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For immediate release

REIT Securities Issuer  
Hoshino Resorts REIT, Inc.  
Representative: Kenji Akimoto, Executive Director  
(Code: 3287)

Asset Management Company  
Hoshino Resort Asset Management Co., Ltd.  
Representative: Kenji Akimoto, President & CEO  
Contact: Takahiro Kabuki, Director & CSO  
TEL: +81-3-5159-6338

## Notice Concerning Receipt of “Best Recommend Award, Society Category” in ARES ESG AWARD 2023

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces that it has received the “Best Recommend Award, Society Category” in the ARES ESG AWARD 2023 sponsored by the Association for Real Estate Securitization (hereinafter “ARES”).

### 1. ARES ESG AWARD

The ARES ESG AWARD was established by ARES with the aim of supporting J-REIT's ESG initiatives and sharing them widely within and outside the industry in light of the recent growing interest in ESG, thereby enabling J-REIT's ESG initiatives to evolve and, in turn, promote its ESG initiatives to investors and markets. The Association calls for entries from all J-REITs, and judges them on their ESG initiatives based on four criteria: "Uniqueness," "Universality," "Continuity," and "Effectiveness." The genre is divided into two categories: Good Action Award (self-recommended) and Best Recommend Award (recommended by others), and awards are given in each category of E/S/G.

For details of the ARES ESG AWARD 2023, implemented this year, please refer to the following website:

[https://www.ares.or.jp/esg\\_award/](https://www.ares.or.jp/esg_award/)

(Japanese only)



Official logo for the ARES ESG AWARD



ARES ESG AWARD 2023  
Logo for the Best Recommend  
Award

## 2. Details of the award and HRR's initiatives subject to the award

- (1) Award Date: January 29, 2024
- (2) Category: Best Recommend Award, Society Category
- (3) HRR's initiatives subject to the award:

### 【Procurement through Sustainability Finance】

Based on the belief that it is important to maximize unitholder value by enhancing the sustainability of HRR through ESG-friendly investment and asset management, HRR has established the Sustainability Finance Framework to raise funds for uses that will result in improvement of the environment and other social benefits.

In particular, facilities are evaluated not only from an environmental perspective but also from a social perspective, and the "Social Eligibility Criteria" are divided into two categories: "Initiatives for Real Estate Users and Other Related Parties" and "Initiatives for Local Communities," presenting 12 social issues such as "Healthy Living and Working" and "Local Attractiveness and Prosperous Economy" and the stages, outputs, outcomes and impacts of social issues in order to limit the use of funds.

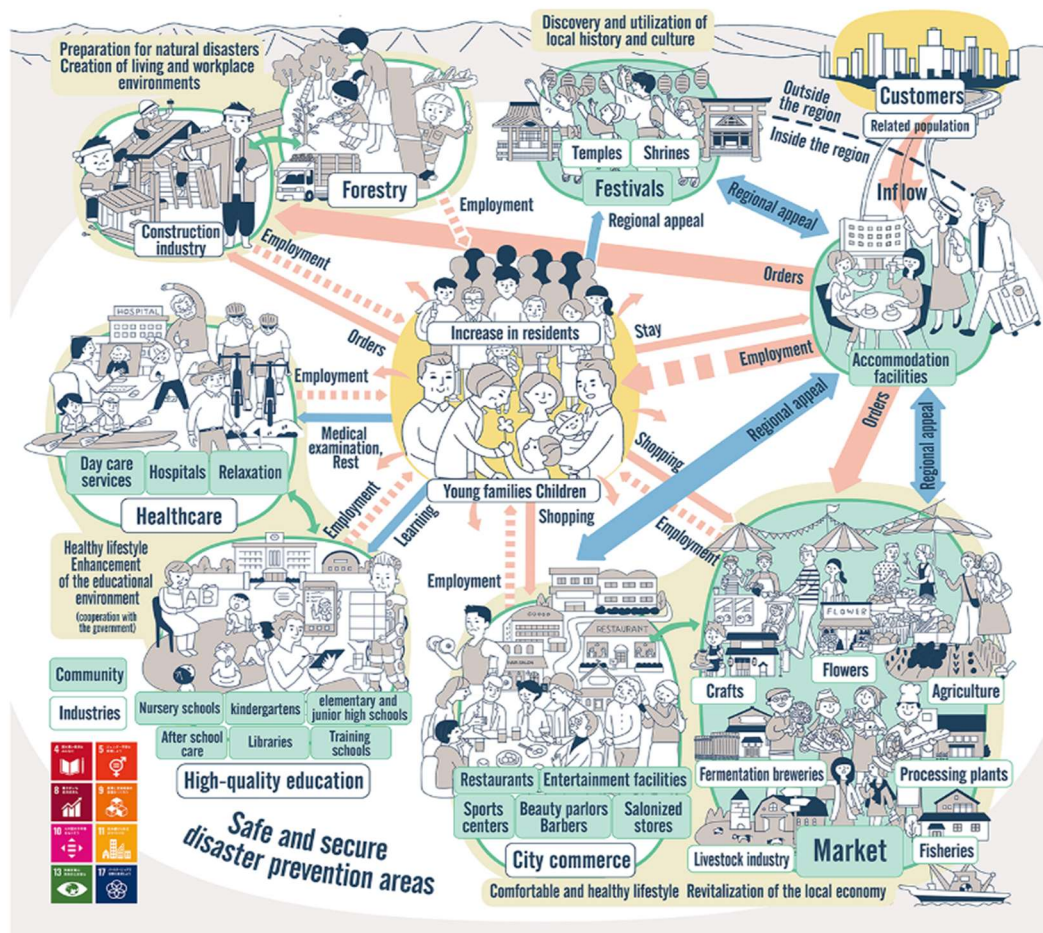
These "Social Issues" and "Stages of Social Issues" are in accordance with the "Interim Report of the ESG Investment Promotion Study Group that Addresses Social Issues in the Real Estate Sector" (the Ministry of Land, Infrastructure, Transport and Tourism).

