



Hoshino

Hoshino
Resorts
REIT

Presentation Material

Fiscal Period Ended April 2025/24th FP
Hoshino Resorts REIT, Inc. Presentation Materials

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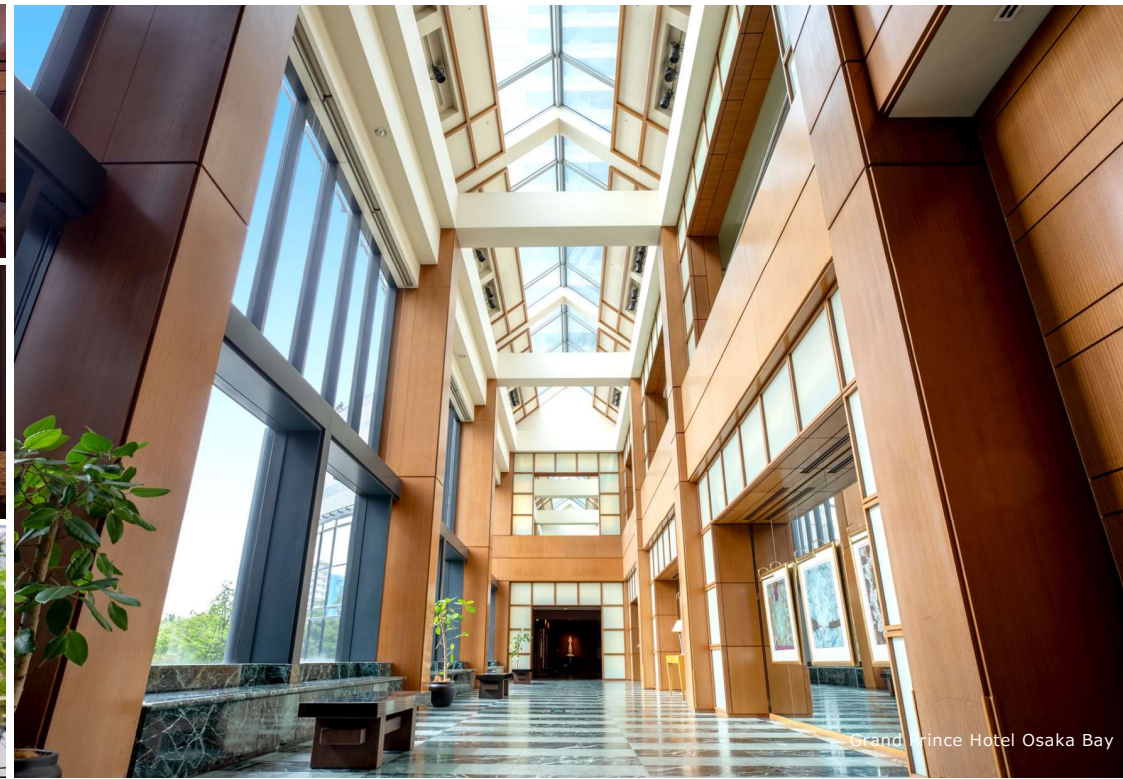
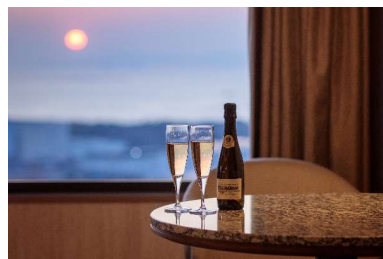
Asset Management Company:
Hoshino Resort Asset Management Co., Ltd.
June 16, 2025



HRR is creating schemes to benefit from the growth of Japan's tourism industry

We believe that the tourism industry is crucial for Japan's revitalization in an aging society with a declining birthrate.

Our goal is to become a truly tourism-oriented REIT by creating schemes to benefit from the growth in Japan's tourism industry through unitholders owning investment units, and continually expanding unitholder value.



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For notes in the text, please refer to the contents of the “Note” section below.

In addition, the following abbreviations are used for some parts of the text from the next page onwards.

“Hoshino Resorts”	Hoshino Resorts, Inc. and its parent company and subsidiaries
“4 HOSHINOYA properties”	HOSHINOYA Karuizawa, HOSHINOYA Kyoto, HOSHINOYA Fuji, HOSHINOYA Taketomi Island
“5 HOSHINOYA properties”	HOSHINOYA Karuizawa, HOSHINOYA Kyoto, HOSHINOYA Fuji, HOSHINOYA Taketomi Island, HOSHINOYA Okinawa
“2 RISONARE properties”	RISONARE Yatsugatake, RISONARE Atami
“6 KAI”	KAI Matsumoto, KAI Tamatsukuri, KAI Ito, KAI Hakone, KAI Kinugawa, KAI Kaga
“11 KAI”	KAI Matsumoto, KAI Tamatsukuri, KAI Ito, KAI Hakone, KAI Kinugawa, KAI Kaga, KAI Alps, KAI Enshu, KAI Nagato, KAI Kirishima, KAI Beppu
“13 KAI”	KAI Matsumoto, KAI Tamatsukuri, KAI Ito, KAI Hakone, KAI Aso, KAI Kinugawa, KAI Kaga, KAI Alps, KAI Enshu, KAI Nagato, KAI Kirishima, KAI Beppu, KAI Poroto
“3 OMO”	OMO7 Asahikawa, OMO7 Kochi, OMO7 Osaka
“22 Roadside properties”	22 budget-style hotels operated by the Greens
“23 Roadside properties”	22 budget-style hotels operated by the Greens, Comfort Inn Niigata Kameda
“3 ANA Crowne Plaza properties”	ANA Crowne Plaza Hiroshima, ANA Crowne Plaza Kanazawa, ANA Crowne Plaza Toyama
“4 the b properties”	the b akasaka, the b sangenjaya, the b nagoya, the b kobe
“5 the b properties”	the b akasaka, the b sangenjaya, the b nagoya, the b kobe, the b asakuka
“5 Candeo properties”	Candeo Hotels Handa, Candeo Hotels Chino, Candeo Hotels Fukuyama, Candeo Hotels Sano, Candeo Hotels Kameyama
“3 Greens properties”	Comfort Hotel Hakodate, Comfort Hotel Tomakomai, Comfort Hotel Kure
“4 Greens properties”	Comfort Hotel Hakodate, Comfort Hotel Tomakomai, Comfort Hotel Kure, Comfort Hotel Takamatsu

- Unless otherwise noted, amounts are rounded to the nearest unit, and ratios are rounded to the nearest hundredth.
- Monthly key performance indicators and inbound ratios are based on figures provided by lessees.
- This document may include information on properties not currently owned by the Investment Corporation, such as properties owned by Hoshino Resorts and DBJ Joint Fund. There are no specific plans for the Investment Corporation to acquire these properties, including those listed in the main sponsor pipeline list, as of the date of this document, and there is no guarantee that they will be acquired in the future. For information on properties owned by the Investment Corporation, please refer to the Investment Corporation’s website: <https://www.hoshinoresorts-reit.com/en/portfolio/list.html>
- If there is a QR code image, you can move to a website by reading it with a smartphone, etc.

CHAPTER

1



KAI Kinugawa

Financial summary

Financial summary for the fiscal period ended April 2025 (24th fiscal period)

	Results of the 23rd FP	Forecast for the 24th FP (Financial results as of Dec. 16, 2024) (A)	Results of the 24th FP (B)	Comparison with Forecast (B)-(A)
Operational status (million yen)				
Operating revenue	7,496	7,645	7,633	-12
Operating expenses	4,010	4,186	4,195	+8
Operating profit	3,485	3,459	3,437	-21
Ordinary profit	2,735	2,698	2,691	-6
Profit	2,734	2,697	2,793	+96
Distribution per unit	4,609 yen	4,610 yen	4,615 yen	+5 yen
Others				
Rental NOI (million yen)	6,055	6,329	6,310	-19
Rental NOI yield	5.3%	5.6%	5.5%	-0.09 pt
LTV	38.6%	39.3%	39.4%	+0.13 pt
NAV per unit	294,060 yen	-	302,386 yen	-

Breakdown of operating revenue

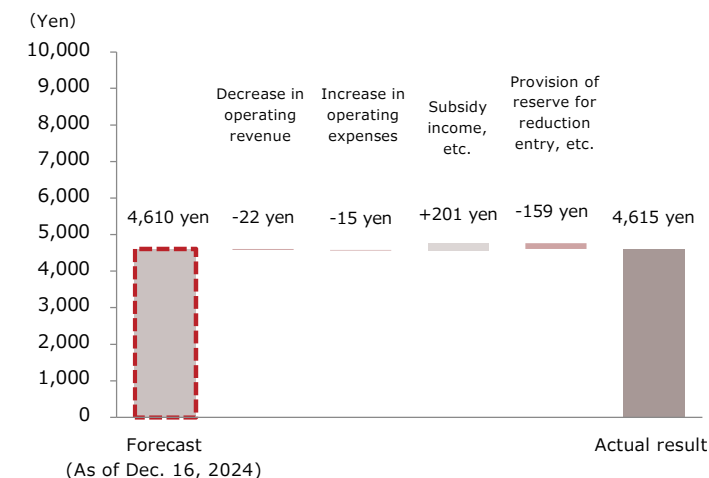
■ Fixed rent	5,176 million yen (67.8%)
■ Variable rent	2,235 million yen (29.3%)
■ Other revenue	221 million yen (2.9%)

Comparison of operating expenses with previous forecast

■ Rental business expenses (repair expenses)	+2 million yen
■ Rental business expenses (expenses other than repair expenses)	+7 million yen
■ Increase/decrease in other expenses	-1 million yen

Breakdown of distribution increase and decrease

■ Distribution per unit	4,615 yen
■ Comparison with forecast	+5 yen (+0.1%)

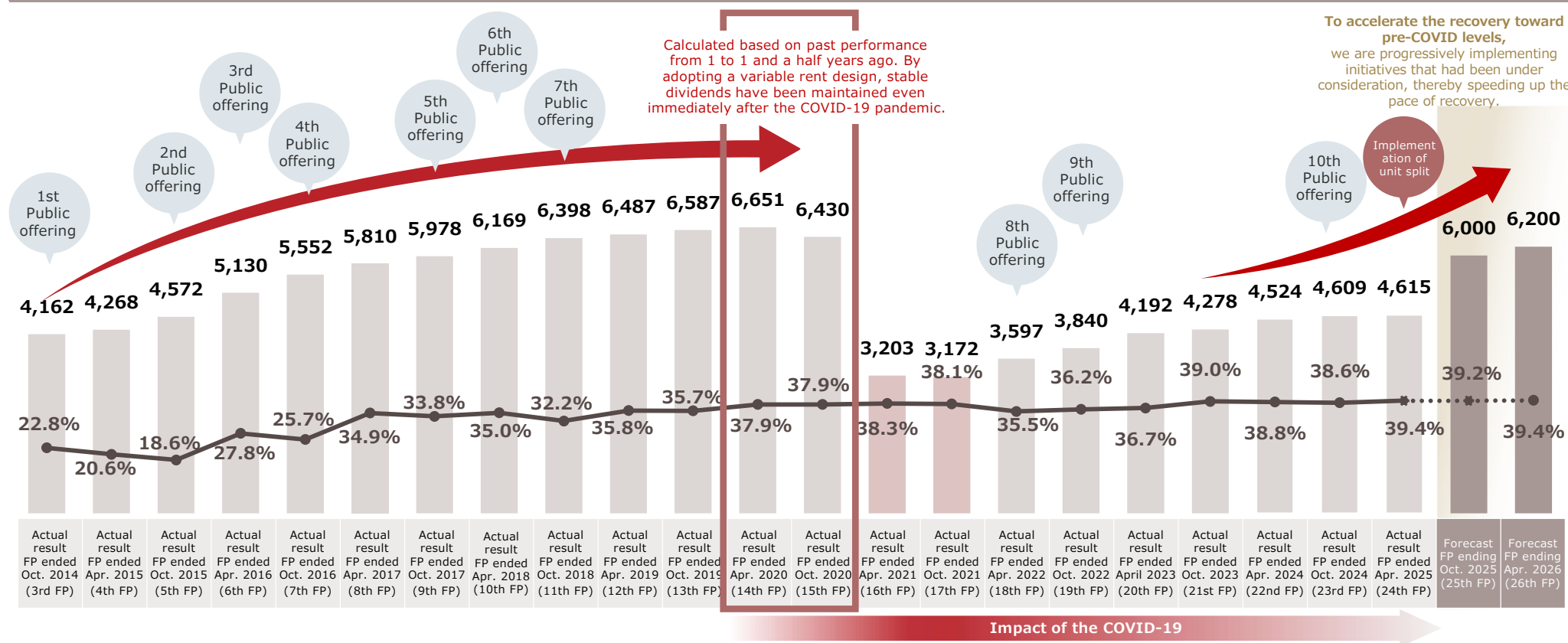


Actual distributions and distribution forecast per unit and changes in LTV

Actual distributions and distribution forecasts

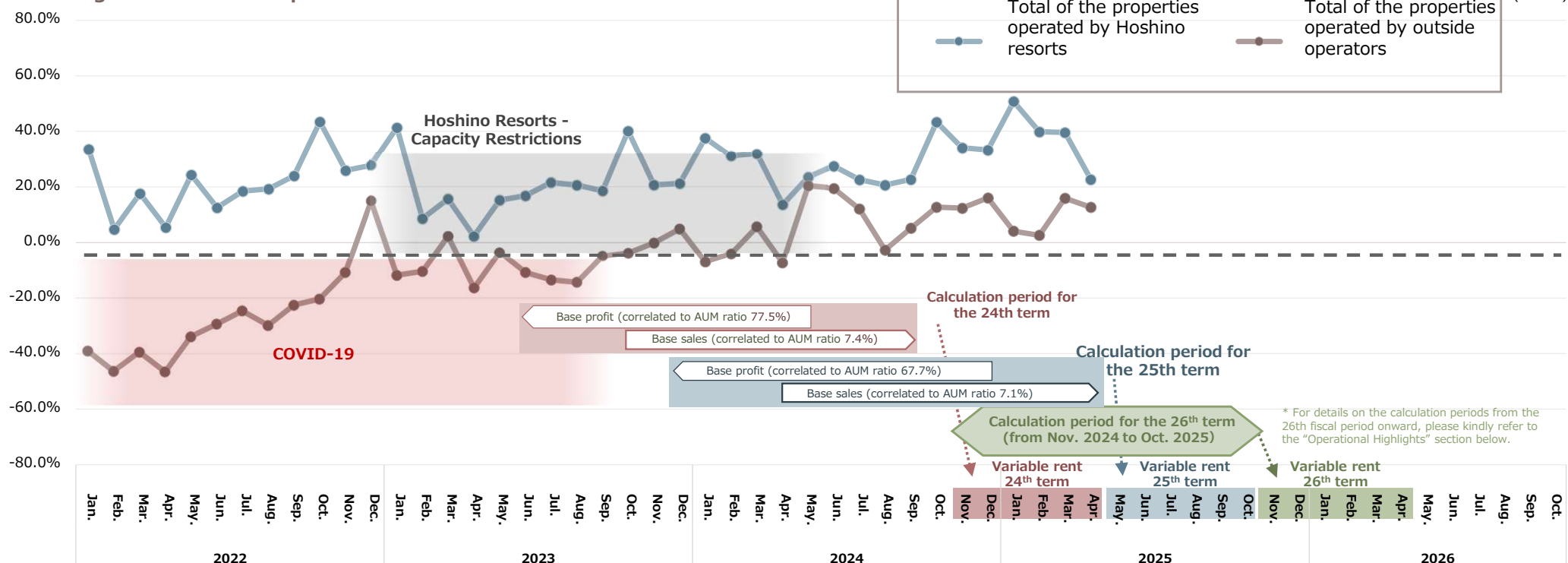
	Previous forecast (released Dec. 16, 2024)	This announcement (released Jun. 16, 2025)	
Results of the 24th FP (FP ended Apr. 2025)	4,610 yen	Actual results 4,615 yen (vs. previous forecast +5 yen)	■ Main Variable Rent Calculation Period: June 2023 – May 2024 ■ As most of the rent had already been determined at the time of the earnings forecast release, actual results came in largely in line with the forecast.
Forecast for 25th FP (FP ending Oct. 2025)	5,000 yen	Forecast 6,000 yen (vs. previous forecast +1,000 yen)	■ Main Variable Rent Calculation Period: December 2023 – November 2024 ■ A number of initiatives were implemented to support increased distributions and enhance the investment unit price. A significant increase in distributions is expected compared to the previous earnings forecast. (*For details, please refer to the "Operational Highlights" section below.)
Forecast for 26th FP (FP ending Apr. 2026)	-	Forecast 6,200 yen (vs. 25th period +200 yen, +3.3%)	■ Main Variable Rent Calculation Period: November 2024 – October 2025 ■ While the impact of the gain on sale of "OMO7Asahikawa" and "KAI Aso" recorded in the previous period will no longer be present (-273 yen), the variable rent calculation period for properties leased to Hoshino Resorts has been revised. By capturing the tenant's recent strong performance, an increase in distributions is expected compared to the previous period. (*For details, please refer to the "Operational Highlights" section below.)

Changes in distributions per unit (yen, after considering investment unit split) and LTV (%) *The figures are stated considering the investment unit split



Correspondence between rent and hotel sales/profit

Rate of change in RevPAR compared with 2019



Assumptions for rent (Note 2)

Assumptions for rent (Unit: millions of yen)		Result of FP ending April 2025 (the 24th FP)			Forecast of FP ending October 2025 (the 25th FP)			Forecast of FP ending April 2026 (the 26th FP)		
Operation Category	Brand	Fixed Rent etc.	Variable Rent	Total	Fixed Rent etc.	Variable Rent	Total	Fixed Rent etc.	Variable Rent	Total
Properties operated by Hoshino Resorts	HOSHINOYA	799	306	1,105	1,030	337	1,367	1,030	363	1,393
	RISONARE	374	367	741	374	346	720	374	296	670
	KAI	662	326	988	589	459	1,049	589	562	1,152
	OMO	1,006	-	1,006	1,093	-	1,093	1,093	-	1,093
	Others	125	44	170	125	49	175	125	50	176
Subtotal		2,968	1,044	4,013	3,213	1,193	4,407	3,213	1,272	4,486
Properties operated by outside operators	3 ANA Crowne Plaza Properties	696	82	778	696	133	829	696	247	943
	22 Roadside Properties	455	367	822	277	564	842	277	403	681
	5 the b Properties	312	379	692	312	562	875	312	477	789
	Others	817	346	1,164	820	592	1,413	817	991	1,808
	Subtotal	2,281	1,175	3,457	2,106	1,852	3,959	2,103	2,119	4,223
Total		5,250	2,220	7,470	5,320	3,046	8,366	5,317	3,391	8,709
Newly Acquired Objects	Hotel WBF Grande Asahikawa	-	-	-	48	77	125	48	77	125
	Comfort Inn Niigata Kameda	-	-	-	10	12	22	10	7	17
Transferred objects	OMO7 Asahikawa	123	-	123	-	-	-	-	-	-
	KAI Aso	21	15	36	-	-	-	-	-	-
Total of 70 properties after replacement		5,394	2,235	7,629	5,378	3,136	8,514	5,375	3,476	8,852

CHAPTER

2



KAI Kirishima

Highlights of operations

Implementing initiatives in the fiscal period ending April 2025 to increase distributions to increase investment unit prices

Initiatives for the Fiscal Period Ending April 2025

(Dividend discount model)

$$P = \frac{D}{(R_f + R_p) - G}$$

P: Investment unit price

D: Distributions

G: Expected growth rate

R_f: Risk-free rate

R_p: Risk premium

Internal growth

1. Rent increase
2. CAPEX to improve profitability
3. Curbing interest rate increases

External growth

- ◆ Property acquisition
- ◆ Sale
- ◆ Replacement

1. Selective investment: Currently, the emphasis is on yield and quality rather than on asset size
2. Replacement by selling low-yield properties and acquiring high-yield ones
3. Realizing capital gains from selling properties

Reduction of inherent risk premiums

1. Probability of improving profitability
Disclosure of distributions, roadmap for improving profitability, etc.
2. Sponsor commitment
Premium fixed rent, property replacement, increased same-boat investment ratio

Initiatives Implemented

- Reset of Premium Fixed Rent: HOSHINOYA Okinawa and OMO7 Kochi
- Rent revisions: Grand Hyatt Fukuoka and 5 the b properties
- Adjustment of loan tenors in refinancing activities
- Reduction of commitment lines based on risk reassessment reflecting strong lender relationships

- Two property replacements to realize capital gains and enhance portfolio yield
[Acquisition] Hotel WBF Grande Asahikawa, Refund of security deposits related to the rebranding of OMO7 Kochi, [Disposition] OMO7 Asahikawa
[Acquisition] Comfort Inn Niigata Kameda, [Disposition] KAI Aso

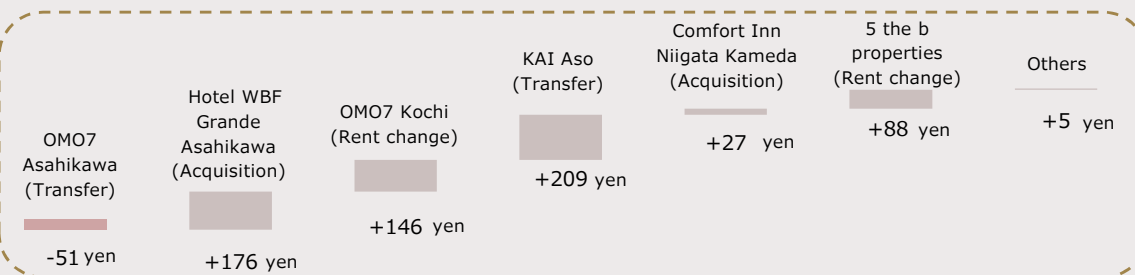
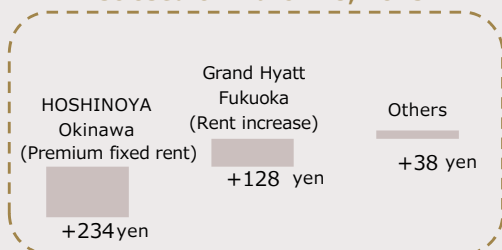
- Disclosure of distribution forecasts aimed at restoring pre-COVID distribution per unit (DPU) levels.
- The calculation periods for variable rents in properties leased by Hoshino Resorts—based on past performance—have been unified.

