May 24, 2024

For immediate release

REIT Securities Issuer
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(Code: 3287)
Asset Management Company
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Notice Concerning the Acquisition and Lease of Domestic Real Estate Trust Beneficiary Right (OMO7 Osaka)

Hoshino Resort Asset Management Co., Ltd., an asset management company entrusted by Hoshino Resorts REIT, Inc. (hereinafter referred to as "HRR") with the management of its assets (hereinafter referred to as the "Asset Management Company"), today announced the decision to acquire and lease the domestic real estate trust beneficiary right (hereinafter referred to as the "Asset to be Acquired") (hereinafter referred to as the "Acquisition"; the property pertaining to the Asset to be Acquired is hereinafter referred to as the "Property") as follows.

The lessee of "OMO7 Osaka" is expected to become an interested party, etc. under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter referred to as the "Investment Trust Act") after the acquisition of "OMO7 Osaka" and is also expected to become an interested party, etc. under the Asset Management Company's internal regulations and "Rules on Transactions with Interested Parties". (To date, there is no capital relationship between the lessee and HRR and the Asset Management Company, and the lessee does not fall within the category of an interested party, etc. under the Investment Trust Act, nor does it fall within the category of an interested party, etc. under the Asset Management Company's internal regulations and the "Rules on Transactions with Interested Parties".)

1. Overview of Acquisition

Category (Note 1)		Property No. (Note 2)	Property name	Location	Planned acquisition price (Millions of yen) (Note 3)	Seller
Properties operated by the Hoshino Resorts Group	Other	O-51	OMO7 Osaka	Osaka-shi, Osaka	29,000	Shin-Imamiya Development Special Purpose Company

Note 1: "Category" indicates either properties operated by Hoshino Resorts Group ("HOSHINOYA," "RISONARE," "KAI" and "Other") or properties operated by outside operators ("Urban tourism" and "Other") in accordance with the brands of investment target assets of HRR. The same shall apply hereinafter.

Note 2: "Property No." indicates the number of properties for investment target assets of HRR classified under the four categories of "HOSHINOYA," "RISONARE," "KAI" and "Other" within the management guidelines of the Asset Management Company before revision as of October 11, 2017. The same shall apply hereinafter.

Note 3: "Planned acquisition price" indicates the sales/purchase price of the Asset to be Acquired stated in the sales and purchase agreement (excluding consumption taxes, local consumption taxes and expenses such as sales commissions), each rounded down to the nearest million yen.

(1) Date of execution of purchase agreement — May 24, 2024
(2) Planned acquisition date — June 6, 2024 (delivery and settlement date)
(3) Seller — Please refer to "5. Details of Seller" later in this document.
(4) Funds for acquisition — Proceeds from issuance of new investment units,

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	resolved at the meeting of HRR's Board of Directors held today, borrowings and cash on hand (planned)
(5) Method of payment	Lump-sum payment upon delivery (planned)
(6) Collateral	None

2. Overview of the Lease

Property No.	Property name	Lessee
O-51	OMO7 Osaka	Minami Hotel Management K.K.

(1) Scheduled date of execution of lease agreement: May 24, 2024

(2) For lease terms and other details, see "Overview of leases" in "4. Asset to be Acquired and lease details".

3. Reason for the acquisition and lease

HRR proactively invests in facilities that are expected to generate steady cash flows over the long term.

The Property is the flagship property of the "OMO" brand of urban sightseeing hotels operated by the Hoshino Resorts Group (Hoshino Resorts Inc. and its parent company and subsidiaries; the same shall apply hereinafter), and we plan to acquire it without missing the purchase opportunity at a property appraisal value ratio of 85.3% (Note1), - 5 billion yen. HRR believes that this will ensure the stability and growth of portfolio earnings. HRR will continue to strive to achieve its medium-to long-term goals of total assets of over 300 billion yen and a ratio of properties operated by Hoshino Resorts Group (Note2) of over 50% (Note3). For Property details, please refer to "Supplementary Material: Notice Concerning the Issuance of New Investment Units and Acquisition of Assets (Domestic Real Estate Trust Beneficiary Right)" separately announced today.

