

December 15, 2020

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 & CFO
TEL: +81-3-5159-6338

Notice Concerning Amendments to the Articles of Incorporation and Appointment of Directors

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces that resolutions were made at its Board of Directors’ meeting held today to submit the following matters concerning amendments to the Articles of Incorporation and the appointment of directors to its 5th General Meeting of Unitholders to be held on January 27, 2021 (the “General Meeting of Unitholders”) for approval.

The following matters shall become effective upon their respective approvals by resolution at the General Meeting of Unitholders.

1. Essential details of and reasons for the amendments to the Articles of Incorporation

- (1) Since February 2020, economic activity has been restricted both in Japan and abroad due to the spread of the novel coronavirus disease (COVID-19) and while the conditions of the tourism market continue to be extremely difficult, with regard to the properties operated by the Hoshino Resorts Group among the assets owned by HRR, although occupancy rates were temporarily low, HRR was able to maintain stable operational results for the full year of 2020 relative to its industry peers as a result of making full use of its operating skills and swiftly rebounding by capturing demand for microtourism and other factors. HRR considers that this indicates that the operating skills of the operator of the real estate, etc. is extremely important in the asset management of real estate, etc., which are targeted for investment by HRR and which are primarily used as hotels, ryokans (Japanese-style inns) and ancillary facilities. HRR aims to continue to make the most of the operating skills of the Hoshino Resorts Group and to conduct stable asset management going forward. By further clarifying this policy, HRR believes that it will be able to continue to receive stable sponsor support from the Hoshino Resorts Group, and therefore, HRR has decided to clarify this policy in its Articles of Incorporation, which provide for HRR’s basic policy of asset management. (Paragraph 3 of Article 29 of the current Articles of Incorporation; and Paragraphs 2 and 3 of Article 28 of the amendment proposal)
- (2) In order to strengthen the linkage between the amount of asset management fees paid to the asset management company and unitholders’ profits, HRR will newly introduce an asset management fee linked to distributions per unit (DPU) and operating profit (loss) from real estate leasing (net operating income (NOI)) as Type 2 management fee, while lowering the commission rate of Type 1 management fee, which is an asset management fee linked to total assets (Attached document to the current Articles of Incorporation). For details of the amendment, please refer to page 15 of “Presentation Materials for the 15th Fiscal Period (ended October 2020)” published today.
- (3) The amendments to the Articles of Incorporation related to the amendment in (2) above will take effect retroactively from November 1, 2020, which is the first day of the fiscal period that includes the date of adoption of the amendment, and the Supplementary Provisions will provide for that effect. (Article 43 of the amendment proposal)

- (4) Other than the above, necessary amendments will be made to adjust words and phrases and organize clauses, etc.

2. Appointment of Directors

As Executive Director (Kenji Akimoto) and Supervisory Directors (Hiroshi Shinagawa and Yukiko Fujikawa) expressed their intentions to temporarily resign at the end of the General Meeting of Unitholders in order to adjust their terms of office, the re-appointment of 1 (one) Executive Director (Kenji Akimoto) and 2 (two) Supervisory Directors (Hiroshi Shinagawa and Yukiko Fujikawa) is requested.

Furthermore, the Company requests that 1 (one) Substitute Executive Director (Takahiro Kabuki) and 1 (one) Substitute Supervisory Director (Junji Takahashi) be appointed in preparation for the contingency of Executive Director or Supervisory Director failing to remain in office or the number of Executive Directors or Supervisory Directors falling below what is set forth by laws and regulations.

3. Schedule of the General Meeting of Unitholders, etc.

December 15, 2020	Resolution at the Board of Directors' meeting on the proposals to be submitted to the 5th General Meeting of Unitholders
January 8, 2021	Sending out the notice of convocation of the 5th General Meeting of Unitholders (scheduled)
January 27, 2021	5th General Meeting of Unitholders (scheduled)

* Hoshino Resorts REIT, Inc. website address: <https://www.hoshinoresorts-reit.com/en/>