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For immediate release

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Notice Concerning Opening of RISONARE Osaka (in Hyatt Regency Osaka)

Hoshino Resorts REIT, Inc. (hereinafter referred to as “HRR”) announces that, at the Hyatt Regency Osaka, a property owned by HRR, part of the hotel will be renovated to open (hereinafter “the Opening”) as “Hoshino Resorts RISONARE Osaka (in Hyatt Regency Osaka)” (hereinafter it may be referred to as “RISONARE Osaka.”).

1. Outline and background of the Opening

(1) Overview of the Opening (Note 1)

Name of the property	Hoshino Resorts RISONARE Osaka (in Hyatt Regency Osaka)
Scheduled opening date	December 16, 2022
Areas subject to RISONARE Osaka in Hyatt Regency Osaka (Scheduled)	<ul style="list-style-type: none"> ➤ All guest rooms on the 23rd, 24th and 26th floors of the accommodation tower (64 out of 480 total guest rooms at Hyatt Regency Osaka) ➤ Part of the 28th floor (top floor) of the accommodation tower <p>(*) Outline of the renovation work, etc. associated with the Opening</p> <p>24 of the 64 guest rooms will be renovated (one floor). Following renovations, there will be 10 different room types, three of which will be “Atelier Rooms,” concept rooms with walls, windows, etc., that allow children to draw, etc. to foster their creativity. In addition, a section of the 28th floor will be converted into an “atelier” where visitors can experience creative approaches.</p>

Hoshino Resorts Group (Hoshino Resorts Inc., its parent company and its subsidiaries are collectively referred to, and hereinafter the same shall apply.) will renovate a part of “Hyatt Regency Osaka” (Suminoe-ku, Osaka City, Osaka Prefecture) and open it as Hoshino Resorts RISONARE Osaka (in Hyatt Regency Osaka) on December 16, 2022.

The operation method of the hotel after the Opening will be a “Collaboration Hotel” (Note 2), which will be jointly operated by RISONARE Osaka and Hyatt Regency Osaka. Hyatt Regency Osaka will provide services for guest rooms, and food and beverages, while RISONARE Osaka will offer special activities exclusively for RISONARE Osaka guests. Guests staying at RISONARE Osaka can also use the club lounge “Regency Club” provided by Hyatt Regency Osaka, four restaurants, fitness center, garden pool and other facilities.

The concept of RISONARE Osaka is to “play with creativity.” In collaboration with Machino Research Institute, Inc. (Note 4), a specialist in the Reggio Emilia Approach (Note 3), which originated in Italy and is said to be one of the world's most advanced infant and toddler education, RISONARE Osaka aims to provide new value as a resort hotel that fosters children's creativity. Please refer to the attachment for details of the Opening.

(Note 1) Details of the Opening are scheduled as of the date of this document, and are subject to change without prior notice.

(Note 2) A hotel where guests can experience multiple brands in one building.

(Note 3) Educational approach developed in the city of Reggio Emilia in northern Italy. In the 1990s, it was featured in the American edition of Newsweek magazine as “the world's most advanced early childhood education” and was rated highly in education circles, and now this approach is spreading all over the world.

(Note 4) It is the only Japanese affiliated company in the international network of the Reggio Emilia Approach. The company is the founder and representative of JIREA (Japan Institute for Reggio Emilia Alliance), which serves as the contact point in Japan for the Reggio Emilia Approach. It has a network with universities and other research institutes, educational institutions in Japan and overseas, and creative teams, and engages in activities related to childcare and education.

(2) Background behind the Opening

Since 2020, the tourism market has experienced a significant decline in demand due to the spread of COVID-19. In addition, at many hotels in urban areas, such as Tokyo and Osaka, demand from inbound tourists to Japan accounted for a certain percentage of the total demand before the COVID-19 pandemic therefore it is expected to take considerable time before demand recovers to the same level as before the COVID-19 pandemic.

On the other hand, the “2025 Japan World Exposition” (Osaka Kansai Expo) is scheduled to be held in Yumeshima, located in Konohana-ku, Osaka City, Osaka Prefecture in 2025. HRR believes that hotel demand in the Osaka area can be expected to increase when the COVID-19 pandemic settles down and tourism demand, including inbound to Japan, recovers.

Under these circumstances, HRR believes that with the Opening, in addition to inbound tourists to Japan, weddings, MICE and business markets in which Hyatt Regency Osaka excels, by approaching the leisure and family markets in which Hoshino Resorts Group's RISONARE brand specializes, it will be possible to strengthen its medium- to long-term competitiveness by capturing a wide range of demand by taking advantage of the strengths of both companies.

The Opening will not change the content of the lease agreement, etc. between HRR and HRO Inc., a tenant of Hyatt Regency Osaka.

2. Future outlook

The impact of the Opening on business results is minor, and the forecasts of operational status in the fiscal term ending October 2022 (from May 1, 2022 to October 31, 2022) and the fiscal term ending April 2023 (from November 1, 2022 to April 30, 2023) are not changed.

