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Issuer

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Asset Management Company

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Amendments to Articles of Incorporation and Election of Directors

Ichigo Hotel REIT decided today to submit proposals for amendments to its Articles of Incorporation and the election of Directors at its shareholder meeting scheduled for June 17, 2017, with the proposals to become effective upon approval at the shareholder meeting.

1. Amendments Rationale

The Articles of Incorporation are proposed to be amended for the following reasons:

a. The following amendments are made pursuant to the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including amendments thereafter):

(1) Amend the article pertaining to Shareholder Meeting Convocation (Article 9, Paragraphs 2 and 3) such that Ichigo Hotel REIT's shareholder meeting is convened on October 1, 2018 or later without delay, and thereafter is convened on October 1, or later without delay, every two years. The amendment further prescribes that a shareholder meeting can be convened whenever necessary.

(2) Newly add an article (Article 9, Provisory Clause of Paragraph 4) pursuant to the aforementioned amendment prescribing that it is not necessary to publicly notify the date of shareholder meetings held within 25 months from the previous shareholder meeting.

(3) Amend Paragraph 3 of Article 19 so that the terms of Directors can be extended or shortened, within limits prescribed by law, by shareholder resolution.

b. Clarify language related to amendments made to the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006, including amendments thereafter) and the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including amendments thereafter). Specifically, this amendment addresses differences between financial accounting and tax accounting with respect to treatment of certain expenses such that a greater range of expenses can be recognized under tax accounting, thus allowing for an increase in distributable earnings. (Article 37, Item 1).

- c. Delete unnecessary language, re-organize numbering of articles and paragraphs, and clarify expressions (Article 9, Paragraph 1, Article 36, and Attachments).

Below are the proposed amendments to the Articles of Incorporation.

(Amendments are underlined)

Before Amendment	After Amendment
<p>Article 9 Convocation</p> <p><u>1. Shareholder Meetings are, in principle, convened at least every two years.</u></p> <p>2. (unchanged)</p> <p>3. To convene a Shareholder Meeting, the day of the Meeting must be publicly announced two months prior to the Meeting, and a letter notifying the day of the Meeting must be sent out to every shareholder two weeks prior to the Meeting.</p>	<p>Article 9 Convocation (cut)</p> <p>1. (unchanged)</p> <p><u>2. A Shareholder Meeting shall be convened on October 1, 2018 or later without delay, and thereafter on October 1, or later without delay, every two years.</u></p> <p><u>3. Notwithstanding the above, a Shareholder Meeting can be convened whenever necessary.</u></p> <p><u>4. To convene a Shareholder Meeting, the day of the Meeting must be publicly announced two months prior to the Meeting, and a letter notifying the day of the Meeting must be sent out to every shareholder two weeks prior to the Meeting. However, such public notice shall not be required if, pursuant to Paragraph 2, a Shareholder Meeting is held within 25 months from the previous Shareholder Meeting.</u></p>
<p>Article 19 Selection and Term of Directors 1 & 2 (unchanged)</p> <p>3. The term of Directors is two years. However, the term of Directors appointed as alternatives or to fill vacancies is the same as the remaining duration of the term of their predecessors or the rest of Directors.</p> <p>4. (unchanged)</p>	<p>Article 19 Selection and Term of Directors 1 & 2 (unchanged)</p> <p>3. The term of Directors is two years. <u>Notwithstanding this, the term of Directors may be extended or shortened, within limits prescribed by law, by shareholder resolution.</u> The term of Directors appointed as alternatives or to fill vacancies is the same as the remaining duration of the term of their predecessors or the rest of Directors.</p> <p>4. (unchanged)</p>
<p>Article 36 Fiscal Periods</p> <p>Ichigo Hotel REIT has fiscal periods running from February to July, and from August to January of the following year. <u>However, its first fiscal period runs from the day Ichigo Hotel REIT was established through the end of January 2016.</u></p>	<p>Article 36 Fiscal Periods</p> <p>Ichigo Hotel REIT has fiscal periods running from February to July, and from August to January of the following year.</p>

