



Ichigo Hotel July 2020 Fiscal Period Corporate Presentation

September 14, 2020

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



We would like to express our deepest condolences to all those across the world affected by the Covid-19 pandemic and to all those in Japan affected by Typhoon Haishen (aka Typhoon No. 10), and our wishes for the earliest possible recovery.



**Make The World
More Sustainable**



World-Class Excellence

Ichigo's
Hiromi Miyake



Ichigo



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July 2020 Results

July 2020 Highlights

| | Results | Details |
|------------|--|---|
| Net Income | JPY 170M -JPY 633M (-78.8%) YOY | <ul style="list-style-type: none"> • No variable rent from March to July • Reached agreement with one operator to reduce its current rent & adjust upward its forward variable rent |
| RevPAR | JPY 2,556 (11 variable rent hotels) -JPY 5,024 (-66.3%) YOY | <ul style="list-style-type: none"> • Occupancy: 49.0% (vs. 90.5% in previous period) • ADR: JPY 5,220 (vs. JPY 8,375 in previous period) |
| NOI | JPY 787M -JPY 825M (-51.2%) YOY | <ul style="list-style-type: none"> • NOI down on no asset sales and lower variable rents |
| FFO | JPY 2,009 -JPY 2,487 (-55.3%) YOY | <ul style="list-style-type: none"> • FFO down on lower NOI |
| Dividend | JPY 670 -JPY 2,484 (-78.8%) YOY | <ul style="list-style-type: none"> • -JPY 203 (-23.3%) vs. revised forecast announced on April 27 |
| NAV | JPY 132,668 -JPY 8,171 (-5.8% vs. previous period) | <ul style="list-style-type: none"> • Total unrealized gains: +JPY 2.2B |

July 2020 Earnings Breakdown

(JPY million)

| | July 2019 Actual | Jul 2020 Actual (A) | Forecast (B) (Announced Apr 2020) | vs. Forecast (A) - (B) | Major Variation Factors (vs. Forecast) |
|------------------------------|---------------------|------------------------|---|---------------------------|--|
| Operating Revenue | 1,789 | 953 | 1,038 | -85 | |
| Variable Rent | 735 | -25 | 41 | -66 | Variable rent adjustment: -66 |
| Fixed Rent | 984 | 935 | 953 | -18 | Decrease in fixed rent: -18 |
| Other (Gains on Sales, etc.) | 70 | 42 | 43 | — | |
| Operating Expenses | 797 | 581 | 607 | -25 | |
| Repair & Maintenance | 18 | 21 | 31 | -10 | Effective cost controls |
| Depreciation | 328 | 336 | 338 | -2 | |
| Operating Profit | 992 | 371 | 431 | -60 | |
| Recurring Profit | 805 | 171 | 223 | -51 | |
| Net Income | 804 | 170 | 222 | -51 | |
| Dividend | JPY 3,154 | JPY 670 | JPY 873 | -JPY 203 | -23.3% vs. forecast -78.8% (-JPY 2,484) YOY |
| FFO | JPY 4,496 | JPY 2,009 | — | — | |
| NOI | 1,611 | 787 | 863 | -76 | |
| Post-Depreciation NOI | 1,283 | 450 | 525 | -74 | |
| Capex | 256 | 128 | 356 | -228 | Effective cost controls |
| Book Value | 54,984 | 52,294 | — | — | |

Operating Results Down YOY due to Covid-19 Impact

Variable Rent Hotels (11 Hotels)

| | Feb 1, 2019 - Jul 31, 2019 | Feb 1, 2020 - Jul 31, 2020 | Change | YOY |
|-----------------------|-------------------------------|-------------------------------|--------|--------|
| Room Revenue (JPY M) | 2,424 | 610 | -1,814 | -74.8% |
| Total Revenue (JPY M) | 2,742 | 707 | -2,034 | -74.2% |
| RevPAR (JPY) | 7,581 | 2,556 | -5,024 | -66.3% |
| Occupancy | 90.5% | 49.0% | -41.5% | -45.9% |
| ADR (JPY) | 8,375 | 5,220 | -3,154 | -37.7% |

Total Portfolio (18 Hotels)

| | Feb 1, 2019 - Jul 31, 2019 | Feb 1, 2020 - Jul 31, 2020 | Change | YOY |
|-----------------------|-------------------------------|-------------------------------|--------|--------|
| Room Revenue (JPY M) | 3,764 | 1,059 | -2,705 | -71.9% |
| Total Revenue (JPY M) | 4,120 | 1,172 | -2,947 | -71.5% |
| RevPAR (JPY) | 7,010 | 2,335 | -4,675 | -66.7% |
| Occupancy | 88.8% | 44.3% | -44.5% | -50.1% |
| ADR (JPY) | 7,895 | 5,267 | -2,628 | -33.3% |

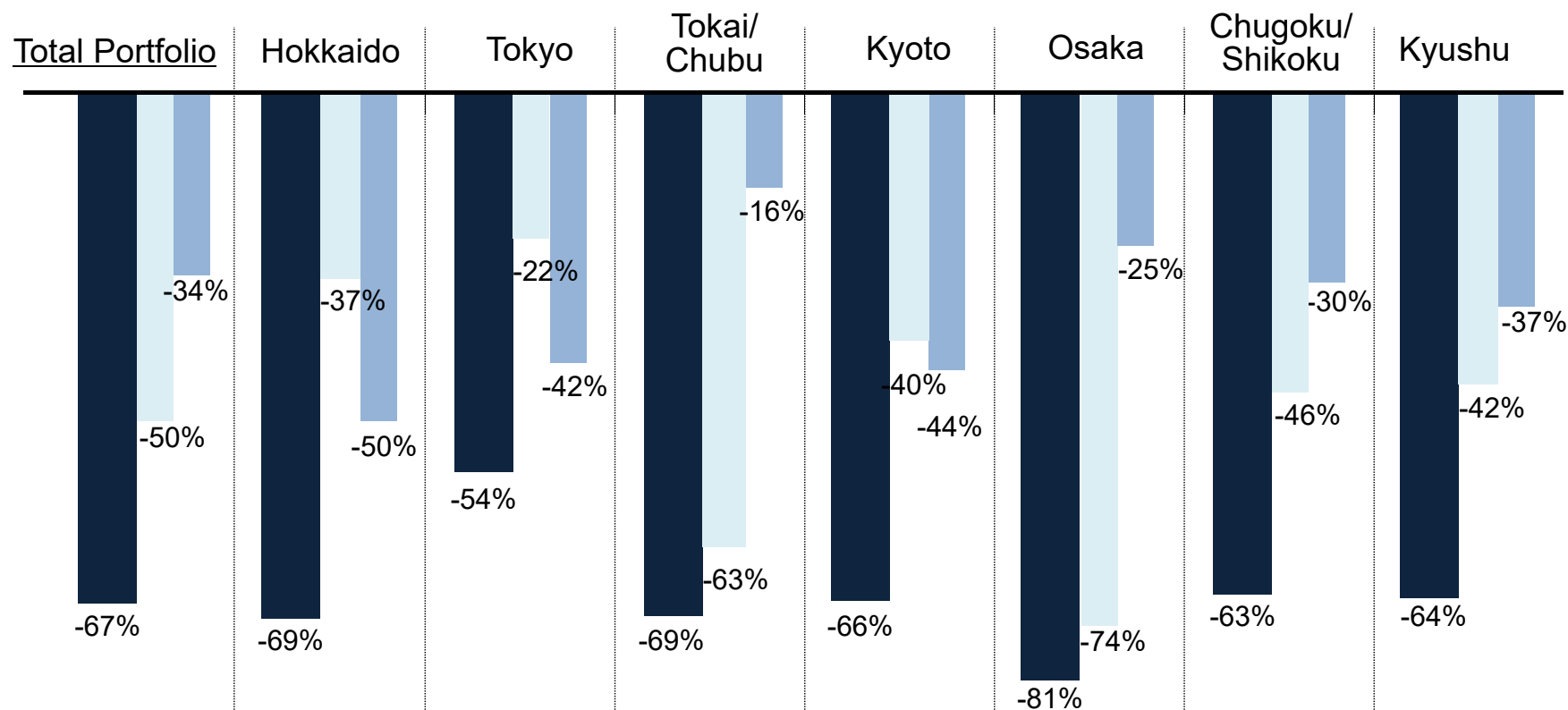
* Excludes Hotel Wing International Kobe Shin Nagata Ekimae, Valie Hotel Hiroshima, HOTEL EMIT SHIBUYA, Grandpark-Inn Yokohama, and Washington Hotel Plaza Shimonoseki Eki Nishi. Operating results before acquisition are based on data provided by previous owner.

RevPAR Down by Over 50% in All Areas

YOY by Region (Feb 2020 – Jul 2020)

RevPAR Occupancy ADR

18 Hotels (excludes Grandpark-Inn Yokohama, Hotel Wing International Kobe Shin Nagata Ekimae, Valie Hotel Hiroshima, HOTEL EMIT SHIBUYA, and Washington Hotel Plaza Shimonoseki Eki Nishi)



(JPY)

| | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| RevPAR | 2,940 | 3,740 | 1,967 | 2,629 | 1,326 | 2,344 | 2,258 |
| No. Hotels | 3 | 2 | 4 | 1 | 2 | 4 | 2 |
| % of Total Portfolio Rental Income | 7% | 8% | 30% | 3% | 11% | 19% | 5% |

Covid-19 Response

Safety Measures and Services for Guests

- Hand sanitizers, periodic disinfections, and mandatory mask-wearing for employees
- Confirming guest and staff health
- Offering remote work options

Temporarily Closed 9 Hotels during Nationwide State of Emergency

| Hotel | Date Closed | Status |
|---------------------------------|-----------------|---|
| Smile Hotel Kyoto Shijo | April 13, 2020 | Reopened on July 1, 2020 |
| Chisun Inn Osaka Hommachi | April 17, 2020 | Scheduled to reopen on October 1, 2020 |
| Nest Hotel Osaka Shinsaibashi | April 17, 2020 | TBD |
| Hotel Wing International Nagoya | April 18, 2020 | Reopened on June 1, 2020 |
| Grandpark-Inn Yokohama | April 19, 2020 | Reopened on June 1, 2020 |
| Valie Hotel Tenjin | May 1, 2020 | Reopened on August 1, 2020 |
| Court Hotel Kurashiki | May 1, 2020 | Reopened on September 1, 2020 |
| Urbain Hiroshima Executive | May 7, 2020 | Reopened on May 28, 2020 |
| | August 17, 2020 | TBD |
| Valie Hotel Hiroshima | May 10, 2020 | Scheduled to reopen on September 15, 2020 |

Asset Management Company Safety Measures

- Remote work from March 2020
- Social distancing at office via flextime and limiting office utilization to 30-40%

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 (55,000 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.



FY20/2 Shareholder Program

- Free tickets for 85 games
- c. 400 tickets

(Program started mid-season)

Ichigo Kids J.League Events

- c. 350 participants
- ✓ Escort players onto field
- ✓ Join pre-match warm-ups
- ✓ High-fives with players
- ✓ Carry club flags
- ✓ Unfurl center-circle flags

Actions to Drive Earnings Growth

Achieving Organic Rent Growth at Contract Renewals

Negotiating Higher Rents at Contract Renewals to Drive Organic Growth

| Timing | | Hotel Name | Lease Terms | Changes | |
|--------|-----------|--|---------------------|------------------------|--|
| Actual | Jun 2017 | Chisun Inn Osaka Hommachi | Variable+Fixed Rent | Renewal at Higher Rent | <ul style="list-style-type: none"> Increased fixed rent Increased variable rent |
| | Mar 2019 | Hotel Wing International Kobe Shin Nagata Ekimae | Variable+Fixed Rent | Rebranding | <ul style="list-style-type: none"> Increased fixed rent Added variable rent |
| | Jun 2019 | Nest Hotel (4 Hotels) | Variable+Fixed Rent | Renewal at Higher Rent | <ul style="list-style-type: none"> Increased fixed rent |
| | Sep 2019 | Valie Hotel Hiroshima | Variable+Fixed Rent | Rebranding | <ul style="list-style-type: none"> Rebrand and reopen Added variable rent |
| | Jun 2020 | Smile Hotel Tokyo Asagaya | Variable+Fixed Rent | Lease Expiry | <ul style="list-style-type: none"> Increased fixed rent Increased variable rent |
| | Oct 2020 | Comfort Hotel Okayama | Fixed Rent | Rebranding | <ul style="list-style-type: none"> Operator change to Hakata Hotels Increased fixed rent & added variable rent |
| | Oct 2020 | Valie Hotel Tenjin | Variable+Fixed Rent | Rebranding | <ul style="list-style-type: none"> Operator change to Hakata Hotels Revised variable rent clause |
| | Feb 2021 | Grandpark-Inn Yokohama | Fixed Rent | Rebranding | <ul style="list-style-type: none"> Added GOP-linked variable rent |
| Plan | 2020~2021 | 3 Hotels | Variable+Fixed Rent | Lease Expiry | <ul style="list-style-type: none"> Operator to be selected from among multiple candidates, including the current operator |

Previous: Increased revenue by revising leases upon renewal to current market rents

Current: Early lease terminations by operators and rent reduction & variable-rent only contract requests upon lease renewal are increasing

