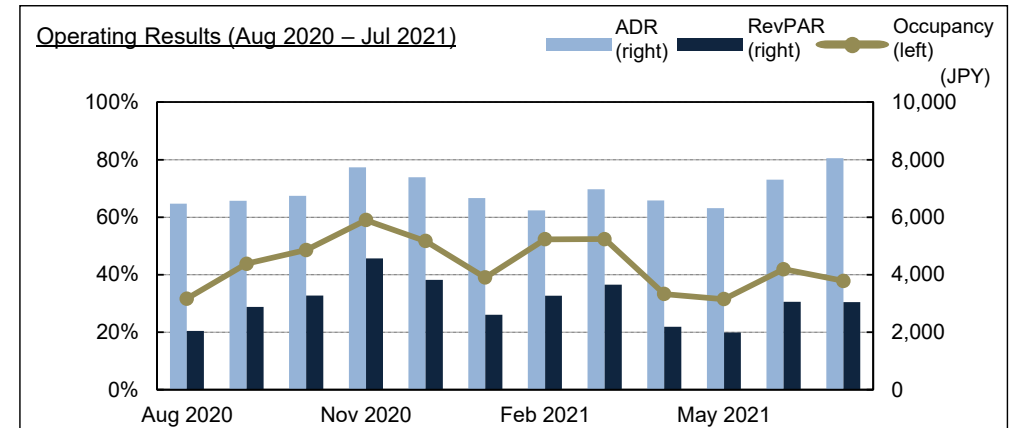


* Changed operator and changed hotel name to The OneFive Osaka Sakaisuji on September 1, 2021.

Variable Rent Hotel Details

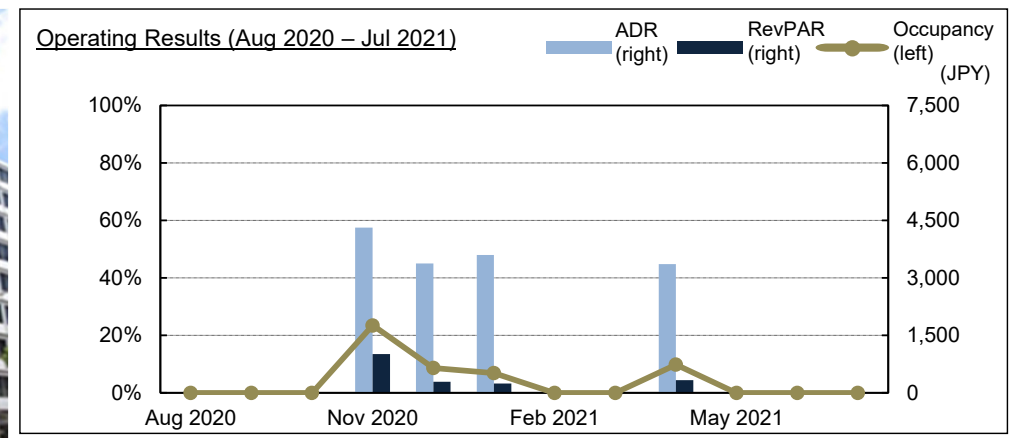
E-4 Hotel Wing International Kobe Shin Nagata Ekimae

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



E-5 Nest Hotel Osaka Shinsaibashi

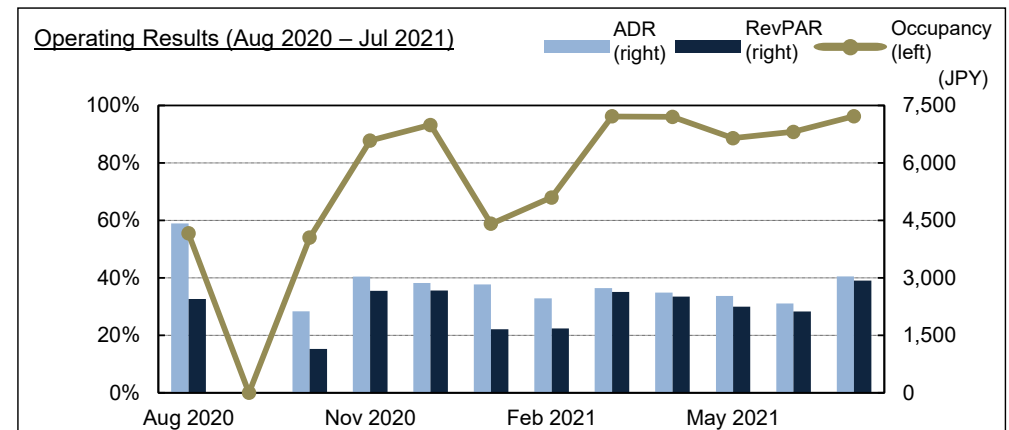
Location	Osaka
Access	1-minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	302
Acquisition Price	JPY 7.60B



