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# Ichigo Hotel Operating Results – June 2018

## Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (19 Hotels)

| | June 2018 (A) | (Previous) June 2017 (B) | Difference (A) - (B) | YOY Change | Current Fiscal Period February 2018 – June 2018 | | |
|---|---|---|---|---|---|---|---|
| | | | | | Cumulative | YOY Difference | YOY Change |
| Revenue (JPY million) | 730.1 | 692.7 | +37.4 | +5.4% | 3,813.3 | +127.1 | +3.4% |
| RevPAR (JPY) | 7,120 | 6,779 | +341 | +5.0% | 7,473 | +233 | +3.2% |
| Occupancy (%) | 88.1 | 88.2 | 0 | 0% | 89.8 | -0.2 | -0.2% |
| ADR (JPY) | 8,077 | 7,687 | +390 | +5.1% | 8,318 | +273 | +3.4% |

Variable Rent Hotels (12 Hotels)

| | June 2018 (A) | (Previous) June 2017 (B) | Difference (A) - (B) | YOY Change | Current Fiscal Period February 2018 – June 2018 | | |
|---|---|---|---|---|---|---|---|
| | | | | | Cumulative | YOY Difference | YOY Change |
| Revenue (JPY million) | 507.8 | 475.1 | +32.7 | +6.9% | 2,672.2 | +109.5 | +4.3% |
| RevPAR (JPY) | 7,936 | 7,474 | +461 | +6.2% | 8,414 | +293 | +3.6% |
| Occupancy (%) | 90.3 | 90.8 | -0.5 | -0.6% | 92.9 | -0.4 | -0.4% |
| ADR (JPY) | 8,790 | 8,231 | +559 | +6.8% | 9,053 | +352 | +4.0% |

Fixed Rent Hotels (7 Hotels)

| | June 2018 (A) | (Previous) June 2017 (B) | Difference (A) - (B) | YOY Change | Current Fiscal Period February 2018 – June 2018 | | |
|---|---|---|---|---|---|---|---|
| | | | | | Cumulative | YOY Difference | YOY Change |
| Revenue (JPY million) | 222.3 | 217.7 | +4.7 | +2.2% | 1,141.1 | +17.6 | +1.6% |
| RevPAR (JPY) | 5,871 | 5,719 | +152 | +2.7% | 6,034 | +134 | +2.3% |
| Occupancy (%) | 84.9 | 84.2 | +0.7 | +0.8% | 85.1 | +0.2 | +0.2% |
| ADR (JPY) | 6,917 | 6,793 | +125 | +1.8% | 7,090 | +142 | +2.0% |

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (12 Hotels)