Forecasted distribution for the FP ending October 2025 (25th FP) increases by 20% through each initiative

Disclosed on April 18, 2025 * Including gains on sale (159 million yen)

Disclosed on March 18, 2025

5,000 yen



6,000 yen

+1,000 yen, +20%

Properties operated by Hoshino Resorts: +714 yen
Properties operated by other operators: +243 yen

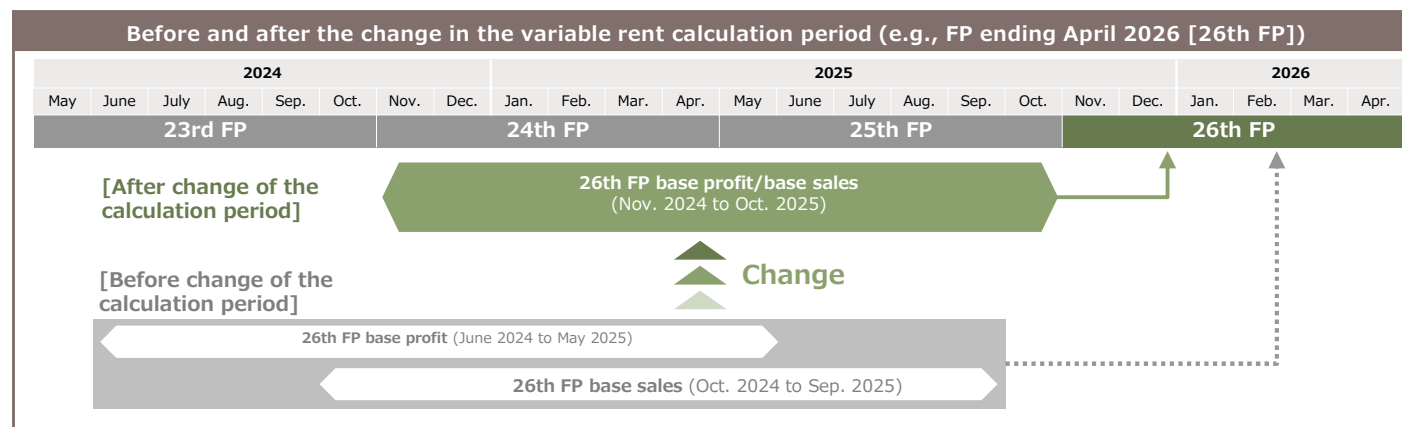
Financial results
forecast
(As of Dec. 2024)

Current forecast
(As of June 2025)

Unification of the rent calculation period for variable rent in properties leased by Hoshino Resorts

Details and purpose of the change

- From the fiscal period ending April 2026 (26th FP) onward, the calculation period for variable rent in properties leased by Hoshino Resorts will be unified for both sales-linked and profit-linked rent components.
- While the current rent structure—calculated based on past hotel performance—will remain in place to support stable dividend distributions, the reference period will be revised to the one-year period immediately preceding the start of the relevant fiscal period.
- These changes aim to enhance the transparency of the previously complex rent structure and strengthen its alignment with current business performance.
- Reflecting the favorable recent performance—particularly at *Grand Prince Hotel Osaka Bay*, which benefitted from the Expo—the changes are expected to contribute approximately ¥700 per unit to DPU in the 26th FP, with around ¥560 attributable to the Osaka Bay property alone.



Impact of this change (rent type) (Note 1)

	Properties subject to this change (correlated to AUM ratio 74.8%)				
Lessee	Hoshino Resorts			Outside operator	
Rent type	Fixed rent+ Variable rent (sales) Based on past performance	Fixed rent+ Variable rent (profit) Based on past performance	Variable rent properties Based on past performance	Fixed rent+ Variable rent (profit) Not based on past performance	Fixed rent
Calculation period for variable rent	Referring to actual results from the previous 12 months			reflects real-time performance (Note 2)	-
NO. of properties	5	25	1	31	8
Correlated to AUM ratio	7.1%	60.7%	7.0%	22.0%	3.2%
Subject properties	[HOSHINOYA] Karuizawa, Kyoto [RISONARE] Yatsugatake [Kai] Matsumoto, Ito	[HOSHINOYA] Fuji, Taketomi Island, Okinawa [RISONARE] Atami [KAI] Hakone, Tamatsukuri, Kinugawa, Kaga, Alps, Enshu, Nagato, Kirishima, Beppu, Poroto OMO7 Osaka OMO7 Kochi BEB5 Karuizawa Iriomote Hotel Hotel WBF Grande Asahikawa [ANA Crowne Plaza] 3 Properties hotel androoms Osaka Hommachi Sol Vita Hotel Naha Grand Hyatt Fukuoka	Grand Prince Hotel Osaka Bay	[Roadside] 23 properties [the b] 5 properties Quintessa Hotel Osaka Shinsaibashi Comfort Hotel Takamatsu HOTEL VISTA MATSUYAMA	[Candeo] 5 properties [Comfort Hotel] Hakodate, Tomakomai, Kure

Distribution: Outlook for Recovery to Pre-COVID Levels

Factors Affecting the Forecasted Distribution for the Fiscal Period Ending April 2026 (26th FP)

Hoshino Resorts

Calculation Period for the 26th Fiscal Period: November 2024 – October 2025

We implemented investments in the workforce, including base salary increases. Demand remains steady, and moderate growth is expected.

5 City properties

Calculation Period for the 26th Fiscal Period: November 2024 – October 2025

Against the backdrop of increased demand due to the Expo, Grand Prince Hotel Osaka Bay (hereafter, GP Osaka) is expected to contribute to a distribution increase of approximately 360 million yen in rent (+617 yen per unit). Additionally, the lodging divisions of ANA Crowne Plaza Hotel Hiroshima and Grand Hyatt Fukuoka are performing well.

Lodging-focused

Subject to **seasonality effects** in properties linked to real-time performance.

Financial costs

Considering the interest rate environment, we have appropriately adjusted the refinancing tenor and variable rate ratio to contain the rise in finance costs.

Factors Affecting the Distribution Forecast for the Fiscal Period Ending October 2026 (27th FP)

Calculation Period for the 27th Fiscal Period: May 2025 – April 2026

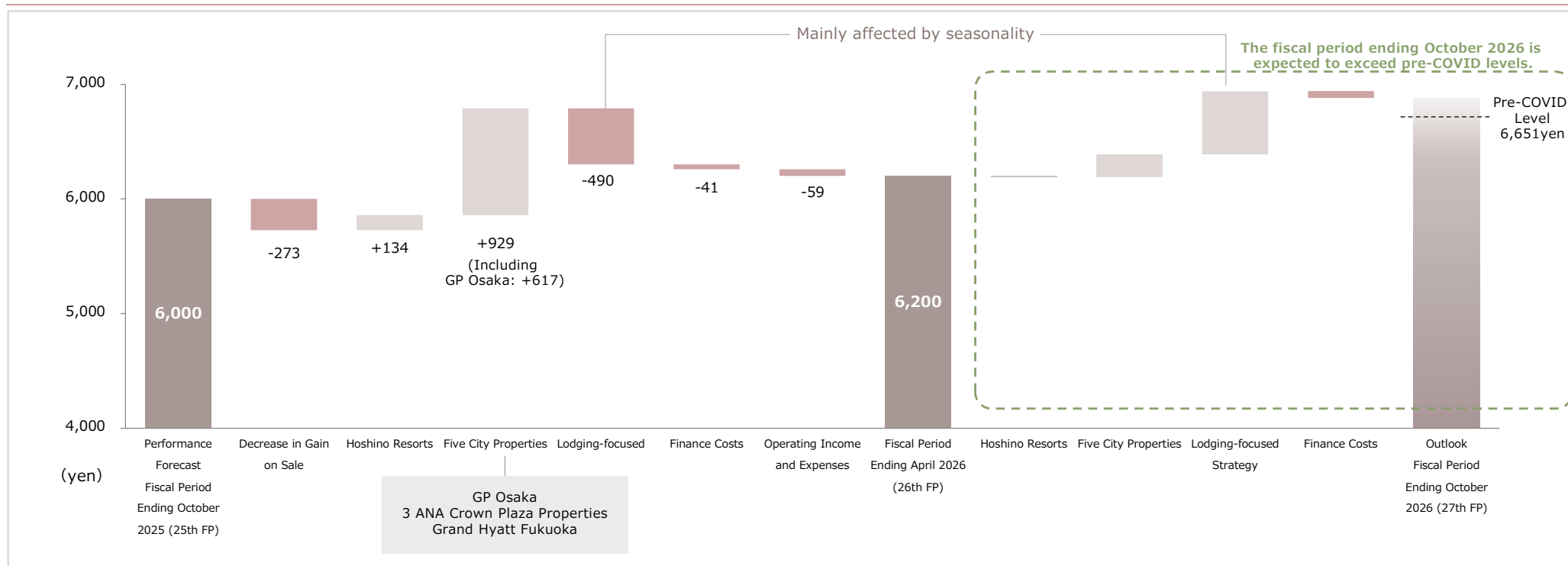
Since the benefits of the operational optimization project are expected in 2026, rent is assumed to remain at **approximately the same level** as the fiscal period ending April 2026. (This mainly impacts the variable rent for the 28th fiscal period.)

Calculation Period for the 27th Fiscal Period: May 2025 – April 2026

The calculation period for rent no longer includes the occupancy restrictions related to the full renovation of GP Osaka's rooms, allowing the strong operational performance to fully contribute.

Mainly expecting an increase due to **seasonality**. In addition, rent growth is anticipated from the rebranding through stabilization of 23 roadside properties.

As with the fiscal period ending April 2026, the refinancing tenor and variable rate ratio will be reviewed in light of the interest rate environment.

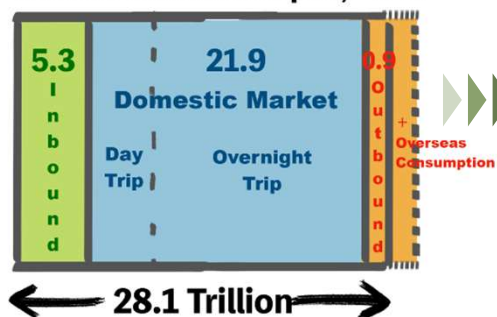


Hoshino Resorts: the 3rd measure on labor

Rising Demand for Lodging and Challenges in the Tourism Industry (Note)

- The travel market expanded from 2023 to 2024, both domestically and internationally
- Increased domestic and inbound demand, with higher unit prices
- Demand is strong, but labor remains a key issue in Japan's tourism industry

Tourism Market in Japan, 2023



Tourism Market in Japan, 2024

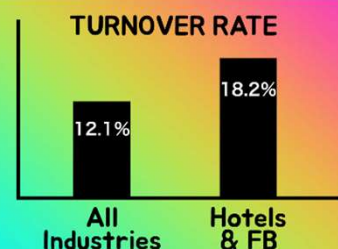


Hoshino Resorts' Measures for Labor

- ① Recruiting Power: Strong hiring capability enables continued recruitment of 500–600 new graduates annually
- ② Turnover Rate: Lower than hotel industry average; now on par with overall industry average. Further reduction targeted
- ③ Necessary Staff Count: Launched "Operation Optimization Project" two years ago — not just to reduce headcount, but to identify truly essential tasks for the company, customers, and employees.

Labor Resource

- ① Recruiting Power
- ② Turnover Rate
- ③ Necessary Staff Count



Impact of Operation

- Operations impact all six key factors — including customer satisfaction, brand strength, and profitability — and involve trade-offs
- We are working to transform our operations to balance these six elements at a higher level



Contents of the Business Optimization Project

- After extensive discussions with representatives from each facility of KAI and HOSHINOYA, a decision was made to reform operation processes.
- At KAI, two summits were held in 2024 and 2025, resulting in more than 22 operational changes. At HOSHINOYA, 20 operational changes are being implemented.

Examples of the changes

Seeing off guests with private cars at check-out

Issue Waving hands to guests automobile until the car disappear is considered a good service. However, it creates staff idle time while guests set their navigation.

Solution For guests departing by private car, the send-off service concludes after assisting with luggage loading and offering a proper farewell.

	Branding	Booking power	C.S.	Physical burden	Psychological burden	Profitability
Conclude the send-off service until setting their luggage	○	—	△	○	○	○
Waving until a guest's private car departs	○	—	○	×	×	△

Breakfast Serving

Issue There were dishes that couldn't fit on the tray, requiring staff to make multiple trips to the kitchen.

Solution Serve all dishes on one trip to guests table. Change dishes and tray to achieve it.

	Branding	Booking power	C.S.	Physical burden	Psychological burden	Profitability
One-line Service	○	○	△	×	○	○
Two-line Service	○	○	○	×	△	○

Projected Staffing After Operational Optimization (Example)

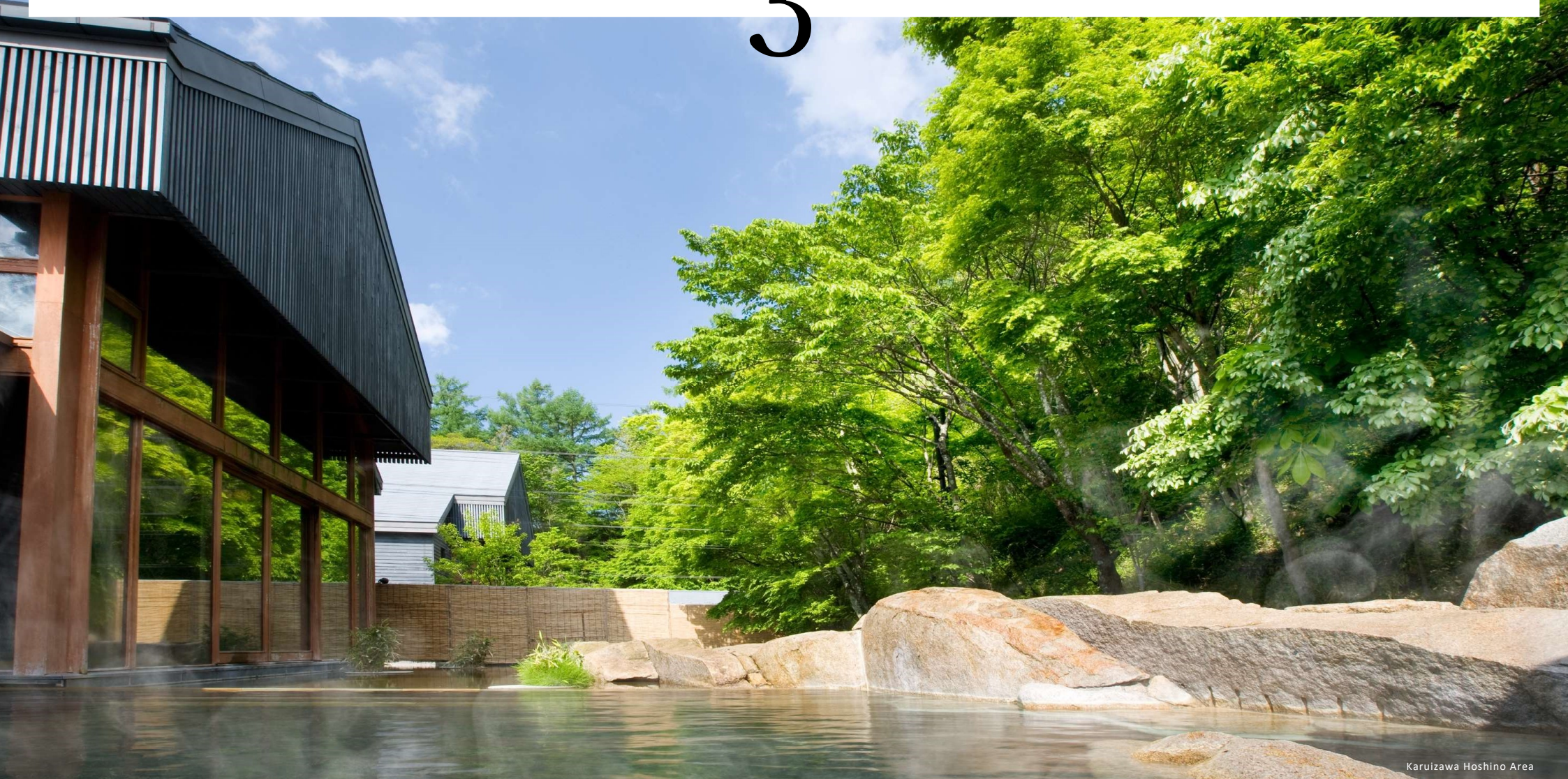
Changes in Head Counts of a resort hotel

	2025	2026
Full Time	98	80
Part Time	23	18
Total	121	98

Actual Case

CHAPTER

3



Karuizawa Hoshino Area

Operational topics for this term

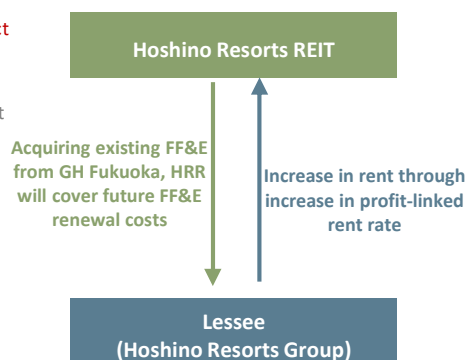
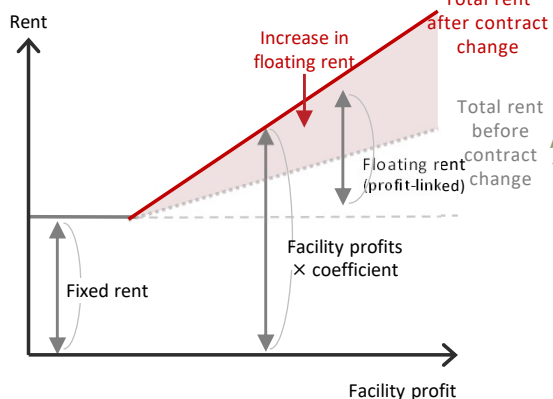
Changes in rent design for owned assets (1) Grand Hyatt Fukuoka (disclosed on March 18, 2025)

Increase floating rent ratio for Grand Hyatt Fukuoka (hereinafter GH Fukuoka)

- In order to enable flexible investment that captures demand in the thriving Fukuoka market, change the FF&E burden to HRR
- In addition, by raising the rate of profit-linked rent, change the rent structure to allow HRR to enjoy greater upside in floating rent (until fiscal period ending April 2029)

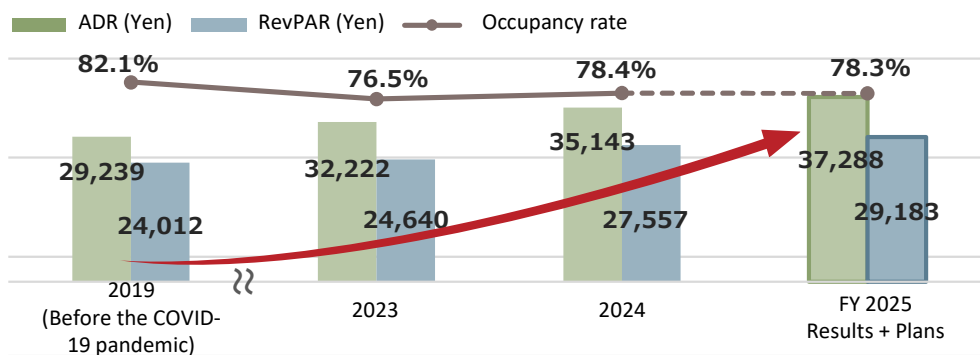


Conceptual image of rent design change



Track records of operation

- 2025 results and plans see strong growth of **ADR by 27.5%** and **RevPAR by 21.5%**, compared with pre-COVID-19 levels (2019)
- The Fukuoka market has been performing well in recent years, exceeding expectations at the time of acquisition, and Grand Hyatt Fukuoka is expected to continue seeing favorable operating results



Strategic CAPEX to Seize Growth Opportunities

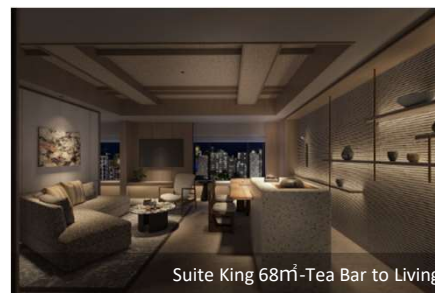
2023 Grand Club™ Renewal

- A new lounge experience in Fukuoka's finest space



2025: Increase number of guest rooms on the club floor (introduce a new guest room category that is distinct from existing rooms)

- Aim to increase rental income by growing the number of guest rooms for improving ADR. In addition, make the introduction of a new room category be a test case for the renovation concept for existing rooms
- The guest room design follows the classic luxury of Grand Hyatt, while creating a relaxing, natural and residential feel suitable for medium- to long-term stays



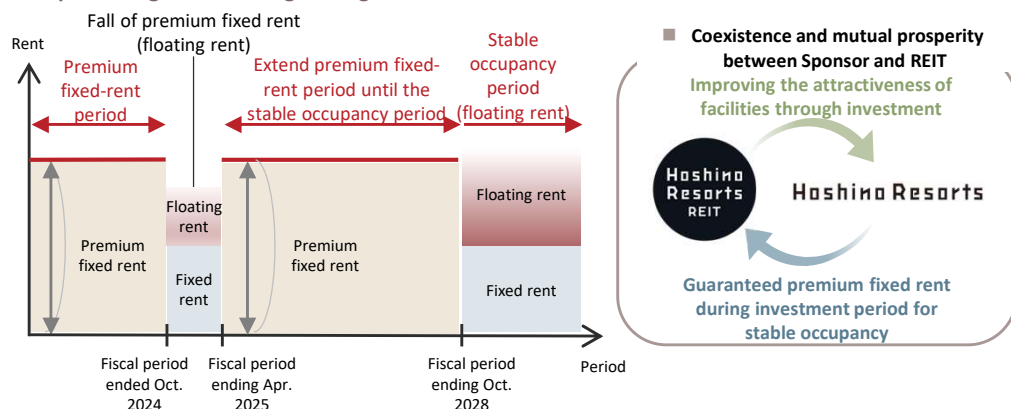
Changes in rent design for owned assets (2) HOSHINOYA Okinawa (disclosed on March 18, 2025)

Re-establish premium fixed-rent period for HOSHINOYA Okinawa

- Strengthen the stability of rental income through resetting the premium fixed-rent period until the fiscal period ending October 2028
- Aim to achieve the operational results we had anticipated at the time of acquisition, by implementing drastic operational improvements and CAPEX investments in the accommodation and food and beverage sectors during this period



Conceptual image of rent design change



Impact of the investment in these initiatives on KPI

Plan (Dec. 2024 to Nov. 2025)		Target (Jun. 2027 to May 2028)	
Occupancy rate	79%	80%	
ADR	68,298 yen	84,000 yen	
RevPAR	53,759 yen	67,200 yen	
Rent Calculation GOP	846 million yen	1,419 million yen	
Annual rent	614 million yen	980 million yen	
Number of visitors to BANTA CAFE	227,759 people	400,000 people	
Number of visitors to OLU Grill	42,468 people	67,164 people	

Initiatives to strengthen the operational capabilities

- Aim for medium- to long-term profit growth through investment focusing on differentiating the facility's attractiveness regardless of the market environment in Okinawa, attracting the wealthy, and strengthening the food and beverage sector
- Through the following measures, aim to **increase ADR by 16,000 yen**, and attract **400,000 customers per year to BANTA CAFE**, and **67,000 customers per year to OLU Grill**



Specific examples of measures for 2025 and beyond (Note)

Creating a path from the guest room terrace to the beach

- Increasing the average daily rate by creating a unique stay experience at HOSHINOYA Okinawa

Installation of a heliport

- Attracting wealthier customers by fostering a sense of luxury and quality
- Increased occupancy rate of the top-class suite Tida

Construction of a management road on the seaside of the guest room building

- Reduction in construction costs for large-scale repairs and maintenance costs for daily operations

Accommodation sector

Traffic circle improvement, kitchen expansion and function enhancement for BANTA CAFE & OLU Grill

- Increased customer numbers by strengthening reception of day-trip tour groups

Interior change of OLU Grill

- Increase more customers including visitors other than hotel guests by renovating the interior to embody the concept

Expanding the guest area at BANTA CAFE

- Increase customers by improving capacity shortage and adding attractiveness

Food and beverage sector

Improving yields through asset replacement, etc. in cooperation with sponsors (disclosed on April 18, 2025)

Replacement of problematic properties with high-yield properties

Asset transferred (Transferred to Hoshino Resorts)		Assets acquired (Assets covered by initiatives with Hoshino Resorts)	
		 	
OMO7 Asahikawa		Hotel WBF Grande Asahikawa	OMO7 Kochi (Return of rebranding security deposit)
Please refer to the next page for details on the security deposit.			
4,785 million yen	Transfer/ acquisition/etc. price	3,000 million yen	1,923 million yen
1.2% (Estimate for the 25th Period)	NOI yield after depreciation ^(Notes 1, 2)	6.2% (Based on appraisal report) [6.6% (Based on actual results)]	4.0% (Assumed yield)
4,610 million yen	Real estate appraisal value	3,540 million yen	-
March 1994	Completion date	July 2015	June 2024 Renovation
• Premium fixed rent up to 23rd Period • Fixed + variable from 24th Period	Rent design	Fixed + variable	• Premium fixed rent for 5-year period • Fixed + variable thereafter
Hoshino Resorts	Operator	Hoshino Resorts	Hoshino Resorts

Circumstances Leading to Asset Replacement

Additional investment and some time are forecast to be needed following discussions with Hoshino Resorts to improve the yields of OMO7 Asahikawa. The issue was examined alongside measures to help dramatically improve Hoshino Resorts' balance sheet.

