

Kasumigaseki Hotel REIT Investment Corporation

July 2026 Fiscal Period Results (February 1 to July 31, 2026)

**September 16, 2026
Kasumigaseki Hotel REIT
Investment Corporation
(TSE Code : 401A)**



Executive Summary

FP Jul. 2026 results and FP Jan. 2027 / Jul. 2027 forecasts



- Distributions came in +7.3% (+213 yen) above the initial forecast, mainly due to an increase in variable rent.
- RevPAR is expected to grow +4.0% through the January 2027 and July 2027 fiscal periods, with distributions also forecast to increase.

Property operations



- seven x seven ITOSHIMA relaunched in April 2026 following renovation, significantly outperforming the same period of the previous year.
- seven x seven ITOSHIMA and FAV LUX KAGOSHIMA TENMONKAN are expected to reach the GOP assumed under stable operations, with approximately one year remaining in their originally scheduled fixed rent periods.

Future growth strategy



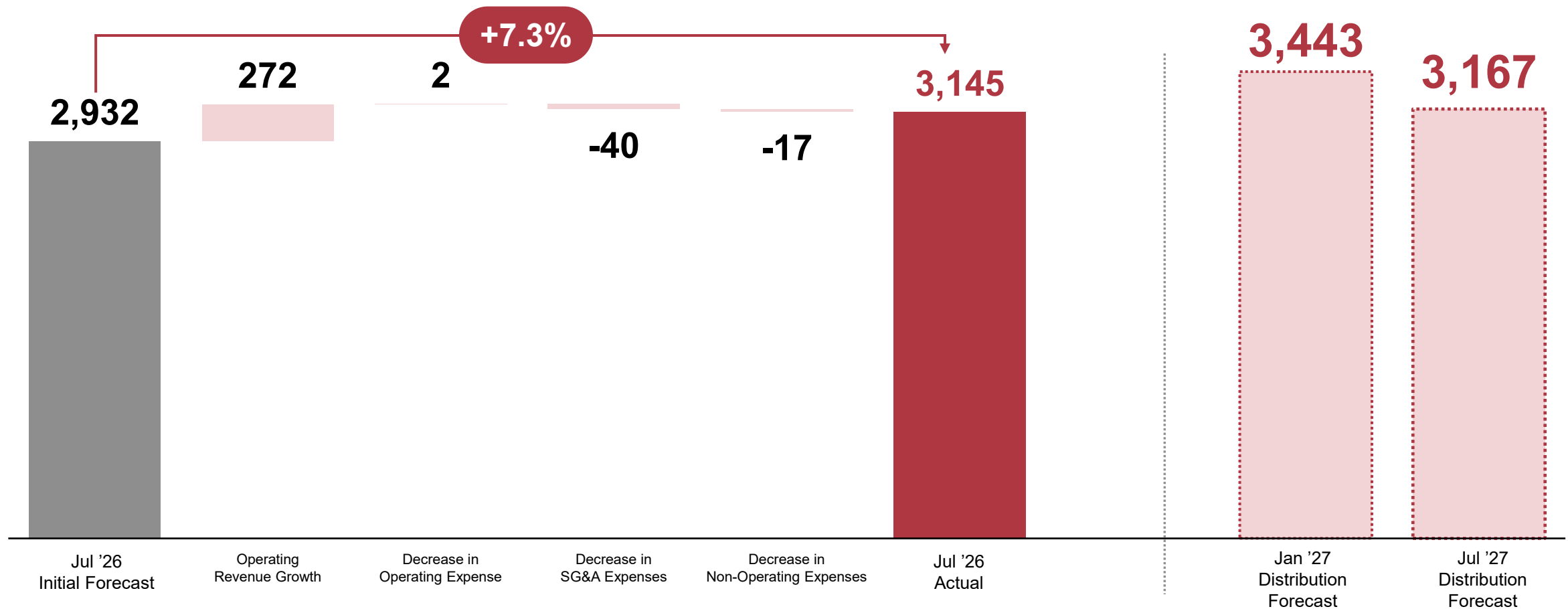
- External growth strategy **Aim to achieve an asset size of 300 billion yen (based on acquisition price) within five years and secure properties with a value of approximately +300 billion yen (based on business scale), potentially acquiring them through the sponsor pipeline.**
- Internal growth strategy **Aim to accelerate internal growth by transitioning fixed rent properties to variable rent.**
- Financial strategy **Acquisition of new lenders and diversification of funding methods to support future external growth.**

01

Financial Highlights

Fiscal Period Jul. 2026 Forecast vs. Actual, and Fiscal Period Jan./Jul. 2027 Distribution Forecasts

- Distributions came in +7.3% above the initial forecast, mainly due to an increase in variable rent.
- Against a two-period average distribution of 3,061 yen for the January 2026 (1st) and July 2026 (2nd) fiscal periods, the two-period average distribution for the January 2027 (3rd) and July 2027 (4th) fiscal periods is 3,305 yen, an increase of +8.0%.



Results for the Fiscal Period Ended July 2026 (2nd Fiscal Period)

- Compared with the initial forecast, distribution per unit came in +213 yen higher, driven by an increase in variable rent.

(Unit: million yen)

	Forecast (announced March 19, 2026) (a)	Actual Results(b)	Difference (b)-(a)
Operating revenue	1,577	1,655	+78
Operating expense	539	550	+11
Rental Expenses (excl. depreciation and amortization)	199	193	-6
Depreciation	257	260	+2
Selling, general and administrative expenses	82	96	+14
Operating income	1,038	1,105	+67
Non-operating income	2	1	-1
Non-operating expenses	261	266	+5
Ordinary income	779	840	+61
Net income	779	840	+61

NOI Yield	5.6%	6.0%	-
Distribution per unit(JPY)	¥2,932	¥3,145	+¥213
Distributions per unit (JPY) (excluding distributions in excess of earnings)	¥2,708	¥2,921	+¥213
Distributions in excess of earnings per unit (JPY)	¥224	¥224	¥0

Key Variance Factors1

Operating revenue

- +78 (+¥272) Increase in variable rent

Operating expense

- -11 (-¥39) Increase in legal fees

Non-operating expenses

- -5 (-¥20) Increase in arrangement fees upon refinancing

- Figures in parentheses above indicate the impact on DPU. "+" indicates an increase in profit (distribution) and "-" indicates a decrease in profit (distribution).

Forecasts for the Fiscal Periods Ending January 2027 (3rd Fiscal Period) and July 2027 (4th Fiscal Period)

- Due to seasonal factors, variable rent tends to be higher in the January period than in the July period.

	FP Jan. 2027 Forecast			FP Jul. 2027 Forecast			(Unit: million yen)
	Jul '26 Actual (a)	FP Jan. 2027 Forecast (b)	Difference (b)-(a)	FP Jan. 2027 Forecast (a)	Jul '27 Forecast (b)	Difference (b)-(a)	
Operating revenue	1,655	1,738	+82	1,738	1,688	-49	
Operating expense	550	555	+4	555	565	+10	
Rental Expenses (excl. depreciation and amortization)	193	212	+19	212	196	-16	
Depreciation	260	261	0	261	261	0	
Selling, general and administrative expenses	96	81	-15	81	108	+27	
Operating income	1,105	1,182	+77	1,182	1,122	-60	
Non-operating income	1	1	0	1	1	0	
Non-operating expenses	266	258	-7	258	277	+18	
Ordinary income	840	925	+85	925	846	-79	
Net income	840	925	+85	925	846	-79	
NOI Yield	6.0%	6.1%	-	6.1%	6.1%	-	
Distribution per unit	¥3,145	¥3,443	+¥298	¥3,443	¥3,167	-¥276	
Distributions per unit (JPY) (excluding distributions in excess of earnings)	¥2,921	¥3,218	+¥297	¥3,218	¥2,942	-¥276	
Distributions in excess of earnings per unit (JPY)	¥224	¥225	+¥1	¥225	¥225	¥0	

Key Variance Factors – Jan 2027¹

FP Jul. 2026 Actual vs FP Jan. 2027 Forecast

Operating revenue

- +82 (+¥286) Increase in variable rent

Operating expense

- +12 (+¥43) Decrease in legal fees

Non-operating expenses

- +14 (+¥50) Drop-off of arrangement fees

Interest rate assumptions

- Rate hike in September 2026 factored in

Key Variance Factors – Jul 2027¹

FP Jan. 2027 Forecast vs FP Jul. 2027 Forecast

Operating revenue

- -49 (-¥172) Decrease in variable rent

Operating expense

- -25 (-¥87) Increase in asset management fees

Non-operating expenses

- -18 (-¥63) Arrangement fees arising from refinancing and higher interest expense

Interest rate assumptions

- Rate hike in March 2027 factored in

- Figures in parentheses above indicate the impact on DPU. "+" indicates an increase in profit (distribution) and "-" indicates a decrease in profit (distribution).

(Reference) Comparison of Actual Results for the July 2026 Fiscal Period (2nd) and the Forecast for the July 2027 Fiscal Period (4th)

- For the July 2027 fiscal period, distribution per unit is expected to increase +22 yen year on year, mainly driven by an increase in variable rent.
- Hotel KPIs are on an upward trend, and rental income is trending higher year on year.

(Unit: million yen)

	Jul '26 Actual (a)	Jul '27 Forecast (b)	Difference (b)-(a)
Operating revenue	1,655	1,688	+32
Operating expense	550	565	+15
Rental Expenses (excl. depreciation and amortization)	193	196	+2
Depreciation	260	261	0
Selling, general and administrative expenses	96	108	+11
Operating income	1,105	1,122	+17
Non-operating income	1	1	0
Non-operating expenses	266	277	+10
Ordinary income	840	846	+6
Net income	840	846	+6

NOI Yield	6.0%	6.1%	-
Distribution per unit	¥3,145	¥3,167	+¥22
Distributions per unit (JPY) (excluding distributions in excess of earnings)	¥2,921	¥2,942	+¥21
Distributions in excess of earnings per unit (JPY)	¥224	¥225	+¥1

Key Variance Factors¹

Operating revenue

- +32 (+¥113) Increase in variable rent

Operating expense

- +12 (+¥43) Decrease in legal fees
- -24 (-¥85) Increase in asset management fees Non-operating expenses
- -16 (-¥56) Increase in interest expense

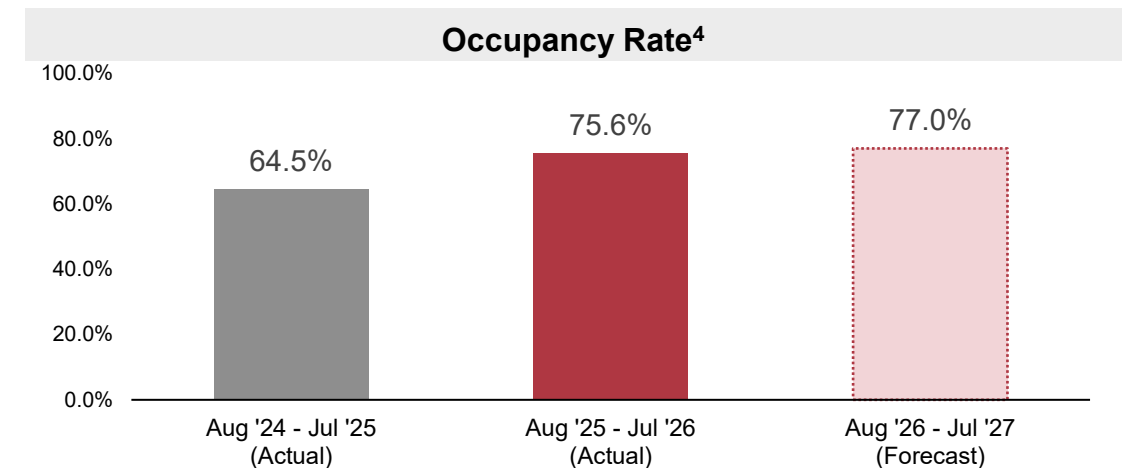
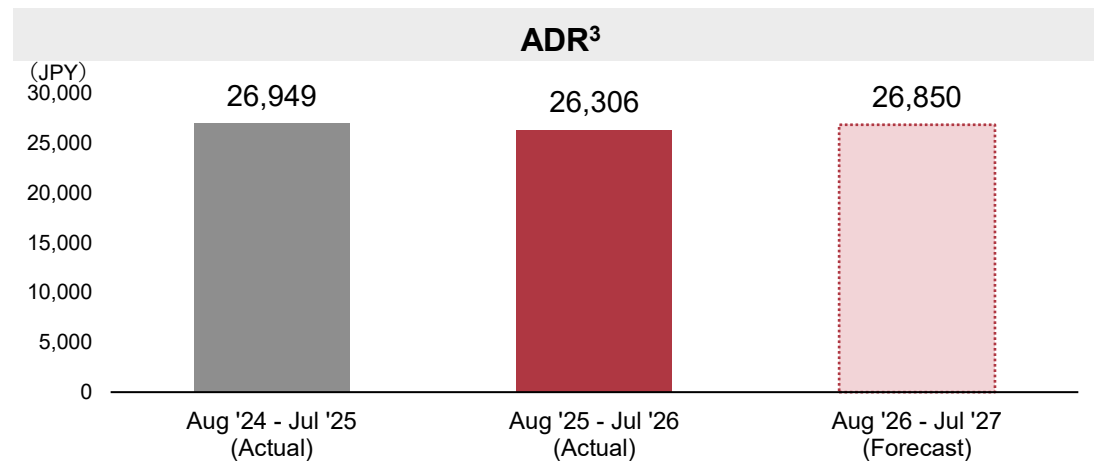
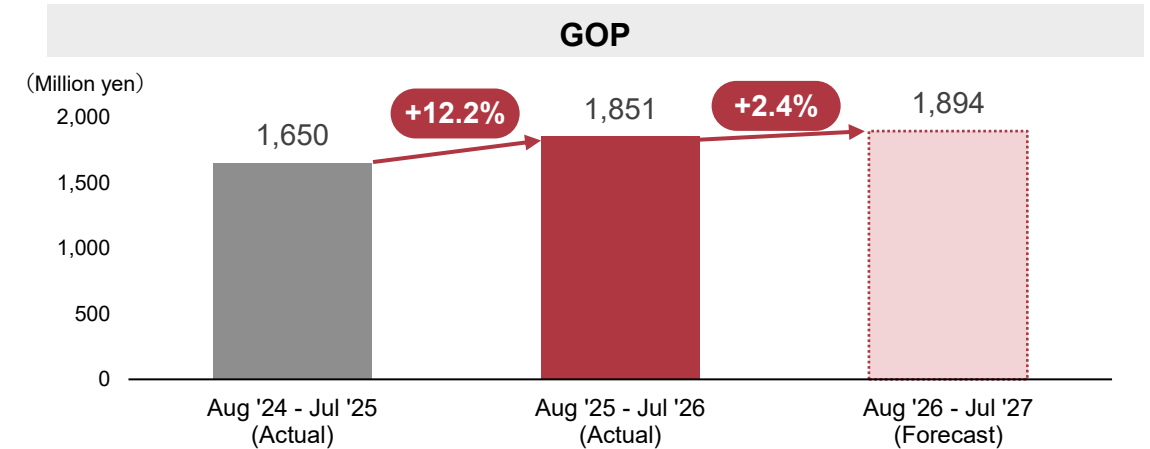
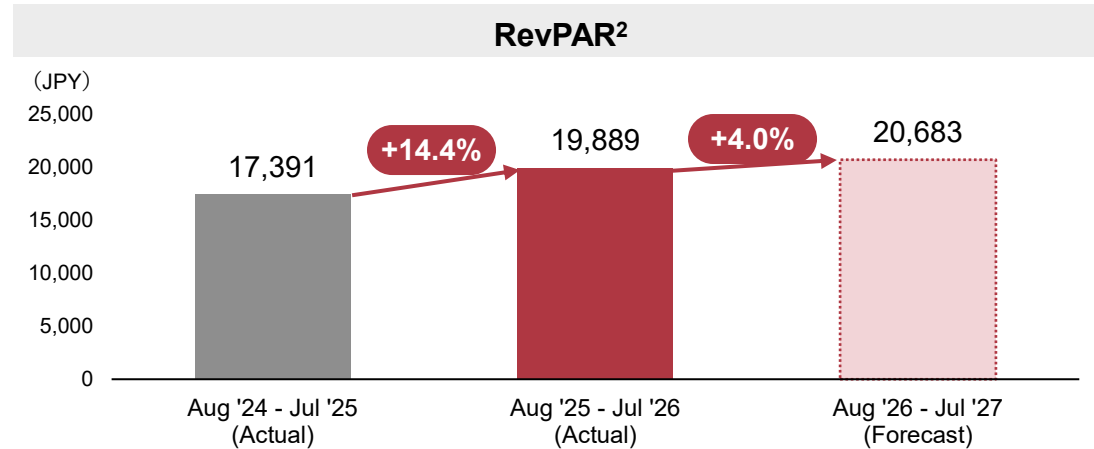
1. Figures in parentheses above indicate the impact on DPU. "+" indicates an increase in profit (distribution) and "-" indicates a decrease in profit (distribution).

02

Internal Growth

Hotel KPI of the 11 properties where variable rent has been introduced¹

- RevPAR rose +14.4% year on year for the one-year period through the July 2026 fiscal period, mainly driven by higher occupancy rates.
- For the one-year period through the July 2027 fiscal period, RevPAR is expected to rise +4.0% for the full year.



Initiatives for Internal Growth

- Following the renovation, seven x seven ITOSHIMA has significantly outperformed the same period of the previous year.
- Large-scale advertising rolled out in the Kyushu area (Fukuoka), where many portfolio properties are located.

Effect of the seven x seven ITOSHIMA renovation

- ✓ The renovation was carried out to enhance the value of the hotel experience in light of operations since opening. The concept is a stay in which food, music, wellness and activities connect comfortably, set against the backdrop of the nature of Itoshima.
- ✓ Since the renovation, each KPI has improved significantly year on year, and higher food and beverage sales have also contributed substantially to GOP growth.

