

June 24, 2022

For Immediate Release

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

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Notice Concerning the Borrowing of Funds (Determination of Terms, etc.) and Interest Rate Swap Transactions

Hoshino Resorts REIT, Inc. (hereinafter referred to as “HRR”) announces that the terms, etc., have been determined for the borrowing of funds announced in “Notice Concerning the Borrowing of Funds” on June 15, 2022 (hereinafter referred to as the “Borrowing”) and also that it resolved at the Board of Directors’ Meeting held on June 24, 2022 to execute interest rate swap transactions.

1. Details of the Borrowings

(1) Contract No. 0081

(i) Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Mizuho Bank, Ltd.
(ii) Borrowing amount	1,900,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.635% (floating rate) (Note 2)
(iv) Borrowing date	July 1, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on June 29, 2022
(vi) Final repayment date	December 29, 2028 (Note 3)
(vii) Repayment method	Lump-sum repayment at maturity
(viii) Interest payment dates	First payment on September 30, 2022, with subsequent payments on the last day of December, March, June and September each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

Note: This press release is for the purpose of publicly announcing the borrowing of funds (determination of terms, etc.) and interest rate swap transactions by HRR and has not been prepared for the purpose of solicitation of investments. When making an investment, please ensure to read the prospectus for the issuance of new Investment Units and Secondary Offering of Investment Units prepared by HRR and any amendments thereto. Any investments should be made based on your own assessment and at your own risk.

(2) Contract No. 0082

(i) Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Mizuho Bank, Ltd.
(ii) Borrowing amount	4,300,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.740% (floating rate) (Note 2)
(iv) Borrowing date	July 1, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on June 29, 2022
(vi) Final repayment date	December 28, 2029 (Note 3)
(vii) Repayment method	Lump-sum repayment at maturity
(viii) Interest payment dates	First payment on September 30, 2022, with subsequent payments on the last day of December, March, June and September each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

(Note 1) "Base interest rate" shall be the 3-month Japanese Yen TIBOR announced by the JBA TIBOR Administration at a prescribed time two business days prior to the immediately preceding interest payment date (or the borrowing date for the first interest payment) for each interest payment date. However, if there is no corresponding rate for the period, the base rate shall be calculated based on the method specified in the agreement. The JBA Japanese Yen TIBOR can be found on the JBA TIBOR Administration website (<https://www.ibatibor.or.jp/english/>).

(Note 2) The (annual) interest rate will be substantively fixed through the interest rate swap agreements. For details, please refer to "4. Interest Rate Swap Transactions" below.

(Note 3) If the date is not a business day, it shall be the following business day. If the following business day falls in the following month, it shall be the immediately preceding business day.

2. Purpose for the Borrowing

HRR will borrow the funds in order to appropriate them to part of the acquisition costs (planned acquisition price) of 12,210 million yen and related expenses (consumption tax and local consumption tax are included. The same applies below.) for the acquisition of HOSHINOYA Okinawa (hereinafter referred to as "Assets to be Acquired"), announced in "Notice Concerning Acquisition and Lease of Domestic Real Estate (HOSHINOYA Okinawa (77.47% co-ownership))" dated June 15, 2022.

3. Amount, Use and Timing of Expenditure of Funds to be Procured

(1) Amount of Funds to be Procured

6,200,000,000 yen (scheduled)

(2) Specific Use of Funds to be Procured

Funds will be appropriated to part of the acquisition cost and related expenses for the Assets to Be Acquired.

(3) Timing of Expenditure

July 1, 2022 (scheduled)

4. The Interest Rate Swap Transactions

(1) Reasons for Conducting the Interest Rate Swap Transactions

This is to hedge the risk of interest rate increases by fixing the interest rate payable for the Borrowings. Depending on the terms of the fixed interest rate payable to be determined on June 29, 2022, such interest rate swap transactions may not be conducted.

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(2) Details of the Interest Rate Swap Transactions

I. Contract No. 0081

Counterparty	To be determined (Note)
Notional principal	1,900,000,000 yen
Interest rate	Fixed interest rate payable
	Floating interest rate receivable
Commencement date	July 1, 2022
Termination date	December 29, 2028
Payment date	First payment on September 30, 2022, with subsequent payments on the last day of December, March, June and September each year and on the termination date

II. Contract No. 0082

Counterparty	To be determined (Note)
Notional principal	4,300,000,000 yen
Interest rate	Fixed interest rate payable
	Floating interest rate receivable
Commencement date	July 1, 2022
Termination date	December 28, 2029
Payment date	First payment on September 30, 2022, with subsequent payments on the last day of December, March, June and September each year and on the termination date

(Note) The counterparty and the fixed interest rate payable will be determined on June 29, 2022 and will be announced as soon as they are determined.

5. Status of Borrowings, etc. Before and After Executing the Borrowings

(millions of yen)

	Before executing the Borrowings	After executing the Borrowings	Change
Short-term borrowings (Note 1)	-	-	-
Long-term borrowings (Note 1)	65,624	71,824	+6,200
Total borrowings	65,624	71,824	+6,200
(Green loans)	3,900	3,900	-
Investment corporation bonds	2,800	2,800	-
(Green bonds)	1,300	1,300	-
Total borrowings and investment corporation bonds	68,424	74,624	+6,200
(Green finance)	5,200	5,200	-

(Note 1) Short-term borrowings refer to borrowings with original maturities of one year or less, and long-term borrowings refer to borrowings with original maturities of more than one year.

(Note 2) Amounts are rounded down to the nearest million yen.

6. Other Matters Necessary for Investors to Appropriately Understand and Evaluate the Provided Information
There is no change to the content of "Investment Risks" described in the Securities Report filed on June 15, 2022 with respect to the risks involved in the Borrowing.

* The HRR website address: <https://www.hoshinoresorts-reit.com/en/>

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