May 24, 2024

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 & CSO
TEL: +81-3-5159-6338

Notice Concerning Issuance of New Investment Units (Green Equity Offering) and Secondary Offering of Investment Units

Pleased be informed that Hoshino Resorts REIT, Inc. (hereinafter referred to as "HRR") passed a resolution concerning the issuance of new investment units and secondary offering of the investment units at a meeting of HRR's Board of Directors held on May 24, 2024 as follows.

The issuance of new investment units through a primary offering shall be conducted as a green equity offering (Note).

(Note) For details of the green equity offering, please refer to "<Reference> 4. Rationale of Green Equity Offering" described below.

1. Issuance of New Investment Units through Primary Offering ("Primary Offering")

(1)	Number of investment units to be offered	35,580 units
(2)	Paid-in amount (Issue value)	To be determined The paid-in amount shall be decided at a meeting of HRR's Board of Directors to be held on any date between May 30, 2024 (Thursday) and June 4, 2024 (Tuesday) (hereinafter referred to as the "Issue Price Determination Date") in accordance with the method prescribed in Article 25 of the Ordinance on Underwriting of Securities, etc. established by the Japan Securities Dealers Association.
(3)	Total paid-in amount (Total issue value)	To be determined
(4)	Issue price (Offer price)	To be determined The Issue Price (Offer Price) shall be determined on the Issue Price Determination Date, taking into consideration demand conditions, etc., based on the provisional condition of the price (rounding down to the nearest 1 yen) obtained by multiplying the closing price (if there is no closing price on the day, the closing price on the day immediately preceding the day) of the ordinary transaction of HRR's investment units (hereinafter referred to as "Investment Units") at the Tokyo Stock Exchange, Inc. on the Issue Price Determination Date by 0.90 ~ 1.00, in accordance with the method prescribed in Article 25 of the Ordinance on Underwriting of Securities, etc. established by the Japan Securities

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.
This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

		Dealers Association.
(5)	Total issue price (Total offer price)	To be determined
(6)	Method of offering	Issued securities shall be publicly offered, and all Investment Units shall be purchased and underwritten by an underwriting syndicate (hereinafter collectively referred to as "Underwriters"). A part of the Investment Units issued in the Primary Offering may be purchased by overseas investors in international markets mainly in Europe and Asia (excluding the United States and Canada).
(7)	Details of the underwriting agreement	The Underwriters shall pay to HRR the same amount as the total paid-in amount (total issue value) in the Primary Offering on the payment date set forth in (11) below, and the difference from the total issue price (total offer price) shall be the proceeds of the Underwriters. HRR shall not pay underwriting fees to the Underwriters.
(8)	Offering unit	One unit or more in increments of one unit
(9)	Offering period	Business day following the Issue Price Determination Date
(10)	Payment period for deposit in securities	From the business day immediately following the Issue Price Determination Date to the second business days following the Issue Price Determination Date
(11)	Payment date	At any day between June 5, 2024 (Wednesday) and June 10, 2024 (Monday). However, the payment date shall be a date four business days after the Issue Price Determination Date.
(12)	Delivery date	The delivery date shall be the business day following the payment date stated in (11) above.

(13) The Paid-in amount (Issue value), Issue Price (Offer Price) and other matters necessary for the issuance of the new Investment Units shall be determined at a meeting of HRR's Board of Directors to be held in the future.

(14) The Underwriters schedule to sell 934 units of the Investment Units in the Primary Offering to Hoshino Resorts Holdings Inc., (hereinafter referred to as the "Designated Party"), which is the parent company of the shareholders of Hoshino Resort Asset Management Co., Ltd., to which HRR entrusts the business related to asset management, as the purchaser designated by HRR.

(15) Each of the above items shall be subject to the effectuation of the notification under the Financial Instruments and Exchange Act.

2. Secondary offering of Investment Units (secondary offering by way of over-allotment) (Please refer to < Reference > 1. below.)

(1)	Number of investment units to be offered	1,779 units The number of Investment Units to be offered indicates the upper limit. The number may decrease due to demand for the Primary Offering, etc., and the Secondary Offering by Over-Allotment may not be conducted at all. The number of Investment Units to be offered shall be determined at a meeting of HRR's Board of Directors held on the Issue Price Determination Date, taking into account demand for the Primary Offering and other factors.
(2)	Seller	A bookrunner of the Primary Offering (the "Bookrunner")
(3)	Selling price	To be determined To be decided on the Issue Price Determination Date. The Selling Price shall be the same as the Issue Price (Offer Price) in the Primary Offering.
(4)	Total selling price	To be determined

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.

