

[Provisional Translation Only]

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

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

September 14, 2022

July 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*): October 26, 2022 (expected)

Dividend Payment: October 21, 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 July 2022 Fiscal Period (February 1, 2022 to July 31, 2022)

(1) Earnings

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
July 2022	1,248	+10.9%	566	+20.1%	362	+32.1%	361	+5.4%
January 2022	1,125	+0.7%	472	+1.4%	274	+1.8%	342	+27.6%

	Net Income per Share (JPY)	Return on Equity (6 months)	Recurring Profit to Total Assets (6 months)	Recurring Profit to Operating Revenue
July 2022	1,417	1.1%	0.6%	29.0%
January 2022	1,345	1.1%	0.5%	24.4%

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

(2) Dividends

	Dividend per Share (JPY)	Total Dividends (JPY million)	Dividend per Share in Excess of Earnings (JPY)	Total Dividends in Excess of Earnings (JPY million)	Payout Ratio	Dividend on Equity (DOE)
July 2022	1,418	361	–	–	100.1%	1.1%
January 2022	1,345	342	–	–	100.0%	1.1%

(3) Assets and Equity

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
July 2022	59,356	31,959	53.8%	125,342
January 2022	59,393	31,940	53.8%	125,270

(4) Cash Flows

(JPY million)

	Cash Flows from Operations	Cash Flows from Investments	Cash Flows from Financing	Cash and Cash Equivalents at End of the Period
July 2022	726	-928	-342	5,647
January 2022	809	-229	-268	6,191

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

(JPY million; period-on-period change)

	Operating Revenue	Change	Operating Profit	Change	Recurring Profit	Change	Net Income	Change
January 2023	1,205	-3.5%	514	-9.2%	283	-21.9%	282	-22.0%
July 2023	1,326	+10.1%	603	+17.3%	352	+24.6%	351	+24.7%

(JPY)

	Dividend per Share	Dividend per Share in Excess of Earnings
January 2023	1,106	—
July 2023	1,380	—

Note: Forecast Net Income per Share is JPY 1,106 (-17.8% year-on-year) and JPY 1,379 (-2.7% year-on-year), respectively, for the January 2023 and July 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: None
- (ii) Changes Not Listed in (i): None
- (iii) Changes in Accounting Estimates: None
- (iv) Retrospective Restatements: None

(2) Number of Shares Issued and Outstanding

The number of issued and outstanding shares (including treasury shares) was 254,974 as of both January 31, 2022 and July 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 January 2023 Earnings Forecast” on page 5 and “Preconditions for the July 2023 Earnings Forecast” on page 8.

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Material Matters after Closing of the Fiscal Period

Asset Acquisition

Hotel Sunshine Utsunomiya

Acquisition Price	JPY 2.200 billion
Location	2-3-3 Higashi Shukugo, Utsunomiya City, Tochigi
Form of Ownership	Trust beneficiary interest in real estate (<i>juekiken</i>)
Contract Date	September 14, 2022
Closing Date	September 20, 2022
Seller	Takara Leben Real Estate Investment Corporation

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

Earnings Forecasts

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 5.

Operating Revenue	JPY 1,205 million
Operating Profit	JPY 514 million
Recurring Profit	JPY 283 million
Net Income	JPY 282 million
Dividend per Share	JPY 1,106
Dividend in Excess of Earnings	—

Earnings Forecast for the July 2023 Fiscal Period (February 1, 2023 to July 31, 2023)

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

Operating Revenue	JPY 1,326 million
Operating Profit	JPY 603 million
Recurring Profit	JPY 352 million
Net Income	JPY 351 million
Dividend per Share	JPY 1,380
Dividend in Excess of Earnings	—

Preconditions for the January 2023 Earnings Forecast

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Period	<ul style="list-style-type: none"> • August 1, 2022 to January 31, 2023 (184 days) 																																																		
Number of Hotels	<ul style="list-style-type: none"> • 24 hotels as of September 14, 2022 and Hotel Sunshine Utsunomiya to be acquired 																																																		
Operating Revenue	<p>Within operating revenue, rental income is forecast based on current lease contracts, taking into consideration such factors as hotel and market conditions.¹</p> <p><u>Forecast Operating Performance²</u></p> <table border="1"> <thead> <tr> <th></th> <th>January 2023 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>Occupancy³</td> <td>76.8%</td> </tr> <tr> <td>ADR⁴</td> <td>JPY 5,505</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, The OneFive Garden 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 January 2023 Rental Income Forecast by Hotel</u></p> <p style="text-align: right;">(JPY million)</p> <table border="1"> <thead> <tr> <th>Hotel Name</th> <th>Fixed Rent/ Minimum Guaranteed Rent</th> <th>Variable Rent</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Smile Hotel Kyoto Shijo</td> <td>34</td> <td>–</td> <td>35</td> </tr> <tr> <td>Nest Hotel Sapporo Ekimae</td> <td>32</td> <td>30</td> <td>62</td> </tr> <tr> <td>The OneFive Osaka Sakaisuji</td> <td>5</td> <td>–</td> <td>6</td> </tr> <tr> <td>Comfort Hotel Hamamatsu</td> <td>55</td> <td>–</td> <td>55</td> </tr> <tr> <td>Nest Hotel Sapporo Odori</td> <td>26</td> <td>4</td> <td>30</td> </tr> <tr> <td>The OneFive Fukuoka Tenjin</td> <td>40</td> <td>–</td> <td>40</td> </tr> <tr> <td>Nest Hotel Osaka Shinsaibashi</td> <td>65</td> <td>–</td> <td>65</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>59</td> <td>6</td> <td>65</td> </tr> <tr> <td>Nest Hotel Matsuyama</td> <td>35</td> <td>7</td> <td>42</td> </tr> </tbody> </table>		January 2023 Fiscal Period	Occupancy ³	76.8%	ADR ⁴	JPY 5,505	Hotel Name	Fixed Rent/ Minimum Guaranteed Rent	Variable Rent	Total	Smile Hotel Kyoto Shijo	34	–	35	Nest Hotel Sapporo Ekimae	32	30	62	The OneFive Osaka Sakaisuji	5	–	6	Comfort Hotel Hamamatsu	55	–	55	Nest Hotel Sapporo Odori	26	4	30	The OneFive Fukuoka Tenjin	40	–	40	Nest Hotel Osaka Shinsaibashi	65	–	65	Comfort Hotel Central International Airport	151	–	151	Smile Hotel Tokyo Asagaya	59	6	65	Nest Hotel Matsuyama	35	7	42
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Number of Shares	<ul style="list-style-type: none"> • 254,974 shares issued and outstanding as of September 14, 2022. The forecast assumes there will be no additional new issuance of shares through January 31, 2023.
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Financial Statements
(1) Balance Sheet

