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For Immediate Release

REIT Securities Issuer

Hoshino Resorts REIT, Inc.

Representative: Kenji Akimoto, Executive Director
(Code: 3287)

Asset Management Company

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Notice Concerning Acquisition of Domestic Real Estate

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces that Hoshino Resort Asset Management Co., Ltd. (hereinafter the “Asset Management Company”), to which HRR entrusts asset management, made a decision today regarding the acquisition of the following property (hereinafter the “Asset to be Acquired”) as follows.

1. Overview of Acquisition

Classification (Note 1)	Property No. (Note 2)	Property name	Location	Planned acquisition price (million yen) (Note 3)	Seller
HOSHINOYA	H-3	HOSHINOYA Fuji	Fujikawaguchiko-machi, Minamitsuru-gun, Yamanashi	4,160	K.K. Horizon Hotels

(Note 1) “Classification” indicates one of the four classifications (“HOSHINOYA,” “RISONARE,” “KAI” and “Other”) in accordance with the brand of HRR’s investment assets.

(Note 2) “Property No.” indicates the numbers provided under each classification after HRR’s investment assets are classified into four classifications (“HOSHINOYA,” “RISONARE,” “KAI” and “Other”) in accordance with their brands.

(Note 3) “Planned acquisition price” indicates the sum of (a) the sales/purchase price of the property stated in the sales and purchase agreement (excluding consumption taxes, local consumption taxes and expenses such as transaction commissions) and (b) 726 million yen of key money concerning establishing land subleasehold for the seller-cum-land subleasehold establisher, rounded down to the nearest million yen.

- (1) Date of Execution of Purchase Agreement: April 7, 2017
- (2) Scheduled Acquisition Date: May 1, 2017 (delivery and settlement date)
- (3) Seller: Please refer to “4. Details of Seller” later in this document.
- (4) Funds for Acquisition: Proceeds from issuance of new investment units resolved at HRR’s Board of Directors’ Meeting held on April 7, 2017 (planned)
- (5) Method of Payment: Lump-sum payment upon delivery
- (6) Collateral: None

2. Reason for Acquisition

HRR makes focused investments in facilities that are likely to secure steady cash flow over a long-term period. HRR considers the three core brands of “HOSHINOYA,” “Hoshino Resorts KAI” and “Hoshino Resorts RISONARE” operated by the Hoshino Resorts Group (collectively referring to Hoshino Resorts Inc. and its parent company and subsidiaries; the same applies hereinafter) as facilities capable of securing steady cash flow over a long-term period. HRR discussed the acquisition of the Asset to be Acquired, which is one of the HOSHINOYA brand facilities, and has decided on the acquisition for the following reason: the acquisition is judged to strengthen the stability of HRR’s earnings as the risk of deterioration in operating cash flow will be reduced compared to before with progressed diversification of locations, business models, brands and operators of the portfolio caused by the changes in the travel needs of travelers or the trends, disasters, economic situations in Japan and abroad.

3. Contents of Asset to be Acquired

The tables below present an overview of the Asset to be Acquired. The following is an explanation of the matters stated in each column of the tables below.

a. Explanation on “Overview of Specified Asset”