This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(5)	Method of offering	In the Primary Offering, the Bookrunner will conduct a Secondary Offering of the Investment Units to be borrowed from the unitholders of HRR up to 1,779 units, taking into account demand conditions and other factors.
(6)	Offering unit	One unit or more in increments of one unit
(7)	Offering period	The offering period shall be the same as the offering period in the Primary Offering.
(8)	Payment period for deposit in securities	The payment period shall be the same as the payment period for deposit in securities in the Primary Offering.
(9)	Delivery date	The delivery date shall be the same as the delivery date in the Primary Offering.

(10) The selling price and other matters necessary for the Secondary Offering of the Investment Units shall be determined at a meeting of HRR's Board of Directors to be held in the future.

(11) Each of the above items shall be subject to the effectuation of the notification under the Financial Instruments and Exchange Act.

3. Issuance of new Investment Units by way of Third-party Allotment (Please refer to < Reference > 1. below.)

(1)	Number of investment units to be offered	1,779 units
(2)	Paid-in amount (Issue value)	To be determined The paid-in amount shall be determined at a meeting of HRR's Board of Directors to be held on the Issue Price Determination Date. The paid-in amount (Issue value) shall be the same as the paid-in amount (Issue value) in the Primary Offering.
(3)	Total paid-in amount (Total issue value)	To be determined
(4)	Allottee	The Bookrunner
(5)	Offering unit	One unit or more in increments of one unit
(6)	Offering period (Application deadline)	July 1, 2024 (Monday)
(7)	Payment date	July 2, 2024 (Tuesday)

(8) Issuance shall be cancelled for the Investment Units for which no application has been made by the offering period (application deadline) described in (6) above.

(9) The paid-in amount (Issue value) and other matters necessary for the issuance of the new Investment Units shall be determined at a meeting of HRR's Board of Directors to be held in the future.

(10) Each of the above items shall be subject to the effectuation of the notification under the Financial Instruments and Exchange Act.

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.

This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

< Reference >

1. Secondary Offering by way of Over-Allotment

The Secondary Offering by way of the Over-Allotment is a Secondary Offering of the Investment Units that the Bookrunner borrows from the unitholders of HRR up to 1,779 units, taking into consideration demand and other factors, in the Primary Offering. The number of Investment Units to be offered in the Secondary Offering by way of the Over-Allotment is planned to be 1,779 units, and the number of Investment Units for the Secondary Offering is the maximum number of Investment Units for the Secondary Offering. Therefore it may decrease due to demand conditions and other factors, and the Secondary Offering by way of the Over-Allotment may not be conducted at all.

In connection with the Secondary Offering by way of the Over-Allotment, in order for the Bookrunner to acquire the Investment Units necessary for the return of the Investment Units borrowed from the unitholder of HRR (hereinafter referred to as the "Borrowed Investment Units"), HRR's Board of Directors resolved at its meeting held on May 24, 2024 (Friday) to issue new Investment Units through the Third-Party Allotment (hereinafter referred to the "Third-Party Allotment") of 1,779 Investment Units to be allotted to the Bookrunner, with July 2, 2024 (Tuesday) as the payment date.

In addition, the Bookrunner may purchase the Investment Units up to the number of units pertaining to the Secondary Offering by way of the Over-Allotment (hereinafter referred to as the "Syndicate Cover Transaction") at Tokyo Stock Exchange, Inc. for the purpose of returning the borrowed Investment Units during the period from the day following the offering period for the Primary Offering and the Secondary Offering by way of the Over-Allotment to June 26, 2024 (Wednesday) (hereinafter referred to as the "Syndicate Cover Transaction Period"). All of the Investment Units acquired by the Bookrunner through the Syndicate Cover Transaction will be used for the return of the Borrowed Investment Units. During the Syndicate Cover Transaction Period, the Bookrunner may decide not to conduct the Syndicate Cover Transaction at all or terminate the Syndicate Cover Transaction at a number of units less than the number of units pertaining to the Secondary Offering by way of the Over-Allotment.

Moreover, the Bookrunner may conduct stabilizing transactions accompanying the Primary Offering and the Secondary Offering by way of the Over-Allotment, and all or part of the Investment Units acquired through such stabilizing transactions may be used to return the Borrowed Investment Units.

The Bookrunner plans to acquire the Investment Units in accordance with the allotment under the Third-Party Allotment, with respect to the number of units obtained by subtracting the number of units to be acquired through stabilizing transactions and the Syndicate Cover Transaction and to be appropriated for the return of the Borrowed Investment Units from the number of units relating to the Secondary Offering by way of the Over-Allotment. Therefore, applications may not be made for all or part of the number of Investment Units to be issued in the Third-Party Allotment, and as a result, the final number of Investment Units to be issued in the Third-Party Allotment may be reduced to that extent due to forfeiture, and the issuance may not be made at all.

The Bookrunner will consult with the other Underwriter about the transactions described above.

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.

