

(REIT) Financial Report for Fiscal Period Ended October 2025

December 16, 2025

REIT Securities Issuer: Hoshino Resorts REIT, Inc. Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3287 URL: <https://www.hoshinoresorts-reit.com/en/>
 Representative: Kenji Akimoto, Executive Director
 Asset Management Company: Hoshino Resort Asset Management Co., Ltd.
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Scheduled date of submission of securities report: January 23, 2026

Scheduled date of commencement of distributions payment: January 23, 2026

Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended October 2025 (from May 1, 2025 to October 31, 2025)

(1) Management Status (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Oct. 2025	8,696	13.9	4,325	25.8	3,556	32.2	3,555	27.3
Ended Apr. 2025	7,633	1.8	3,437	(1.4)	2,691	(1.6)	2,793	2.1

Fiscal period	Profit per unit	Ratio of profit to net assets	Ratio of ordinary profit to total assets	Ratio of ordinary profit to operating revenue
	yen	%	%	%
Ended Oct. 2025	6,069	2.4	1.4	40.9
Ended Apr. 2025	4,768	1.9	1.1	35.3

(2) Distributions Status

Fiscal period	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Distributions payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Ended Oct. 2025	6,077	3,560	—	—	100.1	2.4
Ended Apr. 2025	4,615	2,703	—	—	96.8	1.9

(Note 1) Total distributions in the fiscal period ended October 2025 is an amount after adding reversal of reserve for tax purpose reduction entry of 4,803 thousand yen to unappropriated retained earnings and deducting reserve for tax purpose reduction entry of 805 thousand yen.

(Note 2) Total distributions in the fiscal period ended April 2025 is an amount after adding reversal of reserve for tax purpose reduction entry of 5,441 thousand yen to unappropriated retained earnings and deducting reserve for tax purpose reduction entry of 95,068 thousand yen.

(3) Financial Position

Fiscal period	Total assets	Net assets	Ratio of net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended Oct. 2025	250,915	145,885	58.1	249,021
Ended Apr. 2025	251,408	145,032	57.7	247,566

(4) Status of Cash Flows

Fiscal period	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Oct. 2025	11,663	(7,858)	(2,714)	13,984
Ended Apr. 2025	6,423	(6,680)	414	12,893

2. Management Status Forecast for Fiscal Period Ending April 2026 (from November 1, 2025 to April 30, 2026) and Management Status Forecast for Fiscal Period Ending October 2026 (from May 1, 2026 to October 31, 2026)

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
Ending Apr. 2026	9,162	5.4	4,671	8.0	3,804	7.0	3,803	7.0	6,500	—
Ending Oct. 2026	9,302	1.5	4,790	2.6	3,898	2.5	3,897	2.5	6,660	—

(Reference) Forecast profit per unit (fiscal period ending April 2026) 6,492 yen

Forecast profit per unit (fiscal period ending October 2026) 6,654 yen

Forecast profit per unit is calculated by the following formula:

Forecast profit per unit = Forecast profit / Forecast total number of investment units issued and outstanding at end of period

(Note) The forecasts for the distributions per unit for the fiscal period ending April 2026 and the fiscal period ending October 2026 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.

* Others

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(2) Total Number of Investment Units Issued and Outstanding

- ① Total number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended October 2025	585,834 units	Fiscal period ended April 2025	585,834 units
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- ② Number of own investment units at end of period

Fiscal period ended October 2025	— units	Fiscal period ended April 2025	— units
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* Financial reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Special Note

The management status outlook and other forward-looking statements contained in this document are based on information that are currently available and certain assumptions that are deemed reasonable. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of distributions.

Moreover, Hoshino Resorts REIT, Inc. does not guarantee the completeness or accuracy of the English translation of this report. If discrepancies arise between the English translation and the original Japanese text, the latter will prevail. For property information, hotel operational results or other information, please see the website of Hoshino Resorts REIT, Inc. using the address provided below.

URL: <https://www.hoshinoresorts-reit.com/en/ir/library.html>

1. Management Status

(1) Management Status

① Overview of the Fiscal Period under Review

(a) Brief History of the Investment Corporation

Hoshino Resorts REIT, Inc. (hereinafter, “HRR”) invests in hotels, ryokans (Japanese-style inns) and ancillary facilities that serve at the core of the tourism industry and for which stable use is expected for the medium to long term.

HRR was established under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trusts Act”) with Hoshino Resort Asset Management Co., Ltd. (hereinafter, the “Asset Management Company”) as the organizer and investments in capital of 150 million yen (300 units) on March 6, 2013. An issuance of new investment units through public offering (19,000 units) was implemented with July 11, 2013 as the payment due date, and the investment securities were listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (hereinafter, the “Tokyo Stock Exchange”) (securities code: 3287) on July 12, 2013. HRR has steadily expanded its asset size since, bringing the assets held by HRR as of the end of the fiscal period under review to 70 properties (sum total of acquisition price: 227,954 million yen).