Before Amendment	After Amendment
<p>Article 37 Dividend Distribution Policy</p> <p>a. Dividends</p> <p>(1) (unchanged)</p> <p>(2) The amount of the dividend shall be in principle greater than 90 percent of the investment corporation’s distributable earnings as prescribed in Article 67-15 Paragraph 1 of Special Measures Concerning Taxation (“Special Provisions for Taxation on Investment Corporations”) (or, should there be changes to the calculation method due to amendments to laws and regulations, the amount after the change). However, this shall not apply when there is a tax loss or when there is no tax income due to loss carried forward; in such cases, the Investment Corporation shall reasonably determine the amount of dividend.</p> <p>The Investment Corporation can hold aside from the dividend distribution such items as long-term reserves for repairs deemed necessary for the maintenance and value enhancement of the REIT’s assets, payment reserves, dividend reserves, and other similar reserves and allowances.</p>	<p>Article 37 Dividend Distribution Policy</p> <p>a. Dividends</p> <p>(1) (unchanged)</p> <p>(2) The amount of dividend shall be in principle greater than 90 percent of the investment corporation’s distributable earnings as prescribed in Article 67-15 Paragraph 1 of Special Measures Concerning Taxation (“Special Provisions for Taxation on Investment Corporations”) (or, should there be changes to the calculation method due to amendments to laws and regulations, the amount after the change). However, this shall not apply when there is a tax loss or when there is no tax income due to loss carried forward; in such cases, the Investment Corporation shall reasonably determine the amount of dividend.</p> <p>The Investment Corporation can hold aside from the dividend distribution <u>or otherwise retain</u> such items as long-term reserves for repairs deemed necessary for the maintenance and value enhancement of the REIT’s assets, payment reserves, dividend reserves, other similar reserves and allowances, <u>or necessary amounts for other purposes.</u></p>

Before Amendment	After Amendment
<p>Attachments</p> <p>Fee Paid to the Asset Management Company (unchanged)</p> <p>1. Asset Management Fee I (unchanged)</p> <p><u>Asset Management Fee I of Ichigo Hotel REIT's first fiscal period is incurred from the day Ichigo Hotel REIT acquires real estate assets, and is calculated by multiplying the sum of asset acquisition costs and fiscal period end balances of cash, cash in trust, and trust deposits with an annual fee up to 0.4% p.a. agreed upon with its asset management company, and then pro-rating this amount by the actual number of operating days in the first fiscal period divided by 365. Asset Management Fee I shall be paid within three months from the last day of the fiscal period.</u></p>	<p>Attachments</p> <p>Fee Paid to the Asset Management Company (unchanged)</p> <p>1. Asset Management Fee I (unchanged)</p> <p>(cut)</p>

2. Election of Directors

Due to the expiration of the Directors' current terms of office in July 2017, Ichigo Hotel REIT's board is proposing the re-election of Executive Director Osamu Miyashita and Supervisory Directors Osamu Iida and Satoko Suzuki.

To ensure the minimum number of Directors as required by law and ordinance, Ichigo Hotel REIT's board is also proposing the election of a new Alternative Executive Director and a new Alternative Supervisory Director.

