

October 11, 2017

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: Tetsuro Takashi, Director & CFO,
 and General Manager of Finance &
 Administration Department
 TEL: +81-3-5159-6338

Notice Concerning Debt Financing

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces the resolution made at its Board of Directors’ Meeting held on October 11, 2017 to conduct debt financing (hereinafter the “Debt Financing”) as follows.

1. Details of Debt Financing

Lender (Note 2)	Scheduled Loan Amount (Note 3)	Interest Rate (Note 2)	Final Repayment Date (Note 2)	Repayment Method (Note 2)
Syndication with The Bank of Tokyo-Mitsubishi UFJ Ltd. as the arranger	2.5 billion yen	Base interest rate + 0.225% (Note 4)	April 30, 2020 (Note 5)	Lump-sum repayment at maturity
	2.0 billion yen	Base interest rate + 0.325% (Note 4)	April 28, 2022 (Note 5)	Lump-sum repayment at maturity
	2.5 billion yen	Base interest rate + 0.475% (Note 4)	October 31, 2023 (Note 5)	Lump-sum repayment at maturity
	3.0 billion yen	Base interest rate + 0.625% (Note 4)	April 30, 2025 (Note 5)	Lump-sum repayment at maturity

(Note 1) The above details are indicated based on the description in the notification of the results of consideration concerning loan (hereinafter the “statement of interest in loan”) issued by financial institutions. The implementation of actual borrowing is not guaranteed.

(Note 2) The content of the term sheet referred in the statement of interest in loan is indicated for lender, interest rate, final repayment date and repayment method. The actual lender, interest rate, final repayment date and repayment method may differ from the above.

(Note 3) Scheduled loan amount is the estimated value calculated by Hoshino Resort Asset Management (hereinafter the “Asset Management Company”) based on the estimated amount of the total issue value in the offering (primary offering of investment units resolved at the Board of Directors’ Meeting held on October 11, 2017 described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today. The same applies hereinafter.) and third-party allotment (third-party allotment of investment units resolved at the Board of Directors’ Meeting held on October 11, 2017 described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today. The same applies hereinafter), which are calculated based on the closing price in a regular trading session at the Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) as of September 29, 2017, based on the loan amount indicated in the statement of interest in loan and the term sheet referred in the statement of interest in loan. The actual loan amount will be determined by the loan agreement scheduled to be concluded after the determination of the issue value in the offering and third-party allotment, and is expected to fluctuate due to the total issue value in the offering and third-party allotment.

(Note 4) Base interest rate is scheduled to be the interest rate (floating rate) determined based on JBA 1-month Japanese Yen TIBOR but is subject to change as the schedule is as of the date of this document. When debt financing can be conducted at a fixed interest rate lower than the interest rate determined based on JBA 1-month Japanese Yen TIBOR, which is the base interest rate as of the borrowing date, debt financing may be conducted at the said fixed interest rate. Moreover, when conducting debt financing at a fixed interest rate, the said fixed interest rate may be higher than the floating rate determined based on JBA 1-month Japanese Yen TIBOR due to economic fluctuation after debt financing and other reasons.

Disclaimer: This press release is a document for public announcement concerning debt financing, and has not been prepared for the purpose of solicitation for investment. Investors are advised to ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as the amendments thereto (if any), prepared by HRR before they invest and that they make decisions on investment at their own responsibility and discretion.

(Note 5) 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. As of the date of this document, the borrowing date is scheduled to be on November 1, 2017 but is subject to change upon agreement between HRR and the lender.

(Note 6) In the Debt Financing, interest rates are scheduled to be fixed by concluding an interest swap agreement.

2. Purpose of Debt Financing

Debt Financing is conducted to raise funds for part of the acquisition (planned acquisition price: 29,039 million yen in total) of the assets to be acquired (hereinafter the “Assets to be Acquired”) described in “Notice Concerning Acquisition and Leasing of Domestic Real Estate” separately announced today.

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

(1) Total Amount of the Loan

10 billion yen (scheduled)

(2) Detailed Use of Proceeds

Funds will be allocated to the acquisition of the Assets to be Acquired and to a part of the acquisition related expenses.

(3) Scheduled Expenditure Date

November 1, 2017 (scheduled)

4. Status of Interest-bearing Debt before and after Debt Financing (scheduled)

(million yen)

	Before Debt Financing (Note 1)	After Debt Financing (Note 1)	Increase/Decrease
Short-term loans (Note 2)	1,500	1,500	0
Long-term loans (Note 2)	41,409	51,409	10,000
Total loans	42,909	52,909	10,000
Investment corporate bonds	-	-	-
Sum of borrowings and investment corporate bonds	42,909	52,909	10,000
Other interest-bearing debt	-	-	-
Total interest-bearing debt	42,909	52,909	10,000

(Note 1) Before Debt Financing and After Debt Financing indicate amounts after subtracting scheduled repayment to be made on October 31, 2017 (125,362,000 yen) from borrowed amounts as of today. These amounts are calculated based on the assumption that refinancing of borrowings (1,500,000,000 yen) of which final repayment is due on October 31, 2017 will be conducted under the same conditions on October 31, 2017.

(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 of over one year.

(Note 3) Scheduled loan amount is indicated based on the estimated value of the scheduled loan amount in the Debt Financing calculated by the Asset Management Company based on the estimated amount of the total issue value in the offering and third-party allotment, which are calculated based on the closing price in a regular trading session at the Tokyo Stock Exchange as of September 29, 2017, based on the loan amount indicated in the statement of interest in loan and the term sheet referred in the statement of interest in loan. The actual loan amount will be determined by the loan agreement scheduled to be concluded after the determination of the issue value in the offering and third-party allotment, and is expected to fluctuate due to the total issue value in the offering and third-party allotment.

Disclaimer: This press release is a document for public announcement concerning debt financing, and has not been prepared for the purpose of solicitation for investment. Investors are advised to ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as the amendments thereto (if any), prepared by HRR before they invest and that they make decisions on investment at their own responsibility and discretion.

Hoshino Resorts REIT, Inc.

(5) 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 registration statement submitted as of today with respect to the risks of the Debt Financing.

The actual amount of the loans, etc. will be announced once determined.

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

Disclaimer: This press release is a document for public announcement concerning debt financing, and has not been prepared for the purpose of solicitation for investment. Investors are advised to ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as the amendments thereto (if any), prepared by HRR before they invest and that they make decisions on investment at their own responsibility and discretion.