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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: Takahiro Kabuki, Director & CFO
TEL: +81-3-5159-6338

Notice Concerning Borrowing of Funds (Determination of Terms, etc. [Borrowing by Green Loan]) and Interest Rate Swap Transactions

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces that, with regard to the borrowing of funds made public in the "Notice Concerning Borrowing of Funds" dated April 28, 2023 (hereinafter "Borrowings"), terms and conditions thereof have been determined and that, at its Board of Director's meeting held on May 23, 2023, a resolution was passed for interest rate swap transactions (hereinafter "Interest Rate Swap Transactions").

The Borrowings are loans (green loans) executed in accordance with the green finance framework formulated by HRR. Furthermore, of the funds to be procured through the Borrowings, the portion to be financed by MUFG Bank, Ltd. and Mizuho Bank, Ltd. corresponds to funds that these two banks have determined are eligible for the "Fund-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations)," conducted by the Bank of Japan for private financial institutions (Note).

HRR will continue to further promote sustainability initiatives and aim to strengthen its funding base by expanding the number of investors interested in ESG investment and financing.

(Note) For details of the Climate Response Financing Operations, please see below.

Mitsubishi UFJ Financial Group, Inc. website:

<https://www.mufg.jp/english/csr/groupcsr/index.html>

Mizuho Financial Group, Inc. website:

<https://www.mizuhogroup.com/sustainability/environment/business/financing>

1. Details of the Borrowings

Contract Number: 0103-01

Lender(s)	Sumitomo Mitsui Banking Corporation and Resona Bank, Ltd.
Borrowing amount	950,000,000 yen
Interest rate	Base interest rate (Note 1) +0.390% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on May 29, 2023
Final repayment date	November 30, 2027 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0103-02

Lender(s)	Mizuho Bank, Ltd.
Borrowing amount	750,000,000 yen
Interest rate	Base interest rate (Note 1) +0.340% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	November 30, 2027 (Note 3)

Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0104

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	300,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 4)
Borrowing date	June 1, 2023
Borrowing method	Scheduled conclusion of an individual loan agreement with the above lender on May 29, 2023.
Final repayment date	May 31, 2028 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0105-01

Lender(s)	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd. and Development Bank of Japan Inc.
Borrowing amount	1,550,000,000 yen
Interest rate	Base interest rate (Note 1) +0.430% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on May 29, 2023
Final repayment date	May 31, 2028 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0105-02

Lender(s)	Mizuho Bank, Ltd.
Borrowing amount	150,000,000 yen
Interest rate	Base interest rate (Note 1) +0.380% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	May 31, 2028 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0106

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	1,340,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 4)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	May 31, 2030 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0107-01

Lender(s)	Development Bank of Japan Inc.
Borrowing amount	100,000,000 yen
Interest rate	Base interest rate (Note 1) +0.594% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	May 31, 2030 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0107-02

Lender(s)	Mizuho Bank, Ltd.
Borrowing amount	100,000,000 yen
Interest rate	Base interest rate (Note 1) +0.544% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	May 31, 2030 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0108

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	100,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 4)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	November 28, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0109-01

Lender(s)	Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, and Resona Bank, Ltd.
Borrowing amount	300,000,000 yen
Interest rate	Base interest rate (Note 1) +0.720% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of individual lending agreement with the above lenders on May 29, 2023
Final repayment date	November 28, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
Collateral	Unsecured and unguaranteed

Contract Number: 0109-02

Lender(s)	Mizuho Bank, Ltd.
Borrowing amount	100,000,000 yen
Interest rate	Base interest rate (Note 1) +0.670% (floating interest rate) (Note 2)
Borrowing date	June 1, 2023
Borrowing method	Conclusion of an individual lending agreement with the above lender on May 29, 2023
Final repayment date	November 28, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on August 31, 2023, with subsequent payments on the last days of November, February, May, and August each year and on the final repayment date (Note 3)
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 interest 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 (<http://www.jbatibor.or.jp/english>).

(Note 2) The interest rate (annual rate) will be substantially fixed upon the conclusion of 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, the payment shall be made on the following business day. If the following business day falls in the next month, the payment shall be made on the immediately preceding business day.