Operator Change to Generate Higher Earnings (1)

Valie Hotel Tenjin

- Hotel operator change from third-party operator to Ichigo-owned Hakata Hotels
- Scheduled to rebrand and reopen as The OneFive Fukuoka Tenjin
- Revising variable rent component of lease to increase earnings upside on top of fixed rent
- Deploying Ichigo's PROPERA AI-based hotel revenue management system (operating track record: Earnings +10-40%) to drive higher earnings & customer satisfaction



Scheduled to rebrand and reopen as The OneFive Fukuoka Tenjin on October 10, 2020. Minimum guaranteed rent will temporarily be zero between October 1, 2020 to January 31, 2021.

| Hakata Hotels | |
|----------------------------------|---|
| Name | Hakata Hotels Inc. |
| Address | 3-13-1 Haruyoshi, Chuo-ku, Fukuoka |
| Representative | Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President |
| Establishment Date | March 2019 |
| Paid-In Capital | JPY 10 million (100% Ichigo group subsidiary) |
| Relationship to Ichigo Hotel/IIA | Consolidated subsidiary of Ichigo Investment Advisor's parent company, Ichigo (Hakata Hotels is a related party as defined in the Ordinance of the Investment Trust and Investment Corporation Law and IIA's internal rules) |

Operator Change to Generate Higher Earnings (2)

Grandpark-Inn Yokohama

- Hotel operator change to nine hours Inc. (currently operates 16 capsule hotels and 6 standard hotels)
- Will be rebranded (New hotel name to be determined)
- New lease adds GOP-linked variable rent to current fixed rent-only lease (GOP = Gross Operating Profit)



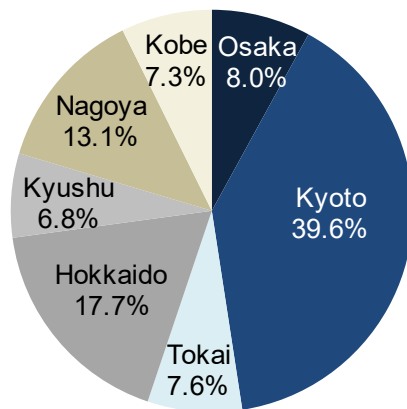
* Scheduled to rebrand and reopen on February 1, 2021

| nine hours | |
|----------------------------------|--|
| Name | nine hours Inc. |
| Address | 3-19-1 Kanda Nishikicho, Chiyoda-ku, Tokyo |
| Representative | Keisuke Yui, Representative Director & Founder Takahiro Matsui, Representative Director & CEO |
| Establishment Date | August 2013 |
| Paid-In Capital | JPY 45 million |
| Principal Business | Planning, development, operations of capsule hotels and related consulting services |
| Relationship to Ichigo Hotel/IIA | None |

Highly-Stable, Diversified Hotel Portfolio

Geographic Diversification

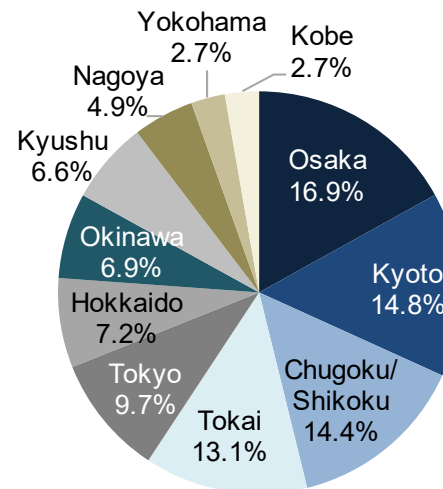
November 30, 2015 (IPO)



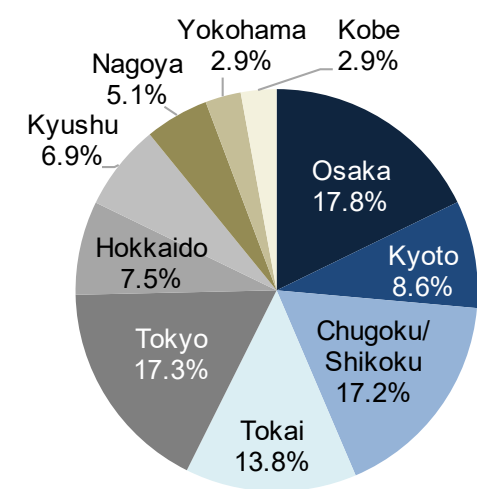
Acquisition-price basis

| Hotels | 9 Hotels |
|----------------|---|
| Breakdown | Osaka 1, Kyoto 2, Tokai 1, Hokkaido 2, Kyushu 1, Nagoya 1, Kobe 1 |
| Portfolio Size | JPY 20.4B |

July 31, 2019



July 31, 2020



| Hotels | 23 Hotels |
|----------------|---|
| Breakdown | Osaka 2, Kyoto 1, Chugoku/Shikoku 6, Tokai 3, Tokyo 3, Hokkaido 3, Kyushu 2, Nagoya 1, Yokohama 1, Kobe 1 |
| Portfolio Size | JPY 51.9B |

| Hotels | 23 Hotels |
|----------------|--|
| Breakdown | Osaka 2, Kyoto 2, Chugoku/Shikoku 5, Tokai 3, Tokyo 2, Hokkaido 3, Okinawa 1, Kyushu 2, Nagoya 1, Yokohama 1, Kobe 1 |
| Portfolio Size | JPY 54.4B |

Portfolio Lease Details

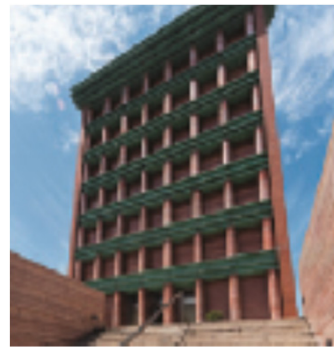


| Lease Term | Fixed Rent | Fixed + Variable Rent | | Total |
|------------------------------------|---|---|---|----------------------|
| Contract | Lease | Lease | Lease | — |
| Fixed Rent | Yes | Yes | Yes | — |
| Variable Rent | — | Fixed Portion of Revenue Upside | Fixed Portion of Hotel GOP | — |
| Rental Income (Jan 2020 Actual) | JPY 462M (50.8%) | JPY 129M (14.2%) | JPY 318M (34.9%) | JPY 910M (100%) |
| Number of Hotels | 9 Hotels | 3 Hotels | 11 Hotels | 23 Hotels |
| Total Acquisition Price | JPY 14.39B (27.7%) | JPY 5.79B (11.2%) | JPY 31.74B (61.1%) | JPY 51.91B (100%) |
| Hotels | Comfort Hotel Kushiro Comfort Hotel Hamamatsu Comfort Hotel Central International Airport Comfort Hotel Suzuka Comfort Hotel Okayama Grandpark-Inn Yokohama Hotel Livemax Nihombashi- Hakozaki Urbain Hiroshima Executive Washington Hotel Plaza Shimonoseki Eki Nishi | Hotel Wing International Nagoya Hotel Wing International Kobe Shin Nagata Ekimae Chisun Inn Osaka Hommachi | 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 Valie Hotel Tenjin Court Hotel Kurashiki HOTEL EMIT SHIBUYA | — |

Portfolio Growth Opportunity via Ichigo Sponsor Support

19 Hotels (JPY 60.7B) in Ichigo Sponsor Pipeline as of May 31, 2020

- Lodging-focused hotels across Japan
- Locations: Major cities such as Hokkaido, Tokyo, Yokohama, Osaka, and Fukuoka



Fukuoka



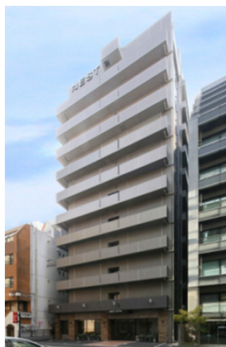
Osaka



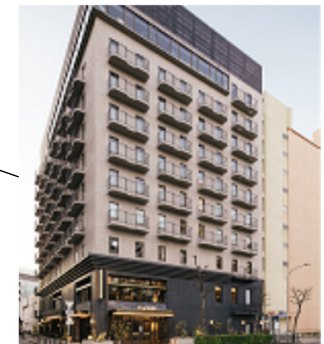
Hokkaido



Tokyo



Fukuoka




Yokohama



No Fixed Fee, Performance Fee-Only Structure Directly Linked to Shareholder Value Creation

Upon AGM Approval, Gains on Merger Performance Fee and Gains on REIT TOB Sale Performance Fee to be Introduced

- Gains on Merger Performance Fee: Directly linked to shareholder value creation, paid when Ichigo Hotel merges with another investment corporation
- Gains on REIT TOB Sale Performance Fee: Directly linked to shareholder value creation, paid when Ichigo Hotel is acquired by a third party via a TOB

| Asset Management Fee Structure | | | | Before (until Jan 31, 2021) | | After (from Feb 1, 2021) | |
|--------------------------------|---|--|---|--------------------------------|--|-----------------------------|-----------|
| Earnings-Based | NOI & Dividend Performance Fee | DPS * NOI | X | 0.0036% |  | 0.0036% | Unchanged |
| | Gains on Sale Performance Fee | Gains on Sale | X | 15% | | 15% | Unchanged |
| | Gains on Merger Performance Fee | Gains per Share * No. of Shares Outstanding | X | — | | 15% | New |
| | Gains on REIT TOB Sale Performance Fee | Gains per Share * No. of TOB Shares | X | — | | 15% | New |

Notes:

Assumes amendments to the Articles of Incorporation are approved at the October 24, 2020 AGM. Fee amendments are effective February 1, 2021.

Gains on Sale Performance Fee has a high-water mark, such that it will only be paid if the cumulative sum of all of Ichigo Hotel's Gains/Losses on Sales to-date are positive.

Gains on Merger Performance Fee will only be paid if the merger share price is higher than net assets per share.

Gains on REIT TOB Sale Performance Fee will only be paid if the TOB share price is higher than net assets per share.

January 2021 and July 2021 Forecasts

Market Environment & Forecast Assumptions

Hotel Market Remains Uncertain

- Hotel demand is recovering in certain areas, but not enough to significantly drive ADR
- Assuming variable rents will recover from the July 2021 fiscal period

Occupancy and ADR Forecasts for 15 Variable Hotels

- Forecasting Occupancy at 60-70% & ADR at 50-60% of 2019 levels

| | January 2021 | July 2021 |
|-------------|----------------------|-------------------|
| Occupancy | 55.8% | 63.6% |
| ADR | JPY 4,609 | JPY 4,954 |
| (Reference) | January 2019 Actual* | July 2019 Actual* |
| Occupancy | 91.2% | 89.7% |
| ADR | JPY 8,919 | JPY 8,668 |

* Actual data of 12 hotels for January 2019 fiscal period and 13 hotels for July 2019 fiscal period

Increasing Importance of Monitoring Operators' Ability to Pay Rent

- Government assistance and bank loans available during state of emergency
- Increasing possibility of rent deferrals & early lease rent terminations

January 2021 Forecast

Dividend -90.5% YOY

(JPY million)

| | Jan 2020 Actual (A) | Jan 2021 Previous Forecast (July 2020) | Jan 2021 Revised Forecast (B) | (B) - (A) | Major Factors for Variation |
|------------------------------|------------------------|--|-------------------------------------|-------------------|---|
| Operating Revenue | 3,561 | 1,107 | 1,037 | -2,523 | |
| Variable Rent | 564 | 38 | 18 | -545 | Forecast RevPAR at 15 variable rent hotels: JPY 2,571 (-59.5% YOY) |
| Fixed Rent | 993 | 1,026 | 975 | -18 | Increase due to acquisitions & sales: +2 Increase due to revised lease contract (Asagaya): +30 Decrease due to revised lease contracts (Okayama, Tenjin): -25 |
| Other | 2,003 | 43 | 43 | -1,959 | Decrease due to sales: -1,945 Decrease in rent due to sales: -15 |
| Operating Expenses | 1,226 | 635 | 618 | -607 | Decrease in asset-related expenses due to acquisitions & sales: -10 Decrease in exemption of consumption tax: -77 Decrease in AM fee: -535 |
| Repair & Maintenance | 26 | 35 | 30 | +3 | |
| Depreciation | 352 | 337 | 342 | -9 | |
| Operating Profit | 2,334 | 472 | 418 | -1,915 | |
| Recurring Profit | 2,132 | 259 | 203 | -1,928 | Increase in borrowing-related expenses on acquisitions: +18 Decrease due to amortization of new share issuance expenses: -5 |
| Net Income | 2,130 | 259 | 202 | -1,927 | |
| Dividend | JPY 8,356 | JPY 1,015 | JPY 795 | -JPY 7,561 | -21.7% (-JPY 220) vs. previous forecast -90.5% YOY |
| FFO | JPY 2,129 | JPY 2,359 | JPY 2,138 | +JPY 9 | |
| NOI | 1,438 | 914 | 855 | -583 | |
| Post-Depreciation NOI | 1,086 | 576 | 512 | -573 | |
| Capex | 257 | 310 | 449 | +192 | |

