



**Hoshino
Resorts
REIT**

16th Fiscal Period ended April 2021

Presentation Materials

June 15, 2021

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

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

An aerial photograph of a coastal resort. In the foreground, a large, multi-story hotel building with a red roof and white balconies is nestled among lush green trees. A sandy beach runs along the edge of the hotel, meeting the calm, blue water of a bay. In the background, rolling green mountains and hills surround the water, with a small bridge visible in the distance. The sky is a clear, pale blue.

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

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• The following abbreviations are used hereinafter.

"Hoshino Resorts", "Hoshino Resorts Group"	Hoshino Resorts Inc. its parent company and its subsidiaries
"4 HOSHINOYA Properties"	HOSHINOYA Karuizawa, HOSHINOYA Kyoto, HOSHINOYA Fuji and HOSHINOYA Taketomi Island
"2 RISONARE Properties"	RISONARE Yatsugatake, RISONARE Atami
"8 KAI Properties"	KAI Matsumoto, KAI Izumo, KAI Ito, KAI Hakone, KAI Aso, KAI Kawaji, KAI Kinugawa and KAI Kaga
"10 KAI Properties"	KAI Matsumoto, KAI Izumo, KAI Ito, KAI Hakone, KAI Aso, KAI Kawaji, KAI Kinugawa, KAI Kaga, KAI Alps and KAI Enshu
"22 Roadside Properties"	22 Chisun Inn budget hotels operated by the Solare Group
"3 ACP Properties"	ANA Crowne Plaza Hiroshima, ANA Crowne Plaza Kanazawa and ANA Crowne Plaza Toyama
"4 ACP Properties"	ANA Crowne Plaza Hiroshima, ANA Crowne Plaza Fukuoka, ANA Crowne Plaza Kanazawa and ANA Crowne Plaza Toyama
"4 the b Properties"	the b akasaka, the b sangenjaya, the b nagoya and the b kobe
"5 Candeo Properties"	Candeo Hotels Handa, Candeo Hotels Chino, Candeo Hotels Fukuyama, Candeo Hotels Sano and Candeo Hotels Kameyama
"3 Greens Properties"	Comfort Hotel Hakodate, Comfort Hotel Tomakomai and Comfort Hotel Kure

• Unless otherwise noted, monetary amounts are rounded down to the nearest unit and ratios are rounded to the nearest unit.

• Main monthly indicators and inbound ratios are based on figures supplied by tenants.

• QR codes can be scanned using a smartphone or other device to access the website.

The image shows a spacious, multi-level lounge area. In the foreground, there are several clusters of armchairs and small round tables. A grand piano is visible on the left side. The room is characterized by large, textured pillars and a high ceiling. Large windows in the background offer a view of the city. The overall atmosphere is sophisticated and modern.

I

16th Fiscal Period ended April 2021 Financial highlights

16th Fiscal Period ended April 2021 Financial Summary

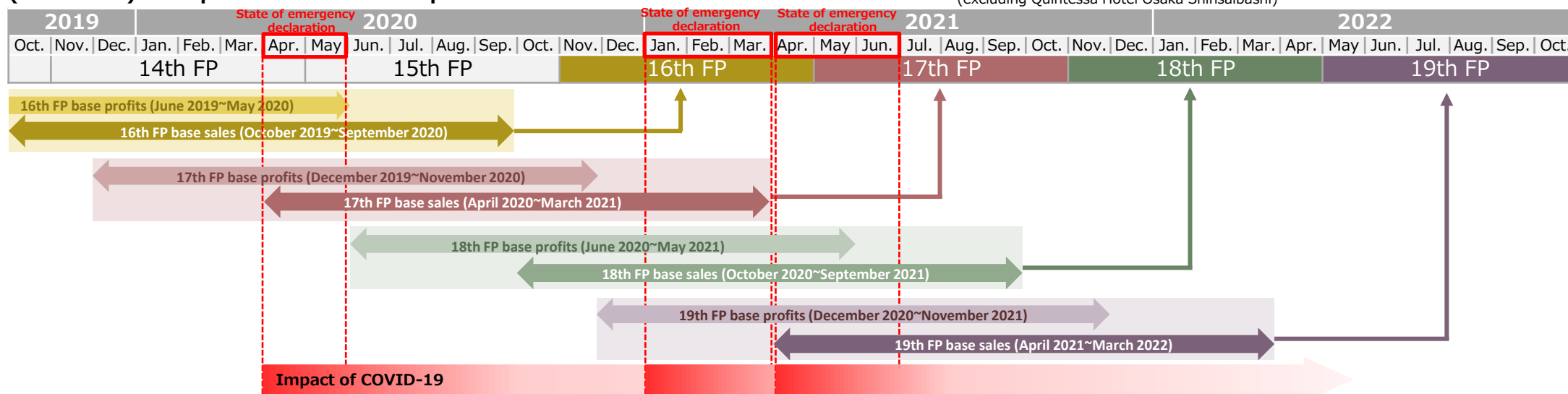
Hoshino Resorts REIT, Inc.

Results and business forecast assumptions

Forecast two times before
(released Dec. 15, 2020) Previous forecast
(revision on May 19, 2021) This announcement
(released June 15, 2021)

Results for the 16th fiscal period (ended April 2021)	6,390 yen	—	Actual results 6,406 yen (+16 yen, +0.3% vs. 12/15 forecast)	<ul style="list-style-type: none"> Performance by sales-linked properties up to and including September 2020 and performance by profit-linked properties for the period up to and including May 2020 were affected by declines in revenue due to the COVID-19 pandemic Actual results were roughly in line with the December 2020 forecast.
Forecast for the 17th fiscal period (ending October 2021)	5,987 yen	6,338 yen	Forecast 6,344 yen (+357yen, +6.0% vs. 12/15 forecast)	<ul style="list-style-type: none"> Reductions in revenue due to the COVID-19 pandemic have been reflected for sales-linked properties for the period up to and including March 2021 and for profit-linked properties for the period up to and including November 2020 We actively acquired properties through asset replacement, third-party allocation of shares, etc., improving business results in comparison to the December 2020 forecast.
Forecast for the 18th fiscal period (ending April 2022)	—	7,105 yen	Forecast 7,110 yen (+766 yen, +12.1% vs. Previous FP)	<ul style="list-style-type: none"> Reductions in revenue due to the COVID-19 pandemic have been reflected for sales-linked properties for the period up to and including September 2021 and for profit-linked properties for the period up to and including May 2021 Business results continued to be significantly impacted by the prolonged COVID-19 situation, such as by the repeated issuing of state of emergency declarations. However, many of the Hoshino Resorts-managed properties have maintained solid business performance, so results are expected to improve in comparison to the 17th fiscal period ending Oct. 2021.

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



(Note) The timing of floating rents arising and the specific calculation methods vary depending on the property. In the lease agreements with each lessee, the starting dates of floating rent are stated as of May 1, 2022 (19th FP) for KAI Alps; May 1, 2022 (19th FP) for Grand Hyatt Fukuoka, which was acquired during the 17th fiscal period ending Oct. 2021; November 1, 2022 (20th FP) for Iriomote Hotel; May 1, 2023 (21st FP) for BEB5 Karuizawa; November 1, 2023 (22nd FP) for KAI Nagato, which was acquired during the 17th fiscal period ending Oct. 2021; and November 1, 2024 (24th FP) for OMO7 Asahikawa. Therefore, floating rent will not arise prior to those said dates regardless of the amounts of sales or profits of the hotels, ryokans and ancillary facilities. This also applies hereafter.

16th Fiscal Period ended April 2021 Financial Summary

Hoshino Resorts REIT, Inc.

	Results of the 15th fiscal period	Forecast for the 16th fiscal period (released Dec. 15, 2020) (A)	Results of the 16th fiscal period (B)	Comparison with Forecast (B)-(A)
Operational status (millions of yen)				
Operating revenue	6,021	4,591	4,591	0
Operating expenses	2,782	2,777	2,774	-2
Operating profit	3,238	1,813	1,816	2
Ordinary profit	2,854	1,418	1,422	3
Profit	2,853	1,417	1,466	48
Distribution per unit (yen)	12,860	6,390	6,406	16
Others				
NOI (millions of yen)	5,179	3,759	3,743	-16
NOI yield	6.4%	4.6%	4.6%	0.0pt
LTV	37.9%	38.2%	38.3%	0.1pt
NAV per unit (yen)	515,480	-	515,513	-

Breakdown of operating revenue

Fixed rent +Minimum guarantee	4,108 million yen (89.5%)
Floating rent excluding Minimum guarantee	471 million yen (10.3%)

Comparison with previous forecast of operating expenses

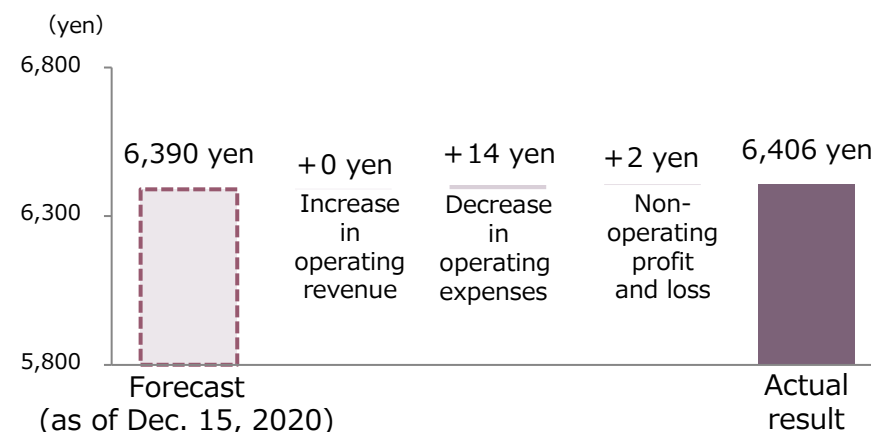
Taxes and public dues:	-1 million yen	Repair costs:	-2 million yen
Depreciation:	6 million yen	Increase/decrease in other expenses:	-5 million yen

Comparison with previous extraordinary gain

Subsidy income	44 million yen
(Internal reserves through provision of reserves for reduction entry)	

Breakdown of distribution increase and decrease

Distribution per unit : 6,406 yen
Comparison with forecast +16 yen (+0.3%)

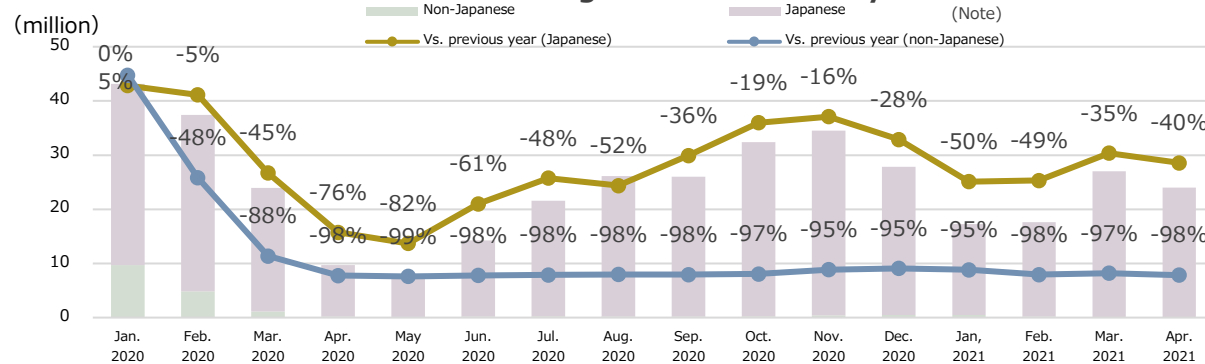


The environment surrounding the tourism industry

Hoshino Resorts REIT, Inc.

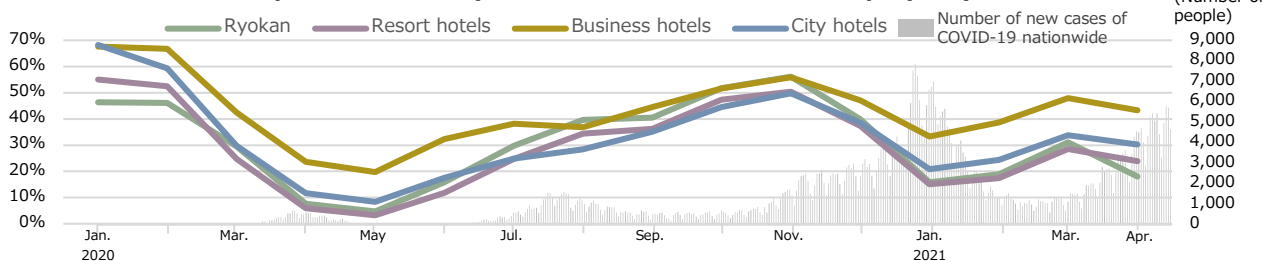
- Up to March 2021, the net change in the number of Hoshino Resorts reservations (new reservations – new cancellations) showed a strong inverse correlation with the number of new COVID-19 infections nationwide and was not strongly correlated with other factors such as the issuing of state of emergency declarations. However, from April 2021 onwards there were no major waves of cancellations, even when there were major increases in the number of new infections, so we believe that we have begun to see a change in consumer behavior patterns.
- According to studies by the Jalan Research Center, travel intent among those studied, excluding study participants who would not want to travel even if there was no COVID-19 pandemic, remained steady at 50% or higher even in the midst of the pandemic. In particular, the latest study, conducted in March 2021, found that travel intent had risen to almost the same level as during the Go To Travel campaign, regardless of whether or not a state of emergency was in effect. There has also been a rise in the number of people planning to travel while taking measures to avoid infection risks.

Total number of guests from January 2020



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

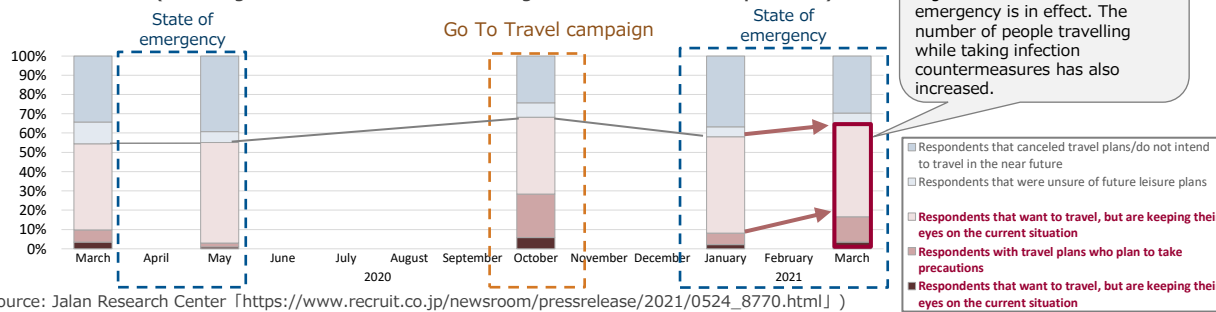
Hotel operation ratios (for hotels with 10 or more employees)



(Source: Tourism Agency Statistical Survey of Lodging and Travel and Ministry of Health, Labour and Welfare open data regarding COVID-19 infections)

Changes in intent to travel

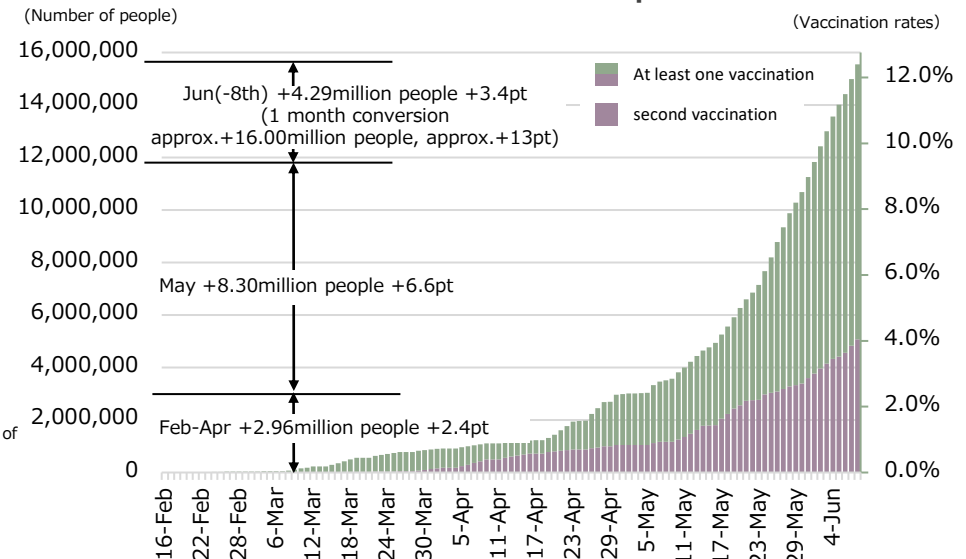
(Excluding those with no intent to travel regardless of the COVID-19 pandemic)



(Source: Jalan Research Center [https://www.recruit.co.jp/newsroom/pressrelease/2021/0524_8770.html])

(Note) Figures for February 2021 and beyond are calculated by comparing them to 2019, as the previous year was affected by COVID-19.

Vaccination status in Japan



(Source: Created by the asset management company based on the Prime Minister's Office of Japan "Total number of vaccine doses administered to date" and the Ministry of Internal Affairs and Communications, Statistics Bureau of Japan "Population Estimate (Preliminary Figures for December 2020 and Estimated Figures for May 2021 Based on 2015 Population Census Results)" (announced on May 20, 2021)"

Status of relaxation of restrictions in Europe

In England, home to the majority of the U.K.'s population, indoor seating at restaurants has been permitted since the 17th. Likewise, cinemas, museums, theaters, and other facilities also resumed operation on the 17th. Restrictions on overseas travel, which had been prohibited as a general rule, were also lifted. The government has created a "green list" of 12 countries and territories, such as Portugal and Australia, which it deems relatively safe. People returning from these countries and territories are not required to self-quarantine. People who had been longing to travel again visited countries such as these.

Roughly 70% of adults in the U.K. have received at least one vaccination shot. The number of daily new infections is consistently under 2,000, and the number of daily COVID-19 deaths remains below 10. (Nikkei Keizai Shimbun, May 18, 2021)

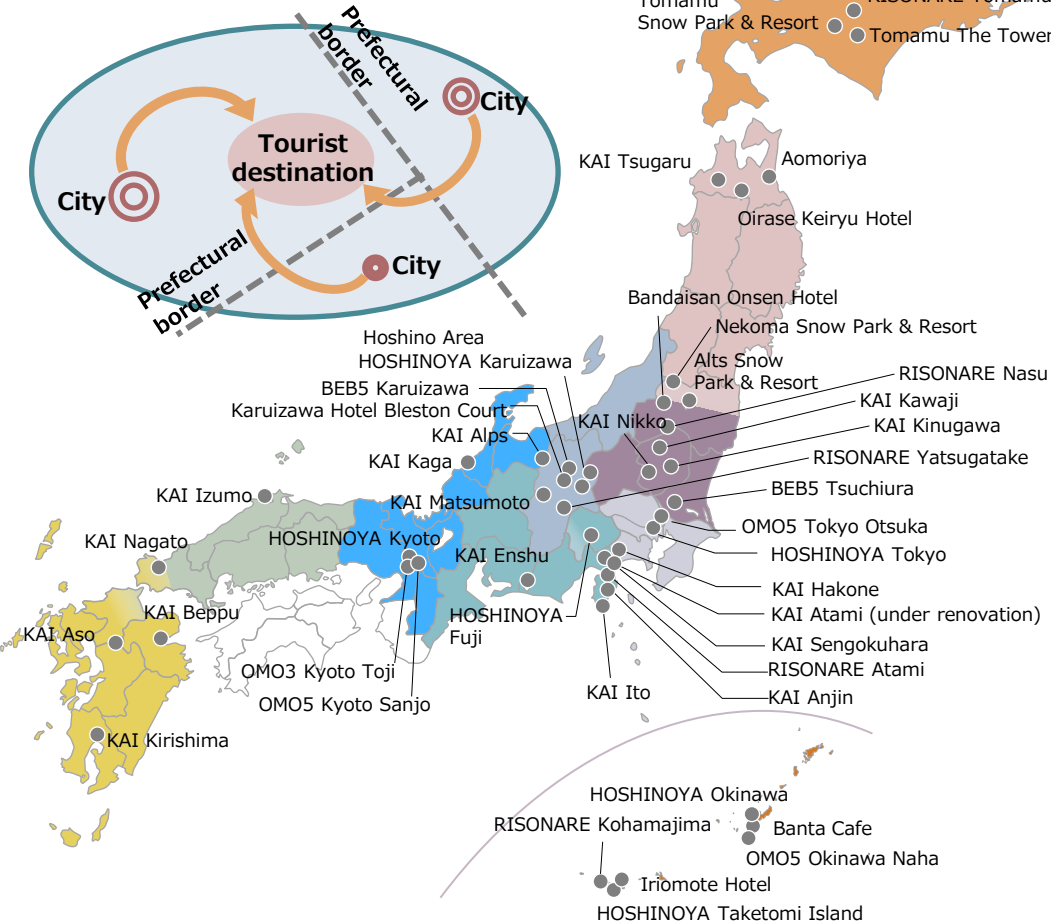
Hoshino Resorts promotes microtourism as a new form of travel in the COVID-19 era. We have designated 11 microtourism business zones across Japan, and we are constantly developing and refining our microtourism measures. Through the projects we carry out in conjunction with local businesses, we are continuing to contribute to the discovery of new regional allure and the revitalization of local economies.

Promotion of microtourism

- Travel needs in the COVID-19 era = Small trips
- Tourism that stimulates local economies while preventing the spread of COVID-19
- Learning from local communities and rediscovering local allure

Designating of 11 Microtourism business zone in Japan

Short trips to destinations one to two hours away
Travel by automobile, by bicycle, on foot, by train, etc.



Hoshino Resorts' local collaboration projects

- In order to protect and share local allure, we have striven to actively collaborate with local producers and creators affected by the COVID-19 pandemic.
- Through these collaborations, we are contributing to the recoveries of local economies.

Hoshino Resorts Aomoriya x Nebuta Festival float creators "Nebuta Collaborative Creation Project"



<Background>

The Aomori Nebuta Festival was cancelled due to the COVID-19 pandemic. We collaborated with Nebuta Festival float creators, who lost their once-a-year opportunity to create their works, providing guests with a place within our facility to see how the float decorations are created and even to try their own hand at creating them.

Three KAI resorts in Tochigi Prefecture x Mashiko pottery artists "Remote Mashiko Pottery Market"



<Background>

The "Pottery Market," a regular event in Tochigi Prefecture, was cancelled due to COVID-19. This deprived pottery artists of an opportunity to show their skills and deprived tourists of the ability to enjoy this event. Three KAI resorts (Kinugawa, Nikko, and Kawaji) therefore exhibited pottery works in their facilities, set up a special sales site, and held a "Remote Mashiko Pottery Market."

"Mottainai" Projects

- 1st project: Making milk jam with surplus milk
- 2nd project: Making tea yokan sweets with surplus tea
- 3rd project: Developing sweets made with surplus purple yams and cherries



New sweets were made with Okinawa's famous purple yams and served at buffet restaurants across Japan.



RISONARE Kohamajima
Iriomote Hotel
RISONARE Tomamu
Oirase Keiryu Hotel
Bandaisan Onsen Hotel
RISONARE Atami

January 2020 to April 2021 results

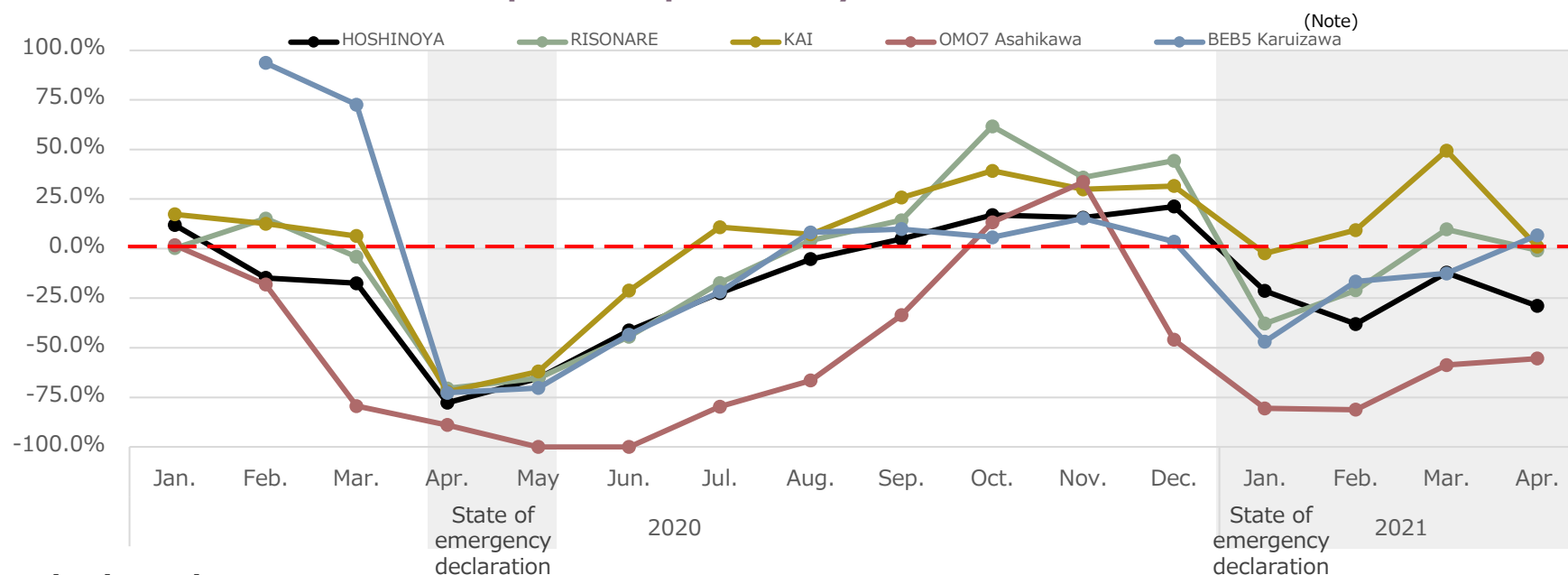
Rate of RevPAR change compared to 2019 by brand

(Hoshino Resorts managed properties)

Hoshino Resorts REIT, Inc.

Hoshino Resorts advanced and refined its measures for capturing microtourism demand as the COVID-19 situation progressed. As a result of these efforts, from the summer of 2020 onwards, the business performance of its three core brands remained strong even in the face of extended states of emergency. KAI performed particularly well, exceeding its business results for 2019 in most months.

Properties operated by Hoshino Resorts



Comments by brand

Trends of November 2020 onwards

HOSHINOYA

While occupancy rates fell as the result of the state of emergency declarations, stays for avoiding the 3Cs were well received and the brand succeeded in capturing demand and maintaining a high ADR. These enabled it to reduce its sales losses. Karuizawa and Fuji, in particular, performed well by meeting demand from visitors from the Tokyo area with relatively high budgets who normally would have travelled overseas. However, Kyoto struggled due to the general atmosphere in the Kansai region in which people voluntarily refrained from traveling.

KAI

While occupancy rates fell as the result of the issuing of state of emergency declarations, the KAI brand kept a high ADR and enjoyed solid microtourism demand. It was therefore able to maintain consistent and extremely strong RevPAR despite the COVID-19 pandemic. Results were particularly positive for Izumo, Aso, and Enshu, which attracts customers from areas other than the Tokyo area.

RISONARE

The RISONARE brand fared relatively well despite the state of emergency declarations by capturing spring vacation demand. Yatsugatake captured wedding demand for couples that had postponed their weddings in the first half of 2020 and wedding demand for resort weddings near the Tokyo area. Although the number of guests at weddings fell, revenue per wedding stayed level, and sales are recovering to pre-COVID-19 levels. Atami is enjoying a high level of family use, and its performance is driving the RISONARE brand. There is a slight tendency for reservations to be made at the last minute, but both properties have been seeing a steady rise in reservations.

OMO7 Asahikawa

With the exception of the autumn, business has been extremely harsh due to the declarations of states of emergency in the Tokyo area and Hokkaido. ADR for other hotels in Asahikawa has fallen, but OMO7 Asahikawa is maintaining its strategy of focusing on ADR over occupancy rates in order to maximize GOP.