- For “Use,” accommodations mainly with a western-style structure and facilities are indicated as “hotel,” those mainly with a Japanese-style structure and facilities are indicated as “ryokan” based on the current conditions of the property. Since the description in “Use” is a classification to grasp the overall characteristics of the facility in accordance with the investment policy of HRR, such may differ from use of individual buildings comprising the facility stated in the real estate registry.
- “Planned Acquisition Date” is the planned acquisition date for the Asset to be Acquired.
- “Type of Specified Asset” is the type of real estate and other assets as specified assets.
- “Planned acquisition price” indicates the sum of (a) the sales/purchase price of the property stated in the sales and purchase agreement (excluding consumption taxes, local consumption taxes or expenses such as transaction commissions) and (b) 726 million yen of key money concerning establishing land subleasehold for the seller-cum-land subleasehold establisher.
- “Appraisal Value (Appraisal date)” is the real estate appraisal value and appraisal date stated in the real estate appraisal report for the Asset to be Acquired obtained from Japan Valuers Co., Ltd.
- “Location (Indication of residential address),” in principle, is the indication of residential address. In cases where there is no indication of residential address, it is the building location (if several, one of the locations) in the real estate registry.
- “Transportation” is in accordance with the real estate appraisal report for the Asset to be Acquired obtained from Japan Valuers Co., Ltd.
- “Lot Number” of Land is the building location (if several, one of the locations) in the registry.
- “Building Coverage Ratio” of Land is, in principle, the ratio of building area to area of the building site as stipulated in Article 53 of the Building Standards Act (Act No. 201 of 1950, including amendments thereto) (hereinafter the “Building Standards Act”) and indicates the upper limit of the building coverage ratio stipulated by city planning according to type of use district, etc. (designated building coverage ratio) (if several, all of them). Designated building coverage ratio may be relaxed, raised or reduced due to reasons such as the existence of fireproof structures in a fire prevention district, and thus may differ from a building coverage ratio that actually applies.
- “Floor-area Ratio” of Land is the ratio of total floor area of the building to site area as stipulated in Article 52 of the Building Standards Act and indicates the upper limit of the floor-area ratio stipulated by city planning according to type of zoning district, etc. (designated floor-area ratio) (if several, all of them). Designated floor-area ratio may be relaxed, raised or reduced due to reasons such as widening of roads connected to the site, and thus may differ from a floor-area ratio that actually applies.
- “Use districts” of Land is the type of use district classified (if several, all of them) in accordance with Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, including amendments thereto).
- “Site Area” of land is based on the description in the registry (it includes the leased area. The leased area is based on the description in the lease agreement) and may differ from the present state.
- “Type of Ownership” of Land and Building is the type of rights held by HRR.
- “Completion Date” of Building is the inspection date of construction completion stated in the certificate proving completion of the inspection under the Building Standards Act for the main building.
- “Structure and Floors” of Building is based on the description in the registry for the main building.
- “Total Floor Area” of Building is based on the description in the registry, including floor area of annex buildings.
- “Building Engineer” and “Constructors” of Building indicate the company names at the time of building engineering and construction of the main building.

- “Leasable Floor Area” is the area equivalent to the area owned by HRR out of leasable area, and indicates the figure stated in the lease agreement to be concluded/concluded between HRR and the tenant or in the building drawing of the property.
 - “Occupancy Rate” is the occupancy rate expected as of the planned acquisition date (the ratio of the total leased floor area to the total leasable floor area). In case a lease agreement with suspensive conditions of becoming effective under the condition of HRR’s acquisition has been concluded between HRR and the tenant, the occupancy rate is indicated assuming that leasing has started on the planned acquisition date.
 - “Main Tenant” is the tenant with the largest leased area out of those leasing the property from HRR in accordance with the lease agreement effective as of acquisition by HRR.
 - “No. of Tenants” is the number of those leasing the property from HRR in accordance with the lease agreement effective as of acquisition by HRR.
 - “No. of Guest Rooms” is the number of guest rooms available for accommodation.
 - “No. of Sublease Tenants” is the number of those planning to sublease the property from those leasing the property from HRR in accordance with the lease agreement effective as of acquisition by HRR. However, this excludes those planning to sublease part of the site or the building for the purpose of using parking or installing antennas.
- b. Explanation on “Overview of Leasing”
- “Overview of Leasing” is the detail of the lease agreement concerning the Asset to be Acquired with the tenant who leases the hotel or ryokan.
 - “Lessee,” “Type of Contract,” “Contract Period,” “Leased Floor Area,” “Rent,” “Security Deposit and Guarantee Deposit,” “Renewal at the End of Contract Period,” “Rent Revision,” “Midterm Cancellation,” “Penalty” and “Method for Re-contract” are based on the statements in the lease agreement that is to be effective on the planned acquisition date of the Asset to be Acquired and on other agreements concluded pertaining to such.

Hoshino Resorts REIT, Inc.

