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For immediate release

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Notice Concerning Revisions to Management Status Forecast and Distribution Forecast for the Fiscal Period Ending October 2025

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces today that it has revised the management status forecast and distribution forecast for the fiscal period ending October 2025 (May 1, 2025 to October 31, 2025) announced in the Financial Report dated December 16, 2024 as follows.

There is no revision to the management status forecast and distribution forecast for the fiscal period ending April 2025 (November 1, 2024 to April 30, 2025) announced in the Financial Report dated December 16, 2024.

1. Revisions to Management Status Forecast and Distribution Forecast for the Fiscal Period Ending October 2025

	Operating revenue	Operating profit	Ordinary profit	Profit	Distribution per unit (Excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previously announced forecast (A)	8,041 million yen	3,728 million yen	2,926 million yen	2,925 million yen	5,000 yen	-
Currently revised forecast (B)	8,315 million yen	3,964 million yen	3,160 million yen	3,160 million yen	5,400 yen	-
Amount of increase/decrease (C) ((B)-(A))	273 million yen	236 million yen	234 million yen	234 million yen	400 yen	-
Percentage change (C)/(A)	3.4%	6.3%	8.0%	8.0%	8.0%	-

[Reference]

Forecasted investment units outstanding at the end of the forecast fiscal period in the revised projection : 585,834

[Note]

1. The above forecast figures are current ones calculated based on the assumptions in the attached document “Assumptions for the Management Status Forecast for the Fiscal Period Ending October 2025.” The actual operating revenue, operating profit, ordinary profit, profit, distributions per unit (excluding distributions in excess of earnings) and distributions in excess of earnings per unit may differ from the above forecasts due to the acquisition or disposition of real estate, etc., change in the real estate market, etc., trends of interest rates and changes in other circumstances surrounding HRR, in the future. And the above forecast figures do not guarantee the distribution amounts.
 2. HRR may revise the forecast in the event that it expects discrepancies over a certain level from the forecast above.
 3. Amounts are rounded down, and ratios are rounded to the nearest specified unit. The same shall apply hereinafter.
2. Reason for Revisions
- Due to the changes in lease agreements, etc. announced in the “Notice Concerning Changes to Domestic Real Estate Lease Agreements (Grand Hyatt Fukuoka and HOSHINOYA Okinawa)” published today, the assumptions for the management status forecast for the fiscal period ending October 2025, as announced in the Financial Report dated December 16, 2024, are expected to change, and therefore the forecast is being revised.
- For details, please see the “Supplementary Explanatory Material for the Press Release Dated March 18, 2025” published today.

* 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.*

[Attachment]

Assumptions for the Management Status Forecast for the Fiscal Period Ending October 2025

Item	Assumptions
Calculation period	Fiscal period ending October 2025 (25th period): May 1, 2025 to October 31, 2025 (184 days)
Assets under management	• In addition to the 70 properties held by HRR as of today, it is assumed that HRR will also hold three types of preferred stock of Yomitani Hotel Management Co., Ltd., equity interest in the silent partnership of Okuhida Onsen Ryokan GK and equity interest in the silent partnership of Onsen Ryokan No. 3 GK. • The forecast of management status is based on the assumption that there will be no changes in the assets under management (acquisition of new assets, sale of owned assets, etc.) from the date of this document until October 31, 2025. • In reality, changes may occur due to the acquisition of new assets and the sale of assets held.