(b) Overview of Fund Procurement, Etc.

■ Overview of fund procurement

The following is the overview of fund procurement conducted by HRR during the fiscal period under review. There was no fund procurement conducted through issuance of investment units during the fiscal period under review.

Fund procurement date	Category	Total fund procurement amount (millions of yen)	(Main) use of funds	Remarks
October 31, 2025	Long-term borrowings	5,880	Refinancing funds	(Note 1) (Note 2) (Note 3)

(Note 1) Part of the borrowing was a green loan executed based on the Green Finance Framework developed by HRR. This green loan was used for repayment of the borrowings for the initial acquisition of eligible green properties, namely KAI Kinugawa and KAI Nagato.

(Note 2) Part of the borrowing was a sustainability-linked loan executed based on the Sustainability-Linked Finance Framework developed by HRR.

(Note 3) A portion of such borrowings is funds that the financial institution, the lender of the portion of the borrowings, has determined to be eligible for the “Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations)” carried out by the Bank of Japan to private financial institutions.

■ Status of borrowings

The status of HRR’s borrowings as of the end of the fiscal period under review is as follows.

Balance of interest-bearing liabilities (millions of yen)	99,055
Ratio of interest-bearing liabilities to total assets (LTV) (%)	39.5

■ Status of credit rating

The credit rating HRR has obtained as of the end of the fiscal period under review is as follows.

Credit rating agency	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: A+	Stable
	Bond credit rating (Note): A+	—
Rating and Investment Information, Inc. (R&I)	Issuer rating: A	Stable

(Note) The bond rating applies to the Second Series Unsecured Investment Corporation Bond (with special pari passu conditions among specified investment corporate bonds) (green bonds), the Third Series Unsecured Investment Corporation Bond (with special pari

passu conditions among specified investment corporate bonds) (green bonds) and the Fourth Series Unsecured Investment Corporation Bond (with special pari passu conditions among specified investment corporate bonds).

(c) Sustainability Initiatives

HRR and the Asset Management Company believe that it is important to maximize unitholder value by conducting investments and asset management with a focus on climate change and restoration of natural capital and ecosystems, thereby enhancing the well-being of society, people, and regions, and strengthening a sustainable business foundation through governance. In conjunction with its sponsor Hoshino Resorts, HRR explores the benefits of travel that enhances human creativity and motivation, and accordingly strives to maintain natural environments that enable coexistence of living creatures and humans.

■ Transition to a portfolio characterized by decarbonization and coexistence with nature

HRR believes that executing a transition strategy that integrates environmental, social, and economic aspects is essential to mitigate the impacts of climate change and to continue sustainable investment and management activities in the long term.

HRR targets net zero in 2050 and aims to reduce GHG emissions by at least 40% (compared with the 2020 level) by 2030.

This goal aims to be achieved not merely as an environmental measure, but through investment decisions, capital allocation, and portfolio restructuring based on the transition to a decarbonized economy. Additionally, we are strengthening the management of long-term asset value and stranded asset risk by starting to grasp and reduce emissions step by step across the entire supply chain (Scope 3), including construction, renovation, and procurement, and by considering the introduction of an internal carbon price (ICP).

Furthermore, we are progressively advancing efforts towards natural capital and ecosystem services, promoting the protection of and coexistence with the natural environment in each region, while envisioning the establishment of a disclosure framework in line with the Taskforce on Nature-related Financial Disclosures (TNFD).

■ Contributing to regional coexistence and prosperity and sustainable value creation

Since ancient times, travel has provided people with healing and insights, fostering regional exchange and culture.

HRR leverages the power of travel to address contemporary challenges, promoting the realization of Creating Shared Value (CSV) by simultaneously generating social and economic value through tourism. This approach aims to revitalize local economies while preserving natural environments.

During the transition period when social and industrial structures are changing, we emphasize the promotion of regional industries, and coexistence and mutual prosperity with residents. We aim to revitalize regional economies, create employment opportunities, and maximize asset value, all while achieving a positive impact on society and the environment through our tourism business and supporting the improvement of profitability and sustainable growth in our lodging business.

