

Hoshino Resorts REIT, Inc.

April 17, 2019

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 Debt Financing (Refinancing) and Interest Rate Swap

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces the resolution made at its Board of Directors’ Meeting held on April 17, 2019 to conduct debt financing (hereinafter the “Debt Financing”) with an aim to refinance existing borrowings (hereinafter the “Refinancing”) and to conduct interest rate swaps (hereinafter the “Interest Rate Swap”) as follows.

1. Details of Debt Financing

(1) Contract No. 0046

1) Lenders	The Bank of Fukuoka, Ltd., The Hokuriku Bank, Ltd., The Ashikaga Bank, Ltd., The Yamaguchi Bank, Ltd., The Senshu Ikeda Bank, Ltd.
2) Amount of the loan	800,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.427% (floating rate) (Note 2)
4) Scheduled borrowing date	April 26, 2019
5) Method of borrowing	To conclude individual loan agreements on April 24, 2019 with the above lenders
6) Final repayment date	October 31, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on May 31, 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. 0047

1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., Resona Bank, Limited.
2) Amount of the loan	1,700,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.527% (floating rate) (Note 2)
4) Scheduled borrowing date	April 26, 2019
5) Method of borrowing	To conclude individual loan agreements on April 24, 2019 with the above lenders
6) Final repayment date	October 31, 2025 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on May 31, 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. 0048-01

1) Lenders	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc.
2) Amount of the loan	200,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.374% (floating rate) (Note 2)
4) Scheduled borrowing date	May 7, 2019
5) Method of borrowing	To conclude individual loan agreements on April 24, 2019 with the above lenders
6) Final repayment date	April 30, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on May 31, 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. 0048-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	100,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	May 7, 2019
5) Method of borrowing	To conclude an individual loan agreement on April 24, 2019 with the above lender
6) Final repayment date	April 30, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on May 31, 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 April 25, 2019 and will be announced once it is finalized.

2. Purpose of Refinancing

Debt financing will be conducted in order to procure funds for repayment of principal of existing borrowings of which maturity 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

2,800,000,000 yen (scheduled)

(2) Detailed Use of Procured Funds

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

Contract No. 0008

1) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation
2) Amount of the loan	300,000,000 yen
3) Interest rate	1.52063% (fixed rate)
4) Borrowing date	May 2, 2014
5) Method of borrowing	Concluded individual loan agreements on April 30, 2014 with the above lenders
6) Final repayment date	May 2, 2019 (Note 2)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on October 31, 2014 with subsequent payments on the last day of April and October each year and on the final repayment date (Note 2)
9) Collateral	Unsecured (Note 3)/Unguaranteed

Contract No. 0027

1) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Ashikaga Bank, Ltd., The Hokuriku Bank, Ltd., The Yamaguchi Bank, Ltd., The Senshu Ikeda Bank, Ltd.
2) Amount of the loan	2,500,000,000 yen
3) Interest rate	Base interest rate + 0.2375% (floating rate)
4) Borrowing date	November 1, 2016
5) Method of borrowing	Concluded individual loan agreements on October 28, 2016 with the above lenders.
6) Final repayment date	April 30, 2019 (Note 2)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on November 30, 2016 with subsequent payments on the last day of each month and on the final repayment date (Note 2)
9) Collateral	Unsecured/Unguaranteed

(Note 1) The remaining total principal of existing borrowings after partial repayment using the funds from the Debt Financing is 2,800,000,000 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) The collateral has been released with an effective date of August 31, 2016.

(3) Scheduled Expenditure Date

April 26, 2019 and May 7, 2019

4. Interest Rate Swap

(1) Purpose of Conducting Interest Rate Swap

The Interest Rate Swap 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 Swap may not be conducted depending on terms on fixed interest rate payable scheduled to be determined on April 24, 2019 and April 25, 2019.

(2) Details of Interest Rate Swap

Contract No. of loan agreement		0046
Counterparty		TBD (Note 1)
Notional principal		800,000,000 yen
Interest rate	Fixed interest rate payable	TBD (Note 1)
	Floating interest rate receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)
Commencement date		April 26, 2019
Termination date		October 31, 2024
Payment date		First payment on May 31, 2019 with subsequent payments on the last day of each month and the termination date

Contract No. of loan agreement		0047
Counterparty		TBD (Note 1)
Notional principal		1,700,000,000 yen
Interest rate	Fixed interest rate payable	TBD (Note 1)
	Floating interest rate receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)
Commencement date		April 26, 2019
Termination date		October 31, 2025
Payment date		First payment on May 31, 2019 with subsequent payments on the last day of each month and the termination date

Contract No. of loan agreement		0048-01
Counterparty		TBD (Note 2)
Notional principal		200,000,000 yen
Interest rate	Fixed interest rate payable	TBD (Note 2)
	Floating interest rate receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)
Commencement date		May 7, 2019
Termination date		April 30, 2024
Payment date		First payment on May 31, 2019 with subsequent payments on the last day of each month and the termination date

(Note 1) Counterparty and fixed interest rate payable are scheduled to be determined on April 24, 2019 and will be announced once they are finalized.

(Note 2) Counterparty and fixed interest rate payable are scheduled to be determined on April 25, 2019 and will be announced once they are finalized.

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

(Unit: millions of yen)

	Before Debt Financing (Note 1)	After Debt Financing (Note 1)	Amount of Increase / Decrease
Short-term loans (Note 2)	2,850	2,850	–
Long-term loans (Note 2)	57,590	57,497	(92)
Total loans	60,440	60,347	(92)
Investment corporation bonds	1,500	1,500	–
Sum of borrowings and investment corporation bonds	61,940	61,847	(92)
Other interest-bearing debt	–	–	–
Total interest-bearing debt	61,940	61,847	(92)

(Note 1) Before Debt Financing and After Debt Financing indicate amounts after subtracting scheduled repayment to be made on April 26, 2019 (92,862,000 yen) from borrowed amounts as of today.

(Note 2) 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>