

Hoshino Resorts REIT, Inc.

July 12, 2016

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: Osamu Yokokura, General Manager
of Corporate Planning Department
TEL: +81-3-5159-6338

Notice Concerning Debt Financing

Hoshino Resorts REIT, Inc. (hereinafter the "HRR") announces the resolution made at its Board of Directors' Meeting held on July 12, 2016 to conduct debt financing (hereinafter the "Debt Financing") as follows.

1. Details of Debt Financing

(1) Contract No. 0024

1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, The Hokuriku Bank, Ltd. and The Bank of Fukuoka, Ltd.
2) Loan Amount	¥860,000,000
3) Interest Rate	Base interest rate (Note 1) +0.425% (fixed rate)
4) Scheduled Borrowing Date	July 19, 2016
5) Method of Borrowing	To conclude individual loan agreements on July 14, 2016 with the above lenders
6) Final Repayment Date	April 30, 2021 (Note 2)
7) Repayment Method	Lump-sum repayment on repayment date
8) Interest Payment Date	First payment on October 31, 2016 with subsequent payments on the last day of April and October each year and on the final repayment date (Note 2)
9) Collateral	Secured (Note 3) / Non-guaranteed

(2) Contract No. 0025

1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
2) Loan Amount	¥1,000,000,000
3) Interest Rate	Base interest rate (Note 1) +0.725% (fixed rate)
4) Scheduled Borrowing Date	July 19, 2016
5) Method of Borrowing	To conclude an individual loan agreement on July 14, 2016 with the above lender
6) Final Repayment Date	April 28, 2023 (Note 2)
7) Repayment Method	Lump-sum repayment on repayment date
8) Interest Payment Date	First payment on October 31, 2016 with subsequent payments on the last day of April and October each year and on the final repayment date (Note 2)
9) Collateral	Secured (Note 3) / Non-guaranteed

(Note 1) "Base interest rate" is an interest rate (fixed interest rate) calculated by adding a figure which is obtained by multiplying T/L spread (offered rate) during the period from the borrowing date to the final repayment date by 365 and dividing it by 360 (rounded up to the five decimal places) to the swap rate (offered rate) during the same period.

(Note 2) If the date falls on a non-business day, it will be the following business day; provided, however, if this subsequent business day is in the following month, the business day immediately preceding the date will be the final repayment date or interest payment date.

Hoshino Resorts REIT, Inc.

(Note 3) Among the assets held by HRR, revolving mortgage has been set for the building of HOSHINOYA Karuizawa, and revolving pledge has been set for the insurance claim taken out for the building. Furthermore, revolving mortgage has been set for the land and buildings for which ownership rights of HOSHINOYA Kyoto, RISONARE Yatsugatake, RISONARE Atami, KAI Matsumoto, KAI Izumo, KAI Ito, KAI Hakone, KAI Aso, KAI Kawaji, KAI Kinugawa, Chisun Inn Shiojiri Kita IC, Chisun Inn Sano Fujioka IC, Chisun Inn Chiba Hamano R16, Chisun Inn Utsunomiya Kanuma, Chisun Inn Hitachinaka, Chisun Inn Tsuchiura Ami, Chisun Inn Karuizawa, Chisun Inn Kurashiki Mizushima, ANA Crowne Plaza Hiroshima and ANA Crowne Plaza Fukuoka that HRR holds; and revolving pledge has been set for the insurance claim taken out for the buildings.

2. Purpose of Debt Financing

Debt financing will be conducted in order to procure funds for repayment of principal of existing borrowings of which repayment date is arriving. For details of existing borrowings, please refer to “3. Total Amount to be Borrowed, Use of Proceeds and Scheduled Expenditure Date” below.

3. Total Amount to be Borrowed, Use of Proceeds and Scheduled Expenditure Date

(1) Total Amount to be Borrowed

¥1,860,000,000 (scheduled)

(2) Detailed Use of Proceeds

All proceeds from the Debt Financing will be allocated for the repayment of principal of existing borrowings. The overview of existing borrowings is as follows.

Contract No. 0003

1)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation
2)	Loan Amount	¥2,000,000,000 (Note 1)
3)	Interest Rate	1.44478% (fixed rate)
4)	Scheduled Borrowing Date	July 16, 2013
5)	Method of Borrowing	Concluded individual loan agreements on July 11, 2013 with the above lenders
6)	Final Repayment Date	July 16, 2016 (Note 2)
7)	Repayment Method	First payment on October 31, 2013 with subsequent payments of a principal of 25,000,000 yen (14,795,000 yen in the first payment) on the last day of April and October each year (Note 2) and the remaining principal of 1,860,205,000 yen on the final repayment date
8)	Interest Payment Date	First payment on October 31, 2013 with subsequent payments on the last day of April and October each year and on the final repayment date (Note 2)
9)	Collateral	Secured (Note 3) / Non-guaranteed

(Note 1) The remaining total principal of existing borrowings to be paid with the Debt Financing is 1,860,205,000 yen.

(Note 2) If the date falls on a non-business day, it will be the following business day; provided, however, if this subsequent business day is in the following month, the business day immediately preceding the date will be the final repayment date or interest payment date.

(Note 3) Among the assets held by HRR, revolving mortgage has been set for the building of HOSHINOYA Karuizawa, and revolving pledge has been set for the insurance claim taken out for the building. Furthermore, revolving mortgage has been set for the land and buildings for which ownership rights of HOSHINOYA Kyoto, RISONARE Yatsugatake, RISONARE Atami, KAI Matsumoto, KAI Izumo, KAI Ito, KAI Hakone, KAI Aso, KAI Kawaji, KAI Kinugawa, Chisun Inn Shiojiri Kita IC, Chisun Inn Sano Fujioka IC, Chisun Inn Chiba Hamano R16, Chisun Inn Utsunomiya Kanuma, Chisun Inn Hitachinaka, Chisun Inn Tsuchiura Ami, Chisun Inn Karuizawa, Chisun Inn Kurashiki Mizushima, ANA Crowne Plaza Hiroshima and ANA Crowne Plaza Fukuoka that HRR holds; and revolving pledge has been set for the insurance claim taken out for the buildings.

Hoshino Resorts REIT, Inc.

(3) Scheduled Expenditure Date
July 19, 2016 (scheduled)

4. Status of Interest-bearing Debt before and after Financing

(million yen)

	Before Borrowing	After Borrowing	Increase/Decrease
Short-term borrowings (Note)	1,100	1,100	-
Long-term borrowings (Note)	27,285	27,285	0
Total borrowings	28,385	28,385	0
Investment corporate bonds	-	-	-
Sum of borrowings and investment corporation bonds	28,385	28,385	0
Other interest-bearing debt	-	-	-
Total interest-bearing debt	28,385	28,385	0

(Note) Short-term borrowings refer to borrowings with one year or less borrowing periods, and long-term borrowings with over one year of borrowing periods.

5. Other Matters Necessary for Investors to Appropriately Understand and Evaluate the Provided Information

There is no change to the content of "Risks in Investment" set forth in HRR's Securities Report ("Securities Registration Statement") submitted on April 8, 2016 with respect to the risks of the Debt Financing.

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