



Ichigo Hotel January 2023 Fiscal Period Corporate Presentation

April 12, 2023

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



On March 16, 2023, Ichigo Hotel announced its January 2023 fiscal period earnings, the issuance of new shares via a public offering, and an acquisition of hotel assets.

However, on March 28, 2023, Ichigo Hotel's Board of Directors decided to cancel the issuance of new shares via public offering and asset acquisitions due to an administrative error in its January 2023 fiscal period earnings announced on March 16, 2023.

Ichigo Investment Advisors, Ichigo Hotel's asset management company, deeply apologizes to all Ichigo Hotel shareholders and investors for the new share offering cancellation. Ichigo Investment Advisors will incur all of the costs associated with the cancellation and take necessary measures to prevent future errors from occurring again.



**Make The World
More Sustainable**



**World-Class
Excellence**

Ichigo's
Hiromi Miyake



Ichigo

Ichigo is a J.League Top Partner



Ichigo

TOP PARTNER

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Cancelled Public Offering Rationale

- ✓ Positive Impact From Growing Ichigo Hotel Portfolio

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- ✓ January 2023 Earnings Breakdown
- ✓ Hotel Operating Results: Significant YOY Increases in Revenue, RevPAR, Occupancy, ADR
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Cancelled Public Offering Rationale

Positive Impact From Growing Ichigo Hotel Portfolio

Upside From New Acquisitions of Hotels With Growth Potential

- Japanese hotel market is still in growth stage and is anticipated to grow further
- Driving dividend growth potential via acquisitions of hotels with earnings growth potential
- NAV growth expected on back of acquisitions of hotels with value-add potential

Drive Shareholder Value Via Growth of Existing Hotels & Newly-Acquired Hotels With Growth Potential



Drive Dividend Growth	<ul style="list-style-type: none"> • Stable growth of existing portfolio, upside from newly-acquired hotels
Increase Liquidity	<ul style="list-style-type: none"> • Expand investor base via increase in market capitalization • Acquire external valuations (Acquire credit rating, entry into global indices)
Improve Portfolio Quality	<ul style="list-style-type: none"> • Drive further geographic diversification • Provide new value for lodging-focused hotels via acquisition of Ichigo's THE KNOT brand hotels
Drive Benefits From Economies of Scale	<ul style="list-style-type: none"> • Geographic and operator diversification due to increase in portfolio size contributes to portfolio growth and stability

January 2023 Results

January 2023 Highlights

	Results	Details
Asset Acquisition	Hotel Sunshine Utsunomiya (Acquisition Price JPY 2.2B)	<ul style="list-style-type: none"> Acquired with cash-on-hand Driving stability via fixed-rent hotels and geographic diversification of portfolio
Net Income	JPY 571M +JPY 197M (+52.9%) vs. forecast	<ul style="list-style-type: none"> +JPY 228M (+66.6% YOY) +JPY 289M (+102.5%) vs. initial forecast announced in Sep 2022
RevPAR	JPY 5,895 (15 variable rent hotels) +JPY 1,123 (+23.5%) vs. forecast	<ul style="list-style-type: none"> Occupancy: 88.5% (+7.4% vs. 82.4% forecast) ADR: JPY 6,658 (+15.0% vs. JPY 5,791 forecast)
NOI	JPY 1,353M +JPY 246M (+22.2%) vs. forecast	<ul style="list-style-type: none"> Increase in variable rent on back of hotel demand recovery & leasing of hotels to local governments +JPY 354M (+35.5%) vs. initial forecast announced in Sep 2022
FFO	JPY 3,708 +JPY 1,237 (+50.1%) YOY	<ul style="list-style-type: none"> FFO up on NOI increase
Dividend	JPY 2,240 +JPY 775 (+52.9%) vs. forecast	<ul style="list-style-type: none"> Operating Revenue increase driving Dividend increase (JPY 967 from leasing of hotels to local governments) +JPY 1,134 (+102.5%) vs. initial forecast announced in Sep 2022
NAV	JPY 132,267 +JPY 2,303 (+1.8%) vs. previous period	<ul style="list-style-type: none"> Total unrealized gains: JPY 2.1B

FFO (Funds from Operations) = (Net Income + Depreciation + Amortization of Expenses Related to REIT Establishment + Amortization of Share Issuance Expenses + Loss on Disposal of Fixed Assets + Accrued Asset Disposal Costs +/- Losses/Gains on Sales +/- Extraordinary Losses/Gains) / Number of Shares Outstanding
 NAV = BPS + Unrealized Capital Gains per Share

January 2023 Earnings Breakdown

(JPY million)

	Jan 2022 Actual	Jan 2023 Actual (A)	Revised Forecast (Dec 2022) (B)	vs. Revised Forecast (A) - (B)	(Reference) Initial Forecast (Sep 2022)	Major Variation Factors (vs. Revised Forecast)
Operating Revenue	1,125	1,537	1,323	+214	1,205	Increase in variable rent +212 (Valie Hiroshima, Shibuya, Asagaya, Osaka Sakaisuji, Kumamoto, Nagoya, Fukuoka Tenjin, Sapporo Ekimae, Shinsaibashi, Sapporo Odori, Yokohama, Okayama)
Variable Rent	147	501	294	+207	180	Decrease in variable rent -5 (Matsuyama, Kurashiki, Kyoto Shijo)
Fixed Rent	933	983	978	+5	974	Increase in fixed rent (Nagoya)
Other (Gains on Sales, etc.)	44	51	50	+1	50	
Operating Expenses	653	755	725	+30	690	AM fee +65, Utility expenses +2, Taxes -6, Other SG&A expenses -2
Repair & Maintenance	34	21	49	-28	42	Decrease due to unused reserve resulting from repairs not conducted at hotels leased as Covid facilities
Depreciation	355	373	374	-1	371	
Operating Profit	472	781	597	+184	514	
Recurring Profit	274	572	374	+198	283	Borrowing-related expenses -12, Interest expenses -2
Net Income	342	571	373	+198	282	
Dividend	JPY 1,345	JPY 2,240	JPY 1,465	+JPY 775	JPY 1,106	+52.9% vs. Revised forecast announced on Dec 2022 +102.5% vs. Initial forecast announced on Sep 2022 +66.5% YOY (+JPY 895)
FFO	JPY 2,471	JPY 3,708	–	–	–	
NOI	938	1,353	1,107	+246	998	
Post-Depreciation NOI	583	980	733	+247	627	
Capex	206	194	456	-262	513	Decrease due to renovations for hotels leased as Covid facilities moved to the July 2023 fiscal period
Book Value	51,915	54,539	–	–	–	

Significant YOY Increases in Revenue, RevPAR, Occupancy, ADR

Variable Rent Hotels (15 Hotels)

	Aug 1, 2021 - Jan 31, 2022	Aug 1, 2022 - Jan 31, 2023	Change	YOY	Aug 1, 2019 - Jan 31, 2020
Room Revenue (JPY M)	1,330	2,533	+1,203	+90.5%	2,613
Total Revenue (JPY M)	1,483	2,684	+1,201	+81.0%	3,008
RevPAR (JPY)	3,112	5,895	+2,784	+89.5%	6,149
Occupancy	68.8%	88.5%	+19.7%	+28.7%	84.4%
ADR (JPY)	4,522	6,658	+2,136	+47.2%	7,286

Total Portfolio (23Hotels)

	Aug 1, 2021 - Jan 31, 2022	Aug 1, 2022 - Jan 31, 2023	Change	YOY	Aug 1, 2019 - Jan 31, 2020
Room Revenue (JPY M)	2,031	3,738	+1,707	+84.0%	3,959
Total Revenue (JPY M)	2,140	3,908	+1,768	+82.6%	4,144
RevPAR (JPY)	3,109	5,735	+2,626	+84.5%	6,084
Occupancy	64.5%	83.7%	+19.2%	+29.8%	83.5%
ADR (JPY)	4,820	6,852	+2,032	+42.2%	7,282

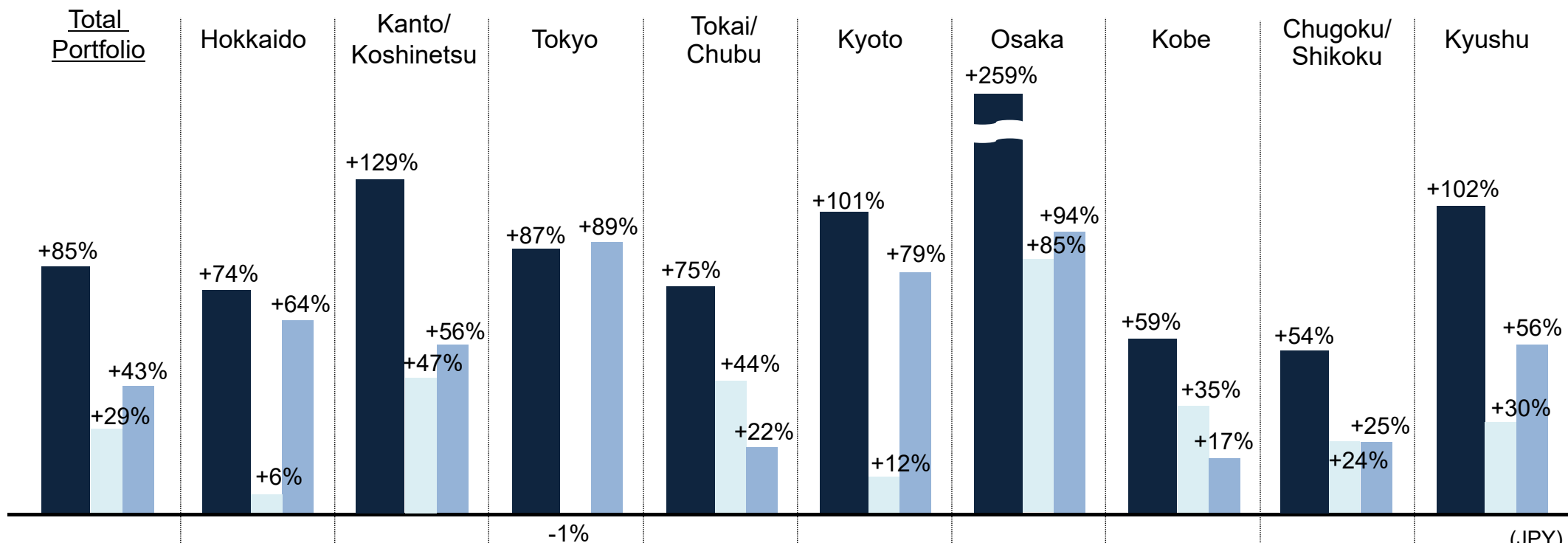
Data comparisons for all periods (including Aug 1, 2019 – Jan 31, 2020) use data of hotels currently owned by Ichigo Hotel. Data excludes Capsule Plus Yokohama and Washington Hotel Plaza Shimonoseki Eki Nishi. Operating results before acquisition are based on data provided by previous owner.

YOY Growth in All Regions Via ADR Increase

YOY by Region (Aug 2022– Jan 2023)

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

■ RevPAR ■ Occupancy ■ ADR



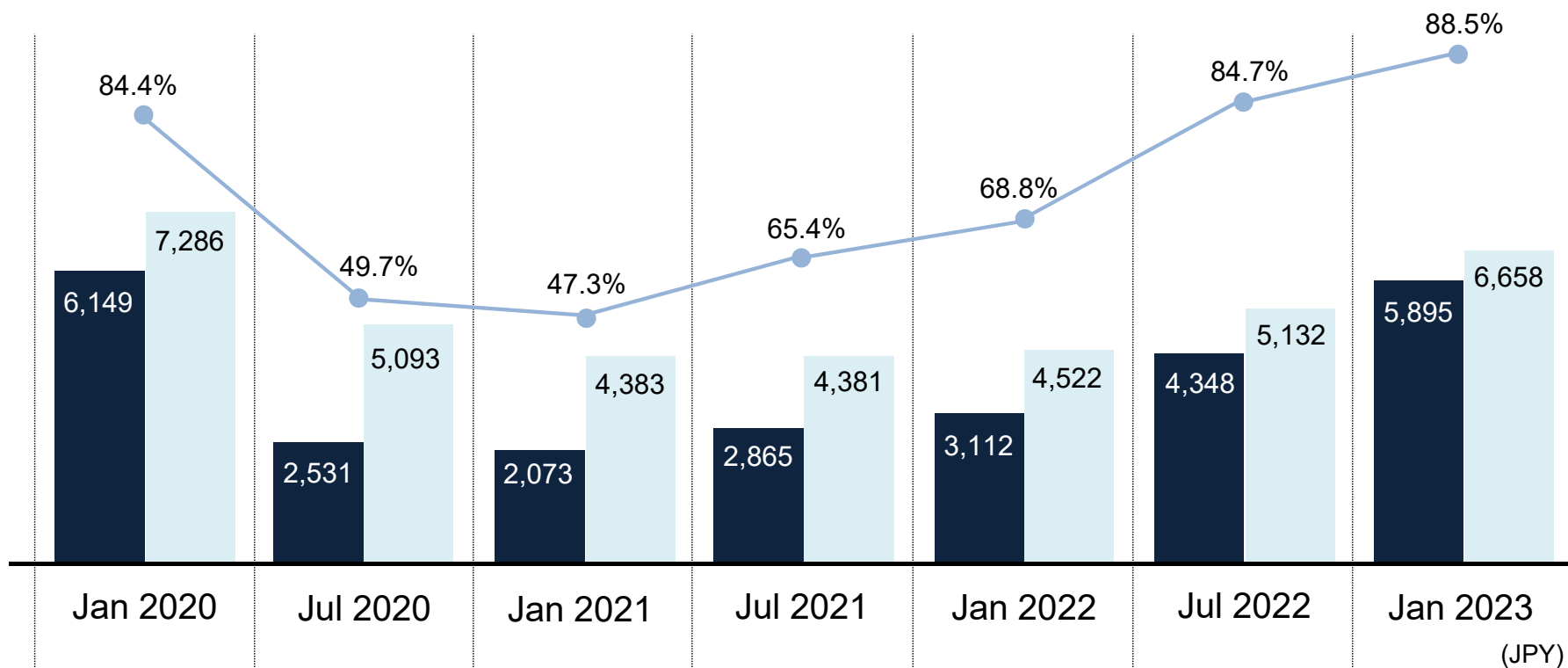
	Hokkaido	Kanto/Koshinetsu	Tokyo	Tokai/Chubu	Kyoto	Osaka	Kobe	Chugoku/Shikoku	Kyushu
RevPAR	6,970	7,798	8,785	5,171	3,576	4,644	6,089	5,209	5,762
Occupancy	89.1%	97.0%	92.5%	77.1%	61.2%	83.8%	72.3%	82.5%	99.3%
No. Hotels	3	2	3	4	1	2	1	5	2
% of Total Portfolio Rental Income	11%	4%	14%	20%	3%	7%	3%	23%	10%