(JPY thousand)

	January 2022 (as of January 31, 2022)	July 2022 (as of July 31, 2022)
Assets		
Current Assets		
Cash and cash equivalents	5,270,512	4,583,818
Cash and cash equivalents in trust	1,791,445	1,933,753
Accounts receivable	88,967	165,394
Prepaid expenses	185,970	128,285
Total Current Assets	7,336,896	6,811,251
Fixed Assets		
Property, Plant, and Equipment		
Buildings	18,714,650	19,098,999
Depreciation	-3,102,834	-3,438,118
Buildings (net)	15,611,816	15,660,880
Structures	25,886	26,426
Depreciation	-3,752	-4,595
Structures (net)	22,134	21,831
Machinery and equipment	99,336	112,888
Depreciation	-30,753	-37,349
Machinery and equipment (net)	68,583	75,539
Fixtures	347,818	369,044
Depreciation	-158,280	-180,471
Fixtures (net)	189,537	188,572
Land	36,023,617	36,498,409
Buildings under construction	8,019	8,019
Total Property, Plant, and Equipment	51,923,709	52,453,253
Investments and Other Assets		
Leasehold and security deposits	10,000	10,000
Long-term prepaid expenses	113,247	73,608
Total Investments and Other Assets	123,247	83,608
Total Fixed Assets	52,046,956	52,536,862
Capitalized Expenses		
Bond issuance expenses	9,922	8,850
Total Capitalized Expenses	9,922	8,850
Total Assets	59,393,775	59,356,965

(JPY thousand)

	January 2022 (as of January 31, 2022)	July 2022 (as of July 31, 2022)
Liabilities		
Current Liabilities		
Accounts payable	221,935	137,883
Short-term loans	7,000,000	7,450,000
Long-term loans (due within one year)	2,250,000	6,300,000
Accounts payable – other	78,844	89,184
Accrued expenses	11,353	12,589
Income taxes payable	925	926
Consumption taxes payable	29,586	13,535
Advances received	67,239	77,454
Rent to be reimbursed to hotel operators	–	9,322
Other	4,389	3,894
Total Current Liabilities	9,664,274	14,094,791
Long-Term Liabilities		
Bonds	870,000	870,000
Long-term loans	16,220,000	11,720,000
Tenant leasehold and security deposits	693,873	707,950
Accrued asset disposal costs	5,016	5,021
Total Long-Term Liabilities	17,788,890	13,302,972
Total Liabilities	27,453,164	27,397,763
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	342,987	361,577
Total Surplus	342,987	361,577
Total Shareholders' Equity	31,940,610	31,959,201
Total Net Assets	31,940,610	31,959,201
Total Liabilities and Net Assets	59,393,775	59,356,965

(2) Income Statement

(JPY thousand)

	January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
Operating Revenue		
Rental income	1,110,353	1,232,411
Other rental income	15,466	15,960
Total Operating Revenue	1,125,819	1,248,372
Operating Expenses		
Rental expenses	542,629	560,710
Asset management fee	52,576	63,304
Custodian fee	4,419	4,454
Other administrative expenses	18,866	18,570
Directors' compensation	4,200	4,200
Other	31,092	30,199
Total Operating Expenses	653,785	681,439
Operating Profit	472,034	566,932
Non-Operating Income		
Interest income	29	34
Reversal of accrued dividend	439	811
Covid-related subsidies	6,607	–
Other	3	–
Total Non-Operating Income	7,079	846
Non-Operating Expenses		
Interest expenses	104,915	105,908
Borrowing-related expenses	98,775	98,336
Amortization of bond issuance expenses	998	1,071
Other	3	–
Total Non-Operating Expenses	204,691	205,317
Recurring Profit	274,421	362,462
Extraordinary Gains		
Settlement received	69,466	–
Total Extraordinary Gains	69,466	–
Pre-Tax Income	343,888	362,462
Income Taxes – Current	929	931
Total Income Taxes	929	931
Net Income	342,958	361,530
Retained Earnings Brought Forward	29	47
Unappropriated Retained Earnings	342,987	361,577

(3) Statement of Shareholders' Equity

Previous 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

Current Period (July 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 February 1, 2022	31,897,545	-299,921	31,597,623	342,987	342,987
Changes during the Period					
Dividends				-342,940	-342,940
Net Income				361,530	361,530
Total Changes	—	—	—	18,590	18,590
Balance as of July 31, 2022	31,897,545	-299,921	31,597,623	361,577	361,577

	Shareholders' Equity	Total Net assets
	Total Shareholders' Equity	
Balance as of February 1, 2022	31,940,610	31,940,610
Changes during the Period		
Dividends	-342,940	-342,940
Net Income	361,530	361,530
Total Changes	18,590	18,590
Balance as of July 31, 2022	31,959,201	31,959,201