July 2021 Forecast

Dividend +31.5% YOY

(JPY million)

| | Jul 2020 Actual (A) | Jul 2021 Forecast (B) | (B) - (A) | Major Factors for Variation |
|------------------------------|------------------------|--------------------------|-----------------|---|
| Operating Revenue | 953 | 1,041 | +88 | |
| Variable Rent | -25 | 53 | +79 | Forecast RevPAR at Variable Rent Hotels: JPY 3,152 (+24.2% YOY) Increase due to new lease contracts (Tenjin, Yokohama): +20 Decrease due to sale (Naha): -7 |
| Fixed Rent | 935 | 944 | +8 | Increase due to acquisitions & sales: +35 Decrease due to revised lease contracts (Tenjin, Asagaya, Okayama, Yokohama): -27 |
| Other | 42 | 43 | — | |
| Operating Expenses | 581 | 618 | +36 | Increase in property tax due to acquisitions & sales: +10 Increase in AM fee: +9 |
| Repair & Maintenance | 21 | 26 | +4 | |
| Depreciation | 336 | 343 | +7 | Increase due to acquisitions & sales: +7 |
| Operating Profit | 371 | 423 | +52 | |
| Recurring Profit | 171 | 225 | +54 | |
| Net Income | 170 | 224 | +53 | |
| Dividend | JPY 670 | JPY 881 | +JPY 211 | +31.5% YOY |
| FFO | JPY 2,009 | JPY 2,229 | +JPY 220 | |
| NOI | 787 | 859 | +72 | |
| Post-Depreciation NOI | 450 | 516 | +65 | |
| Capex | 128 | 707 | +578 | Rebranding and renewal capex (forecast) |

Ichigo's Commitment to ESG



Ichigo Sustainability Policy

Harmony with the Environment

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

Energy Conservation, CO2 Reduction, and Recycling

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

Regulatory and Environmental Compliance

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

Training and Awareness

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

Sustainability Performance Communication and Disclosure

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

Ichigo ESG – Environmental

Sustainable Real Estate

Preserve & Enhance Existing Buildings to End Wasteful Demolish & Rebuild

- Lengthen useful life of existing real estate
- Shrink footprint by reducing demolition waste and use of raw materials, energy, and human effort for construction



Demolish

Lowest Impact

Highest Efficiency

Solar and Wind Energy: Safe and Clean

Annual Power Generation

158,586,005 kWh



Equivalent to annual energy consumption of 52,862 households

The Federation of Electric Power

Companies of Japan

Annual energy consumption per household 3,000kWh

Annual CO2 Reduction

104,666,758 kg



Equivalent to annual CO2 emission of 45,507 cars

Ministry of Environment

Annual CO2 emission per car c. 2,300kg

(July 2019 to June 2020 – Total of Ichigo and Ichigo Green)



Natural Disaster Response

No injuries or damages at any Ichigo asset or power plant from recent natural disasters

Robust Assets

- Real estate: continuous improvements to safety & functionality via value-add capex
- Power plants: site selection and construction based on detailed specifications customized to local geography

Robust BCP & Real-time Response

- Pre-typhoon preventative measures (water shielding, sandbags, etc.) & on-site checks
- Overwhelming priority is safety of tenants: on-the-ground confirmation & on-the-ground response
- Ichigo engineering team immediate response: same day on-site safety and engineering inspections to prevent secondary damage and losses
- Developed & deployed proprietary Susport software system for real-time information sharing & emergency response

Environmental Certifications

CASBEE

(Comprehensive Assessment System for Built Environment Efficiency)

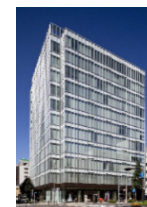
Ichigo Office (8975)

S rank



Ichigo Takamatsu Building

A rank



Ichigo Marunouchi Building

- Ebisu Green Glass
- Ichigo Sakaisuji Honmachi Building
- Ichigo Sendai East Building
- Ichigo Kanda Nishikicho Building
- Ichigo Ikenohata Building



G R E S B
★ ★ ★ ★ ★ 2019

Green Star
(Highest Ranking)
3 years in a row

Other Certifications

BELS (Building-housing Energy-efficiency Labeling System),
DBJ Green Building

Ichigo ESG – Social

Sports

Support National & World-Class Athletes

- Weightlifting
- Riflery
- Track & Field



Weightlifter
Hiromi Miyake

Arts

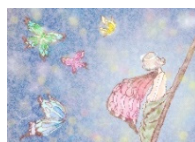
Paralympic Art Sponsor

- Support artists with disabilities



“Hiromi Miyake”
by Kenji Ino

“Re Born: Cheers to Value-Add”
by Sakura



Children's Cancer Treatment

Support University of Miyazaki Faculty of Medicine's Program for Children

- Ichigo subsidiary Miyako City issued CSR bond & donated a portion of underwriter commission to the Cancer Program
- Providing ongoing sponsorship of volunteer activities in support of children with cancer



Local Communities

Promote Community Development via Sponsorship of J.League (Only Top Partner with Real Estate Expertise)

- Renovate and upgrade stadiums and help local governments reduce steep operating and maintenance costs
- Use real estate expertise to help build stronger and healthier local communities



©J.LEAGUE

Strengthen Local Communities, Create Jobs, and Boost Rural Economies via Smart Agriculture

- Collaborate with local farmers to increase agricultural output, improve quality, and raise rural incomes
- Increase Japan's food self-sufficiency



Ichigo ESG – Governance

First J-REIT No Fixed Fee, Performance Fee-Only Structure

- ✓ Performance-linked fee structure to support shareholder value creation
- ✓ Pro-active, dynamic management of Ichigo Hotel assets on behalf of shareholders

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 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 Committee & Risk & Compliance Committee

Ichigo Hotel (3463) and Ichigo Office (8975) are the only J-REITs (out of 63) that both have an Asset Management Company (AMC) board that has a majority of Independent Directors and whose AMC President does NOT serve as the Executive Director of the REIT

Independence of the Investment Corporation from AMC

- ➡ 30 of 63 J-REITs have AMC Presidents serving as Executive Director of the REIT

All Ichigo Hotel Directors are Independent

Independent Directors at AMC

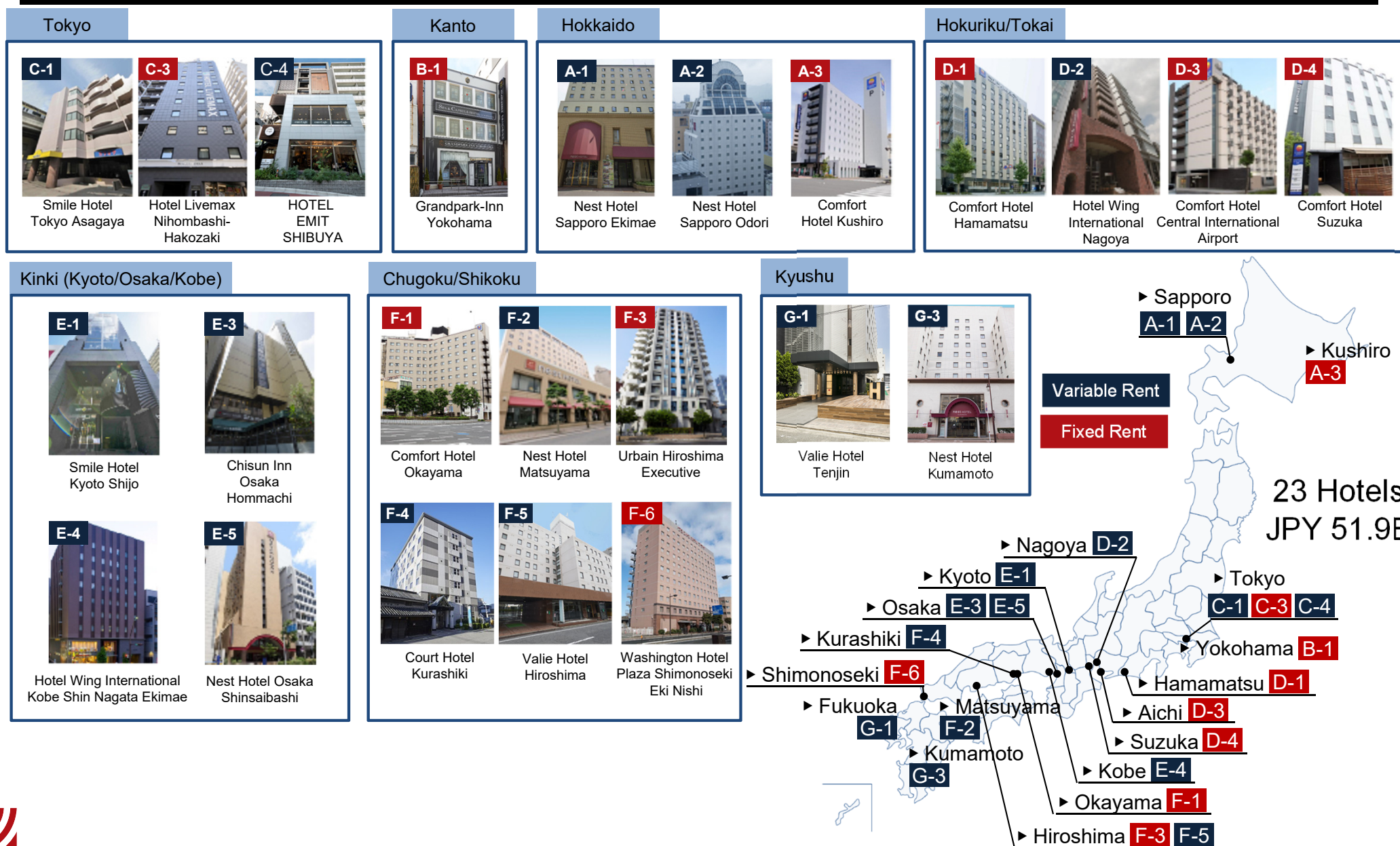
- ➡ Only 4 Asset Management Companies have any Independent Directors

3 of 5 Ichigo Investment Advisors' Directors are Independent








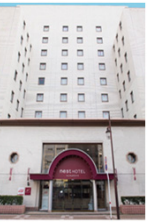


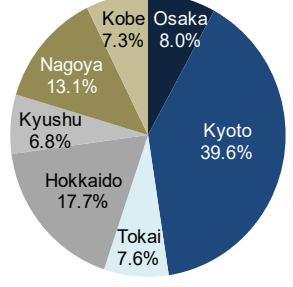
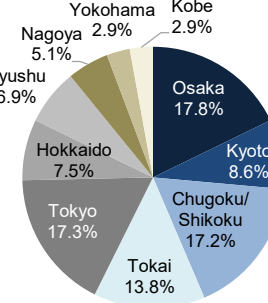
Appendix: Portfolio Details

Hotel Map



(July 2020 rent-basis)

Portfolio Growth

| | IPO (Nov 30, 2015) | Jan 2017 Fiscal Period | July 2017 through Jan 2020 Fiscal Periods | | | | | July 2020 Fiscal Period |
|-------------------|---|---|--|---|---|---|--|--|
| Hotels | <u>IPO Acquisitions</u> 9 hotels JPY 20.4B (Appraisal NOI Yield 5.9%)  | <u>PO Acquisitions</u> 10 hotels JPY 27.2B (Appraisal NOI Yield 5.5%)  | <u>July 2017</u> 1 hotel JPY 1.4B (Appraisal NOI Yield 5.0%)  | <u>Jan 2018</u> 1 hotel JPY 1.8B (Appraisal NOI Yield 6.3%)  | <u>Jan 2019</u> 1 hotel JPY 1.7B (Appraisal NOI Yield 6.9%)  | <u>July 2019</u> 2 hotels JPY 3.7B (Appraisal NOI Yield 6.9%)  | <u>Jan 2020</u> None  | <u>Acquisitions</u> 2 hotels JPY 4.7B (Appraisal NOI Yield 4.9%)  |
| | Sale | None | None | None | None | 1 Hotel JPY 2.7B Gains on Sale JPY 0.69B | None | 2 Hotels JPY 9.7B Gains on Sale JPY 1.94B |
| Portfolio Size | 9 Hotels : JPY 20.4B (January 2016 end) | 19 Hotels JPY 47.6B | 20 Hotels JPY 49.1B | 21 Hotels JPY 50.9B | 21 Hotels JPY 50.7B | 23 Hotels JPY 54.4B | 21 Hotels JPY 47.1B | 23 Hotels JPY 51.9B |
| Location | <u>IPO</u>  | <div>Geographic Diversification Increases Earnings Stability</div> <div>Steady Portfolio Growth via Acquisitions</div> | | | | | <u>July 31, 2020</u>  | |

Acquisition price-basis

Hakata Hotels & PROPERA

- Hakata Hotels, a consolidated subsidiary of Ichigo, is a hotel operator operating 12 hotels in the Hakata (Fukuoka) area
- Hakata Hotels is deploying PROPERA, an AI-based revenue management system developed by Ichigo, to maximize earnings and increase guest satisfaction.