RevPAR, Occupancy, & ADR Recovery on Track

Variable Rent Hotels (Jan 2020 – Jan 2023)

■ RevPAR ■ ADR ● Occupancy



RevPAR	6,149	2,531	2,073	2,865	3,112	4,348	5,895
Occupancy	84.4%	49.7%	47.3%	65.4%	68.8%	84.7%	88.5%
ADR	7,286	5,093	4,383	4,381	4,522	5,132	6,658

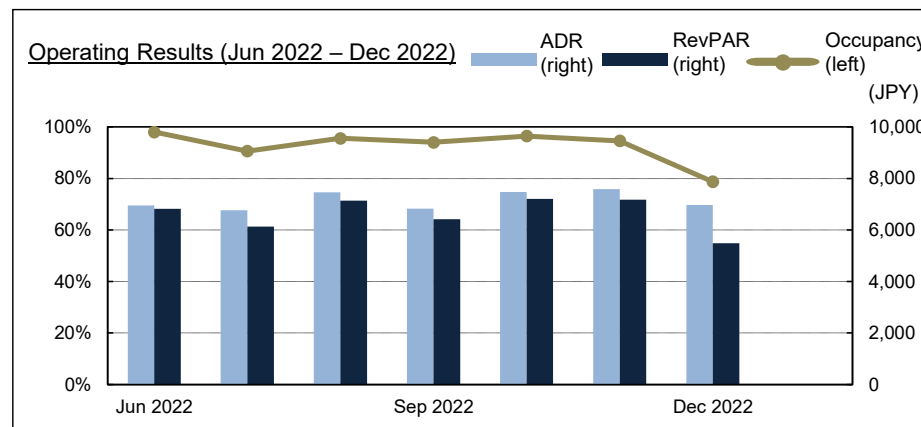
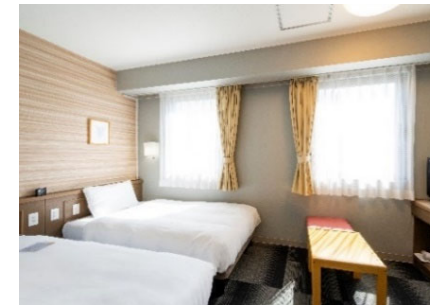
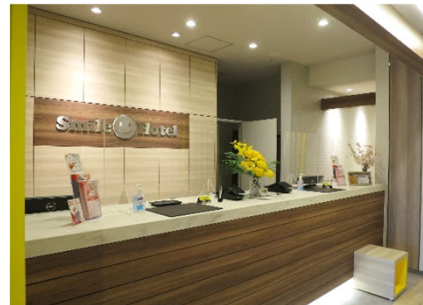
Data comparisons for all periods use data of hotels currently owned by Ichigo Hotel. Pre-acquisition data for acquired hotels are based on data received from the previous owners.



Driving Earnings Growth (Operator Change)

Smile Hotel Nagano (former Comfort Hotel Nagano)

- Changed operator to K.K. Hospitality Operations
 - ✓ Operates 70 lodging-focused hotels and resort hotels across Japan
 - ✓ Operates 3 Ichigo Hotel-owned hotels
- Rebranded and reopened as Smile Hotel Nagano in March 2023
- Driving stability & earnings growth via change from fixed-rent contract to fixed + variable-rent contract




Closed for renovations due to operator change in January 2023

Ichigo Hotel Value-Add: The OneFive Garden Kurashiki

Completed Full-Scale Renovations to Drive Earnings in Anticipation of Demand Recovery (February 2023)

The OneFive Garden Kurashiki

Renovations to drive hotel competitiveness that meet guest needs

- ✓ Full-scale renovations of guest rooms and hallways
 - ADR Forecast +11.7%
- ✓ Added smoking area and new laundry machines
 - Adding value to guest experience via catering to growing guest needs

Outcomes	
Capex	JPY 175M
Variable Rent Increase (Expected)	+JPY 30M p.a.
ROI	17.3%

Strengthened Portfolio Via Hotel Acquisition

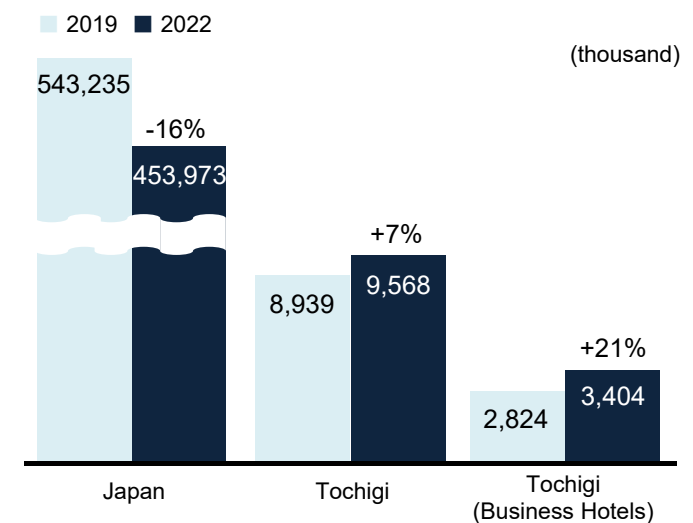
Hotel Sunshine Utsunomiya

(Acquisition Price JPY 2.2B, Acquired on Sep 20, 2022)

- Acquired using cash-on-hand
- Fixed-rent lease hotel acquisition to drive portfolio earnings stability
- A lodging-focused hotel located in Utsunomiya City of Tochigi Prefecture, the largest city in the North Kanto area; Number of hotel guests increasing in Tochigi
- Stable business demand from industrial park and corporate research centers in the area
- Redevelopment at Utsunomiya Station East Exit
 - ✓ Retail complex with a convention hall opened in Nov 2022
 - ✓ Light Rail Transit, a next-generation streetcar system, to start operations in Aug 2023



Number of Guests (2019 vs. 2022)



Portfolio Growth Opportunity Via Ichigo Sponsor Support

Sponsor Owns 18 Hotels Across Japan, Mainly Lodging-Focused Hotels

Sponsor-Owned Hotels By Area

Area	No. of Hotels	Book Value at Acquisition (JPY M)
Hokkaido	1	3,900
Kanto Koshinetsu	3	7,684
Tokyo	2	8,211
Hokuriku/Tokai	2	1,869
Kinki	2	8,162
Chugoku/Shikoku	1	3,962
Kyushu	7	23,940
Total	18	57,731

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Kanto Koshinetsu	3	7,684
Tokyo	2	8,211
Hokuriku/Tokai	2	1,869
Kinki	2	8,162
Chugoku/Shikoku	1	3,962
Kyushu	7	23,940
Total	18	57,731

Hokkaido



Sapporo

Kanto Koshinetsu



Yokohama



Yokohama



Utsunomiya, Tochigi

Tokyo



Shinjuku

Hokuriku/Tokai



Shima, Mie



Ogaki, Gifu

Kinki



Osaka

Chugoku/
Shikoku



Hiroshima

Kyushu



Fukuoka

Shareholder Discount Program

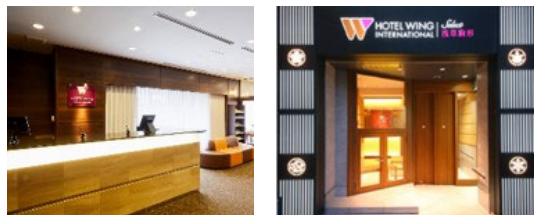
Program Established to Express Gratitude to Ichigo Hotel Shareholders and to Support Ichigo Hotel's Hotel Operators

Special Discount Rates (including hotels not owned by Ichigo Hotel)

Minacia Co., Ltd.

■ Hotel Wing International

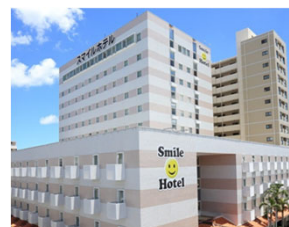
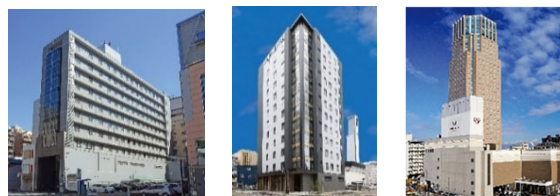
- ✓ Special rate 12% lower than rates on hotel website
- ✓ 39 Hotel Wing International Hotels located across Japan, from Hokkaido to Kagoshima



K.K. Hospitality Operations

■ Smile Hotels

- ✓ Special rate 10% lower than rates on hotel website
- ✓ 70 Smile Hotel and Hotel Emisia brand hotels located across Japan, from Hokkaido to Okinawa



Greens Co., Ltd.

■ Choice Hotels

- ✓ Special rate 10% or 13% lower than rates on hotel website
- ✓ 73 Comfort Hotel brand hotels located across Japan, from Hokkaido to Okinawa



Ichigo J.League Shareholder Program

Represents Two Firsts for a Shareholder Program in Japan

- First Japanese company to include not just its own shareholders, but also the shareholders of the REITs and YieldCo that it manages, in its shareholder program (70,000 shareholders total)
- First company to offer shareholders free tickets to every J.League game at every J.League club

Ichigo is deepening its partnership with the J.League and working to further Ichigo's mission of promoting local community development.



Ichigo J.League Shareholder Program Website Landing Page

Additional Special Holiday Gift

Gift set featuring food products selected by Ichigo-sponsored soccer club, Tegevajaro Miyazaki



Products from store at Ichigo Miyako City's Miyazaki Thanks Market

Sustainability as a Key Management Priority

Sustainability Initiatives (1)

Environmental Certifications

Minimizing Environmental Impact of Ichigo Hotel-Owned Assets

- The OneFive Tokyo Shibuya (BELS 4 Stars)
- Joined GRESB Real Estate Assessment in 2021
 - ✓ Awarded 2 Stars in GRESB rating
 - ✓ Won Green Star designation for 2 consecutive years
- Energy efficiency assessments conducted at 1 hotel



Energy Efficiency Improvements

- Promoting energy consumption reduction via inspections & installing LED lights and water-saving systems across all hotels

LED Lights %	No. of Hotels
100%	3
>50%	11
25% - 50%	4
<25%	2
TBC	5
Total	25

Water-Saving Systems	No. of Hotels
Installed	9
Not Installed	11
TBC	5
Total	25

Sustainability Initiatives (2)

Energy Consumption & Reduction Target Disclosures

- Disclosing environmental performance on IHR website
- GHG Emission Reduction Targets
- ✓ Scope 1 + Scope 2 GHG emission: 50% reduction vs. 2019
- ✓ Scope 3 GHG emission: 30% reduction vs. 2019

IHR Website Excerpt

		FY19/2	FY20/2	FY21/2
Number of Assets (Including assets acquired/sold)		22	23	23
Energy Consumption	Total Amount [mWh]	44,174.54	25,224.34	28,433.56
	Intensity [mWh/m ²]	0.569	0.536	0.480
	(Renewable Energy) [mWh]	(-)	(-)	(272)
Greenhouse Gas Emissions	Scope 1+2			
	Location-based [t-CO ₂]	12,200.66	7,733.69	8,434.19
	Market-based [t-CO ₂]	12,082.43	7,908.81	8,601.63
	Scope 1+2+3			
	Location-based [t-CO ₂]	16,270.26	11,267.12	12,174.21
	Market-based [t-CO ₂]	16,152.03	11,442.23	12,341.66

Sustainability Initiatives (3)

Shift to Renewable Energy

- Sourcing 100% renewable energy at 7 hotels as of February 28, 2023
- Remaining hotels to be transitioned sequentially by January 2024
- Total electricity at 7 transitioned hotels: 2,792,618kWh (FY22/2 Actual)
- CO2 reduction: 1,232 tons (using CO2 emission factor of 0.441kg CO2 per kWh)



RE100

A global initiative bringing together businesses committed to 100% renewable electricity, including solar, wind, hydro, and biomass energy, and accelerating the change towards a zero-carbon society.

Ichigo (2337), Ichigo Hotel's sponsor, joined RE100 in February 2021 and set a target to source 100% renewable electricity across its operations, including Ichigo Hotel (3463) and Ichigo Office (8975), by 2025.

Earnings Forecasts

July 2023/January 2024 Forecast Assumptions

Assuming Currently-Owned Hotels & No Rebranding/Re-tenanting
Contracts Leasing All Rooms of 4 Hotels to Local Governments Ending on
March 31, 2023

Occupancy, ADR, & RevPAR Forecasts for 16 Variable Hotels

	July 2022 Actual (A)	July 2023 Forecast (B)	vs. July 2022 (B)/(A)	(Reference: Pre-Covid) July 2019 Actual (C)	vs. Pre- Covid (B)/(C)
Occupancy	84.9%	80.3%	94.6%	86.6%	92.7%
ADR	JPY 5,184	JPY 6,759	130.4%	JPY 8,006	84.4%
RevPAR	JPY 4,402	JPY 5,426	123.3%	JPY 6,932	78.3%
	January 2023 Actual (A)	January 2023 Forecast (B)	vs. January 2023 (B)/(A)	(Reference: Pre-Covid) July 2019 Actual (C)	vs. Pre- Covid (B)/(C)
Occupancy	88.7%	84.6%	95.4%	84.8%	99.8%
ADR	JPY 6,674	JPY 7,281	109.1%	JPY 7,255	100.4%
RevPAR	JPY 5,918	JPY 6,156	104.0%	JPY 6,153	100%

* Data of 16 hotels for all fiscal periods except the July 2019 fiscal period, which reflects data for 15 hotels excluding Valie Hotel Hiroshima. Comfort Hotel Nagano is included as a variable rent hotel due to the change in contract from a fixed rent contract to a variable + fixed rent contract in March 2023.

