

[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.

March 17, 2022

January 2022 Fiscal Period Earnings

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

Representative: Osamu Miyashita, 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*): April 27, 2022 (expected)

Dividend Payment: April 22, 2022 (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 January 2022 Fiscal Period (August 1, 2021 to January 31, 2022)

(1) Earnings

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
January 2022	1,125	+0.7%	472	+1.4%	274	+1.8%	342	+27.6%
July 2021	1,117	+8.0%	465	+13.7%	269	+28.0%	268	+28.1%

	Net Income per Share (JPY)	Return on Equity (6 months)	Recurring Profit to Total Assets (6 months)	Recurring Profit to Operating Revenue
January 2022	1,345	1.1%	0.5%	24.4%
July 2021	1,054	0.8%	0.5%	24.1%

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)
January 2022	1,345	342	–	–	100.0%	1.1%
July 2021	1,055	268	–	–	100.1%	0.8%

(3) Assets and Equity

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
January 2022	59,393	31,940	53.8%	125,270
July 2021	58,929	31,866	54.1%	124,979

(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
January 2022	809	-229	-268	6,191
July 2021	722	-254	-210	5,881

2. Earnings Forecasts for the July 2022 Fiscal Period (February 1, 2022 to July 31, 2022) and January 2023 Fiscal Period (August 1, 2022 to January 31, 2023)

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
July 2022	1,069	-5.0%	421	-10.7%	214	-21.8%	213	-37.7%
January 2023	1,093	+2.3%	451	+7.0%	219	+2.4%	218	+2.4%

(JPY)

	Dividend per Share	Dividend per Share in Excess of Earnings
July 2022	838	—
January 2023	858	—

Note: Forecast Net Income per Share is JPY 838 (-20.5% year-on-year) and JPY 858 (-36.2% year-on-year), respectively, for the July 2022 and January 2023 fiscal periods.

Given ongoing Covid uncertainty, these earnings forecasts are subject to change.

3. Other

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

- (i) Changes Accompanying Amendments to Accounting Standards: Yes
- (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 July 31, 2021 and January 31, 2022.

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 July 2022 Earnings Forecast” on page 5 and “Preconditions for the January 2023 Earnings Forecast” on page 8.

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Material Matters after Closing of the Fiscal Period

None

Earnings Forecasts

Earnings Forecast for the July 2022 Fiscal Period (February 1, 2022 to July 31, 2022)

For details on the preconditions for this forecast, please refer to page 5.

Operating Revenue	JPY 1,069 million
Operating Profit	JPY 421 million
Recurring Profit	JPY 214 million
Net Income	JPY 213 million
Dividend per Share	JPY 838
Dividend in Excess of Earnings	—

Earnings Forecast for the January 2023 Fiscal Period (August 1, 2022 to January 31, 2023)

For details on the preconditions for this forecast, please refer to page 8.

Operating Revenue	JPY 1,093 million
Operating Profit	JPY 451 million
Recurring Profit	JPY 219 million
Net Income	JPY 218 million
Dividend per Share	JPY 858
Dividend in Excess of Earnings	—

Preconditions for the July 2022 Earnings Forecast

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Period	<ul style="list-style-type: none"> February 1, 2022 to July 31, 2022 (181 days) 																																																		
Number of Hotels	<ul style="list-style-type: none"> 23 hotels The Court Hotel Kurashiki had an operator change on December 15, 2021 and was rebranded and reopened as The OneFive Garden Kurashiki on February 1, 2022. 																																																		
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>July 2022 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>Occupancy³</td> <td>73.0%</td> </tr> <tr> <td>ADR⁴</td> <td>JPY 4,891</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 16 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, Court Hotel Kurashiki, Nest Hotel Kumamoto, Valie Hotel Hiroshima, and HOTEL EMIT SHIBUYA. However, 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 July 2022 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>30</td> <td>–</td> <td>30</td> </tr> <tr> <td>Nest Hotel Sapporo Ekimae</td> <td>31</td> <td>11</td> <td>42</td> </tr> <tr> <td>The OneFive Osaka Sakaisuji</td> <td>1</td> <td>1</td> <td>2</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>27</td> <td>–</td> <td>27</td> </tr> <tr> <td>The OneFive Fukuoka Tenjin</td> <td>34</td> <td>–</td> <td>34</td> </tr> <tr> <td>Nest Hotel Osaka Shinsaibashi</td> <td>66</td> <td>–</td> <td>66</td> </tr> <tr> <td>Comfort Hotel Central International Airport</td> <td>151</td> <td>–</td> <td>151</td> </tr> <tr> <td>Smile Hotel Tokyo Asagaya</td> <td>61</td> <td>–</td> <td>61</td> </tr> <tr> <td>Nest Hotel Matsuyama</td> <td>36</td> <td>8</td> <td>44</td> </tr> </tbody> </table>		July 2022 Fiscal Period	Occupancy ³	73.0%	ADR ⁴	JPY 4,891	Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total	Smile Hotel Kyoto Shijo	30	–	30	Nest Hotel Sapporo Ekimae	31	11	42	The OneFive Osaka Sakaisuji	1	1	2	Comfort Hotel Hamamatsu	55	–	55	Nest Hotel Sapporo Odori	27	–	27	The OneFive Fukuoka Tenjin	34	–	34	Nest Hotel Osaka Shinsaibashi	66	–	66	Comfort Hotel Central International Airport	151	–	151	Smile Hotel Tokyo Asagaya	61	–	61	Nest Hotel Matsuyama	36	8	44
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Preconditions for the January 2023 Earnings Forecast

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Financial Statements
(1) Balance Sheet

(JPY thousand)