Based on this, the idea arose to conduct an asset replacement with Hotel WBF Grande Asahikawa, which is held by Hoshino Resorts and has a strong track record. At the same time, Hoshino Resorts also emphasized the balance of funds accompanying the acquisition and transfer upon the replacement.

Hoshino Resorts simultaneously began considering the return of the security deposit equivalent to the amount of the rebranding work that Hoshino Resorts paid to HRR upon the rebranding of OMO7 Kochi.

HRR concluded that if rent has been designed so it is possible to benefit from having premium fixed rent for the five-year period until occupancy stabilizes at OMO7 Kochi plus future upside, together with Hotel WBF Grande Asahikawa, it would lead to an improvement in the yield of the portfolio, and could therefore be approached as an integrated transaction.

Asset acquired: Hotel WBF Grande Asahikawa

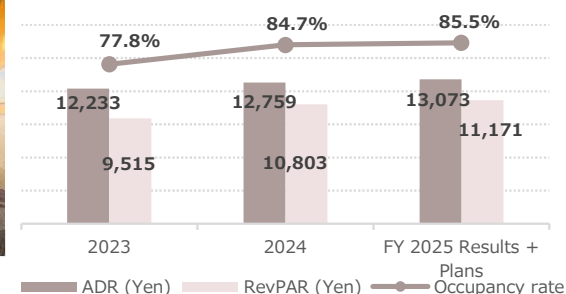


- Convenient location, 5 types of guest rooms suitable for a wide range of people/120 guest rooms offered
- Furthermore, the hotel offers high added value in the form of a rare natural hot spring in the vicinity of Asahikawa Station and sauna/several types of bedrock baths, giving it an edge over competing facilities
- Acquisition at a bargain price of 85% of the appraisal value

Acquisition date: May 1, 2025

Track records of operation

- RevPAR +17.4% over 2023



Large communal bath



Sauna



Tennoyu Bedrock Bath

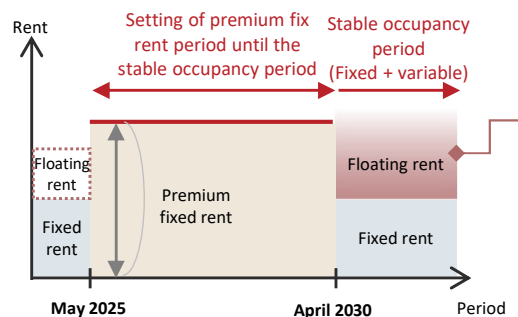
Rent Design Changes Intended to Increase Rents (OMO7 Kochi, 5 the b properties) (disclosed on April 18, 2025)

Change in rent design due to the return of security deposit upon OMO7 Kochi's rebranding

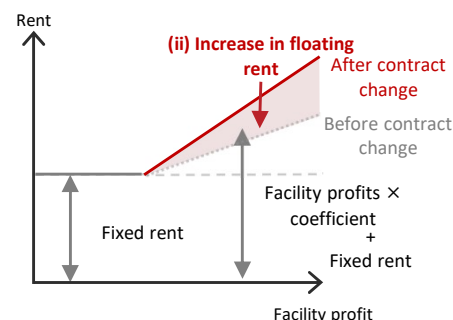
- Investment pertaining to rebranding will be executed by HRR through Hoshino Resorts, the lessee, contributing the amount equivalent to the investment as a security deposit
- Upon the return of the security deposit in question by HRR, the rent design will be changed as follows
 - Setting of premium fixed rent until stable occupancy (five-year period), taking into account operating conditions in the immediate term
 - Floating rent rate from that point will be raised above conventional level

Conceptual image of rent design change

(i) Setting of premium fixed rent until the stable occupancy period

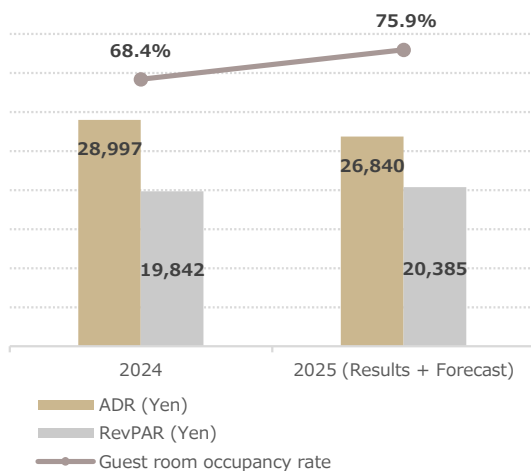


(ii) Raising of floating rent rate after the end of the premium fixed-rent period



Track records of operation

- RevPAR **+2.7%** YoY
- Since the rebranding, the accommodation and banquet business has been in line with the plan for stable occupancy



Rent increase due to rent design changes for the b5 properties

Background to Initiatives (Note)

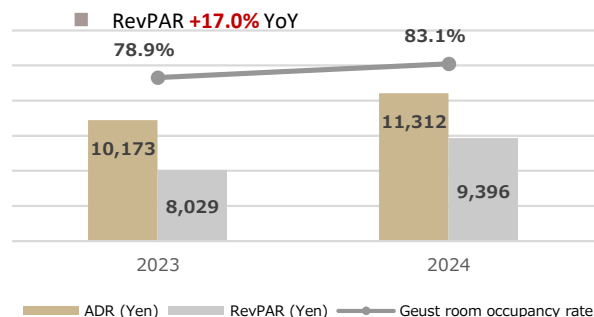
4 the b properties

- Akasaka
- Sangenjaya
- Nagoya
- Kobe

Asakusa

- Ishin, which has undertaken a hotel management contract from Hoshino Resorts, the current lessee of 4 the b properties, approached HRR to acquire the leasehold right in order to increase the probability of continuing operation. In return for the change of the lessee to Ishin, a rent increase will be realized. (Rent increases will mainly take place in the fiscal periods ending Oct. 2025 and Apr. 2026.)
- Will change from a floating rent design linked to past performance to a design that reflects real-time performance starting from the fiscal period ending Oct. 2025
- In doing so, will incorporate the current favorable situation with accommodation demand into rents in a timely manner
- Accelerating the timing of rent increase for step rent
- Increasing the standard amount for profit-linked variable rates

Track records of operation at 4 the b properties (Akasaka/Sangenjaya/Nagoya/Kobe)

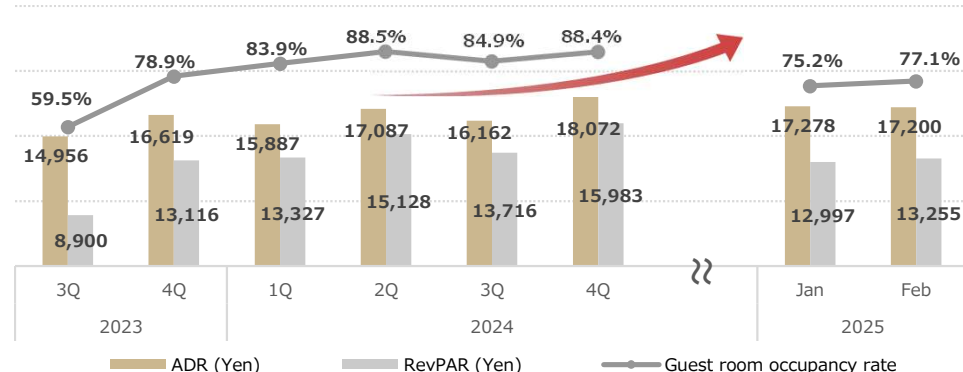


the b hotels



Track records of operation at the b asakusa

- RevPAR has **grown significantly beyond expectations** since acquisition (July 2023)



Realization of capital gains that contribute to higher dividends and asset replacement with high-yield properties (disclosed on April 18, 2025)

Realization of Capital Gains and Replacement with High-yield Properties

- KAI Aso: Realization of capital gains on property where capital expenditure efficiency is an issue
- Comfort Inn Niigata Kameda: Acquisition of roadside hotel with high yield and stable track record of operation

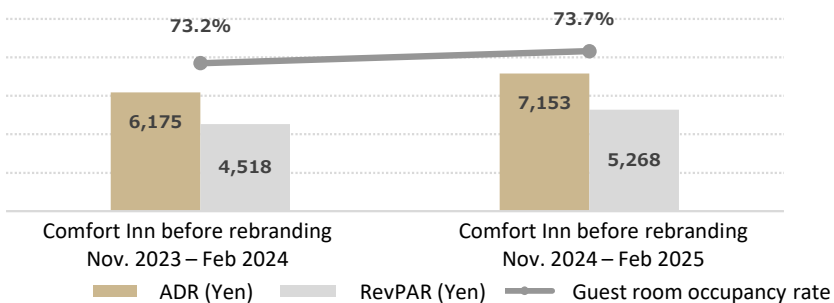
Realization of 154 million yen of gain on sale Distribution in full in the fiscal period ending Oct. 2025

Asset transferred (Transfer to a third party)		Asset acquired (Operator-owned asset)
		
KAI Aso		Comfort Inn Niigata Kameda
774million yen	Transfer/ acquisition price	422 million yen
6.1% (Estimate for the 25th Period)	NOI yield after depreciation	6.1% (Based on appraisal report) [5.79%(Based on actual results)]
774 million yen	Real estate appraisal value	475 million yen
April 2006	Completion date	August 2002
Fixed + variable	Rent design	Fixed + variable
Hoshino Resorts	Operator	Greens Co., Ltd. ("Greens")

Track records of operation for 22 roadside properties

(Comfort Inn Niigata Kameda is not included)

- Continued steady earnings growth after rebranding
- RevPAR **+16.6%** YoY



Asset acquired: Comfort Inn Niigata Kameda

- Located favorably close by the Niigata Kameda Interchange, Kameda Industrial Park and sports facilities such as a stadium, and will continue steadily operation while capturing demand for business and leisure activities
- Acquisition of properties that will contribute to the expansion of the roadside hotel business, which HRR and Greens have agreed to with the aim of expanding the business nationwide by 2030



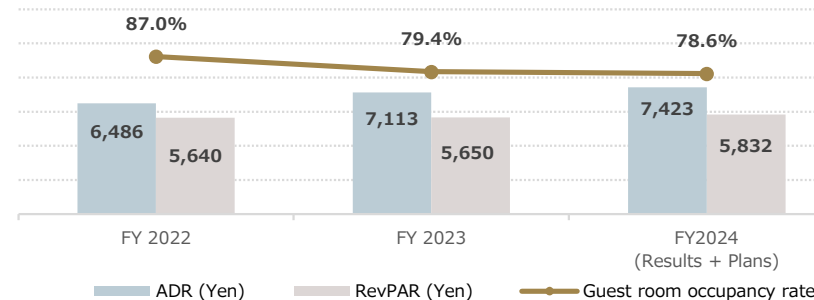
Acquisition date:

May 1, 2025

Track record of operation

(Fiscal Year: July to June of following year)

- RevPAR **+3.2%** YoY

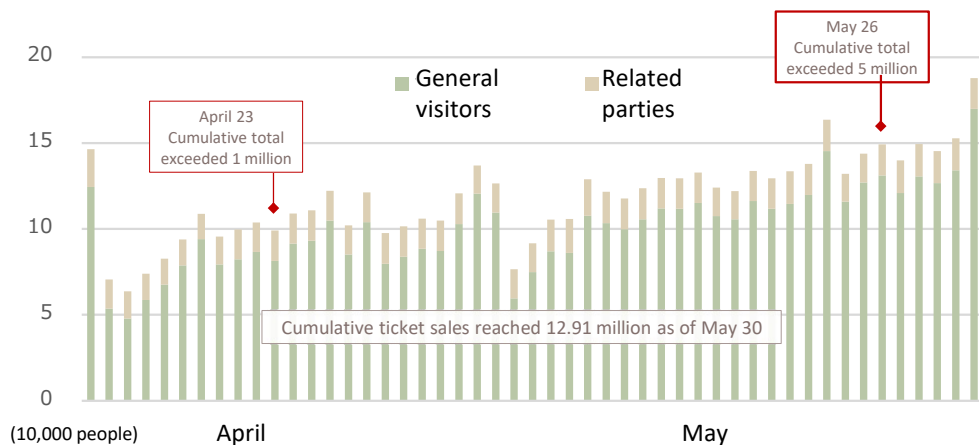


Impact of the opening of the Osaka/Kansai Expo and movements in the Osaka market toward sustainable growth

Visitor number trends at the Osaka/Kansai Expo

After opening on April 13, the number of visitors exceeded 5 million as of the end of May. Visitor numbers are steadily increasing toward the projected total of approximately 28.2 million.

In addition, according to a survey conducted by the Japan Association for the 2025 World Exposition, about 80% of visitors in April responded that they were "satisfied."

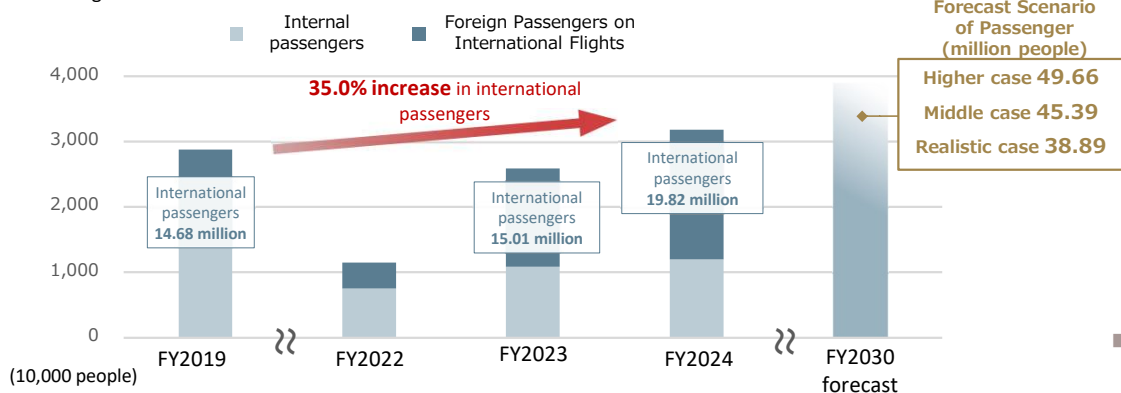


(Source) Prepared by the Asset Management Company based on "Number of visitors and admission ticket sales" announced by the Japan Association for the 2025 World Exposition
(General visitor numbers were calculated by HRR by subtracting the number of related parties from the total number of visitors announced by the association)

Osaka Prefecture market

Passenger number trends at Kansai International Airport

In FY2024, the number of foreign passengers increased by **5.14 million** compared with FY2019, indicating growing inbound demand. To accommodate future increases in passengers, a large-scale renovation is currently underway, including enhancements to terminal functions.



(Source) Prepared by the Asset Management Company based on "Monthly performance summary," "Cumulative operational overview," "Interim report by the study committee on future air traffic demand at Kansai International Airport" and "KIX / ITAMI / KOBE Traffic Report for March 2025" published by Kansai Airports

Operational status of properties in the Osaka area (Note)

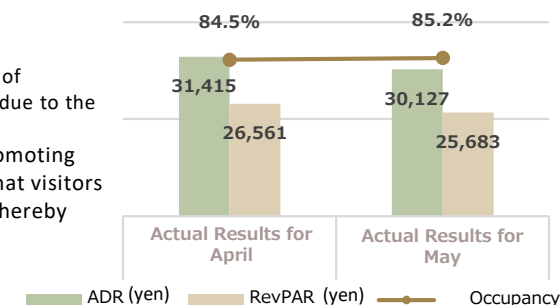
Grand Prince Hotel Osaka Bay

- Backed by demand from the Osaka/Kansai Expo, the actual performance in April and May significantly exceeded the assumed ADR.
- Due to the early achievement of targets, **approximately 360 million yen in rent is expected to be generated in the FP ending April 2026 (26th FP).**

	Actual Results for April			Actual Results for May		
	2024	2025	Year-over-year comparison	2024	2025	Year-over-year comparison
Occupancy	61.6%	78.0%	+16.4pt	58.6%	77.6%	+19.0pt
ADR(yen)	19,330	25,354	+31.1%	20,598	29,366	+42.6%
RevPAR(yen)	11,899	19,770	+66.1%	12,079	22,788	+88.7%

OMO7 Osaka

- Since the latter half of April, the number of international guests has been increasing due to the impact of the Osaka/Kansai Expo.
- As a bronze partner responsible for promoting the Expo, we are developing content that visitors can enjoy before and after their visit, thereby generating lodging demand.



Enhancing Osaka's appeal with a view beyond the Expo

The Yumeshima Urban Development Plan

Phase 1 Area: Urban development centered around an Integrated Resort (IR)

Scheduled to open around autumn 2030, the project aims to make tourism a core industry by developing a world-class, growth-oriented Integrated Resort (IR), thereby contributing to sustained economic growth and enhanced international competitiveness in the Kansai region.

Phase 2 Area: Urban development that carries on the legacy and vision of the Expo

Following the Osaka-Kansai Expo, the site will be developed in coordination with the Integrated Resort (IR), promoting the introduction of entertainment and recreational functions to strengthen its role as an international tourism hub and attract a greater number of visitors.

Universal Studios Japan – new area scheduled to open

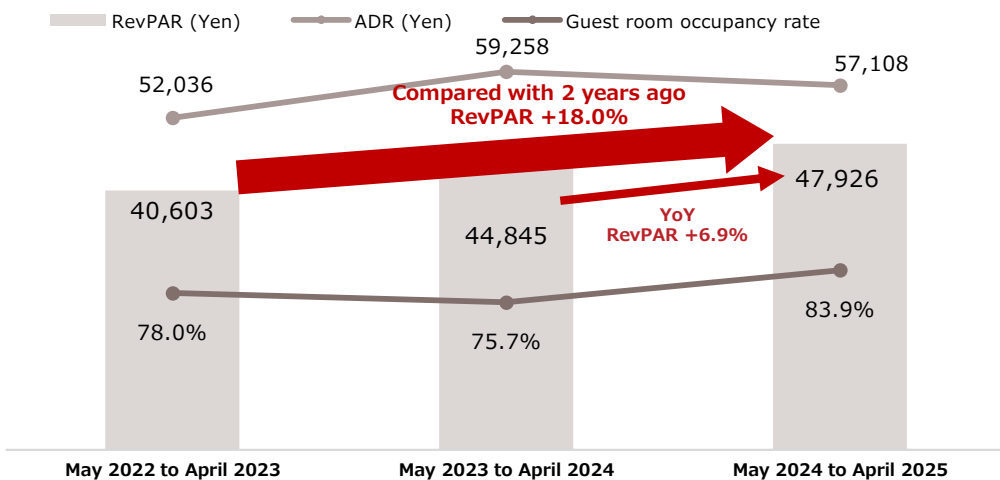
In summer 2025, the park plans to expand the experimental area of "Minion Park"—featuring the popular Minions beloved by a wide range of people both in Japan and abroad.



Source: MGM Osaka Corporation

Operating results summary by brand (changes over the last three years)

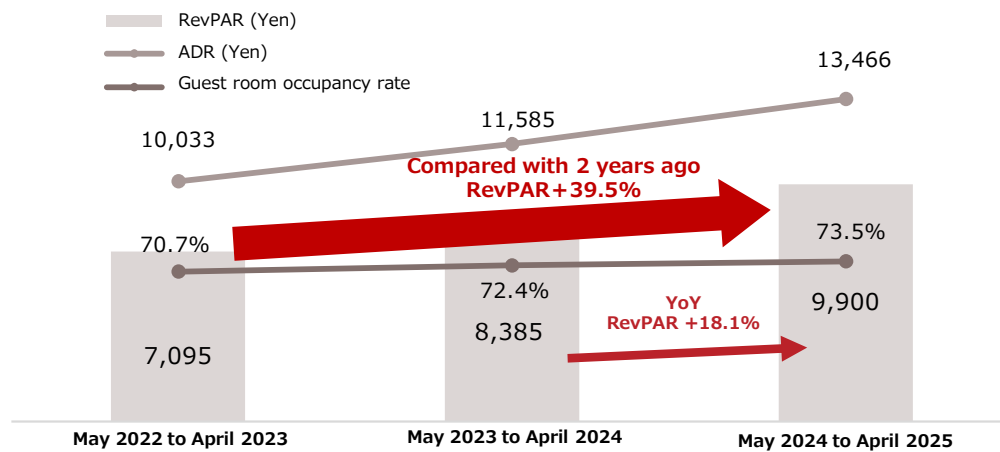
Total properties operated by Hoshino Resorts (Note 1)



		2022/5 to 2023/4 (1)	2023/5 to 2024/4 (2)	2024/5 to 2025/4 (3)	Compared with 2 years ago (3)-(1)	Compared with the previous year (3)-(2)
4 HOSHINOYA properties	Guest room occupancy rate	77.3%	73.4%	86.5%	+9.2 pt	+13.1 pt
	ADR (Yen)	89,203	93,378	90,562	+1,359	-2,816
	RevPAR (Yen)	68,925	68,550	78,377	+9,452	+9,827
2 RISONARE properties	Guest room occupancy rate	78.2%	78.8%	78.7%	+0.5 pt	-0.1 pt
	ADR (Yen)	66,878	69,760	67,445	+567	-2,315
	RevPAR (Yen)	52,297	54,947	53,068	+771	-1,879
11 KAI properties	Guest room occupancy rate	82.5%	78.4%	89.0%	+6.5 pt	+10.6 pt
	ADR (Yen)	44,440	46,172	45,508	+1,068	-664
	RevPAR (Yen)	36,677	36,176	40,524	+3,847	+4,348
OMO7 Kochi (Note 2)	Guest room occupancy rate	68.5%	58.0%	73.1%	+4.6 pt	+15.1 pt
	ADR (Yen)	10,258	12,915	24,562	+14,304	+11,647
	RevPAR (Yen)	7,023	7,489	17,951	+10,928	+10,462

Including rebranding period

Total of major properties operated by outside operators (Note 1)



		2022/5 to 2023/4 (1)	2023/5 to 2024/4 (2)	2024/5 to 2025/4 (3)	Compared with 2 years ago (3)-(1)	Compared with the previous year (3)-(2)
3 ANA Crowne Plaza properties	Guest room occupancy rate	67.3%	71.8%	73.1%	+5.8 pt	+1.3 pt
	ADR (Yen)	11,201	13,729	14,232	+3,031	+503
	RevPAR (Yen)	7,538	9,855	10,402	+2,864	+547
Grand Prince Hotel Osaka Bay (Note 3)	Guest room occupancy rate	41.3%	46.3%	47.8%	+6.5 pt	+1.5 pt
	ADR (Yen)	18,687	19,488	20,675	+1,988	+1,187
	RevPAR (Yen)	7,724	9,018	9,882	+2,158	+864
Including renovation period						
22 Roadside properties	Guest room occupancy rate	75.9%	75.7%	75.7%	-0.2pt	0.0pt
	ADR (Yen)	6,309	6,371	7,459	+1,150	+1,088
	RevPAR (Yen)	4,788	4,822	5,645	+857	+823
Including rebranding period						
4 the b properties	Guest room occupancy rate	80.8%	79.3%	83.1%	+2.3 pt	+3.8 pt
	ADR (Yen)	8,556	10,463	11,590	+3,034	+1,127
	RevPAR (Yen)	6,916	8,299	9,627	+2,711	+1,328
Grand Hyatt Fukuoka	Guest room occupancy rate	68.1%	75.5%	80.6%	+12.5 pt	+5.1 pt
	ADR (Yen)	28,179	33,494	35,915	+7,736	+2,421
	RevPAR (Yen)	19,196	25,273	28,954	+9,758	+3,681



Please refer to "Hotel Operational Results Data" for monthly operating results for individual properties.

