Make The World
More Sustainable

[Provisional Translation Only]
This English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

June 25, 2019

Issuer
Ichigo Hotel REIT Investment Corporation ("Ichigo Hotel," 3463)
1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative: Osamu Miyashita, Executive Director
www.ichigo-hotel.co.jp/english

Asset Management Company
Ichigo Investment Advisors Co., Ltd.
Representative: Hiroshi Iwai, President
Inquiries: Hiroto Tajitsu, Head of Administration
Tel: +81-3-3502-4892

Ichigo Hotel Operating Results – May 2019

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (20 Hotels)

	May 2019 (A)	(Previous) May 2018 (B)	Difference (A) - (B)	YOY Change	February 2019 – May 2019 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	819.8	818.6	+1.2	+0.2%	3,197.0	-70.0	-2.1%
RevPAR (JPY)	7,309	7,224	+85	+1.2%	7,338	-93	-1.2%
Occupancy (%)	86.4	89.0	-2.5	-2.8%	89.0	-1.3	-1.4%
ADR (JPY)	8,455	8,121	+334	+4.1%	8,248	+15	+0.2%

Variable-Rent Hotels (13 Hotels)

	May 2019 (A)	(Previous) May 2018 (B)	Difference (A) - (B)	YOY Change	February 2019 – May 2019 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	576.5	575.4	+1.1	+0.2%	2,276.0	-68.5	-2.9%
RevPAR (JPY)	7,864	7,831	+33	+0.4%	7,991	-248	-3.0%
Occupancy (%)	87.5	91.8	-4.3	-4.7%	90.6	-2.6	-2.8%
ADR (JPY)	8,987	8,526	+460	+5.4%	8,819	-17	-0.2%

Fixed-Rent Hotels (7 Hotels)

	May 2019 (A)	(Previous) May 2018 (B)	Difference (A) - (B)	YOY Change	February 2019 – May 2019 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	243.3	243.1	+0.2	+0.1%	920.9	-1.5	-0.2%
RevPAR (JPY)	6,361	6,189	+171	+2.8%	6,222	+168	+2.8%
Occupancy (%)	84.6	84.0	+0.6	+0.7%	86.2	+1.0	+1.2%
ADR (JPY)	7,517	7,367	+150	+2.0%	7,221	+114	+1.6%

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable-Rent Hotels (13 Hotels)

		May 2019 (A)	(Previous) May 2018 (B)	Difference (A) - (B)	YOY Change	February 2019 – May 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	67.1	52.5	+14.6	+27.8%	242.8	+31.6	+15.0%
	RevPAR (JPY)	10,950	8,648	+2,303	+26.6%	10,020	+1,341	+15.4%
	Occupancy (%)	98.6	97.9	+0.7	+0.7%	98.8	+0.8	+0.9%
	ADR (JPY)	11,103	8,832	+2,271	+25.7%	10,140	+1,281	+14.5%
Nest Hotel Sapporo Odori	Revenue (JPY million)	52.5	42.0	+10.5	+24.9%	184.8	+15.8	+9.4%
	RevPAR (JPY)	12,931	10,027	+2,904	+29.0%	11,677	+1,230	+11.8%
	Occupancy (%)	97.7	96.9	+0.7	+0.8%	96.5	-0.8	-0.8%
	ADR (JPY)	13,238	10,344	+2,894	+28.0%	12,101	+1,362	+12.7%
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	30.4	30.3	–	+0.1%	130.6	+2.2	+1.7%
	RevPAR (JPY)	8,550	8,441	+109	+1.3%	9,482	+206	+2.2%
	Occupancy (%)	98.1	99.0	-0.9	-0.9%	98.8	-0.2	-0.2%
	ADR (JPY)	8,713	8,522	+191	+2.2%	9,602	+224	+2.4%
Hotel Wing International Nagoya	Revenue (JPY million)	40.0	41.5	-1.6	-3.8%	167.8	+5.3	+3.2%
	RevPAR (JPY)	5,234	5,404	-170	-3.2%	5,660	+202	+3.7%
	Occupancy (%)	83.5	87.9	-4.4	-5.0%	89.3	+2.6	+3.0%
	ADR (JPY)	6,267	6,144	+122	+2.0%	6,341	+45	+0.7%
Smile Hotel Kyoto Shijo	Revenue (JPY million)	38.4	44.6	-6.3	-14.0%	163.5	-31.8	-16.3%
	RevPAR (JPY)	8,008	9,314	-1,306	-14.0%	8,876	-1,859	-17.3%
	Occupancy (%)	98.1	96.8	+1.4	+1.4%	99.5	+1.6	+1.6%
	ADR (JPY)	8,160	9,627	-1,467	-15.2%	8,924	-2,044	-18.6%