Variable Rent Hotel Details

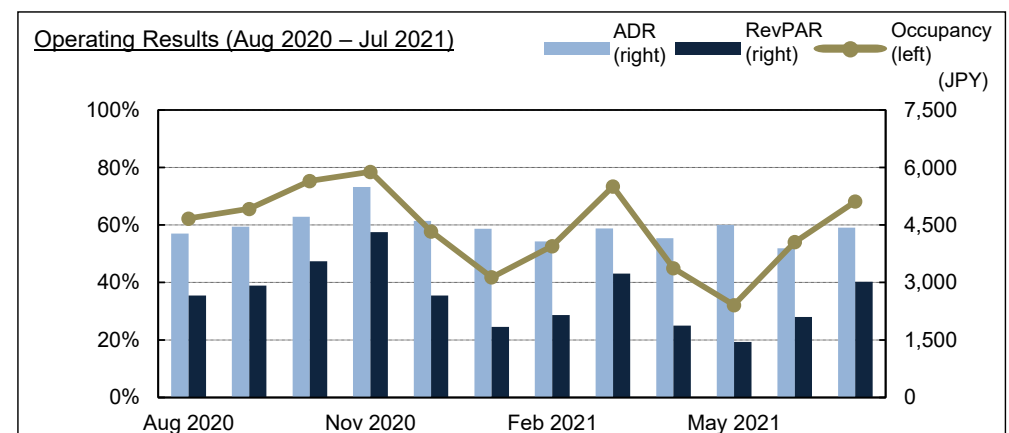
F-1 The OneFive Okayama

Location	Okayama
Access	15-minute walk from Okayama Station on Sanyo Shinkansen, Sanyo Main Line, Uno Line
Operator	Hakata Hotels Inc.
Guest Rooms	208
Acquisition Price	JPY 1.20B



F-2 Nest Hotel Matsuyama

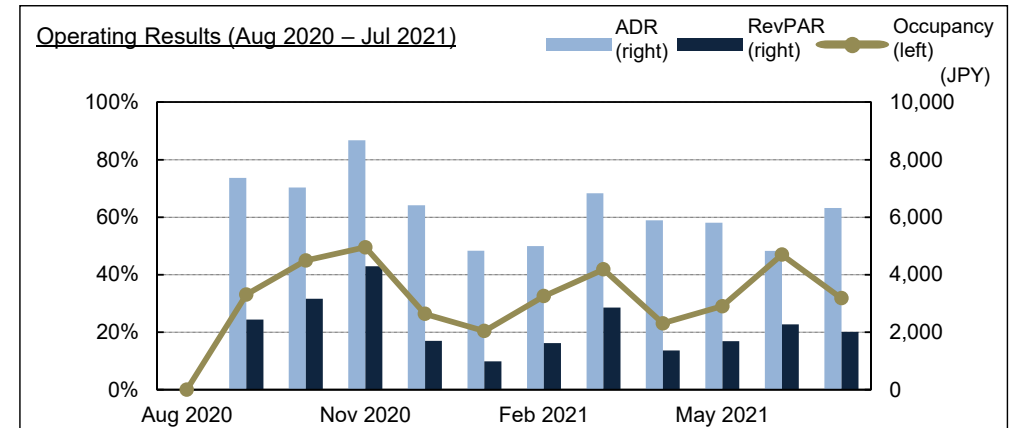
Location	Matsuyama, Ehime
Access	25-minute drive from Matsuyama Airport, 3-minute walk from Katsuyamacho Station on Iyo Railway Jonan Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	190
Acquisition Price	JPY 1.61B



