



Hoshino

Hoshino
Resorts
REIT

Presentation Material

Fiscal Period Ended
April 2026/26th FP

Hoshino Resorts REIT, Inc. Presentation Materials

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

Asset Management Company:
Hoshino Resort Asset Management Co., Ltd.

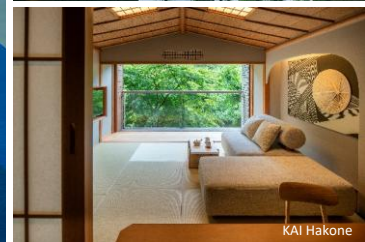
June 15, 2026



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.



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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
“5 HOSHINOYA properties”	HOSHINOYA Karuizawa, HOSHINOYA Kyoto, HOSHINOYA Fuji, HOSHINOYA Taketomi Island, HOSHINOYA Okinawa
“2 RISONARE properties”	RISONARE Yatsugatake, RISONARE Atami
“11 KAI”	KAI Matsumoto, KAI Tamatsukuri, KAI Ito, KAI Hakone, KAI Kinugawa, KAI Kaga, KAI Alps, KAI Enshu, KAI Nagato, KAI Kirishima, KAI Beppu
“12 KAI”	KAI Matsumoto, KAI Tamatsukuri, KAI Ito, KAI Hakone, KAI Kinugawa, KAI Kaga, KAI Alps, KAI Enshu, KAI Nagato, KAI Kirishima, KAI Beppu, KAI Poroto
“2 OMO properties”	OMO7 Kochi, OMO7 Osaka
“22 Roadside properties”	22 Comfort Inn budget-style hotels operated by the Greens Co., Ltd. (hereinafter referred to as “Greens”)
“23 Roadside properties”	22 Roadside properties, 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 asakusa
“5 Candeo properties”	Candeo Hotels Handa, Candeo Hotels Chino, Candeo Hotels Fukuyama, Candeo Hotels Sano, Candeo Hotels Kameyama
“3 Comfort Hotel properties”	Comfort Hotel Hakodate, Comfort Hotel Tomakomai, Comfort Hotel Kure

• 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 access the website by reading it with a smartphone, etc.

CHAPTER

1



Financial summary

Financial results for the fiscal period ended April 2026 (26th fiscal period)

	Results of the 25th FP	Forecast for the 26th FP (Financial results as of December 16, 2025) (A)	Results of the 26th FP (B)	Comparison with Forecast (B)-(A)
Operational status (million yen)				
Operating revenue	8,696	9,162	9,344	+181
Operating expenses	4,370	4,491	4,488	-3
Operating profit	4,325	4,671	4,855	+184
Ordinary profit	3,556	3,804	3,998	+194
Profit	3,555	3,803	3,997	+194
Distribution per unit	6,077 yen	6,500 yen	6,832 yen	+332 yen
Others				
Rental NOI (million yen)	7,159	7,703	7,852	+148
Rental NOI yield	6.3%	6.6%	6.7%	+0.1pt
LTV	39.5%	40.9%	40.8%	-0.10pt
NAV per unit	305,074 yen	-	307,350yen	-

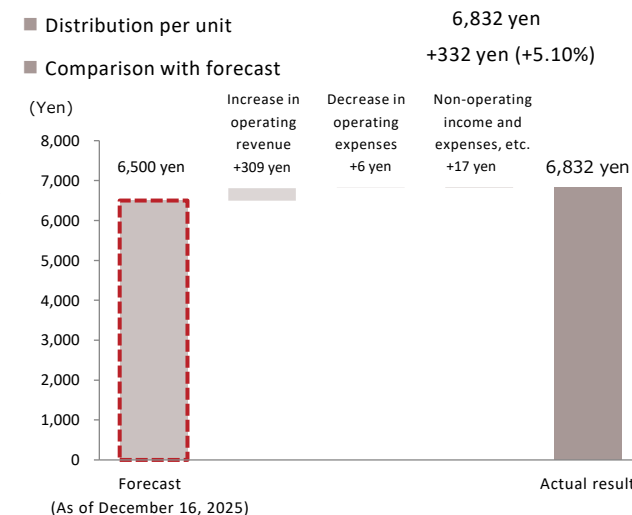
Breakdown of operating revenue

■ Fixed rent	5,423 million yen (58.0%)
■ Variable rent	3,914 million yen (41.9%)
■ Other revenue	6 million yen (0.1%)

Comparison of operating expenses with previous forecast

■ Rental business expenses (repair expenses)	+51 million yen
■ Rental business expenses (expenses excluding repair expenses)	-31 million yen
■ Increase/decrease in other expenses	-23 million yen

Analysis of Increase/Decrease in distribution per unit

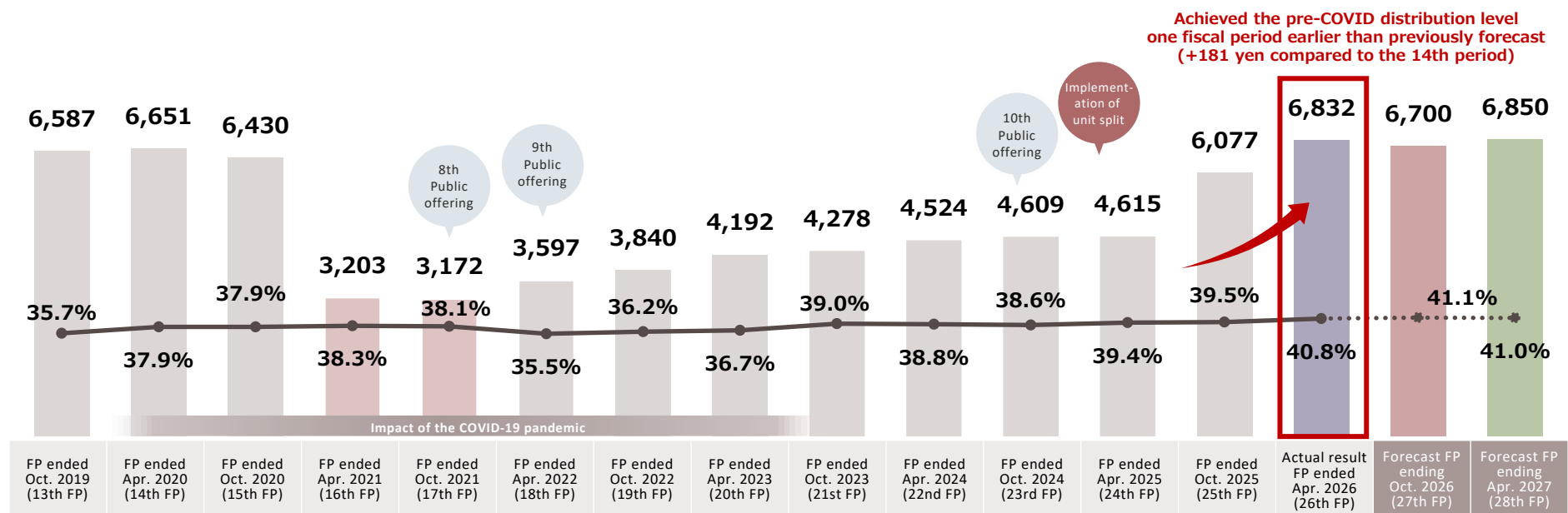


Actual and forecast distribution per unit and changes in LTV

Actual and forecast distribution per unit

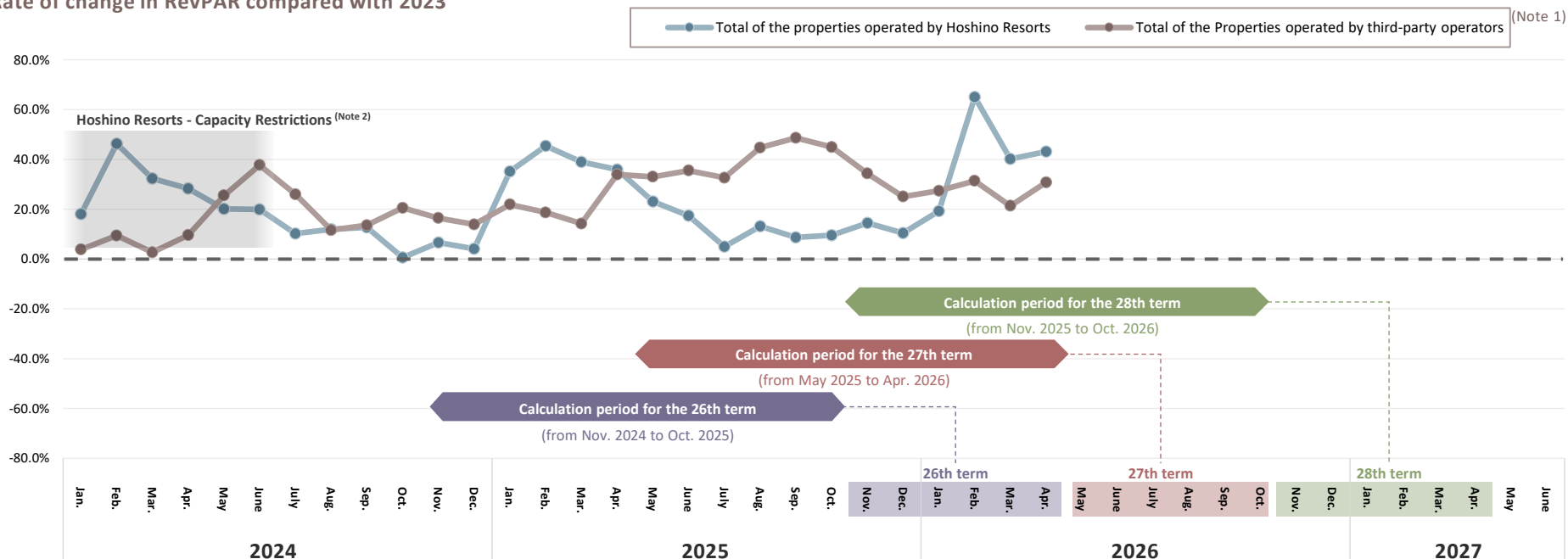
	Previous forecast (released Dec. 16, 2025)	This announcement (released Jun. 15, 2026)	
FP ended Apr. 2026 (FP 26 th)	6,500 yen	Actual results 6,832 yen (vs. previous forecast +332 yen)	- Primary variable-rent calculation period: November 2024 – October 2025 - Compared with the earnings forecast, strong operations at real-time linked properties (in particular the 23 roadside properties and the 5 "the b" hotels) drove higher revenue (+323 yen against forecast) - The acquisition of "Aqua Ignis / Yunoyama Sosuikyō," acquired on November 4, 2025, contributed to earnings - Issued the 5th series of unsecured investment corporation bonds (7-year term, 1.3 billion yen)
FP ended Oct. 2026 (FP 27 th)	6,660 yen	Forecast 6,700 yen (vs. previous forecast +40 yen)	- Primary variable-rent calculation period: May 2025 – April 2026 - Rent increase from newly concluded master lease (ML) agreements for the 3 Comfort Hotel properties (+205 yen) - Factors in the anticipated interest rate hikes in June 2026 (0.75% → 1.00%) and December 2026 (1.00% → 1.25%) (–46 yen vs. previous forecast) - Increase in fixed-asset retirement/disposal and repair expenses (–105 yen vs. previous forecast)
FP ended Apr. 2027 (FP 28 th)	-	Forecast 6,850 yen (vs. 27th period +150 yen, +2.2%)	- Primary variable-rent calculation period: November 2025 – October 2026 - Pre-COVID-level distributions achieved one period earlier than previously anticipated - Sale of "Sol Vita Hotel Naha" (scheduled to be sold on November 4, 2026) - Meanwhile, lodging demand in Osaka declined due to the fading of Expo-related demand and the impact of China's advisory urging citizens to refrain from traveling, affecting "OMO7 Osaka" and "Grand Prince Hotel Osaka Bay" - Factoring in interest rate hikes in June 2027 (1.25% → 1.50%) and December 2027 (1.50% → 1.75%)

Changes in distributions per unit (yen) and LTV (%) *The figures presented on a post unit-split basis



Correlation between rent and hotel performance

Rate of change in RevPAR compared with 2023

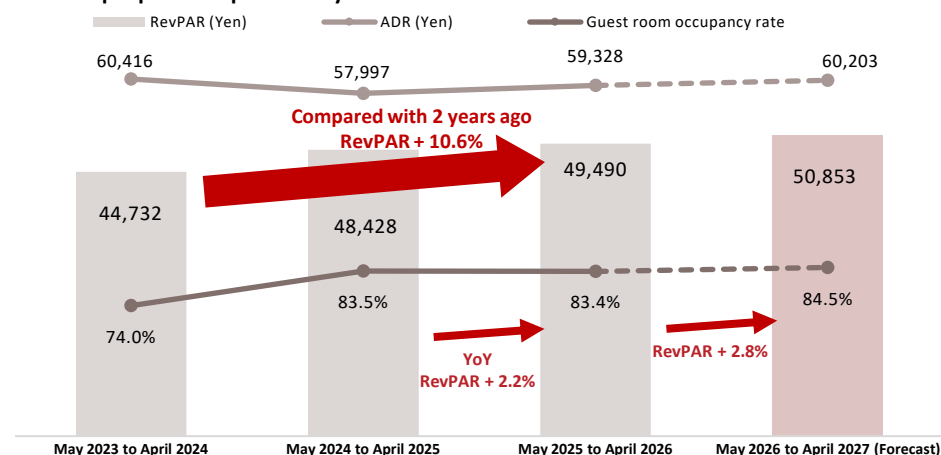


Assumptions for rent (Note 3) (Unit: millions of yen)

Operation Category			Result of FP ended April 2026 (the 26th FP)			Forecast for FP ending October 2026 (the 27th FP)			Forecast for FP ending April 2027 (the 28th FP)		
			Fixed Rent etc.	Variable Rent	Total	Fixed Rent etc.	Variable Rent	Total	Fixed Rent etc.	Variable Rent	Total
Properties operated by Hoshino Resorts		HOSHINOYA	1,030	353	1,383	1,030	375	1,406	1,030	376	1,406
		RISONARE	374	280	654	374	295	669	374	309	683
		KAI	589	517	1,107	598	501	1,100	579	619	1,199
		OMO	1,093	-	1,093	468	474	943	468	352	820
		Others	125	56	181	125	55	181	125	52	178
Subtotal			3,213	1,207	4,420	2,596	1,703	4,300	2,578	1,710	4,288
Properties operated by Third-party operators		3 ANA Crowne Plaza Properties	696	230	926	696	235	931	696	232	928
		23 Roadside Properties	285	493	779	285	560	846	285	491	777
		5 the b Properties	312	640	953	312	588	901	325	628	953
		Others	796	1,173	1,970	793	1,348	2,142	786	878	1,664
		Subtotal	2,091	2,538	4,629	2,087	2,733	4,821	2,093	2,230	4,323
Total			5,304	3,745	9,050	4,684	4,437	9,121	4,672	3,940	8,612
Newly Acquired Properties	Acquired on 4 th Nov. 2025	AQUAIGNIS/Yunoyama Sosuikyō	47	141	188	150	32	182	88	81	170
Transferred objects	To be transferred on 4 th Nov. 2026	Sol Vita Hotel Naha	64	26	91	64	40	104	1	-	2
Total of 71 properties after replacement			5,416	3,914	9,330	4,898	4,510	9,409	4,762	4,023	8,785

Operating results summary by brand (changes over the last three years and forecast for the next year)

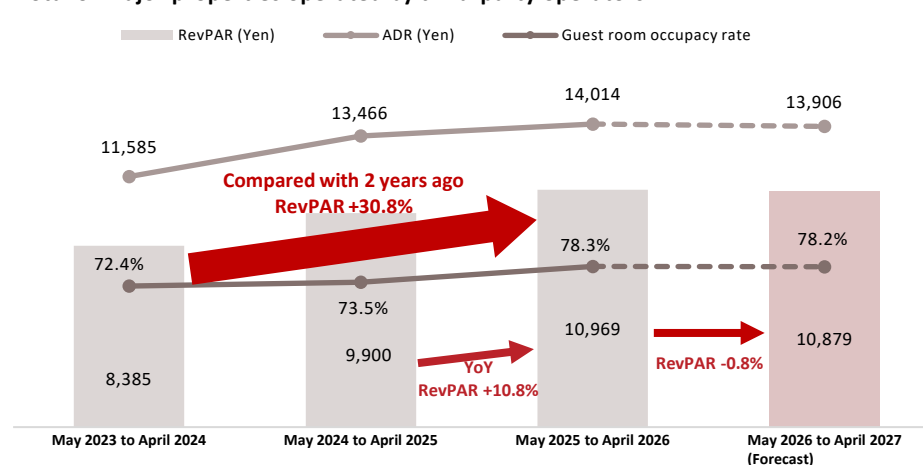
Total of properties operated by Hoshino Resorts (Note 1)



