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More Sustainable**

[Provisional Translation Only]

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Issuer

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Ichigo Hotel Operating Results – September 2021

Portfolio Revenue, RevPAR, Occupancy, and ADR

Total (21 Hotels)

	Sep 2021 (A)	(Previous) Sep 2020 (B)	Difference (A) - (B)	YOY Change	Aug 2021 – Sep 2021 (Current Period-To-Date)			Sep 2019 (Reference)
					Cumulative	YOY Difference	YOY Change	
Revenue (JPY million)	264.9	213.0	+51.9	+24.4%	586.3	+167.1	+39.9%	633.9
RevPAR (JPY)	2,415	1,965	+451	+22.9%	2,694	+778	+40.6%	6,108
Occupancy (%)	54.6	40.0	+14.5	+36.3%	57.2	+17.2	+43.0%	82.4
ADR (JPY)	4,426	4,906	-480	-9.8%	4,709	-80	-1.7%	7,413

Variable Rent Hotels (15 Hotels)

	Sep 2021 (A)	(Previous) Sep 2020 (B)	Difference (A) - (B)	YOY Change	Aug 2021 – Sep 2021 (Current Period-To-Date)			Sep 2019 (Reference)
					Cumulative	YOY Difference	YOY Change	
Revenue (JPY million)	191.8	144.9	+46.9	+32.4%	420.5	+136.7	+48.2%	412.1
RevPAR (JPY)	2,423	1,849	+574	+31.1%	2,699	+900	+50.0%	6,664
Occupancy (%)	59.3	40.2	+19.1	+47.5%	61.8	+21.2	+52.3%	88.7
ADR (JPY)	4,087	4,599	-511	-11.1%	4,371	-69	-1.5%	7,516

Fixed Rent Hotels (6 Hotels)

	Sep 2021 (A)	(Previous) Sep 2020 (B)	Difference (A) - (B)	YOY Change	Aug 2021 – Sep 2021 (Current Period-To-Date)			Sep 2019 (Reference)
					Cumulative	YOY Difference	YOY Change	
Revenue (JPY million)	73.1	68.1	+5.0	+7.3%	165.8	+30.4	+22.5%	221.8
RevPAR (JPY)	2,397	2,225	+172	+7.8%	2,681	+505	+23.2%	5,992
Occupancy (%)	43.4	39.7	+3.7	+9.3%	46.8	+8.0	+20.7%	82.7
ADR (JPY)	5,523	5,602	-79	-1.4%	5,727	+118	+2.1%	7,243

Revenue, RevPAR, Occupancy, and ADR by Hotel

Variable Rent Hotels (15 Hotels)