| | | June 2018 (A) | (Previous) June 2017 (B) | Difference (A) - (B) | YOY Change | Current Fiscal Period February 2018 – June 2018 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Cumulative | YOY Difference | YOY Change |
| Nest Hotel Sapporo Ekimae | Revenue (JPY million) | 74.2 | 63.2 | +11.0 | +17.4% | 285.4 | +35.7 | +14.3% |
| | RevPAR (JPY) | 13,200 | 11,159 | +2,041 | +18.3% | 9,584 | +1,201 | +14.3% |
| | Occupancy (%) | 98.3 | 98.4 | -0.1 | -0.1% | 98.0 | +0.4 | +0.4% |
| | ADR (JPY) | 13,435 | 11,341 | +2,094 | +18.5% | 9,776 | +1,190 | +13.9% |
| Nest Hotel Sapporo Odori | Revenue (JPY million) | 59.5 | 49.0 | +10.5 | +21.5% | 228.5 | +37.2 | +19.5% |
| | RevPAR (JPY) | 15,255 | 12,438 | +2,818 | +22.7% | 11,409 | +1,880 | +19.7% |
| | Occupancy (%) | 98.3 | 97.7 | +0.6 | +0.6% | 97.5 | +1.1 | +1.2% |
| | ADR (JPY) | 15,520 | 12,725 | +2,795 | +22.0% | 11,703 | +1,813 | +18.3% |
| Smile Hotel Tokyo Asagaya | Revenue (JPY million) | 23.3 | 22.0 | +1.4 | +6.2% | 151.7 | +8.2 | +5.7% |
| | RevPAR (JPY) | 6,735 | 6,364 | +371 | +5.8% | 8,767 | +395 | +4.7% |
| | Occupancy (%) | 78.3 | 82.7 | -4.5 | -5.4% | 94.8 | -0.9 | -0.9% |
| | ADR (JPY) | 8,605 | 7,692 | +913 | +11.9% | 9,250 | +498 | +5.7% |
| Smile Hotel Asakusa | Revenue (JPY million) | 20.1 | 19.9 | +0.2 | +1.2% | 102.9 | -5.4 | -5.0% |
| | RevPAR (JPY) | 6,665 | 6,614 | +51 | +0.8% | 6,863 | -344 | -4.8% |
| | Occupancy (%) | 96.2 | 97.6 | -1.4 | -1.4% | 93.5 | -3.7 | -3.8% |
| | ADR (JPY) | 6,927 | 6,778 | +149 | +2.2% | 7,338 | -72 | -1.0% |
| Hotel Wing International Nagoya | Revenue (JPY million) | 38.3 | 41.5 | -3.2 | -7.8% | 200.8 | -16.0 | -7.4% |
| | RevPAR (JPY) | 5,132 | 5,530 | -398 | -7.2% | 5,393 | -443 | -7.6% |
| | Occupancy (%) | 87.6 | 86.9 | +0.6 | +0.7% | 86.9 | -2.4 | -2.6% |
| | ADR (JPY) | 5,861 | 6,362 | -501 | -7.9% | 6,208 | -332 | -5.1% |

| | | June 2018 (A) | (Previous) June 2017 (B) | Difference (A) - (B) | YOY Change | Current Fiscal Period February 2018 – June 2018 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Cumulative | YOY Difference | YOY Change |
| Smile Hotel Kyoto Shijo | Revenue (JPY million) | 29.8 | 29.9 | -0.1 | -0.4% | 225.1 | -14.8 | -6.2% |
| | RevPAR (JPY) | 6,324 | 6,703 | -379 | -5.7% | 9,851 | -1,052 | -9.7% |
| | Occupancy (%) | 97.3 | 99.7 | -2.4 | -2.4% | 97.8 | -2.0 | -2.1% |
| | ADR (JPY) | 6,497 | 6,721 | -224 | -3.3% | 10,075 | -848 | -7.8% |
| Hotel Vista Premio Kyoto | Revenue (JPY million) | 24.3 | 26.2 | -1.9 | -7.2% | 175.0 | -4.8 | -2.7% |
| | RevPAR (JPY) | 8,395 | 9,619 | -1,224 | -12.7% | 12,710 | -643 | -4.8% |
| | Occupancy (%) | 92.9 | 86.1 | +6.7 | +7.8% | 93.8 | +3.2 | +3.6% |
| | ADR (JPY) | 9,041 | 11,170 | -2,129 | -19.1% | 13,545 | -1,193 | -8.1% |
| Chisun Inn Osaka Hommachi | Revenue (JPY million) | 23.5 | 26.2 | -2.7 | -10.2% | 142.0 | -4.3 | -2.9% |
| | RevPAR (JPY) | 6,033 | 6,716 | -683 | -10.2% | 7,284 | -221 | -2.9% |
| | Occupancy (%) | 81.3 | 87.6 | -6.4 | -7.3% | 88.6 | -1.7 | -1.9% |
| | ADR (JPY) | 7,425 | 7,665 | -241 | -3.1% | 8,220 | -91 | -1.1% |
| Nest Hotel Osaka Shinsaibashi | Revenue (JPY million) | 78.8 | 78.1 | +0.7 | +0.9% | 448.1 | +24.1 | +5.7% |
| | RevPAR (JPY) | 8,166 | 7,932 | +234 | +2.9% | 9,270 | +684 | +8.0% |
| | Occupancy (%) | 89.0 | 98.5 | -9.5 | -9.7% | 95.2 | -3.5 | -3.5% |
| | ADR (JPY) | 9,180 | 8,055 | +1,125 | +14.0% | 9,739 | +1,035 | +11.9% |
| Nest Hotel Matsuyama | Revenue (JPY million) | 43.7 | 41.6 | +2.1 | +5.1% | 226.0 | +4.2 | +1.9% |
| | RevPAR (JPY) | 4,813 | 4,871 | -58 | -1.2% | 5,317 | +48 | +0.9% |
| | Occupancy (%) | 87.6 | 87.2 | +0.4 | +0.5% | 88.1 | +0.6 | +0.7% |
| | ADR (JPY) | 5,493 | 5,588 | -94 | -1.7% | 6,032 | +16 | +0.3% |
| Valie Hotel Tenjin | Revenue (JPY million) | 21.7 | 18.8 | +3.0 | +15.8% | 114.6 | +10.3 | +9.9% |
| | RevPAR (JPY) | 8,880 | 7,360 | +1,521 | +20.7% | 9,245 | +967 | +11.7% |
| | Occupancy (%) | 96.1 | 87.4 | +8.7 | +10.0% | 96.6 | +7.6 | +8.6% |
| | ADR (JPY) | 9,236 | 8,416 | +820 | +9.7% | 9,566 | +267 | +2.9% |
| Nest Hotel Naha | Revenue (JPY million) | 70.5 | 58.7 | +11.7 | +19.9% | 372.1 | +35.1 | +10.4% |
| | RevPAR (JPY) | 8,071 | 6,595 | +1,477 | +22.4% | 8,753 | +689 | +8.5% |
| | Occupancy (%) | 87.8 | 76.6 | +11.2 | +14.6% | 90.1 | +3.3 | +3.8% |
| | ADR (JPY) | 9,188 | 8,607 | +581 | +6.8% | 9,716 | +423 | +4.6% |