		2023/5 to 2024/4 (①)	2024/5 to 2025/4 (②)	2025/5 to 2026/4 (③)	Compared with 2 years ago (③-①)	Compared with the previous year (③-②)
5 HOSHINOYA properties	Guest room occupancy rate	68.2%	84.0%	83.9%	+15.7pt	-0.1pt
	ADR (Yen)	87,748	82,948	84,174	-3,574	+1,226
	RevPAR (Yen)	59,850	69,704	70,635	+10,785	+931
2 RISONARE properties	Guest room occupancy rate	78.8%	78.7%	76.5%	-2.3pt	-2.2pt
	ADR (Yen)	69,760	67,445	67,605	-2,155	+160
	RevPAR (Yen)	54,947	53,068	51,700	-3,247	-1,368
11 KAI properties	Guest room occupancy rate	78.4%	89.0%	87.0%	+8.6pt	-2.0pt
	ADR (Yen)	46,172	45,508	47,996	+1,824	+2,488
	RevPAR (Yen)	36,176	40,524	41,738	+5,562	+1,214
OMO7 Kochi	Guest room occupancy rate	58.0%	73.1%	84.5%	+26.5pt	+11.4pt
	ADR (Yen)	12,915	24,562	27,877	+14,962	+3,315
	RevPAR (Yen)	7,489	17,951	23,556	+16,067	+5,605

Including renovation period

Total of major properties operated by third-party operators (Note 1)



		2023/5 to 2024/4 (①)	2024/5 to 2025/4 (②)	2025/5 to 2026/4 (③)	Compared with 2 years ago (③-①)	Compared with the previous year (③-②)
3 ANA Crowne Plaza properties	Guest room occupancy rate	71.8%	73.1%	75.3%	+3.5pt	+2.2pt
	ADR (Yen)	13,729	14,232	14,679	+950	+447
	RevPAR (Yen)	9,855	10,402	11,057	+1,202	+655
Grand Prince Hotel Osaka Bay (Note 2)	Guest room occupancy rate	46.3%	47.8%	71.5%	+25.2pt	+23.7pt
	ADR (Yen)	19,488	20,675	24,191	+4,703	+3,516
	RevPAR (Yen)	9,018	9,882	17,301	+8,283	+7,419
22 Roadside properties	Guest room occupancy rate	75.7%	75.7%	79.0%	+3.3pt	+3.3pt
	ADR (Yen)	6,371	7,459	7,718	+1,347	+259
	RevPAR (Yen)	4,822	5,645	6,095	+1,273	+450
4 the b properties	Guest room occupancy rate	79.3%	83.1%	83.3%	+4.0pt	+0.2pt
	ADR (Yen)	10,463	11,590	12,613	+2,150	+1,023
	RevPAR (Yen)	8,299	9,627	10,506	+2,207	+879
Grand Hyatt Fukuoka	Guest room occupancy rate	75.5%	80.6%	80.9%	+5.4pt	+0.3pt
	ADR (Yen)	33,494	35,915	39,133	+5,639	+3,218
	RevPAR (Yen)	25,273	28,954	31,664	+6,391	+2,710

Including renovation period

Including rebranding period



Please refer to "Hotel Operational Results Data" for monthly operating results for individual properties.
<https://www.hoshinoreorts-reit.com/en/ir/library.html>

CHAPTER

2



BEB5 Karuizawa

Highlights of operations

Overview of the Management strategy in Response to Changes in Operating Environment

- In light of the external environment and market expectations, HRR will pursue initiatives to improve the profitability of its existing assets and to achieve future external growth—from both short-term and medium-to-long-term perspectives—while making the fullest use of Hoshino Resorts' operational capabilities and the Asset Management Company's asset management capabilities.

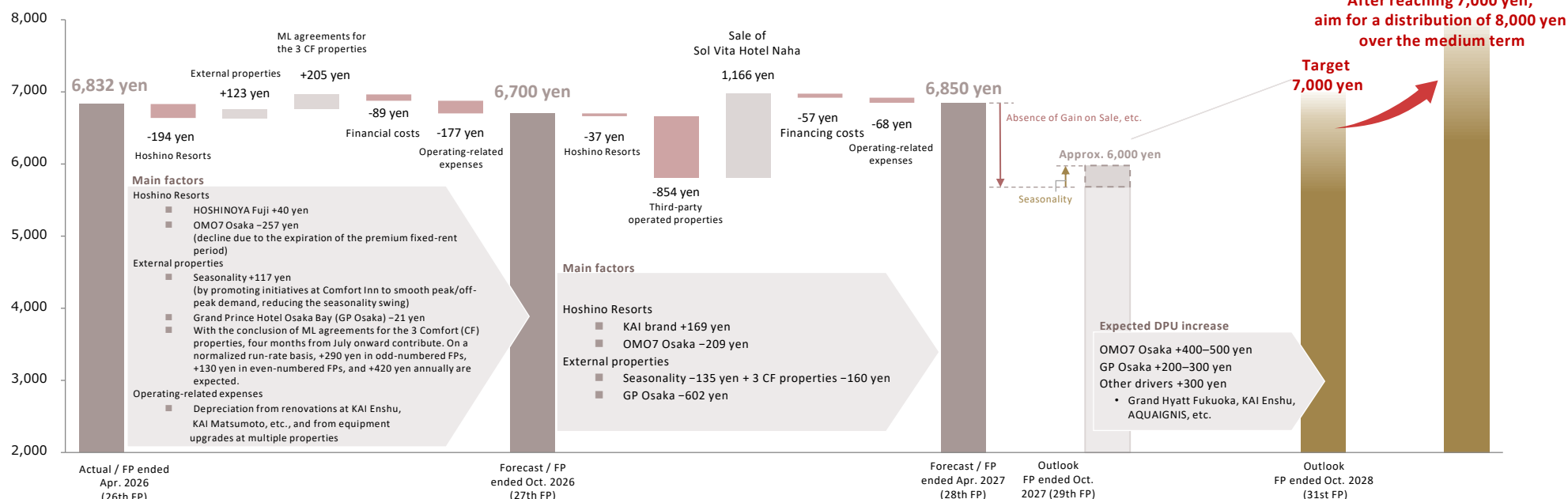
External environment recognition	Market expectations for HRR	HRR's internal environment recognition
■ J-REIT Market: Unit prices and indices have remained sluggish relative to the equity market. Limited capital inflows continue against a backdrop of concerns over rising interest rates and other factors. ■ Interest Rates: In addition to the rise in 10-year JGB yields, there is expectation of further rate hikes in 2026–2027. ■ Costs: Soaring energy and commodity prices amid geopolitical tensions in the Middle East, higher aviation fuel surcharges, and rising labor costs are squeezing earnings. ■ Inbound Tourism: Despite the recent impact of China's advisory urging citizens to refrain from traveling to Japan, growth from other countries has kept figures roughly on par with the previous year, holding up firmly. While inbound demand is subject to short-term fluctuations due to diplomatic issues, geopolitical risks, and the like, we recognize that the room for medium-to-long-term growth remains substantial, supported by the government's promotion of tourism-driven national development and regional dispersion. ■ AI & Technology: Advances in the use of AI are expanding the scope for enhancing the booking experience, refining demand forecasting, and improving operational efficiency through labor-saving measures.	■ Recovery of the unit price to a NAV multiple of around 1.0x ■ Sustained distribution growth that outpaces inflation and rising interest rates, as demonstrated by recent results ■ Achieving earnings growth by leveraging Hoshino Resorts' strong operational capabilities and brand power, along with cost normalization through operational optimization, and capturing inbound demand ■ Improving and stabilizing the earnings of underperforming properties, and replacing them with higher-yielding, higher-growth properties ■ A flexible financial strategy that mitigates the impact of rising interest rates	■ Due to a lack of concrete pathways and track record demonstrating the feasibility of DPU growth, expectations for growth are not sufficiently priced into the unit price ■ To advance external growth, HRR must first achieve a DPU of 8,000 yen and a P/NAV ratio of approximately 1.0x ■ Exploring investment opportunities in higher-yielding, higher-growth properties by utilizing acquisition capacity of approximately 10 billion yen (with an LTV ceiling of around 43% as a guide) ■ Improving the earnings of underperforming properties through asset management measures, and considering property sales and replacements ■ Considering how to utilize the proceeds from the sale of "Solvita Hotel Naha" in ways that contribute to enhancing unitholder value over the medium-to-long term

- Overview of the Investment Corporation's Management Strategy

	Short Term (~3 years)	Mid to Long Term (Over 3 years)
Overall Strategy	Aiming for an early recovery in DPU and unit price	Achieving sustained distribution growth through the dual engines of internal growth that leverages Hoshino Resorts' operational capabilities and external growth
Hoshino Resorts	- Focused efforts on underperforming properties to improve earnings (details on P14) - Implementation of a project to optimize the workforce (details on P12)	- Promoting initiatives to strengthen inbound tourist acquisition, from marketing through to the guest stay (details on P17) - Development of "FleBOL," a system for enhancing the booking experience, and its rollout across all properties, along with further functional development to strengthen competitiveness (details on P17) - Promoting earnings-growth-oriented CAPEX that leverages our ability to create compelling appeal (details on P15)
Properties operated by third-party operators	- Promoting CAPEX with short payback periods that captures market needs (details on P13) - Creating rental income growth opportunities through changes to lease agreements and structures (implemented at three Comfort Hotel properties; details on P13)	
Financial costs	Operating with an LTV ceiling of approximately 42%–43%	- External growth through a public offering (PO) conducted at a P/NAV of 1.0x or higher - Seeking to curb the rise in interest costs through financial management that makes full use of diverse funding methods (details on P20)

Initiatives to drive distribution growth

Growth target for distribution per unit (yen)



One-year delay in achieving the DPU 7,000 yen target and countermeasures

- During the 2025 Osaka-Kansai Expo, accommodation demand in Osaka rose during the event period, resulting in higher revenue.
- Meanwhile, in addition to a significant drop-off in demand after the Expo ended, compounded by a decline in Chinese inbound demand, price competition has temporarily intensified in the Osaka market.
- In light of this, the achievement of the originally projected 7,000 yen target is now expected to be delayed one year to the 31st period.
- Recently, the capture of demand from other countries is also progressing. In addition to the normalization of temporary factors in the Osaka market, we will advance turnaround measures for "OMO7 Osaka" and "Grand Prince Hotel Osaka Bay," and build up growth at strong-performing properties such as "KAI Enshu" and "Grand Hyatt Fukuoka."
- Through these efforts, despite the one-year delay, we aim to steadily achieve the 7,000 yen target.

Total number of overnight guests (Osaka Prefecture)	2025 (Jan-Mar)	2026 (Jan-Mar)	Rate of change
Japanese	7.83 million	6.60 million	-15.7%
Inbound	6.06 million	5.45 million	-10.1%
Total	13.90 million	12.05 million	-13.3%

Source: Prepared by the Investment Corporation based on the "Accommodation Survey" by the Japan Tourism Agency.

Drivers for achieving DPU Targets of 7,000 yen and 8,000 yen

	Stated in the previous period (FP ended Oct. 2025)	Progress and updates
Hoshino Resorts	- Recovery of profitability from increased personnel expenses - Growth mainly through capturing inbound demand at KAI "OMO7 Osaka" reaching projected earnings - Revenue improvement through value-enhancing investment	- At the KAI properties held by the Investment Corporation, comparing Oct. 2024-Mar. 2025 with Oct. 2025-Mar. 2026, total working hours -5.2% and total personnel expenses -1.3% (Note) - By advancing initiatives to strengthen inbound acquisition, the inbound ratio improved at facilities in regional areas, etc. - Achieving improved customer satisfaction (CS) through the creation of new appeal; we will link this effect to revenue growth - Realized at "KAI Hakone" and "KAI Enshu," and underway at "KAI Matsumoto"
External properties	- Investment mainly in accommodation-focused properties with significant room for revenue growth - ML agreement changes aimed at rent increases - Revenue recovery at GP Osaka - Rebranding	- Conducted as needed at the b properties; actively promoting renovations expected to capture demand across brands - Introduced variable rent at the 3 Comfort properties and renewed the ML agreements early - Capturing banquet and accommodation demand through the normalization of the Osaka market - Still under consideration
External growth	Selective investment in high-yield properties and properties with significant growth potential (property replacement / utilization of acquisition capacity)	Still under consideration

Lodging-focused properties: initiatives contributing to rent increases

3 Comfort properties: Signing new lease agreements aimed at increasing rent

Following discussions with the lessee, Greens, new lease agreements will be signed. While the current agreements are on a fixed-rent basis, the new agreements will introduce variable rent, and HRR anticipates rent increases.

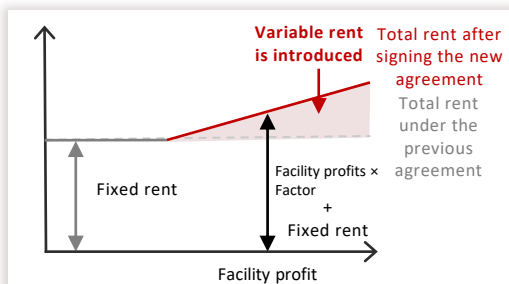
- Anticipating the expiration of the lease agreements, we began discussions with the lessee. Given the lessee's strong desire to continue operations and the expectation that their high level of operational know-how could capture surrounding demand with growth potential, we will sign new agreements without waiting for the expiration of the current lease agreements.
- With the introduction of variable rent, rent is expected to increase by the equivalent of 1 year and 3 months in Tomakomai and Hakodate, and 2 years and 10 months in Kure, compared to continuing under the current agreements.
- Due to the change in the rent structure, projected rent for each property is expected to rise by approximately 40% to 120% in the 27th and 28th fiscal periods, resulting in an estimated impact on distributions of approximately 205 yen and 130 yen for the 27th and 28th fiscal periods respectively, and approximately 420 yen per year on a run-rate basis.



Signing agreements early, without waiting for the expiration of the current lease agreements

	End date of the lease agreement	
	Current agreement	New agreement
Comfort Hotel Tomakomai	September 2027	15 years starting in July 2026
Comfort Hotel Hakodate	September 2027	
Comfort Hotel Kure	April 2029	

<Illustration of the introduction of variable rent>



Initiatives contributing to rent increases by HRR

Starting in 2025, HRR has implemented initiatives contributing to rent increases at multiple properties.

HOSHINOYA Okinawa	HRR planned to make investments aimed at enhancing the appeal of the lodging and food/beverage sectors, which are less susceptible to market conditions. A premium fixed rent has been set for the duration of the investment period.
OMO7 Kochi	A premium fixed rent has been set until stable operations are achieved following the rebranding. At the same time, rent changes are implemented to capture upside potential once stability is achieved.
Grand Hyatt Fukuoka	The FF&E cost allocation was revised to enable flexible investments that capture demand. Additionally, a rent rate designed to capture upside potential has been set through 2029.
the b	The rent rate was revised in conjunction with the transfer of the leasehold rights.

Rolling out renovations to convert guest rooms into multi-occupancy rooms to capture investment opportunities

With the growth of the inbound market and increasing domestic interest in leisure travel, there is a rising demand for group travel involving three or more people. We will continue to renovate our properties to meet the demand for stays by groups of three or more, with the aim of improving profitability.

	Property	Investment details	Investment amount and expected benefits
Disclosed in December 2025	the b akasaka	■ 4 single and twin rooms on the lower floors were renovated into 2 multi-occupancy rooms ■ The renovation achieved a 29.7% increase in RevPAR, contributing to higher revenue per floor area	■ Approximately 10 million yen per additional room ■ While the projected payback period is approximately 2.5 years.
	the b asakusa	■ By introducing sofas and functional furnishings, the guest room capacity was increased without changing the room size. ■ The renovation achieved a 49.5% increase in RevPAR	■ 1.6 million yen per room ■ While the projected payback period is approximately 1.5 years, strong performance is expected to shorten it to 1.1 years.
Disclosed in June 2026	the b akasaka	■ Given the increasing number of days, the renovated rooms are fully booked, we implemented renovations similar to those carried out in 2025.	■ Approximately 13 million yen per additional room ■ The payback period is expected to be around 4.6 years .
	the b asakusa	■ Since the interior design and FF&E catering to the needs of multi-person groups received positive feedback, we renovated an additional 5 rooms.	■ Approximately 1.8 million yen per room ■ The payback period is expected to be 1.5 years.
	the b sangenjaya	■ We renovated 4 rooms on the top floor—including Japanese-style rooms with low demand—into multi-occupancy rooms capable of accommodating up to 4 guests.	■ Approximately 7 million yen per additional room ■ The payback period is expected to be around 3.8 years.

Conducted approx. 100 million yen in CAPEX investments over 2 FPs

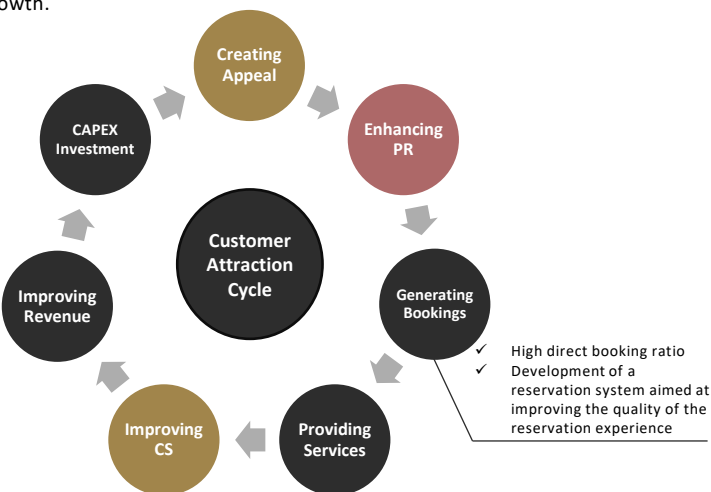
Future investment opportunities

- ◆ Considering CAPEX at Hotel WBF Grande Asahikawa, including renovations to convert rooms into multi-occupancy rooms and interior upgrades for common areas
- ◆ Actively promoting renovations across all brands that are expected to capture demand
- ◆ Expected investment of approximately 350 million yen by around 2028

Aiming for improved business performance through a virtuous cycle of operations centered on customer satisfaction

Unique customer attraction cycle that leads to sustainable revenue growth

Through operating capabilities that embody our facility concepts leveraging regional characteristics, and ongoing CAPEX investments, Hoshino Resorts is improving customer satisfaction (CS) and profitability. We will roll out successful practices from each property to increase the probability of sustainable revenue growth.

