Hoshino Resorts REIT

Securities Code: 3287
https://www.hoshinoresorts-reit.com/en/

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

14th Fiscal Period (ended April 2020)

Presentation Materials

June 15, 2020

BEB5 Karuizawa / Restaurant Café Lounge

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

We believe the tourism industry is very important for Japan's revitalization in an aging society with a declining birthrate.
We aim to create schemes to benefit from the growth in Japan's tourism industry through unitholders owning investment units, and continually expand unitholder value.

HOSHINOYA Fuji / Cloud Terrace

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I Financial highlights

HOSHINOYA Taketomi Island / Pool

14th Fiscal Period(ended April 2020) Financial Summary

Hoshino Resorts REIT, Inc.

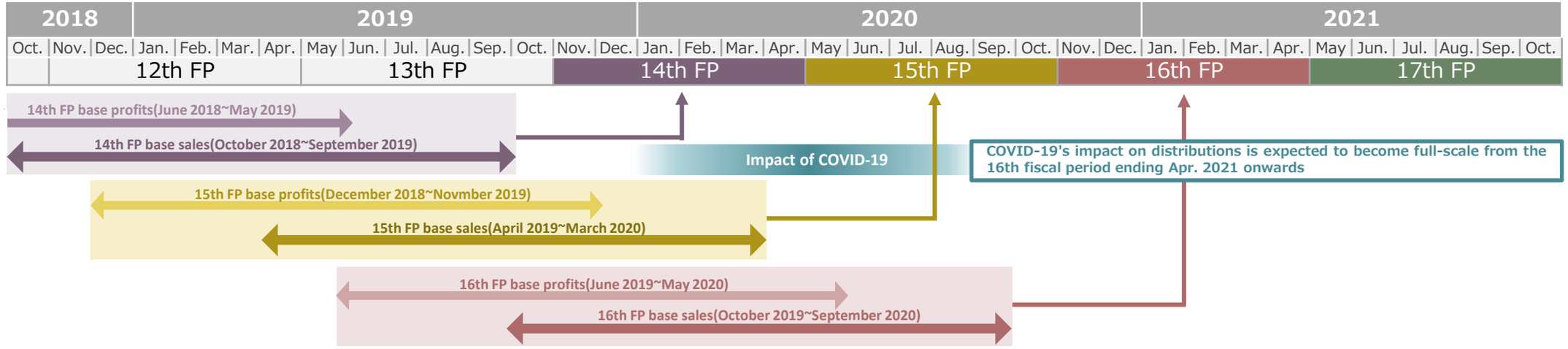
Impact of COVID-19

- Due to the spread of COVID-19 within Japan, from March onwards travel demand fell nationwide and moves to refrain from conducting business trips became widespread.
- The 9 KAI properties (Note3)in the Hoshino Resorts (Note2)group performed better than the previous year in the period leading up to March 2020, and the Hoshino Resorts-managed properties and 22 roadside properties (Note4)fared well compared to the market as a whole. However, other properties fell by roughly the same amount as the market as a whole.
- Following the declaration of the state of emergency on April 7, 2020, due to factors such as governmental requests for facility closure and governmental requests to the populace to remain at home, 21 properties were temporarily closed.

Results and business forecast assumptions (Note1)

Results of the 14th fiscal period (ended April 2020)	Previous forecast 13,234 yen	**Actual results 13,302 yen** (+68 yen, +0.5% vs. forecast)	• For sales and profit-linked properties, base sales and profit periods were both pre-COVID-19 periods, so results were not affected • In the midst of the COVID-19 pandemic, we have carried out a total of 6.8 billion yen in refinancing for a period of up to 5.5 years and concluded a contract to extend our 5 billion yen commitment line by one year
Forecast for the 15th fiscal period (ended October 2020)	Previous forecast 13,240 yen	**Forecast 12,753 yen** (▲487 yen, ▲3.7% vs. previous forecast)	• Our sales-linked properties were affected by a decline in revenue due to COVID-19 in the period leading up to March 2020 • At present, it does not appear that there will be reductions, exemptions, or payment grace periods for the majority of tenants • However, we anticipate non-payment of rent by several non-Hoshino Resorts tenants, so distributions are expected to decline.
Forecast for the 16th fiscal period (ended April 2021)	–	**Forecast 5,107 yen** (▲7,646 yen,▲60.0% vs. 15th FP)	• Figures reflect revenue declines caused by COVID-19 until September 2020 for sales-linked properties and until May 2020 for profit-linked properties • As with the 15th fiscal period ending Oct. 2020, we anticipate non-payment of rent by several non-Hoshino Resorts tenants

(Reference) Base profit and base sales period used as basis for distribution calculations (Note5)



See page 56 for notes regarding this page.

Overview of financial results for the 14th fiscal period (ended April 2020)

	Results of the 13th fiscal period	Forecast for the 14th fiscal period (as of December 19, 2019) (A)	Results of the 14th fiscal period (B)	Comparison with forecast (B)-(A)
Operational status (millions of yen)				(Note)
Operating revenue	6,086	6,154	6,158	3
Operating expenses	2,756	2,776	2,758	-18
Operating profit	3,330	3,378	3,399	21
Ordinary profit	2,923	2,936	2,952	15
Profit	2,922	2,936	2,951	15
Distribution per unit (yen)	13,174	13,234	13,302	68
Others				
NOI (millions of yen)	5,233	5,306	5,313	6
NOI yield	6.7%	6.6%	6.6%	0.0pt
LTV	35.7%	37.8%	37.9%	0.1pt
NAV per unit (yen)	554,146	-	525,704	-

Breakdown of operating revenue

Fixed rent +Minimum guarantee	4,138 million yen (67.2%)
Floating rent excluding Minimum guarantee	2,005 million yen (32.6%)

Comparison with previous forecast of operating expenses

Taxes and public dues: -5 million yen

Maintenance and inspection costs: -2 million yen

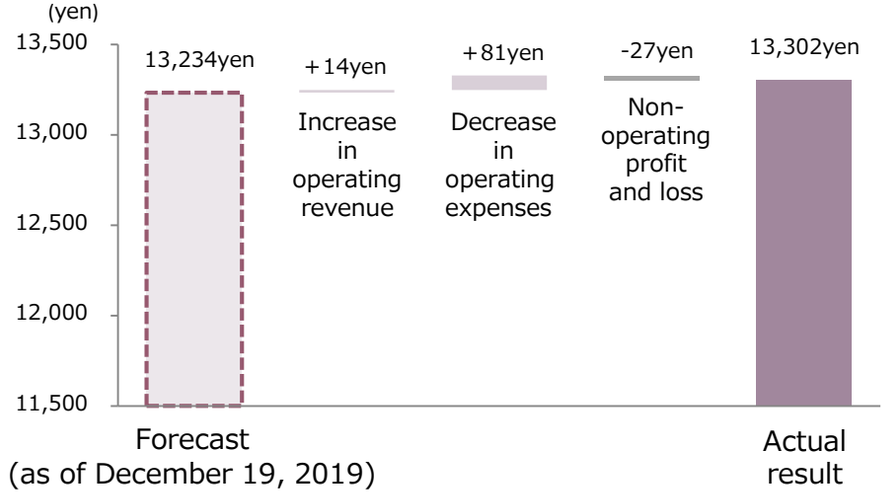
Asset management fees: -2 million yen

Increase/decrease in other expenses: -8 million yen

Breakdown of distribution increase and decrease

Distribution per unit : 13,302yen

Comparison with forecast +68 yen (+0.5%)



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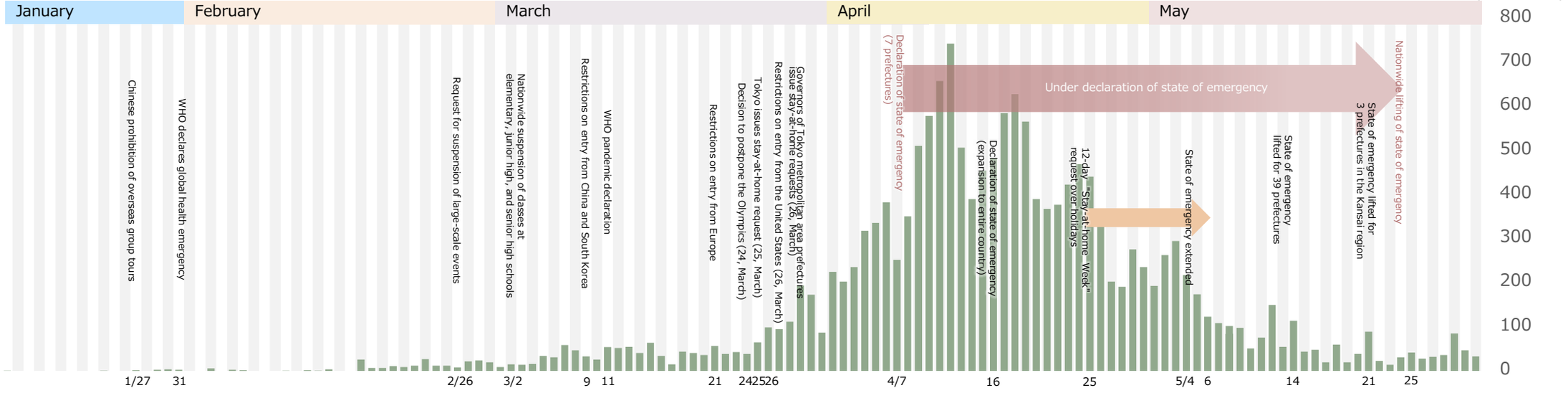
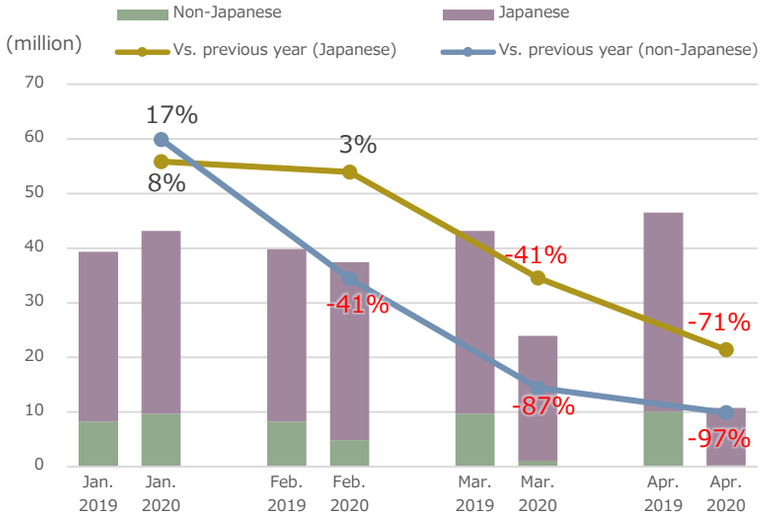
The COVID-19 outbreak, infection trends, total number of guests, and hotel operation ratios

Number of infections in Japan and major related events (Note)

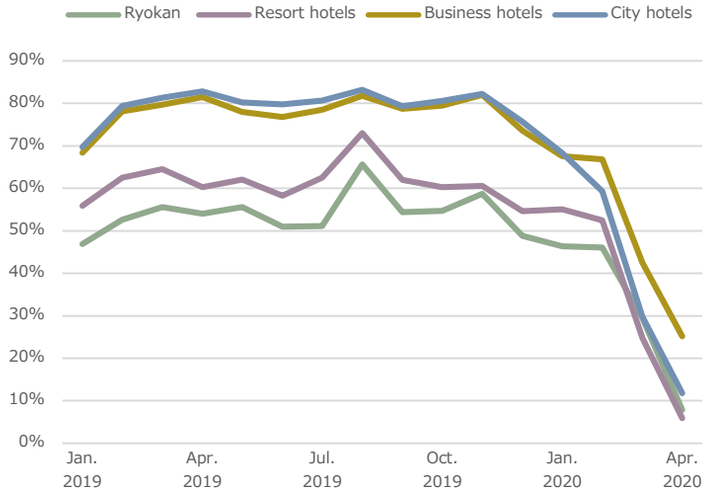
(Source: Ministry of Health, Labour and Welfare website)



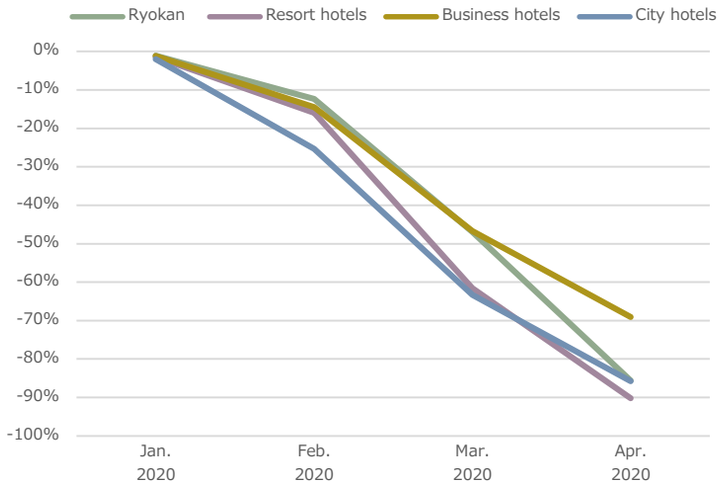
Total number of guests over the January to April period



Recent hotel operation ratios(for hotels with 10 or more employees)



Recent hotel operation ratios (for hotels with 10 or more employees) (vs. previous year)



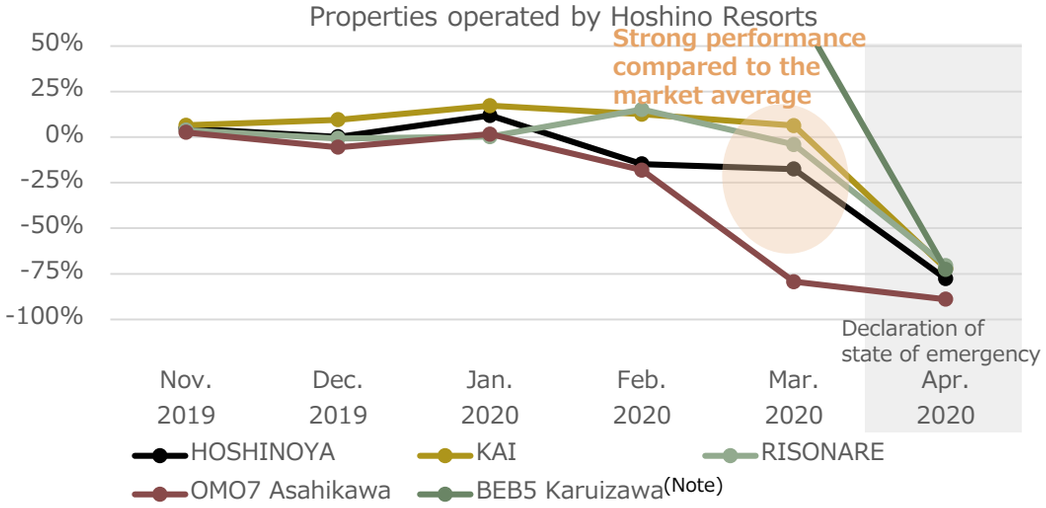
(Source: Japan Tourism Agency Statistical Survey of Lodging and Travel)

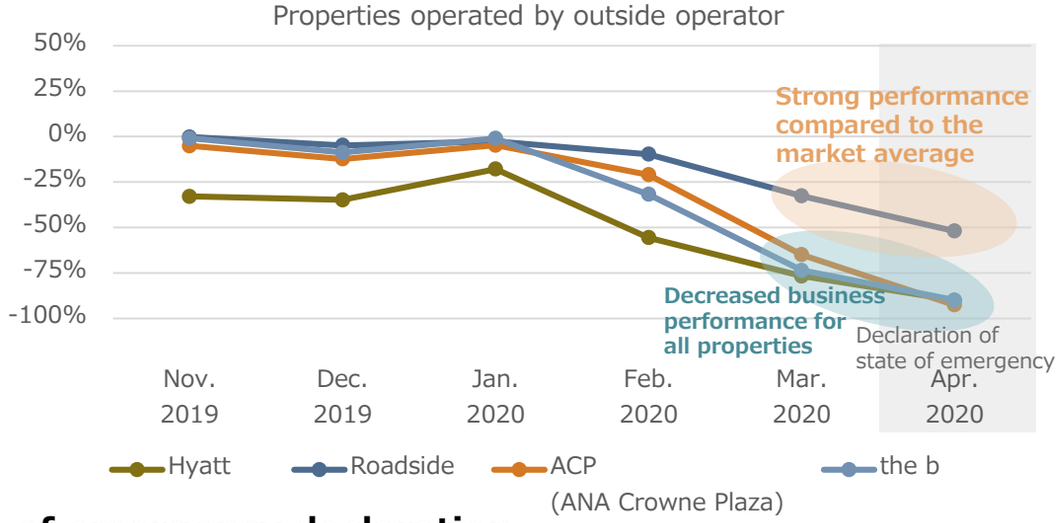
See page 56 for notes regarding this page.

Revenue per available room (RevPAR) vs. previous year for each brand following the spread of COVID-19 (monthly)

While many hotels struggled due to people staying at home, etc., in March, the Hoshino Resorts-managed properties of "KAI," in which guests can dine and bathe in their private rooms, "RISONARE," popular with families with children who were out of school, and HOSHINOYA Taketomi Island," a villa-type hotel, performed strongly, with occupancy rates even exceeding those of last year. However, for the non-Hoshino Resorts-managed properties other than the 22 Roadside properties, business declined by roughly the same amount as the hotel market as a whole.

Rates of change in RevPAR from Nov. 2019 to Apr. 2020 (vs. previous year)





Comments regarding individual brands before the state of emergency declaration

HOSHINOYA	Kyoto for which inbound tourists account for a large share of business, struggled, but Taketomi Island, a villa-type resort, performed strongly.
KAI	KAI performed well because the ability to dine and bathe in private rooms matched the travel need of avoiding the "three Cs" (Crowded spaces, (Human) Contacts, Closed spaces). Year-on-year RevPAR (March): KAI Ito +31% KAI Izumo +13%
RISONARE	Experienced an increase in family travel in conjunction with school closures and an increase in average daily rate (ADR) through attractiveness-enhancing capital expenditure.
OMO7 Asahikawa	Poor business performance due to Hokkaido's COVID-19 outbreak and prefecture-level state of emergency declaration.
BEB5 Karuizawa	Increased lodging demand from students due to cancellation of graduation trips to other destinations. RevPAR was low last year as the resort had just opened.

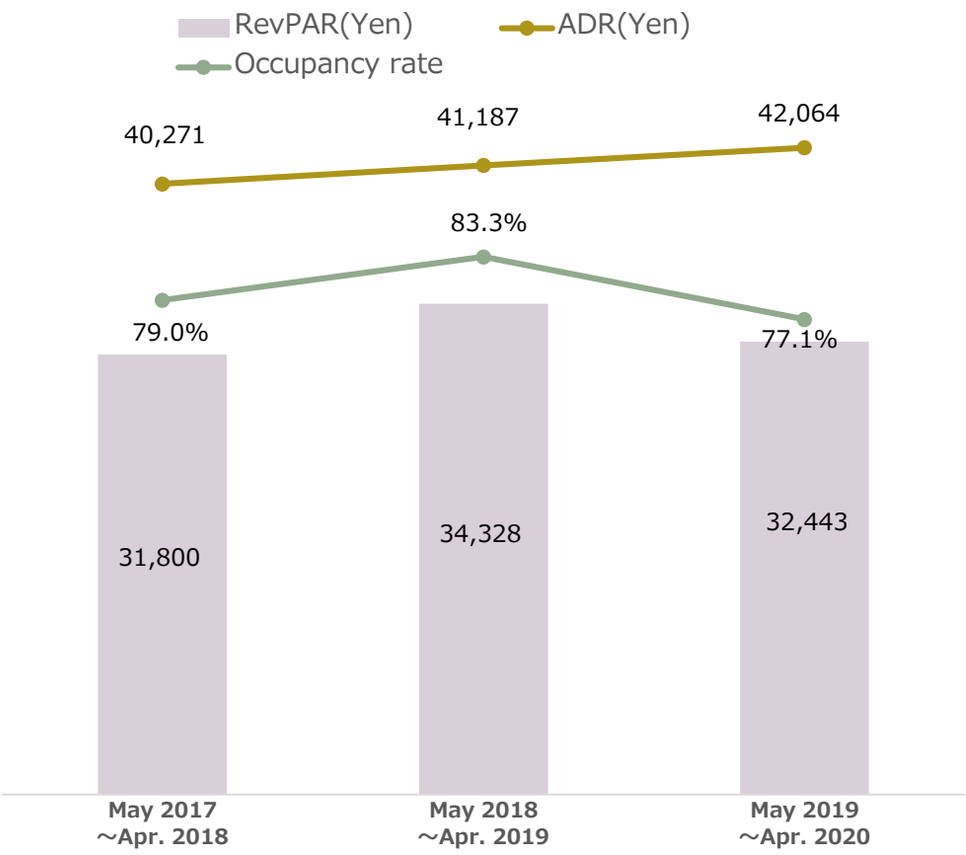
Hyatt	In the Osaka area, the large supply of hotels and poor relations between Japan and South Korea have had a negative impact. The spread of COVID-19 has also been rapid, resulting in the recording of major losses.
Roadside	Roadside has struggled due to decisions to cancel sporting events, etc. However, it has successfully captured business trip customers, and thus has secured some level of revenue.
ACP (ANA Crowne Plaza)	Struggling due to the decrease in inbound tourism and companies suspending business trips.
the b	Struggling due to the declines in inbound tourism and in domestic business and leisure. The Sangenjaya hotel has captured demand within its ward, such as demand for telework use, and has achieved a high rate of operation.

See page 56 for notes regarding this page.

Investment management summary by brand (last 3 years)
(1) Properties operated by Hoshino Resorts

Hoshino Resorts Brand Properties

RevPAR held its ground, falling 5.2% year-on-year for the 2 RISONARE properties, 4.1% for the 8 KAI properties, and 5.5% for all 15 Hoshino Resorts properties.