Variable Rent Hotel Details

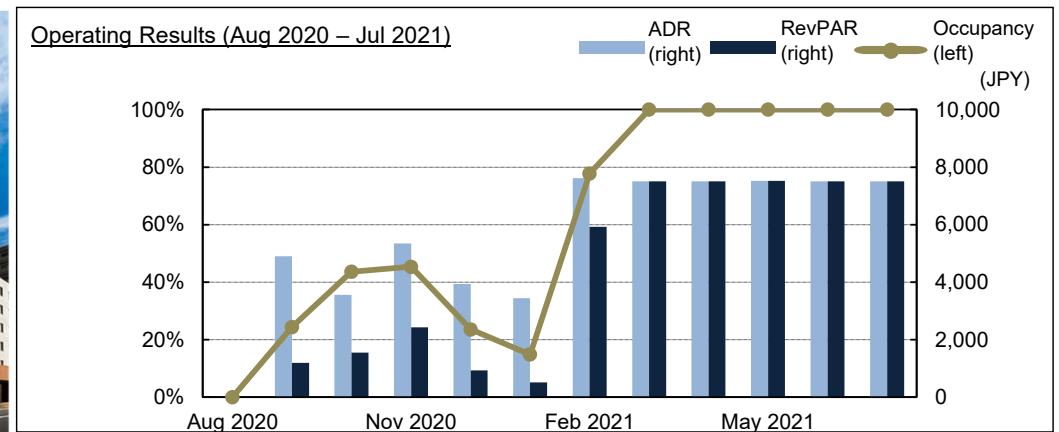
F-4 Court Hotel Kurashiki

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



F-5 Valie Hotel Hiroshima

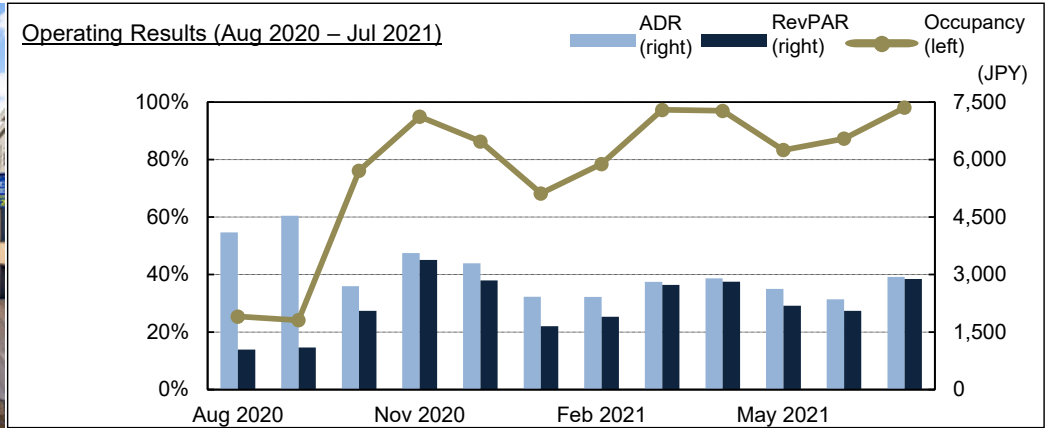
Location	Hiroshima
Access	3-minute walk from Jogakuin-mae Station on Hiroden Tram Line
Operator	The Court Co., Ltd.
Guest Rooms	171
Acquisition Price	JPY 1.50B