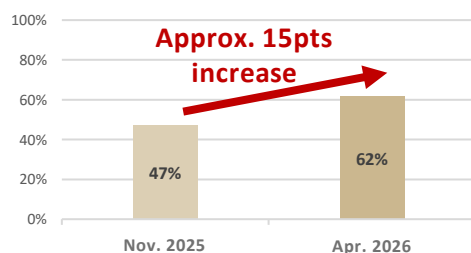


OMO7 Osaka: Improving customer satisfaction by creating new appeal

Creating Appeal
Improving CS

“OMO” hosts “Local Rhythm Night,” an event where guests can enjoy an exciting nighttime while feeling the unique rhythm of each city. At OMO7 Osaka, in November 2025, we significantly renewed our previous nighttime events, creating a lively alleyway where guests can fully enjoy Osaka’s vibrant atmosphere and featuring spatial designs using lighting on the hotel’s exterior walls. These initiatives have proven successful, and the percentage of top ratings in our CS survey has increased significantly compared to last fall.

Percentage of “Very Satisfied” responses in the CS survey



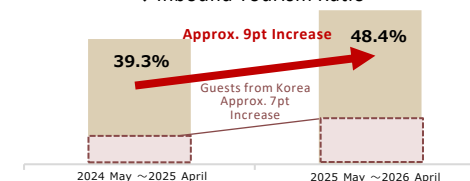
Background of HOSHINOYA Okinawa’s strong performance

Chronology following property acquisition (2022)

From acquisition	In addition to a sluggish market due to the self-quarantine period during the COVID-19 pandemic, the property suffered from a lack of awareness as sufficient marketing activities could not be carried out. Business performance also remained sluggish.
2024	To raise awareness, marketing resources were concentrated on HOSHINOYA Okinawa .
2025	The premium fixed-rent period was reset through to the fiscal period ending October 2028. Along with strengthening the stability of rental income, the aim is to reach the operating performance assumed at the time of acquisition through fundamental operational improvements and CAPEX investment during the period .
Until April 2026	In addition to the recovery of the Okinawa market, continuous marketing measures have proven effective . A three-night special plan for premium rooms and whole-property private-charter events targeting overseas guests, among others, have contributed to performance.



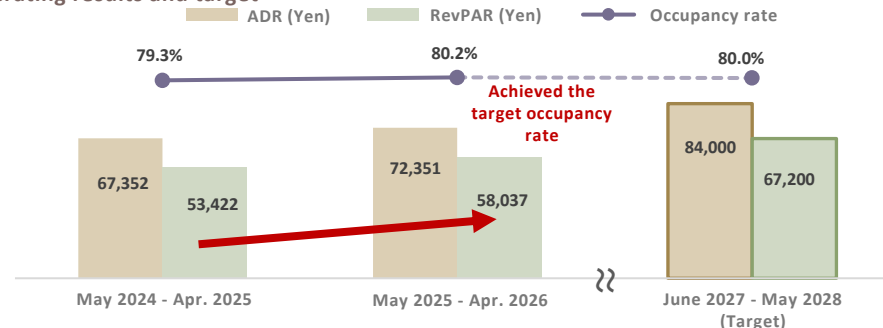
◆ Inbound Tourism Ratio



Current status and future measures for each challenge

Challenge	Ongoing Initiatives
Increasing Occupancy Rate	Continuing the three-night special plan even after reaching the 80% target
Increasing ADR	The occupancy of the premium room “Tida” during January–April increased by 13.8 points year-on-year. Both the on-site and marketing teams continue to explore the needs of the affluent segment, which is the target guest demographic.
Increasing Food and Beverage Revenue	With the increase in room occupancy, the on-site dining (meal-uptake) rate at HOSHINOYA is trending upward. For “Aalu Grill,” which targets non-staying (walk-in) customers, a renovation aimed at strengthening its concept is under consideration with the intent of enhancing its ability to draw customers.

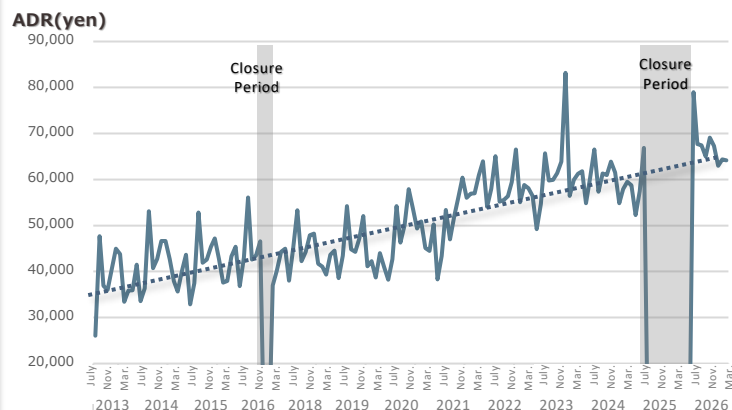
Operating results and target



CAPEX that Maximizes Hoshino Resorts' "Appeal-Creation Capabilities"

Through ongoing CAPEX investments that embody our facility concept, we are steadily improving customer satisfaction and profitability. We will roll out the results achieved at individual properties to increase the probability of sustainable growth.

KAI Hakone: Elevating the experiential value of the entire facility, beginning with "yosegi-zaiku" (Japanese marquetry)



Dec. 2016~Feb. 2017



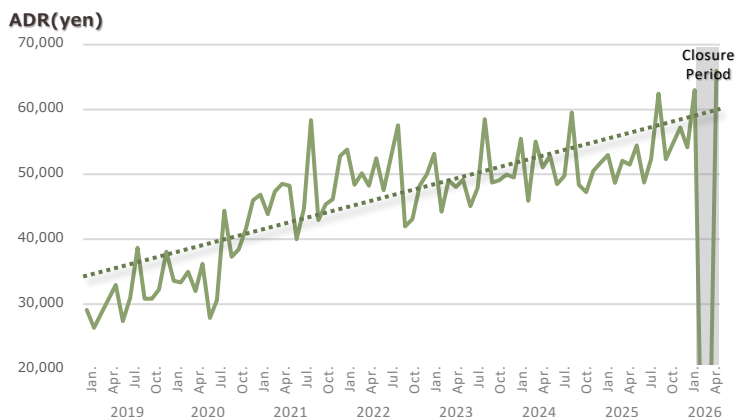
By newly creating guest rooms with open-air baths along the mountain stream and renovating rooms to feature the traditional craft of "yosegi-zaiku" (Japanese marquetry), we establish the value of a local, regional experience within a private space.

Sep. 2024~Jul. 2025



In response to the favorable reception of cultural experiences such as "yosegi-zaiku" (Japanese marquetry), the concept has been deepened into "a hot-spring inn offering the comfort of Hakone, where one steps in the history of the Tokaido road." By newly creating a "teahouse space" in the central courtyard and otherwise expanding the stage for these experiences from the guest rooms to the public spaces, the appeal of the facility as a whole has been elevated.

Kai Enshu: Placing "the appeal of tea" at the heart of the facility experience



2022~2024 (Multiple times)



Starting from the issue that guests could not enjoy a "tea experience" in their rooms, a "tea kitchen" was installed in every room. The rooms are being renovated in phases into spaces where guests can enjoy tea while overlooking Lake Hamana, thereby raising the baseline experiential value of the facility as a whole.

Feb. ~Apr. 2026



Newly creating the "Cha-gomori Special Room (89 m²)," which further deepens the "tea experience". Through offerings such as "my own personal cup," chosen from 50 combinations of tea leaves and tea ware, and a "cha-gomori" hot-spring retreat with tea in the open-air bath, it delivers an overwhelming sense of immersion in sencha (green tea) and hot springs.

KAI Matsumoto: The Next Growth Investment, Rolling Out Our Appeal-Creation Capabilities Horizontally

- At the renewal opening in summer 2026, under the concept of "a hot-spring inn where one steep in Matsumoto Elegante," we will sublimate the culture of the "city of music" that Matsumoto has long nurtured into the stay experience—set against contemporary architecture distinguished by sculptural beauty reminiscent of a concert hall—and offer moments to savor wines from Shinshu. All guest rooms will be renewed into "GAKU rooms" themed around "gaku" (music), where guests can enjoy music associated with Matsumoto City on the in-room analog record players.
- We will roll out horizontally to KAI Matsumoto the "model for connecting appeal-creation capabilities to earnings growth" that was proven at KAI Hakone and KAI Enshu. In addition to ADR growth driven by enhanced experiential value that leverages Matsumoto's distinctive culture and materials, we will simultaneously advance operational efficiency, aiming to further improve earning power.



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, we aim to achieve sustainable medium- to long-term growth by continuing to capture diverse customer needs.

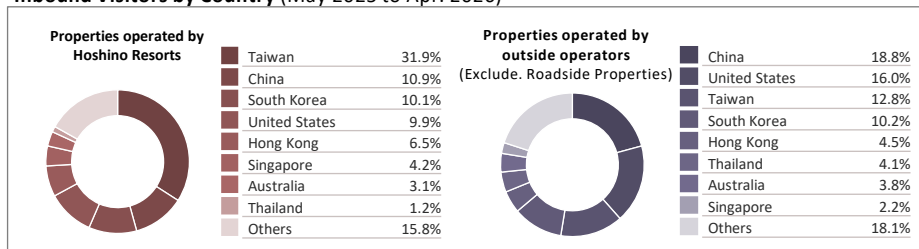
Properties operated by Hoshino Resorts

Name of property	May 2024 to Apr. 2025	May 2025 to Apr. 2026 *Shaded areas represent over 30%.	Year-over-year
HOSHINOYA Karuizawa	38.2%	31.4%	-6.8pt
HOSHINOYA Kyoto	66.1%	64.2%	-1.9pt
HOSHINOYA Fuji	71.7%	72.1%	+0.4pt
HOSHINOYA Taketomi Island	7.3%	10.5%	+3.2pt
HOSHINOYA Okinawa	39.3%	48.4%	+9.1pt
RISONARE Yatsugatake	0.8%	2.1%	+1.3pt
RISONARE Atami	3.2%	4.0%	+0.8pt
KAI Matsumoto	13.9%	12.4%	-1.5pt
KAI Tamatsukuri	5.6%	7.3%	+1.7pt
KAI Ito	10.8%	10.6%	-0.2pt
KAI Hakone	18.5%	26.7%	+8.2pt
KAI Kinugawa	14.4%	16.2%	+1.8pt
KAI Kaga	7.5%	9.1%	+1.6pt
KAI Alps	16.1%	18.7%	+2.6pt
KAI Enshu	5.3%	5.1%	-0.2pt
KAI Nagato	5.7%	7.0%	+1.3pt
KAI Kirishima	16.1%	18.6%	+2.5pt
KAI Beppu	26.6%	28.4%	+1.8pt
KAI Poroto ^(Note 1)	34.6%	38.3%	+3.7pt
OMO7 Kochi	6.4%	6.7%	+0.3pt
OMO7 Osaka ^(Note 1)	42.5%	30.3%	-12.2pt
Iriomote Hotel	1.4%	2.8%	+1.4pt
BEB5 Karuizawa	9.0%	15.3%	+6.3pt
Sub-total	21.1%	21.2%	+0.1pt

Properties operated by third-party operators

Name of property	May 2024 to Apr. 2025	May 2025 to Apr. 2026 *Shaded areas represent over 30%.	Year-over-year
23 Roadside properties ^(Note 2)	1.1%	1.7%	+0.6pt
ANA Crowne Plaza Hiroshima	27.3%	31.8%	+4.5pt
ANA Crowne Plaza Kanazawa	25.6%	31.8%	+6.2pt
ANA Crowne Plaza Toyama	23.2%	22.9%	-0.3pt
Grand Prince Hotel Osaka Bay	39.0%	27.3%	-11.8pt
Grand Hyatt Fukuoka	52.6%	56.0%	+3.4pt
the b Akasaka	68.6%	64.1%	-4.5pt
the b sangenjaya	15.6%	12.5%	-3.1pt
the b nagoya	56.4%	48.2%	-8.2pt
the b kobe	24.8%	29.0%	+4.2pt
the b asakusa	94.9%	92.1%	-2.8pt
Hotel WBF Grande Asahikawa	-	13.0%	-
hotel androoms Osaka Hommachi	37.7%	20.5%	-17.2pt
Sol Vita Hotel Naha	8.9%	13.3%	+4.4pt
Quintessa Hotel Osaka Shinsaibashi	91.1%	89.3%	-1.8pt
AQUAIGNIS/Yunoyama Sosuikyo	-	2.7%	-
Sub-total	27.0%	21.8%	-5.1pt
Total	25.0%	21.7%	-3.4pt

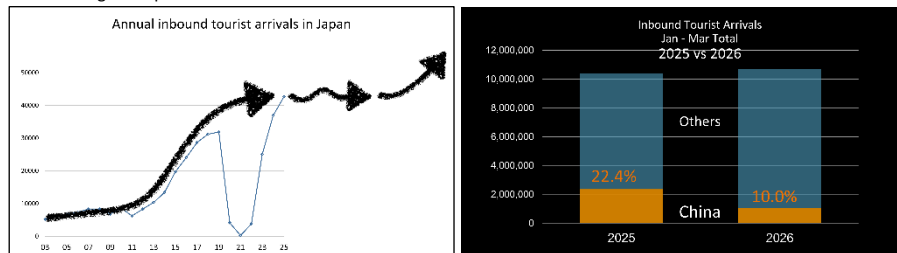
Inbound Visitors by Country (May 2025 to Apr. 2026)



Building an operating framework to strengthen Hoshino Resorts' long-term competitiveness.

Trends in the inbound market^(Note)

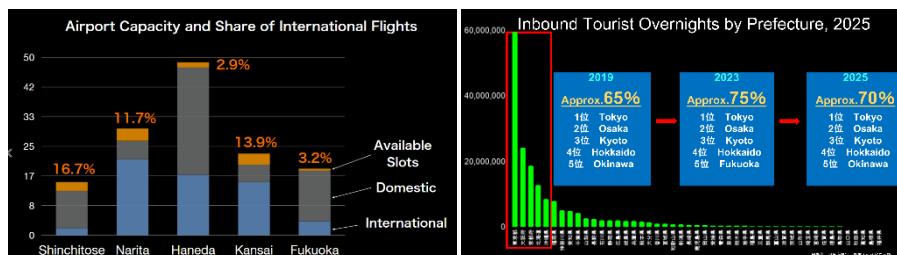
- The number of inbound visitors to Japan reached approximately 43 million in 2025. While the growth rate appears high due to a rapid recovery from the COVID-19 pandemic, it has been slowing in the long term, and is expected to plateau in 2026.
- Although the decline in visitors from China was offset by other markets in January–March 2026, inbound tourism spending remained nearly flat compared to last year, and this trend is expected to continue.
- In terms of spending, the Domestic travel spending remains larger than inbound travel spending overall, so continuing to acquire market share in both markets is crucial.



(Source) Prepared by Hoshino Resorts based on the Japan National Tourism Organization (JNTO) statistics on foreign visitors to Japan

Distribution of inbound demand within Japan

- Capacity at major airports, including Haneda, is reaching its limits; going forward, attracting visitors directly to regional airports will be key.
- To address the current situation where 70% of visitors to Japan concentrate in just five prefectures, Hoshino Resorts will work in conjunction with national policies to showcase the appeal of regional areas to the world.



(Source) Left: Prepared by Hoshino Resorts based on the Ministry of Land, Infrastructure, Transport and Tourism's airport management status reports and materials published by each airport, among others. Right: Prepared by Hoshino Resorts based on the Japan Tourism Agency's Overnight Travel Statistics Survey

Key Points of the Tourism Nation Promotion Basic Plan (5th)

- (1) To further develop tourism as a strategic industry, promote strategic attraction of inbound visitors, including promoting regional attraction.
- (2) Aim to bring the total number of overnight stays by inbound visitors in regional areas up to the same level as in the three major metropolitan areas.
- (3) Promote the regional attraction and the distribution of demand through measures such as strengthening the functionality of transportation networks to regional areas.
- (4) Promote travel by Japanese citizens (both domestic and international), including setting a target of 30 trillion yen in domestic travel spending.
- (5) Realize a tourism industry that is not only "good to live in and good to visit," but also "good to work in."

