

(REIT) Financial Report for Fiscal Period Ended April 2020

June 15, 2020

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 Securities Code: 3287 URL: <https://www.hoshinoresorts-reit.com/en/>
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Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended April 2020 (from November 1, 2019 to April 30, 2020)

(1) Management Status (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Apr. 2020	6,158	1.2	3,399	2.1	2,952	1.0	2,951	1.0
Ended Oct. 2019	6,086	2.7	3,330	2.7	2,923	1.8	2,922	1.5

Fiscal period	Profit per unit	Ratio of profit to net assets	Ratio of ordinary profit to total assets	Ratio of ordinary profit to operating revenue
	yen	%	%	%
Ended Apr. 2020	13,301	2.8	1.7	47.9
Ended Oct. 2019	13,173	2.8	1.7	48.0

(2) Distributions Status

Fiscal period	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Distributions payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Apr. 2020	13,302	2,951	—	—	100.0	2.8
Ended Oct. 2019	13,174	2,922	—	—	100.0	2.8

(3) Financial Position

Fiscal period	Total assets	Net assets	Ratio of net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended Apr. 2020	178,572	105,689	59.2	476,373
Ended Oct. 2019	172,964	105,660	61.1	476,245

(4) Status of Cash Flows

Fiscal period	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Apr. 2020	3,587	(7,011)	3,080	10,725
Ended Oct. 2019	4,928	(1,127)	(2,968)	11,068

2. Management Status Forecast for Fiscal Period Ending October 2020 (from May 1, 2020 to October 31, 2020) and Management Status Forecast for Fiscal Period Ending April 2021 (from November 1, 2020 to April 30, 2021)

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
Ending Oct. 2020	6,021	(2.2)	3,224	(5.2)	2,830	(4.1)	2,829	(4.1)	12,753	—
Ending Apr. 2021	4,341	(27.9)	1,535	(52.4)	1,133	(59.9)	1,132	(60.0)	5,107	—

(Reference) Forecast profit per unit (fiscal period ending October 2020) 12,753 yen

Forecast profit per unit (fiscal period ending April 2021) 5,106 yen

Forecast profit per unit is calculated by the following formula:

Forecast profit per unit = Forecast profit / Forecast total number of investment units issued and outstanding at end of period

* Others

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(2) Total Number of Investment Units Issued and Outstanding

- ① Total number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended April 2020	221,862 units	Fiscal period ended October 2019	221,862 units
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- ② Number of own investment units at end of period

Fiscal period ended April 2020	— units	Fiscal period ended October 2019	— units
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(Note) For the number of investment units serving as the basis for calculation of profit per unit, please refer to "Notes on Per Unit Information" on page 26.

* Financial reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Special Note

The management status outlook and other forward-looking statements contained in this document are based on information that are currently available and certain assumptions that are deemed reasonable. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of distributions. For the assumptions underlying the management status forecast, please refer to "Assumptions Underlying Management Status Outlook for Fiscal Period Ending October 2020 and Fiscal Period Ending April 2021" on page 7.

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1. Management Status

(1) Management Status

① Overview of the Fiscal Period under Review

(a) Brief History of the Investment Corporation

Hoshino Resorts REIT, Inc. (hereinafter, “HRR”) invests in hotels, ryokans (Japanese-style inns) and ancillary facilities that serve at the core of the tourism industry and for which stable use is expected for the medium to long term.

HRR was established under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trusts Act”) with Hoshino Resort Asset Management Co., Ltd. (hereinafter, the “Asset Management Company”) as the organizer and investments in capital of 150 million yen (300 units) on March 6, 2013. An issuance of new investment units through public offering (19,000 units) was implemented with July 11, 2013 as the payment due date, and the investment securities were listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) (securities code: 3287) on July 12, 2013. HRR has steadily expanded its asset size since, bringing the assets held by HRR as of the end of the fiscal period under review to 61 properties (sum total of acquisition price: 161,707 million yen).

(b) Investment Environment and Management Performance

Until January 2020, the Japanese economy continued along a gradual recovery trend in the fiscal period under review, reflecting steady improvement in the employment and income environments despite a weakening trend in exports. In the tourism market as well, business performed robustly until January 2020 despite some weak areas appearing on account of natural disaster and a sharp decline in tourists from South Korea. The number of inbound tourists for 2019 (estimate of the Japan National Tourist Organization) and the consumption per inbound traveler for 2019 (revised figure of the Japan Tourism Agency) were 31.88 million people, and 4,813.5 billion yen, respectively, both record highs. However, from February 2020 onward, the spread of COVID-19 suppressed business activity in Japan and overseas, and this impact created a difficult environment for the tourism market as well. In the environment described above, the hotels/ryokans held by HRR were managed with a view to securing stable earnings, resulting in stable operational results in the fiscal period ended April 2020.

(c) Overview of Fund Procurement

In the fiscal period under review, 6,100 million yen was procured from debt financing on January 31, 2020, and this was allocated to part of the funds for and expenses related to the acquisition of BEB5 Karuizawa, and Sol Vita Hotel Naha.

In addition, HRR procured 6,853 million yen of long-term borrowings from debt financing on April 30, 2020 to make an early repayment of the remaining principal amount of 1,128 million yen of long-term borrowings procured from debt financing on July 16, 2013 and the remaining principal amount of 828 million yen of long-term borrowings procured from debt financing on May 2, 2014, and to repay principal of an existing borrowing due for repayment.

Furthermore, contractual repayments of borrowings, etc. were made, resulting in balance of interest-bearing liabilities of 67,758 million yen and ratio of interest-bearing liabilities to total assets (LTV) of 37.9% as of April 30, 2020.

(Status of credit rating)

The credit rating HRR has obtained as of the end of the fiscal period under review is as follows.

Credit rating agency	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: A	Stable
	Bond credit rating (Note): A	—

(Note) The bond rating applies to the First Series Unsecured Investment Corporation Bond (with special pari passu conditions among specified investment corporate bonds).

(d) Overview of Business Performance and Distributions

As a result of the management described above, business performance in the fiscal period under review was operating revenue of 6,158 million yen, operating profit of 3,399 million yen, ordinary profit of 2,952 million yen and profit of 2,951 million yen. Concerning distributions, to ensure application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; hereinafter, the “Act on Special Measures Concerning Taxation”)), the decision was made to distribute almost the entire amount of unappropriated retained earnings and distributions per investment unit was thus declared to be 13,302 yen.

② Outlook for the Next Fiscal Period

(a) Management Environment for the Next Fiscal Period

The Japanese economy has rapidly deteriorated due to the impact of the spread of COVID-19, and a very severe business environment is expected. After the lifting of the declared state of emergency, it is expected that the tourism market will continue to face a difficult environment due to a vast decline in the number of inbound tourists, together with the ongoing decline in domestic tourists due to the spread of new lifestyles. On the other hand, recovery in the Japanese tourism market is expected to a certain extent, due to a switch from Japanese overseas tourism to domestic tourism, and an expected budget of 1,679.4 billion yen in the revised budget of the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2020, based on a policy to stimulate tourism demand by providing an unprecedented scale of discounts on travel products and to promote consumption across the entirety of tourism regions, while remaining vigilant toward ending infections.

(b) Future Management Policy and Challenges to Address

Under such circumstances, HRR’s basic policy is to form a portfolio with a stable revenue base centering on hotels, ryokans and ancillary facilities that can respond to the travel needs of tourists.

In the hotel/ryokan industry which has been commoditized in general (commoditization referred to here describes the state where similar products and services are produced in large quantity with an emphasis on optimizing productivity and maximizing the efficiency of their delivery, and under this state, no company can maintain a competitive advantage), HRR believes facilities that are differentiated from others due to a superior business model, operating skills, location and such are the ones that will be able to generate stable earnings and secure steady cash flow over a long-term period.

From this perspective, HRR selects investment properties from the stance of “superior know-how and experience” (whether the business model, brand power, etc. can be differentiated from competitors, and whether it is operated by an operator with extensive expertise) and “superior equipment and facilities” (whether the facility itself is superior as to its location, rarity of the building, etc.).

HRR seeks to flexibly form an optimum portfolio in order to secure long-term and stable cash flow. After proactively obtaining information on hotels, ryokans and ancillary facilities operated by the Hoshino Resorts Group (collectively refers to Hoshino Resorts Inc. (hereinafter “Hoshino Resorts”) and its parent company and subsidiaries; the same shall apply hereinafter) (hereinafter the “properties operated by the Hoshino Resorts Group”) and outside operators (hereinafter the “properties operated by outside operators”), including overseas properties in which the Hoshino Resorts Group is engaged (Note 1), HRR will examine individual investment properties upon their selection.

In addition, HRR has always developed an interest in the natural environment, and history and culture, all of which it considers to be essential for the tourism industry. Amid the trend in today’s investment environment

to show greater interest in ESG considerations, HRR too aims to acquire the Green Star rating in the GRESB (Note 2) Real Estate Assessment, which is utilized by major institutional investors in Japan and overseas when selecting targets for investment.

(Note 1) “Overseas properties in which the Hoshino Resorts Group is engaged” are those that meet either criteria below. The same shall apply hereinafter.

- Properties which the Hoshino Resorts Group or entities, etc. in which the Hoshino Resorts Group invests (including those for which the Group takes a stake upon HRR’s investment), own and engage in the development or operation.
- Properties that HRR judges to meet the above condition after a certain period of time following acquisition by HRR.

(Note 2) GRESB (<http://gresb.com/>) was founded under the guidance of a European group of large pension funds that is the driving force behind Principles for Responsible Investment (PRI), for the purpose of providing annual benchmark assessment that measures the level of environmental, social and governance (ESG) considerations in real estate companies and funds.

a. Properties operated by the Hoshino Resorts Group

Taking above into consideration, HRR believes that it should preferably undertake investment in HOSHINOYA, Hoshino Resorts KAI and Hoshino Resorts RISONARE, which are operated by the Hoshino Resorts Group.

HOSHINOYA, the flagship brand of the Hoshino Resorts Group, aims to provide overwhelmingly extraordinary services that meet global standards, and accordingly HRR believes it is the brand which has caused the concept of small luxury (Note) to take hold in Japan’s domestic resort market.

Hoshino Resorts KAI, high-end hot spring ryokans, are located in renowned hot spring destinations. Small yet premium quality, they aim to provide special and comfortable overnight stays that enable guests to experience the appeal of local surroundings. HRR believes that facilities under this brand, operating under a hot spring ryokan resort business format unique to Japan, are likely to generate increased use among tourists from overseas visiting Japan as is the case with the HOSHINOYA brand. In addition, the Hoshino Resorts Group maintains a business model for this brand that entails taking over management and operations from existing ryokan facilities that have found it difficult to stay in business, particularly due to financial difficulties and a lack of successors. As such, HRR anticipates further expansion of its pipeline going forward.

Operating under the concept of a resort hotel that offers enjoyment for both adults and children, Hoshino Resorts RISONARE strives to act as a brand that is preferred by families by offering a wealth of activities suitable for each season, along with the appeal of gaining a sense of healing that is distinctive to the resort experience.

HRR believes the securement of stable earnings will be possible by investing mainly in the three brands (hereinafter the “main brands”) of HOSHINOYA, Hoshino Resorts KAI and Hoshino Resorts RISONARE (hereinafter may be referred to as “HOSHINOYA,” “KAI” and “RISONARE,” respectively), which HRR deems competitive. HRR intends to obtain information on the main brand properties (properties under main brands), actively utilizing the sponsor support agreement with Hoshino Resorts. As a result, if HRR decides that facility is able to generate long-term and stable cash flow, proactive investments will be made. In addition, HRR may invest in other properties operated by the Hoshino Resorts Group (hereinafter, “other properties of the Hoshino Resorts Group”) in cases where stable use of such properties is expected, and which are expected to secure a long-term and stable cash flow.

(Note) The “small luxury” concept with respect to facilities refers to those facilities that feature appealing options particularly in terms of cuisine, culture, scenery, natural surroundings, activities available during stays and hot springs. Such facilities focus on providing a high degree of service with a personal touch, along with a small but upscale product mix.

b. Properties operated by outside operators

Similar to when investing in properties operated by the Hoshino Resorts Group, HRR believes it will be able to secure long-term and stable cash flow by making appropriate investments while taking “superior know-how and experience” and “superior equipment and facilities” into consideration, based on sufficient information collection by the Asset Management Company.

Taking this view, HRR will make proactive investments in properties operated by outside operators if it

decides long-term and stable cash flow can be secured after obtaining the necessary information taking advantage of the sponsor support agreement with Hoshino Resorts and the Asset Management Company's unique networks.

Specifically among the properties operated by outside operators, HRR discusses acquisition of hotels, ryokans and ancillary facilities that serve as urban tourism bases in which tourism needs that complement urban tourism (Note) are believed to exist (hereinafter, "urban tourism properties") when it is judged that long-term and stable cash flow can be secured from the viewpoint of "superior know-how and experience" or "superior location and facilities" against the backdrop of urban tourism demand in cities where properties are located. In addition, HRR will actively invest in hotels, ryokans and ancillary facilities other than urban tourism properties (hereinafter, "other properties operated by outside operators") for which tourism needs are believed to exist above and beyond urban tourism when it is judged that long-term and stable cash flow can be secured from the viewpoint of "superior know-how and experience" or "superior location and facilities."

(Note) "Urban tourism" refers to tourism mainly seeking to enjoy historical townscapes and urban culture (concerts, museums, modern architecture, etc.), night views, industrial/culture heritage, urban lifestyle (dining, shopping) and such. The same shall apply hereinafter.

c. Overseas properties in which the Hoshino Resorts Group is engaged

With regard to overseas properties in which the Hoshino Resorts Group is engaged, HRR intends to invest in a careful manner after comprehensively analyzing the market where the investment properties are located, including real estate market trends/system as well as rules and such of the respective country, taking into account factors such as risks in legal, accounting and tax systems, etc. and foreign exchange risks pertaining to investments and profit returns after adequately obtaining information on the country/region of the investment target from macro perspectives such as political trends, demographics and economic growth. HRR will make investments after carefully selecting overseas properties in which the Hoshino Resorts Group is engaged, for which stable use is expected and which are expected to secure a long-term and stable cash flow.

Furthermore, HRR aims to reduce the risk of a significant drop in its cash flow resulting from changes in tourist needs or trends, natural disasters, domestic and overseas economic trends, etc. by diversifying its portfolio while also aiming to simultaneously strengthen stability in earnings through the expansion of asset size and other measures.

The Hoshino Resorts Group operates each facility after categorizing investment target hotels, ryokans and ancillary facilities into the brands from various perspectives. HRR aims to obtain portfolio diversification efficacy and stabilize earnings through investments not only in the singular brands of the Hoshino Resorts Group but also in main brand properties and other properties of the Hoshino Resorts Group whose size, price settings and target customer base vary, in addition to urban tourism properties which are properties operated by outside operators, other properties operated by outside operators and overseas properties in which the Hoshino Resorts Group is engaged.

As of the date of this document, the portfolio consists of the following: main brand properties, other properties of the Hoshino Resorts Group, urban tourism properties constituting properties operated by outside operators, and other properties operated by outside operators. HRR believes that such facilities are expected to lead to portfolio diversification effects and stabilization of revenues.

In addition, HRR will continue consideration of active investment in properties operated by the Hoshino Resorts Group which includes the main brand properties, urban tourism properties constituting properties operated by outside operators and other properties operated by outside operators going forward. Furthermore, HRR's policy of ensuring diversification applies not only to diversification of investment categories, lessees and operators, but also to geographic area of facility location.

(c) Management Status Outlook

The following management status is expected for the fiscal period ending October 2020 (from May 1, 2020 to October 31, 2020) and the fiscal period ending April 2021 (from November 1, 2020 to April 30, 2021). For the assumptions underlying this outlook, please refer to "Assumptions Underlying Management Status Outlook for Fiscal Period Ending October 2020 and Fiscal Period Ending April 2021" on page 7.

Fiscal period ending October 2020 (15th fiscal period)

Operating revenue	6,021 million yen
Operating profit	3,224 million yen
Ordinary profit	2,830 million yen
Profit	2,829 million yen
Distributions per unit	12,753 yen
Distributions in excess of earnings per unit	– yen

Fiscal period ending April 2021 (16th fiscal period)

Operating revenue	4,341 million yen
Operating profit	1,535 million yen
Ordinary profit	1,133 million yen
Profit	1,132 million yen
Distributions per unit	5,107 yen
Distributions in excess of earnings per unit	– yen

(Note) The forecast figures above are the current forecast calculated under certain assumptions. Accordingly, the actual operating revenue, operating profit, ordinary profit, profit and distributions per unit may vary due to changes in the circumstances. In addition, the forecast is not a guarantee of the amount of distributions per unit.

③ Significant Subsequent Events
Not applicable.