	Sep 2021 (A)	(Previous) Sep 2020 (B)	Difference (A) - (B)	YOY Change	Aug 2021 – Sep 2021 (Current Period-To-Date)			Sep 2019 (Reference)	
					Cumulative	YOY Difference	YOY Change		
Nest Hotel Sapporo Ekimae	Revenue (JPY million)	21.9	27.6	-5.8	-20.8%	47.2	-6.5	-12.1%	61.9
	RevPAR (JPY)	3,710	4,435	-725	-16.3%	3,941	-439	-10.0%	10,788
	Occupancy (%)	90.0	98.1	-8.1	-8.2%	90.4	-7.1	-7.2%	96.6
	ADR (JPY)	4,122	4,521	-399	-8.8%	4,357	-135	-3.0%	11,162
Nest Hotel Sapporo Odori	Revenue (JPY million)	13.3	18.0	-4.7	-26.1%	31.3	-4.7	-13.1%	44.0
	RevPAR (JPY)	2,979	4,197	-1,218	-29.0%	3,525	-737	-17.3%	11,077
	Occupancy (%)	74.3	92.3	-18.0	-19.5%	78.1	-14.2	-15.3%	93.8
	ADR (JPY)	4,010	4,545	-535	-11.8%	4,514	-106	-2.3%	11,809
Smile Hotel Tokyo Asagaya	Revenue (JPY million)	15.3	12.7	+2.7	+21.2%	33.2	+8.0	+31.8%	29.8
	RevPAR (JPY)	4,479	3,637	+843	+23.2%	4,767	+1,214	+34.2%	8,633
	Occupancy (%)	97.9	78.5	+19.4	+24.7%	98.4	+21.5	+27.9%	98.3
	ADR (JPY)	4,577	4,634	-56	-1.2%	4,844	+226	+4.9%	8,782
HOTEL EMIT SHIBUYA	Revenue (JPY million)	9.2	8.2	+1.0	+11.8%	19.5	+3.3	+20.2%	
	RevPAR (JPY)	4,250	3,793	+457	+12.0%	4,423	+750	+20.4%	
	Occupancy (%)	98.2	98.2	–	–	98.4	–	–	
	ADR (JPY)	4,326	3,861	+465	+12.0%	4,495	+761	+20.4%	
Hotel Wing International Nagoya	Revenue (JPY million)	9.5	8.6	+0.9	+10.5%	23.7	+9.1	+62.5%	39.8
	RevPAR (JPY)	1,268	1,146	+122	+10.6%	1,539	+579	+60.2%	5,401
	Occupancy (%)	32.8	25.6	+7.1	+27.9%	37.3	+15.4	+70.1%	89.0
	ADR (JPY)	3,867	4,468	-602	-13.5%	4,129	-253	-5.8%	6,071

		Sep 2021 (A)	(Previous) Sep 2020 (B)	Difference (A) - (B)	YOY Change	Aug 2021 – Sep 2021 (Current Period-To-Date)			Sep 2019 (Reference)
						Cumulative	YOY Difference	YOY Change	
Smile Hotel Kyoto Shijo	Revenue (JPY million)	4.2	3.9	+0.2	+6.1%	8.9	+0.2	+2.2%	27.9
	RevPAR (JPY)	925	877	+48	+5.5%	976	+20	+2.1%	5,951
