Hoshino Resorts REIT, Inc.

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For immediate release

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Notice Concerning the Borrowing of Funds (Refinancing by a Sustainability Loan, a Green Loan and Others), Interest Rate Swap Transactions and Establishment of a Sustainability Derivative

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces that, at the Board of Directors' Meeting held today, it resolved to undertake the borrowing of funds (hereinafter the "Borrowings") for the purpose of refinancing existing borrowings, enter into interest rate swap transactions (hereinafter the "Interest Rate Swap Transactions"), and establish a sustainability derivative, as follows.

Of the Borrowings, the borrowing under Contract No. 0165 will be financed through a loan (sustainability loan) (hereinafter the "Sustainability Loan") executed in accordance with the Sustainability Finance Framework developed by HRR. The interest rate swap under this contract will be executed as a sustainability derivative, an interest rate derivative contract associated with the Sustainability Loan.

In addition, the borrowing under Contract No. B-004 is a loan (green loan) (hereinafter the "Green Loan") executed based on the Green Finance Framework developed by HRR.

Furthermore, the funds to be procured through the Green Loan correspond to funds that Mizuho Bank, Ltd. has determined are eligible for the Funds-Supplying Operations to Support Financing for Climate Change Responses (hereinafter "Climate Response Financing Operations") conducted by the Bank of Japan for financial institutions which it has selected as eligible banks (Note).

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

(Note) For details of the Climate Response Financing Operations, please see below.
Mizuho Financial Group, Inc. website:
https://www.mizuhogroup.com/sustainability/environment/business?tab=financing

1. Details of the Borrowings

Contract No.	Lender(s)	Borrowing Amount (Millions of yen)	Interest Rate (Note 1)	Final Repayment Date (Note 1)	Contract Date	Borrowing Date	Repayment Method / Collateral
0164	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	1,800	Base interest rate +0.300% (Note 2)	October 29, 2027	October 20, 2026	October 30, 2026	Lump-sum repayment at maturity / Unsecured and unguaranteed
0165 **(Sustainability Loan)**	Resona Bank, Ltd. The Bank of Fukuoka, Ltd. The Yamaguchi Bank, Ltd. The Ashikaga Bank, Ltd.	950	Base interest rate +0.250% (Note 2) (Note 3)	October 31, 2029			
0166-A	Development Bank of Japan Inc.	1,200	2.990% (Fixed interest rate)	October 31, 2031			
0166-B	The Bank of Kyoto, Ltd.	100	Base interest rate +0.375% (Note 2)				
0167	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	1,000	Base interest rate +0.475% (Note 2)	October 29, 2032			
0168	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	1,900	Base interest rate +0.575% (Note 2)	October 31, 2033			
B-004 **(Green Loan)**	Mizuho Bank, Ltd. (Climate Response Financing Operations)	200	Base interest rate +0.574% (Note 2)	April 28, 2034			
Total	-	7,150	-	-	-	-	-

(Note 1) For Contract Nos. 0164, 0165, 0166-B, 0167, 0168, and B-004, interest payment dates shall be the last day of each month, commencing on November 30, 2026, and the final repayment date. For Contract No. 0166-A, interest payment dates shall be the last day of April and October each year, commencing on April 30, 2027, and the final repayment date. However, if an interest payment date or the final repayment date falls on a non-business day, it shall be moved to the following business day, unless doing so would result in a date in the following month, in which case it shall be moved to the immediately preceding business day.

(Note 2) The base interest rate shall be the 1-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 a corresponding rate for the period is unavailable or not published, 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.jbatibor.or.jp/english/).

(Note 3) The interest rate (annual rate) will be substantively fixed by entering into an interest rate swap agreement. For details, please refer to "4. Interest Rate Swap Transactions" below.

2. Reason for the Borrowings and Outline of the Sustainability Loan and the Green Loan

(1) Reason for the Borrowings

Upon the maturity of the existing borrowings, HRR will procure funds to finance repayment of the principal. For an overview of the existing borrowings, please refer to "3. Amount, Use and Timing of Expenditure for Funds to Be Procured" below.

(2) Outline of the Sustainability Loan and the Green Loan

The entire amount of the Sustainability Loan is scheduled to be used to refinance the borrowings associated with the initial acquisition of the b kobe, which meets the criteria for sustainability eligible properties based on the Sustainability Finance Framework developed by HRR. In addition, HRR plans to enter into a sustainability derivative transaction in connection with the Sustainability Loan.