■ Respect and wellbeing in the work environment

The Asset Management Company has been furnishing support for degree programs and certifications, engaging in programs to increase workforce diversity, and administering tenant satisfaction surveys. Going forward, the Asset Management Company plans to devote an increasingly high level of attention to social issues, while also maintaining “Inclusive Culture” and “Inclusive Leadership,” and placing emphasis on improving labor productivity and well-being, in addition to a real estate perspective. Furthermore, the Asset Management Company introduced the cumulative investment unit investment program with the intention to further enhance awareness of officers and employees of the Asset Management Company toward the improvement of HRR’s results, as well as to contribute to the improvement of HRR’s unitholder value over the medium to long term.

■ Strengthening governance

The Asset Management Company has conducted compliance training for officers and employees on 17 occasions under five different themes over the year extending from November 2024 to October 2025, and will endeavor to strengthen governance through efforts that entail ongoing training going forward.

Having drawn up the Sustainability Policy that provides guidance for such ESG (Environment, Social and Governance) initiatives, HRR and the Asset Management Company, after meetings of the ESG Committee held by officers and employees, visually portray various sustainability initiatives as one element of their disclosure to unitholders, clients of portfolio properties, operators, tenants, employees and other stakeholders. HRR and the Asset Management Company endeavor to support Japan's tourism industry through investments and asset management that take ESG into consideration, while remaining aware of its social responsibilities with respect to the environment and its local communities, serving as a hotel J-REIT.

■ External sustainability evaluation and acquisition of certifications

• GRESB Real Estate Assessment

HRR has obtained a rating of three stars in the GRESB Real Estate Assessment in 2025 for the fifth consecutive year.

HRR has also obtained a Green Star for the sixth consecutive year, designation indicating that its entry was distinguished on two fronts, one of which being the Management Component entailing evaluation of policies and organizational structures for ESG promotion, and the other of which being the Performance Component that entails assessment of environmental performance and tenant engagement with respect to properties owned.

Moreover, HRR received the highest "A Level" for the GRESB Public Disclosure, which assesses the width of ESG disclosure, for the fourth consecutive year.

• MSCI ESG rating

As of the end of the fiscal period under review, HRR is maintaining an MSCI ESG rating of "BBB."

• Environmental certification

HRR obtained an S ranking for HOSHINOYA Karuizawa (Harunire Terrace), ANA Crowne Plaza Hiroshima, RISONARE Yatsugatake, and RISONARE Atami, and an A ranking for KAI Alps under the Certification for CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate, which serves as a green building certification program.

Additionally, OMO7 Osaka has obtained "ZEB Oriented" under the BELS (Building-Housing Energy-efficiency Labeling System) for ZEB (Net Zero Energy Building), which is awarded to buildings that, in addition to having high-performance exterior coatings and high energy efficiency systems, are subject to measures taken to achieve further energy efficiency, aiming to become ZEB Ready or higher.

• Participation in Carbon Disclosure Project (CDP) climate change program evaluation

In 2024, HRR participated in the climate change program, which evaluates the extent of a company's initiatives for managing risks of climate change and reducing greenhouse gas emissions, and how it is managing the financial impact, and received a "C" rating. In 2025, HRR participated in "Water Security Program," which evaluates initiatives related to the management of water risks and utilization of sustainable water resources, thereby further connecting its natural environment information and financial information, and maintaining its corporate transparency and financial health.

• Eruboshi Certification

The Eruboshi Certification is a system under which the minister of MHLW can certify companies that meet specific requirements, such as outstanding initiatives for women's professional advancement. The Asset Management Company has been certified with the highest 3-star rating of the Eruboshi Certification.

It is committed to creating an environment where all employees can feel secure and stable, to facilitate their long-term engagement and development. It has established flexible work arrangements, including staggered working hours, childbirth and childcare support systems, and childcare leave, to accommodate various life stages and support sustainable personal and career growth. By leveraging these systems and support, we aim to improve the physical and mental well-being and empowerment of every employee. We will then further strive to create a work environment that enables all employees to thrive proactively.

■ Supported initiatives

• Task Force on Climate-related Financial Disclosures (TCFD)

As the Asset Management Company has expressed its support for the recommendations of TCFD, established by the Financial Stability Board (FSB), it has joined the TCFD Consortium. HRR conducted scenario analysis on transitional and physical risks to examine how changes in the business environment in the long term related to climate change affect HRR, and has disclosed details of the analysis on its website. The policy is to implement various approaches going forward based on the verification results in order to promote the plan to reduce GHG emissions by at least 40% (compared with the 2020 level) by 2030 over the medium term and target net zero in 2050 as the goal. In addition, regarding the disclosure of financial impacts and environmental performance, we will promote efforts against climate change and increase the transparency of information disclosure by utilizing the evaluation process of CDP, which has the world's largest environmental database based on TCFD-compliance questionnaires.