(excluding KAI Alps, Iriomote Hotel, BEB5 Karuizawa)

4 HOSHINOYA Properties(Note1)

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	83.3%	88.9%	82.1%
ADR(Yen)	75,758	74,623	74,696
RevPAR(Yen)	63,107	66,320	61,297

2 RISONARE Properties(Note2)

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	80.2%	88.8%	81.8%
ADR(Yen)	42,350	42,863	44,107
RevPAR(Yen)	33,982	38,064	36,072

8 KAI Properties(Note3)

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	77.4%	79.6%	76.5%
ADR(Yen)	39,530	39,260	39,203
RevPAR(Yen)	30,598	31,256	29,988

OMO7 Asahikawa

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	76.3%	77.7%	69.0%
ADR(Yen)	10,840	11,507	12,125
RevPAR(Yen)	8,276	8,935	8,370

BEB5 Karuizawa(Note4)

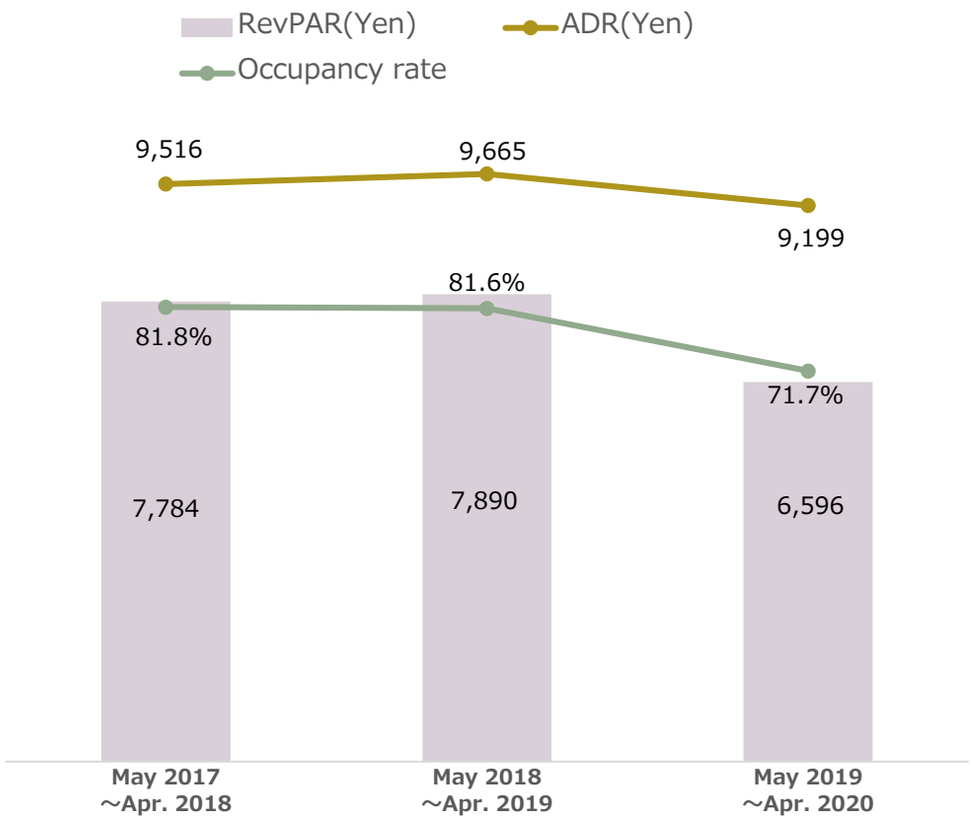
	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	-	-	78.1%
ADR(Yen)	-	-	16,155
RevPAR(Yen)	-	-	12,613

See page 56 for notes regarding this page.

Investment management summary by brand (last 3 years)
(2) Properties operated by outside operators

Outside Operators Properties

With respect to brands other than Hoshino Resorts, the 22 Roadside properties held their ground, with RevPAR falling 7.3% year-on-year. Other brands fell by roughly the same amount as the hotel market as a whole.



4 ANA Crowne Plaza Properties (Note1)

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	82.8%	82.9%	70.2%
ADR(Yen)	13,726	13,828	13,304
RevPAR(Yen)	11,370	11,470	9,335

Hyatt Regency Osaka

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	77.4%	73.4%	52.3%
ADR(Yen)	15,597	15,602	16,223
RevPAR(Yen)	12,077	11,444	8,487

22 Roadside Properties

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	80.9%	80.8%	75.6%
ADR(Yen)	5,854	6,084	6,025
RevPAR(Yen)	4,735	4,919	4,558

4 the b Properties (Note2)

	May 2017~Apr. 2018	May 2018~Apr. 2019	May 2019~Apr. 2020
Occupancy rate	90.4%	87.8%	75.4%
ADR(Yen)	9,353	9,708	9,158
RevPAR(Yen)	8,458	8,526	6,907

See page 56 for notes regarding this page.

Forecasts for 15th fiscal period ending October 2020 and 16th fiscal period ending April 2021

(Amounts are rounded down. Ratios are rounded off.)

FP ending October 2020		Assumption
Operating revenue (millions of yen)	6,021	[Operating revenue] Fixed rent 4,056 million yen Floating rent 1,953 million yen Other rent 10 million yen
Operating profit (millions of yen)	3,224	[Operating expenses] Fixed assets tax, city planning tax, etc. 470 million yen Depreciation 1,321 million yen
Ordinary profit (millions of yen)	2,830	[Non-operating expenses] Debt-financing-related expenses 395 million yen
Profit (millions of yen)	2,829	[Expected LTV at the end of FP] 38.0%
Distribution per unit (yen)	12,753	

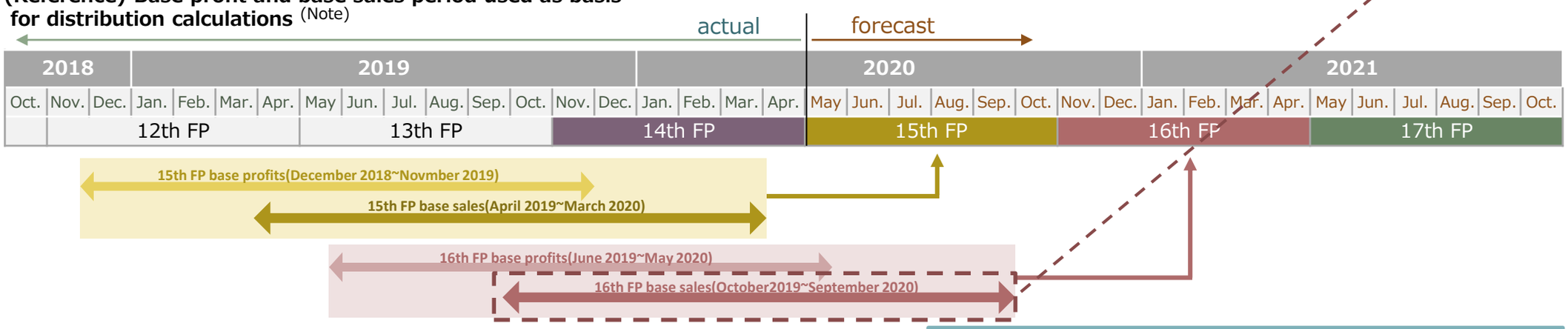
FP ending April 2021		Assumption
Operating revenue (millions of yen)	4,341	[Operating revenue] Fixed rent 4,026 million yen Floating rent 303 million yen Other rent 10 million yen
Operating profit (millions of yen)	1,535	[Operating expenses] Fixed assets tax, city planning tax, etc. 460 million yen Depreciation 1,342 million yen
Ordinary profit (millions of yen)	1,133	[Non-operating expenses] Debt-financing-related expenses 402 million yen
Profit (millions of yen)	1,132	[Expected LTV at the end of FP] 38.3%
Distribution per unit (yen)	5,107	

Actual rent for 14th fiscal period ending April 2020 and Expected rent for 15th fiscal period ending October 2020 and 16th fiscal period ending April 2021

(millions of yen)

Operators	Brand	Actual rent for the 14th fiscal period ending April 2020			Expected rent for the 15th fiscal period ending October 2020			Expected rent for the 16th fiscal period ending April 2021			
		fixed rent, etc.	Floating rent	Total	fixed rent, etc.	Floating rent	Total	fixed rent, etc.	Floating rent	(Floating rent linked to sales)	Total
Properties operated by the Hoshino Resorts	HOSHINOYA	727	187	**914**	677	243	**921**	618	20	-	**639**
	RISONARE	374	224	**598**	374	201	**575**	374	106	25	**480**
	KAI	474	157	**631**	463	155	**619**	463	29	4	**493**
	Others	352	-	**352**	386	-	**386**	386	-	-	**386**
Total		**1,929**	**568**	**2,497**	**1,902**	**599**	**2,502**	**1,843**	**156**	**29**	**2,000**
Properties operated by outside operators	4 ANA Crowne Plaza properties	840	666	**1,506**	840	620	**1,460**	840	37	-	**877**
	Hyatt Regency Osaka	-	232	**232**	-	245	**245**	-	-	-	**-**
	22 Roadside properties	558	235	**793**	558	205	**764**	558	31	31	**590**
	4 the b properties	265	262	**527**	265	239	**505**	265	66	-	**332**
	Others	556	39	**596**	501	42	**543**	530	10	-	**541**
Total		**2,220**	**1,436**	**3,657**	**2,165**	**1,353**	**3,518**	**2,194**	**146**	**31**	**2,340**
61 properties owned, Total		**4,149**	**2,005**	**6,154**	**4,067**	**1,953**	**6,021**	**4,037**	**303**	**61**	**4,341**

(Reference) Base profit and base sales period used as basis for distribution calculations (Note)

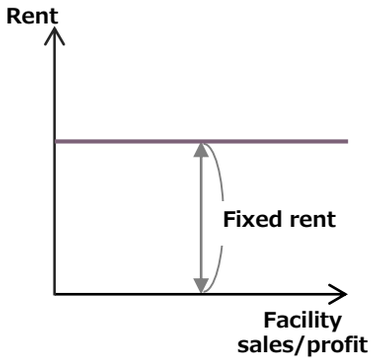
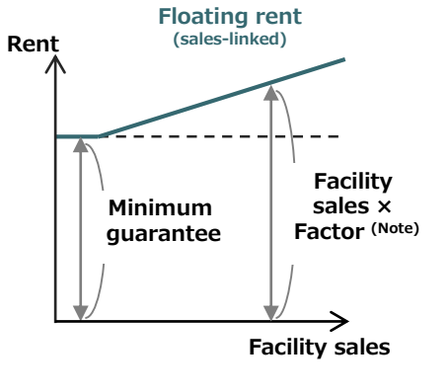
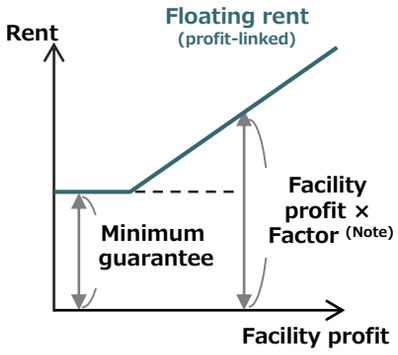
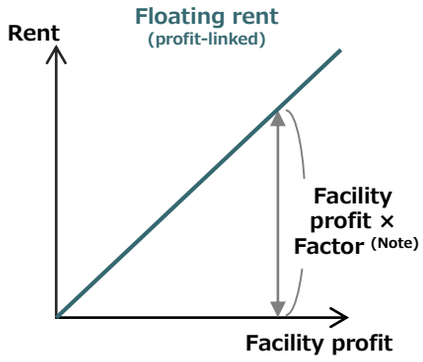


COVID-19's impact on distributions is expected to become full-scale from the 16th fiscal period ending Apr. 2021 onwards

See page 56 for notes regarding this page.

Rent type

(As of April 30, 2020)

Rent type		Fixed rent	Floating rent (With minimum guarantee)	Floating rent (With minimum guarantee)	Floating rent
Rent calculation criteria		—	Facility sales	Facility profits	Facility profits
Number of facility		10 properties	31 properties	19 properties	1 property
Acquisition price	Amount	12.7 billion yen	35.4 billion yen	97.5 billion yen	16.0 billion yen
	Ratio	7.9%	21.9%	60.3%	9.9%
Name of facility		5 Candeo properties, 3 Greens properties, Quintessa Hotel Osaka Shinsaibashi, HOTEL NIKKO KOCHI ASAHI ROYAL	HOSHINOYA Karuizawa, HOSHINOYA Kyoto, RISONARE Yatsugatake, KAI Matsumoto, KAI Izumo, KAI Ito, KAI Hakone, KAI Aso, KAI Kawaji, 22 Roadside properties	HOSHINOYA Fuji, HOSHINOYA Taketomi Island, RISONARE Atami, KAI Kinugawa, KAI Kaga, KAI Alps, 4 ANA Crowne Plaza properties, OMO7 Asahikawa, Iriomote Hotel BEB5 Karuizawa, 4 the b properties, hotel androoms Osaka Hommachi, Sol Vita Hotel Naha	Hyatt Regency Osaka
Rent plan image					

See page 56 for notes regarding this page.

Financial highlights (1)
Financial conditions under COVID-19

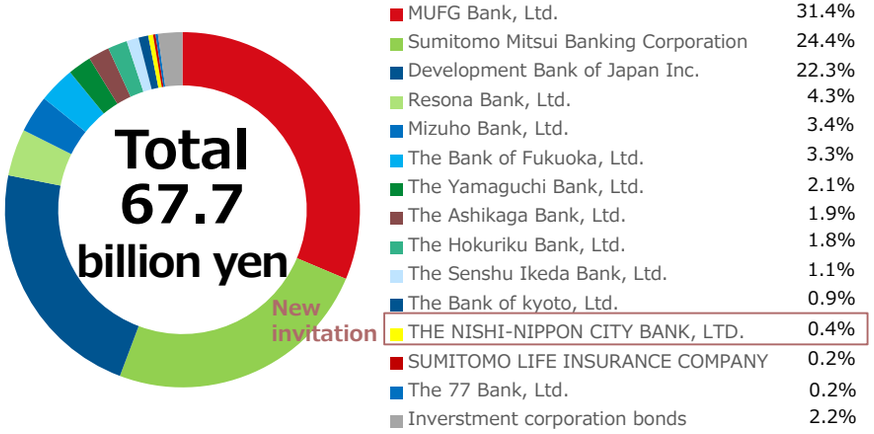
Recent financing conditions and future refinancing risk allowance

- On April 30, 2020, after the COVID-19 state of emergency declaration, we carried out a total of 6.8 billion yen in refinancing for a period of up to 5.5 years with the same economic requirements as in previous years.
- On the same day, we extended the sole hotel-specific J-REIT (Note) commitment line (5 billion yen) to May 1, 2021.
- As of the end of May 2020, we possess 8.4 billion yen in cash and deposits (after excluding 2.9 billion yen in distributions) and have secured the equivalent of two fiscal periods of refinancing funds.

Diversification status of final repayment dates
(as of June 15, 2020)

See page 56 for notes regarding this page.

Lender formation and rating conditions
(as of June 15, 2020)
Diversify suppliers by inviting new banks while maintaining a stable lender formation centered on megabanks.

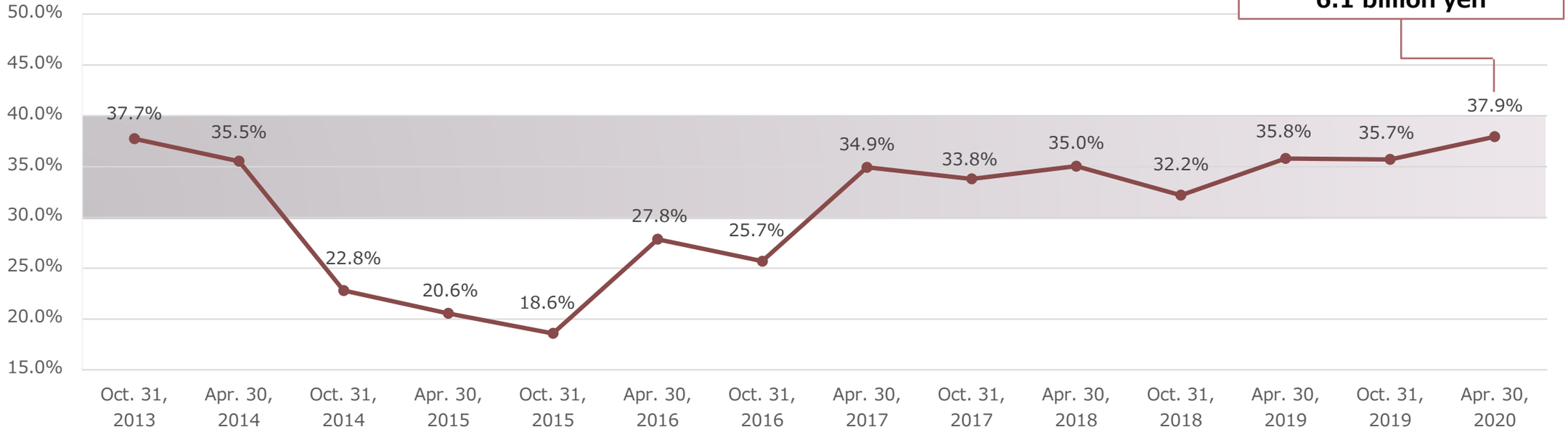


Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)
Subject of Rating	Long-term issuer rating
Rating	**A (Stable)**

Financial highlights (2)
Maintaining low LTV and cutting borrowing costs

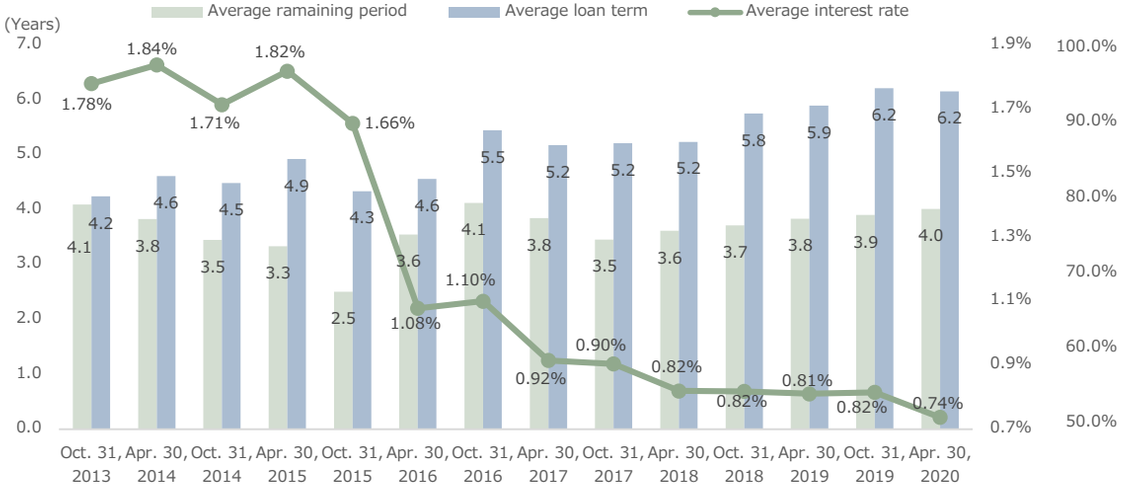
We will continue to strive to implement a finance operation policy to balances financial soundness with property acquisition mobility.

Controlling LTV



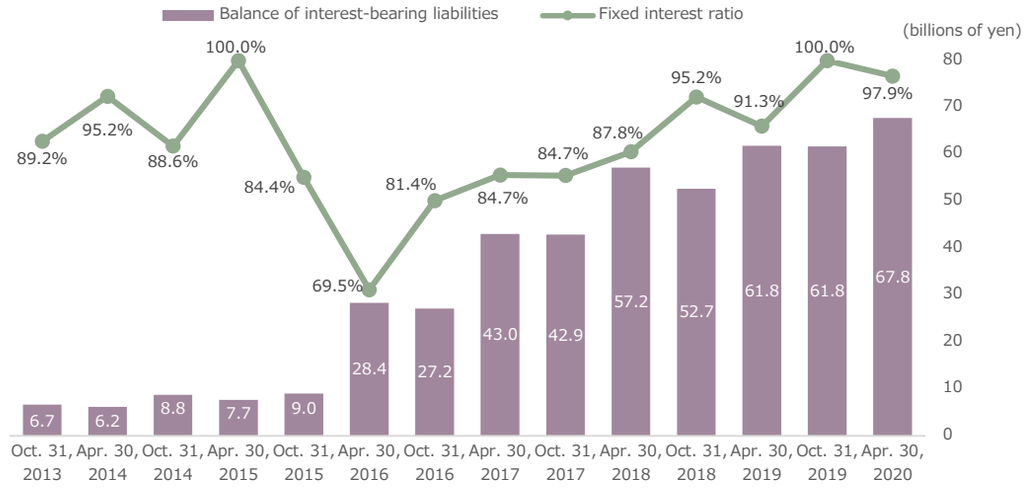
Changes in average interest rate, average remaining period and average loan-term

Cost reduction through payment before maturity and lengthening of borrowing periods



Changes in fixed interest ratio on borrowing

We maintain a high fixed interest ratio



Impact on real estate appraisal amounts, etc.