| | |
|---|--|
| Name | Hakata Hotels Inc. |
| Address | 3-13-1 Haruyoshi, Chuo-ku, Fukuoka |
| Representatives | Minoru Ishihara, Representative Director & Chairman Takanobu Kitazaki, Representative Director & President |
| Paid-In Capital | JPY 10 million (100% shareholding by Centro Co. Ltd., a 100% Ichigo subsidiary) |
| Establishment Date | March 2019 |
| Main Business | <ul style="list-style-type: none"> • Development, operation, lease, and management of retail buildings, hotels and restaurants • Lease and management of real estate • Design and construction of buildings and interior designs • Consulting services related to retail buildings, retail facilities, and restaurants |
| Operating Hotels (No. of rooms in parentheses) | <u>Tokyo</u> : HOTEL EMIT SHIBUYA (72), MusBee Tokyo Hamamatsucho (29), The OneFive Tokyo Kanda (50) <u>Kyoto</u> : The OneFive Kyoto Shijo (146) <u>Osaka</u> : Arietta Hotel Osaka (136) <u>Okayama</u> : The OneFive Okayama (208) <u>Fukuoka</u> : The OneFive Villa Fukuoka (50), Plaza Hotel Tenjin (205), Plaza Hotel Premiere (170), Hotel Il Palazzo (62), The OneFive Marine Fukuoka (103), The OneFive Terrace Fukuoka (82) |

PROPERA AI-based revenue management system developed by Ichigo

- Increases guest satisfaction
- Operating track record of increasing earnings by 10-40%
- Starting third-party sales

 **HAKATA HOTELS**

Individual Hotel Summary

| | Hotel No. | Hotel Name | Lease Terms | Location | Leasable Area (m ²) | Acquisition Price (JPY M) | Book Value (JPY M) (A) | Jul 2020 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 | 2,129 | 2,520 | 5.1 | +390 |
| | A-2 | Nest Hotel Sapporo Odori | Variable + Fixed Rent | Sapporo | 5,638.78 | 1,450 | 1,476 | 1,770 | 5.0 | +293 |
| | A-3 | Comfort Hotel Kushiro | Fixed Rent | Kushiro, Hokkaido | 3,180.58 | 300 | 292 | 424 | 5.5 | +131 |
| | B-1 | Grandpark-Inn Yokohama | Fixed Rent | Yokohama | 1,183.26 | 1,490 | 1,498 | 1,520 | 4.6 | +21 |
| | C-1 | Smile Hotel Tokyo Asagaya | Variable + Fixed Rent | Tokyo | 2,721.70 | 3,910 | 3,956 | 4,200 | 4.3 | +243 |
| | C-3 | Hotel Livemax Nihombashi-Hakozaki | Fixed Rent | Tokyo | 853.00 | 1,360 | 1,305 | 1,410 | 4.6 | +104 |
| | C-4 | HOTEL EMIT SHIBUYA | Variable + Fixed Rent | Tokyo | 1,470.52 | 3,700 | 3,819 | 3,950 | 3.6 | +130 |
| | D-1 | Comfort Hotel Hamamatsu | Fixed Rent | Hamamatsu, Shizuoka | 4,173.92 | 1,550 | 1,442 | 1,750 | 5.2 | +307 |
| | D-2 | Hotel Wing International Nagoya | Variable + Fixed Rent | Nagoya | 5,255.66 | 2,670 | 2,707 | 2,640 | 4.7 | -67 |
| | D-3 | Comfort Hotel Central International Airport | Fixed Rent | Tokoname, Aichi | 11,599.63 | 5,308 | 5,329 | 5,740 | 4.1 | +410 |
| | D-4 | Comfort Hotel Suzuka | Fixed Rent | Suzuka, Mie | 2,186.65 | 300 | 278 | 380 | 5.0 | +101 |
| | E-1 | Smile Hotel Kyoto Shijo | Variable + Fixed Rent | Kyoto | 4,891.84 | 4,480 | 4,535 | 3,590 | 4.5 | -945 |
| | E-3 | Chisun Inn Osaka Hommachi | Variable + Fixed Rent | Osaka | 3,690.00 | 1,630 | 1,724 | 1,510 | 4.4 | -214 |
| | E-4 | Hotel Wing International Kobe Shin Nagata Ekimae | Variable + Fixed Rent | Kobe | 4,540.90 | 1,490 | 1,407 | 1,810 | 4.7 | +402 |
| | E-5 | Nest Hotel Osaka Shinsaibashi | Variable + Fixed Rent | Osaka | 8,057.26 | 7,600 | 7,637 | 6,150 | 4.4 | -1,487 |
| | F-1 | Comfort Hotel Okayama | Fixed Rent | Okayama | 5,543.70 | 1,200 | 1,171 | 1,810 | 5.7 | +638 |
| | F-2 | Nest Hotel Matsuyama | Variable + Fixed Rent | Matsuyama, Ehime | 6,671.94 | 1,610 | 1,630 | 1,960 | 5.6 | +329 |
| | F-3 | Urbain Hiroshima Executive | Fixed Rent | Hiroshima | 2,756.20 | 1,800 | 1,819 | 2,060 | 5.3 | +240 |
| | F-4 | Court Hotel Kurashiki | Variable + Fixed Rent | Kurashiki, Okayama | 3,964.19 | 1,725 | 1,790 | 1,990 | 5.1 | +199 |
| | F-5 | Valie Hotel Hiroshima | Variable + Fixed Rent | Hiroshima | 4,332.50 | 1,500 | 1,596 | 1,650 | 5.0 | +53 |
| | F-6 | Washington Hotel Plaza Shimonoseki Eki Nishi | Fixed Rent | Shimonoseki, Yamaguchi | 5,709.35 | 1,080 | 1,114 | 1,180 | 4.9 | +65 |
| | G-1 | Valie Hotel Tenjin | Variable + Fixed Rent | Fukuoka | 1,910.94 | 1,380 | 1,437 | 2,190 | 4.3 | +752 |
| | G-3 | Nest Hotel Kumamoto | Variable + Fixed Rent | Kumamoto | 6,404.36 | 2,220 | 2,190 | 2,320 | 5.4 | +129 |
| 23 Hotels | | | | | 102,471.81 | 51,913 | 52,294 | 54,524 | 5.0 | +2,229 |

Individual Hotel Operating Results

(year-on-year)

| Hotel No. | | Hotel Name | Lease Terms | Location | No. of Guest Rooms | July 2020 (February 2020 - July 2020) | | | | | |
|----------------------|-----|--|-----------------------|---------------------|--------------------|---------------------------------------|----------|---------------|----------|-----------|----------|
| | | | | | | RevPAR (JPY) | | Occupancy (%) | | ADR (JPY) | |
| A-1 | 004 | Nest Hotel Sapporo Ekimae | Variable + Fixed Rent | Sapporo | 162 | 3,041 | (-72.7%) | 58.8 | (-40.2%) | 5,172 | (-54.3%) |
| A-2 | 008 | Nest Hotel Sapporo Odori | Variable + Fixed Rent | Sapporo | 121 | 3,573 | (-71.7%) | 63.3 | (-34.5%) | 5,646 | (-56.8%) |
| A-3 | 018 | Comfort Hotel Kushiro | Fixed Rent | Kushiro, Hokkaido | 126 | 2,202 | (-47.8%) | 48.2 | (-36.2%) | 4,570 | (-18.3%) |
| C-1 | 012 | Smile Hotel Tokyo Asagaya | Variable + Fixed Rent | Tokyo | 112 | 4,311 | (-52.7%) | 76.8 | (-22.0%) | 5,612 | (-39.4%) |
| C-4 | 025 | HOTEL EMIT SHIBUYA | Variable + Fixed Rent | Tokyo | 72 | 3,576 | — | 95.6 | — | 3,739 | — |
| D-1 | 006 | Comfort Hotel Hamamatsu | Fixed Rent | Hamamatsu, Shizuoka | 196 | 1,954 | (-61.1%) | 39.1 | (-52.5%) | 4,994 | (-17.9%) |
| D-2 | 003 | Hotel Wing International Nagoya | Variable + Fixed Rent | Nagoya | 224 | 1,843 | (-66.4%) | 31.7 | (-63.6%) | 5,812 | (-7.9%) |
| D-3 | 011 | Comfort Hotel Central International Airport | Fixed Rent | Tokoname, Aichi | 346 | 2,095 | (-75.0%) | 25.3 | (-72.3%) | 8,266 | (-9.5%) |
| D-4 | 019 | Comfort Hotel Suzuka | Fixed Rent | Suzuka, Mie | 105 | 1,771 | (-60.6%) | 38.3 | (-49.4%) | 4,623 | (-22.2%) |
| E-1 | 001 | Smile Hotel Kyoto Shijo | Variable + Fixed Rent | Kyoto | 144 | 2,629 | (-66.4%) | 59.4 | (-40.3%) | 4,429 | (-43.8%) |
| E-3 | 005 | Chisun Inn Osaka Hommachi | Variable + Fixed Rent | Osaka | 130 | 1,439 | (-74.7%) | 26.5 | (-67.3%) | 5,429 | (-22.8%) |
| E-4 | 007 | Hotel Wing International Kobe Shin Nagata Ekimae | Variable + Fixed Rent | Kobe | 133 | 2,175 | — | 34.2 | — | 6,359 | — |
| E-5 | 010 | Nest Hotel Osaka Shinsaibashi | Variable + Fixed Rent | Osaka | 302 | 1,277 | (-82.8%) | 20.7 | (-77.1%) | 6,165 | (-24.9%) |
| F-1 | 017 | Comfort Hotel Okayama | Fixed Rent | Okayama | 208 | 2,426 | (-54.6%) | 54.6 | (-38.2%) | 4,445 | (-26.5%) |
| F-2 | 015 | Nest Hotel Matsuyama | Variable + Fixed Rent | Matsuyama, Ehime | 190 | 2,547 | (-56.3%) | 51.7 | (-40.8%) | 4,924 | (-26.2%) |
| F-3 | 021 | Urbain Hiroshima Executive | Fixed Rent | Hiroshima | 171 | 1,818 | (-72.3%) | 34.1 | (-62.9%) | 5,327 | (-25.3%) |
| F-4 | 022 | Court Hotel Kurashiki | Variable + Fixed Rent | Kurashiki, Okayama | 107 | 2,777 | (-66.8%) | 51.5 | (-46.5%) | 5,391 | (-37.9%) |
| F-5 | 024 | Valie Hotel Hiroshima | Variable + Fixed Rent | Hiroshima | 171 | 2,211 | — | 54.2 | — | 4,080 | — |
| G-1 | 009 | Valie Hotel Tenjin | Variable + Fixed Rent | Fukuoka | 77 | 4,134 | (-58.3%) | 69.3 | (-28.8%) | 5,962 | (-41.4%) |
| G-3 | 023 | Nest Hotel Kumamoto | Variable + Fixed Rent | Kumamoto | 201 | 1,899 | (-60.3%) | 43.9 | (-43.3%) | 4,331 | (-30.0%) |
| Other | | | — | — | 461 | — | — | — | — | — | — |
| Variable Rent Hotels | | | | | 2,146 | 2,556 | (-66.3%) | 49.0 | (-45.9%) | 5,220 | (-37.7%) |
| Fixed Rent Hotels | | | | | 1,613 | 2,090 | (-66.1%) | 39.2 | (-54.6%) | 5,331 | (-25.5%) |
| Total | | | | | 3,759 | 2,335 | (-66.7%) | 44.3 | (-50.1%) | 5,267 | (-33.3%) |
| | | | | | | | | | | 1,172.5 | (-71.5%) |

* Operating Results data for Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn 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. YOY changes for Hotel Wing International Kobe Shin Nagata Ekimae and Valie Hotel Hiroshima are unavailable because the operators did not provide consent to disclose pre-acquisition data.

