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Upward Earnings Forecast Revision for the July 2025 Fiscal Period

Ichigo Hotel is revising upward its earnings forecast for the July 2025 fiscal period announced in the September 17, 2024 release "July 2024 Fiscal Period Earnings."

1. July 2025 Earnings Forecast Revision

(JPY million)

	Operating Revenue	Operating Profit	Recurring Profit	Net Income	Dividend per Share (JPY)
Previous Forecast (A)	2,314	1,221	896	895	2,733
New Forecast (B)	2,632	1,525	1,167	1,166	3,563
Difference (B) - (A)	+318	+304	+271	+271	+830
% Change	+13.8%	+24.9%	+30.3%	+30.3%	+30.4%
Reference: January 2024	2,440	1,313	996	995	3,040

Reference: Net Income per Share: JPY 3,563
Period-end number of shares outstanding: 327,489 shares

Note: The new forecast is based on the "Preconditions for the July 2025 Earnings Forecast" on page 3. Actual results may vary due to changes in circumstances, so these forecasts should not be construed as a guarantee of such results. Ichigo Hotel will make a forecast revision should a material discrepancy emerge between this forecast and results.

2. July 2025 Earnings Forecast Revision Rationale

Ichigo Hotel is acquiring The OneFive Marine Fukuoka and Nest Hotel Hakata Ekimae and selling the Nest Hotel Osaka Shinsaibashi as announced in today's release "Acquisitions (Two Hotel Assets) and Sale (One Hotel Asset)," and is revising upward its July 2025 fiscal period earnings to reflect an expected gains on sale of c. JPY 290 million from the hotel sale.

As a result, Ichigo Hotel is revising its July 2025 operating revenue, operating profit, recurring profit, net income, and dividend by +JPY 318 million (+13.8%), +JPY 304 million (+24.9%), +JPY 271 million (+30.3%), +JPY 271 million (+30.3%), and +JPY 830 (+30.4%), respectively, versus the previously announced forecast.

There is no change to the January 2025 fiscal period operating results due to the acquisitions and sale.

Ichigo Hotel will continue to leverage sponsor support and strengthen its commitment to drive further growth.

Preconditions for the July 2025 Earnings Forecast

<table>
<tr><th></th><th>Preconditions</th></tr>
<tr><td>Period</td><td>• February 1, 2025 to July 31, 2025 (181 days)</td></tr>
<tr><td>Number of Hotels</td><td>• 30 hotels (29 hotels after the sales of Valie Hotel Hiroshima on December 2, 2024, Nest Hotel Sapporo Ekimae on December 25, 2024, and Nest Hotel Osaka Shinsaibashi on February 3, 2025, and the acquisitions of The OneFive Marine Fukuoka on January 10, 2025 and Nest Hotel Hakata Ekimae on February 4, 2025).</td></tr>
<tr><td>Operating Revenue</td><td>Within operating revenue, rental income is forecast based on current lease contracts, taking into consideration such factors as hotel and market conditions.[1]

<u>Forecast Operating Performance[2]</u>

<table>
<tr><th></th><th>July 2025 Fiscal Period</th></tr>
<tr><td>Occupancy[3]</td><td>88.3%</td></tr>
<tr><td>ADR[4]</td><td>JPY 9,736</td></tr>
</table>
[1] The forecast rental income assumes operators and tenants will fully pay their contractual rents without delay or default.
[2] The 21 variable rent hotels are: Smile Hotel Kyoto Shijo, Hotel Wing International Nagoya, The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, Nest Hotel Sapporo Odori, The OneFive Fukuoka Tenjin, Smile Hotel Tokyo Asagaya, Nest Hotel Matsuyama, The OneFive Okayama, Capsule Plus Yokohama, The OneFive Garden Kurashiki, Nest Hotel Kumamoto, The OneFive Tokyo Shibuya, Smile Hotel Nagano, Comfort Hotel Osaka Shinsaibashi, HOTEL THE KNOT YOKOKAMA, Quintessa Hotel Ise Shima, Quintessa Hotel Ogaki, THE KNOT SAPPORO, The OneFive Marine Fukuoka, and Nest Hotel Hakata Ekimae. Data for Capsule Plus Yokohama is excluded from the above forecast because the operator did not give consent to disclose forecasts.
[3] 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)
[4] ADR or Average Daily Rate is calculated with the following formula:
ADR = Total sales from accommodation (excluding restaurant charges and other service fees) / number of guest rooms occupied during the period