Following HRR's acquisition of the Asset to be Acquired, the Hoshino Resorts Group plans to acquire shares in "Minami Hotel Management K.K.", which will be the lessee of "OMO7 Osaka", from a joint management fund established by Hoshino Resorts Inc. and the Development Bank of Japan Inc. (hereinafter referred to as the "DBJ Joint Fund") to make it a wholly-owned subsidiary. The Hoshino Resorts Group plan to enter into a share transfer agreement with the DBJ Joint Fund around the same time.

Note1: The property appraisal value ratio is described as a percentage by dividing the planned acquisition price by the property appraisal value, rounded to the nearest first decimal place.

Note2: "Properties operated by Hoshino Resorts Group" refers to hotels, ryokans and ancillary facilities operated by Hoshino Resorts Group. "Ratio of properties operated by Hoshino Resorts Group" refers to the ratio of the (planned) acquisition price of properties operated by Hoshino Resorts Group to the (planned) acquisition price of HRR's entire portfolio (limited to real estate related assets). For "real estate related assets," please refer to "Part I. Fund Information, Section 1. Status of Fund, 2. Investment Policy (2) Investment target (i) Type of investment target assets" of the Securities Report submitted by HRR on January 26, 2024.

Note3: The medium-to long-term goals are the goals in the Medium-to long-term Management Plan formulated by the Asset Management Company. Such medium-to long-term goals are as of the date of this document, and there is no guarantee that the asset size of HRR will reach the said goals or that the timing for achieving the goals will be realized in the future. In addition, the medium-to long-term goals may be changed or withdrawn due to circumstances such as changes in the investment environment or real estate market conditions.

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4. Asset to be Acquired and lease details

"Overview of Asset to be Acquired" and the "Overview of leases" are as described in the following table. Please see below for explanations of the items shown in each column of the tables.

(1) Explanation of "Overview of specified asset"

- "Category" indicates either properties operated by Hoshino Resorts Group ("HOSHINOYA," "RISONARE," "KAI" and "Other") or properties operated by outside operators ("Urban tourism" and "Other") in accordance with the classification of investment target assets of HRR.
- For "Use," accommodation facilities mainly with western-style structures and facilities are indicated as "hotel"; and those mainly with Japanese-style structures and facilities are indicated as "ryokan" based on the current conditions of the property. Since the description in "Use" is a classification to understand the overall characteristics of each facility in accordance with the investment policy of HRR, such may differ from use of individual buildings comprising the facility stated in the real estate registry.
- "Planned acquisition date" means the planned acquisition date as of the date of this document, but is subject to change by mutual agreement between HRR and the current owner.
- "Type of specified asset" is the type of real estate and other assets as specified assets.
- "Trustee" means the trustee named in the trust agreement to be in effect following acquisition by HRR.
- "Trust term" means the term of the trust as set forth in the trust agreement to be in effect following acquisition by HRR.
- "Planned acquisition price" is the sales/purchase price stated in the sales and purchase agreement pertaining to the Asset to be Acquired (excluding consumption taxes, local consumption taxes and expenses such as transaction commissions).
- "Appraisal value (appraisal date)" means the real estate appraisal value and date stated in the real estate appraisal report, etc. for the property obtained from Daiwa Real Estate Appraisal Co., Ltd.
- "Location (indication of residential address)," in principle, is the indication of the residential address. In cases where there is no indication of residential address, it is the building location (if several, one of the locations) in the real estate registry.
- "Transportation" is stated in accordance with the real estate appraisal report, etc. for the property obtained from Daiwa Real Estate Appraisal Co., Ltd.
- "Lot number" of land is the building location (if several, one of the locations) in the registry.
- "Building coverage ratio" of land is, in principle, the ratio of building area to area of the building site as stipulated in Article 53 of the Building Standards Act (Act No. 201 of 1950, including amendments thereto) (hereinafter the "Building Standards Act") and indicates the upper limit of the building coverage ratio stipulated by city planning according to type of use district, etc. (designated building coverage ratio) (if several, all of them). Designated building coverage ratio may be relaxed, raised or reduced due to reasons such as the existence of fireproof structures in a fire prevention district, and thus may differ from a building coverage ratio that actually applies.
- "Floor-area ratio" of land is the ratio of total floor area of the building to site area as stipulated in Article 52 of the Building Standards Act and indicates the upper limit of the floor-area ratio stipulated by city planning according to type of use district, etc. (designated floor-area ratio) (if several, all of them). Designated floor-area ratio may be relaxed, raised or reduced due to reasons such as width of roads connected to the site, and thus may differ from a floor-area ratio that actually applies.
- "Use district" of land describes the type of use district (if more than one, all of them) specified in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, including amendments thereto) (hereinafter referred to as the "City Planning Act").
- "Site area" of the land is based on the description in the registry (It includes the leased area, if there is any leased land. The leased area is based on the description in the lease agreement.) and may differ from the present state.
- "Type of ownership" of land and buildings indicates the type of rights held by the trustee for real property held in trust and by HRR for real estate.
- "Completion date" of the building is the inspection date of construction completion stated in the