In addition, impact reporting on the use of funds discloses properties that meet the social and green eligibility criteria, their outputs and outcomes.

Please refer to the following website for details of HRR's sustainability financing.

<https://www.hoshinoresorts-reit.com/en/sustainability/finance.html>

◆ Reference (1): The role of accommodation facilities in the region and the concept of circulation (conceptual diagram)



◆Reference (2): Social Eligibility Criteria for Initiatives Related to Local Communities (excerpt)

	Social issues	Stages of social issues	Output	Outcome	Impact
1	Local charm and rich economy	㉒, ㉓	To explore local industry and history, and provide guests with more appeal for their stay	Revitalization of the culture of festivals and other events, secondary industries such as processed foods, and primary industries such as agriculture	<ul style="list-style-type: none"> <li>Increase in the number of nonresident population</li> <li>Rejuvenation of the local population</li> </ul>
2	Local charm and rich economy	㉒, ㉓	Plans to develop hot spring areas and install commercial facilities, etc.	<ul style="list-style-type: none"> <li>Revitalization of stores in town</li> <li>Enhancing appeal for guests</li> <li>Fostering various communities</li> </ul>	<ul style="list-style-type: none"> <li>Interaction between regions and outside areas</li> <li>Fostering a new culture</li> <li>Economic revitalization</li> </ul>
3	Prosperous economy	㉓	<ul style="list-style-type: none"> <li>Providing workplaces to increase local employment</li> <li>Employee transfers from outside areas</li> </ul>	<ul style="list-style-type: none"> <li>Securing stable employment</li> <li>Enriching people's lives</li> </ul>	<ul style="list-style-type: none"> <li>Meaningful work</li> <li>Rich life</li> </ul>
4	To protect people's lives and livelihoods	㉑, ㉒	Providing shelters (places and food)	Protection of stranded commuters and local residents	<ul style="list-style-type: none"> <li>Cooperation and coexistence with local communities</li> </ul>
5	Dignity is preserved	㉑	Providing low-cost hotels	Realization of a simple and comfortable stay	Realization of an inclusive society
6	Dignity is preserved	㉑	Prevention of pandemics and establishment of patient care facilities	Prevention of infectious diseases	Reduction in the number of infected people and strain on hospital beds
7	Healthy living and local charm	㉒, ㉓	<ul style="list-style-type: none"> <li>Conservation of the natural environment and protection of organisms (animals, plants and fungi)</li> <li>Building coexistence with the natural environment and organisms</li> </ul>	<ul style="list-style-type: none"> <li>Ecosystem conservation</li> <li>Enhancing regional appeal</li> <li>Maintenance of a healthy lifestyle</li> </ul>	<ul style="list-style-type: none"> <li>Realization of diversity</li> <li>Increase in the number of nonresident population</li> <li>Interaction between regions and outside areas</li> <li>Improvement of health and comfort</li> </ul>

(4) Reasons for the award (excerpt from the judges' comments):

The evaluation of "S" in the real estate investment field is a difficult subject to understand as there are many points to evaluate. But HRR takes advantage of the characteristics of the properties it holds, and based on the role of accommodation facilities in the region and the concept of circulation, it considers a variety of social impacts that go beyond the framework of society, region, people, and real estate. Further, HRR sets social criteria and connects them to fundraising, which is a revolutionary initiative to rethink social impact.

Since other J-REITs are also closely connected to local communities, this is considered a good and informative example.

### 3. Future Sustainability Initiatives

HRR and its asset management company consider this result to be very significant.

In line with our sustainability policy, we will continue to contribute to the future by making unique investments and asset management while achieving CSV (Creating Shared Value) in order not only to maintain and improve certification, but also to solve social issues.

Please refer to the following website for information on HRR's sustainability policy and initiatives to date.

<https://www.hoshinoresorts-reit.com/en/sustainability/index.html>

\* 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.**