<https://www.hoshinoresorts-reit.com/en/ir/library.html>

Inbound tourism ratio

Hoshino Resorts maintains an exceptionally **high direct booking ratio of over 60%** for both domestic and inbound guests—an industry-leading level. The Asset Management Company believes this reflects Hoshino Resorts' **strong customer attraction capabilities both in Japan and overseas**. Leveraging the strength of its direct channels, the corporation aims to achieve sustainable medium- to long-term growth by continuing to capture diverse customer needs.

Properties operated by Hoshino Resorts

Name of property	Before COVID-19		Compared with the same period in 2019
	May 2018 to April 2019	May 2024 to April 2025	
HOSHINOYA Karuizawa	34.6%	38.2%	+3.6 pt
HOSHINOYA Kyoto	55.0%	66.1%	+11.1 pt
HOSHINOYA Fuji	50.2%	71.7%	+21.5 pt
HOSHINOYA Taketomi Island	7.7%	7.3%	-0.4 pt
HOSHINOYA Okinawa	-	39.3%	-
RISONARE Yatsugatake	1.1%	0.8%	-0.2 pt
RISONARE Atami	2.2%	3.2%	+1.0 pt
KAI Matsumoto	6.1%	13.9%	+7.8 pt
KAI Tamatsukuri	3.4%	5.6%	+2.2 pt
KAI Ito	5.0%	10.8%	+5.8 pt
KAI Hakone	18.1%	18.5%	+0.5 pt
KAI Kinugawa	4.8%	14.4%	+9.6 pt
KAI Kaga	4.1%	7.5%	+3.4 pt
KAI Alps	6.5%	16.1%	+9.6 pt
KAI Enshu	-	5.3%	-
KAI Nagato	-	5.7%	-
KAI Kirishima	-	16.1%	-
KAI Beppu	-	26.6%	-
KAI Poroto	-	34.6%	(Note 1) -
OMO7 Kochi	-	6.4%	(Note 1) -
OMO7 Osaka	-	42.5%	(Note 1) -
Iriomote Hotel	-	1.4%	-
BEB5 Karuizawa	-	9.0%	-
Sub-total	13.0%	21.1% (17.6%)	+8.2 pt (+4.6 pt)

Properties operated by outside operators

Name of property	Before COVID-19		Compared with the same period in 2019
	May 2018 to April 2019	May 2024 to April 2025	
22 Roadside Properties (Note 2)	1.1%	1.1%	+0.0 pt
ANA Crowne Plaza Hiroshima	27.8%	27.3%	-0.4 pt
ANA Crowne Plaza Kanazawa	23.5%	25.6%	+2.1 pt
ANA Crowne Plaza Toyama	21.2%	23.2%	+2.0 pt
Grand Prince Hotel Osaka Bay (Note 3)	58.1%	39.0%	-19.1 pt
Grand Hyatt Fukuoka	-	52.6%	+52.6 pt
the b akasaka	52.3%	68.6%	+16.3 pt
the b sangenjaya	13.1%	15.6%	+2.5 pt
the b nagoya	42.8%	56.4%	+13.6 pt
the b kobe	28.2%	24.8%	-3.3 pt
the b asakuka	-	94.9%	+94.9 pt
hotel androoms Osaka Hommachi	70.4%	37.7%	-32.7 pt
Sol Vita Hotel Naha	-	8.9%	+8.9 pt
Quintessa Hotel Osaka Shinsaibashi	88.1%	91.1%	+3.0 pt
Sub-total	20.8%	27.0% (21.8%)	+6.2 pt (+1.1 pt)
Total	19.7%	25.0% (20.5%)	+5.3 pt (+0.8 pt)

Figures in parentheses are ratio limited to properties acquired before COVID-19

Hoshino Resorts' initiatives to expand domestic and international demand

Development of Hoshino Resorts' brand strategy

Fit between activities



Expanding the strategy overseas

- Developing Unique Appeal for Each Property
- Building a Media Network
- Establishing a Seamless Path to Direct Bookings

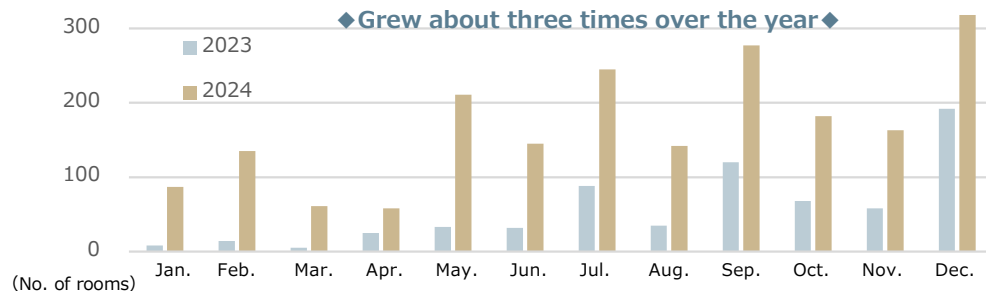
Steady capture of demand in overseas markets

A holistic approach to enhancing PR and the path to purchase

- Building on the unique appeal of each property — the foundation of both our operations and brand strategy — we regularly hold press events overseas.
- We are progressively strengthening media relations and launching exclusive tie-up campaigns with local partners.
- In Asia, we have initiated brand awareness surveys and are developing a dedicated PR strategy for international markets. Through ongoing media exposure and the in-house development of our direct booking platform, we aim to establish a comprehensive customer journey.
- In South Korea, where there is significant potential for brand awareness growth, we are strengthening media relations to drive demand expansion.



Occupancy Trends at HOSHINOYA Okinawa (Korean Guests)



Renewal of the brand logo "Connecting people around the world through travel"

- HOSHINOYA, celebrating its 20th anniversary, received feedback from an image survey of international audiences, with some associating the brand with countries beyond Japan.



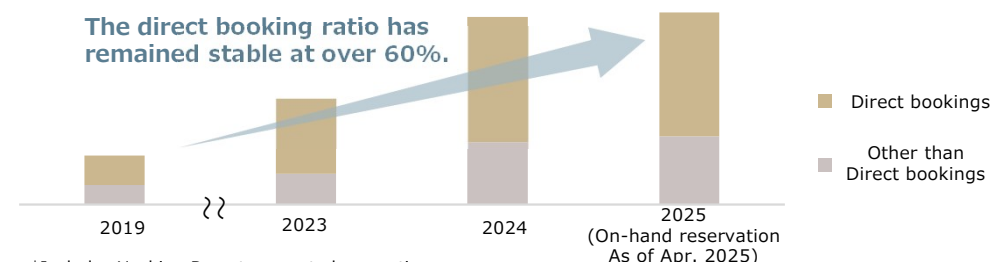
- Reflecting the concept of hospitality that weaves local climate, history, and culture to create the best possible moments, we have adopted the traditional Japanese symbol Meyui-mon as our new logo design—symbolizing "connection."

Increase in sales from inbound demand across all Hoshino Resorts properties

- Since 2019, inbound revenue has increased significantly.
- As of on-hand reservations in April 2025, inbound revenue has already exceeded the actual results of 2024.

Room revenue from inbound guests

The direct booking ratio has remained stable at over 60%.



*Includes Hoshino Resorts-operated properties other than those owned by the REIT.

Summary of real estate appraisal amount, etc.

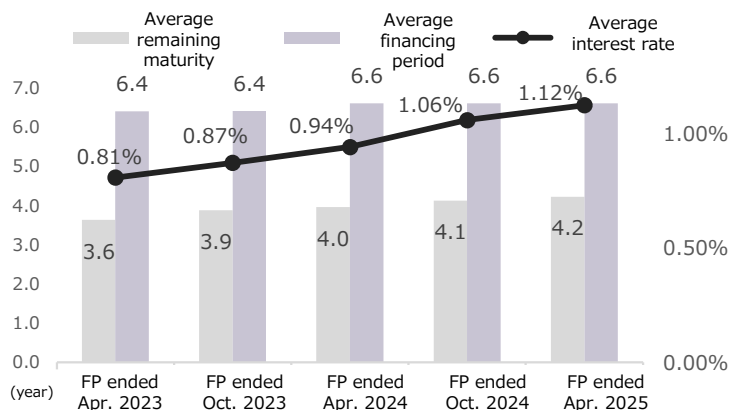
	Real estate appraisal amount, etc.			Key factors
	End of 24 th FP (Unit: million yen)	VS. previous FP (Unit: million yen)		
Total of 70 properties	267,520	+4,856	+1.8%	
Total for properties operated by the Hoshino Resorts	142,011	+3,477	+2.5%	
5 HOSHINOYA Properties	40,790	-430	-1.0%	HOSHINOYA Taketomi Island: Decrease in operating revenue due to suspension of bridal services RISONARE Yatsugatake: Increase in operating revenue due to strong performance KAI Beppu: Increase in operating revenue due to strong performance, decrease in cap rate OMO7 Kochi: Impact of Security Deposit Refund
2 RISONARE Properties	14,140	+50	+0.4%	
13 KAI Properties ^(Note 1)	37,401	+1,257	+3.5%	
3 OMO Properties	43,880	+2,590	+6.3%	
Hoshino Resorts Others	5,800	+10	+0.2%	
Total for properties operated by outside operators	125,509	+1,379	+1.1%	
Full-service hotels	52,440	+30	+0.1%	Grand Prince Hotel Osaka Bay: Impact of sales suspension due to guest room renovations the b asakusa: Increase in operating revenue due to strong performance, decrease in cap rate Comfort Inn: Impact of closure due to rebranding
Hotels that specialize in accommodation	51,915	+1,579	+3.1%	
Roadside properties ^(Note 2)	21,154	-230	-1.1%	
Unrealized profit	34,818	+4,788	+15.9%	

Enhancing risk management and financing strategies in a rising interest rate environment

Recognition of the external environment

- ✓ Increase in interest costs due to the Bank of Japan's policy rate hike
- ✓ While interest rates may fluctuate due to factors such as U.S. tariff policy, they are expected to continue rising overall.

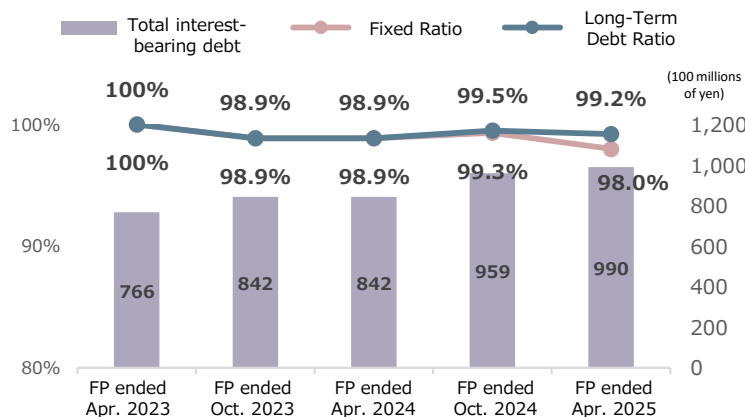
Change in procurement conditions



Recognition of the external environment

- ✓ By locking in long-term fixed rates, interest rate fluctuation risks are minimized, enabling financial management that prioritizes stability.

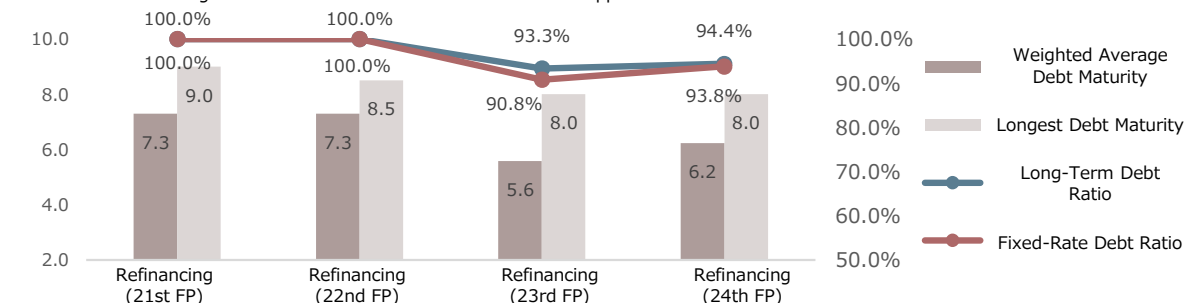
Trends in Fixed Ratio and Long-Term Ratio (Note 1)



Financial management strategy based on the current environment

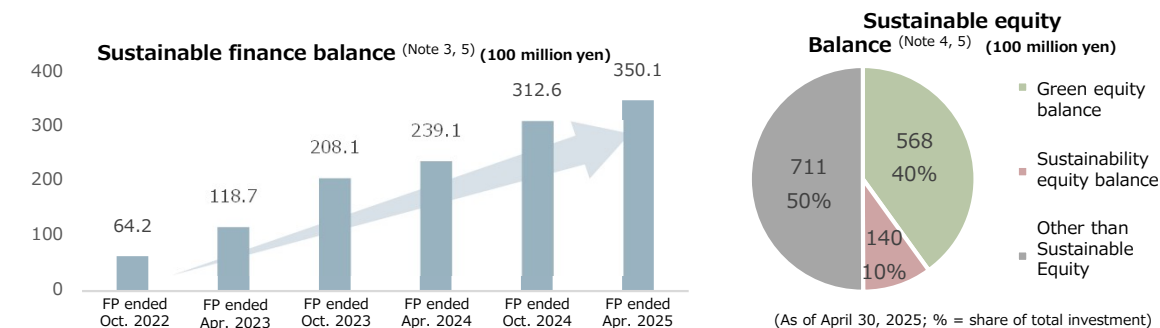
Considering shorter-term and variable-rate option while maintaining a basic policy of long-term fixed-rate financing

While maintaining a basic policy of long-term fixed-rate financing, appropriately adjusting funding maturities and the proportion of variable-rate borrowing based on the interest rate environment to suppress increases in financial costs.



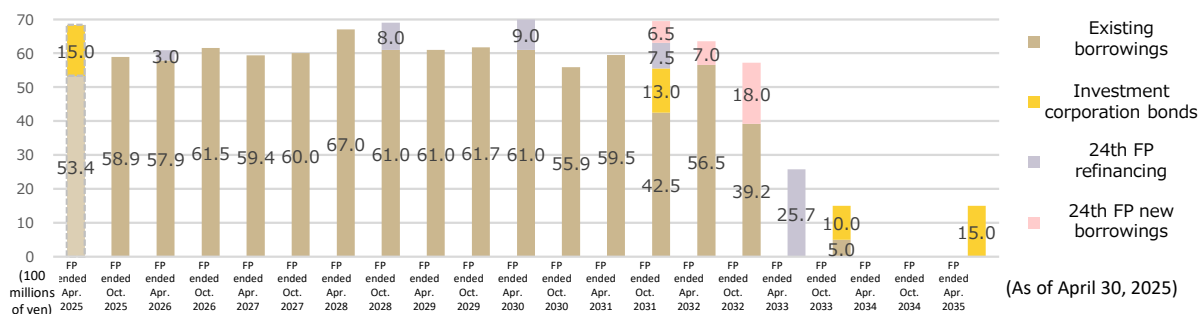
Utilizing sustainable finance

Controlling interest costs by leveraging ESG financing through programs such as the Bank of Japan's climate response operations (Note 2)



Diversifying the timing of loan repayment

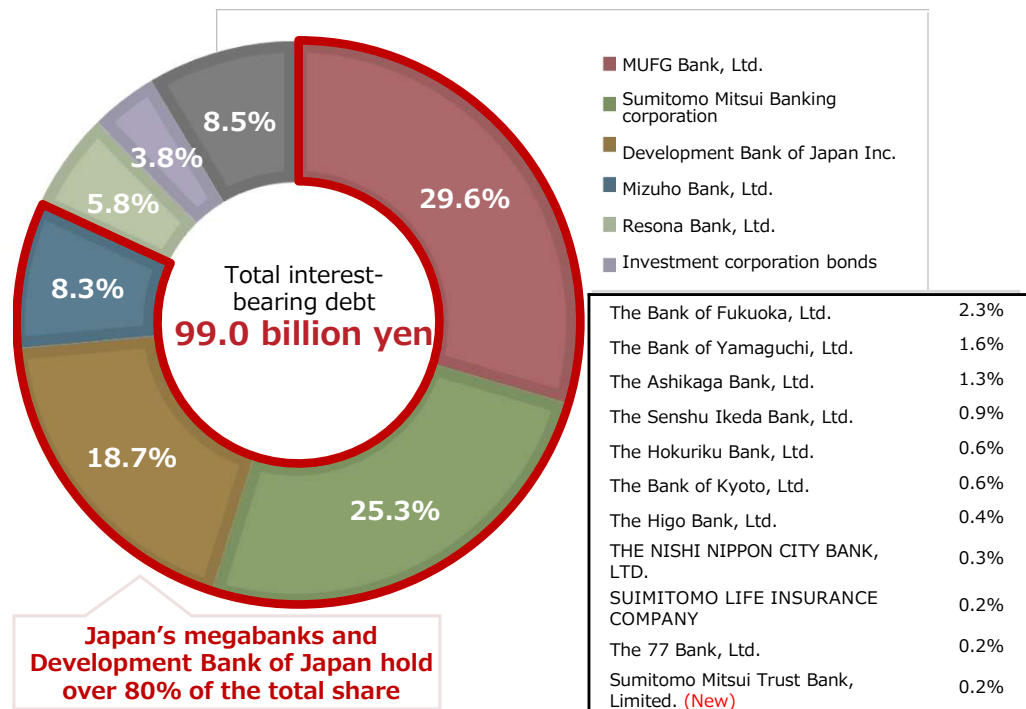
Continuing to stagger debt repayment schedules to strengthen resilience against rising interest rates while minimizing refinancing risk



Stable financial base and financial stability

Lender formation (as of April 30, 2025)

- ✓ While maintaining over 80% of our borrowing share with megabanks and the Development Bank of Japan, **we have invited Sumitomo Mitsui Trust Bank as a new lender to further enhance our lender formation.**



Commitment line

- ✓ In light of the long-term stable bank formation maintained even during the COVID-19 pandemic, **we reduced the commitment line to lower financing-related costs**

Before change
(To May 1, 2025)

6.0 billion yen

After change
(From May 2, 2025)

3.0 billion yen

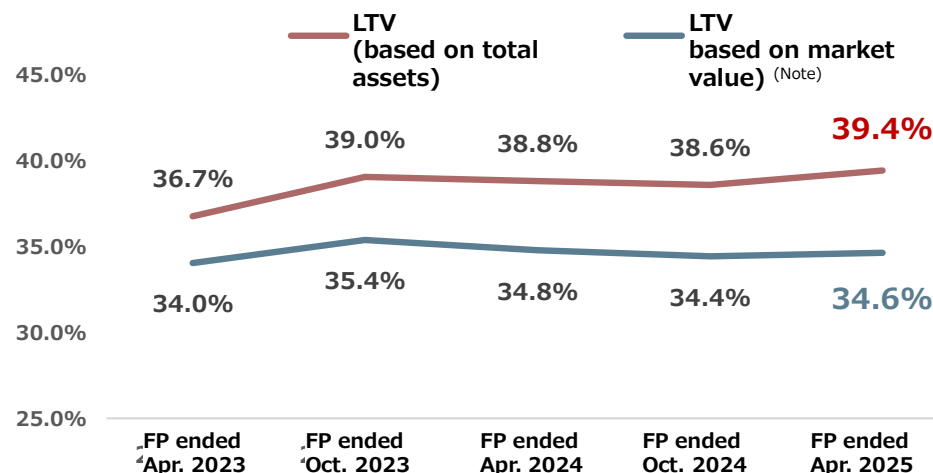
Maximum borrowing limit

Lenders

MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Resona Bank, Ltd.

LTV trends

- ✓ By maintaining a low LTV level, we ensure both financial soundness and flexibility in property acquisitions.



Status of credit ratings, etc.

[Long-term issuer/issuer rating]

Japan Credit Rating Agency, Ltd. (JCR)

Long-term issuer rating
A+ (stable)

Rating and Investment Information, Inc. (R&I)

Issuer rating
A (stable)

[Sustainable finance framework rating]

Sustainability Finance Framework

SU1 (F)

Japan Credit Rating Agency (JCR)

Green Finance Framework

Green1 (F)

Japan Credit Rating Agency (JCR)