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certificate of inspection under the Building Standards Act for the main building.

- “Structure / floors” of the building is based on the description in the registry for the main building.
- “Total floor area” of the building is based on the description in the registry, including floor area of annex buildings.
- “Building engineer” and “Constructors” of the building indicate the company names at the time of building engineering and construction of the main building.
- "Leasable floor area" means the area equal to HRR's interest in the leasable area as set forth in the lease agreement to be in effect as of the planned acquisition date of HRR's Asset to be Acquired or as set forth in the Property drawings.
- “Occupancy rate" is the expected occupancy rate at the planned acquisition date. If a lease agreement with suspensive conditions of becoming effective under the condition of HRR’s acquisition has been concluded between HRR and the tenant, the occupancy rate is indicated assuming that leasing has started on the planned acquisition date.
- "Main tenant" means the tenant with the largest leased area among the tenants leasing the property from HRR pursuant to the lease agreement in effect as of the planned acquisition date by HRR.
- "No. of tenants" means the number of parties expected to lease the property from HRR based on the lease agreement in effect as of the planned acquisition date by HRR; provided, however, that this excludes those leasing or planning to lease part of the site or the building for the purpose of parking or installing antennas.
- “No. of guest rooms” is the number of guest rooms available for accommodation at that property.
- “No. of sublease tenants” is the number of parties expected to lease (sublease) the property from the leasee of the HRR based on the lease agreement that will be in effect as of the planned acquisition date of the Asset to be Acquired by HRR; provided, however, that this excludes those planning to lease (sublease) part of the site or the building for the purpose of parking or installing antennas.
- “Special Notes” describes items that are considered important, such as the rights and uses, etc. of each asset as of the date of this document, and items considered important in terms of their impact on the valuation amount, earning potential, and disposal potential of each asset.

(2) Explanation on “Overview of leases”

- The "Overview of leases" column shows details of the leases with the tenants to whom the hotel lease is executed in connection with the property; provided, however, that “Leased area” of the Asset to be Acquired is the area excluding the area of the Leased Buildings from the leased area stated in the agreement.

