

December 14, 2018

For Immediate Release

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: Kiyoyuki Hiruta, General Manager
 of Corporate Planning &
 Administration Department,
 Finance & Administration Division
 TEL: +81-3-5159-6338

Notice Concerning Debt Financing

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces the resolution made at its Board of Directors’ Meeting held on December 14, 2018 to conduct debt financing (hereinafter the “Debt Financing”) as follows.

1. Details of Debt Financing

1) Lenders (Note 2)	Syndication with MUFG Bank, Ltd. as the arranger
2) Scheduled loan amount (Note 2)	3,100,000,000 yen
3) Interest rate (Note 2)	Base interest rate (Note 3) +0.585% (floating rate) (Note 3) (partially fixed) (Note 4)
4) Scheduled borrowing date (Note 2)	March 29, 2019
5) Method of borrowing (Note 2)	To conclude individual loan agreements on March 27, 2019 (scheduled) with the above lenders
6) Final repayment date (Note 2)	April 30, 2026 (Note 5)
7) Repayment method (Note 2)	Lump-sum repayment at maturity
8) Interest payment date (Note 2)	First payment on April 30, 2019 with subsequent payments on the last day of each month and on the final repayment date (Note 5)
9) Collateral	Unsecured/Unguaranteed

(Note 1) The above details are indicated based on the description in the notification of the results of consideration concerning loan (hereinafter the “statement of interest in loan”) issued by financial institutions. The implementation of actual borrowing is not guaranteed.

(Note 2) Lenders, scheduled loan amount, interest rate, scheduled borrowing date, method of borrowing, final repayment date, repayment method and interest payment date are indicated based on the content of the term sheet referred to in the statement of interest in loan. The actual lenders, scheduled loan amount, interest rate, scheduled borrowing date, method of borrowing, final repayment date, repayment method and interest payment date may differ from the above.

(Note 3) Base interest rate will be the 1-month Japanese Yen TIBOR announced by JBA TIBOR Administration two business days prior to each interest payment date immediately preceding the respective interest payment date (scheduled borrowing date for the first interest payment date). However, in the case the interest rate corresponding to the period does not exist, the base interest rate will be calculated using the method stipulated in the loan agreement. For the JBA Japanese Yen TIBOR, please refer to the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/>).

(Note 4) HRR will make another announcement to report the fixed interest rate and the amount to which such interest rate applies when it is decided (date that interest rate is decided = 2 business days prior to scheduled borrowing date).

(Note 5) 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 6) HRR will enter into an interest swap agreement for the portion of the Debt Financing that has floating interest rate, in accordance with its policy to fix all interest rates.

Hoshino Resorts REIT, Inc.

2. Purpose of Debt Financing

Debt Financing is conducted to raise funds for the acquisition (planned acquisition price: 3,060 million yen) of the assets to be acquired (hereinafter the "Assets to be Acquired") described in "Notice Concerning Acquisition of Domestic Real Estate" separately announced today and a part of the acquisition related expenses (including consumption tax and local consumption tax).

3. Total Amount of the Loan, Use of Proceeds and Scheduled Expenditure Date

(1) Total Amount of the Loan

3,100,000,000 yen (scheduled)

(2) Detailed Use of Proceeds

Funds will be allocated to the acquisition of the Assets to be Acquired and to a part of the acquisition related expenses.

(3) Scheduled Expenditure Date

March 29, 2019 (scheduled)

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

(Unit: millions of yen)

	Before Debt Financing	After Debt Financing	Amount of Increase / Decrease
Short-term loans (Note)	—	—	—
Long-term loans (Note)	51,190	54,290	3,100
Total loans	51,190	54,290	3,100
Investment corporation bonds	1,500	1,500	0
Sum of borrowings and investment corporation bonds	52,690	55,790	3,100
Other interest-bearing debt	—	—	—
Total interest-bearing debt	52,690	55,790	3,100

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

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 submitted on July 27, 2018 with respect to the risks of the Debt Financing.

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