Variable Rent Hotel Details

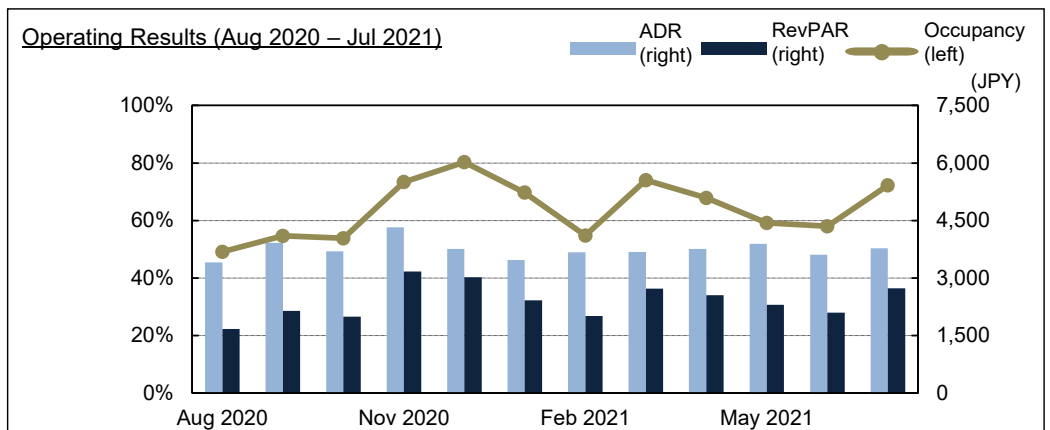
G-1 The OneFive Fukuoka Tenjin

Location	Fukuoka
Access	6-minute walk from Tenjin Station on Fukuoka City Subway Kuko Line
Operator	Hakata Hotels Inc.
Guest Rooms	77
Acquisition Price	JPY 1.38B