• TNFD Forum

The Asset Management Company participates in the TNFD Forum. This forum is an international community that develops frameworks for the purpose of financially evaluating nature-related risks and opportunities and disclosing them. With participants made up of various stakeholders, including companies, government agencies and NGOs, this forum aims to enhance visibility of the dependencies and effects on natural capital and ecosystem services while promoting sustainable economic activities. Through participation in this forum, the Asset Management Company is able to share in discussions and insights, which contributes to initiatives to enhance the transparency of data related to the symbiotic interaction between nature and economy.

• Japan Climate Leaders' Partnership (JCLP)

The Asset Management Company has joined the JCLP, a coalition of companies led by Japan-based companies committed to promoting climate change measures, as a supporting member. Aiming to expand the use of renewable energy and realize decarbonization in society, the Asset Management Company proposes policies and discloses information, and also seeks to gain skills to address climate change as part of its business acumen through participating in JCLP's efforts to provide leadership in climate change measures mainly through engaging in specific actions such as promoting further adoption of decarbonization technologies and reducing CO₂ in the overall supply chain.

(d) Management Status Outlook

The following management status is expected for the fiscal period ending April 2026 (from November 1, 2025 to April 30, 2026) and the fiscal period ending October 2026 (from May 1, 2026 to October 31, 2026).

Fiscal period ending April 2026 (26th fiscal period)

Operating revenue	9,162 million yen
Operating profit	4,671 million yen
Ordinary profit	3,804 million yen
Profit	3,803 million yen
Distributions per unit	6,500 yen
Distributions in excess of earnings per unit	– yen

Fiscal period ending October 2026 (27th fiscal period)

Operating revenue	9,302 million yen
Operating profit	4,790 million yen
Ordinary profit	3,898 million yen
Profit	3,897 million yen
Distributions per unit	6,660 yen
Distributions in excess of earnings per unit	– yen

(Note 1) The forecast figures above are the current forecast calculated under certain assumptions. Accordingly, the actual operating revenue, operating profit, ordinary profit, profit and distributions per unit may vary due to changes in the circumstances. In addition, the forecast is not a guarantee of the amount of distributions per unit.

(Note 2) The forecasts for the distributions per unit for the fiscal periods ending April 2026 and October 2026 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.

② Significant Subsequent Events

(a) Acquisition of Assets

On November 4, 2025, HRR acquired the following real estate (acquisition price in total: 5,953 million yen).

Name of property	Location	Seller (Note 1)	Acquisition price (millions of yen) (Note 2)	Acquisition date
AQUAIGNIS/ Yunoyama Sосуikyo	Mie-gun, Mie	AQUAIGNIS Co., Ltd. Sumire Regional Trust Co., Ltd. Kataoka Co., Ltd.	5,953	November 4, 2025

(Note 1) “AQUAIGNIS / Yunoyama Sосуikyo” consists of multiple buildings and land, and HRR has acquired these multiple buildings and land from the three companies listed in the “Seller” column.

(Note 2) “Acquisition price” indicates the sales/purchase price of the property stated in the sales and purchase agreement (excluding consumption taxes, local consumption taxes and expenses such as transaction commissions), rounded down to the nearest million yen.

(b) Borrowing of Funds (for Acquisition of Domestic Real Estate)

In order to procure the funds for acquisition and part of the related expenses for the real estate stated in “(a) Acquisition of Assets” above, HRR borrowed the following funds as of November 4, 2025.

Floating /Fixed	Lender	Loan amount (millions of yen)	Interest rate (Note 1) (Note 2)	Drawdown date	Maturity date (Note 6)	Repayment method
Floating	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	2,000	Base rate: 1-month Japanese Yen TIBOR +0.300%	November 4, 2025	October 30, 2026	Lump-sum repayment at maturity
Floating	Resona Bank, Limited	1,000	Base rate: 1-month Japanese Yen TIBOR +0.300% (Note 3)	November 4, 2025	October 31, 2029	Lump-sum repayment at maturity
Floating	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	1,500	Base rate: 1-month Japanese Yen TIBOR +0.675% (Note 4) (Note 5)	November 4, 2025	October 31, 2033	Lump-sum repayment at maturity
Fixed	Development Bank of Japan Inc.	900	2.170% (Note 5)	November 4, 2025	October 31, 2033	Lump-sum repayment at maturity
Fixed	Mizuho Bank, Ltd. (Note 7)	600	2.245% (Note 5)	November 4, 2025	October 31, 2033	Lump-sum repayment at maturity

(Note 1) Financial fees, etc. payable to lenders are not included in “Interest rate.”