	July 2021 (as of July 31, 2021)	January 2022 (as of January 31, 2022)
Assets		
Current Assets		
Cash and cash equivalents	4,469,012	5,270,512
Cash and cash equivalents in trust	1,912,326	1,791,445
Accounts receivable	148,571	88,967
Prepaid expenses	142,800	185,970
Total Current Assets	6,672,711	7,336,896
Fixed Assets		
Property, Plant, and Equipment		
Buildings	18,536,103	18,714,650
Depreciation	-2,776,396	-3,102,834
Buildings (net)	15,759,706	15,611,816
Structures	23,564	25,886
Depreciation	-2,982	-3,752
Structures (net)	20,582	22,134
Machinery and equipment	93,307	99,336
Depreciation	-24,799	-30,753
Machinery and equipment (net)	68,508	68,583
Fixtures	328,140	347,818
Depreciation	-135,869	-158,280
Fixtures (net)	192,271	189,537
Land	36,023,617	36,023,617
Buildings under construction	6,307	8,019
Total Property, Plant, and Equipment	52,070,993	51,923,709
Investments and Other Assets		
Leasehold and security deposits	10,000	10,000
Long-term prepaid expenses	170,129	113,247
Total Investments and Other Assets	180,129	123,247
Total Fixed Assets	52,251,123	52,046,956
Capitalized Expenses		
Bond issuance expenses	5,981	9,922
Total Capitalized Expenses	5,981	9,922
Total Assets	58,929,816	59,393,775

(JPY thousand)

	July 2021 (as of July 31, 2021)	January 2022 (as of January 31, 2022)
Liabilities		
Current Liabilities		
Accounts payable	176,467	221,935
Short-term loans	7,000,000	7,000,000
Long-term loans (due within one year)	450,000	2,250,000
Accounts payable – other	65,378	78,844
Accrued expenses	8,700	11,353
Income taxes payable	661	925
Consumption taxes payable	19,763	29,586
Advances received	67,563	67,239
Rent to be reimbursed to hotel operators	2,947	–
Other	4,818	4,389
Total Current Liabilities	7,796,300	9,664,274
Long-Term Liabilities		
Bonds	500,000	870,000
Long-term loans	18,020,000	16,220,000
Tenant leasehold and security deposits	741,853	693,873
Accrued asset disposal costs	5,011	5,016
Total Long-Term Liabilities	19,266,865	17,788,890
Total Liabilities	27,063,166	27,453,164
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	269,026	342,987
Total Surplus	269,026	342,987
Total Shareholders' Equity	31,866,650	31,940,610
Total Net Assets	31,866,650	31,940,610
Total Liabilities and Net Assets	58,929,816	59,393,775

(2) Income Statement

(JPY thousand)

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
Operating Revenue		
Rental income	1,102,774	1,110,353
Other rental income	15,184	15,466
Total Operating Revenue	1,117,958	1,125,819
Operating Expenses		
Rental expenses	552,094	542,629
Asset management fee	39,915	52,576
Custodian fee	4,410	4,419
Other administrative expenses	19,163	18,866
Directors' compensation	4,200	4,200
Other	32,556	31,092
Total Operating Expenses	652,339	653,785
Operating Profit	465,618	472,034
Non-Operating Income		
Interest income	29	29
Reversal of accrued dividend	653	439
Insurance proceeds	371	–
Covid-related subsidies	–	6,607
Other	348	3
Total Non-Operating Income	1,402	7,079
Non-Operating Expenses		
Interest expenses	100,763	104,915
Borrowing-related expenses	96,090	98,775
Amortization of bond issuance expenses	629	998
Other	–	3
Total Non-Operating Expenses	197,483	204,691
Recurring Profit	269,537	274,421
Extraordinary Gains		
Settlement received	–	69,466
Total Extraordinary Gains	–	69,466
Pre-Tax Income	269,537	343,888
Income Taxes – Current	666	929
Total Income Taxes	666	929
Net Income	268,871	342,958
Retained Earnings Brought Forward	154	29
Unappropriated Retained Earnings	269,026	342,987

(3) Statement of Shareholders' Equity

Previous Period (July 2021 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, 2021	31,897,545	-299,921	31,597,623	209,998	209,998
Changes during the Period					
Dividends				-209,843	-209,843
Net Income				268,871	268,871
Total Changes	–	–	–	59,028	59,028
Balance as of July 31, 2021	31,897,545	-299,921	31,597,623	269,026	269,026

	Shareholders' Equity	Total Net assets
	Total Shareholders' Equity	
Balance as of February 1, 2021	31,807,622	31,807,622
Changes during the Period		
Dividends	-209,843	-209,843
Net Income	268,871	268,871
Total Changes	59,028	59,028
Balance as of July 31, 2021	31,866,650	31,866,650

Current Period (January 2022 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, 2021	31,897,545	-299,921	31,597,623	269,026	269,026
Changes during the Period					
Dividends				-268,997	-268,997
Net Income				342,958	342,958
Total Changes	–	–	–	73,960	73,960
Balance as of January 31, 2022	31,897,545	-299,921	31,597,623	342,987	342,987

	Shareholders' Equity	Total Net assets
	Total Shareholders' Equity	
Balance as of August 1, 2021	31,866,650	31,866,650
Changes during the Period		
Dividends	-268,997	-268,997
Net Income	342,958	342,958
Total Changes	73,960	73,960
Balance as of January 31, 2022	31,940,610	31,940,610

(4) Dividend Statement

(JPY)

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
I Unappropriated Retained Earnings	269,026,589	342,987,138
II Total Dividends (Dividend per Share)	268,997,570 (1,055)	342,940,030 (1,345)
III Retained Earnings Carried Forward	29,019	47,108

(5) Cash Flow Statement

(JPY thousand)