CHAPTER

4

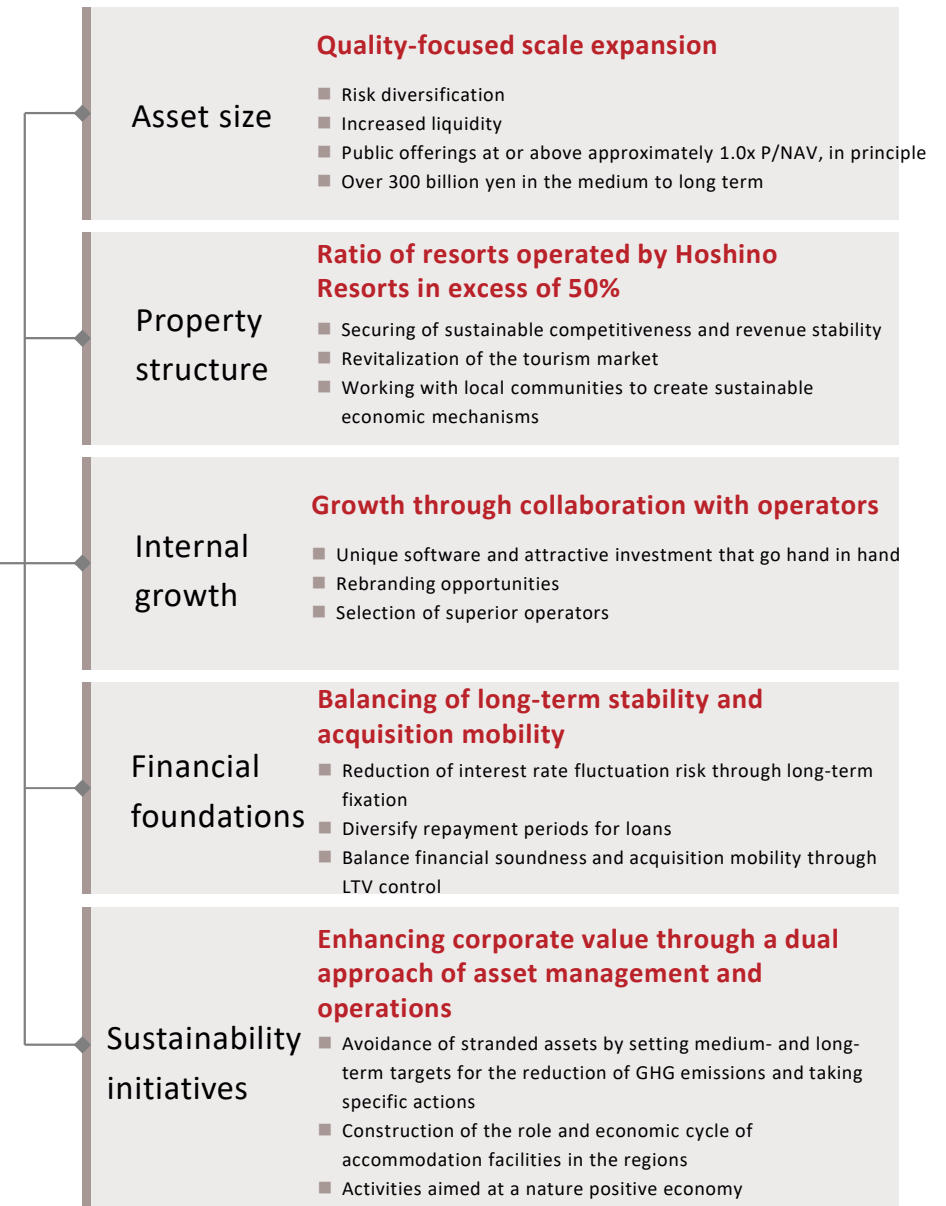


SONARÉ Alami

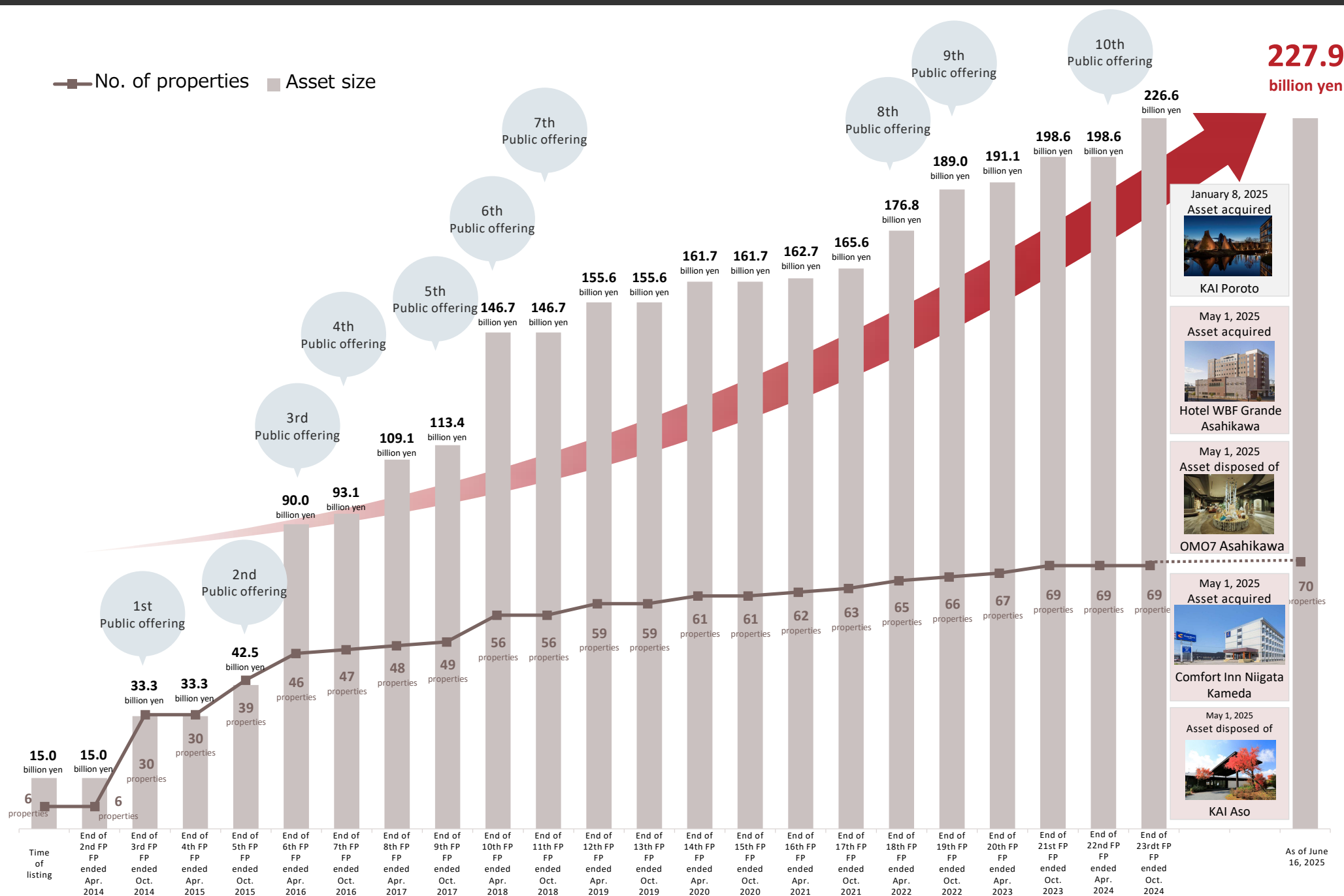
Future operation strategy

The vision for Hoshino Resorts REIT, Inc.

A tourism-oriented REIT that reaps the benefits of the long-term growth of Japan's tourism industry to maximize investor value



Steady growth in asset size

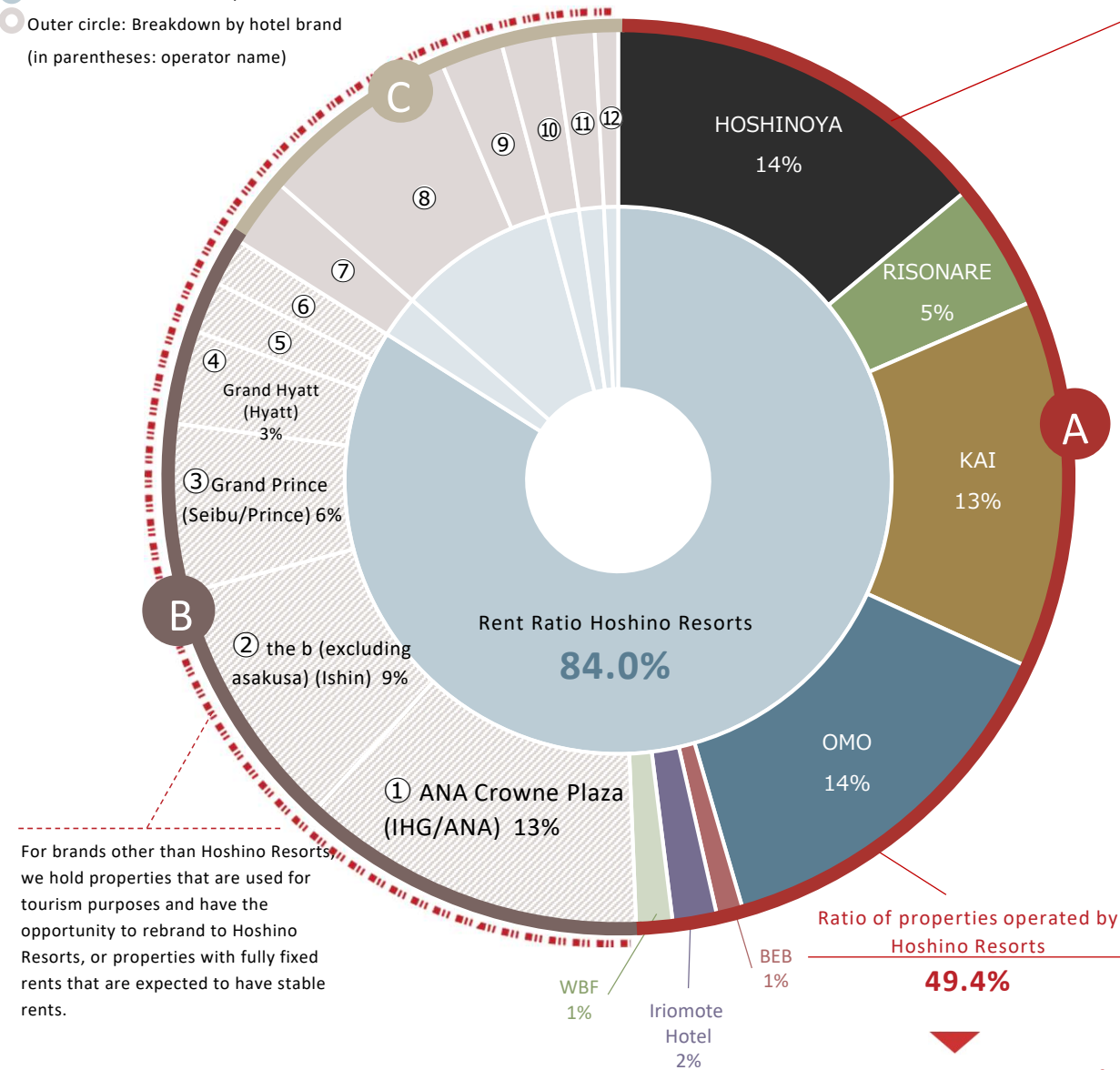


Operating strategy ③

Portfolio structure (based on acquisition price)

As of May 1, 2025

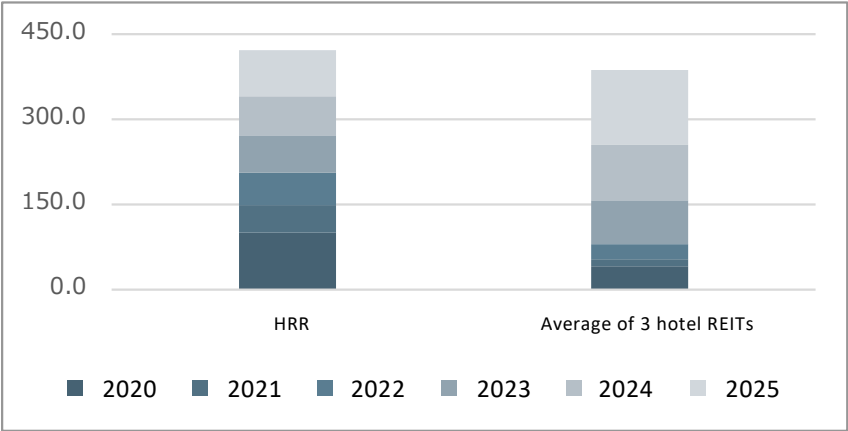
Inner circle: Breakdown by lessee
Outer circle: Breakdown by hotel brand
(in parentheses: operator name)



Hoshino Resorts, which **continued to pay rent without any rent reduction or deferral** throughout the COVID-19 pandemic, an unprecedented crisis for the tourism industry, accounts for the majority of lessees

■ Cumulative distributions since 2020 (indexed with 2019 distributions set at 100)

While other hotel REITs were affected by the COVID-19 pandemic and significantly reduced their distributions, HRR maintained its distributions at the same level as 2019 for the year immediately following COVID-19, thanks in part to the rent commitments of its sponsor, Hoshino Resorts. Moreover, even during the most difficult times, the reduction in distributions was limited to around 50% at maximum. As a result, its cumulative distributions over the five years since 2020 are higher compared with the average of other three hotel REITs.



For brands other than Hoshino Resorts, we hold properties that are used for tourism purposes and have the opportunity to rebrand to Hoshino Resorts, or properties with fully fixed rents that are expected to have stable rents.

Please see our website for other portfolio summaries and maps.
<https://www.hoshinoresorts-reit.com/en/portfolio/>
<https://www.hoshinoresorts-reit.com/en/portfolio/map.html>

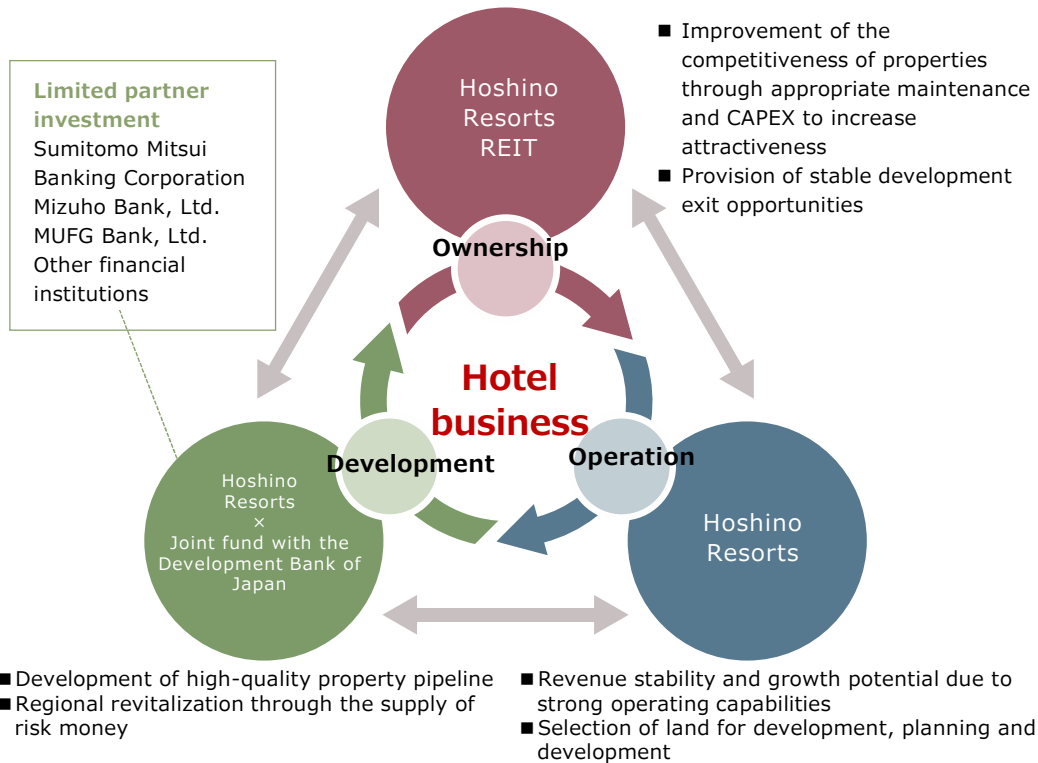
	Owner	Lessee	Operator
A	HRR	Hoshino Resorts	
B		Hoshino Resorts	External operator
C		External operator	

① ANA Crowne Plaza (IHG/ANA)	13%	⑦ the b asakusa (Ishin)	3%
② the b (excluding asakusa) (Ishin)	9%	⑧ Comfort Inn (Greens)	7%
③ Grand Prince (Seibu/Prince)	6%	⑨ Comfort (Greens)	2%
④ Grand Hyatt (Hyatt)	3%	⑩ Candeo (Candeo)	2%
⑤ hotel androoms (Solare)	2%	⑪ Quintessa (Core Global)	2%
⑥ Sol Vita (Green Hospitality)	2%	⑫ HOTEL VISTA (Vista)	1%

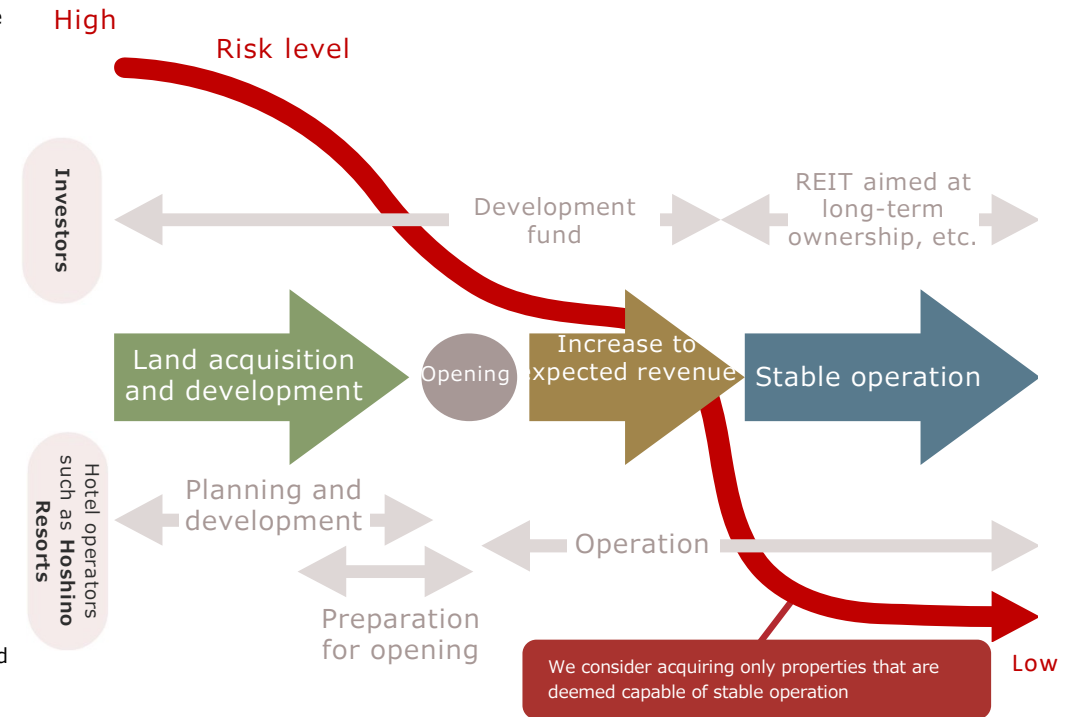
Abundant acquisition opportunities through DBJ joint fund, a jointly managed fund by Hoshino Resorts and Development Bank of Japan

A strong partnership has been built between HRR (ownership), Hoshino Resorts (operation) and the joint fund (development) based on the provision of stable development exits by HRR and the strong operating capabilities of Hoshino Resorts. HRR will continue to play a role in the growth cycle of the three parties and is aiming for sustainable external growth and improvement in the quality of its portfolio based on the acquisition of highly competitive properties.

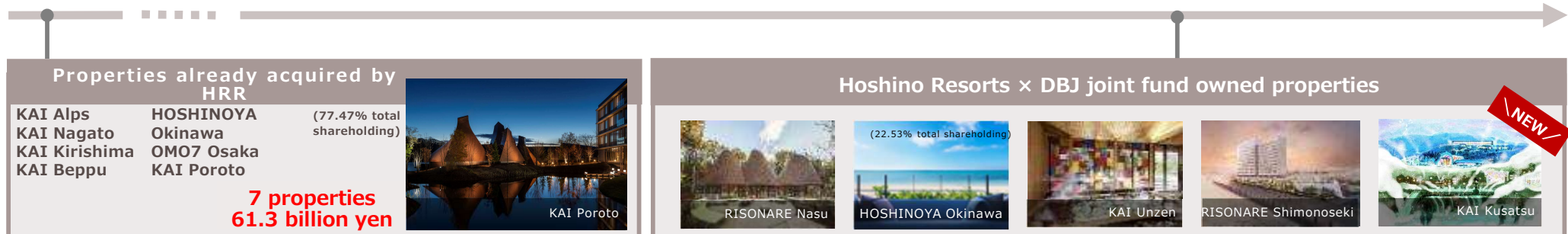
HRR basic strategy: Three-party growth cycle



Conceptual image of risk level from hotel development to stable operation (Note)



Eleven properties operated by Hoshino Resorts have been developed or are under development through the DBJ joint fund.



List of the property pipeline

Hoshino Resorts x DBJ joint fund owned properties (partial)



RISONARE Nasu
Start of operation: 2019



HOSHINOYA Okinawa
Start of operation: 2020



KAI Unzen
Start of operation: 2022



RISONARE Shimonoseki:
Start of operation (plan): 2025



KAI Kusatsu:
Start of operation (plan): 2026

Hoshino Resorts-owned facilities	
Start of operation	Name of facility
1995	Karuizawa Hotel Bleston Court
2003	Bandaisan Onsen Hotel
20012	KAI Atami (under renovation)
2013	KAI Nikko
2020	Surfjack Hotel & Swim Club
2020	RISONARE Kohamajima
2023	RISONARE Guam
2024	OMO5 Hakodate

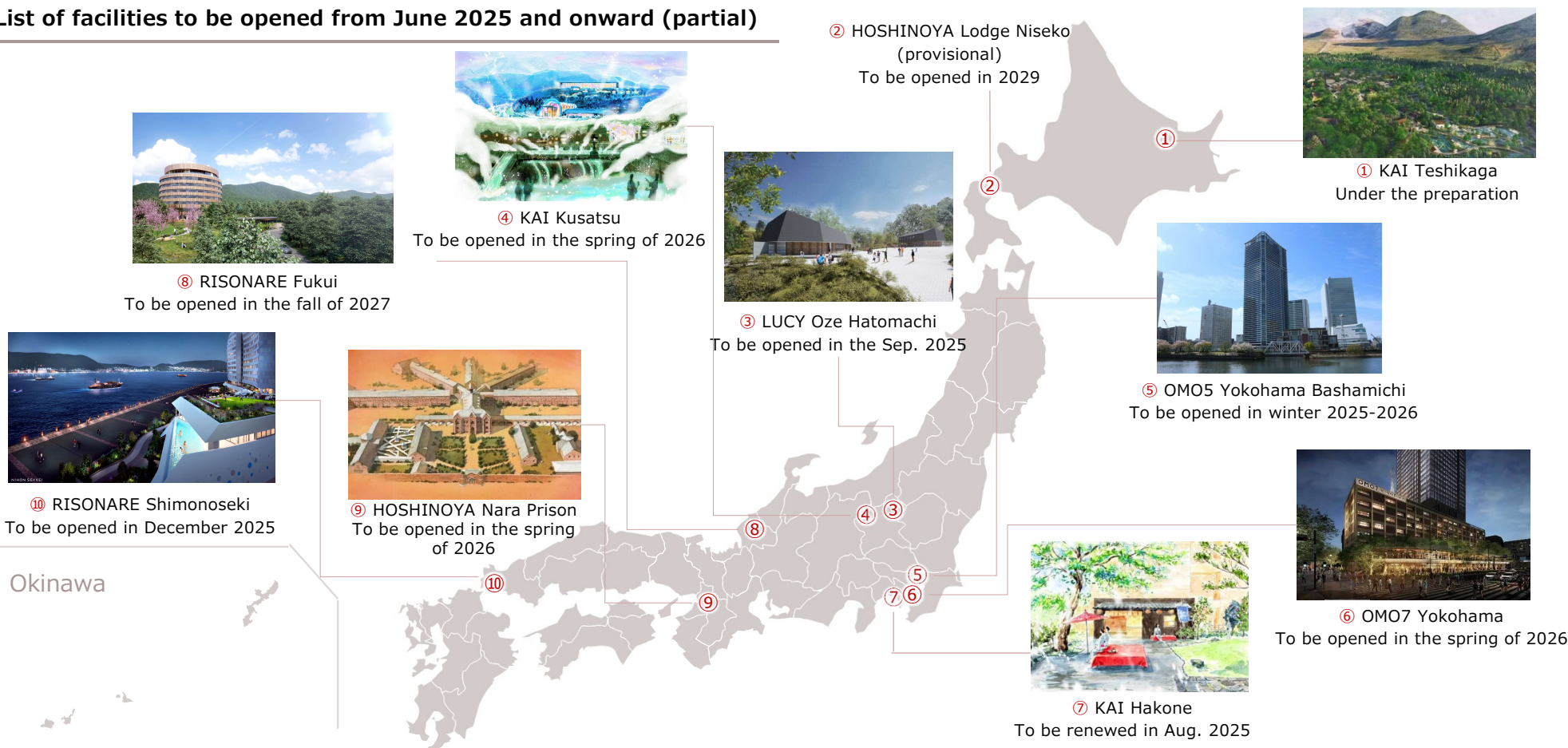
Hoshino Resorts development projects (partial)	
Start of operation (Note 1)	Name of facility
2026 (plan)	HOSHINOYA Nara Prison
2026 (plan)	OMO7 Yokohama
2025 (plan)	LUCY Oze Hatomachi
2027 (plan)	RISONARE Fukui
2029 (plan)	HOSHINOYA Lodge Niseko (provisional name)
Under Preparation	KAI Teshikaga
TBD	Asuka-mura, Nara

Hoshino Resort Tourism Revitalization Fund Project (Note 2)	
Start of operation (Note 1)	Name of facility
2024	KAI Akiu
2024	KAI Okuhida
2026 (plan)	TBD (Equity in investment in a silent partnership of Onsenryokan 3-gou, a limited liability company)
ALL-JAPAN Tourism Nation Fund Project (Note 3)	
Start of operation	Name of facility
2022	KAI Izumo
2023	OMO Kansai Airport

Third-party owned facilities (partial) (Note 4)	
Start of operation	Name of facility
2005	RISONARE Tomamu
2005	Tomamu The Tower
2008	KAI Anjin
2011	KAI Tsugaru
2021	OMO3 Kyoto Toji
2021	OMO5 Kyoto Sanjo
2021	OMO5 Okinawa Naha
2022	OMO5 Otaru
2022	KAI Yufuin
2024	Hoshino Resorts 1955 Tokyo Bay

Future development and openings

List of facilities to be opened from June 2025 and onward (partial)



TOPICS Major initiatives of Hoshino Resorts

■ Making mountains a destination for everyone. Concept: "Mountain hotels that move the heart"

Hoshino Resorts has officially decided to launch its sixth hotel brand, "LUCY," which will roll out across Japan starting in spring 2025.