(Note 2) The base rate applicable to the interest calculation period for the interest payable on an interest payment due date shall be, of the 1-month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by JBA TIBOR Administration at a predetermined point in time two business days prior to the immediately preceding interest payment date (the drawdown date in the case of the first interest payment due date), the interest rate for the number of months corresponding to the concerned interest calculation period. However, if there is no corresponding rate for the period, the base interest rate shall be calculated based on the method specified in the agreement.

(Note 3) An interest rate swap agreement has been concluded in order to fix interest rates payable and thereby hedge the risk of rises in interest rates, and the interest rate is thus substantively fixed at 1.640%.

(Note 4) An interest rate swap agreement has been concluded in order to fix interest rates payable and thereby hedge the risk of rises in interest rates, and the interest rate is thus substantively fixed at 2.305%.

(Note 5) The fund was procured under a sustainability-linked loan, the applicable interest rate varies according to the status of achievement of the sustainability performance target (hereinafter referred to as “SPT”).

Applicable Interest Rate Based on SPT Achievement:

Environmental certification acquisition rate (based on acquisition price) 50% or more: Initial interest rate -0.010%

Environmental certification acquisition rate (based on acquisition price) less than 50%: Initial interest rate $\pm 0.000\%$

SPT Assessment Reference Date:

The SPT assessment reference date shall be the end of March each year, commencing with March 31, 2026, and continuing until the final principal repayment date.

Interest Rate Revision Date:

The interest rate revision date shall be the end of August each year, commencing with September 30, 2026, and continuing until the final principal repayment date.

However, if the relevant date falls on a non-business day, the immediately preceding business day shall apply.

Applicable Period for the Revised Interest Rate:

The applicable period for the revised interest rate shall be the period from each interest rate revision date up to the day immediately preceding the next interest rate revision date or the final principal repayment date, whichever is earlier.

However, the final principal repayment date shall be included in the period.

(Note 6) If the concerned date is not a business day, then it shall be the next business day. If such day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date.

(Note 7) The funds that Mizuho Bank, Ltd. has determined to be eligible for the “Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations)” carried out by the Bank of Japan to private financial institutions.

(c) Borrowing of Funds (for Refinancing of Existing Loans)

As funds to be used for the repayment of existing loans, HRR borrowed the following funds as of November 28, 2025.

Floating /Fixed	Lender	Loan amount (millions of yen)	Interest rate (Note 1) (Note 2)	Drawdown date	Maturity date (Note 3)	Repayment method
Floating	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	500	Base rate: 1-month Japanese Yen TIBOR +0.246%	November 28, 2025	October 31, 2028	Lump-sum repayment at maturity
Fixed	Development Bank of Japan Inc.	250	1.384%	November 28, 2025	October 31, 2028	Lump-sum repayment at maturity
Fixed	Mizuho Bank, Ltd. (Note 4) (Note 5)	250	1.488%	November 28, 2025	April 27, 2029	Lump-sum repayment at maturity

(Note 1) Financial fees, etc. payable to lenders are not included in “Interest rate.”

(Note 2) The base rate applicable to the interest calculation period for the interest payable on an interest payment due date shall be, of the 1-month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by JBA TIBOR Administration at a predetermined point in time two business days prior to the immediately preceding interest payment date (the drawdown date in the case of the first interest payment due date), the interest rate for the number of months corresponding to the concerned interest calculation period. However, if there is no corresponding rate for the period, the base interest rate shall be calculated based on the method specified in the agreement.

(Note 3) If the concerned date is not a business day, then it shall be the next business day. If such day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date.

(Note 4) The borrowing was a green loan executed based on the Green Finance Framework developed by HRR.

(Note 5) The funds that Mizuho Bank, Ltd. has determined to be eligible for the “Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations)” carried out by the Bank of Japan to private financial institutions.

(d) Changes in Tenants (Merger and Company Split)

Among the assets owned by HRR, there will be a change in the tenants of the following seven properties. As of December 1, 2025, a merger (hereinafter referred to as the “Tenant Merger”) was conducted, in which HRK Inc. (which changed its name from Kusatsu Kogen Resort Development Co., Ltd. as of December 1, 2025; the same shall apply hereinafter) became the surviving company in the absorption-type merger, and Asama Onsen Hotel Management Co., Ltd. became the absorbed company. Additionally, a company split (hereinafter referred to as the “Tenant Split,” and collectively with the Tenant Merger as the “Tenant Restructuring”) was executed, in which HRK Inc. became the successor company in the absorption-type split, and Hoshino Resorts Inc. and Hoshino Resort Management Co., Ltd. each became the splitting companies.