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
Cash Flows from Operations:		
Pre-tax income	269,537	343,888
Depreciation	347,112	355,572
Interest income	-29	-29
Interest expense	100,763	104,915
Decrease (increase) in accounts receivable	21,642	59,603
Decrease (increase) in prepaid expenses	40,309	-43,169
Decrease (increase) in long-term prepaid expenses	56,769	56,882
Increase (decrease) in accrued consumption taxes	-35,258	9,822
Increase (decrease) in accounts payable	-10,849	16,412
Increase (decrease) in accounts payable – other	14,866	13,466
Increase (decrease) in advances received	7,483	-323
Increase (decrease) in rent to be reimbursed to hotel operators	2,947	-2,947
Other	9,877	-1,734
Sub-total	825,173	912,357
Interest income received	29	29
Interest expense paid	-101,577	-102,261
Settlement received	–	69,466
Income taxes paid	-683	-666
Net Cash from (Used for) Operations	722,941	809,460
Cash Flows from Investments:		
Acquisition of property, plant, and equipment	-236,346	-181,874
Receipt of tenant security deposits	24	40
Return of tenant security deposits	-18,020	-48,020
Net Cash from (Used for) Investments	-254,343	-229,854
Cash Flows from Financing:		
Proceeds from short-term loans	–	7,000,000
Repayment of short-term loans	–	-7,000,000
Proceeds from bond issuance	–	370,000
Dividends paid	-210,348	-268,986
Payments into deposits with restricted withdrawals	–	-370,000
Net Cash from (Used for) Financing	-210,348	-268,986
Net Decrease (Increase) in Cash and Cash Equivalents	258,248	310,618
Cash and Cash Equivalents at Beginning of Period	5,623,090	5,881,339
Cash and Cash Equivalents at End of Period	5,881,339	6,191,957

Changes in Accounting Policies

1. The “Accounting Standard for Revenue Recognition” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”) has been applied from the beginning of the January 2022 fiscal period. Under this accounting standard, revenue is recognized in an amount expected to be received in exchange for goods or services when control of promised goods or services is transferred to a customer. There is a limited impact from this change on the January 2022 fiscal period financial statements. In accordance with the transitional treatment provided for in Article 89-3 of the Revenue Recognition Accounting Standard, revenue recognition notes to financial statements are not provided for the previous fiscal period.
2. The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the "Fair Value Measurement Accounting Standard") has been applied from the beginning of the January 2022 fiscal period. In accordance with the transitional treatment provided for in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Article 44–2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Fair Value Measurement Accounting Standard will henceforth be applied on an ongoing basis. There is a limited impact from this change on the January 2022 fiscal period financial statements.

Based on regulations prescribed in the Supplementary Provisions Article 2 Paragraph 5 of the Cabinet Order for Partial Revision of Rules on Terminology, Formats, and Compilation Methods of Financial Statements (Cabinet Order No.61, September 24, 2021), Ichigo Hotel has omitted notes on items prescribed in Article 8-6-2 Paragraph 1 Item 3 of the revised Rules on Terminology, Formats, and Compilation Methods of Financial Statements.

Rental Income Details

(JPY thousand)

	Previous Period July 2021 (February 1, 2021 to July 31, 2021)		Current Period January 2022 (August 1, 2021 to January 31, 2022)	
A	Real Estate Rental Income			
	Real Estate Rental Income		1,110,353	
	Other Rental Income		1,110,353	
	Utilities Income		6,749	
	Other		15,466	
	Total Income		1,125,819	
B	Real Estate Rental Expenses			
	Rental Expenses			
	Outsourcing Fees		17,676	
	Utilities		7,591	
	Trust Fees		8,600	
	Depreciation Expense		355,572	
	Repair Expenses		34,437	
	Property and City Planning Taxes		114,835	
	Insurance		3,599	
	Other Expenses		315	
	Total Expenses		542,629	
C	Net Rental Income			
	(A) – (B)		583,190	

Details of Extraordinary Gains

An extraordinary gain was recorded as a result of reaching a settlement for delinquent rent with the former hotel operator of the Hotel Suave Kobe Asuta (current name: Hotel Wing International Kobe Shin Nagata Ekimae).

Notes to Statement of Shareholders' Equity

(shares)

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
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)

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
Cash and deposits	4,469,012	5,270,512
Cash and deposits in trust	1,912,326	1,791,445
Deposits with restricted withdrawals	-500,000	-870,000
Cash and cash equivalents	5,881,339	6,191,957

Long-Term Loan Maturity Distribution

July 2021 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	450,000	—	—	—	—	—
Bonds	—	—	—	—	500,000	—
Long-term loans	—	6,300,000	6,720,000	3,000,000	2,000,000	—
Total	450,000	6,300,000	6,720,000	3,000,000	2,500,000	—

January 2022 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	2,250,000	—	—	—	—	—
Bonds	—	—	—	—	500,000	370,000
Long-term loans	—	9,000,000	5,220,000	—	2,000,000	—
Total	2,250,000	9,000,000	5,220,000	—	2,500,000	370,000

Notes to Derivative Transactions

1. Non-Hedge Accounting

N/A

2. Hedge Accounting

Previous Fiscal Period (as of July 31, 2021)

(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	18,020,000	18,020,000	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 January 31, 2022)

(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	18,020,000	16,220,000	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.

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		July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
Hotel	Book value		
	Beginning of fiscal period	52,076,720	52,064,686
	Changes during fiscal period	-12,034	-148,996
	End of fiscal period	52,064,686	51,915,689
	Market value at end of fiscal period	53,360,000	53,215,000

Notes:

- 1) Book value is acquisition price less accumulated depreciation.
- 2) With respect to changes during the fiscal period, the main factor contributing to the decrease in both the July 2021 and January 2022 fiscal periods was depreciation.
- 3) Market value is the appraisal value calculated by third-party appraisers.