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<table>
<tr><td colspan="3" rowspan="2">OMO7 Osaka</td><td colspan="2">Category</td><td>Properties operated by the Hoshino Resorts Group
(Other)</td></tr>
<tr><td colspan="2">Use</td><td>Hotel</td></tr>
<tr><td colspan="6">Overview of specified asset</td></tr>
<tr><td colspan="2">Planned acquisition date</td><td>June 6, 2024</td><td colspan="2">Type of specified asset</td><td>Trust beneficiary right</td></tr>
<tr><td colspan="2">Trustee</td><td>Mitsubishi UFJ Trust and Banking Corporation</td><td colspan="2">Trust term</td><td>For a period of 10 years from June 6, 2024 (scheduled)</td></tr>
<tr><td colspan="2">Planned acquisition price</td><td>29,000,000,000 yen</td><td colspan="2">Appraisal value (Appraisal date)</td><td>34,000,000,000 yen
(April 30, 2024)</td></tr>
<tr><td colspan="2">Location (indication of residential address)</td><td colspan="4">3-16-30 Ebisu-Nishi, Naniwa-ku, Osaka-shi, Osaka, Japan</td></tr>
<tr><td colspan="2">Transportation</td><td colspan="4">Approx. 130 m north of “Shin-Imamiya” Station on JR West Japan and Nankai Electric Railway lines, Approx. 160 m northwest of “Dobutsuenmae” Station on Osaka Metro lines</td></tr>
<tr><td rowspan="5">Land</td><td>Lot number</td><td>3-38-2 Ebisu-Nishi, Naniwa-ku, Osaka-shi, Osaka, Japan</td><td rowspan="5">Building</td><td>Completion date</td><td>November 2021</td></tr>
<tr><td>Building coverage ratio</td><td>80%</td><td>Structure/ floors</td><td>Reinforced concrete structure with flat roof, 14 floors</td></tr>
<tr><td>Floor-area ratio</td><td>400%</td><td>Total floor area</td><td>36,168.15 m^2</td></tr>
<tr><td>Use district</td><td>Commercial district</td><td>Building engineer</td><td>NIHON SEKKEI, INC.</td></tr>
<tr><td>Site area</td><td>13,907.34 m^2</td><td>Constructors</td><td>TAKENAKA CORPORATION</td></tr>
<tr><td>Type of ownership</td><td>Ownership</td><td>Type of ownership</td><td>Ownership</td></tr>
<tr><td colspan="2">Leasable floor area</td><td>36,168.15 m^2</td><td colspan="2">Occupancy rate</td><td>100%</td></tr>
<tr><td colspan="2">Main tenant</td><td>Minami Hotel Management K.K.</td><td colspan="2">No. of tenants</td><td>1</td></tr>
<tr><td colspan="2">No. of guest rooms</td><td>436</td><td colspan="2">No. of sublease tenants</td><td>0</td></tr>
<tr><td colspan="6">Special Notes:
・Based on an agreement among the seller of this property, the trustee, and Osaka City, the former owner of the land, if the property or the real estate trust beneficiary right in the property is transferred to a third party by March 20, 2027, the prior approval of Osaka City is required, and HRR plans to assume the obligations based on this agreement when acquiring the property.
・In an agreement among the seller of the property, the trustee, and Osaka City, the former owner of the land, Osaka City has agreed that if the land is used for purposes other than those previously agreed upon or if there is a violation of any other agreement with Osaka City by March 20, 2027, Osaka City has the right to repurchase the land.
・A portion of the land has been designated as an area requiring notification at the time of change in characteristics under the Soil Contamination Countermeasures Act (Act No. 53 of 2002, as amended) (hereinafter referred to as the “Soil Contamination Countermeasures Act”) due to confirmed soil contamination by specific hazardous substances exceeding the standard values set by the Soil Contamination Countermeasures Act. In acquiring the property, however, HRR commissioned Tokio Marine dR Co., Ltd. to conduct a soil contamination risk survey, and Tokio Marine dR Co., Ltd. reported that there is thought to be little health risk.
・In the Building Assessment Report, non-compliance with the Building Standards Act and related regulations was pointed out but an agreement to complete the revisions of the matters at the Seller’s responsibility and expense.</td></tr>
</table>