Individual Hotel Financials

(JPY thousand)

| | Total | A-1 | A-2 | A-3 | C-1 | C-4 | D-1 | D-3 | D-4 | E-1 | E-3 | E-5 | F-1 | F-2 | F-4 | F-5 | G-1 | G-3 | |
|-----------------------------|---------|---------------------------|--------------------------|-----------------------|---------------------------|--------------------|-------------------------|---|----------------------|-------------------------|---------------------------|-------------------------------|-----------------------|----------------------|-----------------------|-----------------------|--------------------|---------------------|---------|
| | | Nest Hotel Sapporo Ekimae | Nest Hotel Sapporo Odori | Comfort Hotel Kushiro | Smile Hotel Tokyo Asagaya | HOTEL EMIT SHIBUYA | Comfort Hotel Hamamatsu | Comfort Hotel Central International Airport | Comfort Hotel Suzuka | Smile Hotel Kyoto Shijo | Chisun Inn Osaka Hommachi | Nest Hotel Osaka Shinsaibashi | Comfort Hotel Okayama | Nest Hotel Matsuyama | Court Hotel Kurashiki | Valie Hotel Hiroshima | Valie Hotel Tenjin | Nest Hotel Kumamoto | Other |
| (A) Rental Income | 953,076 | 22,506 | 22,021 | 18,419 | 41,007 | 22,003 | 55,361 | 151,441 | 15,442 | 30,744 | 39,600 | 56,456 | 45,900 | 28,906 | 32,207 | 19,382 | 23,544 | 19,879 | 308,250 |
| Fixed Rent | 935,606 | 31,129 | 27,072 | 18,419 | 33,701 | 22,003 | 55,361 | 151,441 | 15,442 | 30,744 | 39,600 | 66,291 | 45,900 | 36,323 | 31,665 | 17,779 | 21,664 | 25,134 | 265,929 |
| Variable Rent | -25,467 | -8,622 | -5,051 | - | 7,305 | - | - | - | - | - | - | -9,834 | - | -7,417 | 541 | 986 | 1,880 | -5,255 | - |
| Other Rent | 42,937 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 617 | - | - | 42,320 |
| (B) Rental Expenses | 165,985 | 8,346 | 11,884 | 5,840 | 8,312 | 877 | 4,073 | 15,865 | 3,377 | 6,571 | 4,954 | 16,742 | 6,044 | 7,092 | 5,388 | 8,260 | 7,940 | 7,353 | 37,060 |
| Outsourcing Fees | 17,227 | 600 | 600 | 900 | 2,574 | 517 | 600 | 570 | 540 | 600 | 915 | 1,200 | 600 | 720 | 600 | 720 | 600 | 793 | 3,577 |
| Insurance | 2,890 | 162 | 173 | 83 | 91 | 53 | 100 | 284 | 48 | 143 | 102 | 248 | 142 | 203 | 111 | 138 | 61 | 185 | 553 |
| Repair Expenses | 21,057 | 1,879 | 2,290 | 427 | 1,466 | - | 668 | 1,840 | 600 | 420 | 248 | 390 | 1,025 | 1,161 | - | 2,737 | 3,540 | 1,182 | 1,179 |
| Taxes | 108,914 | 5,280 | 8,387 | 4,020 | 3,773 | - | 2,433 | 12,717 | 1,779 | 5,047 | 3,324 | 14,495 | 3,854 | 4,578 | 4,312 | 4,261 | 3,373 | 4,671 | 22,603 |
| Other Expenses | 15,895 | 423 | 432 | 409 | 407 | 305 | 271 | 452 | 408 | 360 | 364 | 408 | 421 | 429 | 364 | 402 | 364 | 521 | 9,145 |
| (C) NOI (A) - (B) | 787,091 | 14,159 | 10,137 | 12,578 | 32,694 | 21,126 | 51,288 | 135,576 | 12,065 | 24,173 | 34,645 | 39,714 | 39,855 | 21,813 | 26,819 | 11,121 | 15,603 | 12,525 | 271,190 |
| (D) Depreciation | 336,423 | 16,097 | 16,368 | 5,393 | 27,122 | 7,426 | 14,717 | 34,794 | 4,149 | 16,280 | 7,185 | 34,532 | 13,286 | 18,350 | 11,073 | 19,722 | 9,237 | 18,971 | 61,713 |
| Net Rental Income (C) - (D) | 450,667 | -1,937 | -6,231 | 7,185 | 5,571 | 13,700 | 36,571 | 100,782 | 7,915 | 7,892 | 27,460 | 5,182 | 26,569 | 3,463 | 15,745 | -8,601 | 6,366 | -6,446 | 209,477 |

* Rents for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Grandpark-Inn Yokohama, Urbain Hiroshima Executive, and Washington Hotel Plaza Shimonoseki Eki Nishi as well as retail rents of Chisun Inn Osaka Honmachi, Smile Hotel Tokyo Asagaya and Nest Hotel Kumamoto are included in Other, as the operators did not provide consent to disclose the data.

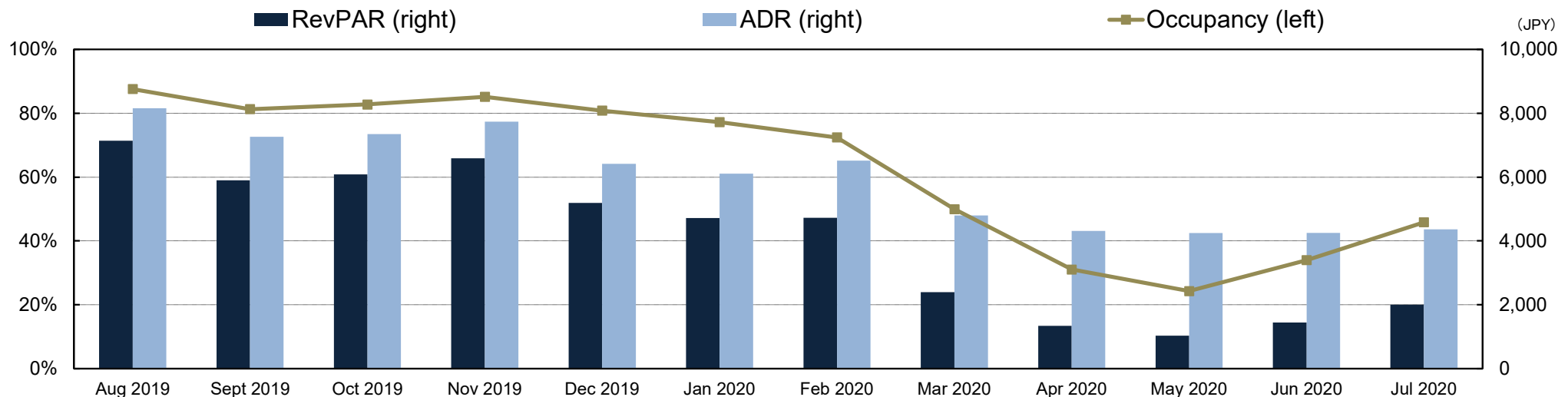
Fixed/Variable Rent, RevPAR, ADR, & Occupancy Trends

Fixed/Variable Rent

(JPY thousand)

| | | Jul 2019 | | Jan 2020 | | Jul 2020 | |
|------------------------|----------------------------------|------------------|-------------|------------------|-------------|----------------|-------------|
| | | Rent | Ratio | Rent | Ratio | Rent | Ratio |
| Rent | Fixed Rent | 1,029,238 | 57.5% | 1,032,448 | 63.9% | 963,173 | — |
| | Fixed Rent from Operators | 984,145 | 55.0% | 993,479 | 61.5% | 935,606 | — |
| | Other (Rent from Retail Tenants) | 45,092 | 2.5% | 38,969 | 2.4% | 27,566 | — |
| | Variable Rent | 735,493 | 41.1% | 564,434 | 34.9% | -25,467 | — |
| Other (Utility Income) | | 24,937 | 1.4% | 19,104 | 1.2% | 15,371 | — |
| Total | | 1,789,669 | 100% | 1,615,986 | 100% | 937,705 | 100% |

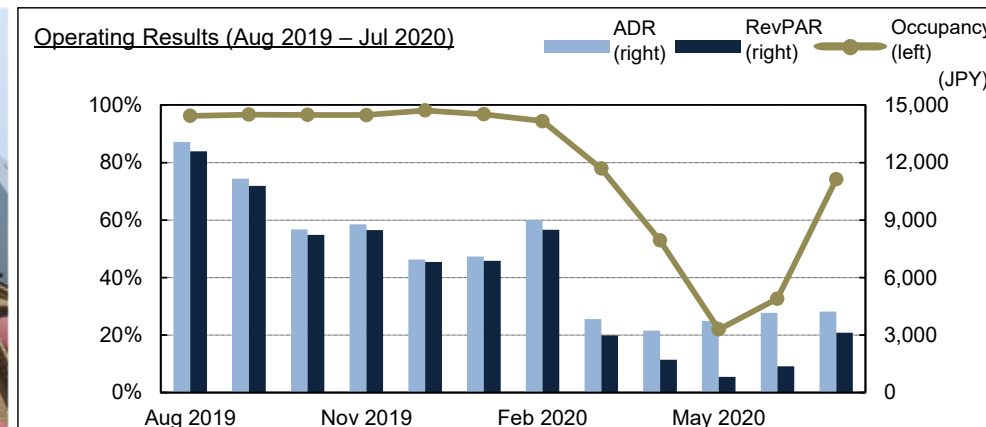
Operating Results (Aug 2019 – Jul 2020)



Variable Rent Hotel Details

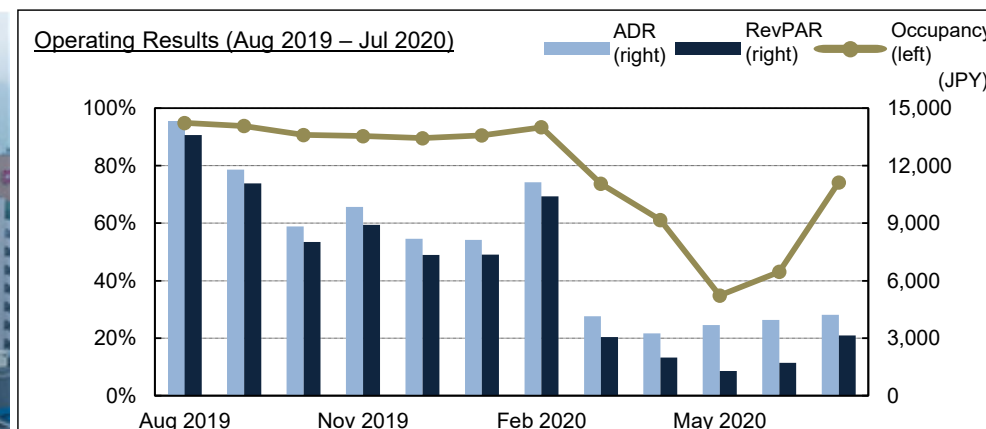
A-1 Nest Hotel Sapporo Ekimae

| | |
|--------------------------|---|
| 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

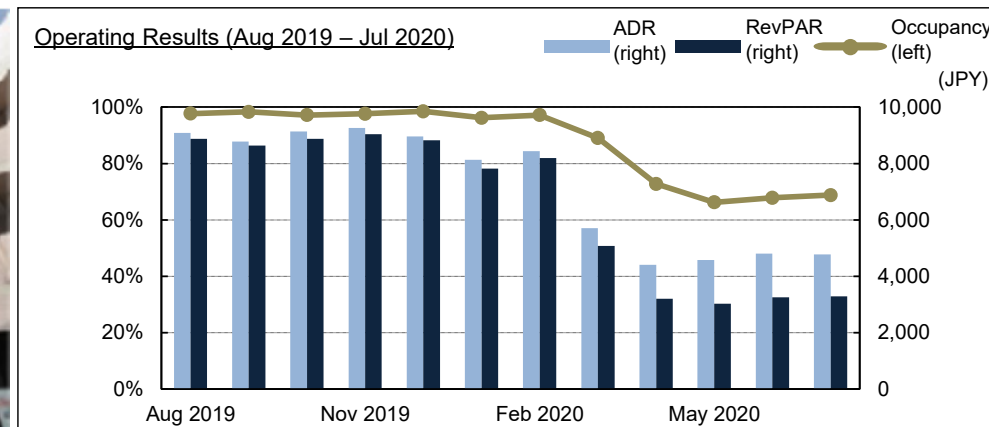
| | |
|--------------------------|---|
| Location | Sapporo |
| Access | 4-minute walk from Odori Station on Sapporo City Metro Namboku Line |
| Operator | Nest Hotel Japan Corporation |
| Guest Rooms | 121 |
| Acquisition Price | JPY 1.45B |



Variable Rent Hotel Details

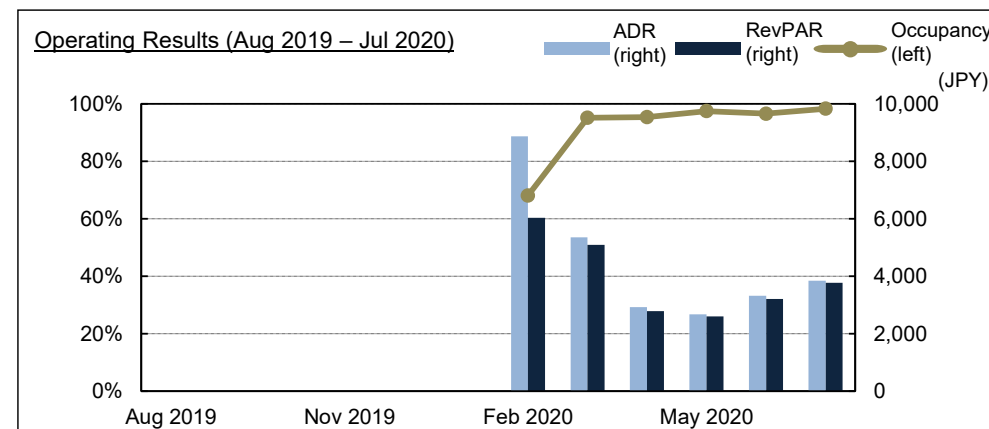
C-1 Smile Hotel Tokyo Asagaya

| | |
|--------------------------|---|
| 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 |



C-4 HOTEL EMIT SHIBUYA (Acquired on February 25, 2020)

