Creating peace of mind through honest and committed management.

[Provisional Translation Only]
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Ichigo Hotel REIT Operating Results – December 2015

Ichigo Hotel REIT hereby announces its December 2015 Occupancy, ADR, RevPAR, and Revenues:

		Dec 2015 (A)	Dec 2014 (B)	Difference (A-B)	YOY Change
Smile Hotel Kyoto Shijo	Occupancy (%)	100.2	100.1	+0.1	+0.1%
	ADR (yen)	9,901	8,741	+1,160	+13.3%
	RevPAR (yen)	9,917	8,748	+1,169	+13.4%
	Revenues (mm yen)	45	39	+6	+15.4%
Hotel Vista Premio Kyoto	Occupancy (%)	85.3	86.9	-1.6	-1.8%
	ADR (yen)	12,521	11,093	+1,428	+12.9%
	RevPAR (yen)	10,675	9,640	+1,035	+10.7%
	Revenues (mm yen)	29	26	+3	+11.5%
Hotel Wing International Nagoya	Occupancy (%)	93.8			
	ADR (yen)	5,839			
	RevPAR (yen)	5,475			
	Revenues (mm yen)	42			
Nest Hotel Sapporo Ekimae	Occupancy (%)	92.5	97.5	-5.0	-5.1%
	ADR (yen)	6,750	5,771	+979	+17.0%
	RevPAR (yen)	6,244	5,625	+619	+11.0%
	Revenues (mm yen)	46	40	+6	+15.0%
Chisun Inn Osaka Hommachi	Occupancy (%)	87.9	83.8	+4.1	+4.9%
	ADR (yen)	9,241	6,262	+2,979	+47.6%
	RevPAR (yen)	8,127	5,247	+2,880	+54.9%
	Revenues (mm yen)	33	21	+12	+57.1%

		Dec 2015 (A)	Dec 2014 (B)	Difference (A-B)	YOY Change
Nest Hotel Sapporo Odori	Occupancy (%)	92.8	96.7	-3.9	-4.0%
	ADR (yen)	7,964	7,047	+917	+13.0%
	RevPAR (yen)	7,391	6,815	+576	+8.5%
	Revenues (mm yen)	31	29	+2	+6.9%
Valie Hotel Tenjin	Occupancy (%)	85.8	93.2	-7.4	-7.9%
	ADR (yen)	9,556	6,783	+2,773	+40.9%
	RevPAR (yen)	8,203	6,329	+1,874	+29.6%
	Revenues (mm yen)	21	17	+4	+23.5%

Notes:

1. The above figures are as provided by the hotel operators and have not been audited. Because it is a fixed rent lease with the operator, figures for Comfort Hotel Hamamatsu have not been included.
2. Occupancy is calculated using the following formula:

   Occupancy = Total number of guest rooms occupied during the period/(number of guest rooms × 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.
3. ADR or Average Daily Rate is calculated using the following formula:

   ADR = Total revenues from accommodations (excluding restaurant charges and other service fees)/number of guest rooms occupied.
4. RevPAR is Revenue Per Available Room, i.e., total revenues from accommodations (excluding restaurant charges and other service fees)/number of available guest rooms.
5. Revenues are total revenues from accommodations and related services only. Non-hotel rental income at Hotel Vista Premio Kyoto and Chisun Inn Osaka Hommachi is not included.
6. Data for Hotel Suave Kobe Asuta and past data for Hotel Wing International Nagoya are not included above, as the hotel operators have not consented to the data's disclosure.

Value Enhancement Activities

Ichigo Hotel REIT is carrying out guest room renovations at Nest Hotel Sapporo Ekimae, with guests using the newly refurbished rooms as soon as they are completed.

1. Renovation Objective and Details

Ichigo Hotel REIT is putting in new wallpaper and refurbishing the bath areas of all 162 guest rooms to provide comfortable and comforting spaces for guests. The renovated guest rooms are clean and appealing. To accommodate both domestic and international tourist demand, 36 twin-bed rooms have also been converted to give them flexibility to be used as triple-bed rooms.

Nest Hotel Sapporo Ekimae is in downtown Sapporo and a six-minute walk from JR Sapporo Station. Its position in a high-density area near a key transportation hub makes it an ideal hotel for both business travelers and tourists. Since its rebranding in May 2013, the hotel's ADR has improved significantly due to better operations and more attractive breakfast menus. The renovation will update the hotel's facilities and can be expected to increase guest satisfaction by offering a more refined atmosphere and guest experience.

Ichigo Hotel REIT will continue to work with its partner hotel operators to increase the value of its hotel assets.

2. Photos

Before	After
Single-Bed Room 	Single-Bed Room 
Twin-Bed Room 	Twin-Bed Room  Triple-Bed Room 

Ichigo Hotel REIT Website: www.ichigo-hotel.co.jp/english