ADR¹

vs. same period of
previous year

+9.2%

Occupancy
Rate¹

vs. same period of
previous year

+16.1pt

RevPAR¹

vs. same period of
previous year

+39.6%

GOP¹

vs. same period of
previous year

+89.5%



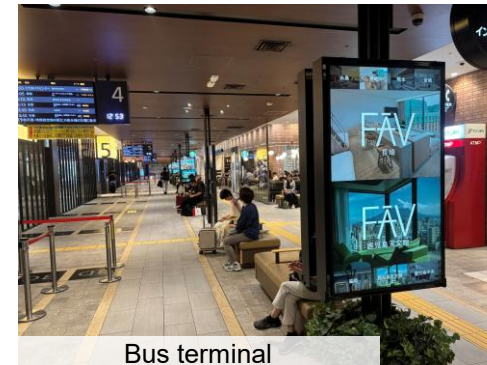
New terrace and lounge area



New pool and sauna area

Advertising to raise hotel brand awareness

- ✓ Large-scale advertising rolled out in Fukuoka City to raise hotel brand awareness.



Bus terminal



Tenjin Station



Tenjin Station

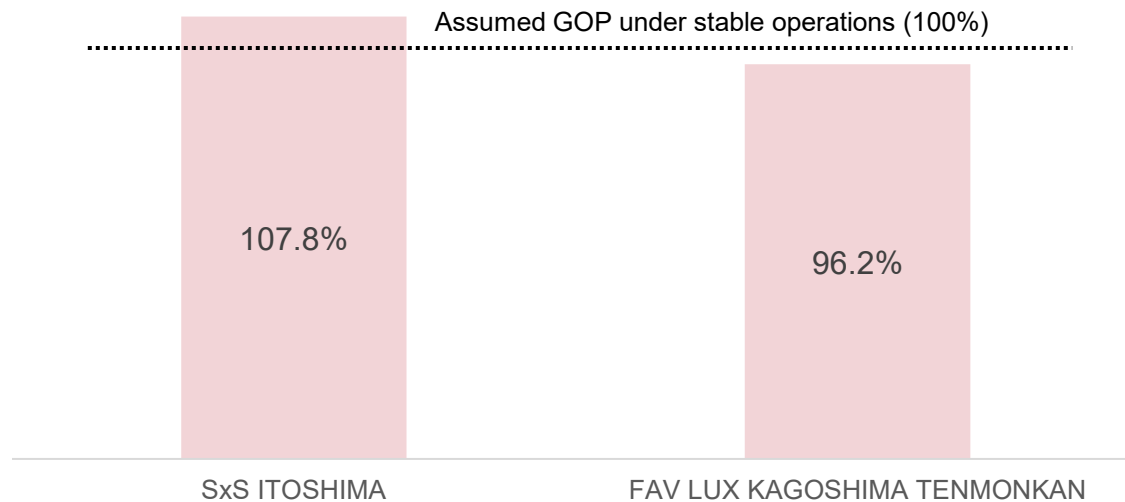
1. Calculated by comparing actual results from April 2026 through the end of July 2026 after the renovation reopening with the same period of the previous year.

Progress at Fixed Rent Properties

- seven x seven ITOSHIMA and FAV LUX KAGOSHIMA TENMONKAN are expected to reach the GOP assumed under stable operations¹, with approximately one year remaining in their fixed rent periods.
- Internal growth will accelerate as the four fixed rent properties transition to variable rent.

Achievement rate against GOP under stable operations²

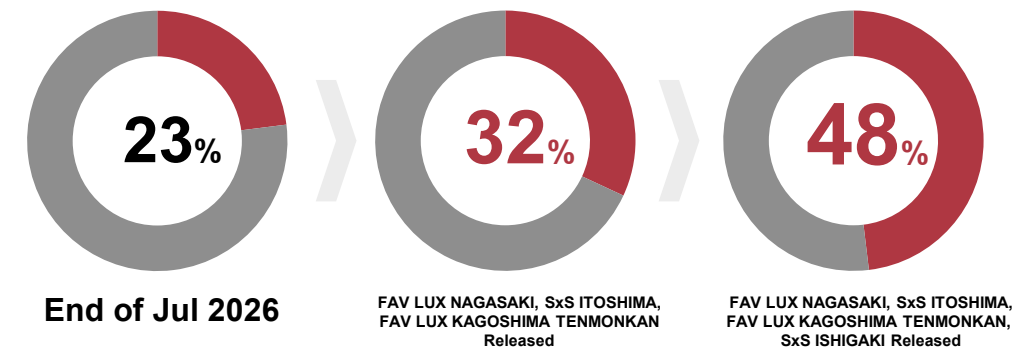
Against the originally scheduled two-year fixed rent period (ending August 2027), the properties have nearly reached the GOP assumed under stable operations ahead of schedule.



1. Refers to the GOP under stable operating conditions assumed by the Kasumigaseki Hotel REIT Investment Corporation.
2. Achievement rates are calculated using, for seven x seven ITOSHIMA, actual figures from April to July 2026 following the renovation reopening and forecast figures for August and September, and, for FAV LUX KAGOSHIMA TENMONKAN, actual figures from January to June 2026.

Estimated effect of the transition to variable rent³

Variable rent ratio



Estimated EPU change from a 1% rise in RevPAR

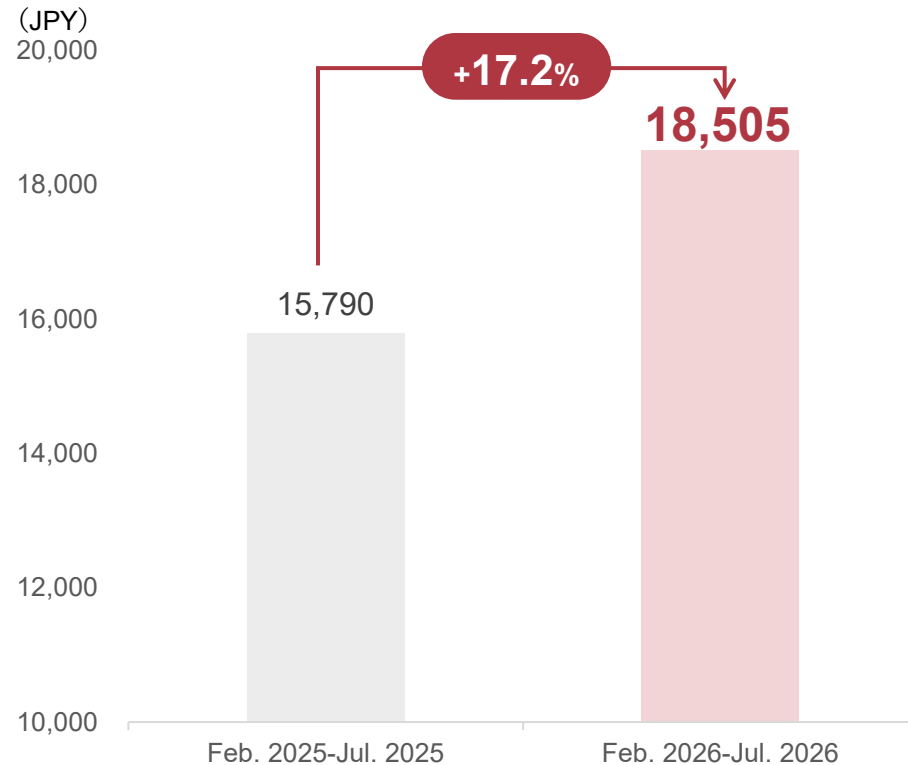


3. Based on the assumed rents for the January 2027 and July 2027 fiscal periods, rent for FAV LUX NAGASAKI, seven x seven ITOSHIMA, FAV LUX KAGOSHIMA TENMONKAN and seven x seven ISHIGAKI is estimated assuming that the fixed rent periods have ended and variable rent under the stable operating conditions assumed by the Kasumigaseki Hotel REIT Investment Corporation applies, and calculating the rent in the case of a 1% increase in RevPAR.

Accommodation Demand at Regional Properties and the Government Target for Overnight Stays by Inbound Visitors

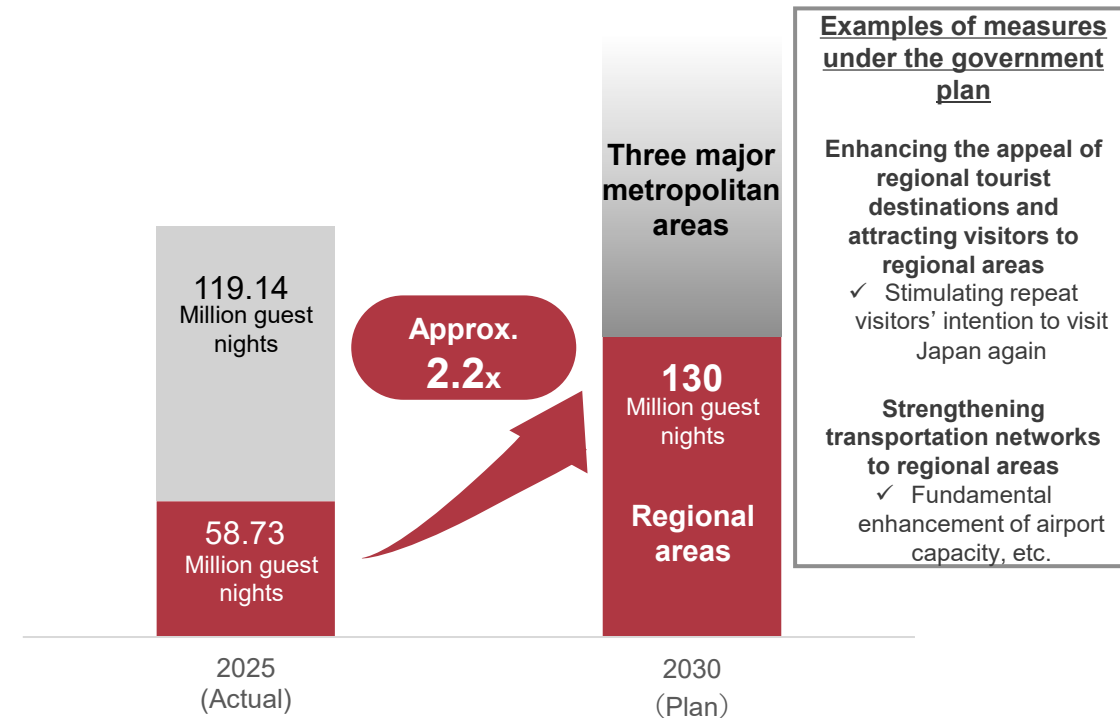
- During the July 2026 fiscal period, RevPAR at the nine properties located in regional areas¹, among the 11 properties where variable rent has been introduced, increased +17.2%.
- The Basic Plan for Promoting a Tourism-Oriented Country² also lists “promoting visitor attraction to regional areas” as one of its measures, and further promotion of the tourism industry in regional areas is expected.

RevPAR growth at the nine properties located in regional areas



Target for overnight stays by inbound visitors in regional areas³ under the Basic Plan for Promoting a Tourism-Oriented Country

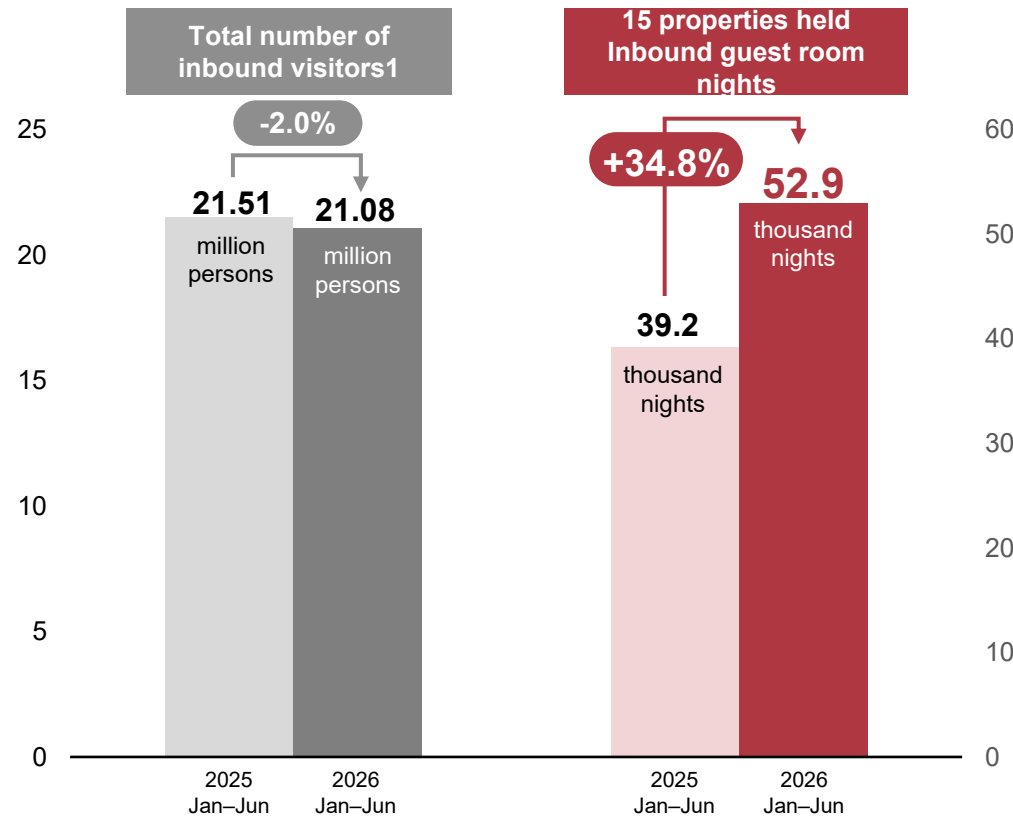
Target to substantially increase overnight stays by inbound visitors in regional areas by 2030.



Share of guests by country

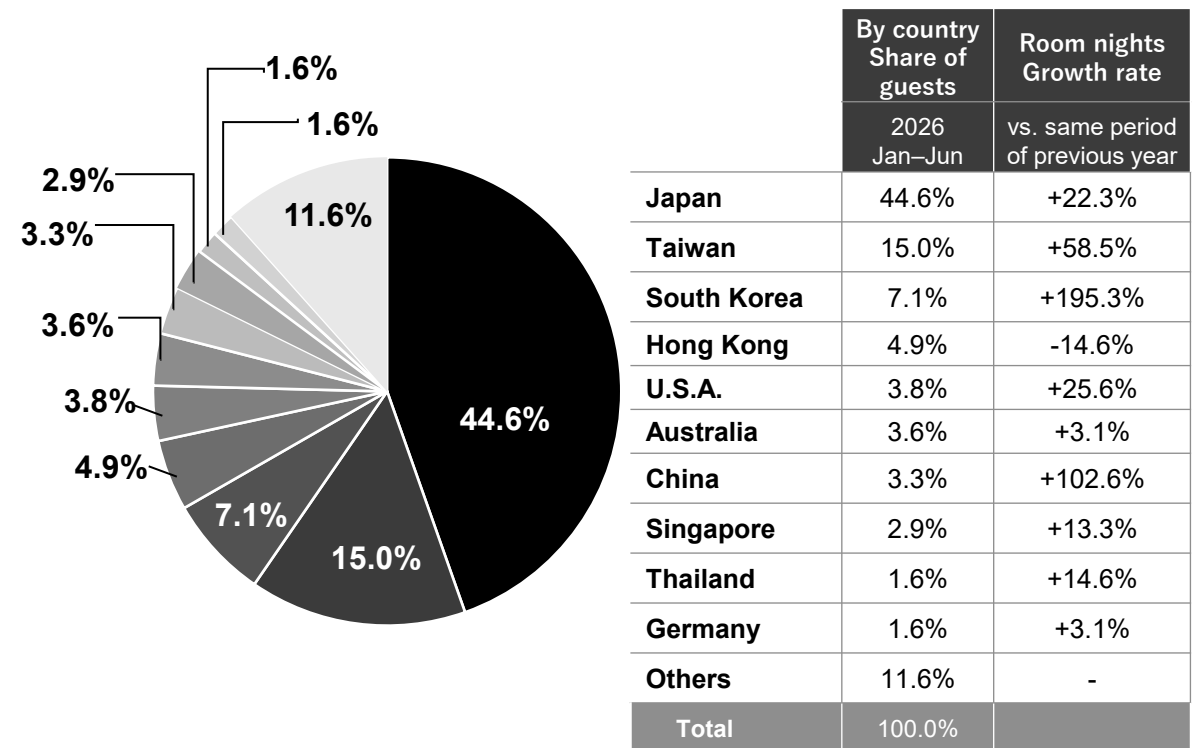
- Although the number of inbound visitors to Japan declined slightly, inbound guest room nights at the Kasumigaseki Hotel REIT Investment Corporation's properties rose sharply, up +34.8% year on year for January–June 2026, indicating firm inbound demand.
- Inflows from South Korea and Taiwan increased particularly sharply.

Change in the number of inbound visitors¹ and inbound room nights at the 15 properties held



1. Prepared based on the Japan National Tourism Organization (JNTO) "Inbound Visitor Statistics."

Share of guests by country^{2,3}



2. In the January 2026 fiscal period presentation, figures were presented on a number-of-bookings basis; from this presentation, the share of guests by country is presented on a room-nights basis.
3. For the 15 properties held as of the end of July 2026, figures are aggregated for the period from January to June 2026.

Features and Strengths of the Hotels Owned (1)

Growth potential leveraging the features of the Kasumigaseki Hotel REIT Investment Corporation's ("KHR" or "Investment Corporation") properties — multi-occupancy hotels, hotels developed across Japan and labor-saving operations — together with a rent structure that readily captures upside.

Multi-occupancy hotels

Demand for multi-occupancy hotels is strong, and a high DOR is maintained.

DOR^{1,2} **3.2** persons

(Reference) DOR

Market average³: 1.6 persons

3) Estimated using statistical data as "DOR = total number of guests ÷ (total number of rooms × occupancy rate)."

