

[Provisional Translation Only]

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REIT Issuer

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**Ichigo Hotel REIT Operating Results – March 2016**

Ichigo Hotel REIT hereby announces its March 2016 Occupancy, ADR, RevPAR, and Revenues:

Total Occupancy, ADR, and RevPAR of Ichigo Hotel REIT Portfolio Assets

	March 2016 (A)	March 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016 – Mar 2016		
					Cumulative	YOY Difference	YOY Change
Occupancy (%)	94.7	95.4	-0.8	-0.8%	93.3	-0.3	-0.3%
ADR (yen)	8,149	7,131	+1,018	+14.3%	8,169	+819	+11.1%
RevPAR (yen)	7,713	6,805	+908	+13.3%	7,620	+741	+10.8%

Occupancy, ADR, RevPAR, and Revenues for Individual Assets

		March 2016 (A)	March 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016 – Mar 2016		
						Cumulative	YOY Difference	YOY Change
Smile Hotel Kyoto Shijo	Occupancy (%)	100.2	100.2	0.0	0.0%	100.2	+0.1	+0.1%
	ADR (yen)	13,381	11,087	+2,294	+20.7%	10,720	+1,369	+14.6%
	RevPAR (yen)	13,403	11,105	+2,298	+20.7%	10,742	+1,380	+14.7%
	Revenues (mm yen)	60	50	+9	+18.5%	93	+12	+14.7%
Hotel Vista Premio Kyoto	Occupancy (%)	94.4	94.1	+0.3	+0.4%	91.5	-1.1	-1.2%
	ADR (yen)	15,092	12,898	+2,194	+17.0%	13,085	+1,883	+16.8%
	RevPAR (yen)	14,251	12,135	+2,116	+17.4%	11,976	+1,597	+15.4%
	Revenues (mm yen)	39	33	+6	+17.0%	64	+9	+17.0%

		March 2016 (A)	March 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016—Mar 2016		
						Cumulative	YOY Difference	YOY Change
Hotel Wing International Nagoya	Occupancy (%)	100.1				98.9		
	ADR (yen)	6,230				5,953		
	RevPAR (yen)	6,236				5,887		
	Revenues (mm yen)	48				89		
Nest Hotel Sapporo Ekimae	Occupancy (%)	98.5	97.8	+0.7	+0.7%	98.3	0.0	0.0%
	ADR (yen)	5,834	4,960	+874	+17.6%	7,912	+1,077	+15.8%
	RevPAR (yen)	5,748	4,853	+896	+18.5%	7,776	+1,060	+15.8%
	Revenues (mm yen)	42	38	+4	+11.5%	99	+11	+12.0%
Chisun Inn Osaka Hommachi	Occupancy (%)	94.8	93.8	+1.0	+1.1%	93.0	+2.7	+3.0%
	ADR (yen)	9,915	7,008	+2,906	+41.5%	10,009	+3,028	+43.4%
	RevPAR (yen)	9,400	6,574	+2,827	+43.0%	9,305	+3,001	+47.6%
	Revenues (mm yen)	38	26	+11	+43.0%	73	+24	+50.1%
Comfort Hotel Hamamatsu	Occupancy (%)	88.2				84.9		
	ADR (yen)	6,276				6,175		
	RevPAR (yen)	5,538				5,245		
	Revenues (mm yen)	34				62		
Nest Hotel Sapporo Odori	Occupancy (%)	96.9	96.1	+0.7	+0.8%	96.9	+0.2	+0.2%
	ADR (yen)	6,672	5,909	+763	+12.9%	9,358	+922	+10.9%
	RevPAR (yen)	6,462	5,680	+783	+13.8%	9,066	+906	+11.1%
	Revenues (mm yen)	28	25	+3	+14.0%	72	+8	+12.0%
Valie Hotel Tenjin	Occupancy (%)	91.1	87.5	+3.6	+4.1%	91.0	+0.0	+0.0%
	ADR (yen)	9,500	7,063	+2,437	+34.5%	9,853	+2,714	+38.0%
	RevPAR (yen)	8,652	6,184	+2,468	+39.9%	8,961	+2,468	+38.0%
	Revenues (mm yen)	22	14	+8	+53.8%	44	+14	+47.1%

Notes:

- The above data is as provided by the hotel operators or as calculated by Ichigo Real Estate Investment Advisors based on information provided by the hotel operators. The data has not been audited and thus its accuracy cannot be guaranteed and may not match data disclosed in future Financial Reports.
- Occupancy is calculated as follows:  

$$\text{Occupancy} = \frac{\text{Total number of guest rooms occupied during the period}}{(\text{number of guest rooms} \times \text{number of days the hotel was in operation during the period})}$$

Occupancy may exceed 100% in the following cases: 1) a guest had pre-paid for a guest room but checked out early, allowing the guest room to be occupied by a different guest; or 2) a guest room is occupied for less than one day by different guests.
- ADR or Average Daily Rate is calculated as follows:  

$$\text{ADR} = \frac{\text{Total revenues from accommodations (excluding restaurant charges and other service fees)}}{\text{number of guest rooms occupied}}$$
- RevPAR or Revenue Per Available Room is calculated as follows:  

$$\text{RevPAR} = \frac{\text{Total revenues from accommodations (excluding restaurant charges and other service fees)}}{\text{number of available guest rooms}}$$

5. Revenues are total revenues from accommodations and related services only. Rent from retail tenants at Hotel Vista Premio Kyoto and Chisun Inn Osaka Hommachi is not included.
6. Past data for Hotel Wing International Nagoya and Comfort Hotel Hamamatsu and data for Hotel Suave Kobe Asuta are not included above, as the hotel operators have not given consent to disclose the data.
7. Since the rent for Comfort Hotel Hamamatsu is fixed, operating results have no impact on the rent.

### Value-Add Actions

At Nest Hotel Sapporo Odori, Ichigo Hotel REIT converted 12 twin-bed rooms to a more flexible format that allows for triple-bed layouts.

Nest Hotel Sapporo Odori is located in Sapporo's city center, near Sapporo Municipal Subway's Odori Station. The area attracts many visitors, generating significant demand from both tourists and business travelers. This upgrade will enable the hotel to accommodate more guests and increase its ADR.

Ichigo Hotel REIT will continue to work closely with its hotel operator partners to carry out strategic value-add CAPEX to increase operating efficiency and improve guest satisfaction.