(Note 4) The fixed interest rates are scheduled to be determined on May 30, 2023 and will be announced at the time of determination.

2. Reasons for the Borrowings and Outline of the Green Loans

(1) Reasons for the Borrowings

The Borrowings are being made for allocation to the acquisition funds (planned acquisition price of 5,630 million yen) and part of related expenses (including consumption tax and local consumption tax, and the same shall apply hereinafter) for the real estate trust beneficiary right involved in "the b asakusa" (hereinafter the "Asset to Be Acquired") announced in the "Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Right (the b asakusa)" released as of April 28, 2023.

(2) Outline of the Green Loans

The Borrowings are green loans (hereinafter "Green Loans") made based on the green finance framework (hereinafter "Green Framework") formulated by HRR.

The entire amount of the Green Loans will be allocated to the acquisition funds for the real estate trust beneficiary rights and part of related expenses for "the b asakusa," a property that meets the criteria for green-qualified properties under the Green Framework.

For details of the Green Framework, please refer to the "Sustainability Finance" page on HRR's website.

<https://www.hoshinoresorts-reit.com/en/sustainability/finance.html>

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

(1) Amount of Funds to be Procured

5,740,000,000 yen (scheduled)

(2) Specific Use of Funds to Be Procured

The entire amount of the Borrowing will be allocated to the acquisition funds and part of related expenses for the Asset to Be Acquired.

(3) Timing of Expenditure

June 1, 2023 (scheduled)

4. Interest Rate Swap Transactions

(1) Reasons for the Interest Rate Swap Transactions

This is to hedge the risk of interest rate increases by fixing the interest rate payable for the Borrowings. However, depending on the terms of the fixed interest rate payable to be determined on May 30, 2023, such interest rate swap transactions may not be conducted.

(2) Details of the Interest Rate Swap Transactions

Borrowings contract numbers		0103-01, 0103-02	0105-01, 0105-02	0107-01, 0107-02	0109-01, 0109-02
Counterparty (Note)		To be determined	To be determined	To be determined	To be determined
Notional principal		1,700,000,000 yen	1,700,000,000 yen	200,000,000 yen	400,000,000 yen
Interest rate	Fixed interest rate payable (Note)	To be determined	To be determined	To be determined	To be determined
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)			
Commencement date		June 1, 2023			
Termination date		November 30, 2027	May 31, 2028	May 31, 2030	November 28, 2031
Payment date		First payment on August 31, 2023, with subsequent payments on the last day of November, February, May, and August each year and on the final repayment date			

(Note) The counterparties and the fixed interest rates payable are scheduled to be determined on May 30, 2023 and will be announced as soon as they are determined.

5. Status of Borrowings, etc. before and after the Borrowings (scheduled)

(millions of yen)

	Before the Borrowings	After the Borrowings (Note 1)	Change
Short-term borrowings (Note 2)	-	1,950	1,950
Long-term borrowings (Note 2)	73,838	79,578	5,740
Total borrowings	73,838	81,528	7,690
(sustainability loans)	510	510	-
(green loans)	10,060	15,800	5,740
Investment corporation bonds	2,800	2,800	-
(sustainability bonds)	-	-	-
(green bonds)	1,300	1,300	-
Total borrowings and investment corporation bonds	76,638	84,328	7,690
(sustainability finance)	510	510	-
(green finance)	11,360	17,100	5,740

(Note 1) The calculation also takes into consideration the borrowings described in the "Notice Concerning Borrowing of Funds" separately announced today.

(Note 2) Short-term borrowings refer to borrowings with a borrowing period of one year or less, and long-term borrowings refer to borrowings with a borrowing period of more than one year.

(Note 3) Amounts are rounded down to the nearest million yen.

6. Other Matters Necessary for Investors to Appropriately Understand and Judge the Said Information

There is no change to the "Investment Risks" description in the Securities Report filed on January 24, 2023 with respect to the risks associated with the Borrowings.

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

* We do not provide any guarantees regarding the completeness or accuracy of the English translation of this document. If there is any discrepancy between the English translation and the original Japanese text, the latter shall prevail.