Major Tenants (Hotel Operators)

Previous Fiscal Period (July 2021)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
Greens Co., Ltd.	240,666
Nest Hotel Japan Corporation	185,950
Hakata Hotels Inc.	122,858

Current Fiscal Period (January 2022)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
Greens Co., Ltd.	240,666
Nest Hotel Japan Corporation	186,082
Hakata Hotels Inc.	144,112

Per Share Information

(JPY)

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
Net Assets per Share	124,979	125,270
Net Income per Share	1,054	1,345

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.

	July 2021 (February 1, 2021 to July 31, 2021)	January 2022 (August 1, 2021 to January 31, 2022)
Net Income (JPY thousand)	268,871	342,958
Net Income not attributable to common shareholders (JPY thousand)	—	—
Net Income attributable to common shareholders (JPY thousand)	268,871	342,958
Average number of shares in the period	254,974	254,974

New Share Issuances

Date	Method	Total Number of Shares		Issue Amount ¹ (JPY million)	
		Issued	Outstanding	Change	Total
December 11, 2017	Share Cancellation ⁴	-2,610	254,974	-299	31,597

¹ Issue amount excludes treasury shares.

² Ichigo Hotel conducted a share buyback from October 11 to November 9, 2017. Ichigo Hotel cancelled all of the shares from the buyback (2,610 shares) on December 11, 2017.

Portfolio Information

Portfolio Composition by Region (Book Value)

	Region	January 2022 Fiscal Period-End	
		Total (JPY million)	% of Total
Trust beneficiary interest in real estate (<i>juekiken</i>)	Hokkaido & Tohoku	3,853	6.5
	Kanto (ex-Tokyo)	1,557	2.6
	Tokyo	8,974	15.1
	Hokuriku & Tokai	9,600	16.2
	Kinki	15,222	25.6
	Chugoku & Shikoku	9,051	15.2
	Kyushu & Okinawa	3,655	6.2
Sub-total		51,915	87.4
Deposits & Other Assets		7,478	12.6
Total Assets		59,393	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 January 31, 2022)

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	4,519	3,570	8.6	
	003	Hotel Wing International Nagoya	2,670	2,692	2,150	5.1	
	004	Nest Hotel Sapporo Ekimae	2,160	2,104	2,590	4.2	
	005	The OneFive Osaka Sakaisuji	1,630	1,753	1,220	3.1	
	006	Comfort Hotel Hamamatsu	1,550	1,406	1,750	3.0	
	007	Hotel Wing International Kobe Shin Nagata Ekimae	1,490	1,380	1,810	2.9	
	008	Nest Hotel Sapporo Odori	1,450	1,461	1,820	2.8	
	009	The OneFive Fukuoka Tenjin	1,380	1,451	2,220	2.7	
	010	Nest Hotel Osaka Shinsaibashi	7,600	7,569	5,460	14.6	
	011	Comfort Hotel Central International Airport	5,308	5,233	5,790	10.2	
	012	Smile Hotel Tokyo Asagaya	3,910	3,893	4,280	7.5	
	015	Nest Hotel Matsuyama	1,610	1,611	1,970	3.1	
	016	Hotel Livemax Nihombashi-Hakozaki	1,360	1,278	1,380	2.6	
	017	The OneFive Okayama	1,200	1,203	1,760	2.3	
	018	Comfort Hotel Kushiro	300	287	366	0.6	
	019	Comfort Hotel Suzuka	300	267	359	0.6	
	020	Capsule Plus Yokohama	1,490	1,557	1,310	2.9	
	021	Urbain Hiroshima Executive	1,800	1,790	2,060	3.5	
	022	Court Hotel Kurashiki ¹	1,725	1,816	2,220	3.3	
	023	Nest Hotel Kumamoto	2,220	2,204	2,330	4.3	
	024	Valie Hotel Hiroshima	1,500	1,546	1,660	2.9	
	025	HOTEL EMIT SHIBUYA	3,700	3,802	3,960	7.1	
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	1,080	1,082	1,180	2.1	
	Total			51,913	51,915	53,215	100

¹ Rebranded and reopened as The OneFive Garden Kurashiki in February 2022

Hotel Location, Rent, Occupancy, and Structural Details

(as of January 31, 2022)

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	3	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	40	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	133	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	Court Hotel Kurashiki	Kurashiki, Okayama	1,031.57	3,964.19	Mar 1993	59	3,964.19	3,964.19	100	1	107	
023	Nest Hotel Kumamoto	Kumamoto	1,074.39	6,404.36	Aug 1984	52	6,404.36	6,404.36	100	2	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	40	4,332.50	4,332.50	100	1	171
	025	HOTEL EMIT 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
Total			–	24,690.62	101,787.83	–	1,411	102,350.13	102,350.13	100	33	3,753

Appraisal Data

(as of January 31, 2022)

