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For immediate release

REIT Securities Issuer
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Notice Concerning Change (Merger and Company Split) of Tenants of Assets under Management, Etc.

Hoshino Resorts REIT, Inc. (hereinafter referred to as “HRR”) announces that a merger (hereinafter referred to as “Tenant Merger”) and a company split (hereinafter referred to as “Tenant Split” and collectively with the Tenant Merger, the “Tenant Reorganization”) will be implemented as of December 1, 2025, between the tenants of the following properties held by HRR and Kusatsu Kogen Resort Development Co., Ltd., and through this, the tenants are expected to change.

The Tenant Reorganization will be an internal group reorganization carried out between corporations belonging to Hoshino Resorts Group (collectively referring to Hoshino Resorts Inc. and its parent company and its subsidiaries; the same shall apply hereinafter), which are tenants of the properties held by HRR, and there will be no change in rent or other details of the lease agreement executed between HRR and the tenants.

1. Background to the Tenant Reorganization

On November 21, 2025, HRR received a notice from Asama Onsen Hotel Management Co., Ltd., Hoshino Resorts Inc., and Hoshino Resorts Management Inc., which are the tenants of the properties listed in “2. Subject Property” below held by HRR. The notice stated that they decided to implement measures that aim to improve the efficiency of facility operation, consolidate the operating entity of the business into one company, and realize corporate cost reduction and management/funding efficiency, as of December 1, 2025. First, they will carry out a merger in which Kusatsu Kogen Resort Development Co., Ltd. will be surviving company and Asama Onsen Hotel Management Co., Ltd. will be the absorbed company. In addition, they will do a company split related to the business concerning the properties listed in “2. Subject Property” below, in which Kusatsu Kogen Resort Development Co., Ltd. will be the succeeding company and Hoshino Resorts Inc. and Hoshino Resorts Management Inc. will be the separating companies, respectively.

It is noted that Kusatsu Kogen Resort Development Co., Ltd., Asama Onsen Hotel Management Co., Ltd., Hoshino Resorts Inc. and Hoshino Resorts Management Inc. are all corporations belonging to Hoshino Resorts Group.

Kusatsu Kogen Resort Kaihatsu Co., Ltd. is scheduled to change its trade name to HRK Inc. after the Tenant Reorganization.

Please refer to the attached Appendix for the Structure of the Tenant Reorganization and Before and After.

Hoshino Resorts REIT, Inc.

2. Subject Property

As of the date of this notice, the properties currently leased by the three parties to the Tenant Reorganization, and scheduled for a change of tenants due to the Tenant Reorganization, are as follows:

Current tenant name	Type of business	Property name	Expiration date of the contract	Annual rent (Note 1)		Leased area	
				(Millions of yen)	Ratio (%) (Note 2)	(m ²) (Note 3)	Ratio (%) (Note 4)
Asama Onsen Hotel Management Co., Ltd.	Ryokan	KAI Alps	March 28, 2039	123	1.1	4,241.12	0.8
		Total		123	1.1	4,241.12	0.8
Hoshino Resorts Inc.	Ryokan	KAI Kinugawa	October 31, 2045	129	1.2	4,117.87	0.7
		Total		129	1.2	4,117.87	0.7
Hoshino Resorts Management Inc.	Ryokan	KAI Matsumoto	July 15, 2033	70	0.7	4,210.12	0.8
		KAI Tamatsukuri	July 15, 2033	41	0.4	3,909.02	0.7
		KAI Ito	October 31, 2045	94	0.9	6,918.92	1.3
		KAI Hakone	July 15, 2033	95	0.9	4,649.67	0.8
		KAI Enshu	November 1, 2040	47	0.4	7,829.48	1.4
		Total		349	3.2	27,517.21	5.0

(Note 1) The amount is the figure converted to annual rent by multiplying the fixed rent (monthly) stipulated in the lease agreement effective as of the date of this notice by 12, and rounded down to the nearest million yen. Consequently, the total annual rent of the individual properties may not be consistent with the total annual rent stated in the total column.

(Note 2) The ratio of the annual rent of each property to the total annual rent of the entire portfolio is stated, rounded to the second decimal place. Consequently, the sum of the ratios of the individual properties may not be consistent with the ratio stated in the total column.