In addition, the corporations leading the Tenant Restructuring, HRK Inc., Asama Onsen Hotel Management Co., Ltd., Hoshino Resorts Inc., and Hoshino Resort Management Co., Ltd., all belong to the Hoshino Resorts Group. They are classified as interested parties, etc. as defined in Article 201 of the Investment Trusts Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, including subsequent revisions), and they are also classified as interested parties, etc. under the Asset Management Company’s own internal rules titled “Rules for Transactions with Interested Parties, etc.” It should be noted that the Tenant Restructuring is an internal group reorganization among corporations belonging to the Hoshino Resorts Group, which are tenants of the properties owned by HRR. There have been no changes to the rent or other terms of the lease agreements concluded between HRR and the tenants.

Name of property	Name of tenant as of the end of the fiscal period under review	Name of tenant after the Tenant Restructuring
KAI Alps	Asama Onsen Hotel Management Co., Ltd.	HRK Inc.
KAI Kinugawa	Hoshino Resorts Inc.	
KAI Matsumoto	Hoshino Resort Management Co., Ltd.	
KAI Tamatsukuri		
KAI Ito		
KAI Hakone		
KAI Enshu		

(2) Investment Risks

Disclosure is omitted because there is no significant change from “Investment Risks” in the securities report (submitted on July 25, 2025).

2. Financial Statements

(1) Balance Sheet

(Unit: thousands of yen)

	24th fiscal period (As of Apr. 30, 2025)	25th fiscal period (As of Oct. 31, 2025)
Assets		
Current assets		
Cash and deposits	12,370,776	13,376,422
Cash and deposits in trust	402,677	488,492
Operating accounts receivable	382,632	506,952
Deposits paid	120,000	120,000
Prepaid expenses	422,709	480,845
Income taxes refund receivable	799	1,704
Other	14,533	2,840
Total current assets	13,714,129	14,977,257
Non-current assets		
Property, plant and equipment		
Buildings	119,479,137	118,399,003
Accumulated depreciation	(22,824,429)	(22,958,003)
Buildings, net	96,654,708	95,440,999
Structures	6,851,060	6,789,758
Accumulated depreciation	(1,051,716)	(1,111,759)
Structures, net	5,799,344	5,677,999
Machinery and equipment	86,658	86,658
Accumulated depreciation	(82,867)	(83,588)
Machinery and equipment, net	3,791	3,070
Tools, furniture and fixtures	2,022,715	2,248,366
Accumulated depreciation	(997,294)	(1,102,959)
Tools, furniture and fixtures, net	1,025,421	1,145,407
Land	78,129,494	78,371,546
Buildings in trust	25,410,924	25,456,599
Accumulated depreciation	(1,308,805)	(1,620,167)
Buildings in trust, net	24,102,119	23,836,431
Structures in trust	799,110	799,877
Accumulated depreciation	(17,545)	(25,033)
Structures in trust, net	781,564	774,844
Tools, furniture and fixtures in trust	7,370	7,370
Accumulated depreciation	(666)	(1,330)
Tools, furniture and fixtures in trust, net	6,703	6,040
Land in trust	15,409,582	15,409,582
Construction in progress	1,017,430	637,438
Total property, plant and equipment	222,930,161	221,303,359
Intangible assets		
Leasehold interests in land	8,387,425	8,387,425
Land leasehold interests in trust	3,433,418	3,433,418
Software	107,607	81,742
Total intangible assets	11,928,451	11,902,587

	(Unit: thousands of yen)	
	24th fiscal period (As of Apr. 30, 2025)	25th fiscal period (As of Oct. 31, 2025)
Investments and other assets		
Investment securities	564,236	567,487
Long-term prepaid expenses	1,227,749	1,122,080
Deferred tax assets	231	212
Leasehold and guarantee deposits	984,006	984,006
Leasehold and guarantee deposits in trust	34,054	34,054
Other	—	10
Total investments and other assets	2,810,279	2,707,850
Total non-current assets	237,668,892	235,913,798
Deferred assets		
Investment corporation bond issuance costs	25,516	23,957
Total deferred assets	25,516	23,957
Total assets	251,408,537	250,915,013

(Unit: thousands of yen)

	24th fiscal period (As of Apr. 30, 2025)	25th fiscal period (As of Oct. 31, 2025)
Liabilities		
Current liabilities		
Operating accounts payable	305,078	269,772
Short-term borrowings	780,000	300,000
Current portion of long-term borrowings	11,198,704	11,937,132
Accounts payable - other	904,453	1,137,968
Income taxes payable	646	648
Accrued consumption taxes	151,802	588,311
Accrued expenses	34,614	33,172
Advances received	1,029,562	986,279
Total current liabilities	14,404,860	15,253,286
Non-current liabilities		
Long-term borrowings	83,288,000	83,018,000
Investment corporation bonds	3,800,000	3,800,000
Leasehold and guarantee deposits received	4,701,063	2,776,859
Leasehold and guarantee deposits received in trust	181,700	181,700
Total non-current liabilities	91,970,763	89,776,559
Total liabilities	106,375,624	105,029,845
Net assets		
Unitholders' equity		
Unitholders' capital	141,951,477	141,951,477
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	280,970	370,597
Total voluntary retained earnings	280,970	370,597
Unappropriated retained earnings (undisposed loss)	2,800,466	3,563,093
Total surplus	3,081,436	3,933,690
Total unitholders' equity	145,032,913	145,885,167
Total net assets	145,032,913	145,885,167
Total liabilities and net assets	251,408,537	250,915,013