HOSHINOYA Fuji		Category	HOSHINOYA			
		Use	Hotel			
Overview of Specified Asset						
Planned Acquisition Date	May 1, 2017		Type of Specified Asset	Real Estate		
Planned Acquisition Price	4,160,000,000 yen		Appraisal Value (Appraisal Date)	4,310,000,000 yen (February 1, 2017)		
Location (Indication of residential address)	1408 Oishi, Fujikawaguchiko-machi, Minamitsuru-gun, Yamanashi					
Transportation	Approximately 7km from Kawaguchiko Station on the Fujikyuko Line					
Land	Lot Number	2917-1 Aza Myokozen, Oishi, Fujikawaguchiko-machi, Minamitsuru-gun, Yamanashi and other		Building	Completion Date	August 2015
	Building Coverage Ratio	70%		Structure / Floors	Steel-framed with galvanized alloy steel sheet roof/2F, Reinforced concrete with galvanized alloy steel sheet roof/1F, Wooden construction with galvanized alloy steel sheet roof/1F	
	Floor-area Ratio	200%		Total Floor Area	2,103.55m ²	
	Use District	Not designated		Building Engineer	Azuma Architects & Associates Co., Ltd.	
	Site Area	74,772.03m ²		Constructors	Shimizu Corporation	
	Type of Ownership	Land subleasehold		Type of Ownership	Ownership	
	Leasable Floor Area	2,103.55m ²		Occupancy Rate	100%	
Main Tenant	Hoshino Resorts Inc.		No. of Tenants	1		
No. of Guest Rooms	40		No. of Sublease Tenants	0		
<p>Overview of land subleasehold contract</p> <ul style="list-style-type: none"> · As to the land, HRR has concluded the following land sublease agreement with the seller, who is the lessee of the land, with execution of purchase/sale of the building on the land as a condition precedent. <p>Land sublease establisher: K.K. Horizon Hotels Type of land sublease: Regular land leasehold Sublease period: 30 years after fulfillment of the condition precedent (acquisition date of the building by HRR) Monthly Rent : 1,151,916 yen (However, monthly rent for April every year is 1,151,924 yen.) Rent Revision : Not applicable. Security Deposit and Guarantee Deposit: 38,016,500 yen</p> <p>Key money: As compensation for establishing land subleasehold, HRR will pay 726 million yen as key money to the establisher of land subleasehold on the date the condition precedent is fulfilled. (The planned acquisition price indicates the amount that includes the key money.) The key money is non-refundable.</p> <p>Renewal: The land subleasehold establisher and HRR, the sublessee, will discuss the renewal of the agreement up to one year prior to the expiration of the sublease period and decide whether to renew it. If HRR, the sublessee, requests renewal when the sublease period is expiring, the agreement shall be renewed for another 20 years with the same terms as the previous agreement and such shall be the case thereafter. However, if the land subleasehold establisher raises an objection without delay to the request by HRR, the sublessee, the matter may be treated differently. The land subleasehold establisher may not raise an objection unless there is due cause.</p> <p>Midterm Cancellation: The land leasehold establisher may not cancel the agreement in the middle of the term. HRR, the sublessee, may cancel the agreement in the middle of the term by sending a notice in writing to the land leasehold establisher 12 months in advance.</p>						

Hoshino Resorts REIT, Inc.