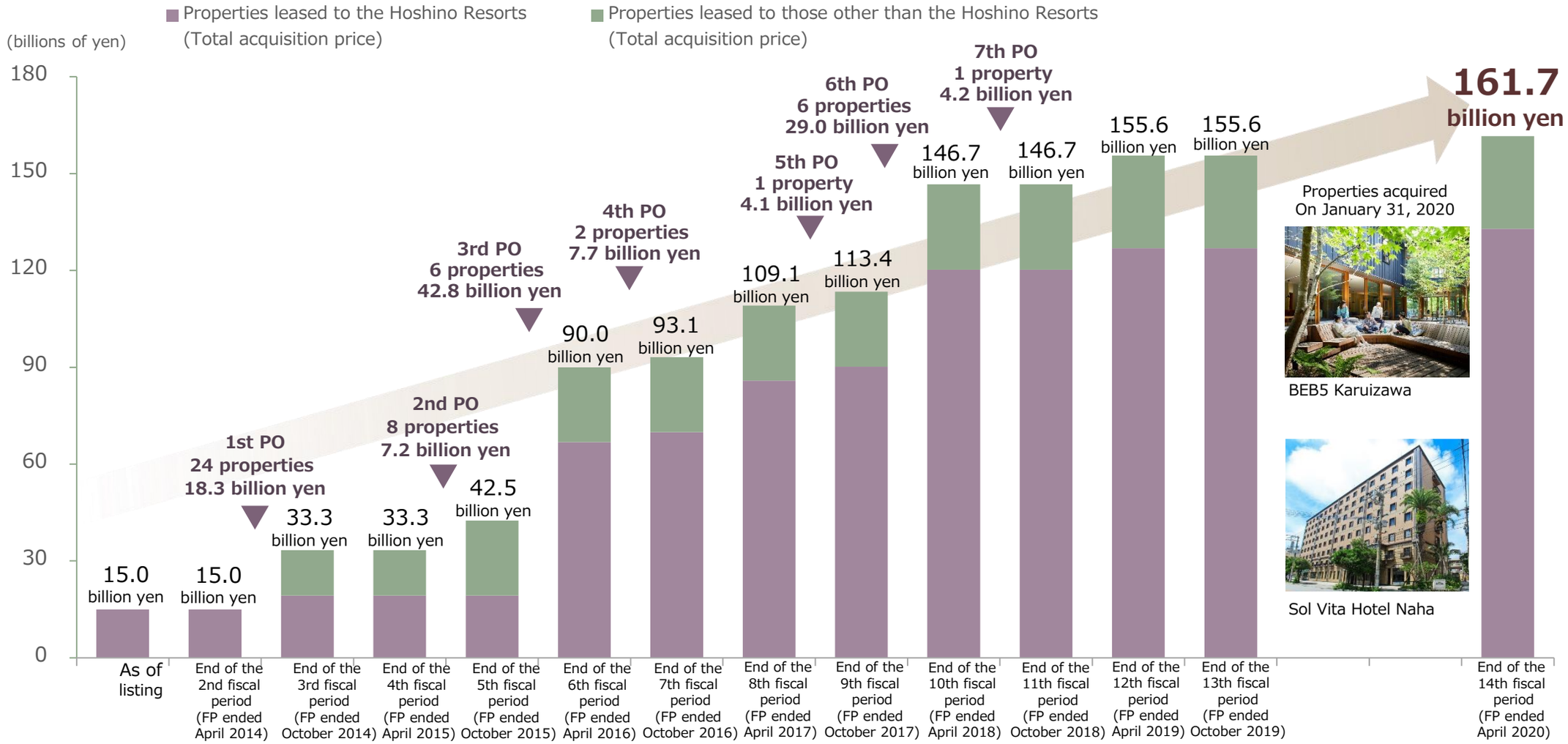
While amounts varied by brand, prices determined using the DCF method fell due to the impact of COVID-19. While the overall cap rate changed little, Hyatt Regency Osaka's capitalization rate rose 0.2%, from 4.4% to 4.6%.

(millions of yen)

	Real estate appraisal amount, etc.			Direct reduction amount		DCF amount	
	End of current fiscal period	Change (amount)	Change (percentage)	End of current fiscal period	Change (percentage)	End of current fiscal period	Change (percentage)
Total for 61 properties	**178,954**	**▲6,747**	**▲3.6%**	**183,119**	**▲1.8%**	**176,598**	**▲4.6%**
Total for Properties operated By the Hoshino Resorts	**64,078**	**▲620**	**▲1.0%**	**64,351**	**▲0.1%**	**63,734**	**▲1.7%**
4 HOSHINOYA Properties	25,400	▲380	▲1.5%	25,680	-	25,110	▲2.5%
2 RISONARE Properties	11,650	▲220	▲1.9%	11,540	-	11,760	▲3.5%
9 KAI Properties	16,298	▲30	▲0.2%	16,481	▲0.1%	16,094	▲0.3%
Others(Note1)	10,730	+10	+0.1%	10,650	▲0.2%	10,770	+0.1%
Total for Properties operated By outside operators	**114,876**	**▲6,127**	**▲5.1%**	**118,768**	**▲2.7%**	**112,864**	**▲6.2%**
4 ANA Crowne Plaza Properties	37,830	▲2,640	▲6.5%	40,070	▲1.5%	36,830	▲8.7%
Hyatt Regency Osaka	15,700	▲900	▲5.4%	16,000	▲4.8%	15,400	▲5.5%
22 Roadside Properties	19,420	▲272	▲1.4%	19,637	▲0.3%	19,242	▲2.3%
4 the b Properties	20,480	▲1,260	▲5.8%	21,390	▲3.6%	20,100	▲6.7%
Others(Note2)	21,446	▲1,055	▲4.7%	21,671	▲4.3%	21,292	▲5.0%

See page 56 for notes regarding this page.

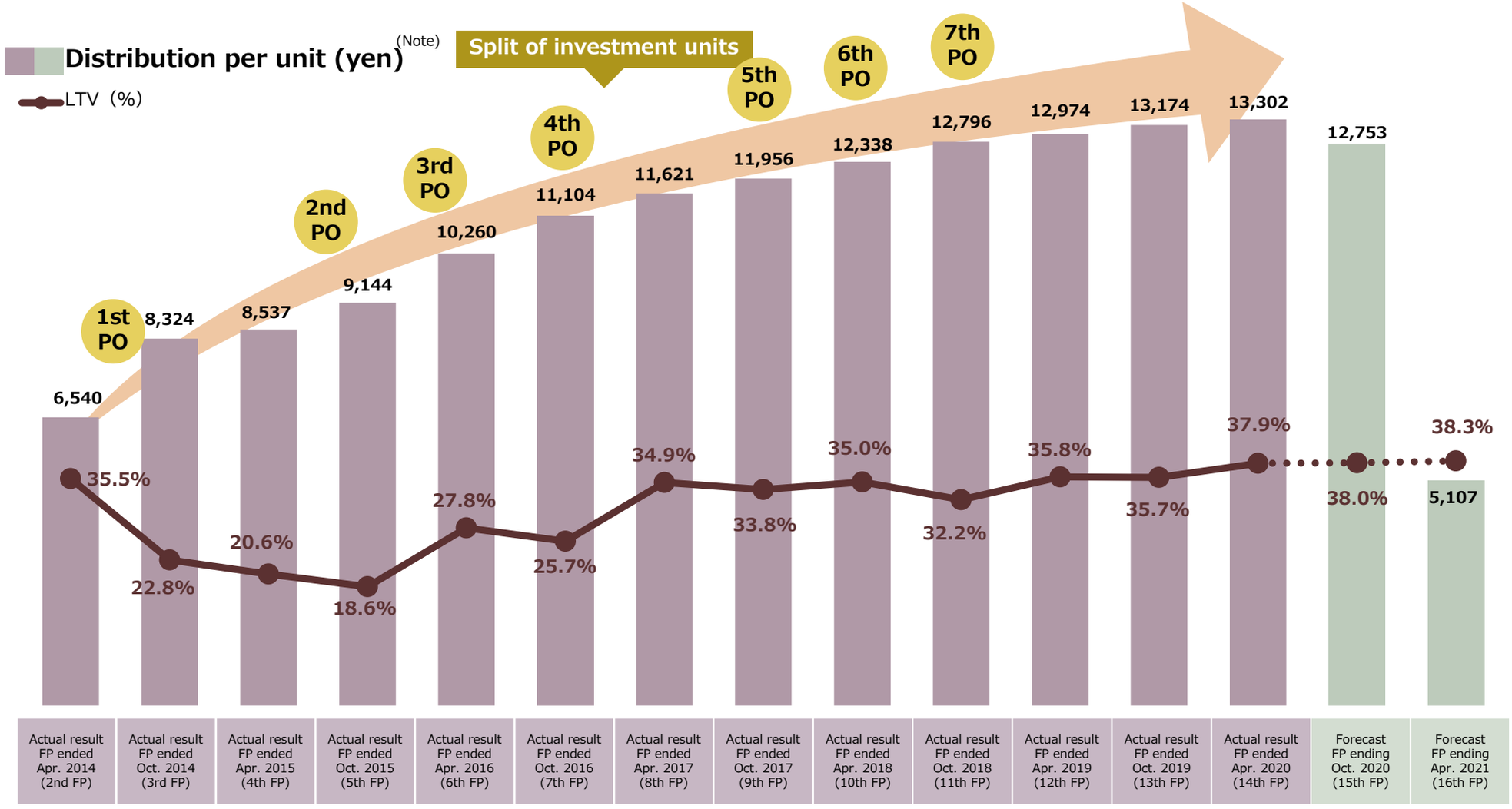
Steady growth of asset size



	As of listing	End of the 2nd fiscal period (FP ended April 2014)	End of the 3rd fiscal period (FP ended October 2014)	End of the 4th fiscal period (FP ended April 2015)	End of the 5th fiscal period (FP ended October 2015)	End of the 6th fiscal period (FP ended April 2016)	End of the 7th fiscal period (FP ended October 2016)	End of the 8th fiscal period (FP ended April 2017)	End of the 9th fiscal period (FP ended October 2017)	End of the 10th fiscal period (FP ended April 2018)	End of the 11th fiscal period (FP ended October 2018)	End of the 12th fiscal period (FP ended April 2019)	End of the 13th fiscal period (FP ended October 2019)	End of the 14th fiscal period (FP ended April 2020)
No. of properties	6 properties	6 properties	30 properties	30 properties	39 properties	46 properties	47 properties	48 properties	49 properties	56 properties	56 properties	59 properties	59 properties	61 properties
Distribution per unit (yen)		6,540	8,324	8,537	9,144	10,260	11,104	11,621	11,956	12,338	12,796	12,974	13,174	13,302

Changes in distribution per unit

Distribution per unit have increased continuously for the 13 fiscal periods since listing. Distributions are expected to fall in the 15th fiscal period ending Oct. 2020 and the 16th fiscal period ending Apr. 2021 due to COVID-19, but we will continue to leverage external growth, internal growth, and financial strategies to strive to increase distribution and improve stability over a long period of time.



See page 56 for notes regarding this page.

Newly acquired properties in 14th fiscal period (ended April 2020)

BEB is the new Hoshino Resorts brand targeted at young users that aims to revitalize the domestic travel market.

(1) BEB5 Karuizawa

TAMARIBA

Yagura Room

Bathroom (Happening Plan Mr.BEB)

Overview of the property

Address	Kitasaku-gun, Nagano
Construction completion	November 2018
Acquisition date	January 31, 2020
Total number of guest rooms	73
Lessee's attribute	Hoshino Resorts
Rent type	Fixed + Floating
Operator's attribute	Hoshino Resorts
Acquisition price	2.17 billion yen
Real estate appraisal value	2.26 billion yen
Lease period	20 years
Appraisal NOI yield	5.9%

Appraisal NCF yield	5.7%
Yield after depreciation	4.1%

(Note)

See page 56 for notes regarding this page.

The hotel is within walking distance of both Kokusai-dori Avenue and the Naminoue Beach, Naha City's only public beach, so it is in high demand among tourists.

(2) Sol Vita Hotel Naha

Appearance

Front Desk

Lobby

Overview of the property

Address	Naha-shi, Okinawa
Construction completion	November 2005
Acquisition date	January 31, 2020
Total number of guest rooms	200
Lessee's attribute	Hoshino Resorts
Rent type	Fixed + Floating
Operator's attribute	Hoshino Resorts
Acquisition price	3.86 billion yen
Real estate appraisal value	3.98 billion yen
Lease period	20 years
Appraisal NOI yield	5.2%

Appraisal NCF yield	4.6%
Yield after depreciation	4.5%

(Note)

Ⅱ Future operation strategy

RISONARE Atami / Terrace Living Suite

Hoshino Resorts operation strategy (1) Fundamental stance

Fundamental position

- We expect COVID-19 to affect business results for one to one and a half years, until there are vaccines or medications for treating the disease, and we will survive by adapting to meet the needs of a potentially lengthy COVID-19 era.
- We believe that we must optimize our organization, above and beyond the rest of the industry, and rapidly adapt to the new business environment.

CEO, Hoshino Resorts Yoshiharu Hoshino

Future strategy (see page 22 for details)

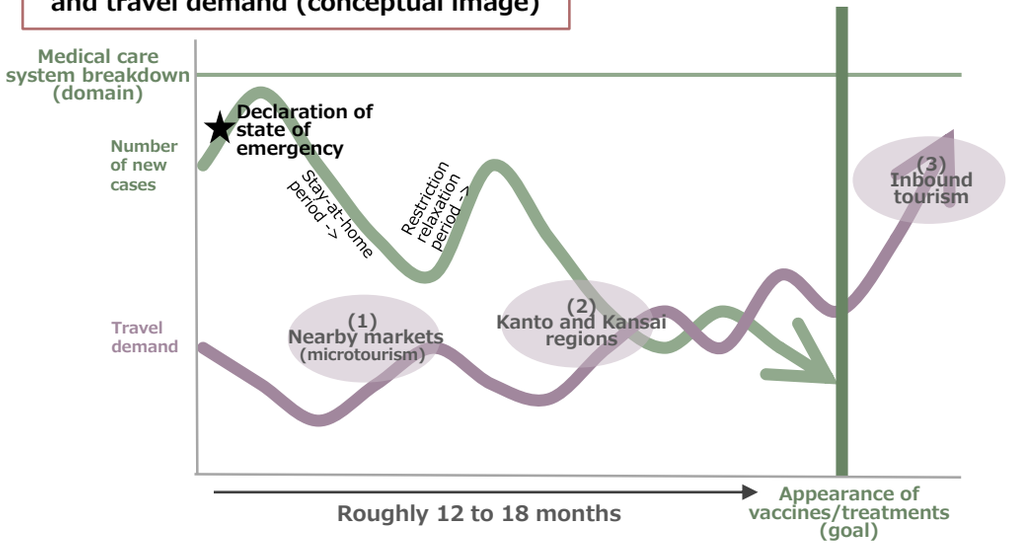
Hoshino Resorts believes that COVID-19 will transform everyday life, and we will implement two fundamental strategies in response to these changes. In order to be an industry leader, we will focus on rapidly evolving.

(1) Proposing stays for avoiding the "three Cs" (Crowded spaces, (Human) Contacts, Closed spaces)	Launched stay plan for avoiding the 3Cs on April 21
(2) Stimulating microtourism demand	Began proposing (advocating) this demand via the media on April 15

Hoshino Resorts operation strategy (2)
Travel demand forecast

We believe that until vaccines and treatments appear (we expect this to take roughly 12 to 18 months), travel demand will ebb and flow depending on new infection case numbers. When recommendations are gradually relaxed, we envision demand to recover first for nearby markets, and then for the Kanto and Kansai regions.

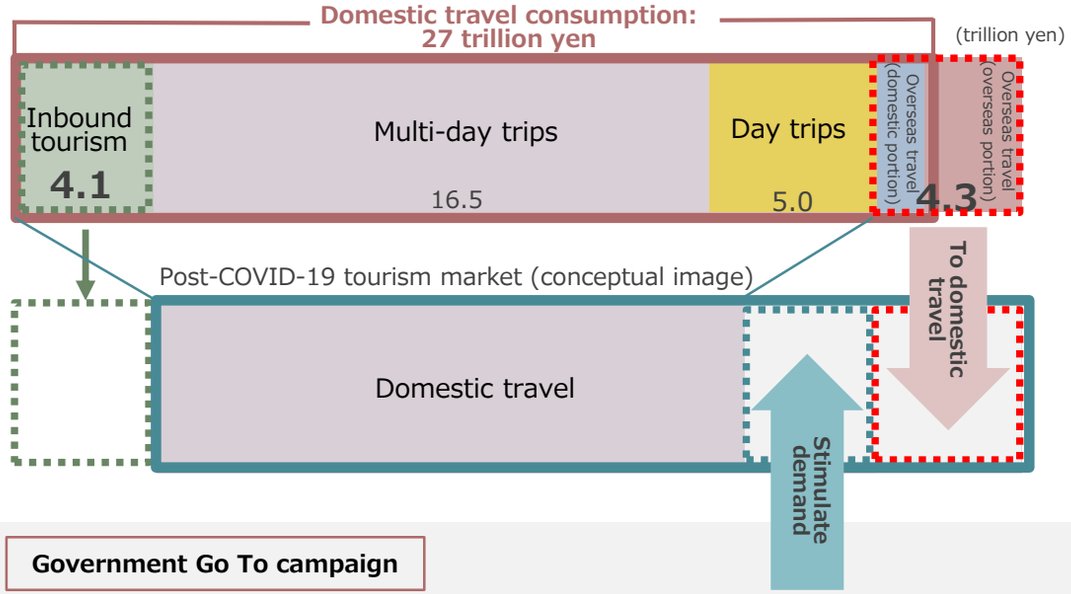
Rises and falls in number of new cases and travel demand (conceptual image)



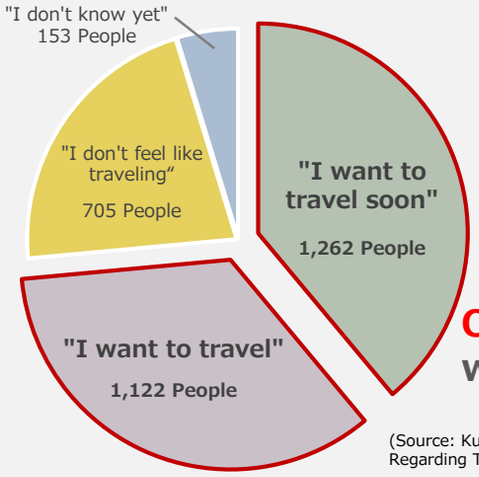
Scale of the Japanese tourism market

Source: Ministry of Land, Infrastructure,Transport and Tourism White Paper on Tourism, 2019 Edition (Travel consumption amount in 2017 based on international standards)

80% of tourism demand comes from Japanese people. A certain amount of demand is expected as the result of overseas travel not being possible.



Desire to travel



Results of study on desire to travel, administered between April 27 and April 29

(1) The percentage of respondents who indicated that they wanted to travel following the lifting of stay-at-home recommendations was high, at over 70%.

(2) There will be increased demand for travel to nearby areas (microtourism) following the lifting of stay-at-home recommendations.

(3) There will be no demand for overseas travel until there are vaccines or wonder drugs.

Over 70% of respondents want to travel

(Source: Kumamoto Tourism Association Liaison Meeting Attitude Survey Regarding Travel and Tourism After COVID-19)

Government Go To campaign

The government has allocated **a total of roughly 1.7 trillion yen** as a demand stimulus measure for the post-COVID-19 period.
This is poised to stimulate large-scale travel demand.

Results from second round of investigations shown at left
Intended increase in travel spending before Go To campaign discount
Over 80%
(E.g.) While maintaining the same travel budget...
* Travel in greater luxury
* Travel more frequently
* Travel farther, etc.

"Go To Travel campaign" for the travel industry

- Scheduled to start in late July 2020
- Coupons, etc., will be issued covering 1/2 the price of travel products purchased by consumers (up to 20,000 yen per night per person)
- There will be no limit on the number of nights

Source: Ministry of Economy, Trade and Industry Project Overview of Revised Budget for FY2020 (PR material)

Hoshino Resorts operation strategy (3) Marketing strategy

(1) Proposing stays for avoiding the 3Cs

We predict that the new standard for selecting lodging will be avoiding the 3Cs. Hoshino Resorts will be deploying measures focused on hygiene management and avoiding the 3Cs, make innovative changes to the services already offered in each lodging facility, and create environments that avoid the 3Cs between customers and staff as well as customers and other customers.
We are implementing a wide range of measures, including performing check-in procedures in guestrooms and switching from buffets to set menus and take-out meals.

HOSHINOYA Kyoto / Waterside breathing exercises

Avoiding the 3Cs in rich, natural resorts

Guests can enjoy fresh air, relaxing physically and mentally in resorts free of the 3Cs. Spacious villa-type guestrooms and natural environments provide peace of mind during their stays.

HOSHINOYA Taketomi Island

Workations as only Hoshino Resorts can offer

Our resorts have been designed for vacations, but their environments and facilities are also perfect for remote work. Guests can enjoy workations in the spacious environments that are the pride of Hoshino Resorts.

Social Distance

Front desk droplet infection countermeasures

Declaration of the Highest Standard of COVID-19 Control

Hoshino Resorts believes that travel can refresh and reinvigorate people as they fight the spread of COVID-19. On our website, we have released videos on how to avoid the 3Cs for each of our brands so that guests may feel secure staying in our properties.

(2) Capturing microtourism demand

Microtourism is tourism to places that can be reached in 15 minutes to about one hour.
During the gradual recommendation relaxation phase, we expect people to avoid the use of public transportation, and for there to be greater needs for short distance travel by personal automobile.
For the time being, we will enhance our proposals to "nearby market" customers.

Four advantages of microtourism

- Can be expected to draw a steady number of customers
- Travel is primarily by personal automobile, which is a good fit for stays aimed at avoiding the 3Cs
- Involves travel within a region, helping prevent the spread of infection
- Can help strengthen local areas in the post-COVID-19 era

Microtourism has actualized for HOSHINOYA Guguan

Guestroom reservation rates have remained steady at over 90% since January 2020. The percentage of guests from Taiwan rose from 75% in December to 98% in March. The Taichung City Government's Tourism Bureau has launched a system that certifies lodging facilities with COVID-19 countermeasures in place as "safe lodgings." We were the first Japanese company to receive certification, which is also beneficial.(HOSHINOYA Guguan is not owned by the Investment Corporation.)

Hoshino Resorts operation strategy (4)
Public relations strategy

From April onwards, during which the tourism industry was dealt a major blow by stay-at-home recommendations, Hoshino Resorts has been a tourism industry leader, sharing COVID-19 countermeasure recommendations through various forms of media. We will continue to reinforce our public relations efforts and will be a pioneer of COVID-19-related actions.

(1) PR measures regarding stays aimed at avoiding the 3Cs

▼We have declared that we will maintain the highest standard of COVID-19 control and released videos on how to avoid the 3Cs for each of our brands.

May 26, 2020 Company Information

Declaration to deliver the highest standard of actions against coronavirus

Tweet Share

Hoshino Resorts Presents a Journey that will Avoid the "Three Cs"

Hoshino Resorts is a hotel management company that has over 40 properties within and outside of Japan and strives for the search of omotenashi, Japanese hospitality, through Japanese culture and traditions. We will continue to propose a way of travel that avoids the "Three Cs", which includes close contact, confined spaces (with poor ventilation), and crowded places, as we will be living through a new era of lifestyle with coronavirus. Here, we declare that we will continue to update our actions and to aim for the highest standard of precautionary actions.