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Overview of leases	
Lessee	Minami Hotel Management K.K.
Type of contract	Fixed-term building lease agreement
Contract period	20 years from June 6, 2024
Leased floor area	36,168.15 m^2
Rent	Annual fixed rent: 598,980,000 yen (However, 78,000,000 yen per month (actual) from June 6, 2024 to June 30, 2024, 1,443,228,000 yen per year (annualized) from July 1, 2024 to October 31, 2024, 1,849,416,000 yen per year (annualized) from November 1, 2024 to April 30, 2026), and the annual fixed rent from May 2026 is 598,980,000 yen. Floating rent: Floating rent arises under the following conditions, starting from May 1, 2026. Calculation method for floating rent for each month uses, for May to October every year, floating rent calculation GOP of the period of 12 months from December in the second preceding year to November in the preceding year as the floating rent calculation period GOP; for November to next April every year, floating rent calculation GOP of the period of 12 months from June in the preceding year to May in the current year as the floating rent calculation period GOP. Amount equivalent to one-twelfth of the amount calculated based the following formula using these GOPs (with lower limit of 0 yen) will be the floating rent per month. < Calculation Formula > (1) An amount equivalent to 81% of the portion of floating rent calculation period GOP that exceeds 687,768,000 yen (excluding, however, the portion exceeding 2,312,000,000 yen). (2) An amount equivalent to 50% of the portion of floating rent calculation period GOP that exceeds 2,312,000,000 yen. Notes: "Floating rent calculation period GOP" refers to the amount obtained by subtracting sales cost, selling expenses, general and administrative expenses and chain service fees (out of expenses paid by the lessee as headquarters function, expenses directly related to the sales activities of the Property) from the total sale proceeds of the facility during a certain period of time.
Security deposit and guarantee deposit	Security deposit: 0 yen HRR has entered into an agreement with the Hoshino Resorts Group Lessees (collectively representing Hoshino Resorts Inc., Hoshino Resorts Management Inc., Arashiyama Onsen Rankyokan Inc., K.K. Horizon Hotels, Osaka Hotel Management G.K., Yomitan Operations Inc., Asama Onsen Hotel Management Co., Ltd., Nakakaruizawa Hotel Management Inc., Naha Matsuyama Hotel Management Inc., Kochi Hotel Management Inc., Nagato Hotel Management Inc., Hakata Sumiyoshi Hotel Management Co., Ltd, Kirishima Hotel Management Inc., and Hanabishi Holdings Inc.), dated May 24, 2024, that all security deposits, guarantees, etc. pledged by the Hoshino Resorts Group Lessees shall be deemed to be pledged to secure all obligations of all Hoshino Resorts Group Lessees to the Lessor under the lease agreement, pursuant to the lease agreements entered into with the Lessees.
Renewal at the end of contract period	The contract will end at the end of the contract period with no renewal.
Rent revision	The rent cannot be revised for a period of 10 years from the date of commencement of the lease.
Midterm cancellation	The Lessee may not, in principle, terminate the lease agreement during the term of the Lease; provided, however, that after 10 years from the date of commencement of the lease, the Lessee may terminate the Lease by giving the Lessor written notice of its intention to terminate the Lease mid-term at least 12 months prior to the termination date.
Penalty	If the lease agreement is terminated for reasons attributable to the Lessee, or if the lease agreement is terminated with the consent of the Lessor at the request of the Lessee, the Lessee shall pay the Lessor as a penalty the higher of an amount equal to the rent from the date of termination or cancellation until the end of the Prohibited Termination Period (10 years from the commencement of the term of the Lease) or an amount equal to the rent for 12 months (In calculating such rent, the average monthly rent for the preceding 12 months shall be used, with the month immediately preceding the month in which the termination date of this lease agreement falls being the first month; provided, however, that if the term of the Lease is less than 12 months, the average monthly rent for the term of the Lease shall be used).
Method for re-contract	There will be no renewal and the lease will expire at the end of the term of the Lease, but may be re-signed by mutual consent of the parties.

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5. Details of Seller

O-51 OMO7 Osaka

Company name	Shin-Imamiya Development Special Purpose Company	
Head office location	1-4-1 Nihonbashi, Chuo-ku, Tokyo	
Name and title of representative	Takanori Mishina, Director	
Amount of capital	Specified capital: 1 yen Preference share capital: 5 billion yen	
Date of incorporation	November 4, 2014	
Major shareholders	Not disclosed as consent from the seller has not been obtained.	
Main business	1. Businesses related to the transfer of specified assets pursuant to asset securitization plans under the Act on the Securitization of Assets, and the management and disposal of such assets 2. Any and all other business incidental or related to the above securitization of specified assets	
Relationship with HRR or the Asset Management Company	Capital relationship	There is no capital relationship required to be stated between HRR/the Asset Management Company and the seller.
	Personnel relationship	There is no personnel relationship required to be stated between HRR/the Asset Management Company and the seller.
	Business relationship	There is no business relationship required to be stated between HRR/the Asset Management Company and the seller.
	Status of classification as related party	The seller does not fall under the related party of HRR/the Asset Management Company.

6. Transactions with Interested Parties, etc.

Not applicable to the seller of the Asset to be Acquired.