Hotels developed across Japan

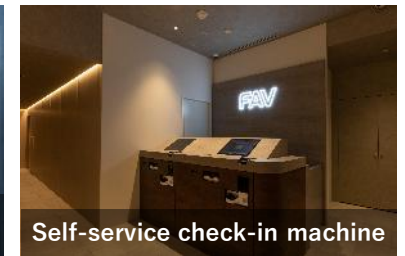
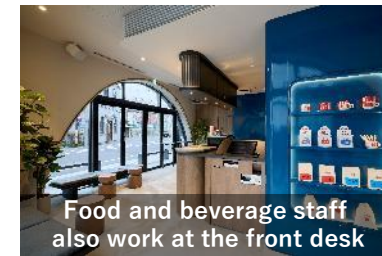
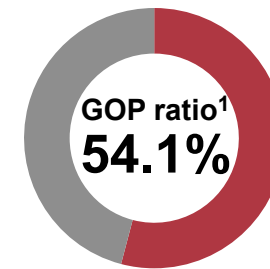
A portfolio able to capture accommodation demand across Japan

Properties in regional areas outside Tokyo

13 properties / **15** properties

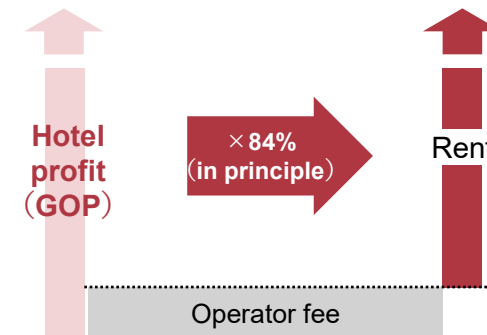
Labor-saving operations

High GOP ratio due to efficient management



Rent structure

A rent structure that captures upside by linking to increases in hotel profit (GOP)



1. Aggregated for the July 2026 fiscal period.

The notes on this page constitute an integral part of this presentation. See page 61.

Features and Strengths of the Hotels Owned (2)

Strengthening the hotel brand with a renowned art director



DAVID MISKIN | BRAND DIRECTOR

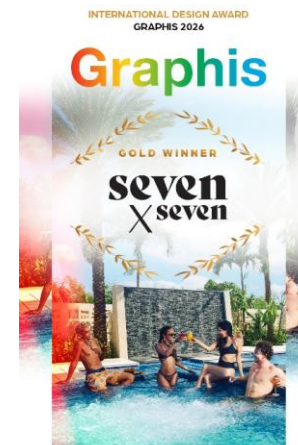
Born in New York, with over 25 years of experience as a marketing executive and luxury branding expert. Known for a visionary approach, and has demonstrated leadership at major agencies and corporations, including as CEO of the Cultural Asset division at Iris-Worldwide North America, CMO/CCO of The Lightstone Group, and VP of Creative & Brand Strategy at GGP/Brookfield Properties Retail. Has also been involved in branding projects for leading companies including the Marriott group, Lamborghini, Netflix, Samsung, Starbucks and ABC Carpet & Home. Joined Kasumigaseki Capital in 2023 and serves as branding director for the projects undertaken by FHG.



seven **X seven** ISHIGAKI

Luxury Japan Award 2025

The 10 Best Hotels in
Japan 2025
Selected for



Graphis Design 2026 Awards Branding Systems category*

Gold Award

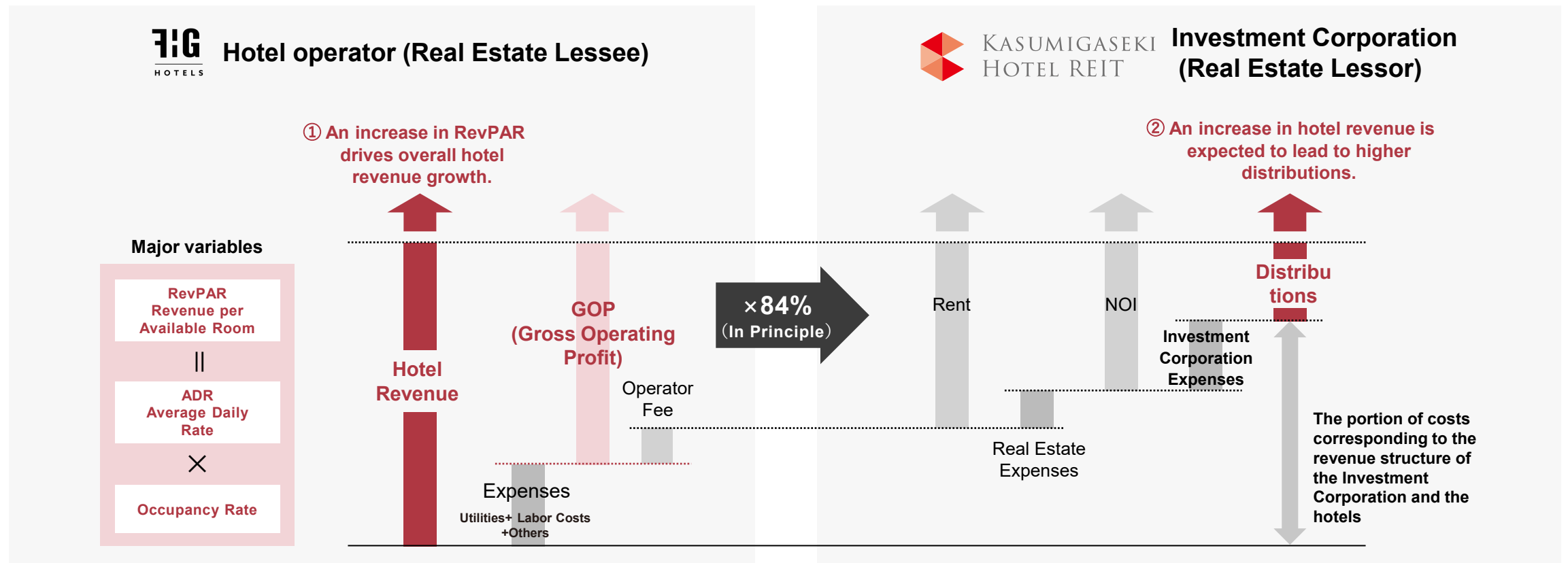
First award in the hotel
category

*Organizing a brand as a consistent system while
creatively expressing its distinctive appeal

Rental structure (1/2)

The rent structure is designed to support higher distributions by allowing the Investment Corporation to benefit from increased rental income driven by improvements in GOP.

■ Image related to hotel revenue, distributions, etc.

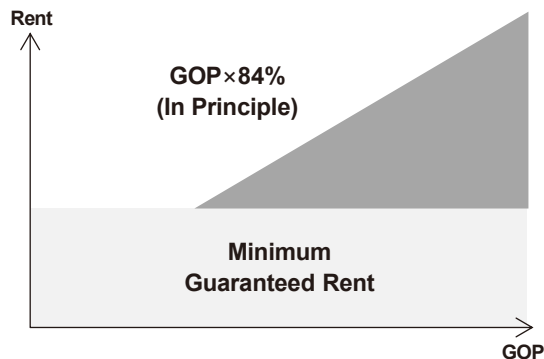


Rental structure (2/2)

Rent is generally linked to GOP, with a minimum guaranteed rent in place to secure a certain level of rental income. In addition, certain properties have periods during which rent is fully fixed.

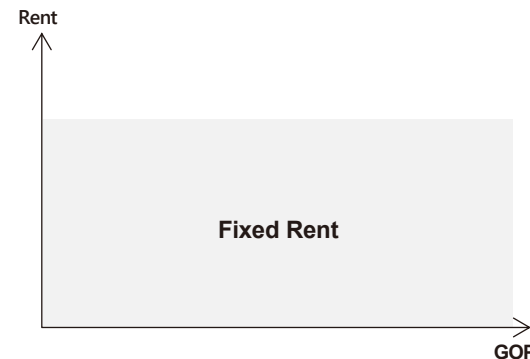
Details of the rent structure

- 11 properties where variable rent has been introduced



The rent is structured as a variable rent linked to GOP, with a minimum guaranteed rent established to ensure a minimum guaranteed rent amount even if GOP decreases.

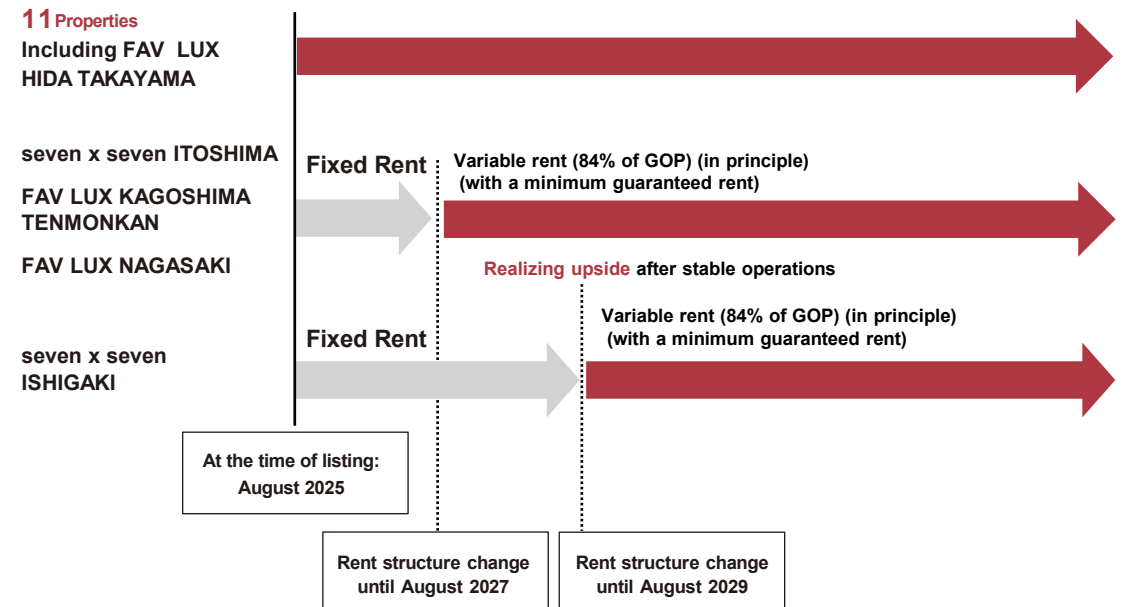
- The four recently opened properties



The fixed rent is based on assumed hotel revenue levels under stable operating conditions.

Details of fixed rent structure

A fully fixed rent structure has been applied to the four recently opened properties until such time as KHR expects hotel revenues and earnings to stabilize. Meanwhile, if stable performance is achieved during the fixed rent period and certain conditions are met, **the lessee has committed to good-faith discussions—at the lessor's request—regarding a transition to a variable rent structure (with a minimum guaranteed rent)**, as applied to the other 11 properties. This scheme is designed to balance cash flow stability while also capturing upside potential of rent income through earlier-than-expected increases in GOP.

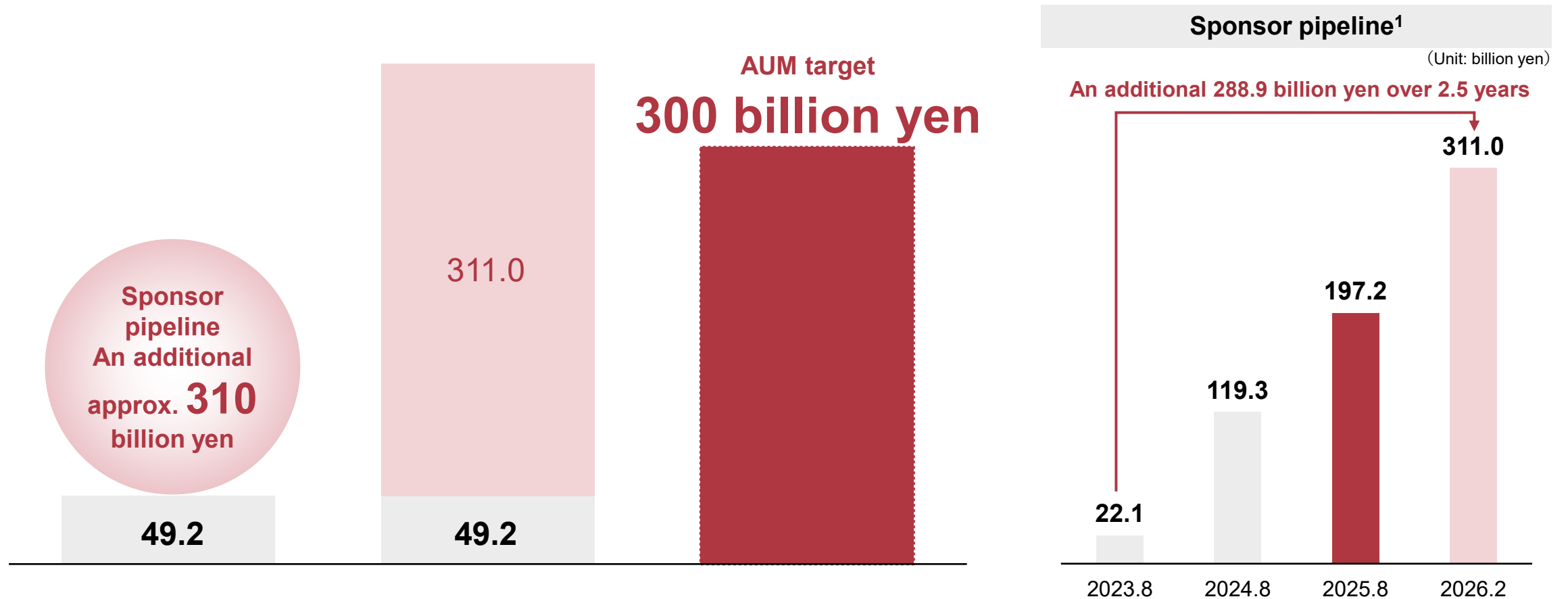


04

External Growth

External Growth Target and Sponsor Pipeline

- Aim to achieve AUM (acquisition price basis) of 300 billion yen within five years.
- The pipeline has expanded to approximately 310 billion yen, supported by the sponsor group's rapid development.



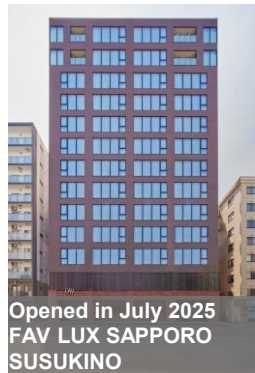
1. Prepared based on the business scale disclosed in Kasumigaseki Capital Co., Ltd.'s "H1 FYE8/2026 Financial Results" See P.61 for the other notes on this page.

Hotel Opening Schedule

Pipeline hotels are opening across Japan.

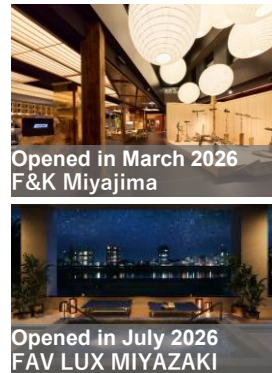
FP Jan. 2026

3 properties



FP Jul. 2026

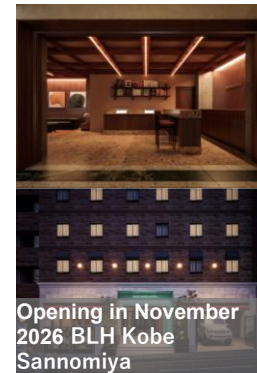
4 properties



FH G
HOTELS

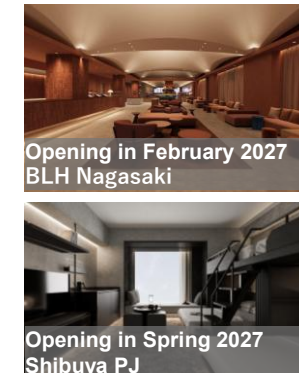
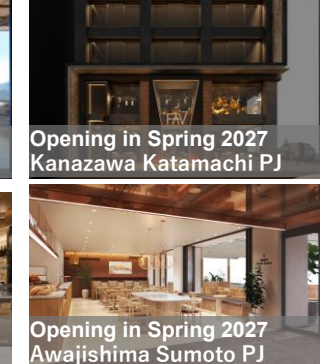
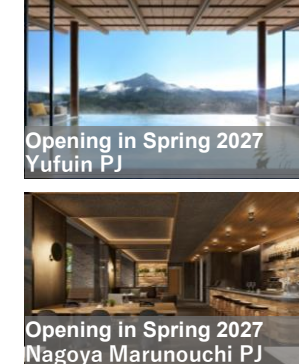
FP Jan. 2027

3 properties



FP Jul. 2027

7 properties



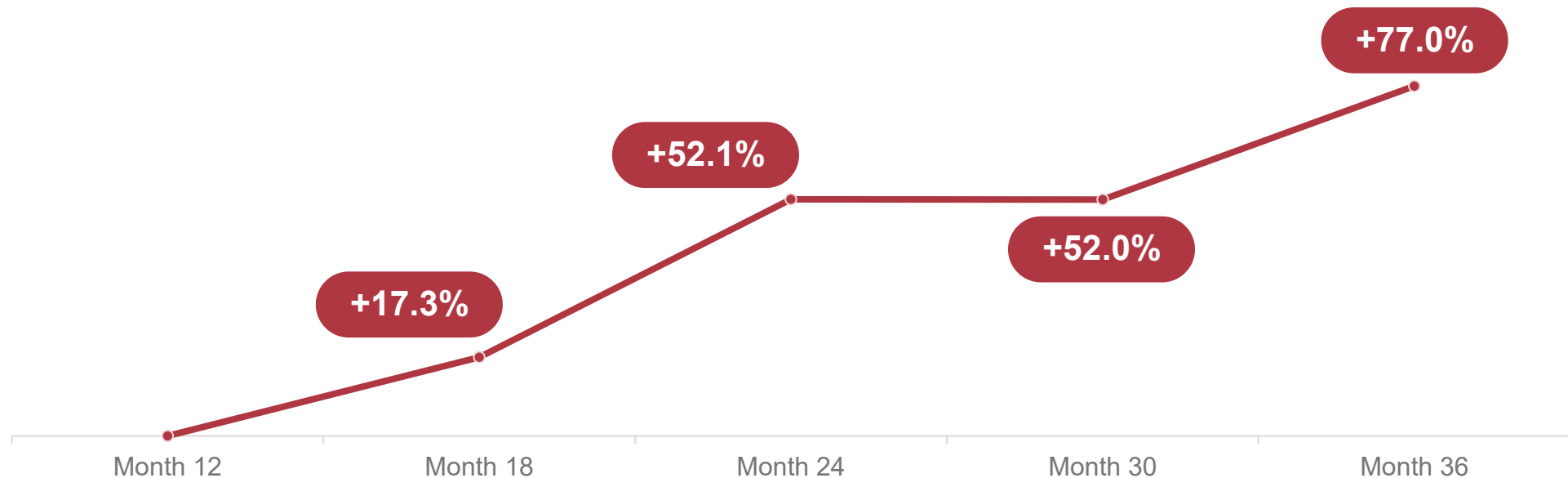
FH G
HOTELS

KPI Growth within a Few Years after Opening

- As a characteristic of recently built properties, KPIs tend to grow significantly within the first few years after opening as hotel awareness increases.
- By acquiring hotels at an early stage after opening, KHR can expect greater internal growth.

