

Supplementary Explanatory Material for the Press Release Dated October 17, 2025

Notice Concerning Acquisition of Domestic Real Estate (AQUAIGNIS/Yunoyama Sosuikyo)

October 17, 2025

**Hoshino
Resorts
REIT**

Securities Code: 3287

<https://www.hoshinoresorts-reit.com>

Asset management company: Hoshino Resort Asset Management Co., Ltd.

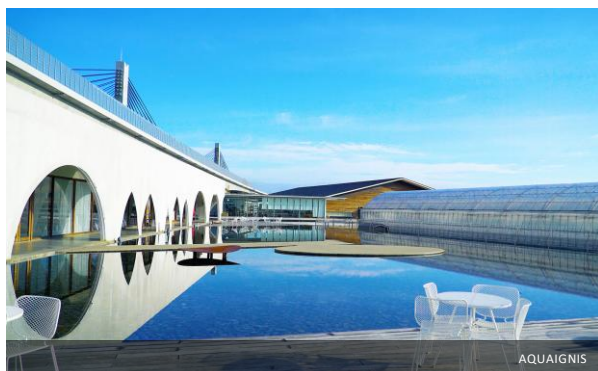
AQUAIGNIS

AQUAIGNIS/Yunoyama Sosuikyo Overview of Asset to Be Acquired (1)

Concept

A delightful retreat where food and people come together to nourish the soul.

- HRR aims to acquire a stable, competitive property by leveraging its strong acquisition capabilities. Through carefully selected investments expected to generate a high post-depreciation yield of 5% or more (with an anticipated total asset LTV of approximately 41.0% after acquisition), HRR seeks to achieve sustainable external growth.
- The property is a sophisticated hot spring resort complex themed around *"healing and food,"* *"local production for local consumption,"* and *"gourmet dining by renowned chefs."*
- It differentiates itself through its abundant natural hot spring supply and exceptional culinary offerings, attracting not only tourists from the Nagoya and Kansai regions but also a strong base of local visitors, boasting approximately one million guests annually.
- In addition to its robust customer appeal and stable earnings, a renovation plan is under consideration to further enhance user satisfaction and drive future growth following the acquisition.
- Through this acquisition, we aim to create investment opportunities in future development projects in collaboration with AQUAIGNIS Co., Ltd.



Area map/access

- 8 minutes' walk from Yunoyama Onsen Station on the Kintetsu Yunoyama Line
- Approximately 5 minutes by car from Komono IC on the Shin-Meishin Expressway, approximately 45 minutes from Nagoya, and approximately 2 hours from Osaka

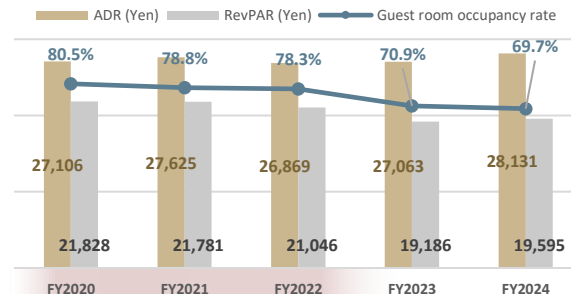
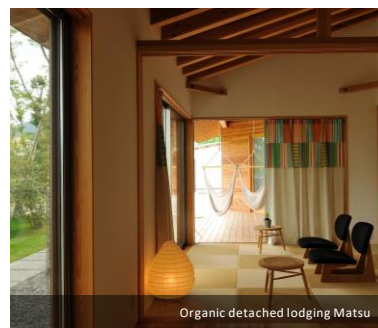


Overview of Property Acquired

Location	Mie-gun, Mie Prefecture	Planned acquisition price	5,953 million yen
Completion year	AQUAIGNIS in 2012	Real estate appraisal value	6,340 million yen
	Yunoyama Sosuikyo in 2020	Lease agreement period	10 years
Planned acquisition date	November 4, 2025	Appraisal NOI yield	5.8%
Total number of guest rooms	31	Appraisal NCF yield	5.3%
Seller	AQUAIGNIS Co., Ltd., and others	Yield after depreciation	5.3%
Operator/Lessee	AQUAIGNIS Co., Ltd.	Rent type	Fixed + floating (sales) * Fixed rent will be increased during the renovation work period

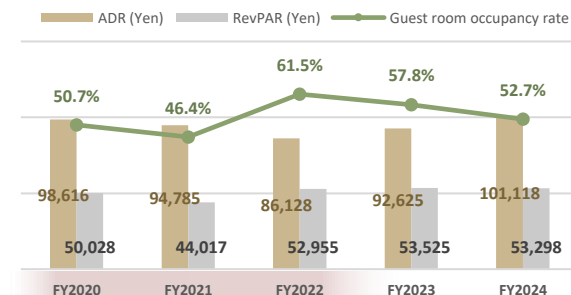
Track record of operation (Fiscal Year: August to July of following year)

- **AQUAIGNIS:** Attracts a diverse clientele with its accommodation building attached to the day-trip hot spring facility Kataoka Onsen and its organic detached lodgings where guests can enjoy private open-air baths.



Demonstrated high customer attraction even during the COVID-19 pandemic

- **Yunoyama Sosuikyo:** 12 detached houses boldly made of natural materials such as iron and stone. It is a villa with a design reminiscent of a gallery, providing a special feeling like a private residence.