BEB5 Karuizawa

BEB5 Karuizawa has maintained steady operation rates by capturing microtourism demand, especially on weekends, and Hotel Bleston Court has captured wedding demand. The brand is performing strongly, with few recent wedding cancellations or postponements. Wedding demand is expected to remain strong, and OTB is recovering faster than other brands.

(Note) BEB5 Karuizawa opened in February 2019, so for January 2020 there is no data for the previous year. Figures for January 2021 were calculated in comparison to January 2020. Furthermore, resort business results take some time to stabilize after a resort is first opened, so the figures for February and March 2021 were calculated in comparison to February and March 2020.

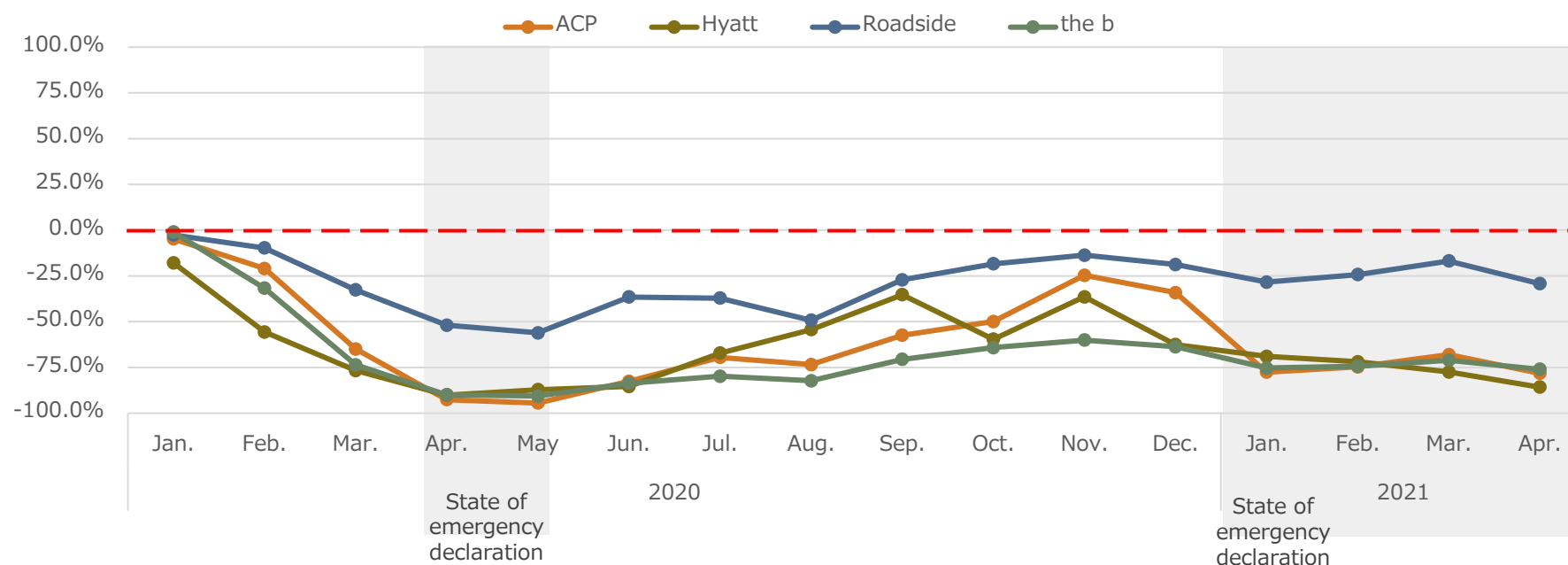
January 2020 to April 2021 results

Rate of RevPAR change compared to 2019 by brand (outside operator-managed properties)

Hoshino Resorts REIT, Inc.

Urban hotels such as ACP, Hyatt, and the b continue to struggle as a result of the temporary suspension of the Go To Travel campaign and extensions to state of emergency periods. Roadside hotels, however, have captured steady demand, although the amount of demand was low in comparison to 2019, primarily by meeting demand for business trips taken by car.

Properties operated by outside operator



Comments by brand

Trends of November 2020 onwards

Hyatt	The number of COVID-19 infections has been particularly high in the Osaka area nationally, so both business and leisure demand have been sluggish. The state of emergency has become a prolonged one, making the future outlook uncertain. However, the brand is attempting to recover business by securing stable revenue through long-term corporate contracts, etc.
Roadside	Roadside hotels performed extremely well in comparison to lodging facilities located within cities, even when the number of COVID-19 infections rose and states of emergency were declared. These hotels are mainly used for business purposes by customers traveling by car. However, they have also captured some leisure demand for events, etc. Business performance varies significantly by property, but there are 22 roadside hotels across the nation, and they work as one, operating efficiently, so they have brought in stable revenue despite the COVID-19 pandemic.
ACP	The Go To Travel campaign in November and early December caused lodging demand to recover to some degree. However, from the end of last year, the rising number of COVID-19 infections and the repeated declarations of states of emergency have created a revenue environment that remains harsh.
the b	The third wave of COVID-19 infections and the cancellation of the Go To Travel campaign had a major impact on business and caused the market as a whole to decline. Concerts and events have been postponed or held online, so the future outlook remains severe. The Sangenjaya location has captured walk-in and remote work demand, and its continuous stay plans are performing well.

Solid operating results for roadside hotels Chisun Inn case example

Hoshino Resorts REIT, Inc.

Hoshino Resorts REIT, Inc. considers Chisun Inn's efforts to meet essential lodging needs amidst the COVID-19 pandemic to be a success.

Features of Chisun Inn

What is Chisun Inn?

- ▶ A simple, high convenience hotel for use as a travel base, inspired by American motels
- ▶ Hotels are located near highway interchanges and along major roads to meet a wide variety of travel needs, such as the needs of people traveling by automobile or people on business trips
- ▶ The hotels have high visibility signs and an inviting appearance, with spacious parking spaces in front
- ▶ They have struck a good balance of business use on weekdays and leisure use on weekends
- ▶ They are less expensive than other hotels in the same grade that are located in front of stations



The advantages of Chisun Inns

- ▶ Roadside hotels are relatively rare in Japan. They differentiate themselves from competitors' business hotels by targeting a wide range of customers, including (1) **business users from other regions** (including not only short business trips but long-term stays by people involved in construction, etc.), (2) **families**, and (3) **the local community** (sports teams, people visiting family homes, hospital visitors, etc.)
- ▶ They have a strong customer base, including group reservations for Solare Point users, contracted corporate customers, sports teams, etc.
- ▶ Efficient operation with a low break-even point and minimal staff (2 to 3 staff for approx. 90 rooms)
- ▶ Large scale, simultaneous development was carried out nationwide. This helped keep down development costs and provided Chisun Inn with a price advantage over competitors.
- ▶ Low price, safe, hygienic lodging. There are also rooms with bunk beds, so they are suited for use by families.

Benefits for Hoshino Resorts REIT, Inc.

- ▶ Having various types of lodging facilities across the country provides price and regional diversity. This helps distribute risk and makes it possible to meet a wide range of travel needs.
- ▶ They contribute to the creation of a society in which anyone can freely and easily travel, the first step in the achievement of the SDGs.

Features of roadside hotels in the midst of the COVID-19 pandemic U.S. case example

According to IR materials from Extended Stay America, Inc., America's largest chain of extended stay hotels, the average occupancy rate for hotels in North America in 2020 was 44%, but **the occupancy rate for Extended Stay America hotels was 74%**. The **defensive** power shown by these high occupancy rates in the midst of the COVID-19 pandemic has drawn the attention of investors in the hospitality industry, including highly experienced investors.

Background behind high occupancy rates in the midst of the COVID-19 pandemic

- Hotel customers use cars and the hotels are located on the outskirts of cities, so they were not closed down due to the COVID-19 pandemic.
- Few customers were people living in urban areas, group tour members, or inbound tourism customers, so the impact of COVID-19 on occupancy rates was low.
- The business model has a low break-even point.
- The average length of stay is long, at approximately 30 days.
- Even before COVID-19, there was a high level of demand for people involved in long-term construction projects and business people on long business trips. The COVID-19 pandemic also brought in medical professionals.

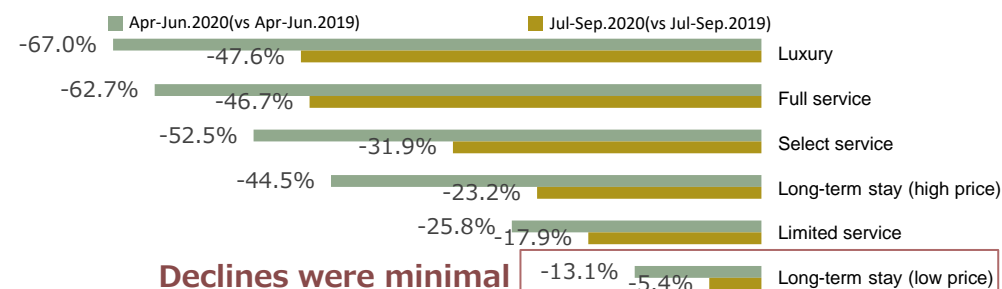
(Background specific to the U.S.)

- University students who did not know when in-person classes would resume stayed instead of renting houses.
- All rooms have kitchens, making it possible to meet the COVID-19-specific needs created by not being able to go out to eat.
- Some states temporarily prohibited short-term leases in order to reduce the influx of people from out of state to prevent the spread of COVID-19. The hotels met the need of people who could not enter lease agreements and people who needed places to stay at while self-quarantining.

Source: Extended Stay America, Inc.

(<https://www.aboutstay.com/static-files/8574da23-b5c8-4e7a-a87d-9c8743de8dcf>)

Decreases in occupancy rates by type of hotel in the U.S.



Source: Hospitality Net (<https://www.hospitalitynet.org/opinion/4102655.html>)

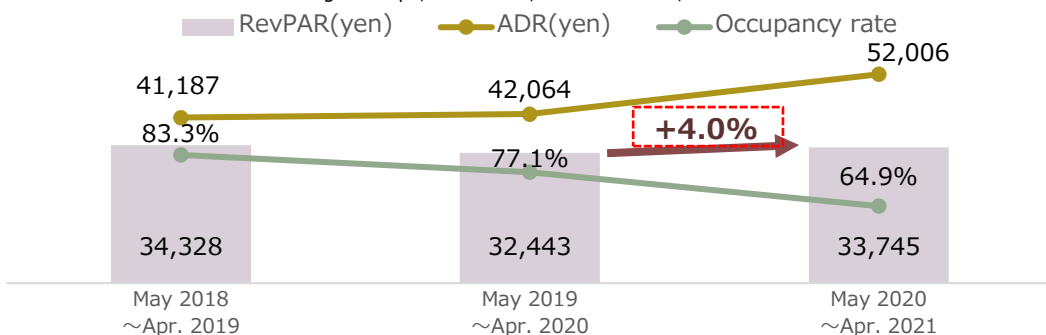
Investment management summary by brand (last 3 years)

Hoshino Resorts REIT, Inc.

Hoshino Resorts have captured microtourism demand during the COVID-19 pandemic. KAI high end hot spring ryokans and RISONARE family resorts improved their RevPAR in comparison to the previous year, and RevPAR for all Hoshino Resorts-managed properties is high, exceeding 4.0%. On the other hand, 22 roadside properties managed by outside operators performed well, capturing demand for business trips by car, but urban hotels struggled, and the total of properties managed by outside operators fell 48.6% from last year's RevPAR results.

Total for Properties operated by the Hoshino Resorts

(excluding KAI Alps, KAI Enshu, Iriomote Hotel, BEB5 Karuizawa)



May 2018 ~Apr. 2019	May 2019 ~Apr. 2020(①)	May 2020 ~Apr. 2021(②)	vs. previous year (②-①)
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4 HOSHINOYA Properties

Occupancy rate	88.9%	82.1%	71.8%	-10.3pt
ADR(yen)	74,623	74,696	82,925	+8,229
RevPAR(yen)	66,320	61,297	59,515	-1,782

2 RISONARE Properties

Occupancy rate	88.8%	81.8%	68.7%	-13.0pt
ADR(yen)	42,863	44,107	54,509	+10,402
RevPAR(yen)	38,064	36,072	37,466	Strong performance +1,394

8 KAI Properties

Occupancy rate	79.6%	76.5%	77.2%	+0.7pt
ADR(yen)	39,260	39,203	44,408	+5,205
RevPAR(yen)	31,256	29,988	34,296	Strong performance +4,308

OM07 Asahikawa

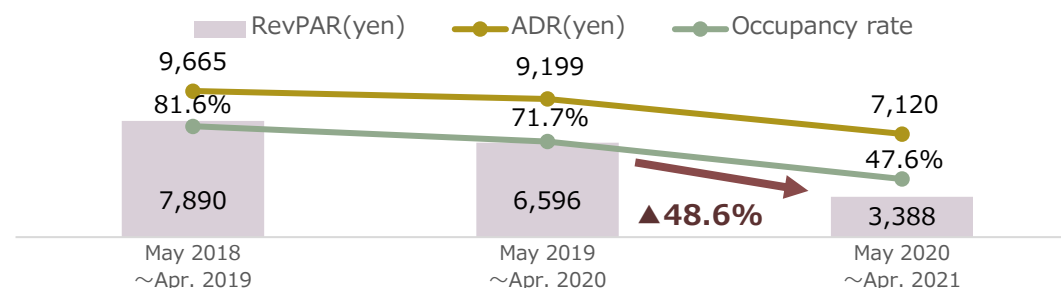
Occupancy rate	77.7%	69.0%	36.5%	-32.5pt
ADR(yen)	11,507	12,125	11,751	-374
RevPAR(yen)	8,935	8,370	4,291	-4,079

BEB5 Karuizawa (Note)

Occupancy rate	-	78.1%	66.1%	-11.9pt
ADR(yen)	-	16,155	17,823	+1,668
RevPAR(yen)	-	12,613	11,785	-828

Total for major Properties operated by outside operators

(total for 4 ACP properties, Hyatt Regency Osaka, 22 roadside properties, and the 4 b properties)



May 2018 ~Apr. 2019	May 2019 ~Apr. 2020(①)	May 2020 ~Apr. 2021(②)	vs. previous year (②-①)
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4 ACP properties

Occupancy rate	82.9%	70.2%	35.2%	-35.0pt
ADR(yen)	13,828	13,304	11,036	-2,268
RevPAR(yen)	11,470	9,335	3,883	-5,452

Hyatt Regency Osaka

Occupancy rate	73.4%	52.3%	24.4%	-27.9pt
ADR(yen)	15,602	16,223	14,492	-1,731
RevPAR(yen)	11,444	8,487	3,535	-4,952

22 Roadside properties

Occupancy rate	80.8%	75.6%	62.4%	-13.2pt
ADR(yen)	6,084	6,025	5,525	-500
RevPAR(yen)	4,919	4,558	3,450	performed solidly -1,108

4 the b properties

Occupancy rate	87.8%	75.4%	38.0%	-37.4pt
ADR(yen)	9,708	9,158	5,686	-3,472
RevPAR(yen)	8,526	6,907	2,161	-4,746

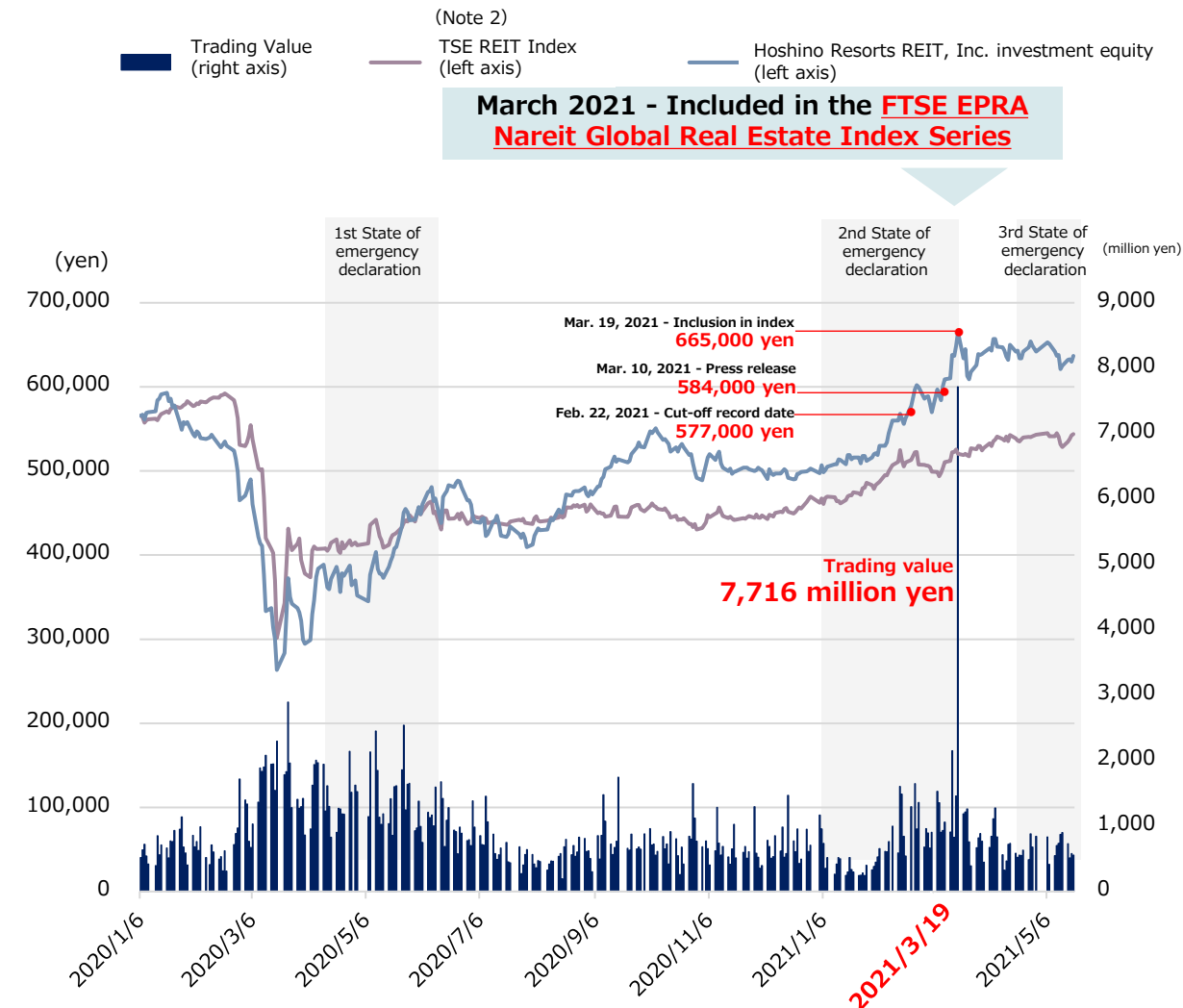
(Note) BEB5 Karuizawa (which opened in February 2019) has no annual operation results up to April 2019, so no figures are listed for BEB5 Karuizawa in or before April 2019.

Investment equity trends and inclusion in global real estate indexes

Hoshino Resorts REIT, Inc.

Since it was first publicly listed in 2013, Hoshino Resorts REIT, Inc. has steadily increased its assets and market capitalization. Furthermore, it has taken part in various collaborations with Hoshino Resorts during the COVID-19 pandemic. Through these efforts, investment equity has been kept relatively stable, and in March 2021, Hoshino Resorts REIT, Inc. was added to the FTSE EPRA Nareit Global Real Estate Index Series^(Note 1), a major global real estate index. Hoshino Resorts REIT, Inc. expects this to further increase the number of investors and improve liquidity.

Investment equity and trading value



Source: Created by the asset management company based on information from Thomson Reuters

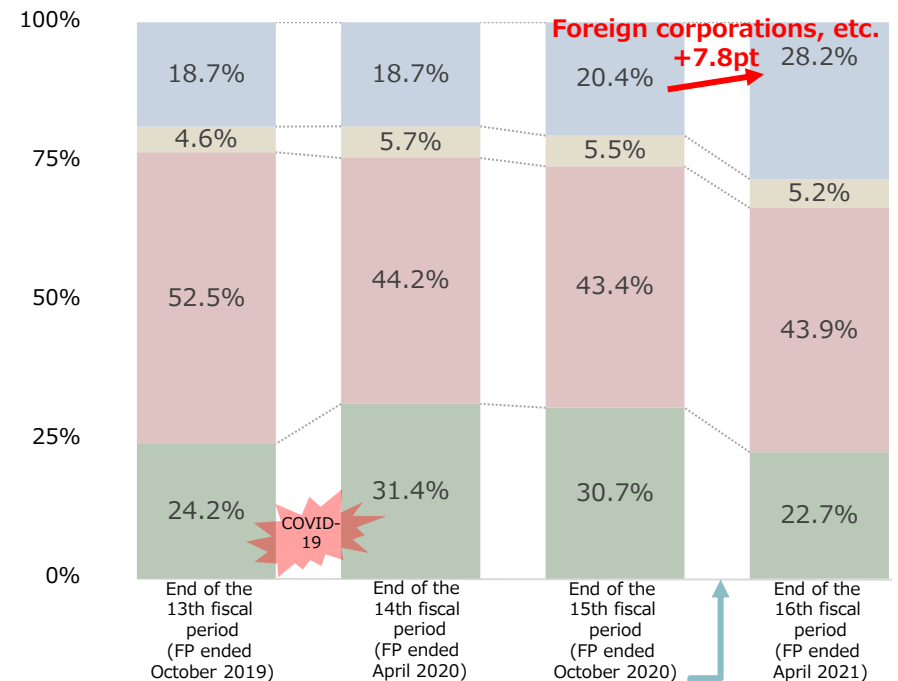
(Note 1) "FTSE EPRA Nareit Global Real Estate Index Series" is an investment index for real estate equities jointly developed and published by the FTSE Group, which provides financial data, in collaboration with the European Public Real Estate Association (EPRA) and the National Association of Real Estate Investment Trusts (Nareit). It has been adopted by many institutional investors and others around the world as a benchmark for international real estate investment.

(Note 2) The TSE REIT Index is a relativized calculation based on Hoshino Resorts REIT, Inc.'s final investment equity amount as of January 6, 2020.

Ratios of numbers of investment equity units by investor type

Individual Financial institutions (including financial trading operators)

Other domestic corporations Foreign corporations, etc.







March 2021 - Included in the FTSE EPRA Nareit Global Real Estate Index Series

Measures taken by Hoshino Resorts REIT, Inc. from November 2020 onwards

Hoshino Resorts REIT, Inc.

We will promote initiatives to turn toward a growth phase even under the COVID-19 pandemic through active collaboration with the Hoshino Resorts Group. Through more in-depth acquisition methods and strategic asset replacement in cooperation with the Hoshino Resorts Group, we aim to improve the quality of our portfolio with asset size of 200 billion yen and ratio of properties operated by Hoshino Resorts of over 50%.

<Current series of initiatives> Trend of property acquisition and transfer from November 2020 (16th fiscal period) until today

	Recent acquisition	Asset replacement		Acquisition through the capital increase through third-party allotment
Date of acquisition/transfer	Acquired on November 2, 2020	Transferred in June 1, 2021	Acquired on June 1, 2021	Acquired on June 1, 2021
Property name	KAI Enshu	ANA Crowne Plaza Fukuoka	Grand Hyatt Fukuoka	KAI Nagato
Picture of property				
Acquisition method	Sponsor pipeline (owned by Hoshino Resorts)	-	Cooperative investment structure with sponsor	Sponsor pipeline (DBJ joint fund development)
Completion date	April 1997 (24 years)	November 1976 (44 years)	March 1996 (25 years)	November 2019 (1 year)
acquisition/transfer price	1,050 million yen	7,700 million yen	7,700 million yen	2,750 million yen
Appraisal NOI yield (Note 1)	7.9%	6.2%	8.3%	6.1%
Yield after depreciation (Note 1)	5.9%	5.0%	5.4%	4.2%

Overview of third-party allotment

Date of resolution to issue shares	May 19, 2021
Payment date	May 31, 2021
Number of new investment equity units issued	3,103 units (Share dilution percentage: 1.40%)
Issue price	633,000 yen (NAV per share (End of the 15th fiscal period): 1.23times)
Total amount of issued new investment equity units	1,964,199,000 yen
Recipient	Hoshino Resorts Holdings Inc.
Capital contribution ratio of Hoshino Resorts Group after third-party allocation of shares	4.10% (As of April 30, 2021 2.76%)

Effects of this current series of initiatives on the portfolio (envisioned values as of June 1, 2021)

	No. of properties	Asset scale	Average appraisal NOI yield (Note 4)	Average building age (Note 5)	Ratio of Hoshino Resorts operated properties	LTV (Note 6)	Acquisition capacity up to LTV 40% (Note 7)	NAV per unit (Note 8)
Portfolio before this series of initiatives (Note 2)	61 properties	161.7 billion yen	6.5%	25.4 years	32.2%	38.3%	5 billion yen	515,542 yen
Portfolio after this series of initiatives (Note 3)	63 properties (+2properties)	165.6 billion yen (+3.9 billion yen)	6.6% (+0.1pt)	24.1 years (▲1.3 years)	33.7% (+1.5pt)	38.2% (▲0.13pt)	5.4 billion yen (+0.4 billion yen)	518,871 yen (+3,329 yen)

- (Note 1) The appraisal NOI yield and the yield after depreciation for KAI Enshu (hereinafter referred to as the "Property purchased in the 16th fiscal period ended Apr. 2021") and the appraisal NOI yield and the yield after depreciation for Grand Hyatt Fukuoka and KAI Nagato (hereinafter collectively referred to as the "Properties acquired in the 17th fiscal period ending Oct. 2021") are based on the amounts indicated on the real estate appraisal acquired as of the date of the property acquisition. The appraisal NOI yield and the yield after depreciation for ANA Crowne Plaza Fukuoka (hereinafter referred to as the "Transferred property") are based on the amounts indicated on the real estate appraisal acquired as of October 31, 2020.
- (Note 2) Before this series of initiatives refers to the hypothetical situation had the properties not been acquired or transferred after the end of the 15th fiscal period ended Oct. 2020. The individual figures from before these measures were implemented were calculated by simply adding or subtracting, etc., figures related to the Property purchased in the 16th fiscal period ended Apr. 2021 to or from the portfolio's figures as of the end of the 16th fiscal period ended Apr. 2021 and may not necessarily match the actual figures. This also applies hereafter.
- (Note 3) After this series of initiatives refers to the June 1, 2021. The individual figures from after these measures were implemented were calculated by simply adding or subtracting, etc., figures related to the Properties acquired in the 17th fiscal period ending Oct. 2021 and the Transferred property to or from the portfolio's figures as of the end of the 16th fiscal period ended Apr. 2021 and may not necessarily match the actual figures. This also applies hereafter.
- (Note 4) Before this series of initiatives, the net operating income from the Property purchased in the 16th fiscal period ended Apr. 2021 was subtracted from the total net operating income as indicated on the real estate appraisal, etc. (appraisal NOI) as of the end of the 16th fiscal period ended Apr. 2021. The resulting figure was then added to the net operating income indicated on the real estate appraisal, etc., for the Properties acquired in the 17th fiscal period ending Oct. 2021 that had been acquired as of the acquisition date of said properties. This was then divided by the total acquisition cost of the 63 properties owned by Hoshino Resorts REIT, Inc. after these measures. The resulting figures for before and after the measures were implemented, calculated by the asset management company, are indicated above, rounded to the second decimal place.
- (Note 5) This is the average age of buildings as of June 2021. The average age of buildings before the measures were implemented is the average age of the 61 properties owned as of the end of the 15th fiscal period ended Oct. 2020. The average age of buildings after the measures were implemented is the average age of the 63 properties owned after the measures were implemented. When performing these calculations, the age of each property was determined by calculating the age of the building at each property with the largest leasable area, based on the date on which construction of the building was completed, and then a weighted average was determined for all of the properties. The average was weighted by the total leasable area of each property, and the resulting figure was rounded to the nearest unit. However, building age calculations were performed based on the date of renovation of the main building for HOSHINOYA Kyoto, the date of the opening of the new building for KAI Izumo, and the date of completion of the extension for KAI Ito.
- (Note 6) "LTV" is the ratio of interest-bearing debt to Hoshino Resorts REIT, Inc. total assets at a given time. LTV before these measures were implemented is the ratio of interest-bearing debt as of the end of the 16th fiscal period ended Apr. 2021. LTV after these measures were implemented was calculated by the asset management company based on forecast changes in interest-bearing debt and total assets indicated in balance sheets between the end of the 16th fiscal period ended Apr. 2021 and the date by which these measures had been implemented.
- (Note 7) Acquisition capacity before and after these measures were implemented was calculated by determining the acquisition capacity when the LTV before and after these measures were implemented was raised hypothetically to 40.0%. The resulting figures were then rounded down to the nearest 100 million yen.
- (Note 8) The NAV per investment equity unit before these measures were implemented was calculated by subtracting the difference between the appraisal value and book value of the Property purchased in the 16th fiscal period from the NAV amount as of the end of the 16th fiscal period ended Apr. 2021. The resulting figure was then divided by the total number of investment equity units issued as of April 30, 2021 (221,862 investment equity units). The NAV per investment equity unit after these measures were implemented was calculated by adding the total increase in capital resulting from the third-party allocation of shares and the difference between the appraisal value and the expected book value of the Property purchased in the 17th fiscal period to the NAV amount as of the end of the 16th fiscal period ended Apr. 2021. The difference between the envisioned book value and the appraisal amount as of the date of the transfer of the Transferred property was then subtracted. The resulting figure was then divided by the total number of investment equity units issued as of June 1, 2021 (224,965 investment equity units).