July 2023 Forecast

Revenue Expected to Exceed Previous Forecast on Back of Strong Demand Recovery

(JPY million)

	Jul 2022 Actual (A)	Jul 2023 Previous Forecast (Sep 2022)	Jul 2023 Revised Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,248	1,326	1,400	+152	Increase in variable rent +227 (Sapporo Ekimae, Sapporo Odori, Matsuyama, Asagaya, Yokohama, Shibuya, Osaka Shinsaibashi, Osaka Sakaisuji, Fukuoka Tenjin, Nagano)
Variable Rent	302	305	385	+82	Decrease in variable rent -144 (Valie Hiroshima, Kumamoto, Nagoya) *Due to termination of contracts leasing all rooms
Fixed Rent	900	972	972	+72	Increase in fixed rent +82 (Utsunomiya, Osaka Sakaisuji, Kurashiki, Nagoya)
Other (Gains on Sales, etc.)	45	48	42	-2	Decrease in fixed rent: -10 (Valie Hiroshima, Nagano) Retail rent: Utsunomiya +6, Kumamoto -6, Asagaya -2
Operating Expenses	681	723	744	+63	Property tax +10, Insurance/Management outsourcing fee: +5 AM fee +17, SG&A expenses +9
Repair & Maintenance	38	44	46	+7	
Depreciation	364	378	378	+13	
Operating Profit	566	603	655	+88	
Recurring Profit	362	352	402	+40	
Net Income	361	351	401	+40	
Dividend	JPY 1,418	JPY 1,380	JPY 1,576	+JPY 158	+11.1% YOY +14.2% (+JPY 196) vs. previous forecast
NOI	1,052	1,110	1,182	+129	
Post-Depreciation NOI	687	732	803	+115	
Capex	199	670	749	+550	Renovation expenses (Kurashiki), Change in hotel operator (Nagano), Equipment upgrades for hotels leased as Covid facilities (Valie Hiroshima, Kurashiki, Nagoya)

January 2024 Forecast

Dividend Forecast to Decrease due to Termination of Contracts Leasing All Rooms to Local Governments

(JPY million)

	Jan 2023 Actual (A)	Jan 2024 Forecast (B)	(B) - (A)	Major Factors for Variation
Operating Revenue	1,537	1,559	+22	
Variable Rent	501	498	-3	Increase in variable rent +170 (Kurashiki, Matsuyama, Osaka Shinsaibashi, Sapporo Odori, Nagano) Decrease in variable rent -173 (Valie Hiroshima, Kumamoto, Nagoya) *Due to termination of contracts leasing all rooms
Fixed Rent	983	1,016	+32	Increase in fixed rent +45 (Kurashiki, Utsunomiya, Osaka Sakaisuji) Decrease in fixed rent -12 (Nagano)
Other (Gains on Sales, etc.)	51	44	-7	
Operating Expenses	755	776	+21	Property Tax +9, Management outsourcing fee -2 AM fee -18, SG&A expenses +4
Repair & Maintenance	21	44	+23	
Depreciation	373	378	+5	
Operating Profit	781	782	-	
Recurring Profit	572	495	-76	Borrowing-related expenses +28, Interest expenses +49
Net Income	571	494	-76	
Dividend	JPY 2,240	JPY 1,938	-JPY 302	-13.5% YOY
NOI	1,353	1,345	-7	
Post-Depreciation NOI	980	967	-13	
Capex	194	401	+207	

Ichigo's Commitment to ESG



Ichigo Sustainability Policy

Harmony with the Environment

Ichigo actively monitors and minimizes the environmental impact of its business operations.

Energy Conservation, CO2 Reduction, and Recycling

Ichigo seeks to contribute to a low-carbon, low-waste society by reducing energy consumption, extending the useful life of assets, actively recycling, reducing waste production and water consumption, and implementing green procurement measures.

Regulatory and Environmental Compliance

Ichigo complies with all environmental laws and regulations and Ichigo's own independently-established environmental rules. Ichigo also carefully monitors and complies with all applicable changes in laws and regulations.

Training and Awareness

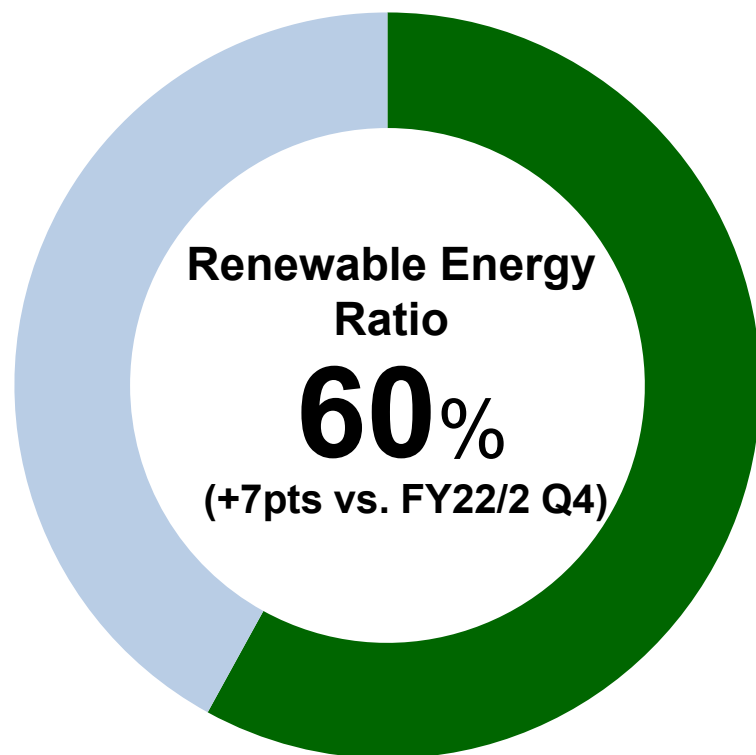
Ichigo promotes understanding of its Sustainability Policy and works to increase sustainability awareness among all Ichigo employees.

Sustainability Performance Communication and Disclosure

Ichigo communicates its Sustainability Policy and Ichigo's sustainability initiatives to society at large. Ichigo also obtains certifications for its sustainability activities on an ongoing basis.

RE100 by 2025 On Track

Ichigo RE100 Progress



As of FY23/2 Q3 (November 30, 2022)

Includes all Ichigo, Ichigo Hotel (3463), and Ichigo Office (8975) assets

FY23/2 Forecast RE100 Transition Impact

CO2 Reduction **35,815 tons**

% Reduction **47.2%**

CO2 Emissions
of Cars

 × **15,572**

Note:

% Reduction = Amount of CO2 reduction vs. 75,890 tons (FY20/2 actual)
Annual CO2 emission per car c. 2,300kg (Ministry of Environment)

RE100

**CLIMATE
GROUP**

CDP

Ichigo ESG – Environmental



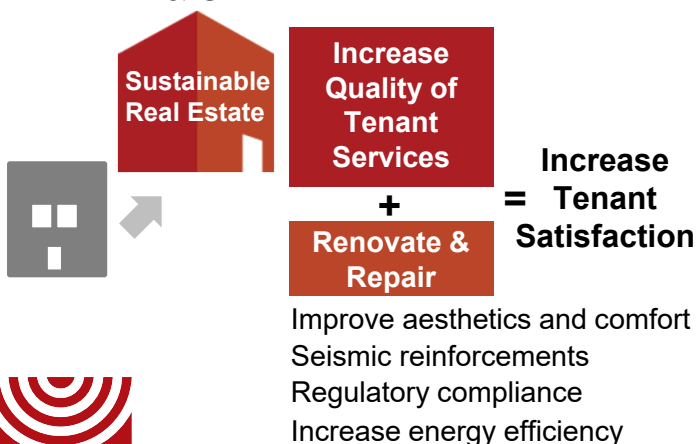
Sustainability-Driven & Climate Positive

Effective Use of Existing Real Estate

Preserve & Improve Real Estate to End Wasteful Demolition

Ichigo's Sustainable Real Estate business has a proven track record of preserving and improving existing real estate. Ichigo will build on this long-standing commitment to sustainability by developing new technologies to extend the lives of buildings and other social infrastructure 100 years and beyond.

Ichigo's Sustainable Real Estate Preserve & Create Value



Towards a Net Zero Carbon Society

Community-Based, Productive Use of Idle Land for Clean Energy

Ichigo will not build power plants that require the clearing of wooded land or the altering of the landscape in a way that increases the risk of floods, landslides, or other water-related disasters, or that face opposition from local communities.



Annual Power Production

217,758,958 kWh

Equivalent to annual energy consumption of 72,586 households

Annual CO2 Reduction

124,281,000 kg

Equivalent to annual CO2 emission of 54,035 cars

* July 2021 – June 2022 Actuals



J-REIT Initiatives

Pro-Active Environmental Certifications

By obtaining certifications such as GRESB, CASBEE, BELS, and DBJ Green Building, Ichigo is demonstrating our long-standing commitment to sustainability via initiatives that benefit investors, tenants, clients, and other stakeholders.

Ichigo Hotel (3463)	Ichigo Office (8975)
Certifications <ul style="list-style-type: none"> The OneFive Tokyo Shibuya (BELS, 4 stars) GRESB (Since 2021) <ul style="list-style-type: none"> Received Green Star for 2 years in a row. Evaluated for ESG, management, & performance Transition to Renewable Energy <ul style="list-style-type: none"> Completed at 7 hotels To be transitioned sequentially at other hotels 	Certifications <ul style="list-style-type: none"> 22 (19 assets) 32.8% of total leasable office area GRESB (Since 2016) <ul style="list-style-type: none"> Received Green Star for 6 years in a row. Evaluated for ESG, management, & performance Transition to Renewable Energy <ul style="list-style-type: none"> Completed at all 74 assets by April 2022 (excludes partially-owned assets)

(as of February 28, 2023)



Contributing to a Sustainable Society



Contributing to Regional Revitalization

Ichigo works to revitalize local communities and promote regional economic development. Ichigo's model of preserving and improving existing real estate creates jobs and supports businesses, and our clean energy plants also support their host communities by providing new and sustainable sources of income.

THE KNOT TOKYO Shinjuku

Hotel / Tokyo
<https://hotel-the-knot.jp/tokyoshinjuku/en>



Miyako City
Retail Asset / Miyazaki
www.miyakocity.com

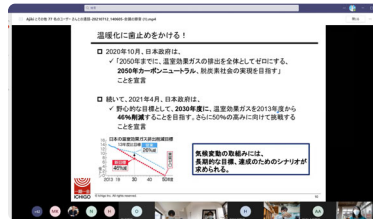
Ichigo University

Ichigo established Ichigo University in May 2013 to support employees' continuing education and personal growth.

Ichigo University courses are taught by employees and external professionals who are specialists in their fields and have deep experience.

Average Annual Number of Courses: 30

Ichigo University Classes



Online



In-Person

Sports Initiatives

As a top partner of the J.League professional soccer league, we support the league's mission to promote community development. Ichigo supports outstanding athletes in weightlifting, rifle shooting, and track and field.



Hiromi Miyake
(Weightlifting)



Chisato Kiyoyama
(Track and Field)

Ichigo Sports Site (Japanese only)
www.ichigo.gr.jp/ichigosports



Global Best Practice Governance



No Fixed Fee, Performance Fee-Only Structure

- ✓ Shifted to performance-linked fee structure to support shareholder value creation on February 1, 2019
- ✓ Pro-active, dynamic management of Ichigo Hotel assets on behalf of shareholders

Best Practice Governance

REIT

- ✓ Monitors Asset Management Company
 - All Ichigo Hotel Directors are Independent Directors
 - Active dialogue and effective internal controls via Board discussions led by REIT Executive Director
 - Draw upon expertise of REIT Supervisory Directors (qualified lawyers & accountants)

Asset Management Company (AMC)

- ✓ Best Practice
 - Majority of AMC Directors (3 of 5) are Independent Directors
 - Independent asset management team & best practice execution on behalf of Ichigo Hotel REIT within AMC
 - Compliance and Audit are directly under the AMC President to monitor and review critical compliance matters
 - Ensure objectivity by including third-party, independent lawyers and accountants in the Investment and Risk & Compliance Committees

Only 3 J-REITS (out of 60), including Ichigo Hotel (3463) and Ichigo Office (8975), have both an Asset Management Company (AMC) board that has a majority of Independent Directors and whose AMC President does NOT serve as the Executive Director of the REIT

Independence of the Investment Corporation From AMC	Independent Directors at AMC
<p>➔ 28 of 60 J-REITs have AMC Presidents serving as Executive Director of the REIT</p> <p>All Ichigo Hotel Directors are Independent</p>	<p>➔ Only 3 Asset Management Companies have any Independent Directors</p> <p>3 of 5 Ichigo Investment Advisors' Directors are Independent</p>

* Based on research as of February 28, 2023

Appendix: Portfolio Details

Portfolio Lease Details

Operator Diversification Driving Earnings Stability

(as of January 31, 2023)

Lease Terms	Fixed Rent	Fixed + Variable Rent		Variable Rent	Total
Form of Contract	Lease	Lease	Lease	Lease	–
Fixed Rent	Yes	Yes	Yes	–	–
Variable Rent	–	Fixed Portion of Revenue Upside	Fixed Portion of Hotel GOP	Excess Above Fixed Portion of Hotel GOP	–
Rental Income (Jan 2023 Actual)	JPY 443M (29.8%)	JPY 116M (7.9%)	JPY 887M (59.8%)	Not Available ¹	JPY 1,485M (100%)
Number of Hotels	9 Hotels	2 Hotels	13 Hotels	1 Hotel	25 Hotels
Total Acquisition Price	JPY 14.57B (26.6%)	JPY 4.16B (7.6%)	JPY 34.57B (63.1%)	JPY 1.49B (2.7%)	JPY 54.78B (100%)
Hotels	<ul style="list-style-type: none"> • Comfort Hotel Kushiro • Comfort Hotel Hamamatsu • Comfort Hotel Central International Airport • Comfort Hotel Suzuka • Hotel Livemax Nihombashi-Hakozaki • Urbain Hiroshima Executive • Washington Hotel Plaza Shimonoseki Eki Nishi • Comfort Hotel Nagano • Hotel Sunshine Utsunomiya² 	<ul style="list-style-type: none"> • Hotel Wing International Nagoya • Hotel Wing International Kobe Shin Nagata Ekimae 	<ul style="list-style-type: none"> • Nest Hotel Sapporo Ekimae • Nest Hotel Sapporo Odori • Nest Hotel Osaka Shinsaibashi • Nest Hotel Matsuyama • Nest Hotel Kumamoto • Smile Hotel Tokyo Asagaya • Smile Hotel Kyoto Shijo • Valie Hotel Hiroshima • The OneFive Fukuoka Tenjin • The OneFive Garden Kurashiki • The OneFive Tokyo Shibuya • The OneFive Okayama • The OneFive Osaka Sakaisuji 	<ul style="list-style-type: none"> • Capsule Plus Yokohama 	–

¹ Operator did not provide consent to disclose information

² Hotel Sunshine Utsunomiya was acquired on September 22, 2022

Individual Hotel Summary

(as of January 31, 2023)

