Ichigo Hotel REIT
(3463)

Share Buyback (Supplementary Disclosure)

October 10, 2017

Ichigo Hotel REIT Investment Corporation (3463)

Ichigo Investment Advisors Co., Ltd.

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This material is a summary of today's following two releases detailing Ichigo Hotel REIT's share buyback to grow shareholder value:

"Share Buyback"

"Amendment to Management Guidelines of Asset Management Company (Share Buybacks and Cancellations)"

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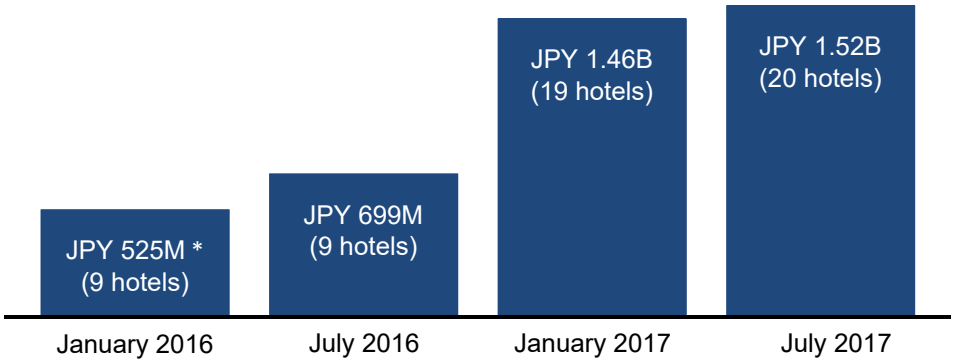


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Ichigo Hotel REIT Post-IPO Growth

NOI

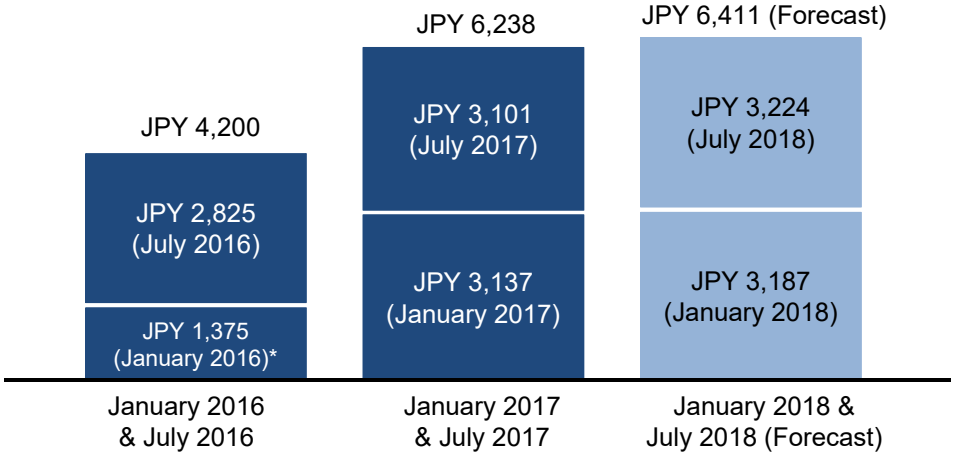
JPY 525M → JPY 1.52B (+190.0%)