(Note 3) The above is stated based on the lease agreements effective as of the date of this notice.

(Note 4) The ratio of the leased area of each property to the total leased area of the entire portfolio is stated, rounded to the second decimal place. Consequently, the sum of the ratios of the individual properties may not be consistent with the ratio stated in the total column.

3. Date of Tenant Change Due to the Tenant Reorganization December 1, 2025 (scheduled)

4. Overview of the Tenant After the Tenant Reorganization (Note 1)

Company name	HRK Inc. (scheduled)	
Head office location	464-690, Aza-Shirane, Oaza-Kusatsu, Kusatsu-machi, Agatsuma-gun, Gunma (scheduled)	
Name and title of representative	Matoba, President and CEO	
Amount of capital	90 million yen	
Date of incorporation	March 17, 1987	
Net assets	3,176 million yen (scheduled) (Note 2)	
Total assets	24,665 million yen (scheduled) (Note 2)	
Major shareholder and shareholding ratio	Hoshino Resorts Inc. (100%) (planned)	
Main business	Management of hot spring ryokan and restaurants, etc.	
Relationship with HRR/ Asset Management Company	Capital relationship	It is a subsidiary of the parent company of the Asset Management Company. As of December 1, 2025, after the Tenant Reorganization, the tenant is also scheduled to own 1,387 investment units of HRR. (Note 3)
	Personnel relationship	There is no personnel relationship to be stated between HRR/the Asset Management Company and the tenant after the Tenant Reorganization.
	Business relationship	As of December 1, 2025, after the Tenant Reorganization, the tenant is scheduled to lease the properties listed in “2. Subject Property” above from HRR.
	Status of classification as related party	The tenant after the Tenant Reorganization is a company that has the same parent company as the Asset Management Company, and is classified as a related party.

(Note 1) Unless otherwise stated, information as of December 1, 2025, after the Tenant Reorganization is presented, and information that is scheduled to change from the date of this notice due to the Tenant Reorganization is marked with “(planned).”

(Note 2) Net assets are based on information provided by Hoshino Resorts Group and calculated by simply aggregating the following figures: (i) the net assets as of August 31, 2025, of Kusatsu Kogen Resort Development Co., Ltd., the surviving company in the Tenant Merger; (ii) the respective net assets as of August 31, 2025, of Asama Onsen Hotel Management Co., Ltd., the absorbed company in the Tenant Merger, and each absorbed company (FUGA CORPORATION, HRK Inc., and Banfu Resort Co., Ltd., the three corporations belonging to the Hoshino Resorts Group) in the merger that will be executed simultaneously with the Tenant Reorganization, where Kusatsu Kogen Resort Development Co., Ltd. will be the surviving company; and (iii) the net assets as of August 31, 2025, pertaining to the split business scheduled to be succeeded in the Tenant Split from Hoshino Resorts Inc. and Hoshino Resorts Management Inc., the separating companies in the Tenant Split. Total assets are also stated based on information provided by Hoshino Resorts Group and calculated using the same calculation method. Consequently, both are unaudited figures and may change at a later date.

(Note 3) The number of investment units stated is calculated by aggregating the following figures: (i) the number of investment units held as of October 31, 2025, by Asama Onsen Hotel Management Co., Ltd., the absorbed company in the Tenant Merger, and (ii) the number of investment units scheduled to be succeeded from Hoshino Resorts Inc. and Hoshino Resorts Management Inc. to Kusatsu Kogen Resort Development Co., Ltd. due to the Tenant Split.

5. Details of the Lease Agreement after the Tenant Reorganization

There will be no change in the rent or other details of the lease agreement executed between HRR and the tenants due to the Tenant Reorganization. Furthermore, there will be no change in the ratio of Hoshino Resorts Group’s tenants to the assets held by HRR due to the Tenant Reorganization.