(Source) Japan Tourism Agency "Tourism Nation Promotion Basic Plan (5th) (Summary)"

Raising awareness of properties located in regional areas

- Visiting major cities in Asia, as well as Paris and London, to convey the appeal of Hoshino Resorts' facilities located in regional areas.
- "RISONARE Shimonoseki" was selected as one of TIME magazine's "The World's Greatest Places of 2026."
- As part of its efforts to enhance guest satisfaction, Hoshino Resorts is continuously promoting initiatives such as improving access to regional destinations and introducing vegetarian menus.



The World's Greatest Places of 2026

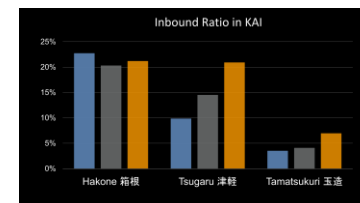
Risonare Shimonoseki 下関



Results of these initiatives

The inbound visitor ratio has increased at the following regional facilities:

- "KAI Tsuraru" in Aomori Prefecture
- Facilities located in the bottom five prefectures by inbound visitor ratio
 - "KAI Tamatsukuri" in Shimane Prefecture
 - "OMO7 Kochi" in Kochi Prefecture

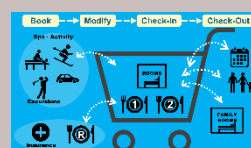


A system that makes travel more enjoyable: "Flexible Booking Online"

- The value of the lodging experience is rising globally, and competition is shifting toward the reservation experience.
- As a platform to strengthen competitiveness in the reservation experience, Hoshino Resorts introduced FleBOL, a system that allows guests to customize their travel plans freely.



Previously, reservation changes required rebooking or refund processing, however, guests can now freely make these changes themselves.



As Phase 2, a meal selection feature has been added. This allows guests to freely choose their meals during multi-night stays.



We are currently expanding the number of facilities introducing this system. Phase 2 will be rolled out sequentially across all KAI, LUCY, BEB, and OMO properties.



Summary of real estate appraisal values, etc.

	Real estate appraisal values, etc.			Key factors
	End of 26th FP (Unit: million yen)	VS. previous FP (Unit: million yen)		
Total of 71 properties	275,674	+7,941	+3.0%	
Total for properties operated by Hoshino Resorts	137,120	+290	+0.2%	
5 HOSHINOYA Properties	40,990	+210	+0.5%	HOSHINOYA Fuji: Expected revenue growth due to strong operational performance RISONARE Atami: Higher revenues in comparison to operating revenue assumed in the appraisal KAI Enshu: Completion of renovation works and reopening OMO7 Osaka: Reflection of actual hotel revenue/expenditure results and revision of building-related taxes BEB5 Karuizawa: Revision of the rent variability rate
2 RISONARE Properties	14,300	+120	+0.8%	
12 KAI Properties	37,510	+180	+0.5%	
2 OMO Properties	38,540	-200	-0.5%	
Hoshino Resorts Others	5,780	-20	-0.3%	
Total for properties operated by outside operators	138,554	+7,651	+5.8%	
Full-service hotels	52,690	-100	-0.2%	Grand Prince Hotel Osaka Bay: Decrease in variable rent 4 the b properties: Increase in variable rent due to rent revision the b asakusa: Increase in variable rent due to improved hotel revenue/expenditure Property acquisition (AQUAIGNIS/Yunoyama Sосуikyo)
Hotels that specialize in accommodation	57,685	+1,275	+2.3%	
Roadside properties	21,779	+76	+0.4%	
Others	6,400	+6,400	-	
Unrealized profit	37,740	+1,338	+3.7%	

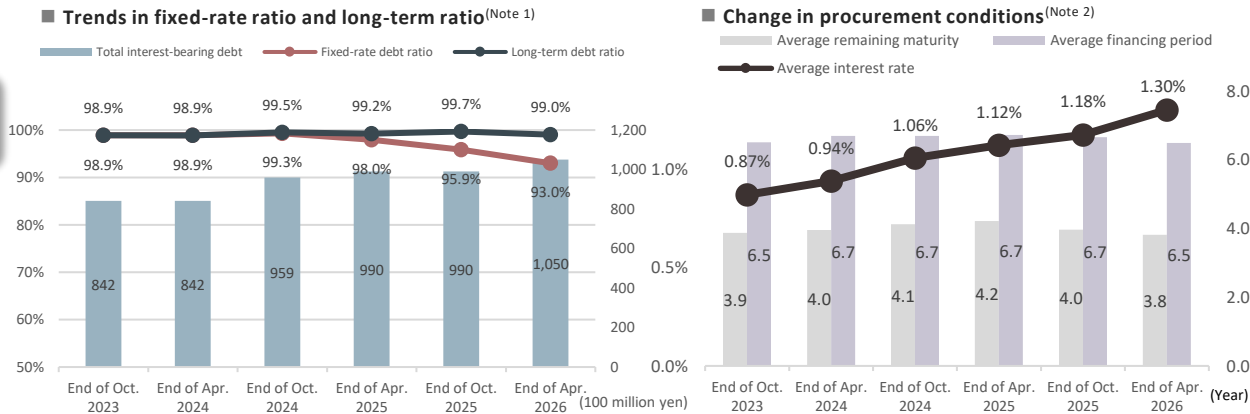
Enhancing risk management and financing strategies in a rising interest rate environment

Financial management strategy

01

While maintaining a basic policy of long-term fixed rates, partially adopting short maturities and variable rates

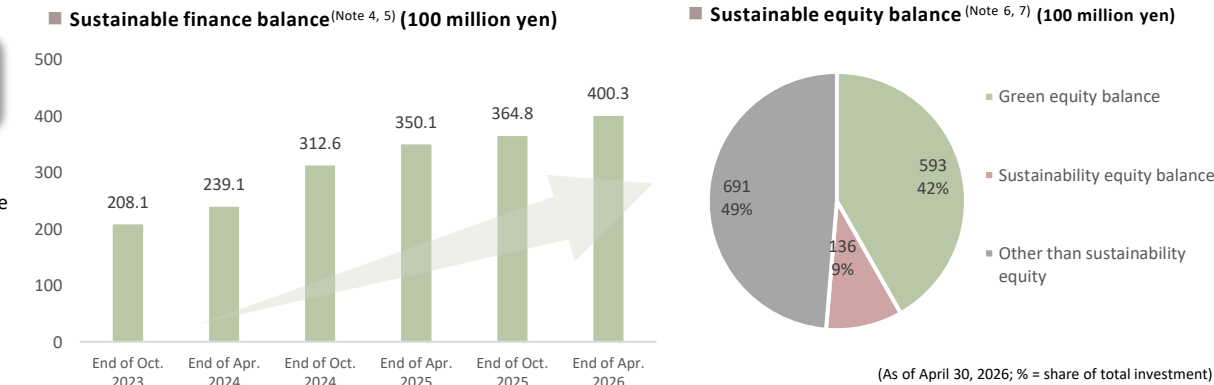
While maintaining a basic policy of long-term fixed rates, we are shortening funding maturities and, for periods of three years or less, procuring funds at variable interest rates in order to suppress increases in financial costs in consideration of the recent rise in interest rates. Furthermore, with regard to available funds, by analyzing market interest rate conditions and flexibly managing instruments such as time deposits, we achieve efficient fund management.



02

Utilizing sustainable finance

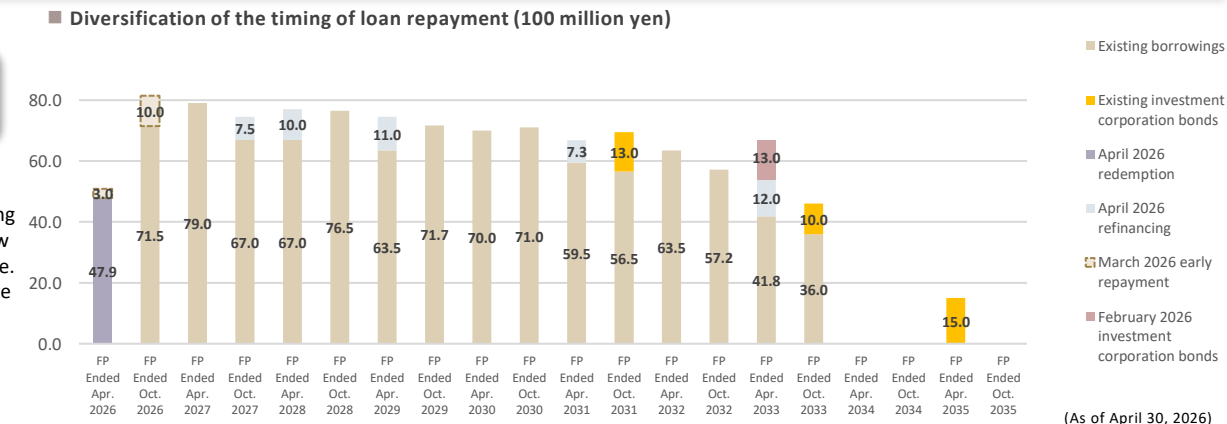
By utilizing ESG finance borrowings through programs such as the Bank of Japan's Climate Response Financing Operations (Note 3), we are suppressing interest costs. This time, we have established a Sustainability-Linked Finance Framework and implemented funding through Sustainability-Linked Loans (SLLs). By achieving targets linked to interest rate conditions, we are promoting improvements in financial efficiency.



03

Diversifying the timing of loan repayment

To mitigate the impact of rising interest rates at the time of refinancing and to secure stable cash flow, we set multiple maturity dates for new borrowings and refinancing, thereby optimizing the maturity structure. In addition, by avoiding the concentration of repayment deadlines, we minimize refinancing risk.



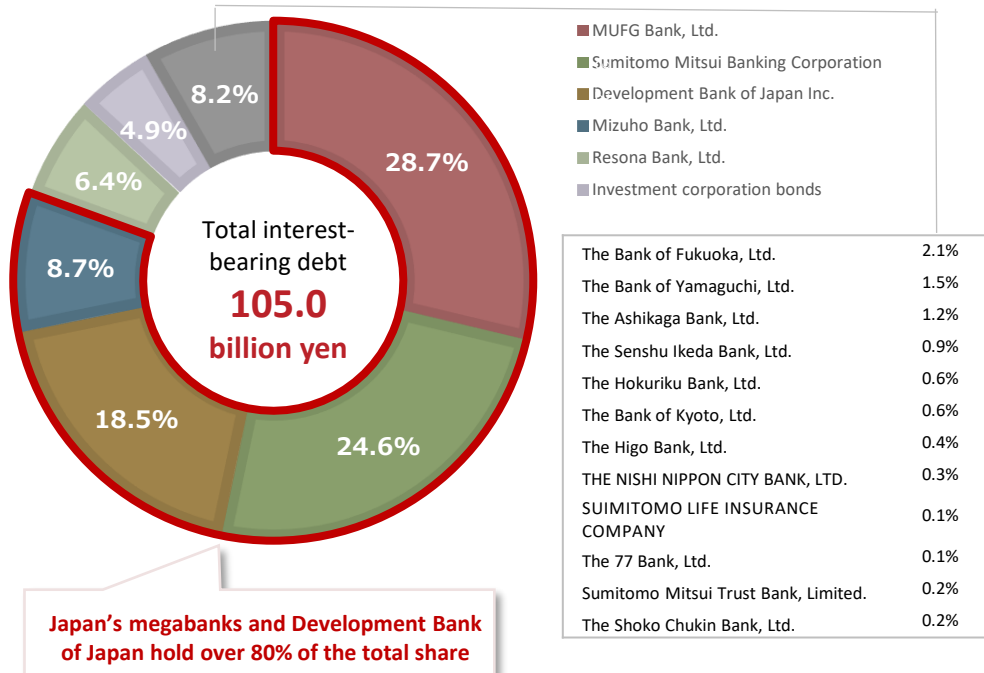
Track record of initiatives to strengthen the financial base that can mitigate the impact of rising interest rates

Even before concerns over rising interest rates materialized, the Investment Corporation has worked to build a solid financial base, taking into account that it holds assets that entail a certain degree of volatility.

Main objectives and time horizon	Track record of initiatives		Expected effects
Reduction of funding costs	Short term	■ Reduction of the commitment line limit 2025	■ Reduction of financing-related expenses ■ An initiative built on having lowered refinancing risk through a stable bank formation
		■ Commencement of bilateral transactions with Mizuho Bank 2025	■ Expected to procure funds at lower rates than syndicated loans
		■ Placing part of cash on hand into time deposits 2025	■ Securing interest income and improving fund efficiency (approx. 5 billion yen deposited)
	Medium to long term	■ Use of the Bank of Japan's climate response operations 2023~ ■ Use of SLL 2025	■ Implementing sustainable finance to lower interest rates ■ The financing balance using the BOJ's climate response operations and SLL exceeds 19 billion yen (a reduction of 5–10 bps is expected)
		■ Issuance of investment corporation bonds 2023 2018 2021 2024 2026	■ Procuring funds at lower rates than bank loans through direct financing ■ The investment corporation bond ratio was 4.9% as of the end of the FP ended April 2026, leaving room to raise funds up to the J-REIT average of approximately 7%
Mitigation of the impact of rising interest rates	Medium to long term	■ Fixing borrowings to fixed interest rates Basic policy	■ With a high fixed-rate ratio exceeding 90%, there is room to shift toward variable rates
		■ Diversifying the timing of loan repayment Basic policy	■ By diversifying refinancing amounts, the degree of impact is kept low even in a phase of rising interest rates
		■ Extension of the average remaining maturity Basic policy	■ With an average remaining maturity exceeding 4 years (as of the end of October 2025), there is ample room to shorten maturities
Strengthening of the funding base		■ Commencement of transactions with new lenders (Shoko Chukin Bank and Sumitomo Mitsui Trust Bank) 2025	■ Contributing to the formation of a stable bank formation

Strong financial base and financial stability

Lender formation (as of April 30, 2026)



■ Issuance of the 5th unsecured investment corporation bonds (February 2026)

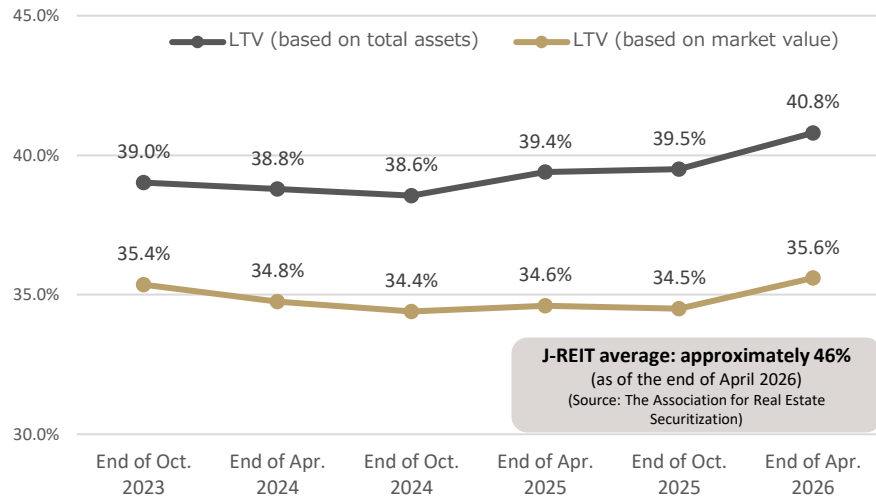
- ✓ In addition to extending the maturity of short-term loans and funding at lower interest rates compared to bank loans, the aim is to diversify funding methods.
- ✓ As a result of this initiative, the investment corporation bond ratio rose to 4.9% (the J-REIT average is approximately 7%).

[Issued Investment Corporation Bonds]

	Issuer rating	Issue date	Issue amount (million yen)	Interest rate	Maturity
2nd	JCR A (stable)	Aug. 2021	1,300	1.000%	10 years Green
3rd	JCR A+ (stable)	Sep. 2023	1,000	1.415%	10 years Green
4th	JCR A+ (stable)	Dec. 2024	1,500	1.853%	10 years
5th	JCR A+ (stable)	Feb. 2026	1,300	2.515%	7 years

LTV trends (Note)

- ✓ By maintaining a low LTV level, we ensure both financial soundness and flexibility in property acquisitions. For the time being, we consider operating within an LTV (based on total assets) range of 42.0% to 43.0% (1pt = acquisition capacity of approximately JPY 4.4 billion).