(4) Dividend Statement

(JPY)

	January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
I Unappropriated Retained Earnings	342,987,138	361,577,705
II Total Dividends (Dividend per Share)	342,940,030 (1,345)	361,553,132 (1,418)
III Retained Earnings Carried Forward	47,108	24,573

(5) Cash Flow Statement

(JPY thousand)

	January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
Cash Flows from Operations:		
Pre-tax income	343,888	362,462
Depreciation	355,572	364,915
Interest income	-29	-34
Interest expense	104,915	105,908
Settlement received	-69,466	-
Decrease (increase) in accounts receivable	59,603	-76,427
Decrease (increase) in prepaid expenses	-43,169	45,893
Decrease (increase) in long-term prepaid expenses	56,882	51,430
Increase (decrease) in accrued consumption taxes	9,822	-16,050
Increase (decrease) in accounts payable	16,412	-31,472
Increase (decrease) in accounts payable – other	13,466	10,340
Increase (decrease) in advances received	-323	10,214
Increase (decrease) in rent to be reimbursed to hotel operators	-2,947	9,322
Other	-1,734	-4,514
Sub-total	842,891	831,987
Interest income received	29	34
Interest expense paid	-102,261	-104,673
Settlement amount received	69,466	-
Income taxes paid	-666	-930
Net Cash from (Used for) Operations	809,460	726,418
Cash Flows from Investments:		
Acquisition of property, plant, and equipment	-181,874	-942,258
Receipt of tenant security deposits	40	14,104
Return of tenant security deposits	-48,020	-27
Net Cash from (Used for) Investments	-229,854	-928,182
Cash Flows from Financing:		
Proceeds from short-term loans	7,000,000	450,000
Repayment of short-term loans	-7,000,000	-
Repayment of long-term loans	-	-450,000
Proceeds from bond issuance	370,000	-
Dividends paid	-268,986	-342,623
Payments into deposits with restricted withdrawals	-370,000	-
Net Cash from (Used for) Financing	-268,986	-342,623
Net Decrease (Increase) in Cash and Cash Equivalents	310,618	-544,386
Cash and Cash Equivalents at Beginning of Period	5,881,339	6,191,957
Cash and Cash Equivalents at End of Period	6,191,957	5,647,571

Rental Income Details

(JPY thousand)

	Previous Period January 2022 (August 1, 2021 to January 31, 2022)		Current Period July 2022 (February 1, 2022 to July 31, 2022)	
A	Real Estate Rental Income			
	Real Estate Rental Income	1,110,353	1,110,353	1,232,411
	Other Rental Income			
	Utilities Income	6,749		6,944
	Other	8,716	15,466	9,016
				15,960
	<u>Total Income</u>		1,125,819	1,248,372
B	Real Estate Rental Expenses			
	Rental Expenses			
	Outsourcing Fees	17,676		17,721
	Utilities	7,591		8,096
	Trust Fees	8,600		9,418
	Depreciation Expense	355,572		364,915
	Repair Expenses	34,437		38,651
	Property and City Planning Taxes	114,835		117,781
	Insurance	3,599		3,726
	Other Expenses	315		398
	<u>Total Expenses</u>		542,629	560,710
C	Net Rental Income			
	(A) – (B)		583,190	687,662

Details of Extraordinary Gains

Previous term

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).

Current term

None

Notes to Statement of Shareholders' Equity

(shares)

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

	January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
Cash and deposits	5,270,512	4,583,818
Cash and deposits in trust	1,791,445	1,933,753
Deposits with restricted withdrawals	-870,000	-870,000
Cash and cash equivalents	6,191,957	5,647,571

Long-Term Loan Maturity Distribution

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

July 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	6,300,000	–	–	–	–	–
Bonds	–	–	–	500,000	370,000	–
Long-term loans	–	6,720,000	3,000,000	2,000,000	–	–
Total	6,300,000	6,720,000	3,000,000	2,500,000	370,000	–

Notes to Derivative Transactions

1. Non-Hedge Accounting

N/A

2. Hedge Accounting

Previous 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.

Current Fiscal Period (as of July 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	11,720,000	Note	–

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

Notes to Rental Real Estate

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

(JPY thousand)

Asset Type		January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
Hotel	Book value		
	Beginning of fiscal period	52,064,686	51,915,689
	Changes during fiscal period	-148,996	529,544
	End of fiscal period	51,915,689	52,445,233
	Market value at end of fiscal period	53,215,000	54,015,000

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 January 2022 and July 2022 fiscal periods was depreciation, while the main factor contributing to the increase in the July 2022 fiscal period was an acquisition of trust beneficiary interest in real estate (JPY 695,183 thousand).
- 3) Market value is the appraisal value calculated by third-party appraisers.

Major Tenants (Hotel Operators)

Previous 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

Current Fiscal Period (July 2022)

(JPY thousand)

Name	Ichigo Hotel Operating Revenue
Nest Hotel Japan Corporation	293,592
Greens Co., Ltd.	247,250
The COURT Co., Ltd.	150,782
Hakata Hotels Inc.	147,883

Per Share Information

(JPY)

	January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
Net Assets per Share	125,270	125,342
Net Income per Share	1,345	1,417

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

	January 2022 (August 1, 2021 to January 31, 2022)	July 2022 (February 1, 2022 to July 31, 2022)
Net Income (JPY thousand)	342,958	361,530
Net Income not attributable to common shareholders (JPY thousand)	—	—
Net Income attributable to common shareholders (JPY thousand)	342,958	361,530
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 ²	-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	July 2022 Fiscal Period-End	
		Total (JPY million)	% of Total
Trust beneficiary interest in real estate (<i>juekiken</i>)	Hokkaido & Tohoku	3,863	6.5
	Kanto (ex-Tokyo)	2,249	3.8
	Tokyo	8,935	15.1
	Hokuriku & Tokai	9,554	16.1
	Kinki	15,171	25.6
	Chugoku & Shikoku	9,016	15.2
	Kyushu & Okinawa	3,654	6.2
Sub-total		52,445	88.4
Deposits & Other Assets		6,911	11.6
Total Assets		59,356	100

