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## Notice Concerning Abolition of Unitholder Benefit Program and Conclusion of Amendment Agreement of Sponsor Support Agreement

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) and Hoshino Resort Asset Management Co., Ltd. (hereinafter the “Asset Management Company”) announces the decision made today to abolish the unitholder benefit program (hereinafter the “Program”) of HRR on February 1, 2017; and, in line with the abolition, to conclude an amendment agreement (hereinafter the “Amendment Agreement of the Support Agreement”) to partially amend (abolish) the contents of support specified in the support agreement (hereinafter the “Support Agreement”) dated May 27, 2013 concluded among three parties including Hoshino Resorts Inc. (hereinafter “Hoshino Resorts”).

In addition, the Asset Management Company has resolved to change the asset management guidelines, which are its internal rules, in line with the conclusion of the Amendment Agreement of the Support Agreement.

1. Reason for Abolition of the Program and Conclusion of the Amendment Agreement of the Support Agreement  
HRR has incorporated the Program in order to help provide an opportunity for unitholders to experience the hotels, ryokans and ancillary facilities HRR invests in and to deepen understanding of their features. However, after repeated careful discussions from the perspective of fair return of profits taking into account the number of users and utilization rate of the Program as well as effect on distributions in case the Program is abolished among other factors, the abolition of the Program was decided as it was judged that returning profits to unitholders through distribution is more appropriate.

In line with the abolition, we have decided to conclude the Amendment Agreement of the Support Agreement in order to partially amend (abolish) the contents of support specified in the Support Agreement and to exclude duties concerning the Program.

### 2. Schedule of the Abolition of the Program

The Program will be abolished on February 1, 2017, with dispatch of unitholder complimentary tickets stated or recorded on the unitholders’ register as of October 31, 2016 as the last offering of the Program.

However, since the Amendment Agreement of the Support Agreement will stipulate, “the same contents of the Program shall be continued to be offered to the unitholders possessing the tickets until the end of the valid period of all tickets issued,” the issued tickets will be valid until the expiring date set by each ticket. (The tickets will not become invalid on February 1, 2017.)

The outline of the benefit program for unitholders stated or recorded on the unitholders’ register as of October 31, 2016 will be announced as soon as it is finalized.

### 3. Future Outlook

Since the impact of the conclusion of the Amendment Agreement of the Support Agreement on the operating results is minimal, there is no change to the management status forecast for the fiscal period ending October 2016 (May 1, 2016 to October 31, 2016) and the fiscal period ending April 2017 (November 1, 2016 to April 30, 2017) stated in the “Financial Report for Fiscal Period Ended April 2016” dated June 15, 2016.

### 4. (Reference) Outline of the Program to be Abolished

- Eligible unitholder: Unitholders who are stated or recorded on the unitholders’ register on the last day of each fiscal period (record date).
- Eligible user: Unitholders
- Details of the benefits: Unitholder complimentary tickets with the name of unitholders, offering a discount of 2,000 yen per ticket off the accommodation fee of designated facilities, will be sent. (One ticket per investment unit held, up to 10 tickets per unitholder)

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