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

3

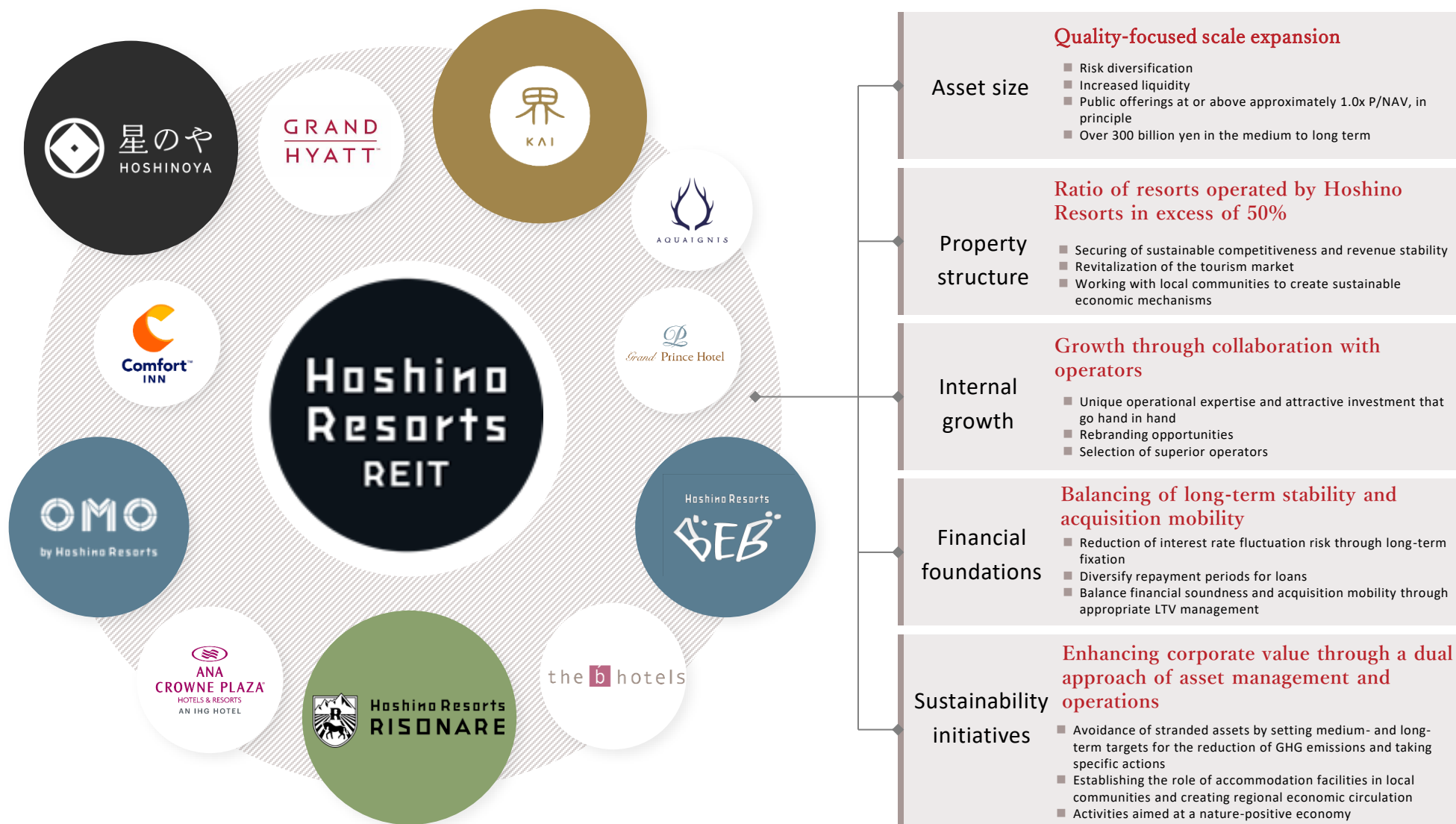


HOSHINOYA Okinawa

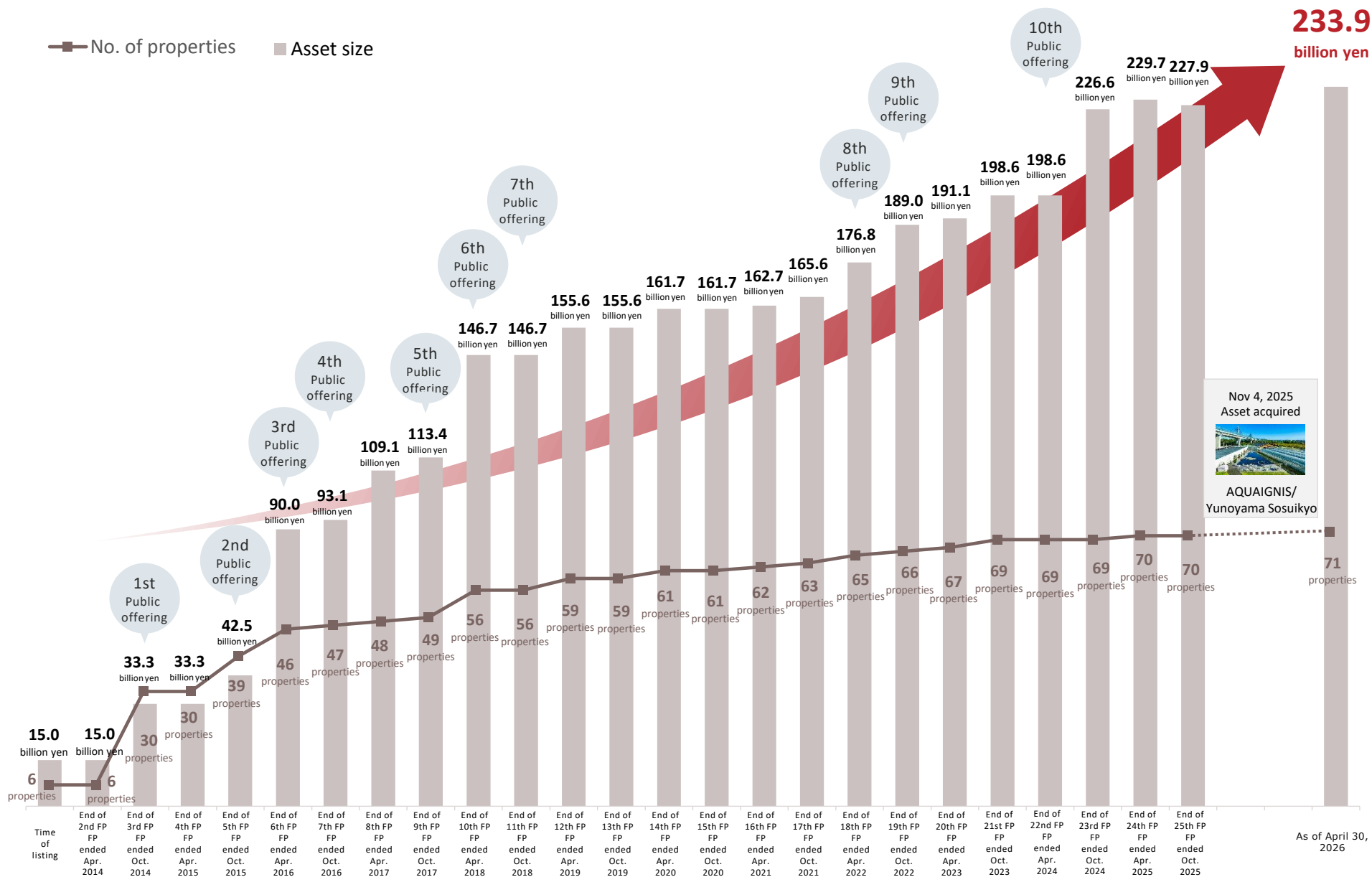
Future operation strategy

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



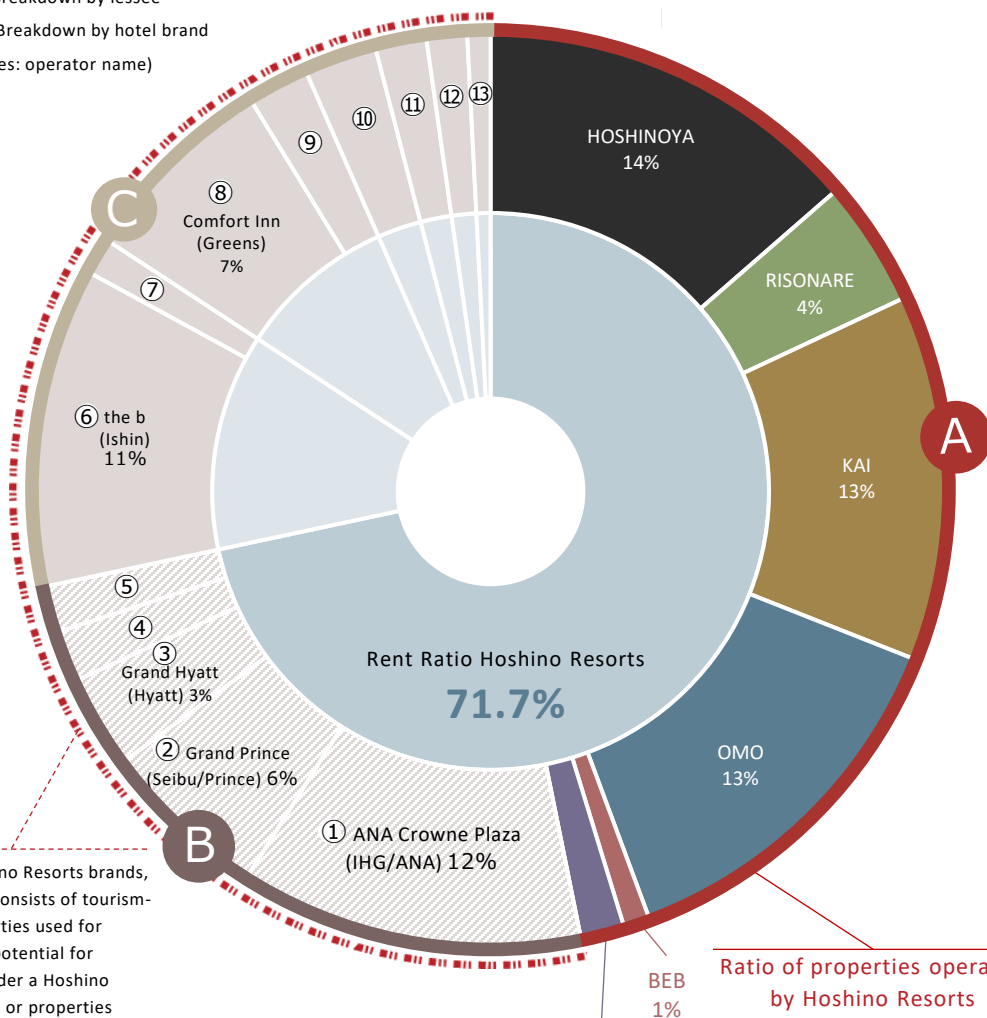
Portfolio structure (based on acquisition price)

As of Apr. 30, 2026

Inner circle: Breakdown by lessee

Outer circle: Breakdown by hotel brand

(in parentheses: operator name)



For non-Hoshino Resorts brands, the portfolio consists of tourism-related properties used for rebranding under a Hoshino Resorts brand, or properties expected to generate stable rental income.

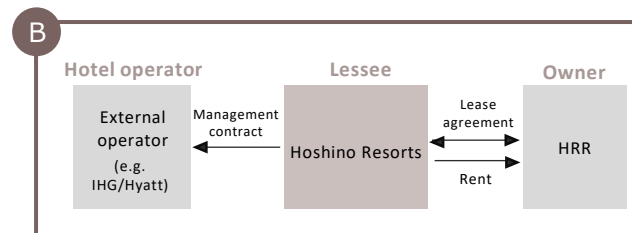
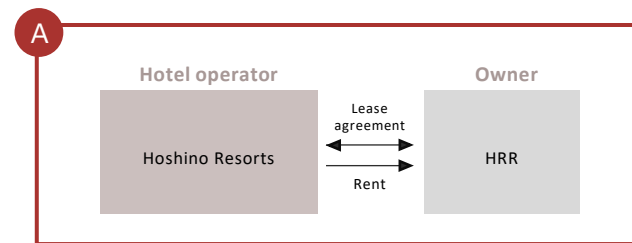
Ratio of properties operated by Hoshino Resorts

46.8%

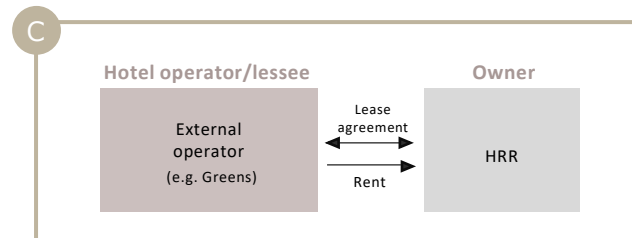
Targeting more than 50%

Iriomote Hotel 2%

BEB 1%



① ANA Crowne Plaza (IHG/ANA)	12%
② Grand Prince (Seibu/Prince)	6%
③ Grand Hyatt (Hyatt)	3%
④ hotel androoms (Solare)	2%
⑤ Sol Vita (Green Hospitality)	2%



⑥ the b (Ishin)	11%
⑦ WBF (Ishin)	1%
⑧ Comfort Inn (Greens)	7%
⑨ Comfort (Greens)	2%
⑩ AQUAIGNIS (Aquaignis)	3%
⑪ Candeo (Candeo)	2%
⑫ Quintessa (Core Global)	1%
⑬ HOTEL VISTA (Vista)	1%

Please see our website for other portfolio summaries and maps.

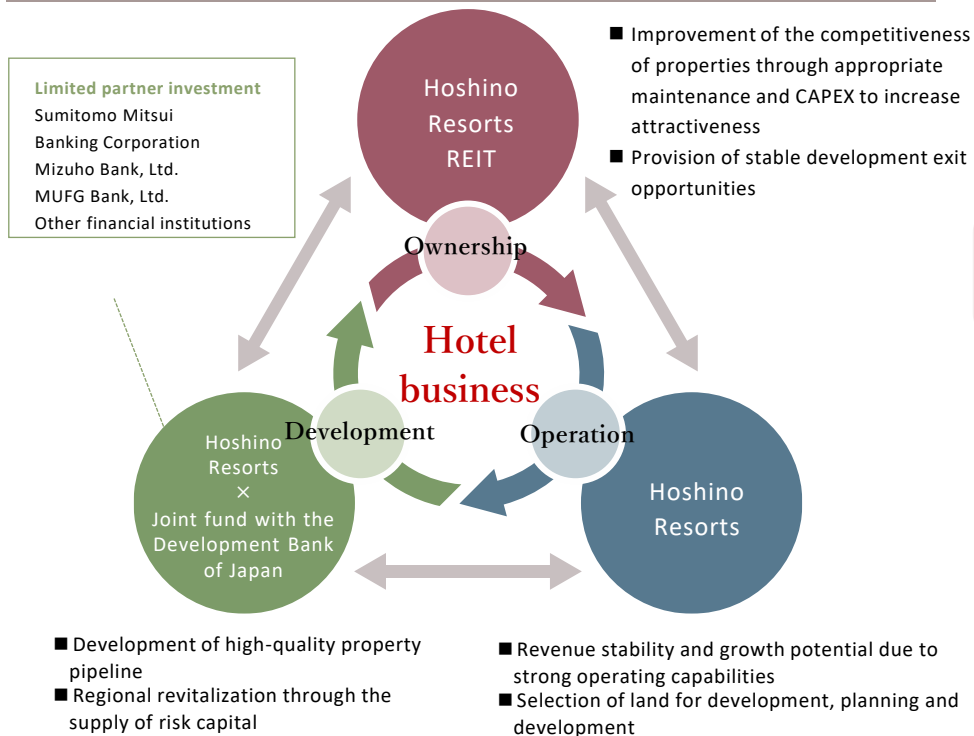
<https://www.hoshinoresorts-reit.com/en/portfolio/>

<https://www.hoshinoresorts-reit.com/en/portfolio/map.html>

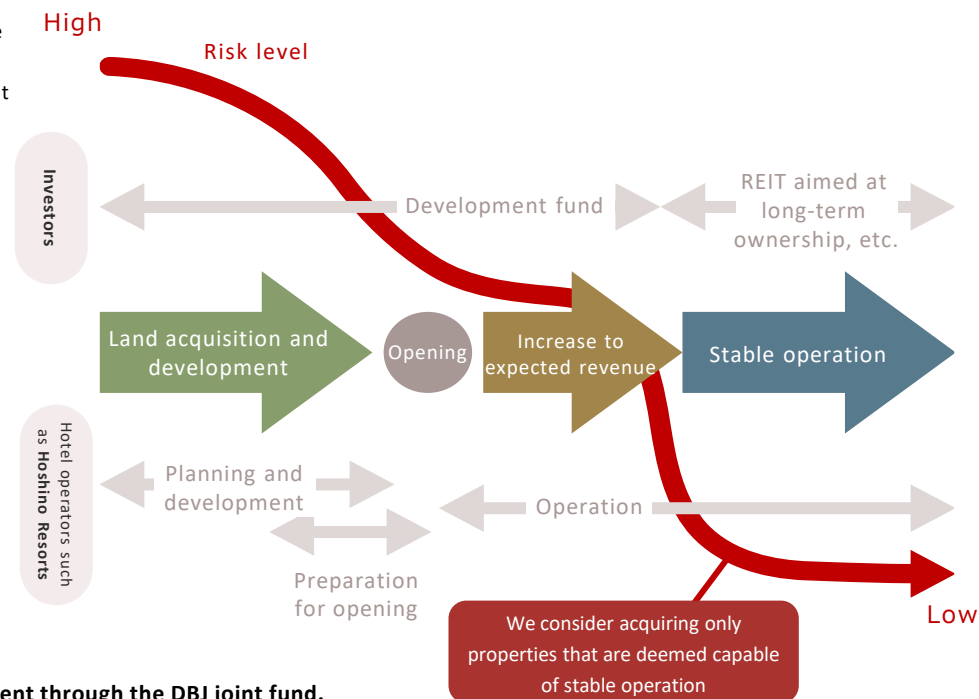
Abundant acquisition opportunities through DBJ joint fund, a fund jointly managed by Hoshino Resorts and the Development Bank of Japan