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.	3,570	3,460	3,750	4.5	3,490	4.5	4.6	186,378	4.2	3.4
	003	Hotel Wing International Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,150	2,910	2,230	4.7	2,110	4.5	4.9	119,817	4.5	3.7
	004	Nest Hotel Sapporo Ekimae	Daiwa Real Estate Appraisal Co., Ltd.	2,590	1,740	2,690	5.1	2,550	4.9	5.3	160,252	7.4	5.9
	005	The OneFive Osaka Sakaisuji	Daiwa Real Estate Appraisal Co., Ltd.	1,220	1,410	1,250	4.8	1,200	4.5	4.9	69,598	4.3	3.1
	006	Comfort Hotel Hamamatsu	The Tanizawa Sogo Appraisal Co., Ltd.	1,750	1,610	1,760	5.2	1,750	5.2	5.4	100,240	6.5	4.5
	007	Hotel Wing International Kobe Shin Nagata Ekimae	The Tanizawa Sogo Appraisal Co., Ltd.	1,810	1,680	1,820	4.7	1,800	4.7 ¹ 4.8 ²	4.9	92,867	6.2	4.4
	008	Nest Hotel Sapporo Odori	Daiwa Real Estate Appraisal Co., Ltd.	1,820	1,820	1,880	5.0	1,790	4.8	5.2	113,127	7.8	5.3
	009	The OneFive Fukuoka Tenjin	Japan Real Estate Institute	2,220	1,830	2,250	4.3	2,190	4.0	4.4	108,745	7.9	6.7
	010	Nest Hotel Osaka Shinsaibashi	Daiwa Real Estate Appraisal Co., Ltd.	5,460	3,150	5,620	4.4	5,390	4.2	4.6	281,172	3.7	2.8
	011	Comfort Hotel Central International Airport	Daiwa Real Estate Appraisal Co., Ltd.	5,790	6,060	5,870	4.1	5,750	3.9	4.3	268,985	5.1	3.8
	012	Smile Hotel Tokyo Asagaya	Daiwa Real Estate Appraisal Co., Ltd.	4,280	1,220	4,390	4.3	4,230	4.1	4.5	202,507	5.2	3.8
	015	Nest Hotel Matsuyama	Daiwa Real Estate Appraisal Co., Ltd.	1,970	1,010	2,030	5.6	1,940	5.4	5.8	140,768	8.7	6.4
	016	Hotel Livemax Nihombashi-Hakozaki	Daiwa Real Estate Appraisal Co., Ltd.	1,380	607	1,390	4.6	1,370	4.4	4.8	65,994	4.9	3.5
	017	The OneFive Okayama	Daiwa Real Estate Appraisal Co., Ltd.	1,760	525	1,750	5.7	1,760	5.5	5.9	121,058	10.1	7.3
	018	Comfort Hotel Kushiro	Daiwa Real Estate Appraisal Co., Ltd.	366	708	362	5.5	367	5.3	5.7	23,729	7.9	4.1

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.	359	352	357	5.0	360	4.8	5.2	23,524	7.8	5.1
	020	Capsule Plus Yokohama	Daiwa Real Estate Appraisal Co., Ltd.	1,310	2,100	1,360	4.8	1,290	4.4	4.8	66,110	4.4	3.7
	021	Urbain Hiroshima Executive	Daiwa Real Estate Appraisal Co., Ltd.	2,060	1,320	2,070	5.3	2,060	5.1	5.5	112,721	6.3	4.6
	022	Court Hotel Kurashiki	The Tanizawa Sogo Appraisal Co., Ltd.	2,220	1,940	2,350	5.2	2,160	5.1	5.2	140,982	8.2	6.8
	023	Nest Hotel Kumamoto	The Tanizawa Sogo Appraisal Co., Ltd.	2,330	2,290	2,420	5.4	2,290	5.4	5.5	150,601	6.8	5.0
	024	Valie Hotel Hiroshima	The Tanizawa Sogo Appraisal Co., Ltd.	1,660	1,600	1,740	5.0	1,630	5.0	5.1	105,410	7.0	4.2
	025	HOTEL EMIT SHIBUYA	The Tanizawa Sogo Appraisal Co., Ltd.	3,960	3,680	4,100	3.6	3,900	3.6	3.7	152,989	4.1	3.7
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	The Tanizawa Sogo Appraisal Co., Ltd.	1,180	1,090	1,230	4.9	1,160	4.9 ¹ 5.0 ²	5.1	79,372	7.4	4.4
Total/Average				53,215	44,112	54,669	4.7	52,537	–	–	2,886,957	5.6	4.2

¹ From first to seventh year

² From eighth year onwards

Major Tenant Data (Hotel Operators)

Name	Industry	Hotel	Fixed Rent in January 2022 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	187	20.0	32,141.34	31.4
Greens Co., Ltd.	Hotel Operation	Comfort Hotel Hamamatsu Comfort Hotel Central International Airport Comfort Hotel Kushiro Comfort Hotel Suzuka	240	25.8	21,140.78	20.7
Hakata Hotels Inc.	Hotel Operation	The OneFive Osaka Sakaisuji The OneFive Fukuoka Tenjin The OneFive Okayama Court Hotel Kurashiki HOTEL EMIT SHIBUYA	144	15.4	16,268.97	15.9

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	1,125,819	34,644	32,392	201	55,361	26,083	26,745
Fixed Rent	933,355	34,644	32,392	201	55,361	26,083	26,745
Variable Rent ³	147,812	–	–	–	–	–	–
Other Rent	44,650	–	–	–	–	–	–
(B) Rental Expenses	187,056	6,757	9,948	7,056	3,931	12,308	4,778
Outsourcing Fees	17,676	600	600	1,005	600	600	600
Insurance	3,599	166	193	122	124	200	68
Repair Expenses	34,437	730	3,780	2,404	550	2,946	392
Taxes	114,835	4,902	4,951	3,161	2,386	8,127	3,355
Other Expenses	16,506	359	422	362	271	434	362
(C) NOI (A) - (B)	938,762	27,886	22,443	-6,855	51,430	13,774	21,966
(D) Depreciation	355,572	16,878	16,050	9,353	14,921	17,961	8,415
(E) Net Rental Income (C) - (D)	583,190	11,008	6,393	-16,208	36,508	-4,186	13,551

(JPY thousand)

Hotel No.	010	011	012	015	017	015	019
Hotel Name	Nest Hotel Osaka Shinsaibashi	Comfort Hotel Central International Airport	Smile Hotel Tokyo Asagaya ¹	Nest Hotel Matsuyama	The OneFive Okayama	Nest Hotel Matsuyama	Comfort Hotel Suzuka
(A) Rental Income	65,487	151,441	64,265	35,720	72,233	18,419	15,442
Fixed Rent	65,487	151,441	59,282	35,717	72,233	18,419	15,442
Variable Rent ³	–	–	4,982	–	–	–	–
Other Rent	–	–	–	3	–	–	–
(B) Rental Expenses	17,242	14,510	9,961	6,567	6,053	5,933	3,740
Outsourcing Fees	1,200	570	2,721	720	600	900	540
Insurance	307	359	112	252	182	103	61
Repair Expenses	1,238	572	3,055	1,400	1,123	508	995
Taxes	14,088	12,599	3,662	3,784	3,730	4,008	1,733
Other Expenses	409	409	409	409	416	412	409
(C) NOI (A) - (B)	48,245	136,931	54,303	29,153	66,180	12,486	11,702
(D) Depreciation	34,852	34,890	26,589	18,612	16,612	5,668	4,148
(E) Net Rental Income (C) - (D)	13,392	102,040	27,713	10,541	49,567	6,818	7,554

