Ichigo Preserves and Improves Real Estate

[Provisional Translation Only]

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

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Ichigo Hotel REIT Operating Results – May 2016

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

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

	May 2016 (A)	May 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016－May 2016		
					Cumulative	YOY Difference	YOY Change
RevPAR (yen)	7,384	7,400	-16	-0.2%	7,688	+501	+7.0%
Occupancy (%)	88.5	91.6	-3.1	-3.3%	91.7	-1.2	-1.3%
ADR (yen)	8,341	8,080	+261	+3.2%	8,385	+650	+8.4%

RevPAR, Occupancy, ADR, and Revenues for Individual Assets

		May 2016 (A)	May 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016－May 2016		
						Cumulative	YOY Difference	YOY Change
Smile Hotel Kyoto Shijo	RevPAR (yen)	11,849	11,810	+39	+0.3%	12,872	+668	+5.5%
	Occupancy (%)	100.1	100.1	-0.0	-0.0%	100.1	+0.0	+0.0%
	ADR (yen)	11,838	11,793	+45	+0.4%	12,854	+665	+5.5%
	Revenues (mm yen)	53	54	-1	-1.7%	224	+10	+4.8%
Hotel Vista Premio Kyoto	RevPAR (yen)	12,786	12,228	+558	+4.6%	13,283	+1,153	+9.5%
	Occupancy (%)	93.4	93.3	+0.1	+0.1%	92.6	-0.4	-0.4%
	ADR (yen)	13,696	13,109	+587	+4.5%	14,352	+1,299	+9.9%
	Revenues (mm yen)	36	34	+2	+5.6%	144	+14	+10.8%

		May 2016 (A)	May 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016－May 2016		
						Cumulative	YOY Difference	YOY Change
Hotel Wing International Nagoya	RevPAR (yen)	5,519				5,811		
	Occupancy (%)	90.2				96.5		
	ADR (yen)	6,116				6,022		
	Revenues (mm yen)	42				176		
Nest Hotel Sapporo Ekimae	RevPAR (yen)	7,445	6,643	+802	+12.1%	7,024	+972	+16.1%
	Occupancy (%)	98.6	98.3	+0.3	+0.3%	98.4	+0.7	+0.7%
	ADR (yen)	7,552	6,758	+794	+11.8%	7,141	+942	+15.2%
	Revenues (mm yen)	48	44	+3	+7.7%	183	+17	+9.9%
Chisun Inn Osaka Hommachi	RevPAR (yen)	7,568	6,853	+715	+10.4%	8,941	+2,258	+33.8%
	Occupancy (%)	80.4	85.7	-5.3	-6.2%	88.8	+0.1	+0.1%
	ADR (yen)	9,416	7,996	+1,420	+17.8%	10,065	+2,534	+33.6%
	Revenues (mm yen)	30	28	+3	+10.5%	141	+36	+34.9%
Comfort Hotel Hamamatsu	RevPAR (yen)	4,990				5,157		
	Occupancy (%)	77.4				82.4		
	ADR (yen)	6,444				6,262		
	Revenues (mm yen)	30				122		
Nest Hotel Sapporo Odori	RevPAR (yen)	8,460	8,072	+388	+4.8%	8,000	+717	+9.8%
	Occupancy (%)	97.7	97.6	+0.1	+0.1%	95.0	-1.1	-1.2%
	ADR (yen)	8,656	8,270	+385	+4.7%	8,419	+844	+11.1%
	Revenues (mm yen)	35	34	+1	+4.1%	130	+12	+9.8%
Valie Hotel Tenjin	RevPAR (yen)	7,554	8,199	-646	-7.9%	8,319	＋1,617	+24.1%
	Occupancy (%)	71.1	94.6	-23.5	-24.8%	84.4	-6.4	-7.0%
	ADR (yen)	10,619	8,663	+1,956	+22.6%	9,853	+2,471	+33.5%
	Revenues (mm yen)	20	13	+7	+54.5%	84	+31	+58.1%

Notes:

1. 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.
2. RevPAR or Revenue Per Available Room is calculated as follows:

   RevPAR = Total revenues from accommodations (excluding restaurant charges and other service fees) / number of available guest rooms.
3. Occupancy is calculated as follows:

   Occupancy = Total number of guest rooms occupied during the period / (number of guest rooms x 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.
4. ADR or Average Daily Rate is calculated as follows:

   ADR = Total revenues from accommodations (excluding restaurant charges and other service fees) / number of guest rooms occupied.

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 Chisun Inn Osaka Hommachi, Ichigo Hotel REIT added ramps to the stairs leading to the front entrance this month to ease guest access to the hotel.

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.

Before



After