A strong partnership has been built between HRR (ownership), Hoshino Resorts (operation) and the joint fund (development) based on the provision of stable exit opportunities for developed properties 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)



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

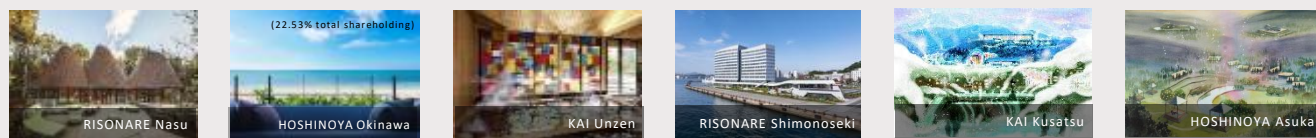
Properties already acquired by HRR

KAI Alps
KAI Nagato
KAI Kirishima
KAI Beppu

HOSHINOYA Okinawa
(77.47% total shareholding)
OMO7 Osaka
KAI Poroto

7 properties 61.3 billion yen

Hoshino Resorts x DBJ joint fund owned properties

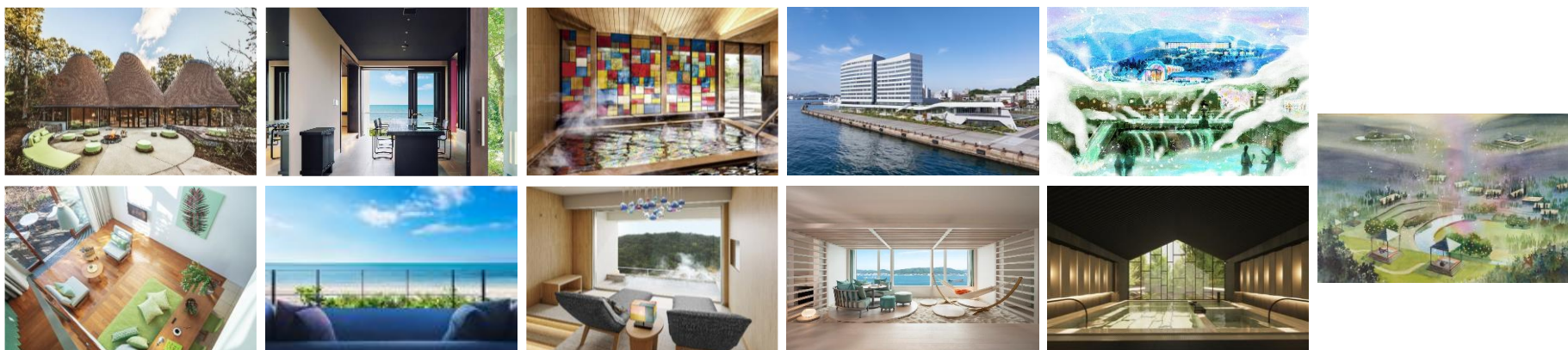


List of the property pipeline

Ch. 3-05

Hoshino Resorts REIT, Inc.

Hoshino Resorts × 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: 2025

KAI Kusatsu
Start of operation: 2026

HOSHINOYA Asuka
Start of operation (plan): 2027

Hoshino Resorts-owned facilities	
Start of operation	Name of facility
1995	Karuizawa Hotel Bleston Court
2003	Bandaisan Onsen Hotel
2012	KAI Atami (currently closed)
2013	KAI Nikko (currently closed)
2020	Surfjack Hotel & Swim Club
2020	RISONARE Kohamajima
2023	RISONARE Guam
2024	OMOS Hakodate

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

Hoshino Resort Tourism Revitalization Fund Project (Note 2)	
Start of operation (Note 1)	Name of facility
2024	KAI Akiu
2024	KAI Okuhida
2026 (plan)	KAI Zao
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 2026 and onward (partial)

* The location shown in this map is approximate and does not indicate the exact location.



⑨ BEB5 Mojiko

To be opened on July 24, 2026



⑥ HOSHINOYA Nara Prison

To be opened on June 25, 2026



⑧ KAI Miyajima

To be opened on July 23, 2026



⑤ RISONARE Fukui

To be opened in the fall of 2027



⑦ HOSHINOYA Asuka

To be opened in 2027



③ KAI Zao

To be opened on October 15, 2026



① KAI Teshikaga



④ KAI Matsumoto

To be renewed on August 4, 2026

Okinawa

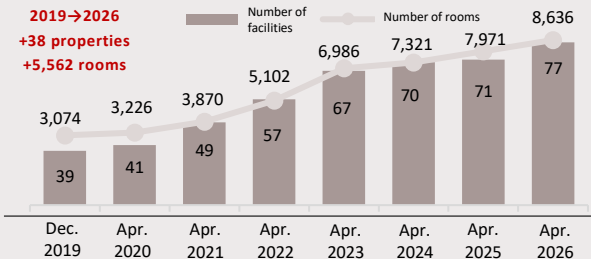
TOPICS Recent initiatives of Hoshino Resorts

■ RISONARE Shimonoseki: Selected as one of TIME magazine's "The World's Greatest Places of 2026"

RISONARE Shimonoseki, the eighth property in "RISONARE" series, opened on December 11, 2025. Based on the concept of "A Designer Hotel in the Kanmon Strait," the property offers an immersive experience of the Kanmon Strait through its distinctive design, which incorporates regional elements such as the strait's scenery and fugu (pufferfish), as well as a variety of location-specific activities. In this selection, the property was recognized for its spatial design featuring "fugu," which is a delicacy rarely found overseas, its diverse range of activities that showcase the appeal of the Kanmon Strait, and its thoughtful features that ensure a delightful experience for both children and adults.



Changes in the number of facilities and guest rooms



Source: Hoshino Resorts



In light of growing global challenges such as climate change and natural disasters, HRR believes that it is important not only to generate profits but also to contribute to society and the environment through strong management leadership, while promoting Creating Shared Value (CSV), as a sustainable source of long-term competitiveness. 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 work together with sponsors and operators, with clearly defined roles and responsibilities, to steadily and swiftly address these global challenges and convert them into real estate value, social value, and corporate value.

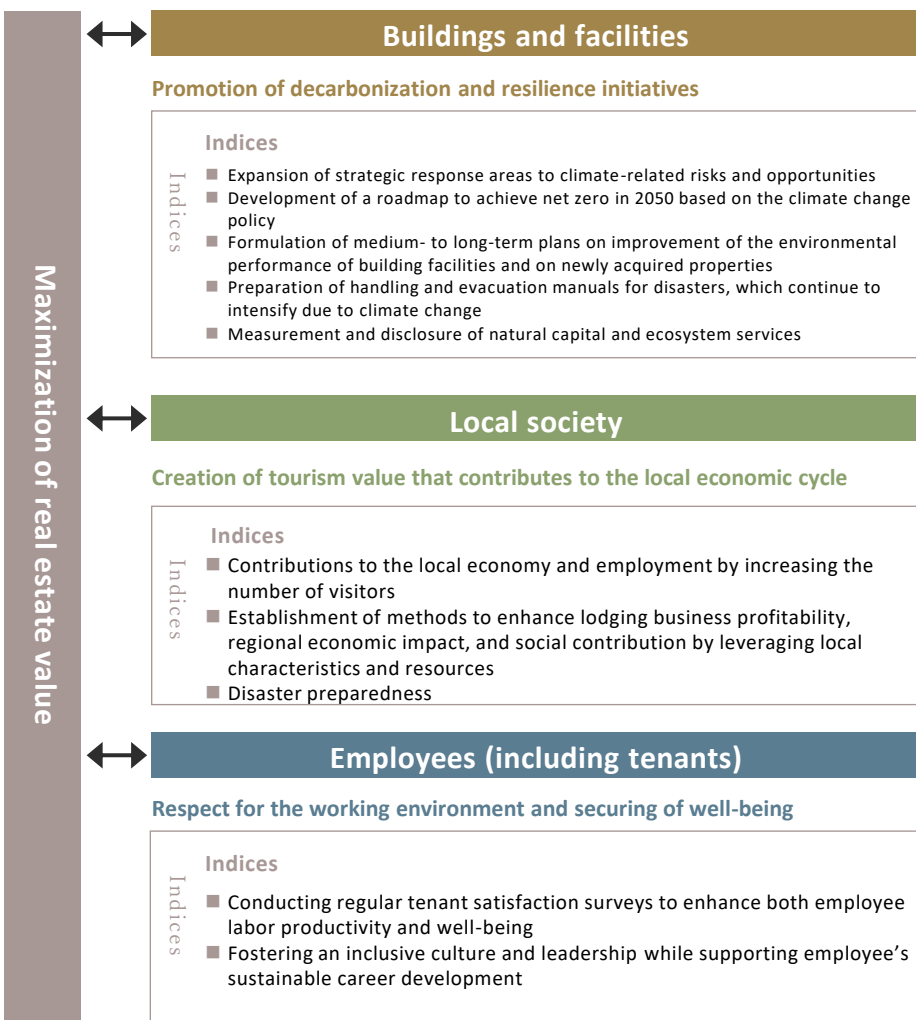
CSV: Creating Shared Value

This concept was proposed by American business scholar Michael Porter and others. CSV is a management approach through which profit-driven companies seek to generate both economic and social value by responding to societal needs (solving social issues).

Aiming to create sustainable value by recognizing changes in social structures, including climate change

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.”

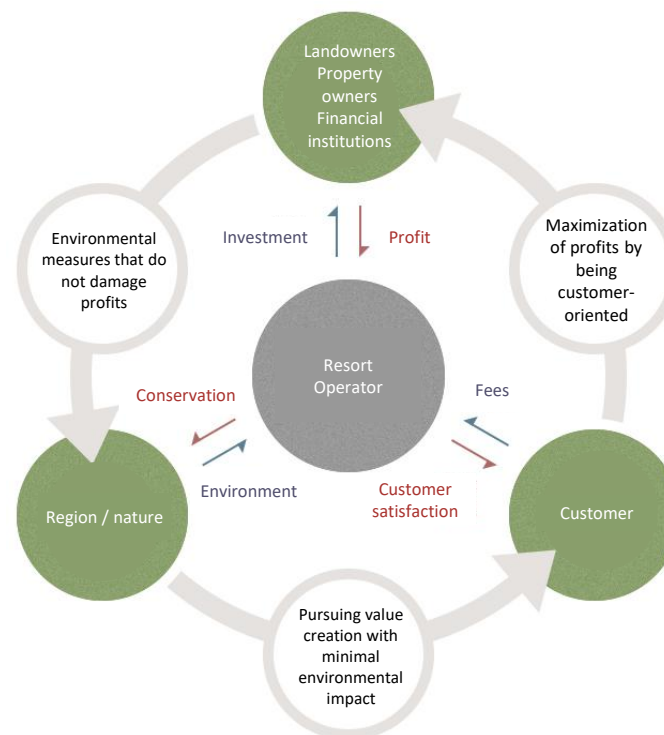
Building sustainable competitiveness during the transition period



Hoshino Resorts' environmental management

Ecosystem of coexistence and co-prosperity

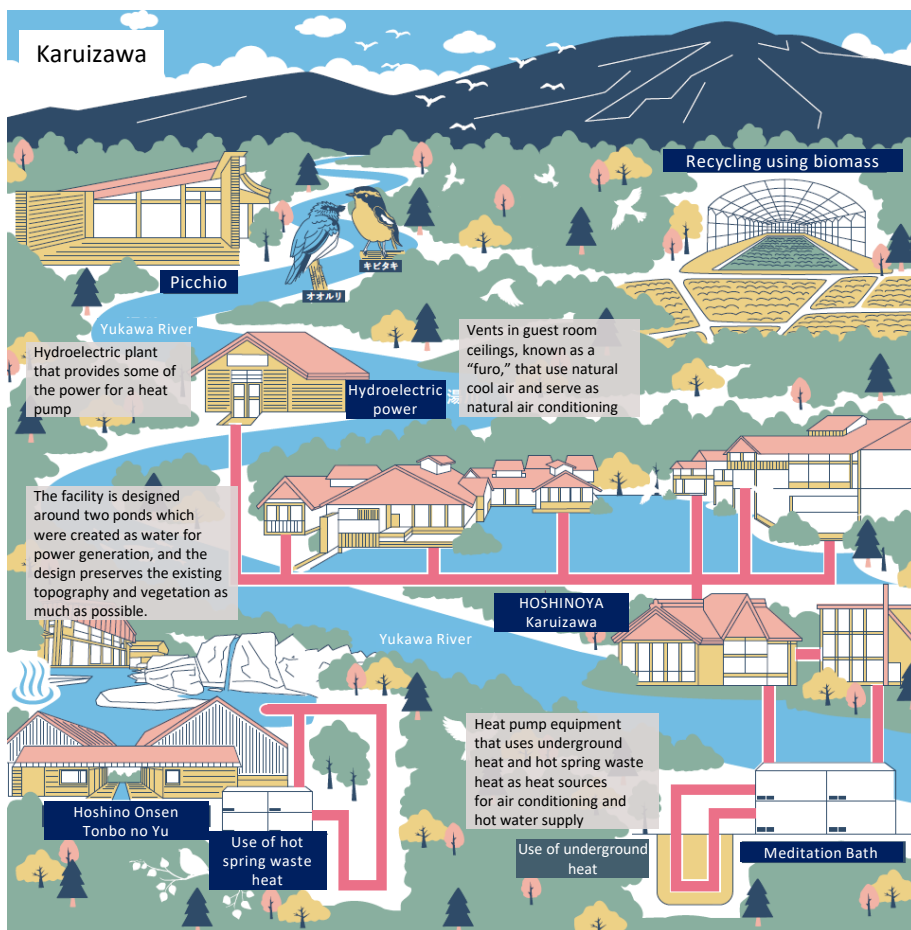
The region's nature, culture, and industries are the source of an appealing lodging experience, and they form an important foundation that supports long-term value. At Hoshino Resorts, we aim to achieve both an enhancement of lodging value and the circulation of the regional economy through operations that leverage our relationships with the local community.



Environmental architecture based on vernacular wisdom

Unique accommodations that understand the local environment — its conditions, resources, history, and ecology — and create designs that harmonize with it

HOSHINOYA Karuizawa — An energy system that harnesses the valley's terrain, river, hot springs, and geothermal heat



◆ Now streaming ◆

We use a unique EIMY ecosystem 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.

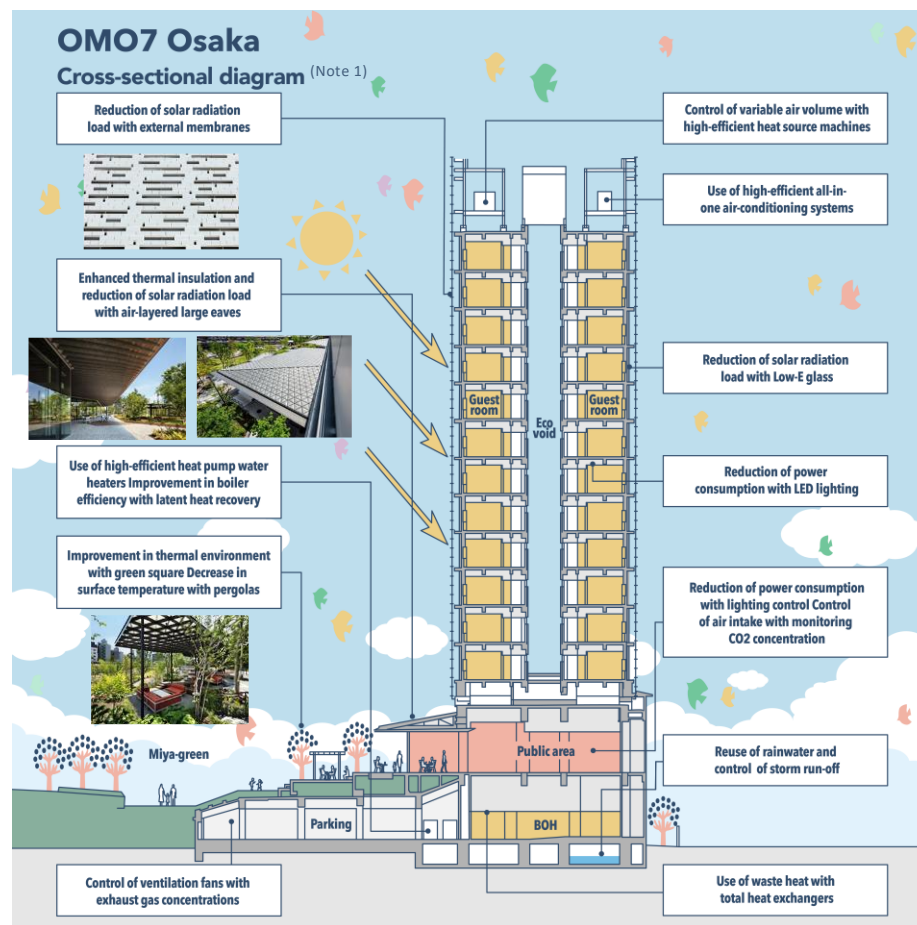
Natural energy utilization at HOSHINOYA Karuizawa: "EIMY (Energy in my yard)"



<https://youtu.be/idsuT0JoyNk>

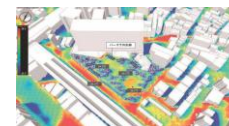
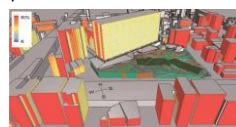
*In Japanese

OMO7 Osaka — Protecting against solar heat through passive environmental control inspired by wisdom from traditional craftsmanship



Examples of effect analyses for each technology (Note 2)

- By enveloping the building with an exterior membrane, the material functions like a bamboo screen, blocking direct sunlight from hitting the concrete structure. The plan aims to reduce sunlight entering through the windows by 30 to 45%.
- At the "Miya-green" green square, an azumaya (pavilion) is installed and the area is landscaped with about 200 trees and roughly 1,700 m² of lawn, helping to mitigate the heat-island effect.