Regions are defined as follows:

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

Hotel Acquisition Price, Book Value, Appraisal Value, and Portfolio Weighting
(as of July 31, 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	4,502	3,570	8.5	
	003	Hotel Wing International Nagoya	2,670	2,691	2,150	5.1	
	004	Nest Hotel Sapporo Ekimae	2,160	2,133	2,590	4.1	
	005	The OneFive Osaka Sakaisuji	1,630	1,754	1,220	3.1	
	006	Comfort Hotel Hamamatsu	1,550	1,395	1,750	2.9	
	007	Hotel Wing International Kobe Shin Nagata Ekimae	1,490	1,375	1,810	2.8	
	008	Nest Hotel Sapporo Odori	1,450	1,445	1,820	2.8	
	009	The OneFive Fukuoka Tenjin	1,380	1,446	2,230	2.6	
	010	Nest Hotel Osaka Shinsaibashi	7,600	7,539	5,480	14.5	
	011	Comfort Hotel Central International Airport	5,308	5,204	5,790	10.1	
	012	Smile Hotel Tokyo Asagaya	3,910	3,870	4,360	7.4	
	015	Nest Hotel Matsuyama	1,610	1,624	1,970	3.1	
	016	Hotel Livemax Nihombashi-Hakozaki	1,360	1,269	1,380	2.6	
	017	The OneFive Okayama	1,200	1,195	1,760	2.3	
	018	Comfort Hotel Kushiro	300	284	365	0.6	
	019	Comfort Hotel Suzuka	300	263	359	0.6	
	020	Capsule Plus Yokohama	1,490	1,556	1,270	2.8	
	021	Urbain Hiroshima Executive	1,800	1,780	2,060	3.4	
	022	The OneFive Garden Kurashiki	1,725	1,811	2,240	3.3	
	023	Nest Hotel Kumamoto	2,220	2,207	2,330	4.2	
	024	Valie Hotel Hiroshima	1,500	1,538	1,670	2.9	
	025	HOTEL EMIT SHIBUYA	3,700	3,795	3,960	7.0	
	026	Washington Hotel Plaza Shimonoseki Eki Nishi	1,080	1,066	1,180	2.1	
	027	Comfort Hotel Nagano	670	692	701	1.3	
	Total			52,583	52,445	54,015	100

Hotel Location, Rent, Occupancy, and Structural Details

(as of July 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	1	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	60	1,910.94	1,910.94	100	1	77
	010	Nest Hotel Osaka Shinsaibashi	Osaka	1,072.78	7,968.49	Aug 1984	131	8,057.26	8,057.26	100	1	302
	011	Comfort Hotel Central International Airport	Tokoname, Aichi	6,637.11	11,599.63	Nov 2004 Jun 2006	302	11,599.63	11,599.63	100	1	346
	012	Smile Hotel Tokyo Asagaya	Tokyo	919.72	2,732.47	Jan 1993	120	2,721.70	2,721.70	100	8	112
	015	Nest Hotel Matsuyama	Matsuyama, Ehime	1,692.01	6,671.94	Nov 1988	72	6,671.94	6,671.94	100	1	190
	016	Hotel Livemax Nihombashi-Hakozaki	Tokyo	123.54	853.00	Feb 2015	Undisclosed	853.00	853.00	100	1	48
	017	The OneFive Okayama	Okayama	986.26	5,543.70	Nov 1983	134	5,543.70	5,543.70	100	1	208
	018	Comfort Hotel Kushiro	Kushiro, Hokkaido	895.05	3,180.58	Aug 2009	36	3,180.58	3,180.58	100	1	126
	019	Comfort Hotel Suzuka	Suzuka, Mie	553.26	2,186.65	Jul 2007	30	2,186.65	2,186.65	100	1	105
	020	Capsule Plus Yokohama	Yokohama	516.22	1,183.26	Dec 1993	Undisclosed	1,183.26	1,183.26	100	1	169
021	Urbain Hiroshima Executive	Hiroshima	693.96	2,756.20	Jun 2008	Undisclosed	2,756.20	2,756.20	100	1	171	
022	The OneFive Garden Kurashiki	Kurashiki, Okayama	1,031.57	3,964.19	Mar 1993	29	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
	027	Comfort Hotel Nagano	Nagano	396.28	1,921.45	Aug 1992	Undisclosed	1,921.45	1,921.45	100	1	76
Total			–	25,086.90	103,709.28	–	1,400	104,271.58	104,271.58	100	34	3,829

