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For Immediate Release

REIT Securities Issuer
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(Amendment) Notice Concerning a Partial Amendment to “(REIT) Financial Report for Fiscal Period Ended April 2019”

On July 18, 2019, Hoshino Resort Asset Management Co., Ltd. (hereinafter the “Asset Management Company”), the asset management company of Hoshino Resorts REIT, Inc. (hereinafter “HRR”), re-acquired from Japan Valuers Co., Ltd. a valuation report with a valuation date of April 30, 2019, regarding the “KAI Alps” property held by the Asset Management Company. It was necessary to re-issue the valuation report with a valuation date of April 30, 2019, acquired from Japan Valuers Co., Ltd. on May 27, 2019, because some of the documents submitted upon request for the valuation survey contained deficiencies that affect the valuation amount of the real estate.

As such, HRR announces that it has consequently made the following changes with respect to the appraisal value of the “KAI Alps” portfolio property as of the valuation date of April 30, 2019, and furthermore that amendment is accordingly warranted with respect to certain content of the “(REIT) Financial Report for Fiscal Period Ended April 2019” released by HRR on June 14, 2019 and the “12th Fiscal Period (ended April 2019) Presentation Materials” released by HRR on June 18, 2019.

1. Appraisal value of “KAI Alps” as of the valuation date of April 30, 2019

(Before change) 3,160 million yen
(After change) 3,150 million yen

2. Amended content of the “(REIT) Financial Report for Fiscal Period Ended April 2019”

- (1) Underlined content of “2. Financial Statements, (8) Notes to the Financial Statements, [Notes on Investment and Rental Properties],” page 26

<Before amendment>

(Omitted)

(Unit: thousands of yen)

	11th fiscal period From: May 1, 2018 To: Oct. 31, 2018	12th fiscal period From: Nov. 1, 2018 To: Apr. 30, 2019
Book value (Note 2)		
Balance at beginning of period	150,656,745	150,235,080
Amount of increase (decrease) during period	(Note 3) (421,665)	(Note 4) 9,524,986
Balance at end of period	150,235,080	159,760,066
Fair value at end of period (Note 5)	169,060,000	<u>179,312,000</u>

(Omitted)

<After amendment>

(Omitted)

(Unit: thousands of yen)

	11th fiscal period From: May 1, 2018 To: Oct. 31, 2018	12th fiscal period From: Nov. 1, 2018 To: Apr. 30, 2019
Book value (Note 2)		
Balance at beginning of period	150,656,745	150,235,080
Amount of increase (decrease) during period	(Note 3) (421,665)	(Note 4) 9,524,986
Balance at end of period	150,235,080	159,760,066
Fair value at end of period (Note 5)	169,060,000	<u>179,302,000</u>

(Omitted)

- (2) Underlined content of “3. Reference Information, (1) Information on Values of Assets Under Management, Etc., ② Investment Assets, (b) Investment Real Estate Properties, a. Acquisition Price, Book Value, Estimated Value at End of Period, Share of Investment, Etc.,” page 36 and page 37

<Before amendment>

Investment category		Property no. (Note 1)	Name of property	Acquisition price (millions of yen)	Book value (millions of yen) (Note 2)	Estimated value at end of period (millions of yen) (Note 3)	Share of investment (%) (Note 4)	Appraisal company (Note 5)
(Omitted)								
Properties operated by the Hoshino Resorts Group	KAI	K-9	KAI Alps	3,060	3,097	<u>3,160</u>	2.0	NV
		Subtotal		13,775	14,632	<u>16,338</u>	8.8	—
(Omitted)								
Total				155,677	159,760	<u>179,312</u>	100.0	—

(Omitted)

<After amendment>

Investment category		Property no. (Note 1)	Name of property	Acquisition price (millions of yen)	Book value (millions of yen) (Note 2)	Estimated value at end of period (millions of yen) (Note 3)	Share of investment (%) (Note 4)	Appraisal company (Note 5)
(Omitted)								
Properties operated by the Hoshino Resorts Group	KAI	K-9	KAI Alps	3,060	3,097	<u>3,150</u>	2.0	NV
		Subtotal		13,775	14,632	<u>16,328</u>	8.8	—
(Omitted)								
Total				155,677	159,760	<u>179,302</u>	100.0	—

(Omitted)

- (3) Underlined content of “3. Reference Information, (1) Information on Values of Assets Under Management, Etc., ② Investment Assets, (b) Investment Real Estate Properties, c. Summary of Real Estate Appraisal Report, Etc.,” page 44 and page 46

<Before amendment>

(Omitted)

Investment category	Property no.	Assets under management (Name of property)	Appraisal company (Note 1)	Appraisal value (millions of yen) (Note 2)	Income approach					Appraisal NOI (millions of yen) (Note 3)	Appraisal NOI yield (%) (Note 4)	
					Indicated value by direct capitalization method (millions of yen)	Capitalization rate (%)	Indicated value by DCF method (millions of yen)	Discount rate (%)	Terminal capitalization rate (%)			
(Omitted)												
Properties operated by the Hoshino Resorts Group	KAI	K-9	KAI Alps	NV	<u>3,160</u>	<u>3,180</u>	5.4	<u>3,140</u>	5.1	5.6	177	5.8
		Subtotal			<u>16,338</u>	<u>16,496</u>	-	<u>16,160</u>	-	-	1,010	7.3
(Omitted)												
Total				<u>179,312</u>	<u>180,020</u>	-	<u>178,737</u>	-	-	10,397	6.7	

(Omitted)

<After amendment>

(Omitted)

Investment category	Property no.	Assets under management (Name of property)	Appraisal company (Note 1)	Appraisal value (millions of yen) (Note 2)	Income approach					Appraisal NOI (millions of yen) (Note 3)	Appraisal NOI yield (%) (Note 4)	
					Indicated value by direct capitalization method (millions of yen)	Capitalization rate (%)	Indicated value by DCF method (millions of yen)	Discount rate (%)	Terminal capitalization rate (%)			
(Omitted)												
Properties operated by the Hoshino Resorts Group	KAI	K-9	KAI Alps	NV	<u>3,150</u>	<u>3,170</u>	5.4	<u>3,130</u>	5.1	5.6	177	5.8
		Subtotal			<u>16,328</u>	<u>16,486</u>	-	<u>16,150</u>	-	-	1,010	7.3
(Omitted)												
Total				<u>179,302</u>	<u>180,010</u>	-	<u>178,727</u>	-	-	10,397	6.7	

(Omitted)

3. Amended content of the “12th Fiscal Period (ended April 2019) Presentation Materials”

- (1) Real estate appraisal value under “Overview of newly acquired properties (2),” page 7
 - (Before amendment) 3.16 billion yen
 - (After amendment) 3.15 billion yen
- (2) NAV per unit for the fiscal period ended April 2019 (12th fiscal period) under “Steady growth of distribution and NAV per unit,” page 10
 - (Before amendment) 551,198 yen
 - (After amendment) 551,153 yen
- (3) Real estate appraisal value, etc. (valuation date: April 30, 2019) of “KAI Alps” under “Real estate appraisal value for continuously owned properties as of the end of the fiscal period ended April 2019,” page 41
 - (Before amendment) 3,160 million yen
 - (After amendment) 3,150 million yen

- (4) Total of real estate appraisal value, etc. (valuation date: April 30, 2019) under “Real estate appraisal value for continuously owned properties as of the end of the fiscal period ended April 2019,” page 41

(Before amendment) 179,312 million yen

(After amendment) 179,302 million yen

* Hoshino Resorts REIT, Inc. website address: <http://www.hoshinoresorts-reit.net>