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For Immediate Release

REIT Securities Issuer
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(Code: 3287)

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Notice Concerning the Borrowing of Funds (Refinancing by Green Loans and Others) and Interest Rate Swap Transactions

Hoshino Resorts REIT, Inc. (hereinafter referred to as “HRR”) announces that it resolved at the Board of Directors’ Meeting held on April 21, 2022 to execute the borrowing of funds (hereinafter referred to as the “Borrowing”) and interest rate swap transactions (hereinafter referred to as the “Interest Rate Swap Transactions”) for the purpose of refinancing existing borrowings (hereinafter referred to as the “Refinancing”), as follows. Of the Borrowings, the borrowings under Contract No. 0074, 0075, 0076, 0079 and 0080 are HRR’s first loans (green loans) to be executed based on the Green Finance Framework formulated by HRR. With the aim of further promoting initiatives related to sustainability and strengthening the fund procurement base through the expansion of the investor base interested in ESG investment and financing, HRR will execute borrowing (refinancing) through green loans based on the Green Finance Framework.

1. Details of the Borrowings

(1) Contract No. 0073

(i)	Lender(s)	The Bank of Fukuoka, Ltd., The Bank of Kyoto, Ltd., The Hokuriku Bank, Ltd.
(ii)	Borrowing amount	900,000,000 yen
(iii)	Interest rate	Base interest rate (Note 1) +0.300% (floating interest rate) (Note 3)
(iv)	Borrowing date	April 28, 2022
(v)	Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi)	Final repayment date	April 30, 2025 (Note 2)
(vii)	Repayment method	Lump-sum repayment
(viii)	Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix)	Collateral	Unsecured and unguaranteed

(2) Contract No. 0074 *Green Loan (Note 4)

(i) Lender(s)	The Bank of Fukuoka, Ltd.
(ii) Borrowing amount	300,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.300% (floating interest rate) (Note 3)
(iv) Borrowing date	May 2, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	April 30, 2025 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(3) Contract No. 0075 *Green Loan (Note 4)

(i) Lender(s)	The Yamaguchi Bank, Ltd.
(ii) Borrowing amount	150,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.405% (floating interest rate) (Note 3)
(iv) Borrowing date	April 28, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	October 30, 2026 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(4) Contract No. 0076 *Green Loan (Note 4)

(i) Lender(s)	The Ashikaga Bank, Ltd.
(ii) Borrowing amount	300,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.405% (floating interest rate) (Note 3)
(iv) Borrowing date	May 2, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	October 30, 2026 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(5) Contract No. 0077

(i) Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	1,250,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.579% (floating interest rate) (Note 3)
(iv) Borrowing date	April 28, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	April 28, 2028 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(6) Contract No. 0078

(i) Lender(s)	MUFG Bank, Ltd.
(ii) Borrowing amount	100,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.579% (floating interest rate) (Note 3)
(iv) Borrowing date	May 2, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	April 28, 2028 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(7) Contract No. 0079 *Green Loan (Note 4)

(i) Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited
(ii) Borrowing amount	3,000,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.635% (floating interest rate) (Note 3)
(iv) Borrowing date	April 28, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	October 31, 2028 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(8) Contract No. 0080 *Green Loan (Note 4)

(i) Lender(s)	Mizuho Bank, Ltd.
(ii) Borrowing amount	150,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.740% (floating interest rate) (Note 3)
(iv) Borrowing date	April 28, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 26, 2022
(vi) Final repayment date	October 31, 2029 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(Note 1) "Base interest rate" shall be the 3-month Japanese Yen TIBOR announced by the JBA TIBOR Administration at a prescribed time two business days prior to the immediately preceding interest payment date (or the borrowing date for the first interest payment) for each interest payment date. However, if there is no corresponding rate for the period, the base interest rate shall be calculated based on the method specified in the agreement. The JBA Japanese Yen TIBOR can be found on the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/english>).

(Note 2) If the date is not a business day, it shall be the following business day. If the following business day falls in the following month, it shall be the immediately preceding business day.