(JPY thousand)

Hotel No.	022	023	024	025	Other ¹
Hotel Name	Court Hotel Kurashiki	Nest Hotel Kumamoto ¹	Valie Hotel Hiroshima	HOTEL EMIT SHIBUYA	
(A) Rental Income	28,267	26,401	158,520	44,932	269,256
Fixed Rent	28,267	27,348	22,871	44,932	216,480
Variable Rent ³	–	-946	135,049	–	8,728
Other Rent	–	–	600	–	44,047
(B) Rental Expenses	15,474	7,583	6,829	5,982	42,396
Outsourcing Fees	600	780	720	600	3,720
Insurance	127	230	166	73	745
Repair Expenses	10,303	1,470	1,502	295	1,169
Taxes	4,080	4,691	4,071	4,653	26,847
Other Expenses	363	410	368	359	9,914
(C) NOI (A) - (B)	12,793	18,817	151,691	38,950	226,859
(D) Depreciation	11,982	20,057	21,205	7,731	69,641
(E) Net Rental Income (C) - (D)	810	-1,239	130,486	31,218	157,218

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	16,109	47,892	32,982	4,733	58,215	38,718
Depreciation	10,155	13,725	9,106	5,273	15,311	16,069

Individual Hotel Operating Results

ADR = Average Daily Rate

RevPAR = Revenue per Available Room

GOP = Gross Operating Profit

001 Smile Hotel Kyoto Shijo

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	23.3	40.4	24.4	15.9	22.4	41.7	42.3	40.3	57.3	67.6	60.4	59.5	41.5
ADR (JPY)	2,656	3,976	3,292	2,966	2,340	2,729	2,428	2,296	2,439	4,797	3,825	3,029	3,201
RevPAR (JPY)	619	1,608	803	470	524	1,139	1,026	925	1,397	3,242	2,309	1,803	1,327
Revenue (JPY million)	3	7	4	2	2	5	5	4	6	14	11	8	73
GOP (JPY million)	-4	-1	-4	-5	-3	-3	-5	-5	-3	4	-1	-3	-32

003 Hotel Wing International Nagoya

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	23.0	42.4	56.0	34.4	36.2	46.8	41.6	32.8	44.0	47.9	59.8	44.5	42.6
ADR (JPY)	4,179	4,143	3,613	3,705	3,562	3,965	4,329	3,867	3,940	3,980	4,436	4,683	4,048
RevPAR (JPY)	960	1,755	2,025	1,276	1,289	1,857	1,802	1,268	1,733	1,908	2,651	2,083	1,724
Revenue (JPY million)	7	14	16	10	10	14	14	9	13	14	20	16	157
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

004 Nest Hotel Sapporo Ekimae

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	84.1	94.5	93.2	81.0	77.2	94.3	90.9	90.0	92.1	92.1	93.9	86.9	89.2
ADR (JPY)	3,667	3,618	3,518	3,764	3,396	4,682	4,583	4,122	4,055	4,317	4,951	4,114	4,087
RevPAR (JPY)	3,085	3,419	3,279	3,049	2,622	4,414	4,164	3,710	3,736	3,976	4,650	3,576	3,647
Revenue (JPY million)	18	21	20	18	16	32	25	22	24	25	29	22	272
GOP (JPY million)	2	3	2	2	-	13	7	4	5	6	8	2	53

005 The OneFive Osaka Sakaisuji

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	-	-	-	-	-	-	-	51.5	73.2	91.3	97.6	96.2	82.1
ADR (JPY)	-	-	-	-	-	-	-	2,126	2,151	2,303	2,713	2,379	2,371
RevPAR (JPY)	-	-	-	-	-	-	-	1,094	1,573	2,103	2,649	2,290	1,946
Revenue (JPY million)	-	-	-	-	-	-	-	4	6	8	11	9	39
GOP (JPY million)	-	-	-	-	-	-	-	-	-2	-1	-	-2	-4

Note 1: The former operator did not give consent to disclose GOP.

Note 2: Rebranded and reopened on September 1, 2021.

*Temporarily closed since April 17, 2020.

006 Comfort Hotel Hamamatsu

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	40.7	54.1	55.3	48.8	43.6	60.6	57.3	47.7	64.0	69.4	64.4	49.9	54.8
ADR (JPY)	5,051	4,906	4,821	5,052	4,696	4,789	4,984	4,702	4,757	4,861	5,130	4,968	4,893
RevPAR (JPY)	2,055	2,654	2,665	2,464	2,046	2,905	2,856	2,243	3,046	3,374	3,301	2,478	2,680
Revenue (JPY million)	11	16	16	15	12	18	17	13	19	20	20	15	192
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

007 Hotel Wing International Kobe Shin Nagata Ekimae

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	52.3	52.3	33.3	31.5	41.9	37.8	51.8	35.0	49.4	65.5	64.9	54.4	47.5
ADR (JPY)	6,236	6,969	6,578	6,309	7,305	8,048	7,090	6,641	6,848	7,383	7,518	7,199	7,059
RevPAR (JPY)	3,262	3,648	2,188	1,985	3,059	3,041	3,671	2,325	3,380	4,839	4,876	3,913	3,352
Revenue (JPY million)	14	18	10	9	14	14	18	10	15	21	22	18	182
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

008 Nest Hotel Sapporo Odori

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	47.3	67.0	75.9	58.2	58.7	79.3	81.8	74.3	83.2	84.2	87.8	85.7	74.3
ADR (JPY)	3,681	3,551	3,473	4,068	3,405	4,540	4,956	4,010	3,869	4,356	5,240	4,205	4,184
RevPAR (JPY)	1,740	2,378	2,635	2,367	1,997	3,601	4,054	2,979	3,218	3,669	4,603	3,602	3,110
Revenue (JPY million)	6	10	12	11	9	19	18	13	15	16	21	16	166
GOP (JPY million)	-2	-1	-1	-1	-3	5	2	-1	-1	-	2	-2	-1

Note: Temporarily closed from January 17, 2021 and reopened on February 8, 2021. February 2021 data reflect data for the period during which the hotel was open.