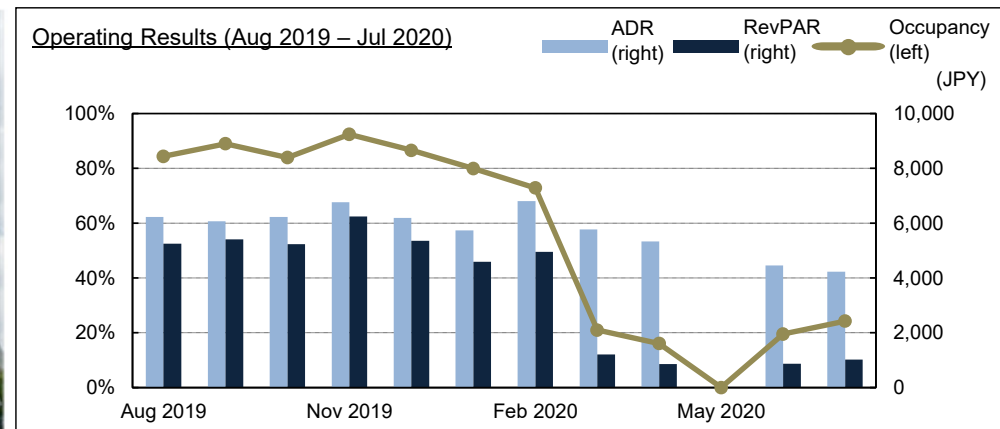
| | |
|--------------------------|--|
| Location | Shibuya-ku, Tokyo |
| Access | 6-minute walk from Shibuya Station on JR, Tokyu, Keio, and Tokyo Metro Lines |
| Operator | Hakata Hotels Inc. Shidax Daishinto Human Services Inc. |
| Guest Rooms | 72 |
| Acquisition Price | JPY 3.7B |



Variable Rent Hotel Details

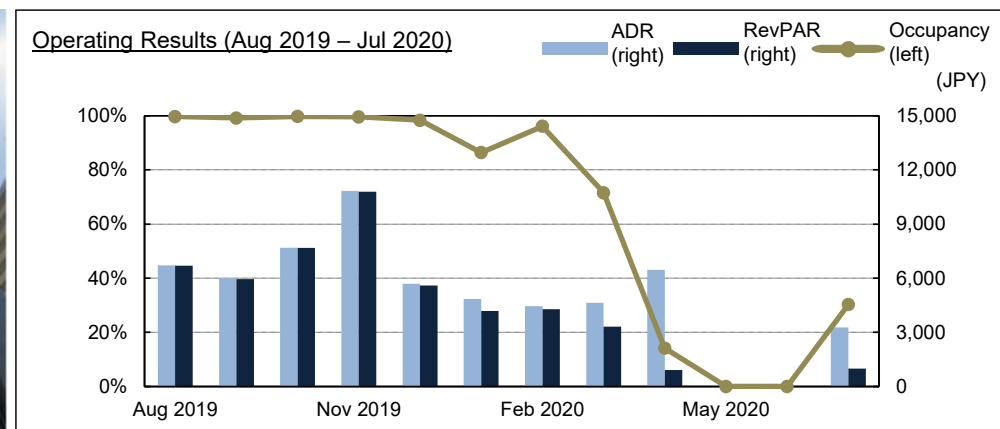
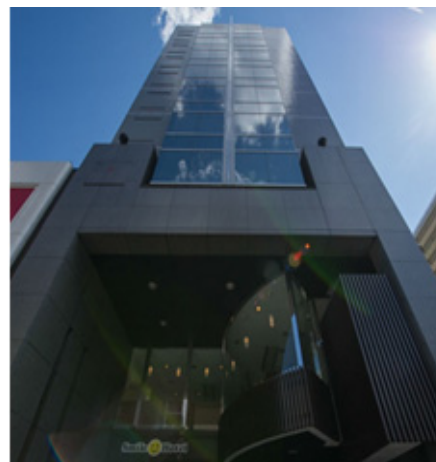
D-2 Hotel Wing International Nagoya

| | |
|--------------------------|---|
| 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 |



E-1 Smile Hotel Kyoto Shijo

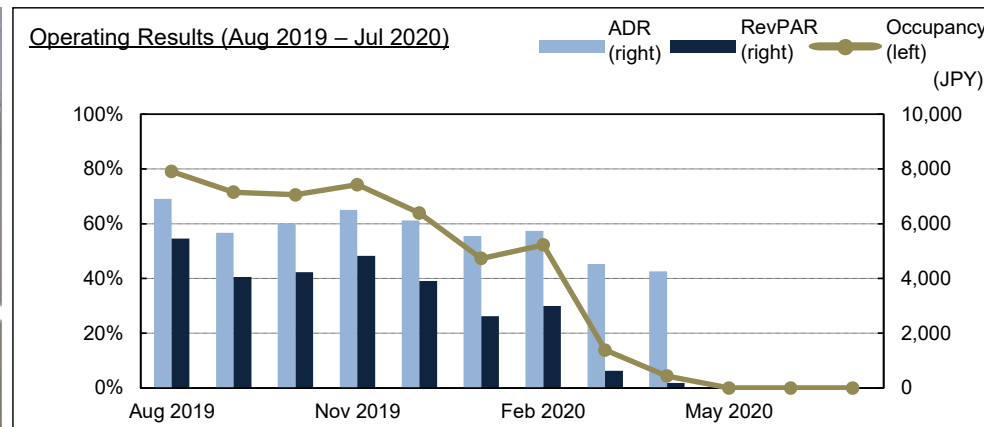
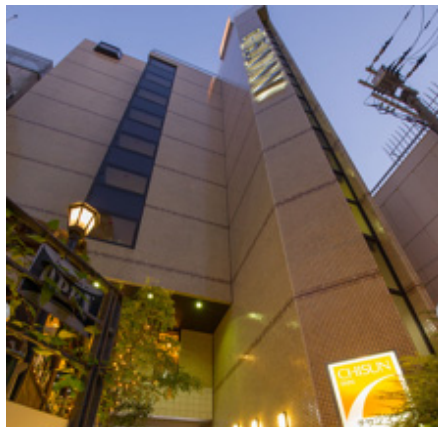
| | |
|--------------------------|--|
| Location | Kyoto |
| Access | 5-minute walk from Shijo Station on Kyoto City Subway Karasuma Line and Karasuma Station on Hankyu Kyoto Main Line |
| Operator | K.K. Hospitality Operations |
| Guest Rooms | 144 |
| Acquisition Price | JPY 4.48B |



Variable Rent Hotel Details

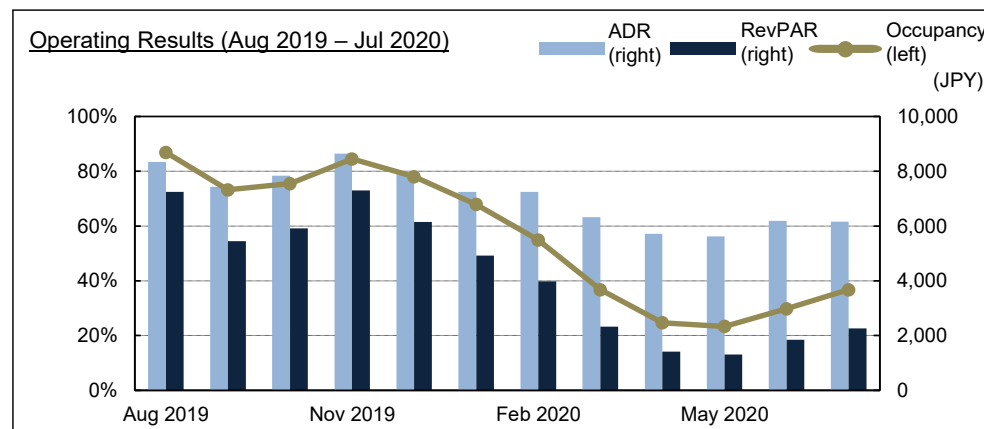
E-3 Chisun Inn Osaka Hommachi

| | |
|--------------------------|---|
| Location | Osaka |
| Access | 5-minute walk from Sakaisuji-Hommachi Station on Osaka Municipal Subway Chuo Line |
| Operator | SHR Hotel Lease Co., Ltd. |
| Guest Rooms | 130 |
| Acquisition Price | JPY 1.63B |



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 |

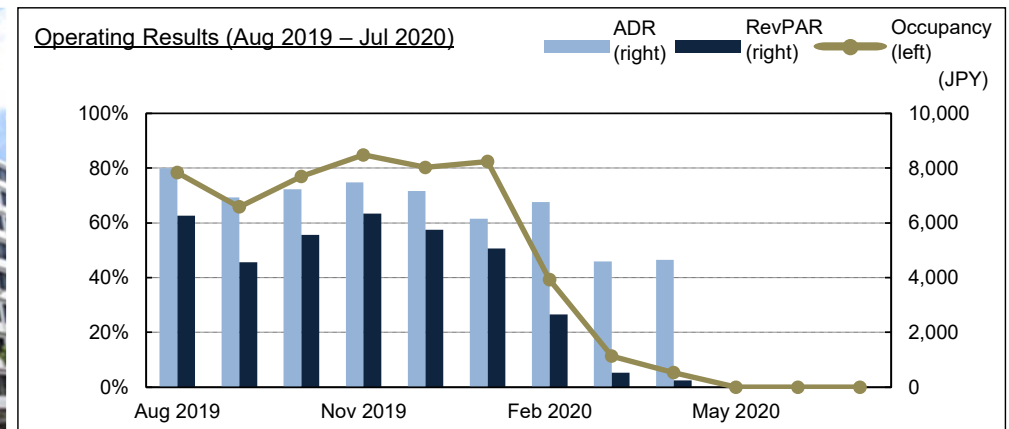


* Hotel name changed from Hotel Suave Kobe Asuta on March 1, 2019. Rebranded and reopened in June 2019.

Variable Rent Hotel Details

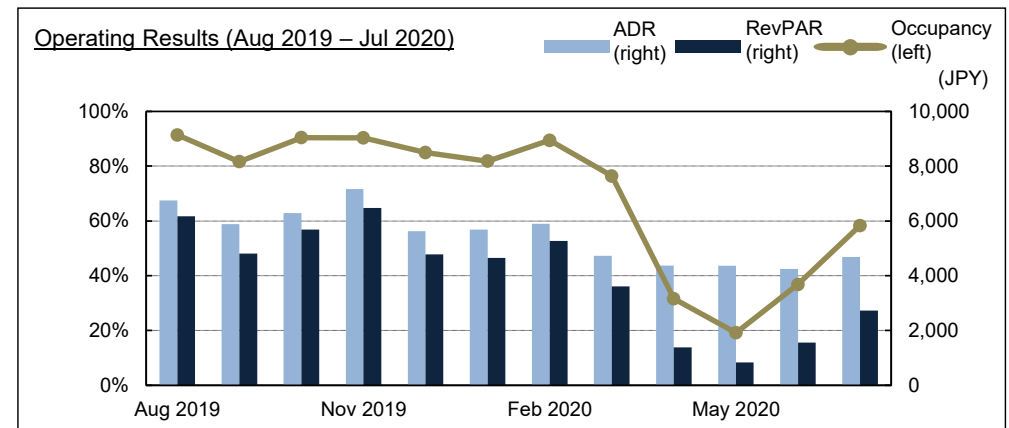
E-5 Nest Hotel Osaka Shinsaibashi

| | |
|--------------------------|---|
| 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 |



F-2 Nest Hotel Matsuyama

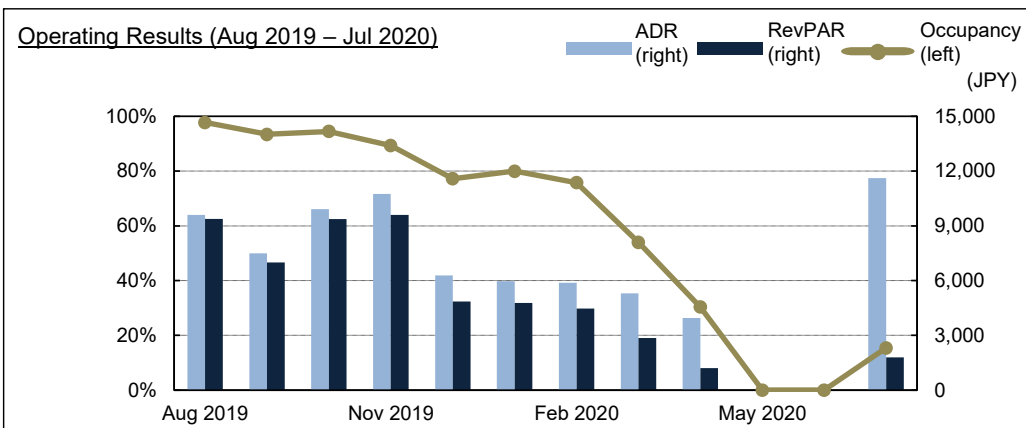
| | |
|--------------------------|---|
| Location | Matsuyama, Ehime |
| Access | 25-minute drive from Matsuyama Airport, 3-minute walk from Katsuyamacho Station on Iyo Railway Jonan Line |
| Operator | Nest Hotel Japan Corporation |
| Guest Rooms | 190 |
| Acquisition Price | JPY 1.61B |



