

July 12, 2018

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 (Refinancing) and Conclusion of Interest Rate Swap Agreement

Hoshino Resorts REIT, Inc. announces the resolution made at its Board of Directors' Meeting held on July 12, 2018 to conduct debt financing (hereinafter the "Debt Financing") with an aim to refinance existing borrowings (hereinafter the "Refinancing") and to conclude interest rate swap agreement (hereinafter the "Swap Agreement") as follows.

### 1. Detail of Debt Financing

Contract No. 0042

1) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation
2) Amount of the loan	¥2,288,000,000
3) Interest rate	Base interest rate (Note 1) + 0.754% (floating rate) (Note 2)
4) Scheduled borrowing date	July 17, 2018
5) Method of borrowing	To conclude individual loan agreements on July 12, 2018 with the above lenders.
6) Final repayment date	April 30, 2027 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on July 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 Agreement. 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

¥2,288,000,000 (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. 0004

1) Lenders	MUFG Bank, Ltd. (Note 1), Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation
2) Amount of the loan	¥2,600,000,000 (Note 2)
3) Interest rate	1.92875% (fixed rate)
4) Scheduled borrowing date	July 16, 2013
5) Method of borrowing	Concluded individual loan agreements on July 11, 2013 with the above lenders.
6) Final repayment date	July 16, 2018 (Note 3)
7) Repayment method	First payment on October 31, 2013, with subsequent payments from principal of ¥32,500,000 (¥19,234,000 in first payment) on the last day of April and October each year (Note 3) and payment of the remaining principal balance of ¥2,288,266,000 on the final repayment date.
8) Interest payment date	First payment on October 31, 2013 with subsequent payments on the last day of April and October each year and on the final repayment date. (Note 3)
9) Collateral	Unsecured (Note 4) / Unguaranteed

(Note 1) Effective on April 1, 2018, the name of "The Bank of Tokyo-Mitsubishi UFJ, Ltd." has been changed to "MUFG Bank, Ltd."

(Note 2) The remaining total principal of existing borrowings after partial repayment using the funds from the Debt Financing and funds in hand is ¥2,288,266,000.

(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

July 17, 2018 (scheduled)

### 4. Interest Rate Swap

#### (1) Purpose of Concluding the Swap Agreement

Interest rate swap will be conducted in order to hedge against risk of an increase in interest rate by fixing interest rates payable for the Debt Financing.

#### (2) Detail of the Swap Agreement

Contract No. of loan agreement		0042
Counterparty		Mizuho Bank, Ltd.
Notional principal		¥2,288,000,000
Interest rate	Fixed interest rate payable	0.2850%
	Floating interest rate receivable	Base interest rate (JBA 1-month Japanese Yen TIBOR)
Commencement date		July 17, 2018
Termination date		April 30, 2027
Interest payment date		First payment on July 31, 2018 with subsequent payments on the last day of each month and the termination date.

(Note) The interest rate regarding contract number 0042 is scheduled to be substantively fixed at 1.0390% by concluding the Swap Agreement.

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

(million yen)

	Before debt financing	After debt financing	Increase / Decrease
Short-term loans (Note)	–	–	–
Long-term loans (Note)	51,283	51,283	0
Total loans	51,283	51,283	0
Investment corporation bonds	1,500	1,500	–
Sum of borrowings and investment corporation bonds	52,783	52,783	0
Other interest-bearing debt	–	–	–
Total interest-bearing debt	52,783	52,783	0

(Note) 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 the securities registration statement submitted on April 6, 2018 with respect to the risks of the Debt Financing.

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