Average RevPAR growth after opening at the 11 properties where variable rent has been introduced¹

Indexing month 12 after opening to 1.0, RevPAR rose +77.0% over the 24 months to month 36

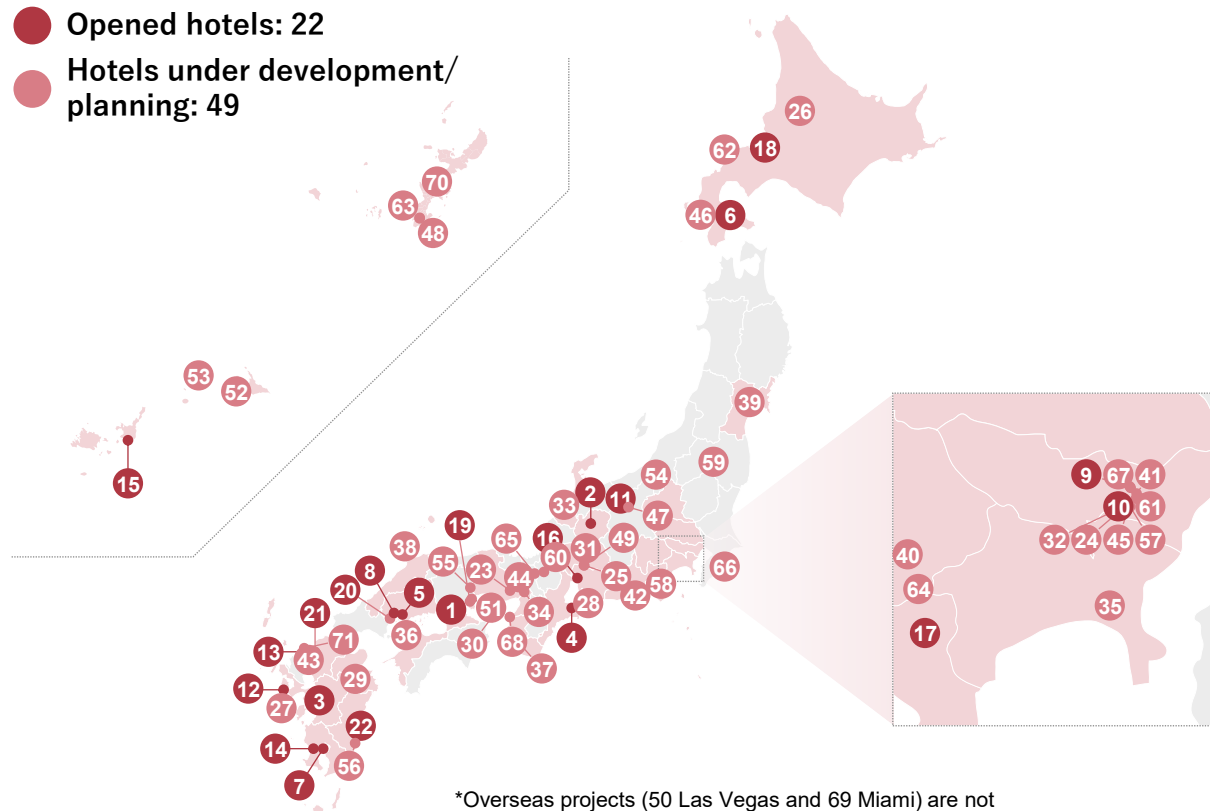


1. Calculated as the simple average across properties of the RevPAR growth rate for each property from month 12 after opening.

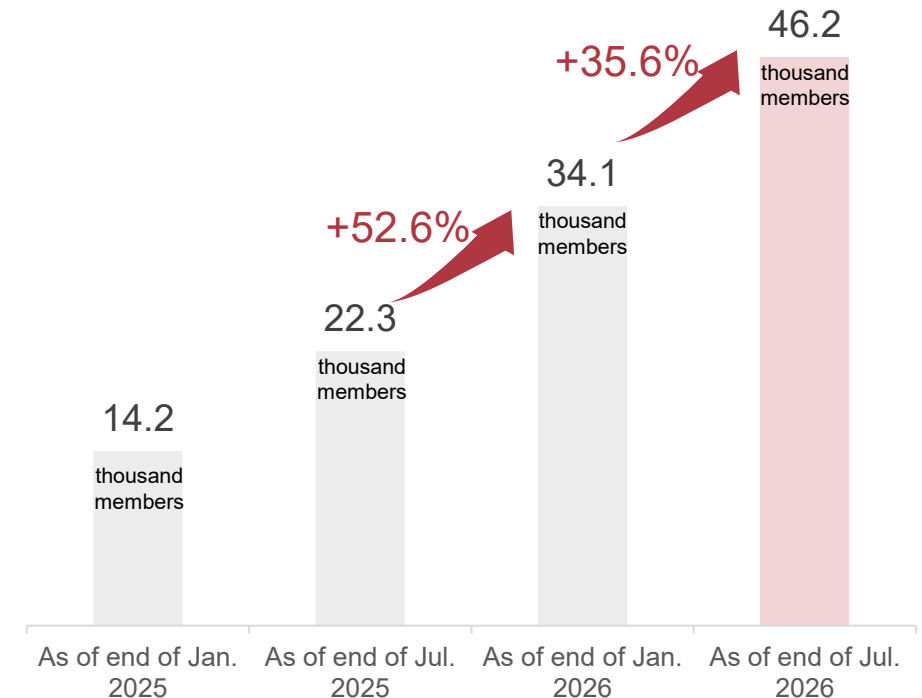
Geographic Diversification

- Acquiring pipeline properties will achieve more balanced portfolio diversification.
- With more members and more hotels opening, coverage expands from individual points to a broader network (an increase in repeat guests using FHG brand hotels in multiple locations is expected).

Project Map



Hotel membership program members
(FHG Loyalty Program)



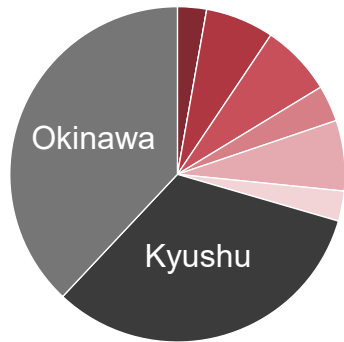
Geographic Diversification

Shifting toward more balanced geographic diversification through the acquisition of pipeline properties.

Diversification by region¹

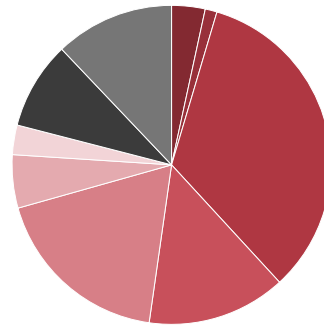
- ✓ As the share of the Kyushu and Okinawa areas is high, acquiring properties will enhance geographic diversification.

■ Portfolio as of the end of FP Jul. 2026



■ Hokkaido ■ Tohoku ■ Kanto ■ Chubu ■ Kinki
■ China ■ Shikoku ■ Kyushu ■ Okinawa

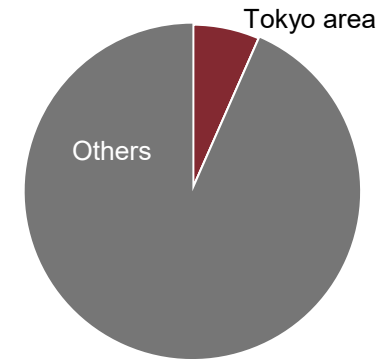
■ Sponsor Pipeline



Diversification by metropolitan area^{1,2}

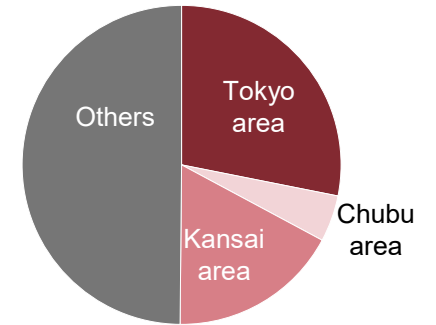
- ✓ The pipeline also includes properties in major metropolitan areas such as the Tokyo and Kansai areas, which would enable the KHR to capture urban tourism demand upon acquisition.

■ Portfolio as of the end of FP Jul. 2026



■ Tokyo area ■ Chubu area ■ Kansai area ■ Others

■ Sponsor Pipeline



2. Aggregated as follows. Tokyo area: properties located in Tokyo, Kanagawa, Saitama and Chiba Prefectures. Chubu area: properties located in Aichi Prefecture. Kansai area: properties located in Osaka, Kyoto and Hyogo Prefectures.

1. Prepared based on acquisition price or the business scale provided by the sponsor (total project cost on a cost basis).

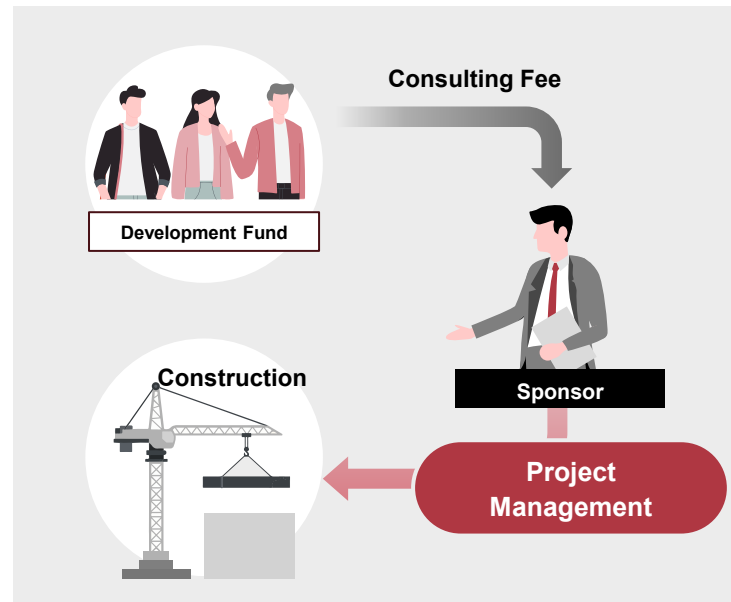
Sponsor's Business Model

By off-balancing assets and reinvesting the recovered capital, aiming to control risk while achieving a phased and accelerated buildup of the project pipeline



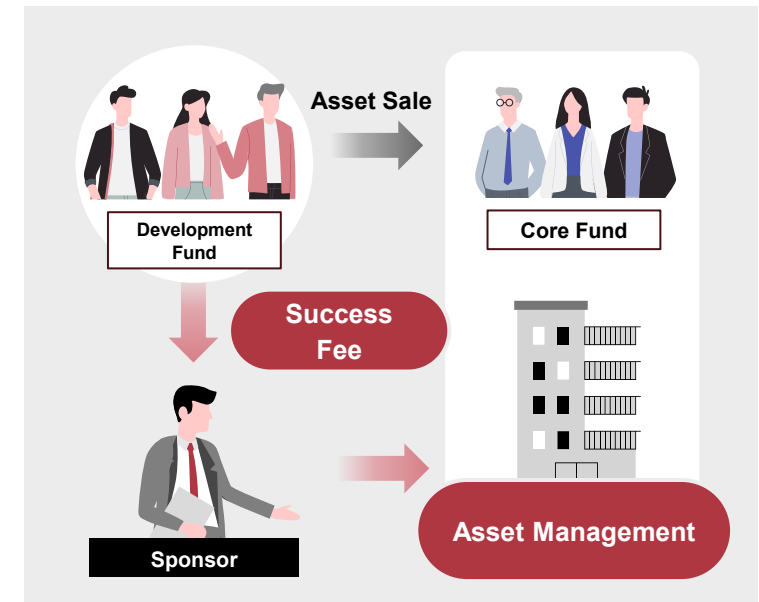
Value-Added Land Sales to Development Funds

- The sponsor acquires land for development.
- It provides optimal development planning, adds value to the land, and sells it to a development fund—typically within approximately six months.
- This land sale allows for off-balance-sheet treatment, contributing to the sponsor's sound financial standing.



Development Execution as a Project Manager

- As the developer, the sponsor is involved in project management.
- Additionally, it continues asset management as the fund manager of the development fund.



Post-Completion Property, Sales to Core Funds

- Upon completion of construction, the developed property is sold by the development fund to a core fund.
- The sponsor group continues to provide asset management for the core fund even after the sale.
- With regard to hotels, it is expected that the KHR will be a candidate as the purchaser from the development fund.

<Reference> Sponsor Pipeline List

The sponsor group currently has numerous development projects underway.

Opened KHR Portfolio

	Project Name	number of rooms
1	fav TAKAMATSU	41
2	fav HIDA TAKAYAMA	38
3	fav KUMAMOTO	67
4	fav ISE	36
5	fav HIROSHIMA STADIUM	33
6	fav HAKODATE	30
7	fav KAGOSHIMA CHUO	51
8	fav HIROSHIMA HEIWAODORI	51
9	fav TOKYO NISHINIPPORI	24
10	fav TOKYO RYOGOKU	19
11	FAV LUX HIDA TAKAYAMA	53
12	FAV LUX NAGASAKI	52
13	seven x seven ITOSHIMA	47
14	FAV LUX KAGOSHIMA TENMONKAN	63
15	seven x seven ISHIGAKI	121
16	BASE LAYER HOTEL NAGOYA NISHIKI	186
17	edit x seven FUJI GOTEMBA	49
18	FAV LUX SAPPORO SUSUKINO	84
19	edit x seven Setouchi Shodoshima	45
20	HOTEL FORK & KNIFE Miyajima	34
21	BASE LAYER HOTEL FUKUOKA	126
22	FAV LUX MIYAZAKI	41

Under development/planning

	Project Name	number of rooms	Scheduled opening
23	BASE LAYER HOTEL KOBE SANNOMIYA	82	Nov 2026
24	BASE LAYER HOTEL ROPPONGI	64	Dec 2026
25	BASE LAYER HOTEL _UNION NAGOYA SAKAE	86	Jan 2027
26	FAV LUX ASAHIKAWA	64	Feb 2027
27	BASE LAYER HOTEL NAGASAKI	140	Feb 2027
28	Ujiyamada Hotel PJ	49	Winter 2027
29	Yufuin Hotel PJ	39	Spring 2027
30	Awajishima Sumoto Hotel PJ	59	Spring 2027
31	Nagoya Marunouchi Hotel PJ	59	Spring 2027
32	Shibuya-ku Hotel PJ	23	Spring 2027
33	Kanazawa-shi Katamachi Hotel PJ	59	Spring 2027
34	Osaka Nihonbashi Hotel PJ	54	Fall 2027
35	Kamakura Yukinoshita Hotel PJ	44	Winter 2027
36	Matsuyama Ichiban-cho Hotel PJ	66	Winter 2027
37	Nanki-Shirahama Hotel PJ	74	Winter 2028
38	Shimane Izumo Hotel PJ	97	Winter 2028
39	Sendai Aoba-dori Hotel PJ	70	Winter 2028
40	Fujikawaguchiko Hotel PJ	63	Spring 2028
41	Asakusa Kaminarimon Hotel PJ	32	Summer 2028
42	Atami Ginza-cho Hotel PJ	46	Summer 2028
43	Hakata-eki Minami Hotel PJ	74	Summer 2028
44	Osaka Honmachi Hotel PJ	117	Summer 2028



<Reference> Sponsor Pipeline List

The sponsor group currently has numerous development projects underway.