Assumptions Underlying Management Status Outlook for Fiscal Period Ending October 2020 and Fiscal Period Ending April 2021

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending October 2020 (15th fiscal period): from May 1, 2020 to October 31, 2020 (184 days) • Fiscal period ending April 2021 (16th fiscal period): from November 1, 2020 to April 30, 2021 (181 days)
Assets under management	<ul style="list-style-type: none"> • The assumption is that HRR will continue to own the 61 properties (Note) owned as of April 30, 2020 as well as three types of the Yomitan Hotel Management Co., Ltd. preferred shares. • With respect to the management status forecast, the assumptions are that there will be no changes (acquisitions of new assets, or dispositions of portfolio assets, etc.) to the assets under management through April 30, 2021. • The actual number of assets may vary due to acquisitions of new assets, or dispositions of portfolio assets, etc. other than the above. <p>(Note) Among the properties owned by HRR, the four properties operated by IHG ANA Hotels Group Japan LLC are referred to as 4 ANA Crowne Plaza properties, and the four properties operated by Ishin Hotels Group Co., Ltd. are referred to as 4 the b properties. The same shall apply hereinafter.</p>

Operating revenue	(Note) Fixed rent, floating rent and other rent are calculated based on the prescribed rent amount or calculation method that is applied over the relevant fiscal period pursuant to the lease agreement of the respective facilities that HRR has concluded with the tenant. Note that in some cases, HRR agrees in the lease agreement of the respective facilities to increase the amount of the fixed rent in lieu of the application of floating rent for a fixed period (hereinafter a “premium fixed rent”). In such cases, if there is a premium fixed rent applying to a rent amount or calculation method that is applied over a relevant fiscal period, the rent calculation will use said premium fixed rent. In addition, floating rent is calculated based on actual figures of past sales and profits of each facility, reflecting seasonal and other fluctuating factors.						
	Fiscal period ending April 2021 (16th fiscal period)						
	(Unit: millions of yen)						
	Operational category	Investment category	Fixed rent	Floating rent	Other rent	Total	
	Properties operated by the Hoshino Resorts Group	HOSHINOYA		618	20	-	639
		RISONARE		374	106	-	480
		KAI		463	29	-	493
		Other		386	-	-	386
	Properties operated by outside operators	Urban tourism	4 ANA Crowne Plaza properties	840	37	-	877
			Hyatt Regency Osaka	-	-	-	-
			4 the b properties	265	66	-	332
			Quintessa Hotel Osaka Shinsaibashi/ hotel androoms Osaka Hommachi/ HOTEL NIKKO KOCHI ASAHI ROYAL/ Sol Vita Hotel Naha	261	10	-	272
		Other		816	31	10	859
	Total		4,026	303	10	4,341	
	(Note) Fixed rent, floating rent and other rent are calculated based on the prescribed rent amount or calculation method that is applied over the relevant fiscal period pursuant to the lease agreement of the respective facilities that HRR has concluded with the tenant. Note that in some cases, HRR agrees on a premium fixed rent in the lease agreement of the respective facilities. In such cases, if there is a premium fixed rent applying to a rent amount or calculation method that is applied over a relevant fiscal period, the rent calculation will use said premium fixed rent. In addition, floating rent is calculated based on actual figures of past sales and profits of each facility, reflecting seasonal and other fluctuating factors.						

Operating expenses	<ul style="list-style-type: none"> Of operating expenses, fixed asset tax, city planning tax and depreciable asset tax are assumed to be 470 million yen for the fiscal period ending October 2020 and 460 million yen for the fiscal period ending April 2021. In general, fixed asset tax, city planning tax (applicable assets only; the same shall apply hereinafter) and depreciable asset tax (applicable assets only; the same shall apply hereinafter) of acquired assets are calculated on a pro rata basis and reimbursed at the time of acquisition with the previous owner, but the amount equivalent to the reimbursement is included in the cost of acquisition and thus not recognized as expenses in the acquisition period at HRR. Accordingly, in the case of BEB5 Karuizawa and Sol Vita Hotel Naha, which was acquired on January 31, 2020, the assumption is that fiscal 2021 fixed asset tax, city planning tax and depreciable asset tax are recognized as expenses, starting from the fiscal period ending April 2021 in the case of Sol Vita Hotel Naha, and from the fiscal period ending October 2021 in the case of BEB5 Karuizawa. Furthermore, the total amount of fixed asset tax, city planning tax and depreciable asset tax included in the cost of acquisition of those properties is expected to be 12 million yen. Repair expenses for buildings are recognized in the amount assumed to be necessary based on the repair plan formulated by the Asset Management Company for each property; however, such factors as emergency repair expenses possibly arising from unforeseeable causes, the variation in the amount depending on the fiscal year generally being large and not being an amount that arises periodically may result in repair expenses differing materially from the forecast amount. Expenses related to leasing business other than depreciation and amortization, which are calculated by taking into account the factors causing fluctuation in expenses, are assumed to be 844 million yen for the fiscal period ending October 2020 and 841 million yen for the fiscal period ending April 2021. Depreciation and amortization, which is calculated using the straight-line method by including incidental expenses, etc. in acquisition price, is assumed to be 1,321 million yen for the fiscal period ending October 2020 and 1,342 million yen for the fiscal period ending April 2021.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are assumed to be 395 million yen for the fiscal period ending October 2020 and 402 million yen for the fiscal period ending April 2021.
Interest-bearing liabilities	<ul style="list-style-type: none"> As of the date of this document, HRR has a balance of interest-bearing liabilities (total of borrowings and investment corporation bonds) of 67,758 million yen. For the fiscal period ending October 2020, the assumptions include the refinancing of 2,500 million yen in borrowings due for repayment in October 2020, and the repayment of 58 million yen of the borrowings through contractual repayment. For the fiscal period ending April 2021, the assumption is that there will be refinancing of 1,400 million yen in borrowings due for repayment in January 2021, and refinancing of 2,860 million yen in borrowings due for repayment in April 2021, and 58 million yen of the borrowings will be repaid through contractual repayment. The forecast is that LTV at the end of the fiscal period ending October 2020 is 38.0% and LTV at the end of the fiscal period ending April 2021 is 38.3%. The following formula is used in the calculation of LTV: $\text{LTV} = \text{Balance of interest-bearing liabilities outstanding} / \text{Total assets (forecast)} \times 100$
Investment units	<ul style="list-style-type: none"> The assumption is the total number of investment units issued and outstanding as of the date of this document, which is 221,862 units. The assumption is that there will be no change in the number of investment units due to issuance of new investment units, etc. through to the end of the fiscal period ending April 2021.
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> Distributions per unit (excluding distributions in excess of earnings) is calculated with the assumption being the cash distributions policy provided in the Articles of Incorporation of HRR. Distributions per unit (excluding distributions in excess of earnings) may vary due to various factors, including fluctuation in rent revenue accompanying change in assets under management, change in tenants, etc. or incurrence of unexpected repairs.

Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • Distribution in excess of earnings (distributions in excess of earnings per unit) is not scheduled at this point in time.
Other	<ul style="list-style-type: none"> • The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, securities listing regulations, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. • The assumption is that there will be no unforeseen significant change in general economic trends, real estate market conditions, etc.

(2) Investment Risks

Disclosure is omitted because there is no significant change from “Investment Risks” in the securities report (submitted on January 27, 2020).

2. Financial Statements

(1) Balance Sheet

(Unit: thousands of yen)

	13th fiscal period (As of Oct. 31, 2019)	14th fiscal period (As of 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 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

(Unit: thousands of yen)

	13th fiscal period (As of Oct. 31, 2019)	14th fiscal period (As of 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	*2 105,660,876	*2 105,689,265
Total liabilities and net assets	172,964,645	178,572,313

(2) Statement of Income

(Unit: thousands of yen)

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019		14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020	
Operating revenue				
Leasing business revenue	*1	6,086,676	*1	6,158,161
Total operating revenue		6,086,676		6,158,161
Operating expenses				
Expenses related to leasing business	*1	2,134,244	*1	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 claim 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

(3) Statement of Unitholders' Equity

13th fiscal period (from May 1, 2019 to October 31, 2019)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	102,737,981	2,878,597	2,878,597	105,616,578	105,616,578
Changes during period					
Dividends of surplus	—	(2,878,437)	(2,878,437)	(2,878,437)	(2,878,437)
Profit	—	2,922,735	2,922,735	2,922,735	2,922,735
Total changes during period	—	44,297	44,297	44,297	44,297
Balance at end of period	*1 102,737,981	2,922,894	2,922,894	105,660,876	105,660,876

14th fiscal period (from November 1, 2019 to April 30, 2020)

(Unit: thousands of yen)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	102,737,981	2,922,894	2,922,894	105,660,876	105,660,876
Changes during period					
Dividends of surplus	—	(2,922,809)	(2,922,809)	(2,922,809)	(2,922,809)
Profit	—	2,951,199	2,951,199	2,951,199	2,951,199
Total changes during period	—	28,389	28,389	28,389	28,389
Balance at end of period	*1 102,737,981	2,951,284	2,951,284	105,689,265	105,689,265

(4) Statement of Cash Distributions

(Unit: yen)

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
I. Unappropriated retained earnings	2,922,894,994	2,951,284,298
II. Amount of distributions [Amount of distributions per investment unit]	2,922,809,988 [13,174]	2,951,208,324 [13,302]
III. Retained earnings brought forward	85,006	75,974
Method of calculation of amount of distributions	In accordance with the policy provided in Article 37, Paragraph 1 of the Articles of Incorporation of HRR that “distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for distribution of HRR provided in Article 67-15 of the Act on Special Measures Concerning Taxation,” the decision was made to distribute 2,922,809,988 yen, which is almost the entire amount of unappropriated retained earnings, as distributions of earnings. Furthermore, the distribution of cash in excess of earnings provided in Article 37, Paragraph 2 of the Articles of Incorporation will not be conducted.	In accordance with the policy provided in Article 37, Paragraph 1 of the Articles of Incorporation of HRR that “distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for distribution of HRR provided in Article 67-15 of the Act on Special Measures Concerning Taxation,” the decision was made to distribute 2,951,208,324 yen, which is almost the entire amount of unappropriated retained earnings, as distributions of earnings. Furthermore, the distribution of cash in excess of earnings provided in Article 37, Paragraph 2 of the Articles of Incorporation will not be conducted.

(5) Statement of Cash Flows

(Unit: thousands of yen)

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
Cash flows from operating activities		
Profit before income taxes	2,923,582	2,952,076
Depreciation	1,282,458	1,293,258
Loss on retirement of non-current assets	321	1,841
Amortization of investment corporation bond issuance costs	747	747
Interest income	(49)	(52)
Interest expenses	252,803	266,798
Borrowing related expenses	160,976	196,560
Decrease (increase) in operating accounts receivable	(15,930)	(721)
Decrease (increase) in prepaid expenses	(5,433)	6,975
Decrease (increase) in consumption taxes refund receivable	466,942	(76,693)
Increase (decrease) in accrued consumption taxes	346,666	(346,666)
Increase (decrease) in operating accounts payable	(41,028)	(22,207)
Increase (decrease) in accounts payable - other	(30,878)	(121,486)
Increase (decrease) in advances received	14,097	(13,438)
Decrease (increase) in long-term prepaid expenses	(3,447)	(84,517)
Other, net	(164,648)	(197,565)
Subtotal	5,187,182	3,854,910
Interest received	49	52
Interest paid	(258,148)	(266,858)
Income taxes paid	(896)	(845)
Net cash provided by (used in) operating activities	4,928,186	3,587,257
Cash flows from investing activities		
Purchase of property and equipment	(914,373)	(7,013,152)
Purchase of intangible assets	(44,009)	(1,459)
Purchase of investment securities	(168,670)	—
Proceeds from leasehold and guarantee deposits received	—	3,132
Net cash provided by (used in) investing activities	(1,127,052)	(7,011,479)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,400,000
Repayments of short-term borrowings	(2,850,000)	—
Proceeds from long-term borrowings	6,550,000	11,553,000
Repayments of long-term borrowings	(3,792,862)	(6,949,567)
Distributions paid	(2,875,322)	(2,922,861)
Net cash provided by (used in) financing activities	(2,968,184)	3,080,571
Net increase (decrease) in cash and cash equivalents	832,948	(343,649)
Cash and cash equivalents at beginning of period	10,235,766	11,068,715
Cash and cash equivalents at end of period	*1 11,068,715	*1 10,725,065

(6) Notes on the Going Concern Assumption
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Valuation bases and methods of securities	Securities Other securities (available-for-sale securities) Securities without fair value Stated at cost based on the moving-average method.										
2. Method of depreciation and amortization of non-current assets	<p>① Property and equipment The straight-line method is adopted. The useful lives of principal property and equipment are as follows:</p> <table> <tr> <td>Buildings</td><td>3-57 years</td></tr> <tr> <td>Structures</td><td>3-60 years</td></tr> <tr> <td>Machinery and equipment</td><td>8-15 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2-20 years</td></tr> </table> <p>② Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows:</p> <table> <tr> <td>Intangible assets</td><td>2-5 years</td></tr> </table> <p>③ Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	3-57 years	Structures	3-60 years	Machinery and equipment	8-15 years	Tools, furniture and fixtures	2-20 years	Intangible assets	2-5 years
Buildings	3-57 years										
Structures	3-60 years										
Machinery and equipment	8-15 years										
Tools, furniture and fixtures	2-20 years										
Intangible assets	2-5 years										
3. Accounting for deferred assets	Investment corporation bond issuance costs Amortized by the straight-line method over the period until redemption.										
4. Standards for revenue and expense recognition	Accounting for fixed asset tax, etc. For fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the accounting is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to leasing business. Furthermore, the amount equivalent to fixed asset tax, etc. in the fiscal year in which the acquisition date falls that is paid to the seller as reimbursement upon acquisition of real estate, etc. is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc.										
5. Method of hedge accounting	<p>① Method of hedge accounting For interest rate swaps, special accounting is adopted.</p> <p>② Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on borrowings</p> <p>③ Hedging policy HRR conducts interest rate swap transactions for the purpose of hedging the risks provided in its Articles of Incorporation based on its financial policy.</p> <p>④ Method of assessment of the effectiveness of hedging Assessment of the effectiveness is omitted, because interest rate swaps meet the requirements for special accounting.</p>										
6. Scope of funds in the statement of cash flows	The funds (cash and cash equivalents) in the statement of cash flows comprise cash on hand, demand deposits, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.										
7. Other significant matters serving as the basis for preparation of financial statements	Accounting for consumption tax, etc. Consumption tax and local consumption tax are excluded from the transaction amounts.										

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

1. Commitment line contract

HRR has concluded commitment line contracts with four counterparty financial institutions.

(Unit: thousands of yen)

	13th fiscal period (As of Oct. 31, 2019)	14th fiscal period (As of Apr. 30, 2020)
Total amount of commitment line contracts	5,000,000	5,000,000
Balance of borrowings outstanding	-	-
Balance of unexecuted borrowings	5,000,000	5,000,000

*2 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousands of yen)

	13th fiscal period (As of Oct. 31, 2019)	14th fiscal period (As of Apr. 30, 2020)
	50,000	50,000

[Notes to the Statement of Income]

*1 Breakdown of operating profit (loss) from real estate leasing

(Unit: thousands of yen)

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
A. Operating revenue from real estate leasing		
Leasing business revenue		
Leasing business revenue	6,086,676	6,158,161
Total operating revenue from real estate leasing	6,086,676	6,158,161
B. Operating expenses from real estate leasing		
Expenses related to leasing business		
Insurance expenses	21,614	21,770
Repair expenses	107,450	76,633
Land rent	60,394	60,402
Depreciation and amortization	1,281,090	1,291,818
Loss on retirement of non-current assets	321	1,841
Taxes and dues	446,008	459,733
Other expenses	217,364	226,534
Total operating expenses from real estate leasing	2,134,244	2,138,733
C. Operating profit (loss) from real estate leasing [A-B]	3,952,431	4,019,428

[Notes to the Statement of Unitholders' Equity]

*1 Total number of investment units authorized and total number of investment units issued and outstanding

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	221,862 units	221,862 units

[Notes to the Statement of Cash Flows]

*1 Reconciliation of cash and cash equivalents at the end of the period to the amount of balance sheet items

(Unit: thousands of yen)

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
Cash and deposits	11,068,715	10,725,065
Cash and cash equivalents	11,068,715	10,725,065

[Notes on Lease Transactions]

Operating leases (as lessor)

Future minimum lease payments under non-cancellable operating leases

(Unit: thousands of yen)

	13th fiscal period (As of Oct. 31, 2019)	14th fiscal period (As of Apr. 30, 2020)
Due within 1 year	6,912,645	7,045,565
Due after 1 year	37,598,252	36,025,429
Total	44,510,897	43,070,994

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

HRR shall procure funds through issuance of investment units, borrowing from financial institutions, issuance of investment corporation bonds, etc. upon acquisition of new assets under management, etc.

Derivative transactions shall be limited to those invested for the purpose of hedging the risk of fluctuations in interest rates on borrowings, etc. and other risks.

(2) Description of financial instruments and associated risks, and risk management system

The funds procured through borrowings and investment corporation bonds are mainly used as funds for acquisition of assets under management, and repayment, redemption, etc. of existing interest-bearing liabilities. Concerning the liquidity risk and interest rate fluctuation risk at times of repayment and reimbursement associated with such fund procurement, HRR manages and limits the concerned risks by diversifying fund procurement sources, and also by effective use of surplus funds and procurement of funds from the capital market through issuance of investment units, etc., entering into commitment line contracts with major financing institutions and creating a timetable of planned funds operations.

In addition, borrowings with floating interest rates are exposed to the risk of the interest rate payable rising, but HRR limits the impact of interest rate rises on its operations by keeping LTV (ratio of interest-bearing liabilities to total assets) at a low level and keeping the ratio of long-term and fixed-rate borrowings at a high level. Moreover, derivative transactions (interest rate swap transactions, etc.) are made available as hedging instruments in order to mitigate the risk of floating interest rates rising and increasingly convert interest expenses to fixed rates.

Deposits, which are for investing HRR's surplus funds, are exposed to credit risk from failure of the financial institutions that are holding the deposits, etc.; however, HRR exercises prudence by limiting the deposit period to short term, taking into consideration security and liquidity and fully taking into account the market environment and status of cash flows.

(3) Supplementary explanation to matters concerning fair values, etc. of financial instruments

The fair value of financial instruments, aside from values based on the quoted market price, includes values based on reasonable calculation when no market price is available. Certain assumptions are adopted in the calculation of the concerned values. Accordingly, there may be cases where the concerned values will vary when different assumptions are adopted.

2. Matters concerning fair value, etc. of financial instruments

The book value and fair value as of October 31, 2019, and the amount of difference between these, are as follows:

(Unit: thousands of yen)

	Book value (Note 1)	Fair value (Note 1) (Note 2)	Amount of difference
(1) Cash and deposits	11,068,715	11,068,715	-
(2) Short-term borrowings	-	-	-
(3) Current portion of long-term borrowings	(8,693,872)	(8,701,408)	7,536
(4) Long-term borrowings	(51,561,246)	(51,738,134)	176,888
(5) Investment corporation bonds	(1,500,000)	(1,499,100)	(900)
(6) Derivative transactions	-	-	-

The book value and fair value as of April 30, 2020, and the amount of difference between these, are as follows:

(Unit: thousands of yen)

	Book value (Note 1)	Fair value (Note 1) (Note 2)	Amount of difference
(1) Cash and deposits	10,725,065	10,725,065	-
(2) Short-term borrowings	(1,400,000)	(1,400,000)	-
(3) Current portion of long-term borrowings	(5,477,148)	(5,476,256)	(891)
(4) Long-term borrowings	(59,381,403)	(59,519,775)	138,372
(5) Investment corporation bonds	(1,500,000)	(1,487,550)	(12,450)
(6) Derivative transactions	-	-	-

(Note 1) Items that are liabilities are shown in parentheses ().