The entire amount of the Green Loan is also scheduled to be used to refinance the borrowings associated with the initial acquisition of BEB5 Karuizawa, which meets the criteria for green eligible properties based on the Green Finance Framework developed by HRR.

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

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

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

(1) Amount of Funds to Be Procured

7,150,000,000 yen (scheduled)

(2) Specific Use of Funds to Be Procured

The entire amount of the Borrowings will be appropriated to repay the principal of the existing borrowings. The existing borrowings to be refinanced are as follows.

Contract No.	Lender(s)	Borrowing Amount (Millions of yen)	Interest Rate	Final Repayment Date	Contract Date	Borrowing Date	Repayment Method / Collateral
0052	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	2,400	0.673%	October 30, 2026	October 29, 2019	October 31, 2019	Lump-sum repayment at maturity / Unsecured and unguaranteed
0055-01	Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc. Resona Bank, Ltd. Mizuho Bank, Ltd.	1,900	0.623%		January 29, 2020	January 31, 2020	
0055-02	MUFG Bank, Ltd.	1,000	0.625%				
0075 (Green Loan)	The Yamaguchi Bank, Ltd.	150	0.667%		April 26, 2022	April 28, 2022	
0076 (Green Loan)	The Ashikaga Bank, Ltd.	300	0.668%			May 2, 2022	
0083	The Bank of Fukuoka, Ltd. The Bank of Kyoto, Ltd.	400	0.706%		October 27, 2022	October 31, 2022	
0156	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	2,000 (Note 1)	Base interest rate +0.300% (Note 2)		October 21, 2025	November 4, 2025	

(Note 1) A partial early repayment was made on March 6, 2026, and the outstanding principal balance as of today is 1,000 million yen.

(Note 2) The base interest rate shall be the 1-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 a corresponding rate for the period is unavailable or not published, the base rate shall be calculated based on the method specified in the agreement.

4. 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. HRR also plans to enter into a sustainability derivative transaction by concluding an interest rate derivative agreement associated with the Sustainability Loan. Depending on the terms of the fixed interest rate, the Interest Rate Swap Transactions may not be conducted.

(2) Details of the Interest Rate Swap Transactions

Contract No.	Counterparty (Note)	Notional Principal (Millions of yen)	Interest Rate		Commencement Date	Termination Date
			Fixed Interest Rate Payable (Note)	Floating Interest Rate Receivable		
0165 **(Sustainability Derivative)**	To be determined	950	To be determined	Base interest rate (JBA 1-month Japanese Yen TIBOR)	October 30, 2026	October 31, 2029

(Note) The counterparty and the fixed interest rate payable are scheduled to be determined on October 21, 2026, and will be announced as soon as they are determined.

5. Status of Borrowings, etc. Before and After the Execution of the Borrowings (scheduled)

(Millions of yen)

	Before Executing the Borrowings	After Executing the Borrowings	Variance
Short-Term Borrowings (Note 1)	1,000	1,800	800
Long-Term Borrowings (Note 1)	98,948	98,148	(800)
Total Borrowings	99,948	99,948	0
(Sustainable Loans) (Note 2)	37,730	38,430	700
Investment Corporation Bonds	5,100	5,100	0
(Sustainable Bonds) (Note 2)	2,300	2,300	0
Total Borrowings and Investment Corporation Bonds	105,048	105,048	0
(Sustainable Finance) (Note 2)	40,030	40,730	700

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

(Note 2) The outstanding balance of sustainable loans states the total outstanding balance of sustainability loans, green loans, blue loans, positive impact finance, and sustainability-linked loans. The outstanding balance of sustainable bonds states the total outstanding balance of sustainability bonds and green bonds. The outstanding balance of sustainable finance states the total outstanding balance of sustainable loans and sustainable bonds.

(Note 3) Amounts less than the unit are rounded down.

6. Other Matters Necessary for Investors to Appropriately Understand and Evaluate the Provided Information

There is no change to the "Investment Risks" description in the Securities Report submitted on July 24, 2026, with respect to the risks involved in the Borrowings.

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

** This English translation is provided for informational purposes only. If there is any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.*