	Hotel No.	Hotel Name	Lease Terms	Location	Leasable Area (m ²)	Acquisition Price (JPY M)	Book Value (JPY M) (A)	Jan 2023 Appraisal		Unrealized Gains (JPY M) (B) - (A)
								Value (JPY M) (B)	Cap Rate (%)	
Hotel	A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	5,734.93	2,160	2,135	2,590	5.1	+454
	A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	5,638.78	1,450	1,431	1,820	5.0	+388
	A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	3,180.58	300	278	365	5.5	+86
	B-1	Capsule Plus Yokohama	Variable Rent	Yokohama	1,183.26	1,490	1,555	1,280	4.9	-275
	B-2	Comfort Hotel Nagano	Fixed Rent	Nagano	1,921.45	670	712	708	4.9	-4
	B-3	Hotel Sunshine Utsunomiya	Fixed Rent	Utsunomiya, Tochigi	5,267.16	2,200	2,269	2,410	4.9	+140
	C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	2,721.70	3,910	3,852	4,440	4.3	+587
	C-3	Hotel Livemax Nihombashi-Hakozaki	Fixed Rent	Tokyo	853.00	1,360	1,260	1,380	4.6	+119
	C-4	The OneFive Tokyo Shibuya	Variable + Fixed Rent	Tokyo	1,470.52	3,700	3,793	4,080	3.5	+286
	D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	4,173.92	1,550	1,386	1,750	5.2	+363
	D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	5,255.66	2,670	2,686	2,150	4.7	-536
	D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	11,599.63	5,308	5,185	5,800	4.1	+614
	D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	2,186.65	300	275	354	5.1	+78
	E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	4,891.84	4,480	4,485	3,570	4.5	-915
	E-3	The OneFive Osaka Sakaisuji	Variable + Fixed Rent	Osaka	3,568.32	1,630	1,748	1,230	4.8	-518
	E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	4,540.90	1,490	1,361	1,810	4.7	+448
	E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	8,057.26	7,600	7,511	5,500	4.4	-2,011
	F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	5,543.70	1,200	1,187	1,760	5.7	+572
	F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	6,671.94	1,610	1,621	1,970	5.6	+348
	F-3	Urbain Hiroshima Executive	Fixed Rent	Hiroshima	2,756.20	1,800	1,766	1,990	5.4	+223
	F-4	The OneFive Garden Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	3,964.19	1,725	1,829	2,280	5.1	+450
	F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	4,332.50	1,500	1,519	1,670	5.0	+150
	F-6	Washington Hotel Plaza Shimonoseki Eki Nishi	Fixed Rent	Shimonoseki, Yamaguchi	5,709.35	1,080	1,050	1,200	4.9	+149
	G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	1,910.94	1,380	1,445	2,230	4.3	+784
	G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	6,404.36	2,220	2,187	2,330	5.4	+142
Total (25 Hotels)					109,538.74	54,783	54,539	56,667	4.7	+2,127

January 2023 Fiscal Period Individual Hotel Operating Results

(year-on-year)

Hotel No.	Hotel Name	Lease Terms	Location	No. of Guest Rooms	January 2023 (August 2022 - January 2023)							
					RevPAR (JPY)		Occupancy (%)		ADR (JPY)		Revenue (JPY M)	
A-1	Nest Hotel Sapporo Ekimae	Variable + Fixed Rent	Sapporo	162	7,249	(+82.6%)	92.9%	(+2.1%)	7,807	(+78.9%)	252.9	(+71.6%)
A-2	Nest Hotel Sapporo Odori	Variable + Fixed Rent	Sapporo	121	7,745	(+109.8%)	91.4%	(+10.3%)	8,473	(+90.2%)	197.1	(+97.8%)
A-3	Comfort Hotel Kushiro	Fixed Rent	Kushiro, Hokkaido	126	5,866	(+34.5%)	82.1%	(+8.8%)	7,143	(+23.6%)	144.6	(+35.3%)
B-2	Comfort Hotel Nagano	Fixed Rent	Nagano	76	6,865	(-)	93.8%	(-)	7,318	(-)	69.9	(-)
B-3	Hotel Sunshine Utsunomiya	Fixed Rent	Utsunomiya, Tochigi	160	8,118	(+217.7%)	98.1%	(+75.4%)	8,273	(+81.1%)	240.3	(+164.9%)
C-1	Smile Hotel Tokyo Asagaya	Variable + Fixed Rent	Tokyo	112	8,620	(+60.8%)	97.8%	(-1.3%)	8,814	(+62.9%)	179.6	(+59.4%)
C-4	The OneFive Tokyo Shibuya	Variable + Fixed Rent	Tokyo	72	11,705	(+124.0%)	98.9%	(+0.1%)	11,832	(+123.9%)	156.9	(+126.5%)
D-1	Comfort Hotel Hamamatsu	Fixed Rent	Hamamatsu, Shizuoka	196	4,780	(+65.7%)	79.2%	(+34.7%)	6,035	(+23.0%)	172.4	(+65.7%)
D-2	Hotel Wing International Nagoya	Variable + Fixed Rent	Nagoya	224	5,396	(+182.4%)	98.9%	(+119.1%)	5,455	(+28.9%)	222.4	(+155.1%)
D-3	Comfort Hotel Central International Airport	Fixed Rent	Tokoname, Aichi	346	5,291	(+44.2%)	61.9%	(+14.5%)	8,551	(+25.9%)	344.0	(+43.6%)
D-4	Comfort Hotel Suzuka	Fixed Rent	Suzuka, Mie	105	5,027	(+71.1%)	77.2%	(+26.7%)	6,513	(+35.1%)	98.4	(+71.4%)
E-1	Smile Hotel Kyoto Shijo	Variable + Fixed Rent	Kyoto	144	3,576	(+100.9%)	61.2%	(+12.1%)	5,847	(+79.2%)	101.4	(+108.9%)
E-3	The OneFive Osaka Sakaisuji	Variable + Fixed Rent	Osaka	130	4,729	(+143.0%)	97.1%	(+18.2%)	4,872	(+105.5%)	113.6	(+191.3%)
E-4	Hotel Wing International Kobe Shin Nagata Ekimae	Variable + Fixed Rent	Kobe	133	6,089	(+58.7%)	72.3%	(+35.2%)	8,417	(+17.4%)	163.7	(+56.8%)
E-5	Nest Hotel Osaka Shinsaibashi	Variable + Fixed Rent	Osaka	302	4,608	(+337.5%)	78.1%	(+145.9%)	5,903	(+78.0%)	263.8	(+283.3%)
F-1	The OneFive Okayama	Variable + Fixed Rent	Okayama	208	4,854	(+57.5%)	99.1%	(+1.6%)	4,896	(+55.1%)	191.6	(+55.4%)
F-2	Nest Hotel Matsuyama	Variable + Fixed Rent	Matsuyama, Ehime	190	4,245	(+43.3%)	70.1%	(+8.8%)	6,058	(+31.8%)	182.5	(+38.7%)
F-3	Urban Hiroshima Executive	Fixed Rent	Hiroshima	171	3,557	(+200.7%)	59.1%	(+149.7%)	6,021	(+20.5%)	111.9	(+200.7%)
F-4	The OneFive Garden Kurashiki	Variable + Fixed Rent	Kurashiki, Okayama	107	6,870	(+328.5%)	81.4%	(+214.2%)	8,442	(+36.4%)	121.2	(+197.6%)
F-5	Valie Hotel Hiroshima	Variable + Fixed Rent	Hiroshima	171	7,500	(-)	100%	(-)	7,500	(-)	236.9	(-5.1%)
G-1	The OneFive Fukuoka Tenjin	Variable + Fixed Rent	Fukuoka	77	7,752	(+132.3%)	97.4%	(+0.5%)	7,957	(+131.2%)	115.6	(+118.1%)
G-3	Nest Hotel Kumamoto	Variable + Fixed Rent	Kumamoto	201	5,000	(+87.7%)	100%	(+46.0%)	5,000	(+28.6%)	184.9	(+70.9%)
Other				455								
Variable Rent Hotels				2,523	5,895	(+89.5%)	88.5%	(+28.7%)	6,658	(+47.2%)	2,684.1	(+81.0%)
Fixed Rent Hotels				1,466	5,426	(+74.8%)	74.3%	(+31.9%)	7,299	(+32.5%)	1,224.1	(+86.3%)
Total				3,989	5,735	(+84.5%)	83.7%	(+29.8%)	6,852	(+42.2%)	3,908.2	(+82.6%)

Operating Results data for Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, and Washington Hotel Plaza Shimonoseki Eki Nishi are consolidated under Other, because the hotel operators did not provide consent to disclose hotel-specific data. Fixed Rent Hotels and Total include Hotel Livemax Nihombashi-Hakozaki's operating results.

Pre-acquisition data for acquired hotels are based on data received from the previous owners. Comfort Hotel Nagano is excluded from the above data because the hotel operators did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons

Individual Hotel Financials

(JPY thousand)

	Total	A-1	A-2	A-3	B-3	C-1	C-4	D-1	D-3	D-4	E-1	E-3	E-5	F-1	F-2	F-4	F-5	G-1	G-3	Other
		Nest Hotel Sapporo Ekimae	Nest Hotel Sapporo Odori	Comfort Hotel Kushiro	Hotel Sunshine Utsunomiya	Smile Hotel Tokyo Asagaya	The OneFive Tokyo Shibuya	Comfort Hotel Hamamatsu	Comfort Hotel Central International Airport	Comfort Hotel Suzuka	Smile Hotel Kyoto Shijo	The OneFive Osaka Sakaisuji	Nest Hotel Osaka Shinsaibashi	The OneFive Okayama	Nest Hotel Matsuyama	The OneFive Garden Kurashiki	Valie Hotel Hiroshima	The OneFive Fukuoka Tenjin	The OneFive Kumamoto	
(A) Rental Income	1,537,201	88,629	51,331	18,419	46,769	94,883	76,086	55,361	151,441	15,442	40,089	29,383	74,326	79,040	36,083	11,260	152,287	55,700	99,385	361,276
Fixed Rent	983,771	32,392	26,083	18,419	42,065	59,282	44,932	55,361	151,441	15,442	34,644	5,826	65,487	72,233	35,717	1,549	22,871	40,895	27,348	231,772
Variable Rent	501,579	56,236	25,248	–	–	35,600	31,154	–	–	–	5,444	23,557	8,839	6,806	362	9,710	128,815	14,805	72,036	82,960
Other Rent	51,849	–	–	–	4,704	–	–	–	–	–	–	–	–	–	3	–	600	–	–	46,542
(B) Rental Expenses	183,642	8,081	10,415	5,669	984	7,799	7,783	4,159	14,553	3,728	7,332	6,002	18,306	5,653	6,184	10,145	5,822	4,889	6,610	49,521
Outsourcing Fees	18,616	600	600	900	567	2,523	600	600	570	540	600	1,095	1,200	600	720	600	720	600	780	4,200
Insurance	4,162	209	218	115	157	122	75	135	395	68	182	137	339	202	278	136	180	74	249	884
Repair Expenses	21,539	1,803	956	220	–	1,088	1,874	770	631	980	1,173	1,005	1,730	637	1,017	4,937	396	300	366	1,649
Taxes	117,126	5,047	8,215	4,022	–	3,656	4,865	2,384	12,548	1,730	5,018	3,397	14,627	3,796	3,758	4,108	4,157	3,550	4,804	27,436
Other Expenses	22,198	421	425	410	259	409	367	270	408	408	359	367	408	416	409	362	367	364	409	15,350
(C) NOI (A) - (B)	1,353,558	80,547	40,916	12,750	45,784	87,083	68,303	51,202	136,888	11,714	32,756	23,381	56,020	73,387	29,898	1,115	146,465	50,811	92,774	311,754
(D) Depreciation	373,178	16,545	17,974	5,840	3,791	22,754	7,951	15,558	35,592	4,230	16,997	10,301	36,007	17,198	19,965	13,128	21,051	8,755	22,187	77,342
Net Rental Income (C) - (D)	980,380	64,001	22,941	6,909	41,993	64,329	60,351	35,643	101,296	7,484	15,758	13,079	20,012	56,188	9,933	-12,013	125,413	42,055	70,586	234,412

* Rents 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 as well as retail income of 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.

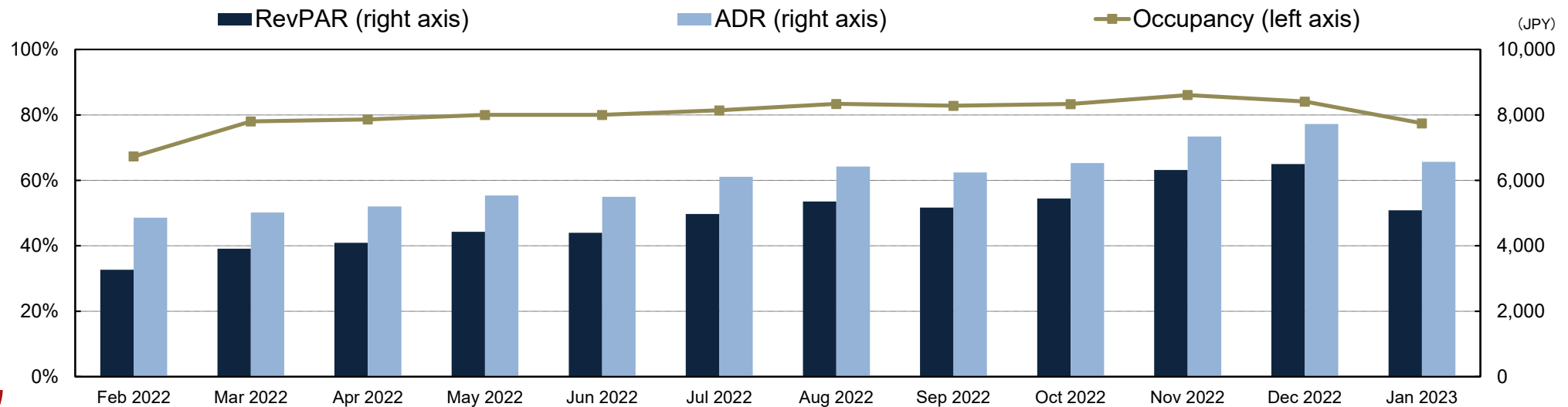
Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

Fixed/Variable Rent

(JPY thousand)

		Jan 2022		Jul 2022		Jan 2023	
		Rent	Ratio	Rent	Ratio	Rent	Ratio
Rent	Fixed	962,539	85.5%	929,692	74.5%	1,015,562	66.1%
	Fixed Rent from Operators	933,355	82.9%	900,497	72.1%	983,771	64.0%
	Other (Rent from Retail Tenants)	29,184	2.6%	29,194	2.3%	31,790	2.1%
	Variable Rent	147,812	13.1%	302,719	24.2%	501,579	32.6%
Other (Utility Income)		15,466	1.4%	15,960	1.3%	20,059	1.3%
Total		1,125,819	100%	1,248,372	100%	1,537,201	100%