Overview of asset replacement

Hoshino Resorts REIT, Inc.

Grand Hyatt Fukuoka

(Shared equity in Grand Building 88.28%)

Highlights of acquisition

- Acquisition of property in prime location in the center of Fukuoka City
- Anticipation of future upsides due to redevelopment of Fukuoka City
- Exclusive luxury hotels in Fukuoka

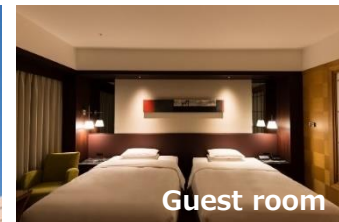
Transferred asset



ANA Crowne Plaza Fukuoka

Effects of Asset Replacement

- Increase in total number of guest rooms (+52 rooms)
- Reduction of building age (approx. decrease of 20 years)
- Increase of total floor by approx. 12,000m (Increased leased floor area by approx. 7,000m) (Note 1)
- Increased of NAV (by 188 million yen)



Guest room

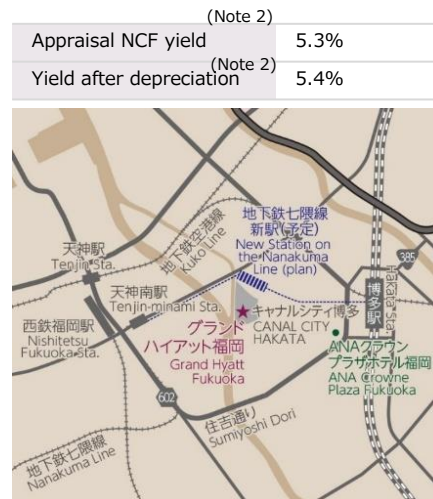


Restaurant

Exterior view of hotel

Overview of the property

Address	Fukuoka-shi, Fukuoka
Completion date (building age)	March 1996 (25 years)
Acquisition date	June 1, 2021
Total number of guest rooms	372 rooms
Lessee's attribute	Hoshino Resorts
Rent type	Fixed + Floating
Operator's attribute	Outside operators
Acquisition price	7,700 million yen
Real estate appraisal value (Note 2)	8,870 million yen
Lease period	20 years
Appraisal NOI yield (Note 2)	8.3%



Overview of asset replacement

Hoshino Resorts REIT, Inc.

- Acquisition of exclusive luxury hotels in Fukuoka
- Reduction of building age, expansion of scale
- Increased of NAV

Transfer of trust beneficiary rights pertaining to Grand Hyatt Fukuoka (Shared equity in Grand Building 88.28%) (Sale price : 7,700million yen)

Fukuoka REIT Corporation

- Anticipation of expansion of demand from Japanese visitors due to the Hoshino Resorts Group contributing to a portion of overall operations of Canal City Hakata

Grand Hyatt Fukuoka

- Leasing to Hoshino Resorts Group (Acquired management right of Grand Hyatt Fukuoka)

Transfer of ANA Crowne Plaza Fukuoka (Sale price : 7,700million yen)

Property contributions through sponsor support

Hoshino Resorts (Sponsor of Hoshino Resorts REIT, Inc.)

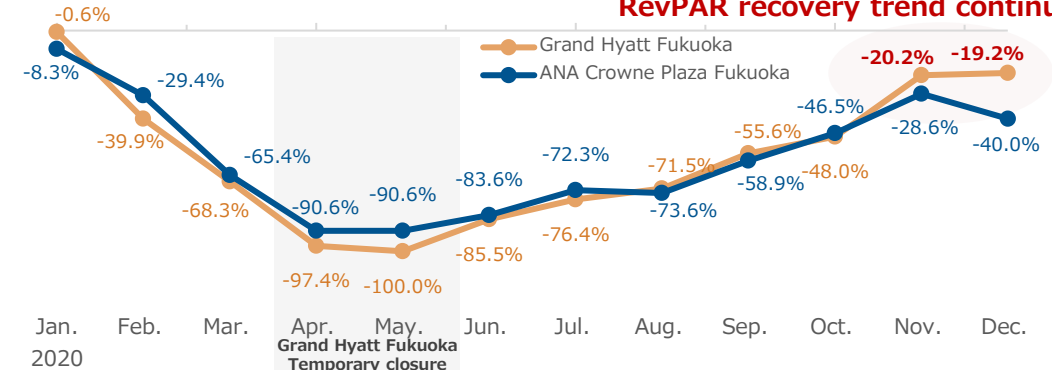
Fukuoka Jisho Co., Ltd. (Sponsor of Fukuoka REIT Corporation)

As of today, concluded basic agreement pertaining to the cooperation of both companies

- Cooperation for the further development and increase of sustainable value of Canal City Hakata overall
- Search for opportunities for cooperation in Kyushu and various ASEAN countries by utilizing the strengths of both companies

Grand Hyatt Fukuoka and ANA Crowne Plaza Fukuoka Rates of change in RevPAR in 2020 (vs. 2019)

RevPAR recovery trend continued



: Period of temporary closure due to COVID-19

(Grand Hyatt Fukuoka was closed temporarily from April 8, 2020 to May 31, 2020. ANA Crowne Plaza Fukuoka did not have a period of temporary closure.)

(Note 1) The increase of NAV is calculated as follows. The assumed book value includes machinery and equipment, structures, and leasehold interests in land, but excludes tools, furniture and fixtures, software, and construction in progress.

Increase of NAV = (Real estate appraisal value of Grand Hyatt Fukuoka - Assumed book value as of Grand Hyatt Fukuoka as of the acquisition date)

- (Real estate appraisal value of ANA Crowne Plaza Fukuoka - Assumed book value as of ANA Crowne Plaza Fukuoka as of the transfer date)

(Note 2) The figures are based on real estate appraisal reports obtained by the time of real estate acquisition.

Property acquisition through third-party allotment

Hoshino Resorts REIT, Inc.

KAI Nagato



Hot Spring Town Revitalization Project through Public-Private Partnership

Acquisition Highlights

- Acquisition of the newly built and opened KAI Nagato in <Nagato Yumoto Onsen town>, targeting revitalization through collaboration by Hoshino Resorts, Nagato City and local business owners
- Achieved steady operational results even under the pandemic by capturing microtourism demand
- Acquisition from a jointly managed fund (DBJ joint fund) by Hoshino Resorts and the Development Bank of Japan (second case)



KAI Nagato exterior view



Lobby



Kawadoko KAI Nagato

Overview of the property

Address	Nagato-shi Yamaguchi
Completion date (building age)	November, 2019 (1 year)
Acquisition date	June 1, 2021
Total number of guest rooms	40 rooms
Lessee's attribute	Hoshino Resorts
Rent type	Fixed + Floating (premium fixed rent for the first 2.4 years)
Premium fixed rent period	June 2021 - October 2023
Operator's attribute	Hoshino Resorts
Acquisition price	2,750 million yen
Real estate appraisal value (Note)	2,910 million yen
Lease period	20 years
Appraisal NOI yield (Note)	6.1%

Appraisal NCF yield (Note)	5.8%
Yield after depreciation (Note)	4.2%



Overview of Hot Spring Town Revitalization Project through Public-Private Partnership

① Timeline of this project



② Main thrust of the Nagato Yumoto Onsen Master Plan proposed by Hoshino Resorts

Having analyzed that Nagato Yumoto Onsen has the potential to realize one type of popular hot spring town, "people are attracted to attractive hot spring towns that make use of nature," we identified 6 elements necessary for the revitalization of the hot spring town and formulated a master plan.

Potential of Nagato Yumoto Onsen town

- Natural ambience of the Otozuregawa River
- Water experiences such as footbaths and stepping stones
- 10 hot spring ryokans within a range of about 1km
- A certain level of regional development is possible through the master plan

6 elements necessary for revitalization

1. baths
2. eating tour
3. cultural experiences
4. ease of navigation
5. picturesque scenery
6. space where you can relax



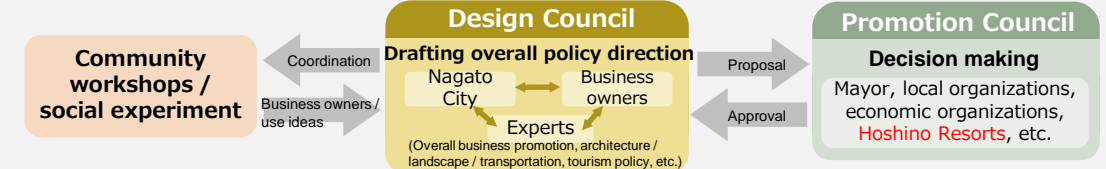
Examples of initiatives through public-private partnership

- Installation of a terrace along the river
- Installation of a riverbed
- Rebuilding the outdoor bath "Onto"
- Installation of night lighting



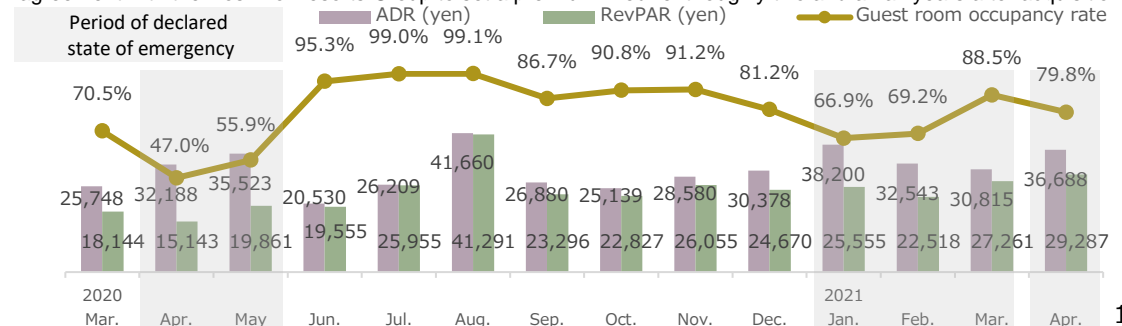
Example of social experiment conducted "Riverbed," aiming for permanent installation in the future, opened for a limited time for the local community to experience future brimming activity

③ Promotion of public-private partnership projects, including with local business owners



Monthly operational results of the property

The average guest room occupancy rate from June to December 2020 remained high at 91.9%. Concluded a lease agreement with the Hoshino Resorts Group to set a premium fixed rent roughly two and a half years after acquisition.



(Note) The figures are based on real estate appraisal reports obtained by the time of real estate acquisition.

Financial highlights (1)

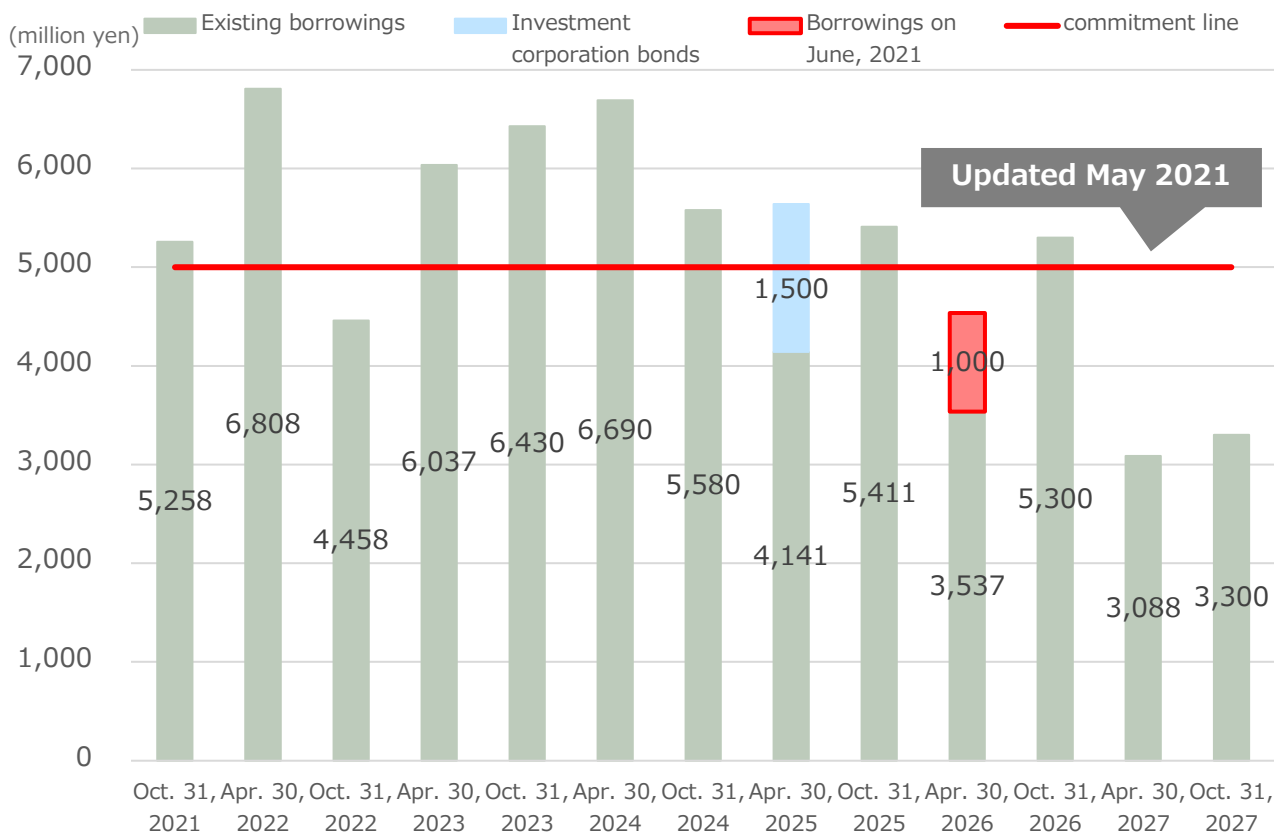
Maintained a high level of financial soundness in the midst of the COVID-19 pandemic

Hoshino Resorts REIT, Inc.

Recent financing conditions and future refinancing risk allowance

- Despite the recent harsh procurement environment facing J-REITs (Note) which specialize in hotels, Hoshino Resorts REIT, Inc. has been recognized for the stability of its cash flow and has established positive relations with banking groups, attracting a new lender in April 2021. As a result, in June it has taken out a 4.5-year loan, the longest in recent times for a hotel-focused J-REIT, fixing borrowings for a long period of time and distributing repayment dates.
- In order to secure a stable means of procuring funds, we extended the sole hotel-specific J-REIT commitment line (5 billion yen) until May 2022 in the midst of the COVID-19 pandemic. Furthermore, as of the end of May 2021, we possess approx. 7.4 billion yen in cash and deposits (after excluding 1.42 billion yen in distributions and 1.96 billion yen in capital increase through third-party allotment) and have secured funds exceeding the refinancing funds of the 17th fiscal period ending Oct. 2021.
- Even in the midst of the COVID-19 pandemic, we have maintained our Japan Credit Rating Agency "A (stable)" long-term issuer rating. Furthermore, with regard to the Green Finance Framework, we have received an overall rating of Green1(F), the highest rating.

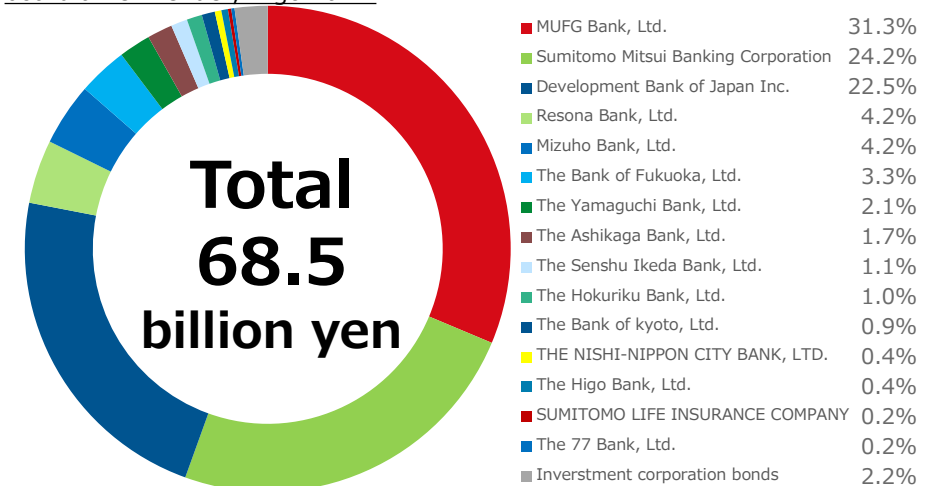
Diversification status of final repayment dates (as of June 15, 2021)



Lender formation (as of June 15, 2021)

Maintain a stable lender formation centered on megabanks.

Despite the ongoing COVID-19 pandemic, we have succeeded in bringing on board a new lender, Higo Bank.



Rating conditions

We have maintained our long-term issuer rating despite the COVID-19 pandemic.

Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)	
Acquisition date and update date	January 8, 2021	
Subject of Rating	Long-term issuer rating	Green Finance Framework
Rating	A (Stable)	Green1(F)

(Note) Hotel-specific J-REITs refers to Japan Hotel REIT Investment Corporation, Ichigo Hotel REIT Investment Corporation, Oedo Onsen Reit Investment Corporation, MORI TRUST Hotel Reit, Inc. and Hoshino Resorts REIT, Inc..

Financial highlights (2)

Maintained low LTV and creating future acquisition capacity through third-party allocation of shares

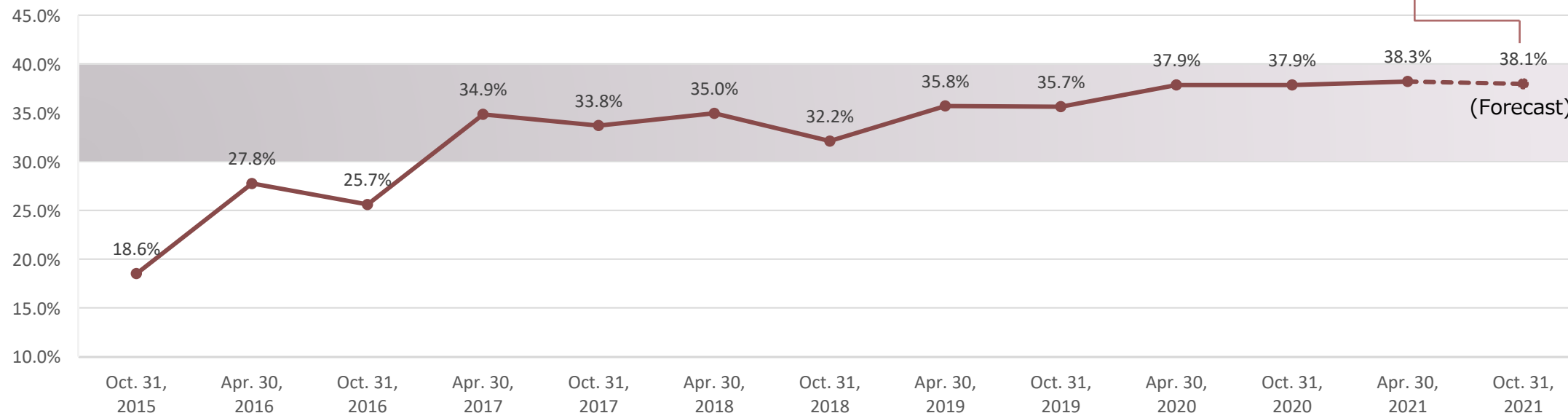
Hoshino Resorts REIT, Inc.

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

Controlling LTV (as of June 15, 2021)

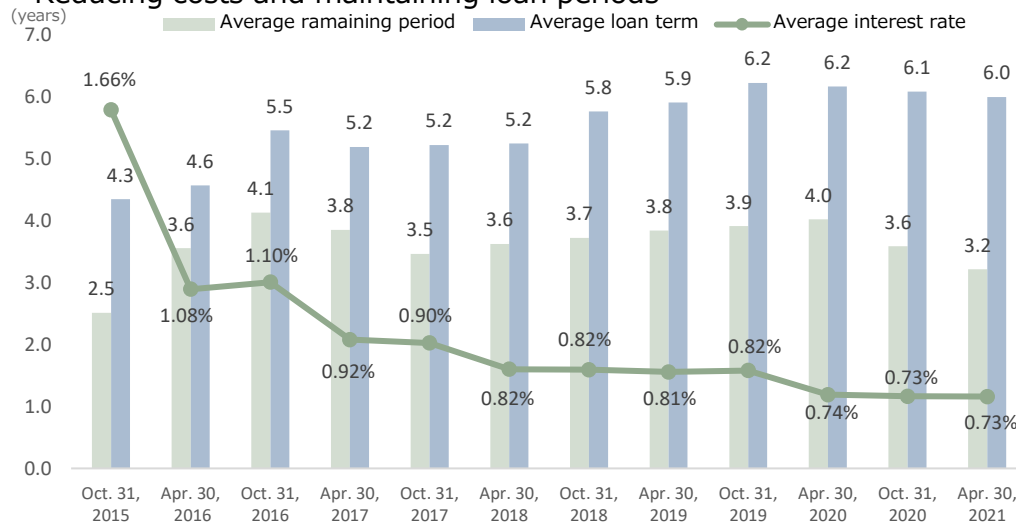
The third-party allocation of shares (1.96 billion yen) was used to acquire properties and create future acquisition capacity.

Acquisition reserves of up to an LTV of 40% 5.8 billion yen



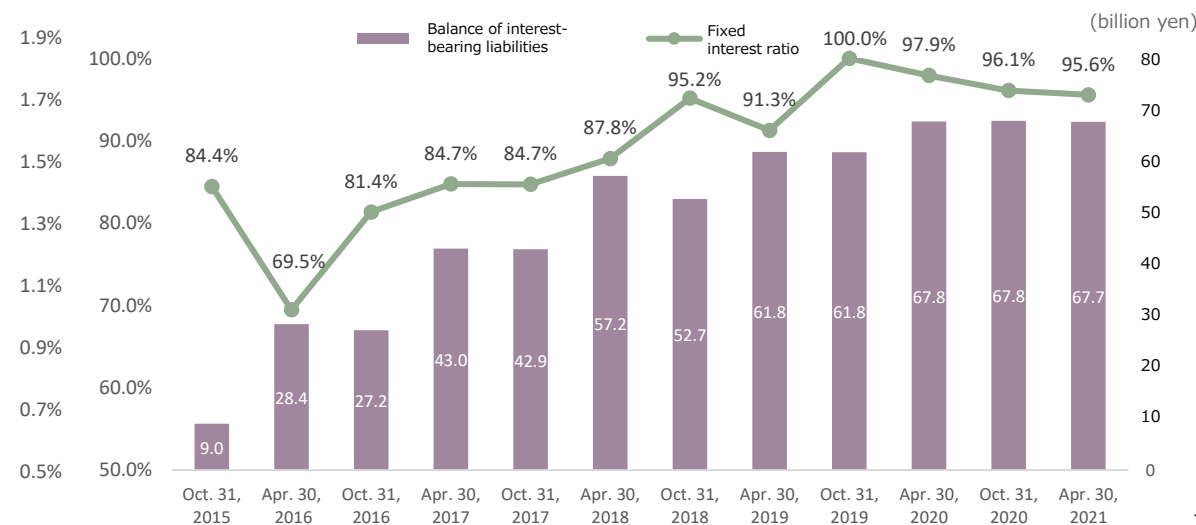
Changes in average interest rate, average remaining period and average loan-term

Reducing costs and maintaining loan periods



Changes in fixed interest ratio on borrowing

We maintain a high fixed interest ratio



Impact on real estate appraisal amounts, etc.

Hoshino Resorts REIT, Inc.

- Hoshino Resorts-managed properties have performed strongly in the face of the COVID-19 pandemic. In recognition of this performance, appraisal amounts have risen in comparison to the preceding reporting period, recovering to pre-pandemic levels.
- For properties other than Hoshino Resorts-managed properties, hotels in Tokyo and Osaka have struggled due to the COVID-19 pandemic, and their appraisal amounts have fallen in comparison to the previous reporting period, but the overall decline in appraisal amounts appears to have bottomed out.
- Cap rates have remained unchanged for almost all properties.

(millions of yen)

	Real estate appraisal amount, etc.			Direct reduction amount		DCF amount	
	End of current fiscal period	Change (amount) (vs. 15th fiscal period ended Oct. 2020)	Change (percentage) (vs. 15th fiscal period ended Oct. 2020)	End of current fiscal period	Change (percentage) (vs. 15th fiscal period ended Oct. 2020)	End of current fiscal period	Change (percentage) (vs. 15th fiscal period ended Oct. 2020)
Total for 62 properties	177,097	▲445	▲0.3%	180,893	▲0.3%	174,708	▲0.2%
Total for Properties operated by the Hoshino Resorts	65,678	+168	+0.3%	65,758	▲0.0%	65,417	+0.6%
4 HOSHINOYA Properties	25,490	+170	+0.7%	25,690	+0.4%	25,170	+0.9%
2 RISONARE Properties	12,190	+40	+0.3%	11,960	▲0.1%	12,410	+0.8%
10 KAI Properties (Note)	17,318	▲32	▲0.2%	17,478	▲0.5%	17,147	+0.4%
Others	10,680	▲10	▲0.1%	10,630	▲0.2%	10,690	▲0.2%
Total for Properties operated by outside operators	111,419	▲613	▲0.5%	115,135	▲0.4%	109,291	▲0.6%
4 ACP Properties	37,410	+100	+0.3%	39,200	+0.1%	36,620	+0.3%
Hyatt Regency Osaka	14,900	▲200	▲1.3%	15,400	-	14,400	▲2.0%
22 Roadside Properties	19,284	+10	+0.1%	19,519	+0.0%	19,045	+0.0%
4 the b Properties	19,300	▲280	▲1.4%	20,240	▲1.4%	18,900	▲1.4%
Others	20,525	▲243	▲1.2%	20,776	▲1.1%	20,326	▲1.2%

(Note) Of the 10 KAI properties, KAI Enshu was acquired on November 2, 2020, so when calculating figures for the end of the 15th fiscal period ended Oct. 2020 for this property, the figures indicated in the real estate appraisal as of the time of acquisition of the property were used.

Hoshino Resorts REIT, Inc. actively promotes environmentally and socially friendly initiatives.

First-time participation in the GRESB Real Estate Assessment in 2020 and 2-star rating

In 2020, Hoshino Resorts REIT, Inc. participated in the GRESB Real Estate Assessment for the first time ever and received a 2-star GRESB rating.

It also received a Green Star, which recognizes participants with both superb Management Component scores, which apply to ESG promotion policies, organization structures, and the like, and Performance Component scores, which apply to environment performance and joint initiatives with tenants at owned properties.

Percentage of Properties with Green Building Certification

Of our properties, the following have achieved green building certification.
No. of properties: 8 Total floor area ratio: 5.3 %

(Note 1) Acquisition status as of May 31, 2021 is shown.

(Note 2) Total floor area ratio = Total floor area of properties with CASBEE/BELS certification / Total floor area of the entire portfolio

(Note 3) Total floor area is based on the area indicated in the inspection certificate for each property.