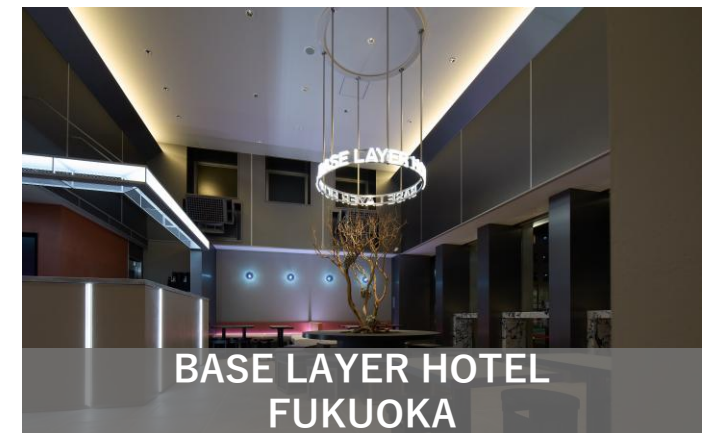
Under development/planning

	Project Name	Number of rooms	Scheduled opening
45	Ginza 8 Hotel PJ	28	Fall 2028
46	fav HAKODATE Annex PJ	34	Fall 2028
47	Matsumoto Asama Onsen Hotel PJ	68	Winter 2028
48	Naha Higawa Hotel PJ	105	Summer 2029
49	Nagoya Nishiki 3-chome PJ	110	Summer 2029
50	Las Vegas 4000 Paradise Hotel PJ (tent.)	Planning	Spring 2030
51	Shodoshima Kobe Hotel PJ	Planning	Planning
52	Miyako Nishihama Beach Hotel PJ	Planning	Planning
53	Miyako Irabujima Hotel PJ	Planning	Planning
54	Gunma Kusatsu Hotel PJ	Planning	Planning
55	Okayama Hinase Hotel PJ	Planning	Planning
56	Miyazaki Aoshima Hotel PJ	Planning	Planning
57	Ginza EAST Hotel PJ	Planning	Planning
58	Izusan Hotel PJ	Planning	Planning
59	Nasu Yumoto Hotel PJ	Planning	Planning
60	Shiga Kusatsu Renovation PJ	Planning	Planning
61	Kinshicho Hotel PJ	Planning	Planning
62	Sapporo Chuo Rebranding PJ	Planning	Planning
63	Naha-shi Matsuo Hotel PJ	Planning	Planning
64	Yamanakako Hotel PJ	Planning	Planning

Under development/planning

	Project Name	Number of rooms	Scheduled opening
65	Kyoto Ryokan Rebranding PJ	Planning	Planning
66	Kisarazu Hotel PJ	Planning	Planning
67	Nippori Hotel PJ	Planning	Planning
68	Wakayama Marina City PJ	Planning	Planning
69	Miami BLOCK C EAST PJ (tent.)	Planning	Planning
70	Okinawa Onna Village PJ	Planning	Planning
71	Fukuoka Conversion PJ	Planning	Planning

*Overseas projects (50 Las Vegas and 69 Miami) are not included in the pipeline



05

Financial Status

Financial Highlights

Financial highlights (as of the end of the 2nd fiscal period)

LTV¹
44.1%

NAV per unit
¥117,237

Credit Rating
(JCR)
A-

Average debt
interest rate²
1.80%

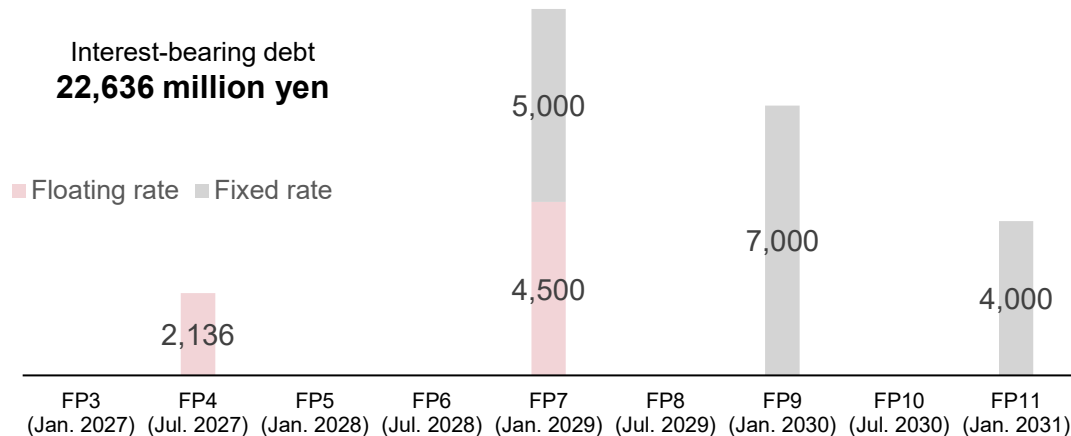
Fixed Interest
Rate Debt Ratio³
70.7%

Average remaining
debt term⁴
2.5 years

Diversification of repayment dates (as of the end of the 2nd fiscal period)

- ✓ As most borrowings maturing in the January 2029 fiscal period and thereafter are at fixed rates, the impact of rising interest rates will be limited through the July 2028 fiscal period.

(Unit: million yen)



Financial policy

LTV

In principle, total asset LTV is controlled with a target range of 40–50%.

Fixed/variable ratio

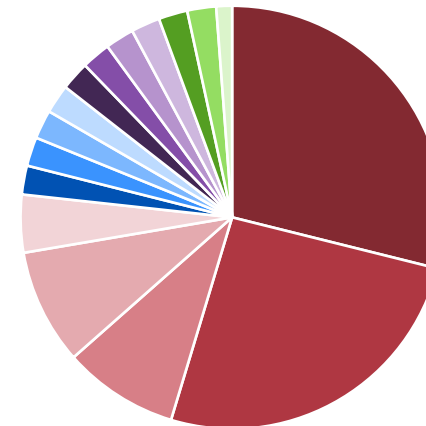
While primarily using fixed interest rates, KHR also raises funds on a short-term and floating-rate basis to contain interest costs, and controls the fixed/floating mix in line with market conditions.

Looking for additional lenders

KHR is actively developing new lender relationships to achieve external growth from its extensive pipeline.

Lenders (as of the end of the 2nd fiscal period)

- ✓ A lender formation supported by lenders that have a track record with the sponsor group and a deep understanding of the hotels owned by the Investment Corporation.
- ✓ Two new banks joined through refinancing.



	Ratio	Outstanding borrowings
Mizuho Bank	28.8%	6,525
MUFG Bank	25.7%	5,811
Aozora Bank	8.8%	2,000
The Tokyo Star Bank	8.8%	2,000
San ju San Bank	4.4%	1,000
Chiba Bank	2.2%	500
The Nishi-Nippon City Bank	2.2%	500
The Chugoku Bank	2.2%	500
Shiga Bank	2.2%	500
Kansai Mirai Bank	2.2%	500
Daishi Hokuetsu Bank	2.2%	500
The Yamanashi Chuo Bank	2.2%	500
The Shizuoka Bank	2.2%	500
The 77 Bank	2.2%	500
The Bank of Iwate	2.2%	500
The Higo Bank	1.3%	300
Total	100.0%	22,636

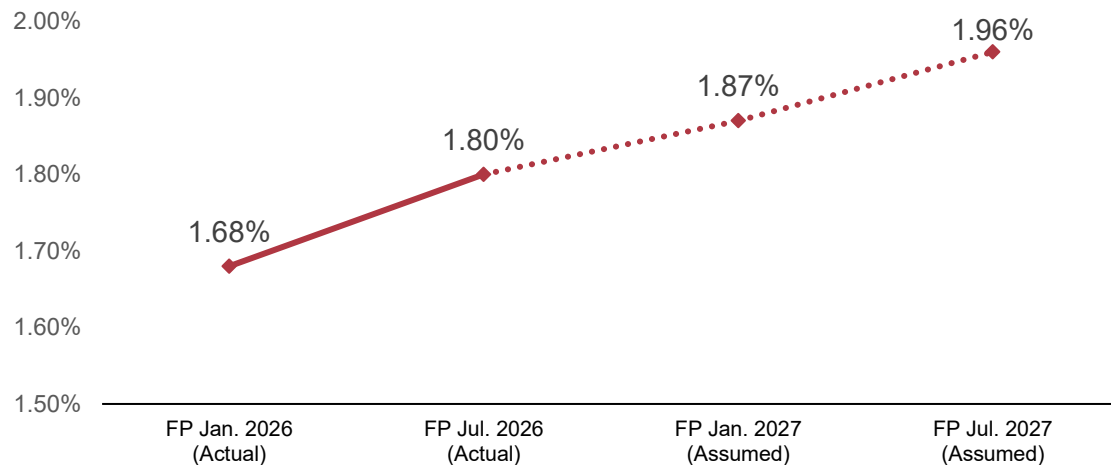
Interest Rate Rise Assumptions and Estimated Impact

The earnings forecast already incorporates a scenario of future interest rate rises.

Interest rate scenario in the earnings forecast		
	FP Jan. 2027 (3rd)	FP Jul. 2027 (4th)
Policy rate scenario	+0.25% in September 2026	+0.25% in March 2027
Assumed as of period end applicable interest rate	1.87% (+0.07% vs. end of FP Jul. 2026)	1.96% (+0.16% vs. end of FP Jul. 2026)
Assumed as of period end Fixed interest rate ratio	70.7%	70.7%

Sensitivity analysis of rising interest rates		
Interest rate sensitivity	Impact of +0.25%	Impact of +0.50%
Floating-rate borrowings	6,636 million yen	
Increase in interest expense (per period)	8.2 million yen	16.5 million yen
Impact on DPU (per period)	-¥28	-¥57
RevPAR increase required to offset	+1.1%	+2.2%

■ Trend in applicable interest rate (assumed)



■ Assumptions

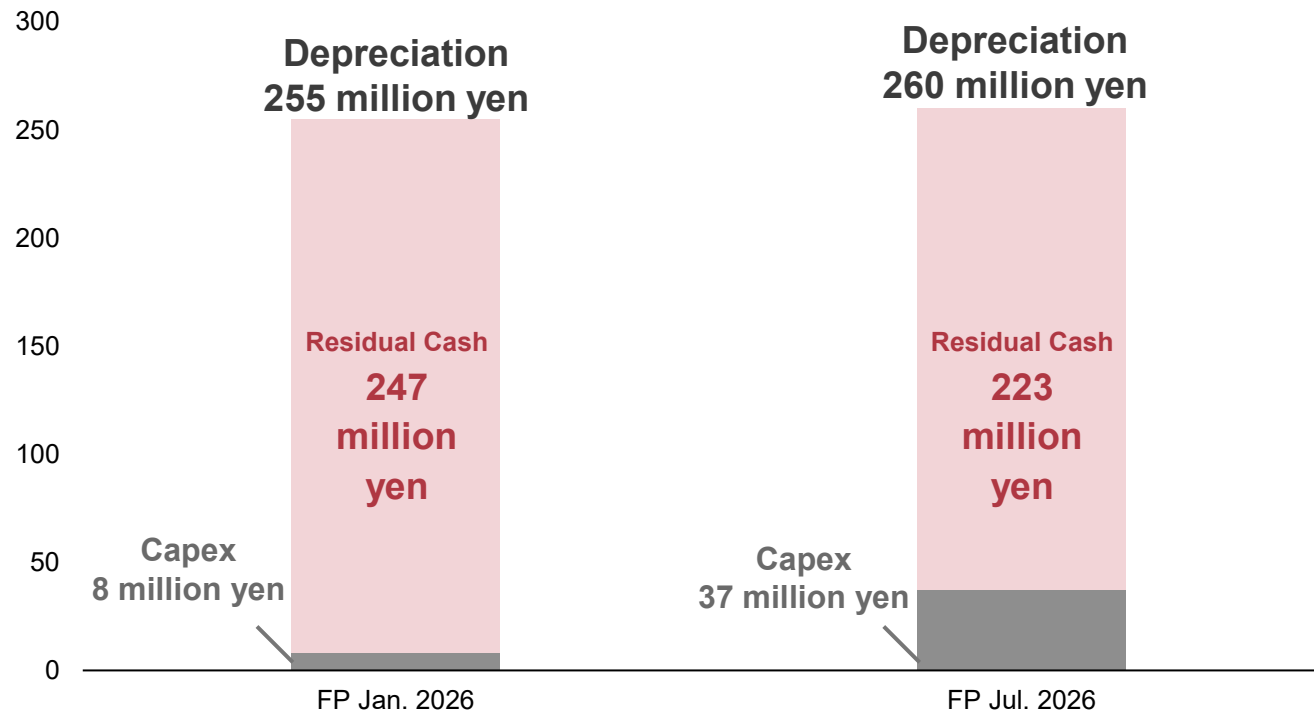
- ✓ The applicable interest rate on fixed-rate debt is unchanged from the end of the July 2026 fiscal period (2nd fiscal period).
- ✓ Estimated impact assuming the applicable floating interest rate changes from the beginning of the period.
- ✓ Assumes no change in the Investment Corporation's revenue or in expenses other than interest expense in the earnings forecast for the January 2027 fiscal period.

Depreciation and Cash Management

As the properties are relatively new, it is unlikely that significant capital expenditures will arise within the next few years, allowing for strategic use of available cash.

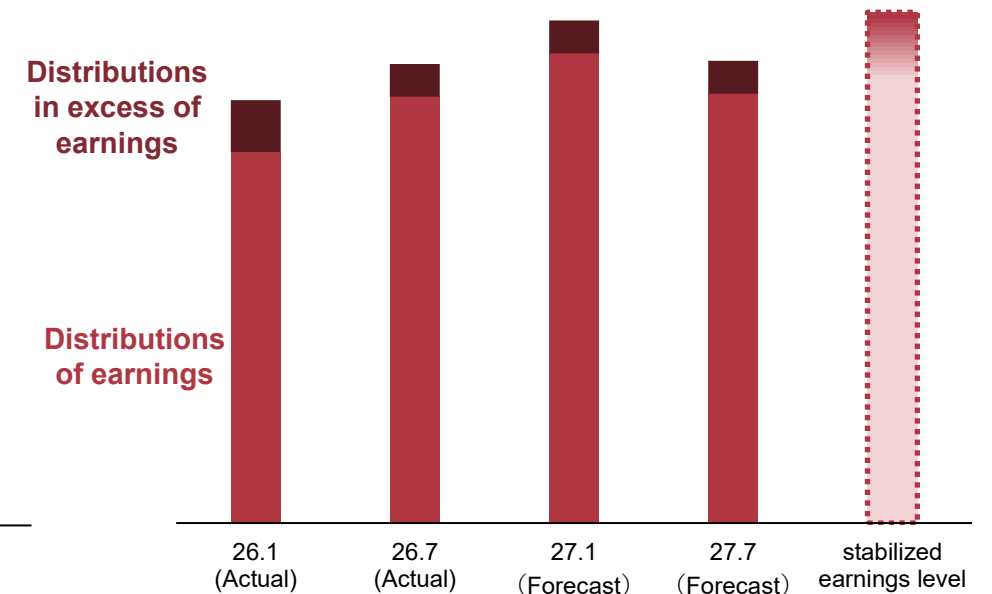
Capital Expenditures to Depreciation Ratio

A portfolio with low capital expenditure requirements and strong cash generation capability



Policy on Distributions in Excess of Earnings

In addition to higher distributions of earnings from internal growth, DPU can be further increased through distributions in excess of earnings. Such distributions will be considered with an upper guideline of 40% of depreciation for each period.



Unitholder Benefit Program (1)

The Investment Corporation issues accommodation discount vouchers for the hotels it owns, providing unitholders with opportunities to experience the appeal and services of these hotels by staying at them. The discount amount will be **upgraded to 5,000 yen from the end of the 3rd fiscal period.**

■ Overview of the Unitholder Benefit Program

Eligible Hotels	1. fav TAKAMATSU	9. fav KAGOSHIMA CHUO
	2. fav HIDA TAKAYAMA	10. fav TOKYO RYOGOKU
	3. fav ISE	11. FAV LUX HIDA TAKAYAMA
	4. fav KUMAMOTO	12. seven x seven ITOSHIMA
	5. fav HIROSHIMA STADIUM	13. FAV LUX NAGASAKI
	6. fav HAKODATE	14. seven x seven ISHIGAKI
	7. fav TOKYO NISHINIPPORI	15. FAV LUX KAGOSHIMA
	8. fav HIROSHIMA HEIWAODORI	TENMONKAN
Eligible Unitholders	Unitholders recorded in the register of unitholders as of the last day of the January 2026 fiscal period (1st fiscal period)	
Benefit Details	One discount voucher is issued per investment unit held (up to 10 vouchers per unitholder)	
Discount Amount	As of the end of the 2nd fiscal period: ¥3,000 As of the end of the 3rd fiscal period: ¥5,000	
Usage Conditions	One voucher may be used per night of stay	
Validity Period	Approximately one year from issuance (For details, please refer to the notice confirming the benefit details)	

	Distribution yield (A) ^{1, 2, 6}	Face value of discount voucher / investment unit price (B) ^{1,3,4}	A+B ^{5, 6}
FP Jul. 2026 (2nd)	6.66%	6.35%	13.01%
FP Jan. 2027 (3rd)	7.17%	10.42%	17.59%

Note 1) Calculated by annualizing over the number of operating days in the July 2026 fiscal period (181 days), using the closing investment unit price on July 31, 2026 (¥95,200). Rounded to the third decimal place.

Note 2) Calculated using the distribution per unit of ¥3,145 for the July 2026 fiscal period stated in the “Financial Summary for the Fiscal Period Ended July 2026 (REIT)” announced on September 16, 2026.

Calculated using the forecast distribution per unit of ¥3,443 for the January 2027 fiscal period stated in the “Financial Summary for the Fiscal Period Ended July 2026 (REIT)” announced on September 16, 2026.

Note 3) Calculated based on the value of one hotel accommodation discount voucher.

Note 4) The “face value of discount voucher / investment unit price” ratio is a reference figure calculated based on the face value of a single voucher. Vouchers may be used only for stays at eligible hotels and cannot be exchanged for cash. When a voucher is used, the difference between the accommodation charge and the face value of the voucher must be paid separately. Furthermore, because voucher use is capped at 10 times per unitholder, a unitholder holding more than 10 investment units cannot receive a discount proportional to the number of units held. Accordingly, the “face value of discount voucher / investment unit price” ratio is not a yield.

Note 5) “A+B” is a reference figure representing the simple sum of the distribution yield and the “face value of discount voucher / investment unit price” ratio, and does not represent the total economic benefit that a unitholder will actually receive.

Note 6) The “distribution yield” and figures calculated using it are based on the investment unit price at a given point in time and the actual distribution per unit for the July 2026 fiscal period, and do not guarantee future yields. Actual yields may differ materially from the above due to fluctuations in the investment unit price, changes in distributions resulting from the Investment Corporation’s operating performance, or other factors.

Unitholder Benefit Program (2)

From the January 2027 fiscal period, a new benefit has been added under which date-specified complimentary accommodation vouchers are awarded by lottery.

Overview of the Unitholder Benefit Program

Eligible Unitholders	Twelve unitholders will be selected by lottery from among those recorded in the register of unitholders as of the last day of the January 2027 fiscal period (3rd fiscal period) who hold 10 or more investment units as of that date.
Benefit Details	A date-specified complimentary accommodation voucher for a designated hotel. The stay date will be designated by the Investment Corporation at a later date.