		May 2019 (A)	(Previous) May 2018 (B)	Difference (A) - (B)	YOY Change	February 2019 – May 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Hotel Vista Premio Kyoto	Revenue (JPY million)	33.4	37.6	-4.2	-11.1%	136.6	-14.2	-9.4%
	RevPAR (JPY)	11,486	13,150	-1,664	-12.7%	12,289	-1,500	-10.9%
	Occupancy (%)	88.1	95.4	-7.3	-7.6%	90.4	-3.7	-4.0%
	ADR (JPY)	13,038	13,785	-747	-5.4%	13,599	-1,057	-7.2%
Chisun Inn Osaka Hommachi	Revenue (JPY million)	21.3	26.5	-5.2	-19.6%	93.3	-25.3	-21.3%
	RevPAR (JPY)	5,284	6,571	-1,287	-19.6%	5,978	-1,619	-21.3%
	Occupancy (%)	75.9	85.5	-9.6	-11.3%	82.9	-7.5	-8.3%
	ADR (JPY)	6,964	7,685	-721	-9.4%	7,210	-1,188	-14.1%
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	71.2	87.2	-16.0	-18.3%	299.1	-70.2	-19.0%
	RevPAR (JPY)	7,117	8,746	-1,629	-18.6%	7,712	-1,834	-19.2%
	Occupancy (%)	87.5	94.1	-6.6	-7.0%	90.4	-6.3	-6.6%
	ADR (JPY)	8,133	9,294	-1,161	-12.5%	8,531	-1,336	-13.5%
Nest Hotel Matsuyama	Revenue (JPY million)	55.2	47.9	+7.3	+15.3%	195.0	+12.7	+6.9%
	RevPAR (JPY)	6,876	5,757	+1,119	+19.4%	6,061	+618	+11.4%
	Occupancy (%)	85.7	87.9	-2.2	-2.5%	86.8	-1.5	-1.7%
	ADR (JPY)	8,022	6,548	+1,474	+22.5%	6,984	+818	+13.3%
Court Hotel Kurashiki	Revenue (JPY million)	43.8	32.7	+11.1	+34.0%	135.6	+24.9	+22.5%
	RevPAR (JPY)	11,784	8,457	+3,327	+39.3%	9,198	+1,856	+25.3%
	Occupancy (%)	97.9	96.1	+1.8	+1.9%	98.0	+3.1	+3.3%
	ADR (JPY)	12,038	8,804	+3,234	+36.7%	9,386	+1,647	+21.3%
Valie Hotel Tenjin	Revenue (JPY million)	26.1	23.5	+2.6	+11.0%	102.0	+9.1	+9.8%
	RevPAR (JPY)	10,278	9,230	+1,048	+11.4%	10,374	+1,038	+11.1%
	Occupancy (%)	96.7	95.8	+0.9	+1.0%	97.9	+1.1	+1.1%
	ADR (JPY)	10,630	9,638	+992	+10.3%	10,601	+953	+9.9%
Nest Hotel Kumamoto	Revenue (JPY million)	33.2	40.4	-7.2	-17.8%	133.8	-18.4	-12.1%
	RevPAR (JPY)	4,662	5,724	-1,063	-18.6%	4,849	-531	-9.9%
	Occupancy (%)	71.4	88.7	-17.3	-19.5%	77.8	-11.2	-12.6%
	ADR (JPY)	6,526	6,452	+74	+1.1%	6,236	+189	+3.1%
Nest Hotel Naha	Revenue (JPY million)	63.9	68.6	-4.7	-6.9%	291.3	-10.3	-3.4%
	RevPAR (JPY)	7,233	7,526	-293	-3.9%	8,623	-300	-3.4%
	Occupancy (%)	79.5	82.9	-3.4	-4.1%	86.3	-4.3	-4.8%
	ADR (JPY)	9,098	9,079	+20	+0.2%	9,991	+147	+1.5%