"HOSHINOYA Karuizawa (Harunire Terrace)" receives S-rank CASBEE real estate green building certification

When we built the Harunire Terrace commercial facility in the beautiful riverside woods, filled with large Japanese elms, our concept was "harmony between nature and human activity."

Led by this concept, the design of the building was evaluated for its ability to utilize the original vegetation and allow people to get close to the trees and the river on the promenade, for example by using a horizontal layer of wood decking to keep the soil soft without damaging the roots of the trees.

To protect the natural beauty of the river, we intentionally left it untouched, and the resulting Harunire Terrace has become a relaxing space for visitors.



Three more properties receive BELS energy certification

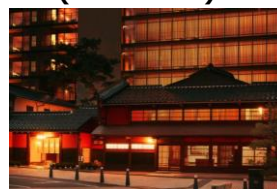
KAI Kinugawa
(★★★★★)

Quintessa Hotel Osaka
Shinsaibashi (★★★)

KAI Alps Front building
(★★★★)

BEB5 Karuizawa
(★★)

KAI Kaga
(New Building)
(★★★★★)



Candeco Hotels Sano
(★★★★)



Chisun Inn
Chiba Hamano R16
(★★)



7 of our 62 properties have
already received certification
(as of March 31, 2021)

2019

2020

2021

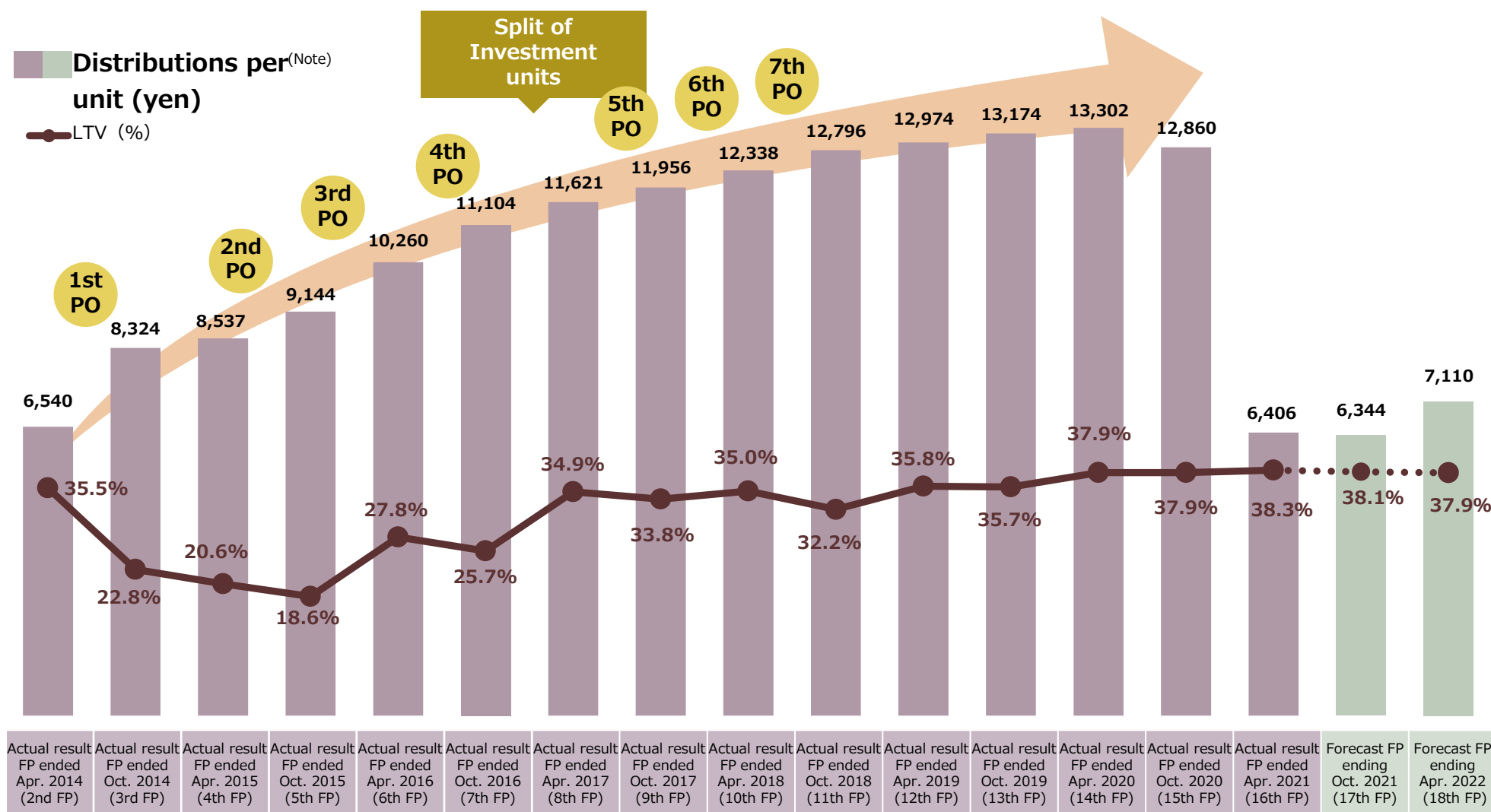
II

Forecasts for 17th
fiscal period
ending October 2021
and 18th fiscal
period ending April
2022

Changes in distributions per unit

Hoshino Resorts REIT, Inc.

The distributions per unit for the 16th fiscal period ended Apr. 2021 were strongly affected by the COVID-19 pandemic and fell significantly in comparison to those from the 15th fiscal period ended Oct. 2020. However, Hoshino Resorts REIT, Inc. continues to seek long-term distribution growth and stability by implementing external growth, internal growth, and financial strategies through ongoing and active collaborations with Hoshino Resorts such as those conducted in the 16th fiscal period ended Apr. 2021.



Impact of COVID-19

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

Forecasts for 17th fiscal period ending October 2021 and 18th fiscal period ending April 2022

Hoshino Resorts REIT, Inc.

FP ending October 2021		Assumption	FP ending April 2022		Assumption
Operating revenue (millions of yen)	4,839	[Operating revenue] Fixed rent 4,286 million yen Floating rent 504 million yen Other rent 10 million yen Gains on real estate transfer 37 million yen	Operating revenue (millions of yen)	5,114	[Operating revenue] Fixed rent 4,378 million yen Floating rent 724 million yen Other rent 10 million yen
Operating profit (millions of yen)	1,862	[Operating expenses] Fixed assets tax, city planning tax, etc. 435 million yen Depreciation 1,433 million yen	Operating profit (millions of yen)	2,003	[Operating expenses] Fixed assets tax, city planning tax, etc. 476 million yen Depreciation 1,461 million yen
Ordinary profit (millions of yen)	1,427	[Non-operating expenses] Debt-financing-related expenses 416 million yen Investment unit issuance costs 19 million yen	Ordinary profit (millions of yen)	1,600	[Non-operating expenses] Debt-financing-related expenses 404 million yen
Profit (millions of yen)	1,426	[Expected LTV at the end of FP] 38.1%	Profit (millions of yen)	1,599	[Expected LTV at the end of FP] 37.9%
(Note) Distribution per unit (yen)	6,344		(Note) Distribution per unit (yen)	7,110	

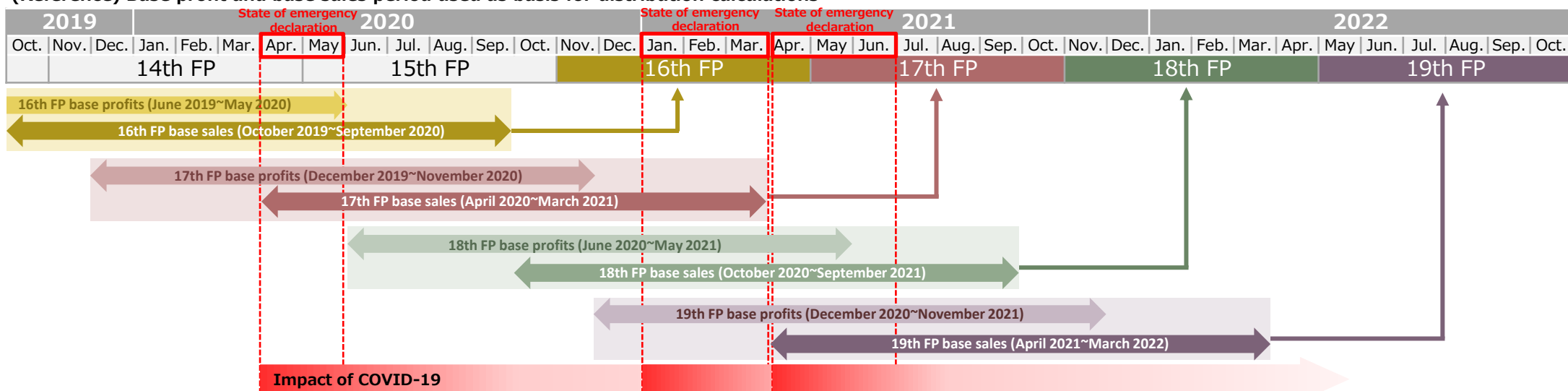
(Note) Those are assuming that these distributions will be made after performing a reversal of part of the reserve for tax purpose reduction entry included in retained earnings.

Actual rent for 16th fiscal period ended April 2021 and Expected rent for 17th fiscal period ending October 2021 and 18th fiscal period ending April 2022

Hoshino Resorts REIT, Inc.

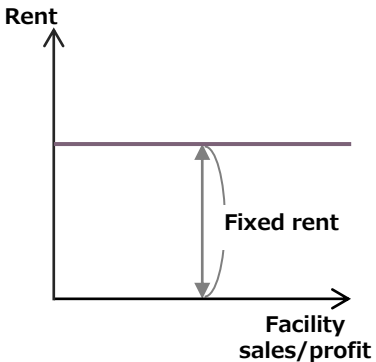
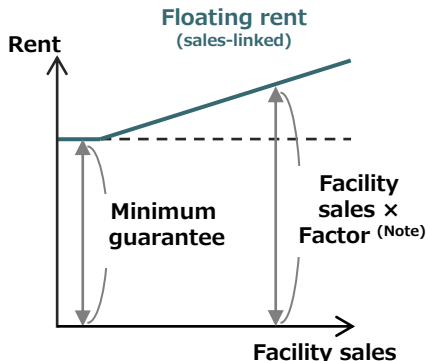
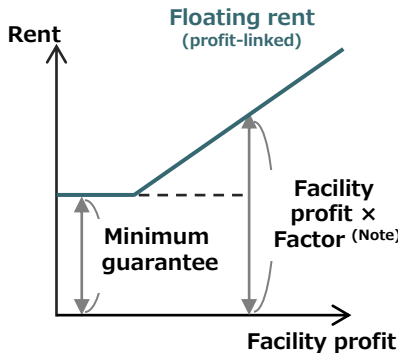
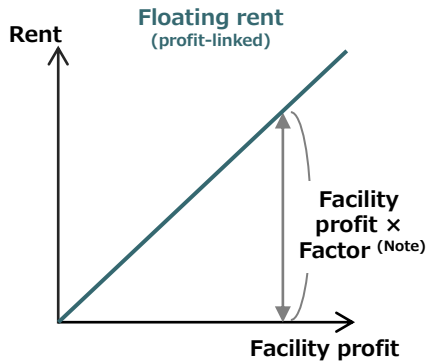
Operators	Brand	Actual rent for the 16th fiscal period ended April 2021			Expected rent for the 17th fiscal period ending October 2021			Expected rent for the 18th fiscal period ending April 2022				Supplement
		fixed rent, etc.	Floating rent	Total	fixed rent, etc.	Floating rent	Total	fixed rent, etc.	Floating rent	(Floating rent linked to sales)	Total	
Properties operated by the Hoshino Resorts	HOSHINOYA	618	84	702	618	109	727	618	169	81	788	
	RISONARE	374	119	493	374	142	516	374	208	67	582	
	KAI	487	102	589	487	211	698	487	268	79	756	
	Others	386	-	386	386	-	386	386	-	-	386	
	Subtotal	1,867	305	2,172	1,867	462	2,329	1,867	646	227	2,513	
Properties operated by outside operators	4 ACP properties (3 ACP properties from the 18th fiscal period ending Apr. 2022) (ANA Crowne Plaza Fukuoka)	840 (144)	35 (35)	875 (179)	720 (24)	- (-)	720 (24)	696	-	-	696	ANA Crowne Plaza Fukuoka contributed for one month in May, 2021 during the 17th fiscal period ending Oct. 2021
	Hyatt Regency Osaka	-	-	-	-	-	-	-	-	-	-	
	22 Roadside properties	558	50	608	558	41	600	558	78	78	637	
	4 the b properties	265	69	335	265	-	265	265	-	-	265	
	Others	588	10	598	513	-	513	513	-	-	513	
Subtotal		2,252	166	2,418	2,057	41	2,098	2,033	78	78	2,112	
Total		4,119	471	4,591	3,924	504	4,428	3,900	724	306	4,625	
Newly acquired properties	Grand Hyatt Fukuoka	-	-	-	303	-	303	406	-	-	406	
	KAI Nagato	-	-	-	68	-	68	82	-	-	82	
Total for 63 properties after acquisition of new properties		4,119	471	4,591	4,296	504	4,801	4,389	724	306	5,114	

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



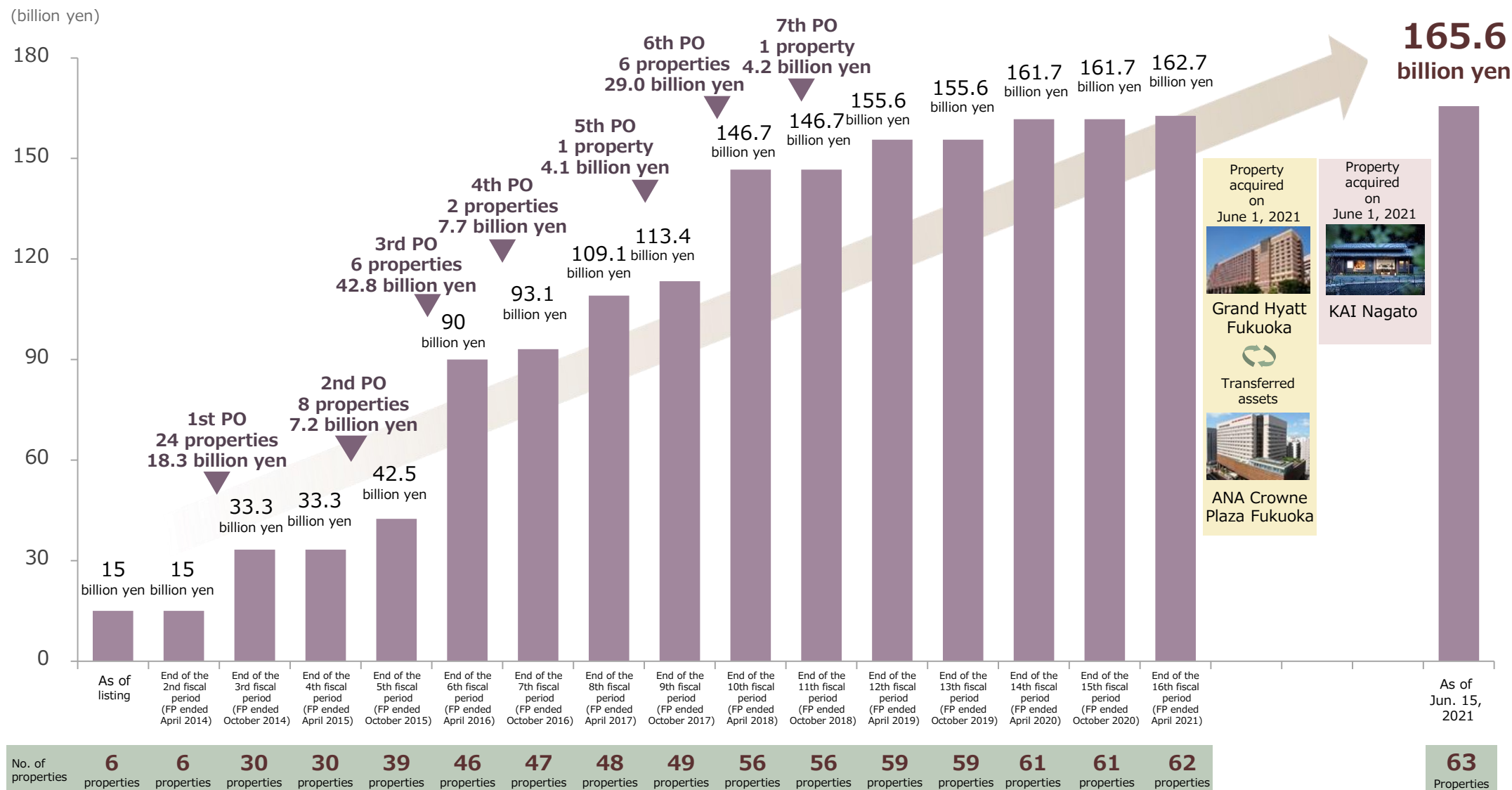
(Note) The fixed rent and floating rent of the assumed rent are calculated based on either fixed amount or using calculation methods prescribed in the lease agreement that has been entered into by Hoshino Resorts REIT, Inc. and tenant, of each facility applicable to this fiscal period. Hoshino Resorts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

(As of June 15, 2021)

Rent type		Fixed rent	Floating rent (With minimum guarantee)	Floating rent (With minimum guarantee)	Floating rent
Rent calculation criteria		—	Facility sales	Facility profits	Facility profits
Number of facility		9 properties	31 properties	22 properties	1 properties
Acquisition Price	Amount	9.4 billion	35.4 billion	104.7 billion	16 billion
	Ratio	5.7 %	21.4 %	63.2 %	9.7 %
Name of facility		5 Candeo properties, 3 Greens properties, HOTEL NIKKO KOCHI ASAHI ROYAL	HOSHINOYA Karuizawa, HOSHINOYA Kyoto, RISONARE Yatsugatake, KAI Matsumoto, KAI Izumo, KAI Ito, KAI Hakone, KAI Aso, KAI Kawaji, 22 Roadside properties	HOSHINOYA Fuji, HOSHINOYA Taketomi Island, RISONARE Atami, KAI Kinugawa, KAI Kaga, KAI Alps, KAI Enshu, KAI Nagato, 3 ACP properties, OMO7 Asahikawa, Iriomote Hotel, BEB5 Karuizawa, 4 the b properties, hotel androoms Osaka Hommachi, Sol Vita Hotel Naha Quintessa Hotel Osaka Shinsaibash, Grand Hyatt Fukuoka	Hyatt Regency Osaka
Rent plan image					

(Note) Factors differ depending on facility.

Asset scale in terms of acquisition price



III

Future operation strategy

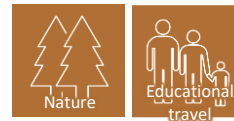


The growth strategies of Hoshino Resorts and the Hoshino Resorts REIT (1) Hoshino Resorts' initiatives aimed at the post-COVID-19 world

Hoshino Resorts REIT, Inc.

Hoshino Resorts has been quick to focus on the travel trends expected in the post-COVID-19 world and the social issues that have been highlighted by the pandemic. It is evolving its services based on its findings.

24 signs of rising travel intent



The family resort brand RISONARE has been tackling the issue of children becoming hooked on games, which has become even more common due to the COVID-19 pandemic. It offers vacations full of fun, hands-on nature experiences that go beyond anything games have to offer.

(Note 1)



RISONARE's 2021 Summer Project Program



Children learn how "cloud seas" form, carry out experiments in which they make their own clouds, and then try their hands at forecasting the next day's weather based on Tomamu's topography and weather charts.



In this fun and educational program, children explore the world of coral by learning about coral lifecycles and coral bleaching, observing coral on the beach, and going snorkeling.



Children observe vegetables on the resort's farm and get to experience farming work by trying their hand at working in the field, picking vegetables, delivering them to the restaurant, and more.

Source: Guide to Restoring Travel Business in the New Era - Insights from Social Media for Companies - Vol. 2

Hoshino Resorts' predictions for when inbound tourism will resume

100% recovery by 2023
(in comparison to 2019)

Hoshino Resorts believes that Japan will open to foreign tourists one country at a time starting in September 2021. It expects inbound tourism to recover by 5% in 2021 compared to 2019 levels and expects inbound tourism to recover 100% by 2023. Based on these forecasts, it considers it important to begin future-oriented activities now, while the COVID-19 pandemic is still ongoing.

Forecasts for the late August

*Japan: ① Senior citizen vaccinations have been completed
② The number of serious cases has fallen
*Other ① The number of infections has fallen
countries: ② Vaccination has become widespread

Forecasts for September

*Japan: Inbound tourists are accepted on a country-by-country basis, based on conditions in individual countries

2021
5%

2022
50%

2023
100%

Why is inbound tourism important?

Economic value + social role

Economic value

- ✓ The global tourism market is a growth market, expanding with the rising number of middle-class consumers, especially in developing countries
- ✓ If "inbound tourism" is thought of as being roughly equivalent to an "export industry in which visitors from overseas purchase Japanese services," the 4.8 trillion yen market makes the inbound tourism industry Japan's third largest export industry. It provides stable economic platforms for the regional economies of Japan, whose population is shrinking.

Social role

- ✓ "Tourism is the greatest peace policy" (Note 2)

Hoshino Resorts believes that international tourism is a highly effective means of promoting global peace, because it fosters greater mutual understanding, such as by providing visitors with a love of Japan.

(Note 1) The facilities described in this page are not properties owned by Hoshino Resorts REIT, Inc. and Hoshino Resorts REIT, Inc. has no plans or decisions to acquire them at this time.




(Note 2) Source: "Advocating a Tourism-oriented Country - Hotels, not Coal Mining," essay by Konosuke Matsushita, Bungeishunju magazine, May 1954 edition

The growth strategies of Hoshino Resorts and the Hoshino Resorts REIT (2)

Hoshino Resorts 2021 resort openings and plans

Hoshino Resorts REIT, Inc.

The mission of Hoshino Resorts is to continually share the joy of travel to meet travel needs, which remain even in the face of COVID-19. As a member of the tourism industry closely tied to regional economies, Hoshino Resorts is actively pushing forward with new resort opening plans in 2021, in the midst of the COVID-19 pandemic.

Area	Kyushu and Okinawa area			Kyoto area			Overseas (China)
(Note) Name of facility							
	KAI Kirishima	KAI Beppu	OMO5 Okinawa Naha	OMO3 Kyoto Toji	OMO5 Kyoto Sanjo	OMO5 Kyoto Gion	HOSHINO Resorts KASUKE Tiantai
Opening date	January 29, 2021	June 4, 2021 (pre-opening)	May 13, 2021	April 15, 2021	April 15, 2021	November 5, 2021 Scheduled opening	April 27, 2021
No. of guest rooms	49	70	190	120	122	36	103

Activities in the Kyushu and Okinawa area

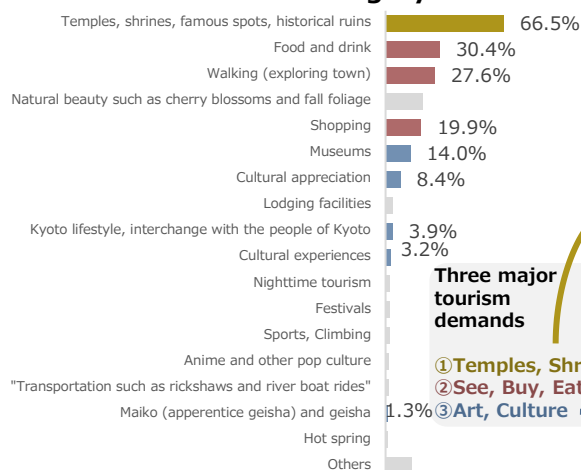
In Kyushu, one of Japan's finest hot spring areas, Hoshino Resorts is conducting business led by its KAI hot spring ryokan brand.



Activities in the Kyoto area

We believe that one of Kyoto's features is that it has such a wealth of tourism assets that people visit again and again. With the opening of the OMO3 facility, we are able to meet the three major tourism needs of travel to Kyoto.

Reasons for visiting Kyoto



OMO3 Kyoto Toji



OMO5 Kyoto Sanjo



OMO5 Kyoto Gion

Scheduled to open November 5, 2021

WBF Group rehabilitation support

- Dec. 2020 Rehabilitation plan informally approved
- Jan. 2021 Rehabilitation plan formally approved
- Mar. 2021 Share transfer agreement concluded

Hotels

[Hokkaido area]
 Hotel WBF Grande Asahikawa
 Hotel WBF Grande Hakodate
 Hotel WBF Hakodate Watatsunino Yu
 Hotel WBF Fourstay Sapporo
 Hotel WBF Sapporo Chuo
 Hotel WBF Kushiro
 La Jolie Motomachi by WBF

[Kyushu area]
 Hotel WBF Grande Hakata

[Osaka area]
 Palm Garden Maishima by WBF
 Hotel WBF Namba Motomachi
 Hotel WBF Kitasemba West
 Hotel WBF Kitasemba East
 Hotel WBF Namba Kuromon
 Hotel WBF Namba Hommachi

(Note) The facilities described in this page are not properties owned by Hoshino Resorts REIT, Inc. and Hoshino Resorts REIT, Inc. has no plans or decisions to acquire them at this time.

The growth strategies of Hoshino Resorts and the Hoshino Resorts REIT (4) Iriomote Hotel, Japan's first ecotourism hotel project

Hoshino Resorts REIT, Inc.

- Hoshino Resorts is using the environmental management know-how it developed through HOSHINOYA Karuizawa to make Iriomote Hotel Japan's first ecotourism hotel.
- The four areas of Iriomote-jima, Amami Oshima, Tokunoshima, and northern Okinawa Island have been selected as World Natural Heritage Site candidates due to their biodiversity, and they are currently striving to receive official registration.
- Areas which have been registered as World Natural Heritage Sites in the past have been unable to maintain the level of visitors they had in the year when they were registered. In Okinawa Prefecture, for which most of the year is the off season, Hoshino Resorts believes, of course, that it is vital to maintain an environment befitting a World Natural Heritage Site, but also that it is necessary to implement measures that attract a continuous stream of visitors.

Three initiatives

Ecological hotel management

- Examples of HOSHINOYA Karuizawa measures**
- The industry's first zero emission hotel
 - The hotel has installed its own hydroelectric power generation equipment, geothermal equipment, and equipment for utilizing waste heat from the hot spring to produce roughly 70% of the power it consumes.

Examples of Iriomote Hotel measures

- Completely eliminated plastic bottle waste from the hotel
- Progressing in its efforts to completely eliminate the use of disposable amenities and achieve zero emission status

Nature tours

- Examples of HOSHINOYA Karuizawa measures**
- Provides nature tours that create additional value for the forest
 - *Bird-watching, flying squirrel watching
 - *Hands-on experience of "bear protection" work, birdhouse building workshop, etc.

- All year long, the hotel offers a rich variety of tours that enable participants to experience the area's wonderful biodiversity.

Nature protection activities



Initiative contents

- Picchio, an association of devout forest animal lovers, seeks to protect people's safety while preventing the extinction of wild bears. To do this, it studies and implements methods for enabling people and bears to coexist harmoniously while maintaining appropriate distance.

Evaluation

- In 2005, Picchio was awarded the "1st Ecotourism Award" Grand Prize by the Ministry of the Environment

Planned initiative contents

- One of the critical issues to be addressed in maintaining Iriomote-jima's natural environment is the issue of Iriomote cat roadkill. Picchio Iriomote-jima was launched to search for fundamental solutions to this problem.
- It is contributing not only to the protection of the Iriomote cat, but also to the conservation of Iriomote-jima's biodiversity.



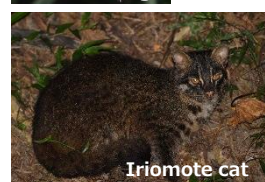
Iriomote Hotel Apperance



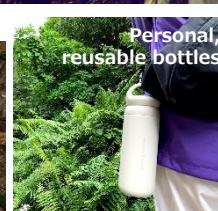
Crested serpent eagle



Nature tour



Iriomote cat

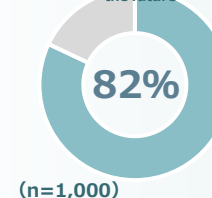


Personal, reusable bottles

Results of study on sustainable travel demand

- Although Japan's interest in eco-friendly lodging facilities is lower than the world average, ecotourism is becoming a common form of travel worldwide.
- This movement is expected to reach Japan in the near future. The COVID-19 pandemic has led over 80% of Japanese travelers to wish to prioritize sustainable travel, and it seems likely that the mentality of choosing environmentally friendly travel options will grow in the future.

