

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, Early Repayment of Loan 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”), the early repayment of an existing loan (hereinafter the “Repayment”), and interest rate swaps (hereinafter the “Interest Rate Swap”) as follows.

1. Details of Debt Financing

(1) Contract No. 0049

1) Lenders	The Bank of Fukuoka, Ltd., The Hokuriku Bank, Ltd., The Yamaguchi Bank, Ltd., The Bank of Kyoto, Ltd., The Senshu Ikeda Bank, Ltd.
2) Amount of the loan	1,150,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.370% (floating rate) (Note 2)
4) Scheduled borrowing date	May 31, 2019
5) Method of borrowing	To conclude individual loan agreements on May 23, 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 June 28, 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. 0050-01

1) Lenders	Resona Bank, Limited., Mizuho Bank, Ltd.
2) Amount of the loan	1,100,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.418% (floating rate) (Note 2)
4) Scheduled borrowing date	May 31, 2019
5) Method of borrowing	To conclude individual loan agreements on May 23, 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 June 28, 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. 0050-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	600,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	May 31, 2019
5) Method of borrowing	To conclude an individual loan agreement on May 23, 2019 with the above lender
6) Final repayment date	October 31, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on June 28, 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 "5. 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) Fixed interest rate is scheduled to be determined on May 29, 2019 and will be announced once it is finalized.

2. Purpose of Debt Financing

The proceeds of the Debt Financing are to be used for the early repayment of the borrowings with final repayment of March 27, 2020 (Contract No. 0043), which are part of the funds borrowed on March 29, 2019 stated in "Notice Concerning Debt Financing" dated March 4, 2019 and "Notice Concerning Debt Financing (Determination of Conditions) and Interest Rate Swap" dated March 20, 2019.

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

(1) Total Amount of the Loan

2,850,000,000 yen (scheduled)

(2) Detailed Use of Proceeds

The proceeds are to be used for the early repayment of the borrowings with final repayment of March 27, 2020 (Contract No. 0043).

(3) Scheduled Expenditure Date

May 31, 2019 (scheduled)

4. Details of Repayment

Contract No. 0043

Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation
Amount of the loan	2,850,000,000 yen
Interest rate	Base interest rate (Note 2) +0.300% (floating rate)
Borrowing date	March 29, 2019
Method of borrowing	Concluded individual loan agreements on March 27, 2019 with the above lenders
Final repayment date	March 27, 2020 (Note 3)
Repayment method	Lump-sum repayment at maturity
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)
Collateral	Unsecured/Unguaranteed
Repayment amount	2,850,000,000 yen
Repayment date	May 31, 2019

(Note 1) Please refer to "Notice Concerning Debt Financing (Determination of Conditions) and Interest Rate Swap" dated March 20, 2019, for further details of borrowings.

(Note 2) 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 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.

5. 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 May 29, 2019.

(2) Details of Interest Rate Swap

Contract No. of loan agreement		0049	0050-01
Counterparty		TBD (Note)	TBD (Note)
Notional principal		1,150,000,000 yen	1,100,000,000 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		May 31, 2019	May 31, 2019
Termination date		April 30, 2024	October 31, 2024
Payment date		First payment on June 28, 2019 with subsequent payments on the last day of each month and the termination date	First payment on June 28, 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 May 29, 2019 and will be announced once it is finalized.

6. Status of Interest-bearing Debt after Debt Financing and Repayment (scheduled)

(Unit: millions of yen)

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

(Note 1) Before Debt Financing and Repayment and After Debt Financing and Repayment indicate amounts after subtracting scheduled repayment to be made on April 26, 2019 (92,862,000 yen) from borrowed amounts as of today. These amounts are calculated based on the assumption that the refinancing of existing borrowings (2,500 million yen) scheduled on April 26, 2019 and the refinancing of existing borrowings (300 million yen) scheduled on May 7, 2019 that are described in “Notice Concerning Debt Financing (Refinancing) and Interest Rate Swap” announced on April 17, 2019 will be conducted.

(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.

7. 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 and the Repayment.

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