(Note 3) The (annual) interest rate will be substantively fixed through the interest rate swap agreements. For details, please refer to "4. The Interest Rate Swap Transactions" below.

(Note 4) Please refer to "2. Reasons for the Refinancing and Outline of Green Loans (2) Outline of Green Loans" below.

2. Reasons for the Refinancing and Outline of Green loans

(1) Reasons for the Refinancing

HRR will borrow funds to procure funds for repayment of the principal as the existing borrowings become due. For the outline of the existing borrowings, please refer to "3. Amount, Use and Timing of Expenditure of Funds to be Procured" below.

(2) Outline of Green Loans

Of the Borrowings, the borrowings under Contract No. 0074, 0075, 0076, 0079 and 0080 are the green loans to be executed based on the Green Finance Framework (hereinafter referred to as the "Framework") formulated by HRR (hereinafter referred to as the "Green Loans").

The entire amount of the Green Loans is scheduled to be appropriated to the refinancing of the borrowings associated with the initial acquisition of HOSHINOYA Karuizawa, KAI Kinugawa and Quintessa Hotel Osaka Shinsaibashi, which satisfy the criteria for green eligible properties under the Framework.

For details of the Framework, please refer to the "Sustainable Finance" page on the HRR website.

<https://www.hoshinoresorts-reit.com/en/sustainability/finance.html>

3. Amount, Use and Timing of Expenditure of Funds to be Procured

(1) Amount of Funds to be Procured

6,150,000,000 yen

(2) Specific Use of Funds to be Procured

The entire amount of the Borrowings will be appropriated to the refinancing of the principal of the existing borrowings. The existing borrowings to be refinanced are as follows.

I. Contract No. 0016

(i) Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	3,000,000,000 yen
(iii) Interest rate	1.22788% (fixed interest rate)
(iv) Borrowing date	November 2, 2015
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on October 28, 2015
(vi) Final repayment date	April 28, 2022 (Note 1)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on April 28, 2016, with subsequent payments on the last day of April and October each year and on the final repayment date (Note 1)
(ix) Collateral	Unsecured and unguaranteed

II. Contract No. 0036

(i) Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Hokuriku Bank, Ltd., The Yamaguchi Bank, Ltd., The Bank of Kyoto, Ltd., Mizuho Bank, Ltd.
(ii) Borrowing amount	2,000,000,000 yen
(iii) Interest rate	Base interest rate (Note 2) +0.325% (floating interest rate)
(iv) Borrowing date	November 1, 2017
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on October 30, 2017
(vi) Final repayment date	April 28, 2022 (Note 1)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on November 30, 2017, with subsequent payments on the last day of each month and on the final repayment date (Note 1)
(ix) Collateral	Unsecured and unguaranteed

III. Contract No. 0065

(i) Lender(s)	The Bank of Fukuoka, Ltd.
(ii) Borrowing amount	450,000,000 yen
(iii) Interest rate	Base interest rate (Note 2) +0.300% (floating interest rate)
(iv) Borrowing date	April 30, 2021
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 27, 2021
(vi) Final repayment date	April 28, 2022 (Note 1)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on July 30, 2021, with subsequent payments on the last day of October and January each year and on the final repayment date (Note 1)
(ix) Collateral	Unsecured and unguaranteed

IV. Contract No. 0033

(i) Lender(s)	MUFG Bank, Ltd., The Ashikaga Bank, Ltd., The Bank of Fukuoka, Ltd.
(ii) Borrowing amount	700,000,000 yen
(iii) Interest rate	Base interest rate (Note 2) +0.425% (floating interest rate)
(iv) Borrowing date	May 2, 2017
(v) Borrowing method	Conclusion of individual lending agreements with the above lender(s) on April 28, 2017
(vi) Final repayment date	May 2, 2022 (Note 1)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on May 31, 2017, with subsequent payments on the last day of each month and on the final repayment date (Note 1)
(ix) Collateral	Unsecured and unguaranteed

(Note 1) If the date is not a business day, it shall be the following business day. If the following business day falls in the following month, it shall be the immediately preceding business day.

