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For immediate release

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Notice Concerning Formulation of Sustainability Equity Framework and Green Equity Framework

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces that it has formulated a Sustainability Equity Framework and a Green Equity Framework (hereinafter collectively the "Equity Framework") and today obtained a second opinion regarding the Equity Framework from Rating & Investment Information, Inc. (hereinafter "R & I").

1. Purpose of the Formulation of the Equity Framework and Summary of the R & I Second Opinion

HRR has newly formulated the Equity Framework in anticipation of the implementation of future sustainability equity offerings and green equity offerings.

HRR has also obtained a second opinion from R & I, stating that the Equity Framework is in accordance with the intent of various principles and guidelines, such as the Social Bond Principles and the Green Bond Principles.

2. Overview of the Equity Framework

In principle, under the Equity Framework, the Sustainability Finance Framework or Green Finance Framework referred to when procuring funds through borrowing, applies *mutatis mutandis* to the use of proceeds and the eligibility/selection criteria.

However, with regard to reporting, as the first initiative by a J-REIT, "Sustainability Equity (Green Equity)" and "Sustainability Equity Ratio (Green Equity Ratio)" calculated in accordance with the following method, will be continuously disclosed for each fiscal period to enhance information disclosure to investors.

(1) Sustainability Equity (Green Equity)

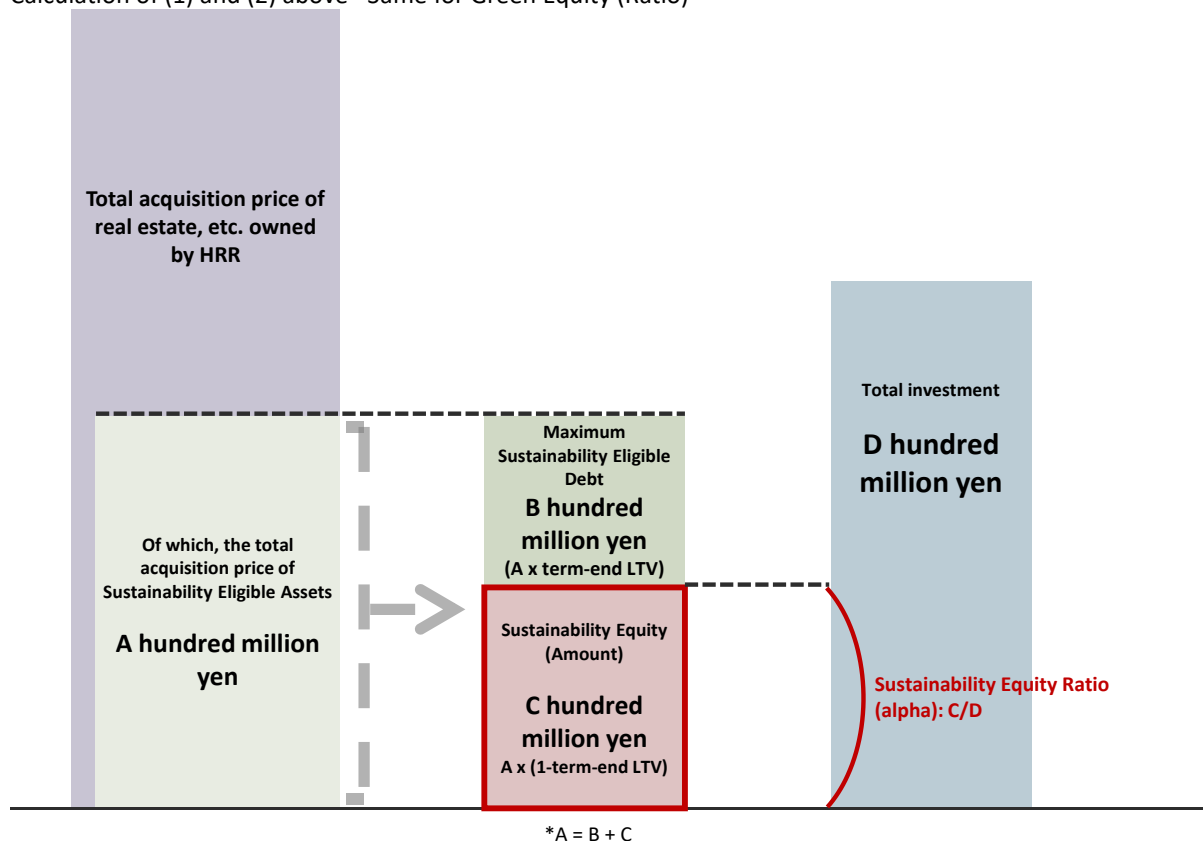
The amount obtained by deducting the maximum Sustainability Eligible Debt (B) from the total acquisition price of Sustainability Eligible Assets (A) in the Sustainability Finance Framework, shall be deemed as Sustainability Equity (C) (the same shall apply to Green Equity).

(2) Sustainability Equity Ratio (Green Equity Ratio)

The ratio of Sustainability Equity (C) calculated in (1) to the total investment (D) on HRR's balance sheet, shall be defined as the Sustainability Equity Ratio (alpha) (the same shall apply to the Green Equity Ratio).

< Reference >

Calculation of (1) and (2) above *Same for Green Equity (Ratio)



(Note) The above diagram is a conceptual diagram created by the asset management company for the purpose of conveying the calculation method used for various figures in the Equity Framework in an easy-to-understand manner, and does not match the actual amounts or percentages. Further, it does not guarantee the accuracy of the content of the description or its realization.

For details on the Second Opinion and the various frameworks already formulated by HRR, please refer to the websites below.

◆ R & I website:

<https://www.r-i.co.jp/en/rating/esg/index.html>

◆ HRR website "Sustainability Finance":

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

* The HRR website address: <https://www.hoshinoresorts-reit.com/en/>

* We do not provide any guarantees regarding the completeness or accuracy of the English translation of this document. If there is any discrepancy between the English translation and the original Japanese text, the latter shall prevail.