This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

2. Changes in the total number of Investment Units issued through this issuance of new Investment Units

Total number of Investment Units issued and outstanding at present	255,558 units	
Increase in number of Investment Units due to issuance of new Investment Units through Primary Offering	35,580 units	
Total number of Investment Units issued and outstanding after the issuance of new Investment Units through Primary Offering	291,138 units	
Increase in number of Investment Units due to the Third-Party Allotment	1,779 units	(Note)
Total number of Investment Units issued after the Third-Party Allotment	292,917 units	(Note)

(Note) The Bookrunner has applied for the total number of Investment Units to be issued in the Third-Party Allotment, and the number of units when issued is shown.

3. Purpose of and Reason for Issuance

With the aim of improving the stability of earnings through the acquisition of "OMO7 Osaka" (hereinafter referred to as the "Asset to be Acquired"), a new Specified Asset (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations), we have decided to issue new Investment Units as a result of a review of market trends, the level of distributions per unit, and other factors.

4. Rationale of Green Equity Offering

HRR and the Asset Management Company believe it is important to maximize unitholder value through heightening HRR's sustainability while engaging in investment and asset management in a manner that is mindful of ESG (Environment, Social and Governance) considerations. In conjunction with its sponsor Hoshino Resorts Inc., HRR explores the benefits of travel that enhances human creativity and motivation, and accordingly strives to maintain natural environments that enable coexistence of living creatures and humans. Since the planet began encountering major problems with respect to changes in the environment and human communities nearly a century ago, Hoshino Resorts Inc. has been maintaining and developing hydroelectric power plants and the "Karuizawa Wild Bird Sanctuary", and has also been creating communities such as its "Liberal Education Art Seminars".

Having also inherited this DNA through its ESG initiatives, HRR has been striving to minimize the burden it poses on its natural surroundings as initiatives for the "Environment." To such ends, in recent years, HRR has been striving to become more resilient when it comes to addressing future risks by managing its properties in a manner that enlists a green building approach. One example of this is "HOSHINOYA Karuizawa", which is equipped with unique technologies such as the utilization of hydroelectric power and the harnessing of geothermal heat or hot spring runoff for heating, and the incorporation of energy-efficient design in its building structures.

HRR also aims to achieve an investment approach that takes into "account the notion of Creating Shared Value (CSV)" under its ESG strategy, and accordingly strives to achieve a mutually beneficial co-existence with community members from the standpoint of preserving natural environments and contributing to society in its tourism business which is robustly tied to local communities. HRR furthermore provides backup support in terms of real estate operation in relation to improving customer satisfaction, which will lead to maximizing revenues from its tenant-operated lodging business.

HRR has formulated the Green Equity Framework (hereinafter referred to as the "Equity Framework") compliant with the "Green Bond Principles 2021" (Note 1), "Green Loan Principles 2023" (Note 2), "Green Bond Guidelines 2022" (Note 3) and "Green Loan and Sustainability Link Loan Guidelines 2022" (Note 4)

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.

This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(hereinafter, individually or collectively referred to as the "Principles") in anticipation of the implementation of future green equity offerings.

Regarding the eligibility of the Equity Framework, although it is not possible to evaluate the compliance of the Equity Framework with the Principles, as the Principles were not specifically formulated for equity, HRR has obtained a second opinion from Rating & Investment Information, Inc., stating that the Equity Framework is in accordance with the intent of the Principles.

The Primary Offering shall be conducted as a green equity offering in accordance with the Equity Framework, which the Asset to be Acquired is a project that satisfies the eligibility criteria of the Equity Framework.

(Note 1) "Green Bond Principles 2021" are a set of guidelines for issuing green bonds established by the Green Bond Principles and Social Bond Principles Executive Committee, a private organization for which ICMA serves as the secretariat.

(Note 2) "Green Loan Principles 2023" means guidelines for loans with respect to which use of proceeds is limited to environmental areas and that are established by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association.

(Note 3) "Green Bond Guidelines 2022" are the guidelines established and published by Ministry of the Environment in March 2017, as last amended in 2022, to further promote green bonds in Japan by providing specific examples of responses and interpretations that are in line with Japan's unique characteristics that can be used as references by market participants in considering specific actions related to green bonds while maintaining consistency with the Green Bond Principles.

(Note 4) "Green Loan and Sustainability Link Loan Guidelines 2022" are the guidelines established and published by Ministry of the Environment in March 2020, as amended in 2022. The guidelines, which aim to further promote green loan in Japan, provides specific examples of responses and interpretations that are in line with Japan's unique characteristics that can be used as references by lenders, borrowers and other related institutions to consider specific actions related to green loans while maintaining consistency with the Green Loan Principles.

5. Electronic Delivery of Prospectuses

The Underwriters will, in principle, provide the prospectuses for the Primary Offering and the Secondary Offering through Over-Allotment by means of electronic delivery, rather than delivery of printed documents (Note).