(2) Statement of Income

(Unit: thousands of yen)

	24th fiscal period From: Nov. 1, 2024 To: Apr. 30, 2025	25th fiscal period From: May 1, 2025 To: Oct. 31, 2025
Operating revenue		
Leasing business revenue	7,630,574	8,536,325
Gain on sale of real estate properties	—	158,559
Distributions of investments in silent partnerships	2,549	1,119
Total operating revenue	7,633,124	8,696,004
Operating expenses		
Expenses related to leasing business	3,377,616	3,497,877
Asset management fees	644,489	684,403
Asset custody fees	7,368	7,548
Administrative service fees	31,446	31,331
Remuneration for directors (and other officers)	3,000	3,000
Audit fees	10,150	10,350
Other operating expenses	121,280	136,414
Total operating expenses	4,195,351	4,370,925
Operating profit	3,437,772	4,325,079
Non-operating income		
Interest income	5,855	11,803
Insurance claim income	24,623	1,796
Interest on tax refund	3,384	—
Miscellaneous income	630	5,038
Total non-operating income	34,493	18,638
Non-operating expenses		
Interest expenses	499,056	535,797
Interest expenses on investment corporation bonds	27,307	27,635
Amortization of investment corporation bond issuance costs	1,865	1,559
Financing fees	250,408	220,886
Investment unit issuance expenses	2,285	—
Other	129	1,190
Total non-operating expenses	781,052	787,068
Ordinary profit	2,691,213	3,556,648
Extraordinary income		
Subsidy income	102,962	—
Total extraordinary income	102,962	—
Profit before income taxes	2,794,175	3,556,648
Income taxes - current	743	751
Income taxes - deferred	151	19
Total income taxes	894	770
Profit	2,793,280	3,555,878
Retained earnings brought forward	7,185	7,215
Unappropriated retained earnings (undisposed loss)	2,800,466	3,563,093

(3) Statement of Unitholders' Equity

24th fiscal period (from November 1, 2024 to April 30, 2025)

(Unit: thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of period	141,951,477	245,119	245,119	2,743,145	2,988,264	144,939,741	144,939,741
Changes during period							
Provision of reserve for tax purpose reduction entry	—	39,434	39,434	(39,434)	—	—	—
Reversal of reserve for tax purpose reduction entry	—	(3,583)	(3,583)	3,583	—	—	—
Dividends of surplus	—	—	—	(2,700,108)	(2,700,108)	(2,700,108)	(2,700,108)
Profit	—	—	—	2,793,280	2,793,280	2,793,280	2,793,280
Total changes during period	—	35,850	35,850	57,321	93,171	93,171	93,171
Balance at end of period	141,951,477	280,970	280,970	2,800,466	3,081,436	145,032,913	145,032,913

25th fiscal period (from May 1, 2025 to October 31, 2025)

(Unit: thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of period	141,951,477	280,970	280,970	2,800,466	3,081,436	145,032,913	145,032,913
Changes during period							
Provision of reserve for tax purpose reduction entry	–	95,068	95,068	(95,068)	–	–	–
Reversal of reserve for tax purpose reduction entry	–	(5,441)	(5,441)	5,441	–	–	–
Dividends of surplus	–	–	–	(2,703,623)	(2,703,623)	(2,703,623)	(2,703,623)
Profit	–	–	–	3,555,878	3,555,878	3,555,878	3,555,878
Total changes during period	–	89,626	89,626	762,627	852,254	852,254	852,254
Balance at end of period	141,951,477	370,597	370,597	3,563,093	3,933,690	145,885,167	145,885,167

(4) Statement of Cash Distributions

(Unit: yen)