As Japan boasts rich natural environments and more than 30 national parks, the importance of "nature tourism" is growing, and efforts are underway to enhance facilities and services within national parks. With Japan's mountaineering culture and history of nature-based spirituality as a backdrop, the new brand aims to offer these values as an experiential stay.

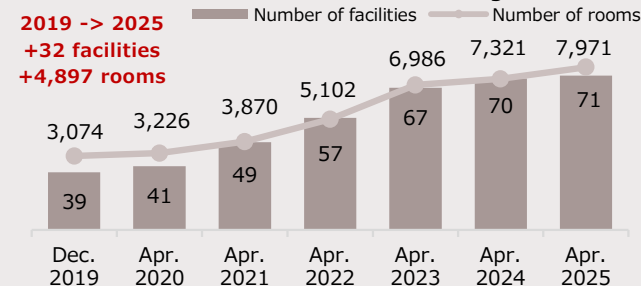
The brand name "LUCY" is inspired by Isabella Lucy Bird, a British female traveler who visited Japan in 1878 and ventured through Japan.



Six Promises for a Comfortable Mountain Gateway

1. Private rooms
2. Warm water bidet toilets
3. Shower & powder room
4. Nourishing meals with meat, fish, and eggs
5. Convenient shop for provisions inside the hotel
6. Unlimited charging & Wi-Fi

Transition in the number of facilities and guest rooms



Source: Hoshino Resorts

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Currently, with the global environment continuing to deteriorate, including global warming and disasters caused by climate change, HRR believes it is important to realize both profit and contributions to the environment and society based on the strong leadership of management, and to promote Creating Shared Value (CSV), a source of competitiveness in a new age, by sustainable means. In addition, to meet the expectations of stakeholders regarding environmental, social and governance issues as a company engaged in the tourism industry, the Asset Management Company will resolve these global issues steadily and speedily; and it will do so with sponsors and operators by clarifying each others' roles, and through management leadership so that they can be converted into real estate, social and corporate value.

CSV: Creating Shared Value

This is a concept proposed by an American business scholar Michael Porter and others.

CSV is an approach in which profit-driven companies seek to generate both economic and social value by responding to social needs (solving social issues).

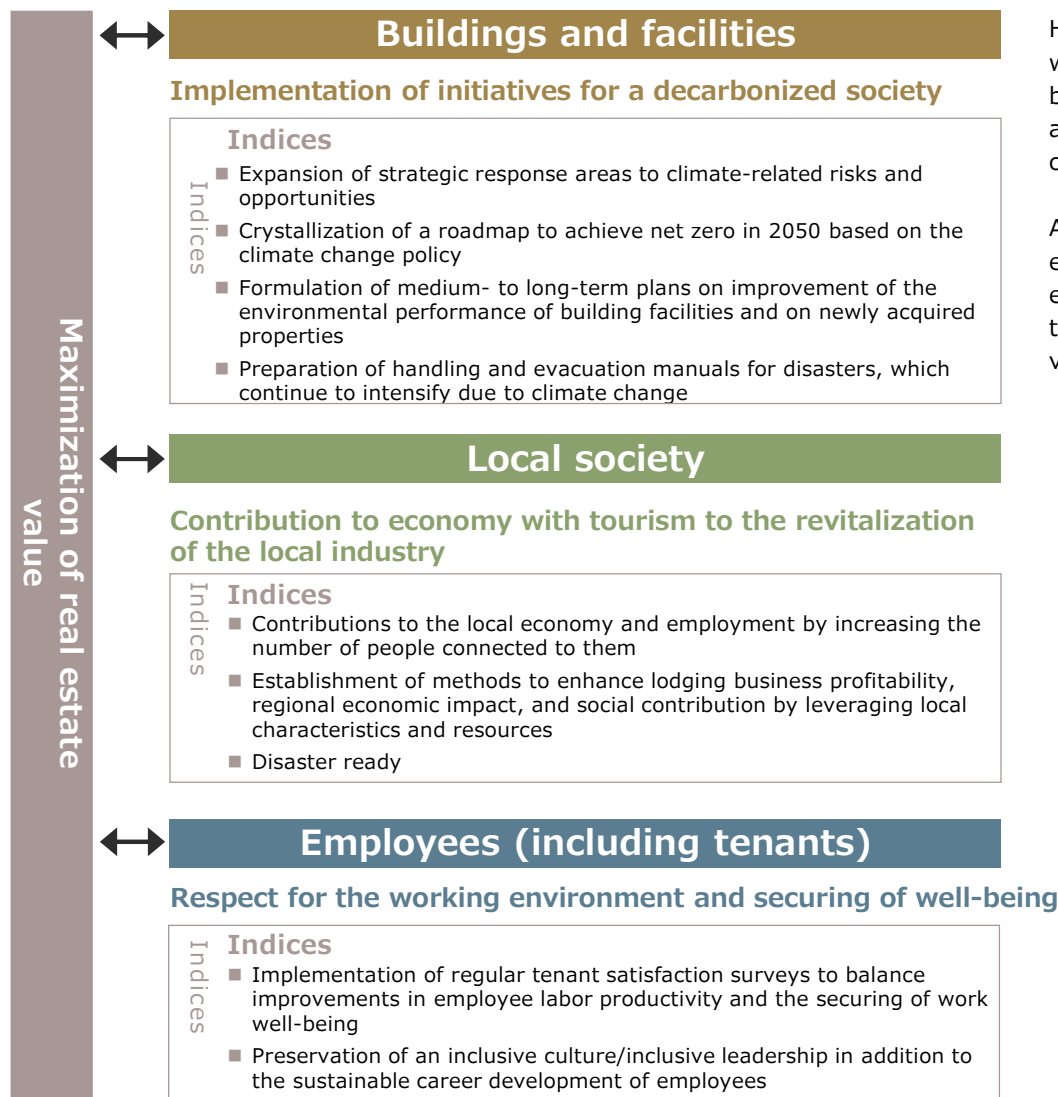
HOSHINOYA Fuji

Sustainability initiatives

Building a comprehensive ecosystem unique to the tourism industry

We aim to create a sustainable business model that maintains a sustainable competitive advantage while addressing environmental and social issues by linking "real estate and facility management"

Building a sustainable business model and marketing development that is characteristic of the tourism industry



Hoshino Resorts' environmental management

Ecosystem of coexistence and co-prosperity

Hoshino Resorts believes that a hotel and its area are one and the same. In other words, the increased attractiveness of its area is connected directly to a hotel's business performance; and on the other hand, we believe that by communicating the attractiveness of its area, a hotel can help to enhance the area's brand power, so we conduct various activities rooted in our surrounds.

At Hoshino Resorts, we promote eco-tourism, zero emissions and other environmental management initiatives because we believe that the natural environment, local technologies, agricultural, forestry and fishery products, and tourism resources that exist in our areas will provide a source of accommodation value, and in turn, connect to sustainable corporate competitiveness.



The creation of new value for local communities and real estate by addressing environmental and social issues

HOSHINOYA Karuizawa – Respect for co existence with nature and takeover of activities taken from its foundation

We use a unique “EIMY” ecosystem in order to reduce the burden on nature, utilizing hydroelectric power, underground heat, and recycling using biomass.

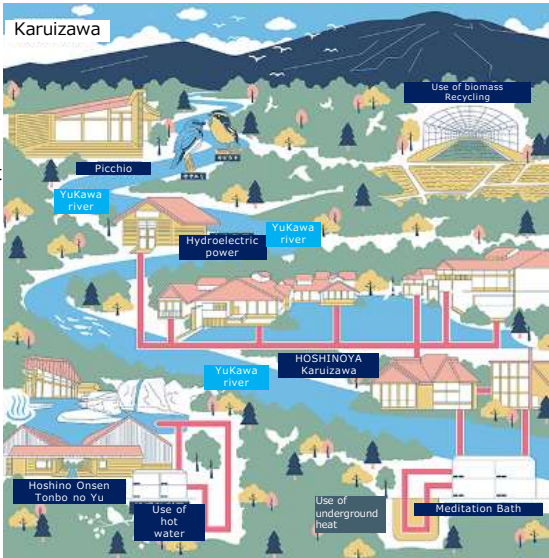
From an architectural aspect, sustainable resort operations are promoted through features such as a “furo,” a small roof that uses natural cool air, and a design that considers biodiversity.

◆ Video Released ◆

Use of Natural Energy at HOSHINOYA Karuizawa: “EIMY (Energy in My Yard)”



<https://youtu.be/idsuT0JoyNk>
*In Japanese



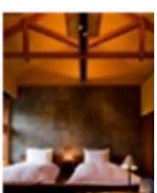
Utilization of natural energy



Hydroelectric plant that provides some of the power for a heat pump



Heat pump equipment that uses underground heat and hot spring waste heat as heat sources for air conditioning and hot water supply



Vents in guest room ceilings, known as a “furo,” that use natural cool air and serve as a natural air conditioning

Landscape design that respects the natural environment



Two ponds created for water power generation are centered within the facility. It is designed to conserve existing geographic features and vegetation as much as possible



In order to establish a commercial complex while maintaining nature, the wood deck separates the activity area from the soil and allows plants, organisms and people to coexist beautifully

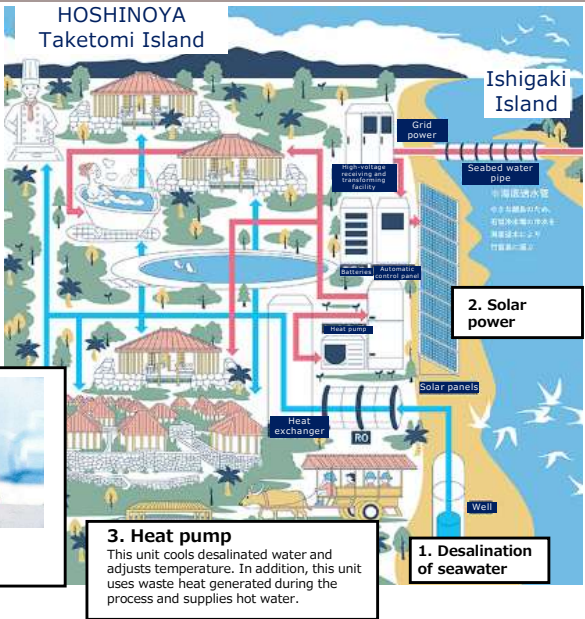
List of environmental management awards of HOSHINOYA Karuizawa

- 2003 “MOE Minister Award” in 6th Green Purchase Grand Prize
- 2006 Fuji Sankei Business Eye Award in Global Environment Awards
- 2007 MOE Minister Award for Anti Global Warming Activities
ANRE Director General Award in New Energy Awards
- 2012 METI Minister Award for Reduce, Reuse, and Recycle Promotion Contributors
- 2016 Award by MOE Minister for Recycling Oriented Society Promotion Contributors
- 2024 Newsweek Japan SDGs Awards 2023 (Decarbonization Category Award)

HOSHINOYA Taketomi Island – Remote island resilience: Use of seawater desalination equipment and contribution to the region

We installed a hot water heat pump unit utilizing seawater desalination heat sources to prepare for the supply of drinking water (Note 1) during disasters, and it also contributes to reducing CO₂ emissions.

Furthermore, Hoshino Resorts has also concluded a partnership agreement with the Taketomijima Regional Foundation to support the sustainable preservation of the island’s nature and culture.



Other effects

We discontinued the provision of mineral water in plastic bottles in guest rooms; the number of such bottles had reached approximately 40,000 per year. This has contributed to environmental conservation on Taketomi Island.

We concluded an agreement with Taketomi Town on support for evacuees and designated shelters, etc. We can supply safe water to people on the island.



Considering “transportation” in tourism – Contribution to SAF (Note 2) through the value chain

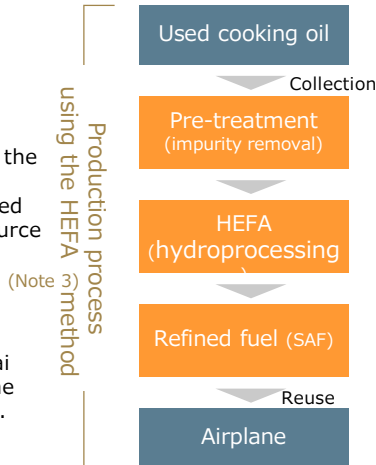
A significant portion of CO₂ emissions in tourism comes from travelers’ “transportation.” HRR is working to reduce emissions from both travel and accommodation by integrating decarbonization methods such as Sustainable Aviation Fuel (SAF) into the tourism value chain.

Significance of the initiative for the Hoshino Resorts Group

The Hoshino Resorts Group recognizes the importance of addressing high CO₂ emission intensity from aviation fuel, as the transport sector accounts for approximately 20% of the total emissions in Japan (Note 4). The adoption of SAF made from used cooking oil is meaningful from both decarbonization and resource circulation perspectives.

Current implementation sites and ecosystem

In February 2024, a SAF project was launched at OMO Kansai Airport, and in June, OMO7 Osaka, under HRR, also joined the initiative. Currently, five properties have adopted the system. Going forward, the initiative will expand to external hotels as well, aiming to build an ecosystem leveraging the network.



Environmental (E) initiatives

Environmental performance (Note 1)

Energy consumption (Note 2)

Period	FY2022	FY2023	FY2024
No. of properties	65	66	66
Energy consumption (MWh)	172,486	188,578	184,166
Energy consumption per basic unit (kWh/m)	329.3	360.9	355.0

GHG emissions (Note 4)

Period	FY2022	FY2023	FY2024
No. of properties	65	66	66
Greenhouse gas (GHG) emissions (t-CO ₂)	54,667	62,713	59,237
Greenhouse gas (GHG) emissions per basic unit (kgCO ₂ /m)	104.4	120.0	114.2

Water consumption (Note 3)

Period	FY2022	FY2023	FY2024
No. of properties	62	63	64
Water consumption (m)	1,670,067	1,849,894	1,889,801
Water consumption per basic unit (m/m)	3.3	3.6	3.7

Waste (Note 5)

Period	FY2022	FY2023	FY2024
No. of properties	56	61	58
Amount of waste (t)	3,558	4,092	3,661
Recycling ratio (%)	14.2	21.6	21.5

Green lease agreements

- Building owners and tenants work together and voluntarily decide on ways to reduce environmental impacts, such as improving the energy efficiency of real estate and improving the working environment by exchanging contracts and memorandums of understanding.
- Through green lease agreements, lessors and lessees collaborate to improve profitability by reducing utility costs and to minimize environmental impact, aiming for sustainable building use and mutual benefits.

Green lease agreements (Note 6) concluded (as of April 30, 2025)

Number of properties with a green lease agreement executed

70/70 Properties

Execution ratio based on leasable floor area (Note 7)

100%

Initiatives we support



We are conducting a scenario analysis of transition and physical risks in line with the TCFD framework to examine changes in the business environment related to climate change. Based on the results of this analysis, we plan to achieve a GHG emissions reduction rate of at least 40% (compared with 2020) by 2030 aiming for net zero emissions in 2050.



For details of the scenario analysis, please refer to "Initiatives for Climate Change":

<https://www.hoshinoresorts-reit.com/en/sustainability/climate.html>



We support the TNFD Forum with the aim of promoting sustainable economic activities and improving data transparency by visualizing the dependence on and impact of natural capital and ecosystem services.



We participate in the JCLP to expand the use of renewable energy and achieve a decarbonized society. We are developing skills to respond to climate change using the power of business through policy proposals, the spread of low-carbon technologies, and CO₂ reduction across the entire supply chain.

External sustainability evaluation (Note 8)



G R E S B G R E S B
★★★☆☆ 2024 Public Disclosure 2024

In the GRESB Real Estate Assessment, we maintained our GRESB Rating of 3 Stars again this year and ranked second in the Asia Hotel Sector.

In the disclosure assessment, we received the highest "A" rating for the second consecutive year.



Amid growing corporate disclosure of ecological information through CDP, which has the world's largest environmental database, we also submitted responses regarding climate change in 2024 to enhance transparency and address climate change, and received a "C" rating. In 2025, we will add water security as well to comprehensively understand environmental and financial information.



In the CASBEE real estate assessment, one of the green building certifications, "HOSHINOYA Karuizawa (Haru Nire Terrace)" and "ANA Crowne Plaza Hotel Hiroshima" received an S rank.

Social (S) initiatives

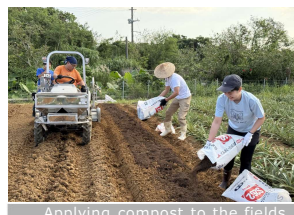
Contribution to local society and economy

Iriomote Hotel Aiming to contribute to the local economy through a circular economy

Iriomote Hotel, located on Iriomote Island, which is registered as a World Natural Heritage site, began a project in 2023 to work with the island's pineapple farmers to recycle food waste from the island as compost. In April 2024, the hotel started composting food waste from its restaurant on the hotel grounds. The aim is to establish a cycle of sustainable agriculture, with the compost being regularly managed by Iriomote Hotel staff.

■ In November 2024, compost was returned to the fields for the first time

The finished compost was spread over the farmland, giving back to the pineapple farmers. Together with the farmers, we also planted young peach pineapple seedlings. Pineapples take two years to grow before harvest.



Applying compost to the fields

■ Aiming for the "Spring Peach Pineapple Festival" in 2026

Since 2021, we have been holding events during the harvest season for peach pineapples in collaboration with the island's pineapple farmers. We have also launched the "Loop Pine Project" that links the consumption of peach pineapple with tourism and are putting into practice a circular economy on the island.



Pineapple Project Diagram

In 2026, we plan to make this a medium- to long-term activity to introduce peach pineapple grown using this compost to our guests.

Grand Hyatt Fukuoka: Sustainable seafood

Obtained CoC certification (Note 1) and provide certified seafood products.

■ Sustainable Procurement

Grand Hyatt Fukuoka ensures transparency throughout its supply chain via Chain of Custody (CoC) and fulfills its accountability to stakeholders. The hotel has obtained certification and uses responsibly sourced certified seafood. With this certification, it is authorized to display the ASC (Note 2) and MSC (Note 3) labels on its menus—proof that the seafood has been sourced from environmentally responsible fisheries and aquaculture operations.



ASC-C-03721 MSC-C-59545

■ Promoting the Use of ASC- and MSC-Certified Products

By obtaining Chain of Custody (CoC) certification, we have expanded the use of certified seafood products. Through our culinary offerings, we demonstrate our commitment to environmental responsibility, fostering new connections with our guests.

Upon receiving certification, we held a media event to share the initiative and raise public awareness.



Initiatives for employees

Hoshino Resort Asset Management Co., Ltd.

- Using Hoshino Resorts' organizational culture and management resources, the Asset Management Company is engaged in many human resource initiatives that will enhance its sustainable competitiveness as a hotel asset management corporation. For details, please see <https://www.hoshinoresorts-reit.com/en/sustainability/society.html>.

The following is the personnel data of the Asset Management Company.

Personnel data of the Asset Management Company (as of December 31 of each fiscal year)

	2022	2023	2024
Total number of employees	36	46	68
Male	22	29	44
Female	14	17	24
Percentage of males	61%	63%	65%
Percentage of females	39%	37%	35%
Percentage of male managerial positions	90%	90%	82%
Percentage of female managerial positions	10%	10%	18%
Annual turnover	5.9%	14.4%	11.1%
Overtime hours worked (monthly average)	25 hours	21 hours	22 hours
Male childcare leave uptake rate	80%	83%	88%

■ Formulating a new vision –

Making travel more exciting through investment

Last year, the Asset Management Company introduced a new vision: "Making travel more exciting through investment." Moving forward, we will continue to pursue both lodging value and asset value.



Group discussion on the vision

■ Strengthening the foundation for value creation through integration of group functions

Under the new vision, the sustainability promotion and facility management functions of the Hoshino Resorts Group have been integrated into the Asset Management Company. This integration strengthens the organizational structure by unifying information and expertise that had previously been dispersed between hotel operations and investment management, enabling strategic and effective decision-making in a timely manner. By mutually leveraging hotel operations and investment management know-how within the Hoshino Resorts Group, we aim to accelerate problem-solving, improve operational efficiency and quality, and enhance corporate value over the medium to long term.



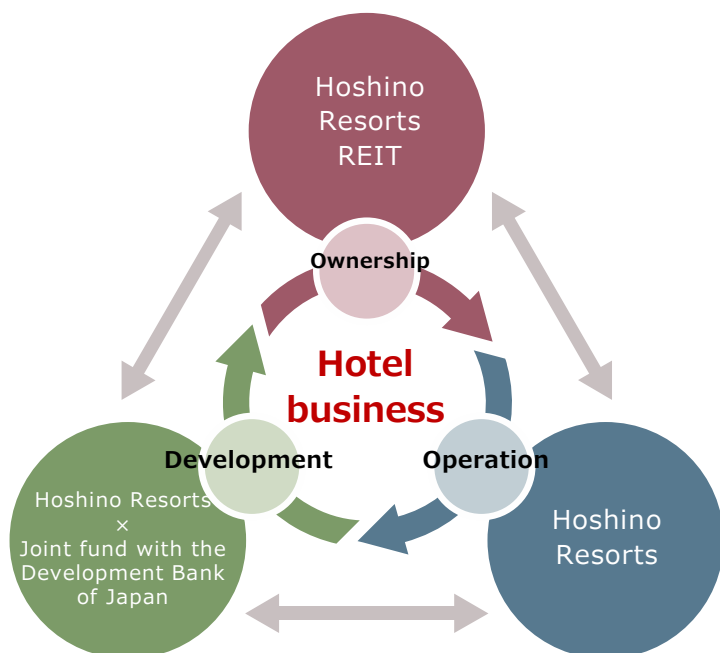
Hoshino Onsen Ryokan (at the time of its opening)

Appendix (1): About Sponsor Hoshino Resorts

The history of Hoshino Resorts

The travel industry has become the most important peacekeeping industry in the world.

We will work on our next hundred years of business from the perspective of connecting people around the world as friends and be a company that strives to have "big dreams and steady operations."



History

Phase (1)

1991 to 2000

Accumulated know-how as a hotel operator

Phase (2)

2001 to 2010

Revitalized large resorts and hot spring ryokan projects and launched three major brands

Phase (3)

2011 to 2020

Built a business model separating ownership, operations and development

Phase (4)

2021 onward-

Taking Japanese ryokan to the world

1904 Began development of hot spring in Karuizawa

1914 Opened Hoshino Onsen Ryokan

1991 Yoshiharu Hoshino, Hoshino Resorts' 4th and current CEO, joins Hoshino Onsen and is appointed its representative

1992 Announcement of company's future vision as an operation company whose main business does not consist of property ownership

1995 Company name changed to Hoshino Resorts, Inc.

2001 Start of operation of RISONARE Yatsugatake

2003 Start of operation of Alts Bandai Resort

2004 Start of operation of Tomamu Resort

2005 Became a partner in the operation of an onsen ryokan invested in by Goldman Sachs

Opened HOSHINOYA Karuizawa

2010 Master brand strategy is launched

2011 KAI brand is launched

RISONARE brand is launched

2013 Hoshino Resorts REIT, Inc. listed on the Tokyo Stock Exchange

2015 Organized as a jointly run fund with the Development Bank of Japan to establish a development framework

2018 OMO brand is launched

2019 BEB brand is launched

2023 Opened RISONARE Guam

2025 Renewed HOSHINOYA brand logo

LUCY brand is launched

2028 Opening of an onsen ryokan in mainland North America (planned)

As of April 2025

Hoshino Resorts operates 66 accommodation facilities in Japan and 5 overseas.