Appraisal Data

(as of July 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	3,450	3,750	4.5	3,490	4.5	4.6	186,304	4.2	3.4
	003	Hotel Wing International Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,150	2,940	2,230	4.7	2,120	4.5	4.9	119,819	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	160,279	7.4	6.0
	005	The OneFive Osaka Sakaisuji	Daiwa Real Estate Appraisal Co., Ltd.	1,220	1,380	1,240	4.8	1,210	4.5	4.9	69,140	4.2	3.1
	006	Comfort Hotel Hamamatsu	The Tanizawa Sogo Appraisal Co., Ltd.	1,750	1,550	1,760	5.2	1,750	5.2	5.4	100,245	6.5	4.5
	007	Hotel Wing International Kobe Shin Nagata Ekimae	The Tanizawa Sogo Appraisal Co., Ltd.	1,810	1,640	1,820	4.7	1,800	4.7	4.9	92,910	6.2	4.3
	008	Nest Hotel Sapporo Odori	Daiwa Real Estate Appraisal Co., Ltd.	1,820	1,800	1,880	5.0	1,790	4.8	5.2	112,993	7.8	5.3
	009	The OneFive Fukuoka Tenjin	Japan Real Estate Institute	2,230	1,900	2,250	4.3	2,200	4.0	4.4	108,719	7.9	6.6
	010	Nest Hotel Osaka Shinsaibashi	Daiwa Real Estate Appraisal Co., Ltd.	5,480	3,140	5,660	4.4	5,400	4.2	4.6	282,589	3.7	2.8
	011	Comfort Hotel Central International Airport	Daiwa Real Estate Appraisal Co., Ltd.	5,790	5,990	5,870	4.1	5,750	3.9	4.3	269,085	5.1	3.8
	012	Smile Hotel Tokyo Asagaya	Daiwa Real Estate Appraisal Co., Ltd.	4,360	1,190	4,460	4.3	4,320	4.1	4.5	205,433	5.3	3.9
	015	Nest Hotel Matsuyama	Daiwa Real Estate Appraisal Co., Ltd.	1,970	976	2,030	5.6	1,940	5.4	5.8	140,822	8.8	6.4
	016	Hotel Livemax Nihombashi-Hakozaki	Daiwa Real Estate Appraisal Co., Ltd.	1,380	609	1,390	4.6	1,370	4.4	4.8	66,002	4.9	3.5
	017	The OneFive Okayama	Daiwa Real Estate Appraisal Co., Ltd.	1,760	522	1,750	5.7	1,760	5.5	5.9	120,967	10.1	7.3
018	Comfort Hotel Kushiro	Daiwa Real Estate Appraisal Co., Ltd.	365	686	361	5.5	367	5.3	5.7	23,702	7.9	4.0	

Hotel Type	Hotel No.	Hotel Name	Appraiser	Appraisal Value (JPY million)	Value via Cost Approach (JPY million)	Value (JPY million)						Appraisal NOI yield (%)	Post-Depreciation NOI Yield (%)
						Value via Direct Capitalization Method	Cap Rate (%)	Value via DCF Method	Discount Rate (%)	Terminal Cap Rate (%)	Appraisal NOI (JPY thousand)		
Lodging – Focused	019	Comfort Hotel Suzuka	Daiwa Real Estate Appraisal Co., Ltd.	359	352	357	5.0	360	4.8	5.2	23,530	7.8	5.1
	020	Capsule Plus Yokohama	Daiwa Real Estate Appraisal Co., Ltd.	1,270	2,110	1,320	4.8	1,250	4.4	4.8	65,462	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	112,662	6.3	4.6
	022	The OneFive Garden Kurashiki	The Tanizawa Sogo Appraisal Co., Ltd.	2,240	1,940	2,350	5.2	2,190	5.1	5.2	140,928	8.2	6.7
	023	Nest Hotel Kumamoto	The Tanizawa Sogo Appraisal Co., Ltd.	2,330	2,310	2,420	5.4	2,290	5.4	5.5	150,530	6.8	4.8
	024	Valie Hotel Hiroshima	The Tanizawa Sogo Appraisal Co., Ltd.	1,670	1,600	1,740	5.0	1,640	5.0	5.1	105,398	7.0	4.2
	025	HOTEL EMIT SHIBUYA	The Tanizawa Sogo Appraisal Co., Ltd.	3,960	3,690	4,100	3.6	3,900	3.6	3.7	152,941	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	5.1	79,373	7.4	4.4
	027	Comfort Hotel Nagano	The Tanizawa Sogo Appraisal Co., Ltd.	701	624	728	4.9	690	5	5.1	43,590	6.5	5.7
Total/Average				54,015	44,549	55,456	4.7	53,357	–	–	2,933,428	5.6	4.2

Major Tenant Data (Hotel Operators)

Name	Industry	Hotel	Fixed Rent in July 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	185	20.6	32,141.34	30.8
Greens Co., Ltd.	Hotel Operation	Comfort Hotel Hamamatsu Comfort Hotel Central International Airport Comfort Hotel Kushiro Comfort Hotel Suzuka Comfort Hotel Nagano	247	27.5	23,062.23	22.1
Hakata Hotels Inc.	Hotel Operation	The OneFive Osaka Sakaisuji The OneFive Fukuoka Tenjin The OneFive Okayama The OneFive Garden Kurashiki HOTEL EMIT SHIBUYA	146	16.2	16,268.97	15.6

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	1,248,372	30,744	52,654	1,848	55,361	32,684	34,056
Fixed Rent	900,497	30,744	31,129	1,454	55,361	27,072	34,056
Variable Rent ³	302,719	–	21,525	394	–	5,612	–
Other Rent	45,155	–	–	–	–	–	–
(B) Rental Expenses	195,795	6,386	8,824	6,499	3,813	10,846	5,433
Outsourcing Fees	17,721	600	600	1,015	600	600	700
Insurance	3,726	170	198	125	128	201	69
Repair Expenses	38,651	231	2,560	1,294	430	1,403	511
Taxes	117,781	5,025	5,047	3,397	2,384	8,215	3,485
Other Expenses	17,914	359	418	666	270	426	667
(C) NOI (A) - (B)	1,052,577	24,358	43,830	-4,650	51,548	21,837	28,622
(D) Depreciation	364,915	17,156	15,728	9,552	15,058	18,078	8,554
(E) Net Rental Income (C) - (D)	687,662	7,202	28,102	-14,203	36,490	3,759	20,068