<u>Details of the July 2025 Rental Income Forecast by Hotel</u>

(JPY million)
<table>
<tr><th>Hotel Name</th><th>Fixed Rent/ Minimum Guaranteed Rent</th><th>Variable Rent</th><th>Total</th></tr>
<tr><td>Smile Hotel Kyoto Shijo</td><td>38</td><td>39</td><td>78</td></tr>
</table>
</td></tr>
</table>

The OneFive Osaka Sakaisuji	11	33	44
Comfort Hotel Hamamatsu	55	–	55
Nest Hotel Sapporo Odori	15	53	68
The OneFive Fukuoka Tenjin	34	31	65
Nest Hotel Osaka Shinsaibashi	–	–	1
Comfort Hotel Central International Airport	151	–	151
Smile Hotel Tokyo Asagaya	65	73	138
Nest Hotel Matsuyama	36	48	84
The OneFive Okayama	62	9	71
Comfort Hotel Kushiro	18	–	18
Comfort Hotel Suzuka	15	–	15
The OneFive Garden Kurashiki	46	–	46
Nest Hotel Kumamoto	25	43	68
The OneFive Tokyo Shibuya	47	74	122
Smile Hotel Nagano	10	27	38
Hotel Sunshine Utsunomiya	64	–	64
HOTEL THE KNOT YOKOHAMA	76	84	161
Quintessa Hotel Ise Shima	20	44	64
Quintessa Hotel Ogaki	15	10	26
THE KNOT SAPPORO	76	77	154
The OneFive Marine Fukuoka	26	34	61
Nest Hotel Hakata Ekimae	45	126	172
Other[1]	284	128	412
Total	1,245	940	2,186

[1] Figures for Hotel Wing International Nagoya, Hotel Wing International Kobe Shin Nagata Ekimae, Hotel Livemax Nihombashi-Hakozaki, Capsule Plus Yokohama, Urbain Hiroshima Executive, Washington Hotel Plaza Shimonoseki Eki Nishi, and Comfort Hotel Osaka Shinsaibashi are included in "Other" because the hotel operators did not provide consent to disclose hotel-specific data.

- Retail: JPY 105 million of rental income from retail tenants at The OneFive Osaka Sakaisuji, Hotel Wing International Kobe Shin Nagata Ekimae, Smile Hotel Tokyo Asagaya, Nest Hotel Kumamoto, Comfort Hotel Osaka Shinsaibashi, HOTEL THE KNOT YOKOHAMA, and THE KNOT SAPPORO.
- Gains on sale from the sale of Nest Hotel Osaka Shinsaibashi announced in today's release "Acquisitions (Two Hotel Assets) and Sale (One Hotel Asset)": JPY 291 million (estimate, calculated as the Sale Price less Book Value, IIA performance fee, and estimated sale expenses)

Operating Expenses	• Depreciation: JPY 430 million. Depreciation has been calculated using the straight-line method. • Property and city planning taxes: JPY 150 million. • Building maintenance and repair expenses are based on what Ichigo Investment Advisors, the asset management company of Ichigo Hotel, estimates will be necessary for each hotel during the period. However, actual expenses for the period could differ significantly from these forecast amounts for reasons including the variability of maintenance and repair expenses, one-time costs due to unexpected building damage, etc. • Rental expenses, Ichigo Hotel's principal operating expense (other than depreciation, see above), are calculated based on historical data adjusted for anticipated expense variations. • Actual operating expenses may differ significantly from these assumptions due to unforeseeable factors. • SG&A expenses: JPY 272 million for asset management fee, JPY 19 million for appraisal report costs, and JPY 30 million for non-deductible consumption tax.
Non-Operating Expenses	• Interest expenses and other borrowing-related expenses: JPY 353 million • Amortization of share issuance expenses: JPY 3 million
Borrowings	• Total borrowings: JPY 36.02 billion as of July 31, 2025 (JPY 32.47 billion as of today plus JPY 3,550 million to finance the acquisition of the Nest Hotel Hakata Ekimae) • Details of the new loan will be announced as soon as they are available.
Number of Shares	• Total 327,489 shares • The forecast assumes there will be no additional new shares issued through July 31, 2025
Dividend	• The dividend forecast assumes that dividends will comply with the dividend distribution policy stipulated in Ichigo Hotel's Articles of Incorporation. • The dividend is subject to change due to factors such as sales of portfolio assets, changes in rental income associated with operator turnover, the occurrence of unexpected maintenance and repair costs, and fluctuations in interest rates.
Dividend in Excess of Earnings	• Ichigo Hotel does not plan on paying any Dividend in Excess of Earnings.
Other	• This forecast assumes that there are no material revisions to laws and regulations, the tax system, accounting standards, listing rules of the Tokyo Stock Exchange, and rules of the Investment Trusts Association, Japan, and no material changes in the state of the economy and real estate market conditions.