009 The OneFive Fukuoka Tenjin

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	78.5	97.3	97.0	83.3	87.3	98.1	97.8	95.0	98.2	98.3	97.7	94.8	93.7
ADR (JPY)	2,415	2,804	2,903	2,626	2,349	2,941	2,886	2,651	3,119	3,690	4,856	3,411	3,084
RevPAR (JPY)	1,895	2,729	2,816	2,188	2,051	2,885	2,822	2,519	3,063	3,626	4,746	3,235	2,891
Revenue (JPY million)	5	7	7	6	6	8	8	7	8	9	12	9	93
GOP (JPY million)	-2	1	-	-1	-2	2	-1	-1	-	1	3	-	-

Note: Rebranded and reopened on October 10, 2020.

010 Nest Hotel Osaka Shinsaibashi

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	-	-	9.8	-	-	-	13.3	15.8	27.8	36.8	51.7	41.8	29.9
ADR (JPY)	-	-	3,362	-	-	-	3,210	3,218	3,077	3,284	3,502	3,342	3,318
RevPAR (JPY)	-	-	331	-	-	-	427	508	856	1,209	1,809	1,397	991
Revenue (JPY million)	2	2	3	2	2	2	5	6	10	13	19	15	82
GOP (JPY million)	-2	-1	-2	-2	-2	-2	-3	-3	-1	-	3	-1	-17

Note: Temporarily closed from January 13, 2021 through March 31, 2021, and April 18, 2021 through August 5, 2021. April and August 2021 data reflect data for the period during which the hotel was open.

011 Comfort Hotel Central International Airport

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	28.5	43.5	33.6	33.2	40.6	51.7	49.7	44.9	55.8	53.2	68.6	51.8	46.4
ADR (JPY)	7,646	7,080	6,838	6,947	6,958	6,680	6,226	6,328	6,568	6,838	7,213	7,360	6,868
RevPAR (JPY)	2,180	3,078	2,296	2,303	2,823	3,452	3,093	2,838	3,667	3,638	4,948	3,811	3,188
Revenue (JPY million)	22	34	24	25	30	38	34	30	40	39	54	42	413
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

012 Smile Hotel Tokyo Asagaya

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	93.8	96.5	98.2	93.4	97.4	99.0	98.9	97.9	99.1	99.6	100.0	99.0	97.8
ADR (JPY)	5,806	5,326	4,853	4,034	4,232	5,429	5,099	4,577	4,935	5,624	6,438	5,744	5,180
RevPAR (JPY)	5,447	5,140	4,767	3,767	4,121	5,373	5,045	4,479	4,890	5,601	6,440	5,686	5,063
Revenue (JPY million)	18	18	17	13	14	19	18	15	17	19	23	20	212
GOP (JPY million)	8	8	6	4	6	9	7	5	7	9	14	8	91

015 Nest Hotel Matsuyama

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	52.6	73.4	44.9	32.1	54.0	68.2	60.0	49.9	71.5	76.8	78.5	49.9	59.4
ADR (JPY)	4,074	4,406	4,161	4,504	3,887	4,428	4,447	3,981	4,497	5,011	4,788	4,608	4,441
RevPAR (JPY)	2,144	3,234	1,870	1,446	2,100	3,019	2,669	1,985	3,214	3,847	3,758	2,298	2,638
Revenue (JPY million)	13	23	13	11	15	24	18	13	24	31	29	16	230
GOP (JPY million)	1	7	-1	-1	1	7	3	-	6	12	9	1	45

016 Hotel Livemax Nihombashi-Hakozaki

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
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

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	68.0	96.2	96.0	88.6	90.8	96.2	98.7	95.7	97.5	97.7	97.9	98.1	93.6
ADR (JPY)	2,470	2,736	2,618	2,533	2,334	3,042	3,187	2,643	3,091	3,552	3,469	2,987	2,911
RevPAR (JPY)	1,678	2,632	2,514	2,244	2,119	2,927	3,146	2,530	3,013	3,472	3,395	2,930	2,726
Revenue (JPY million)	10	17	17	15	14	20	21	17	20	23	23	20	216
GOP (JPY million)	-1	4	4	-	2	6	7	-	6	5	7	3	17

018 Comfort Hotel Kushiro

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	63.8	66.5	51.0	47.4	59.4	86.6	89.2	75.3	87.1	76.0	73.5	51.7	69.0
ADR (JPY)	4,701	4,547	4,706	5,398	4,904	6,104	7,293	6,009	5,679	5,060	5,062	5,053	5,487
RevPAR (JPY)	2,998	3,024	2,400	2,558	2,911	5,286	6,507	4,528	4,949	3,843	3,718	2,613	3,788
Revenue (JPY million)	11	13	10	11	12	22	26	18	20	15	16	11	184
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

019 Comfort Hotel Suzuka

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	49.5	59.5	43.7	37.5	52.4	67.5	50.2	51.9	64.7	69.1	77.2	53.0	56.4
ADR (JPY)	4,658	4,951	5,354	4,854	4,552	5,388	5,384	4,850	4,550	4,590	4,927	4,731	4,895
RevPAR (JPY)	2,305	2,947	2,341	1,822	2,386	3,638	2,701	2,519	2,945	3,171	3,802	2,507	2,762
Revenue (JPY million)	7	10	7	6	8	12	9	8	10	10	12	8	107
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

020 Capsule Plus Yokohama

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	-	-	-	-	-	-	-	-	-	-	-	-	-
ADR (JPY)	-	-	-	-	-	-	-	-	-	-	-	-	-
RevPAR (JPY)	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

Note 1: The operator did not give consent to disclose operating results.

