

# Hoshino Resorts REIT, Inc.

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For Immediate Release

REIT Securities Issuer

Hoshino Resorts REIT, Inc.

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(Code: 3287)

Asset Management Company

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## Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds) and Early Repayment of Borrowings

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces that today it has decided to issue investment corporation bonds (green bonds named Hoshino Resorts REIT Initiative Green “Owl Bonds,” hereinafter “Investment Corporation Bonds”) and conduct early repayment of existing borrowings (the “Repayment”) as follows.

### I. Issuance of Investment Corporation Bonds

#### 1. Outline of the Investment Corporation Bonds

- |                              |   |
|------------------------------|---|
| (1) Name                     | Second Series Unsecured Investment Corporation Bond of Hoshino Resorts REIT, Inc.<br><br>(with special pari passu conditions among specified investment corporation bonds) (The aforementioned Investment Corporation Bonds are green bonds named Hoshino Resorts REIT Initiative Green “Owl Bonds.”) |
| (2) Total issue amount       | 1.3 billion yen   |
| (3) Form of bond certificate | Under the Act on Book-Entry Transfer of Corporate Bonds and Shares, bond certificates for the Investment Corporation Bonds will not be issued.  |
| (4) Issue price              | 100 yen per value of 100 yen of each bond   |
| (5) Redemption price         | 100 yen per value of 100 yen of each bond   |
| (6) Interest rate            | 1.000% per annum  |
| (7) Amount of each bond      | 100 million yen   |
| (8) Offering method          | Public offering   |
| (9) Subscription date        | August 20, 2021   |
| (10) Payment date            | August 26, 2021   |
| (11) Collateral / Guarantee  | There is no collateral or guarantee on the Investment Corporation Bonds. There are no assets reserved as security for the Investment Corporation Bonds.   |

(12) Redemption method and date	The Investment Corporation Bonds will be redeemed in a lump sum at 100% on August 26, 2031. However, if the day by which the Investment Corporation Bonds should be redeemed falls onto a bank holiday, the immediately preceding bank business day shall become the payment date. The bonds may be purchased and cancelled at any time after the payment date unless laws and regulations or book-entry transfer institutions otherwise stipulate.
(13) Interest payment date	To be paid on February 26 and August 26 every year. However, if the payment day falls onto a bank holiday, the immediately preceding bank business day shall become the payment date.
(14) Financial covenant	Negative pledge clause is attached.
(15) Rating	A (Japan Credit Rating Agency, Ltd.)
(16) Financial agent, issuing agent, and paying agent	Sumitomo Mitsui Banking Corporation
(17) Underwriter	SMBC Nikko Securities Inc.

## 2. Reason for and Purpose of New Issuance

Through the issuance of the Investment Corporation Bonds, HRR aims to secure a long-term, stable source of investment funds for environmentally friendly projects by attracting highly environmentally conscientious investors.

In addition, HRR was evaluated by Japan Credit Rating Agency, Ltd. and received the <Overall Evaluation of Green 1 (F)> rating of the Green Finance Framework on January 8, 2021, and the Investment Corporation Bonds will be issued as green bonds in accordance with this framework.

The funds to be procured this time will be used as part of early repayment funds for existing long-term borrowings related to the acquisition of BEB5 Karuizawa, which was a project that meets the eligibility criteria of the Green Finance Framework. For details, please refer to “3. Total Amount to Be Procured, Use of Funds and Scheduled Expenditure Date” below.

HRR considers forest preservation, which is closely related to climate change issues, to be one of the most important issues, and for the issuance of these green bonds, it has given the name of “Hoshino Resorts REIT Initiative Green ‘Owl Bonds’” to the Investment Corporation Bonds so that the desire to protect nature will not be forgotten.

As indicated by the name of Fukurou-bashi (Owl Bridge), a bridge near the entrance to the Karuizawa Wild Bird Sanctuary that is close to BEB5 Karuizawa, there are owls that live in that forest. A forest inhabited by owls, which are at the top of the ecosystem, is said to be a “rich forest” where the diversity of the living creatures maintains the balance of the natural ecosystem. BEB5 Karuizawa welcomes guests every day while feeling protected by this rich forest.

## 3. Total Amount to Be Procured, Use of Funds and Scheduled Expenditure Date

- (1) Total amount to be procured (approximate net amount to be obtained)  
1,289 million yen
- (2) Particulars of use of funds and the scheduled expenditure date  
Funds will be fully utilized on September 2, 2021, as part of early repayment funds for existing borrowings (long-term borrowings of 1,300 million yen with repayment date of January 31, 2022). For details about the borrowings, please refer to “II. Early Repayment of Borrowings” below. The existing borrowings that are the target of the Repayment are long-term borrowings procured for repayment of borrowings that were procured as the funds for the acquisition of BEB5 Karuizawa.

## II. Early Repayment of Borrowings

### 1. Details of Repayment

HRR has decided to make an early repayment of the following borrowings on September 2, 2021.

Contract No. 0064

1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.
2) Amount of borrowings	1,300,000,000 yen
3) Interest rate	Base interest rate + 0.300% (floating rate)
4) Borrowing date	January 29, 2021
5) Method of borrowing	Concluded individual loan agreements on January 27, 2021 with the above lenders
6) Final repayment date	January 31, 2022
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on February 26, 2021 with subsequent payments on the last day of each month and on the final repayment date
9) Collateral	Unsecured/Unguaranteed

(Note 1) Settlement payment associated with the Repayment will occur, but the impact on HRR will be immaterial.

(Note 2) Please refer to “Notice Concerning Debt Financing (Refinancing)” dated January 21, 2021, for further details of borrowings.

### 2. Repayment Funds

Net proceeds of approximately 1,289 million yen from the issuance of the Investment Corporation Bonds as described in “I. Issuance of Investment Corporation Bonds” above will be fully used as part of early repayment funds. For the difference from 1,300 million yen, which amounts to 11 million yen, we plan to use cash on hand.

## III. Status of Borrowings Before and After Issuance of the Investment Corporation Bonds and Repayment (scheduled)

(Unit: millions of yen)

	Before issuance of Investment Corporation Bonds and Repayment (as of August 25, 2021)	After issuance of Investment Corporation Bonds and Repayment (as of September 2, 2021)	Amount of Increase/Decrease
Short-term borrowings (Note 1)	1,550	1,550	–
Long-term borrowings (Note 1)	65,491	64,191	(1,300)
Total borrowings	67,041	65,741	(1,300)
Investment corporation bonds	1,500	2,800	1,300
Sum of borrowings and investment corporation bonds	68,541	68,541	–

(Note 1) Short-term borrowings refer to borrowings with a borrowing period of one year or less, and long-term borrowings refer to borrowings with a borrowing period over one year.

(Note 2) Amounts have been rounded down to the nearest million yen.

## IV. 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 Annual Securities Report submitted on July 27, 2021, with respect to the risks of issuance of the Investment Corporation Bonds and the Repayment.

## V. HRR’s Sustainability Initiatives

Going forward, in addition to issuing Investment Corporation Bonds, HRR and Hoshino Resort Asset Management Co., Ltd., to which HRR entrusts asset management, intend to continue to contribute to the future through unique investments and asset management while achieving CSV (Creating Shared Value) to solve social issues in accordance with its sustainability policy.

For details regarding HRR’s sustainability policy and initiatives thus far, please refer to the following website.  
<https://www.hoshinoresorts-reit.com/en/sustainability/index.html>

\* Hoshino Resorts REIT, Inc. website address: <https://www.hoshinoresorts-reit.com/en/>