Japanese travelers who wish to prioritize sustainable travel in the future



"When you travel, do you reduce the amount of waste you dispose of at your destination, and do you recycle plastic?"

World average	84%
Japan	73%

This environmental focus falls when the perspective is shifted to lodging facilities

"Would you like to stay at an eco-friendly lodging facility at least once?"

World average	81%
Japan	36%

Study scope: 20,934 respondents from 28 countries and regions who had traveled for business, leisure, or sightseeing purposes within the past 12 months and who planned to travel again within the next 12 months

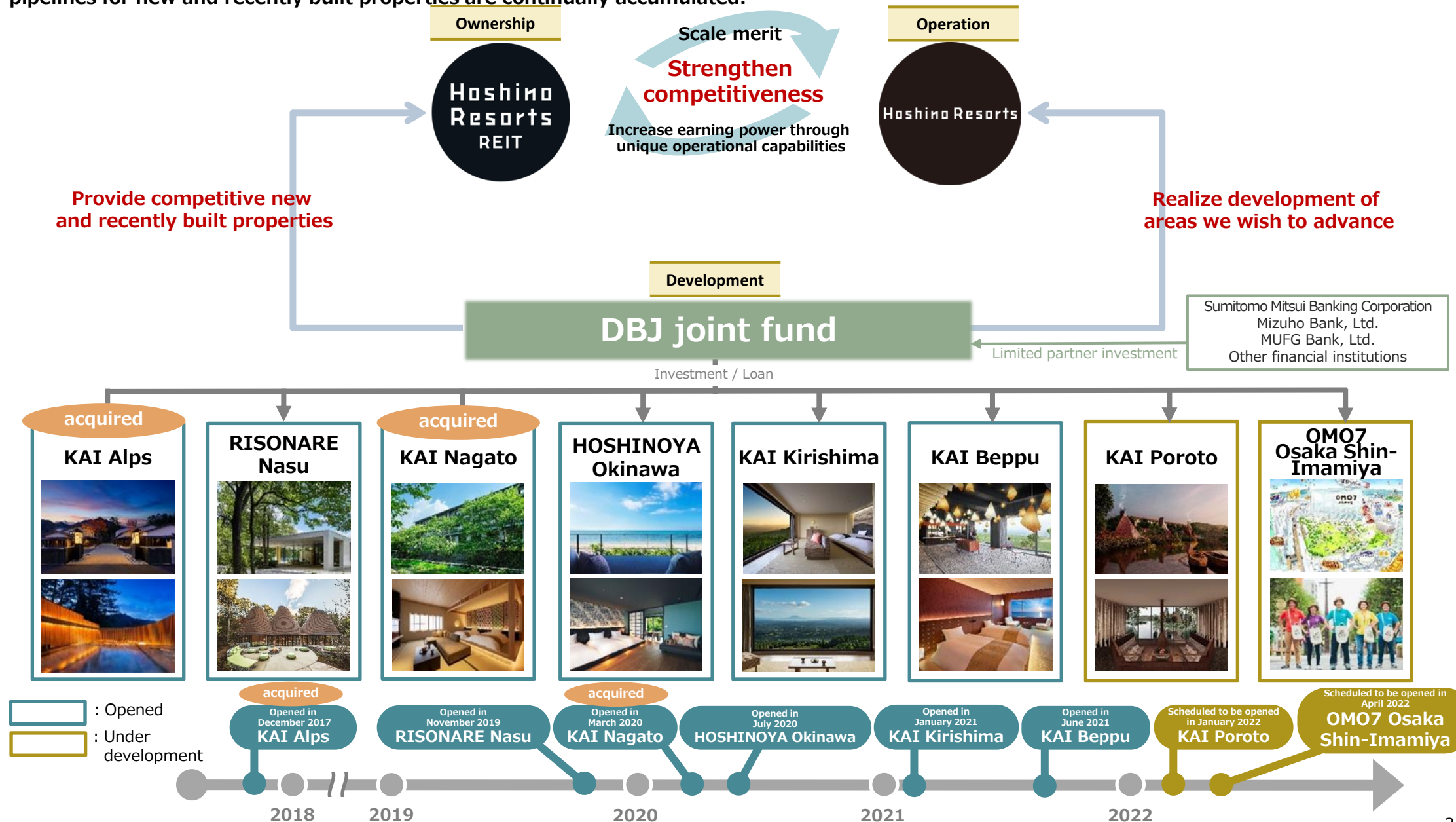
Source: Booking.com (<https://news.booking.com/ja/earth-day-2021/>)

Operation strategy (1)

The fundamental strategies of Hoshino Resorts REIT

Hoshino Resorts REIT, Inc.

By adding the new “development” function with the DBJ joint fund, in addition to the Hoshino Resorts Group’s “operation” function and Hoshino Resorts REIT, Inc.’s “ownership” function, the further acceleration of the cycle for strengthening the Hoshino Resorts Group’s overall competitiveness is expected, and Hoshino Resorts REIT, Inc. expects revenue to increase going forward due to stable external growth as sponsor pipelines for new and recently built properties are continually accumulated.



Operation strategy (2)

External growth (List of sponsor pipeline)

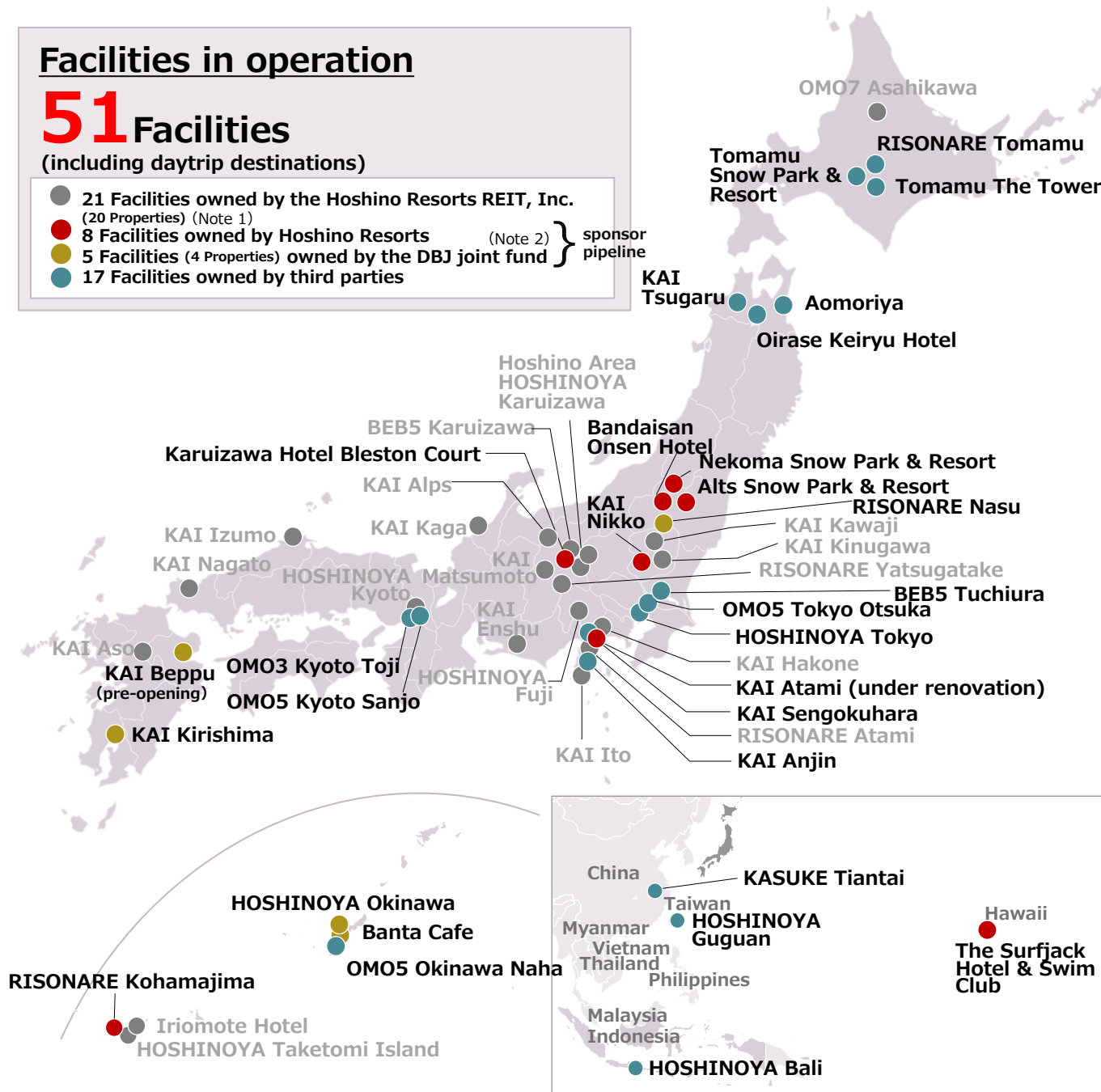
Hoshino Resorts REIT, Inc.

Facilities in operation

51 Facilities

(including daytrip destinations)

- 21 Facilities owned by the Hoshino Resorts REIT, Inc. (20 Properties) (Note 1)
 - 8 Facilities owned by Hoshino Resorts (Note 2)
 - 5 Facilities (4 Properties) owned by the DBJ joint fund
 - 17 Facilities owned by third parties
- } sponsor pipeline



Facilities under developmen (excluding unpublished)

11 Facilitiles

Start date of operation (plan)	Address
November 2021	Kyoto-shi, Kyoto (OMO5 Kyoto Gion)
Fall 2021	Kawasaki-shi, Kanagawa (OMO1 Tokyo Kawasaki)
January 2022	Shiraoi-cho, Hokkaido (KAI Poroto)
April 2022	Osaka-shi, Osaka (OMO7 Osaka Shin-Imamiya)
Summer 2022	Yufu-shi, Oita (KAI Yufuin)
2022	Unzen-shi, Nagasaki
Spring 2023	Shimonoseki-shi, Yamaguchi (OMO Shimonoseki (tentative name))
2024	Nara-shi, Nara (Former Nara Prison)
2025	Yokohama-shi, Kanagawa
TBA	Asuka-mura, Nara
TBA	Wazuka-cho, Kyoto

Opening of KAI Kirishima and KAI Beppu

Two properties owned by the DBJ joint fund began operations in 2021.

KAI Kirishima
opened in January 2021



KAI Kirishima is the 17th KAI resort. All guestrooms provide a view of the majestic scenery of Sakurajima and the Kirishima Plateau.

KAI Beppu
opened in June 2021



KAI Beppu is the 18th KAI resort. All guestrooms face onto Beppu Bay, and the resort is notable for its "picture windows," which enable guests to enjoy the view as if taking in a painting.

(Note 1) Hoshino Resorts REIT, Inc. collectively considers HOSHINOYA Karuizawa and Hoshino Area as a single property.

(Note 2) Hoshino Resorts REIT, Inc. collectively considers HOSHINOYA Okinawa and Banta Cafe as a single property.

Operation strategy (3)

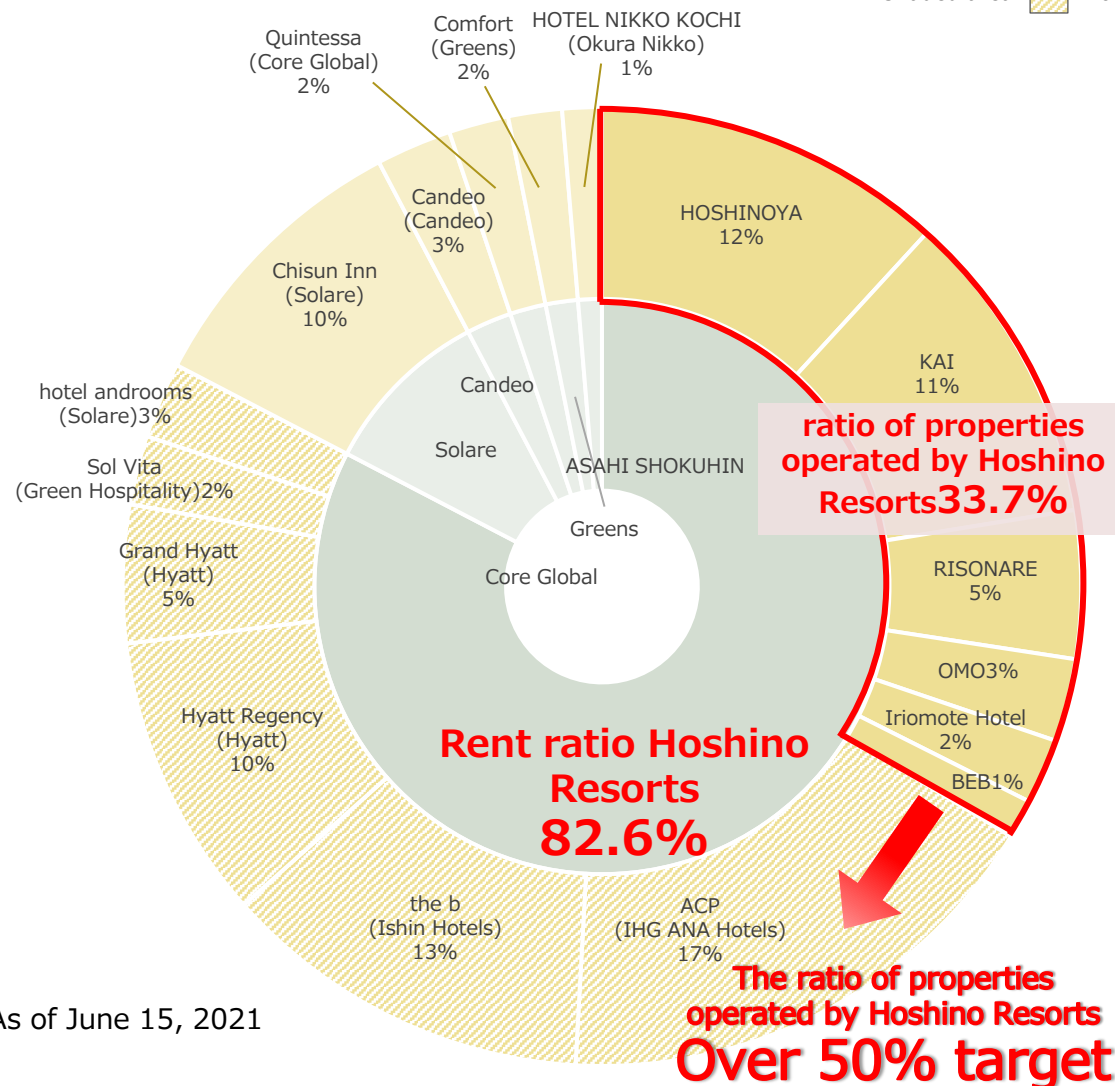
Portfolio structure

Hoshino Resorts REIT, Inc.

The operating results of Hoshino Resorts-managed properties have remained strong even in the face of COVID-19, so we are aiming for a Hoshino Resorts-managed property composition ratio of over 50%, which is expected to bring in stable, long-term cash flow.

Portfolio structure (based on acquisition price)

Inner circle : Breakdown by tenant
Outer circle : Breakdown by hotel brand (names of hotel operators are shown in parentheses)
Shaded area : Hotel management contracts with Hoshino Resorts



Tenant composition

- Hoshino Resorts, which accounts for 82.6% of the tenant portfolio, has a solid financial foundation that has enabled it to continue paying rent as normal, without rent reductions or payment grace periods, despite the unprecedented impact of the COVID-19 pandemic on the tourism industry.

Operator composition

- 33.7% of the portfolio is operated by Hoshino Resorts
- The remaining 66.3% is operated by outside operators
- Hoshino Resorts is a tenant of some of the properties operated by outside operators. It has been entrusted with hotel operations and has entered corresponding hotel management contracts (shaded area in the doughnut chart).

Brand composition

(see P. 48 – 49 for an overview of these brands).

Hoshino Resorts Brand

Hoshino Resorts REIT, Inc. owns three main brands (HOSHINOYA, KAI, RISONARE) and other brands including OMO and BEB. These properties meet a wide range of travel needs, from resort and hot spring tourism to urban tourism and travel by young consumers.

Outside Operators

It owns properties used for tourism purposes that have potential for rebranding as Hoshino Resorts brand properties and properties with completely fixed leasing rates that are expected to bring in stable leasing revenue.


As of June 15, 2021

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



AUM

Over 200 billion yen

- Added to global indexes 
- Higher liquidity
- Risk dispersion

Property composition

Over 50% consisting of Hoshino Resorts operators

- Ensuring sustainable competitive ability and revenue stability
- Tourism market revitalization
- Working with the community to create sustainable economic frameworks

Internal growth

Growth through collaboration with operators

- Attractive investment paired with unique “soft” power
- Rebranding opportunities
- Advantageous operator selection


Financial base

Both long-term stability and dynamic procurement

- Long-term fixation and financing cost reduction
- LTV control to secure acquisition capacity
- Better credit rating

ESG initiatives

Contributing to long-term increase in investor value

- Disaster resilience and resort environment initiatives
- Mechanisms for customer satisfaction leading to social contribution
- Considering DPU-linked asset management compensation schemes 

IV

ESG initiatives



Homepage ► Sustainability



Hoshino Resorts REIT, Inc. has actively carried out unique initiatives in conjunction with operators.

The condition of our planet's environment is worsening day by day. Hoshino Resorts REIT, Inc. believes that it is vital to use sustainable methods to promote "CSV (Creating Shared Value) ," a source of competitiveness in the new modern era, by contributing to the environment and society while generating profits, helmed by the powerful leadership of executives and management personnel.

CSV: Creating Shared Value

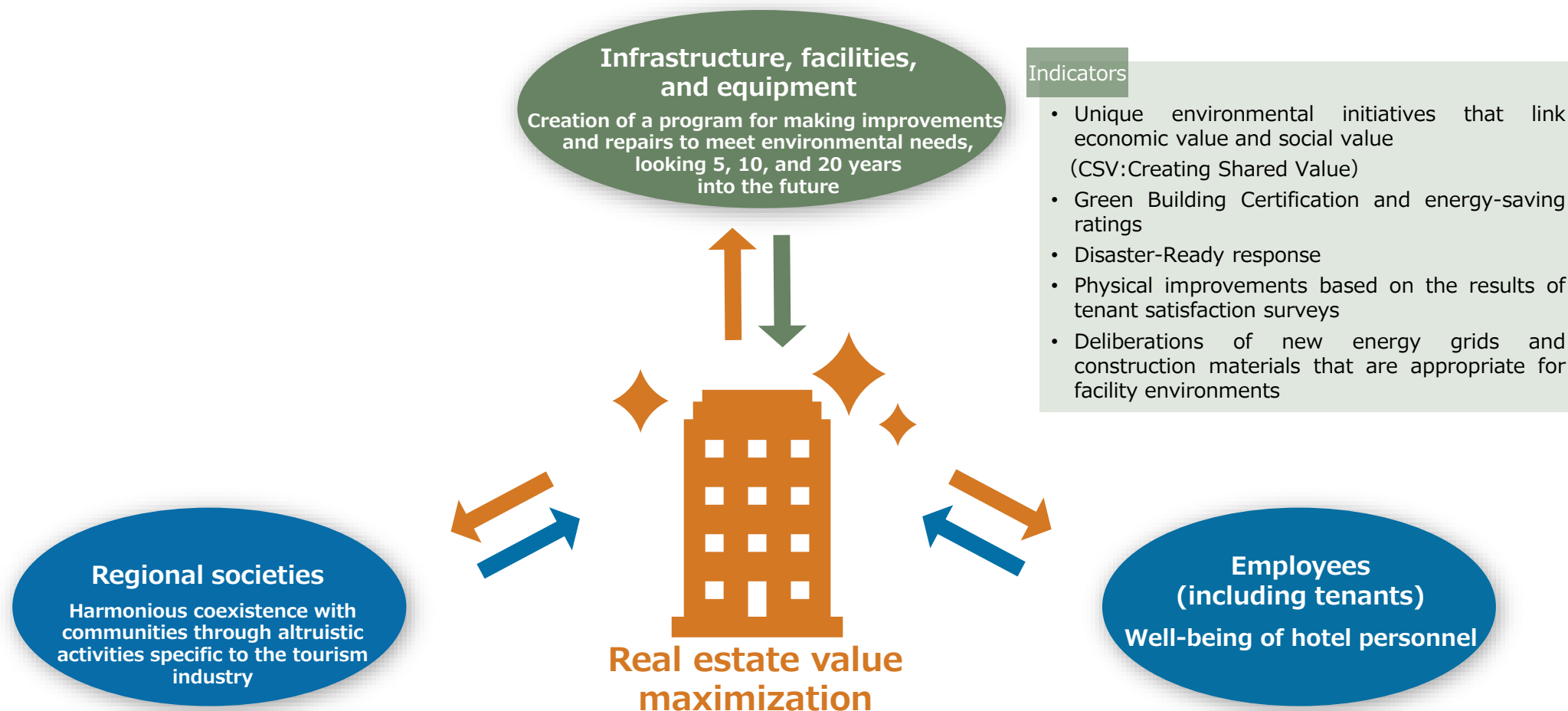
The concept of CSV was developed by Michael Porter, an American management scholar. In the CSV approach, commercial enterprises create both economic value and social value by meeting society's needs (solving social issues).



Creating and promoting ESG unique to the tourism industry

Hoshino Resorts REIT, Inc.

Our goal is to create an ecosystem unique to the tourism industry, consisting of "building design and construction," "regional societies," and "employee well-being," from a real estate perspective.



Indicators

- Collaboration in measures aimed at maintaining and managing the local natural environment. Contribution to the economy and employment.
- Natural environment maintenance and management
- Disaster-Ready
- Local economy and employment
- Local health and communities
- Local agriculture/fishing industries and food
- Local education

Indicators

- Improvement of employee productivity and ensuring of a pleasant working environment by conducting regular tenant satisfaction surveys
- Proposals regarding career development, diversity, etc.

Environmental operation of Hoshino Resorts REIT

<Sustainability targets>

Hoshino Resorts REIT, Inc. recognizes energy saving and the reduction of greenhouse gasses as important environmental challenges for the lodging industry. We have established individual policies and are striving to reduce our environmental impact. We have established individual policies and are striving to reduce our environmental impact. We are applying ingenuity and implementing measures led by the concept of not placing the burden of endurance on guests or staff members. We have defined our energy usage reduction targets as indicated following. For individual properties, our goal is to reduce annual energy usage by 1% in accordance with the Act on the Rational Use of Energy (commonly known as the Energy Conservation Act).

Hoshino Resorts' environmental management

<Ecosystem of prosperous coexistence>

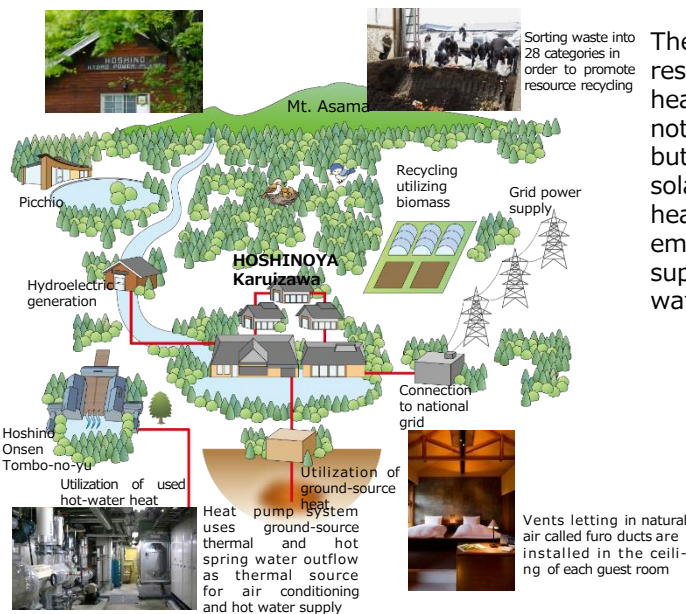
Hoshino Resorts sees hotels and local communities as being inseparable. Greater local allure directly contributes to an increase in hotel business. Likewise, when hotels share the allure of their areas, it helps increase the area's brand power. These locally-rooted activities are one of our sources of sustainable corporate competitiveness. Local communities have regional techniques; agricultural, forestry, and fishery products; tourism resources, and more. These are all sources of value. Hoshino Resorts also believes that environmental management requires development in the areas of ecotourism, zero emissions operation, and energy grids without environmental impacts.



We carry out unique initiatives based on the above philosophy.

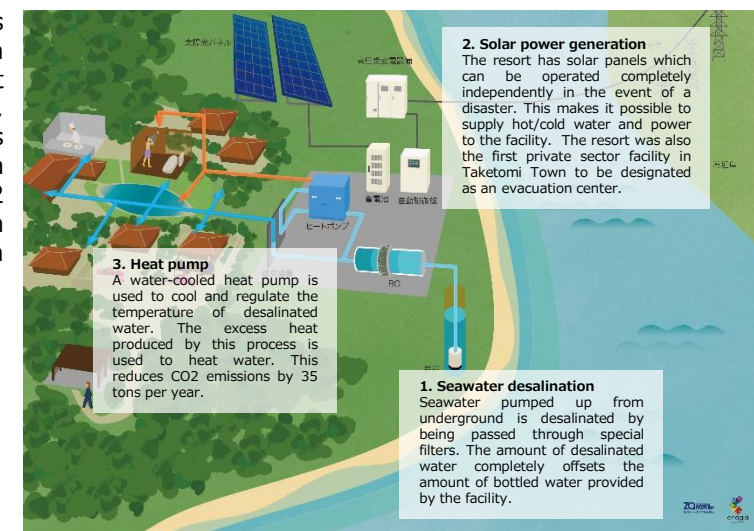
HOSHINOYA Karuizawa "EIMY"

"EIMY" stands for "Energy In My Yard." It is the concept of generating the power that you use locally, to the greatest degree possible, using local natural energy sources. Hydroelectric power generation facilities have been used in Karuizawa since early 20th century. We have combined this with measures that leverage the features of our resorts, such as geothermal energy and waste heat from hot springs. HOSHINOYA Karuizawa also has facilities aimed at conserving the natural environment, such as the Karuizawa National Wild Bird Sanctuary Forest.



HOSHINOYA Taketomi Island seawater desalination equipment

The equipment installed at this resort is a "thermal desalination heat pump system" (Note) that not only desalinates seawater, but also generates and stores solar power and functions as a heat pump. It cuts annual CO2 emissions by 65 tons and can supply island residents with water in the event of a disaster.



Environmental Performance

Energy consumption

Period (Note 1) (FY)	FY2018	FY2019	FY2020
No. of properties (Note 2) (properties)	53	56	57
Energy consumption (MWh)	154,765	155,083	124,934
Energy consumption rate (Note 3) (kWh/m ²)	370.1	342.2	272.0

Greenhouse gas (GHG) emissions

Period (Note 1) (FY)	FY2018	FY2019	FY2020
No. of properties (Note 2) (properties)	53	56	57
Greenhouse gas (GHG) emissions (t-CO ₂)	50,214	50,133	41,827
Greenhouse gas (GHG) emissions rate (Note 4) (kgCO ₂ /m ²)	120.1	110.6	91.1

Water consumption

Period (Note 1) (FY)	FY2018	FY2019	FY2020
No. of properties (Note 2) (properties)	55	58	60
Water consumption (m ³)	1,722,996	1,881,761	1,336,263
Water consumption rate (Note 5) (m ³ /m ²)	4.1	4.3	2.9

Waste

Period (Note 1) (FY)	FY2018	FY2019	FY2020
No. of properties (Note 2) (properties)	10	11	11
Amount of waste disposed of (t)	2,071	1,937	1,036.2
Recycling rate (Note 6) (%)	27.1	29.7	35.5

Scan this QR code
for more detailed information.



Green lease agreements

Green leases are voluntary agreements, memorandums, and the like under which building owners and tenants collaborate to reduce their environmental impact, such as by achieving real estate energy savings, and improve work environments. By executing these leases, both parties aim to make environmental improvements and contribute to greater profitability by reducing power and heat expenses, etc.