(2) Advocating microtourism

May 19, NewsPicks
「The UPDATE」

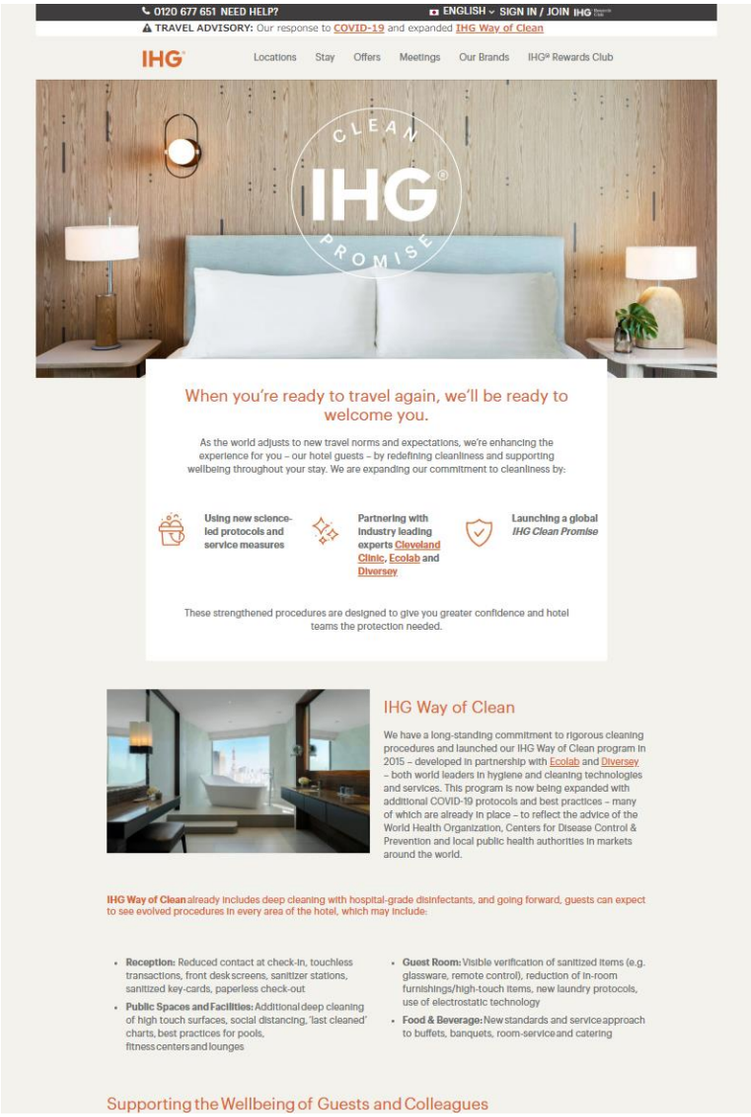
April 21, TV Tokyo
"WBS(WORLD BUSINESS SATELLITE)"

See the Hoshino Resorts website for videos on how to avoid the 3Cs for each brand
(Please scroll down to the bottom)

Outside operators' operation strategy
Hygienic measures during the COVID-19 era

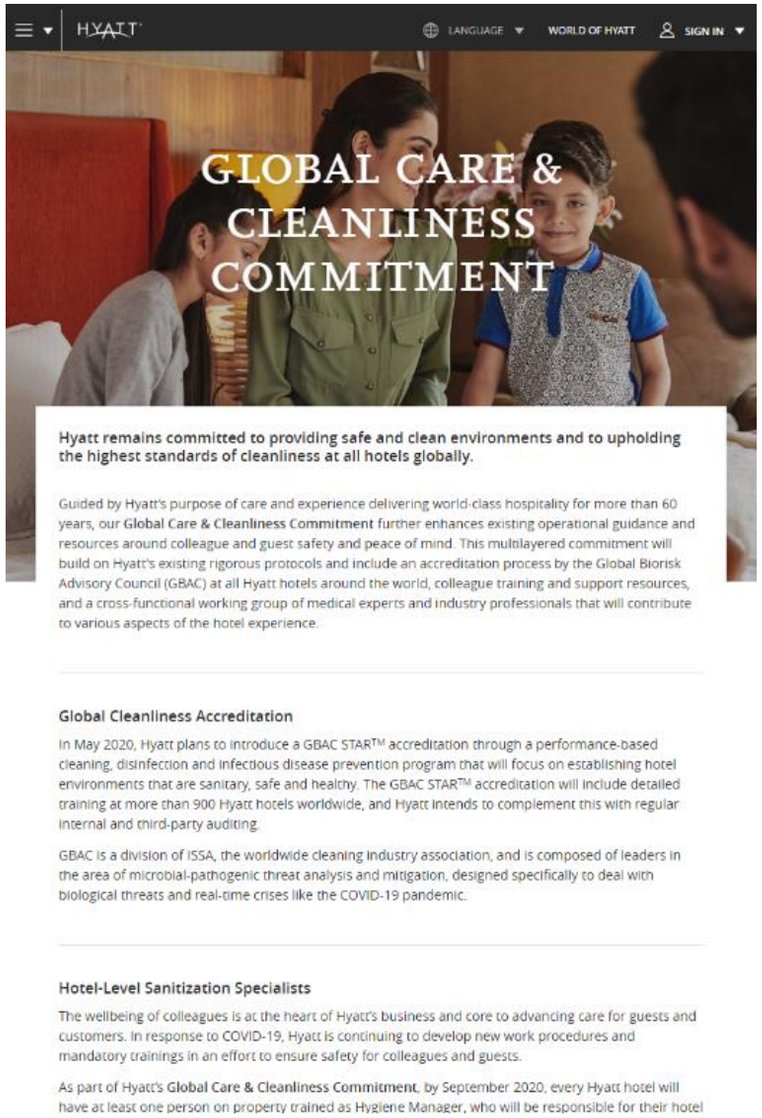
IHG, which operates four ANA Crowne Plazas, has issued a "Clean Promise," and Hyatt, which operates the Hyatt Regency Osaka, has issued a "Global Care & Cleanliness Commitment." They are implementing new hygienic measures in the with-COVID-19 era.

▼IHG



(Source: Excerpted from the IHG website)

▼Hyatt



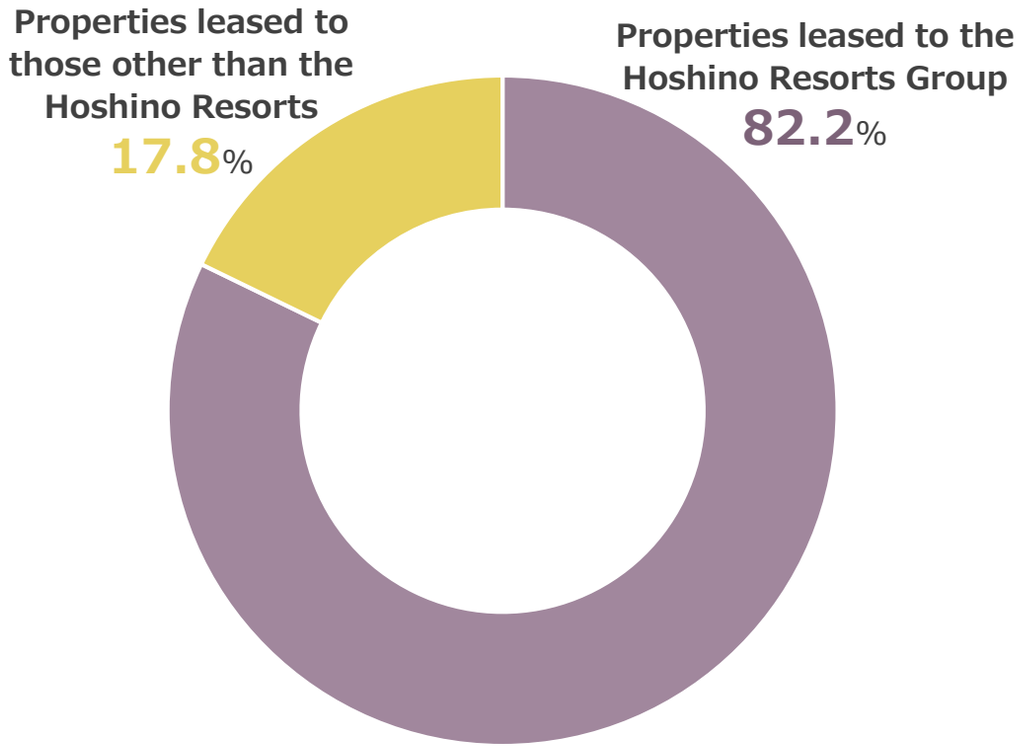
(Source: Excerpted from the Hyatt website)

Operation strategy (1)
Portfolio structure

Aim to work to fill more than 50% of our portfolio with Hoshino Resorts managed properties which promise stable cash flow over the medium- and long-term.

Distribution by lessee

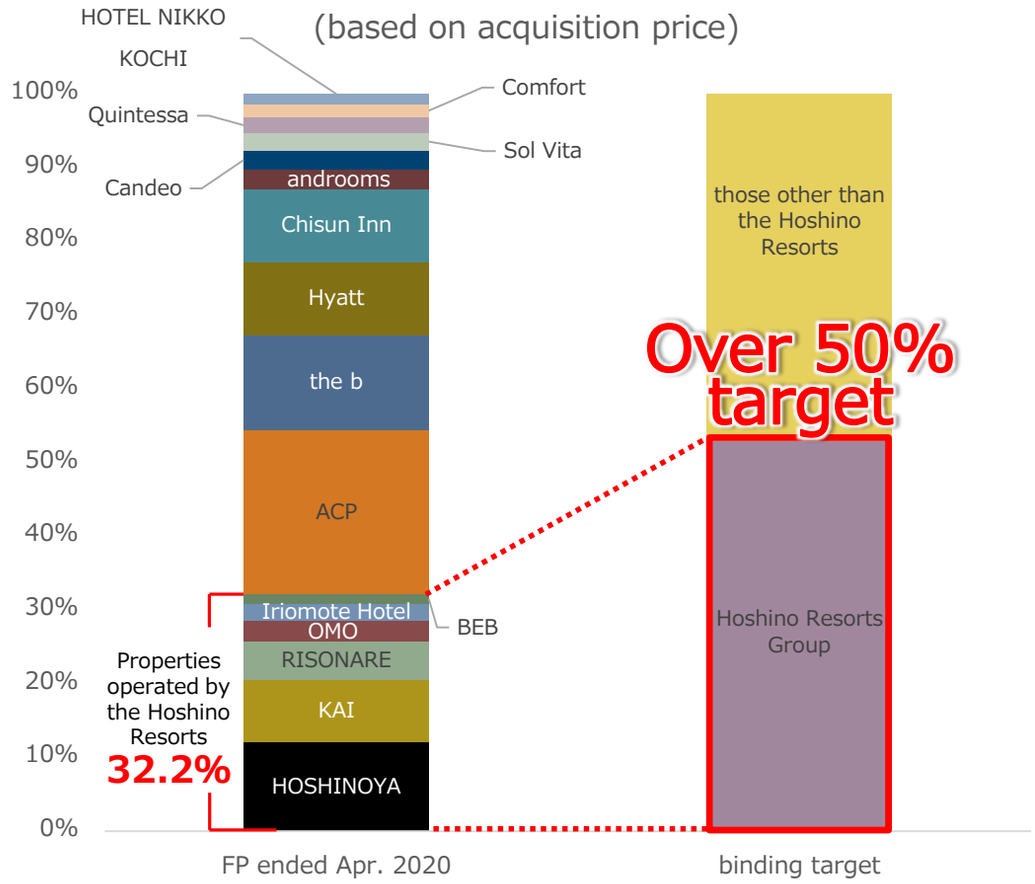
(based on acquisition price)



As of April 30, 2020

Distribution by operated brand

(based on acquisition price)



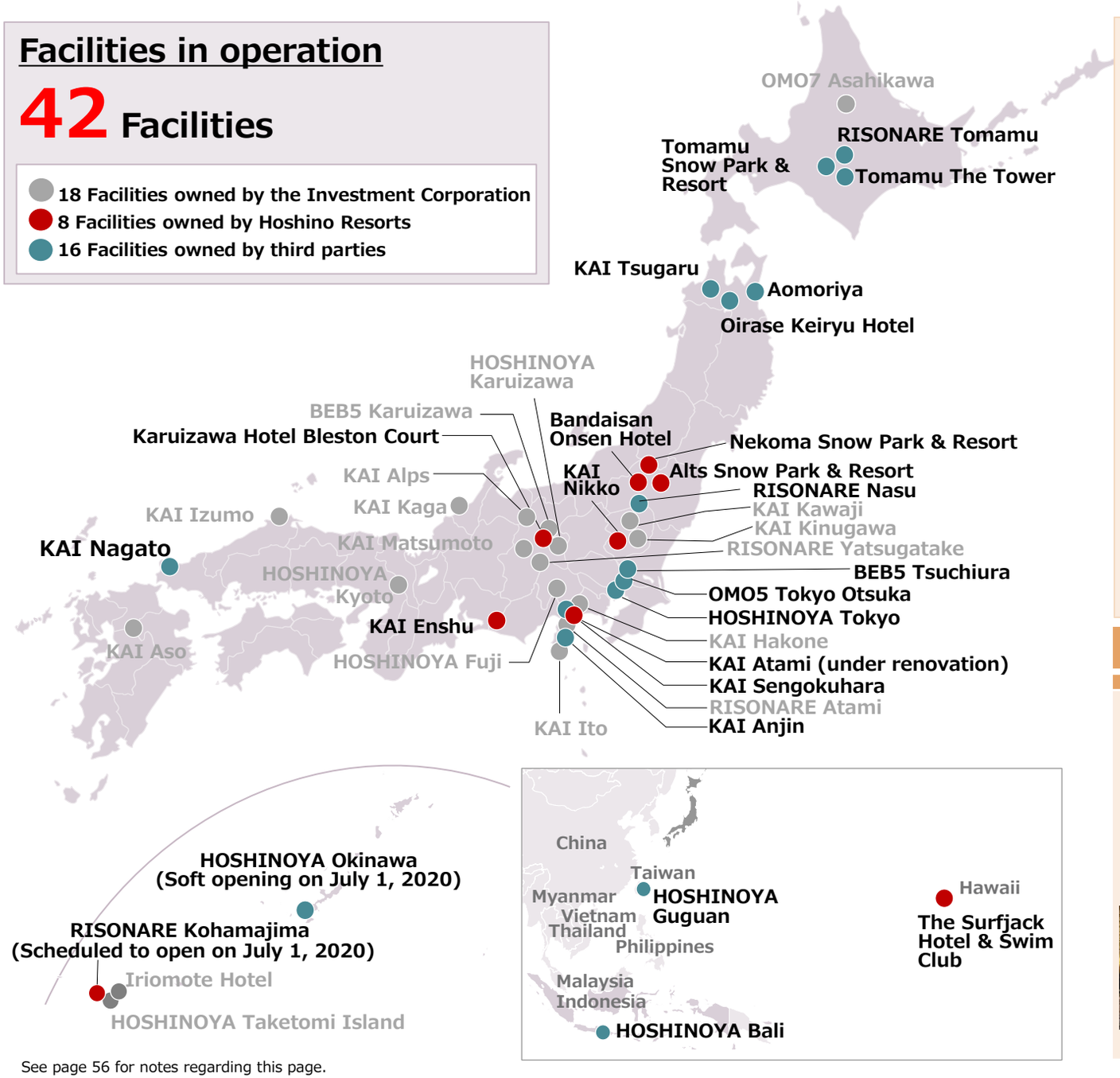
As of April 30, 2020

Operation strategy (2)
External growth (List of sponsor pipeline)

Facilities in operation

42 Facilities

- 18 Facilities owned by the Investment Corporation
- 8 Facilities owned by Hoshino Resorts
- 16 Facilities owned by third parties



See page 56 for notes regarding this page.

Facilities under development

(excluding unpublished)

12 Facilities

Start date of operation (plan)	Address
June 2020 (Note)	Kawasaki-shi, Kanagawa (OMO3 Tokyo Kawasaki)
Spring 2021	Beppu-shi, Oita (KAI Beppu)
2021	Kirishima-shi, Kagoshima (KAI Kirishima)
Winter 2021	Shiraoi-cho, Hokkaido (KAI Poroto)
2021	Nara-shi, Nara (Former Nara Prison)
April 2022	Osaka-shi, Osaka (OMO7 Osaka Shin-Imamiya)
2022	Unzen-shi, Nagasaki
Spring 2023	Shimonoseki-shi, Yamaguchi (OMO brand)
2025	Yokohama-shi, Kanagawa
TBA	Yufu-shi, Oita
TBA	Asuka-mura, Nara
TBA	Wazuka-cho, Kyoto

KAI will open three facilities in 2021

Spring 2021
KAI Beppu

With a commanding view of Beppu Bay, and this Building is designed by architect Kengo Kuma.

Winter 2021
KAI Poroto

All guestrooms have a lake view of Hokkai do's Poroto Lake. The resort's theme is Ainu culture.

2021
KAI Kirishima

Located in the Kirishima Kinkowan National Park area, an area of rare na tural beauty, with views of Sakurajima and Kink owan Bay.

Operation strategy (3)
External growth (Introduction to opened facilities)

KAI Nagato (Opened in March 12, 2020)

Rehabilitating a hot spring town whose visitor numbers have dwindled

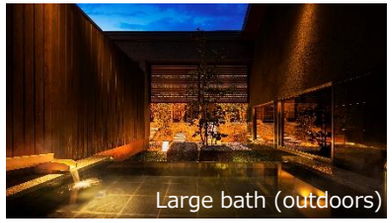
Nagato-shi, Yamaguchi entrusted us with the creation of the Nagato Yumoto Hot Spring Master Plan. This project, whose aim is the rehabilitation of the historic Nagato Yumoto Hot Spring area, was Hoshino Resorts' first rehabilitation project.

The theme of the project was "the tea house of a local feudal lord."

This facility also includes the Akebono Café, which can be enjoyed not only by those lodging at the hotel but also members of the general public, a first for the KAI brand, so that people can better enjoy strolling through the hot spring town.

Appearance

Akebono Café


Large bath (outdoors)

Address	Nagato-shi, Yamaguchi
Facility overview	Guest rooms, restaurant, large common bath, bath-side relaxation area, travel library, lobby shop
Floors	4 (above ground)

No.of guest rooms	40 (Main ryokan building has 30 rooms and the Annex has 10 rooms) * The Annex has an open-air bath in every guest room.
Nightly price	Overnight with two meals 32,000 yen and up (Price per person, double occupancy)

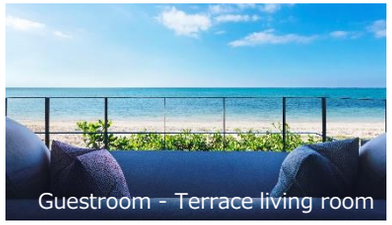
HOSHINOYA Okinawa (Soft opening on July 1, 2020)

Concept: "A gusuku[(Note)] home"

The resort, surrounded by walls called "gusuku walls," is nestled in Okinawan scenery such as the beautiful seaside. It offers resort stays that make guests feel like they're settling down to live in the area. This is the eighth resort in the HOSHINOYA brand, and the first on Okinawa Island.

It was designed to consist of low-rise buildings on the oceanfront, so that every guestroom has a view of the ocean.

Appearance(gusuku walls)


Guestroom - Terrace living room

Guestroom - Doma (earthen floor) living room

Address	Yomitan-son, Nakagami-gun, Okinawa
Facility overview	Guest rooms, Pools, Library lounge, Spas, Main dining hall, etc.
Floors	2 (above ground)

No.of guest rooms	100
Nightly price	109,000 yen and up per night (per room, 10% tax and service fee not included, meals not included)

See page 57 for notes regarding this page.

Operation strategy (4)
External growth(DBJ fund creation)

A framework featuring continuous accumulation of the sponsor pipeline consisting of new and recently built properties operated by Hoshino Resorts.

Hoshino Resort

DBJ

Investment

Fund Management Company(Note1)

Limited partner investment

General partner investment

Limited partner investment

No. 1 Fund (Note 2)

No. 2 Fund (Note 3)

Investment

Investment / Loan

acquired

KAI Alps

Start of operation:
2017

RISONARE Nasu

Start of operation:
2019

OMO7 Osaka Shin-Imamiya

Scheduled to start operation:
2022

HOSHINOYA Okinawa

Scheduled to start operation:
2020

KAI Nagato

Start of operation:
2020

KAI Beppu

Scheduled to start operation:
2021

KAI Kirishima

Scheduled to start operation:
2021

NEW

KAI Poroto

Scheduled to start operation:
2021

HRR's sponsor Hoshino Resorts and the Development Bank of Japan Inc. have set up a jointly operated fund to support the companies operating accommodation businesses, etc. in Japan.

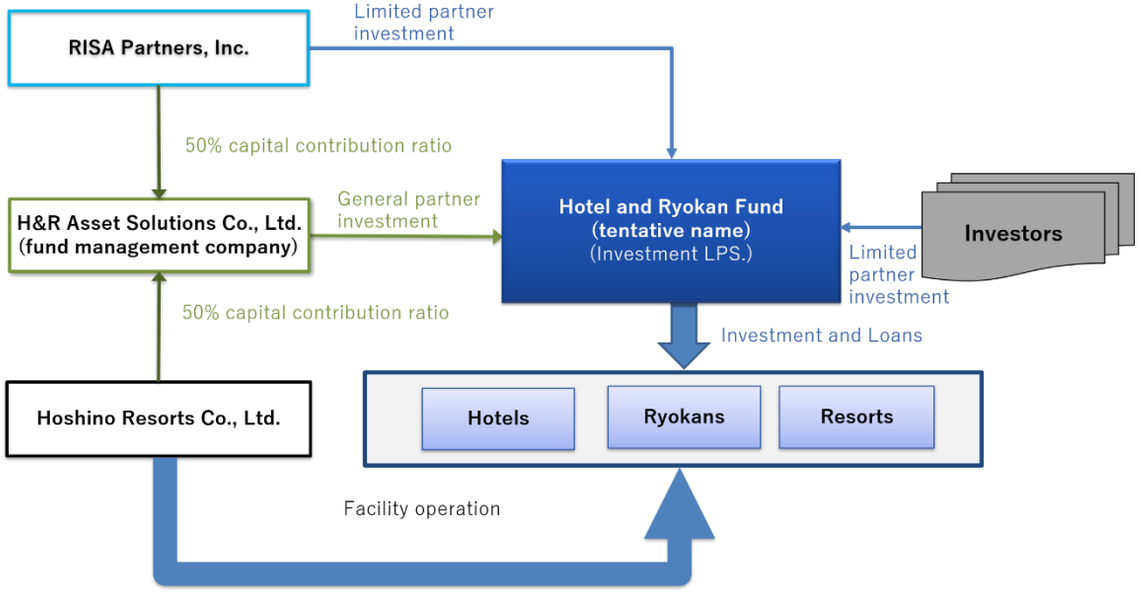
See page 57 for notes regarding this page.

Operation strategy (5)
External growth
"Hotel and Ryokan Fund" (tentative name) creation

On May 29, 2020, Hoshino Resorts and RISA Partners, Inc. announced that they had planned to form the "Hotel and Ryokan Fund" (tentative name) for lodging facilities inside Japan, and that together they formed H&R Asset Solutions Co., Ltd. as the management company for the fund.