(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	66,291	151,441	67,615	47,534	62,161	18,419	15,442
Fixed Rent	66,291	151,441	61,603	36,323	62,161	18,419	15,442
Variable Rent ³	–	–	6,011	11,210	–	–	–
Other Rent	–	–	–	–	–	–	–
(B) Rental Expenses	18,885	15,008	9,572	6,855	7,041	5,730	4,081
Outsourcing Fees	1,200	570	2,393	720	600	900	540
Insurance	316	374	117	262	187	105	64
Repair Expenses	2,331	1,053	2,995	1,065	1,923	290	1,336
Taxes	14,627	12,552	3,656	4,378	3,891	4,023	1,730
Other Expenses	410	458	409	427	437	411	410
(C) NOI (A) - (B)	47,405	136,433	58,042	40,679	55,120	12,689	11,361
(D) Depreciation	35,953	34,998	26,361	19,036	16,879	5,820	4,166
(E) Net Rental Income (C) - (D)	11,452	101,434	31,680	21,642	38,241	6,868	7,195

(JPY thousand)

Hotel No.	022	023	024	025	Other ¹
Hotel Name	The OneFive Garden Kurashiki	Nest Hotel Kumamoto ¹	Valie Hotel Hiroshima	HOTEL EMIT SHIBUYA	
(A) Rental Income	2,249	94,427	151,382	47,568	316,487
Fixed Rent	994	25,134	17,934	47,568	217,364
Variable Rent ³	1,255	69,293	132,848	–	54,567
Other Rent	–	–	–	–	44,555
(B) Rental Expenses	16,639	6,839	9,139	8,828	45,370
Outsourcing Fees	600	780	720	700	3,882
Insurance	129	236	172	72	792
Repair Expenses	10,865	608	3,721	2,793	3,236
Taxes	4,110	4,804	4,157	4,803	27,489
Other Expenses	933	410	367	460	9,969
(C) NOI (A) - (B)	-14,389	87,588	142,242	38,739	271,116
(D) Depreciation	12,560	22,148	21,368	7,784	73,707
(E) Net Rental Income (C) - (D)	-26,950	65,439	120,874	30,954	197,409

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, Washington Hotel Plaza Shimonoseki Eki Nishi, and Comfort Hotel Nagano, 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	Comfort Hotel Nagano
NOI	45,307	47,481	32,486	15,418	56,667	38,711	6,280
Depreciation	10,876	14,224	9,106	5,451	15,335	16,069	2,644

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
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	42.3	40.3	57.3	67.6	60.4	59.5	60.6	60.5	54.7	64.3	57.3	62.5	57.3
ADR (JPY)	2,428	2,296	2,439	4,797	3,825	3,029	2,505	3,842	4,246	3,906	3,473	4,524	3,526
RevPAR (JPY)	1,026	925	1,397	3,242	2,309	1,803	1,519	2,324	2,321	2,511	1,991	2,828	2,019
Revenue (JPY million)	5	4	6	14	11	8	7	11	11	13	9	14	113
GOP (JPY million)	- 5	- 5	- 3	4	- 1	- 3	- 4	- 1	-	-	- 2	-	- 19

003 Hotel Wing International Nagoya

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	41.6	32.8	44.0	47.9	59.8	44.5	100	100	100	100	100	100	72.3
ADR (JPY)	4,329	3,867	3,940	3,980	4,436	4,683	5,455	5,455	5,455	5,455	5,455	5,455	5,070
RevPAR (JPY)	1,802	1,268	1,733	1,908	2,651	2,083	5,455	5,455	5,455	5,455	5,455	5,455	3,668
Revenue (JPY million)	14	9	13	14	20	16	34	38	37	38	37	38	308
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

004 Nest Hotel Sapporo Ekimae

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	90.9	90.0	92.1	92.1	93.9	86.9	93.7	94.8	93.8	94.1	93.7	95.1	92.6
ADR (JPY)	4,583	4,122	4,055	4,317	4,951	4,114	4,558	4,104	4,217	5,047	6,317	8,468	4,923
RevPAR (JPY)	4,164	3,710	3,736	3,976	4,650	3,576	4,271	3,892	3,957	4,748	5,918	8,050	4,558
Revenue (JPY million)	25	22	24	25	29	22	23	24	24	30	34	48	331
GOP (JPY million)	7	4	5	6	8	2	4	4	5	9	13	24	89

005 The OneFive Osaka Sakaisuji

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	–	51.5	73.2	91.3	97.6	96.2	93.2	95.9	97.0	96.5	97.5	97.1	89.8
ADR (JPY)	–	2,126	2,151	2,303	2,713	2,379	2,342	2,648	2,802	2,850	2,685	3,147	2,594
RevPAR (JPY)	–	1,094	1,573	2,103	2,649	2,290	2,183	2,539	2,718	2,750	2,617	3,055	2,328
Revenue (JPY million)	–	4	6	8	11	9	8	10	11	11	10	12	102
GOP (JPY million)	–	–	-2	-1	–	-2	-4	–	-1	-1	-1	2	-8

Note: Rebranded and reopened on September 1, 2021.

*Temporarily closed since April 17, 2020.

006 Comfort Hotel Hamamatsu

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	57.3	47.7	64.0	69.4	64.4	49.9	54.0	64.6	68.7	72.2	75.7	73.8	63.5
ADR (JPY)	4,984	4,702	4,757	4,861	5,130	4,968	5,224	5,320	5,273	5,401	5,280	5,705	5,158
RevPAR (JPY)	2,856	2,243	3,046	3,374	3,301	2,478	2,819	3,438	3,620	3,897	3,996	4,209	3,276
Revenue (JPY million)	17	13	19	20	20	15	15	21	21	24	23	26	234
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
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	51.8	35.0	49.4	65.5	64.9	54.4	47.2	60.2	61.9	71.3	66.1	71.9	58.4
ADR (JPY)	7,090	6,641	6,848	7,383	7,518	7,199	7,118	7,161	7,415	7,672	7,426	7,528	7,300
RevPAR (JPY)	3,671	2,325	3,380	4,839	4,876	3,913	3,358	4,315	4,586	5,471	4,906	5,416	4,263
Revenue (JPY million)	18	10	15	21	22	18	13	19	20	24	21	24	226
GOP (JPY million)	–	–	–	–	–	–	–	–	–	–	–	–	–