(Note 7)
No. of properties and percentage of properties that have concluded agreements
Green lease agreements: 30 properties 80.5% (Note 8) (Note 9)

3R -Reduce, Reuse, Recycle-

◆Hoshino Resorts

Refillable pump bottles

In 2019, we phased out the use of all individually packaged shampoos, conditioners, and body soaps at all of our facilities and switched to using refillable pump bottles.



【Waste reduction】
Approx. 49 tons of plastic containers
Approx. 73 kiloliters of soaps

Toothbrush recycling

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



【Topic】
With regard to the reuse process after collection, we will expand the scale and play a social role by cooperating with several related business partners. At present, Hoshino Resorts is the only company that operates multiple lodging facilities that is engaged in this initiative.

(Note 1) Calculated based on data from each April to March of the following year.

(Note 2) Calculated for properties owned by Hoshino Resorts REIT, Inc. for which the data acquisition area is 100% of the property area.

(Note 3) The following calculation method was used to calculate the rate: (Energy consumption by owned properties for which the data acquisition area is 100% of the property area) ÷ rate denominator (total area of owned properties for which the data acquisition area is 100% of the property area (m²))

(Note 4) The following calculation method was used to calculate the rate: (Greenhouse gas (GHG) emissions by owned properties for which the data acquisition area is 100% of the property area) ÷ rate denominator (total area of owned properties for which the data acquisition area is 100% of the property area (m²))

(Note 5) The following calculation method was used to calculate the rate: (Water consumption by owned properties for which the data acquisition area is 100% of the property area) ÷ rate denominator (total area of owned properties for which the data acquisition area is 100% of the property area (m²))

(Note 6) The following calculation method was used to calculate the recycling rate: (Amount of recycled waste by owned properties for which the data acquisition area is 100% of the property area) ÷ (amount of waste disposed of by owned properties for which the data acquisition area is 100% of the property area)

(Note 7) Figures are based on agreement status as of April 30, 2021.

(Note 8) The following calculation method was used to calculate the percentage of properties that have concluded agreements: (total area of properties that have concluded green lease agreements) ÷ (total area of properties in portfolio)

(Note 9) The total area is the area indicated in the building registration information for each property.

Measures contributing to local economies and society

◆ Hoshino Resorts

○ Partnership agreement with Taketomi-jima Regional Foundation

On March 11, 2021, Hoshino Resorts, operator of HOSHINOYA Taketomi Island, concluded a partnership agreement with Taketomi-jima Regional Foundation ("the Foundation"), which is dedicated to maintaining the natural environment of Taketomi Island, with the aim of preserving the island's natural environment and sustainably protecting island culture. Under this agreement, HOSHINOYA Taketomi Island and the Foundation will collaborate in increasing Taketomi Island's social and economic value through measures such as revitalizing traditional crops and developing activities aimed at solving the problem of waste washing ashore on the island.

Three collaborations

1. Develop activities aimed at solving the problem of waste washing ashore
2. Revitalize traditional crops across the island
3. Engage in technical collaboration with the aim of turning traditional crops into a local specialty

Scan this QR code
for more detailed information.



Local community contribution measures

◆ Chisun Inn

○ Providing low-cost hotels that offer simple, comfortable stays

Hoshino Resorts REIT, Inc. operates a wide range of hotels to meet the usage purposes and budgets of various guests. Among them, the Chisun Inn brand of simple, high convenience roadside hotels (total of 22 properties) offer reasonably priced, comfortable stays all year round, together with ample parking space. They are perfect for logistics, business negotiations, and other business uses, as well as for leisure use by guests traveling by car.



Measures for employees

◆ Hoshino Resort Asset Management Co., Ltd.

The asset management company is part of Hoshino Resorts and uses Hoshino Resorts' personnel development system. Hoshino Resorts REIT, Inc. believes that the expertise the asset management company has developed as a professional real estate management firm can be combined with Hoshino Resorts' wealth of knowledge regarding hotel management to produce competitiveness and uniqueness in asset management. To achieve this, Hoshino Resorts REIT, Inc. strives to regularly engage in personnel exchanges with Hoshino Resorts and has created a system for developing human resources with hotel management knowledge. Furthermore, in our hiring and new employee development, we strive to rapidly nurture high quality human resources through our internship system, primarily for students, and through the participation of newly hired Hoshino Resorts REIT, Inc. employees in Hoshino Resorts' personnel development program for new hires. Furthermore, from 2021, we have conducted tenant satisfaction surveys and we manage our lodging facilities in such a way as to improve tenant employee work environments and increase real estate value.

Personnel data (As of December 31 for each year)

	2018	2019	2020
Total number of Employees	26	24	27
Male	17	13	14
Female	9	11	13
Percentage of male employees	65%	54%	52%
Percentage of female employees	35%	46%	48%
Male managers	100%	100%	100%
Female managers	0%	0%	0%
Annual turnover rate	4.5%	23.1%	4.2%
Overtime work hours (average)	23hours/month	20hours/month	23hours/month



Appendix (1) About Hoshino Resorts

107 YEARS
Hoshino Resorts

Hoshino Onsen Ryokan (at the time of its opening)

Hoshino Resorts

"The travel and tourism industry will be a leading industry in maintaining world peace."

Led by this idea, Hoshino Resorts is a company that dreams big and will work steadily to bring the people of the world together in friendship over the century to come.

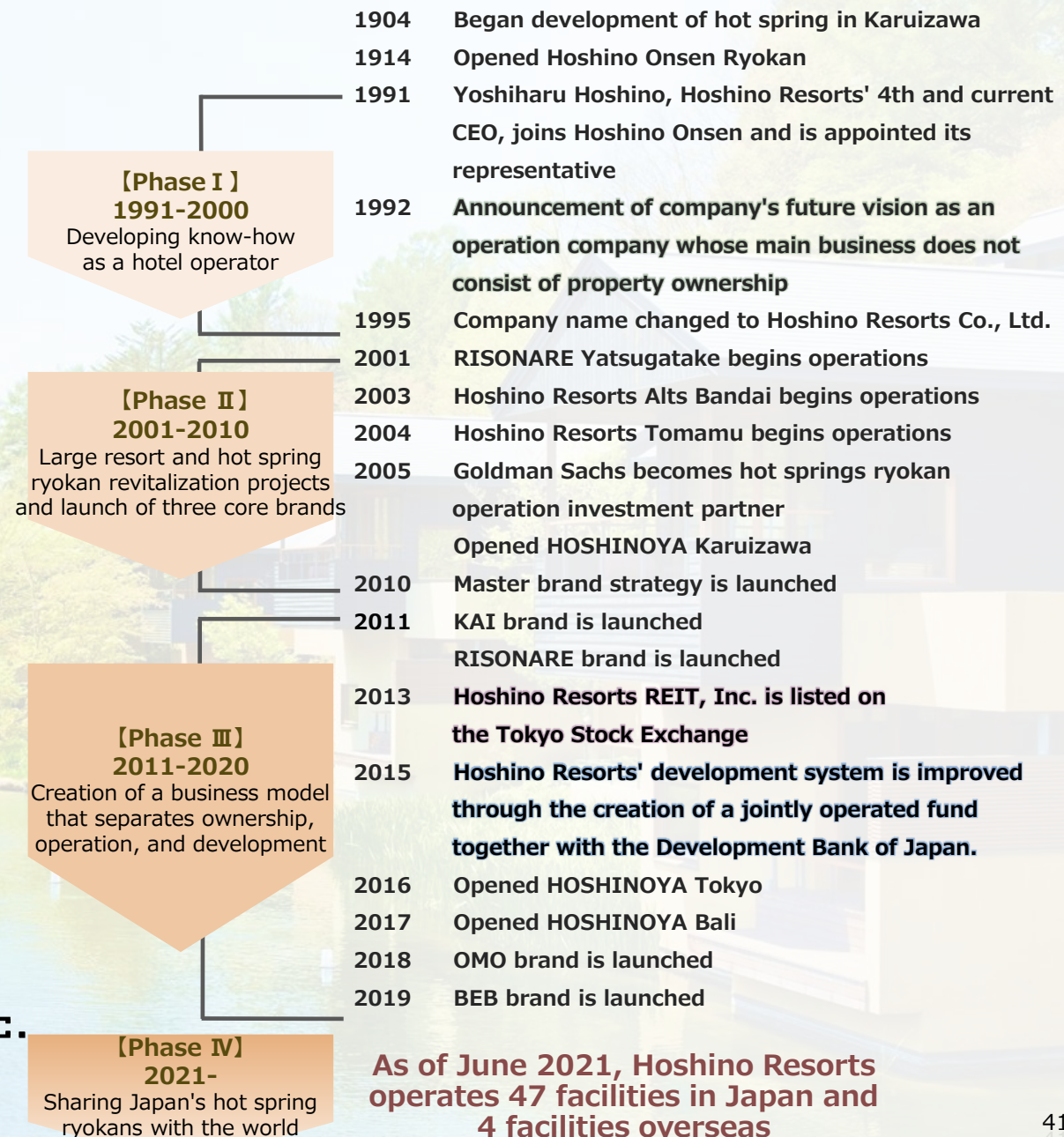
Hoshino Resorts Operation

Hotel business

development

ownership

DBJ joint fund Hoshino Resorts REIT, Inc.



Seven Spheres of Delight



[HOSHINOYA Flagships]

Japanese luxury hotels with overwhelmingly extraordinary ambiance
Authentic Japan with modern comfort



[RISONARE]

Western-style hotels combining refined design with a wealth of activities
Recreation – the art of creating anew



[KAI]

Sophisticated hot spring ryokans with a comfortable Japanese aesthetic where guests can rediscover regional appeal
Destinations for blissful bathing and dining



[OMO]

Urban tourism hotels that go beyond mere places to sleep, instead making trips even more exciting
Instant access to the lively local scene



[BEB]

More than a Japanese pub, but not quite a full journey - hotels where guests can kick back and relax with friends and colleagues
Kicked-back stays with the crew



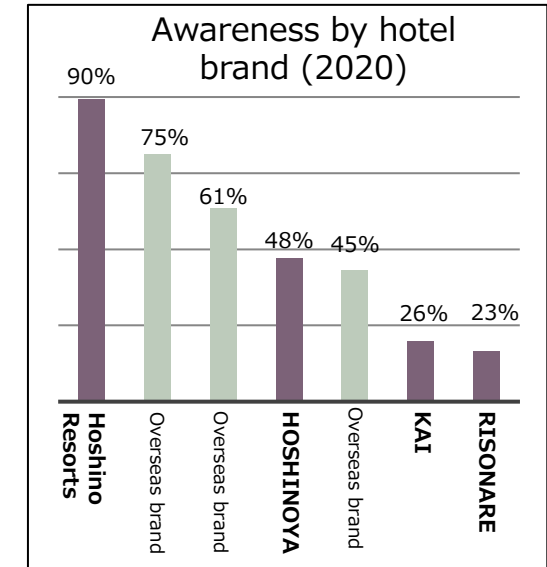
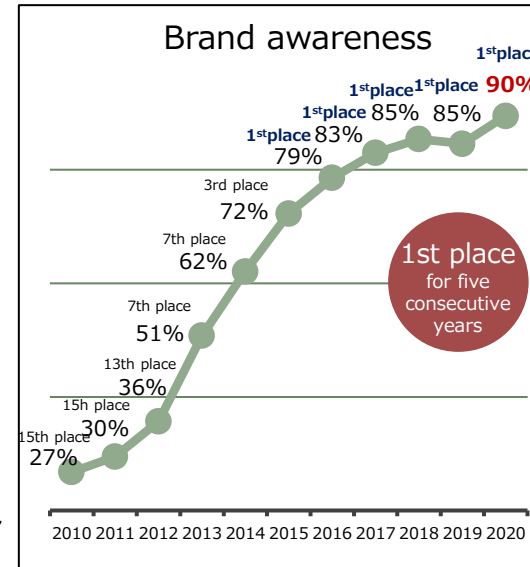
[Other Unique Lodgings]

Distinctive resort hotels and hot spring ryokans in Japan and abroad
Getaways with a sense of place



[Daytrip Destinations]

Helping customers enjoy every moment of their day through wide-ranging services, from hot springs to skiing
Thermal soaks and thrilling slopes



Source: Study performed by Hoshino Resorts

Three key points for building long-term customer draw, developed through our history as a resort operator

Hoshino Resorts makes a point of building long-term competitive advantages into the hotels we operate. As hotel supply increases going forward, it will become more important than ever to develop customer-drawing power that is sustainable and unaffected by market fluctuations.

One of the reasons guests choose a hotel will always be “it’s new and beautiful.” During the decades-long lifecycle of your property, there will always be fresh-faced newcomers entering the fray, and you must have a strategy to avoid competing head to head with these younger counterparts.

Business models that rely on “hardware,” that is, buildings and facilities, favor the latecomer. You need to leverage your “soft” power to build platforms with a first-mover advantage. Hoshino Resorts answers this challenge with three types of “soft” power, cultivated through our 105 years of operation in the Japanese countryside.

CEO, Hoshino Resorts Yoshiharu Hoshino

Flat organization culture

- Independent PDCA cycle through the sharing of management information
- Hierarchy-free organization in which members can actively engage in debate and discussion

Flat organization culture

Smooth reservations through our own website

- Website designed with a focus on convenience, such as providing optimal rates and advance reservations for activities
- High profits through the high percentage of reservations made directly from our website (60% to 70%)
- Maintain equal footing with OTAs, providing mutual synergistic benefits

In-house reservations

Communicating appeal

Multitasking

- Each employee can perform front desk, guestroom, restaurant, and other duties, improving productivity
⇒The time that is freed up is used in development aimed at providing facilities with greater allure

Ongoing, year-long communication of new appeal

- The development of new attractions and enticements for the season to come is conducted by each facility, not the head office

Close ties with the community

- Showcasing what an area has to offer improves local brand power and creates an even stronger collaborative relationship between Hoshino Resorts and the community

Hoshino Resorts' COVID-19-related initiatives (1)

Hoshino Resorts REIT, Inc.

As people struggle with the fear and stress caused by the COVID-19 pandemic, Hoshino Resorts believes that the tourism industry can provide stays that set guests' minds at ease. We propose stays for avoiding the 3Cs, consisting of thorough 3-C avoidance and hygiene management, as the model form of travel in the midst of the prolonged COVID-19 pandemic.

Our Declaration of the Highest Standard of COVID-19 Control, promising a stay for scrupulously avoiding the 3Cs

As the prolonged COVID-19 pandemic continues, traditional services in all facilities are evolving to enable customers to enjoy their stays with peace of mind.

Check-in/check-out



Crowding avoidance during check-in and check-out



Installation of droplet prevention partitions



Temperature measurement

Guestrooms and public spaces



Various room types that avoid the 3Cs



Alcohol sanitizer in every guestroom

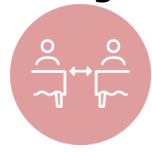


Thorough disinfection and cleaning on the premises



Antibacterial treatment and passenger number restrictions for elevators

Dining and restaurants



Prevention of crowding in dining areas



Hand sanitization using alcohol sanitizer



High temperature tableware cleaning and sterilization



"New normal" buffet



Food take-out

Hot springs, pools, and activities



Congestion visualization



Activities outdoors and in private spaces

Staff



Mask usage



Thorough health and hygiene management

Customer feedback from customer satisfaction (CS) survey

The CS survey we conducted includes a new survey item, "satisfaction with COVID-19 countermeasures," and found that customer satisfaction levels were high for this survey item in almost all of our facilities. For example, customers indicated that they were "extremely satisfied" with the following measures.



Congestion visualization

We offer a service that allows customers to check how congested hot springs and pools are in real time, via their smartphones, providing them with peace of mind.

"New normal" buffet

Antiviral coating has been applied to tables, tongs, and other fixtures, and we are conducting thorough hygiene management, which has enabled guests to feel secure as they enjoy their meals.



Placement of alcohol hand sanitizer in every guestroom

Placing hand sanitizer in all guestrooms allows guests to use it whenever they want, allowing them to enjoy their stay without worry.



Hoshino Resorts' COVID-19-related initiatives (2)

Hoshino Resorts REIT, Inc.

In addition to stays for avoiding the 3Cs, Hoshino Resorts is also focused on promoting microtourism to support local economies while avoiding spreading COVID-19. To help people rediscover the allure of their local areas, we actively engage in regional collaboration. Since these initiatives were launched in June 2020, Hoshino Resorts has achieved high operation rates. We believe that these initiatives benefit travelers, local businesses, and Hoshino Resorts itself.

Promotion of microtourism

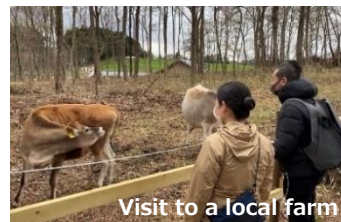
As a tourism industry leader, since the first state of emergency declaration was issued in April 2020, we have continuously advocated microtourism -- trips to destinations one to two hours away by car -- as the new way to travel in the midst of the COVID-19 pandemic.

Cooperation with the community

Hoshino Resorts carries out local collaboration projects. In order to protect and share local allure, we have striven to actively collaborate with local producers and creators affected by the COVID-19 pandemic. We believe these initiatives contribute to the recovery of local economies and improve the operational capabilities of Hoshino Resorts.



April 21, 2020 TV Tokyo "WBS(WORLD BUSINESS SATELLITE)"



Visit to a local farm

Hoshino Resorts' local collaboration projects

RISONARE x Nasu Ranch

"The milk jam frappe that is saving a Nasu ranch"



<Background>

The COVID-19 pandemic has caused a decline in milk consumption in schools and the restaurant industry. Three RISONARE resorts (Nasu, Atami, and Yatsugatake) have developed a new product, milk jam, that is made with milk that otherwise would go to waste. This milk jam is used to make milk jam frappes, which are served at each of the resorts.

KAI Izumo x Local Brewery

"Jizake Nonjokane ('Let's Drink') Stay"



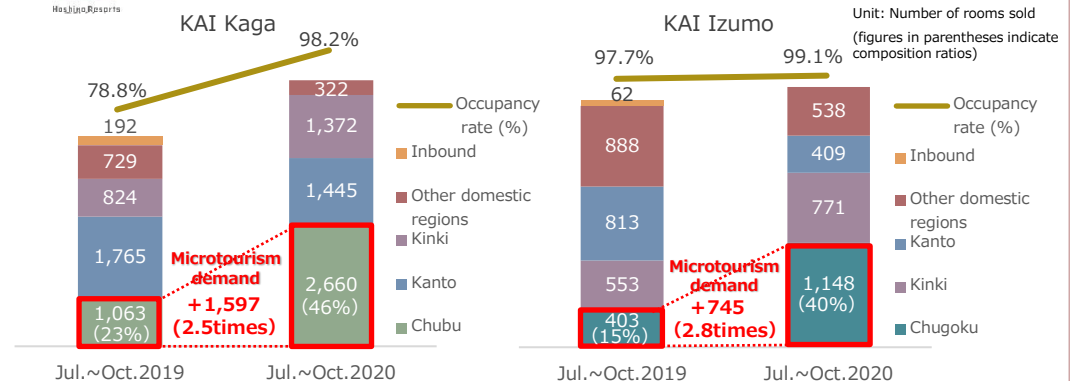
<Background>

We focused on the potential for sake, for which Izumo is famed as the birthplace of, to create opportunities for experiencing local allure. We collaborated with local breweries to create a program that allows guests to feel like they had taken a brewery tour all from the comfort of their own rooms.

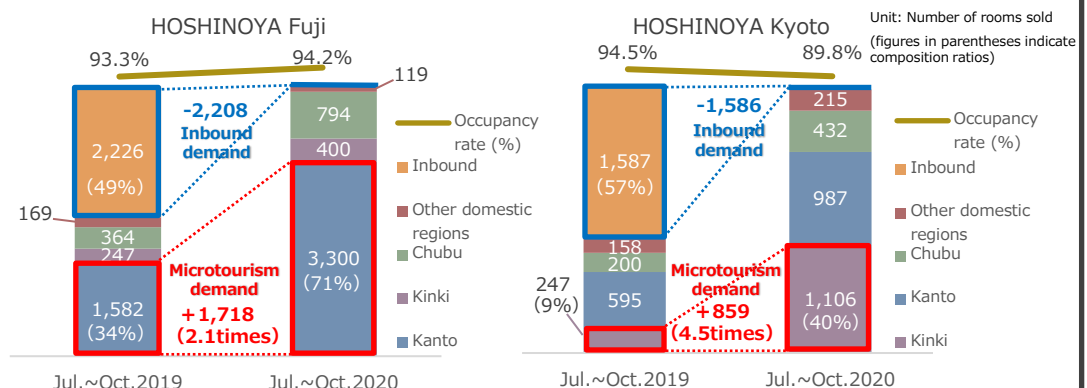
Changes in the regional composition of guests



We serve dishes made with local ingredients at all of our resorts. Nearby hot spring ryokans have **increased their share of microtourism**, attracting customers who seek relaxation.
































Efforts to draw in guests from nearby who want to experience something extraordinary have **shifted the guest demographic from inbound tourists to microtourism guests**.



Examples of local collaboration projects

Hoshino Resorts REIT, Inc.

Local collaboration projects are being conducted with business and craftspeople that support local industry and culture in regions throughout Japan. Collaboration fields have focused on “food”, “traditional crafts”, “festivals”, and other areas which have been impacted by the COVID-19 pandemic.

Collaboration themes	Kyusyu,Okinawa	Chubu,Hokuriku, Kinki,Chugoku	Kanto	Tohoku	Hokkaido	Nation wide
Food loss prevention			 Go-KINJO Delivery Ranger xOMO5 Tokyo otsuka  Strawberry farmer xKAI Nikko, Kawaji,Kinugawa  Charter boat and long-established confectioner xHOSHINOYA Tokyo  Shinshu support marchéxKaruizawa Hoshino Area  Winery xKAI Matsumoto  Commercial launch of milk jam xRISONARE Nasu	 Hirosaki apple farming assistance xKAI Tsugaru  Gastronomy fair xHoshino Resorts Aomoriya  Gastronomy fair xHoshino Resorts Oirase Keiryu Hotel  Neighborhood delivery café xOMO7 Asahikawa  Neighborhood specialty exhibition xOMO7 Asahikawa		 Development of tea yokan xKAI brand
preserving traditional crafts, Helping creators	 Yachimun creator xHoshino Resorts Banta Cafe  Sanshin performer xHOSHINOYA Taketomi Island	 Shimada Tea Industrial Promotion Association x KAI Enshu  Shinshu pickle shop x KAI Alps  Enshu handheld firework pyrotechnician x KAI Enshu  Izumo brewery x KAI Izumo	 Mashiko ware artist xKAI Nikko, Kawaji,Kinugawa  Odawara Lantern shop xKAI Hakone  Artist xKAI Sengokuhara  Wine festival xRISONARE Yatsugatake  Nasu discovery BOX xRISONARE Nasu	 Nebuta master xHoshino Resorts Aomoriya  Hirosaki neputa artistxKAI Tsugaru  Fireworksx Hoshino Resorts Tomamu		
Activity						
Collaboration with tourism operators			 Autumn skybus xKAI Nikko, Kawaji,Kinugawa  Night skybus TokyoxHOSHINOYA Tokyo	 Skybus Tokyox Hoshino Resorts Oirase Keiryu Hotel		



The images with icons at left are activities conducted in concert with the Ministry of Agriculture, Forestry and Fisheries' #GenkiItadakimasuProject (which translates to “Healthily and Happily Eating Project,” a project that supports the consumption of ingredients from Japan that have lost their buyers due to the COVID-19 pandemic).

Launch of “Hoshino Resorts Tourism Revitalization Fund”

Hoshino Resorts REIT, Inc.

Hoshino Resorts and RISA Partners, Inc. completed the formation of the Hoshino Resorts Tourism Revitalization Limited Investment Partnership (hereinafter referred to as the "Hoshino Resorts Tourism Revitalization Fund"), targeting domestic lodging facilities, and has begun operations on October 30, 2020.

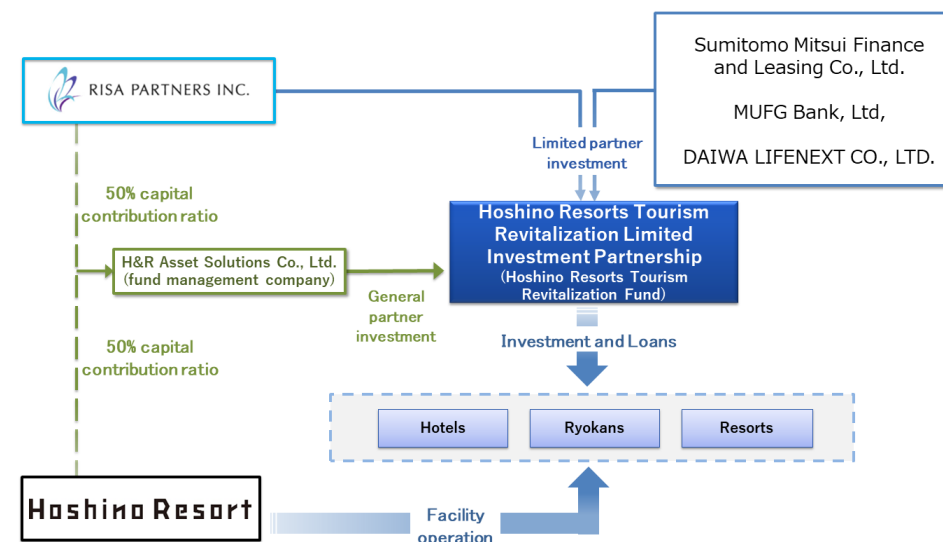
Details of this fund

Name	Hoshino Resorts Tourism Revitalization Fund
Total Fund	About 5 billion yen (as of October 2020)
Fund management company	H&R Asset Solutions Co., Ltd.
Investor	Sumitomo Mitsui Finance and Leasing Co., Ltd., MUFG Bank, Ltd, DAIWA LIFENEXT CO., LTD RISA Partners, Inc.
Fund Formation Date	October 30, 2020
Investment Target	Accommodation properties (real estate) of hotels and ryokans

About RISA Partners, Inc.

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

Location of Head Office	2-15-3 Konan, Minato-ku, Tokyo, Japan
Establishment	July, 1998
Capital	100 million yen
Number of Executive & Employees (consolidated)	145 (As of 1 January, 2021)
President	Yoshio Narukage



Excerpt from Hoshino Resorts’ May 29, 2020 press release

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

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

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

VI

Appendix (2) Information regarding owned properties



Overview of owned properties by brand (1)

Hoshino Resorts REIT, Inc.

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

As of June 15, 2021

Operator	Hoshino Resorts				
Brand name	 星のや HOSHINOYA	 Hoshino Resorts RISONARE	 界 KAI Hoshino Resorts	 OMO Hoshino Resorts	 Hoshino Resorts BEB
Genre	Flagship	Family resort	High-end hot spring ryokan	Urban resort	Casual hotel
Overview of facility	Japanese luxury hotels with overwhelmingly extraordinary ambiance	Western-style hotels combining refined design with a wealth of activities	Sophisticated hot spring ryokans with a comfortable Japanese aesthetic where guests can rediscover regional appeal	Urban tourism hotels that go beyond mere places to sleep, instead making trips even more exciting	More than a Japanese pub, but not quite a full journey - hotels where guests can kick back and relax with friends and colleagues
Annual ADR ^(Note 1)	Approx 75,000 yen	Approx 43,000 yen	Approx 37,000 yen ^(Note 2)	Approx 11,000 yen	Approx 15,000 yen ^(Note 3)
Representative hotel	 HOSHINOYA Karuizawa	 RISONARE Yatsugatake	 KAI Hakone	 OMO7 Asahikawa	 BEB 5 Karuizawa
Number of owned facilities	4	2	11	1	1
Total acquisition value (ratio)	19,593 million yen (11.8%)	8,250 million yen (5.0%)	17,575 million yen (10.6%)	4,619 million yen (2.8%)	2,170 million yen (1.3%)

(Note 1) The Annual ADR is a reference value calculated based on the period between November 2018 and October 2019.

(Note 2) Annual ADR for the KAI brand is the ADR for 10 KAI properties other than KAI Enshu, which was acquired in the 16th fiscal period ended Apr. 2021.











(Note 3) Annual ADR for BEB5 Karuizawa is a reference value calculated based on the average ADR for the nine-month period between February and October 2019.

Overview of owned properties by brand (2)

Hoshino Resorts REIT, Inc.