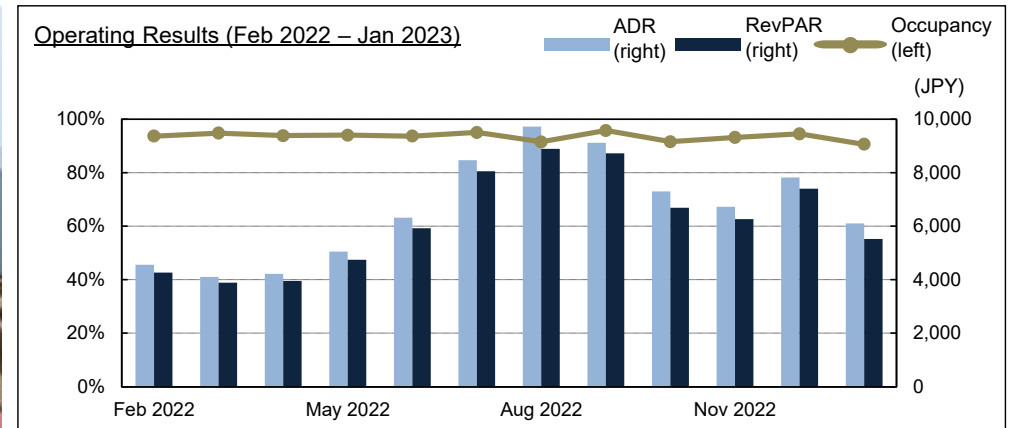
Operating Results (Feb 2022 – Jan 2023)



Variable Rent Hotel Details

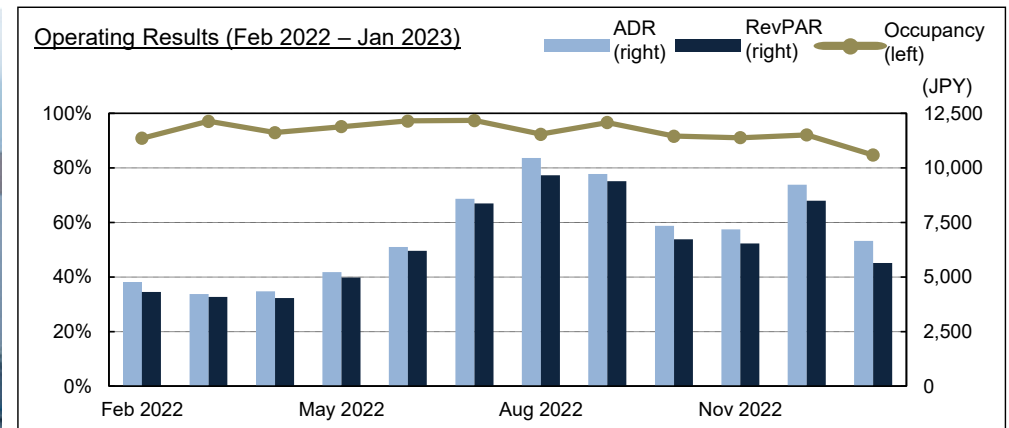
A-1 Nest Hotel Sapporo Ekimae

Location	Sapporo
Access	5-minute walk from Sapporo Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	162
Acquisition Price	JPY 2.16B



A-2 Nest Hotel Sapporo Odori

Location	Sapporo
Access	4-minute walk from Odori Station on Sapporo City Metro Namboku Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	121
Acquisition Price	JPY 1.45B



Variable Rent Hotel Details

B-1 Capsule Plus Yokohama

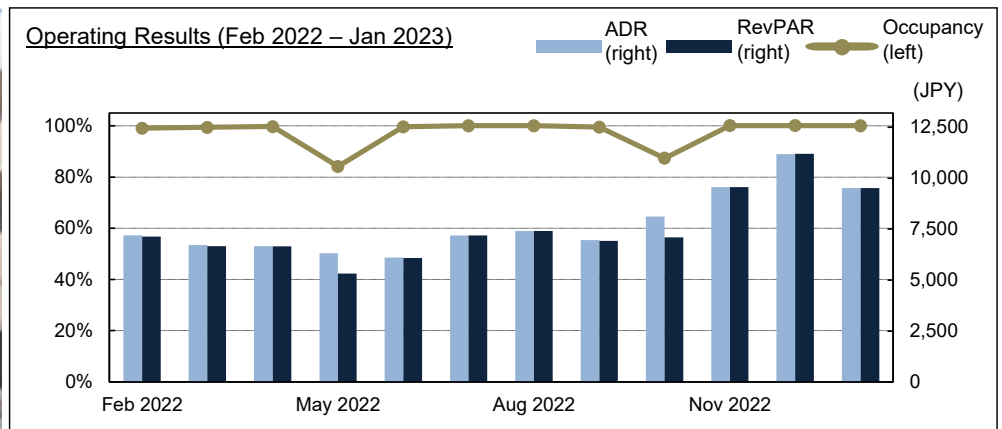
Location	Yokohama, Kanagawa
Access	6-minute walk from Yokohama Station on JR/ Subway Line
Operator	nine hours Inc.
Guest Rooms	169
Acquisition Price	JPY 1.49B



The hotel operator did not give consent to disclose data.

C-1 Smile Hotel Tokyo Asagaya

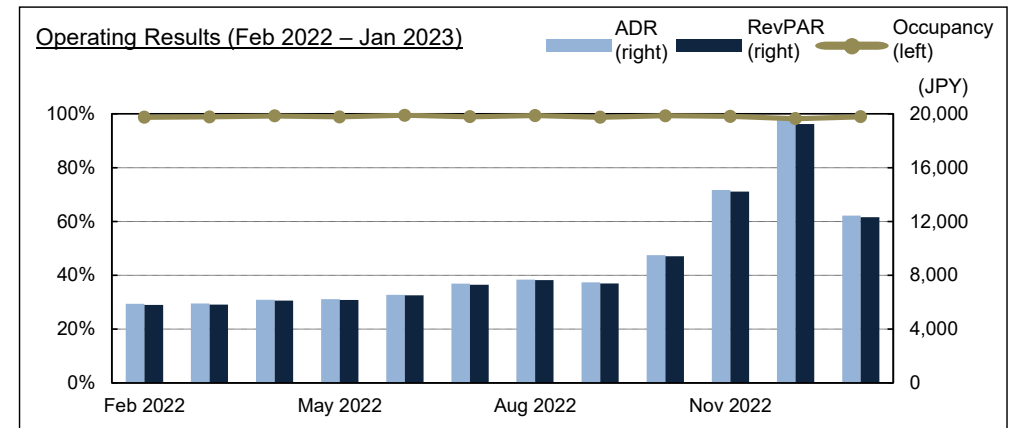
Location	Suginami-ku, Tokyo
Access	1-minute walk from Asagaya Station on JR Chuo/Sobu Line
Operator	K.K. Hospitality Operations
Guest Rooms	112
Acquisition Price	JPY 3.91B



Variable Rent Hotel Details

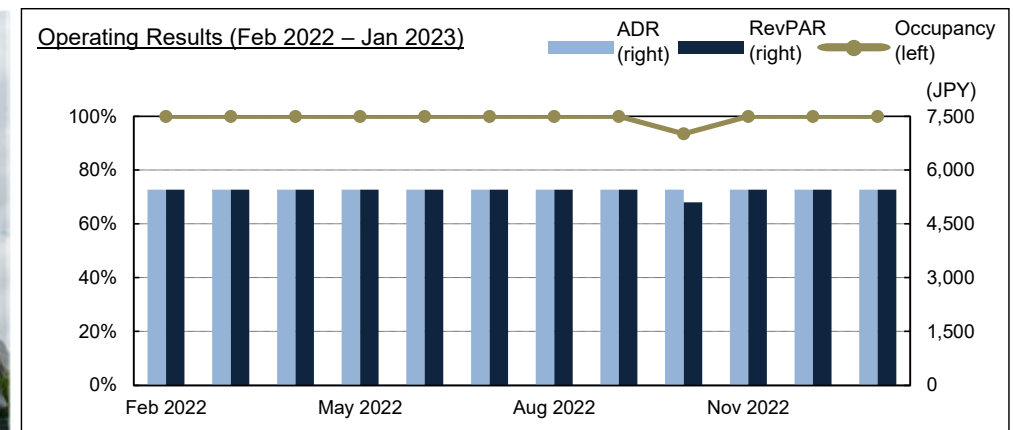
C-4 The OneFive Tokyo Shibuya

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



D-2 Hotel Wing International Nagoya

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

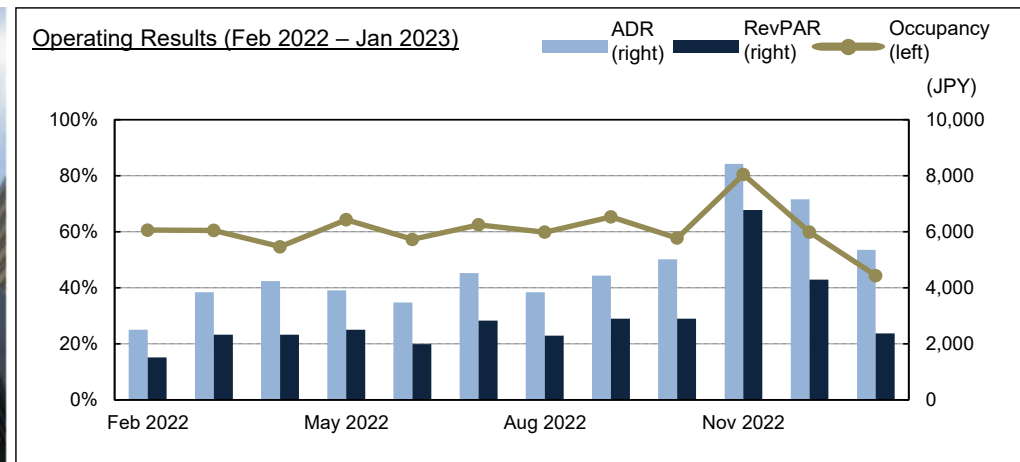
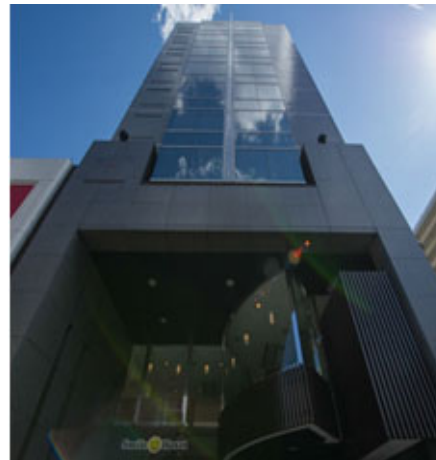


* Aichi Prefecture has temporarily leased all rooms of Hotel Wing International Nagoya starting on January 28, 2022 (contract ending March 31, 2023).

Variable Rent Hotel Details

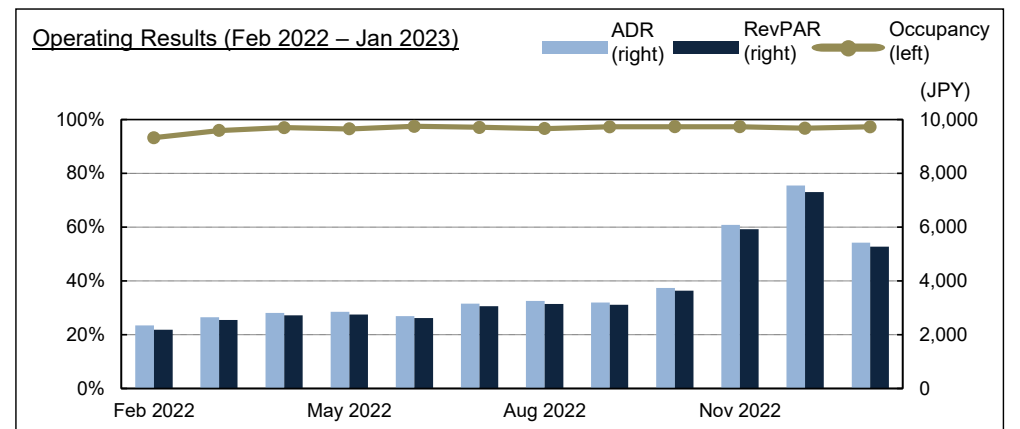
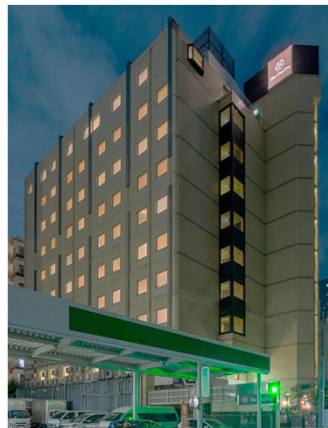
E-1 Smile Hotel Kyoto Shijo

Location	Kyoto
Access	5-minute walk from Shijo Station on Kyoto City Subway Karasuma Line and Karasuma Station on Hankyu Kyoto Main Line
Operator	K.K. Hospitality Operations
Guest Rooms	144
Acquisition Price	JPY 4.48B



E-3 The OneFive Osaka Sakaisuji

Location	Osaka
Access	5-minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line
Operator	Hakata Hotels Inc.
Guest Rooms	130
Acquisition Price	JPY 1.63B

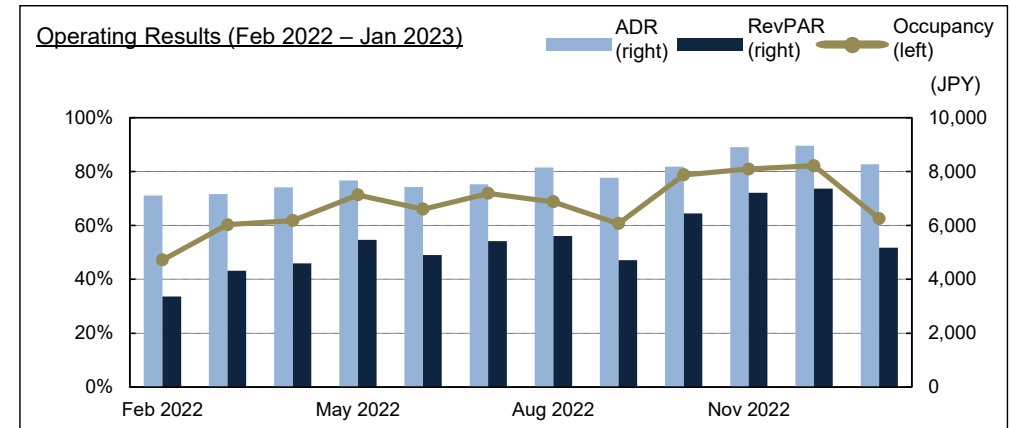


* Closed in December 2020. Changed operator and rebranded and reopened as The OneFive Osaka Sakaisuji in September 2021.