Hotel

	Property name	Room type
1	seven x seven ISHIGAKI	THE SEVEN POOL SUITE
2	seven x seven ITOSHIMA	THE SEVEN SUITE
3	seven x seven ITOSHIMA	THE SEVEN SUITE
4	FAV LUX NAGASAKI	Sauna Suite (Rooftop Access)
5	FAV LUX NAGASAKI	Sauna Suite (Rooftop Access)
6	FAV LUX HIDA TAKAYAMA	Sauna Suite
7	FAV LUX HIDA TAKAYAMA	Sauna Suite
8	FAV LUX KAGOSHIMA TENMONKAN	SAKURAJIMA Suite with SAUNAGE sauna
9	fav HAKODATE	Royal Suite
10	fav HAKODATE	Royal Suite
11	fav TOKYO RYOGOKU	Rooftop Bank Suite
12	FAV LUX KAGOSHIMA TENMONKAN	TBD



For fav TOKYO RYOGOKU (room type: Rooftop Bank Suite) and FAV LUX KAGOSHIMA TENMONKAN (room type: TBD), the Investment Corporation is considering offering vouchers timed to coincide with local events such as fireworks festivals. However, event dates have not been fixed as of today, and if an event date differs from its usual timing, if the event is cancelled, or if any other unforeseen circumstance arises, a voucher for a date without an event will be provided instead.

As one example, the Investment Corporation is considering offering a voucher for fav TOKYO RYOGOKU timed to coincide with a fireworks festival (however, nothing has been decided as of today, and there is no guarantee that a voucher timed to the event date can be offered).

06

Sustainability

Green Building Certification

DBJ Green Building certification obtained for all 15 properties held



	Property name	Evaluation
01	fav TAKAMATSU	★★★
02	fav HIDA TAKAYAMA	★★★
03	fav ISE	★★★
04	fav KUMAMOTO	★★★
05	fav HIROSHIMA STADIUM	★★★
06	fav HAKODATE	★★★
08	fav HIROSHIMA HEIWAODORI	★★★
09	fav KAGOSHIMA CHUO	★★★
10	fav TOKYO RYOGOKU	★★★
11	FAV LUX HIDA TAKAYAMA	★★★
12	seven x seven ITOSHIMA	★★★
13	FAV LUX NAGASAKI	★★★
14	seven x seven ISHIGAKI	★★★★
15	FAV LUX KAGOSHIMA TENMONKAN	★★★

DBJ Green Building Certification Program was launched by DBJ in April, 2011 for the purpose of supporting the properties which give proper care to environment and society (Green Building).

The program evaluates, certifies and supports properties which are required by society and economy. It makes comprehensive assessment of properties, while evaluating various factors which range from properties' environmental features to their communication with stakeholders, such as disaster prevention and proper care for surrounding communities.

Support for Disaster-Affected Areas

Providing guest rooms at owned hotels free of charge to support disaster victims

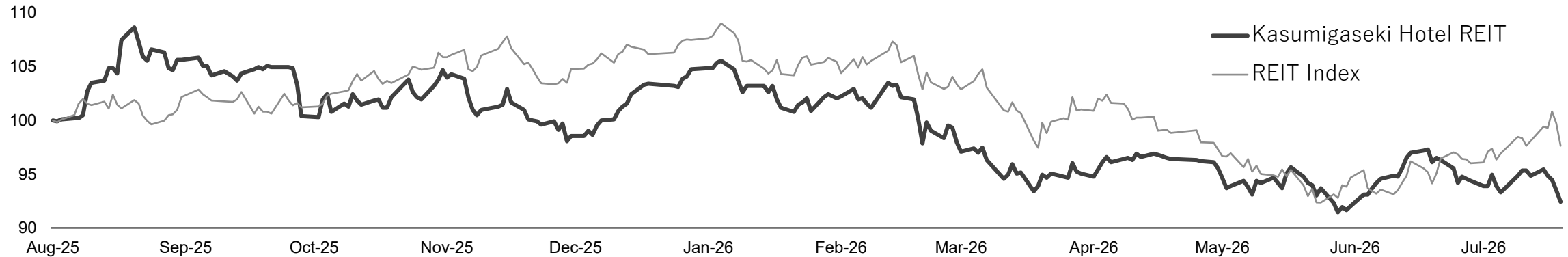
- To support those forced to evacuate due to damage to their homes and disruption of utilities caused by the “2026 Kumamoto Earthquake” that occurred on July 28, 2026, KHR provided fav KUMAMOTO free of charge.



- The amount equivalent to the accommodation charges for stays under this support program is borne by the Kasumigaseki Capital Group.
- KHR and its asset management company, Kasumigaseki REIT Advisors Co., Ltd., will work together with the Kasumigaseki Capital Group to support disaster-affected areas.

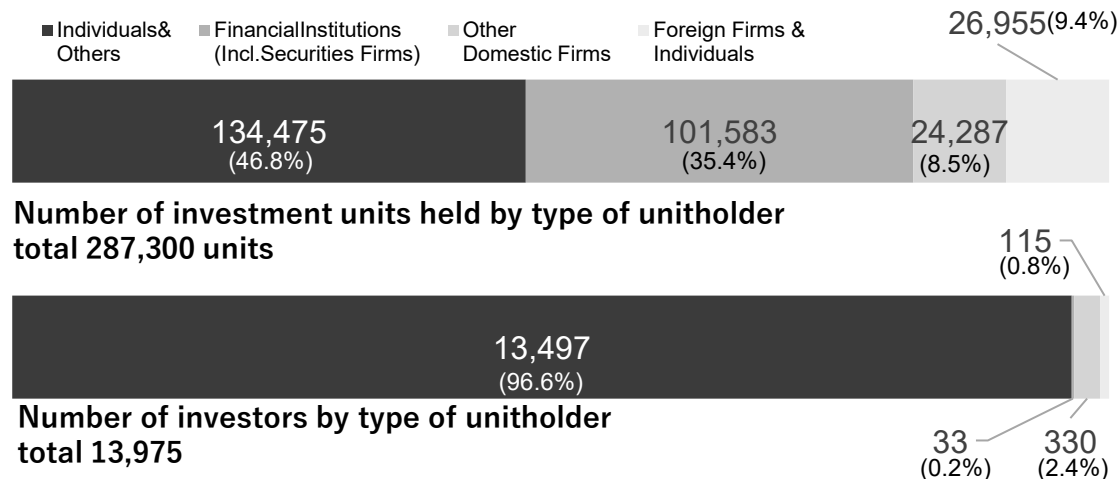
Changes in Investment Unit Price and Overview of Unitholders

Changes in the investment unit price¹



1. Indexed to 100 at the closing price on August 13, 2025.

Investor composition²



2. As of the end of July 2026.

	Major Unitholders	Number of Units	Share (%)
1	The Master Trust Bank of Japan, Ltd. (Trust)	43,307	15.1%
2	Custody Bank of Japan, Ltd. (Trust)	43,213	15.0%
3	MSIP CLIENT SECURITIES	13,392	4.7%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust)	6,643	2.3%
5	SCBHK AC LIECHTENS TEINISCHE LANDESBANK AG	4,215	1.5%
6	Individual	3,044	1.1%
7	Individual	3,017	1.1%
8	Individual	3,000	1.0%
9	Nomura Securities Co., Ltd.	2,537	0.9%
10	Magonote Club	2,100	0.7%
	Total	124,468	43.3%

07

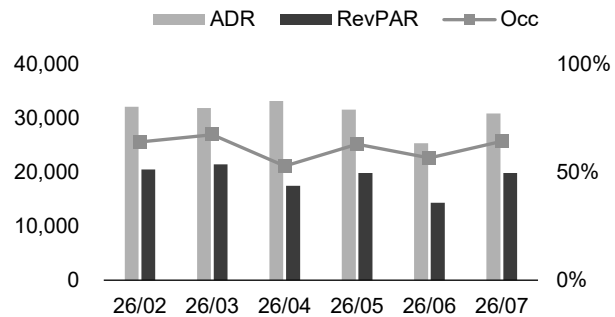
Property Overview

Portfolio

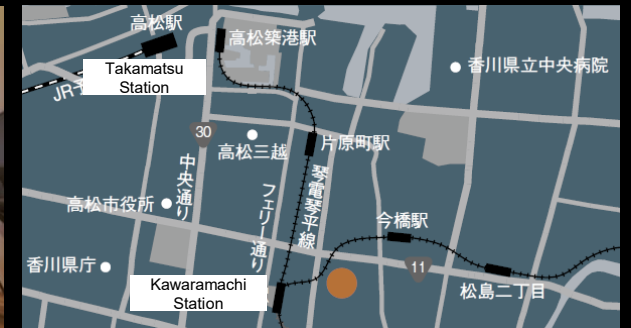
fav TAKAMATSU

Address	2-4-20 Shiogamicho, Takamatsu City, Kagawa Prefecture
Access	Approximately a 5-minute walk from Kawaramachi Station on the Kotohira Line of the Takamatsu-Kotohira Electric Railroad
Construction Date	June, 2020
Acquisition Price (million yen)	1,410
Total Floor Area	1,937.49m ²
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	30,860
Occ(%)	61.3%
RevPAR (JPY)	18,913

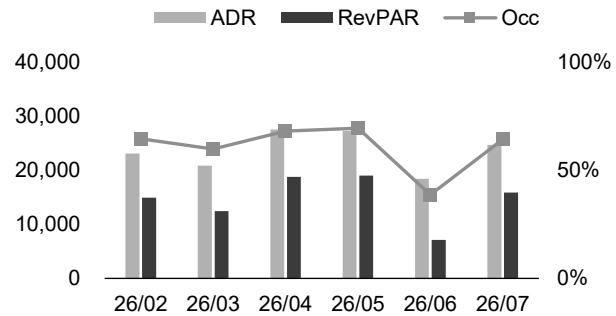


Portfolio

fav HIDATAKAYAMA

Address	2-169-1 Nishinoisshikimachi, Takayama City, Gifu Prefecture
Access	Approximately a 6-minute walk from Takayama Station on the JR Takayama Main Line
Construction Date	August, 2020
Acquisition Price (million yen)	1,080
Total Floor Area	1,696.26㎡
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	24,175
Occ(%)	60.9%
RevPAR (JPY)	14,716

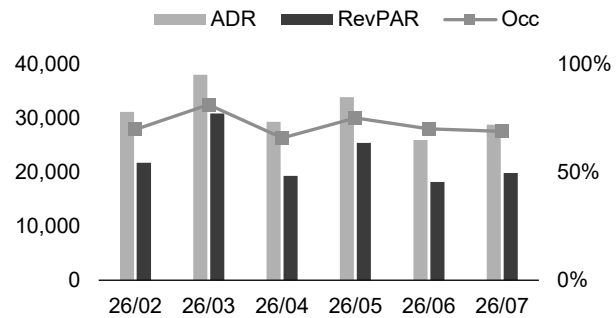


Portfolio

fav ISE

Address	1-3-7 Ichinoki, Ise City, Mie Prefecture
Access	Approximately a 7-minute walk from Iseshi Station on the JR Sangu Line and Kintetsu Yamada Line
Construction Date	September 2021
Acquisition Price (million yen)	1,740
Total Floor Area	1,204.42㎡
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	31,449
Occ(%)	71.9%
RevPAR (JPY)	22,597

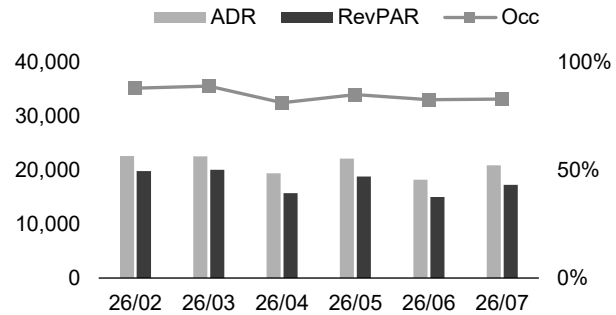


Portfolio

fav KUMAMOTO

Address	9-1 Kajiyamachi, Chuo Ward, Kumamoto City, Kumamoto Prefecture
Access	Approximately a 4-minute walk from Gofukumachi Tram Stop on the Kumamoto City Tram Line
Construction Date	September 2021
Acquisition Price (million yen)	2,720
Total Floor Area	2,956.44㎡
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	20,974
Occ(%)	84.6%
RevPAR (JPY)	17,748



Portfolio

fav HIROSHIMA STADIUM

Address 3-6-24 Nishikaniya, Minami Ward, Hiroshima City, Hiroshima Prefecture

Access Approximately a 9-minute walk from Hiroshima Station on the JR Sanyo Main Line

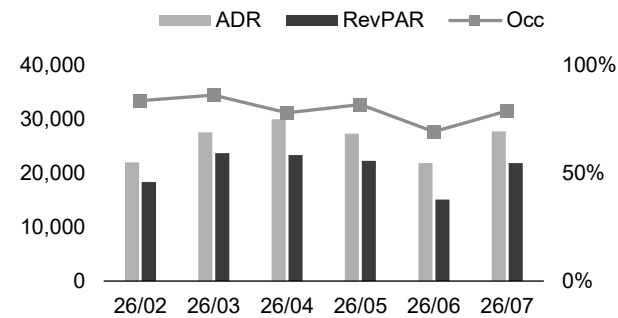
Construction Date May 2022

Acquisition Price (million yen) 1,360

Total Floor Area 1,258.47 m²

Rent Type Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)

ADR (JPY)	26,174
Occ(%)	79.5%
RevPAR (JPY)	20,806

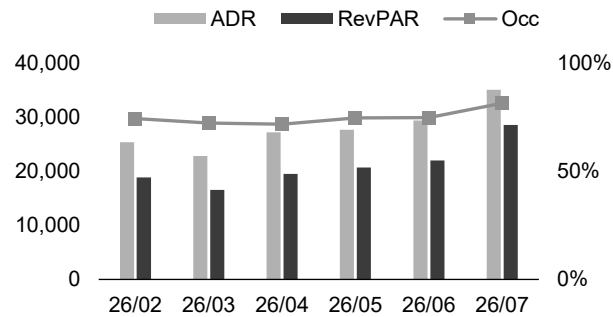


Portfolio

fav HAKODATE

Address	20-15 Otemachi, Hakodate City, Hokkaido
Access	Approximately a 4-minute walk from Hakodate Station on the JR Hakodate Main Line
Construction Date	June 2022
Acquisition Price (million yen)	1,360
Total Floor Area	1,377.31㎡
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	28,127
Occ(%)	75.0%
RevPAR (JPY)	21,087



Portfolio

fav TOKYO NISHINIPPORI

Address 5-31-6 Nishinippori, Arakawa Ward, Tokyo

Access Approximately a 3-minute walk from Nishi-Nippori Station on the JR lines and Tokyo Metro Chiyoda Line

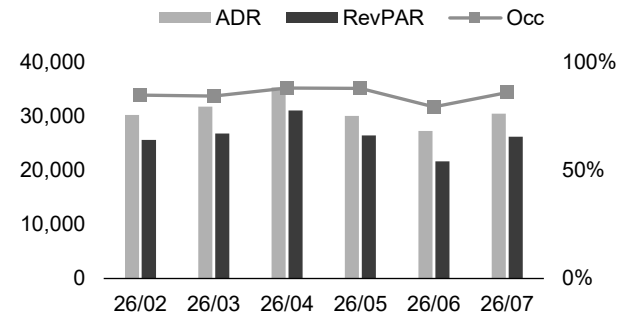
Construction Date August 2022

Acquisition Price (million yen) 1,710

Total Floor Area 719.94㎡

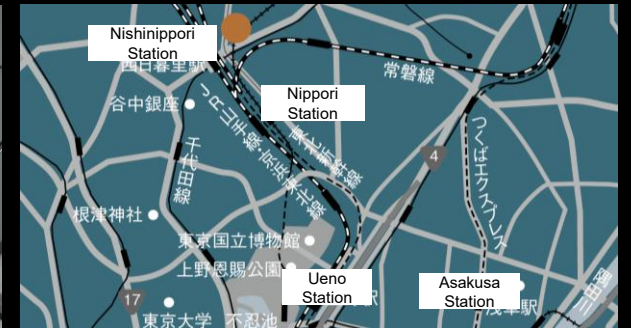
Rent Type Variable Rent
(with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)

ADR (JPY)	30,939
Occ(%)	85.2%
RevPAR (JPY)	26,345

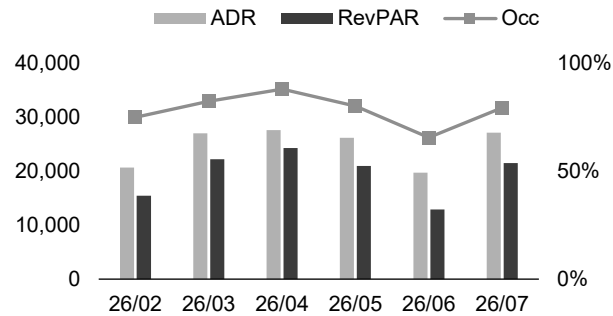


Portfolio

fav HIROSHIMA HEIWAODORI

Address	7-15 Nishihiratsukacho, Naka Ward, Hiroshima City, Hiroshima Prefecture
Access	Approximately an 18-minute walk from Hiroshima Station on the JR Sanyo Main Line
Construction Date	September 2022
Acquisition Price (million yen)	2,010
Total Floor Area	2,461.61 m ²
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	25,023
Occ(%)	78.4%
RevPAR (JPY)	19,613

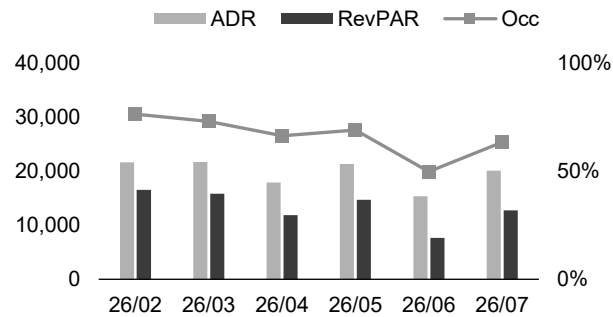


Portfolio

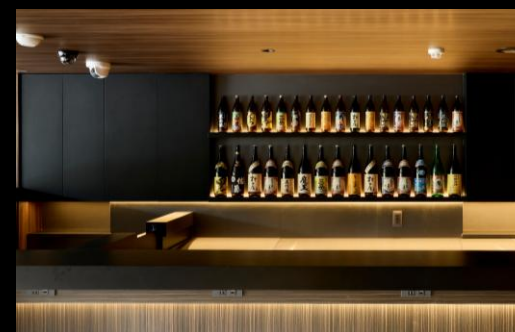
fav KAGOSHIMA CHUO

Address	1-15 Kajiyamachi, Kagoshima City, Kagoshima Prefecture
Access	Approximately an 11-minute walk from Kagoshima-Chuo Station on the JR Kyushu Shinkansen and the Kagoshima Main Line
Construction Date	September 2022
Acquisition Price (million yen)	1,360
Total Floor Area	2,226.03㎡
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	19,944
Occ(%)	66.3%
RevPAR (JPY)	13,216