Director Candidates' Career Histories

Title	Name (Date of Birth)	Career History	
Executive Director (Candidate)	Osamu Miyashita (June 13, 1949)	April 1974 October 1991 December 1996 June 2000 June 2005 April 2011 June 2014 July 2014 July 2015	Joined Imperial Hotel, Ltd. Seconded to Imperial Hotel Enterprises (Tsudanuma Crest Hotel) Tenant Affairs Manager, Imperial Hotel, Ltd. Head of Real Estate Division, Imperial Hotel, Ltd. Director, Head of Real Estate Division, Imperial Hotel, Ltd. President and Representative Director, Imperial Hotel Hire K.K. Representative, Miyashita Associates LLC (current) Advisor, Endo Research Institute, Ltd. (current) Executive Director, Ichigo Hotel REIT (current)
Supervisory Director (Candidate)	Masaru Iida (February 15, 1967)	April 1989 May 1993 April 2001 April 2006 December 2009 January 2010 June 2011 July 2011 May 2013 March 2015 July 2015 August 2015 June 2016	Joined The Sumitomo Bank, Limited (Now Sumitomo Mitsui Banking Corporation) LL.M. degree, University of Pennsylvania Law School Vice President Planning Dept. Treasury Unit, Sumitomo Mitsui Banking Corporation J.D., Hitotsubashi University School of Law Qualified as Attorney at Law Joined Masuda & Partners Law Office Outside Corporate Auditor, DeNA Co., Ltd. (current) Founder, Iida Business Law Office (current) Outside Director, Stats Investment Management Co., Ltd. (current) Outside Corporate Auditor, Archaea Energy Co., Ltd. (current) Supervisory Director, Ichigo Hotel REIT (current) Corporate Auditor, Nishi-Tokyo Recycle Center Co., Ltd. (current) Outside Corporate Auditor, Medicare Life Insurance Co., Ltd. (current)

Title	Name (Date of Birth)	Career History	
Supervisory Director (Candidate)	Satoko Suzuki (November 22, 1973)	October 1996 September 2000 August 2005 July 2006 September 2010 September 2012 July 2015	Joined Tohmatsu & Co. (Now Deloitte Touche Tohmatsu LLC) Director, Yurakusha Y.K. Representative, Suzuki Satoko CPA Office (current) Auditor, PlaNet Finance Japan, NPO (Now Positive Planet Japan) (current) Auditor, Machizukuri Information Center Kanagawa, NPO (current) Director, NPO Accounting & Tax Professional Network, NPO (current) Supervisory Director, Ichigo Hotel REIT (current)
Alternative Executive Director (Candidate)	Hiromi Yamaguchi (March 6, 1954)	April 1977 April 1984 April 1987 September 1989 May 1994 April 1996 January 2000 January 2005 July 2007 October 2008 July 2013	Tokyu Hotels International Corporation (Now Pan Pacific Hotels and Resorts) Head of Operations & Development Division, Tokyu Hotels International Corporation Seconded to Pan Pacific Properties Ltd. as Controller, Administration & Finance Vice President & Financial Controller, Alpha U.S.A. Inc. Assistant Controller, Westin Hotel Tokyo Director of Finance, Pan Pacific Yokohama Assistant General Manager, Finance, People Innovation/Education, and Facilities Development & Maintenance, Pan Pacific Yokohama Financial Controller, Mandarin Oriental Tokyo Director, Archon Hospitality K.K. (Now Abilitas Hospitality Co., Ltd.) Chief Operating Officer, Archon Hospitality K.K. Representative Director, Hospitality Directions Co., Ltd. (current)

Title	Name (Date of Birth)	Career History	
Alternative Supervisory Director (Candidate)	Eriko Ishii (January 3, 1981)	October 2004 December 2007 August 2010 October 2010 February 2011 April 2016 July 2016	Qualified as Attorney at Law Mori Hamada & Matsumoto LPC Seconded to Planning and Coordination Bureau, Corporate Accounting and Disclosure Division, Financial Services Agency LL.M. degree, Columbia Law School Seconded to Legal Department, Itochu Europe PLC (London) Admitted as lawyer in New York Visiting Lecturer, Keio University Law School (current) Partner, Shin Saiwai Law Office (current)

The Director candidates do not hold any shares of the Investment Corporation, and there is no special relationship between Ichigo Hotel REIT and the candidates.

3. Schedule

May 12, 2017 (today)

Board of Directors resolution

May 31, 2017

Shareholder meeting materials publication (expected)

June 17, 2017

Shareholder meeting (expected)