Variable Rent Hotel Details

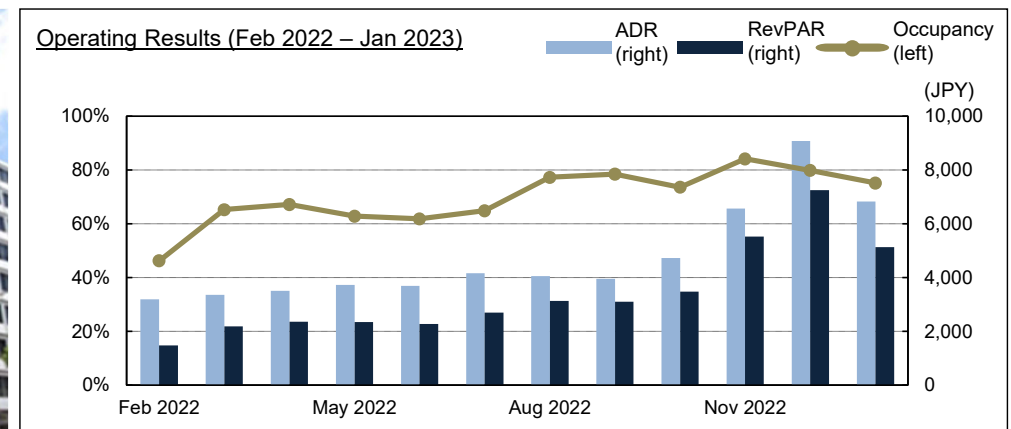
E-4 Hotel Wing International Kobe Shin Nagata Ekimae

Location	Kobe
Access	2-minute walk from Shin Nagata Station on JR Kobe Line and JR Sanyo Honsen Line
Operator	Minacia Co., Ltd.
Guest Rooms	133
Acquisition Price	JPY 1.49B



E-5 Nest Hotel Osaka Shinsaibashi

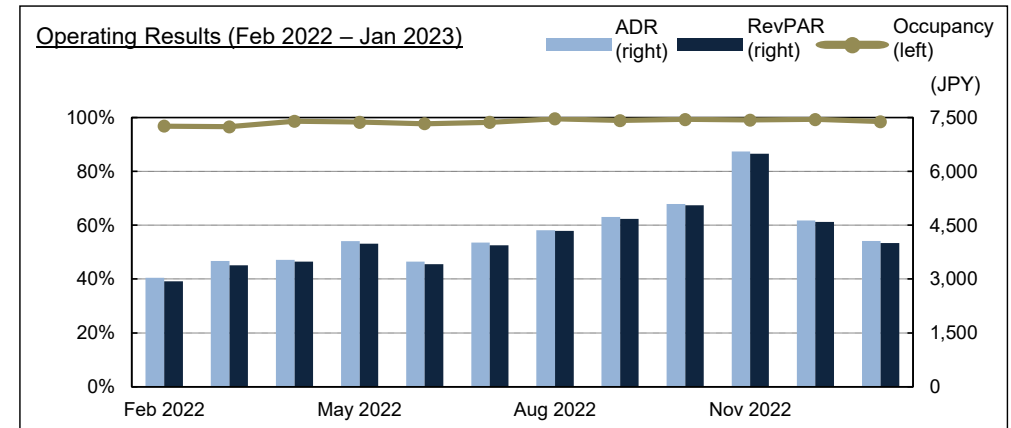
Location	Osaka
Access	1-minute walk from Nagahoribashi Station on Osaka Municipal Subway Sakaisuji Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	302
Acquisition Price	JPY 7.60B



Variable Rent Hotel Details

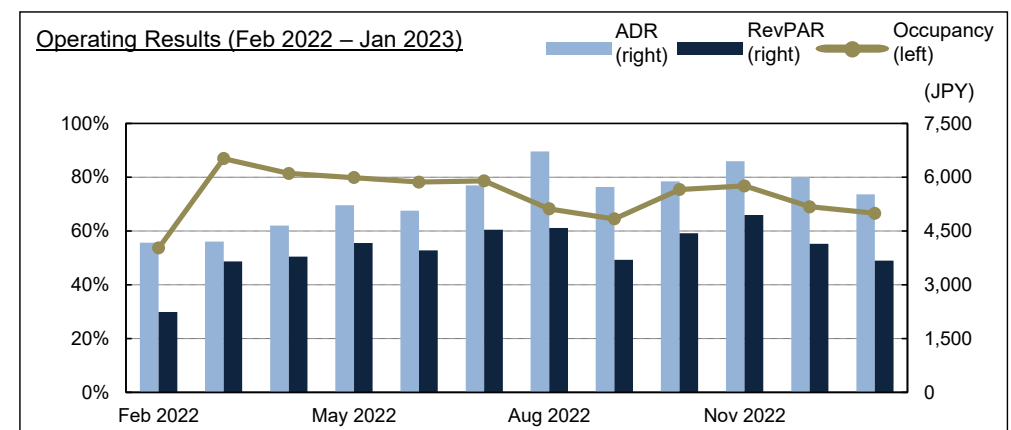
F-1 The OneFive Okayama

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



F-2 Nest Hotel Matsuyama

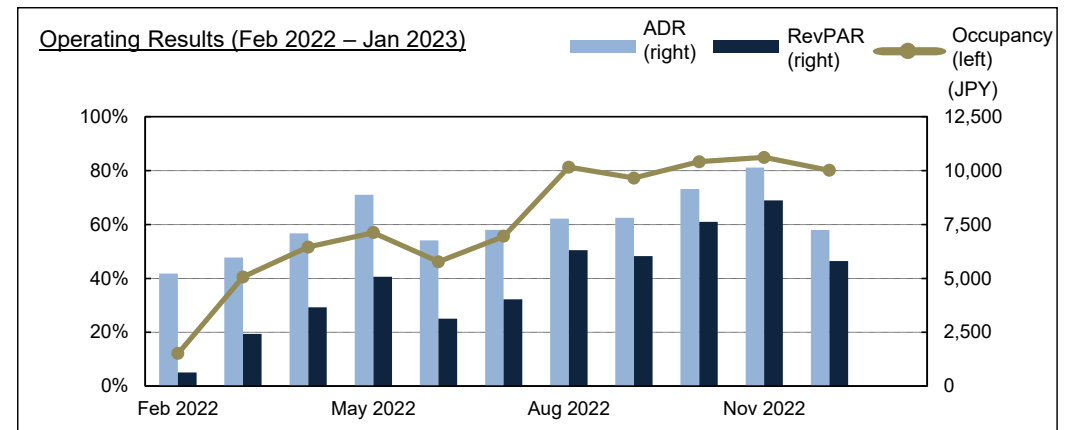
Location	Matsuyama, Ehime
Access	25-minute drive from Matsuyama Airport, 3-minute walk from Katsuyamacho Station on Iyo Railway Jonan Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	190
Acquisition Price	JPY 1.61B



Variable Rent Hotel Details

F-4 The OneFive Garden Kurashiki

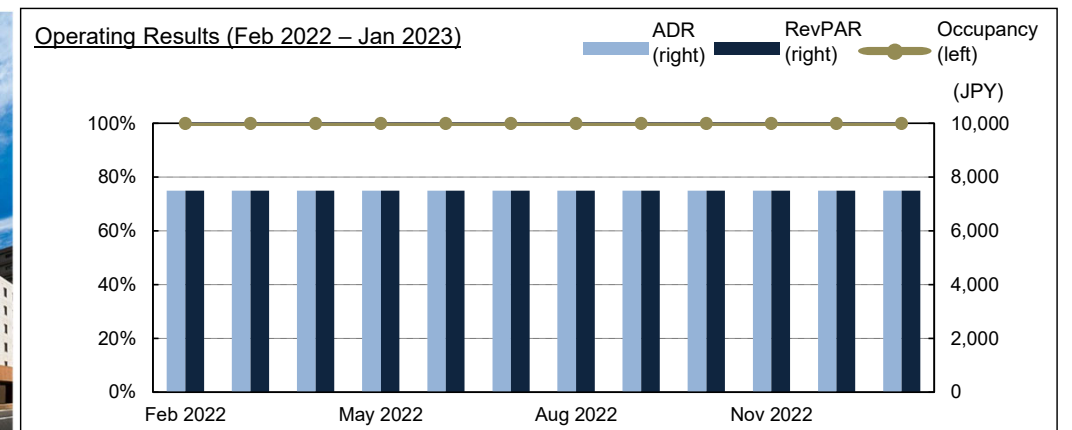
Location	Kurashiki, Okayama
Access	8-minute walk from Kurashiki Station on JR Sanyo Main Line
Operator	Hakata Hotels Inc.
Guest Rooms	107
Acquisition Price	JPY 1.73B



* Closed for renovations during January and February 2023. Reopened in March 2023.

F-5 Valie Hotel Hiroshima

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

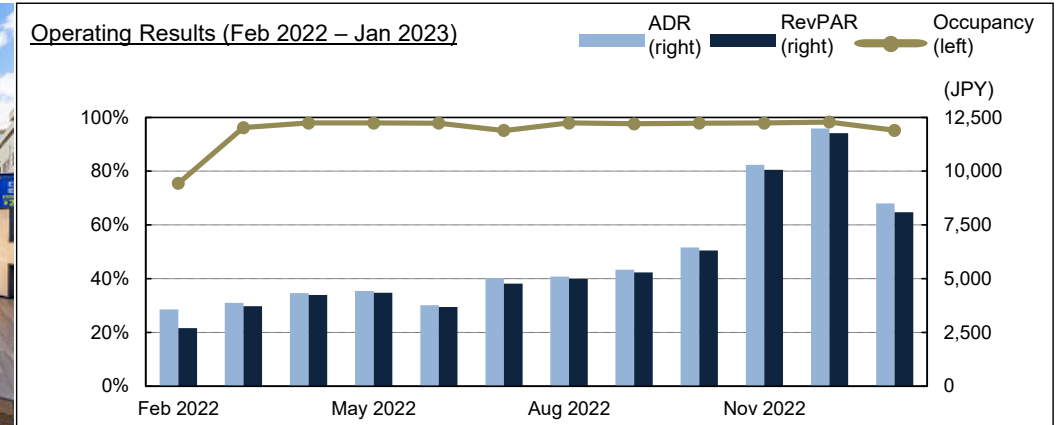


* Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021 (contract ending March 31, 2023).

Variable Rent Hotel Details

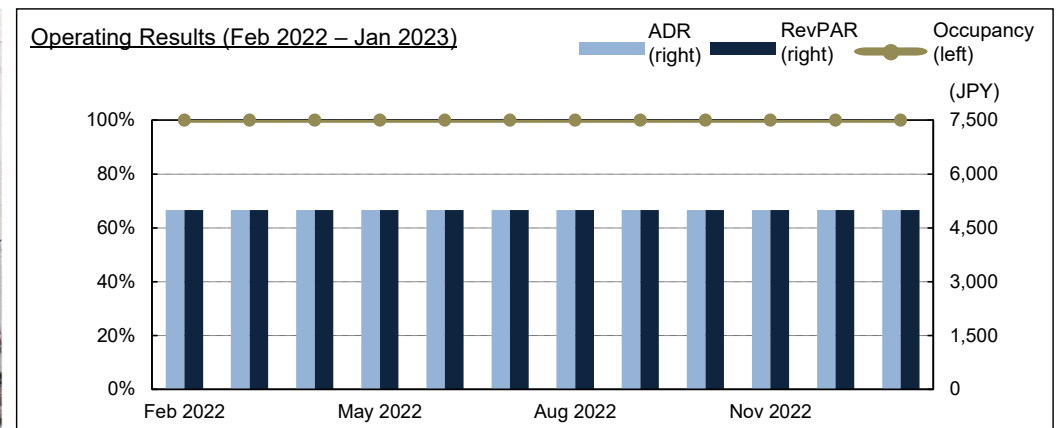
G-1 The OneFive Fukuoka Tenjin

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



G-3 Nest Hotel Kumamoto

Location	Kumamoto
Access	2-minute walk from Nishikarashimacho Station on Kumamoto City Tram Line
Operator	Nest Hotel Japan Corporation
Guest Rooms	201
Acquisition Price	JPY 2.22B



* Kumamoto Prefecture has temporarily leased all rooms of the Nest Hotel Kumamoto starting on February 1, 2022 (contract ending March 31, 2023).

Fixed Rent Hotel Details

A-3 Comfort Hotel Kushiro

Location	Kushiro, Hokkaido
Access	2-minute walk from Kushiro Station on JR Nemuro Main Line
Operator	Greens Co., Ltd.
Guest Rooms	126
Acquisition Price	JPY 300M



B-2 Comfort Hotel Nagano

Location	Nagano
Access	3-minute walk from Nagano Station on JR Hokuriku Shinkansen
Operator	Greens Co., Ltd.
Guest Rooms	76
Acquisition Price	JPY 670M



* Rebranded & reopened as Smile Hotel Nagano on March 1, 2023.

