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Ichigo Hotel Operating Results – October 2019

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (20 Hotels)

	October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	749.5	830.5	-81.0	-9.7%	2,289.5	-253.1	-10.0%
RevPAR (JPY)	6,663	7,396	-733	-9.9%	6,897	-797	-10.4%
Occupancy (%)	85.3	90.3	-5.0	-5.5%	86.0	-4.8	-5.3%
ADR (JPY)	7,812	8,194	-382	-4.7%	8,023	-451	-5.3%

Variable-Rent Hotels (13 Hotels)

	October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	508.2	583.8	-75.6	-13.0%	1,556.2	-209.7	-11.9%
RevPAR (JPY)	6,860	7,946	-1,086	-13.7%	7,146	-1,046	-12.8%
Occupancy (%)	85.7	91.7	-6.0	-6.6%	86.1	-5.6	-6.1%
ADR (JPY)	8,003	8,663	-660	-7.6%	8,304	-638	-7.1%

Fixed-Rent Hotels (7 Hotels)

	October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
					Cumulative	YOY Difference	YOY Change
Revenue (JPY million)	241.3	246.6	-5.3	-2.2%	733.3	-43.5	-5.6%
RevPAR (JPY)	6,325	6,455	-130	-2.0%	6,471	-373	-5.5%
Occupancy (%)	84.6	87.7	-3.2	-3.6%	85.8	-3.6	-4.0%
ADR (JPY)	7,480	7,358	+123	+1.7%	7,540	-115	-1.5%

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable-Rent Hotels (15 Hotels)

		October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	49.4	56.4	-7.0	-12.4%	183.4	-7.1	-3.7%
	RevPAR (JPY)	8,221	9,246	-1,025	-11.1%	10,528	-568	-5.1%
	Occupancy (%)	96.6	97.6	-1.0	-1.0%	96.5	+2.1	+2.2%
	ADR (JPY)	8,514	9,476	-962	-10.2%	10,911	-843	-7.2%
Nest Hotel Sapporo Odori	Revenue (JPY million)	34.0	39.0	-4.9	-12.6%	133.8	-15.8	-10.5%
	RevPAR (JPY)	8,022	9,360	-1,338	-14.3%	10,902	-1,438	-11.7%
	Occupancy (%)	90.7	95.3	-4.6	-4.8%	93.2	+1.2	+1.3%
	ADR (JPY)	8,840	9,818	-979	-10.0%	11,703	-1,710	-12.8%
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	31.7	33.4	-1.7	-5.1%	93.0	-4.4	-4.5%
	RevPAR (JPY)	8,878	9,357	-478	-5.1%	8,796	-397	-4.3%
	Occupancy (%)	97.2	99.0	-1.8	-1.9%	97.7	-0.9	-0.9%
	ADR (JPY)	9,136	9,449	-313	-3.3%	9,001	-318	-3.4%
Hotel Wing International Nagoya	Revenue (JPY million)	39.9	41.0	-1.2	-2.8%	120.0	-11.6	-8.8%
	RevPAR (JPY)	5,234	5,287	-53	-1.0%	5,293	-447	-7.8%
	Occupancy (%)	84.1	83.3	+0.8	+1.0%	85.8	-3.8	-4.2%
	ADR (JPY)	6,224	6,348	-124	-2.0%	6,171	-240	-3.7%
Smile Hotel Kyoto Shijo	Revenue (JPY million)	37.0	44.6	-7.6	-17.0%	97.4	-18.4	-15.8%
	RevPAR (JPY)	7,670	9,320	-1,650	-17.7%	6,781	-1,339	-16.5%
	Occupancy (%)	99.8	100.1	-0.3	-0.3%	99.5	-0.4	-0.4%
	ADR (JPY)	7,689	9,314	-1,624	-17.4%	6,812	-1,311	-16.1%