Environmental performance, external evaluation, and GHG emissions reduction initiatives across the supply chain

Environmental performance (Note 1)

Energy consumption

Period	FY2023	FY2024	FY2025
No. of properties	66	66	60
Energy consumption (MWh)	188,578	184,166	158,304
Energy Intensity (kWh/m ²) (Note 2)	360.9	355.0	331.1

Water consumption

Period	FY2023	FY2024	FY2025
No. of properties	63	64	63
Water consumption (m ³)	1,849,894	1,889,801	2,116,567
Water Intensity(m ³ /m ²) (Note 3)	3.6	3.7	4.0

GHG emissions

Period	FY2023	FY2024	FY2025
No. of properties	66	66	60
Greenhouse gas (GHG) emissions (t-CO ₂)	62,713	59,237	51,988
Greenhouse gas (GHG) emissions per basic unit (kgCO ₂ /m ²) (Note 4)	120.0	114.2	108.7

Waste

Period	FY2023	FY2024	FY2025
No. of properties	61	58	47
Amount of waste (t)	4,092	3,661	3,772.2
Recycling ratio (%) (Note 5)	21.6	21.5	21.3

GHG reduction initiatives across the supply chain

- Green lease agreements enable building owners and tenants to collaborate in reducing utility costs, thereby improving profitability and lowering environmental impacts. The goal is to promote sustainable building use while ensuring mutual benefits. **(As of April 30, 2026, the green lease agreement execution ratio is 100%).**
- For newly acquired properties, anticipating risks such as stranded assets and brown discounts, as well as the need to address future regulatory tightening and rising operating costs, we have incorporated sustainability factors such as environmental certifications, equipment performance, and energy efficiency evaluated prior to acquisition into our investment decisions.
- To visualize GHG emissions across the supply chain, we are strengthening collaboration with our business partners and conducting climate change-related surveys in order of priority categories. Going forward, we will use the data obtained to identify opportunities for GHG reduction and translate them into effective actions.
- We are incorporating decarbonization methods such as SAF (sustainable aviation fuel) (Note 6) into the tourism value chain and working to reduce GHG emissions through both travel and accommodation. In the properties owned by HRR, one additional facility (shown in bold below) advanced the use of SAF this fiscal period, bringing the total to eleven facilities: **Grand Hyatt Fukuoka**, HOSHINOYA Fuji, KAI Hakone, KAI Enshu, ANA Crowne Plaza Hiroshima, ANA Crowne Plaza Kanazawa, ANA Crowne Plaza Toyama, RISONARE Atami, KAI Ito, KAI Nagato, and OMO7 Osaka.

Initiatives we support



We regularly review a scenario analysis of transition and physical risks in line with the TCFD framework to make investment and operational decisions that take into account changes in the business environment related to climate change. We aim to reduce GHG emissions by 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 strengthening our capacity to address climate change through business initiatives through policy proposals, the spread of low-carbon technologies, and CO₂ reduction across the entire supply chain.

External Recognition (Note 7)



In the 2025 GRESB Real Estate Assessment, we maintained our GRESB Rating of 3 Stars, and in the disclosure assessment, we received the highest “A” rating for the second consecutive year.



Amid efforts to disclose ecological information through CDP, which has the world's largest environmental database, we submitted responses to enhance transparency and address climate change, striving to comprehensively understand environmental and financial information. In 2025, we expanded our scope to include water security and received a “B-” rating for climate change and a “C” rating for water security.



We have ten properties that have obtained the “CASBEE real estate assessment,” one of the green building certifications.

■ S Rating:
HOSHINOYA Karuizawa (Haru Nire Terrace), RISONARE Yatsugatake, RISONARE Atami, OMO7 Kochi, ANA Crowne Plaza Hotel Hiroshima, and Grand Prince Hotel Osaka Bay

■ A Rating:
KAI Alps, KAI Matsumoto, ANA Crowne Plaza Kanazawa, and the b kobe



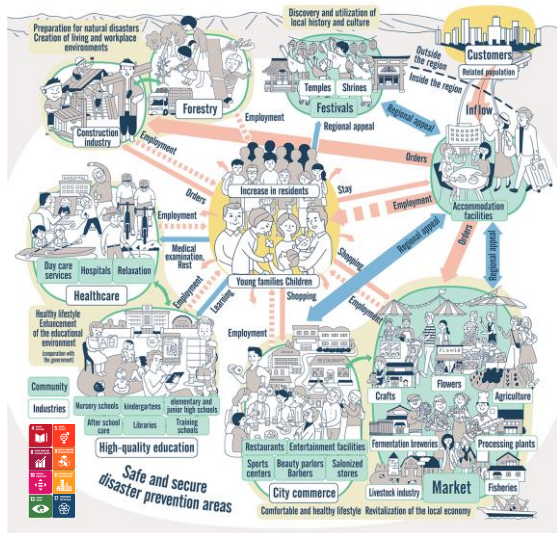
In 2022, we obtained the highest five-star rating under the third-party BELS certification (Note 8) for multiple properties and we have also been certified as “ZEB Oriented” (Note 9).

Initiatives for local society and economy, and employee well-being

Enhancing asset value by leveraging relationships with the local community

<Conceptual Diagram> The role of accommodation facilities in the region and the concept of cycle^(Note)

In response to social risks such as population decline and the decline of the economy and traditional culture, we aim to transition toward a “cycle within the local community” through unique operations that leverage relationships with the local community. By creating a virtuous cycle within the community centered on accommodation facilities, we will build resilience against change and lead to an increase in asset value over the medium- to long-term

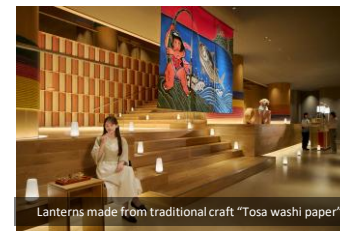


<OMO7 Kochi> Examples of rebranding that contribute to the local economy and cultural revitalization

By utilizing local materials and engaging local contractors, we are creating a virtuous cycle within the local economy. Furthermore, through operations that reflect local culture and the active recruitment of local talent, we are strengthening our sustainable, symbiotic relationship with the local community.

■ Operational aspects (spatial design / design / procurement)
For the rebranding renovation, in addition to construction by local construction companies, we have utilized materials produced in Kochi Prefecture, such as Yanase cedar and Tosa washi paper. Through the spatial design and procurement, we are generating orders for local businesses and a virtuous cycle within the local economy.

■ Operational aspects (operations / experiences)
We have implemented operations that incorporate local culture, such as the “Yosakoi Rakuen LIVE” held every night and buffets featuring Kochi ingredients. In addition to collaborating with local organizations, approximately 50% of our employees are hired locally, fostering continuous relationships with the community through our operations.

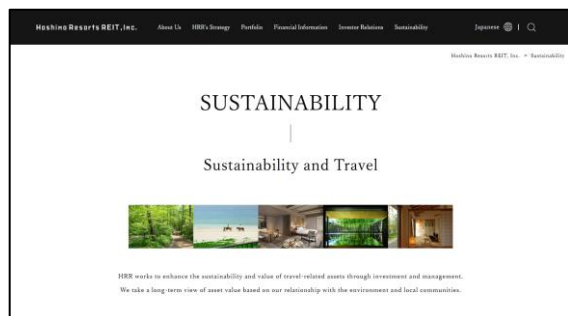


■ Activity categories and impact on the local community

Category	Impact on local community	Examples
CAPEX	Renovation investment	Local construction, materials produced in the prefecture, interior design and furnishings
OPEX	Daily operating costs	Food procurement, performance fees, orders for local businesses
Employment creation	Recruitment of local talent	Rate of local employees: approx. 50%
Experience	Accommodation value	Yosakoi, food culture, spaces reflecting local character

Renewal of our website on sustainability

We have renewed our website, positioning sustainability not merely as “individual ESG activities,” but as an “operational foundation” for enhancing travel-related asset value over the medium to long term. We are publishing our policies and systematic initiatives aimed at creating asset value over the medium- to long-term through environmental conservation, coexistence and co-prosperity with local communities, and the strengthening of our operational capabilities.



Please access
the website here.



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

Initiatives for employees

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

■ HRR’s human resources data (as of December 31 of each year)

	2023	2024	2025
Total number of employees	46	68	67
Male	29	44	43
Female	17	24	24
Percentage of male employees	63%	65%	64%
Percentage of female employees	37%	35%	36%
Percentage of male managers	90%	82%	79%
Percentage of female managers	10%	18%	21%
Annual turnover rate	14.4%	11.1%	12.1%
Overtime hours (monthly average)	21 hours	22 hours	24 hours
Percentage of male employees taking parental leave	83%	88%	66.7%



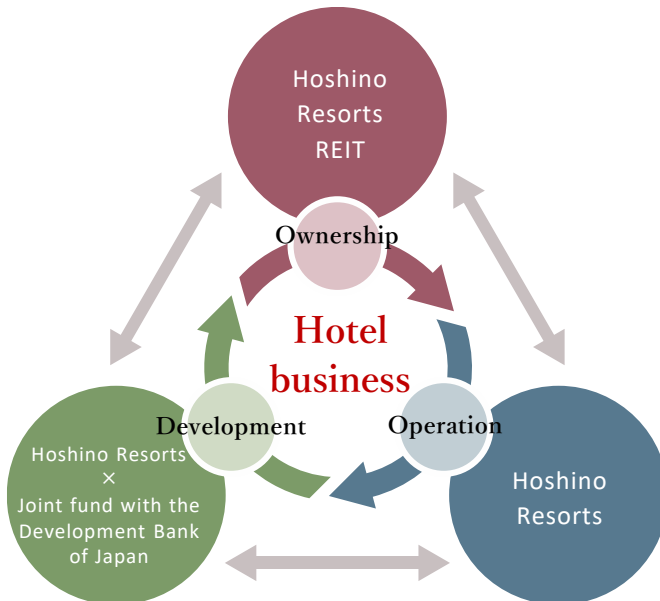
Hoshino Onsen Ryokan (at the time of its opening)

Appendix (1): About Sponsor Hoshino Resorts

The history of Hoshino Resorts

The travel industry has become the world's most important peace-keeping industry.

We will work toward 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, joined Hoshino Onsen and was appointed its representative
1992 **Announced the 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 was launched

2011 KAI brand was launched
RISONARE brand was launched
2013 **Hoshino Resorts REIT, Inc. listed on the Tokyo Stock Exchange**
2015 **Organized as a fund jointly run with the Development Bank of Japan to establish a development framework**
2018 OMO brand was launched
2019 BEB brand was launched

2023 Opened RISONARE Guam
2025 Renewed HOSHINOYA brand logo
LUCY brand was launched
2028 Opening of an onsen ryokan in mainland North America (planned)

As of April 2026

Hoshino Resorts operates 72 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



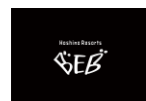
KAI

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

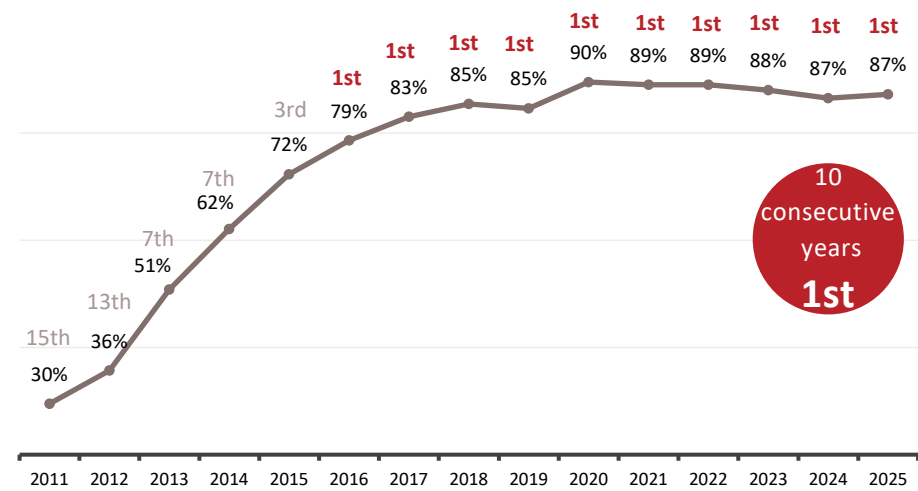


Daytrip Destinations

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

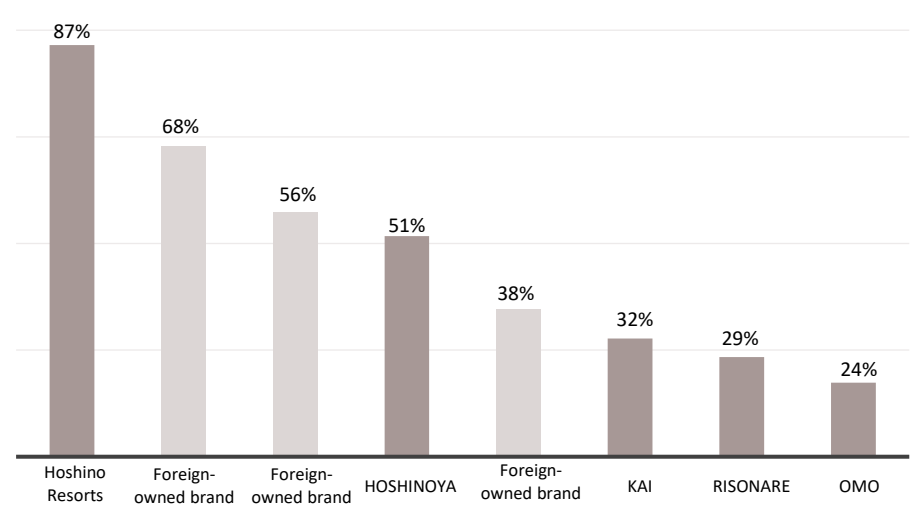
Change in Hoshino Resorts hotel brand recognition (Japan)

(Source) Hoshino Resorts survey



Recognition by hotel brand (2025)

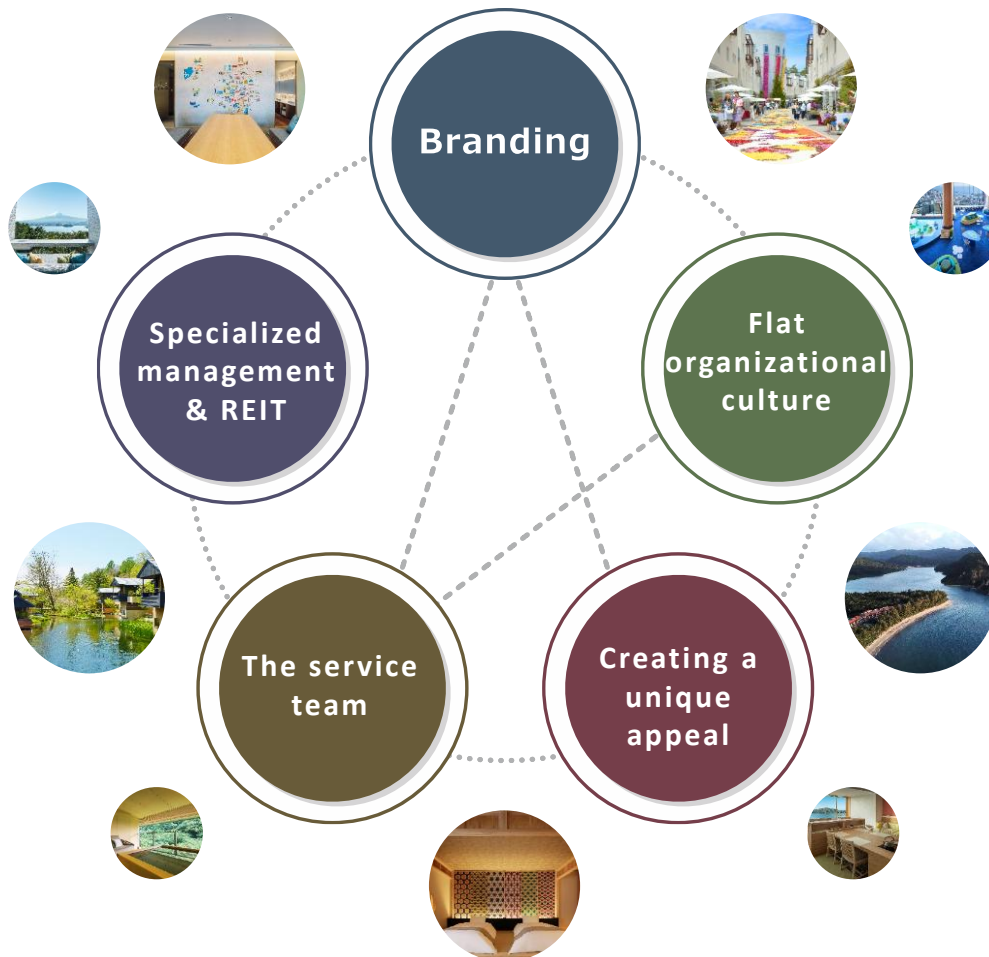
(Source) Hoshino Resorts survey



“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

The 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
- We 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 industry

