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For Immediate Release

REIT Securities Issuer
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Notice Concerning Revisions to Management Status Forecast and Distribution Forecast for the 8th Fiscal Period Ending April 2017

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces today that it has revised management status forecast and distribution forecast for the fiscal period ending April 2017 (from November 1, 2016 to April 30, 2017) announced in "Notice Concerning Split of Investment Units and Revision of Forecast distribution per Unit" dated September 16, 2016 and in "(Correction) Notice Concerning Split of Investment Units and Revision of Forecast distribution per Unit" dated September 20, 2016. Details are as follows.

There is no revision to the management status forecast and distribution forecast for the fiscal period ending October 2016 (from May 1, 2016 to October 31, 2016) announced in Financial Report for Fiscal Period Ended April 2016 dated June 15, 2016.

1. Revisions to Management Status Forecast and Distribution Forecast for the Fiscal Period Ending April 2017

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Distribution per Unit (excluding distribution in excess of earnings)	Distribution in Excess of Earnings per Unit
Previous Forecast (A)	4,042 million yen	2,066 million yen	1,862 million yen	1,861 million yen	11,382 yen	—
Revised Forecast (B)	4,462 million yen	2,260 million yen	1,894 million yen	1,893 million yen	11,582 yen	—
Amount of Change (C) (B)-(A)	420 million yen	193 million yen	32 million yen	32 million yen	200 yen	—
Ratio of Change (C)/(A)	10.4%	9.4%	1.8%	1.8%	1.8%	—
(Reference) Forecast for fiscal period ending Oct. 2016	3,981 million yen	2,091 million yen	1,808 million yen	1,807 million yen	22,104 yen	—

[Notes]

1. The above forecasts are current figures calculated based on the assumptions stated in the attached "Assumptions for the Management Status Forecast for the Fiscal Period Ending April 2017." Therefore, the actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings) and distribution in Excess of Earnings per unit may differ from them due to future additional acquisition or transfer of real estate, etc., changes in management environment and other factors. In addition, HRR does not guarantee any actual cash distribution amount by announcing the forecast figures.

2. The split of investment units held by unitholders stated or recorded on the last unitholders' register on October 31, 2016, the date set as the record date, will be implemented as a 2-for-1 split.
3. HRR may revise the forecast in the event that it expects discrepancies over a certain level from the forecast above.
4. Amounts are rounded down to and ratios are rounded to the nearest specified unit. The same applies hereinafter.

2. Reason for Revision

HRR revised the forecast as there were changes in the assumptions for the management status forecast for the fiscal period ending April 2017 announced on June 15, 2016 in line with the debt financing, etc. described in "Notice Concerning Debt Financing and Conclusion of Interest Rate Swap Agreements" and the acquisition of an asset, etc. described in "Notice Concerning Acquisition and Leasing of Domestic Real Estate" announced today.

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

[Attachment]

Assumptions for the Management Status Forecast for the Fiscal Period Ending April 2017

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Calculation Period</td><td>・Fiscal period ending April 2017 (8th fiscal period): November 1, 2016 – April 30, 2017 (181 days)</td></tr>
<tr><td>Assets under Management</td><td>・The assumption is the 47 properties held as of today plus the 1 real estate property to be acquired on November 1, 2016 (hereinafter the “Asset to be Acquired”) with funds procured through debt financing resolved at its Board of Directors’ Meeting held today, etc., to total 48 properties held. For details of the Asset to be Acquired please refer to “Notice Concerning Acquisition and Leasing of Domestic Real Estate” announced today.
・The assumption is that the Asset to be Acquired will be acquired on the date mentioned above and that there will be no change (acquisition of new properties, disposition of portfolio properties, etc.) through April 30, 2017 to the asset under management.
・In practice, they may vary due to changes in assets under management other than above.</td></tr>
<tr><td>Operating Revenue</td><td>・Lease business revenue, which is calculated by taking into account the portfolio properties lease agreement terms and conditions and also such factors as the lease agreement which is to take effect on the planned acquisition date of the Asset to be Acquired, the market environment and property competitiveness, is assume to be 4,462 million yen for the fiscal period ending April 2017.
・For HOSHINOYA Kyoto, there were capital expenditures that involved the facility’s suspension of operations for an approximate three-month period from December 2015. Therefore, floating rent for HOSHINOYA Kyoto or the fiscal period ending April 2017, for which the period used for base sales serving as the basis of floating rent include the period of suspension of operations, is calculated by taking into consideration the impact of the facility’s suspension of operations.
・Of lease business revenue, the rent by rent type is assumed to be as follows.