(Note 2) Method of calculation of the fair value of financial instruments and matters concerning derivative transactions

(1) Cash and deposits; (2) Short-term borrowings

Because these are settled in a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(3) Current portion of long-term borrowings; (4) Long-term borrowings

Of long-term borrowings, because those with floating interest rates reflect market interest rates in a short period of time, the fair value is thought to resemble the book value and is thus stated at that book value. In the case of those with fixed interest rates, the fair value is based on the method of calculation that discounts the sum total amount of principal and interest by the rate reasonably estimated to apply in the event of a similar new drawdown. The fair value of those subject to special accounting for interest rate swaps is included in the fair value of the long-term borrowings that are the hedged items.

(5) Investment corporation bonds

The fair values of investment corporation bonds are based on reference prices published by the Japan Securities Dealers Association.

(6) Derivative transactions

Please refer to "Notes on Derivative Transactions" later in this document.

(Note 3) Financial instruments for which estimation of fair value is recognized to be difficult

Leasehold and guarantee deposits received are not subject to valuation at fair value, because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price and the difficulty of calculating the actual deposit period from when lessees move in to when they move out.

In addition, Investment securities are not subject to valuation at fair value, given that they do not have a market price, nor is it possible to reasonably estimate their cash flows. The book values of leasehold and guarantee deposits received and investment securities are as follows:

(Unit: thousands of yen)

	13th fiscal period (As of Oct. 31, 2019)	14th fiscal period (As of Apr. 30, 2020)
Leasehold and guarantee deposits received	3,165,604	3,168,736
Investment securities	505,365	505,365

(Note 4) Amount of redemption of monetary claims scheduled to be due after the account closing date (October 31, 2019)

(Unit: thousands of yen)

	Due within 1 year
Cash and deposits	11,068,715

Amount of redemption of monetary claims scheduled to be due after the account closing date (April 30, 2020)

(Unit: thousands of yen)

	Due within 1 year
Cash and deposits	10,725,065

(Note 5) Amount of repayment of borrowings and investment corporation bonds scheduled to be due after the account closing date (October 31, 2019)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
Short-term borrowings	-	-	-	-	-	-
Long-term borrowings	8,693,872	7,891,417	9,517,128	8,967,143	7,810,002	17,375,556
Investment corporation bonds	-	-	-	-	-	1,500,000

Amount of repayment of borrowings and investment corporation bonds scheduled to be due after the account closing date (April 30, 2020)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
Short-term borrowings	1,400,000	-	-	-	-	-
Long-term borrowings	5,477,148	9,217,148	9,495,696	10,310,002	9,721,853	20,636,704
Investment corporation bonds	-	-	-	-	1,500,000	-

[Notes on Securities]

13th fiscal period (as of October 31, 2019)

Securities

Other securities

Yomitan Hotel Management Co., Ltd. No. 1 Class B preferred shares (book value of 168,530 thousand yen), Yomitan Hotel Management Co., Ltd. No. 2 Class B preferred shares (book value of 168,165 thousand yen) and Yomitan Hotel Management Co., Ltd. No. 3 Class B preferred shares (book value of 168,670 thousand yen) do not have a market price, nor is it possible to estimate their future cash flows. Accordingly, they are not subject to fair value disclosure because discerning the fair value has been recognized to be extremely difficult.

14th fiscal period (as of April 30, 2020)

Securities

Other securities

Yomitan Hotel Management Co., Ltd. No. 1 Class B preferred shares (book value of 168,530 thousand yen), Yomitan Hotel Management Co., Ltd. No. 2 Class B preferred shares (book value of 168,165 thousand yen) and Yomitan Hotel Management Co., Ltd. No. 3 Class B preferred shares (book value of 168,670 thousand yen) do not have a market price, nor is it possible to estimate their future cash flows. Accordingly, they are not subject to fair value disclosure because discerning the fair value has been recognized to be extremely difficult.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

13th fiscal period (as of October 31, 2019)

Not applicable.

14th fiscal period (as of April 30, 2020)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

13th fiscal period (as of October 31, 2019)

The following is the contract amount or the amount equivalent to the principal provided in the contract, etc. as of the account closing date for each method of hedge accounting.

(Unit: thousands of yen)

Method of hedge accounting	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of the fair value
				Of which, due after 1 year		
Special accounting for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term borrowings	31,638,000	26,638,000	(Note)	—

(Note) Those subject to special accounting for interest rate swaps are accounted for together with the long-term borrowings that are the hedged items and the fair value is included in the fair value of “(Note 2) (3) Current portion of long-term borrowings, (4) Long-term borrowings” in “Notes on Financial Instruments; 2. Matters concerning fair value, etc. of financial instruments” earlier in this document.

14th fiscal period (as of April 30, 2020)

The following is the contract amount or the amount equivalent to the principal provided in the contract, etc. as of the account closing date for each method of hedge accounting.

(Unit: thousands of yen)

Method of hedge accounting	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of the fair value
				Of which, due after 1 year		
Special accounting for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term borrowings	39,291,000	36,791,000	(Note)	—

(Note) Those subject to special accounting for interest rate swaps are accounted for together with the long-term borrowings that are the hedged items and the fair value is included in the fair value of “(Note 2) (3) Current portion of long-term borrowings, (4) Long-term borrowings” in “Notes on Financial Instruments; 2. Matters concerning fair value, etc. of financial instruments” earlier in this document.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholder, etc.

13th fiscal period (from May 1, 2019 to October 31, 2019)

Not applicable.

14th fiscal period (from November 1, 2019 to April 30, 2020)

Not applicable.

2. Affiliated company, etc.

13th fiscal period (from May 1, 2019 to October 31, 2019)

Not applicable.

14th fiscal period (from November 1, 2019 to April 30, 2020)

Not applicable.

3. Fellow subsidiary, etc.
13th fiscal period (from May 1, 2019 to October 31, 2019)
Not applicable.

14th fiscal period (from November 1, 2019 to April 30, 2020)
Not applicable.
4. Director, major individual unitholder, etc.
13th fiscal period (from May 1, 2019 to October 31, 2019)
Not applicable.

14th fiscal period (from November 1, 2019 to April 30, 2020)
Not applicable.

[Notes on Tax-Effect Accounting]

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

	(Unit: thousands of yen)	
	13th fiscal period As of Oct. 31, 2019	14th fiscal period As of Apr. 30, 2020
Deferred tax assets		
Enterprise tax payable excluded from deductible expenses	11	13
Total deferred tax assets	11	13
Net deferred tax assets	11	13

2. Breakdown of major items that caused any significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

	(Unit: %)	
	13th fiscal period As of Oct. 31, 2019	14th fiscal period As of Apr. 30, 2020
Statutory tax rate	31.51	31.46
[Adjustments]		
Distributions deductible for tax purpose	(31.50)	(31.45)
Other	0.02	0.02
Effective income tax rate after application of tax-effect accounting	0.03	0.03

[Notes on Investment and Rental Properties]

HRR owns investment and rental properties that are of hotel/ryokan use in Nagano Prefecture and other areas. The book value, amount of increase (decrease) during the period and fair value of these investment and rental properties are as follows:

(Unit: thousands of yen)

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
Book value (Note 2)		
Balance at beginning of period	159,760,066	159,255,106
Amount of increase (decrease) during period	(Note 3) (504,959)	(Note 4) 5,803,085
Balance at end of period	159,255,106	165,058,192
Fair value at end of period (Note 5)	179,461,000	178,954,000

(Note 1) For an overview of the concerned investment and rental properties, please refer to “3. Reference Information; (1) Information on Values of Assets Under Management, Etc.; ② Investment Assets; (b) Investment Real Estate Properties” later in this document.

(Note 2) “Book value” is the amount of the cost of acquisition, less accumulated depreciation.

(Note 3) Of the amount of increase (decrease) in investment and rental properties, the amount of decrease is mainly attributable to depreciation (1,203,789 thousand yen in total).

(Note 4) Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of two properties including BEB5 Karuizawa (6,108,453 thousand yen in total), while the amount of decrease is mainly attributable to depreciation (1,235,346 thousand yen in total).

(Note 5) “Fair value at end of period” is the appraisal value or investigation value by an outside real estate appraiser.

The income (loss) concerning investment and rental properties is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Segment Information, etc.]

1. Segment information

Segment information is omitted because HRR operates a single segment, which is the real estate leasing business.

2. Related information

13th fiscal period (from May 1, 2019 to October 31, 2019)

(1) Information about products and services

Information about products and services is omitted because net sales to external customers for a single products and services category are in excess of 90% of operating revenue on the statement of income.

(2) Information about geographic areas

① Net sales

Information about net sales is omitted because net sales to external customers in Japan are in excess of 90% of operating revenue on the statement of income.

② Property and equipment

Information about property and equipment is omitted because the amount of property and equipment located in Japan is in excess of 90% of the amount of property and equipment on the balance sheet.

(3) Information about major customers

(Unit: thousands of yen)

Name of customer	Operating revenue	Name of related segment
Hoshino Resorts Inc.	710,933	Real estate leasing business
K.K. Horizon Hotels	2,115,071	Real estate leasing business
SHR Roadside Inn Co., Ltd.	776,111	Real estate leasing business

14th fiscal period (from November 1, 2019 to April 30, 2020)

(1) Information about products and services

Information about products and services is omitted because net sales to external customers for a single products and services category are in excess of 90% of operating revenue on the statement of income.

(2) Information about geographic areas

① Net sales

Information about net sales is omitted because net sales to external customers in Japan are in excess of 90% of operating revenue on the statement of income.

② Property and equipment

Information about property and equipment is omitted because the amount of property and equipment located in Japan is in excess of 90% of the amount of property and equipment on the balance sheet.

(3) Information about major customers

(Unit: thousands of yen)

Name of customer	Operating revenue	Name of related segment
Hoshino Resorts Inc.	700,324	Real estate leasing business
K.K. Horizon Hotels	2,104,793	Real estate leasing business
SHR Roadside Inn Co., Ltd.	793,901	Real estate leasing business

[Notes on Per Unit Information]

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
Net assets per unit	476,245 yen	476,373 yen
Profit per unit	13,173 yen	13,301 yen

(Note 1) Profit per unit is calculated by dividing profit by the daily weighted average number of investment units.

In addition, diluted profit per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculation of profit per unit.

	13th fiscal period From: May 1, 2019 To: Oct. 31, 2019	14th fiscal period From: Nov. 1, 2019 To: Apr. 30, 2020
Profit (thousands of yen)	2,922,735	2,951,199
Amount not attributable to common unitholders (thousands of yen)	-	-
Profit attributable to common investment units (thousands of yen)	2,922,735	2,951,199
Average number of investment units during period (units)	221,862	221,862

[Notes on Significant Subsequent Events]

Not applicable.

[Omission of Disclosure]

Disclosure of notes on retirement benefits, share of profit (loss) of entities accounted for using the equity method, etc. and asset retirement obligations is omitted because there is thought to be no large necessity for disclosure in the financial report.

(9) Changes in Total Number of Investment Units Issued and Outstanding

HRR did not make any capital increase, etc. in the fiscal period under review, and there was no change in unitholders' capital and total number of investment units issued and outstanding in the fiscal period under review. The following are the changes in unitholders' capital and total number of investment units issued and outstanding for the most recent five years.

Date	Description	Unitholders' capital (thousands of yen)		Total number of investment units issued and outstanding (units)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
May 1, 2015	Capital increase through public offering	8,673,580	35,679,673	6,400	49,369	(Note 1)
May 26, 2015	Capital increase through third-party allotment	433,679	36,113,352	320	49,689	(Note 2)
November 2, 2015	Capital increase through public offering	30,279,030	66,392,382	26,970	76,659	(Note 3)
November 25, 2015	Capital increase through third-party allotment	1,514,512	67,906,895	1,349	78,008	(Note 4)
May 2, 2016	Capital increase through public offering	4,461,050	72,367,946	3,570	81,578	(Note 5)
May 24, 2016	Capital increase through third-party allotment	223,677	72,591,623	179	81,757	(Note 6)
November 1, 2016	Split of investment units	-	72,591,623	81,757	163,514	(Note 7)
May 1, 2017	Capital increase through public offering	4,705,163	77,296,787	8,720	172,234	(Note 8)
May 23, 2017	Capital increase through third-party allotment	235,258	77,532,045	436	172,670	(Note 9)
November 1, 2017	Capital increase through public offering	19,616,644	97,148,689	38,160	210,830	(Note 10)
November 28, 2017	Capital increase through third-party allotment	980,832	98,129,521	1,908	212,738	(Note 11)
May 1, 2018	Capital increase through public offering	4,389,249	102,518,771	8,690	221,428	(Note 12)
May 22, 2018	Capital increase through third-party allotment	219,209	102,737,981	434	221,862	(Note 13)

(Note 1) For allocation to the funds for acquisition of specified assets, new investment units were issued through public offering at an offer price of 1,404,215 yen (paid-in amount of 1,355,247 yen) per unit.

(Note 2) For allocation to part of the funds for acquisition of specified assets, new investment units were issued through third-party allotment with paid-in amount of 1,355,247 yen per unit.

(Note 3) For allocation to the funds for acquisition of specified assets, new investment units were issued through public offering at an offer price of 1,162,024 yen (paid-in amount of 1,122,693 yen) per unit.

(Note 4) For allocation to part of the funds for acquisition of specified assets, new investment units were issued through third-party allotment with paid-in amount of 1,122,693 yen per unit.

(Note 5) For allocation to part of the funds for acquisition of specified assets, new investment units were issued through public offering at an offer price of 1,294,745 yen (paid-in amount of 1,249,594 yen) per unit.

(Note 6) For allocation to part of the funds for acquisition of specified assets, new investment units were issued through third-party allotment with paid-in amount of 1,249,594 yen per unit.

(Note 7) A 2-for-1 split of investment units was implemented with a record date of October 31, 2016 and an effective date of November 1, 2016.

(Note 8) For allocation to the funds for acquisition of specified assets, new investment units were issued through public offering at an offer price of 559,080 yen (paid-in amount of 539,583 yen) per unit.

(Note 9) For allocation to part of the funds for acquisition of specified assets or part of the funds for repayment of borrowed money, new investment units were issued through third-party allotment with paid-in amount of 539,583 yen per unit.

(Note 10) For allocation to part of the funds for acquisition of specified assets, new investment units were issued through public offering at an offer price of 531,508 yen (paid-in amount of 514,063 yen) per unit.

(Note 11) For allocation to part of the funds for acquisition of specified assets or part of the funds for repayment of borrowed money, new investment units were issued through third-party allotment with paid-in amount of 514,063 yen per unit.

- (Note 12) For allocation to part of the funds for repayment of borrowed money, new investment units were issued through public offering at an offer price of 523,342 yen (paid-in amount of 505,092 yen) per unit.
- (Note 13) For allocation to part of the funds for acquisition of specified assets or part of the funds for repayment of borrowed money in the future, new investment units were issued through third-party allotment with paid-in amount of 505,092 yen per unit.

3. Reference Information

(1) Information on Values of Assets Under Management, Etc.

① Investment Status

The following is HRR's investment status as of April 30, 2020 (end of the 14th fiscal period).