Overview of Leasing	
Lessee	Hoshino Resorts Inc.
Type of Contract	Fixed term building lease agreement
Contract Period	20 years from May 1, 2017
Leased Floor Area	2,103.55m ²
Rent	<p>Annual fixed rent: 184,860,000 yen (However, annual fixed rent for the period from May 1, 2017 to April 30, 2020 is 284,700,000 yen.)</p> <p>Floating rent: Floating rent arises under the following conditions, starting from May 1, 2020. Calculation method for floating rent for each month uses, for May to October every year, floating rent calculation GOP of the period of 12 months from December in the second preceding year to November in the preceding year as the floating rent calculation period GOP; for November to next April every year, floating rent calculation GOP of the period of 12 months from June in the preceding year to May in the current year as the floating rent calculation period GOP. Amount equivalent to one-twelfth of the amount calculated based the following formula using these GOPs (with lower limit of 0 yen) will be the floating rent. However, rent for the period from May 1, 2017 to April 30, 2020 will be the amount with premium fixed rent (284,700,000 yen) without floating rent.</p> <p>Calculation</p> <p>(1) For the portion of floating rent calculation period GOP that exceeds 222,300,000 yen (excluding, however, the portion exceeding 347,100,000 yen), an amount equivalent to 80%.</p> <p>(2) For the portion of floating rent calculation period GOP that exceeds 347,100,000 yen, an amount equivalent to 50%.</p> <p>(Note) "Floating rent calculation period GOP" refers to the amount obtained by subtracting sales cost, selling, general and administrative expenses and chain service fees (out of expenses paid by the lessee as headquarters function, expenses directly related to the sales activities of the Asset to be Acquired) from the total sale proceeds of the facility during a certain period of time.</p>
Security Deposit and Guarantee Deposit	Security deposit: 6 months' fixed rent. However, HRR has agreed, on the same date as the lease agreement, with the lessees (Hoshino Resorts Inc., Hoshino Resort Management Co., Ltd., K.K. Arashiyama Onsen Rankyokan, K.K. Horizon Hotels, Asahikawa Grand Hotel Co., Ltd. and HRO, Inc. hereinafter collectively the "Hoshino Resorts Group Lessees") of the assets owned by HRR which belong to the Hoshino Resorts Group, to consider security deposit, security, etc. paid by Hoshino Resorts Group Lessees in accordance with the lease agreements concluded with HRR as being paid to guarantee all the debts by all Hoshino Resorts Group Lessees to HRR based on the lease agreements.
Renewal at the End of Contract Period	The contract will end at the end of the contract period with no renewal.
Rent Revision	Rent may not be revised for full 10 years from the start date of the lease. Rent revision will be discussed every 5 years thereafter, and rent may be revised, under mutual agreement, when economic situations have changed, taxes and dues on the land or the building or other burdens have increased, or other unavoidable incidents have occurred.
Midterm Cancellation	The lessee may not, in principle, cancel the lease agreement during the contract period. However, the lessee may cancel the agreement after 10 years from the start date of the lease by notifying the intent of cancellation to the lessor in writing at least 12 months prior to the cancellation date.
Penalty	When the lease agreement is dissolved, or is cancelled due to intention of the lessee which is agreed by the lessor, the lessee will pay penalty in the amount equivalent to the rent from the date of dissolution or cancellation to the last day of the cancellation-prohibited period (10 years after the start of the lease) or the amount equivalent to 12 months' rent, whichever is higher (the average monthly rent for the past 12 months with the first month being the month preceding the month which includes the end date of the lease agreement is used for the calculation of such rent. However, if the lease period is less than 12 months, the average monthly rent during that period will be applied.) to HRR, the lessor.
Method for Re-contract	The contract will end at the end of the contract period without renewal; however, re-contract is possible through discussion between the concerned parties.

4. Details of Seller

H-3 HOSHINOYA Fuji

Company Name	K.K. Horizon Hotels	
Head Office Location	2-3 Otemachi, Toyama-shi, Toyama	
Amount of Capital	10 million yen	
Date of Incorporation	February 23, 2006	
Net Asset	Not disclosed as consent from the seller has not been obtained.	
Total Asset	Not disclosed as consent from the seller has not been obtained.	
Major Shareholder and Shareholder ratio	Hoshino Resorts Inc. 100.0%	
Main Business	Operation of resort business, etc.	
Relationship with HRR/Asset Management Company	Capital Relationship	The Seller is a subsidiary of the parent company of the Asset Management Company.
	Personnel Relationship	There is no personnel relationship required to be stated between HRR/ the Asset Management Company and the Seller.
	Business Relationship	Pursuant to the real estate sales and purchase agreement concluded with HRR, the Seller transferred ANA Crowne Plaza Hiroshima at 17,784 million yen (acquisition price), ANA Crowne Plaza Fukuoka at 7,599 million yen (acquisition price), ANA Crowne Plaza Kanazawa at 6,609 million yen (acquisition price) and ANA Crowne Plaza Toyama at 4,008 million yen (acquisition price) to HRR on November 2, 2015; and started to lease ANA Crowne Plaza Hiroshima, ANA Crowne Plaza Fukuoka, ANA Crowne Plaza Kanazawa and ANA Crowne Plaza Toyama from HRR on the same day. In addition, the Seller transferred KAI Kaga to HRR at 3,160 million yen (acquisition price) on May 2, 2016. Furthermore, the Seller leases RISONARE Yatsugatake and RISONARE Atami from HRR.
	Status of Classification as Related Party	The Seller is a company with the same parent company as the Asset Management Company, and thus falls under the Related Party.