Note 2: Rebranded and reopened on March 1, 2021.

021 Urbain Hiroshima Executive

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	100	9.5	12.7	11.6	3.0	8.6	11.5	5.8	21.8	40.8	46.1	15.9	23.4
ADR (JPY)	7,728	5,161	5,229	5,993	5,419	5,453	5,393	5,079	4,812	5,095	4,971	4,780	5,969
RevPAR (JPY)	7,728	493	663	698	164	468	619	296	1,050	2,079	2,292	762	1,398
Revenue (JPY million)	37	3	3	4	1	2	3	2	6	11	12	4	87
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

022 Court Hotel Kurashiki

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	32.5	41.8	23.0	29.0	46.9	31.8	31.6	25.5	38.1	50.4	10.6	-	30.0
ADR (JPY)	4,994	6,838	5,888	5,805	4,826	6,318	6,346	4,682	5,343	7,510	6,205	-	5,953
RevPAR (JPY)	1,624	2,861	1,355	1,683	2,266	2,008	2,005	1,193	2,036	3,785	657	-	1,787
Revenue (JPY million)	6	12	6	6	9	8	9	5	8	16	3	-	88
GOP (JPY million)	-1	4	-1	-	2	1	-	-2	1	6	-1	-	9

Note: Rebranded and reopened as The OneFive Kurashiki in February 2022

023 Nest Hotel Kumamoto

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	54.7	74.0	67.8	59.1	58.0	72.3	57.5	60.5	76.6	77.8	76.2	62.5	66.5
ADR (JPY)	3,671	3,683	3,763	3,892	3,607	3,777	3,603	3,333	3,731	4,430	4,167	3,878	3,815
RevPAR (JPY)	2,010	2,726	2,553	2,302	2,091	2,729	2,073	2,015	2,860	3,447	3,174	2,422	2,538
Revenue (JPY million)	13	19	17	16	14	20	14	14	20	23	22	16	207
GOP (JPY million)	2	7	6	4	2	5	1	-	5	8	6	2	48

024 Valie Hotel Hiroshima

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	77.8	100	100	100	100	100	100	100	100	100	100	100	98.3
ADR (JPY)	7,614	7,500	7,504	7,522	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,509
RevPAR (JPY)	5,923	7,500	7,504	7,522	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,381
Revenue (JPY million)	28	40	41	46	40	40	45	42	40	39	40	44	484
GOP (JPY million)	19	30	29	26	28	32	29	27	31	30	31	28	339

025 HOTEL EMIT SHIBUYA

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	68.8	99.5	98.1	99.0	99.4	99.3	98.6	98.2	99.0	99.5	99.6	98.2	96.6
ADR (JPY)	4,982	4,745	4,417	3,362	4,074	5,051	4,658	4,326	4,793	5,894	6,789	5,216	4,859
RevPAR (JPY)	3,430	4,720	4,331	3,327	4,051	5,015	4,592	4,250	4,746	5,867	6,759	5,122	4,695
Revenue (JPY million)	7	11	9	7	9	11	10	9	11	13	15	11	124
GOP (JPY million)	-	3	1	-3	-	2	1	-2	2	3	5	1	13

026 Washington Hotel Plaza Shimonoseki Eki Nishi

	2021											2022	Average/ Cumulative
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Occupancy (%)	-	-	-	-	-	-	-	-	-	-	-	-	-
ADR (JPY)	-	-	-	-	-	-	-	-	-	-	-	-	-
RevPAR (JPY)	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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	7.5	7.6
Kanto (ex-Tokyo)	1	1,490	2.9	4.4
Tokyo	3	8,970	17.3	4.7
Hokuriku & Tokai	4	9,828	18.9	5.2
Kinki	4	15,200	29.3	4.1
Chugoku & Shikoku	6	8,915	17.2	7.9
Kyushu & Okinawa	2	3,600	6.9	7.2
Total	23	51,913	100	5.6

Major Capital Expenditures

a. Major Planned Capital Expenditures

Hotel Name	Location	Purpose	Timing	Forecast Expenditure (JPY million)
The OneFive Fukuoka Tenjin	Fukuoka	Guest room conversions on the ground floor	Oct 2022	90
Nest Hotel Kumamoto	Kumamoto	Upgrade ventilation units	Jul 2022	29
Court Hotel Kurashiki	Kurashiki Okayama	Upgrade ventilation units	Dec 2022	27
Nest Hotel Sapporo Ekimae	Sapporo, Hokkaido	Upgrade elevators	Apr 2022	21

b. Major Capital Expenditures Completed during the January 2022 Fiscal Period

Capital expenditure totaled JPY 241 million during the January 2022 Fiscal Period comprising a total JPY 206 million of construction work, including JPY 34 million of repair work expensed during the period.

Hotel Name	Location	Purpose	Timing	Expenditure (JPY million)
Nest Hotel Kumamoto	Kumamoto	Guest room renovation	Dec 2021– Jan 2022	25
Court Hotel Kurashiki	Kurashiki, Okayama	Renovation for reopening	Dec 2021– Jan 2022	23
Comfort Hotel Kushiro	Kushiro, Hokkaido	Upgrade automatic parking system	Sep – Oct 2021	4