Asset type	Asset use	Prefectural location	Name of property	14th fiscal period (as of Apr. 30, 2020)	
				Total amount held (millions of yen) (Note 1)	As a percentage of total assets (%) (Note 2)
Real estate	Ryokan	Nagano	HOSHINOYA Karuizawa	7,165	4.0
	Ryokan	Kyoto	HOSHINOYA Kyoto	3,234	1.8
	Hotel	Yamanashi	HOSHINOYA Fuji	4,017	2.2
	Hotel	Okinawa	HOSHINOYA Taketomi Island	4,826	2.7
	Hotel	Yamanashi	RISONARE Yatsugatake	5,964	3.3
	Hotel	Shizuoka	RISONARE Atami	4,544	2.5
	Ryokan	Nagano	KAI Matsumoto	635	0.4
	Ryokan	Shimane	KAI Izumo	726	0.4
	Ryokan	Shizuoka	KAI Ito	1,265	0.7
	Ryokan	Kanagawa	KAI Hakone	1,144	0.6
	Ryokan	Oita	KAI Aso	617	0.3
	Ryokan	Tochigi	KAI Kawaji	1,009	0.6
	Ryokan	Tochigi	KAI Kinugawa	2,988	1.7
	Ryokan	Ishikawa	KAI Kaga	3,038	1.7
	Ryokan	Nagano	KAI Alps	3,050	1.7
	Hotel	Hokkaido	OMO7 Asahikawa	4,955	2.8
	Hotel	Okinawa	Iriomote Hotel	3,703	2.1
	Hotel	Nagano	BEB5 Karuizawa	2,180	1.2
	Hotel	Hiroshima	ANA Crowne Plaza Hiroshima	17,730	9.9
	Hotel	Fukuoka	ANA Crowne Plaza Fukuoka	7,576	4.2
	Hotel	Ishikawa	ANA Crowne Plaza Kanazawa	6,749	3.8
	Hotel	Toyama	ANA Crowne Plaza Toyama	4,022	2.3
	Hotel	Osaka	Hyatt Regency Osaka	16,587	9.3
	Hotel	Tokyo	the b akasaka	4,862	2.7
	Hotel	Tokyo	the b sangenjaya	4,440	2.5
	Hotel	Aichi	the b nagoya	4,518	2.5
	Hotel	Hyogo	the b kobe	7,046	3.9
	Hotel	Osaka	Quintessa Hotel Osaka Shinsaibashi	3,380	1.9
	Hotel	Osaka	hotel androoms Osaka Hommachi	4,338	2.4
	Hotel	Kochi	HOTEL NIKKO KOCHI ASAHI ROYAL	2,261	1.3
	Hotel	Okinawa	Sol Vita Hotel Naha	3,907	2.2
	Hotel	Nagano	Chisun Inn Shiojiri Kita IC	668	0.4
	Hotel	Tochigi	Chisun Inn Sano Fujioka IC	723	0.4
	Hotel	Nagano	Chisun Inn Suwa IC	652	0.4
	Hotel	Aichi	Chisun Inn Toyokawa IC	596	0.3
	Hotel	Saga	Chisun Inn Tosu	497	0.3

Asset type	Asset use	Prefectural location	Name of property	14th fiscal period (as of Apr. 30, 2020)	
				Total amount held (millions of yen) (Note 1)	As a percentage of total assets (%) (Note 2)
Real estate	Hotel	Chiba	Chisun Inn Chiba Hamano R16	777	0.4
	Hotel	Kumamoto	Chisun Inn Kumamoto Miyukifueda	616	0.3
	Hotel	Tochigi	Chisun Inn Utsunomiya Kanuma	702	0.4
	Hotel	Fukui	Chisun Inn Fukui	638	0.4
	Hotel	Fukushima	Chisun Inn Fukushima Nishi IC	663	0.4
	Hotel	Niigata	Chisun Inn Niigata Chuo IC	621	0.3
	Hotel	Nagasaki	Chisun Inn Nagasaki Airport	610	0.3
	Hotel	Ibaraki	Chisun Inn Hitachinaka	707	0.4
	Hotel	Ibaraki	Chisun Inn Tsuchiura Ami	735	0.4
	Hotel	Yamanashi	Chisun Inn Kofu Isawa	643	0.4
	Hotel	Kagawa	Chisun Inn Marugame Zentsuji	571	0.3
	Hotel	Fukuoka	Chisun Inn Munakata	498	0.3
	Hotel	Iwate	Chisun Inn Iwate Ichinoseki IC	670	0.4
	Hotel	Nagano	Chisun Inn Karuizawa	758	0.4
	Hotel	Hyogo	Chisun Inn Himeji Yumesakibashi	619	0.3
	Hotel	Okayama	Chisun Inn Kurashiki Mizushima	703	0.4
	Hotel	Aichi	Candeo Hotels Handa	591	0.3
	Hotel	Nagano	Candeo Hotels Chino	751	0.4
	Hotel	Hiroshima	Candeo Hotels Fukuyama	1,003	0.6
	Hotel	Tochigi	Candeo Hotels Sano	1,219	0.7
	Hotel	Mie	Candeo Hotels Kameyama	478	0.3
	Hotel	Hokkaido	Comfort Hotel Hakodate	908	0.5
	Hotel	Hokkaido	Comfort Hotel Tomakomai	922	0.5
	Hotel	Hiroshima	Comfort Hotel Kure	1,091	0.6
	Hotel	Kagoshima	Chisun Inn Kagoshima Taniyama	1,922	1.1
Real estate subtotal				165,058	92.4
Investment securities				505	0.3
Deposits and other assets				13,008	7.3
Total assets (Note 3)				178,572	100.0
Total liabilities (Note 3)				72,883	40.8
Total net assets (Note 3)				105,689	59.2

(Note 1) "Total amount held" is the book value (in the case of real estate, the depreciated book value). The book value of real estate is including machinery and equipment, structures, and leasehold interests in land, but excluding tools, furniture and fixtures, software, and construction in progress.

(Note 2) "As a percentage of total assets" is rounded to one decimal place.

(Note 3) "Total assets," "Total liabilities" and "Total net assets" amounts are the book value.

② Investment Assets

(a) Major Issues of Investment Securities

The following is a summary of investment securities held by HRR as of April 30, 2020 (end of the 14th fiscal period).

Name of securities	No. of shares (shares)	Acquisition price (thousands of yen)		Appraisal value (thousands of yen) (Note 1)		Gain (loss) on valuation of investment securities (thousands of yen)	Remarks	Ratio to total assets (%) (Note 2)
		Unit Price	Amount	Unit Price	Amount			
Yomitan Hotel Management Co., Ltd. No. 1 Class B preferred shares	332	507	168,530	507	168,530	—	—	0.1
Yomitan Hotel Management Co., Ltd. No. 2 Class B preferred shares	333	505	168,165	505	168,165	—	—	0.1
Yomitan Hotel Management Co., Ltd. No. 3 Class B preferred shares	334	505	168,670	505	168,670	—	—	0.1

(Note 1) The “Appraisal value” states the acquisition price because the securities are unlisted securities. HRR and the Asset Management Company acquired the “Yomitan Hotel Management Co., Ltd. No. 1 through No. 3 Class B Preferred Shares Appraisal Report” (appraisal reference date of April 30, 2020), which had been prepared by Plutus Consulting Co., Ltd. HRR and the Asset Management Company then commissioned Grant Thornton Taiyo LLC to investigate the price concerning the appraisal value stated in the said report. The interim unit prices of the appraisal values of the aforementioned shares, which were calculated by HRR, based on the appraisal values stated in the said report, were 620 thousand yen per share of No. 1 Class B preferred shares, 591 thousand yen per share of No. 2 Class B preferred shares, and 570 thousand yen per share of No. 3 Class B preferred shares, and the total amounts of the appraisal values based on the respective unit prices were 205,930 thousand yen for the No. 1 Class B preferred shares, 197,047 thousand yen for the No. 2 Class B preferred shares and 190,540 thousand yen for the No. 3 Class B preferred shares.

(Note 2) The “Ratio to total assets” is rounded to one decimal place.

(Note 3) The business activity of Yomitan Hotel Management Co., Ltd., as of the date of this document, is the development and operation of resorts. The same shall apply hereinafter.

(b) Investment Real Estate Properties

The following is a summary of real estate, etc. held by HRR as of April 30, 2020 (end of the 14th fiscal period).

a. Acquisition Price, Book Value, Estimated Value at End of Period, Share of Investment, Etc.

Investment category		Property no. (Note 1)	Name of property	Acquisition price (millions of yen)	Book value (millions of yen) (Note 2)	Estimated value at end of period (millions of yen) (Note 3)	Share of investment (%) (Note 4)	Appraisal company (Note 5)
Properties operated by the Hoshino Resorts Group	HOSHINOYA	H-1	HOSHINOYA Karuizawa	7,600	7,165	11,800	4.7	NV
		H-2	HOSHINOYA Kyoto	2,878	3,234	4,210	1.8	NV
		H-3	HOSHINOYA Fuji	4,160	4,017	4,310	2.6	NV
		H-4	HOSHINOYA Taketomi Island	4,955	4,826	5,080	3.1	NV
		Subtotal		19,593	19,244	25,400	12.1	—
	RISONARE	R-1	RISONARE Yatsugatake	4,500	5,964	7,240	2.8	NV
		R-2	RISONARE Atami	3,750	4,544	4,410	2.3	NV
		Subtotal		8,250	10,508	11,650	5.1	—
	KAI	K-1	KAI Matsumoto	600	635	800	0.4	JMK
		K-2	KAI Izumo	680	726	877	0.4	JMK
		K-3	KAI Ito	670	1,265	1,590	0.4	JMK
		K-4	KAI Hakone	950	1,144	1,320	0.6	JMK
		K-5	KAI Aso	575	617	691	0.4	JMK
		K-6	KAI Kawaji	1,000	1,009	1,160	0.6	JMK
		K-7	KAI Kinugawa	3,080	2,988	3,340	1.9	JMK
		K-8	KAI Kaga	3,160	3,038	3,370	2.0	JMK
		K-9	KAI Alps	3,060	3,050	3,150	1.9	NV
		Subtotal		13,775	14,474	16,298	8.5	—
	Other	O-35	OMO7 Asahikawa	4,619	4,955	4,690	2.9	RC
		O-43	Iriomote Hotel	3,650	3,703	3,780	2.3	NV
		O-45	BEB5 Karuizawa	2,170	2,180	2,260	1.3	NV
		Subtotal		10,439	10,839	10,730	6.5	—
Properties operated by outside operators	Urban tourism	O-31	ANA Crowne Plaza Hiroshima	17,784	17,730	18,800	11.0	RC
		O-32	ANA Crowne Plaza Fukuoka	7,599	7,576	8,310	4.7	RC
		O-33	ANA Crowne Plaza Kanazawa	6,609	6,749	6,510	4.1	RC
		O-34	ANA Crowne Plaza Toyama	4,008	4,022	4,210	2.5	RC
		O-36	Hyatt Regency Osaka	16,000	16,587	15,700	9.9	NV
		O-37	the b akasaka	4,860	4,862	4,900	3.0	RC
		O-38	the b sangenjaya	4,420	4,440	4,470	2.7	RC
		O-39	the b nagoya	4,500	4,518	4,400	2.8	RC
		O-40	the b kobe	7,020	7,046	6,710	4.3	RC
		O-41	Quintessa Hotel Osaka Shinsaibashi	3,339	3,380	3,690	2.1	NV
		O-42	hotel androoms Osaka Hommachi	4,238	4,338	3,820	2.6	RC
		O-44	HOTEL NIKKO KOCHI ASAHII ROYAL	2,200	2,261	2,240	1.4	NV
		O-46	Sol Vita Hotel Naha	3,860	3,907	3,890	2.4	NV
		Subtotal		86,437	87,422	87,650	53.5	—

Investment category		Property no. (Note 1)	Name of property	Acquisition price (millions of yen)	Book value (millions of yen) (Note 2)	Estimated value at end of period (millions of yen) (Note 3)	Share of investment (%) (Note 4)	Appraisal company (Note 5)		
Properties operated by outside operators	Other	O-1	Chisun Inn Shiojiri Kita IC	672	668	821	0.4	NV		
		O-2	Chisun Inn Sano Fujioka IC	742	723	910	0.5	JMK		
		O-3	Chisun Inn Suwa IC	658	652	824	0.4	NV		
		O-4	Chisun Inn Toyokawa IC	602	596	727	0.4	NV		
		O-5	Chisun Inn Tosu	504	497	649	0.3	NV		
		O-6	Chisun Inn Chiba Hamano R16	798	777	1,010	0.5	JMK		
		O-7	Chisun Inn Kumamoto Miyukifueda	616	616	745	0.4	NV		
		O-8	Chisun Inn Utsunomiya Kanuma	714	702	844	0.4	JMK		
		O-9	Chisun Inn Fukui	644	638	796	0.4	NV		
		O-10	Chisun Inn Fukushima Nishi IC	672	663	767	0.4	JMK		
		O-11	Chisun Inn Niigata Chuo IC	630	621	767	0.4	NV		
		O-12	Chisun Inn Nagasaki Airport	630	610	760	0.4	NV		
		O-13	Chisun Inn Hitachinaka	742	707	916	0.5	JMK		
		O-14	Chisun Inn Tsuchiura Ami	770	735	918	0.5	JMK		
		O-15	Chisun Inn Kofu Isawa	658	643	779	0.4	NV		
		O-16	Chisun Inn Marugame Zentsuji	588	571	731	0.4	NV		
		O-17	Chisun Inn Munakata	504	498	627	0.3	NV		
		O-18	Chisun Inn Iwate Ichinoseki IC	700	670	778	0.4	JMK		
		O-19	Chisun Inn Karuizawa	812	758	1,080	0.5	NV		
		O-20	Chisun Inn Himeji Yumesakibashi	616	619	737	0.4	NV		
		O-21	Chisun Inn Kurashiki Mizushima	728	703	864	0.5	NV		
		O-22	Candeo Hotels Handa	620	591	661	0.4	RC		
		O-23	Candeo Hotels Chino	793	751	900	0.5	RC		
		O-24	Candeo Hotels Fukuyama	1,075	1,003	1,190	0.7	RC		
		O-25	Candeo Hotels Sano	1,260	1,219	1,470	0.8	RC		
		O-26	Candeo Hotels Kameyama	470	478	501	0.3	RC		
		O-27	Comfort Hotel Hakodate	937	908	955	0.6	NV		
		O-28	Comfort Hotel Tomakomai	963	922	969	0.6	NV		
		O-29	Comfort Hotel Kure	1,100	1,091	1,160	0.7	NV		
		O-30	Chisun Inn Kagoshima Taniyama	1,995	1,922	2,370	1.2	RC		
				Subtotal		23,213	22,568	27,226	14.4	—
		Total				161,707	165,058	178,954	100.0	—

- (Note 1) "Property no." is that assigned by classifying according to the brands of assets invested by HRR (four brand groups: "HOSHINOYA," "RISONARE," "KAI" and "Other") and numbering brand group by brand group. The same shall apply hereinafter.
- (Note 2) "Book value" is including machinery and equipment, structures, and leasehold interests in land but excluding tools, furniture and fixtures, software, and construction in progress.
- (Note 3) Appraisal of the property is entrusted to Japan Valuers Co., Ltd., JLL Morii Valuation & Advisory K.K. or Rich Appraisal Institute Co., Ltd. "Estimated value at end of period" is the appraisal value stated in the real estate appraisal report, etc. with April 30, 2020 as the date of value.
- (Note 4) "Share of investment" is acquisition price of the property expressed as a percentage of the sum total of acquisition price, rounded to one decimal place.
- (Note 5) "Appraisal company" is shown in initials in the table above. The initials used for each appraisal company are as follows:
NV: Nihon Valuers K.K. (Japan Valuers Co., Ltd.)
JMK: JLL Morii Valuation & Advisory K.K.
RC: K.K. Richi Hyouka Kenkyujyo (Rich Appraisal Institute Co., Ltd.)
- (Note 6) No collateral has been established on real estate and others owned by HRR as of April 30, 2020 (end of the 14th fiscal period).

b. Location, Area, Size, Etc.

Investment category		Property no.	Name of property	Location	Land area (m ²)	Building area (m ²)	Construction completion	Annual rent (millions of yen) (Note 1)	Leased area (m ²) (Note 2)	Leasable area (m ²) (Note 2)	Number of tenants (subleasing) (Note 3)	Total number of guest rooms (rooms)
Properties operated by the Hoshino Resorts Group	HOSHINOYA	H-1	HOSHINOYA Karuizawa	Karuizawa-machi, Kitasaku-gun, Nagano (Chubu region)	79,784.52 (Note 4)	11,723.61	February 2002 (Tombo-no-yu; Sonmin Shokudo) / April 2005 (HOSHINOYA) / June 2009 (Harunire Terrace) / July 2016 (Ice Skating Rink in the Forest)	630	11,723.61	11,723.61	1(15)	77
		H-2	HOSHINOYA Kyoto	Kyoto-shi, Kyoto (Kinki region)	10,456.38	3,075.70	Unknown (main wing; new construction) (Note 5) / October 2009 (main wing; renovation) / June 2017 (annex)	203	3,097.69	3,097.69	1(0)	25
		H-3	HOSHINOYA Fuji	Fujikawaguchiko-machi, Minamitsuru-gun, Yamanashi (Chubu region)	74,772.03 (Note 6)	2,103.55	August 2015	284	2,103.55	2,103.55	1(0)	40
		H-4	HOSHINOYA Taketomi Island (Note 7)	Taketomi-cho, Yaeyama-gun, Okinawa (Kyushu-Okinawa region)	115,982.04	4,259.59	March 2012 (main wing) / March 2009 (annex)	336	4,259.59	4,259.59	1(0)	48
		Subtotal			280,994.97	21,162.45	—	1,455	21,184.44	21,184.44	4(15)	190
		RISONARE	R-1	RISONARE Yatsugatake	Hokuto-shi, Yamanashi (Chubu region)	75,831.81 (Note 8)	33,853.45	June 1992 (hotel; pool) / April 2004 (chapel; machine room)	525	33,853.45	33,853.45	1(17)
	R-2		RISONARE Atami	Atami-shi, Shizuoka (Chubu region)	65,161.44	23,385.18	October 1992	223	23,385.18	23,385.18	1(0)	81
	Subtotal			140,993.25	57,238.63	—	748	57,238.63	57,238.63	2(17)	253	
	KAI	K-1	KAI Matsumoto	Matsumoto-shi, Nagano (Chubu region)	3,340.67	4,056.12	November 1999	75	4,056.12	4,056.12	1(0)	26
		K-2	KAI Izumo	Matsue-shi, Shimane (Chugoku-Shikoku region)	11,321.56 (Note 9)	3,909.02	Unknown (old wing) (Note 5) / July 1997 (new wing)	75	3,909.02	3,909.02	1(0)	24
		K-3	KAI Ito	Ito-shi, Shizuoka (Chubu region)	4,899.97	6,918.92	Unknown (Note 5) / November 1995 (extension)	116	6,918.92	6,918.92	1(0)	30
		K-4	KAI Hakone	Hakone-machi, Ashigarashimo-gun, Kanagawa (Kanto region)	9,723.04	4,649.67	July 1987	95	4,649.67	4,649.67	1(0)	32
		K-5	KAI Aso	Kokonoe-machi, Kusu-gun, Oita (Kyushu-Okinawa region)	26,673.00	1,543.53	April 2006	42	1,543.53	1,543.53	1(0)	12
		K-6	KAI Kawaji	Nikko-shi, Tochigi (Kanto region)	8,671.47 (Note 10)	8,190.38	September 1994	99	8,190.38	8,190.38	1(0)	54
		K-7	KAI Kinugawa	Nikko-shi, Tochigi (Kanto region)	35,187.55	4,066.60	August 2015	129	4,066.60	4,066.60	1(0)	48
		K-8	KAI Kaga	Kaga-shi, Ishikawa (Hokuriku region)	1,796.81	5,159.46	September 2015 (new wing) / March 1967; partly unknown (old wing) (Note 11)	130	5,159.46	5,159.46	1(0)	48
		K-9	KAI Alps	Omachi-shi, Nagano (Chubu region)	7,796.90	4,241.12	August 2017	186	4,241.12	4,241.12	1(0)	48
		Subtotal			109,410.97	42,734.82	—	949	42,734.82	42,734.82	9(0)	322