		October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Hotel Vista Premio Kyoto	Revenue (JPY million)	34.9	38.4	-3.5	-9.2%	86.7	-10.7	-11.0%
	RevPAR (JPY)	11,705	13,517	-1,811	-13.4%	9,702	-1,557	-13.8%
	Occupancy (%)	90.5	93.4	-2.9	-3.1%	91.1	-1.3	-1.4%
	ADR (JPY)	12,937	14,473	-1,535	-10.6%	10,650	-1,533	-12.6%
Chisun Inn Osaka Hommachi	Revenue (JPY million)	17.0	27.1	-10.1	-37.1%	54.8	-20.3	-27.1%
	RevPAR (JPY)	4,224	6,721	-2,497	-37.1%	4,584	-1,700	-27.1%
	Occupancy (%)	70.5	88.2	-17.7	-20.1%	73.7	-9.0	-10.9%
	ADR (JPY)	5,990	7,617	-1,627	-21.4%	6,220	-1,380	-18.2%
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	56.6	84.4	-27.7	-32.8%	166.0	-71.7	-30.2%
	RevPAR (JPY)	5,558	8,421	-2,863	-34.0%	5,468	-2,525	-31.6%
	Occupancy (%)	77.0	91.5	-14.6	-15.9%	73.8	-13.9	-15.9%
	ADR (JPY)	7,222	9,201	-1,978	-21.5%	7,411	-1,700	-18.7%
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	27.0				83.7		
	RevPAR (JPY)	5,911				6,209		
	Occupancy (%)	75.5				78.6		
	ADR (JPY)	7,831				7,901		
Nest Hotel Matsuyama	Revenue (JPY million)	42.8	43.4	-0.6	-1.5%	131.4	-5.3	-3.9%
	RevPAR (JPY)	5,685	5,630	+54	+1.0%	5,562	-210	-3.6%
	Occupancy (%)	90.4	92.2	-1.8	-1.9%	87.9	-4.5	-4.8%
	ADR (JPY)	6,286	6,105	+181	+3.0%	6,327	+79	+1.3%
Court Hotel Kurashiki	Revenue (JPY million)	36.5	33.1	+3.5	+10.4%	99.6	-3.3	-3.2%
	RevPAR (JPY)	9,360	8,675	+685	+7.9%	8,595	-490	-5.4%
	Occupancy (%)	94.5	97.9	-3.4	-3.5%	95.2	-2.0	-2.0%
	ADR (JPY)	9,906	8,862	+1,044	+11.8%	9,026	-320	-3.4%
Valie Hotel Hiroshima	Revenue (JPY million)	20.6				25.5		
	RevPAR (JPY)	3,834				3,341		
	Occupancy (%)	61.4				56.2		
	ADR (JPY)	6,242				5,944		
Valie Hotel Tenjin	Revenue (JPY million)	21.9	23.1	-1.3	-5.4%	65.6	-4.4	-6.2%
	RevPAR (JPY)	8,475	9,051	-576	-6.4%	8,583	-653	-7.1%
	Occupancy (%)	95.9	90.7	+5.2	+5.7%	96.1	+1.9	+2.0%
	ADR (JPY)	8,834	9,975	-1,140	-11.4%	8,927	-869	-8.9%

		October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Nest Hotel Kumamoto	Revenue (JPY million)	36.0	38.6	-2.6	-6.7%	114.0	+4.1	+3.7%
	RevPAR (JPY)	5,056	5,428	-372	-6.9%	5,465	+280	+5.4%
	Occupancy (%)	77.8	90.2	-12.4	-13.8%	77.9	-11.1	-12.5%
	ADR (JPY)	6,501	6,018	+483	+8.0%	7,020	+1,191	+20.4%
Nest Hotel Naha	Revenue (JPY million)	70.4	81.4	-11.0	-13.5%	210.4	-40.9	-16.3%
	RevPAR (JPY)	7,767	8,913	-1,146	-12.9%	8,523	-1,741	-17.0%
	Occupancy (%)	75.2	84.2	-8.9	-10.6%	79.5	-11.3	-12.4%
	ADR (JPY)	10,322	10,586	-264	-2.5%	10,716	-589	-5.2%