* January 2016 actual NOI of JPY 180 million converted to full-period NOI

Dividend

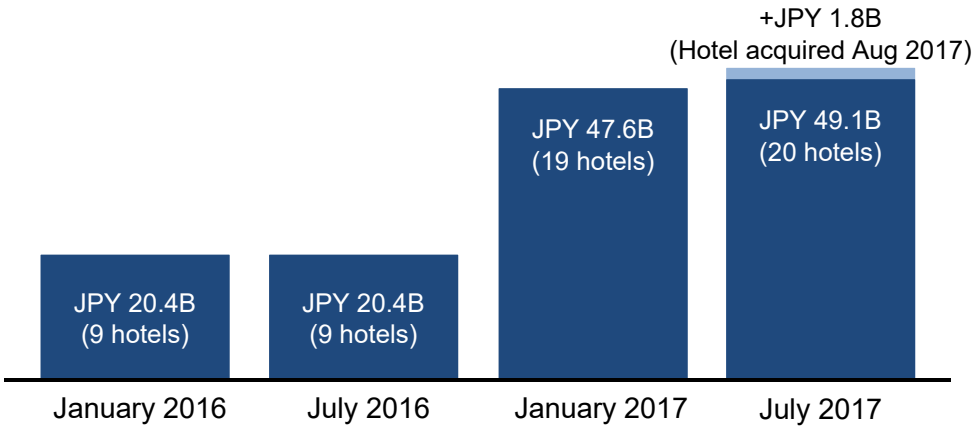
JPY 4,200 → JPY 6,411 (Forecast) (+52.6%)



* January 2016 actual dividend of JPY 471 converted to full-period dividend

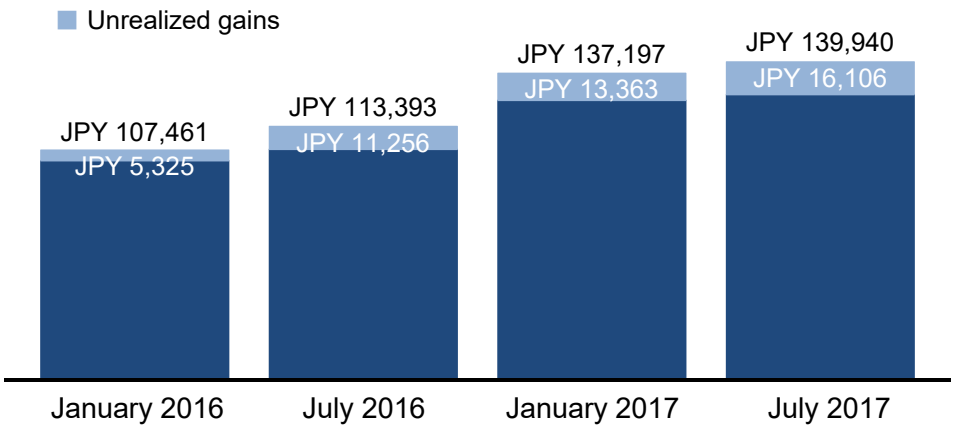
Portfolio Size

JPY 20.4B → JPY 49.1B (+140.6%)



NAV

Per-Share NAV: JPY 107,461 → JPY 139,940 (+30.2%)



* NAV = book value + unrealized gains

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Share Buyback to Grow Shareholder Value

With current share price at a 20+% discount to NAV, buying back shares and cancelling them grows value for shareholders

Reason for Share Buyback

Grow NAV	• Grow per-share NAV by buying in shares at a discount to NAV and reducing share count
Grow EPS	• Grow EPS by reducing share count
Grow Dividend	• Grow per-share dividend by reducing share count
Message to Market	• Send a clear message to market that Ichigo Hotel REIT's shares are undervalued and that we are committed to growing shareholder value

Maximize Shareholder Value

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Share Buyback and Cancellation

Share Buyback Summary

Number of Shares	3,000 shares (maximum) (1.16% of total shares outstanding, excluding treasury shares)
Amount	JPY 300 million (maximum)
Buyback Period	October 11, 2017 to December 29, 2017
Buyback Method	In-market purchases via trust bank

Share Cancellation: Plan to cancel all shares acquired via this buyback during the January 2018 period

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Ichigo Hotel REIT Financial Metrics (July 2017)

Portfolio Size (acquisition price)	JPY 49.1B
Cash and Cash Equivalents	JPY 1.4B
Market Capitalization	JPY 26.5B
July 2017 Dividend (actual)	JPY 3,101
January 2018 Dividend (forecast)	JPY 3,187
July 2018 Dividend (forecast)	JPY 3,224
NAV (per share)	JPY 139,940
Market Cap/NAV	0.80X (July 31, 2017 closing price)

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

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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.

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