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

008 Nest Hotel Sapporo Odori

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	81.8	74.3	83.2	84.2	87.8	85.7	90.9	97.1	93.0	95.1	97.2	97.4	89.0
ADR (JPY)	4,956	4,010	3,869	4,356	5,240	4,205	4,755	4,221	4,350	5,231	6,382	8,590	5,076
RevPAR (JPY)	4,054	2,979	3,218	3,669	4,603	3,602	4,323	4,098	4,045	4,978	6,205	8,368	4,517
Revenue (JPY million)	18	13	15	16	21	16	17	19	18	23	27	36	239
GOP (JPY million)	2	-1	-1	–	2	-2	–	–	1	5	8	15	29

009 The OneFive Fukuoka Tenjin

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	97.8	95.0	98.2	98.3	97.7	94.8	75.5	96.2	97.9	97.9	97.8	95.1	95.3
ADR (JPY)	2,886	2,651	3,119	3,690	4,856	3,411	3,578	3,878	4,336	4,438	3,765	5,022	3,811
RevPAR (JPY)	2,822	2,519	3,063	3,626	4,746	3,235	2,700	3,730	4,244	4,343	3,683	4,776	3,633
Revenue (JPY million)	8	7	8	9	12	9	7	10	11	11	9	12	114
GOP (JPY million)	- 1	- 1	- 0	1	3	-	- 3	2	1	2	-	4	9

010 Nest Hotel Osaka Shinsaibashi

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	13.3	15.8	27.8	36.8	51.7	41.8	46.3	65.3	67.2	62.8	61.9	64.9	46.8
ADR (JPY)	3,210	3,218	3,077	3,284	3,502	3,342	3,190	3,352	3,503	3,725	3,685	4,164	3,523
RevPAR (JPY)	427	508	856	1,209	1,809	1,397	1,476	2,189	2,354	2,341	2,279	2,701	1,647
Revenue (JPY million)	5	6	10	13	19	15	15	23	23	24	23	27	203
GOP (JPY million)	- 3	- 3	- 1	-	3	- 1	- 1	4	5	4	4	6	16

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

011 Comfort Hotel Central International Airport

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	49.7	44.9	55.8	53.2	68.6	51.8	46.2	54.7	50.3	62.7	61.9	60.0	55.1
ADR (JPY)	6,226	6,328	6,568	6,838	7,213	7,360	7,646	7,407	7,003	7,312	7,446	7,946	7,132
RevPAR (JPY)	3,093	2,838	3,667	3,638	4,948	3,811	3,530	4,054	3,526	4,583	4,612	4,766	3,928
Revenue (JPY million)	34	30	40	39	54	42	35	45	38	51	49	52	510
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

012 Smile Hotel Tokyo Asagaya

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	98.9	97.9	99.1	99.6	100.0	99.0	99.0	99.4	99.7	84.1	99.6	100	98.0
ADR (JPY)	5,099	4,577	4,935	5,624	6,438	5,744	7,201	6,714	6,667	6,325	6,099	7,184	6,044
RevPAR (JPY)	5,045	4,479	4,890	5,601	6,440	5,686	7,132	6,671	6,647	5,319	6,074	7,186	5,924
Revenue (JPY million)	18	15	17	19	23	20	23	23	23	19	21	25	246
GOP (JPY million)	7	5	7	9	14	8	12	12	12	8	12	14	120

015 Nest Hotel Matsuyama

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	60.0	49.9	71.5	76.8	78.5	49.9	53.7	86.9	81.4	79.8	78.2	78.6	70.5
ADR (JPY)	4,447	3,981	4,497	5,011	4,788	4,608	4,173	4,205	4,653	5,214	5,068	5,773	4,751
RevPAR (JPY)	2,669	1,985	3,214	3,847	3,758	2,298	2,240	3,654	3,788	4,163	3,961	4,539	3,351
Revenue (JPY million)	18	13	24	31	29	16	14	27	27	32	29	32	294
GOP (JPY million)	3	0	6	12	9	1	-	7	8	11	9	12	77

016 Hotel Livemax Nihombashi-Hakozaki

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

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

017 The OneFive Okayama

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	98.7	95.7	97.5	97.7	97.9	98.1	96.8	96.6	98.7	98.3	97.8	98.3	97.7
ADR (JPY)	3,187	2,643	3,091	3,552	3,469	2,987	3,031	3,501	3,537	4,060	3,488	4,015	3,386
RevPAR (JPY)	3,146	2,530	3,013	3,472	3,395	2,930	2,935	3,383	3,490	3,991	3,410	3,946	3,307
Revenue (JPY million)	21	17	20	23	23	20	18	23	23	27	22	26	262
GOP (JPY million)	7	-	6	5	7	3	1	6	6	9	6	10	66

018 Comfort Hotel Kushiro

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	89.2	75.3	87.1	76.0	73.5	51.7	64.6	75.3	69.2	75.4	83.4	91.4	76.1
ADR (JPY)	7,293	6,009	5,679	5,060	5,062	5,053	4,702	4,683	5,124	5,835	6,759	7,577	5,802
RevPAR (JPY)	6,507	4,528	4,949	3,843	3,718	2,613	3,039	3,529	3,543	4,402	5,636	6,924	4,416
Revenue (JPY million)	26	18	20	15	16	11	11	15	15	18	22	29	215
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