Introduction of the History of Hoshino Resorts (in Japanese)

About Hoshino Resorts Brand



HOSHINOYA

An overwhelmingly extraordinary experience guided by original themes



RISONARE

Resorts filled with experiences beyond imagination



KAI

High-quality hot spring ryokan focused on a pleasant Japanese atmosphere, where guests rediscover regional charm



OMO

Exciting urban hotels



BEB

More than a tavern, less than a trip, hotels where everybody spends their time in a laid-back way



LUCY

Mountain hotels that move the heart



Other Unique Lodgings

Resorts and hot spring ryokan with outstanding individuality, developed in Japan and around the world

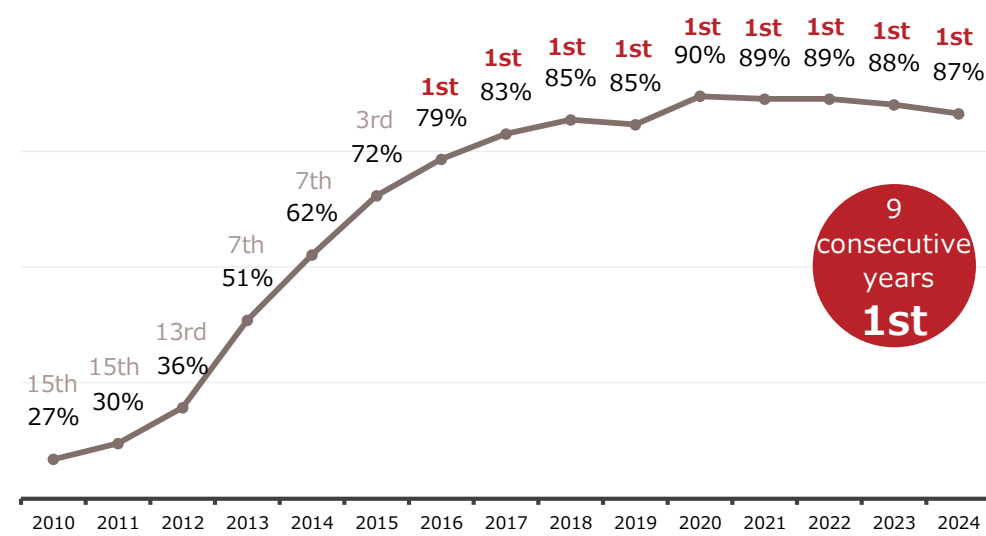


Daytrip Destinations

From hot springs to skiing, we have a variety of services to enjoy a day off

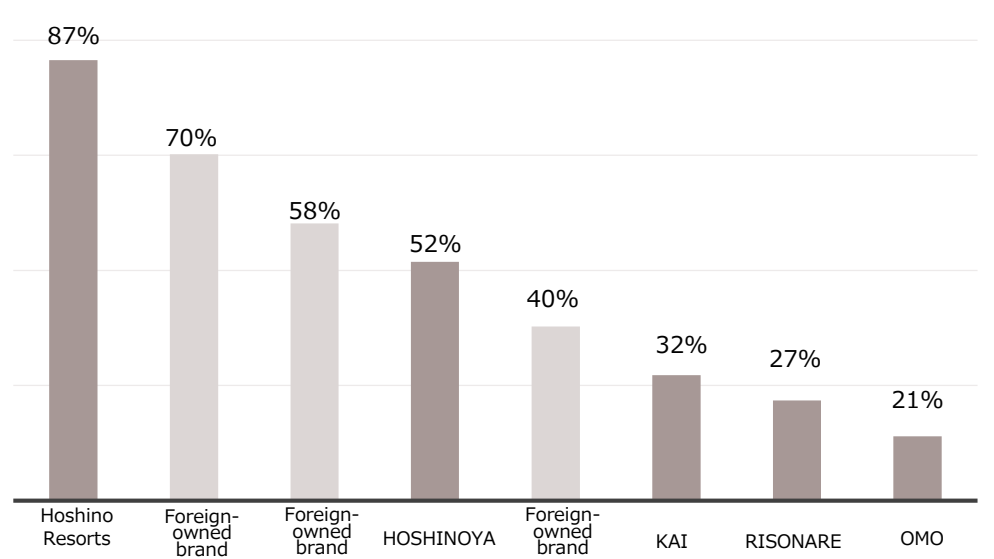
Change in Hoshino Resorts hotel brand recognition (Japan)

(Source) Hoshino Resorts survey



Recognition by hotel brand (2024)

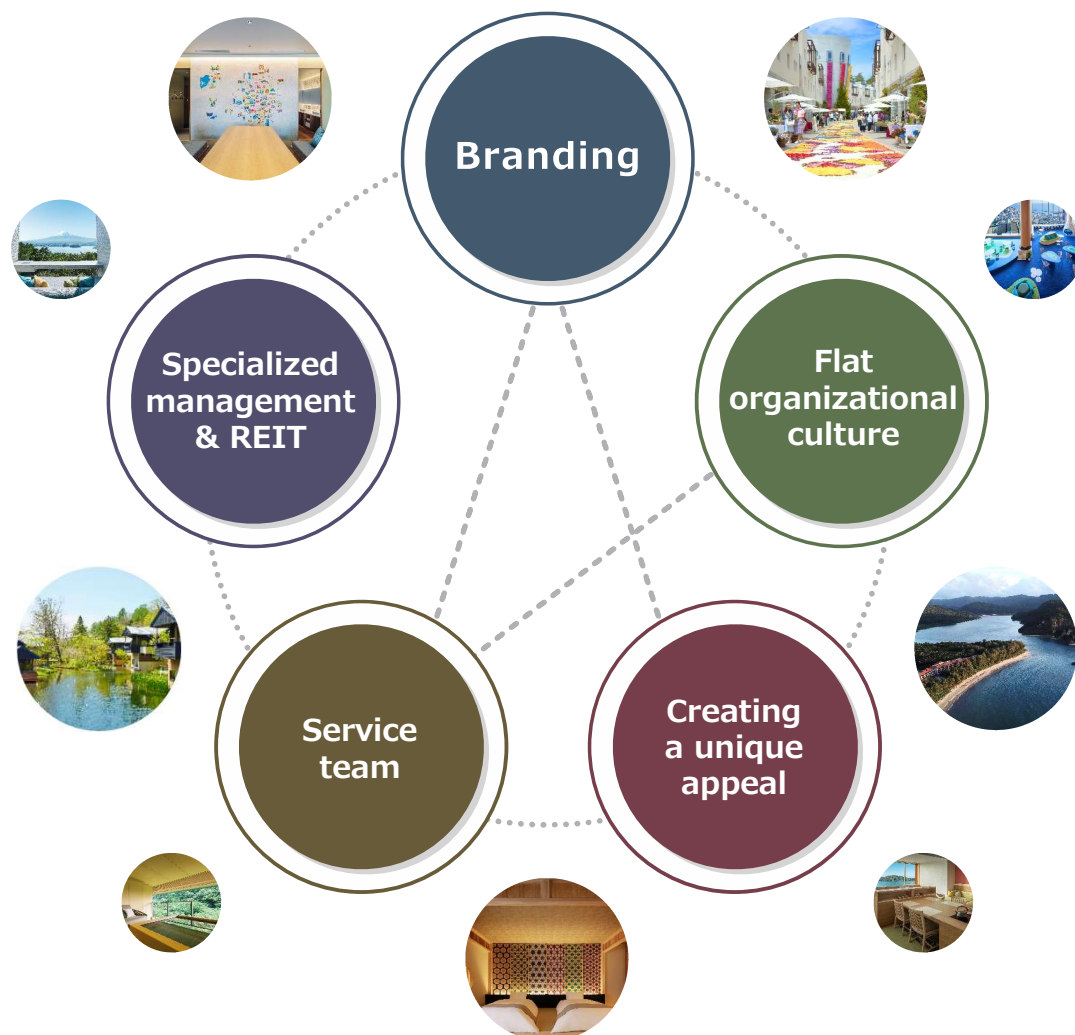
(Source) Hoshino Resorts survey



"Management based on the textbook"

At Hoshino Resorts, we believe that in a changing market environment, we should rely on the tried-and-tested principles of management rather than intuition. While making management decisions in accordance with the textbook, we always place importance on sustainability in a challenging environment and boldly take on growth opportunities. We believe that by achieving the frontier of productivity, choosing activities involving trade-offs, and fostering a sense of fit between these activities, we can secure a position that is difficult for competitors to imitate.

Fit between activities



Branding

- With the brand promise of "making travel more enjoyable," we are developing unique facilities that make the most of the characteristics of each region throughout Japan
- We strive to maintain and strengthen our brand by providing local charm that can only be experienced there and creating customer experiences that exceed expectations

Flat organizational culture

- A culture where everyone can discuss issues openly and frankly, regardless of their job responsibilities, on an equal footing
- Each individual can freely express their ideas, and through fair team discussions, they can think for themselves and make the right management decisions

Creating a unique appeal

- The staff themselves can feel the appeal of the area where they live, and by working as a team, they can refine this appeal and create it with a marketing mindset
- Not only do we generate economic benefits through hotel management, but we also protect the natural environment unique to the area and cultural assets that that environment has nurtured and pass them on to the next generation

Service Team

- By performing all operations related to management without dividing them up and by multitasking, we have many points of contact with our customers
- Continue to provide value to all stakeholders involved with Hoshino Resorts with the ultimate customer orientation

Specialized management & REIT

- To expand to multiple locations with low capital and risk, we launched Japan's first real estate investment trust (REIT) specializing in tourism and chose a specialized management strategy
- Creating an environment where ordinary investors can invest in the growth of the tourism industry was a major step towards making the tourism industry a top-class one

CHAPTER

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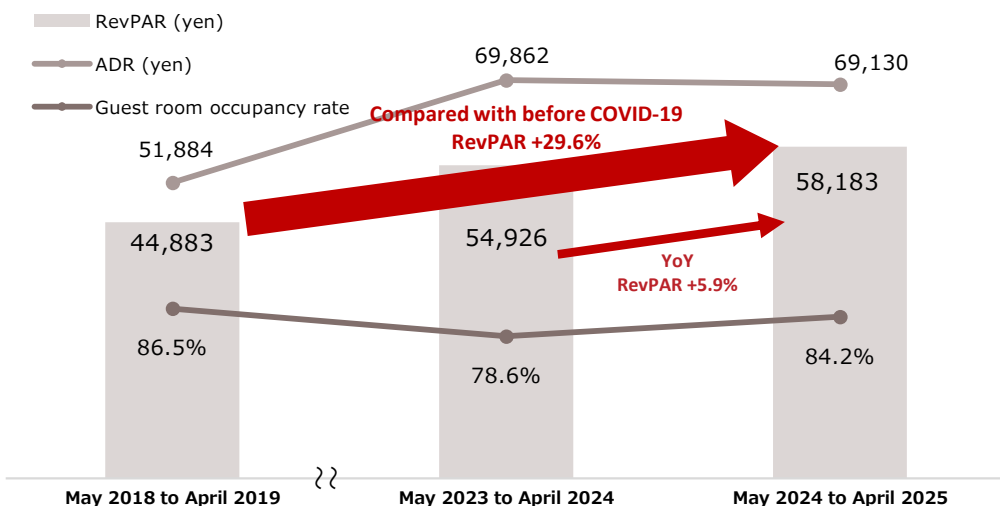


HOSHINOYA Kyoto

Appendix (2): About Hoshino Resorts REIT and the portfolio

Operating results summary by brand (prior to COVID-19 pandemic and changes over the last two years)

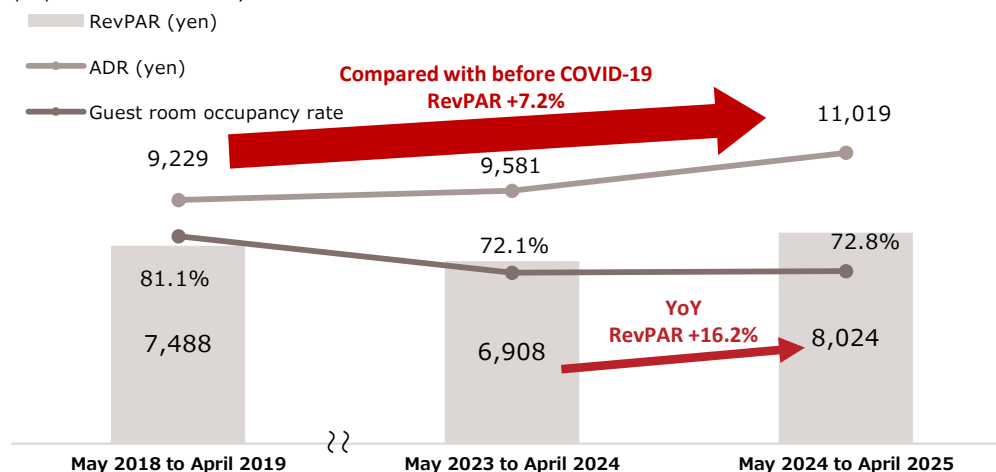
Total properties operated by Hoshino Resorts (Note)



		2018/5 to 2019/4 (①)	2023/5 to 2024/4 (②)	2024/5 to 2025/4 (③)	Compared with before COVID-19 pandemic (③-①)	Compared with the previous year (③-②)
					(③-①)	(③-②)
4 HOSHINOYA properties	Guest room occupancy rate	88.9%	73.4%	86.5%	-2.4pt	+13.1pt
	ADR (Yen)	74,623	93,378	90,562	+15,939	-2,816
	RevPAR (Yen)	66,320	68,550	78,377	+12,057	+9,827
2 RISONARE properties	Guest room occupancy rate	88.8%	78.8%	78.7%	-10.1pt	-0.1pt
	ADR (Yen)	42,863	69,760	67,445	+24,582	-2,315
	RevPAR (Yen)	38,064	54,947	53,068	+15,004	-1,879
6 KAI properties	Guest room occupancy rate	81.5%	83.3%	89.1%	+7.6pt	+5.8pt
	ADR (Yen)	40,267	50,777	50,204	+9,937	-573
	RevPAR (Yen)	32,810	42,281	44,728	+11,918	+2,447

Total of major properties operated by outside operators (Note)

(3 ANA Crowne Plaza properties, Grand Prince Hotel Osaka Bay, 22 Roadside properties, and 4 the b properties are calculated)
(Formerly Hyatt Regency Osaka)



		2018/5 to 2019/4 (①)	2023/5 to 2024/4 (②)	2024/5 to 2025/4 (③)	Compared with before COVID-19 pandemic (③-①)	Compared with the previous year (③-②)
					(③-①)	(③-②)
3 ANA Crowne Plaza properties	Guest room occupancy rate	81.0%	71.8%	73.1%	-7.9pt	+1.3pt
	ADR (Yen)	13,213	13,729	14,232	+1,019	+503
	RevPAR (Yen)	10,706	9,855	10,402	-304	+547
Grand Prince Hotel Osaka Bay	Guest room occupancy rate	73.4%	46.3%	47.8%	-25.6pt	+1.5pt
	ADR (Yen)	15,602	19,488	20,675	+5,073	+1,187
	RevPAR (Yen)	11,444	9,018	9,882	-1,562	+864
22 Roadside properties	Guest room occupancy rate	80.8%	75.7%	75.7%	-5.1pt	0.0pt
	ADR (Yen)	6,084	6,371	7,459	+1,375	+1,088
	RevPAR (Yen)	4,919	4,822	5,645	+726	+823
4 the b properties	Guest room occupancy rate	87.8%	79.3%	83.1%	-4.7pt	+3.8pt
	ADR (Yen)	9,923	10,463	11,590	+1,667	+1,127
	RevPAR (Yen)	8,715	8,299	9,627	+912	+1,328

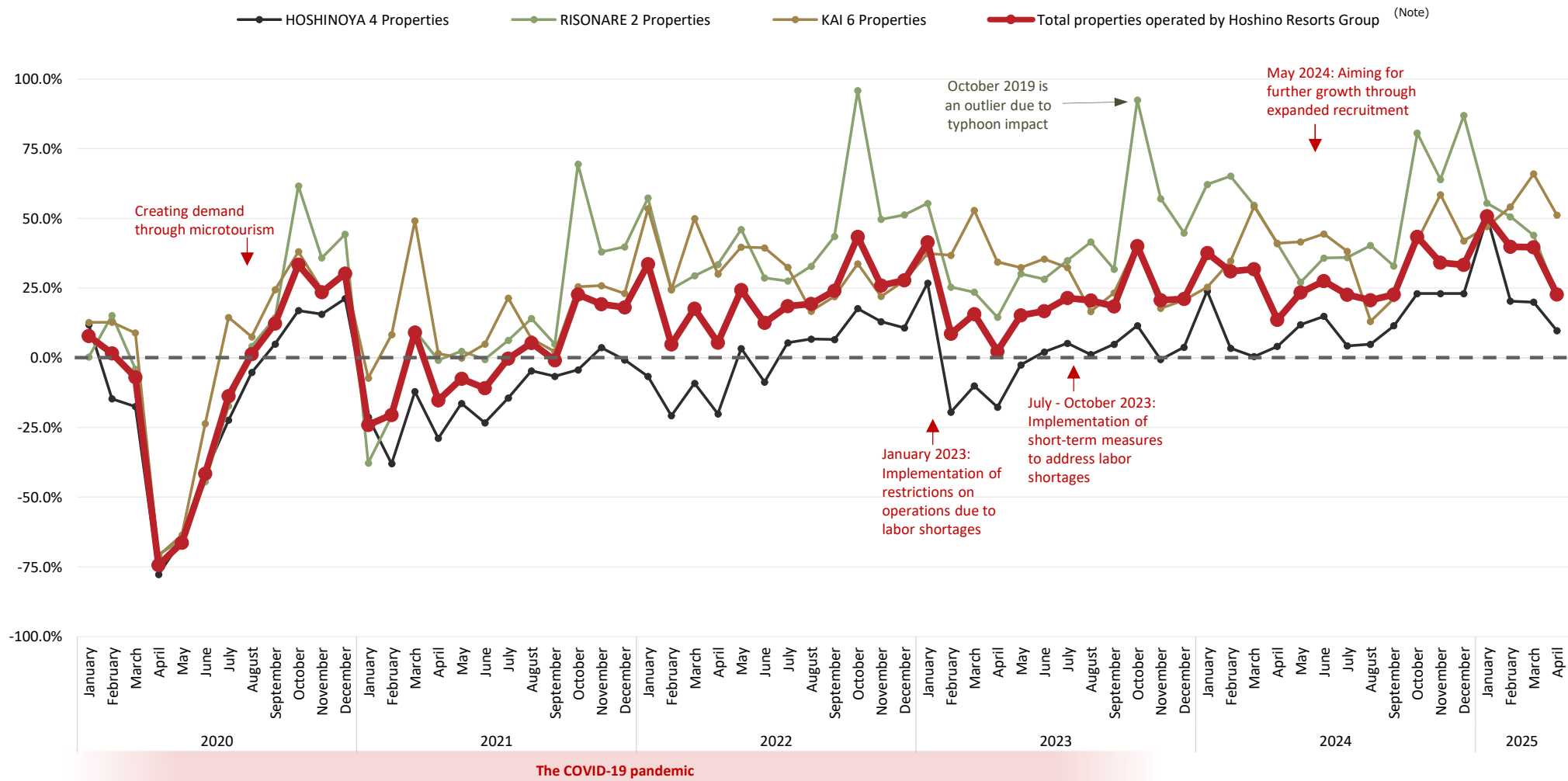


Please refer to "Hotel Operational Results Data" for monthly operating results for individual properties.

<https://www.hoshinoresorts-reit.com/en/ir/library.html>

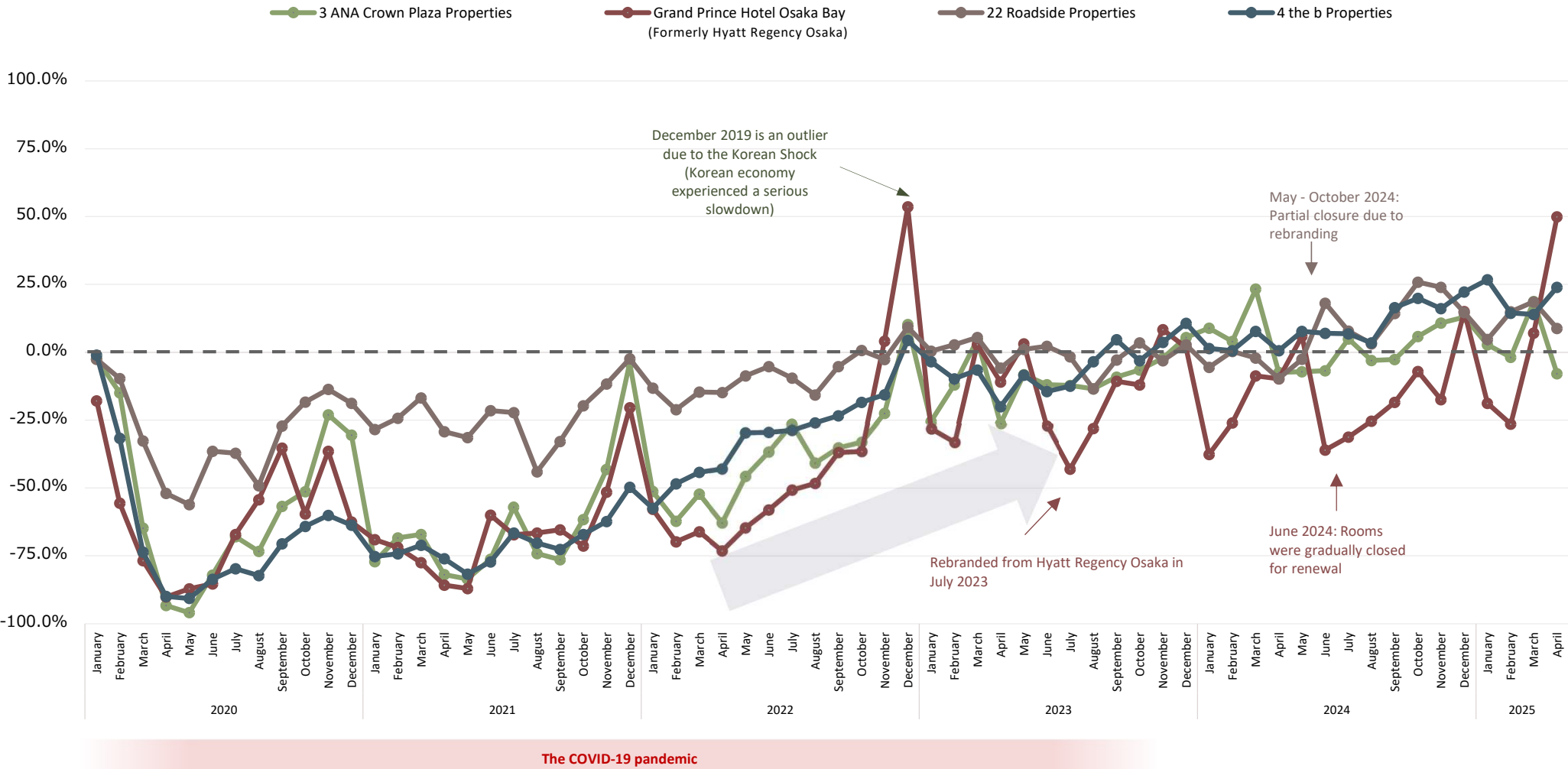
Monthly operating results since COVID-19 pandemic (properties operated by the Hoshino Resorts)

Rate of change in RevPAR compared with 2019



Monthly operating results since COVID-19 pandemic (properties operated by outside operators)

Rate of change in RevPAR compared with 2019



Overview of property portfolio by brand ①

HRR owns a wide range of brands developed by Hoshino Resorts.