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

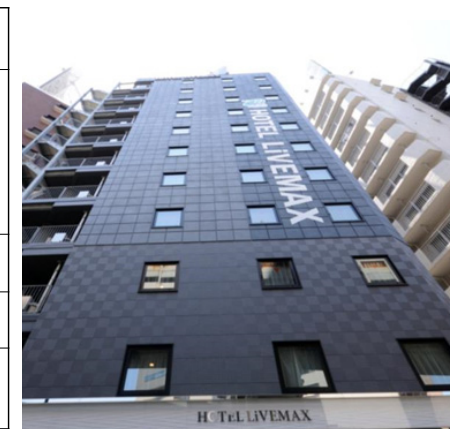
A-3 Comfort Hotel Kushiro

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



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



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



Fixed Rent Hotel Details

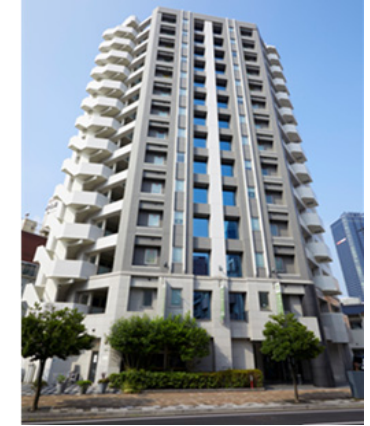
D-4 Comfort Hotel Suzuka

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

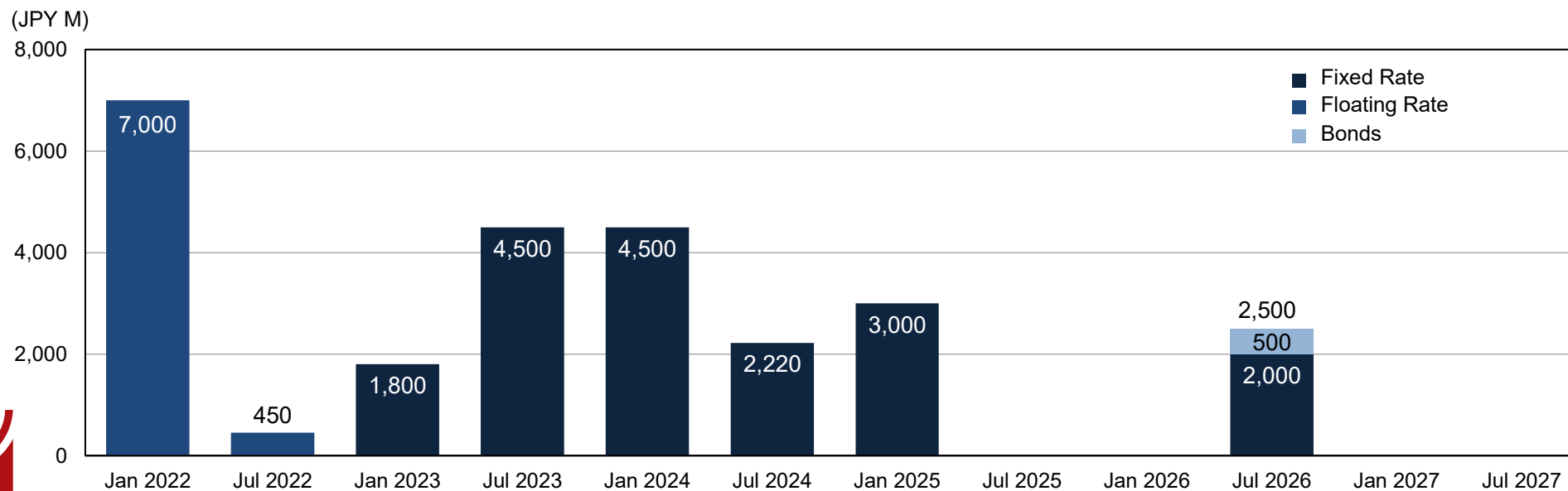
Stable Financial Base

Outstanding Loan Balance

	Jul 31, 2019	Jan 31, 2020	Jul 31, 2020	Jan 31, 2021	Jul 31, 2021
Amount	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B
Long-Term Loan Ratio	100%	100%	93.1%	72.5%	70.7%
Fixed Rate Ratio	83.5%	83.5%	91.4%	70.7%	70.7%
Average Interest Rate	0.86%	0.88%	0.87%	0.82%	0.75%
Average Remaining Maturity	3.0 years	2.5 years	2.5 years	2.3 years	1.8 years
LTV (Total Assets Basis)	43.0%	41.5%	43.6%	43.3%	43.2%

* The above does not include investment corporation bonds.

Distribution of Loan Maturities



Loan Details

(as of July 31, 2021)

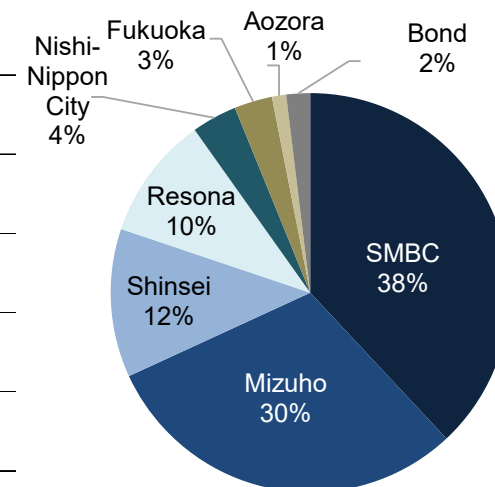
Loan	Lender	Amount (JPY million)	Floating/Fixed	Interest Rate (%)	Borrowing Date	Maturity
Term Loan 4	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.90750%	August 17, 2016	February 28, 2023
Term Loan 5	SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.98500%	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	0.50727%	November 30, 2020	November 29, 2021

Total Borrowings	25,470	Average 0.75%	Average Remaining Loan Term 1.8 years
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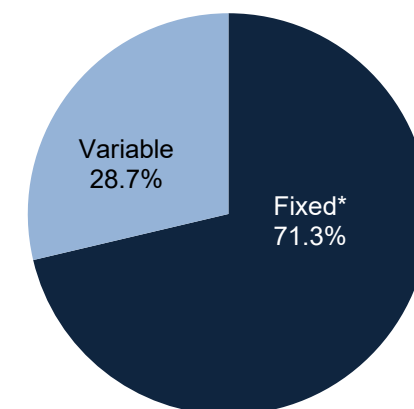
Issue Date	Name	Issue Amount (JPY million)	Interest Rate	Redemption Date	Issuance Period
November 25, 2020	First Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	500	2.00%	April 30, 2026	5.4 years

Total Interest-Bearing Liabilities	25,970	Average 0.78%	Average Remaining Loan Term 1.9 years
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Lender Composition