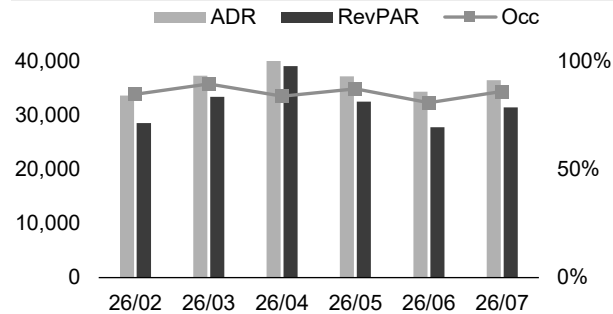


Portfolio

fav TOKYO RYOGOKU

Address	1-9-10 Ryogoku, Sumida Ward, Tokyo
Access	Approximately a 5-minute walk from Ryogoku Station on the JR Sobu Main Line
Construction Date	November 2022
Acquisition Price (million yen)	1,550
Total Floor Area	729.13 m ²
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	37,681
Occ(%)	85.5%
RevPAR (JPY)	32,225

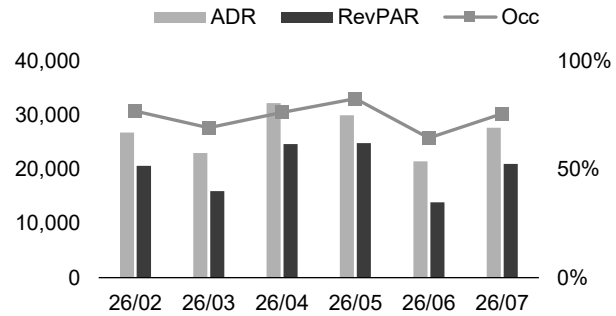


Portfolio

FAV LUX HIDATAKAYAMA

Address	101, 6-chome Hanazatocho, Takayama-shi, Gifu Prefecture
Access	Approximately a 5-minute walk from Takayama Station on the JR Takayama Main Line
Construction Date	June 2023
Acquisition Price (million yen)	2,330
Total Floor Area	2,869.68㎡
Rent Type	Variable Rent (with Minimum Guaranteed Rent)

Hotel KPI



FP Jul. 2026 (full period)	
ADR (JPY)	27,171
Occ(%)	74.4%
RevPAR (JPY)	20,212



Portfolio

seven x seven ITOSHIMA

Address	266 Hamairi, Nishiura, Oaza, Nishi-ku, Fukuoka City, Fukuoka Prefecture
Access	Approximately 13.3 km northwest of Imajuku Station on the JR Chikuhi Line
Construction Date	September 2023
Acquisition Price (million yen)	5,230
Total Floor Area	3,386.74m ²
Rent Type	Variable rent (with a minimum guaranteed rent) * Fixed rent only during a certain period

Hotel KPI

Not disclosed



Portfolio

FAV LUX NAGASAKI

Address	3-10 Matsugaecho, Nagasaki City, Nagasaki Prefecture
Access	Approximately a 2-minute walk from Oura Tenshudo Station on the Nagasaki City Tram
Construction Date	November 2023
Acquisition Price (million yen)	3,300
Total Floor Area	2,530.55㎡
Rent Type	Variable rent (with a minimum guaranteed rent) * Fixed rent only during a certain period

Hotel KPI

Not disclosed



Portfolio

seven x seven ISHIGAKI

Address	254-19 Maezato, Ishigaki City, Okinawa Prefecture
Access	Approximately 10 km southwest of New Ishigaki Airport
Construction Date	May 2024
Acquisition Price (million yen)	18,700
Total Floor Area	11,058.04㎡
Rent Type	Variable rent (with a minimum guaranteed rent) * Fixed rent only during a certain period

Hotel KPI

Not disclosed



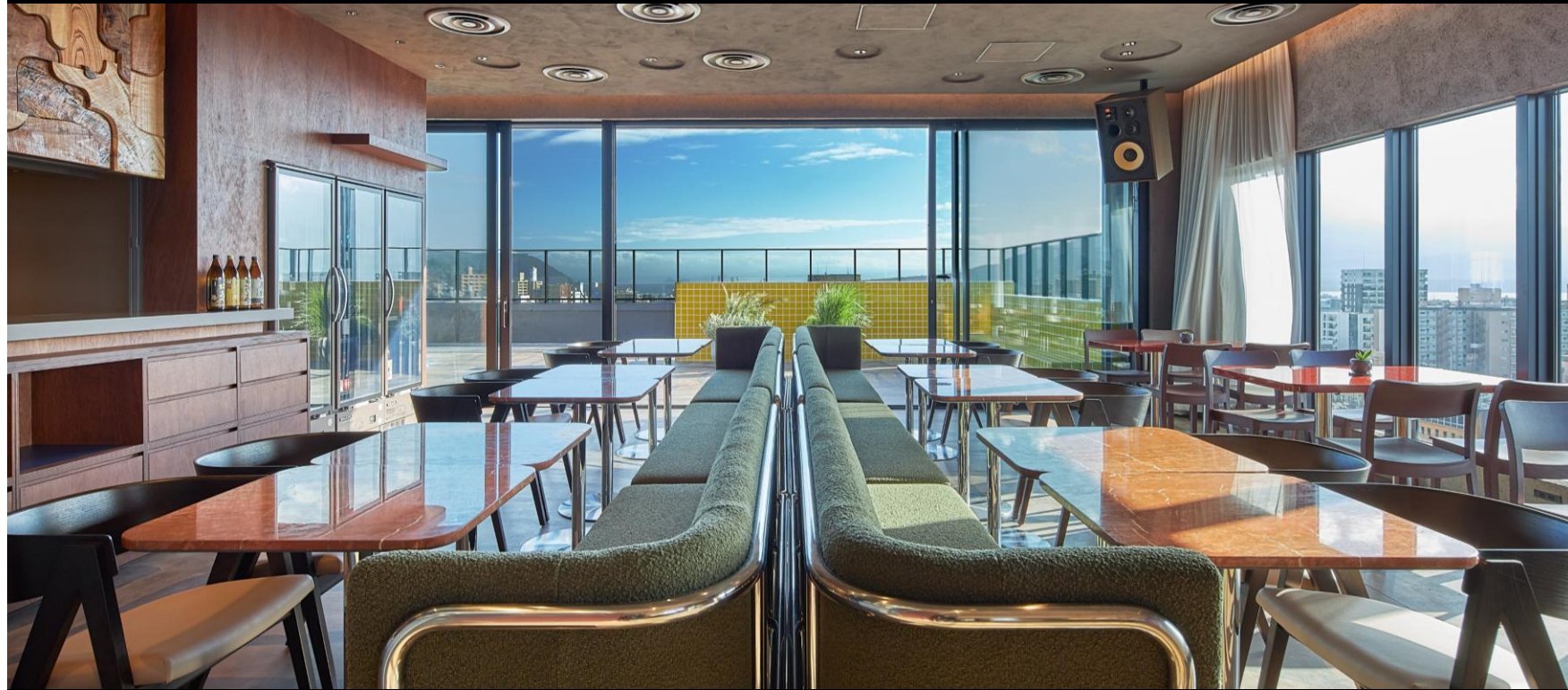
Portfolio

FAV LUX KAGOSHIMA TENMONKAN

Address	7-30 Yamanokuchicho, Kagoshima City, Kagoshima Prefecture
Access	Approximately a 6-minute walk from Tenmonkan-dori Station on the Kagoshima City Tram
Construction Date	September 2024
Acquisition Price (million yen)	3,380
Total Floor Area	3,427.20㎡
Rent Type	Variable rent (with a minimum guaranteed rent) * Fixed rent only during a certain period

Hotel KPI

Not disclosed



08

Appendix

Appraisal Value

No.	Property name	Acquisition Price (Million yen)	Book value at period end (Million yen)	As of end of January 2026		As of end of July 2026		Difference	
				Appraisal Value (Million yen)	Cap rate	Appraisal Value (Million yen)	Cap rate	Appraisal Value (Million yen)	Cap rate
1	fav TAKAMATSU	1,410	1,417	1,620	4.8	1,620	4.8	0	0.0%
2	fav HIDA TAKAYAMA	1,080	1,091	1,520	4.9	1,520	4.9	0	0.0%
3	fav ISE	1,740	1,743	2,130	4.9	2,140	4.9	10	0.0%
4	fav KUMAMOTO	2,720	2,734	3,020	4.8	3,020	4.8	0	0.0%
5	fav HIROSHIMA STADIUM	1,360	1,372	1,550	4.8	1,600	4.8	50	0.0%
6	fav HAKODATE	1,360	1,369	1,620	5.1	1,620	5.1	0	0.0%
7	fav TOKYO NISHINIPPORI	1,710	1,728	2,030	4.1	2,030	4.1	0	0.0%
8	fav HIROSHIMA HEIWAODORI	2,010	2,026	2,420	4.8	2,500	4.8	80	0.0%
9	fav KAGOSHIMA CHUO	1,360	1,369	2,060	4.8	2,060	4.8	0	0.0%
10	fav TOKYO RYOGOKU	1,550	1,566	1,720	4.3	1,720	4.3	0	0.0%
11	FAV LUX HIDA TAKAYAMA	2,300	2,316	2,600	4.8	2,600	4.8	0	0.0%
12	seven x seven ITOSHIMA	5,230	5,241	5,500	4.9	5,620	4.9	120	0.0%
13	FAV LUX NAGASAKI	3,300	3,318	3,540	4.7	3,540	4.7	0	0.0%
14	seven x seven ISHIGAKI	18,700	18,702	20,300	4.9	20,300	4.9	0	0.0%
15	FAV LUX KAGOSHIMA TENMONKAN	3,380	3,394	3,620	4.7	3,620	4.7	0	0.0%
Total		49,210	49,392	55,250	-	55,510	-	260	-

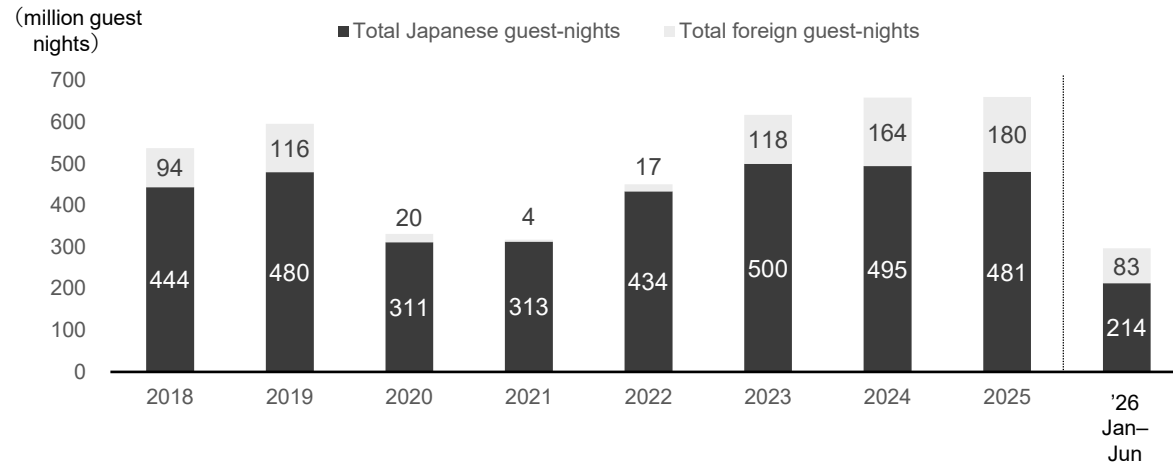
Property NOI

(Unit: thousand yen)

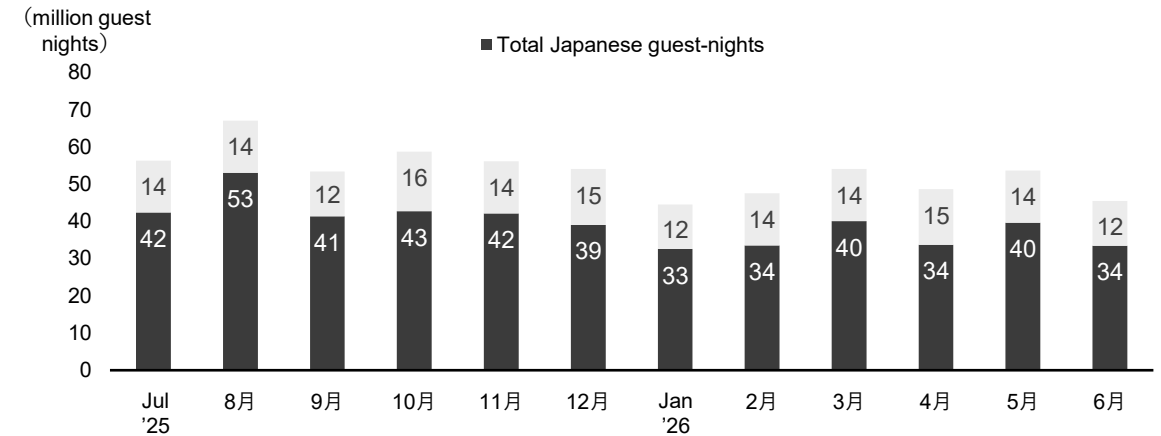
No.	Property name	Rental revenue	Property management fees	Taxes and public dues	Insurance premiums	Repair expenses	Trust fees	NOI	Depreciation	NOI after depreciation
1	fav TAKAMATSU	72,012	2,535	2,223	713	0	400	66,140	8,714	57,425
2	fav HIDA TAKAYAMA	43,593	3,125	2,515	464	586	400	36,502	5,426	31,076
3	fav ISE	70,779	2,783	2,131	370	39	400	65,055	12,436	52,619
4	fav KUMAMOTO	100,375	3,947	4,231	861	921	400	90,014	14,315	75,699
5	fav HIROSHIMA STADIUM	55,513	2,247	2,534	374	751	400	49,205	5,229	43,975
6	fav HAKODATE	55,587	2,395	1,907	382	2,622	400	47,879	7,005	40,874
7	fav TOKYO NISHINIPPORI	58,137	3,409	2,000	241	0	400	52,086	3,907	48,179
8	fav HIROSHIMA HEIWAODORI	88,300	3,338	4,110	701	1,657	400	78,092	7,495	70,597
9	fav KAGOSHIMA CHUO	44,876	3,248	3,244	636	400	400	36,947	8,682	28,265
10	fav TOKYO RYOGOKU	56,568	3,269	1,651	222	493	400	50,530	3,618	46,912
11	FAV LUX HIDA TAKAYAMA	80,620	2,780	4,929	803	1,912	400	69,794	11,539	58,254
12	seven x seven ITOSHIMA	148,866	8,180	5,528	1,336	5,795	400	127,625	29,015	98,609
13	FAV LUX NAGASAKI	94,716	3,397	3,841	738	1,143	400	85,194	16,787	68,407
14	seven x seven ISHIGAKI	586,812	26,021	25,763	8,612	4,271	500	521,643	109,682	411,961
15	FAV LUX KAGOSHIMA TENMONKAN	99,162	5,982	5,348	1,011	490	400	85,930	16,670	69,259
Total		1,655,920	76,662	71,959	17,469	21,085	6,100	1,462,643	260,526	1,202,116

Domestic Accommodation Demand

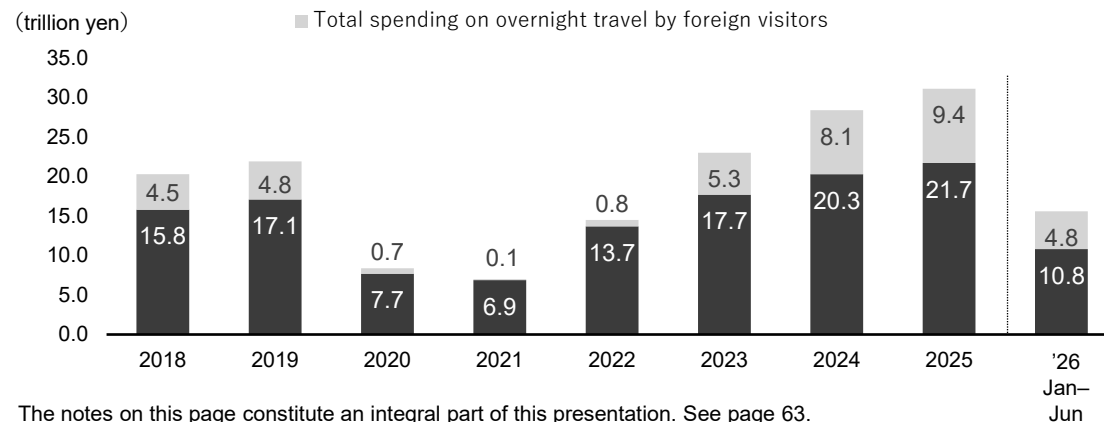
Number of overnight guests in Japan (by year) ¹