5. Transaction with Interested Party, etc.

The seller of the Asset to be Acquired is a subsidiary of the parent company of the Asset Management Company, and the lessee of the Asset to be Acquired is the parent company of the Asset Management Company. The said parties fall under the interested party, etc. defined in Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended) and fall under the definition of interested party, etc., as set forth in the “interested party transaction rules,” internal provisions of the asset Management Company. Accordingly, the Asset Management Company has gone through approval procedures set forth in the internal provisions for conducting acquisition and lease transactions of the Asset to be Acquired with the parties, and has also obtained HRR’s agreement based on the approval of HRR’s Board of Directors’ Meeting held on April 7, 2017 pursuant to the “interested party transaction rules.”

6. Status of Owners etc. of Property.

The following table states ① Name of company, ② Relationship with the party with special interest, and ③ Acquisition background/reason, etc.

Property name			Previous owner
			①, ②, ③ Acquisition (transfer) price Acquisition (transfer) time
HOSHINOYA Fuji	(2917-1 Aza Myokozen, Oishi, Fujikawaguchiko-machi, Minamitsuru-gun, Yamanashi and other)	Building	① K.K. Horizon Hotels ② Subsidiary of the parent company of the Asset Management Company ③ Acquired for development purposes
			Omitted as the building is developed by the previous owner
			August 2015 (Completion)

7. Status of Brokerage

HRR has not used an intermediary for acquisition of "HOSHINOYA Fuji."

8. Impact on Financial Status of HRR in the Event of Failure to Fulfill Forward Commitment, etc.

Not Applicable.

9. Future Outlook

For the future outlook of the management status of HRR for the fiscal period ending October 2017 (May 1, 2017 to October 31, 2017) and the fiscal period ending April 2018 (November 1, 2017 to April 30, 2018), please refer to "Notice Concerning Revision of Forecast of Management Status and Distribution for Fiscal Period Ending October 2017 and Forecast of Management Status and Distribution for Fiscal Period Ending April 2018" separately announced today.

Hoshino Resorts REIT, Inc.

10. Appraisal Summary

H-3 HOSHINOYA Fuji

Appraisal Summary		
Appraiser	Japan Valuers Co., Ltd.	
Appraisal Value	4,310,000,000 yen	
Appraisal Date	February 1, 2017	
	Appraisal Value	Remarks, etc.
Direct Capitalization Method		
(1) Operating Revenue(①-②-③)	292,441,600 yen	—
① Gross potential revenue (rent income, common area fees income, other income, etc.)	292,441,600 yen	Assessed based on actual agreement. (Portion where floating rent applies is assessed based on materials related to tenant's income and expenditure.)
② Vacancy Loss, etc.	0 yen	—
③ Bad debts expenses	0 yen	Not recorded as secured by security deposit.
(2) Operating Expenses (④+⑤+⑥+⑦+⑧+⑨+⑩+⑪)	25,228,005 yen	—
④ Maintenance	879,000 yen	Recorded actual amount (excluding portion paid by the tenant.)
⑤ Utilities	0 yen	—
⑥ Repair costs	1,260,700 yen	30% of the 12-year average of "repair and renewal expenses" stated in ER.
⑦ Property management fees	0 yen	—
⑧ Advertisement for leasing, etc.	0 yen	—
⑨ Tax and public dues	8,612,374 yen	For land, not recorded as all the entire land is on lease. For building, assessed based on actual amount. For depreciable assets, recorded scheduled amount based on standard taxable value.
⑩ Insurance	652,931 yen	0.03% of building replacement cost.
⑪ Other expenses	13,823,000 yen	Recorded actual amount.
(3) Net Operating Income ((1)-(2))	267,213,595 yen	—
(4) Interest Income	544,135 yen	Investment return at 1.0%.
(5) Capital Expenditures	2,941,633 yen	70% of the 12-year average of "repair and renewal expenses" stated in ER.
(6) Net Cash Flow ((3)+(4)-(5))	264,816,097 yen	—
(7) Cap Rate	6.1%	—
Direct Capitalization Value	4,340,000,000 yen	—
Discounted Cash Flow Value	4,280,000,000 yen	—
Discount Rate	5.8%	—
Terminal Cap Rate	6.3%	—
Integrated Value by Using Cost Method	2,660,000,000 yen	—
Ratio of Land	17.4%	—
Ratio of Building	82.6%	—
Other, things appraiser noted upon valuation	None	

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

<Appendix>

Reference Material 1: Summary of Engineering Report and Earthquake Risk Assessment Report

Reference Material 2: Map and Exterior Appearance

Reference Material 3: Portfolio Overview after Acquisition of the Asset to be Acquired

<Appendix>

Reference Material 1: Summary of Engineering Report and Earthquake Risk Assessment Report

Property No.	Property name	Investigator	Investigation date	Short-term repair expenses (thousand yen) (Note 1) (Note 2)	Long-term repair expenses (annual average) (thousand yen) (Note 1) (Note 3)
H-3	HOSHINOYA Fuji	Tokyo Marine & Nichido Risk Consulting Co., Ltd.	January 13, 2017	—	4,202

(Note 1) “Short-term repair expenses” and “Long-term repair expenses” (annual average) are those based on the engineering report.