Investment category		Property no.	Name of property	Location	Land area (m ²)	Building area (m ²)	Construction completion	Annual rent (millions of yen) (Note 1)	Leased area (m ²) (Note 2)	Leasable area (m ²) (Note 2)	Number of tenants (subleasing) (Note 3)	Total number of guest rooms (rooms)
Properties operated by the Hoshino Resorts Group	Other	O-35	OMO7 Asahikawa	Asahikawa-shi, Hokkaido (Hokkaido-Tohoku region)	4,278.02	25,715.20	March 1994	364	25,715.20	25,715.20	1(4)	237
		O-43	Iriomote Hotel	Taketomi-cho, Yaeyama-gun, Okinawa (Kyushu-Okinawa region)	68,928.47 (Note 12)	11,460.41	June 2004 (hotel building) / August 2004 (restaurant building) / November 2004 (company dormitory) / Unknown / (Note 5)(garbage incinerator)	271	11,460.41	11,460.41	1(0)	140
		O-45	BEB5 Karuizawa	Karuizawa-machi, Kitasaku-gun, Nagano (Chubu region)	5,307.36	2,807.36	November 2018	136	2,807.36	2,807.36	1(0)	73
		Subtotal			78,513.85	39,982.97	—	772	39,982.97	39,982.97	3(4)	450
Properties operated by outside operators	Urban tourism	O-31	ANA Crowne Plaza Hiroshima	Hiroshima-shi, Hiroshima (Chugoku-Shikoku region)	5,126.00 (Note 13)	42,727.85 (Note 14)	August 1983	606	32,332.00	32,332.00	1(7)	409
		O-32	ANA Crowne Plaza Fukuoka	Fukuoka-shi, Fukuoka (Kyushu-Okinawa region)	3,411.67	27,372.74	November 1976 (hotel building) / February 1999 (chapel)	288	27,372.74	27,372.74	1(5)	320
		O-33	ANA Crowne Plaza Kanazawa	Kanazawa-shi, Ishikawa (Hokuriku region)	8,312.42 (Note 15)	61,448.41 (Note 16)	March 1990	546	23,835.00	23,835.00	1(5)	249
		O-34	ANA Crowne Plaza Toyama	Toyama-shi, Toyama (Hokuriku region)	3,723.50 (Note 4)	26,209.92 (Note 17)	June 1999	240	21,600.11	21,600.11	1(7)	252
		O-36	Hyatt Regency Osaka	Osaka-shi, Osaka (Kinki region)	30,483.14	80,197.60	April 1994 (hotel building) / July 2012 (chapel building (Le Salon Blanc))	465	80,197.60	80,197.60	1(8)	480
		O-37	the b akasaka	Minato-ku, Tokyo (Kanto region)	1,311.55	4,027.00	March 1973	135	4,027.00	4,027.00	1(1)	162
		O-38	the b sangenjaya	Setagaya-ku, Tokyo (Kanto region)	545.58	2,672.20	February 1984	117	2,672.20	2,672.20	1(2)	118
		O-39	the b nagoya	Nagoya-shi, Aichi (Chubu region)	2,079.87 (Note 18)	8,058.64	April 1981 (Note 19)	99	8,058.64	8,058.64	1(5)	219
		O-40	the b kobe	Kobe-shi, Hyogo (Kinki region)	1,616.89	9,647.11	October 1981	180	9,647.11	9,647.11	1(13)	168
		O-41	Quintessa Hotel Osaka Shinsaibashi	Osaka-shi, Osaka (Kinki region)	791.15	2,964.69	August 2017	186	2,997.46	2,997.46	1(0)	132
		O-42	hotel androoms Osaka Hommachi	Osaka-shi, Osaka (Kinki region)	594.88	3,191.32	August 1998	144	3,191.32	3,191.32	1(0)	103
		O-44	HOTEL NIKKO KOCHI ASAHI ROYAL	Kochi-shi, Kochi (Chugoku-Shikoku region)	3,127.39	16,222.49	March 1997 (hotel building) / October 2007 (chapel building)	180	16,222.49	16,222.49	1(2)	191
		O-46	Sol Vita Hotel Naha	Naha-shi, Okinawa (Kyushu-Okinawa region)	2,129.30	5,288.04	November 2005	115	5,288.04	5,288.04	1(1)	200
		Subtotal			63,253.34	290,028.01	—	3,302	237,441.71	237,441.71	13(56)	3,003

Investment category		Property no.	Name of property	Location	Land area (m ²)	Building area (m ²)	Construction completion	Annual rent (millions of yen) (Note 1)	Leased area (m ²) (Note 2)	Leasable area (m ²) (Note 2)	Number of tenants (subleasing) (Note 3)	Total number of guest rooms (rooms)
Properties operated by outside operators	Other	O-1	Chisun Inn Shiojiri Kita IC	Shiojiri-shi, Nagano (Chubu region)	4,292.64	2,100.47	March 2007 (Chisun Inn Shiojiri Kita IC) / January 2008 (restaurant)	48	2,100.47	2,100.47	1(1)	92
		O-2	Chisun Inn Sano Fujioka IC	Sano-shi, Tochigi (Kanto region)	2,894.40	1,968.91	October 2006	52	1,968.91	1,968.91	1(0)	92
		O-3	Chisun Inn Suwa IC	Suwa-shi, Nagano (Chubu region)	2,858.11	1,944.94	October 2006	46	1,944.94	1,944.94	1(0)	92
		O-4	Chisun Inn Toyokawa IC	Toyokawa-shi, Aichi (Chubu region)	2,607.19	2,040.09	July 2007	42	2,040.09	2,040.09	1(0)	94
		O-5	Chisun Inn Tosu	Tosu-shi, Saga (Kyushu-Okinawa region)	2,374.09	1,968.02	July 2007	36	1,968.02	1,968.02	1(0)	92
		O-6	Chisun Inn Chiba Hamano R16	Chiba-shi, Chiba (Kanto region)	2,470.00	2,023.29	July 2007	57	2,023.29	2,023.29	1(0)	94
		O-7	Chisun Inn Kumamoto Miyukifueda	Kumamoto-shi, Kumamoto (Kyushu-Okinawa region)	2,877.99	2,094.77	October 2007	43	2,094.77	2,094.77	1(0)	98
		O-8	Chisun Inn Utsunomiya Kanuma	Utsunomiya-shi, Tochigi (Kanto region)	2,658.08	2,094.16	December 2007	51	2,094.16	2,094.16	1(0)	98
		O-9	Chisun Inn Fukui	Fukui-shi, Fukui (Hokuriku region)	2,680.57	2,094.01	December 2007	45	2,094.01	2,094.01	1(0)	98
		O-10	Chisun Inn Fukushima Nishi IC	Fukushima-shi, Fukushima (Hokkaido-Tohoku region)	4,728.00	2,094.01	February 2008	48	2,094.01	2,094.01	1(0)	98
		O-11	Chisun Inn Niigata Chuo IC	Niigata-shi, Niigata (Chubu region)	3,177.86	2,094.16	April 2008	45	2,094.16	2,094.16	1(0)	98
		O-12	Chisun Inn Nagasaki Airport	Omura-shi, Nagasaki (Kyushu-Okinawa region)	2,781.68	1,968.02	May 2008	45	1,968.02	1,968.02	1(0)	92
		O-13	Chisun Inn Hitachinaka	Hitachinaka-shi, Ibaraki (Kanto region)	2,284.84	1,968.30	December 2008	52	1,968.30	1,968.30	1(0)	92
		O-14	Chisun Inn Tsuchiura Ami	Ami-machi, Inashiki-gun, Ibaraki (Kanto region)	2,963.49	1,968.03	September 2008	54	1,968.03	1,968.03	1(0)	92
		O-15	Chisun Inn Kofu Isawa	Fuefuki-shi, Yamanashi (Chubu region)	3,357.07	1,968.47	October 2009	46	1,968.47	1,968.47	1(0)	92
		O-16	Chisun Inn Marugame Zentsuji	Marugame-shi, Kagawa (Chugoku-Shikoku region)	2,447.29	2,094.16	October 2009	42	2,094.16	2,094.16	1(0)	98
		O-17	Chisun Inn Munakata	Munakata-shi, Fukuoka (Kyushu-Okinawa region)	3,015.37	2,094.16	December 2008	36	2,094.16	2,094.16	1(0)	98
		O-18	Chisun Inn Iwate Ichinoseki IC (Note 20)	Ichinoseki-shi, Iwate (Hokkaido-Tohoku region)	3,633.00	1,968.02	January 2009	49	1,968.02 (Note 21)	1,968.02 (Note 21)	1(1)	92
		O-19	Chisun Inn Karuizawa	Karuizawa-machi, Kitasaku-gun, Nagano (Chubu region)	4,226.44	1,917.10	July 2009	57	1,917.10	1,917.10	1(0)	90
		O-20	Chisun Inn Himeji Yumesakibashi	Himeji-shi, Hyogo (Kinki region)	2,413.68	2,406.95	February 2009	43	2,406.95	2,406.95	1(0)	98
		O-21	Chisun Inn Kurashiki Mizushima	Kurashiki-shi, Okayama (Chugoku-Shikoku region)	2,876.06	2,094.16	October 2009	51	2,094.16	2,094.16	1(0)	98

Investment category		Property no.	Name of property	Location	Land area (m ²)	Building area (m ²)	Construction completion	Annual rent (millions of yen) (Note 1)	Leased area (m ²) (Note 2)	Leasable area (m ²) (Note 2)	Number of tenants (subleasing) (Note 3)	Total number of guest rooms (rooms)
Properties operated by outside operators	Other	O-22	Candeo Hotels Handa	Handa-shi, Aichi (Chubu region)	1,592.72 (Note 22)	2,814.05	February 2008	52	2,814.05	2,814.05	1(0)	126
		O-23	Candeo Hotels Chino	Chino-shi, Nagano (Chubu region)	2,399.15 (Note 4)	2,868.18	January 2008	65	2,868.18	2,868.18	1(0)	119
		O-24	Candeo Hotels Fukuyama	Fukuyama-shi, Hiroshima (Chugoku-Shikoku region)	1,079.92	3,985.73	March 2008	78	3,985.73	3,985.73	1(0)	164
		O-25	Candeo Hotels Sano	Sano-shi, Tochigi (Kanto region)	3,222.09 (Note 23)	2,828.71	March 2008	91	2,828.71	2,828.71	1(0)	124
		O-26	Candeo Hotels Kameyama	Kameyama-shi, Mie (Chubu region)	6,599.00	3,912.03	April 2008	41	3,912.03	3,912.03	1(0)	170
		O-27	Comfort Hotel Hakodate	Hakodate-shi, Hokkaido (Hokkaido-Tohoku region)	491.82	2,927.44	September 2007	65	2,927.44	2,927.44	1(0)	139
		O-28	Comfort Hotel Tomakomai	Tomakomai-shi, Hokkaido (Hokkaido-Tohoku region)	1,344.24	2,721.08	September 2007	66	2,721.08	2,721.08	1(0)	123
		O-29	Comfort Hotel Kure	Kure-shi, Hiroshima (Chugoku-Shikoku region)	793.11	3,121.02	March 2009	75	3,121.02	3,121.02	1(0)	149
		O-30	Chisun Inn Kagoshima Taniyama	Kagoshima-shi, Kagoshima (Kyushu-Okinawa region)	3,521.52	8,066.36	May 2009	96	8,066.36	8,066.36	1(1)	217
		Subtotal				84,661.42	76,208.80	—	1,633	76,208.80	76,208.80	30(3)
Total					757,827.80	527,355.68	—	8,860	474,791.37	474,791.37	61(95)	7,537

(Note 1) Based on lease agreements valid as of April 30, 2020. In principle, rent comprises fixed rent and floating rent in the lease agreements concluded for each property above (however, in the case of the five Candeo properties, the three Comfort properties, Quintessa Hotel Osaka Shinsaibashi and HOTEL NIKKO KOCHI ASAHI ROYAL, each property's rent comprises fixed rent only; and in the case of Hyatt Regency Osaka, rent comprises floating rent only), but the entry under "Annual rent" for the properties other than Hyatt Regency Osaka is the amount arrived at when the fixed rent (monthly amount) provided in the lease agreement on the building is annualized by multiplying by 12. However, with an agreement reached for each of OMO7 Asahikawa to have a premium for a limited period from March 31, 2016 to October 31, 2024, HOSHINOYA Fuji to have a premium for a limited period from May 1, 2017 to April 30, 2020, HOSHINOYA Taketomi Island to have a premium for a limited period from November 1, 2017 to October 31, 2020, KAI Alps to have a premium for a limited period from March 29, 2019 to April 30, 2022, Iriomote Hotel to have a premium for a limited period from November 1, 2019 to October 31, 2022, and BEB5 Karuizawa to have a premium for a limited period from January 31, 2020 to April 30, 2023, the amount arrived at when fixed rent (monthly amount) is annualized by multiplying by 12 is calculated based on the amount of rent with the premium as of April 30, 2020. Fixed rent after the lapse of the premium period will be less than the amount stated in the table above. Furthermore, in the event that sales or profit of hotels, ryokans and ancillary facilities is below a certain amount, floating rent will not apply. In addition, the lease agreement with each lessee above provides that the initial date of reckoning floating rent for HOSHINOYA Fuji is May 1, 2020 (15th fiscal period), HOSHINOYA Taketomi Island is November 1, 2020 (16th fiscal period), KAI Alps is May 1, 2022 (19th fiscal period), Iriomote Hotel is November 1, 2022 (20th fiscal period), BEB5 Karuizawa is May 1, 2023 (21st fiscal period), and OMO7 Asahikawa is November 1, 2024 (24th fiscal period). Accordingly, floating rent will not apply to the period before the concerned date, regardless of the amount of sales or profit of hotels, ryokans and ancillary facilities. However, for OMO7 Asahikawa, if floating rent is expected to exceed the premium fixed rent, HRR has the right to end the premium period. For Hyatt Regency Osaka, it is the amount arrived at when the April 2020 floating rent (monthly amount) calculated in accordance with the lease agreement on the building is annualized by multiplying by 12. The same shall apply hereinafter.

(Note 2) Based on lease agreements valid as of April 30, 2020. All the properties have occupancy rate of 100.0%.

(Note 3) "Number of tenants (subleasing)" subtotals and total are the total number of tenants as of April 30, 2020 with the number of parties subleasing from the parties leasing the property from HRR shown in parentheses. However, this excludes those leasing (subleasing) or planning to lease (sublease) part of the site or the building for the purpose of parking or installing antennas. For Chisun Inn Iwate Ichinoseki IC's number of tenants (excluding the number in parentheses), there is a tenant based on a lease agreement on the property's building and a lease agreement on a portion of the property's land to total two lease agreements; but the number of tenants is one because the tenant leasing under the lease agreement on the building is the same as the tenant leasing under the lease agreement on the land.

(Note 4) HRR owns the building only and does not own the land. The land is leased from the owner.

(Note 5) Unknown because HRR has not received relative documentation from the previous owner.

(Note 6) HRR owns the building only and does not own the land. The land is subleased from the lessee.

(Note 7) HRR owns the building only and does not own the land. The land is subleased from the lessee.

The respective figures stated for "Land area," "Building area," "Annual rent," "Leased area," "Leasable area," "Number of tenants (subleasing)" and "Total number of guest rooms" are calculated on the basis of totals encompassing both the main wing and the annex; the dates indicated for "Construction completion" are separately stated for the main wing and the annex.

(Note 8) HRR leases a portion (55,274.81 m²) of the land from the owner.

- (Note 9) HRR leases a portion (2,966.21 m²) of the land from the owner.
- (Note 10) HRR leases a portion (696.95 m²) of the land from the owner.
- (Note 11) Not used for lodging as of April 30, 2020.
- (Note 12) HRR leases a portion (9,113.00 m²) of the land from the owner.
- (Note 13) The land under HRR's ownership is co-ownership interest (81/100 of the co-ownership) of the land, but the entry under "Land area" is the area of the entire land.
- (Note 14) The building is a building under sectional ownership, of which the building under HRR's ownership is sectional ownership of all of the exclusive elements for hotel use and co-ownership interest (81/100 of the co-ownership) of the corresponding common elements, but the entry under "Building area" is the area of the entire building.
- (Note 15) The land under HRR's ownership is co-ownership interest (245,437,622/1,000,000,000 of the co-ownership) of the right of site (proprietary ownership) of the land, but the entry under "Land area" is the area of the entire land.
- (Note 16) The building is a building under sectional ownership, of which the building under HRR's ownership is co-ownership interest (1/2 of the co-ownership) of the sectional ownership of all of the exclusive elements for hotel use and co-ownership interest (245,437,622/1,000,000,000 of the co-ownership) of the corresponding common elements, but the entry under "Building area" is the area of the entire building.
- (Note 17) The building is a building under sectional ownership, of which the building under HRR's ownership is sectional ownership of all of the exclusive elements for hotel use and co-ownership interest (870,472/1,000,000 of the co-ownership) of the corresponding common elements, but the entry under "Building area" is the area of the entire building.
- (Note 18) The land under HRR's ownership is co-ownership interest (4,840/10,000 of the co-ownership) of the land, but the entry under "Land area" is the area of the entire land.
- (Note 19) The date stated for "Construction completion" is the date of issuance of the certificate proving completion of the inspection provided in the written opinion of Assets Research and Development Inc., as obtained from the previous owner because HRR has not received the original certificate of inspection from the previous owner.
- (Note 20) For Chisun Inn Iwate Ichinoseki IC, there is a lease agreement on the property's building and a lease agreement on a portion of the property's land to total two lease agreements as of April 30, 2020. The rent of the lease agreement on the building (hereinafter referred to as the "building rent" in this note) comprises fixed rent and floating rent, while the rent of the lease agreement on the land (hereinafter referred to as the "land rent" in this note) comprises fixed rent. However, an agreement has been reached in these lease agreements to the effect that, in the event of payment of the land rent, the same amount shall be deducted from the building rent, meaning that in no circumstances would the amount of the property's fixed rent exceed the amount of the fixed rent provided in the lease agreement on the building. Accordingly, Chisun Inn Iwate Ichinoseki IC's annual fixed rent amount is the amount arrived at when the fixed rent (monthly amount) provided in the lease agreement on the building is annualized by multiplying by 12. The same shall apply hereinafter.
- (Note 21) For Chisun Inn Iwate Ichinoseki IC, there is a lease agreement on the property's building and a lease agreement on a portion of the property's land to total two lease agreements as of April 30, 2020, but the entries under "Leased area" and "Leasable area" are the leased area and leasable area of the building.
- (Note 22) HRR leases a portion (991.72 m²) of the land from the owner.
- (Note 23) HRR leases a portion (740.62 m²) of the land from the owner.

c. Summary of Real Estate Appraisal Report, Etc.