Details of this fund (provisional) (Note)

Name	Hotel Ryokan Fund (tentative)
Total Fund	10 billion yen ～ maximum of 20 billion yen (provisional)
Fund management company	H&R Asset Solutions Co., Ltd.
Investor	Domestic institutional investors
Fund Formation Date	Summer 2020 (provisional)
Investment Target	Accommodation properties (real estate) of hotels and ryokans



About RISA Partners, Inc.

Investment bank with nation-wide connections of over 180 local banks and focuses on finance and real estate to provide investment and loans, and advisory services.

Location of Head Office	2-15-3 Konan, Minato-ku, Tokyo, Japan
Establishment	July, 1998
Capital	100 million yen
Number of Executive & Employees (consolidated)	145 (As of 1 April, 2020)
President	Yoshio Narukage

Excerpt from Hoshino Resorts' May 29 press release

The global outbreak of novel coronavirus has brought and is continuing to bring excessive loss to the Japanese tourism and hotel industry. It is believed that the demand for international travel to hotels and ryokans (traditional Japanese inn) in Japan will take years of recovery.

Through the acquisition of property, this fund aims to provide a succession of business, assistance in the transfer of business, and ways of fundraising for hotel and ryokan operators that are facing a serious loss of demand. Hoshino Resorts will operate the property or aid in management if necessary.

Both Hoshino Resorts and RISA will strive to support Japanese hotels and ryokans through the management of a business in the hopes of the tourism and hotel industry to recover from the effects of novel coronavirus as soon as possible.

See page 57 for notes regarding this page.

Operation strategy (6)
Internal growth (attractiveness-enhancing capital expenditure)

Results of attractiveness-enhancing capital expenditure by utilizing know-how of Hoshino Resorts

KAI Hakone

Dec. 2016 – Feb. 2017
Renovation: Guest-rooms
Amount: 230 million yen

RISONARE Yatsugatake

Jun. 2016 – Apr. 2017
Renovation: Guest rooms and restaurant
Amount: 1,307 million yen

KAI Ito

Sep. 2018 – Feb. 2019
Renovation: Full-scale
Amount: 588 million yen

RISONARE Atami

Jan. – Apr. 2019
Renovation: Construction of additional guest rooms and renovation of guest rooms
Amount: 216 million yen

RISONARE Yatsugatake

Jan. – Apr. 2020
Renovation: Guest rooms
Amount: 85 million yen

Nov. 2016 – Feb. 2017
Renovation: Guest-rooms
Amount: 48 million yen

ANA Crowne Plaza Hiroshima

Jan. – Apr. 2018
Renovation: Japanese dining Hanabi and guest room sink
Amount: 258 million yen

RISONARE Atami

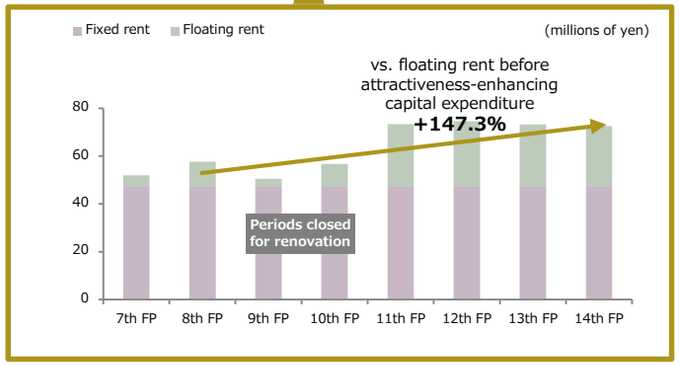
May – Jul. 2018
Renovation: Club Lounge
Amount: 47 million yen

Hyatt Regency Osaka

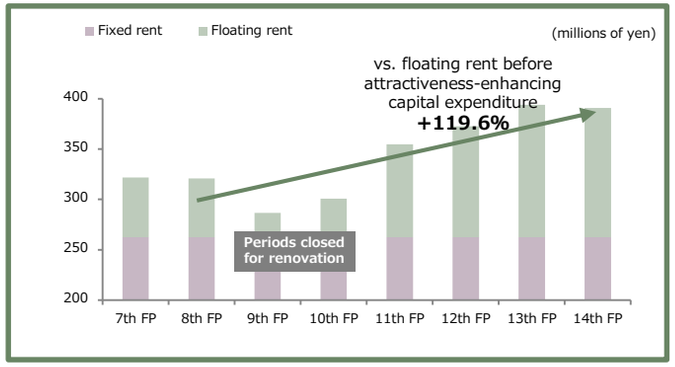
Jun. 2018 – Mar. 2019
Renovation: Guest rooms
Amount: 90 million yen

RISONARE Yatsugatake

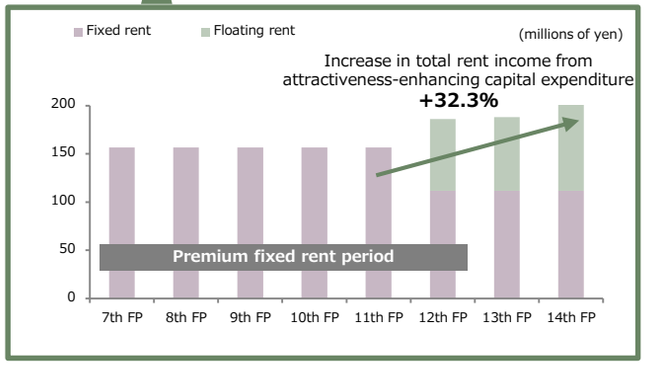
2017 | 2018 | 2019 | 2020



KAI Hakone



RISONARE Yatsugatake



RISONARE Atami

Operation strategy (7)
Vision of Hoshino Resorts REIT

A Japanese tourism REIT designed to maximize investor value by benefiting from long-term tourism industry growth in Japan.

AUM	**Over 200 billion yen** • Added to global indexes • Higher liquidity • Risk dispersion
Property composition	**Over 50% consisting of Hoshino Resorts operators** • Ensuring sustainable competitive ability and revenue stability • Tourism market revitalization • Working with the community to create sustainable economic frameworks
Internal growth	**Growth through collaboration with operators** • Attractive investment paired with unique “soft” power • Rebranding opportunities • Advantageous operator selection
Financial base	**Both long-term stability and dynamic procurement** • Long-term fixation and financing cost reduction • LTV control to secure acquisition capacity • Better credit rating
ESG initiatives	**Contributing to long-term increase in investor value** • Disaster resilience and resort environment initiatives • Mechanisms for customer satisfaction leading to social contribution • Considering DPU-linked asset management compensation schemes

Ⅲ ESG initiatives and IR

(Note)

Environmental Initiatives (E)

Social Initiatives (S)

Governance (G)

See page 57 for notes regarding this page.

HOSHINOYA Taketomi Island / Harvesting Nuchigusa (wild grass)

ESG initiatives (1)
Formulation of the Sustainability Policy and introduction of green lease agreements

The Investment Corporation has formulated a Sustainability Policy and has conducted sustainable measures related to the global environment, society, and economy.

■ Sustainability Policy

Meteorological phenomena caused by drastic changes particularly in temperatures, rainfall, seasons, ocean currents, and winds due to climate change are beginning to transform ecosystems and lifestyles in Japan and elsewhere around the world at an unprecedented rate. As such, we have become subject to unparalleled threats. Moreover, we are encountering a situation where humankind will no longer be able to live sustainably unless we alter our lifestyles in terms of addressing global challenges such as those involving scarce resources, discarded plastics and other such materials, and waste matter.

Since ancient times, travel has acted as a humbling and healing endeavor. It has furthermore helped revitalize communities, delivered adventures that bring new discoveries, and been a source of new awakenings that change history. Continuing forward, Hoshino Resorts REIT, Inc. (HRR) is committed to contributing through tourism by ensuring that human creativity and motivation act to perpetuate a sense of humility and hope, even in the midst of such adversity, and by helping give rise to economies and sustainable new lifestyles that help ensure sustainability of the natural environment and society.

The current sponsor of HRR, Hoshino Resorts, Inc., was founded in Karuizawa, Nagano Prefecture in 1904. Hoshino Resorts upgraded the concept of a traditional Japanese inn, which involved drilling underground hot springs and installing hydroelectric power plants, and went on to operate a facility frequented by numerous cultural luminaries. With the launch of its Liberal Education Art Seminars in 1921, the location became a cultural hub of that era and helped give rise to the notion of seeking therapeutic enjoyment by finding respite in cooler surroundings during the summer. Moreover, at the Hoshino Onsen location Hoshino Resorts embarked on conservation efforts to help preserve ecosystems of the adjacent national woodlands that are home to a treasure trove of wild birds, having been inspired by the words of the founder of the Wild Bird Society of Japan, Godo Nakanishi, who upon staying at Hoshino Onsen made a sensational remark for the times that “we are entering an era where people will come to enjoy observing the wild birds that have long been regarded as food.” These efforts culminated in the woodlands becoming nationally designated as the Karuizawa Wild Bird Sanctuary, thereby helping to preserve that environment to this very day.

Having embraced such sentiment with respect to our operations of the HOSHINOYA Karuizawa luxury resort, which opened in 2005 on the former site of Hoshino Onsen, which is full of nature, we have accordingly embarked on an “Energy In My Yard” (EIMY) approach to supplying energy with the aim of self-sufficiency, underpinned by the aim of minimizing the burden on our natural surroundings. HOSHINOYA Karuizawa has become roughly 70% energy self-sufficient as a result of progress we have made in terms of generating electricity derived from hydropower and geothermal sources, making use of hot spring runoff for heating, building structures featuring energy-efficient designs, and engaging in biomass recycling. In addition, we take action to protect biodiversity and natural habitats by setting up boundaries for human activity with respect to vegetation and organisms of Karuizawa’s woodlands, working in conjunction with the Picchio initiative’s teams of rangers who specialize in plants and animals.

We maximize revenues from our overnight accommodations by maintaining high levels of guest satisfaction. In addition, whereas the tourism business is one that hinges on extremely robust ties to geographic localities, we believe that enabling guests using accommodations of Hoshino Resorts to experience the appeal of our locations is important from the standpoint of Japan’s “tourism-oriented nation” strategy. This approach also contributes to local communities and enables us to achieve a mutually beneficial co-existence with community members from the standpoint of preserving natural environments and contributing to society. This is precisely what HRR aims to achieve with respect to its approach to investment that takes into account the notion of creating shared value (CSV) under its environment, social and governance (ESG) strategy.

◀The full text is available here.

■ Green lease agreements

Agreements with 29 properties, covering 80% of total floor space

We believe that reducing energy consumption at ryokans and hotels, which are in operation long hours every day, is not feasible without striving to assess usage conditions and reduce energy consumption. It is essential that we collaborate with tenants that will work with us in the measurement, analysis, issue identification, and measure implementation processes of the following measures.

(Main measures)

- Assess power, gas, and other fuel consumption levels, greenhouse gas emissions amounts, water usage amounts, and waste generation amounts, as well as processing and recycling conditions
- Work together to improve the environmental performance of properties from the perspectives of energy saving and environmental friendliness
- Maintain and improve the comfort of tenants, such as guests and users, from the perspectives of energy saving and environmental friendliness
- Strive to reduce waste produced by renovation work and use materials in harmony with the environment, people's health, and people's comfort

ESG initiatives (2)
Environment (E) and society (S) - The improvements and regional contributions that only ryokans and hotels can offer

Hoshino Resorts REIT, Inc.

■Environment

◆Hoshino Resorts

Pump dispensers

Individually packaged soaps(shampoo, conditioner, body soap) were phased out by the end of 2019 at all facilities and replaced by refillable pump dispensers.

Wastereduction ▼

Approx. 49 tons of plastic containers
Approx. 73 kiloliters of soaps

Toothbrush recycling

At 30 facilities, more than 1 million per a year used toothbrushes are collected and recycled into new plastic products.

Topic ▼

With regard to the reuse process after collection, we will expand the scale and play a social role by cooperating with several related business partners. At present, only the Hoshino Resorts are operating companies that operate multiple accommodations.

■Social

◆HOSHINOYA Taketomi Island

Kumomami (Kohama soybean) restoration project

With the development of tourism and distribution, fewer and fewer people on Taketomi Island continue to engage in the agricultural activities that were once so closely tied to life on the island and grow the island's distinctive crops. To ensure that these unique island products continue to be cultivated, HOSHINOYA Taketomi Island created a field on its property in 2017, where it grows traditional island crops such as millet and sweet potatoes.

◆HOSHINOYA Karuizawa

Conservation of the Asian black bear

Keeping people safe and saving wild bears from extinction. With this dual objective, Hoshino Resorts explores, practices, and messages ways in which humans and bears can co-exist at an appropriate distance. Since 1998, the organization has tracked and monitored bears, repelled them with the nation's first "bear dogs (dogs trained to chase away bears)," and developed bear-proof garbage bins.

◆Hoshino Resort Asset Management Co., Ltd.

Measures for employees ■ Human resource development ■

- Compliance training: 8 sessions (3 themes) (November 2018 to October 2019)
- Training for all employees (once/year)
- External seminar participation support
- Certification acquisition support system (Real Estate Broker, ARES Certified Master, Certified Building Administrator, Real Estate Consulting Master, Real Estate Appraiser, Certified Public Accountant, Attorney, etc.)
- Study leave system
- Target management system

<Certification Acquisition Status> (as of September 2019)
Real Estate Broker 56.7%
ARES Certified Master 30%
Real Estate Consulting Master 6.7%
Real Estate Appraiser 3.3%
First-class Architect 3.3%
Certified Public Accountant 3.3%
Securities Analysts Association of Japan Certified Analyst 3.3%

Measures for employees ■ Pleasant working environment/diversity ■

- Childbirth, parenting, and nursing care leave * With actual track record of parenting care leave use
- Reduced work hour system
- Career comeback system (system under which former employees can return without repeating the recruitment process provided that their children are under elementary school age)
- Support for skill acquisition while using parenting leave
- Employee satisfaction surveys

We have a flat organization culture that promotes diversity and which urges employees to engage in free and lively debate regardless of age or gender.

<Data>
- Percentage of female employees: 48% (0%Percentage of female management personnel) * As of February 29, 2020
- Overtime work hours for all employees (annual average) FY2017: 26 hours, FY2018: 24 hours

<Other major measures>
- Electronic payment partially introduced, with plans for future expansion
- Promotion of diverse work styles

ESG initiatives (3)
Each operator's SDGs achievement activities

■ Resort environmental management: Hoshino Resorts' case

Environmental management

➢ Eco-tourism
A form of tourism which aims to preserve the local natural environment while educating visitors on the attractions.

➢ Zero emissions
Initiatives aiming for 100% recycling or reuse of waste instead of simple incineration or landfill. The Karuizawa Office set up a Zero Committee and, in November 2011, achieved zero emissions which had up to then been believed to be difficult for a hotel given the many different types of waste generated in this industry.

➢ HOSHINOYA Karuizawa EIMY supplies almost 70% of the energy that it uses
Acronym of Energy In My Yard. An approach which proposes that local energy demands should be met by local, renewable sources of energy as much as possible.

→ See the figure at right

■ Each operator's SDGs achievement activities

SUSTAINABLE DEVELOPMENT GOALS

(Note)

◆Hoshino Resorts' Way of SDGs
Fun, unique, facility-specific SDGs initiatives.

◆Greens
Choice Hotels International's CSR initiative for its Comfort brand

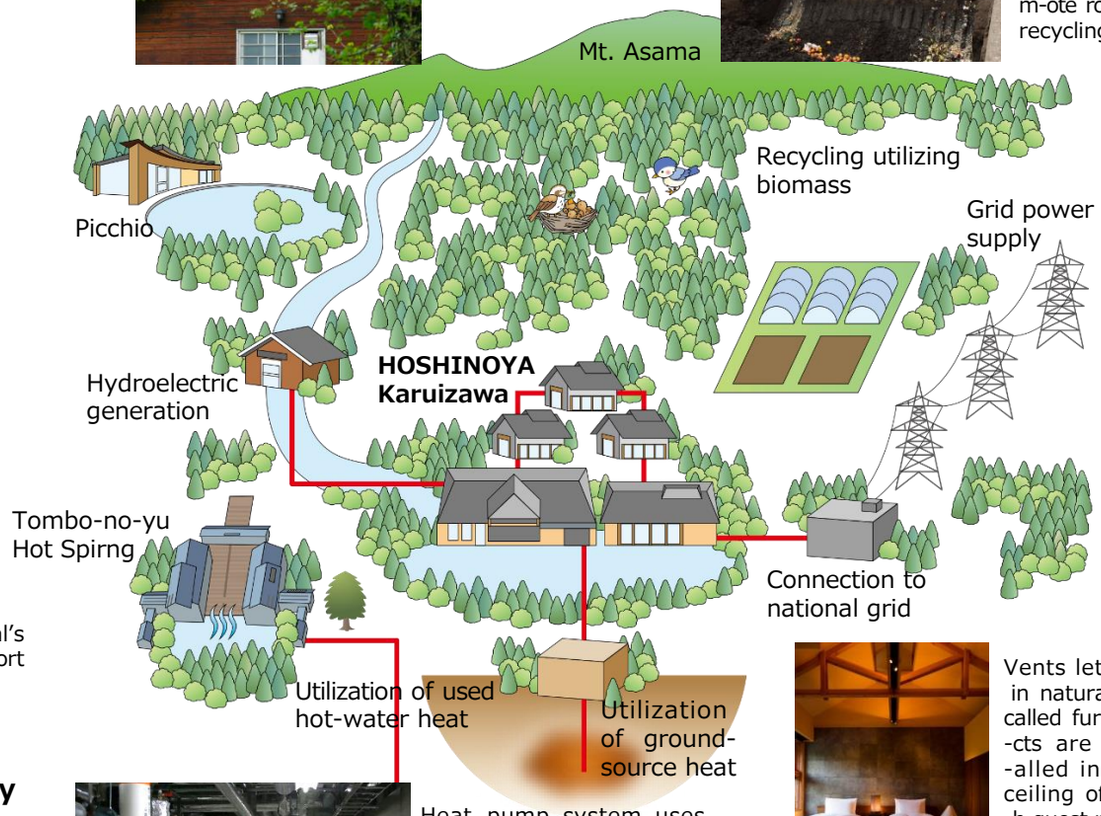
◆IHG Green Engage (4 ANA Crowne Plaza properties)
IHG Green Engage™ system has four levels of certification according to each facility's situation.

◆Hyatt Corporate Responsibility at Hyatt
Large-scale engagement by a US-based hotel chain

■ HOSHINOYA Karuizawa EIMY supplies almost 70% of the energy that it uses

Hydro power plant helps power the heat pump

Sorting waste into 28 categ-ories in ord-er to espro m-ote rour-ce recycling



Heat pump system uses ground-source thermal and hot spring water outflow as thermal source for air conditioning and hot water supply

Vents letting in natural air called furo du-cts are inst-alled in the ceiling of eac-h guest room

See page 57 for notes regarding this page.

ESG initiatives (4)
External sustainability evaluation

■ GRESB

GRESB (http://gresb.com/) is an annual benchmarking program to evaluate Environment, Social and Governance (ESG) considerations of real estate companies and funds. It was established primarily by major European pension fund groups that spearheaded the Principles for Responsible Investment (PRI).

It is used by major institutional investors in Japan and overseas to select investment destinations. The Investment Corporation aims to obtain a "Green Star" rating in the GRESB Real Estate Assessment.

■ BELS

BELS is a third-party certification system based on the Ministry of Land, Infrastructure, Transport and Tourism's "Guidelines for Building-Housing Energy-Efficiency Labeling." The energy-saving performance of buildings is assessed objectively and displayed under a five-star rating system.

BELS-certified facilities

KAI Kinugawa
(★★★★★)

KAI Alps
(Front building)
(★★★★)

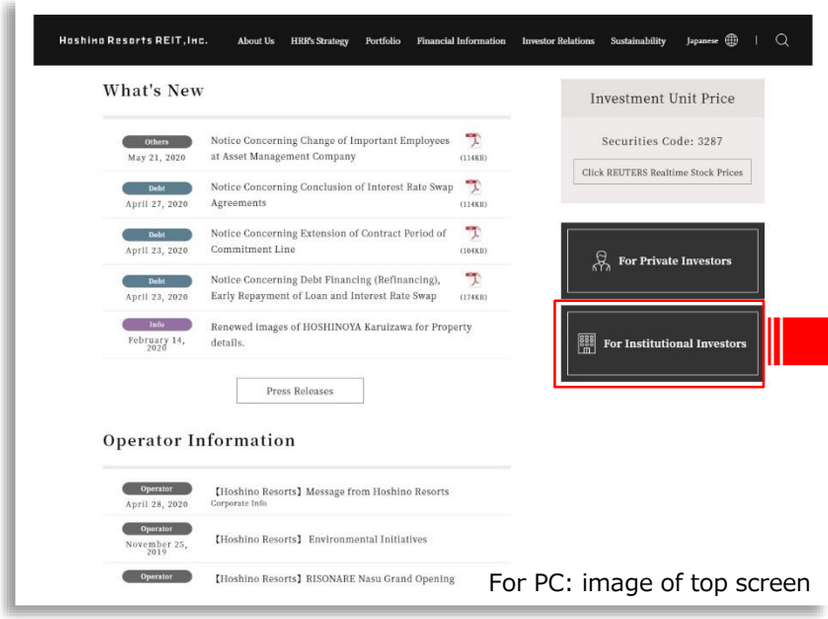
BEB5 Karuizawa
(★★)

Quintessa Hotel
Osaka Shinsaibashi
(★★★)

Facilitation of Online IR

We frequently update our website for swift delivery of accurate information on the management status of our funds.