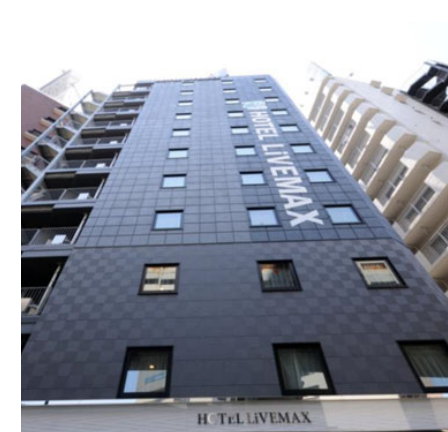
B-3 Hotel Sunshine Utsunomiya

Location	Utsunomiya, Tochigi
Access	5-minute walk from Utsunomiya Station on JR Tohoku Main Line, Tohoku Shinkansen
Operator	GK S Hotel Operations Utsunomiya
Guest Rooms	160
Acquisition Price	JPY 2.2B



C-3 Hotel Livemax Nihombashi-Hakozaki

Location	Chuo-ku, Tokyo
Access	3-minute walk from Suitengumae Station on Tokyo Metro Hanzomon Line
Operator	Live Max Inc.
Guest Rooms	48
Acquisition Price	JPY 1.36B



Fixed Rent Hotel Details

D-1 Comfort Hotel Hamamatsu

Location	Hamamatsu, Shizuoka
Access	2-minute walk from Hamamatsu Station on JR Tokaido Main Line, Tokaido Shinkansen
Operator	Greens Co., Ltd.
Guest Rooms	196
Acquisition Price	JPY 1.55B



D-3 Comfort Hotel Central International Airport

Location	Tokoname, Aichi
Access	5-minute walk from Central International Airport, 3-minute walk from Central International Airport Station on Meitetsu Airport Line
Operator	Greens Co., Ltd.
Guest Rooms	346
Acquisition Price	JPY 5.31B



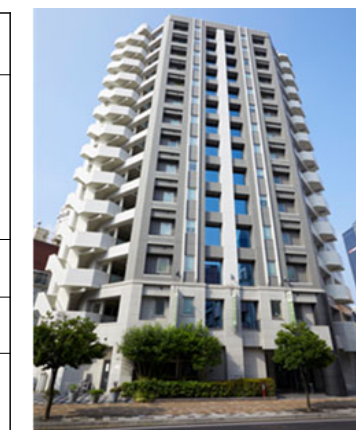
D-4 Comfort Hotel Suzuka

Location	Suzuka, Mie
Access	3-minute walk from Shirako Station on Kintetsu Nagoya Line
Operator	Greens Co., Ltd.
Guest Rooms	105
Acquisition Price	JPY 300M



F-3 Urbain Hiroshima Executive

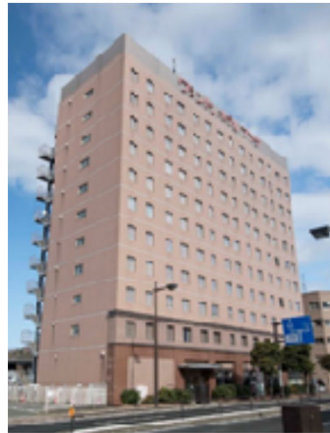
Location	Hiroshima
Access	6-minute walk from Hiroshima Station on JR Sanyo Shinkansen and Sanyo Main Line
Operator	Yuki Corporation
Guest Rooms	171
Acquisition Price	JPY 1.80B



Fixed Rent Hotel Details

F-6 Washington Hotel Plaza Shimonoseki Eki Nishi

Location	Shimonoseki, Yamaguchi
Access	3-minute walk from Shimonoseki Station on JR Sanyo Main Line
Operator	Washington Hotel Corp.
Guest Rooms	238
Acquisition Price	JPY 1.08B



Appendix: Loan Details & Shareholder Composition

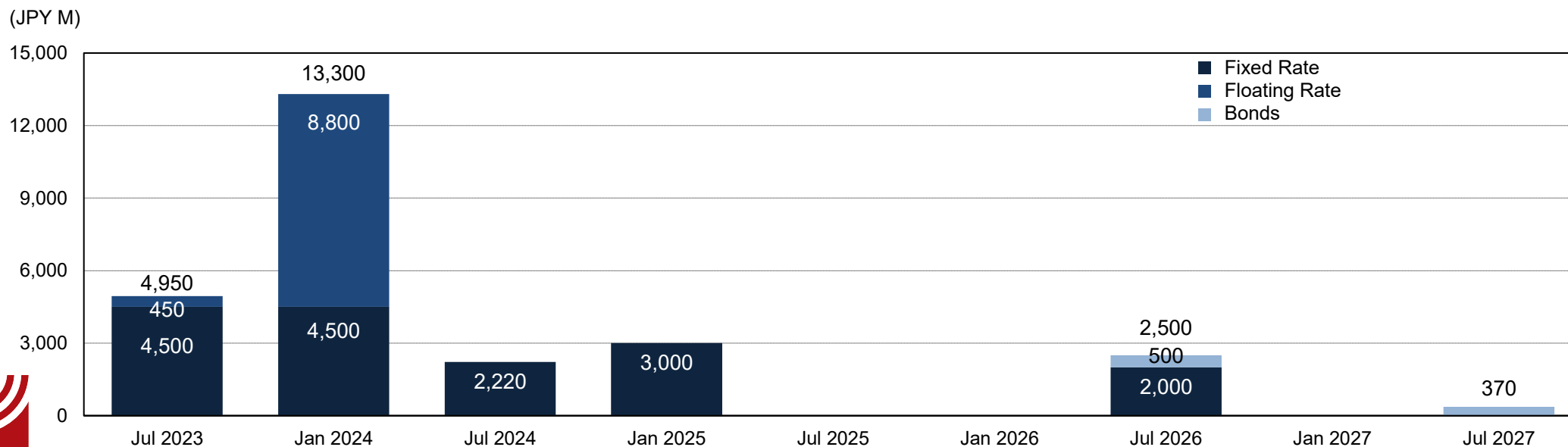
Stable Financial Base

Outstanding Loan Balance

	Jan 31, 2021	Jul 31, 2021	Jan 31, 2022	Jul 31, 2022	Jan 31, 2023
Amount	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B	JPY 25.47B
Long-Term Loan Ratio	72.5%	72.5%	72.5%	70.7%	63.7%
Fixed Rate Ratio	70.7%	70.7%	70.7%	70.7%	63.7%
Average Interest Rate	0.82%	0.75%	0.77%	0.77%	0.76%
Average Remaining Maturity	2.3 years	1.8 years	1.6 years	1.1 years	1.0 years
LTV (Total Assets Basis)	43.3%	43.2%	42.9%	42.9%	42.6%

* The above does not include investment corporation bonds.

Distribution of Loan Maturities

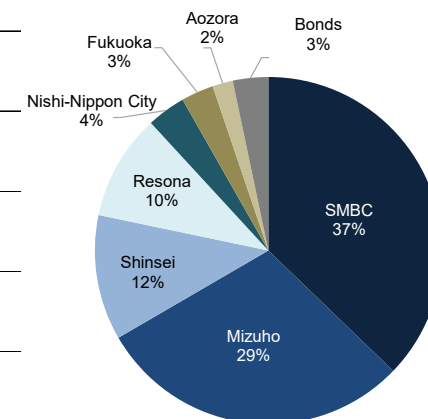


Loan Details

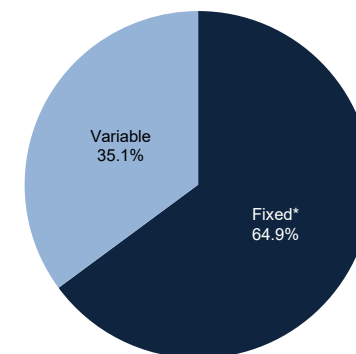
(as of January 31, 2023)

Loan	Lender	Amount (JPY M)	Floating/Fixed	Interest Rate (%)	Borrowing Date	Maturity
Term Loan 4	SMBC, Mizuho, SBI Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.90750%	August 17, 2016	February 28, 2023
Term Loan 5	SMBC, Mizuho, SBI Shinsei, Resona, Fukuoka, Nishi-Nippon City	4,500	Fixed	0.98500%	August 17, 2016	August 31, 2023
Term Loan 9	SMBC, Mizuho, SBI Shinsei, Resona	1,500	Fixed	0.92000%	November 30, 2018	November 29, 2024
Term Loan 10	SMBC, Mizuho, SBI Shinsei, Resona, Nishi-Nippon City	2,220	Fixed	0.75450%	April 25, 2019	April 30, 2024
Term Loan 11	SMBC, Mizuho, SBI Shinsei, Resona, Aozora	1,500	Fixed	0.73575%	July 19, 2019	November 29, 2024
Term Loan 13	SMBC, Mizuho, SBI Shinsei, Resona, Fukuoka, Nishi-Nippon City	2,000	Fixed	0.65600%	February 28, 2020	February 27, 2026
Term Loan 17	SMBC	450	Variable	0.56364%	February 28, 2022	February 28, 2023
Term Loan 18	SMBC, Mizuho, SBI Shinsei, Resona	7,000	Variable	0.56364%	November 30, 2022	November 30, 2023
Term Loan 19	SMBC, Mizuho, SBI Shinsei, Resona, Fukuoka, Nishi-Nippon City	1,800	Variable	0.57455%	January 31, 2023	January 31, 2024

Lender Composition



Fixed vs. Floating



* Includes interest fixed via swaps

Total Borrowings		25,470	Average 0.76%	Average Remaining Loan Term 1.0 years	
Issue Date	Name	Issue Amount (JPY M)	Interest Rate	Redemption Date	Issuance Period
November 25, 2020	First Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	500	2.00%	April 30, 2026	5.4 years
September 30, 2021	Second Unsecured Investment Corporation Bond (Callable bonds subordinated and limited to qualified institutional investors)	370	2.00%	March 31, 2027	5.5 years
Total Bonds		870	Average 2.00%		
Total Interest-Bearing Liabilities		26,340	Average 0.80%	Average Remaining Loan Term 1.1 years	

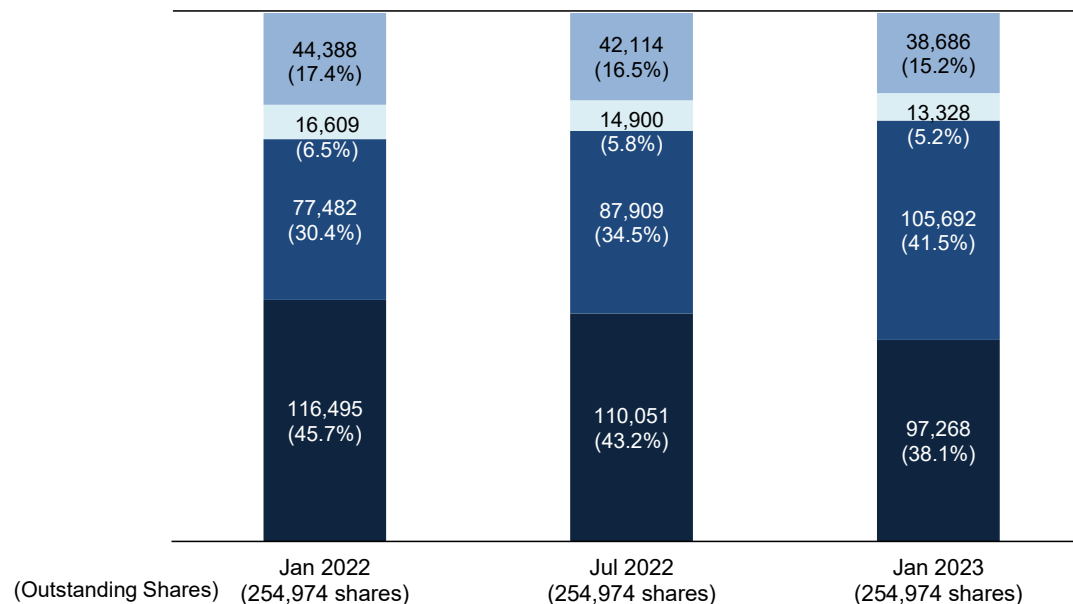
Shareholder Composition

Major Shareholders (as of January 31, 2023)

	Name	No. Of Shares	Share
1	The Master Trust Bank of Japan, Trust Account	48,919	19.2%
2	Custody Bank of Japan, Ltd., Trust Account	35,880	14.1%
3	Nomura Trust & Banking Co., Ltd., Investment Trust Account	13,542	5.3%
4	Ichigo Trust Pte. Ltd.	10,908	4.3%
5	Ichigo Inc. (Sponsor)	6,500	2.5%
6	NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	5,434	2.1%
7	Individual Shareholder	3,280	1.3%
8	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,037	1.2%
9	GOLDMAN SACHS INTERNATIONAL	2,573	1.0%
10	Individual Shareholder	2,330	0.9%
	Total	132,403	51.9%

By Number of Shares Held

■ Foreign Corporations & Individuals ■ Domestic Financial Institutions
■ Non-Financial Domestic Corporations ■ Domestic Individuals



By Number of Shareholders

	Jan 31, 2022	Jul 31, 2022	Jan 31, 2023	
	Shareholders	Shareholders	Shareholders	Share
Domestic Individuals	15,456	15,075	13,932	97.5%
Domestic Financial Institutions	34	34	28	0.2%
City banks, trust banks	4	4	3	—
Regional banks	—	—	—	—
Other (including securities companies)	30	30	25	0.2%
Non-Financial Domestic Corporations	222	212	185	1.3%
Foreign Corporations & Individuals	155	146	146	1.0%
Total	15,867	15,467	14,291	100%



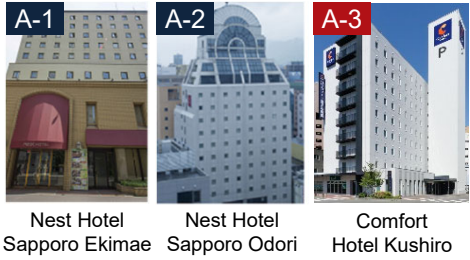
Appendix: Sponsor, Shareholder Alignment

Increasing Stability Via Contract Renewals & Rebranding

Timing	Hotel Name	Lease Terms	Changes	
Jun 2020	Smile Hotel Tokyo Asagaya	Variable+Fixed Rent	Lease Renewal	<ul style="list-style-type: none"> Increased fixed rent Revised variable rent
Oct 2020	The OneFive Okayama (formerly Comfort Hotel Okayama)	Fixed → Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Increased fixed rent & added variable rent
Oct 2020	The OneFive Fukuoka Tenjin (formerly Valie Hotel Tenjin)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent
Feb 2021	Capsule Plus Yokohama (formerly Grandpark-Inn Yokohama)	Fixed → Variable Rent	Rebranding	<ul style="list-style-type: none"> Added GOP-linked variable rent
Aug 2021	Hotel Wing International Nagoya	Variable+Fixed Rent	Lease Renewal	<ul style="list-style-type: none"> Decreased fixed rent Revised variable rent
Sep 2021	The OneFive Osaka Sakaisuji (formerly Chisun Inn Osaka Hommachi)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent
Feb 2022	The OneFive Garden Kurashiki (formerly Court Hotel Kurashiki)	Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Operator change to Hakata Hotels
Dec 2022	Smile Hotel Nagano (formerly Comfort Hotel Nagano)	Fixed → Variable+Fixed Rent	Rebranding	<ul style="list-style-type: none"> Added variable rent