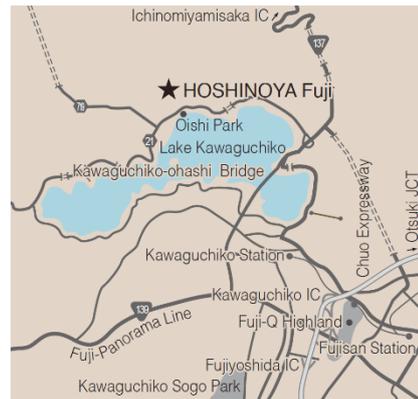
(Note 2) “Short-term repair expenses” are repair and renewal expenses required when implementing repair and renewal within about one year due to progressed deterioration, excluding expenses for normal repair or interior/facility renewal, based on the engineering report prepared by the investigator after their investigation.

(Note 3) “Long-term repair expenses (annual average)” are repair and renewal expenses required in the 12 years from the investigation date, based on the engineering report prepared by the investigator after their investigation. The figure is converted to annual average and rounded to the nearest thousand yen by HRR.

Property No.	Property name	Investigator	Investigation date	PML value (Probable maximum loss) (%)
H-3	HOSHINOYA Fuji	Tokyo Marine & Nichido Risk Consulting Co., Ltd.	January 13, 2017	9.4

Reference Material 2: Map and Exterior Appearance

H-3 HOSHINOYA Fuji



(Note) The photo of the Asset to be Acquired shows the Asset to be Acquired at a certain period in time and may differ from the current situation due to changes after the photo shooting, etc.

Hoshino Resorts REIT, Inc.

Reference Material 3: Portfolio Overview after Acquisition of the Asset to be Acquired

Classification	Property No.	Property Name	(Planned) Acquisition Price (million yen)	Investment Ratio (%) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraiser (Note 3)
Assets owned by HRR						
HOSHINOYA	H-1	HOSHINOYA Karuizawa	7,600	6.7	11,100	NV
	H-2	HOSHINOYA Kyoto	2,785	2.5	3,760	NV
	Subtotal		10,385	9.2	14,860	—
RISONARE	R-1	RISONARE Yatsugatake	4,500	4.0	6,000	NV
	R-2	RISONARE Atami	3,750	3.3	4,080	NV
	Subtotal		8,250	7.3	10,080	—
KAI	K-1	KAI Matsumoto	600	0.5	783	MSK
	K-2	KAI Izumo	680	0.6	847	MSK
	K-3	KAI Ito	670	0.6	923	MSK
	K-4	KAI Hakone	950	0.8	1,240	MSK
	K-5	KAI Aso	575	0.5	676	MSK
	K-6	KAI Kawaji	1,000	0.9	1,140	MSK
	K-7	KAI Kinugawa	3,080	2.7	3,280	MSK
	K-8	KAI Kaga	3,160	2.8	3,330	MSK
	Subtotal		10,715	9.5	12,219	—
Others	O-1	Chisun Inn Shiojiri Kita IC	672	0.6	809	NV
	O-2	Chisun Inn Sano Fujioka IC	742	0.7	895	MSK
	O-3	Chisun Inn Suwa IC	658	0.6	802	NV
	O-4	Chisun Inn Toyokawa IC	602	0.5	726	NV
	O-5	Chisun Inn Tosu	504	0.4	630	NV
	O-6	Chisun Inn Chiba Hamano R16	798	0.7	1,020	MSK
	O-7	Chisun Inn Kumamoto Miyukifueda	616	0.5	736	NV
	O-8	Chisun Inn Utsunomiya Kanuma	714	0.6	833	MSK
	O-9	Chisun Inn Fukui	644	0.6	767	NV
	O-10	Chisun Inn Fukushima Nishi IC	672	0.6	773	MSK
	O-11	Chisun Inn Niigata Chuo IC	630	0.6	747	NV
	O-12	Chisun Inn Nagasaki Airport	630	0.6	752	NV
	O-13	Chisun Inn Hitachinaka	742	0.7	903	MSK
	O-14	Chisun Inn Tsuchiura Ami	770	0.7	921	MSK
	O-15	Chisun Inn Kofu Isawa	658	0.6	786	NV
	O-16	Chisun Inn Marugame Zentsuji	588	0.5	692	NV
	O-17	Chisun Inn Munakata	504	0.4	618	NV
	O-18	Chisun Inn Iwate Ichinoseki IC	700	0.6	773	MSK
	O-19	Chisun Inn Karuizawa	812	0.7	1,050	NV
	O-20	Chisun Inn Himeji Yumesakibashi	616	0.5	731	NV
	O-21	Chisun Inn Kurashiki Mizushima	728	0.6	857	NV
	O-22	Candeo Hotels Handa	620	0.5	693	RC
	O-23	Candeo Hotels Chino	793	0.7	914	RC
	O-24	Candeo Hotels Fukuyama	1,075	0.9	1,240	RC
	O-25	Candeo Hotels Sano	1,260	1.1	1,460	RC
	O-26	Candeo Hotels Kameyama	470	0.4	532	RC
	O-27	Confort Hotel Hakodate	937	0.8	1,040	NV
	O-28	Confort Hotel Tomakomai	963	0.8	1,070	NV
	O-29	Confort Hotel Kure	1,100	1.0	1,230	NV
	O-30	Chisun Inn Kagoshima Taniyama	1,995	1.8	2,230	RC