The Fiscal Period Ending April 2017
(million yen)
<table>
<tr><th>Rent type</th><th>Name of facility, etc.</th><th>Fixed rent</th><th>Floating rent (Note 1)</th><th>Other rent</th><th>Total</th></tr>
<tr><td rowspan="4">Fixed rent + Floating rent (sales-linked) (Note 2)</td><td>HOSHINOYA Karuizawa
HOSHINOYA Kyoto</td><td>408</td><td>95</td><td>—</td><td>504</td></tr>
<tr><td>RISONARE Yatsugatake</td><td>262</td><td>59</td><td>—</td><td>322</td></tr>
<tr><td>KAI Matsumoto
KAI IZumo
KAI Ito
KAI Hakone
KAI Aso
KAI Kawaji</td><td>233</td><td>53</td><td>—</td><td>286</td></tr>
<tr><td>22 Solare properties</td><td>547</td><td>154</td><td>10</td><td>712</td></tr>
<tr><td>Fixed rent</td><td>5 Candeo properties
3 Greens properties</td><td>269</td><td>—</td><td>—</td><td>269</td></tr>
<tr><td rowspan="2">Fixed rent + Floating rent (profit-linked) (Note 2)</td><td>RISONARE Atami
KAI Kinugawa
KAI Kaga
Asahikawa Grand Hotel</td><td>544
(Note 3)</td><td>—</td><td>—</td><td>544</td></tr>
<tr><td>4 ANA Crowne Plaza properties</td><td>840</td><td>596</td><td>—</td><td>1,436</td></tr>
<tr><td>Floating rent (profit-linked) (Note 2)</td><td>Hyatt Regency Osaka</td><td>—</td><td>387</td><td>—</td><td>387</td></tr>
<tr><td colspan="2">Total</td><td>3,105</td><td>1,346</td><td>10</td><td>4,462</td></tr>
</table>
(Note 1) Floating rent is calculated based on actual figures of past sales and profits of each facility, reflecting seasonal factors and other fluctuating factors, using calculation methods prescribed in the lease agreement of each facility. For 5 Candeo properties and 3 Greens properties, as well as RISONARE Atami, KAI Kinugawa, KAI Kaga and Asahikawa Grand Hotel which will have premium fixed rent from the fiscal period ending April 2017, floating rent will not apply.
(Note 2) Sales-linked floating rent is calculated deeming sales of the 12 months from October 2015 to September 2016 as the base sales. Profit-linked floating rent is calculated deeming profits of the 12 months from June 2015 to May 2016 as the base profits.</td></tr>
</table>

Item	Assumptions
	(Note 3) Since RISONARE Atami, KAI Kinugawa, KAI Kaga and Asahikawa Grand Hotel have premium fixed rents during the fiscal period ending April 2017, the premium fixed rents are indicated. ・For lease business revenue, the assumption is that there will be no cancellation of lease agreements and no delinquent or unpaid rent by lessees.
Operating Expenses	・Of operating expenses, fixed asset tax, city planning tax and depreciable asset tax are assumed to be 365 million yen for the fiscal period ending April 2017. In general, fixed asset tax, city planning tax (applicable assets only; the same shall apply hereinafter) and depreciable asset tax (applicable assets only; the same shall apply hereinafter) of acquired assets are calculated on a pro rata basis and reimbursed at the time of acquisition with the previous owner, but the amount equivalent to the reimbursement is included in the cost of acquisition and thus not recognized as expenses in the acquisition period at HRR. Accordingly, in the case of the Asset to be Acquired, the assumption is that fiscal 2017 fixed asset tax, city planning tax and depreciable asset tax are recognized as expenses in part, starting from the fiscal period ending April 2017. Furthermore, the total amount of fixed asset tax, city planning tax and depreciable asset tax included in the cost of acquisition of the Asset to be Acquired is expected to be 30 million yen. ・Repair expenses for buildings are recognized in the amount assumed to be necessary based on the repair plan formulated by the Asset Management Company for each property. However, such factors as emergency repair expenses possibly arising from unforeseeable causes, the variation in the amount depending on the fiscal year generally being large and not being an amount that arises periodically may result in repair expenses differing materially from the forecast amount. ・Expenses related to rent business other than depreciation, which are calculated by taking into account the factors causing fluctuation in expenses, are assumed to be 728 million yen for the fiscal period ending April 2017. ・Depreciation, which is calculated using the straight-line method by including incidental expenses, etc. in acquisition price, is assumed to be 954 million yen for the fiscal period ending April 2017.
Non-operating Expenses	・Interest expenses, other related expenses are assumed to be 366 million yen for the fiscal period ending April 2017, respectively.
Interest-Bearing Debt	・As of today, HRR has balance of loans outstanding of 27,285 million yen. ・The assumption is that HRR conduct debt financing of 16,000 million yen in total from qualified institutional investors defined under Article 2 Paragraph 3 item 1 of Financial Instruments and Exchange Act, including The Bank of Tokyo-Mitsubishi UFJ, Ltd., in November 2016. For details of the debt financing, please refer to "Notice Concerning Debt Financing and Conclusion of Interest Rate Swap Agreements" announced today. ・For the fiscal period ending October 2016, the assumption is that 125 million yen of the loans will be repaid through contractual repayment. ・For the fiscal period ending April 2017, the assumption is that 125 million yen of the loans will be repaid through contractual repayment. ・The forecast is that LTV at the end of the fiscal period ending April 2017 is 34.9%. The following formula is used in the calculation of LTV for this press release: LTV = Balance of loans outstanding ÷ Total assets × 100
Investment Units	・It is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. through the end of the period ending April 2017. ・Distribution per unit (excluding distribution in excess of earnings) is calculated based on the expected number of investment Us issued and outstanding at the end of the fiscal period ending April 2017 (163,514 units).
Distribution per Unit (excluding distribution in excess of earnings)	・Distribution per unit (excluding distribution in excess of earnings) is calculated assuming the cash distribution policy provided in the Articles of Incorporation of HRR. ・Distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, including fluctuation in rent revenue accompanying change in assets under management, change in tenants, etc. or incurrence of unexpected repairs.
Distribution per Unit in Excess of Earnings	・No distribution in excess of earnings (distribution in excess of earnings per unit) is scheduled at this point in time.
Others	・It is assumed that there will be no revision of law and regulations, tax systems, accounting standards, securities listing regulations, rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. ・It is assumed that there will be no unforeseen serious change in general trends ,real estate market conditions, etc.