Hotel Map

Hokkaido



Kanto/Koshinetsu



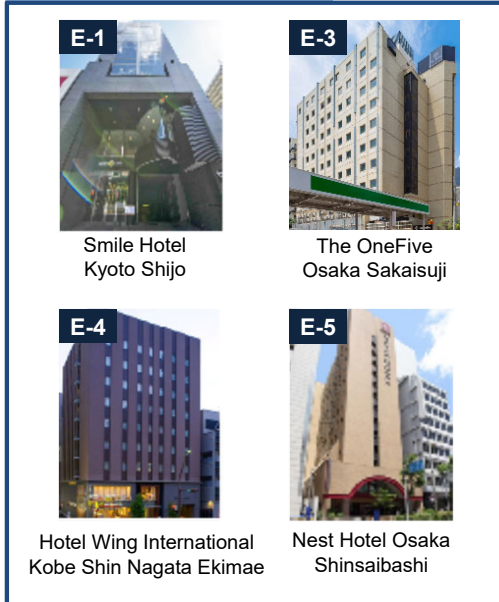
Tokyo



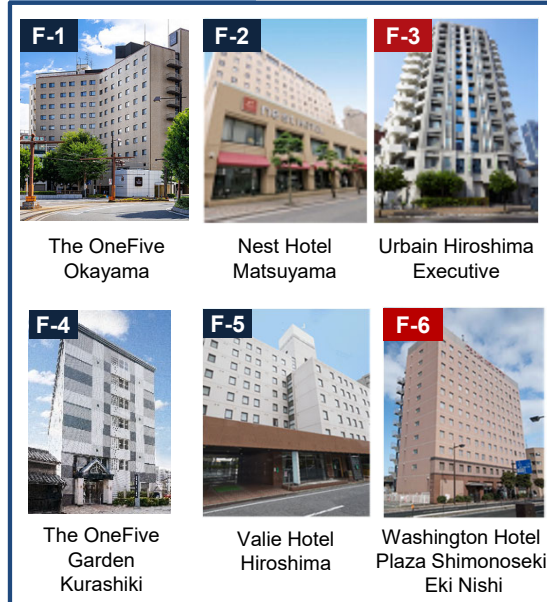
Hokuriku/Tokai



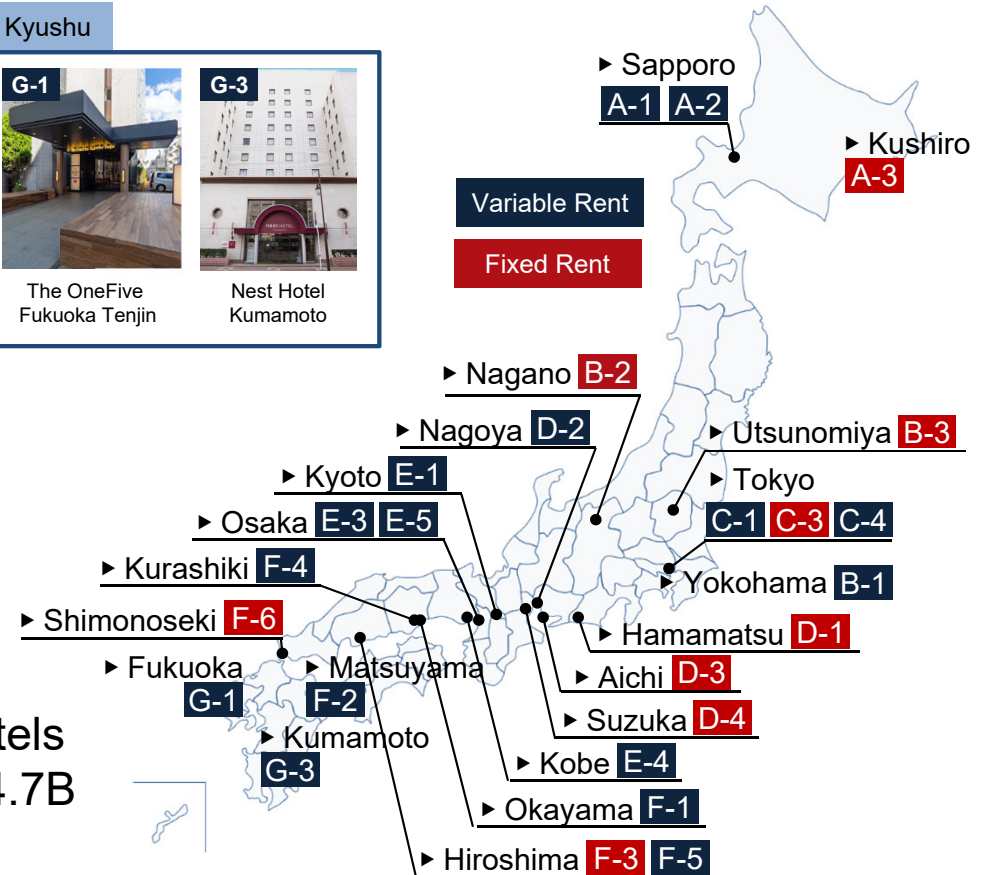
Kinki (Kyoto/Osaka/Kobe)



Chugoku/Shikoku



Kyushu



25 Hotels
JPY 54.7B

(January 2023 rent-basis)



Ichigo Hotel's Sponsor: Ichigo (2337)

Core Businesses: Asset Management, Sustainable Real Estate, Clean Energy

- Manages Ichigo Hotel (3463), Ichigo Office (8975), and Ichigo Green (9282)
- Sustainable Real Estate business adds value to existing buildings by drawing upon its real estate technologies and expertise
- Deeply committed to CSR and Sustainability



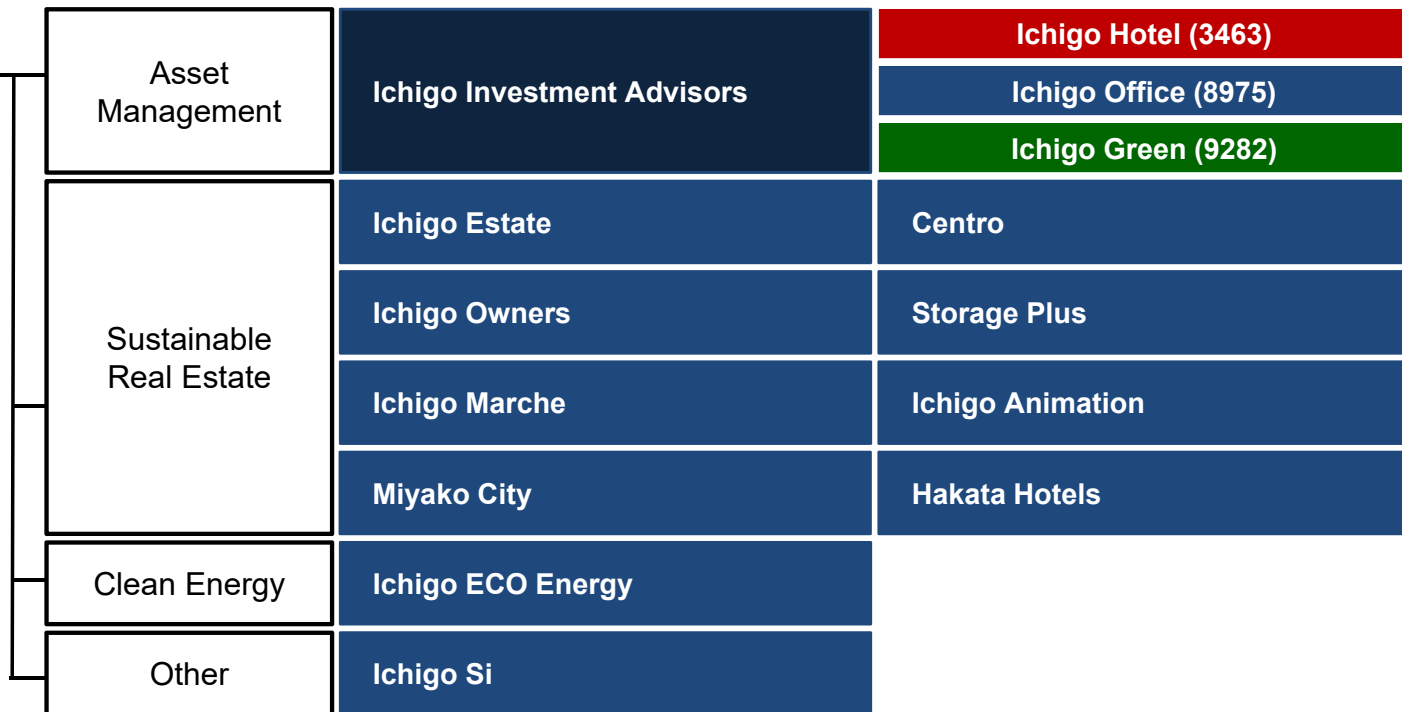
©J.LEAGUE Hiromi Miyake (Weightlifting)

Ichigo
(TSE Prime 2337)

Ichigo Preserves and Improves Real Estate

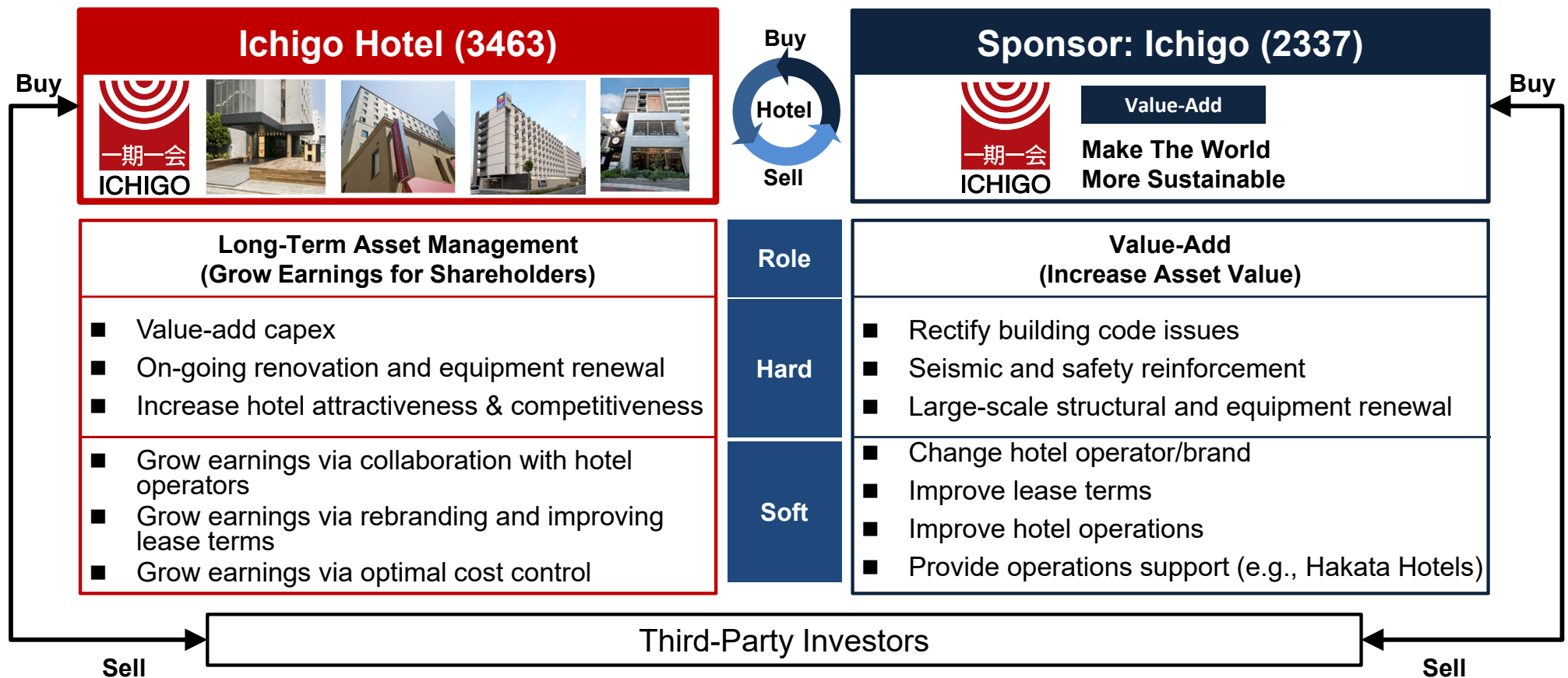
The word "Ichigo" comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning "One lifetime, one encounter." The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony, because that particular moment will only exist once and must be fully lived and realized.

Ichigo embraces the Ichigo Ichie philosophy of sincerity and service, and works to build strong long-term relationships to support the success of our clients, shareholders, and all stakeholders.



Synergies Between Ichigo Hotel and Sponsor

- Strengthen acquisitions through leveraging Ichigo’s sourcing network
- Increase asset value through Ichigo’s real estate value-add capabilities
- Drive higher returns for Ichigo Hotel shareholders



Acquisitions Leveraging Sponsor Support (Hakata Hotels)

- Ichigo-Owned Hakata Hotels Operates 14 Hotels With Focus on the Hakata (Fukuoka) Area
 - ✓ Company Name to be Changed to OneFive Hotels on May 31, 2023
- Hakata Hotels Deploys PROPERA, an AI-Based Revenue Management System Developed by Ichigo, to Maximize Earnings and Increase Guest Satisfaction

Name	Hakata Hotels Inc.
Address	3-13-1 Haruyoshi, Chuo-ku, Fukuoka
Representatives	Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President
Paid-In Capital	JPY 100 million (Ichigo's 100% consolidated subsidiary)
Establishment Date	March 2019
Main Businesses	<ul style="list-style-type: none"> • Development, operation, lease, and management of retail buildings, hotels, and restaurants • Leasing and management of real estate • Design and construction of buildings and interior designs • Consulting services related to retail buildings, retail facilities, and restaurants • Other businesses relating to the above businesses
About PROPERA	<ul style="list-style-type: none"> • AI-based revenue management system developed by Ichigo • Increasing guest satisfaction and maximizing earnings • Started third-party sales

Hotels Operated by Hakata Hotels



Ichigo Hotel Overview

Ichigo Hotel

Name	Ichigo Hotel REIT Investment Corporation
Securities Code	3463
Address	1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Executive Director	Eriko Ishii
Fiscal Periods	January (August 1 - January 31) and July (February 1 - July 31)

Asset Management Company

Name	Ichigo Investment Advisors Co., Ltd.
President	Hiroshi Iwai
Registration & Membership	Financial Instruments Dealer License (Investment Management Services, Investment Advisory & Agency Services, and Type II Financial Instruments Services) Minister of Finance, Kanto Financial Bureau #318

Disclaimer

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These materials may contain forward-looking statements regarding the intent, belief or current expectations of Ichigo Hotel with respect to financial condition and future results. These statements are based on certain assumptions founded on currently available information. Accordingly, such statements are subject to risks and uncertainties, and there is no assurance as to actual financial conditions or future results. Actual results may vary from those indicated in the forward-looking statements.

In creating these materials, Ichigo Hotel and Ichigo Investment Advisors Co., Ltd. (IIA) have sought to provide accurate information. However, there can be no assurance given as to the accuracy, certainty, validity or fairness of any such information. The content of these materials is also subject to revision or retraction without prior notice.

This document is a translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.



**Make The World
More Sustainable**

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TEL: +81-3-3502-4892

E-mail: ir_hotel@ichigo.gr.jp

www.ichigo-hotel.co.jp/en



Ichigo is Japan's first zero-carbon listed real estate company. We are taking responsibility for our environmental footprint by offsetting our carbon emissions and investing in low-carbon technologies such as solar energy.