CHAPTER

6



HOSHINOYA Okinawa

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

Overview of property portfolio by brand ①

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

As of April 30, 2026

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 captivates you with overwhelmingly extraordinary, 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 84,000yen	About 67,000yen	About 48,000yen	About 29,000yen	About 21,000yen	About 32,000yen
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 (13.6%)	10,383 million yen (4.4%)	30,323 million yen (13.0%)	31,200 million yen (13.3%)	2,170 million yen (0.9%)	3,650 million yen (1.6%)

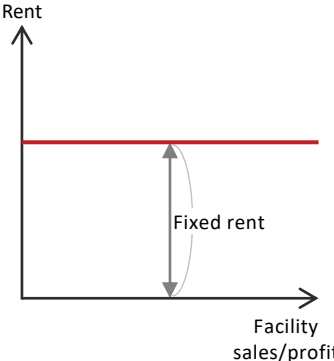
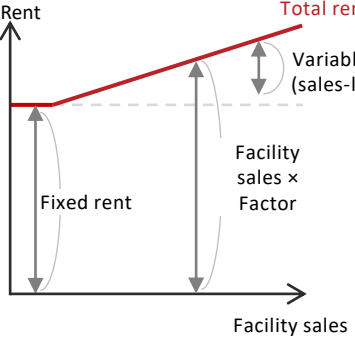
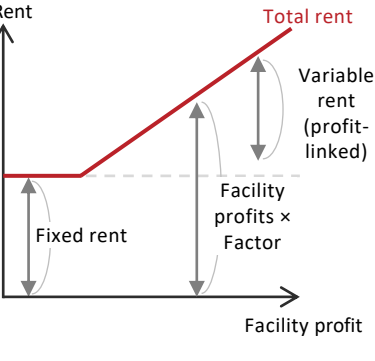
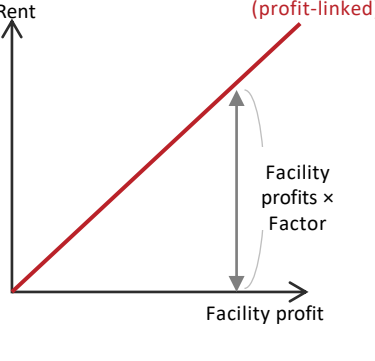
Overview of property portfolio by brand ②

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 April 30, 2026

Operator	IHG ANA Hotels	Hyatt International	Seibu Prince Hotels	Ishin Hotels Group	Greens	AQUAIGNIS
Brand						
Genre	Full service	Full service	Full service	Specialized in accommodation	Roadside	Hot spring resort complex
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	A hot spring resort complex featuring refined design, with themes of “healing and food,” “local production for local consumption,” and “fine dining created by renowned chefs”
Annual ADR (Note)	About 14,000yen	About 39,000yen	About 24,000yen	About 13,000yen	About 7,000yen	About 49,000yen
Representative facilities	 ANA Crowne Plaza Hiroshima	 Grand Hyatt Fukuoka	 Grand Prince Hotel Osaka Bay	 the b akasaka	 Comfort Inn Suwa Inter	 AQUAIGNIS/ Yunoyama Sosuikyo
No. of properties owned	3	1	1	5	23	1
Total acquisition price (ratio)	28,401 million yen (12.1%)	7,700 million yen (3.3%)	13,867 million yen (5.9%)	26,430 million yen (11.3%)	16,417 million yen (7.0%)	5,953 million yen (2.5%)

As of April 30, 2026

Rent type		Fixed rent	Fixed rent + variable rent (Facility sales)	Fixed rent + variable rent (Facility profit)	Variable rent (Facility profit)
No. of properties		8	6	56	1
Acquisition price	Amount	7.2 billion yen	22.2 billion yen	188.5 billion yen	16.0 billion yen
	Ratio	3.1%	9.5% (Real-time 2.5%)	80.6% (Real-time 21.4%)	6.8%
Property name *Underlined items are real-time linked properties		◆ Candeo: 5 properties ◆ Comfort: 3 properties	◆ HOSHINOYA: Karuizawa, Kyoto ◆ RISONARE: Yatsugatake ◆ KAI: Matsumoto, Ito ◆ AQUAIGNIS/Yunoyama Sosuikyo	◆ HOSHINOYA: Fuji, Taketomi Island, Okinawa ◆ RISONARE: Atami ◆ KAI: Tamatsukuri, Kinugawa, Kaga, Alps, Enshu, Nagato, Kirishima, Beppu, Poroto, Hakone ◆ OMO: OMO7 Osaka, OMO7 Kochi ◆ Hoshino Resorts Others: BEB5 Karuizawa, Iriomote Hotel, Hotel WBF Grande Asahikawa ◆ <u>Comfort Inn: 23 Roadside properties</u> ◆ ANA Crowne Plaza: 3 properties ◆ <u>the b: 5 properties</u> ◆ androoms: hotel androoms Osaka Hommachi ◆ Sol Vita: Sol Vita Hotel Naha ◆ <u>Quintessa: Quintessa Hotel Osaka Shinsaibashi</u> ◆ Grand Hyatt: Grand Hyatt Fukuoka ◆ <u>Comfort: Comfort Hotel Takamatsu</u> ◆ <u>VISTA: HOTEL VISTA MATSUYAMA</u>	◆ Grand Prince: Grand Prince Hotel Osaka Bay
Rent plan (conceptual image) (Note)					

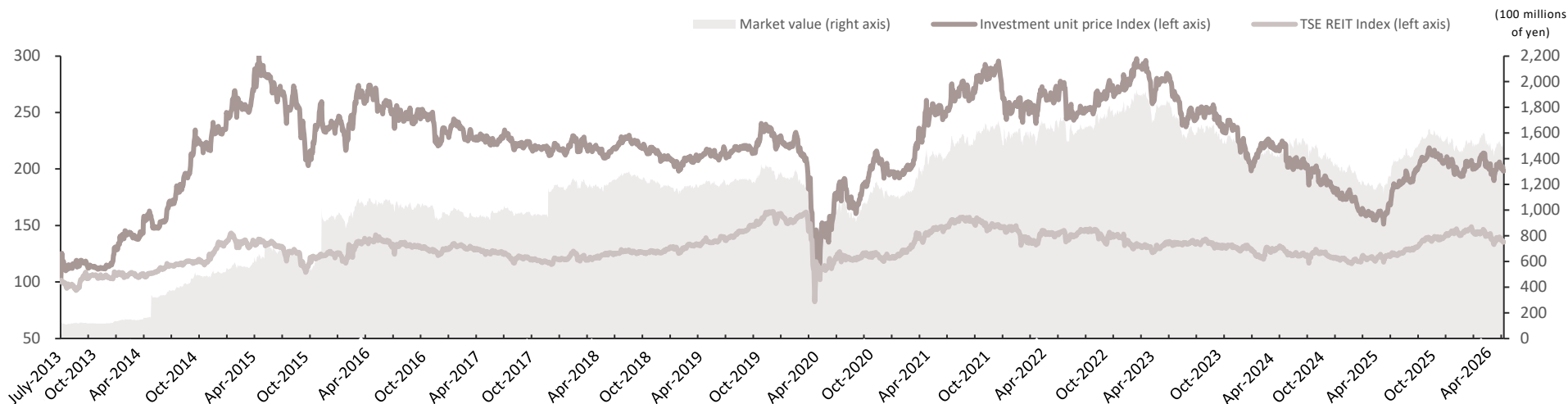
*Underlined items are real-time linked properties (23.9% of all properties)

Changes in market value and investment unit price/ Information on investors as of the end of the fiscal period ended April 2026

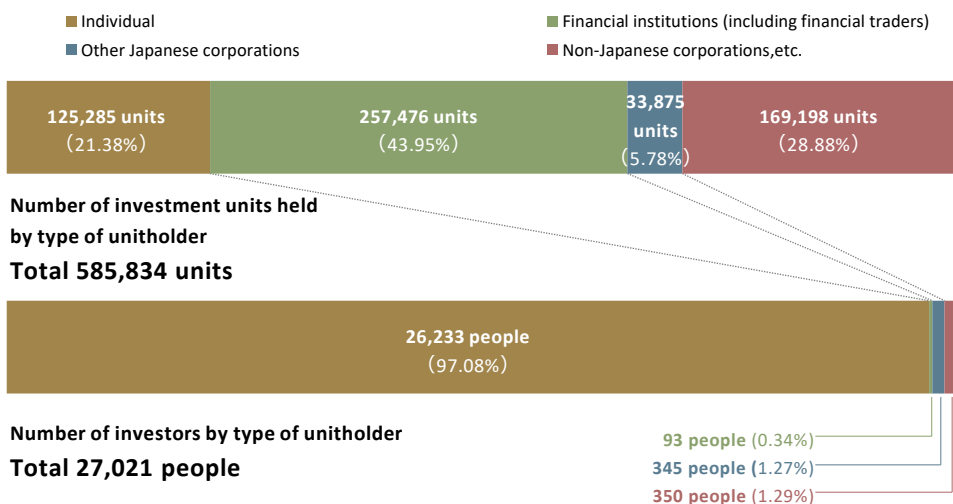
Ch. 6-04

Hoshino Resorts REIT, Inc.

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



Investor composition ^(Note 2) (as of April 30, 2026)



Major investors	Number of investment units held (units)	Percentage (Note 3) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	95,891	16.36
Custody Bank of Japan, Ltd. (Trust account)	83,866	14.31
BNP PARIBAS SINGAPORE/2S/JASDEC/CLIENT ASSET	34,940	5.96
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	25,911	4.42
UBS AG SINGAPORE	10,661	1.81
K.K. Horizon Hotels	9,464	1.61
STATE STREET BANK AND TRUST COMPANY 505001	8,482	1.44
JP MORGAN CHASE BANK 385781	8,037	1.37
Hoshino Resorts Inc.	6,833	1.16
STATE STREET BANK AND TRUST COMPANY 505103	6,646	1.13
Total	290,731	49.62

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

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Note 1: The "Total of the properties operated by Hoshino Resorts" and "Total of the properties operated by third-party operators" do not include properties acquired on or after January 2023.

Note 2: This indicates the period during which Hoshino Resorts implemented capacity restrictions, mainly on weekdays, due to a temporary labor shortage.

Note 3: The timing and calculation methodology for variable rent described in "Assumptions for Rent" vary by property.

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Note 1: The "Total of properties operated by Hoshino Resorts" and "Total of major properties operated by third-party operators" do not include properties acquired on or after May 2023.

Note 2: Operational performance data for "Grand Prince Hotel Osaka Bay" for June 2023 and earlier, are calculated based on the figures for "Hyatt Regency Osaka" prior to the rebranding. The same applies hereafter.

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Note : Operational results for the period from October 2024 to March 2025 are compared with those from October 2025 to March 2026. "KAI Enshu," "KAI Hakone," and "KAI Matsumoto," which were temporarily closed due to renovations, etc. during the relevant periods, are excluded from the aggregation.

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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: Among the inbound ratios for the "23 Roadside properties," the figures for July 2024 and earlier are based on data from the period when the properties operated under the Chisun Inn brand. In addition, data for "Comfort Inn Niigata Kameda" is compiled from May 1, 2025, onward.

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Note 1 : The information presented herein has been prepared by the Asset Management Company as reference material based on a presentation video prepared by Hoshino Resorts for the REIT's financial results briefing.

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

Note 2: The average financing period includes the maturity of investment corporation bonds.

Note 3: The Bank of Japan's Climate Response Financing Operations refer 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 4: "Sustainable finance balance" refers to the total outstanding balance of sustainable loans, green loans, blue loans, positive impact finance, sustainability-linked loans, sustainable bonds, and green bonds.

Note 5: "Sustainable finance balance" also includes the green and sustainable finance balances executed under the former Green and Sustainability Finance Frameworks, which were based on the BELS evaluation system prior to its revision.

Note 6: "Sustainable equity balance" refers to the total amount of outstanding sustainable equity and green equity.

Note 7: "Green equity balance" and "Sustainable equity balance" are calculated based on the criteria of the previous BELS evaluation due to changes in the BELS evaluation system.

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

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Note: The "Conceptual image of risk level from hotel development to stable operation" is only a conceptual image of the generally expected risk profile from hotel development through 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.

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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 to commence operations. 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: "Third-party owned facilities" refer to properties operated by Hoshino Resorts that are not owned by Hoshino Resorts, the DBJ joint fund, Hoshino Resort Tourism Revitalization Fund, or ALL JAPAN Tourism Nation Fund.

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Note 1: The "Cross-sectional diagram" is a conceptual diagram designed to clearly explain the environmentally friendly structure of the property, and it does not guarantee or promise that the environmental control shown in the diagram can be achieved.

Note 2: Results of the effectiveness analyses in the "Examples of effect analyses for each technology" are based on the Report on Environmental Simulation Verification prepared by NIHON SEKKEI, INC., and do not guarantee or promise the actual effects of the property.

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Note 1: The figures stated in "Environmental performance" are figures provided by the operator of each property and include provisional figures. "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" includes only properties owned by HRR for which data was obtained for 100% of the applicable floor area.

Note 2: "Energy Intensity" is calculated as (energy consumption of properties with 100% of the floor area for which data was obtained among properties owned) ÷ basic unit denominator (area (m²) of properties with 100% of the floor area for which data was obtained among properties owned).

Note 3: "Water Intensity" is calculated as (water consumption of properties with 100% of the floor area for which data was obtained among properties owned) ÷ basic unit denominator (area (m²) of properties with 100% of the floor area for which data was obtained among properties owned).

Note 4: "GHG emissions per basic unit" is calculated as (greenhouse gas (GHG) emissions from properties with 100% of the floor area for which data was obtained among properties owned) ÷ basic unit denominator (area (m²) of properties with 100% of the floor area for which data was obtained among properties owned).

Note 5: "Recycling ratio" is calculated as (the amount of waste recycled in properties with 100% of the floor area for which data was obtained among properties owned) ÷ (the amount of waste generated in properties with 100% of the floor area for which data was obtained among properties owned).

Note 6: 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 7: For 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.

Note 8: "BELS" is one of the third-party certification systems based on the Ministry of Land, Infrastructure, Transport and Tourism's Guidelines for Energy Efficiency Performance Labeling of Buildings (Guidelines for Displaying the Energy Consumption Performance of Buildings). It provides an objective assessment of a building's energy efficiency performance, which is indicated using a five-star rating scale. The same applies hereafter. Please note that although the notification on the building energy efficiency labeling system was revised and enforced in April 2024, expanding the rating scale to seven levels, this document refers to the fact that the highest rating of five stars was obtained under the former system.

Note 9: "ZEB" stands for Net Zero Energy Building. It refers to a building that aims to achieve a net zero annual primary energy balance by significantly reducing energy consumption, while maintaining indoor environmental quality, through advanced architectural design that suppresses energy loads, active utilization of natural energy based on passive technologies, and the introduction of high-efficiency building systems. Renewable energy sources are incorporated to maximize the building's energy self-sufficiency. To promote the realization and widespread adoption of ZEBs, four certification levels are currently used: "ZEB," "Nearly ZEB," "ZEB Ready," and "ZEB Oriented." The "ZEB Oriented" certification obtained by this property refers to a building designed with a view toward achieving ZEB Ready, incorporating high-performance building envelopes, high-efficiency energy-saving systems, and additional measures aimed at realizing further reductions in energy consumption.

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Note: This is a conceptual diagram prepared by the Asset Management Company to clearly explain HRR's sustainability investment policies and other related matters and it does not guarantee the accuracy of the information contained therein or the achievement of the outcomes described.

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Note : Annual ADR is a reference value calculated based on the period from May 2025 to April 2026.

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Note : Annual ADR is a reference value calculated based on the period from May 2025 to April 2026 (After November 2025 for AQUAIGNIS/Yunoyama Sosuikyo). However, for properties operated by “Greens,” figures are not disclosed (excluding Roadside properties), as the lessee has not consented to disclosure.

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

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Note 1: The start date for the graph is July 11, 2013, the business day immediately prior to the new listing date. In consideration of the investment unit splits (a two-for-one split 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 of 510,000 yen of the public offering implemented on July 11, 2013, as 100, and the figures for dates prior to October 30, 2024, the last trading day before the investment unit split, have been revised 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 investment units held by type of unitholder indicate the ratio of the number of units held by type of unitholder against the total number of investment units issued. In addition, the ratio in parentheses under the number of investors by type of unitholder indicates the ratio of the number of investors by type of unitholder against 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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