Fixed Rent Hotels (6 Hotels – excludes Hotel Livemax Nihombashi-Hakozaki)

| | | June 2018 (A) | (Previous) June 2017 (B) | Difference (A) - (B) | YOY Change | Current Fiscal Period February 2018 – June 2018 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Cumulative | YOY Difference | YOY Change |
| Comfort Hotel Kushiro | Revenue (JPY million) | 16.5 | 14.7 | +1.9 | +12.7% | 62.9 | -4.0 | -6.0% |
| | RevPAR (JPY) | 4,368 | 3,601 | +767 | +21.3% | 3,326 | +40 | +1.2% |
| | Occupancy (%) | 84.7 | 81.0 | +3.7 | +4.6% | 68.3 | -4.7 | -6.4% |
| | ADR (JPY) | 5,158 | 4,449 | +709 | +15.9% | 4,873 | +367 | +8.2% |
| Comfort Hotel Hamamatsu | Revenue (JPY million) | 22.2 | 24.3 | -2.0 | -8.4% | 138.4 | -6.9 | -4.8% |
| | RevPAR (JPY) | 3,783 | 4,129 | -346 | -8.4% | 4,708 | -235 | -4.8% |
| | Occupancy (%) | 69.8 | 74.7 | -4.9 | -6.6% | 79.7 | +0.3 | +0.3% |
| | ADR (JPY) | 5,419 | 5,526 | -108 | -1.9% | 5,904 | -315 | -5.1% |
| Comfort Hotel Central International Airport | Revenue (JPY million) | 97.4 | 91.5 | +6.0 | +6.5% | 476.5 | +19.0 | +4.2% |
| | RevPAR (JPY) | 8,507 | 7,927 | +580 | +7.3% | 8,286 | +377 | +4.8% |
| | Occupancy (%) | 93.4 | 87.8 | +5.6 | +6.3% | 90.7 | +3.0 | +3.4% |
| | ADR (JPY) | 9,109 | 9,026 | +83 | +0.9% | 9,136 | +118 | +1.3% |
| Comfort Hotel Suzuka | Revenue (JPY million) | 12.4 | 15.6 | -3.2 | -20.4% | 71.4 | -2.0 | -2.7% |
| | RevPAR (JPY) | 3,904 | 4,902 | -998 | -20.4% | 4,476 | -97 | -2.1% |
| | Occupancy (%) | 69.0 | 84.2 | -15.2 | -18.1% | 74.6 | -6.4 | -7.9% |
| | ADR (JPY) | 5,659 | 5,820 | -161 | -2.8% | 5,998 | +352 | +6.2% |
| Comfort Hotel Okayama | Revenue (JPY million) | 33.9 | 31.6 | +2.3 | +7.3% | 182.0 | +14.5 | +8.7% |
| | RevPAR (JPY) | 5,159 | 4,846 | +313 | +6.5% | 5,590 | +476 | +9.3% |
| | Occupancy (%) | 87.7 | 82.7 | +5.1 | +6.1% | 90.5 | +4.2 | +4.9% |
| | ADR (JPY) | 5,880 | 5,861 | +19 | +0.3% | 6,175 | +249 | +4.2% |
| Urbain Hiroshima Executive | Revenue (JPY million) | 31.4 | | | | 165.2 | | |
| | RevPAR (JPY) | 6,120 | | | | 6,439 | | |
| | Occupancy (%) | 90.0 | | | | 90.7 | | |
| | ADR (JPY) | 6,798 | | | | 7,103 | | |