(Note) HRR refers to the provision of the information stated in prospectuses by electromagnetic means as electronic delivery of prospectuses. The person providing the prospectus is deemed to have delivered the prospectus, if such person provides the recipient of such information stated in the prospectus by electromagnetic means after obtaining consent from the recipient (Article 27-30-9, paragraph (1) of the Financial Instruments and Exchange Act; Article 32-2, paragraph (1) of the Cabinet Office Order on Disclosure of Information on Regulated Securities (the "Cabinet Office Order")). Investors cannot choose to receive a printed prospectus. If such consent from investors has not been obtained or has been withdrawn (Article 32-2, paragraph (7) of the Cabinet Office Order) when the Underwriters deliver the prospectus by means of electronic delivery, prospectuses cannot be delivered electronically to such investors, and the Underwriters will sell investment units in the Primary Offering and the Secondary Offering through Over-Allotment only to those investors who have given and have not withdrawn such consent.

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.

This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

6. Amount, use and timing of expenditure of funds to be procured

(1) Amount of funds to be procured (estimated net proceeds)

20,183,722,776 yen (maximum)

(Note) The total amount of the proceeds from the Primary Offering of 19,222,593,120 yen and the upper limit of the proceeds from the issuance of new Investment Units by way of the Third-Party Allotment of 961,129,656 yen is shown. The above amount is estimated based on the closing price of the ordinary trading of the Investment Units on the Tokyo Stock Exchange, Inc. as of May 14, 2024 (Tuesday).

(2) Specific use and scheduled timing of disbursement of funds to be procured

The net proceeds of 19,222,593,120 yen from the Primary Offering shall be used for the acquisition of the Asset to be Acquired and related expenses described in the "Notice Concerning the Acquisition and Lease of Domestic Real Estate Trust Beneficiary Right (OMO7 Osaka)" dated today. The Asset to be Acquired is a property that satisfies the eligibility criteria of the Equity Framework.

In the event of any residual proceeds, the proceeds will be used as cash on hand, deposited with financial institutions until the disbursement, and will be promptly used as part of funds for the acquisition of the projects that satisfy the eligibility criteria or as part of the funds for repayment of loans related to these funds.

Regarding the maximum amount of 961,129,656 yen by the issuance of new Investment Units by way of the Third-Party Allotment resolved on the same date as the Primary Offering, it will be deposited with financial institutions until disbursement, and will be used as part of the funds for the acquisition of the Specified Assets in the future or as part of the funds for repayment of the loans.

7. Designation of allocated party

As the purchaser designated by HRR, the Underwriters plan to sell 934 units of the Investment Units in the Primary Offering to the designated party.

8. Lockups

(1) In connection with the Primary Offering, the joint lead managers will request that the Designated Party should not execute the sale, etc. (however, this excludes the sale, etc. of the Investment Units to a company in which the Designated Party directly or indirectly holds all voting rights) of the Investment Units without the prior written consent of the joint lead managers during the period from the Issue Price Determination Date to the corresponding date six months after the delivery date for the Primary Offering.

The joint lead managers will have the authority to cancel part or all of the contents of the agreement at their discretion even during the above period.

(2) In connection with the Primary Offering, corporations in the Hoshino Resorts Group (Note) (Limited to those that hold HRR's Investment Units as of May 24, 2024. However, the Designated Party is excluded.) has agreed with the joint lead managers that these will not sell the Investment Units (However, this excludes the lending of the Investment Units due to the Secondary Offering through the Over-Allotment and the sale of the Investment Units to a company in which the Designated Party

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.

This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

directly or indirectly holds all voting rights.) without the prior written consent of the joint lead managers during the period from the Issue Price Determination Date until the date six months after the delivery date for the Primary Offering.
The joint lead managers have the authority to cancel part or all of the contents of the agreement at their discretion even during the above period.

(Note) "Hoshino Resorts Group" refers to Hoshino Resorts Inc., the Designated Party of its parent company, and its subsidiaries.

(3) In connection with the Primary Offering, HRR has agreed with the joint lead managers that it will not issue the Investment Units (this however, excludes the issuance of new Investment Units pertinent to the Primary Offering, the Third-Party Allotment, and the split of Investment Units) without the prior written consent of the joint lead managers during the period from the Issue Price Determination Date to the date after which three months have passed from the delivery date for the Primary Offering.
The joint lead managers have the authority to cancel part or all of the contents of the agreement at their discretion even during the above period.

* 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.

Disclaimer: This press release has been prepared for the purpose of publicly announcing the issuance of new investment units (green equity offering) and secondary offering of investment units by HRR and has not been prepared for the purpose of solicitation of investments within or outside of Japan. 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.
This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.