As of May 1, 2025

Operator	Hoshino Resorts					
Brand						
Genre	Luxury hotels	Resort hotels	Luxury hot spring ryokan	City tourist hotels	Casual hotels	Other unique accommodation facilities
Brand overview	A brand that tempts you with the overwhelmingly extraordinary with original themes	Resort hotels with sophisticated design and plenty of activities	High-quality hot spring ryokan focused on a pleasant Japanese atmosphere, where guests rediscover regional charm	Exciting urban hotels	More than a tavern, less than a trip, hotels where everybody spends their time in a laid-back way	Unique resort hotels and onsen ryokans in Japan and other countries
Annual ADR (Note)	About 90,000 yen	About 67,000 yen	About 45,000 yen	About 24,000 yen	About 20,000 yen	About 30,000 yen
Representative facilities	 HOSHINOYA Karuizawa	 RISONARE Yatsugatake	 KAI Poroto	 OMO7 Osaka	 BEB5 Karuizawa	 Iriomote Hotel
No. of properties owned	5	2	12	2	1	1
Total acquisition price (ratio)	31,803 million yen (14.0%)	10,383 million yen (4.6%)	30,308 million yen (13.3%)	31,200 million yen (13.7%)	2,170 million yen (1.0%)	3,650 million yen (1.6%)

Overview of property portfolio by brand ②

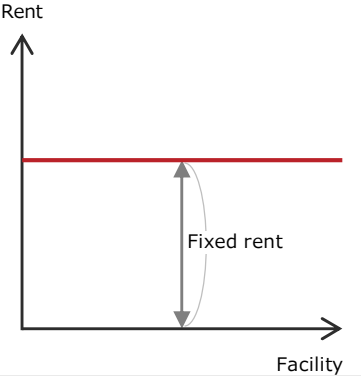
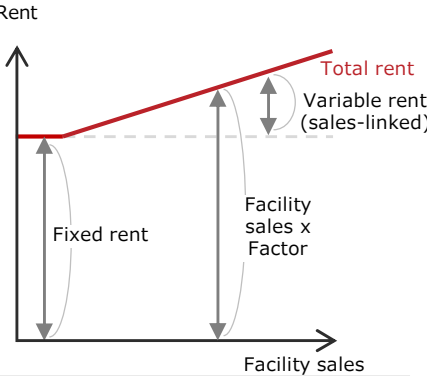
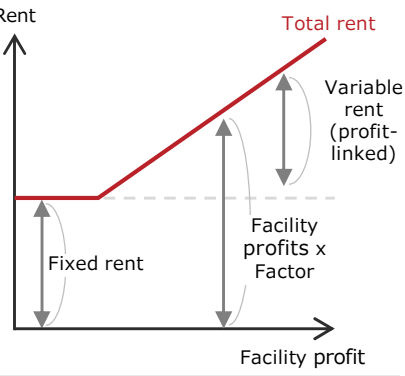
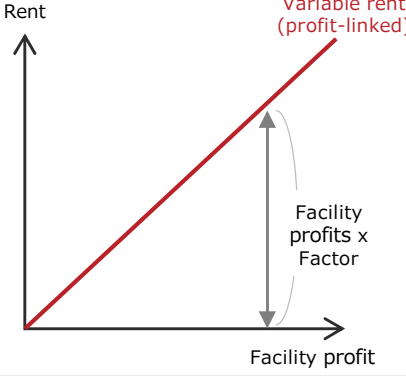
HRR also invests in properties other than those operated by Hoshino Resorts that are likely to secure steady cash flows over a long-term period.

As of May 1, 2025

Operator	IHG ANA Hotels	Hyatt International	Seibu Prince Hotels	Ishin Hotels Group	Greens	WBF
Brand						
Genre	Full service	Full service	Full service	Specialized in accommodation	Roadside	Specialized in accommodation
Brand overview	Upscale hotels offering the world class service of Crowne Plaza and the high-quality hospitality boasted by ANA Hotels	Hotels that offer luxurious, iconic and grand stays	Comfortable, spacious interiors, relaxing guest rooms and excellent service Hotels that serve as bases for interaction that place a high value on connections between people	Stylish city hotels in major cities nationwide	Hotels that specialize in accommodation near highway interchanges and along major roads	Hotels that cater to travelers' curiosity and reflect the character of the region and city
Annual ADR (Note)	About 14,000 yen	About 35,000 yen	About 20,000 yen	About 11,000 yen	About 7,000 yen	About 12,000 yen
Representative facilities	 ANA Crowne Plaza Hiroshima	 Grand Hyatt Fukuoka	 Grand Prince Hotel Osaka Bay	 the b akasaka	 Comfort Inn Suwa Inter	 Hotel WBF Grande Asahikawa
No. of properties owned	3	1	1	5	23	1
Total acquisition price (ratio)	28,401 million yen (12.5%)	7,700 million yen (3.4%)	13,867 million yen (6.1%)	26,430 million yen (11.6%)	16,417 million yen (7.2%)	3,000 million yen (1.3%)

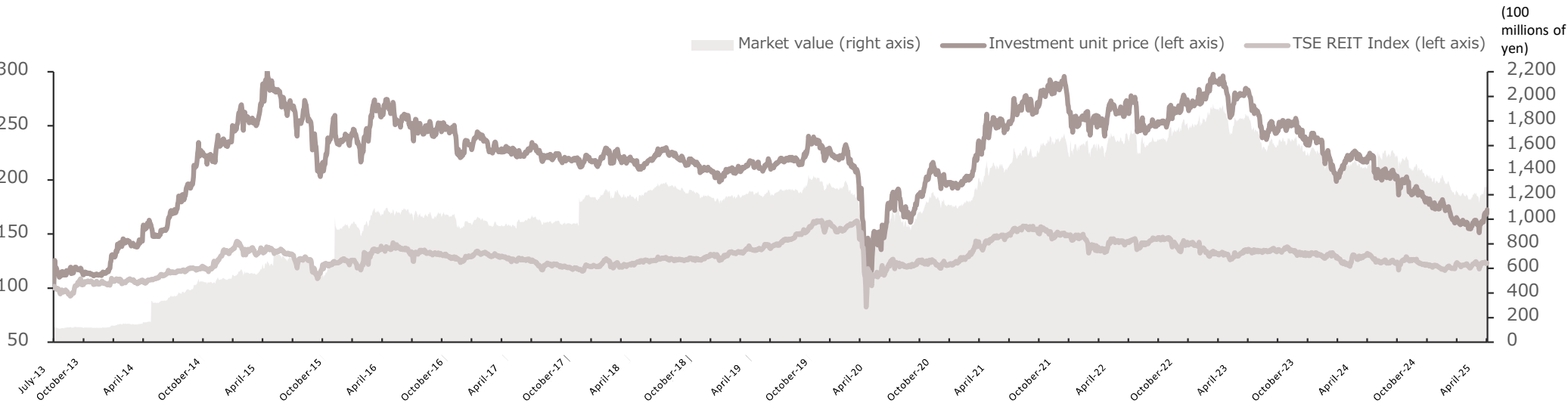
Rent type

As of May 1, 2025

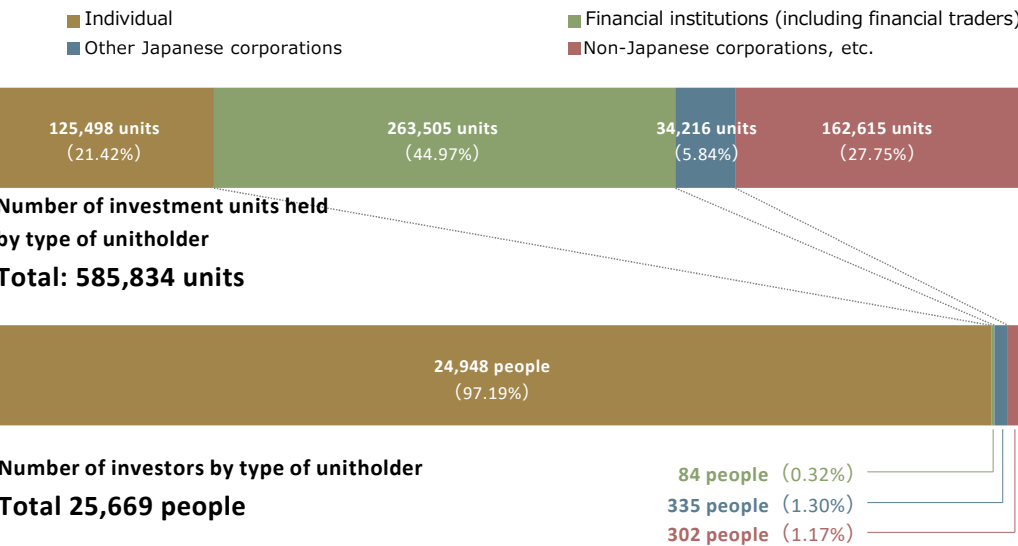
Rent type		Fixed rent	Fixed rent + Variable rent	Fixed rent + Variable rent	Variable rent
Benchmark index for calculation of Variable rent		—	Facility sales	Facility profit	Facility profit
No. of properties		8	5	56	1
Acquisition price	Amount	7.2 billion yen	16.2 billion yen	188.4 billion yen	16.0 billion yen
	Ratio	3.2%	7.1%	82.7%	7.0%
Property name		◆ 5 Candeo properties ◆ Comfort: Hakodate, Tomakomai, Kure	◆ HOSHINOYA: Karuizawa, Kyoto ◆ RISONARE: Yatsugatake ◆ KAI: Matsumoto, Ito	◆ HOSHINOYA: Fuji, Taketomi Island, Okinawa ◆ RISONARE: Atami ◆ KAI: Tamatsukuri, Hakone, Kinugawa, Kaga, Alps, Enshu, Nagato, Kirishima, Beppu, Poroto ◆ OMO7 Osaka, OMO7 Kochi, BEB5 Karuizawa, Iriomote Hotel, Hotel WBF Grande Asahikawa ◆ 23 Roadside properties ◆ 3 ANA Crowne Plaza property Es ◆ 5 the b properties ◆ hotel androoms Osaka Hommachi ◆ Sol Vita Hotel Naha ◆ Quintessa Hotel Osaka Shinsaibashi ◆ Grand Hyatt Fukuoka ◆ Comfort Hotel Takamatsu ◆ HOTEL VISTA MATSUYAMA	◆ Grand Prince Hotel Osaka Bay
Rent plan (conceptual image) (Note)					

Changes in market value and investment unit price/
Information on investors as of the end of the fiscal period ended April 2025

Changes in market value and investment unit price (Note 1)



Investor composition (Note 2) (as of April 30, 2025)



Major investors	Number of investment units held (units)	Percentage (Note 3) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	97,793	16.69
Custody Bank of Japan, Ltd. (Trust account)	94,070	16.05
BNP PARIBAS SINGAPORE/2S/JASDEC/CLIENT ASSET	34,940	5.96
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	27,505	4.69
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	11,000	1.87
UBS AG SINGAPORE	10,731	1.83
K.K. Horizon Hotels	9,464	1.61
STATE STREET BANK WEST CLIENT - TREATY 505234	9,236	1.57
Hoshino Resorts Inc.	7,246	1.23
NORTHERN TRUST CO.(AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	6,903	1.17
Total	308,888	52.72

* Percentage of investment units held by Hoshino Resorts: 4.49%

p. 8

Note 1: "Total of the properties operated by Hoshino Resorts" is calculated by aggregating data from "4 HOSHINOYA," "2 RISONARE," and "6 KAI."

"Total of the properties operated by outside operators" is calculated by aggregating data from "3 ANA Crowne Plaza Properties," "Grand Prince Hotel Osaka Bay (Formerly Hyatt Regency Osaka)," "22 Roadside properties," "4 the b properties," and "Grand Hyatt Fukuoka."

Note 2: The timing and specific calculation method of variable rent in "Assumption of Rent" will vary depending on each property.

p. 11

Note 1 : Figures reflect the assumption that the lessee changes expected as of May 1, 2025, have been realized.

Note 2 : Properties with a variable rent structure in which operational performance is generally reflected in rent on a near real-time basis.

p. 13

Note: The information presented herein has been prepared by the Asset Management Company as reference material based on a video produced by Hoshino Resorts. The figures, statistical data, and other information are derived from the original video; however, due to rounding and other adjustments, they may not exactly match the figures disclosed in official materials.

p. 16

Note: The information contained herein is based on matters under consideration as of the date of this document and is subject to change without prior notice.

p. 17

Note 1: "NOI yield after depreciation" is the figure calculated by the Asset Management Company by dividing NOI after depreciation by the total of the planned acquisition or transfer prices, rounded to one decimal place. For the NOI of assets to be transferred, estimated operating net income for the 25th Period as estimated by the Asset Management Company is used. For the Net Operating Income (NOI) of assets to be acquired, NOI obtained by deducting operating expenses from the operating income stated in the appraisal report is used. For the estimated amount depreciation as of today for assets to be acquired, the estimated amount calculated by the Asset Management Company by multiplying the planned acquisition price, acquisition cost, etc. by the straight-line depreciation rate based on the useful life, taking into consideration information obtained by the Asset Management Company such as the building condition assessment report, etc. for assets to be acquired, is used. For the depreciation for assets to be transferred, the actual amount of depreciation during the holding period or an estimated amount based on the actual amount is used. Note that NOI is income before deducting the depreciation. This differs from net cash flow, in which the addition of investment income, such as security deposits, and capital expenditures are deducted from NOI. Additionally, for assets to be acquired, net operating income based on the direct capitalization method is used.

Based on this, each indicator is calculated as follows. The same shall apply hereinafter.

- NOI yield after depreciation = $(\text{NOI} - \text{Depreciation}) \div \text{Planned acquisition or transfer price}$
- NOI yield after depreciation based on actual results = $(\text{Total projected NOI estimated by the Asset Management Company in the 25th and 26th FPs} - \text{Depreciation} - \text{Annual tax amount stated in the fixed asset tax notice received in 2022 or 2024}) \div \text{Planned acquisition price}$

Note 2: In calculating the NOI yield after depreciation for OMO7 Kochi, the annual rate is calculated by deducting depreciation from net operating income calculated based on the operating forecast for the next ten years estimated by the Asset Management Company and dividing the difference by the amount of security deposit to be returned, rounded to one decimal place, under the rent conditions before and after the change in the rent design under the initiatives. The value is based on the forecast of the Asset Management Company and may differ from the actual yield.

p. 18

Note: With regard to the b akasaka/the b sangenjaya/the b kobe/the b nagoya, full amendment agreements for the lease agreement of each property are scheduled to be executed, and upon completion of the incorporation-type company split of the hotel operation business planned by K.K. Horizon Hotels, which is the current lessee, the position of the lessee in the lease agreements for each property is scheduled to be transferred to the company that will be established by the incorporation-type company split. For details, please see the "Notice Concerning Asset Replacement Due to Acquisition of Domestic Real Estate and Transfer of Domestic Real Estate, and Changes to Domestic Real Estate Lease Agreements (Measures for Co-existence and Co-prosperity with Sponsor, etc.)" (disclosed on April 18, 2025).

p. 20

Note: The May 2025 performance figures for each property are based on data and information (including preliminary figures) provided by tenants and other relevant parties to the Asset Management Company and are subject to revision without prior notice.

p. 21

Note 1: The "Total of the properties operated by Hoshino Resorts" and "Total of the properties operated by outside operators" do not include properties acquired after May 2022.

Note 2: Operational performance data for "OMO7 Kochi" prior to March 2023 is based on figures from the property's former brand, 'Hotel Nikko Kochi Asahi Royal.' The same applies hereafter.

Note 3: The figures for Grand Prince Hotel Osaka Bay prior to June 30, 2023, are calculated based on the figures for Hyatt Regency Osaka prior to the rebranding. The same applies hereafter.

p. 22

Note 1: Data for "OMO7 Osaka" is compiled from June 1, 2024, onward, and data for "KAI Poroto" is compiled from January 1, 2025, onward.

Note 2: The inbound ratios for the "22 roadside properties" for July 2024 and earlier are those at the time of the "Chisun Inn".

Note 3: The inbound ratio of "Grand Prince Hotel Osaka Bay" before June 2023 is the same as that of "Hyatt Regency Osaka".

p. 24

Note 1: The previous FP's real estate appraisal amount, etc. for "KAI Poroto" is based on the value at the time of acquisition in January 2025.

Note 2: The real estate appraisal value and other related figures for "Roadside properties" do not include "Comfort Inn Niigata Kameda".

p. 25

Note 1: The ratio of fixed rate includes yield curve swap agreements that review interest rates at scheduled intervals.

Note 2: The Bank of Japan's Climate Response Financing Operation refers to funds that each private financial institution deems eligible for the 'fund-provisioning operations to support efforts on climate change' conducted by the Bank of Japan.

Note 3: "Sustainable finance balance" refers to the total outstanding balance of sustainable loans, green loans, blue loans, positive impact finance, sustainable bonds, and green bonds.

Note 4: "Sustainable equity balance" refers to the total amount of outstanding sustainable and green equity.

Note 5: "Sustainable finance balance," "Green equity balance," and "Sustainability equity balance" are calculated based on the criteria of the previous BELS evaluation due to changes in the BELS evaluation system.

p. 26

Note: The calculation method for "LTV (based on market value)" is "total interest-bearing debt" divided by "total assets including unrealized gains and losses."

p. 31

Note: The "Image of risk level from hotel development to stable operation" is only a conceptual image of the generally assumed risk level from hotel development to stable operation and the roles of related parties. It does not guarantee or promise that the actual development will be as shown in the diagram.

p. 32

Note 1: Where the year given in the "Start of operation" column is followed by the parenthesized word "plan," the year merely indicates the year that, as of the date of this document, HRR plans on starting operation. It may be subject to change.

Note 2: "Hoshino Resort Tourism Revitalization Fund" is a joint fund formed by Hoshino Resorts and RISA Partners Inc.

Note 3: "ALL JAPAN Tourism Nation Fund" is a fund that partners with the leading companies of various sectors as well as regional financial institutions in order to invest in assets throughout all 47 prefectures in Japan, free of any regional constraints. It engages in various businesses guided by a broad range of purposes, including the launch, renovation, and conversion of hotels and other accommodation establishments, promoting reforms in the way lodging establishments are operated and managed, promoting startups that support the national push to elevate Japan's status as a tourist destination, and revitalizing traditional industries.

Note 4: "Properties owned by third parties" refer to properties operated by Hoshino Resorts Group that are not owned by Hoshino Resorts Group, the DBJ joint fund, Hoshino Resort Tourism Revitalization Fund, or ALL JAPAN Tourism Nation Fund.

p. 36

Note 1: "Hot water heat pump unit utilizing seawater desalination heat sources" is a product that Zeneral Heatpump Industry Co., Ltd., and Enagia ® Inc., developed for introduction to "HOSHINOYA Taketomi Island."

Note 2: SAF refers to "sustainable aviation fuel" derived from non-fossil sources such as used cooking oil, plant and animal fats, and woody biomass. It is considered to significantly reduce carbon dioxide (CO₂) emissions compared with conventional petroleum-based fuels.

Note 3: The HEFA method (Hydroprocessed Esters and Fatty Acids Method) is a technology that produces renewable aviation fuel by hydroprocessing waste cooking oil and animal/plant oils.

Note 4: CO₂ emissions are based on the Ministry of Land, Infrastructure, Transport and Tourism's report on "CO₂ emissions in the transport sector" for FY2023 (in Japanese).

(https://www.mlit.go.jp/sogoseisaku/environment/sosei_environment_tk_000007.html)

p. 37

Note 1: The figures in "Environmental Performance" are based on the figures provided by the operator of each property. "Energy Consumption," "Water Consumption," "GHG Emissions," and "Waste" are calculated from April to March each year. The number of properties for "Energy Consumption," "Water Consumption," "GHG Emissions," and "Waste" is based on properties owned by HHR for which 100% of the area for which data was obtained.

Note 2: "Energy consumption per basic unit" is calculated as (energy consumption of properties with 100% of the area of data acquisition among properties owned) ÷ basic unit denominator (area (m²) of properties with 100% of the area of data acquisition among properties owned).

Note 3: "Water consumption per basic unit" is calculated as (water consumption of 100% of the properties in the portfolio) ÷ denominator of basic unit (area (m²) of the properties in the portfolio with 100% of the area of data acquisition).

Note 4: "GHG emissions per basic unit" is calculated as (greenhouse gas (GHG) emissions from properties with 100% of the total area covered by data) ÷ basic unit denominator (area (m²) of properties with 100% of the total area covered by data).

Note 5: "Recycling rate" is calculated as (The amount of waste recycled in properties where 100% of the data acquisition area has been obtained) ÷ (The amount of waste generated in properties where 100% of the data acquisition area has been obtained).

Note 6: The percentage of "Green Lease Agreement" based on the leasable area is calculated based on the lease agreement of each property.

Note 7: "Percentage contracted based on leasable floor area" is calculated using the following:

"Percentage contracted based on leasable floor area" = total leasable floor area of properties with green lease agreements ÷ total leasable floor area of the portfolio overall × 100

Note 8: The "External Evaluation on Sustainability," evaluations may vary by building depending on the property, and in that case, the evaluation results for the building that received the highest rating (the evaluated building) at each property is listed.

p. 38

Note 1: Chain of Custody (CoC) certification refers to a system that verifies that certified products or materials are identified, recorded, and managed throughout all stages of the supply chain—production, processing, distribution, and sales—without being mixed with non-certified items.

Note 2: Aquaculture Stewardship Council (ASC) certification is an international certification system that verifies aquaculture products are produced in an environmentally sustainable and socially responsible manner.

Note 3: Marine Stewardship Council (MSC) certification is an international certification granted to wild-caught seafood that has been harvested through sustainable fishing practices.

p. 44

Note: The "Total of the properties operated by Hoshino Resorts" and "Total of the properties operated by outside operators" do not include properties acquired after May 2018.

p. 45

Note: "Total of the properties operated by Hoshino Resorts" does not include properties acquired after January 2019.

p. 47

Note: Annual ADR is a reference value calculated based on the period from May 2024 to April 2025.

p. 48

Note: Annual ADR is a reference value calculated taking May 2024 to April 2025 as the base period. However, for properties operated by "Greens," figures are not disclosed (excluding roadside properties), as the lessee has not consented to disclosure.

p. 49

Note: The coefficient differs depending on the lease agreement for each property.

- p. 50
- Note 1: The start date for the graph is July 11, 2013, the day of business immediately prior to the new listing date. In consideration of the investment unit split (half each) effective as of November 1, 2016, and November 1, 2024, the investment unit price has been indexed taking one fourth of the issue price 510,000 yen of the public offering implemented on July 11, 2013, as 100 and revising the figures prior to October 26, 2016, and October 30, 2024, the last trading day before the investment unit split, accordingly. In addition, the Tokyo Stock Exchange REIT index has been indexed taking the closing price as of July 11, 2013, as 100.
- Note 2: The ratios in parentheses under the number of units held by type of unitholder indicate the ratio of units held by each type of unitholder against the total number of investment units issued. In addition, the ratio in parentheses under number of investors by type of unitholder indicates the ratio of the number of investors by each type of unitholder to the total number of investors who own HRR. All figures are shown rounded down to two decimal places.
- Note 3: Percentage means the ratio of the number of investment units owned against the total number of investment units issued, rounded down to two decimal places.

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This document may include properties that are not included in the properties held by HRR as of the date of this document, such as facilities owned by Hoshino Resorts, DBJ Joint Fund, and WBF. There are no specific plans for HRR to acquire any of these properties, including those described in the list of major sponsor pipelines, as of the date of this document, nor is there any guarantee that HRR will be able to acquire them in the future. Please refer to "Status of Portfolio" on our website: <https://www.hoshinoresorts-reit.com/en/portfolio/list.html>

For the convenience of preparing graphs, the dates indicated may differ from actual business dates.

* We do not provide any guarantees regarding the completeness or accuracy of the English translation of this document.
If there is any discrepancy between the English translation and the original Japanese text, the latter shall prevail.

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REIT Securities Issuer: Hoshino Resorts REIT, Inc. (securities code: 3287)

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