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

Details of the Opening



RISONARE Osaka (in Hyatt Regency Osaka)

Play with creativity

Highlights

- Part of the Hyatt Regency Osaka, located in Suminoe-ku, Osaka City, Osaka Prefecture, will be renovated to open as “Hoshino Resorts RISONARE Osaka (in Hyatt Regency Osaka),” with the concept of “education that brings out creativity”
- The facility introduces a “collaboration hotel” approach which provides several brand experiences in a single building, and is jointly operated by RISONARE Osaka and Hyatt Regency Osaka. Hyatt Regency Osaka provides accommodation, meals and beverage services, while RISONARE Osaka offers special activities exclusively for RISONARE Osaka guests.
- The service area is 64 rooms on the 23rd, 24th and 26th floors of the accommodation tower, and “Atelier” on the 28th floor, the top floor.
- Guests staying at RISONARE Osaka can also use the club lounge “Regency Club,” four restaurants, fitness center, garden pool and other facilities provided by Hyatt Regency Osaka. (see the figures on the right)

Address	Nankokita, Suminoe-ku, Osaka City, Osaka Prefecture	Accommodation fee (planned)	Atelier Room Triple, 30 m2, from 18,000 yen per room (including tax and service charges, excluding meals) *Accommodation tax is charged separately
Scheduled opening date	December 16, 2022	Fee for staying at Atelier (planned)	15,000 yen (including tax and service charges per child per night)
Number of guest rooms involved (planned)	64 rooms		

—Benefit of a collaboration hotel—

Can reach markets that each company specializes in



Hyatt Regency Osaka
Wedding, MICE, and business market



RISONARE Osaka
Leisure and family market



The illustration is an image of RISONARE Osaka

Areas accessible for RISONARE Osaka guests



Atelier, 28th floor (top floor)



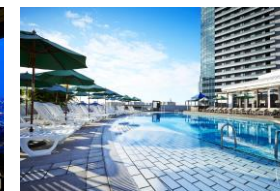
Guest rooms on the 23rd, 24th, and 26th floors (Note 2)
(rooms on the 23rd floor are designed as an Atelier room)



Appearance



Club Lounge, 28th floor
“Regency Club”



Garden Pool, 9th floor



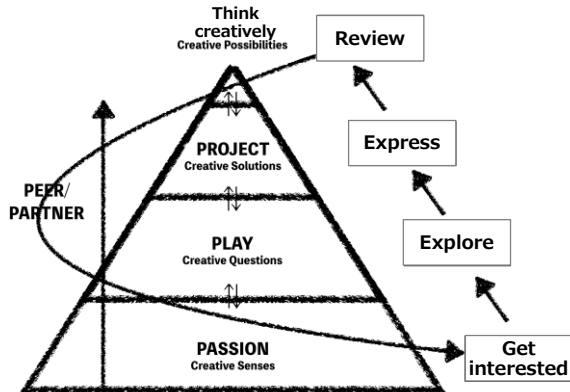
Four restaurants on the 9th, 1st and the 1st basement floors

Concept —Play with creativity—

The importance of early childhood education is widely known. RISONARE Osaka is produced by Hoshino Resorts based on a hope to expand the potential of children in experiencing a variety of things. Centering on the “Reggio Emilia approach,” highly valued as an educational approach to bring out the creativity in children, we, at Hoshino Resorts, hope to offer them opportunities to stretch their imagination and express themselves fully. The facility provides Japan’s largest “Atelier” that stimulates children’s interests and allows them to play in a variety of ways, attended by “atelierista,” a professional artist who supports their learning and expression activities.

Reggio Emilia approach

- Educational approach developed in the city of Reggio Emilia in northern Italy.
- In the 1990s, it was featured in the American edition of Newsweek magazine as “the world’s most advanced early childhood education” and was rated highly in education circles, and now this approach is spreading all over the world.
- Machino Research Institute, Inc., the only Japanese affiliated company in the international network of the Reggio Emilia Approach, and RISONARE Osaka, focus on an approach that brings out children’s creativity (see the figure below).



Approach that brings out creativity
(the above figure was jointly prepared by Machino Research Institute, Inc., and RISONARE Osaka)

Visitors encounter material that excites their “get interested,” and “explore” ways to express it. Visitors then focus on a theme, delve into the “express,” and finally deepen their understanding through “review” and discover seeds for their next area of “interest.” This process fosters creative thinking.

“Atelier Room” a concept room where visitors can express themselves fully

- There are 10 types of guest rooms, three of which are concept rooms called “Atelier Rooms.”
- In the Atelier Rooms surrounded by walls with various motifs based on red color, children can express themselves fully on the walls and windows using crayons.
- “Atelier Room Deluxe” is equipped with a net stretched from the ceiling, allowing for climbing and lying down on it to exercise the whole body to play freely.

“Atelier Room Deluxe”



Japan's largest “Atelier” fosters creative thinking

- A fun, rhythmic place with colorful pallets, designed based on the theme of the logistic center Osaka Nanko.
- Established four areas of “Get interested,” “Explore,” “Express,” and “Review,” aiming to foster creative thinking.
- Visitors can experience the entire process of “an approach that brings out creativity.”



Process of “ an approach that brings out creativity”

1. Observe with interest < Interest area >



2. Think (explore) with hand activity < Exploration area >



3. Deepen expression < Expression area >



4. Review activities < Review area >