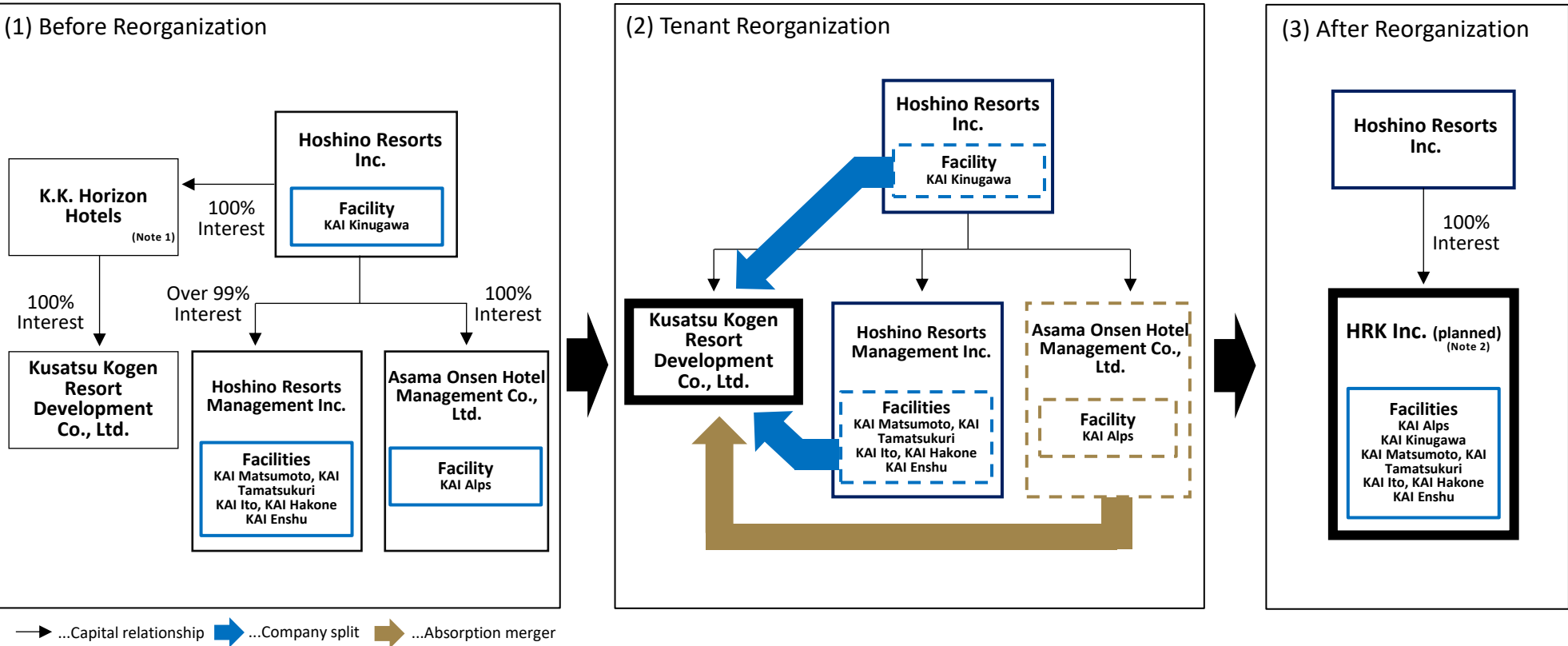
6. Future Outlook

The Tenant Reorganization is scheduled to take effect on December 1, 2025, and there has been no impact on the forecast of management status for the fiscal period ended October 2025 (May 1, 2025 to October 31, 2025). Furthermore, the impact of the Tenant Reorganization on management status for the fiscal period ending April 2026 (November 1, 2025 to April 30, 2026) will be minor, and there will be no change from the “(REIT) Financial Report for Fiscal Period Ended April 2025” announced on June 16, 2025.

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

** We do not provide any quarantees 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.*

Structure of the Tenant Reorganization and Before and After



(Note 1) Prior to the effective date of the Tenant Reorganization, K.K. Horizon Hotels is scheduled to transfer all issued shares of Kusatsu Kogen Resort Development Co., Ltd. owned by it to Hoshino Resorts Inc. on December 1, 2025.
(Note 2) Kusatsu Kogen Resort Development Co., Ltd. is scheduled to change its trade name to HRK Inc. after the Tenant Reorganization.