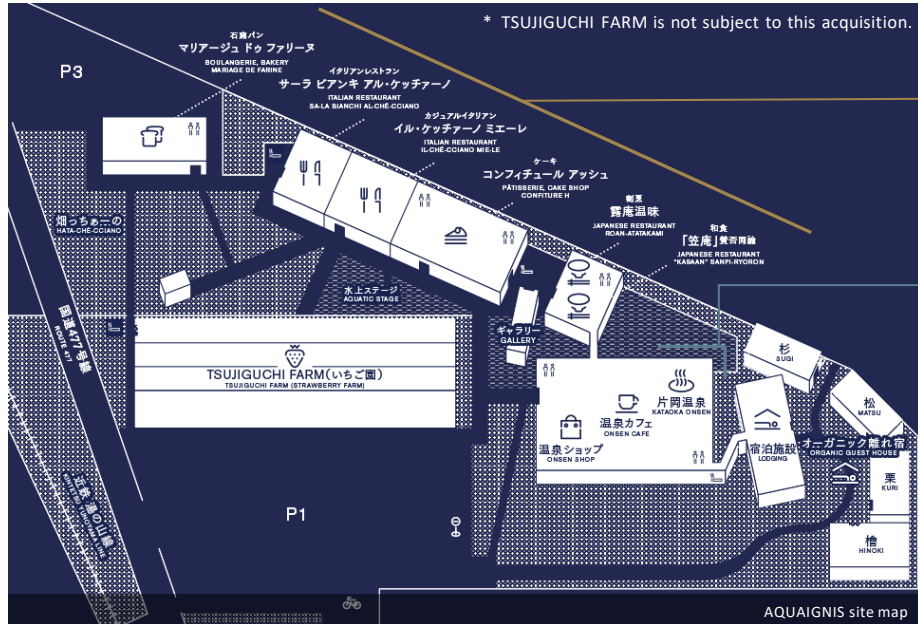


Despite opening during the COVID-19 pandemic, RevPAR is also performing well

AQUAIGNIS/Yunoyama Sosuikyo Overview of Asset to Be Acquired (2)

Charm of AQUAIGNIS/Yunoyama Sosuikyo

AQUAIGNIS was established in 2012 as a comprehensive resort for healing and food. It consists of three facilities: hot bath facilities, accommodation facilities and commercial facilities.



Dining facilities rooted in local climate

The resort features six dining facilities, ranging from Japanese cuisine, bakery and sweet curated by renowned pastry chef such as Hironobu Tsujiguchi, who has won numerous international competitions, and Masayuki Okuda, selected as one of the world's top 1,000 chefs. Each restaurant showcases seasonal local ingredients, offering guests a dining experience that captures the unique flavors of each season.



Kataoka Onsen with its abundant hot spring water

Kataoka Onsen is a natural hot spring that flows from the source, 100% pure with no added water, heating, or circulation, and boasts an abundant supply of hot water: 750 liters per minute at AQUAIGNIS and 460 liters per minute at Yunoyama Sosuikyo. In addition to the local guests who used to use it, the number of tourists is increasing, and people can enjoy a private open-air bath at the organic detached inn and Yunoyama Sosuikyo.



Yunoyama Sosuikyo Choseki CHOSEKI

12 villas with a theme of materials, Yunoyama Sosuikyo

Using a variety of materials such as earth, stone, plaster, wood, lacquer, Japanese paper, glass, and iron, the property creates a highly unique space reminiscent of a small gallery. Each building offers a unique stay, and guests can enjoy a different time each time they visit by changing the room type. It has three restaurants and offers a food experience where guests can feel the local climate.

Development and Management Capabilities of AQUAIGNIS Co., Ltd., the Operator

Since opening AQUAIGNIS in 2012, the company has been recognized for its outstanding development and operation performance, and has been involved in numerous development projects through public-private partnerships and cooperation with local companies. In addition to operating hot spring facilities and accommodation facilities, including villas, it is expanding its business into a wide range of fields, including commercial facilities that promote high design and appeal of food.

Business development that highlights the appeal of the region

The company develops and operates Japan's largest commercial resort, VISON, in Mie Prefecture. It has developed four different types of accommodation facilities on a large site that is 24 times the size of Tokyo Dome (≈ 1.1 million m^2), as well as a medicinal herbal bath facility in collaboration with local universities and companies, and a farmers market selling vegetables, seafood, Matsusaka beef, and other products from local producers. The company creates area designs that allow visitors to feel the local characteristics and the changing seasons.

Development Strategy Focusing on Food

From the development stage of AQUAIGNIS, the focus has been on sweets and dining establishments to capture weekday demand. Hironobu Tsujiguchi participates in the management, and is also focusing on relaxation and food at each facility. VISON is a commercial facility with over 60 stores, and has created a unique space by setting up a brewery in a corner of Wa VISON, an area where customers can enjoy Japanese ingredients.



Directly connected to Taki VISON Smart Interchange of the Ise Expressway



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Asset Management Company: Hoshino Resort Asset Management Co., Ltd. (Financial instruments business operator, Director of Kanto Local Finance Bureau (Kin-sho) No. 2405, Member of the Investment Trusts Association, Japan)