■ For smartphone:
"For Institutional Investors"



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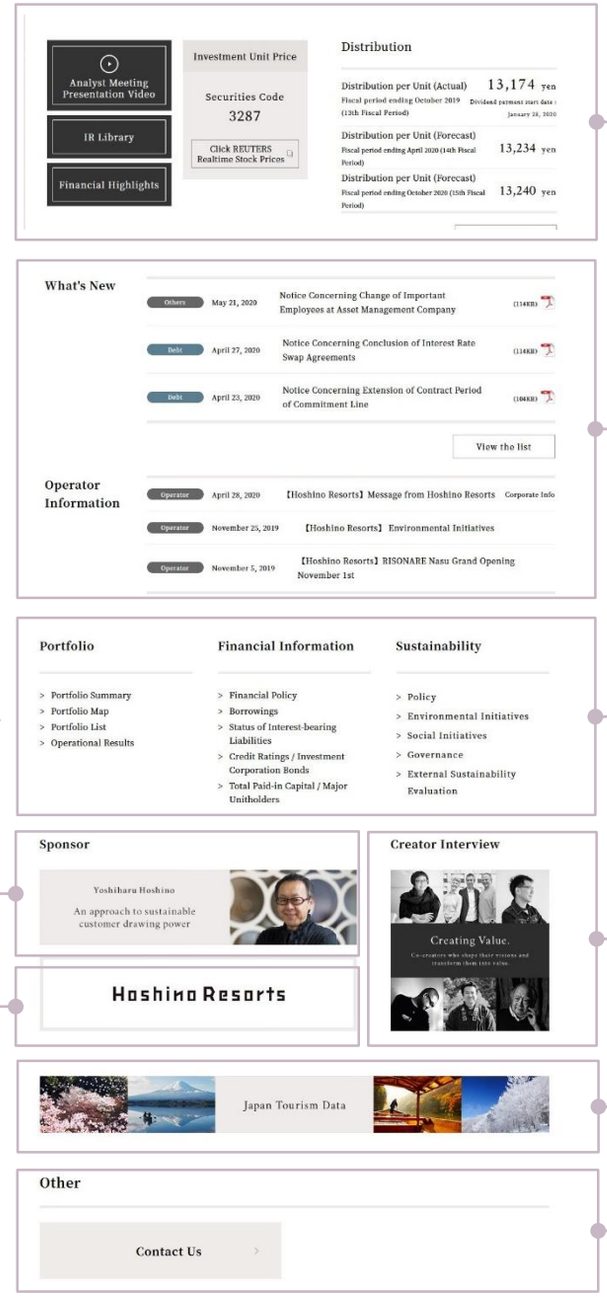


Image of PC screen

You can do a batch search of financial information.

We deliver the latest updates on our fund and operators.

Click here for details on our portfolio, financial highlights, and ESG.

"Creative Value" interviews series with 6 individuals who help create Hoshino Resorts facilities.

Excerpted from "White Paper on Tourism" and "Research study on economic impacts of tourism in Japan" (updated annually).

IR inquiries

Yoshiharu Hoshino, CEO Hoshino Resorts, speaks about management under specific themes. (Several times a year)

Hoshino Resorts official website

IV Appendix (1) Information regarding owned properties

HOSHINOYA Karuizawa / Tombo-no-yu Hot Spirng

Overview of owned properties by brand

Hoshino Resorts REIT, Inc. owns five diverse brands operated by sponsor.

Operator	Hoshino Resort				
Brand name	星のや HOSHINOYA	Hoshino Resorts RISONARE	界 KAI 星野リゾート	OMO 星野リゾート	星野リゾート BEB
Genre	Flagship	Family resort	High-end hot spring ryokan	Urban resort	Casual hotel
Overview of facility	Japanese luxury hotels with overwhelmingly extraordinary ambiance	Western-style hotels combining refined design with a wealth of activities	Sophisticated hot spring ryokans with a comfortable Japanese aesthetic where guests can rediscover regional appeal	Urban tourism hotels that go beyond mere places to sleep, instead making trips even more exciting	More than a Japanese pub, but not quite a full journey - hotels where guests can kick back and relax with friends and colleagues
Average ADR (Note)	Approx 75,000 yen	Approx 43,000 yen	Approx 37,000 yen	Approx 11,000 yen	Approx 15,000 yen
Representative hotel	HOSHINOYA Karuizawa	RISONARE Yatsugatake	KAI Hakone	OMO7 Asahikawa	BEB 5 Karuizawa
Number of owned facilities	4	2	9	1	1
Total acquisition value (ratio)	19,593 million yen (12.1%)	8,250 million yen (5.1%)	13,775 million yen (8.5%)	4,619 million yen (2.9%)	2,170 million yen (1.3%)

See page 57 for notes regarding this page.

Overview of owned properties by brand

Backed by urban tourism demand, we also invest in properties operated by companies other than Hoshino Resorts which are capable of producing long-term, stable cash flow.

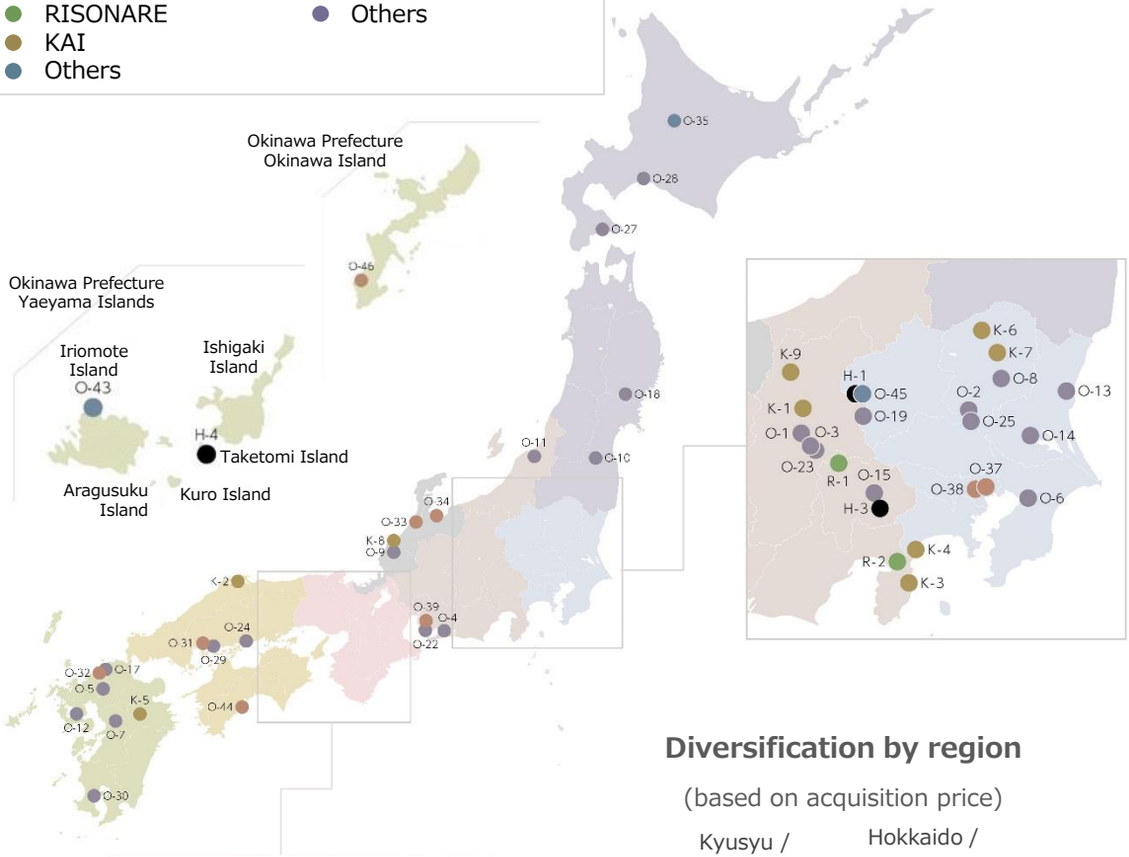
Operators	SHR Roadside Inn Co., Ltd.	IHG ANA Hotels Group Japan LLC,	Hyatt International Asia Pacific Limited	Ishin Hotels Group Co., Ltd.
Brand name	CHISUN INN	ANA CROWNE PLAZA HOTELS & RESORTS AN IHG HOTEL	HYATT REGENCY	the b hotels
Genre	Roadside hotels	City hotels	City hotels	City hotels
Overview of facility	Lodging-focused hotels near expressway interchanges and major arterial roads	Upscale hotels that combine the world-class services of Crowne Plazas with the high-quality hospitality of ANA hotels	Hotels designed to maximize the value of connections	Stylish city hotels located in major cities across the nation
Average ADR (Note)	Approx 6,000 yen	Approx 14,000 yen	Approx 16,000 yen	Approx 10,000 yen
Representative hotel	Chisun Inn Fukushima Nishi IC	ANA Crowne Plaza Toyama	Hyatt Regency Osaka	the b akasaka
Number of owned facilities	22	4	1	4
Total acquisition value (ratio)	15,995 million yen (9.9%)	36,000 million yen (22.3%)	16,000 million yen (9.9%)	20,800 million yen (12.9%)

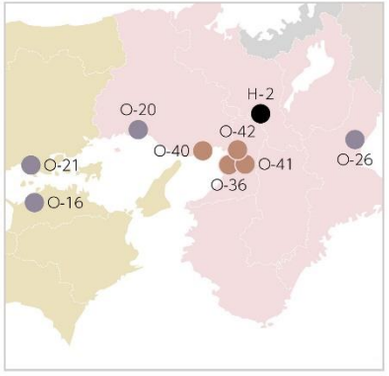
See page 57 for notes regarding this page.

Status of portfolio (As of June 15, 2020)

Properties operated by the Hoshino Resorts
- HOSHINOYA
- RISONARE
- KAI
- Others

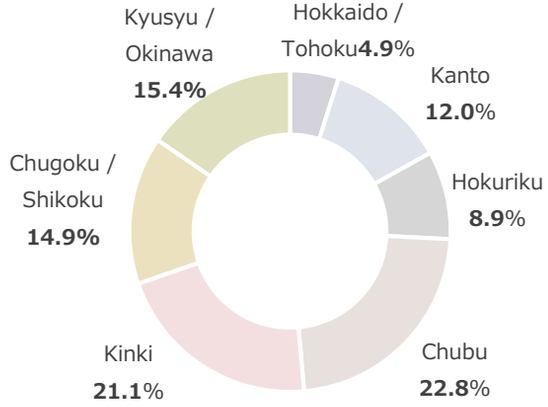
Properties operated by outside operators
- Urban tourism
- Others





Diversification by region

(based on acquisition price)



Category	Property No.	Property name
<Properties operated by the Hoshino Resorts>		
HOSHINOYA	H-1	HOSHINOYA Karuizawa
	H-2	HOSHINOYA Kyoto
	H-3	HOSHINOYA Fuji
	H-4	HOSHINOYA Taketomi Island
RISONARE	R-1	RISONARE Yatsugatake
	R-2	RISONARE Atami
KAI	K-1	KAI Matsumoto
	K-2	KAI Izumo
	K-3	KAI Ito
	K-4	KAI Hakone
	K-5	KAI Aso
	K-6	KAI Kawaji
	K-7	KAI Kinugawa
	K-8	KAI Kaga
	K-9	KAI Alps
Others	O-35	OMO7 Asahikawa
	O-43	Iriomote Hotel
	O-45	BEB5 Karuizawa
<Properties operated by outside operators>		
Urban tourism	O-31	ANA Crowne Plaza Hiroshima
	O-32	ANA Crowne Plaza Fukuoka
	O-33	ANA Crowne Plaza Kanazawa
	O-34	ANA Crowne Plaza Toyama
	O-36	Hyatt Regency Osaka
	O-37	the b akasaka
	O-38	the b sangenjaya
	O-39	the b nagoya
	O-40	the b kobe
	O-41	Quintessa Hotel Osaka Shinsaibashi
	O-42	hotel androoms Osaka Hommachi
	O-44	HOTEL NIKKO KOCHI ASAHI ROYAL
	O-46	Sol Vita Hotel Naha

Category	Property No.	Property name
Others	O-1	Chisun Inn Shiojiri Kita IC
	O-2	Chisun Inn Sano Fujioka IC
	O-3	Chisun Inn Suwa IC
	O-4	Chisun Inn Toyokawa IC
	O-5	Chisun Inn Tosu
	O-6	Chisun Inn Chiba Hamano R16
	O-7	Chisun Inn Kumamoto Miyukifueda
	O-8	Chisun Inn Utsunomiya Kanuma
	O-9	Chisun Inn Fukui
	O-10	Chisun Inn Fukushima Nishi IC
	O-11	Chisun Inn Niigata Chuo IC
	O-12	Chisun Inn Nagasaki Airport
	O-13	Chisun Inn Hitachinaka
	O-14	Chisun Inn Tsuchiura Ami
	O-15	Chisun Inn Kofu Isawa
	O-16	Chisun Inn Marugame Zentsuji
	O-17	Chisun Inn Munakata
	O-18	Chisun Inn Iwate Ichinoseki IC
	O-19	Chisun Inn Karuizawa
	O-20	Chisun Inn Himeji Yumesakibashi
	O-21	Chisun Inn Kurashiki Mizushima
	O-22	Candeo Hotels Handa
	O-23	Candeo Hotels Chino
	O-24	Candeo Hotels Fukuyama
	O-25	Candeo Hotels Sano
	O-26	Candeo Hotels Kameyama
	O-27	Comfort Hotel Hakodate
	O-28	Comfort Hotel Tomakomai
	O-29	Comfort Hotel Kure
	O-30	Chisun Inn Kagoshima Taniyama

Operational results for each property (1)

HOSHINOYA Karuizawa

Address: Karuizawa-machi, Kitasaku-gun, Nagano
Number of guest rooms: 77

HOSHINOYA Kyoto

Address: Kyoto-shi, Kyoto
Number of guest rooms: 25

HOSHINOYA Fuji

Address: Fujikawaguchiko-machi, Minamitsuru-gun, Yamanashi
Number of guest rooms: 40

HOSHINOYA Taketomi Island

Address: Taketomi-cho, Yaeyama-gun, Okinawa
Number of guest rooms: 48

(Note1)(Note2)

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	81.0%	89.1%	95.6%	98.3%	93.5%	84.8%	94.5%	91.2%	92.6%	78.0%	73.6%	23.9%	**82.7%**	**-6.4pt**
ADR (yen)	82,569	74,674	87,591	108,892	86,790	83,820	76,653	72,577	77,193	56,428	65,434	71,067	**80,136**	**+464**
RevPAR (yen)	66,899	66,560	83,701	107,067	81,191	71,073	72,450	66,162	71,464	43,995	48,137	16,951	**66,312**	**-4,719**
Sales (millions of yen)	307	289	355	469	349	298	296	301	204	192	221	85	**3,371**	**-293**

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room Occupancy rate	95.0%	90.1%	91.9%	95.2%	97.2%	93.5%	98.0%	95.4%	89.7%	83.6%	57.3%	16.0%	**83.5%**	**-9.6pt**
ADR (Yen)	95,032	81,101	81,120	84,121	85,521	102,629	122,971	101,692	78,083	66,663	90,447	110,494	**91,610**	**-1,068**
RevPAR (Yen)	90,249	73,099	74,515	80,060	83,126	96,008	120,512	96,969	70,023	55,716	51,817	17,679	**76,514**	**-9,752**
Sales (millions of yen)	106	87	80	88	94	111	128	110	84	42	62	21	**1,020**	**-113**

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	94.7%	95.1%	96.5%	96.2%	93.7%	86.6%	98.3%	97.3%	87.4%	85.6%	76.5%	26.9%	**87.1%**	**-7.2pt**
ADR (Yen)	68,201	52,419	70,479	89,192	71,670	80,411	68,940	65,176	75,166	56,098	65,708	74,117	**69,534**	**+1,471**
RevPAR (Yen)	64,571	49,841	67,978	85,811	67,131	69,646	67,733	63,441	65,681	48,022	50,287	19,937	**60,585**	**-3,593**
Sales (millions of yen)	124	97	129	155	125	132	125	121	82	89	100	34	**1,319**	**-105**

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	82.9%	84.7%	90.5%	79.8%	73.1%	84.3%	83.5%	73.3%	70.9%	83.9%	84.1%	16.2%	**76.1%**	**-5.8pt**
ADR (Yen)	62,519	55,696	76,334	85,117	66,770	58,660	52,878	55,379	52,585	46,512	52,807	53,282	**60,687**	**-1,373**
RevPAR (Yen)	51,805	47,187	69,101	67,899	48,779	49,435	44,175	40,604	37,291	39,027	44,396	8,642	**46,175**	**-4,626**
Sales (millions of yen)	122	110	150	148	103	117	108	101	73	95	117	20	**1,269**	**-114**

See page 57 for notes regarding this page.

Operational results for each property (2)

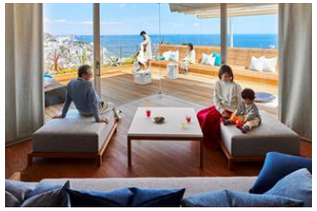
RISONARE Yatsugatake

Address: Hokuto-shi, Yamanashi
Number of guest rooms: 172

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	75.9%	83.5%	92.2%	97.6%	97.0%	83.5%	92.9%	82.9%	82.7%	97.9%	82.6%	16.7%	**82.0%**	**-6.0pt**
ADR (Yen)	33,104	29,353	48,208	62,831	42,316	34,813	29,200	37,805	41,450	31,321	35,130	33,821	**39,168**	**+870**
RevPAR (Yen)	25,138	24,512	44,447	61,322	41,061	29,054	27,117	31,338	34,290	30,652	29,022	5,643	**32,106**	**-1,567**
Sales (millions of yen)	373	384	482	660	501	387	381	359	225	249	279	70	**4,355**	**-628**

RISONARE Atami



Address: Atami-shi, Shizuoka
Number of guest rooms: 81

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	85.7%	89.0%	92.7%	96.0%	87.6%	53.2%	86.0%	90.5%	90.7%	86.9%	88.8%	31.8%	**81.4%**	**-9.4pt**
ADR (Yen)	48,115	43,991	58,900	85,857	51,802	46,476	47,089	56,178	54,549	47,761	50,849	45,396	**54,293**	**+1,450**
RevPAR (Yen)	41,236	39,165	54,584	82,403	45,364	24,728	40,500	50,821	49,461	41,499	45,179	14,441	**44,192**	**-3,778**
Sales (millions of yen)	153	128	195	273	160	94	150	172	157	150	173	56	**1,867**	**-2**

9 KAI properties

Total number of guest rooms: 322

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	75.2%	73.2%	78.2%	90.8%	82.4%	76.3%	83.6%	81.2%	77.6%	75.4%	72.7%	21.2%	**74.4%**	**-3.5pt**
ADR (Yen)	35,278	28,758	33,790	47,565	37,603	39,999	40,856	41,435	40,033	36,279	35,213	33,349	**38,092**	**-213**
RevPAR (Yen)	26,522	21,050	26,410	43,186	30,966	30,516	34,157	33,632	31,062	27,347	25,607	7,075	**28,335**	**-1,502**
Sales (millions of yen)	530	439	526	785	584	559	645	599	573	530	533	136	**6,443**	**+336**

OMO7 Asahikawa

Address: Asahikawa-shi, Hokkaido
Number of guest rooms: 237

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	73.8%	82.5%	93.7%	91.8%	91.4%	85.0%	59.8%	62.5%	70.1%	66.0%	19.8%	9.2%	**69.0%**	**-8.6pt**
ADR (Yen)	9,726	12,183	19,630	19,328	13,403	9,322	7,782	8,004	8,191	9,933	6,053	5,923	**12,125**	**+618**
RevPAR (Yen)	7,180	10,046	18,401	17,737	12,253	7,927	4,652	4,999	5,744	6,558	1,199	544	**8,370**	**-564**
Sales (millions of yen)	154	175	246	231	192	168	133	146	157	129	29	6	**1,774**	**-308**

Operational results for each property (3)

BEB5 Karuizawa

Address: Kitasaku-gun, Nagano
Number of guest rooms: 73

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	(Note) -	-	-	-	-	-	-	-	78.9%	74.4%	88.4%	14.7%	-	-
ADR (Yen)	-	-	-	-	-	-	-	-	17,020	15,857	15,558	15,727	-	-
RevPAR (Yen)	-	-	-	-	-	-	-	-	13,432	11,789	13,750	2,306	-	-
Sales (millions of yen)	-	-	-	-	-	-	-	-	24	27	35	5	-	-

ANA Crowne Plaza Hiroshima

Address: Hiroshima-shi, Hiroshima
Number of guest rooms: 409

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	85.5%	82.9%	82.2%	78.4%	79.7%	88.2%	89.9%	69.9%	62.6%	64.4%	30.0%	13.4%	**69.0%**	**-14.2pt**
ADR (Yen)	14,116	10,243	10,292	13,821	12,165	15,358	14,770	9,911	9,685	9,892	9,731	8,194	**12,069**	**-296**
RevPAR (Yen)	12,070	8,495	8,463	10,835	9,691	13,539	13,272	6,924	6,061	6,372	2,921	1,101	**8,324**	**-1,963**
Sales (millions of yen)	425	363	359	339	403	462	494	450	338	307	145	57	**4,147**	**-870**

ANA Crowne Plaza Fukuoka

Address: Fukuoka-shi, Fukuoka
Number of guest rooms: 320

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	90.8%	92.9%	93.9%	86.3%	83.8%	86.6%	92.0%	88.7%	82.4%	79.4%	40.0%	11.3%	**77.4%**	**-11.0pt**
ADR (Yen)	16,035	14,852	14,375	15,830	15,159	18,055	16,214	14,110	13,098	13,678	12,552	11,974	**15,016**	**-415**
RevPAR (Yen)	14,558	13,805	13,497	13,664	12,703	15,629	14,915	12,509	10,790	10,858	5,023	1,348	**11,622**	**-2,016**
Sales (millions of yen)	298	316	285	258	272	318	352	306	263	249	123	24	**3,071**	**-471**

ANA Crowne Plaza Kanazawa

Address: Kanazawa-shi, Ishikawa
Number of guest rooms: 249

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	79.4%	77.5%	67.8%	83.3%	81.5%	75.4%	87.6%	66.8%	60.8%	67.2%	28.9%	7.5%	**65.3%**	**-12.9pt**
ADR (Yen)	20,189	13,939	13,673	16,972	16,436	19,175	18,512	13,026	11,737	12,137	12,363	8,911	**15,651**	**-1,242**
RevPAR (Yen)	16,025	10,797	9,267	14,144	13,393	14,458	16,212	8,701	7,133	8,155	3,568	666	**10,221**	**-2,992**
Sales (millions of yen)	344	280	272	276	259	280	328	289	222	206	70	27	**2,860**	**-560**

See page 57 for notes regarding this page.