Variable Rent Hotel Details

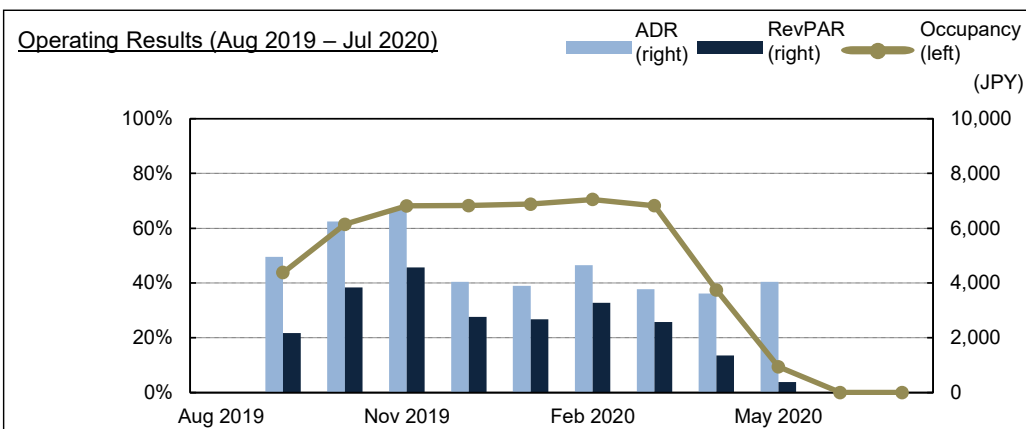
F-4 Court Hotel Kurashiki

| | |
|--------------------------|--|
| Location | Kurashiki, Okayama |
| Access | 8-minute walk from Kurashiki Station on JR Sanyo Main Line |
| Operator | The Court Co., Ltd. |
| Guest Rooms | 107 |
| Acquisition Price | JPY 1.73B |



F-5 Valie Hotel Hiroshima

| | |
|--------------------------|--|
| Location | Hiroshima |
| Access | 3-minute walk from Jogakuin-mae Station on Hiroden Tram Line |
| Operator | The Court Co., Ltd. |
| Guest Rooms | 171 |
| Acquisition Price | JPY 1.5B |

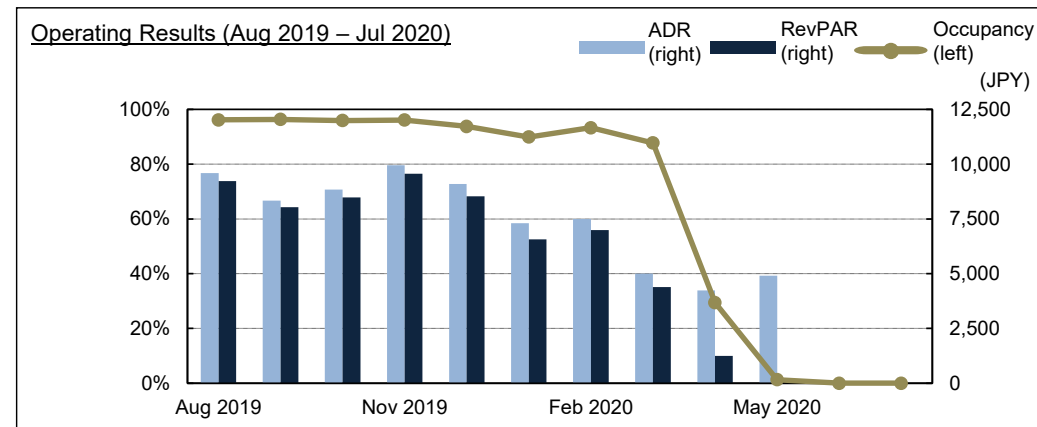


* Acquired on July 19, 2019. Rebranded and reopened in September 2019.

Variable Rent Hotel Details

G-1 Valie Hotel Tenjin

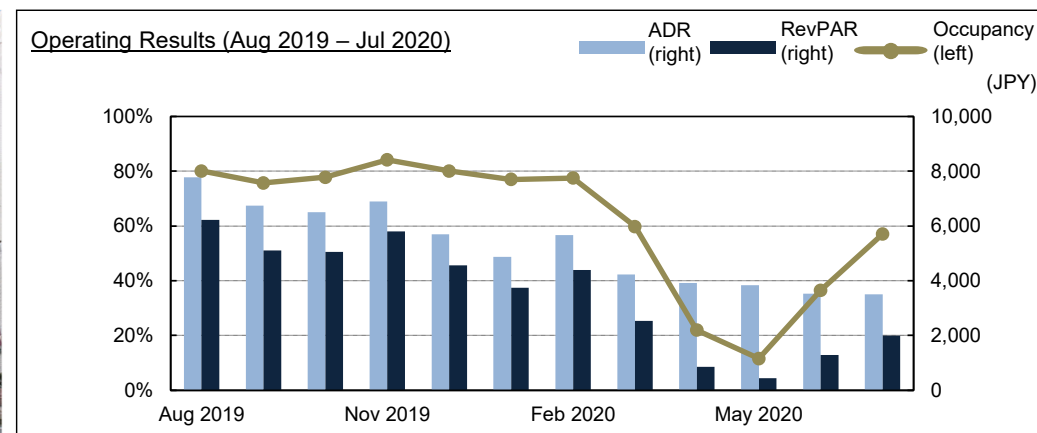
| | |
|--------------------------|--|
| Location | Fukuoka |
| Access | 6-minute walk from Tenjin Station on Fukuoka City Subway Kuko Line |
| Operator | The Court Co., Ltd. |
| Guest Rooms | 77 |
| Acquisition Price | JPY 1.38B |



* Scheduled to change operator and rebrand and reopen as The OneFive Fukuoka Tenjin in October 2020

G-3 Nest Hotel Kumamoto

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



Fixed Rent Hotel Details

A-3 Comfort Hotel Kushiro

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



B-1 Grandpark-Inn Yokohama

| | |
|--------------------------|--|
| Location | Yokohama |
| Access | 6-minute walk from Yokohama Station on JR Line, private railways, and subway |
| Operator | MiddleWood Co., Ltd. |
| Guest Rooms | 175 |
| Acquisition Price | JPY 1.49B |



* Scheduled to change operator and rebrand and reopen in February 2021 (new hotel name TBD)

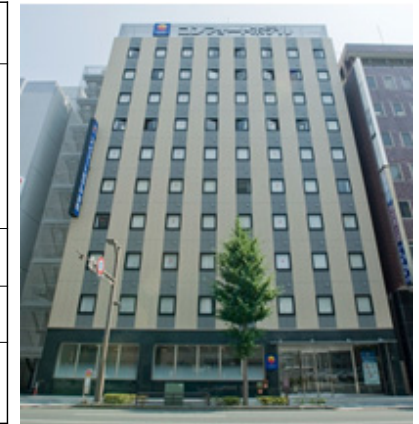
C-3 Hotel Livemax Nihombashi-Hakozaki

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



D-1 Comfort Hotel Hamamatsu

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



Fixed Rent Hotel Details

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 |



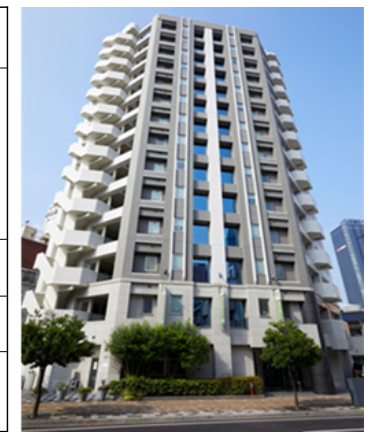
F-1 Comfort Hotel Okayama

| | |
|--------------------------|--|
| Location | Okayama |
| Access | 15-minute walk from Okayama Station on Sanyo Shinkansen, Sanyo Main Line, Uno Line |
| Operator | Greens Co., Ltd. |
| Guest Rooms | 208 |
| Acquisition Price | JPY 1.20B |



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 |



* Scheduled to change operator and rebrand and reopen as The OneFive Okayama in October 2020

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

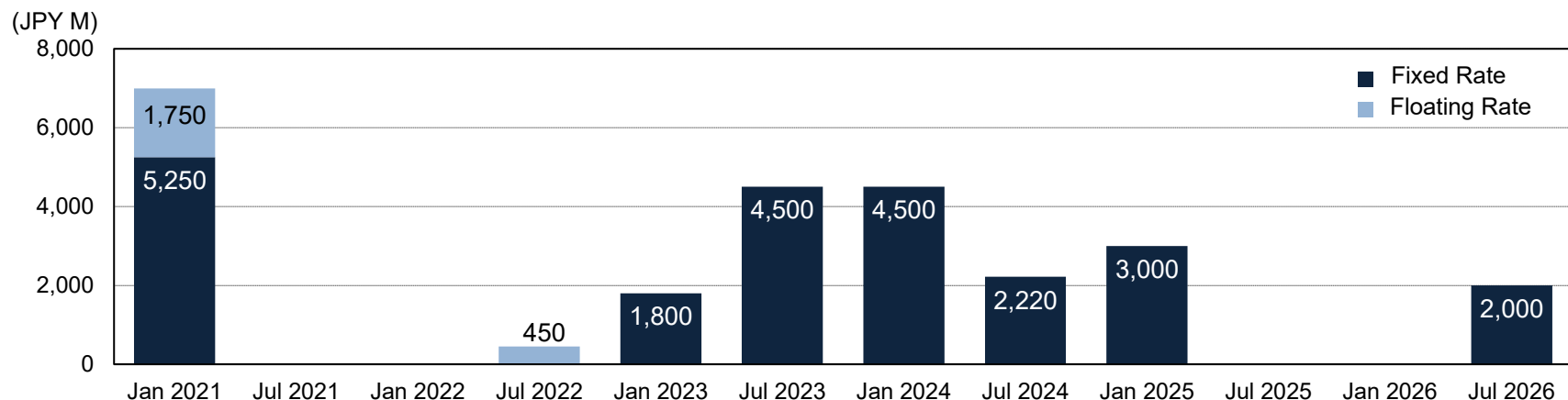
Stable Financial Base

- Shorter-term loans are floating rate to take advantage of current low interest rates
- 90% of loans are fixed to hedge against a rise in interest rates

Outstanding Loan Balance

| | Jul 31, 2018 | Jan 31, 2019 | Jul 31, 2019 | Jan 31, 2020 | Jul 31, 2020 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Amount | JPY 21.75B | JPY 21.75B | JPY 25.47B | JPY 25.47B | JPY 25.47B |
| Long-Term Loan Ratio | 100% | 100% | 100% | 100% | 93.1% |
| Fixed Rate Ratio | 73.8% | 80.7% | 83.5% | 83.5% | 91.4% |
| Average Interest Rate | 0.88% | 0.91% | 0.86% | 0.88% | 0.87% |
| Average Remaining Maturity | 3.1 years | 3.2 years | 3.0 years | 2.5 years | 2.5 years |
| LTV (Total Assets Basis) | 39.1% | 38.8% | 43.0% | 41.5% | 43.6% |

Distribution of Loan Maturities



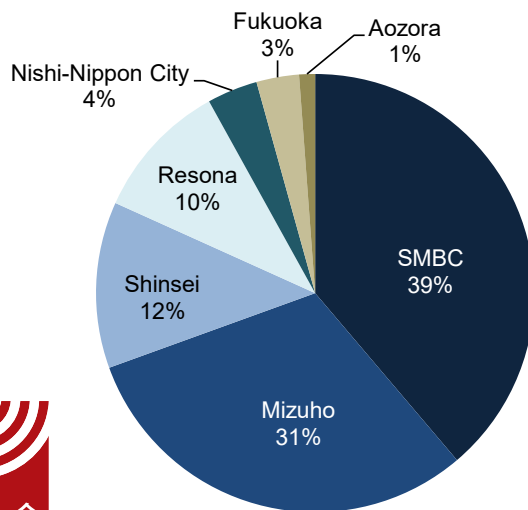
Loan Details

Loan Balances

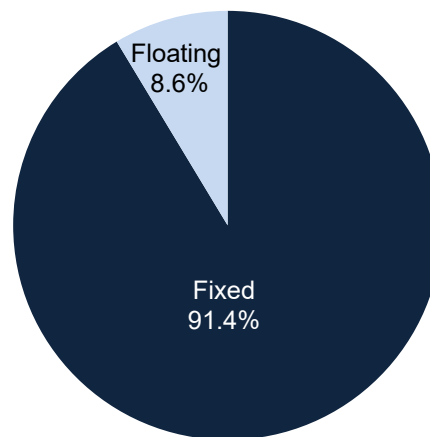
(as of July 31, 2020)

| Loan | Lender | Amount (JPY million) | Floating/ Fixed | Interest Rate (%) | Borrowing Date | Maturity |
|--------------|---|-------------------------|--------------------|----------------------|--|-------------------|
| Term Loan 2 | SMBC, Mizuho, Shinsei, Resona | 5,250 | Fixed | 1.08000% | November 30, 2015 | November 30, 2020 |
| Term Loan 4 | SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City | 4,500 | Fixed | 0.90750% | August 17, 2016 | February 28, 2023 |
| Term Loan 5 | SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City | 4,500 | Fixed | 0.98500% | August 17, 2016 | August 31, 2023 |
| Term Loan 7 | SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City | 1,800 | Fixed | 0.78750% | August 1, 2017 | January 31, 2023 |
| Term Loan 9 | SMBC, Mizuho, Shinsei, Resona | 1,500 | Fixed | 0.92000% | November 30, 2018 | November 29, 2024 |
| Term Loan 10 | SMBC, Mizuho, Shinsei, Resona, Nishi-Nippon City | 2,220 | Fixed | 0.75450% | April 25, 2019 | April 30, 2024 |
| Term Loan 11 | SMBC, Mizuho, Shinsei, Resona, Aozora | 1,500 | Fixed | 0.73575% | July 19, 2019 | November 29, 2024 |
| Term Loan 12 | SMBC | 450 | Variable | 0.51909% | February 28, 2020 | February 28, 2022 |
| Term Loan 13 | SMBC, Mizuho, Shinsei, Resona, Fukuoka, Nishi-Nippon City | 2,000 | Fixed | 0.65600% | February 28, 2020 | February 27, 2026 |
| Term Loan 14 | SMBC, Mizuho, Shinsei, Resona | 1,750 | Variable | 0.46909% | May 29, 2020 | November 30, 2020 |
| Total | | 25,470 | | Average 0.87% | Average Remaining Loan Term 2.5 years | |