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

		May 2019 (A)	(Previous) May 2018 (B)	Difference (A) - (B)	YOY Change	February 2019 – May 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Comfort Hotel Kushiro	Revenue (JPY million)	15.7	13.5	+2.2	+16.5%	58.6	+12.2	+26.4%
	RevPAR (JPY)	3,797	3,219	+578	+18.0%	3,657	+795	+27.8%
	Occupancy (%)	67.4	67.6	-0.1	-0.2%	71.4	+7.3	+11.4%
	ADR (JPY)	5,630	4,764	+866	+18.2%	5,120	+658	+14.7%
Comfort Hotel Hamamatsu	Revenue (JPY million)	32.2	30.6	+1.6	+5.3%	120.9	+4.8	+4.1%
	RevPAR (JPY)	5,295	5,029	+266	+5.3%	5,142	+203	+4.1%
	Occupancy (%)	79.5	78.1	+1.4	+1.8%	82.9	+0.7	+0.8%
	ADR (JPY)	6,663	6,441	+222	+3.4%	6,201	+194	+3.2%
Comfort Hotel Central International Airport	Revenue (JPY million)	95.2	97.8	-2.6	-2.6%	360.6	-18.4	-4.9%
	RevPAR (JPY)	8,515	8,247	+267	+3.2%	8,331	+100	+1.2%
	Occupancy (%)	92.0	90.4	+1.6	+1.8%	91.5	+1.5	+1.6%
	ADR (JPY)	9,257	9,128	+129	+1.4%	9,106	-37	-0.4%
Comfort Hotel Suzuka	Revenue (JPY million)	15.4	15.4	-0.1	-0.4%	57.4	-1.5	-2.6%
	RevPAR (JPY)	4,673	4,690	-17	-0.4%	4,511	-109	-2.3%
	Occupancy (%)	74.0	72.2	+1.8	+2.6%	75.9	-0.2	-0.2%
	ADR (JPY)	6,314	6,499	-185	-2.8%	5,946	-128	-2.1%
Comfort Hotel Okayama	Revenue (JPY million)	37.5	39.0	-1.5	-3.7%	144.3	-3.7	-2.5%
	RevPAR (JPY)	5,549	5,789	-240	-4.1%	5,528	-170	-3.0%
	Occupancy (%)	87.5	87.6	-0.2	-0.2%	89.6	-1.6	-1.8%
	ADR (JPY)	6,342	6,605	-263	-4.0%	6,169	-77	-1.2%
Urbain Hiroshima Executive	Revenue (JPY million)	39.0	38.3	+0.7	+1.8%	140.9	+3.5	+2.6%
	RevPAR (JPY)	7,350	7,073	+277	+3.9%	6,868	+349	+5.3%
	Occupancy (%)	91.8	91.8	–	–	92.0	+1.1	+1.3%
	ADR (JPY)	8,011	7,705	+305	+4.0%	7,469	+290	+4.0%

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 their 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 the Hotel Vista Premio Kyoto, the Chisun Inn Osaka Hommachi, and the Smile Hotel Tokyo Asagaya and rent from the banquet hall at the Nest Hotel Kumamoto are 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 the Hotel Livemax Nihombashi-Hakozaki are included in the total hotel and fixed-rent hotel data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
7. The Grandpark-Inn Yokohama is excluded from the above data because the hotel operator did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons. The Hotel Suave Kobe Asuta, renamed the Hotel Wing International Kobe Shin Nagata Ekimae on March 1, 2019, is excluded because it was not operating in May 2019, having re-opened this month (June 2019).
8. Pre-acquisition data for acquired hotels are based on data received from the previous owners.

Explanation of Changes

Variable-rent hotels, which are the primary driver of increases/decreases in Ichigo Hotel's earnings, fixed-rent hotels, and the total portfolio saw year-on-year increases in Revenue, RevPAR, and ADR.

Although RevPAR decreased for hotels in Kyoto and Osaka due to increased hotel supply, Ichigo Hotel has a geographically diversified portfolio, and the Nest Hotel Sapporo Ekimae, the Nest Hotel Sapporo Odori, the Nest Hotel Matsuyama, the Court Hotel Kurashiki, and the Valie Hotel Tenjin generated significantly higher Revenue, RevPAR, and ADR on strong domestic leisure demand over the Golden Week holiday.

Value-Add Actions

Ichigo Hotel completed the renovation and rebranding of the Hotel Wing International Kobe Shin Nagata Ekimae announced in the March 25, 2019 release "Ichigo Hotel Operating Results – February 2019." The hotel re-opened on June 1, and as part of the rebranding, Ichigo Hotel renovated and upgraded the building and its facilities in collaboration with the hotel operator. Ichigo Hotel also re-opened a mini onsen (hot spring) for the benefit of both guests and the local community in collaboration with the City of Kobe and the hotel operator.

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

Hotel Wing International Kobe Shin Nagata Ekimae

Lobby



Restaurant



Double Room



Twin-Bed Room