Notes:

1. The above data are as provided by the hotel operators or as calculated by Ichigo Investment Advisors based on information provided by the hotel operators. The data have not been audited and thus its accuracy cannot be guaranteed and may not match data disclosed in future releases.
2. Revenue is revenue from accommodations and related services only. Rent from retail tenants at Hotel Vista Premio Kyoto, Chisun Inn Osaka Hommachi, and Smile Hotel Tokyo Asagaya is not included.
3. RevPAR (Revenue Per Available Room) is calculated with the following formula:
   RevPAR = Total Revenue from accommodations (excluding restaurant charges and other service fees) / number of available guest rooms.
4. Occupancy is calculated with the following formula:
   Occupancy = Total number of guest rooms occupied during the period /
   (total number of guest rooms * number of days 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.
5. ADR (Average Daily Rate) is calculated with the following formula:
   ADR = Total revenue from accommodations (excluding restaurant charges and other service fees) / number of guest rooms occupied during the period.
6. Data for Urbain Hiroshima Executive prior to its acquisition in August 2017 is not disclosed, because the hotel operator did not provide consent to disclose hotel-specific data.
7. Data for Hotel Livemax Nihombashi-Hakozaki is included in the total hotel and fixed rental hotel data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
8. Hotel Suave Kobe Asuta and Grandpark-Inn Yokohama are excluded from the above data because the hotel operators did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons.

Explanation of Changes

Despite reservation cancellations in Osaka and Kyoto due to June's Osaka earthquake, variable rent hotels, which are a more significant contributor to Ichigo Hotel's earnings, fixed rent hotels, and the total portfolio all saw year-on-year increases in Revenue, RevPAR, and ADR.

Driving these positive results were Nest Hotel Sapporo Ekimae, Nest Hotel Sapporo Odori, and Valie Hotel Tenjin, which saw significant year-on-year increases in Revenue, RevPAR, and ADR due to strong inbound tourist and domestic demand; and Smile Hotel Tokyo Asagaya and Nest Hotel Naha, which rebounded from last year's fewer rooms available because of renovations.

Value-Add Actions

Ichigo Hotel completed the lobby and guest room renovations at Smile Hotel Tokyo Asagaya announced last month. Increasing guest capacity by converting rooms with one bed to rooms with two beds and renovating the lobby to have a more welcoming ambience are expected to capture increased leisure demand (forecast ROI 29.1%).

Ichigo Hotel will continue to work closely with its hotel operator partners to carry out value-add capex and drive higher earnings.

Smile Hotel Tokyo Asagaya (After Renovations)

Lobby



Double Room



Twin Room