Fixed vs. Floating



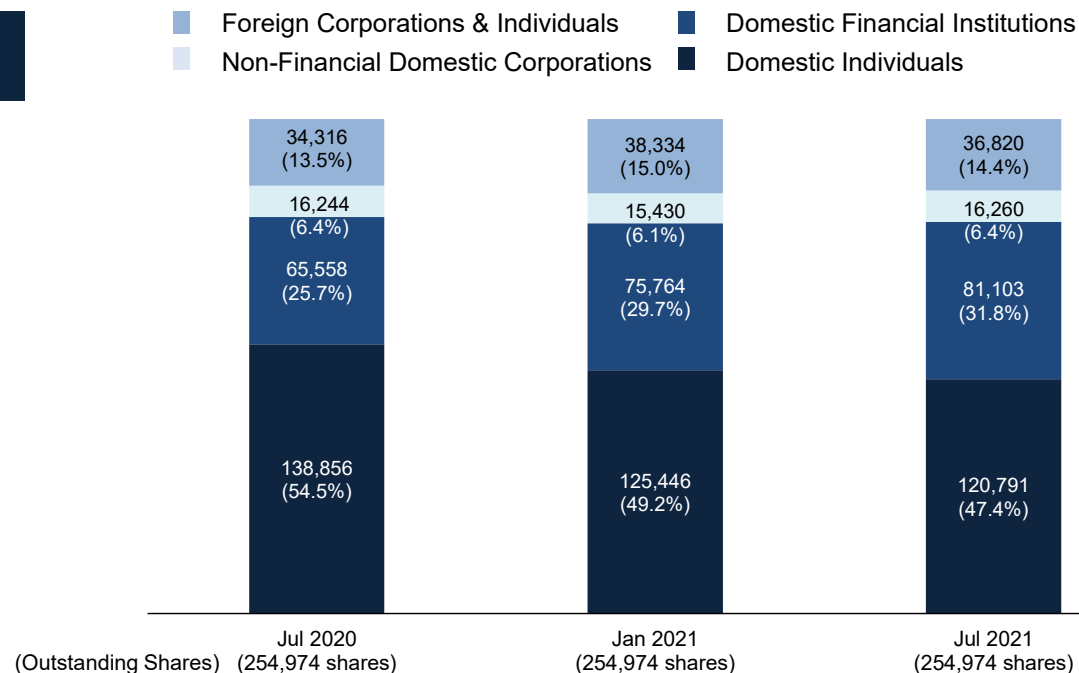
* Includes interest fixed via swaps

Shareholder Composition

Major Shareholders (as of July 31, 2021)

	Name	No. Of Shares	Share
1	Custody Bank of Japan, Ltd., Trust Account	24,741	9.7%
2	The Master Trust Bank of Japan, Trust Account	24,629	9.7%
3	Ichigo Trust Pte. Ltd.	10,908	4.3%
4	Nomura Trust & Banking Co., Ltd., Investment Trust Account	9,417	3.7%
5	Ichigo Inc. (Sponsor)	6,500	2.5%
6	Custody Bank of Japan, Ltd., Securities Investment Trust Account	4,933	1.9%
7	Banshu Shinkin Bank	4,900	1.9%
8	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/SECURITIES – AIFM	4,352	1.7%
9	Individual Shareholder	3,140	1.2%
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,112	1.2%
	Total	96,632	37.9%

By Number of Shares Held



By Number of Shareholders

	Jul 31, 2020	Jan 31, 2021	Jul 31, 2021	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	18,688	16,985	16,178	97.5%
Domestic Financial Institutions	38	36	35	0.2%
City banks, trust banks	4	4	4	–
Regional banks	–	–	–	–
Other (including securities companies)	34	32	31	0.2%
Non-Financial Domestic Corporations	248	232	226	1.4%
Foreign Corporations & Individuals	124	144	154	0.9%
Total	19,098	17,397	16,593	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"> • 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.

