

# Hoshino Resorts REIT, Inc.

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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.

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## Notice Concerning Debt Financing (Refinancing) and Interest Rate Swap

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces the resolution made at its Board of Directors' Meeting held on March 16, 2018 to conduct debt financing (hereinafter the "Debt Financing") with an aim to refinance existing borrowings (hereinafter the "Refinancing") and to conduct interest rate swaps as follows.

### 1. Detail of Debt Financing

#### (1) Contract No. 0040

1) Lenders	The Ashikaga Bank, Ltd., The Bank of Fukuoka, Ltd., The Yamaguchi Bank, Ltd., The Bank of Kyoto, Ltd., The Hokuriku Bank, Ltd.
2) Amount of the loan	¥600,000,000
3) Interest rate	Base interest rate (Note 1) + 0.2625% (floating rate) (Note 2)
4) Scheduled borrowing date	April 27, 2018
5) Method of borrowing	To conclude individual loan agreements on March 29, 2018 with the above lenders.
6) Final repayment date	October 29, 2021 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on May 31, 2018 with subsequent payments on the last day of each month and on the final repayment date (Note 3)
9) Collateral	Unsecured / Unguaranteed

#### (2) Contract No. 0041

1) Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Development Bank of Japan Inc., Mizuho Bank, Ltd.
2) Amount of the loan	¥2,800,000,000
3) Interest rate	Base interest rate (Note 1) + 0.475% (floating rate) (Note 2)
4) Scheduled borrowing date	April 27, 2018
5) Method of borrowing	To conclude individual loan agreements on March 29, 2018 with the above lenders.
6) Final repayment date	April 30, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on May 31, 2018 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 (scheduled borrowing date for the first repayment

date). However, in the event that the interest rate corresponding to the period does not exist, the base interest rate will be calculated using the method stipulated in the loan agreement. For the JBA Japanese Yen TIBOR, please refer to the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/>) (the same shall apply hereinafter).

(Note 2) The interest rate (annual rate) is scheduled to 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 final repayment date or interest payment date.

## 2. Purpose of Refinancing

Debt financing will be conducted in order to procure funds for repayment of principal of existing borrowings of which maturity date is arriving. For details of existing borrowings, please refer to “3. Total Amount to be Borrowed, Use of Proceeds and Scheduled Expenditure Date” below.

## 3. Total Amount to be Borrowed, Use of Proceeds and Scheduled Expenditure Date

### (1) Total Amount to be Borrowed

¥3,400,000,000 (scheduled)

### (2) Detailed Use of Procured Funds

All proceeds from the Debt Financing will be allocated to the repayment of principal of existing borrowings. The overview of existing borrowings is as follows.

Contract No. 0012-01

1) Lenders	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., The Ashikaga Bank, Ltd., The Shizuoka Bank, Ltd. The Bank of Fukuoka, Ltd., The Yamaguchi Bank, Ltd., The Bank of Kyoto, Ltd., The Hokuriku Bank, Ltd.
2) Amount of the loan	¥2,515,000,000 (Note 1)
3) Interest rate	Base interest rate (Note 2) + 0.300% (floating rate)
4) Scheduled borrowing date	November 2, 2015
5) Method of borrowing	Concluded individual loan agreements on October 28, 2015 with the above lenders.
6) Final repayment date	April 27, 2018 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on January 29, 2016 with subsequent payments on the last day of January, April, July and October each year and on the final repayment date (Note 3)
9) Collateral	Unsecured (Note 4) / Unguaranteed

Contract No. 0012-02

1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
2) Amount of the loan	¥885,000,000 (Note 1)
3) Interest rate	0.400% (fixed rate)
4) Scheduled borrowing date	November 2, 2015
5) Method of borrowing	Concluded individual loan agreements on October 28, 2015 with the above lenders.
6) Final repayment date	April 27, 2018 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on January 29, 2016 with subsequent payments on the last day of January, April, July and October each year and on the final repayment date (Note 3)
9) Collateral	Unsecured (Note 4) / Unguaranteed

(Note 1) The remaining total principal of existing borrowings to be paid with the Debt Financing is ¥3,400,000,000.

(Note 2) Base interest rate will be the 3-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 (scheduled borrowing date for the first repayment date). However, in the event that the interest rate corresponding to the period does not exist, the base interest rate will be calculated using the method stipulated in the loan agreement.

(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 final repayment date or interest payment date.

(Note 4) The collateral has been released with an effective date of August 31, 2016.

### (3) Scheduled Expenditure Date

April 27, 2018 (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 April 25, 2018.

#### (2) Detail of Interest Rate Swaps

Contract No. of loan agreement		0040	0041
Counterparty		TBD (Note)	TBD (Note)
Notional principal		¥600,000,000	¥2,800,000,000
Interest rate	Fixed interest rate payable	TBD (Note)	TBD (Note)
	Floating interest rate receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)	Base interest rate (JBA 1-month Japanese Yen TIBOR)
Commencement date		April 27, 2018	April 27, 2018
Termination date		October 29, 2021	April 30, 2024
Interest payment date		First payment on May 31, 2018 with subsequent payments on the last day of each month and the termination date.	First payment on May 31, 2018 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 April 25, 2018 and will be announced once it is finalized.

## 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)	4,400	4,400	0
Long-term loans (Note 2)	51,283	51,283	0
Total loans	55,683	55,683	0
Investment corporation bonds	1,500	1,500	0
Sum of borrowings and investment corporation bonds	57,183	57,183	0
Other interest-bearing debt	–	–	–
Total interest-bearing debt	57,183	57,183	0

(Note 1) Before Debt Financing and After Debt Financing indicate amounts after subtracting scheduled repayment to be made on April 27, 2018 (¥125,362,000) from borrowed amounts as of today. Also, these amounts were calculated under the assumption that the 4,400 million yen loan scheduled to be carried out on April 2, 2018, had already happened. Said loan was announced in the “Notice Concerning Debt Financing” that was released separately 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 Report submitted as of January 29, 2018 with respect to the risks of the Debt Financing.

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