Following acquisition of the Asset to be Acquired, the lessee of the Asset to be Acquired will be a corporation belonging to the Hoshino Resorts Group that falls under the category of a parent or subsidiary company of the Asset Management Company (as of today, it is not a parent or subsidiary company and does not belong to the Hoshino Resorts Group). Therefore, the lessee of the Asset to be Acquired is deemed to fall under the category of an interested party, etc. pursuant to Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended), and is also deemed to fall under the category of an interested party, etc. pursuant to the Asset Management Company's internal regulations and "Rules on Transactions with Interested Parties". For this reason, the Asset Management Company has followed the approval procedures set forth in its internal regulations in conducting the transaction of leasing the Asset to be Acquired, and has also obtained the consent of HRR based on the approval of the Board of Directors of HRR held on May 24, 2024, in accordance with the Investment Trust Act and the "Rules on Transactions with Interested Parties".

7. Property Acquirer, etc.

The Acquisition is not from a party that has a special interest relationship with HRR and the Asset Management Company.

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8. Future Outlook

Acquisition of the Property is scheduled for June 6, 2024, so there will be no impact on the operating forecast for the period ended April 2024 (November 1, 2023 - April 30, 2024).

In addition, for details on the impact on and outlook for operating conditions for the period ending October 2024 (May 1, 2024 - October 31, 2024) and the period ending April 2025 (November 1, 2024 - April 30, 2025), please refer to the "Notice Concerning Revisions to Management Status Forecast and Distribution Forecast for the Fiscal Period Ending October 2024 and Announcement of Management Status Forecast and Distribution Forecast for the Fiscal Period Ending April 2025" separately announced today.

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9. Appraisal report summary

O-51 OMO7 Osaka

Appraisal report summary			
Real estate appraisal agency		Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal value		34,000,000,000 yen	
Appraisal date		April 30, 2024	
		Value	Remarks, etc.
Direct capitalization method			
(1) Operating revenue ((i) - (ii) - (iii))		1,838,345,000 yen	-
	(i) Rental income, etc. (rental income, common expenses, other income, etc.)	1,838,345,000 yen	The standardized estimated rental income of the subject properties was appraised by analyzing the past performance of the hotel, the business plan and the level of similar hotels, as well as considering the medium to long-term competitiveness of the subject properties.
	(ii) Vacancy and other losses	0 yen	Not recognized as tenant replacement is not assumed.
	(iii) Loss from bad debts	0 yen	Considering the type of the contract and the tenant credits, etc., it was determined that no special provision was required.
(2) Operating expenses ((iv)+(v)+(vi)+(vii)+(viii)+(ix)+(x)+(xi))		232,201,060 yen	-
	(iv) Maintenance and management expenses	27,046,000 yen	Estimated at 200 yen per tsubo of leasable area per month, based on the maintenance costs, etc. of similar properties.
	(v) Utilities expenses	0 yen	Not recorded as assumed to be borne by the lessee.
	(vi) Repair expenses	21,162,360 yen	Appraised and recorded an amount equal to 0.12% of the building's replacement cost, based on the repair expenses of similar properties.
	(vii) Property management fee	0 yen	Not recorded as no property management fee is charged under the scheduled lease agreement.
	(viii) Tenant recruiting expenses, etc.	0 yen	Not recorded due to assumption of long-term tenant occupancy.
	(ix) Taxes and public dues	178,170,100 yen	Land: Recognized based on the actual amount in FY2024, taking into account the level of burden and land price trends. Buildings and other: Appraised and recorded based on the actual amount in FY2024.
	(x) Property insurance premium	3,984,600 yen	Recognized based on the estimate received from the requestor.
	(xi) Other expenses	1,838,000 yen	Estimated amount equal to 0.1% of operating revenues for maintenance and other reserve expenses, etc.
(3) Net operating revenue ((1) - (2))		1,606,143,940 yen	-
(4) Gain on lump-sum investments		0 yen	Not recorded because no lump-sum payment is expected to be given or received under the scheduled lease agreement.
(5) Capital expenditure		49,378,840 yen	Valued and recorded at an amount equal to 0.28% of the building's replacement cost, based on the capital expenditures, etc. of similar properties.
(6) Net revenue ((3)+(4)-(5))		1,556,765,100 yen	-
(7) Cap rate		4.5%	-
Direct capitalization value		34,600,000,000 yen	-
Discounted cash flow value		33,800,000,000 yen	-
	Discount rate	4.3%	-
	Terminal cap rate	4.7%	-
Integrated value by using cost method		33,500,000,000 yen	-
	Ratio of land	43.8%	-
	Ratio of building	56.0%	-
	Ratio of FF&E	0.2%	-
Other matters noted by the appraisal agency upon valuation		Not applicable.	

