

Hoshino Resorts REIT, Inc.

March 20, 2019

For Immediate Release

REIT Securities Issuer
Hoshino Resorts REIT, Inc.
Representative: Kenji Akimoto, Executive Director
(Code: 3287)

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Notice Concerning Debt Financing (Determination of Conditions) and Interest Rate Swap

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces the determination of the conditions of the debt financing announced in "Notice Concerning Debt Financing" dated December 14, 2018 and "Notice Concerning Debt Financing" dated March 4, 2019 (hereinafter collectively the "Debt Financing"), and the resolution made at its Board of Directors' Meeting held on March 20, 2019 to conduct interest rate swaps as follows.

1. Details of Debt Financing

(1) Contract No. 0043

1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation
2) Amount of the loan	2,850,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.300% (floating rate) (Note 2)
4) Scheduled borrowing date	March 29, 2019
5) Method of borrowing	To conclude individual loan agreements on March 27, 2019 (scheduled) with the above lenders
6) Final repayment date	March 27, 2020 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 26, 2019 with subsequent payments on the last day of each month and on the final repayment date (Note 3)
9) Collateral	Unsecured/Unguaranteed

(2) Contract No. 0044-01

1) Lenders	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., Resona Bank, Ltd., Mizuho Bank, Ltd.
2) Amount of the loan	2,200,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.585% (floating rate) (Note 2)
4) Scheduled borrowing date	March 29, 2019
5) Method of borrowing	To conclude individual loan agreements on March 27, 2019 (scheduled) with the above lenders
6) Final repayment date	April 30, 2026 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 26, 2019 with subsequent payments on the last day of each month and on the final repayment date (Note 3)
9) Collateral	Unsecured/Unguaranteed

(3) Contract No. 0044-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	900,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	March 29, 2019
5) Method of borrowing	To conclude an individual loan agreement on March 27, 2019 (scheduled) with the above lender
6) Final repayment date	April 30, 2026 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 26, 2019 with subsequent payments on the last day of each month and on the final repayment date (Note 3)
9) Collateral	Unsecured/Unguaranteed

(4) Contract No. 0045-01

1) Lenders	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc.
2) Amount of the loan	2,200,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.734% (floating rate) (Note 2)
4) Scheduled borrowing date	March 29, 2019
5) Method of borrowing	To conclude individual loan agreements on March 27, 2019 (scheduled) with the above lenders
6) Final repayment date	October 29, 2027 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 26, 2019 with subsequent payments on the last day of each month and on the final repayment date (Note 3)
9) Collateral	Unsecured/Unguaranteed

(5) Contract No. 0045-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	1,100,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	March 29, 2019
5) Method of borrowing	To conclude an individual loan agreement on March 27, 2019 (scheduled) with the above lender
6) Final repayment date	October 29, 2027 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 26, 2019 with subsequent payments on the last day of each month and on the final repayment date (Note 3)
9) Collateral	Unsecured/Unguaranteed

(Note 1) 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 event that 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>) (the same shall apply hereinafter).

(Note 2) The interest rate (annual rate) is scheduled to be substantively fixed by concluding the swap agreements. For details, please refer to "4. Interest Rate Swap" below.

(Note 3) 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 4) Interest rate is scheduled to be determined on March 27, 2019 and will be announced once it is finalized.

2. Purpose of Debt Financing

The Debt Financing described above will be carried out to raise funds for the acquisition (planned acquisition price: 8,910 million yen in total) of the assets to be acquired described in "Notice Concerning Acquisition of Domestic Real Estate" dated December 14, 2018 and "Notice Concerning Acquisition of Domestic Real Estate" dated March 4, 2019 (hereinafter collectively the "Assets to be Acquired"), 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

9,250 million 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. Interest Rate Swap

(1) Purpose of Conducting Interest Rate Swap

Interest rate swaps will be conducted in order to hedge against risk of an increase in interest rate by fixing interest rates payable for the Debt Financing. Such interest rate swaps may not be conducted depending on terms on fixed interest rate payable scheduled to be determined on March 27, 2019.

(2) Details of Interest Rate Swaps

Contract No. of loan agreement		0044-01	0045-01
Counterparty		TBD (Note)	TBD (Note)
Notional principal		2,200,000,000 yen	2,200,000,000 yen
Interest rate	Fixed interest rate payable	TBD (Note)	TBD (Note)
	Floating interest rate receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)	Base interest rate (JBA 1-month Japanese Yen TIBOR)
Commencement date		March 29, 2019	March 29, 2019
Termination date		April 30, 2026	October 29, 2027
Interest payment date		First payment on April 26, 2019 with subsequent payments on the last day of each month and the termination date	First payment on April 26, 2019 with subsequent payments on the last day of each month and the termination date

(Note) Counterparty and fixed interest rate payable are scheduled to be determined on March 27, 2019 and will be announced once it is finalized.

5. 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)	–	2,850	2,850
Long-term loans (Note)	51,190	57,590	6,400
Total loans	51,190	60,440	9,250
Investment corporation bonds	1,500	1,500	0
Sum of borrowings and investment corporation bonds	52,690	61,940	9,250
Other interest-bearing debt	–	–	–
Total interest-bearing debt	52,690	61,940	9,250

(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.

6. 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 January 30, 2019 with respect to the risks of the Debt Financing.

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