

# Hoshino Resorts REIT, Inc.

October 26, 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 (Determination of Conditions) and Interest Rate Swap

Hoshino Resorts REIT, Inc. (hereinafter the "HRR") announces the determination of the conditions of the debt financing (hereinafter the "Debt Financing") announced in "Notice Concerning Debt Financing" dated October 11, 2017 and the resolution made at its Board of Directors' Meeting held on October 26, 2017 to conduct an interest rate swap as follows.

### 1. Detail of Debt Financing

#### (1) Contract No. 0035

1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., The Bank of Fukuoka, Ltd., The Hokuriku Bank, Ltd., The Yamaguchi Bank, Ltd., The Bank of Kyoto, Ltd., Mizuho Bank, Ltd. and The Senshu Ikeda Bank, Ltd.
2) Loan Amount	2,500,000,000 yen
3) Interest Rate	Base interest rate (Note 1) + 0.225% (floating rate) (Note 2)
4) Scheduled borrowing date	November 1, 2017
5) Method of borrowing	To conclude individual loan agreements on October 30, 2017 with the above lenders.
6) Final Repayment Date	April 30, 2020 (Note 3)
7) Repayment Method	Lump-sum repayment at maturity
8) Interest Payment Date	First payment on November 30, 2017 with subsequent payments on the last day of each month and on the final repayment date (Note 3).
9) Collateral	Unsecured / Unguaranteed

Disclaimer: This press release is a document for public announcement concerning debt financing (determination of conditions) and interest rate swap, 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.

## (2) Contract No. 0036

1)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., The Bank of Fukuoka, Ltd., The Hokuriku Bank, Ltd., The Yamaguchi Bank, Ltd., The Bank of Kyoto, Ltd. and Mizuho Bank, Ltd.
2)	Loan Amount	2,000,000,000 yen
3)	Interest Rate	Base interest rate (Note 1) + 0.325% (floating rate) (Note 2)
4)	Scheduled borrowing date	November 1, 2017
5)	Method of borrowing	To conclude individual loan agreements on October 30, 2017 with the above lenders.
6)	Final Repayment Date	April 28, 2022 (Note 3)
7)	Repayment Method	Lump-sum repayment at maturity
8)	Interest Payment Date	First payment on November 30, 2017 with subsequent payments on the last day of each month and on the final repayment date (Note 3).
9)	Collateral	Unsecured / Unguaranteed

## (3) Contract No. 0037

1)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., The Bank of Fukuoka, Ltd. and Mizuho Bank, Ltd.
2)	Loan Amount	2,500,000,000 yen
3)	Interest Rate	Base interest rate (Note 1) + 0.475% (floating rate) (Note 2)
4)	Scheduled borrowing date	November 1, 2017
5)	Method of borrowing	To conclude individual loan agreements on October 30, 2017 with the above lenders.
6)	Final Repayment Date	October 31, 2023 (Note 3)
7)	Repayment Method	Lump-sum repayment at maturity
8)	Interest Payment Date	First payment on November 30, 2017 with subsequent payments on the last day of each month and on the final repayment date (Note 3).
9)	Collateral	Unsecured / Unguaranteed

## (4) Contract No. 0038

1)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation and Resona Bank, Ltd.
2)	Loan Amount	3,000,000,000 yen
3)	Interest Rate	Base interest rate (Note 1) + 0.625% (floating rate) (Note 2)
4)	Scheduled borrowing date	November 1, 2017
5)	Method of borrowing	To conclude individual loan agreements on October 30, 2017 with the above lenders.
6)	Final Repayment Date	April 30, 2025 (Note 3)
7)	Repayment Method	Lump-sum repayment at maturity

Disclaimer: This press release is a document for public announcement concerning debt financing (determination of conditions) and interest rate swap, 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.

8)	Interest Payment Date	First payment on November 30, 2017 with subsequent payments on the last day of each month and on the final repayment date (Note 3).
9)	Collateral	Unsecured / Unguaranteed

(Note 1) Base interest rate will be the 1-month Japanese Yen TIBOR announced by JBA TIBOR Administration two business days prior to each interest payment date immediately preceding the respective interest payment date. However, in the case when the interest rate corresponding to the period does not exist, the base interest rate will be calculated using the method stipulated in each loan agreement. For the JBA Japanese Yen TIBOR, please refer to the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/>).

(Note2) The interest rate (annual rate) will be substantively fixed by concluding the swap agreements. For details, please refer to “4. Interest Rate Swap” below.

(Note 3) 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 maturity date or interest payment date.

## 2. Purpose of Debt Financing

Debt Financing is conducted to procure funds for a 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” dated October 11, 2017, and acquisition related expenses (including consumption tax and local consumption tax).

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

### (1) Total Amount of the Loan

10,000,000,000 yen (scheduled)

### (2) Detailed Use of Procured Funds

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

### (3) Scheduled Expenditure Date

November 1, 2017 (scheduled)

## 4. Interest Rate Swap

### (1) Purpose of Conducting Interest Rate Swap

Interest rate swaps will be conducted in order to hedge against risk of an increase in interest rate by fixing interest rates payable for the Debt Financing. Such interest rate swaps may not be conducted depending on terms on fixed interest rate payable scheduled to be determined on October 30, 2017.

Disclaimer: This press release is a document for public announcement concerning debt financing (determination of conditions) and interest rate swap, 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.

## (2) Detail of Interest Rate Swaps

Contract No. of loan agreement		0035	0036
Counterparty		TBD (Note)	TBD (Note)
Notional Principal		2,500,000,000 yen	2,000,000,000 yen
Interest Rate	Fixed Interest Rate Payable	TBD (Note)	TBD (Note)
	Floating Interest Rate Receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)	
Commencement Date		November 1, 2017	
Termination Date		April 30, 2020	April 28, 2022
Interest Payment Date		First payment on November 30, 2017 with subsequent payments on the last day of each month and the termination date.	

Contract No. of loan agreement		0037	0038
Counterparty		TBD (Note)	TBD (Note)
Notional Principal		2,500,000,000 yen	3,000,000,000 yen
Interest Rate	Fixed Interest Rate Payable	TBD (Note)	TBD (Note)
	Floating Interest Rate Receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)	
Commencement Date		November 1, 2017	
Termination Date		October 31, 2023	April 30, 2025
Interest Payment Date		First payment on November 30, 2017 with subsequent payments on the last day of each month and the termination date.	

(Note) Counterparty and fixed interest rate payable are scheduled to be determined on October 30, 2017 and will be announced once it is finalized.

Disclaimer: This press release is a document for public announcement concerning debt financing (determination of conditions) and interest rate swap, 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. 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 corporation bonds	—	—	—
Sum of borrowings and investment corporation 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 the refinancing of existing borrowings (1,500 million yen) scheduled on October 31, 2017 will be conducted described in "Notice Concerning Debt Financing (Refinancing)" separately announced today.

(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 over one year.

## 6. 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 on October 11, 2017 with respect to the risks of the Debt Financing.

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

Disclaimer: This press release is a document for public announcement concerning debt financing (determination of conditions) and interest rate swap, 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.