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

As of June 15, 2021

Operator	SHR Roadside Inn Co., Ltd.	IHG ANA Hotels Group Japan LLC,	Hyatt International Asia Pacific Limited	Ishin Hotels Group Co., Ltd..	
Brand name					
Genre	Roadside hotels	City hotels	City hotels	City hotels	City hotels
Overview of facility	Lodging-focused hotels near expressway interchanges and major arterial roads	Upscale hotels that combine the world-class services of Crowne Plazas with the high-quality hospitality of ANA hotels	Iconic luxury hotels that offer grand stays	Hotels designed to maximize the value of connections	Stylish city hotels located in major cities across the nation
Annual ADR ^(Note)	Approx 6,000 yen	Approx 13,000 yen	Approx 29,000 yen	Approx 16,000 yen	Approx 10,000 yen
Representative hotel	 Chisun Inn Fukushima Nishi IC	 ANA Crowne Plaza Toyama	 Grand Hyatt Fukuoka	 Hyatt Regency Osaka	 the b akasaka
Number of owned facilities	22	3	1	1	4
Total acquisition value (ratio)	15,995 million yen (9.7%)	28,401 million yen (17.1%)	7,700 million yen (4.6%)	16,000 million yen (9.7%)	20,800 million yen (12.6%)

(Note) The Annual ADR is a reference value calculated based on the period between November 2018 and October 2019. Annual ADR for Grand Hyatt Fukuoka was calculated based on the period from January to December 2019.

Status of portfolio (As of June 15, 2021)

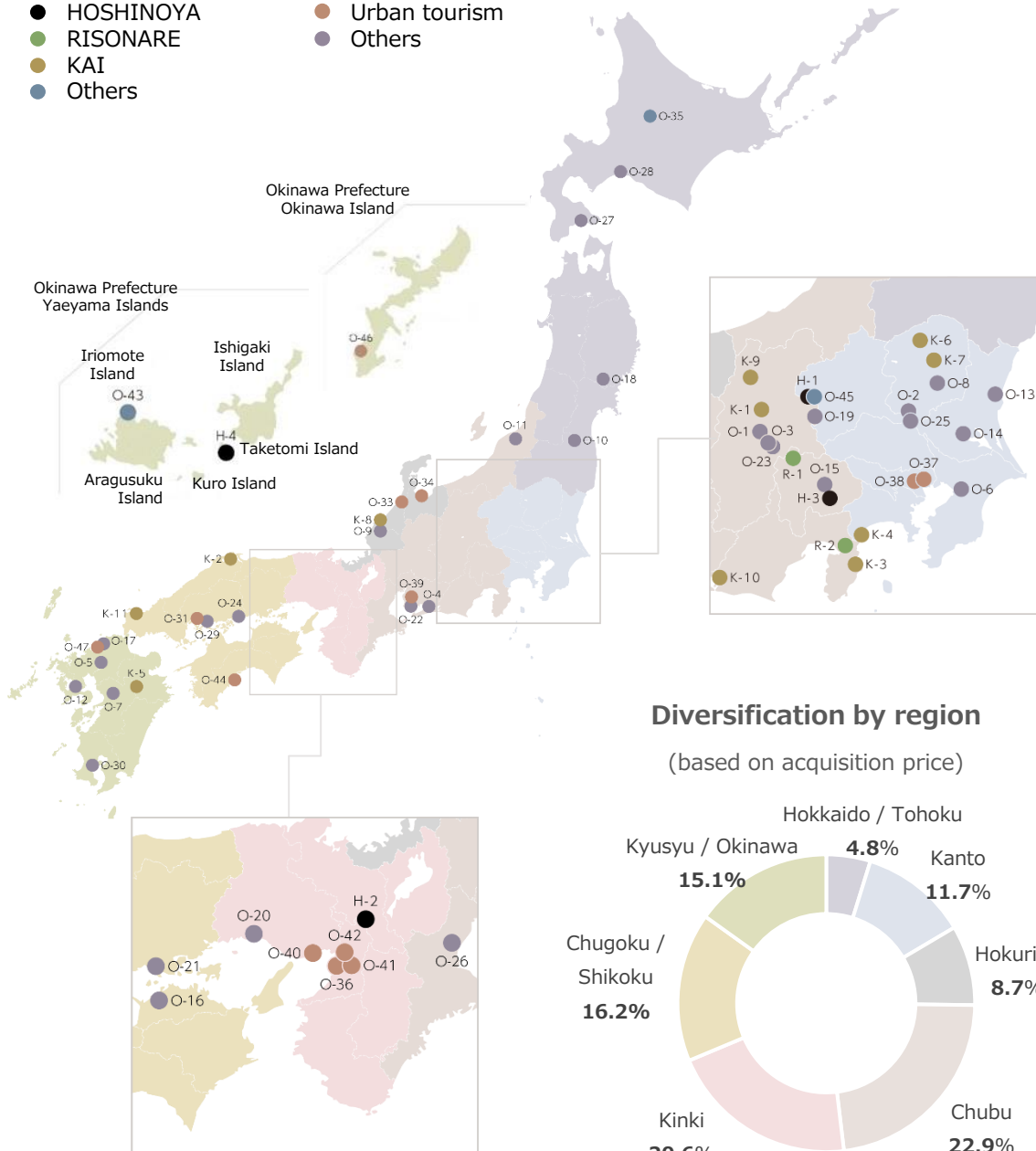
Hoshino Resorts REIT, Inc.

Properties operated by the Hoshino Resorts

- HOSHINOYA
- RISONARE
- KAI
- Others

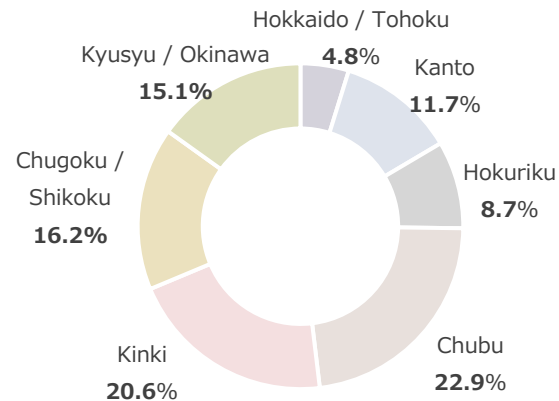
Properties operated by outside operators

- Urban tourism
- Others



Diversification by region

(based on acquisition price)



Category	Prop erty No.	Property name
<Properties operated by the Hoshino Resorts>		
	HOSHINOYA H-1	HOSHINOYA Karuizawa
	H-2	HOSHINOYA Kyoto
	H-3	HOSHINOYA Fuji
	H-4	HOSHINOYA Taketomi Island
	RISONARE R-1	RISONARE Yatsugatake
	R-2	RISONARE Atami
	KAI K-1	KAI Matsumoto
	K-2	KAI Izumo
	K-3	KAI Ito
	K-4	KAI Hakone
	K-5	KAI Aso
	K-6	KAI Kawaji
	K-7	KAI Kinugawa
	K-8	KAI Kaga
	K-9	KAI Alps
	K-10	KAI Enshu
	K-11	KAI Nagato
	Others O-35	OMO7 Asahikawa
	O-43	Iriomote Hotel
	O-45	BEB5 Karuizawa
<Properties operated by outside operators>		
Urban tourism	O-31	ANA Crowne Plaza Hiroshima
	O-33	ANA Crowne Plaza Kanazawa
	O-34	ANA Crowne Plaza Toyama
	O-36	Hyatt Regency Osaka
	O-37	the b akasaka
	O-38	the b sangenjaya
	O-39	the b nagoya
	O-40	the b kobe
	O-41	Quintessa Hotel Osaka Shinsaibashi
	O-42	hotel androoms Osaka Homma
	O-44	HOTEL NIKKO KOCHI ASAHI ROYAL

Operational results for each property (1)

Hoshino Resorts REIT, Inc.

HOSHINOYA Karuizawa



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	27.9%	46.7%	81.4%	96.1%	97.8%	96.0%	98.6%	92.3%	59.0%	52.5%	67.8%	63.9%	73.9%	-8.9pt
ADR (yen)	81,021	75,217	85,244	110,420	93,910	92,612	87,015	90,090	90,529	66,168	81,819	88,838	89,318	+9,181
RevPAR (yen)	22,637	35,136	69,426	106,164	91,823	88,878	85,763	83,194	53,406	34,765	55,466	56,809	65,969	-342
Sales (millions of yen)	100	138	270	428	335	340	314	307	130	141	227	202	2,937	-434

HOSHINOYA Kyoto



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	20.4%	55.2%	75.7%	90.8%	94.8%	97.8%	98.5%	81.8%	47.6%	39.0%	66.8%	44.3%	68.9%	-14.6p
ADR (yen)	82,045	68,915	73,385	83,126	85,271	108,558	125,706	114,539	101,674	86,378	107,640	101,327	97,427	+5,816
RevPAR (yen)	16,748	38,062	55,577	75,511	80,836	106,177	123,862	93,700	48,409	33,728	71,939	44,854	67,156	-9,357
Sales (millions of yen)	19	39	67	89	92	120	131	107	49	26	72	52	869	-150

HOSHINOYA Fuji



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	36.0%	57.4%	80.7%	98.1%	99.0%	98.8%	98.7%	95.0%	59.0%	59.5%	63.7%	55.0%	75.6%	-11.5pt
ADR (yen)	73,769	55,562	70,821	92,112	75,179	79,997	83,500	88,865	89,880	81,693	86,085	94,392	81,588	+12,053
RevPAR (yen)	26,592	31,901	57,171	90,404	74,427	79,030	82,387	84,421	53,058	48,586	54,844	51,915	61,666	+1,081
Sales (millions of yen)	53	62	110	167	138	150	150	152	79	54	116	90	1,327	+

HOSHINOYA Taketomi Island



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	-	-	66.5%	66.6%	68.6%	92.3%	93.3%	82.7%	30.6%	35.7%	55.4%	58.5%	65.9%	-10.2p
ADR (yen)	-	-	66,911	74,371	61,845	59,197	56,894	61,800	61,907	43,867	61,737	68,934	62,506	+1,818
RevPAR (yen)	-	-	44,472	49,531	42,433	54,622	53,101	51,126	18,959	15,661	34,188	40,307	41,214	-4,961
Sales (millions of yen)	0	0	101	112	98	132	126	118	35	31	103	96	958	-310

(Note) Guestroom occupancy rate, ADR, and RevPAR figures for HOSHINOYA Taketomi Island do not exist for the May to June 2020 period because the property was temporarily closed as a result of the COVID-19 pandemic.

Operational results for each property (2)

Hoshino Resorts REIT, Inc.

RISONARE Yatsugatake



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	21.0%	38.5%	83.0%	98.7%	98.8%	98.1%	97.3%	83.6%	32.7%	52.6%	59.3%	43.6%	67.9%	-14.1pt
ADR (yen)	41,418	31,626	44,959	66,155	48,477	42,081	37,269	56,783	68,109	37,555	52,056	51,387	48,904	+9,735
RevPAR (yen)	8,700	12,191	37,328	65,324	47,913	41,284	36,279	47,454	22,251	19,753	30,860	22,387	33,207	+1,100
Sales (millions of yen)	94	122	354	591	449	462	418	439	152	102	333	245	3,766	-589

RISONARE Atami



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	30.4%	64.5%	87.5%	98.2%	97.4%	95.1%	87.9%	75.3%	31.9%	44.6%	76.2%	53.5%	70.5%	-10.9pt
ADR (yen)	46,897	39,132	50,162	84,262	51,136	54,680	63,934	89,448	96,802	66,127	78,426	78,342	65,879	+11,586
RevPAR (yen)	14,268	25,252	43,889	82,718	49,789	52,024	56,198	67,327	30,879	29,515	59,732	41,879	46,433	+2,241
Sales (millions of yen)	52	81	160	283	179	181	191	215	81	84	204	142	1,859	-7

10 KAI properties



Total number of guest rooms: 355

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	25.5%	56.6%	91.5%	99.3%	99.2%	99.3%	99.6%	96.3%	53.6%	57.4%	77.0%	52.8%	77.1%	+2.7pt
ADR (yen)	39,541	29,292	31,972	46,638	39,263	42,788	44,521	45,935	48,184	46,285	46,721	48,578	42,521	+4,428
RevPAR (yen)	10,075	16,587	29,270	46,316	38,931	42,492	44,358	44,240	25,850	26,557	35,969	25,664	32,763	+4,427
Sales (millions of yen)	171	334	683	938	792	887	902	851	415	399	733	484	7,594	+470

OMO7 Asahikawa (Note)



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	-	-	21.8%	31.6%	69.4%	89.1%	59.5%	27.1%	9.3%	15.3%	25.4%	19.8%	36.5%	-32.5pt
ADR (yen)	-	-	17,161	18,778	11,733	10,075	10,441	9,991	11,799	9,808	9,439	11,096	11,751	-373
RevPAR (yen)	-	-	3,734	5,937	8,137	8,981	6,215	2,703	1,096	1,503	2,398	2,198	4,291	-4,079
Sales (millions of yen)	1	3	36	53	78	98	55	29	10	14	38	18	438	-1,335

(Note) Guestroom occupancy rate, ADR, and RevPAR figures for OMO7 Asahikawa do not exist for the May to June 2020 period because the property was temporarily closed as a result of the COVID-19 pandemic.

Operational results for each property (3)

Hoshino Resorts REIT, Inc.

BEB5 Karuizawa



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	16.2%	34.0%	65.6%	98.2%	94.1%	81.9%	90.7%	73.3%	33.3%	60.3%	74.9%	53.9%	66.1%	-11.9pt
ADR (yen)	18,897	16,367	17,377	18,839	17,545	18,191	17,966	19,188	21,427	16,315	16,056	16,736	17,823	+1,668
RevPAR (yen)	3,063	5,560	11,395	18,497	16,511	14,903	16,294	14,058	7,134	9,834	12,026	9,017	11,785	-827
Sales (millions of yen)	5	13	28	45	39	36	38	34	13	17	33	22	328	-33

ANA Crowne Plaza Hiroshima



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	11.0%	20.6%	27.8%	27.6%	44.9%	53.0%	68.0%	39.9%	13.8%	25.8%	29.5%	25.2%	32.2%	-36.7pt
ADR (yen)	9,935	8,989	9,175	10,383	10,304	10,924	13,510	10,569	9,495	9,485	9,239	9,105	10,578	-1,490
RevPAR (yen)	1,097	1,848	2,553	2,864	4,625	5,788	9,189	4,218	1,308	2,448	2,725	2,291	3,409	-4,915
Sales (millions of yen)	40	77	117	111	168	205	291	218	69	92	149	151	1,694	-2,453

ANA Crowne Plaza Fukuoka



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	10.4%	19.7%	34.2%	31.7%	46.2%	72.2%	79.0%	58.2%	24.1%	24.7%	41.3%	43.7%	40.5%	-36.9pt
ADR (yen)	13,177	11,491	10,922	11,373	11,290	11,569	13,470	12,917	10,624	10,241	10,683	10,662	11,717	-3,298
RevPAR (yen)	1,370	2,267	3,738	3,605	5,216	8,354	10,647	7,512	2,559	2,528	4,415	4,657	4,747	-6,875
Sales (millions of yen)	21	39	85	75	103	189	207	167	72	67	130	118	1,279	-1,791

ANA Crowne Plaza Kanazawa



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	1.6%	13.2%	25.7%	22.2%	36.2%	58.5%	82.9%	54.5%	11.4%	28.4%	31.9%	24.1%	32.5%	-32.8pt
ADR (yen)	9,954	10,029	11,124	14,353	13,228	12,971	16,881	13,084	12,549	9,742	10,546	11,340	13,145	-2,506
RevPAR (yen)	161	1,327	2,853	3,189	4,784	7,592	13,997	7,136	1,433	2,766	3,369	2,728	4,275	-5,945
Sales (millions of yen)	7	35	71	78	81	121	217	194	68	60	79	75	1,090	-1,770

Operational results for each property (4)

Hoshino Resorts REIT, Inc.

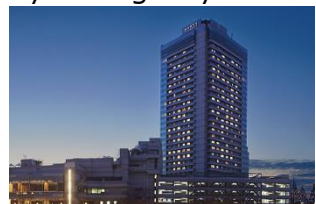
ANA Crowne Plaza Toyama



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	0.2%	19.9%	30.8%	32.6%	52.3%	65.7%	67.3%	47.7%	21.3%	24.0%	33.1%	35.6%	35.9%	-31.8pt
ADR (yen)	8,065	7,524	8,684	9,605	8,417	9,127	10,233	8,420	7,318	8,101	8,447	8,776	8,838	-1,786
RevPAR (yen)	17	1,493	2,671	3,132	4,402	5,993	6,884	4,016	1,561	1,946	2,793	3,127	3,171	-4,024
Sales (millions of yen)	0	35	60	69	95	128	156	120	51	57	108	77	961	-1,394

Hyatt Regency Osaka



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

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	12.6%	15.2%	25.2%	32.8%	36.7%	32.2%	38.3%	20.4%	21.8%	25.3%	17.2%	15.4%	24.4%	-27.9pt
ADR (yen)	11,649	12,143	13,511	17,384	15,950	14,695	16,303	14,102	13,144	12,946	13,416	12,195	14,492	-1,730
RevPAR (yen)	1,463	1,843	3,410	5,710	5,855	4,736	6,237	2,874	2,861	3,278	2,310	1,874	3,535	-4,951
Sales (millions of yen)	31	41	92	129	137	133	174	116	64	66	90	68	1,145	-2,115

22 Roadside properties



Total number of guest rooms: 2,205

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	46.0%	56.7%	58.6%	55.2%	64.7%	72.1%	77.2%	65.3%	54.9%	63.6%	71.1%	64.6%	62.4%	-13.2pt
ADR (yen)	4,993	4,980	5,368	5,953	5,634	5,589	5,749	5,473	5,447	5,518	5,649	5,706	5,525	-499
RevPAR (yen)	2,295	2,824	3,147	3,286	3,644	4,028	4,435	3,573	2,991	3,506	4,019	3,684	3,450	-1,107
Sales (millions of yen)	168	198	227	237	254	290	309	258	216	230	299	258	2,948	-953

4 the b properties



Total number of guest rooms: 667

Operational results														
	2020								2021				Accumulated Total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	15.5%	24.9%	30.4%	25.7%	41.0%	53.1%	59.3%	46.5%	28.9%	36.4%	49.1%	45.9%	38.0%	-37.4pt
ADR (yen)	5,068	5,329	5,618	5,890	5,715	5,814	6,166	6,175	5,682	5,871	5,307	5,000	5,686	-3,471
RevPAR (yen)	783	1,326	1,709	1,516	2,341	3,088	3,654	2,869	1,641	2,135	2,603	2,294	2,161	-4,746
Sales (millions of yen)	36	47	55	49	64	82	89	75	49	54	73	61	740	-1,236

Operational results for each property (5)

Hoshino Resorts REIT, Inc.

KAI Matsumoto	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	26.1%	53.3%	85.2%	98.9%	99.6%	99.8%	99.7%	96.0%	49.4%	54.4%	80.6%	50.9%	75.8%	+4.2pt
ADR (yen)	46,984	37,474	41,191	58,042	47,476	49,769	51,313	49,767	49,216	40,534	46,465	55,528	48,676	+5,462
RevPAR (yen)	12,248	19,986	35,109	57,394	47,294	49,646	51,181	47,785	24,302	22,049	37,472	28,262	36,920	+5,938
Sales (millions of yen)	14	28	53	78	66	71	70	60	28	15	64	38	592	+69
KAI Ito	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	34.8%	58.8%	93.7%	99.6%	99.9%	100.0%	99.6%	97.5%	55.7%	64.5%	88.1%	53.4%	79.1%	-6.6pt
ADR (yen)	44,882	34,411	36,253	52,513	43,569	45,567	48,000	53,756	53,474	52,850	54,335	60,103	47,988	+8,229
RevPAR (yen)	15,602	20,237	33,953	52,287	43,520	45,567	47,787	52,412	29,784	34,081	47,845	32,121	37,982	+3,890
Sales (millions of yen)	24	35	67	90	76	84	84	78	39	47	74	51	756	-22
KAI Aso	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	51.4%	66.4%	79.5%	97.8%	99.4%	99.7%	99.7%	97.7%	62.6%	90.5%	96.8%	82.5%	85.6%	+3.2pt
ADR (yen)	80,003	58,801	63,886	78,942	68,958	74,862	71,384	71,401	73,144	67,327	69,333	76,279	71,320	+1,981
RevPAR (yen)	41,112	39,037	50,767	77,244	68,548	74,661	71,186	69,759	45,813	60,951	67,111	62,930	61,059	+3,933
Sales (millions of yen)	17	22	26	42	35	41	38	36	22	26	36	33	379	+12
KAI Kinugawa	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	18.6%	60.7%	93.5%	99.6%	99.9%	99.9%	99.6%	96.9%	50.9%	35.1%	70.4%	46.9%	75.0%	+4.6pt
ADR (yen)	35,742	26,889	29,233	44,857	40,916	44,268	45,078	45,049	49,084	49,411	48,864	48,693	42,055	+6,742
RevPAR (yen)	6,630	16,323	27,347	44,676	40,887	44,209	44,890	43,641	25,004	17,328	34,418	22,842	31,554	+6,670
Sales (millions of yen)	13	49	87	119	104	118	116	109	51	34	77	56	938	+97
KAI Alps	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	18.1%	31.9%	82.9%	99.3%	99.7%	99.5%	99.7%	93.7%	54.6%	53.4%	69.5%	41.1%	71.0%	+8.6pt
ADR (yen)	26,100	24,419	25,596	42,630	33,363	34,890	31,484	32,404	35,155	28,210	28,438	30,268	32,483	+2,148
RevPAR (yen)	4,732	7,800	21,210	42,315	33,247	34,703	31,396	30,355	19,184	15,068	19,759	12,443	23,070	+4,148
Sales (millions of yen)	13	27	73	120	97	105	98	85	44	40	61	39	807	+110

(Note1)

KAI Izumo	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	28.3%	-	97.3%	99.6%	99.6%	99.9%	99.6%	98.7%	65.2%	84.1%	97.3%	89.7%	87.2%	-4.5pt
ADR (yen)	51,255	-	45,475	55,263	51,071	52,074	55,625	50,884	53,685	51,844	52,613	51,959	52,017	+7,152
RevPAR (yen)	14,522	-	44,255	55,040	50,850	52,004	55,393	50,200	34,996	43,619	51,199	46,630	45,378	+4,199
Sales (millions of yen)	19	0	58	71	62	68	73	71	40	52	77	52	648	-20
KAI Hakone	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	27.8%	69.0%	95.3%	99.3%	99.0%	99.6%	100.0%	98.4%	64.8%	69.2%	80.8%	56.0%	80.6%	-7.7pt
ADR (yen)	50,257	38,263	43,396	53,365	46,970	51,951	56,078	60,385	56,033	56,932	56,982	60,890	52,477	+4,411
RevPAR (yen)	13,972	26,386	41,340	52,988	46,514	51,742	56,078	59,411	36,319	39,408	46,068	34,115	42,316	-124
Sales (millions of yen)	22	47	76	92	77	89	90	95	46	42	87	50	818	-46
KAI Kawaji	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	28.9%	61.0%	87.6%	99.5%	96.5%	99.6%	99.3%	93.1%	38.1%	25.1%	56.3%	39.1%	71.9%	+4.1pt
ADR (yen)	12,974	13,503	17,270	32,170	24,503	30,153	32,878	34,609	38,668	28,680	28,315	27,605	27,826	+3,457
RevPAR (yen)	3,752	8,231	15,134	32,016	23,656	30,045	32,635	32,216	14,714	7,185	15,929	10,788	19,993	+3,473
Sales (millions of yen)	14	34	76	117	95	114	114	107	38	15	76	40	846	+93
KAI Kaga	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	10.0%	49.3%	97.7%	98.9%	99.6%	96.7%	99.8%	96.8%	50.0%	65.0%	75.1%	44.9%	75.6%	+3.8pt
ADR (yen)	36,677	27,610	29,179	43,666	36,314	42,068	46,158	45,779	48,427	47,903	49,718	47,090	41,636	+5,386
RevPAR (yen)	3,681	13,599	28,513	43,196	36,163	40,682	46,062	44,302	24,213	31,154	37,335	21,125	31,495	+5,464
Sales (millions of yen)	8	40	94	120	102	114	135	134	58	70	94	55	1,030	+79
KAI Enshu (Npte2)	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	-	-	-	-	-	-	99.6%	98.8%	66.1%	72.7%	89.8%	75.6%	-	-
ADR (yen)	-	-	-	-	-	-	41,677	46,040	46,850	43,877	47,337	48,522	-	-
RevPAR (yen)	-	-	-	-	-	-	41,508	45,472	30,958	31,911	42,490	36,661	-	-
Sales (millions of yen)	-	-	-	-	-	-	79	72	45	54	82	64	-	-

(Note 1) Guestroom occupancy rate, ADR and RevPAR results of KAI Izumo in June 2020 do not exist, because this property has been temporarily closed to conduct large-scale repair work.

(Note 2) Hoshino Resorts REIT, Inc. acquired KAI Enshu in November 2020, so no figures are listed for dates before the acquisition date, nor is an annual total listed.

Operational results for each property (6)

Hoshino Resorts REIT, Inc.

(Note1)

Iriomote Hotel	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	-	-	39.7%	31.8%	31.6%	63.5%	65.9%	56.4%	11.6%	6.8%	21.5%	29.9%	36.3%	+7.7pt
ADR (yen)	-	-	34,206	45,849	29,921	24,003	20,075	21,393	34,232	22,879	33,391	24,438	27,406	+2,093
RevPAR (yen)	-	-	13,582	14,577	9,450	15,235	13,229	12,074	3,982	1,551	7,191	7,302	9,936	+2,704
Sales (millions of yen)	0	0	76	85	52	97	93	87	17	9	72	53	644	+97

the b sangenjaya	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	40.0%	60.9%	67.3%	57.4%	58.8%	58.3%	64.4%	59.4%	47.6%	47.7%	56.3%	51.9%	55.9%	-25.0pt
ADR (yen)	5,349	5,324	5,720	6,095	6,810	8,117	8,457	7,851	7,556	9,276	8,328	7,748	7,197	-3,605
RevPAR (yen)	2,140	3,242	3,851	3,501	4,001	4,735	5,446	4,662	3,598	4,427	4,685	4,022	4,021	-4,718
Sales (millions of yen)	10	13	16	14	15	19	21	18	14	16	20	16	197	-213

the b kobe	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	16.5%	27.0%	29.4%	27.9%	46.4%	57.2%	64.0%	55.6%	23.5%	30.5%	48.3%	29.3%	38.0%	-37.5pt
ADR (yen)	5,282	6,081	6,916	6,943	6,765	6,697	7,526	7,372	6,725	6,156	5,526	5,435	6,605	-3,319
RevPAR (yen)	873	1,641	2,031	1,939	3,140	3,831	4,815	4,097	1,580	1,876	2,668	1,593	2,509	-4,986
Sales (millions of yen)	15	18	21	19	26	30	35	31	18	17	25	17	277	-328

Sol Vita Hotel Naha	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	0.5%	23.4%	31.6%	10.0%	18.1%	44.8%	54.0%	44.3%	22.7%	35.0%	41.1%	31.8%	29.7%	-36.1pt
ADR (yen)	9,164	5,972	6,653	7,109	6,755	6,228	5,626	5,741	5,720	6,144	5,507	5,210	5,939	-2,923
RevPAR (yen)	42	1,398	2,103	710	1,222	2,788	3,038	2,541	1,299	2,150	2,262	1,655	1,764	-4,069
Sales (millions of yen)	0	9	14	5	8	19	20	18	9	13	18	12	151	-325

(Note2)

the b akasaka	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	-	-	-	-	28.7%	57.1%	54.6%	32.1%	21.0%	26.7%	32.9%	39.3%	24.3%	-47.1pt
ADR (yen)	-	-	-	-	3,927	4,295	4,472	4,950	4,212	4,339	4,249	3,977	4,368	-5,271
RevPAR (yen)	82	59	8	-	1,127	2,451	2,443	1,591	886	1,160	1,396	1,561	1,060	-5,818
Sales (millions of yen)	2	3	2	2	5	13	12	8	4	5	8	7	76	-370

the b nagoya	2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	12.9%	22.3%	33.9%	26.0%	36.3%	44.2%	56.3%	43.1%	28.7%	41.9%	57.7%	60.2%	38.5%	-36.9pt
ADR (yen)	3,911	4,441	4,626	4,778	4,773	4,750	4,785	4,424	4,148	4,345	4,026	4,054	4,426	-2,856
RevPAR (yen)	502	989	1,566	1,243	1,730	2,101	2,693	1,908	1,190	1,819	2,325	2,441	1,705	-3,785
Sales (millions of yen)	8	11	15	13	16	19	21	16	11	14	20	20	188	-323

hotel androoms Osaka Hommachi	(Note3) 2020								2021				Accumulated total	Year to year comparison
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Guest room occupancy rate	-	2.9%	5.6%	7.3%	7.7%	12.6%	16.9%	8.0%	0.1%	-	20.8%	9.3%	9.1%	-56.6pt
ADR (yen)	-	7,437	9,218	7,333	7,976	7,982	8,799	8,870	8,239	-	7,366	7,911	8,081	-1,589
RevPAR (yen)	-	214	519	532	616	1,007	1,486	713	7	-	1,534	732	737	-5,616
Sales (millions of yen)	0	0	2	2	2	3	5	2	0	0	6	2	28	-237



Operation result data and downloadable Excel data are also available on Hoshino Resorts REIT, Inc. website.