The following is a summary of the real estate appraisal report, etc. with April 30, 2020 as the date of value.

Investment category		Property no.	Assets under management (Name of property)	Appraisal company (Note 1)	Appraisal value (millions of yen) (Note 2)	Income approach					Appraisal NOI (millions of yen) (Note 3)	Appraisal NOI yield (%) (Note 4)
						Indicated value by direct capitalization method (millions of yen)	Capitalization rate (%)	Indicated value by DCF method (millions of yen)	Discount rate (%)	Terminal capitalization rate (%)		
Properties operated by the Hoshino Resorts Group	HOSHINOYA	H-1	HOSHINOYA Karuizawa	NV	11,800	11,900	5.2	11,700	5.2	5.7	637	8.4
		H-2	HOSHINOYA Kyoto	NV	4,210	4,240	5.8	4,180	5.4	6.2	248	8.6
		H-3	HOSHINOYA Fuji	NV	4,310	4,360	6.1	4,250	5.8	6.3	269	6.5
		H-4	HOSHINOYA Taketomi Island	NV	5,080	5,180	5.9	4,980	5.6	6.1	316	6.4
		Subtotal			25,400	25,680	-	25,110	-	-	1,469	7.5
	RISONARE	R-1	RISONARE Yatsugatake	NV	7,240	7,140	5.5	7,340	5.5	6.0	527	11.7
		R-2	RISONARE Atami	NV	4,410	4,400	5.2	4,420	5.0	5.5	286	7.6
		Subtotal			11,650	11,540	-	11,760	-	-	813	9.9
	KAI	K-1	KAI Matsumoto	JMK	800	810	5.9	789	5.7	6.1	64	10.7
		K-2	KAI Izumo	JMK	877	884	6.0	870	5.8	6.2	63	9.3
		K-3	KAI Ito	JMK	1,590	1,610	5.7	1,570	5.5	5.9	107	15.9
		K-4	KAI Hakone	JMK	1,320	1,330	5.7	1,310	5.5	5.9	90	9.5
		K-5	KAI Aso	JMK	691	697	6.1	685	5.9	6.3	46	8.1
		K-6	KAI Kawaji	JMK	1,160	1,180	5.8	1,140	5.6	6.0	86	8.6
		K-7	KAI Kinugawa	JMK	3,340	3,380	5.5	3,290	5.3	5.7	187	6.1
		K-8	KAI Kaga	JMK	3,370	3,420	5.5	3,310	5.3	5.7	191	6.0
		K-9	KAI Alps	NV	3,150	3,170	5.4	3,130	5.1	5.6	177	5.8
		Subtotal			16,298	16,481	-	16,094	-	-	1,011	7.3
	Other	O-35	OMO7 Asahikawa	RC	4,690	4,650	4.8	4,700	4.6	5.0	344	7.5
		O-43	Iriomote Hotel	NV	3,780	3,750	5.4	3,810	4.9	5.4	250	6.8
		O-45	BEB5 Karuizawa	NV	2,260	2,250	5.5	2,260	5.2	5.6	128	5.9
		Subtotal			10,730	10,650	-	10,770	-	-	722	6.9
Properties operated by outside operators	Urban tourism	O-31	ANA Crowne Plaza Hiroshima	RC	18,800	19,900	4.4	18,300	4.2	4.6	1,033	5.8
		O-32	ANA Crowne Plaza Fukuoka	RC	8,310	8,790	4.3	8,100	4.1	4.5	489	6.4
		O-33	ANA Crowne Plaza Kanazawa	RC	6,510	7,000	4.6	6,300	4.4	4.8	417	6.3
		O-34	ANA Crowne Plaza Toyama	RC	4,210	4,380	4.7	4,130	4.5	4.9	305	7.6
		O-36	Hyatt Regency Osaka	NV	15,700	16,000	4.6	15,400	4.1	4.6	976	6.1
		O-37	the b akasaka	RC	4,900	5,140	4.0	4,800	3.8	4.2	233	4.8
		O-38	the b sangenjaya	RC	4,470	4,670	4.2	4,390	4.0	4.4	216	4.9
		O-39	the b nagoya	RC	4,400	4,600	4.2	4,320	4.0	4.4	228	5.1
		O-40	the b kobe	RC	6,710	6,980	4.3	6,590	4.1	4.5	350	5.0
		O-41	Quintessa Hotel Osaka Shinsaibashi	NV	3,690	3,700	4.6	3,680	4.3	4.7	172	5.1
		O-42	hotel androoms Osaka Hommachi	RC	3,820	3,950	4.4	3,770	4.2	4.6	186	4.4

Investment category		Property no.	Assets under management (Name of property)	Appraisal company (Note 1)	Appraisal value (millions of yen) (Note 2)	Income approach					Appraisal NOI (millions of yen) (Note 3)	Appraisal NOI yield (%) (Note 4)
						Indicated value by direct capitalization method (millions of yen)	Capitalization rate (%)	Indicated value by DCF method (millions of yen)	Discount rate (%)	Terminal capitalization rate (%)		
Properties operated by outside operators	Urban tourism	O-44	HOTEL NIKKO KOCHI ASAHI ROYAL	NV	2,240	2,230	4.8	2,250	4.6	5.1	143	6.5
		O-46	Sol Vita Hotel Naha	NV	3,890	3,950	4.5	3,820	4.2	4.6	200	5.2
		Subtotal				87,650	91,290	-	85,850	-	-	4,948
	Other	O-1	Chisun Inn Shiojiri Kita IC	NV	821	828	5.9	813	5.7	6.1	52	7.8
		O-2	Chisun Inn Sano Fujioka IC	JMK	910	923	5.8	897	5.6	6.0	56	7.5
		O-3	Chisun Inn Suwa IC	NV	824	830	6.0	817	5.8	6.2	54	8.3
		O-4	Chisun Inn Toyokawa IC	NV	727	733	5.9	721	5.7	6.1	45	7.5
		O-5	Chisun Inn Tosu	NV	649	654	6.0	643	5.8	6.3	41	8.2
		O-6	Chisun Inn Chiba Hamano R16	JMK	1,010	1,030	5.5	999	5.3	5.7	59	7.4
		O-7	Chisun Inn Kumamoto Miyukifueda	NV	745	743	6.2	747	6.0	6.5	48	7.8
		O-8	Chisun Inn Utsunomiya Kanuma	JMK	844	856	6.0	831	5.8	6.2	54	7.5
		O-9	Chisun Inn Fukui	NV	796	796	6.2	796	6.0	6.4	52	8.1
		O-10	Chisun Inn Fukushima Nishi IC	JMK	767	776	6.1	757	5.9	6.3	50	7.4
		O-11	Chisun Inn Niigata Chuo IC	NV	767	773	6.0	761	5.8	6.2	49	7.8
		O-12	Chisun Inn Nagasaki Airport	NV	760	760	6.0	759	5.8	6.2	48	7.6
		O-13	Chisun Inn Hitachinaka	JMK	916	930	5.8	901	5.6	6.0	57	7.6
		O-14	Chisun Inn Tsuchiura Ami	JMK	918	931	5.7	904	5.5	5.9	55	7.2
		O-15	Chisun Inn Kofu Isawa	NV	779	786	6.1	772	5.9	6.3	52	7.8
		O-16	Chisun Inn Marugame Zentsuji	NV	731	733	6.2	729	6.0	6.4	48	8.1
		O-17	Chisun Inn Munakata	NV	627	633	6.1	621	5.9	6.4	41	8.1
		O-18	Chisun Inn Iwate Ichinoseki IC	JMK	778	789	6.1	767	5.9	6.3	51	7.2
		O-19	Chisun Inn Karuizawa	NV	1,080	1,080	6.0	1,080	5.8	6.2	67	8.2
		O-20	Chisun Inn Himeji Yumesakibashi	NV	737	743	6.2	730	6.0	6.4	49	7.9

Investment category		Property no.	Assets under management (Name of property)	Appraisal company (Note 1)	Appraisal value (millions of yen) (Note 2)	Income approach					Appraisal NOI (millions of yen) (Note 3)	Appraisal NOI yield (%) (Note 4)	
						Indicated value by direct capitalization method (millions of yen)	Capitalization rate (%)	Indicated value by DCF method (millions of yen)	Discount rate (%)	Terminal capitalization rate (%)			
Properties operated by outside operators	Other	O-21	Chisun Inn Kurashiki Mizushima	NV	864	870	6.0	857	5.8	6.2	55	7.5	
		O-22	Candeo Hotels Handa	RC	661	661	5.3	661	5.1	5.5	41	6.6	
		O-23	Candeo Hotels Chino	RC	900	904	5.4	898	5.2	5.6	53	6.7	
		O-24	Candeo Hotels Fukuyama	RC	1,190	1,200	5.2	1,190	5.0	5.4	70	6.5	
		O-25	Candeo Hotels Sano	RC	1,470	1,480	5.3	1,460	5.1	5.5	82	6.5	
		O-26	Candeo Hotels Kameyama	RC	501	502	5.5	501	5.3	5.7	34	7.1	
		O-27	Comfort Hotel Hakodate	NV	955	959	5.2	950	5.0	5.4	59	6.3	
		O-28	Comfort Hotel Tomakomai	NV	969	975	5.3	962	5.1	5.5	61	6.3	
		O-29	Comfort Hotel Kure	NV	1,160	1,160	5.1	1,150	4.9	5.3	67	6.1	
		O-30	Chisun Inn Kagoshima Taniyama	RC	2,370	2,440	5.5	2,340	5.3	5.7	146	7.3	
		Subtotal				27,226	27,478	-	27,014	-	-	1,694	7.3
		Total					178,954	183,119	-	176,598	-	-	10,658

(Note 1) "Appraisal company" is shown in initials in the table above. The initials used for each appraisal company are as follows:

NV: Nihon Valuers K.K. (Japan Valuers Co., Ltd.)

JMK: JLL Morii Valuation & Advisory K.K.

RC: K.K. Richi Hyouka Kenkyujo (Rich Appraisal Institute Co., Ltd.)

(Note 2) "Appraisal value" is the appraisal value stated in the real estate appraisal report, etc. with April 30, 2020 as the date of value. Furthermore, "Appraisal value" is rounded down to the nearest million yen. Accordingly, the appraisal value of each property may not add up to the portfolio total.

(Note 3) "Appraisal NOI" refers to net operating income (NOI) calculated as effective gross income less operating expenses stated in the real estate appraisal report, etc., and is income before depreciation and amortization. This is different from net cash flow (NCF) calculated as NOI less financial interests on deposits, etc. and less capital expenditures. The appraisal NOI above is appraisal NOI by the direct capitalization method. Furthermore, "Appraisal NOI" is rounded to the nearest million yen. Accordingly, the appraisal NOI of each property may not add up to the portfolio total.

(Note 4) "Appraisal NOI yield" is the figure calculated by the Asset Management Company by dividing appraisal NOI by acquisition price, rounded to one decimal place. However, the figure under "Subtotal" or "Total" is the figure calculated by the Asset Management Company by dividing the appraisal NOI subtotal or total by the acquisition price subtotal or total, rounded to one decimal place. The figures are each those calculated by the Asset Management Company and not the figures stated in the real estate appraisal report, etc.

(Note 5) The real estate appraisal report, etc. is the appraising appraisal company's judgment and opinion at a certain point in time, and is not a guarantee of the validity or accuracy of the content thereof, possibility of transaction at the concerned real estate appraisal value, etc., and other matters. There is no special vested interest between Japan Valuers Co., Ltd., JLL Morii Valuation & Advisory K.K. or Rich Appraisal Institute Co., Ltd. and HRR or the Asset Management Company.

d. Status of Leasing to Major Tenants

Tenant name	Business type	Name of property	Contract expiration date	Annual rent		Leased area	
				(millions of yen)	Share (%) (Note 1)	(m ²) (Note 2)	Share (%) (Note 3)
K.K. Horizon Hotels	Hotel	RISONARE Yatsugatake	July 15, 2033	525	5.9	33,853.45	7.1
		RISONARE Atami	November 1, 2035	223	2.5	23,385.18	4.9
		ANA Crowne Plaza Hiroshima	November 1, 2035	606	6.8	32,332.00	6.8
		ANA Crowne Plaza Fukuoka	November 1, 2035	288	3.3	27,372.74	5.8
		ANA Crowne Plaza Kanazawa	November 1, 2035	546	6.2	23,835.00	5.0
		ANA Crowne Plaza Toyama	November 1, 2035	240	2.7	21,600.11	4.5
		Total		2,428	27.4	162,378.48	34.2
HRO Inc.	Hotel	Hyatt Regency Osaka	October 31, 2036	465	5.3	80,197.60	16.9
		Total		465	5.3	80,197.60	16.9
SHR Roadside Inn Co., Ltd.	Hotel	Chisun Inn Shiojiri Kita IC	May 1, 2024	48	0.5	2,100.47	0.4
		Chisun Inn Sano Fujioka IC	May 1, 2024	52	0.6	1,968.91	0.4
		Chisun Inn Suwa IC	May 1, 2024	46	0.5	1,944.94	0.4
		Chisun Inn Toyokawa IC	May 1, 2024	42	0.5	2,040.09	0.4
		Chisun Inn Tosu	May 1, 2024	36	0.4	1,968.02	0.4
		Chisun Inn Chiba Hamano R16	May 1, 2024	57	0.6	2,023.29	0.4
		Chisun Inn Kumamoto Miyukifueda	May 1, 2024	43	0.5	2,094.77	0.4
		Chisun Inn Utsunomiya Kanuma	May 1, 2024	51	0.6	2,094.16	0.4
		Chisun Inn Fukui	May 1, 2024	45	0.5	2,094.01	0.4
		Chisun Inn Fukushima Nishi IC	May 1, 2024	48	0.5	2,094.01	0.4
		Chisun Inn Niigata Chuo IC	May 1, 2024	45	0.5	2,094.16	0.4
		Chisun Inn Nagasaki Airport	May 1, 2024	45	0.5	1,968.02	0.4
		Chisun Inn Hitachinaka	May 1, 2024	52	0.6	1,968.30	0.4
		Chisun Inn Tsuchiura Ami	May 1, 2024	54	0.6	1,968.03	0.4
		Chisun Inn Kofu Isawa	May 1, 2024	46	0.5	1,968.47	0.4
		Chisun Inn Marugame Zentsuji	May 1, 2024	42	0.5	2,094.16	0.4
		Chisun Inn Munakata	May 1, 2024	36	0.4	2,094.16	0.4
		Chisun Inn Iwate Ichinoseki IC	May 1, 2024 (Note 4)	49	0.6	1,968.02	0.4
		Chisun Inn Karuizawa	May 1, 2024	57	0.7	1,917.10	0.4
		Chisun Inn Himeji Yumesakibashi	May 1, 2024	43	0.5	2,406.95	0.5
		Chisun Inn Kurashiki Mizushima	May 1, 2024	51	0.6	2,094.16	0.4
		Chisun Inn Kagoshima Taniyama	May 2, 2024	96	1.1	8,066.36	1.7
		Total		1,095	12.4	51,030.56	10.7

(Note 1) Annual rent share of the property is the percentage of each property's annual rent against the total annual rent of the entire portfolio.

(Note 2) Based on lease agreements valid as of April 30, 2020.

(Note 3) Leased area share of the property is the percentage of each property's leased area against the total leased area of the entire portfolio.

(Note 4) For Chisun Inn Iwate Ichinoseki IC, there is a lease agreement on the property's building and a lease agreement on a portion of the property's land to total two lease agreements as of April 30, 2020. The contract expiration date of the lease agreement on the building is May 1, 2024, while the contract expiration date of the lease agreement on the land is June 30, 2025. However, an agreement has been reached in the lease agreement on the land to the effect that, in the event of termination of the lease agreement on the building, the lease agreement on the land shall also terminate at the same time, meaning that in no circumstances would the property's contract expiration date go beyond the contract expiration date provided in the lease agreement on the building. Accordingly, Chisun Inn Iwate Ichinoseki IC's contract expiration date is the contract expiration date provided in the lease agreement on the building.

e. Portfolio Overview

i. By investment category

Investment category		Number of properties	Acquisition price (millions of yen)	Share (%)
Properties operated by the Hoshino Resorts Group	HOSHINOYA	4	19,593	12.1
	RISONARE	2	8,250	5.1
	KAI	9	13,775	8.5
	Other	3	10,439	6.5
	Subtotal	18	52,057	32.2
Properties operated by outside operators	Urban tourism	13	86,437	53.5
	Other	30	23,213	14.4
	Subtotal	43	109,650	67.8
Total		61	161,707	100.0

ii. By regional location

Regional location	Number of properties	Acquisition price (millions of yen)	Share (%)
Hokkaido-Tohoku region	5	7,891	4.9
Kanto region	11	19,336	12.0
Hokuriku region	4	14,421	8.9
Chubu region	18	36,925	22.8
Kinki region	6	34,091	21.1
Chugoku-Shikoku region	7	24,155	14.9
Kyushu-Okinawa region	10	24,888	15.4
Total	61	161,707	100.0

iii. By lease period

Lease period	Contract duration		Remaining duration (Note)	
	Acquisition price (millions of yen)	Share (%)	Acquisition price (millions of yen)	Share (%)
Entire portfolio	161,707	100.0	161,707	100.0
More than 10 years	143,512	88.7	140,512	86.9
10 years or less	18,195	11.3	21,195	13.1

(Note) "Remaining duration" as stated is based on the remaining number of years of the lease agreements pertaining to the assets held by HRR as of April 30, 2020.

iv. By contract type

Contract type	Acquisition price (millions of yen)	Share (%)
Entire portfolio	161,707	100.0
Fixed-term lease contract	161,707	100.0
Normal lease contract	-	-

f. Individual Investment Real Estate, Etc. Property Income Statements

The following are the individual income statements for the fiscal period under review for investment real estate, etc. properties.