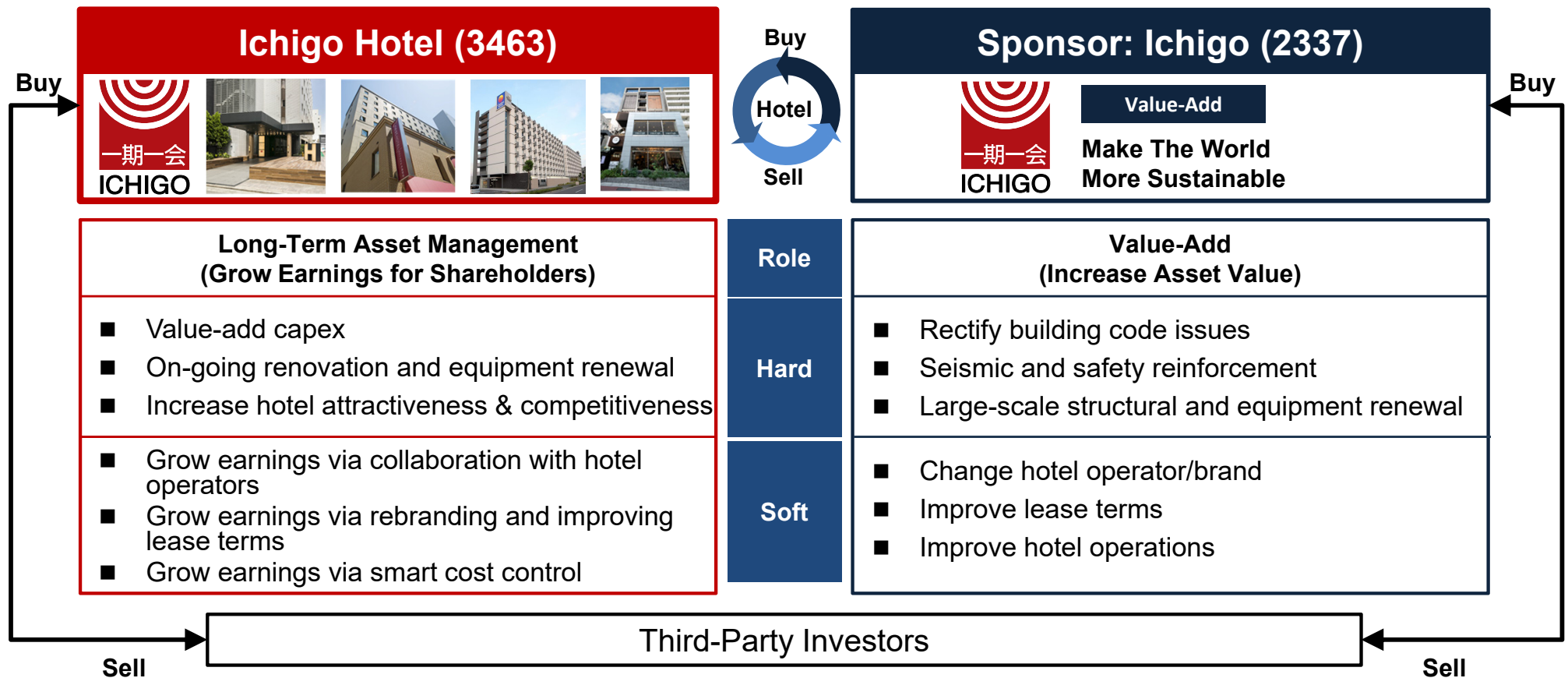
Asset Management	Ichigo Investment Advisors	Ichigo Hotel (3463)
		Ichigo Green (9282)
		Ichigo Office (8975)
Sustainable Real Estate	Ichigo Estate	Miyako City
	Ichigo Owners	Centro
	Ichigo Land Shinchiku	Storage Plus
	Ichigo Real Estate Services Fukuoka	Ichigo Animation
	Ichigo Marché	Hakata Hotels
Clean Energy	Ichigo ECO Energy	



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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 12 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 (Number of rooms in parentheses)	<u>Tokyo</u> : HOTEL EMIT SHIBUYA (72), MusBee Tokyo Hamamatsucho (29) <u>Kyoto</u> : The OneFive Kyoto Shijo (146) <u>Osaka</u> : The OneFive Osaka Sakaisuji (130) <u>Okayama</u> : The OneFive Okayama (208) <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)

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 May 31, 2021

- 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.