(Note 1) Guestroom occupancy rate, ADR, and RevPAR figures for Iriomote Hotel do not exist for the May to June 2020 period because the property was temporarily closed as a result of the COVID-19 pandemic.

(Note 2) Guestroom occupancy rate and ADR figures for the b akasaka do not exist for the May to July 2020 period because the property was temporarily closed as a result of the COVID-19 pandemic. In addition, as of August 2020, there is no record of occupancy rate, ADR and RevPAR.

(Note 3) Guestroom occupancy rate, ADR, and RevPAR figures for hotel androoms Osaka Hommachi do not exist for the May 2020 period because the property was temporarily closed as a result of the COVID-19 pandemic.

Inbound tourism ratio at individual properties

Hoshino Resorts REIT, Inc.

Properties operated by Hoshino Resorts

Name of property	May 2019 ~Apr. 2020	May 2020 ~Apr. 2021	Change
HOSHINOYA Karuizawa	30.5%	0.3%	-30.2pt
HOSHINOYA Kyoto	52.9%	0.3%	-52.6pt
HOSHINOYA Fuji	48.3%	0.6%	-47.7pt
HOSHINOYA Taketomi Island	7.9%	0.3%	-7.7pt
RISONARE Yatsugatake	1.0%	0.0%	-1.0pt
RISONARE Atami	3.0%	0.0%	-3.0pt
KAI Matsumoto	5.5%	0.0%	-5.5pt
KAI Izumo	3.5%	0.0%	-3.4pt
KAI Ito	5.4%	0.0%	-5.4pt
KAI Hakone	16.6%	0.1%	-16.5pt
KAI Aso	15.3%	0.1%	-15.2pt
KAI Kawaji	3.7%	0.0%	-3.7pt
KAI Kinugawa	5.5%	0.0%	-5.5pt
KAI Kaga	4.2%	0.0%	-4.2pt
KAI Alps	10.0%	0.1%	-10.0pt
KAI Enshu	3.2%	0.0%	-3.2pt
OMO7 Asahikawa	14.8%	0.0%	-14.8pt
Iriomote Hotel	0.2%	0.0%	-0.2pt
BEB5 Karuizawa	7.5%	0.1%	-7.4pt

Properties operated by those other than Hoshino Resorts

Name of property	May 2019 ~Apr. 2020	May 2020 ~Apr. 2021	Change
22 Roadside Properties	0.9%	0.0%	-0.9pt
ANA Crowne Plaza Hiroshima	25.0%	2.0%	-23.0pt
ANA Crowne Plaza Fukuoka	22.2%	0.5%	-21.7pt
ANA Crowne Plaza Kanazawa	23.2%	0.2%	-23.1pt
ANA Crowne Plaza Toyama	25.1%	0.1%	-25.1pt
Hyatt Regency Osaka	51.8%	3.9%	-47.8pt
the b akasaka	50.3%	1.8%	-48.4pt
the b sangenjaya	10.7%	0.5%	-10.2pt
the b nagoya	47.6%	0.6%	-47.0pt
the b kobe	28.0%	0.3%	-27.7pt
hotel androoms Osaka Hommachi	59.1%	0.0%	-59.1pt
Sol Vita Hotel Naha	6.1%	0.1%	-6.0pt
Quintessa Hotel Osaka Shinsaibashi	90.1%	1.1%	-89.0pt
Overall portfolio	17.1%	0.3%	-16.8pt

VII

Appendix (3) Information regarding owned properties (financial)



Real estate appraisal value for continuously owned properties as of the end of the fiscal period ended April 2021

Hoshino Resorts REIT, Inc.

(Unit: millions of yen)

Property No.	Property name	Address	Number of guest rooms	Acquisition Price	Real estate appraisal value, etc.	
					Valuation date	
					Oct. 31 2020	Apr. 30 2021
H-1	HOSHINOYA Karuizawa	Karuizawa-machi, Nagano	77	7,600	11,800	11,900
H-2	HOSHINOYA Kyoto	Kyoto-shi, Kyoto	25	2,878	4,220	4,240
H-3	HOSHINOYA Fuji	Fujikawaguchiko-machi, Yamanashi	40	4,160	4,330	4,370
H-4	HOSHINOYA Taketomi Island	Taketomi-cho, Okinawa	48	4,955	4,970	4,980
R-1	RISONARE Yatsugatake	Hokuto-shi, Yamanashi	172	4,500	7,330	7,380
R-2	RISONARE Atami	Atami-shi, Shizuoka	81	3,750	4,820	4,810
K-1	KAI Matsumoto	Matumoto-shi, Nagano	26	600	804	804
K-2	KAI Izumo	Matsue-shi, Shimane	24	680	878	876
K-3	KAI Ito	Ito-shi, Shizuoka	30	670	1,600	1,600
K-4	KAI Hakone	Hakone-machi, Kanagawa	32	950	1,320	1,320
K-5	KAI Aso	Kokonoe-machi, Oita	12	575	708	708
K-6	KAI Kawaji	Nikko-shi, Tochigi	54	1,000	1,170	1,170
K-7	KAI Kinugawa	Nikko-shi, Tochigi	48	3,080	3,270	3,290
K-8	KAI Kaga	Kaga-shi, Ishikawa	48	3,160	3,380	3,320
K-9	KAI Alps	Omachi-shi, Nagano	48	3,060	3,150	3,160
K-10	KAI Enshu (Note)	Hamamatsu-shi, Shizuoka	33	1,050	1,070	1,070
O-35	OMO7 Asahikawa	Asahikawa-shi, Hokkaido	237	4,619	4,620	4,620
O-43	Iriomote Hotel	Taketomi-cho, Okinawa	139	3,650	3,810	3,810
O-45	BEB5 Karuizawa	Karuizawa-machi, Nagano	73	2,170	2,260	2,250
O-31	ANA Crowne Plaza Hiroshima	Hiroshima-shi, Hiroshima	409	17,784	18,600	18,700
O-32	ANA Crowne Plaza Fukuoka	Fukuoka-shi, Fukuoka	320	7,599	8,360	8,370
O-33	ANA Crowne Plaza Kanazawa	Kanazawa-shi, Ishikawa	249	6,609	6,270	6,280
O-34	ANA Crowne Plaza Toyama	Toyama-shi, Toyama	252	4,008	4,080	4,060
O-36	Hyatt Regency Osaka	Osaka-shi, Osaka	480	16,000	15,100	14,900
O-37	the b akasaka	Minato-ku, Tokyo	162	4,860	4,710	4,630
O-38	the b sangenjaya	Setagaya-ku, Tokyo	118	4,420	4,310	4,250
O-39	the b nagoya	Nagoya-shi, Aichi	219	4,500	4,190	4,150
O-40	the b kobe	Kobe-shi, Hyogo	168	7,020	6,370	6,270
O-41	Quintessa Hotel Osaka Shinsaibashi	Osaka-shi, Osaka	132	3,339	3,450	3,430
O-42	hotel androoms Osaka Hommachi	Osaka-shi, Osaka	103	4,238	3,520	3,340
O-44	HOTEL NIKKO KOCHI ASAHI ROYAL	Kochi-shi, Kochi	191	2,200	2,250	2,250
O-46	Sol Vita Hotel Naha	Naha-shi, Okinawa	200	3,860	3,820	3,810
O-1	Chisun Inn Shiojiri Kita IC	Shiojiri-shi, Nagano	92	672	819	818
O-2	Chisun Inn Sano Fujioka IC	Sano-shi, Tochigi	92	742	894	898
O-3	Chisun Inn Suwa IC	Suwa-shi, Nagano	92	658	822	824
O-4	Chisun Inn ToyokawaIC	Toyokawa-shi, Aichi	94	602	727	727
O-5	Chisun Inn Tosu	Tosu-shi, Saga	92	504	644	643
O-6	Chisun Inn Chiba Hamano R16	Chiba-shi, Chiba	94	798	997	996
O-7	Chisun Inn Kumamoto Miyukifueda	Kumaomoto-shi, Kumamoto	98	616	734	734
O-8	Chisun Inn Utsunomiya Kanuma	Utsunomiya-shi, Tochigi	98	714	831	829
O-9	Chisun Inn Fukui	Fukui-shi, Fukui	98	644	797	796
O-10	Chisun Inn Fukushima Nishi IC	Fukushima-shi, Fukushima	98	672	753	751
O-11	Chisun Inn Niigata Chuo IC	Niigata-shi, Niigata	98	630	767	766
O-12	Chisun Inn Nagasaki Airport	Omura-shi, Nagasaki	92	630	754	754
O-13	Chisun Inn Hitachinaka	Hitachinaka-shi, Ibaraki	92	742	901	900
O-14	Chisun Inn Tsuchiura Ami	Ami-machi, Ibaraki	92	770	903	901
O-15	Chisun Inn Kofu Isawa	Fuefuki-shi, Yamanashi	92	658	776	776
O-16	Chisun Inn Marugame Zentsuji	Marugame-shi, Kagawa	98	588	728	724
O-17	Chisun Inn Munakata	Munakata-shi, Fukuoka	98	504	624	624
O-18	Chisun Inn Iwate Ichinoseki IC	Ichinoseki-shi, Iwate	92	700	766	765
O-19	Chisun Inn Karuizawa	Karuizawa-machi, Nagano	90	812	1,080	1,080
O-20	Chisun Inn Himeji Yumesakibashi	Himeji-shi, Hyogo	98	616	736	736
O-21	Chisun Inn Kurashiki Mizushima	Kurashiki-shi, Okayama	98	728	861	862
O-22	Candeo Hotels Handa	Handa-shi, Aichi	126	620	651	652
O-23	Candeo Hotels Chino	Chino-shi, Nagano	119	793	886	870
O-24	Candeo Hotels Fukuyama	Fukuyama-shi, Hiroshima	164	1,075	1,170	1,170
O-25	Candeo Hotels Sano	Sano-shi, Tochigi	124	1,260	1,440	1,440
O-26	Candeo Hotels Kameyama	Kameyama-shi, Mie	170	470	487	471
O-27	Comfort Hotel Hakodate	Hakodate-shi, Hokkaido	139	937	961	960
O-28	Comfort Hotel Tomakomai	Tomakomai-shi, Hokkaido	123	963	973	972
O-29	Comfort Hotel Kure	Kure-shi, Hiroshima	149	1,100	1,160	1,160
O-30	Chisun Inn Kagoshima Taniyama	Kagoshima-shi, Kagoshima	217	1,995	2,360	2,380
Total		-	7,569	162,757	177,542	177,097

(Note) Hoshino Resorts REIT, Inc. acquired this property on November 2, 2020. The values in the October 31, 2020 real estate appraisal values etc., column are the values as of October 1, 2020.

Balance sheet as of the end of the fiscal period ended April 2021

Hoshino Resorts REIT, Inc.

(Unit: thousands of yen)

	Previous fiscal period (ended Oct. 31, 2020)	Current fiscal period (ended Apr. 30, 2021)
Assets		
Current assets		
Cash and deposits	11,173,058	8,619,696
Operating accounts receivable	109,999	56,074
Prepaid expenses	297,244	282,429
Consumption taxes receivable	-	108,251
Other	2,230	-
Total current assets	11,582,533	9,066,451
Non-current assets		
Property and equipment		
Buildings	89,682,056	91,080,063
Accumulated depreciation	△11,191,617	△12,417,191
Buildings, net	78,490,439	78,662,872
Structures	3,767,238	3,830,721
Accumulated depreciation	△401,260	△451,978
Structures, net	3,365,978	3,378,743
Machinery and equipment	83,801	83,801
Accumulated depreciation	△52,962	△56,545
Machinery and equipment, net	30,838	27,256
Tools, furniture and fixtures	1,228,112	1,228,286
Accumulated depreciation	△597,715	△601,272
Tools, furniture and fixtures, net	630,396	627,013
Land	79,409,668	79,890,678
Construction in progress	76,558	18,092
Total property, plant and equipment	162,003,879	162,604,656
Intangible assets		
Leasehold interests in land	3,547,500	3,547,500
Software	77,856	70,952
Total intangible assets	3,625,356	3,618,452
Investments and other assets		
Investment securities	505,365	505,365
Long-term prepaid expenses	715,034	612,011
Deferred tax assets	13	14
Guarantee deposits	10,000	10,000
Other	365,006	365,006
Total investments and other assets	1,595,419	1,492,398
Total non-current assets	167,224,655	167,715,507
Deferred assets		
Investment corporation bond issuance costs	6,479	5,732
Total deferred assets	6,479	5,732
Total assets	178,813,668	176,787,691

	Previous fiscal period (ended Oct. 31, 2020)	Current fiscal period (ended Apr. 30, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	309,915	295,120
Short-term borrowings	2,649,000	1,699,000
Current portion of long-term borrowings	7,077,148	10,517,148
Accounts payable - other	796,385	606,777
Income taxes payable	875	909
Accrued consumption taxes	270,558	62,432
Accrued expenses	6,708	5,293
Advances received	780,830	748,518
Total current liabilities	11,891,423	13,935,199
Non-current liabilities		
Long-term borrowings	56,622,829	53,974,255
Investment corporation bonds	1,500,000	1,500,000
Leasehold and guarantee deposits received	3,208,211	3,174,111
Total non-current liabilities	61,331,040	58,648,366
Total liabilities	73,222,463	72,583,565
Net assets		
Unitholders' equity		
Unitholders' capital	102,737,981	102,737,981
Surplus		
Unappropriated retained earnings (undisposed loss)	2,853,223	1,466,144
Total surplus	2,853,223	1,466,144
Total unitholders' equity	105,591,205	104,204,125
Total net assets	105,591,205	104,204,125
Total liabilities and net assets	178,813,668	176,787,691

Statement of income for the fiscal period ended April 2021

Hoshino Resorts REIT, Inc.

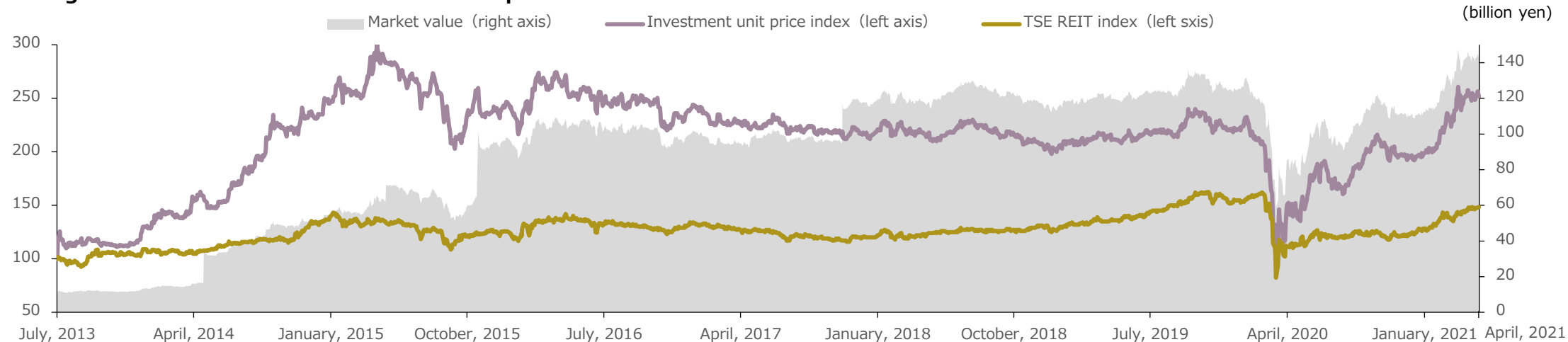
(Unit: thousands of yen)

	Previous fiscal period (from May 1, 2020 to Oct. 31, 2020)	Current fiscal period (from Nov. 1, 2020 to Apr. 30, 2021)
Operating revenue		
Leasing business revenue	6,021,600	4,591,422
Total operating revenue	6,021,600	4,591,422
Operating expenses		
Expenses related to leasing business	2,167,943	2,193,590
Asset management fee	497,395	439,446
Asset custody fee	5,814	5,726
Administrative service fees	25,844	27,437
Remuneration for directors (and other officers)	3,000	3,000
Audit fee	9,160	9,250
Other operating expenses	73,638	96,109
Total operating expenses	2,782,797	2,774,559
Operating profit	3,238,802	1,816,862
Non-operating income		
Interest income	51	49
Insurance income	4,366	4,928
Interest on tax refund	468	-
Miscellaneous income	3,171	2,851
Total non-operating income	8,058	7,829
Non-operating expenses		
Interest expenses	246,184	241,913
Interest expenses on investment corporation bonds	4,733	4,768
Amortization of investment corporation bond issuance costs	747	747
Borrowing related expenses	141,143	155,227
Other	21	25
Total non-operating expenses	392,830	402,682
Ordinary profit	2,854,030	1,422,010
Extraordinary income		
Subsidy income	-	44,971
Total extraordinary income	-	44,971
Profit before income taxes	2,854,030	1,466,981
Income taxes – current	883	916
Income taxes – deferred	△0	△1
Total income taxes	882	915
Profit	2,853,147	1,466,066
Retained earnings brought forward	75	78
Unappropriated retained earnings (undisposed loss)	2,853,223	1,466,144

Change in market value and investment unit price/ Information on unitholders as of the end of the fiscal period ended April 2021

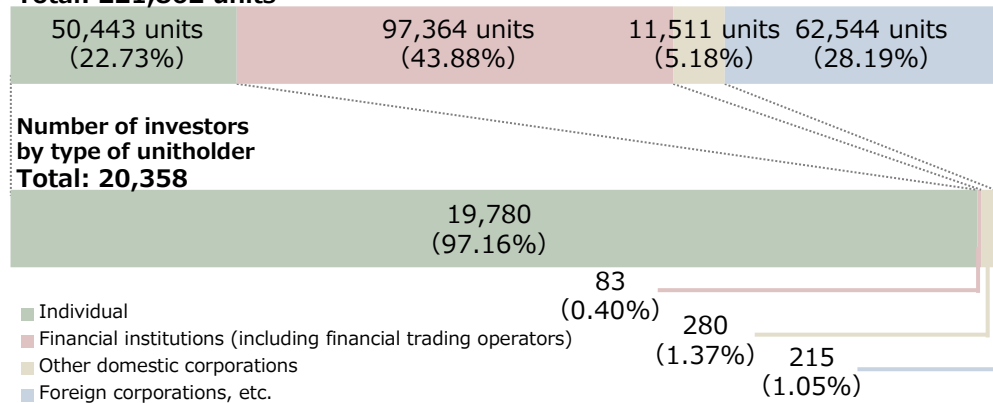
Hoshino Resorts REIT, Inc.

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



Composition of unitholders (as of April 30, 2021) (Note 2)

Number of units held
by type of unitholder
Total: 221,862 units



(Note 3)

Major unitholders	Number of investment units held (units)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	33,427	15.06
Custody Bank of Japan, Ltd. (Trust account)	23,625	10.64
BNP PARIBAS SECURITIES SERVICES SINGAPORE/JASDEC/CLIENT ASSET (Standing proxy: Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	19,777	8.91
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	9,109	4.10
Hoshino Resorts Inc.	6,140	2.76
Mizuho Securities Co., Ltd.	5,838	2.63
Custody Bank of Japan, Ltd. (Securities Investment Trust)	5,509	2.48
J.P. MORGAN BANK LUXEMBOURG S.A. 381572 (Standing proxy: Mizuho Bank Settlement & Clearing Services Department)	5,147	2.31
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank Settlement & Clearing Services Department)	4,227	1.90
JP MORGAN CHASE BANK 385771 (Standing proxy: Mizuho Bank Settlement & Clearing Services Department)	2,703	1.21
Total	115,502	52.06

(Note 1) The starting date for the above graph is July 11, 2013, which was the business day preceding the listing day. The investment prices have been converted into an index by setting one-half of 510,000 yen (the issue price at the public offering conducted on July 11, 2013) as 100 (considering the investment unit 2-for-1 split on November 1, 2016), and the investment unit prices for October 26, 2016 (final trading day before split) and earlier were similarly adjusted to half their former price before conversion. In addition, the TSE REIT index was re-indexed by setting the closing price of July 11, 2013 as 100.

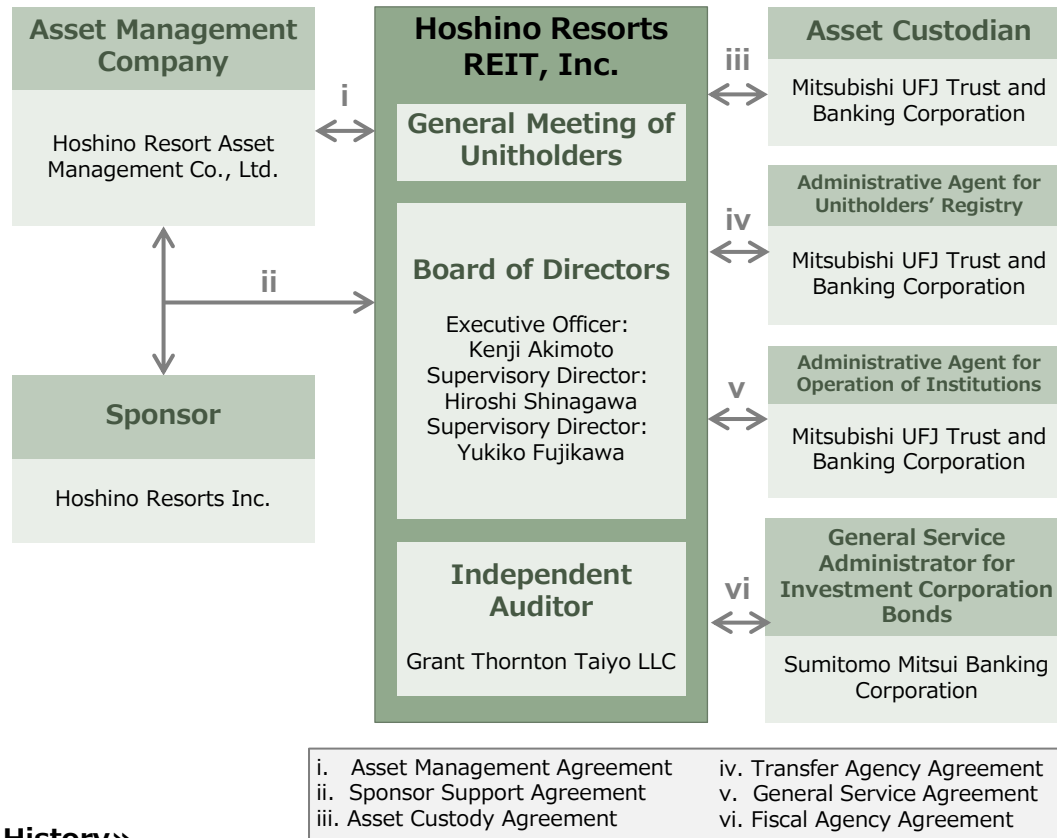
(Note 2) The ratios in the parentheses following the number of units held by type of unitholder represent the ratio of units held by each type of unitholder to the total number of issued investment equity units. The ratios in the parentheses following the number of investors by type of unitholder represent the ratio of investors by each type of unitholder to the total number of investors owning Hoshino Resorts REIT, Inc.. Each is rounded down to the second decimal place.

(Note 3) Ratio indicates the ratio of the number of investment units held to the total investment units issued and outstanding, rounded down to two decimal places.

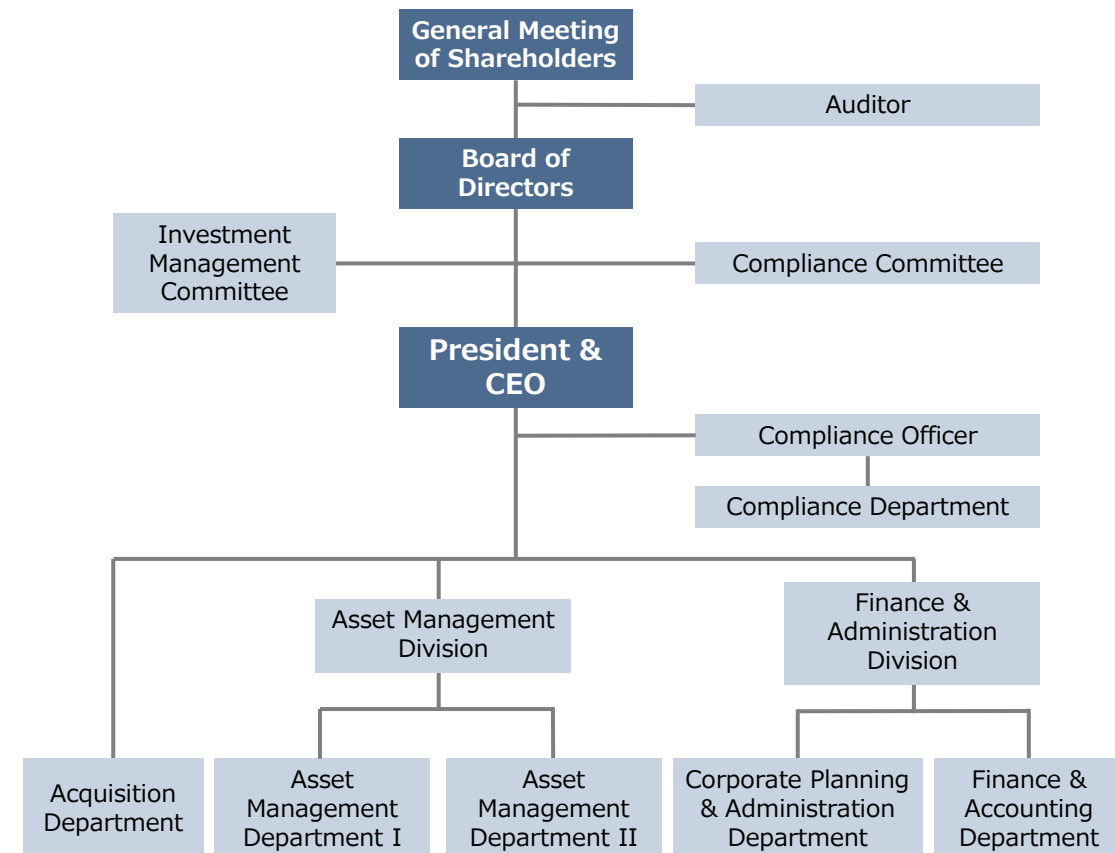
Overview of Hoshino Resorts REIT, Inc./Overview of Asset Management Company

Hoshino Resorts REIT, Inc.

Structure of Hoshino Resorts REIT, Inc.



Structure of Asset Management Company



«Overview»

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

«History»

February 28, 2013

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

March 6, 2013

Hoshino Resorts REIT, Inc. was registered and established under Article 166 of the Investment Trusts Act

March 25, 2013

Application for registration of Hoshino Resorts REIT, Inc. was filed under Article 188 of the Investment Trusts Act

April 10, 2013

Hoshino Resorts REIT, Inc. was registered by the Prime Minister under Article 187 of the Investment Trusts Act (registration number 84, filed with the Director of the Kanto Local Finance Bureau)

July 12, 2013

Hoshino Resorts REIT, Inc. was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange (securities code: 3287)

July 16, 2013

Asset management started

MEMO

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