	24th fiscal period From: Nov. 1, 2024 To: Apr. 30, 2025	25th fiscal period From: May 1, 2025 To: Oct. 31, 2025
I. Unappropriated retained earnings	2,800,466,337	3,563,093,790
II. Reversal of voluntary retained earnings Reversal of reserve for tax purpose reduction entry	5,441,827	4,803,335
III. Amount of distributions [Amount of distributions per investment unit]	2,703,623,910 [4,615]	3,560,113,218 [6,077]
IV. Voluntary retained earnings Reserve for tax purpose reduction entry	95,068,729	805,835
V. Retained earnings brought forward	7,215,525	6,978,072
Method of calculation of amount of distributions	In accordance with the policy provided in Article 37, Paragraph 1 of the Articles of Incorporation of HRR that “distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for distribution of HRR provided in Article 67-15 of the Act on Special Measures Concerning Taxation,” the decision was made to distribute 2,703,623,910 yen as distributions of earnings, which is almost the entire aggregate amount of the balance remaining after adding the amount of reversal of reserve for tax purpose reduction entry to unappropriated retained earnings and deducting the amount of reserve for tax purpose reduction entry as set forth in Articles 42 and 47 of the Corporation Tax Act. Furthermore, the distribution of cash in excess of earnings provided in Article 37, Paragraph 2 of the Articles of Incorporation will not be conducted.	In accordance with the policy provided in Article 37, Paragraph 1 of the Articles of Incorporation of HRR that “distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for distribution of HRR provided in Article 67-15 of the Act on Special Measures Concerning Taxation,” the decision was made to distribute 3,560,113,218 yen as distributions of earnings, which is almost the entire aggregate amount of the balance remaining after adding the amount of reversal of reserve for tax purpose reduction entry to unappropriated retained earnings and deducting the amount of reserve for tax purpose reduction entry as set forth in Article 47 of the Corporation Tax Act. Furthermore, the distribution of cash in excess of earnings provided in Article 37, Paragraph 2 of the Articles of Incorporation will not be conducted.

(5) Statement of Cash Flows

(Unit: thousands of yen)

	24th fiscal period From: Nov. 1, 2024 To: Apr. 30, 2025	25th fiscal period From: May 1, 2025 To: Oct. 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,794,175	3,556,648
Depreciation	2,042,937	2,044,267
Loss on retirement of non-current assets	14,675	77,269
Amortization of investment corporation bond issuance costs	1,865	1,559
Interest income	(5,855)	(11,803)
Interest expenses	526,363	563,433
Financing fees	250,408	220,886
Investment unit issuance expenses	2,285	—
Decrease (increase) in operating accounts receivable	(66,699)	(124,319)
Decrease (increase) in prepaid expenses	17,837	(58,135)
Decrease (increase) in consumption taxes refund receivable	1,708,474	—
Increase (decrease) in accrued consumption taxes	95,649	436,509
Increase (decrease) in operating accounts payable	(31,694)	24,869
Increase (decrease) in accounts payable - other	(191,301)	258,789
Increase (decrease) in advances received	32,186	(43,282)
Decrease (increase) in long-term prepaid expenses	7,322	105,669
Decrease in property, plant and equipment due to sale	—	5,374,641
Other, net	(261,989)	(210,416)
Subtotal	6,936,642	12,216,585
Interest received	5,855	11,803
Interest paid	(517,712)	(562,754)
Income taxes paid	(1,434)	(1,654)
Net cash provided by (used in) operating activities	6,423,349	11,663,980
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,316,822)	(5,857,039)
Purchase of property, plant and equipment in trust	(99,718)	(71,947)
Purchase of intangible assets	(44,533)	(200)
Purchase of investment securities	(1,970)	(14,954)
Proceeds from redemption of investment securities	—	10,006
Refund of leasehold and guarantee deposits received	(217,827)	(2,067,153)
Proceeds from leasehold and guarantee deposits received	—	142,949
Other, net	—	(10)
Net cash provided by (used in) investing activities	(6,680,872)	(7,858,349)

	(Unit: thousands of yen)	
	24th fiscal period From: Nov. 1, 2024 To: Apr. 30, 2025	25th fiscal period From: May 1, 2025 To: Oct. 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	300,000	—
Repayments of short-term borrowings	—	(480,000)
Proceeds from long-term borrowings	8,170,000	5,880,000
Repayments of long-term borrowings	(5,341,852)	(5,411,572)
Payments of investment unit issuance expenses	(2,285)	—
Proceeds from issuance of investment corporation bonds	1,500,000	—
Payments of investment corporation bond issuance costs	(11,524)	—
Redemption of investment corporation bonds	(1,500,000)	—
Distributions paid	(2,699,660)	(2,702,597)
Net cash provided by (used in) financing activities	414,678	(2,714,169)
Net increase (decrease) in cash and cash equivalents	157,156	1,091,461
Cash and cash equivalents at beginning of period	12,736,297	12,893,454
Cash and cash equivalents at end of period	12,893,454	13,984,915

** 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.*