	Occupancy (%)	40.3	26.6	+13.6	+51.2%	41.3	+10.7	+34.8%	99.2
	ADR (JPY)	2,296	3,290	-994	-30.2%	2,364	-758	-24.3%	5,999
The OneFive Osaka Sakaisuji	Revenue (JPY million)	4.3	–	–	–	4.3	–	–	15.8
	RevPAR (JPY)	1,094	–	–	–	1,094	–	–	4,052
	Occupancy (%)	51.5	–	–	–	51.5	–	–	71.5
	ADR (JPY)	2,126	–	–	–	2,126	–	–	5,669
Nest Hotel Osaka Shinsaibashi	Revenue (JPY million)	6.5	1.9	+4.6	+248.3%	11.7	+7.6	+183.0%	45.6
	RevPAR (JPY)	508	–	–	–	470	–	–	4,558
	Occupancy (%)	15.8	–	–	–	14.6	–	–	65.8
	ADR (JPY)	3,218	–	–	–	3,214	–	–	6,926
Hotel Wing International Kobe Shin Nagata Ekimae	Revenue (JPY million)	10.2	13.2	-3.0	-22.6%	28.2	+5.2	+22.6%	23.4
	RevPAR (JPY)	2,325	2,876	-550	-19.1%	3,009	+557	+22.7%	5,445
	Occupancy (%)	35.0	43.8	-8.8	-20.0%	43.5	+5.9	+15.8%	73.2
	ADR (JPY)	6,641	6,568	+73	+1.1%	6,913	+390	+6.0%	7,437
Nest Hotel Matsuyama	Revenue (JPY million)	13.4	20.5	-7.1	-34.5%	31.5	-8.0	-20.2%	37.8
	RevPAR (JPY)	1,985	2,921	-936	-32.0%	2,332	-456	-16.3%	4,805
	Occupancy (%)	49.9	65.6	-15.7	-24.0%	55.0	-8.9	-13.9%	81.7
	ADR (JPY)	3,981	4,454	-472	-10.6%	4,239	-125	-2.9%	5,883
The OneFive Okayama	Revenue (JPY million)	16.6	–	–	–	37.7	+20.9	+124.0%	34.7
	RevPAR (JPY)	2,530	–	–	–	2,843	+1,596	+128.0%	5,368
	Occupancy (%)	95.7	–	–	–	97.2	+69.0	+244.8%	83.3
	ADR (JPY)	2,643	–	–	–	2,924	-1,497	-33.9%	6,447
Court Hotel Kurashiki	Revenue (JPY million)	5.0	8.9	-3.9	-44.2%	13.9	+4.9	+53.8%	26.4
	RevPAR (JPY)	1,193	2,441	-1,248	-51.1%	1,606	+405	+33.8%	6,996
	Occupancy (%)	25.5	33.1	-7.6	-23.0%	28.6	+12.3	+75.5%	93.4
	ADR (JPY)	4,682	7,371	-2,689	-36.5%	5,617	-1,754	-23.8%	7,490
Valie Hotel Hiroshima	Revenue (JPY million)	42.1	3.3	+38.7	+1,158.7%	87.0	+83.7	+2,503.1%	
	RevPAR (JPY)	7,500	636	+6,864	+1,079.5%	7,500	+7,187	+2,298.2%	
	Occupancy (%)	100	13.0	+87.0	+670.3%	100	+93.6	+1,466.2%	
	ADR (JPY)	7,500	4,898	+2,602	+53.1%	7,500	+2,602	+53.1%	