Lender Composition



Fixed vs. Floating



Strong Lender Group

LTV Control

Interest Rate Risk Management

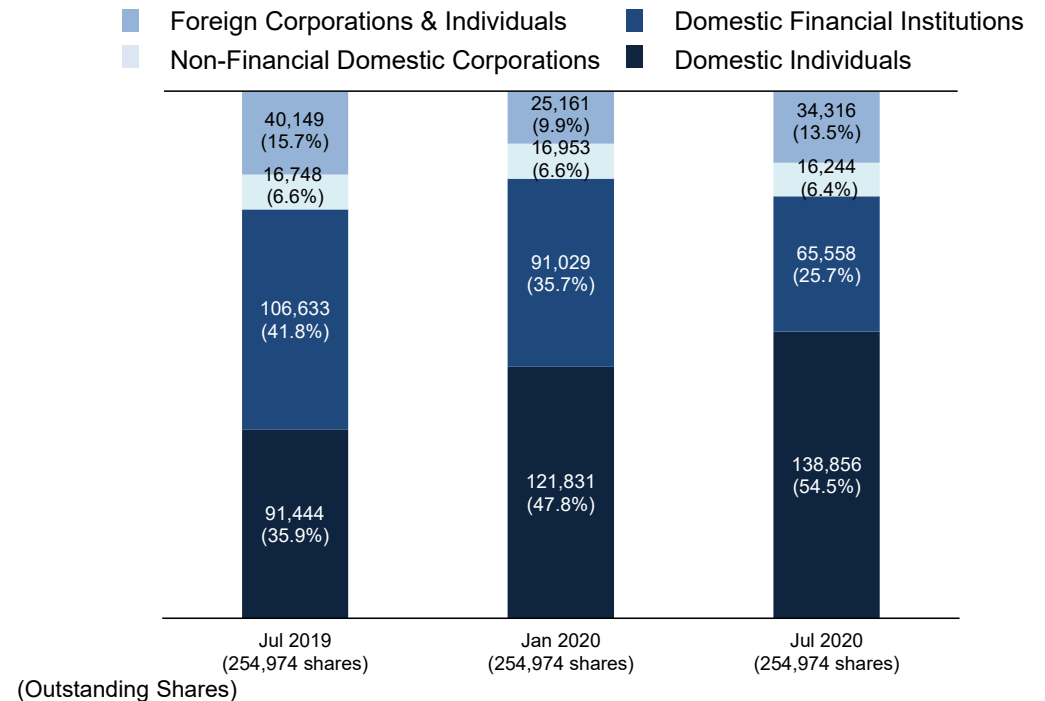
Stable Financial Position

Shareholder Composition

Major Shareholders (as of July 31, 2020)

| | Name | No. of Shares | Share |
|----|--|---------------|--------------|
| 1 | Custody Bank of Japan, Ltd., Trust Account | 22,531 | 8.8% |
| 2 | The Master Trust Bank of Japan, Trust Account | 18,713 | 7.3% |
| 3 | Ichigo Trust Pte. Ltd. | 10,908 | 4.3% |
| 4 | Nomura Trust & Banking Co., Ltd. Investment Trust Account | 7,617 | 3.0% |
| 5 | Ichigo Inc. (Sponsor) | 6,500 | 2.5% |
| 6 | Banshu Shinkin Bank | 4,900 | 1.9% |
| 7 | Custody Bank of Japan, Ltd., Securities Investment Trust Account | 4,165 | 1.6% |
| 8 | BNY FOR GCM CLIENT ACCOUNTS (E) ISG | 3,367 | 1.3% |
| 9 | Individual Investors | 3,091 | 1.2% |
| 10 | DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO | 2,799 | 1.1% |
| | Total | 84,591 | 33.2% |

By Number of Shares Held



By Number of Shareholders

| | Jul 31, 2019 | Jan 31, 2020 | Jul 31, 2020 | |
|--|---------------|---------------|---------------|-------------|
| | Shareholders | Shareholders | Shareholders | Share |
| Domestic Individuals | 13,415 | 17,201 | 18,688 | 97.9% |
| Domestic Financial Institutions | 54 | 56 | 38 | 0.2% |
| City banks, trust banks | 7 | 6 | 4 | 0.0% |
| Regional banks | 2 | 3 | 0 | 0.0% |
| Other (including securities companies) | 45 | 47 | 34 | 0.2% |
| Non-Financial Domestic Corporations | 220 | 248 | 248 | 1.3% |
| Foreign Corporations & Individuals | 88 | 99 | 124 | 0.6% |
| Total | 13,777 | 17,604 | 19,098 | 100% |

Appendix: Growth Roadmap, Sponsor, Shareholder Alignment

Ongoing Actions to Drive Increased Shareholder Value

Portfolio Growth & Diversification Drive Earnings Growth & Stability

| Organic Growth | External Growth |
|---|---|
| <p><u>Current Environment</u></p> <ul style="list-style-type: none">• Both Japanese and inbound demand has dropped significantly due to Covid-19, generating continuing impacts on the hotel market.• Supply is exceeding demand in some areas in Japan due to excessive number of new hotel openings.• Financial strength of hotel operators needs to be closely watched to verify their rent-paying ability.• No new growth driver is currently expected. <hr/> <p><u>Actions</u></p> <ul style="list-style-type: none">• Proactively execute value-add capex tailored to each hotel• Sell hotels with limited growth potential• Increase earnings by revising fixed rent and variable rent terms at lease renewal• Grow with sponsor support (Hakata Hotels/PROPERA) | <p><u>Current Environment</u></p> <ul style="list-style-type: none">• Sales and acquisitions limited due to market uncertainty.• Market recovery is expected after vaccine & treatment regimes become available.• Competition for quality assets is expected to intensify. <hr/> <p><u>Actions</u></p> <ul style="list-style-type: none">• Continue to grow portfolio of lodging-focused hotels, a hotel type with stable earnings.• High underlying land values reflect Ichigo Hotel's high location attractiveness and value• Ichigo Hotel's focus on major regional cities with convenient public transport access and revenue upside from local events further reinforces earnings stability.• Geographic diversification and centrally-located hotels with stable demand also support high earnings stability |

Dividend Growth

Growth Strategy Roadmap

Flexibly Responding to Market Environment

| | Stage I | Stage II |
|-----------------|---|---|
| | Continuous Dividend Growth via External Growth, Organic Growth, and Strong Financial Base | |
| External Growth | <ul style="list-style-type: none"> • Drive higher earnings via economies of scale from increased asset size • Invest primarily in lodging-focused hotels • Acquisition of conversion-feasible assets and lodging facilities such as serviced apartments • Asset acquisitions via SPCs • Asset acquisitions using low cost borrowing capacity (LTV) | <ul style="list-style-type: none"> • Construct a diversified portfolio to pursue both income stability and earnings growth • Maximize dividend and earnings via unrealized gains via asset acquisitions and sales • Acquire prime-location full-service hotels and resort hotels in addition to lodging-focused hotels • Increase portfolio size and generate scale efficiencies via acquisitions of newly built hotels in addition to value-add of existing hotels |
| Organic Growth | <ul style="list-style-type: none"> • Enhance operational efficiency by monitoring operations and providing advice to partner hotel operators • Increase rents and earnings through value-add capex | |
| | <ul style="list-style-type: none"> • Minimize expenses via collaboration with operators • Increase earnings via more favorable lease contracts, rebranding, etc. | <ul style="list-style-type: none"> • Examine opportunities for large-scale renovations and rebranding to increase earnings • Further increase earnings via more favorable lease contracts, rebranding, etc. |
| Financing | <ul style="list-style-type: none"> • Maintain a strong lender base • Appropriate LTV • Manage interest rate risk • Prepare to acquire credit rating • Shift to no fixed fee, performance fee-only structure | <ul style="list-style-type: none"> • Acquire credit rating • Diversify financing • Continue to control LTV and manage interest rate risk • Prepare to enter global REIT indices |
| Other | <ul style="list-style-type: none"> • Conduct share buybacks to increase dividend and maintain appropriate share price | <ul style="list-style-type: none"> • Conduct share buybacks to increase dividend and maintain appropriate share price • Promote responsiveness to disasters (Respond to ESG requirements) |

Ichigo Hotel's Sponsor: Ichigo (2337)

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

- Manages Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282)
- TSE First Section, JPX-Nikkei 400 Member
- Deeply committed to CSR and Sustainability
- Japan's first zero-carbon listed real estate company

Ichigo
(TSE First Section 2337)

**Ichigo Preserves and
Improves Real Estate**

The Ichigo logo consists of a red square containing three white concentric semi-circles at the top. Below the circles, the Chinese characters "一期一会" (Ichigo) are written in white. Underneath the red square, the word "ICHIGO" is written in a bold, black, sans-serif font.

Hiromi Miyake
(Weightlifting)

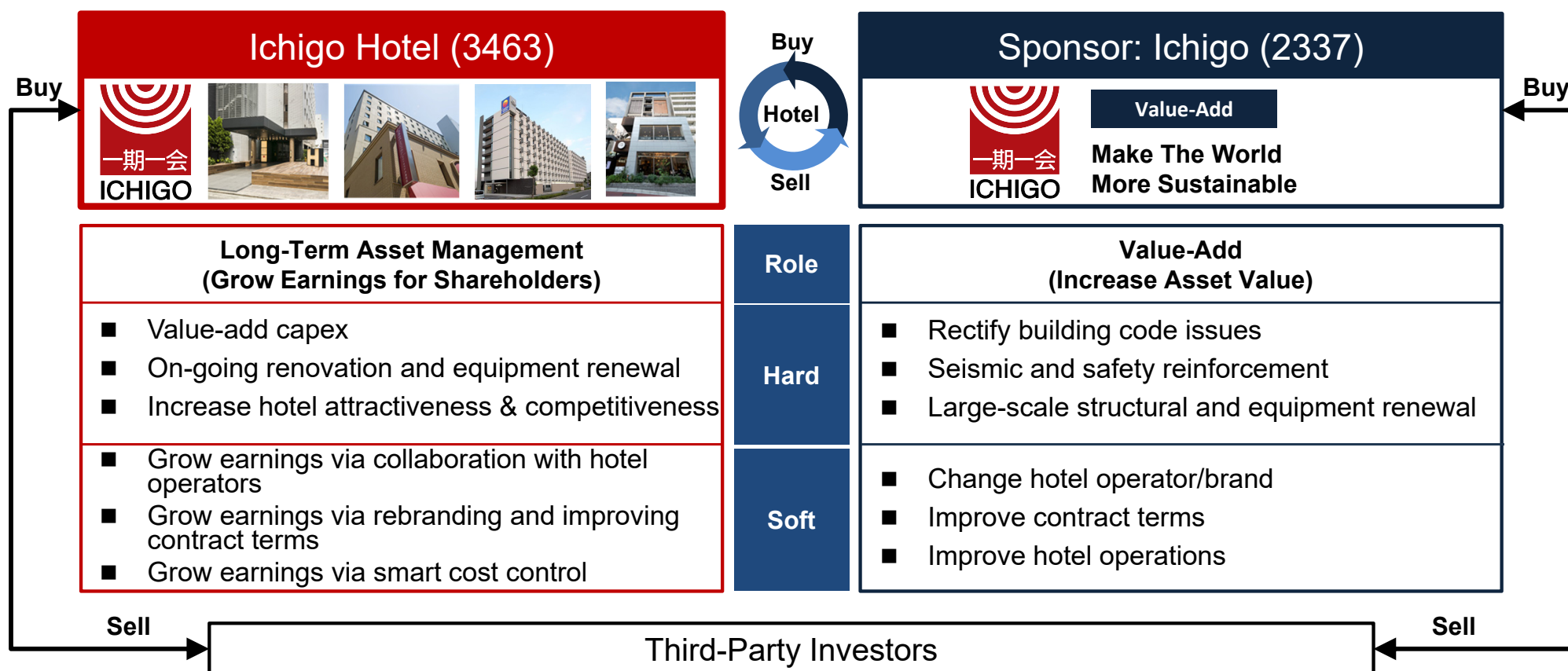
The word “Ichigo” comes from the ancient Japanese proverb, Ichigo Ichie, literally meaning “One lifetime, one encounter.” The phrase was first used by a 16th century master of the tea ceremony, Sen no Rikyu. He called upon his disciples to give total focus and sincerity to each act of the tea ceremony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

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



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



Ichigo Hotel Overview

Ichigo Hotel

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

Asset Management Company

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

Disclaimer

These materials are for informational purposes only, and do not constitute or form a part of, and should not be construed as, an offer to sell or buy securities of Ichigo Hotel REIT Investment Corporation (Ichigo Hotel).

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

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

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



**Make The World
More Sustainable**

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E-mail: ir_hotel@ichigo.gr.jp

www.ichigo-hotel.co.jp/english



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.