Operational results for each property (4)

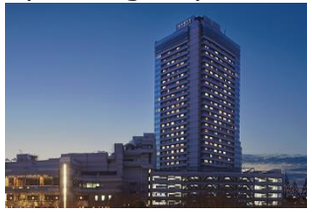
ANA Crowne Plaza Toyama

Address: Toyama-shi, Toyama
Number of guest rooms: 252

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	85.5%	80.7%	77.7%	78.4%	77.0%	81.5%	83.0%	67.2%	61.2%	61.6%	43.0%	14.9%	**67.7%**	**-12.6pt**
ADR (Yen)	14,689	9,786	9,252	12,126	12,382	13,293	10,518	8,860	8,038	7,964	7,057	7,215	**10,624**	**-465**
RevPAR (Yen)	12,561	7,901	7,190	9,502	9,529	10,835	8,733	5,954	4,917	4,909	3,038	1,075	**7,195**	**-1,709**
Sales (millions of yen)	288	248	214	200	197	262	266	240	168	152	86	29	**2,355**	**-380**

Hyatt Regency Osaka



Address: Osaka-shi, Osaka
Number of guest rooms: 480

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	73.8%	70.9%	66.4%	69.4%	58.3%	64.8%	57.7%	50.2%	51.2%	35.1%	17.9%	10.6%	**52.3%**	**-21.0pt**
ADR (Yen)	15,460	17,761	15,649	18,030	15,520	18,082	16,997	15,293	14,821	14,735	13,313	12,212	**16,223**	**+620**
RevPAR (Yen)	11,407	12,594	10,383	12,511	9,048	11,716	9,812	7,675	7,581	5,178	2,385	1,300	**8,487**	**-2,957**
Sales (millions of yen)	328	366	319	345	351	368	342	286	254	158	98	42	**3,261**	**-932**

22 Roadside properties

Total number of guest rooms: 2,205

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	81.4%	77.4%	81.1%	85.2%	80.3%	82.4%	85.1%	76.2%	73.5%	73.9%	61.0%	50.0%	**75.6%**	**-5.2pt**
ADR (Yen)	6,431	5,747	6,173	7,592	6,227	5,988	6,038	5,778	5,541	5,659	5,337	5,006	**6,025**	**-58**
RevPAR (Yen)	5,232	4,448	5,009	6,470	5,003	4,934	5,138	4,402	4,071	4,181	3,254	2,502	**4,558**	**-360**
Sales (millions of yen)	376	311	363	465	348	357	360	320	296	285	238	179	**3,901**	**-287**

4 the b properties

Total number of guest rooms: 667

Operational results

	2019								2020				Accumu-lated total	Year to year compari-son
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	87.4%	89.1%	88.6%	88.4%	87.7%	89.3%	90.9%	87.1%	80.1%	64.2%	33.5%	17.6%	**75.4%**	**-12.4pt**
ADR (Yen)	9,623	9,095	9,553	9,701	9,068	9,651	10,071	9,079	8,205	8,831	7,099	5,472	**9,158**	**-549**
RevPAR (Yen)	8,406	8,107	8,459	8,578	7,954	8,616	9,155	7,904	6,573	5,669	2,379	963	**6,907**	**-1,618**
Sales (millions of yen)	199	187	202	204	183	204	209	188	160	131	67	36	**1,976**	**-443**

Operational results for each property (5)

KAI Matsumoto	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	69.2%	80.5%	85.0%	90.4%	76.7%	65.5%	77.9%	75.5%	74.2%	66.8%	71.8%	19.1%	**71.7%**	**-10.1pt**
ADR (Yen)	44,678	34,528	40,349	59,385	45,702	48,010	42,855	40,920	45,752	32,487	35,735	45,557	**43,213**	**+917**
RevPAR (Yen)	30,931	27,785	34,292	53,711	35,038	31,450	33,404	30,880	33,936	21,715	25,671	8,691	**30,982**	**-3,599**
Sales (millions of yen)	46	39	53	73	51	45	48	44	33	33	43	11	**523**	**-79**

KAI Izumo	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	96.1%	99.7%	97.8%	96.1%	99.4%	97.4%	99.0%	98.9%	89.9%	91.4%	89.7%	37.5%	**91.8%**	**+0.1pt**
ADR (Yen)	41,274	34,885	39,311	53,112	44,459	50,699	52,261	45,078	44,509	42,441	44,623	42,860	**44,865**	**+523**
RevPAR (Yen)	39,665	34,788	38,459	51,042	44,204	49,404	51,753	44,594	40,022	38,773	40,005	16,072	**41,179**	**+506**
Sales (millions of yen)	56	51	45	68	56	65	69	66	60	52	57	19	**669**	**-10**

KAI Ito	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	82.6%	91.2%	91.1%	99.7%	90.9%	82.3%	91.3%	94.4%	90.6%	93.8%	89.7%	28.2%	**85.7%**	**+0.3pt**
ADR (Yen)	32,460	28,521	36,739	51,400	38,420	37,461	37,689	44,285	41,561	42,087	43,503	40,204	**39,759**	**+4,095**
RevPAR (Yen)	26,805	26,021	33,460	51,235	34,919	30,814	34,422	41,807	37,673	39,474	39,012	11,343	**34,091**	**+3,607**
Sales (millions of yen)	57	53	67	90	67	62	68	69	72	71	74	20	**778**	**+266**

KAI Hakone	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	96.4%	97.0%	94.2%	99.9%	98.1%	91.2%	98.3%	97.2%	93.9%	84.2%	85.0%	23.1%	**88.3%**	**-6.7pt**
ADR (Yen)	40,978	38,253	42,693	54,231	46,280	50,039	57,908	53,735	49,370	50,876	45,135	44,488	**48,066**	**+3,431**
RevPAR (Yen)	39,491	37,100	40,197	54,176	45,383	45,651	56,943	52,249	46,334	42,817	38,356	10,259	**42,440**	**+35**
Sales (millions of yen)	74	65	73	92	76	78	91	72	79	68	70	19	**864**	**-53**

KAI Aso	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	79.8%	80.0%	88.2%	93.3%	85.8%	83.9%	95.3%	96.6%	85.1%	83.0%	83.1%	30.9%	**82.4%**	**-5.6pt**
ADR (Yen)	65,188	52,922	64,461	78,410	67,506	78,638	80,162	72,557	70,729	63,764	65,274	63,150	**69,339**	**+4,408**
RevPAR (Yen)	52,045	42,338	56,851	73,141	57,942	65,954	76,376	70,055	60,160	52,953	54,220	19,490	**57,126**	**-35**
Sales (millions of yen)	30	25	26	39	31	35	39	35	31	28	31	10	**366**	**-15**

KAI Kawaji	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	69.5%	72.9%	74.3%	83.6%	73.0%	66.3%	78.1%	65.8%	66.8%	72.2%	65.8%	24.9%	**67.8%**	**-2.9pt**
ADR (Yen)	22,359	16,211	20,655	33,095	23,921	25,739	26,315	28,409	28,910	22,261	21,305	14,206	**24,369**	**-3,301**
RevPAR (Yen)	15,535	11,812	15,343	27,678	17,459	17,064	20,549	18,694	19,313	16,063	14,012	3,538	**16,520**	**-3,028**
Sales (millions of yen)	58	53	62	100	67	55	78	67	62	64	63	17	**752**	**-24**

KAI Kinugawa	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	67.8%	65.0%	70.1%	89.4%	82.8%	72.4%	79.3%	82.3%	72.6%	68.8%	71.1%	16.7%	**70.5%**	**-3.2pt**
ADR (Yen)	34,240	28,365	30,438	43,259	35,157	36,444	38,640	36,630	36,909	32,730	31,947	34,009	**35,312**	**-1,455**
RevPAR (Yen)	23,218	18,441	21,335	38,666	29,120	26,402	30,644	30,130	26,789	22,502	22,718	5,695	**24,883**	**-2,194**
Sales (millions of yen)	69	56	66	104	80	75	83	80	75	63	67	15	**841**	**-79**

KAI Kaga	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	69.2%	55.1%	66.4%	88.4%	80.0%	80.2%	97.4%	83.3%	76.3%	79.6%	74.2%	11.5%	**71.8%**	**-1.7pt**
ADR (Yen)	33,607	26,271	31,843	43,016	34,474	33,898	38,497	41,377	38,372	37,914	34,178	32,432	**36,250**	**-2,389**
RevPAR (Yen)	23,263	14,467	21,143	38,044	27,579	27,201	37,481	34,453	29,258	30,179	25,358	3,716	**26,031**	**-2,380**
Sales (millions of yen)	72	48	66	103	79	76	115	106	90	97	81	11	**951**	**-68**

KAI Alps	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	66.9%	56.3%	69.5%	87.9%	72.9%	65.2%	58.1%	65.8%	68.8%	59.3%	51.3%	16.7%	**62.4%**	-
ADR (Yen)	29,412	19,607	27,316	46,434	32,526	31,979	26,413	34,344	31,881	26,113	20,344	16,878	**30,334**	-
RevPAR (Yen)	19,687	11,029	18,981	40,817	23,717	20,846	15,352	22,581	21,940	15,495	10,431	2,813	**18,921**	-
Sales (millions of yen)	64	44	64	111	71	64	50	54	67	49	42	10	**696**	-

(Note)

See page 57 for notes regarding this page.

Iriomote Hotel	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	14.2%	13.6%	15.9%	18.3%	18.3%	34.1%	44.0%	37.1%	32.7%	45.1%	51.1%	17.4%	**28.6%**	-
ADR (Yen)	34,673	33,604	48,428	57,223	27,089	19,906	18,033	23,765	22,616	17,843	21,373	15,672	**25,312**	-
RevPAR (Yen)	4,927	4,561	7,697	10,460	4,959	6,793	7,931	8,816	7,401	8,040	10,932	2,719	**7,232**	-
Sales (millions of yen)	30	26	43	58	30	48	62	60	51	53	70	11	**547**	-

(Note)

Operational results for each property (6)

the b akasaka	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	86.4%	87.0%	88.4%	87.3%	90.8%	91.0%	90.2%	83.1%	69.9%	50.9%	20.9%	8.6%	**71.4%**	-14.1pt
ADR (Yen)	10,112	9,250	10,433	9,456	9,181	10,382	10,461	9,375	8,760	8,929	8,455	7,376	**9,640**	-969
RevPAR (Yen)	8,738	8,049	9,226	8,255	8,340	9,446	9,437	7,792	6,126	4,542	1,771	635	**6,878**	-2,190
Sales (millions of yen)	47	42	51	45	43	51	49	42	33	23	10	4	**447**	-153

the b sangenjaya	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	86.6%	86.8%	85.6%	84.4%	88.0%	84.8%	88.5%	88.7%	83.4%	79.3%	65.7%	48.3%	**80.9%**	-7.2pt
ADR (Yen)	11,323	10,939	11,560	11,339	10,776	11,940	12,169	11,270	10,371	11,193	8,350	5,436	**10,803**	-890
RevPAR (Yen)	9,806	9,499	9,895	9,572	9,482	10,128	10,773	9,995	8,653	8,881	5,487	2,625	**8,739**	-1,561
Sales (millions of yen)	38	36	39	38	36	39	41	39	34	33	22	10	**410**	-66

the b nagoya	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	89.7%	92.8%	89.7%	90.9%	88.7%	89.3%	92.9%	89.2%	87.9%	57.4%	23.3%	11.3%	**75.4%**	-13.3pt
ADR (Yen)	7,298	7,310	7,497	7,652	7,280	7,210	7,913	7,174	6,683	7,952	5,077	4,588	**7,282**	-187
RevPAR (Yen)	6,545	6,781	6,726	6,955	6,460	6,441	7,354	6,400	5,873	4,565	1,185	518	**5,491**	-1,133
Sales (millions of yen)	50	50	52	54	48	50	55	49	46	34	12	7	**512**	-111

the b kobe	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	85.7%	88.0%	89.2%	89.1%	83.2%	90.7%	90.6%	86.9%	77.5%	75.3%	36.3%	13.0%	**75.5%**	-13.3pt
ADR (Yen)	11,112	10,123	10,055	11,566	10,169	10,575	11,142	9,786	8,333	7,891	6,447	5,350	**9,925**	-476
RevPAR (Yen)	9,527	8,912	8,972	10,307	8,456	9,590	10,094	8,504	6,455	5,939	2,338	693	**7,496**	-1,739
Sales (millions of yen)	62	57	59	66	54	63	63	57	46	40	22	13	**606**	-111

hotel androoms Osaka Hommachi	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	83.7%	86.2%	81.4%	88.3%	70.0%	76.6%	78.0%	75.6%	69.4%	61.3%	15.5%	1.6%	**65.7%**	-16.6pt
ADR (Yen)	11,080	9,920	10,439	11,674	9,187	9,630	9,436	8,784	8,233	7,507	7,794	6,864	**9,671**	-2,765
RevPAR (Yen)	9,268	8,549	8,497	10,303	6,428	7,380	7,362	6,643	5,716	4,599	1,210	111	**6,354**	-3,885
Sales (millions ofyen)	32	29	30	36	22	25	25	23	20	15	4	0	**266**	-146

Sol Vita Hotel Naha	2019								2020				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	(Note) -	-	-	-	-	-	-	-	63.3%	74.6%	33.7%	8.7%	-	-
ADR (Yen)	-	-	-	-	-	-	-	-	8,470	9,466	7,499	7,019	-	-
RevPAR (Yen)	-	-	-	-	-	-	-	-	5,363	7,059	2,524	610	-	-
Sales (millions of yen)	-	-	-	-	-	-	-	-	37	45	17	4	-	-

Operation result data and downloadable Excel data are also available on the HRR website.

See page 57 for notes regarding this page.

Inbound tourism ratio at individual facilities

Properties operated by the Hoshino Resorts (Note1)

Name of facility	May 2018 ~Apr. 2019	May 2019 ~Apr. 2020	Change
HOSHINOYA Karuizawa	34.6%	30.5%	-4.1pt
HOSHINOYA Kyoto	55.0%	52.9%	-2.1pt
HOSHINOYA Fuji	50.2%	48.3%	-1.9pt
HOSHINOYA Taketomi Island	7.7%	7.9%	+0.2pt
RISONARE Yatsugatake	1.1%	1.0%	-0.0pt
RISONARE Atami	2.2%	3.0%	+0.8pt
KAI Matsumoto	6.1%	5.5%	-0.6pt
KAI Izumo	3.4%	3.5%	+0.1pt
KAI Ito	5.0%	5.4%	+0.5pt
KAI Hakone	18.1%	16.6%	-1.5pt
KAI Aso	17.0%	15.3%	-1.7pt
KAI Kawaji	3.3%	3.7%	+0.4pt
KAI Kinugawa	4.8%	5.5%	+0.7pt
KAI Kaga	4.1%	4.2%	+0.1pt
KAI Alps	6.5%	10.0%	+3.5pt
OMO7 Asahikawa	12.8%	14.8%	+2.0pt
Iriomote Hotel	-	0.2%	- (Note2)
BEB5 Karuizawa	-	7.5%	- (Note2)

Properties operated by those other than the Hoshino Resorts (Note1)

Name of facility	May 2018 ~Apr. 2019	May 2019 ~Apr. 2020	Change
22 Roadside Properties	1.1%	0.9%	-0.2pt
ANA Crowne Plaza Hiroshima	27.8%	25.0%	-2.8pt
ANA Crowne Plaza Fukuoka	18.1%	22.2%	+4.1pt
ANA Crowne Plaza Kanazawa	23.5%	23.2%	-0.3pt
ANA Crowne Plaza Toyama	21.2%	25.1%	+4.0pt
Hyatt Regency Osaka	58.1%	51.8%	-6.4pt
the b akasaka	52.3%	50.3%	-2.0pt
the b sangenjaya	13.1%	10.7%	-2.4pt
the b nagoya	42.8%	47.6%	+4.7pt
the b kobe	28.2%	28.0%	-0.2pt
hotel androoms Osaka Hommachi	70.4%	59.1%	-11.3pt
Sol Vita Hotel Naha	-	6.1%	- (Note2)
Overall portfolio	**19.2%**	**17.1%**	**-2.1pt**

See page 57 for notes regarding this page.

Status of temporary closure of owned properties

21 of the Group's 61 owned properties have temporarily closed or plan to temporarily close as a result of COVID-19 for the number of days indicated below. (As of May 27, 2020)

Properties operated by Hoshino Resorts

Name of properties	April	May	June (planned)	Notes
HOSHINOYA Karuizawa	-	-	-	Some restaurants are temporarily closed
HOSHINOYA Kyoto	-	2	-	
HOSHINOYA Fuji	5	-	-	
HOSHINOYA Taketomi Island	2	31	30	Temporary closure requests from local governments
RISONARE Yatsugatake	-	-	-	
RISONARE Atami	-	-	-	
KAI Matsumoto	5	-	-	
KAI Izumo	2	1	-	
KAI Ito	-	3	-	
KAI Hakone	-	2	-	
KAI Aso	-	-	-	
KAI Kawaji	-	10	-	Temporary closure request from Tochigi Prefecture in accordance with the Special Measures Act (April 28 to May 10)
KAI Kinugawa	3	10	-	Temporary closure request from Tochigi Prefecture in accordance with the Special Measures Act (April 28 to May 10)
KAI Kaga	8	8	-	
KAI Alps	6	3	-	
OMO7 Asahikawa	11	31	30	Two state of emergency joint declarations by Hokkaido Prefecture and Sapporo(February 28 and April 12)
Iriomote Hotel	11	31	30	
BEB5 Karuizawa	3	7	-	

Properties operated by outside operator

Name of properties	April	May	June (planned)	Notes
ANA Crowne Plaza Hiroshima	-	-	-	Temporary closure of some restaurants, etc.
ANA Crowne Plaza Fukuoka	-	-	-	Temporary closure of some restaurants, etc.
ANA Crowne Plaza Kanazawa	-	17	-	Temporary closure of some restaurants, etc.
ANA Crowne Plaza Toyama	-	30	-	Temporary closure of some restaurants, etc.
Hyatt Regency Osaka	-	-	-	Temporary closure of some restaurants, etc.
22 Roadside properties	-	-	-	
the b akasaka	12	31	18	
the b sangenjaya	-	-	-	
the b nagoya	-	-	-	
the b kobe	-	-	-	
5 Candeo properties	-	-	-	
3 Greens properties	-	-	-	
Quintessa Hotel Osaka Shinsaibashi	-	31	30	
hotel androoms Osaka Hommachi	8	31	17	
HOTEL NIKKO KOCHI ASAHI ROYAL	-	21	-	Temporary closure of some restaurants, etc.
Sol Vita Hotel Naha	-	22	-	

V Appendix (2) Information regarding owned properties (financial)

KAI Aso / Terrace

Real estate appraisal value for continuously owned properties as of the end of the fiscal period ended April 2020

(Unit: millions of yen)

Property No.	Property name	Address	Number of guest rooms	Acquisition Price	Real estate appraisal value, etc. Valuation date	
					Oct. 31 2019	Apr. 30 2020
H-1	HOSHINOYA Karuizawa	Karuizawa-machi, Nagano	77	7,600	11,900	11,800
H-2	HOSHINOYA Kyoto	Kyoto-shi, Kyoto	25	2,878	4,280	4,210
H-3	HOSHINOYA Fuji	Fujikawaguchiko-machi, Yamanashi	40	4,160	4,340	4,310
H-4	HOSHINOYA Taketomi Island	Taketomi-cho, Okinawa	48	4,955	5,260	5,080
R-1	RISONARE Yatsugatake	Hokuto-shi, Yamanashi	172	4,500	7,410	7,240
R-2	RISONARE Atami	Atami-shi, Shizuoka	81	3,750	4,460	4,410
K-1	KAI Matsumoto	Matumoto-shi, Nagano	26	600	817	800
K-2	KAI Izumo	Matsue-shi, Shimane	24	680	877	877
K-3	KAI Ito	Ito-shi, Shizuoka	30	670	1,590	1,590
K-4	KAI Hakone	Hakone-machi, Kanagawa	32	950	1,320	1,320
K-5	KAI Aso	Kokonoe-machi, Oita	12	575	694	691
K-6	KAI Kawaji	Nikko-shi, Tochigi	54	1,000	1,170	1,160
K-7	KAI Kinugawa	Nikko-shi, Tochigi	48	3,080	3,340	3,340
K-8	KAI Kaga	Kaga-shi, Ishikawa	48	3,160	3,370	3,370
K-9	KAI Alps	Omachi-shi, Nagano	48	3,060	3,150	3,150
O-35	OMO7 Asahikawa	Asahikawa-shi, Hokkaido	237	4,619	4,690	4,690
O-43	Iriomote Hotel	Taketomi-cho, Okinawa	140	3,650	3,770	3,780
O-45	BEB5 Karuizawa (Note)	Karuizawa-machi, Nagano	73	2,170	-	2,260
O-31	ANA Crowne Plaza Hiroshima	Hiroshima-shi, Hiroshima	409	17,784	20,000	18,800
O-32	ANA Crowne Plaza Fukuoka	Fukuoka-shi, Fukuoka	320	7,599	8,810	8,310
O-33	ANA Crowne Plaza Kanazawa	Kanazawa-shi, Ishikawa	249	6,609	7,190	6,510
O-34	ANA Crowne Plaza Toyama	Toyama-shi, Toyama	252	4,008	4,470	4,210
O-36	Hyatt Regency Osaka	Osaka-shi, Osaka	480	16,000	16,600	15,700
O-37	the b akasaka	Minato-ku, Tokyo	162	4,860	5,130	4,900
O-38	the b sangenjaya	Setagaya-ku, Tokyo	118	4,420	4,690	4,470
O-39	the b nagoya	Nagoya-shi, Aichi	219	4,500	4,680	4,400
O-40	the b kobe	Kobe-shi, Hyogo	168	7,020	7,240	6,710
O-41	Quintessa Hotel Osaka Shinsaibashi	Osaka-shi, Osaka	132	3,339	3,730	3,690
O-42	hotel androoms Osaka Hommachi	Osaka-shi, Osaka	103	4,238	4,310	3,820
O-44	HOTEL NIKKO KOCHI ASAHI ROYAL	Kochi-shi, Kochi	191	2,200	2,250	2,240
O-46	Sol Vita Hotel Naha (Note)	Naha-shi, Okinawa	200	3,860	-	3,890

See page 57 for notes regarding this page.