019 Comfort Hotel Suzuka

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	50.2	51.9	64.7	69.1	77.2	53.0	61.5	82.1	77.5	73.0	71.1	76.4	67.3
ADR (JPY)	5,384	4,850	4,550	4,590	4,927	4,731	4,960	5,697	5,710	5,956	5,323	6,073	5,274
RevPAR (JPY)	2,701	2,519	2,945	3,171	3,802	2,507	3,052	4,678	4,427	4,348	3,785	4,640	3,550
Revenue (JPY million)	9	8	10	10	12	8	9	15	14	14	12	15	137
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

020 Capsule Plus Yokohama

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

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

021 Urbain Hiroshima Executive

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	11.5	5.8	21.8	40.8	46.1	15.9	11.9	28.5	47.3	45.3	48.7	54.5	31.6
ADR (JPY)	5,393	5,079	4,812	5,095	4,971	4,780	4,998	5,000	5,010	6,070	5,296	5,550	5,248
RevPAR (JPY)	619	296	1,050	2,079	2,292	762	597	1,426	2,368	2,747	2,577	3,023	1,660
Revenue (JPY million)	3	2	6	11	12	4	3	8	12	15	13	16	104
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

022 The OneFive Garden Kurashiki

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	31.6	25.5	38.1	50.4	10.6	-	12.0	40.5	51.6	57.0	46.2	55.6	35.0
ADR (JPY)	6,346	4,682	5,343	7,510	6,205	-	5,216	5,973	7,088	8,884	6,766	7,248	6,829
RevPAR (JPY)	2,005	1,193	2,036	3,785	657	-	629	2,418	3,657	5,065	3,124	4,027	2,391
Revenue (JPY million)	9	5	8	16	3	-	2	9	13	18	11	15	109
GOP (JPY million)	-	-2	1	6	-1	-	-6	1	-	2	-5	-0	-4

Note 1: Rebranded and reopened as The OneFive Kurashiki on February 1, 2022

Note 2: December 2021 data is for until December 15, 2021, the termination date with the former hotel operator.

023 Nest Hotel Kumamoto

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	57.5	60.5	76.6	77.8	76.2	62.5	100	100	100	100	100	100	84.1
ADR (JPY)	3,603	3,333	3,731	4,430	4,167	3,878	4,997	5,000	5,000	5,000	5,000	5,000	4,544
RevPAR (JPY)	2,073	2,015	2,860	3,447	3,174	2,422	4,997	5,000	5,000	5,000	5,000	5,000	3,822
Revenue (JPY million)	14	14	20	23	22	16	28	32	30	31	30	31	291
GOP (JPY million)	1	-	5	8	6	2	20	24	23	25	24	22	160

024 Valie Hotel Hiroshima

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	100	100	100	100	100	100	100	100	100	100	100	100	100
ADR (JPY)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
RevPAR (JPY)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Revenue (JPY million)	45	42	40	39	40	44	36	40	39	40	38	40	483
GOP (JPY million)	29	27	31	30	31	28	23	28	26	31	30	29	343

025 HOTEL EMIT SHIBUYA

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	98.6	98.2	99.0	99.5	99.6	98.2	98.7	98.8	99.2	98.8	99.4	98.9	98.9
ADR (JPY)	4,658	4,326	4,793	5,894	6,789	5,216	5,870	5,886	6,168	6,223	6,545	7,374	5,815
RevPAR (JPY)	4,592	4,250	4,746	5,867	6,759	5,122	5,794	5,818	6,119	6,151	6,509	7,295	5,752
Revenue (JPY million)	10	9	11	13	15	11	12	13	13	14	14	16	151
GOP (JPY million)	1	-2	2	3	5	1	2	3	3	3	4	6	30

026 Washington Hotel Plaza Shimonoseki Eki Nishi

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

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

27 Comfort Hotel Nagano

	2021					2022							Average/ Cumulative
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
Occupancy (%)	-	-	-	-	-	-	-	-	-	-	98.0	90.6	94.3
ADR (JPY)	-	-	-	-	-	-	-	-	-	-	6,952	6,764	6,860
RevPAR (JPY)	-	-	-	-	-	-	-	-	-	-	6,815	6,130	6,467
Revenue (JPY million)	-	-	-	-	-	-	-	-	-	-	16	15	30
GOP (JPY million)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Note 2: 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	7.4	7.6
Kanto (ex-Tokyo)	2	2,160	4.1	5.0
Tokyo	3	8,970	17.1	4.7
Hokuriku & Tokai	4	9,828	18.7	5.2
Kinki	4	15,200	28.9	4.2
Chugoku & Shikoku	6	8,915	17.0	7.9
Kyushu & Okinawa	2	3,600	6.8	7.2
Total	24	52,583	100	5.6

Major Capital Expenditures

a. Major Planned Capital Expenditures

Hotel Name	Location	Purpose	Timing	Forecast Expenditure (JPY million)
The OneFive Garden Kurashiki	Kurashiki Okayama	Renovate guest rooms	Jul 2023	200
Comfort Hotel Nagano	Nagano	Renovation due to operator change	Jan 2023	80
Nest Hotel Sapporo Ekimae	Sapporo, Hokkaido	Upgrade guest room bathtub units	Jul 2023	40
Nest Hotel Kumamoto	Kumamoto	Upgrade elevators	Apr 2023	28
The OneFive Garden Kurashiki	Kurashiki Okayama	Upgrade ventilation units	Dec 2022	25

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

Capital expenditure totaled JPY 237 million during the July 2022 Fiscal Period comprising a total JPY 199 million of construction work, including JPY 38 million of repair work expensed during the period.

Hotel Name	Location	Purpose	Timing	Expenditure (JPY million)
Nest Hotel Kumamoto	Kumamoto	Upgrade guest room air conditioning systems	Feb 2022	24
Nest Hotel Sapporo Ekimae	Sapporo, Hokkaido	Upgrade elevators	Mar - May 2022	21
Nest Hotel Matsuyama	Matsuyama, Ehime	Upgrade fan coil units	May - Jul 2022	20