Operating revenue	- Leasing business revenue is calculated taking into consideration the terms of the lease agreements for properties owned, as well as the market environment and the competitiveness of properties, and is expected to be 8,315 million yen in the fiscal period ending October 2025. The terms of the lease agreements for the properties held are subject to the assumption that the amendments to the lease agreements described in the “Notice Concerning Changes to Domestic Real Estate Lease Agreements (Grand Hyatt Fukuoka and HOSHINOYA Okinawa)” published by HRR today will take effect on May 1, 2025. - When calculating floating rent, for profit-linked properties held by HRR, the profit of each property from December 2023 to November 2024 will be used as the base profit for the fiscal period ending October 2025 (excluding Quintessa Hotel Osaka Shinsaibashi, Comfort Hotel Takamatsu, the b asakusa, HOTEL VISTA MATSUYAMA and 22 Roadside properties (Note 1)). Therefore, even in the fiscal period ending October 2025, which includes the rent calculation period, HRR expects to be affected by a decrease in floating rent due to the impact of the COVID-19 pandemic (the severe impact of COVID-19 on all industries). - Leasing business revenue is based on the assumption that there will be no termination of lease agreements or default or non-payment of rent by the lessees. - Of leasing business revenue, the rent by investment category is assumed to be as follows.				
	Fiscal period ending October 2025 (25th period)(millions of yen)				
	Operational category	Investment category	Fixed rent Other rent (Note 2)	Floating rent (Note 2)	Total
	Properties operated by the Hoshino Resorts Group	HOSHINOYA	1,030	328	1,359
		RISONARE	374	345	719
		KAI	610	475	1,085
		OMO	1,129	-	1,129
		Other	125	49	175
	Properties operated by outside operators	Urban tourism	3 ANA Crowne Plaza properties (Note 1)	133	829
			5 the b properties (Note 1)	459	771
			Grand Prince Hotel Osaka Bay / Quintessa Hotel Osaka Shinsaibashi / Grand Hyatt Fukuoka / hotel androoms Osaka Hommachi / Solvita Hotel Naha / HOTEL VISTA MATSUYAMA	479	972
			Other	665	1,271
		Total	5,377	2,936	8,314
	Note 1: Of the 70 properties that HRR owns as of today, 22 roadside type properties operated by Greens Co., LTD. (hereinafter “Greens”) are referred to as “22 Roadside Properties,” three properties operated by IHG-ANA Hotels Group Japan LLC are referred to as “3 ANA Crowne Plaza Properties,” and five properties operated by Ishin Hotels Group Co., Ltd. are referred to as “5 the b Properties.” The same shall apply hereinafter. Note 2: Fixed and other rents, and floating rent are, in principle, calculated based on the prescribed rent amount or calculation method applied during the relevant fiscal period pursuant to the lease agreement of the respective properties that HRR has entered into with the lessee. In addition, HRR may agree in the lease for each property to a fixed rent which is applicable only for a specified period and which is a fixed amount or an amount that varies in stages depending on the period, and if such an agreement is made, HRR will calculate the rent using such agreed upon fixed rent. Furthermore, floating rent is calculated based on actual figures of past sales and profits of each property, reflecting seasonal and other fluctuating factors.				

Operating expenses	• Of operating expenses, property tax, city planning tax and depreciable asset tax are assumed to be 648 million yen for the fiscal period ending October 2025. • Building repair expenses are recorded as the amount estimated to be necessary based on the repair plans formulated by the Asset Management Company for each property. However, since repair expenses may arise urgently because of unpredictable factors, the amount generally varies greatly from year to year, and the costs are not incurred on a regular basis, the actual amount may differ significantly from the estimated amount. • Expenses related to the leasing business other than depreciation and amortization, which are calculated by taking into account factors causing fluctuation in expenses, are assumed to be 1,394 million yen for the fiscal period ending October 2025. • Depreciation and amortization, calculated using the straight-line method by including incidental expenses, etc. in the acquisition price, is assumed to be 2,112 million yen for the fiscal period ending October 2025.
Non-operating expenses	• Interest expenses and other borrowing related expenses are assumed to be 804 million yen for the fiscal period ending October 2025.
Interest-bearing liabilities	• The assumption is that HRR's interest-bearing liabilities (total of borrowings and investment corporation bonds) amount to 99,088 million yen, which is the balance as of today, and also that the following changes will occur. • In the fiscal period ending April 2025, it is assumed that a total of 5,320 million yen will be refinanced, consisting of 754 million yen of borrowings maturing in March 2025 (of which 4 million yen was repaid) and 4,578 million yen of borrowings maturing in April 2025 (of which 8 million yen was repaid), and that 8 million yen of the borrowings will be repaid in accordance with agreed upon terms and conditions. • In the fiscal period ending October 2025, it is assumed that 5,883 million yen of borrowings maturing in October 2025 will be refinanced and 8 million yen of the borrowings will be repaid in accordance with agreed upon terms and conditions. • The LTV at the end of the fiscal period ending October 2025 is expected to be 39.2%. LTV is calculated using the following formula: $\text{LTV} = \text{Balance of interest-bearing liabilities} / \text{Total assets (projected)} \times 100$
Investment units	• It is assumed that the total number of investment units issued and outstanding as of today is 585,834 units. • It is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. by the end of the fiscal period ending October 2025.
Distribution per unit (Excluding distributions in excess of earnings)	• Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy provided in the Articles of Incorporation of HRR. • The distribution per unit is based on the assumption that a portion of the reserve for tax purpose reduction entry included in retained earnings will be reversed for distribution. Further, the reversal of the tax purpose reduction entry may change, depending on operational status. • Distributions per unit (excluding distributions in excess of earnings) may vary due to various factors, including fluctuation in rent revenue in line with a change in assets under management, change in tenants, etc. or incurrence of unexpected repairs, etc.
Distributions in excess of earnings per unit	• Distribution in excess of earnings (distributions in excess of earnings per unit) is not scheduled at this point in time.
Other	• The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, securities listing regulations, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. • The assumption is that there will be no unforeseen significant change in general economic trends and real estate market conditions, etc.