(Note 2) "Base interest rate" shall be the 3-month Japanese Yen TIBOR announced by the JBA TIBOR Administration at a prescribed time two business days prior to the immediately preceding interest payment date (or the borrowing date for the first interest payment) for each interest payment date. However, if there is no corresponding rate for the period, the base interest rate shall be calculated based on the method specified in the agreement. The JBA Japanese Yen TIBOR can be found on the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/english>).

(3) Timing of Expenditure

April 28, 2022 and May 2, 2022

4. The Interest Rate Swap Transactions

(1) Reasons for Conducting the Interest Rate Swap Transactions

This is to hedge the risk of interest rate increases by fixing the interest rate payable for the Borrowings. Depending on the terms of the fixed interest rate payable to be determined on April 26, 2022, such interest rate swap transactions may not be conducted.

(2) Details of the Interest Rate Swap Transactions

I. Contract No. 0073

Counterparty		To be determined (Note)
Notional principal		900,000,000 yen
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date		April 28, 2022
Termination date		April 30, 2025
Payment date		First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date

II. Contract No. 0074

Counterparty		To be determined (Note)
Notional principal		300,000,000 yen
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date		May 2, 2022
Termination date		April 30, 2025
Payment date		First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date

III. Contract No. 0075

Counterparty	To be determined (Note)	
Notional principal	150,000,000 yen	
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date	April 28, 2022	
Termination date	October 30, 2026	
Payment date	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date	

IV. Contract No. 0076

Counterparty	To be determined (Note)	
Notional principal	300,000,000 yen	
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date	May 2, 2022	
Termination date	October 30, 2026	
Payment date	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date	

V. Contract No. 0077

Counterparty	To be determined (Note)	
Notional principal	1,250,000,000 yen	
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date	April 28, 2022	
Termination date	April 28, 2028	
Payment date	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date	

VI. Contract No. 0078

Counterparty	To be determined (Note)	
Notional principal	100,000,000 yen	
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date	May 2, 2022	
Termination date	April 28, 2028	
Payment date	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date	

VII. Contract No. 0079

Counterparty	To be determined (Note)	
Notional principal	3,000,000,000 yen	
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date	April 28, 2022	
Termination date	October 31, 2028	
Payment date	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date	

VIII. Contract No. 0080

Counterparty	To be determined (Note)	
Notional principal	150,000,000 yen	
Interest rate	Fixed interest rate payable	To be determined (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date	April 28, 2022	
Termination date	October 31, 2029	
Payment date	First payment on July 29, 2022, with subsequent payments on the last day of October, January, April and July each year and on the termination date	

(Note) The counterparty and the fixed interest rate payable will be determined on April 26, 2022 and will be announced as soon as they are determined.

5. Status of Borrowings, etc. Before and After Executing the Borrowings

(millions of yen)

	Before executing the Borrowings (Note 1)	After executing the Borrowings (Note 1)	Change
Short-term borrowings (Note 2)	450	-	(450)
Long-term borrowings (Note 2)	65,174	65,624	450
Total borrowings	65,624	65,624	-
(Green loans)	-	3,900	3,900
Investment corporation bonds	2,800	2,800	-
(Green bonds)	1,300	1,300	-
Total borrowings and investment corporation bonds	68,424	68,424	-
(Green finance)	1,300	5,200	3,900

(Note 1) The amount of the repayment (58,574,000 yen) scheduled to be made as of April 28, 2022 has been deducted from the amount of borrowings as of today.

(Note 2) Short-term borrowings refer to borrowings with original maturities of one year or less, and long-term borrowings refer to borrowings with original maturities of more than one year.

(Note 3) Amounts are rounded down to the nearest million yen.

6. Other Matters Necessary for Investors to Appropriately Understand and Judge the Said Information

There is no change to the "Investment Risks" description in the Securities Report filed on January 27, 2022 with respect to the risks involved in the Borrowing.

* The HRR website address: <https://www.hoshinoresorts-reit.com/en/>