Property No.	Property name	Address	Number of guest rooms	Acquisition Price	Real estate appraisal value, etc. Valuation date	
					Oct. 31 2019	Apr. 30 2020
O-1	Chisun Inn Shiojiri Kita IC	Shiojiri-shi, Nagano	92	672	830	821
O-2	Chisun Inn Sano Fujioka IC	Sano-shi, Tochigi	92	742	914	910
O-3	Chisun Inn Suwa IC	Suwa-shi, Nagano	92	658	837	824
O-4	Chisun Inn ToyokawaIC	Toyokawa-shi, Aichi	94	602	740	727
O-5	Chisun Inn Tosu	Tosu-shi, Saga	92	504	661	649
O-6	Chisun Inn Chiba Hamano R16	Chiba-shi, Chiba	94	798	1,020	1,010
O-7	Chisun Inn Kumamoto Miyukifueda	Kumaomoto-shi, Kumamoto	98	616	755	745
O-8	Chisun Inn Utsunomiya Kanuma	Utsunomiya-shi, Tochigi	98	714	850	844
O-9	Chisun Inn Fukui	Fukui-shi, Fukui	98	644	805	796
O-10	Chisun Inn Fukushima Nishi IC	Fukushima-shi, Fukushima	98	672	769	767
O-11	Chisun Inn Niigata Chuo IC	Niigata-shi, Niigata	98	630	778	767
O-12	Chisun Inn Nagasaki Airport	Omura-shi, Nagasaki	92	630	767	760
O-13	Chisun Inn Hitachinaka	Hitachinaka-shi, Ibaraki	92	742	920	916
O-14	Chisun Inn Tsuchiura Ami	Ami-machi, Ibaraki	92	770	921	918
O-15	Chisun Inn Kofu Isawa	Fuefuki-shi, Yamanashi	92	658	791	779
O-16	Chisun Inn Marugame Zentsuji	Marugame-shi, Kagawa	98	588	740	731
O-17	Chisun Inn Munakata	Munakata-shi, Fukuoka	98	504	638	627
O-18	Chisun Inn Iwate Ichinoseki IC	Ichinoseki-shi, Iwate	92	700	777	778
O-19	Chisun Inn Karuizawa	Karuizawa-machi, Nagano	90	812	1,090	1,080
O-20	Chisun Inn Himeji Yumesakibashi	Himeji-shi, Hyogo	98	616	743	737
O-21	Chisun Inn Kurashiki Mizushima	Kurashiki-shi, Okayama	98	728	876	864
O-22	Candeo Hotels Handa	Handa-shi, Aichi	126	620	701	661
O-23	Candeo Hotels Chino	Chino-shi, Nagano	119	793	923	900
O-24	Candeo Hotels Fukuyama	Fukuyama-shi, Hiroshima	164	1,075	1,250	1,190
O-25	Candeo Hotels Sano	Sano-shi, Tochigi	124	1,260	1,480	1,470
O-26	Candeo Hotels Kameyama	Kameyama-shi, Mie	170	470	537	501
O-27	Comfort Hotel Hakodate	Hakodate-shi, Hokkaido	139	937	1,040	955
O-28	Comfort Hotel Tomakomai	Tomakomai-shi, Hokkaido	123	963	1,070	969
O-29	Comfort Hotel Kure	Kure-shi, Hiroshima	149	1,100	1,230	1,160
O-30	Chisun Inn Kagoshima Taniyama	Kagoshima-shi, Kagoshima	217	1,995	2,470	2,370
Total		-	7,537	161,707	179,461	178,954

Balance sheet as of the end of the fiscal period ended April 2020

(Unit: thousands of yen)

	Previous fiscal period (ended Oct. 31, 2019)	Current fiscal period (ended Apr. 30, 2020)
Assets		
Current assets		
Cash and deposits	11,068,715	10,725,065
Operating accounts receivable	103,529	104,251
Prepaid expenses	276,406	269,431
Consumption taxes receivable	-	76,693
Other	1,324	968
Total current assets	11,449,977	11,176,410
Non-current assets		
Property and equipment		
Buildings	85,437,337	88,644,294
Accumulated depreciation	△8,802,486	△9,985,894
Buildings, net	76,634,850	78,658,400
Structures	3,469,958	3,759,556
Accumulated depreciation	△303,404	△351,573
Structures, net	3,166,554	3,407,982
Machinery and equipment	83,801	83,801
Accumulated depreciation	△45,797	△49,379
Machinery and equipment, net	38,004	34,421
Tools, furniture and fixtures	1,074,380	1,116,371
Accumulated depreciation	△519,480	△569,140
Tools, furniture and fixtures, net	554,900	547,231
Land	75,889,365	79,409,668
Construction in progress	158,411	166,745
Total property, plant and equipment	156,442,086	162,224,448
Intangible assets		
Leasehold interests in land	3,526,332	3,547,720
Software	56,087	49,799
Total intangible assets	3,582,420	3,597,520
Investments and other assets		
Investment securities	505,365	505,365
Long-term prepaid expenses	601,803	686,321
Deferred tax assets	11	13
Guarantee deposits	10,000	10,000
Other	365,006	365,006
Total investments and other assets	1,482,187	1,566,706
Total non-current assets	161,506,693	167,388,675
Deferred assets		
Investment corporation bond issuance costs	7,975	7,227
Total deferred assets	7,975	7,227
Total assets	172,964,645	178,572,313

	Previous fiscal period (ended Oct. 31, 2019)	Current fiscal period (ended Apr. 30, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	234,673	236,787
Short-term borrowings	-	1,400,000
Current portion of long-term borrowings	8,693,872	5,477,148
Accounts payable - other	788,634	719,446
Income taxes payable	837	871
Accrued consumption taxes	346,666	-
Accrued expenses	5,424	5,282
Advances received	1,006,811	993,372
Total current liabilities	11,076,918	8,832,907
Non-current liabilities		
Long-term borrowings	51,561,246	59,381,403
Investment corporation bonds	1,500,000	1,500,000
Leasehold and guarantee deposits received	3,165,604	3,168,736
Total non-current liabilities	56,226,850	64,050,139
Total liabilities	67,303,769	72,883,047
Net assets		
Unitholders' equity		
Unitholders' capital	102,737,981	102,737,981
Surplus		
Unappropriated retained earnings (undisposed loss)	2,922,894	2,951,284
Total surplus	2,922,894	2,951,284
Total unitholders' equity	105,660,876	105,689,265
Total net assets	105,660,876	105,689,265
Total liabilities and net assets	172,964,645	178,572,313

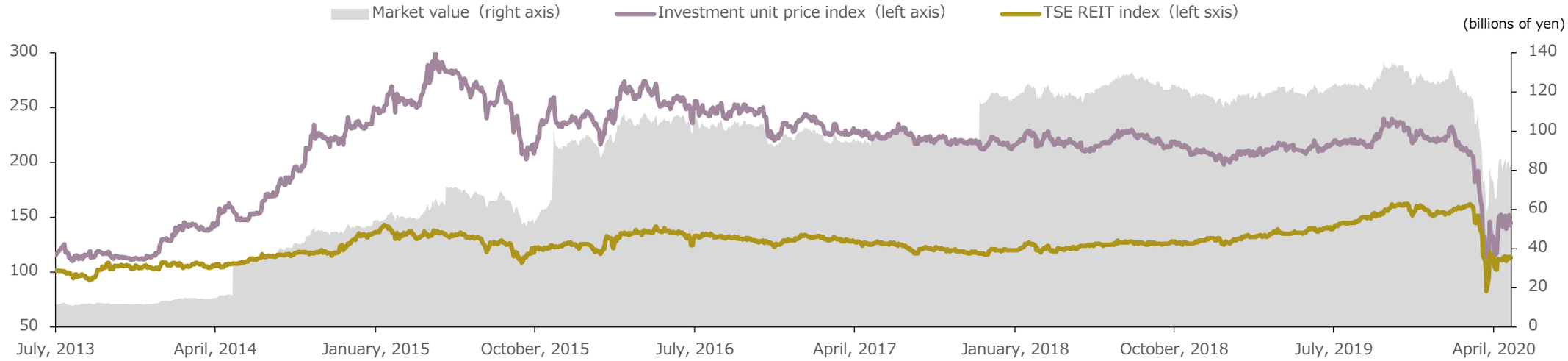
Statement of income for the fiscal period ended April 2020

(Unit: thousands of yen)

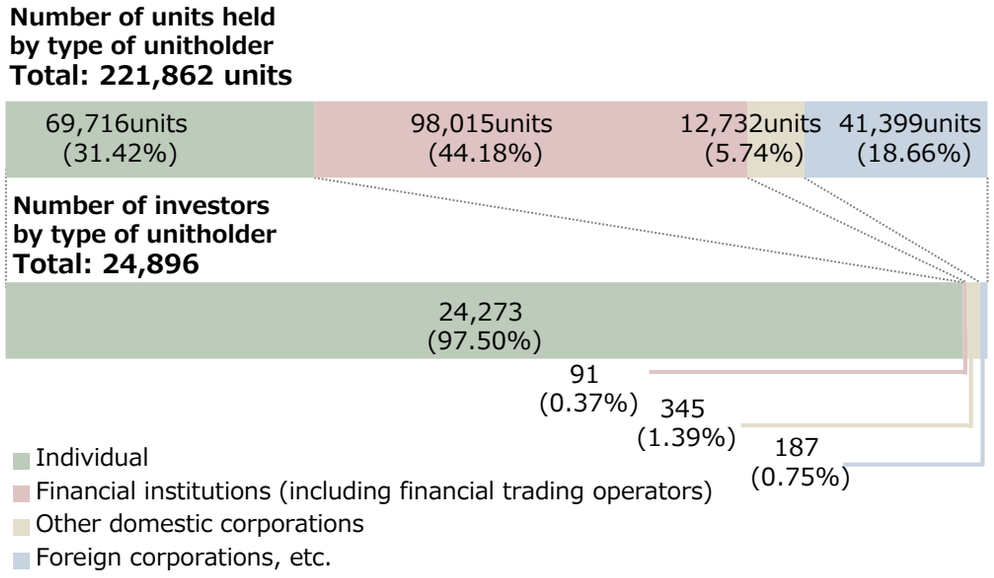
	Previous fiscal period (From May 1, 2019 to Oct. 31, 2019)	Current fiscal period (from Nov. 1, 2019 to Apr. 30, 2020)
Operating revenue		
Leasing business revenue	6,086,676	6,158,161
Total operating revenue	6,086,676	6,158,161
Operating expenses		
Expenses related to leasing business	2,134,244	2,138,733
Asset management fee	498,013	499,340
Asset custody fee	5,661	5,604
Administrative service fees	23,471	23,109
Remuneration for directors (and other officers)	3,000	3,000
Audit fee	9,046	9,000
Other operating expenses	83,034	79,703
Total operating expenses	2,756,472	2,758,491
Operating profit	3,330,204	3,399,669
Non-operating income		
Interest income	49	52
Insurance income	4,142	15,743
Interest on tax refund	1,391	-
Miscellaneous income	2,470	1,284
Total non-operating income	8,053	17,080
Non-operating expenses		
Interest expenses	248,027	262,133
Interest expenses on investment corporation bonds	4,776	4,665
Amortization of investment corporation bond issuance costs	747	747
Borrowing related expenses	160,976	196,560
Other	146	566
Total non-operating expenses	414,675	464,673
Ordinary profit	2,923,582	2,952,076
Profit before income taxes	2,923,582	2,952,076
Income taxes - current	845	879
Income taxes - deferred	2	△1
Total income taxes	847	877
Profit	2,922,735	2,951,199
Retained earnings brought forward	159	85
Unappropriated retained earnings (undisposed loss)	2,922,894	2,951,284

Change in market value and investment unit price/ Information on unitholders as of the end of the fiscal period ended April 2020

Change in market value and investment unit price (Note1)



Composition of unitholders



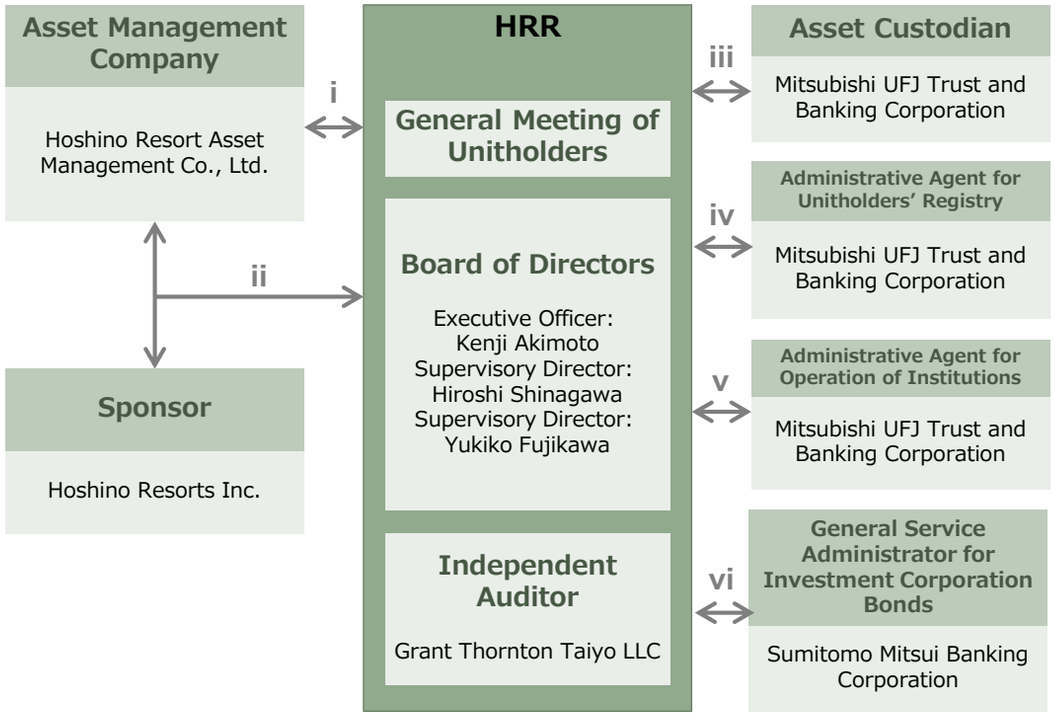
(Note2)

Major unitholders	Number of investment units held (units)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	28,008	12.62
Japan Trustee Services Bank, Ltd. (Trust account)	19,323	8.70
Nomura Trust and Banking Co., Ltd. (Investment trust account)	9,569	4.31
Mizuho Securities Co., Ltd.	8,713	3.92
Hoshino Resorts Inc.	6,140	2.76
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	4,833	2.17
J. P. MORGAN BANK LUXEMBOURG S. A. 381572	4,127	1.86
STATE STREET BANK WEST CLIENT – TREATY 505234	3,101	1.39
JP MORGAN CHASE BANK 385632	3,068	1.38
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,699	1.21
Total	89,581	40.37

See page 57 for notes regarding this page.

Overview of HRR/Overview of Asset Management Company

Structure of HRR



i. Asset Management Agreement
ii. Sponsor Support Agreement
iii. Asset Custody Agreement
iv. Transfer Agency Agreement
v. General Service Agreement
vi. Fiscal Agency Agreement

Structure of Asset Management Company

«History»

February 28, 2013
Application for registration of HRR was filed by the organizer (Hoshino Resort Asset Management Co., Ltd.) under Article 69-1 of the Act on Investment Trusts and Investment Corporations (Investment Trusts Act)

March 6, 2013
HRR was registered and established under Article 166 of the Investment Trusts Act

March 25, 2013
Application for registration of HRR was filed under Article 188 of the Investment Trusts Act

April 10, 2013
HRR was registered by the Prime Minister under Article 187 of the Investment Trusts Act (registration number 84, filed with the Director of the Kanto Local Finance Bureau)

July 12, 2013
HRR was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange (securities code: 3287)

July 16, 2013
Asset management started

«Overview»

Name	Hoshino Resort Asset Management Co., Ltd.
Address	6-18, Kyobashi 3-chome, Chuo-ku, Tokyo
Date of Establishment	May 14, 2010
Paid-in Capital	100 million yen
Shareholder	Hoshino Resorts Inc. 100%
Registration and Licenses	Registration as a Financial Instruments Business: Director of Kanto Local Finance Bureau (Kin-sho) No. 2405 Discretionary Real Estate Transaction License: The Minister of Land, Infrastructure, Transportation and Tourism No.74 Building Lots and Buildings Transaction Business License: The Governor of Tokyo No. (2) 94316

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(Note1) Amounts below the specified unit are rounded down while ratios are rounded to the nearest specified unit.
(Note2) Hoshino Resorts Co., Ltd., its parent company and its subsidiaries are collectively referred to as “Hoshino Resorts”. The same applies hereinafter
(Note3) 9 KAI properties refeers to “KAI Matsumoto”, “KAI Izumo”, “KAI Ito”, “KAI Hakone”, “KAI Aso”, “KAI Kawaji”, “KAI Kinugawa”, “KAI Kaga” and ”KAI Alps.” The same applies hereinafter.
(Note4) Throughout this document, "Roadside" and "22 Roadside properties" refer to the 22 Chisun Inn budget hotels (hotels focused on economy and overnight stay) operated by the Solare Group.
(Note5) The timing of floating rents arising and the specific calculation methods vary depending on the property. In the lease agreements with each lessee, the starting dates of floating rent are stated as May 1, 2020 (15th FP) for HOSHINOYA Fuji, November 1, 2020 (16th FP) for HOSHINOYA Taketomi Island, May 1, 2022 (19th FP) for KAI Alps, November 1, 2022 (20th FP) for Iriomote Hotel and November 1, 2024 (24th FP) for OMO7 Asahikawa. Therefore, floating rent will not arise prior to those said dates regardless of the amounts of sales or profits of the hotels, ryokans and ancillary facilities.

P5
(Note) Amounts below the specified unit are rounded down while ratios are rounded to the nearest specified unit.

P6
(Note) Figures do not include the Diamond Princess cruise case.

P7
(Note) BEB5 Karuizawa opened in Feb. 2019, so the figures for Nov. 2019 to Jan. 2020 are "-" as there is no corresponding data for the previous year.

P8
(Note1) 4 HOSHINOYA properties refers to “HOSHINOYA Karuizawa”, “HOSHINOYA Kyoto”, ”HOSHINOYA Fuji” and ”HOSHINOYA Taketomi Island.”
(Note2) 2 RISONARE properties refers to “RISONARE Yatsugatake” and “RISONARE Atami.”
(Note3) 8 KAI properties refers to “KAI Matsumoto”, “KAI Izumo”, “KAI Ito”, “KAI Hakone”, “KAI Aso”, “KAI Kawaji”, “KAI Kinugawa” and “KAI Kaga.” This also applies hereafter. KAI Alps,which began operation in December 2017, is not included in these figures.
(Note4) BEB5 Karuizawa (which opened in February 2019) has no annual operation results up to April 2019, so its figures have not been included in these property figures. Furthermore, no figures are listed for BEB5 Karuizawa in or before April 2019.

P9
(Note1) 4 ANA Crowne Plaza properties are “ANA Crowne Plaza Hiroshima”, “ANA Crowne Plaza Fukuoka”, “ANA Crowne Plaza Kanazawa” and “ANA Crowne Plaza Toyama.”
(Note2) 4 the b properties are “the b Akasaka”, ”the b Sangenjaya”, ”the b Nagoya” and ”the b Kobe.”

P11
(Note) The fixed rent and floating rent of the assumed rent are calculated based on either fixed amount or using calculation methods prescribed in the lease agreement that has been entered into by HRR and tenant, of each facility applicable to this fiscal period. HRR has entered into premium fixed rent agreements for certain periods instead of floating rent in the lease agreements and these premium fixed rents are recorded if the rent applicable to this fiscal period is based on premium fixed rent. Floating rent is calculated based on actual figures of past sales and profits of each facility, reflecting seasonal factors and other fluctuating factors.

P12
(Note) Factors differ depending on facility.

P13
(Note) Hotel J-REIT refers to Japan Hotel REIT Investment Corporation, Ichigo Hotel REIT Investment Corporation, Ooedo Onsen Reit Investment Corporation, MORI TRUST Hotel Reit, Inc. and HRR.

P15
(Note1) BEB5 Karuizawa was acquired by the Investment Corporation on Jan. 31, 2020. The valuation as of Dec. 1, 2019 is used as the valuation amount for the end of the previous fiscal period.
(Note2) Sol Vita Hotel Naha was acquired by the Investment Corporation on Jan. 31, 2020. The valuation as of Dec. 1, 2019 is used as the valuation amount for the end of the previous fiscal period.

P17
(Note) Since split of investment units was implemented on November 1, 2016, distribution per unit for the 7th FP and before indicated are one-half of the actual amount considering the split.

P18
(Note) Real estate appraisal amounts and appraisal NOI interest yields are based on real estate appraisal reports obtained by the time of real estate acquisition.

P26
(Note) Due to current conditions related to the COVID-19 pandemic, the opening date has yet to be decided. (As of May 12, 2020)

P27
(Note) Gusuku refers to ruins standing in Okinawa and the Amami Islands. They are surrounded by walls of Ryukyuan limestone, with wooden buildings inside.

P28
(Note1) The Fund Management Company refers to “H&D Partners Co., Ltd.”
(Note2) The No. 1 Fund refers to “Hoshino Resorts Ryokan and Hotel Management Support Investment LPS.”
(Note3) The No. 2 Fund refers to “Hoshino Resorts Ryokan and Hotel Management Support No. 2 Investment LPS.”

P29
(Note) These plans are subject to change without prior notice.

P32
(Note) If you can read the QR code, you can also view it from your smartphone.

P35
(Note) If you can read the QR code, you can also view it from your smartphone.

P39
(Note) Average ADR was calculated using the reference period of November 2018 to October 2019.

P40
(Note) Average ADR was calculated using the reference period of November 2018 to October 2019.

P42
(Note1) Hereinafter, main monthly indicator figures are based on figures supplied by tenants.
(Note2) Guestroom occupancy rates are rounded to the second decimal place. Hereinafter, ADR and RevPAR figures are rounded down to the nearest unit and net sales figures are rounded down to the nearest million yen.

P44
(Note) The Investment Corporation acquired this property in January 2020, so no figures are listed for dates before the acquisition date, nor is an annual total listed.

P46
(Note) The Investment Corporation acquired this property on March 29, 2019, so there are no previous year comparison figures.

P47
(Note) The Investment Corporation acquired this property in January 2020, so no figures are listed for dates before the acquisition date, nor is an annual total listed.

P48
(Note1) The above figures are based on the inbound tourism ratios provided by the lessees.
(Note2) Figures for the period have not been provided by the lessees.

P51
(Note) The Investment Corporation acquired this property on January 31, 2020. The indicated valuation is the valuation as of December 1, 2019.

P54
(Note1) The starting date for the above graph is July 11, 2013, which was the business day preceding the listing day. The investment prices have been converted into an index by setting one-half of ¥510,000 (the issue price at the public offering conducted on July 11, 2013) as 100 (considering the investment unit 2-for-1 split on November 1, 2016), and the investment unit prices for October 26, 2016 (final trading day before split) and earlier were similarly adjusted to half their former price before conversion. In addition, the TSE REIT index was re-indexed by setting the closing price of July 11, 2013 as 100.
(Note2) Ratio indicates the ratio of the number of investment units held to the total investment units issued and outstanding, rounded down to two decimal places.

MEMO

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