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

		October 2019 (A)	(Previous) October 2018 (B)	Difference (A) - (B)	YOY Change	August 2019 – October 2019 (Current Period-To-Date)		
						Cumulative	YOY Difference	YOY Change
Comfort Hotel Kushiro	Revenue (JPY million)	19.9	18.8	+1.2	+6.2%	75.6	+10.7	+16.6%
	RevPAR (JPY)	4,846	4,567	+278	+6.1%	6,265	+926	+17.3%
	Occupancy (%)	80.8	76.3	+4.6	+6.0%	87.5	+6.5	+8.0%
	ADR (JPY)	5,995	5,989	+7	+0.1%	7,160	+573	+8.7%
Comfort Hotel Hamamatsu	Revenue (JPY million)	30.1	30.6	-0.5	-1.7%	95.4	-0.2	-0.2%
	RevPAR (JPY)	4,947	5,033	-86	-1.7%	5,289	-10	-0.2%
	Occupancy (%)	77.4	85.1	-7.7	-9.1%	82.3	-4.1	-4.7%
	ADR (JPY)	6,395	5,916	+478	+8.1%	6,428	+292	+4.8%
Comfort Hotel Central International Airport	Revenue (JPY million)	86.9	87.9	-1.0	-1.2%	266.7	-17.1	-6.0%
	RevPAR (JPY)	7,793	7,826	-33	-0.4%	8,022	-487	-5.7%
	Occupancy (%)	84.6	89.2	-4.6	-5.2%	86.4	-6.3	-6.8%
	ADR (JPY)	9,215	8,775	+441	+5.0%	9,290	+103	+1.1%
Comfort Hotel Suzuka	Revenue (JPY million)	18.7	20.8	-2.1	-9.9%	48.2	-13.0	-21.2%
	RevPAR (JPY)	5,684	6,312	-628	-9.9%	4,943	-1,316	-21.0%
	Occupancy (%)	77.7	84.6	-6.9	-8.2%	75.5	-9.3	-11.0%
	ADR (JPY)	7,315	7,457	-142	-1.9%	6,550	-834	-11.3%
Comfort Hotel Okayama	Revenue (JPY million)	39.1	37.8	+1.2	+3.3%	112.9	-8.1	-6.7%
	RevPAR (JPY)	5,833	5,659	+174	+3.1%	5,682	-401	-6.6%
	Occupancy (%)	89.0	90.4	-1.4	-1.5%	87.1	-2.9	-3.2%
	ADR (JPY)	6,552	6,261	+291	+4.7%	6,526	-237	-3.5%
Urbain Hiroshima Executive	Revenue (JPY million)	37.9	41.0	-3.1	-7.6%	111.2	-11.2	-9.1%
	RevPAR (JPY)	7,149	7,735	-585	-7.6%	7,068	-710	-9.1%
	Occupancy (%)	93.4	95.8	-2.4	-2.5%	92.5	-3.1	-3.3%
	ADR (JPY)	7,655	8,073	-418	-5.2%	7,640	-491	-6.0%

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 Wing International Kobe Shin Nagata Ekimae and the Valie Hotel Hiroshima are excluded from the Total and Variable-Rent Hotels data on page 1 because the previous hotel operator did not give consent to disclose hotel-specific data that would allow for year-on-year comparisons. The Hotel Vista Premio Kyoto, sold on October 31, 2019, is included in the above data.
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 decreases in Revenue, RevPAR, Occupancy, and ADR.

October's massive Typhoon Hagibis (aka Typhoon No. 19) led to widespread guest cancellations. A significant decrease in Korean tourists also hit hotels in Sapporo, Kyoto, Osaka, and Naha particularly hard.

Value-Add Actions

Ichigo Hotel is working to minimize utilities expenses in cooperation with its hotel operator partners. By regularly reviewing and optimizing its contracts with utilities providers, Ichigo Hotel has successfully reduced its annual utilities expenses by JPY1.8 million. Ichigo Hotel is also working towards reducing energy consumption and its hotels' environmental impact by converting all lighting to LED and upgrading out-of-date power supply equipment.

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