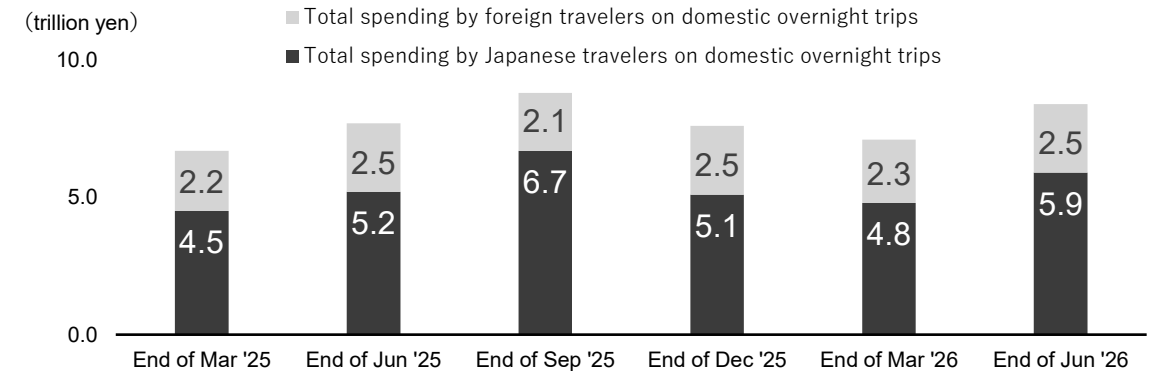
Number of overnight guests in Japan (by month) ¹



Total spending on travel in Japan (by year) ²

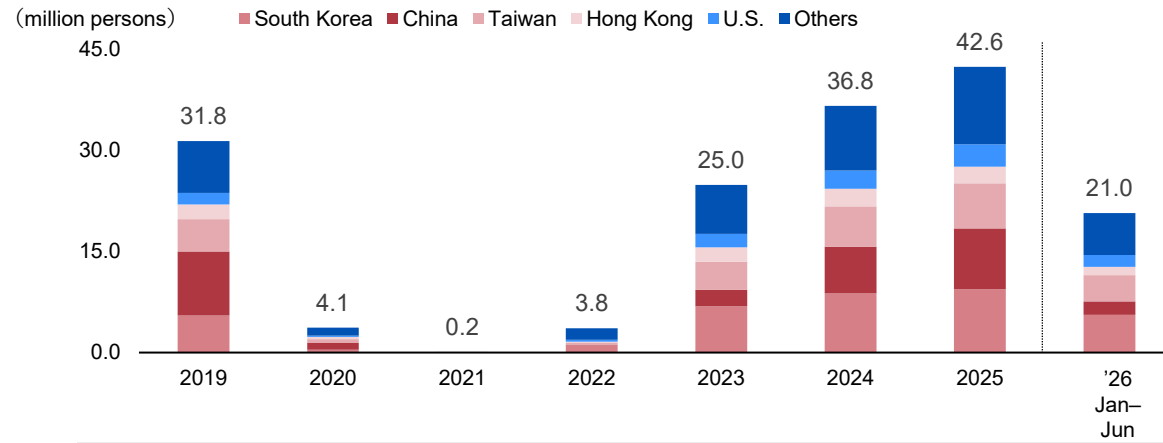


Total spending on travel in Japan (by quarter) ³

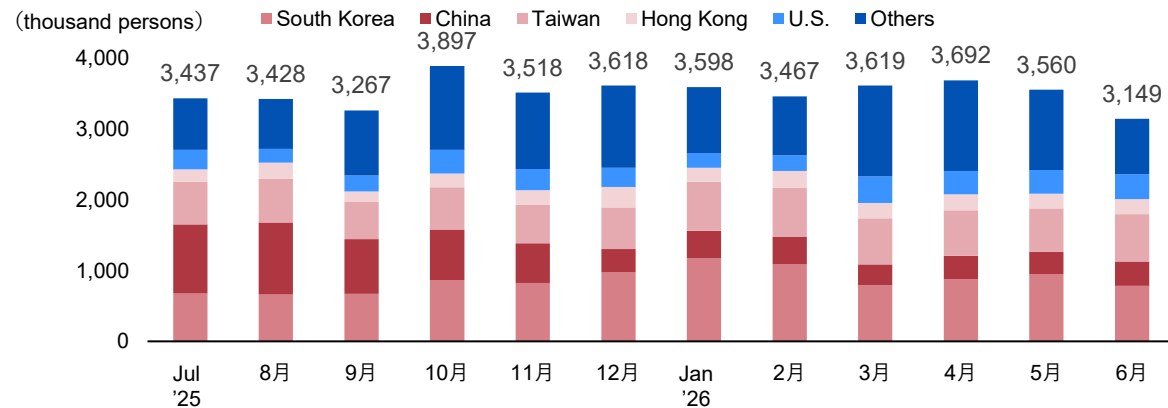


Data on Inbound Visitors

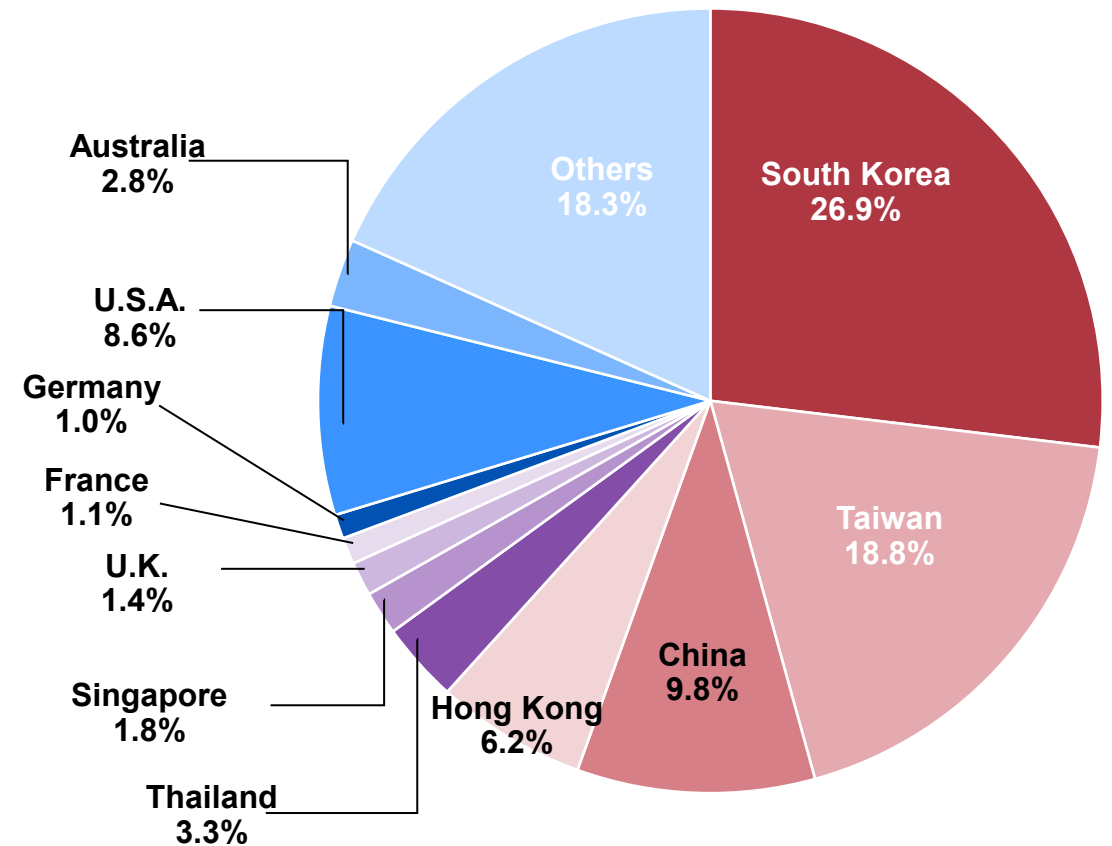
Number of inbound visitors (by year) ¹



Number of inbound visitors (by month) ¹



Breakdown of inbound visitors by country (January–June 2026) ¹



Features of Kasumigaseki Hotel Reit

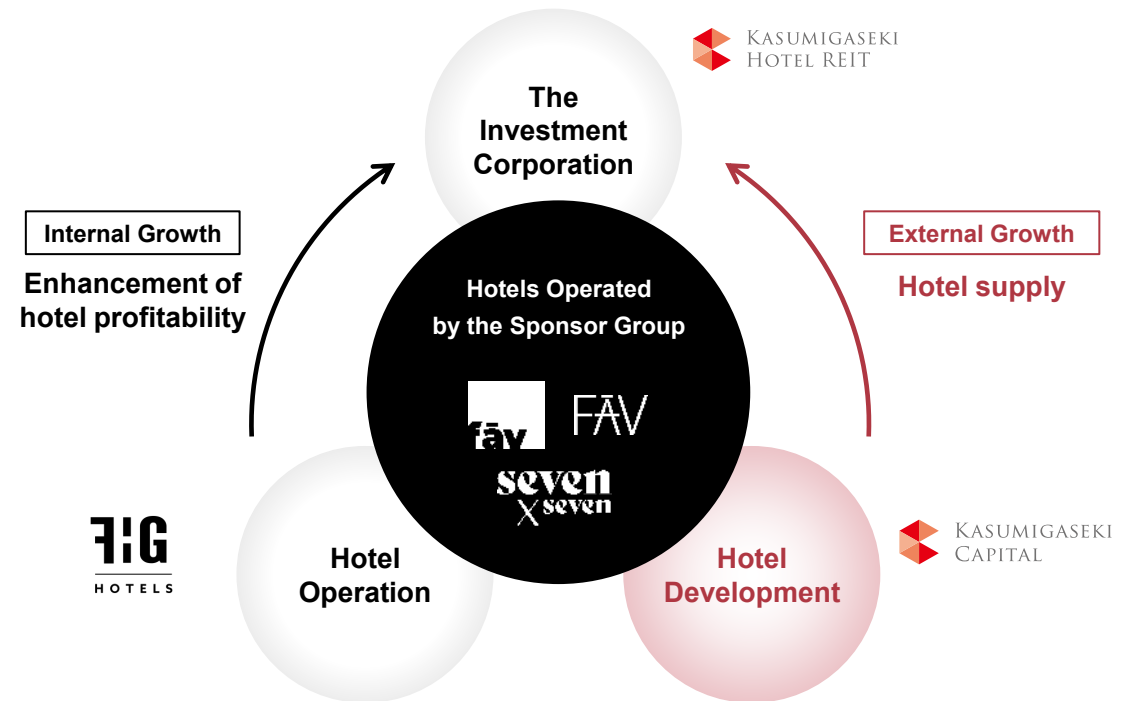
1 Focused investment in **multi-occupancy hotels** integrally operated by the sponsor group

2 Rent structure linked to profit after hotel operating expenses (GOP), with **income growth** driven by the operator's labor-saving and efficient operation

3 Growth potential driven by the **sponsor's robust development pipeline**

Support from the Sponsor Group

KHR is supported by the sponsor group through both hotel development and hotel operations.



Features of hotel brands

stay together, play together

Simple and stylish hotel brands for groups that balance labor-saving efficiency with hospitality



IPO portfolio 10 hotels



IPO portfolio 3 hotels



where luxury goes to play

A high-end hotel brand that redefines “contemporary luxury” for the evolving times



IPO portfolio 2 hotels



Overview of Sponsor



Listed Market: Tokyo Stock Exchange Prime Market

A developer that utilizes investor capital to develop various types of assets

Hotel Business	Business Scale	360.2 billion yen	Development of unique hotel properties that leverage strengths such as accommodations for large groups, labor-saving operations, and management efficiency systems driven by digital transformation (DX).	
Logistics Business	Business Scale	365.0 billion yen	Development of logistics facilities, primarily cold storage and refrigerated warehouses	 
Healthcare Business	Business Scale	45.1 billion yen	Development of healthcare facilities, with an emphasis on hospices	
Overseas Business	Business Scale	30.8 billion yen	Expanding in North America, the United Arab Emirates (Dubai), Malaysia and elsewhere, leveraging expertise developed in Japan.	

Prepared based on Kasumigaseki Capital Co., Ltd., “H1 FYE8/2026 Financial Results”

Note

Unless otherwise specified, all figures in this document are presented with amounts rounded down to the nearest whole unit, and ratios rounded to the first decimal place (or to the second decimal place when shown to two decimal places). Accordingly, the totals of individual amounts or ratios may not necessarily equal the aggregate figures.

P.9

1. The following 11 properties have adopted variable rent: fav TAKAMATSU, fav HIDA TAKAYAMA, fav ISE, fav KUMAMOTO, fav HIROSHIMA STADIUM, fav HAKODATE, fav TOKYO NISHINIPPORI, fav HIROSHIMA HEIWAODORI, fav KAGOSHIMA CHUO, fav TOKYO RYOGOKU and FAV LUX HIDA TAKAYAMA.
2. “RevPAR” refers to Revenue Per Available Room, calculated by dividing total room revenue for a given period by the total number of rooms available for sale during the same period. Figures are rounded down to the nearest whole number.
3. “ADR” refers to the Average Daily Rate, calculated by dividing total room revenue for a given period by the total number of rooms sold (total occupied room nights) during the same period. Figures are rounded down to the nearest whole number.
4. The “Occupancy Rate” or “OCC” is calculated using the formula below, with figures rounded to the first decimal place.

$$\text{Occupancy Rate (OCC)} = \text{Number of rooms sold} \div \text{Number of rooms available for sale} \times 100$$

P.12

1. The “nine properties located in regional areas” are: fav TAKAMATSU, fav HIDA TAKAYAMA, fav ISE, fav KUMAMOTO, fav HIROSHIMA STADIUM, fav HAKODATE, fav HIROSHIMA HEIWAODORI, fav KAGOSHIMA CHUO and FAV LUX HIDA TAKAYAMA.
2. Basic Plan for Promoting a Tourism-Oriented Country (5th) (approved by the Cabinet on March 27, 2026)
3. “Regional areas” refers to areas outside the three major metropolitan areas: Saitama, Chiba, Tokyo, Kanagawa, Aichi, Kyoto, Osaka and Hyogo.

Note

P.14

2. “DOR” refers to the Double Occupancy Rate, calculated by dividing the total number of guests by the number of rooms sold. Aggregated for the period from February to July 2026.
3. The “DOR market average” is calculated as follows: “DOR = total number of guests ÷ (total number of rooms × occupancy rate).”
 Total number of guests: Japan Tourism Agency, “Overnight Travel Statistics Survey,” preliminary figures for February to July 2026
 Total number of rooms: Ministry of Health, Labour and Welfare, “Report on Public Health Administration and Services, FY2023,” Table 8 (as of the end of FY2023); ryokan and hotel operations: 1,776,994 rooms (nationwide, excluding simple lodging facilities and corporate/organizational lodging facilities)
 Occupancy rate: Japan Tourism Agency, “Overnight Travel Statistics Survey,” preliminary figures for February to July 2026

P.19

1. “Sponsor pipeline” refers to properties that may become investment targets of the KHR among the sponsor group’s projects that have been completed or are under development, or projects for which real estate has already been acquired for future development. None of these are specifically scheduled or planned for acquisition by the KHR as of the date of this document. The same shall apply hereinafter.

P.28

1. LTV (total asset basis) is calculated using the following formula, with the result rounded down to the first decimal place: Interest-bearing debt at the end of the relevant fiscal period, / Total assets as of the end of the same period x 100.
2. “Average debt interest rate” is calculated as the weighted average annualized rate of interest and loan-related fees for each borrowing or investment corporation bond as of the end of July 2026, rounded to the third decimal place.
3. “Fixed interest ratio” denotes the proportion of the outstanding interest-bearing debt carried at fixed interest rates. Some borrowings are effectively fixed via interest rate swap contracts; those portions are included as fixed rate debt in the fixed interest ratio calculation. Figures are rounded to one decimal place; hence, totals of individual percentages may not exactly match the total percentage.
4. “Average remaining debt term” is the weighted average calculated based on the amount of interest-bearing debt as of the end of July 2026.

P.31

Whether any hotels that KHR may additionally acquire in the future will be eligible for the Unitholder Benefit Program has not been determined. In addition, no matters have been decided with respect to the details of the Unitholder Benefit Program for the fiscal period ending July 2027 (the 4th fiscal period) and thereafter.

The details of the Unitholder Benefit Program are those that the KHR plans to implement as of the date of this document, based on agreements with the sponsor group premised on current laws and regulations, tax treatment, the content of the benefits and estimates of usage. However, due to changes in these assumptions, the intentions of parties involved in the Unitholder Benefit Program, or other reasons, the details of the Unitholder Benefit Program may be changed or its implementation may be discontinued in the future.

The “Validity Period” refers to the period during which accommodation may be used under the Unitholder Benefit Program; the actual stay date must fall within that period.

Details of the benefit described in Benefit 2 are scheduled to be announced after the record date, from the end of January 2027 onward. In addition, the eligible hotels and dates may be changed in light of various circumstances.

Whether any hotels that KHR may additionally acquire in the future will be eligible for the Unitholder Benefit Program has not been determined. In addition, no matters have been decided with respect to the details of the Unitholder Benefit Program for the fiscal period ending July 2027 (the 4th fiscal period) and thereafter.

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P.55

1. Source: Japan Tourism Agency, “Overnight Travel Statistics Survey”
Figures from 2018 to 2025 are final; those for 2026 are preliminary.
2. Source: Japan Tourism Agency, “Survey on Inbound Consumption Trends – Overview of the Preliminary Results for Calendar Year 2025”
3. Source: Japan Tourism Agency, “Consumption Trends of Foreign Visitors to Japan,” 2025 Annual Report
4. Source: Japan Tourism Agency, “Survey on Inbound Consumption Trends – Overview of the Results (First Preliminary Report) for April–June 2026”
Figures through 2025 are final; those for January to March 2026 are second preliminary figures and those for April to June 2026 are first preliminary figures.
5. Source: Japan Tourism Agency, “Survey on Travel and Tourism Consumption Trends,” 2025 annual figures (final)
6. Source: Japan Tourism Agency, “Survey on Travel and Tourism Consumption Trends, April–June 2026 (First Preliminary Report)”
Figures through 2025 are final; those for January to March 2026 are second preliminary figures and those for April to June 2026 are first preliminary figures.

P.56

1. Source: Japan National Tourism Organization (JNTO), “Inbound Visitor Statistics”
Figures from 2018 to 2025 are final; those for January to May 2026 are provisional and June 2026 is an estimate.

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