Ichigo Preserves and Improves Real Estate

[Provisional Translation Only]

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Ichigo Hotel REIT Operating Results – June 2016

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

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

	June 2016 (A)	June 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016－June 2016		
					Cumulative	YOY Difference	YOY Change
RevPAR (yen)	7,077	6,868	+209	+3.0%	7,566	+444	+6.2%
Occupancy (%)	86.4	91.7	-5.3	-5.8%	90.6%	-2.0%	-2.2%
ADR (yen)	8,190	7,486	+704	+9.4%	8,348	+663	+8.6%

RevPAR, Occupancy, ADR, and Revenues for Individual Assets

		June 2016 (A)	June 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016－June 2016		
						Cumulative	YOY Difference	YOY Change
Smile Hotel Kyoto Shijo	RevPAR (yen)	8,799	6,711	+2,088	+31.1%	12,063	-141	-1.2%
	Occupancy (%)	100.1	100.1	—	—	100.1	—	—
	ADR (yen)	8,793	6,706	+2,086	+31.1%	12,048	-141	-1.2%
	Revenues (mm yen)	39	30	+9	+29.3%	263	+49	+22.8%
Hotel Vista Premio Kyoto	RevPAR (yen)	9,500	7,633	+1,867	+24.5%	12,531	+401	+3.3%
	Occupancy (%)	88.4	85.0	+3.4	+4.0%	91.7	-1.2	-1.3%
	ADR (yen)	10,745	8,980	+1,765	+19.7%	13,661	+608	+4.7%
	Revenues (mm yen)	26	21	+5	+25.2%	170	+40	+30.6%

		June 2016 (A)	June 2015 (B)	Difference (A-B)	YOY Change	Current Fiscal Period Feb 2016－June 2016		
						Cumulative	YOY Difference	YOY Change
Hotel Wing International Nagoya	RevPAR (yen)	4,175				5,486		
	Occupancy (%)	76.6				92.6		
	ADR (yen)	5,451				5,928		
	Revenues (mm yen)	32				208		
Nest Hotel Sapporo Ekimae	RevPAR (yen)	10,061	8,893	+1,168	+13.1%	7,628	+1,575	+26.0%
	Occupancy (%)	98.2	98.1	+0.1	+0.1%	98.3	+0.7	+0.7%
	ADR (yen)	10,242	9,065	+1,178	+13.0%	7,756	+1,558	+25.1%
	Revenues (mm yen)	59	55	+4	+7.4%	242	+75	+45.2%
Chisun Inn Osaka Hommachi	RevPAR (yen)	7,785	6,588	+1,198	+18.2%	8,712	+2,028	+30.3%
	Occupancy (%)	88.3	85.6	+2.7	+3.1%	88.7	-0.0	-0.0%
	ADR (yen)	8,816	7,697	+1,119	+14.5%	9,818	+2,287	+30.4%
	Revenues (mm yen)	30	26	+5	+18.1%	171	+67	+64.0%
Comfort Hotel Hamamatsu	RevPAR (yen)	4,739				5,074		
	Occupancy (%)	79.8%				81.9		
	ADR (yen)	5,937				6,199		
	Revenues (mm yen)	28				150		
Nest Hotel Sapporo Odori	RevPAR (yen)	10,901	10,898	+3	+0.0%	8,576	+1,294	+17.8%
	Occupancy (%)	95.2	97.1	-1.9	-2.0%	95.0	-1.1	-1.1%
	ADR (yen)	11,456	11,228	+228	+2.0%	9,023	+1,448	+19.1%
	Revenues (mm yen)	42	42	-0	-0.6%	172	+54	+45.3%
Valie Hotel Tenjin	RevPAR (yen)	6,896	6,648	+248	+3.7%	8,036	+1,335	+19.9%
	Occupancy (%)	78.7%	93.9	-15.2	-16.1%	83.3	-7.5	-8.2%
	ADR (yen)	8,757	7,074	+1,683	+23.8%	9,647	+2,266	+30.7%
	Revenues (mm yen)	17	16	+2	+11.9%	101	+48	+91.0%

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 Nest Hotel Sapporo Odori, Ichigo Hotel REIT conducted renovations to convert storage rooms into guest rooms this month, creating two additional guest rooms. The renovation thus converts non-revenue-generating spaces into revenue-generating spaces. The two new rooms are twin-bed rooms that can also be flexibly used as triple-bed rooms in response to guest needs.

Ichigo Hotel REIT will continue to work closely with its hotel operator partners to carry out strategic value-add capex to improve earnings.

New Guest Rooms