(Unit: thousands of yen)

Property no.		H-1	H-2	H-3	H-4	R-1	R-2
Name of property	Portfolio total	HOSHINOYA Karuizawa	HOSHINOYA Kyoto	HOSHINOYA Fuji	HOSHINOYA Taketomi Island	RISONARE Yatsugatake	RISONARE Atami
① Total real estate operating revenue	6,158,161	451,334	152,751	142,350	168,360	390,989	207,218
Fixed rent	4,138,743	315,000	101,898	142,350	168,360	262,500	111,600
Floating rent	2,005,383	136,334	50,841	-	-	128,489	95,577
Other rent	10,800	-	-	-	-	-	-
Other revenue	3,234	-	12	-	-	-	40
② Total real estate operating expenses	845,073	42,664	10,286	15,603	12,810	53,405	34,440
Maintenance expenses	71,244	2,596	1,602	369	2,845	13,935	3,135
Taxes and dues	459,733	13,525	2,396	3,787	2,077	23,439	26,234
Insurance expenses	21,770	766	216	296	229	2,055	878
Land rent	60,402	6,369	-	6,911	6,316	3,937	-
Repair expenses	76,633	19,405	6,070	4,239	1,341	10,036	4,192
Other expenses	155,289	-	-	-	-	-	-
③ NOI [①－②]	5,313,088	408,670	142,465	126,746	155,549	337,584	172,777
④ Depreciation and amortization	1,291,818	105,332	29,128	35,371	46,432	76,087	47,982
⑤ Loss on retirement of non-current assets	1,841	1,841	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	4,019,428	301,496	113,336	91,374	109,117	261,496	124,795

(Unit: thousands of yen)

Property no.	K-1	K-2	K-3	K-4	K-5	K-6	K-7
Name of property	KAI Matsumoto	KAI Izumo	KAI Ito	KAI Hakone	KAI Aso	KAI Kawaji	KAI Kinugawa
① Total real estate operating revenue	46,274	55,080	58,000	72,637	29,850	59,622	106,639
Fixed rent	37,500	37,500	58,000	47,500	21,000	49,800	64,800
Floating rent	8,774	17,580	-	25,137	8,830	9,822	41,839
Other rent	-	-	-	-	-	-	-
Other revenue	-	-	-	-	20	-	-
② Total real estate operating expenses	9,029	9,349	9,068	13,056	3,147	12,575	10,744
Maintenance expenses	1,768	592	879	2,133	808	2,908	1,309
Taxes and dues	4,187	3,973	4,981	5,101	957	7,865	8,109
Insurance expenses	298	156	392	236	72	423	166
Land rent	-	2,280	-	-	-	300	-
Repair expenses	2,775	2,346	2,815	5,585	1,309	1,078	1,159
Other expenses	-	-	-	-	-	-	-
③ NOI [①－②]	37,244	45,731	48,931	59,580	26,703	47,047	95,894
④ Depreciation and amortization	6,626	5,436	12,846	12,673	8,079	15,218	17,334
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	30,617	40,294	36,084	46,907	18,623	31,828	78,560

(Unit: thousands of yen)

Property no.	K-8	K-9	O-35	O-43	O-45	O-31	O-32
Name of property	KAI Kaga	KAI Alps	OMO7 Asahikawa	Iriomote Hotel	BEB5 Karuizawa	ANA Crowne Plaza Hiroshima	ANA Crowne Plaza Fukuoka
① Total real estate operating revenue	110,678	93,231	182,400	135,960	34,476	542,668	360,555
Fixed rent	65,265	93,231	182,400	135,960	34,476	303,000	144,000
Floating rent	45,413	-	-	-	-	239,645	216,555
Other rent	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	22	-
② Total real estate operating expenses	8,976	1,682	23,205	12,467	821	46,259	35,564
Maintenance expenses	1,171	1,176	-	6,543	520	9,803	-
Taxes and dues	5,921	-	22,261	1,610	-	35,115	34,655
Insurance expenses	283	207	944	619	58	1,340	908
Land rent	-	-	-	197	-	-	-
Repair expenses	1,600	281	-	3,496	-	-	-
Other expenses	-	17	-	-	242	-	-
③ NOI [①－②]	101,701	91,548	159,194	123,492	33,655	496,408	324,990
④ Depreciation and amortization	27,555	25,621	71,624	36,953	12,595	91,755	40,725
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	74,145	65,927	87,569	86,538	21,059	404,653	284,264

(Unit: thousands of yen)

Property no.	O-33	O-34	O-36	O-37	O-38	O-39	O-40
Name of property	ANA Crowne Plaza Kanazawa	ANA Crowne Plaza Toyama	Hyatt Regency Osaka	the b akasaka	the b sangenjaya	the b nagoya	the b kobe
① Total real estate operating revenue	392,434	213,971	232,748	119,885	115,946	121,365	170,468
Fixed rent	273,000	120,000	-	67,500	58,500	49,500	90,000
Floating rent	118,554	91,871	232,748	52,385	57,446	71,865	80,468
Other rent	-	-	-	-	-	-	-
Other revenue	880	2,100	-	-	-	-	-
② Total real estate operating expenses	180,934	33,550	100,586	9,556	3,601	8,472	19,864
Maintenance expenses	9,685	-	-	-	-	-	-
Taxes and dues	15,660	17,440	84,477	9,375	3,475	8,127	10,562
Insurance expenses	985	956	4,108	181	125	345	404
Land rent	-	15,153	12,000	-	-	-	-
Repair expenses	-	-	-	-	-	-	8,896
Other expenses	154,602	-	-	-	-	-	-
③ NOI [①－②]	211,499	180,421	132,161	110,328	112,345	112,893	150,604
④ Depreciation and amortization	42,998	56,644	120,589	16,151	12,245	15,524	23,806
⑤ Loss on retirement of non-current assets	-	-	0	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	168,501	123,776	11,571	94,177	100,100	97,369	126,797

(Unit: thousands of yen)

Property no.	O-41	O-42	O-44	O-46	O-1	O-2	O-3
Name of property	Quintessa Hotel Osaka Shinsaibashi	hotel androoms Osaka Hommachi	HOTEL NIKKO KOCHI ASAHI ROYAL	Sol Vita Hotel Naha	Chisun Inn Shiojiri Kita IC	Chisun Inn Sano Fujioka IC	Chisun Inn Suwa IC
① Total real estate operating revenue	93,000	87,188	90,000	56,995	32,659	34,181	33,606
Fixed rent	93,000	72,000	90,000	32,464	24,000	26,460	23,460
Floating rent	-	15,188	-	24,530	8,659	7,721	10,146
Other rent	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
② Total real estate operating expenses	6,406	6,029	12,688	96	3,202	2,499	2,476
Maintenance expenses	-	-	-	-	486	318	332
Taxes and dues	6,277	5,473	11,725	-	2,646	2,109	2,079
Insurance expenses	129	135	962	96	69	72	65
Land rent	-	-	-	-	-	-	-
Repair expenses	-	-	-	-	-	-	-
Other expenses	-	420	-	-	-	-	-
③ NOI [①－②]	86,593	81,159	77,311	56,898	29,457	31,682	31,129
④ Depreciation and amortization	10,332	12,172	25,547	8,269	5,091	7,016	6,530
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	76,260	68,986	51,764	48,628	24,365	24,665	24,599

(Unit: thousands of yen)

Property no.	O-4	O-5	O-6	O-7	O-8	O-9	O-10
Name of property	Chisun Inn Toyokawa IC	Chisun Inn Tosu	Chisun Inn Chiba Hamano R16	Chisun Inn Kumamoto Miyukifueda	Chisun Inn Utsunomiya Kanuma	Chisun Inn Fukui	Chisun Inn Fukushima Nishi IC
① Total real estate operating revenue	30,603	30,073	35,882	40,590	34,520	37,101	31,674
Fixed rent	21,480	18,000	28,500	21,960	25,500	22,980	24,000
Floating rent	9,123	12,073	7,382	18,630	9,020	14,121	7,674
Other rent	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
② Total real estate operating expenses	2,734	2,084	2,804	2,681	2,728	2,552	2,896
Maintenance expenses	311	328	355	279	259	298	294
Taxes and dues	2,352	1,691	2,374	2,331	2,391	2,182	2,522
Insurance expenses	70	64	74	70	78	72	77
Land rent	-	-	-	-	-	-	-
Repair expenses	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	2
③ NOI [①－②]	27,869	27,989	33,077	37,908	31,791	34,548	28,778
④ Depreciation and amortization	5,334	4,869	7,357	6,031	6,016	5,389	5,937
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	22,534	23,120	25,720	31,877	25,774	29,158	22,841

(Unit: thousands of yen)

Property no.	O-11	O-12	O-13	O-14	O-15	O-16	O-17
Name of property	Chisun Inn Niigata Chuo IC	Chisun Inn Nagasaki Airport	Chisun Inn Hitachinaka	Chisun Inn Tsuchiura Ami	Chisun Inn Kofu Isawa	Chisun Inn Marugame Zentsuji	Chisun Inn Munakata
① Total real estate operating revenue	30,443	33,042	32,140	32,316	32,270	32,151	26,205
Fixed rent	22,500	22,500	26,460	27,480	23,460	21,000	18,000
Floating rent	7,943	10,542	5,680	4,836	8,810	11,151	8,205
Other rent	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
② Total real estate operating expenses	2,800	2,909	2,229	2,412	2,212	2,319	2,472
Maintenance expenses	289	519	285	287	303	320	279
Taxes and dues	2,439	2,324	1,872	2,053	1,843	1,927	2,123
Insurance expenses	71	66	72	71	66	71	70
Land rent	-	-	-	-	-	-	-
Repair expenses	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
③ NOI [①－②]	27,642	30,132	29,910	29,904	30,058	29,832	23,732
④ Depreciation and amortization	5,652	6,806	7,605	8,273	6,201	6,369	6,190
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	21,989	23,326	22,305	21,630	23,856	23,462	17,542

(Unit: thousands of yen)

Property no.	O-18	O-19	O-20	O-21	O-22	O-23	O-24
Name of property	Chisun Inn Iwate Ichinoseki IC	Chisun Inn Karuizawa	Chisun Inn Himeji Yumesakibashi	Chisun Inn Kurashiki Mizushima	Candeo Hotels Handa	Candeo Hotels Chino	Candeo Hotels Fukuyama
① Total real estate operating revenue	31,069	44,519	28,003	35,013	26,460	32,844	39,370
Fixed rent	24,960	28,980	21,960	25,980	26,460	32,844	39,370
Floating rent	6,109	15,539	6,043	9,033	-	-	-
Other rent	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
② Total real estate operating expenses	2,441	2,713	3,391	2,895	5,938	6,076	4,008
Maintenance expenses	423	294	322	295	-	-	-
Taxes and dues	1,940	2,335	2,985	2,527	2,941	3,159	3,852
Insurance expenses	74	84	80	72	117	112	156
Land rent	-	-	-	-	2,880	2,804	-
Repair expenses	-	-	-	-	-	-	-
Other expenses	2	-	2	-	-	-	-
③ NOI [①－②]	28,628	41,805	24,611	32,118	20,521	26,767	35,361
④ Depreciation and amortization	6,173	8,317	5,805	6,930	6,460	8,659	10,756
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	22,454	33,488	18,805	25,187	14,061	18,108	24,604

(Unit: thousands of yen)

Property no.	O-25	O-26	O-27	O-28	O-29	O-30
Name of property	Candeo Hotels Sano	Candeo Hotels Kameyama	Comfort Hotel Hakodate	Comfort Hotel Tomakomai	Comfort Hotel Kure	Chisun Inn Kagoshima Taniyama
① Total real estate operating revenue	45,765	20,910	33,072	33,231	37,524	95,831
Fixed rent	45,756	20,910	32,922	33,231	37,524	48,000
Floating rent	-	-	-	-	-	37,031
Other rent	-	-	-	-	-	10,800
Other revenue	9	-	150	-	-	-
② Total real estate operating expenses	4,479	3,972	3,726	2,981	3,957	7,523
Maintenance expenses	-	-	-	-	-	577
Taxes and dues	3,113	3,814	3,608	2,877	3,840	6,676
Insurance expenses	114	158	118	104	117	268
Land rent	1,252	-	-	-	-	-
Repair expenses	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
③ NOI [①－②]	41,285	16,937	29,345	30,249	33,566	88,308
④ Depreciation and amortization	11,032	4,274	10,205	9,677	8,675	18,508
⑤ Loss on retirement of non-current assets	-	-	-	-	-	-
⑥ Operating profit (loss) from real estate leasing [③－④－⑤]	30,253	12,662	19,140	20,572	24,891	69,799

g. Individual Investment Real Estate, Etc. Operational Results

H-1 HOSHINOYA Karuizawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	307	289	355	469	349	298	296	301	204	192	221	85	3,371

(Note 1) Monthly key indicators are based on figures provided by the lessee Hoshino Resorts Inc.

(Note 2) Guest room occupancy rate is rounded to one decimal place. ADR and RevPAR are rounded down to the nearest specified unit, and sales are rounded down to the nearest million yen. The same shall apply hereinafter.

(Note 3) "Guest room occupancy rate" is the figure sought by the following formula. The same applies hereinafter.

Guest room occupancy rate = Number of guest rooms sold / Number of guest rooms available

(Note 4) "ADR" (Average Daily Rate) is the total guest room revenue (excluding food and beverage revenue, other revenue, service charge, etc.) during a certain period of time divided by the total number of guest rooms sold (total number of guest rooms occupied) during that period of time. The same shall apply hereinafter.

(Note 5) "RevPAR" (Revenue Per Available Room) is the total guest room revenue (excluding food and beverage revenue, other revenue, service charge, etc.) during a certain period of time divided by the total number of guest rooms available during that period of time and is the same figure as the figure calculated by multiplying ADR by the guest room occupancy rate. The same applies hereinafter.

(Note 6) "Sales" is the revenue that the lessee generates from the travel lodging facility operations business and businesses incidental to such at the property. Even if revenue is generated from facilities operated as one with the property, the revenue is not included in sales if the concerned facilities do not fall under assets held by HRR. The same shall apply hereinafter.

H-2 HOSHINOYA Kyoto

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	106	87	80	88	94	111	128	110	84	42	62	21	1,020

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Arashiyama Onsen Rankyokan.

H-3 HOSHINOYA Fuji

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	124	97	129	155	125	132	125	121	82	89	100	34	1,319

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resorts Inc.

H-4 HOSHINOYA Taketomi Island

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	122	110	150	148	103	117	108	101	73	95	117	20	1,269

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

R-1 RISONARE Yatsugatake

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	373	384	482	660	501	387	381	359	225	249	279	70	4,355

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Horizon Hotels.

R-2 RISONARE Atami

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	153	128	195	273	160	94	150	172	157	150	173	56	1,867

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Horizon Hotels.

K-1 KAI Matsumoto

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	46	39	53	73	51	45	48	44	33	33	43	11	523

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

K-2 KAI Izumo

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	56	51	45	68	56	65	69	66	60	52	57	19	669

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

K-3 KAI Ito

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	57	53	67	90	67	62	68	69	72	71	74	20	778

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

K-4 KAI Hakone

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	74	65	73	92	76	78	91	72	79	68	70	19	864

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

K-5 KAI Aso

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	30	25	26	39	31	35	39	35	31	28	31	10	366

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

K-6 KAI Kawaji

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	58	53	62	100	67	55	78	67	62	64	63	17	752

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resort Management Co., Ltd.

K-7 KAI Kinugawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	69	56	66	104	80	75	83	80	75	63	67	15	841

(Note) Monthly key indicators are based on figures provided by the lessee Hoshino Resorts Inc.

K-8 KAI Kaga

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	72	48	66	103	79	76	115	106	90	97	81	11	951

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Arashiyama Onsen Rankyokan.

K-9 KAI Alps

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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) Monthly key indicators are based on figures provided by the lessee Asama onsen Hotel Management Co., Ltd.

O-35 OMO7 Asahikawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	154	175	246	231	192	168	133	146	157	129	29	6	1,774

(Note) Monthly key indicators are based on figures provided by the lessee Asahikawa Grand Hotel Co., Ltd.

O-43 Iriomote Hotel

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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) Monthly key indicators are based on figures provided by the lessee Yaeyama Hotels and Resorts Co., Ltd. and the previous owner of the concerned property.

O-45 BEB5 Karuizawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	-	-	-	-	-	-	-	-	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	-

(Note 1) January 2020 is when HRR acquired the concerned property, so figures for the month prior to the acquisition and one-year cumulative figures are not presented.

(Note 2) Monthly key indicators are based on figures provided by the lessee Nakakaruizawa Hotel Management Co., Ltd.

O-31 ANA Crowne Plaza Hiroshima

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	425	363	359	339	403	462	494	450	338	307	145	57	4,147

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Horizon Hotels.

O-32 ANA Crowne Plaza Fukuoka

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	298	316	285	258	272	318	352	306	263	249	123	24	3,071

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Horizon Hotels.

O-33 ANA Crowne Plaza Kanazawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	344	280	272	276	259	280	328	289	222	206	70	27	2,860

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Horizon Hotels.

O-34 ANA Crowne Plaza Toyama

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	288	248	214	200	197	262	266	240	168	152	86	29	2,355

(Note) Monthly key indicators are based on figures provided by the lessee K.K. Horizon Hotels.

O-36 Hyatt Regency Osaka

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	328	366	319	345	351	368	342	286	254	158	98	42	3,261

(Note) Monthly key indicators are based on figures provided by the lessee HRO Inc.

O-37 the b akasaka

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	47	42	51	45	43	51	49	42	33	23	10	4	447

(Note 1) Monthly key indicators are based on figures provided by the lessee KK Ishin MinatoAkasaka Operations (Note 2).

(Note 2) On December 1, 2019, KK Ishin MinatoAkasaka Operations, together with KK Ishin Sangenjaya Operations, KK Ishin NagoyaSakae Operations and KK Ishin KobeSannomiya Operations, conducted an absorption-type merger whereby KK Ishin KobeSannomiya Operations became the surviving company, and KK Ishin MinatoAkasaka Operations, KK Ishin Sangenjaya Operations and KK Ishin NagoyaSakae Operations became the dissolved companies. In addition, KK Ishin KobeSannomiya Operations changed its name to KK IHB as a result of the merger.