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						Cumulative	YOY Difference	YOY Change	
The OneFive Fukuoka Tenjin	Revenue (JPY million)	6.8	3.5	+3.3	+95.8%	14.5	+7.6	+110.0%	20.2
	RevPAR (JPY)	2,519	1,094	+1,425	+130.3%	2,673	+1,605	+150.4%	8,034
	Occupancy (%)	95.0	24.1	+70.9	+294.1%	96.4	+71.6	+289.1%	96.3
	ADR (JPY)	2,651	4,535	-1,885	-41.6%	2,772	-1,536	-35.7%	8,341
Nest Hotel Kumamoto	Revenue (JPY million)	13.6	14.6	-1.0	-7.0%	27.8	+1.2	+4.5%	34.7
	RevPAR (JPY)	2,015	2,140	-125	-5.8%	2,044	+142	+7.5%	5,105
	Occupancy (%)	60.5	54.6	+5.8	+10.7%	59.0	+7.1	+13.8%	75.7
	ADR (JPY)	3,333	3,916	-584	-14.9%	3,467	-202	-5.5%	6,743

Fixed Rent Hotels (5 Hotels – excludes Hotel Livemax Nihombashi-Hakozaki)

		Sep 2021 (A)	(Previous) Sep 2020 (B)	Difference (A) - (B)	YOY Change	Aug 2021 – Sep 2021 (Current Period-To-Date)			Sep 2019 (Reference)
						Cumulative	YOY Difference	YOY Change	
Comfort Hotel Kushiro	Revenue (JPY million)	18.0	20.1	-2.1	-10.6%	44.4	+3.1	+7.5%	25.2
	RevPAR (JPY)	4,528	5,063	-535	-10.6%	5,533	+427	+8.4%	6,407
	Occupancy (%)	75.3	87.2	-11.8	-13.6%	82.4	-4.7	-5.4%	89.7
	ADR (JPY)	6,009	5,808	+202	+3.5%	6,716	+852	+14.5%	7,140
Comfort Hotel Hamamatsu	Revenue (JPY million)	13.2	11.6	+1.6	+13.6%	30.5	+7.7	+33.7%	29.8
	RevPAR (JPY)	2,243	1,975	+268	+13.6%	2,555	+644	+33.7%	5,062
	Occupancy (%)	47.7	41.1	+6.6	+16.1%	52.6	+12.2	+30.1%	79.4
	ADR (JPY)	4,702	4,806	-103	-2.1%	4,858	+132	+2.8%	6,379
Comfort Hotel Central International Airport	Revenue (JPY million)	30.2	26.7	+3.5	+13.0%	64.1	+16.1	+33.5%	80.2
	RevPAR (JPY)	2,838	2,501	+337	+13.5%	2,968	+759	+34.3%	7,355
	Occupancy (%)	44.9	34.6	+10.3	+29.7%	47.3	+17.0	+56.1%	82.2
	ADR (JPY)	6,328	7,233	-906	-12.5%	6,273	-1,014	-13.9%	8,943
Comfort Hotel Suzuka	Revenue (JPY million)	8.0	6.6	+1.4	+21.9%	16.9	+2.0	+13.2%	10.7
	RevPAR (JPY)	2,519	2,067	+452	+21.9%	2,611	+303	+13.1%	3,368
	Occupancy (%)	51.9	46.3	+5.7	+12.3%	51.0	+3.0	+6.3%	65.6
	ADR (JPY)	4,850	4,469	+381	+8.5%	5,117	+306	+6.4%	5,135
Urbain Hiroshima Executive	Revenue (JPY million)	1.5	–	–	–	4.8	+2.4	+102.3%	33.6
	RevPAR (JPY)	296	–	–	–	460	+233	+102.3%	6,544
	Occupancy (%)	5.8	–	–	–	8.7	+4.8	+121.2%	91.5
	ADR (JPY)	5,079	–	–	–	5,290	-496	-8.6%	7,155

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 The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, and 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:
$$\text{RevPAR} = \text{Total Revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of available guest rooms.}$$
4. Occupancy is calculated with the following formula:
$$\text{Occupancy} = \text{Total number of guest rooms occupied during the period} / (\text{total number of guest rooms} * \text{number of days hotel was in operation during the period})$$

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:
$$\text{ADR} = \text{Total revenue from accommodations (excluding restaurant charges and other service fees)} / \text{number of guest rooms occupied during the period.}$$
6. The Capsule Plus Yokohama and the Washington Hotel Plaza Shimonoseki Eki Nishi 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. Data for the Hotel Livemax Nihombashi-Hakozaki are included in the total and fixed rent hotels data above, but not separately disclosed because the hotel operator did not provide consent to disclose hotel-specific data.
7. Hiroshima Prefecture has temporarily leased all rooms of the Valie Hotel Hiroshima starting on February 8, 2021.
8. Pre-acquisition data for acquired hotels are based on data received from the previous owners.
9. September 2019 Revenue, RevPAR, Occupancy, and ADR data provided as a reference is for the 19 hotels owned since September 2019, and is not available for HOTEL EMIT SHIBUYA and Valie Hotel Hiroshima (rebranded and reopened in September 2019). The OneFive Okayama was operating under the name Comfort Hotel Okayama in September 2019, and hotel data is included as a fixed rent hotel.

Explanation of Changes

Revenue, RevPAR, and Occupancy for the portfolio in September 2021 increased significantly year-on-year compared to September 2020. Although Revenue, RevPAR, Occupancy, and ADR remain below pre-Covid levels of September 2019, Ichigo Hotel will work to capture demand and drive earnings as hotel demand recovers on the back of the lifting of Japan’s state of emergency and Covid restrictions as of September 30th.

The OneFive Osaka Sakaisuji Rebranding and Reopening

The Chisun Inn Osaka Hommachi was rebranded and reopened as The OneFive Osaka Sakaisuji on September 1, 2021, as announced in the March 17, 2021 release “Change in Hotel Operator.” The OneFive is a hotel brand of Ichigo Hotel’s sponsor, Ichigo, and the hotel’s new operator, Hakata Hotels, is a consolidated subsidiary of Ichigo.

As part of the rebranding, Ichigo Hotel installed self-check-in terminals, conducted guest room renovations, and deployed PROPERA, an AI-based revenue management system developed by Ichigo.

Ichigo Hotel will continue to work with its sponsor to maximize earnings and increase guest satisfaction.



The OneFive Osaka Sakaisuji website:
www.hakatahotels.co.jp/theonefiveosakasakaisuji