Hoshino Resorts REIT, Inc.

Classification	Property No.	Property Name	(Planned) Acquisition Price (million yen)	Investment Ratio (%) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraiser (Note 3)
	O-31	ANA Crowne Plaza Hotel Hiroshima	17,784	15.7	19,900	RC
	O-32	ANA Crowne Plaza Hotel Fukuoka	7,599	6.7	8,630	RC
	O-33	ANA Crowne Plaza Hotel Kanazawa	6,609	5.8	7,170	RC
	O-34	ANA Crowne Plaza Hotel Toyama	4,008	3.5	4,440	RC
	O-35	Asahikawa Grand Hotel	4,619	4.1	4,770	RC
	O-36	Hyatt Regency Osaka	16,000	14.1	16,500	NV
	Subtotal			79,832	70.4	88,640
Intermediate total			109,182	96.3	125,799	—
Asset to be Acquired						
HOSHINOYA	H-3	HOSHINOYA Fuji	4,160	3.7	4,310	NV
Subtotal			4,160	3.7	4,310	—
Grand total			113,342	100.0	130,109	—

(Note 1) "Investment Ratio" is the ratio of (planned) acquisition price of each property to the sum total amount of (planned) acquisition price, rounded to the first decimal place.

(Note 2) Real estate appraisal of the property is entrusted to Japan Valuers Co., Ltd., Morii Appraisal & Investment Consulting, Inc. or Rich Appraisal Institute Co., Ltd. The real estate appraisal value or investigation value (hereinafter "Real Estate Appraisal Value, etc.") stated in the real estate appraisal report or investigation report (hereinafter "Real Estate Appraisal Report, etc.") with October 31, 2016 as effective date of the appraisal (date of value) is indicated for owned assets (excluding Hyatt Regency Osaka); with September 1, 2016 as date of value for Hyatt Regency Osaka; and with February 1, 2017 as date of value for the Asset to be Acquired.

(Note 3) "Appraiser" is stated in an abbreviated name in the above table. The abbreviated names of appraisers refer to:
 NV: Japan Valuers Co., Ltd.
 MSK: Morii Appraisal & Investment Consulting Inc.
 RC: Rich Appraisal Institute Co., Ltd.

(Note 4) Real Estate Appraisal Report, etc. presents judgement and opinion of the appraiser at a certain period in time, and does not guarantee the validity and accuracy of the contents or possibility of transactions and such with the appraisal value of real estate. In addition, Japan Valuers Co., Ltd., Morii Appraisal & Investment Consulting Inc. and Rich Appraisal Institute Co., Ltd. share no special vested interest/special relationship with HRR and the Asset Management Company.