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

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** 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.*

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<Appendix>

Reference Material 1: Summary of engineering report and seismic risk assessment report of the Asset to be Acquired

Reference Material 2: Photographs and map of the Asset to be Acquired

Reference Material 1: Summary of engineering report and seismic risk assessment report of the Asset to be Acquired

Property No.	Property name	Investigator	Engineering report date	Short-term repair expenses (thousand yen) (Note 1) (Note 2)	Long-term repair expenses (annual average) (thousand yen) (Note 1) (Note 3)
O-51	OMO7 Osaka	Tokio Marine dR Co., Ltd.	April 2024	-	49,448

Note 1: "Short-term repair expenses" and "Long-term repair expenses (annual average)" are based on the engineering report.

Note 2: "Short-term repair expenses" are repair and renewal expenses required when implementing repairs and renewals within approximately one year due to progressed deterioration, excluding expenses for normal repairs or interior/facility renewals, based on the engineering report investigated and prepared by the investigator.

Note 3: "Long-term repair expenses (annual average)" are repair and renewal expenses required in the 12 years from the investigation date, based on the engineering report investigated and prepared by the investigator. The figure has been converted to an annual average and rounded to the nearest thousand yen by HRR.

Property No.	Property name	Investigator	Investigation date	PML value (Projected maximum loss ratio) (%)
O-51	OMO7 Osaka	Tokio Marine dR Co., Ltd.	April 3, 2024	6.5

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Reference Material 2: Photographs and map of the Asset to be Acquired

O-51 OMO7 Osaka

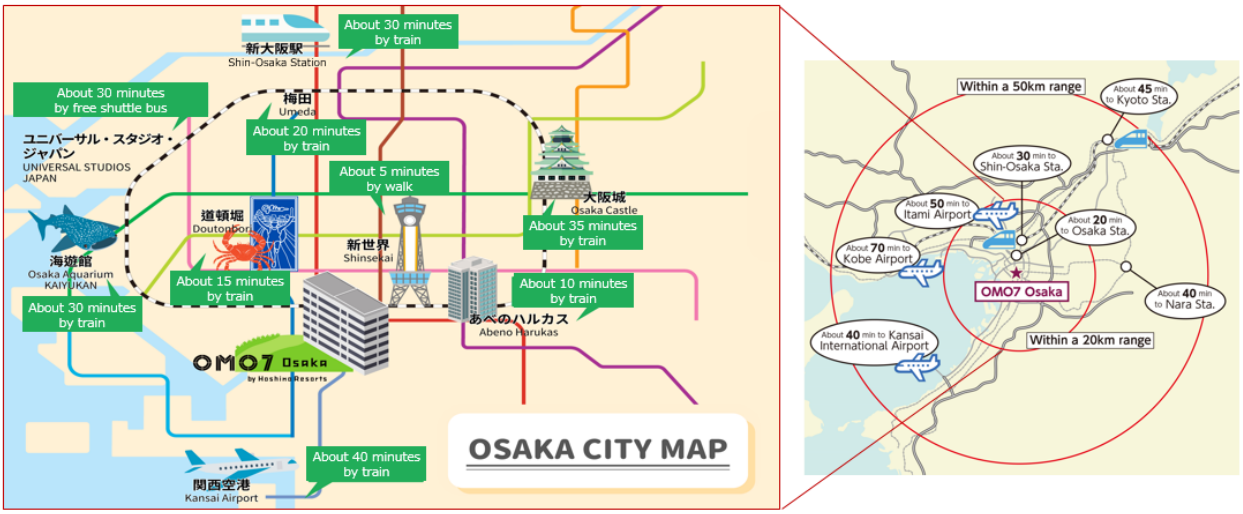
（Photo 1）



（Photo 2）



（Map）



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