O-38 the b sangenjaya

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	38	36	39	38	36	39	41	39	34	33	22	10	410

(Note 1) Monthly key indicators are based on figures provided by the lessee KK Ishin Sangenjaya Operations (Note 2).

(Note 2) On December 1, 2019, KK Ishin Sangenjaya Operations, together with KK Ishin MinatoAkasaka Operations, KK Ishin NagoyaSakae Operations and KK Ishin KobeSannomiya Operations, conducted an absorption-type merger whereby KK Ishin KobeSannomiya Operations became the surviving company, and KK Ishin Sangenjaya Operations, KK Ishin MinatoAkasaka Operations and KK Ishin NagoyaSakae Operations became the dissolved companies. In addition, KK Ishin KobeSannomiya Operations changed its name to KK IHB as a result of the merger.

O-39 the b nagoya

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	50	50	52	54	48	50	55	49	46	34	12	7	512

(Note 1) Monthly key indicators are based on figures provided by the lessee KK Ishin NagoyaSakae Operations (Note 2).

(Note 2) On December 1, 2019, KK Ishin NagoyaSakae Operations, together with KK Ishin MinatoAkasaka Operations, KK Ishin Sangenjaya Operations and KK Ishin KobeSannomiya Operations, conducted an absorption-type merger whereby KK Ishin KobeSannomiya Operations became the surviving company, and KK Ishin NagoyaSakae Operations, KK Ishin MinatoAkasaka Operations and KK Ishin Sangenjaya Operations became the dissolved companies. In addition, KK Ishin KobeSannomiya Operations changed its name to KK IHB as a result of the merger.

O-40 the b kobe

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	62	57	59	66	54	63	63	57	46	40	22	13	606

(Note 1) Monthly key indicators are based on figures provided by the lessee KK Ishin KobeSannomiya Operations (Note 2).

(Note 2) On December 1, 2019, KK Ishin KobeSannomiya Operations, together with KK Ishin MinatoAkasaka Operations, KK Ishin Sangenjaya Operations and KK Ishin NagoyaSakae Operations, conducted an absorption-type merger whereby KK Ishin KobeSannomiya Operations became the surviving company, and KK Ishin MinatoAkasaka Operations, KK Ishin Sangenjaya Operations and KK Ishin NagoyaSakae Operations became the dissolved companies. In addition, KK Ishin KobeSannomiya Operations changed its name to KK IHB as a result of the merger.

O-42 hotel androoms Osaka Hommachi

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	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%
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
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
Sales (millions of yen)	32	29	30	36	22	25	25	23	20	15	4	0	266

(Note) Monthly key indicators are based on figures provided by the lessee Osaka Hotel Management LLC.

O-46 Sol Vita Hotel Naha

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	-	-	-	-	-	-	-	-	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	-

(Note 1) January 2020 is when HRR acquired the concerned property, so figures for the month prior to the acquisition and one-year cumulative figures are not presented.

(Note 2) Monthly key indicators are based on figures provided by the lessee Naha Matsuyama Hotel Management Co., Ltd.

O-1 Chisun Inn Shiojiri Kita IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	84.5%	83.4%	83.7%	86.9%	84.8%	84.6%	83.8%	73.1%	64.2%	63.8%	47.2%	45.8%	73.9%
ADR (yen)	6,534	5,952	6,190	7,698	6,377	5,855	5,963	5,372	4,777	5,040	4,904	4,595	5,914
RevPAR (yen)	5,521	4,962	5,183	6,691	5,407	4,954	5,000	3,927	3,069	3,213	2,314	2,103	4,368
Sales (millions of yen)	17	14	16	20	16	15	15	12	9	9	7	6	161

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-2 Chisun Inn Sano Fujioka IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	85.9%	78.9%	78.1%	87.0%	85.9%	86.8%	90.3%	88.8%	80.5%	81.9%	72.1%	51.5%	80.7%
ADR (yen)	6,820	6,047	5,965	7,077	6,160	6,152	6,242	6,507	6,264	5,847	5,715	5,151	6,215
RevPAR (yen)	5,861	4,769	4,656	6,154	5,294	5,341	5,634	5,780	5,045	4,791	4,118	2,654	5,014
Sales (millions of yen)	17	13	13	18	15	15	16	17	15	13	12	7	177

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-3 Chisun Inn Suwa IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	85.8%	82.1%	89.9%	92.4%	87.8%	88.5%	84.7%	81.5%	79.3%	74.4%	75.3%	64.1%	82.2%
ADR (yen)	6,529	5,847	6,086	7,723	6,455	5,944	6,128	5,602	5,416	5,538	5,057	4,731	5,983
RevPAR (yen)	5,604	4,803	5,470	7,138	5,664	5,262	5,189	4,565	4,293	4,121	3,809	3,032	4,919
Sales (millions of yen)	16	13	16	21	16	15	15	13	12	11	11	8	174

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-4 Chisun Inn Toyokawa IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	82.5%	79.1%	85.0%	85.2%	79.9%	83.6%	86.1%	81.1%	76.9%	71.4%	58.2%	44.0%	76.2%
ADR (yen)	5,596	5,182	5,301	6,346	5,157	4,968	5,155	5,164	5,020	4,602	4,712	4,528	5,197
RevPAR (yen)	4,614	4,101	4,508	5,408	4,120	4,153	4,440	4,189	3,860	3,287	2,742	1,994	3,958
Sales (millions of yen)	14	12	14	16	12	13	13	13	12	9	8	5	146

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-5 Chisun Inn Tosu

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	81.6%	75.6%	79.2%	80.4%	67.8%	81.1%	87.8%	75.4%	76.3%	59.6%	36.7%	33.3%	69.7%
ADR (yen)	6,205	5,369	5,889	6,948	5,390	5,295	5,636	5,584	5,377	5,383	4,894	4,195	5,633
RevPAR (yen)	5,065	4,060	4,663	5,589	3,655	4,296	4,950	4,211	4,104	3,206	1,795	1,395	3,924
Sales (millions of yen)	15	12	14	16	10	12	14	12	12	9	5	4	140

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-6 Chisun Inn Chiba Hamano R16

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	88.8%	64.0%	86.3%	84.1%	85.1%	87.7%	87.9%	82.8%	75.4%	79.1%	59.9%	74.2%	79.6%
ADR (yen)	6,640	6,274	6,214	6,825	6,502	6,329	6,513	6,780	6,035	5,970	5,502	5,383	6,283
RevPAR (yen)	5,895	4,013	5,361	5,743	5,536	5,549	5,726	5,617	4,548	4,724	3,294	3,995	5,003
Sales (millions of yen)	18	11	16	17	16	16	16	17	13	13	10	11	180

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-7 Chisun Inn Kumamoto Miyukifueda

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	80.5%	78.9%	84.1%	89.6%	85.3%	88.1%	90.9%	80.4%	77.6%	82.1%	59.9%	43.7%	78.4%
ADR (yen)	6,840	6,159	6,401	8,416	6,381	6,603	6,393	5,982	5,796	5,992	5,480	5,046	6,388
RevPAR (yen)	5,505	4,860	5,381	7,541	5,441	5,814	5,810	4,808	4,498	4,917	3,281	2,203	5,010
Sales (millions of yen)	17	15	17	24	17	18	18	15	14	15	10	7	192

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-8 Chisun Inn Utsunomiya Kanuma

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	80.2%	70.9%	75.7%	85.0%	82.2%	78.9%	77.8%	75.5%	76.9%	73.3%	55.1%	50.1%	73.5%
ADR (yen)	6,397	5,816	5,749	6,896	6,250	6,095	6,239	5,882	5,553	5,807	5,592	5,083	5,998
RevPAR (yen)	5,132	4,124	4,355	5,861	5,138	4,809	4,851	4,442	4,270	4,254	3,081	2,546	4,409
Sales (millions of yen)	16	12	14	18	15	15	14	14	13	12	10	7	166

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-9 Chisun Inn Fukui

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	85.2%	87.0%	91.8%	93.5%	91.4%	87.7%	86.8%	82.3%	76.9%	78.7%	78.4%	67.1%	83.9%
ADR (yen)	6,276	5,786	5,965	7,308	6,016	5,652	5,948	5,609	5,321	5,836	5,495	5,147	5,899
RevPAR (yen)	5,349	5,034	5,478	6,832	5,498	4,954	5,161	4,617	4,093	4,591	4,306	3,452	4,951
Sales (millions of yen)	17	15	17	22	17	16	16	14	13	13	13	10	188

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-10 Chisun Inn Fukushima Nishi IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	74.3%	74.9%	80.4%	80.2%	77.5%	84.9%	86.0%	73.9%	67.9%	75.1%	70.2%	56.6%	75.2%
ADR (yen)	5,978	5,561	5,968	7,072	5,715	5,818	5,690	5,200	5,121	5,422	5,356	5,164	5,704
RevPAR (yen)	4,443	4,167	4,801	5,668	4,428	4,939	4,891	3,841	3,478	4,069	3,760	2,920	4,287
Sales (millions of yen)	14	13	15	18	13	15	15	12	11	12	12	9	163

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-11 Chisun Inn Niigata Chuo IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	73.2%	77.1%	78.2%	88.8%	76.6%	73.6%	79.3%	71.8%	66.1%	69.4%	52.7%	33.5%	70.0%
ADR (yen)	6,831	5,581	6,016	8,339	6,161	5,779	5,845	5,123	5,107	5,315	5,072	4,953	5,961
RevPAR (yen)	5,003	4,303	4,705	7,405	4,717	4,253	4,634	3,676	3,375	3,690	2,671	1,659	4,171
Sales (millions of yen)	14	12	15	23	14	13	14	11	11	11	8	5	156

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-12 Chisun Inn Nagasaki Airport

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	79.3%	78.7%	82.3%	87.4%	80.0%	83.6%	90.0%	81.9%	75.8%	77.5%	61.9%	26.6%	75.5%
ADR (yen)	6,544	5,881	6,226	7,395	6,096	5,984	6,215	6,000	5,963	6,228	5,764	5,102	6,197
RevPAR (yen)	5,190	4,630	5,121	6,467	4,877	5,000	5,595	4,912	4,522	4,830	3,565	1,356	4,677
Sales (millions of yen)	15	13	15	19	14	15	16	14	13	13	10	4	166

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-13 Chisun Inn Hitachinaka

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	83.7%	74.9%	76.2%	90.8%	80.8%	84.5%	84.6%	80.5%	79.4%	78.6%	67.3%	59.0%	78.4%
ADR (yen)	6,266	5,543	5,954	6,660	7,292	6,906	5,962	5,587	5,542	5,642	5,533	5,458	6,067
RevPAR (yen)	5,246	4,149	4,536	6,051	5,894	5,833	5,044	4,499	4,399	4,436	3,721	3,219	4,756
Sales (millions of yen)	15	12	13	17	16	17	14	13	13	12	11	9	167

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-14 Chisun Inn Tsuchiura Ami

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	86.4%	73.3%	70.9%	81.0%	81.2%	76.8%	77.8%	72.4%	71.6%	76.3%	66.5%	71.8%	75.5%
ADR (yen)	6,154	5,754	5,699	6,590	6,866	6,722	5,925	5,750	5,606	5,657	5,334	5,472	5,987
RevPAR (yen)	5,319	4,215	4,040	5,335	5,573	5,162	4,611	4,165	4,014	4,319	3,547	3,932	4,520
Sales (millions of yen)	15	12	12	15	16	15	13	12	12	12	10	12	161

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-15 Chisun Inn Kofu Isawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	71.7%	75.3%	84.4%	91.0%	83.3%	72.2%	85.9%	73.2%	69.3%	64.8%	50.1%	41.4%	71.9%
ADR (yen)	6,509	5,772	6,120	8,035	6,201	5,998	6,190	5,741	5,492	5,426	5,152	5,204	6,098
RevPAR (yen)	4,664	4,348	5,163	7,308	5,163	4,328	5,317	4,201	3,805	3,516	2,581	2,155	4,385
Sales (millions of yen)	14	12	15	21	15	13	15	12	11	9	7	6	155

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-16 Chisun Inn Marugame Zentsuji

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	78.8%	75.0%	75.5%	87.8%	80.3%	88.4%	89.1%	75.4%	70.2%	65.0%	49.6%	30.3%	72.2%
ADR (yen)	6,223	5,513	5,875	7,248	5,928	5,743	5,845	5,932	5,662	6,071	5,434	4,856	5,947
RevPAR (yen)	4,906	4,133	4,436	6,363	4,762	5,079	5,209	4,472	3,973	3,945	2,695	1,471	4,293
Sales (millions of yen)	15	12	14	20	14	16	16	14	12	11	8	4	161

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-17 Chisun Inn Munakata

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	75.8%	64.5%	67.6%	72.4%	64.7%	70.4%	74.6%	65.6%	65.4%	64.1%	51.8%	62.2%	66.6%
ADR (yen)	5,647	5,168	5,506	6,105	5,493	5,308	5,508	5,400	5,225	5,546	4,789	4,431	5,371
RevPAR (yen)	4,282	3,333	3,724	4,419	3,551	3,736	4,109	3,542	3,415	3,555	2,481	2,755	3,577
Sales (millions of yen)	13	10	11	14	11	11	12	11	10	10	8	8	135

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-18 Chisun Inn Iwate Ichinoseki IC

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	82.6%	83.1%	84.4%	84.3%	77.5%	76.7%	79.7%	65.3%	64.1%	72.3%	62.0%	48.5%	73.4%
ADR (yen)	6,327	5,643	6,077	7,339	5,944	5,955	5,745	5,265	5,222	5,444	5,192	5,198	5,847
RevPAR (yen)	5,227	4,690	5,131	6,186	4,609	4,569	4,577	3,439	3,347	3,934	3,218	2,522	4,291
Sales (millions of yen)	15	13	15	18	13	14	13	10	10	11	9	7	155

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-19 Chisun Inn Karuizawa

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	83.4%	81.0%	80.0%	88.2%	82.6%	81.6%	83.9%	71.2%	70.2%	74.4%	57.7%	31.8%	73.9%
ADR (yen)	9,128	7,327	10,568	16,624	10,044	8,089	8,055	8,439	7,398	6,708	5,855	4,839	8,987
RevPAR (yen)	7,616	5,932	8,458	14,658	8,296	6,599	6,754	6,010	5,191	4,991	3,377	1,539	6,638
Sales (millions of yen)	22	16	24	42	23	19	19	17	15	13	10	4	229

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-20 Chisun Inn Himeji Yumesakibashi

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	74.3%	68.9%	76.0%	83.9%	72.8%	76.1%	86.4%	78.3%	82.1%	77.2%	66.9%	46.9%	74.2%
ADR (yen)	5,774	5,160	5,455	6,440	5,186	5,034	5,409	5,211	5,178	5,051	4,983	4,680	5,334
RevPAR (yen)	4,291	3,558	4,144	5,403	3,777	3,829	4,673	4,079	4,250	3,898	3,331	2,197	3,957
Sales (millions of yen)	13	11	13	17	11	12	14	13	13	11	10	6	150

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-21 Chisun Inn Kurashiki Mizushima

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	92.1%	91.2%	76.8%	77.2%	83.3%	93.9%	85.0%	60.5%	64.7%	74.1%	49.8%	40.2%	73.9%
ADR (yen)	6,748	5,625	5,729	7,067	6,106	6,139	6,301	5,928	5,299	5,515	5,389	4,861	5,978
RevPAR (yen)	6,214	5,127	4,397	5,456	5,088	5,767	5,358	3,588	3,431	4,085	2,686	1,954	4,418
Sales (millions of yen)	19	15	14	16	12	18	16	11	11	12	8	6	162

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

O-30 Chisun Inn Kagoshima Taniyama

	2019								2020				Accumulated total
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Guest room occupancy rate	80.3%	80.9%	89.1%	82.2%	79.3%	82.7%	89.0%	80.4%	78.9%	82.0%	74.8%	61.7%	80.1%
ADR (yen)	6,031	5,611	6,472	7,141	5,687	5,718	6,011	5,497	5,511	5,874	5,509	5,117	5,877
RevPAR (yen)	4,841	4,538	5,766	5,869	4,508	4,727	5,353	4,421	4,346	4,817	4,120	3,156	4,708
Sales (millions of yen)	35	32	41	42	32	34	37	32	31	33	30	23	407

(Note) Monthly key indicators are based on figures provided by the lessee SHR Roadside Inn Co., Ltd.

(2) Status of Capital Expenditures

① Schedule of Capital Expenditures

Of capital expenditures associated with renovation work, etc. in the fiscal period ending October 2020 currently planned for assets held by HRR as of April 30, 2020, the following are the major estimated amounts. Amounts categorized as expenses within accounting standards are included in capital expenditure amounts stated below.

Name of real estate, etc.	Location	Purpose	Scheduled period	Estimated construction costs (millions of yen)		
				Total amount	Payment during period	Total amount already paid
HOSHINOYA Karuizawa	Karuizawa-machi, Kitasaku-gun, Nagano	Renovation of guest rooms	From: May 2020 To: December 2021	200	8	8
KAI Izumo	Matsue-shi, Shimane	Renovation	From: May 2020 To: July 2020	245	5	9
OMO7 Asahikawa	Asahikawa-shi, Hokkaido	Renovation	From: January 2020 To: December 2020	276	57	57
Iriomote Hotel	Taketomi-cho, Yaeyama-gun, Okinawa	Renovation	From: April 2020 To: July 2020	150	60	61

② Capital Expenditures during the Period

Of construction work falling under the category of capital expenditures conducted in the fiscal period under review for assets held by HRR as of April 30, 2020, the following are the major amounts. The fiscal period under review's capital expenditures amounted to 952 million yen and repair expenses separately charged to expenses amounted to 76 million yen for a combined total of 1,029 million yen of construction work implemented.

Name of real estate, etc.	Location	Purpose	Period	Construction costs (millions of yen)
RISONARE Yatsugatake	Hokuto-shi, Yamanashi	Renovation of guest rooms	From: January 2020 To: April 2020	85
ANA Crowne Plaza Hiroshima	Hiroshima-shi, Hiroshima	Renovation of double rooms and renovation to make rooms non-smoking	From: January 2020 To: March 2020	36
Hyatt Regency Osaka	Osaka-shi, Osaka	Upgrade of general emergency control board	From: December 2018 To: February 2020	321