

September 13, 2023

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: Takahiro Kabuki, Director & CSO  
TEL: +81-3-5159-6338

## 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 “Setouchi Bonds,” hereinafter “Investment Corporation Bonds”) and conclude early repayment of existing borrowings (the “Repayment”) as follows.

### I. Issuance of Investment Corporation Bonds

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

- |                                 |  |
|---------------------------------|--|
| (1) Name                        | Third Series Unsecured Investment Corporation Bonds of Hoshino Resorts REIT, Inc.<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 “Setouchi Bonds”)  |
| (2) Total issue amount          | 1 billion yen  |
| (3) Form of bond certificate    | Under the Act on Book-Entry Transfer of Corporate Bonds, Shares etc, 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               | 1.415% per annum   |
| (7) Amount of each bond         | 100 million yen  |
| (8) Offering method             | Public offering  |
| (9) Subscription date           | September 13, 2023   |
| (10) Payment date               | September 20, 2023   |
| (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 total amount of the Investment Corporation Bonds will be redeemed in a lump sum on September 20, 2023.<br>However, if the day by which the Investment Corporation Bonds should be redeemed falls on a bank holiday, the immediately preceding bank business day shall become the payment date.<br>The bonds may be purchased and cancelled at any time after the payment date unless laws and regulations or book-entry transfer institutions stipulate otherwise. |
| (13) Interest payment date      | To be paid on March 20 and September 20 each year.   |

	However, if the payment day falls on 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. HRR was also reviewed on March 31, 2022, in line with the update. The Investment Corporation Bonds will be issued as green bonds in accordance with this framework.

For the purpose of long-term and stable procurement of funds, HRR decided to issue the Investment Corporation Bonds as 10 year bonds, similar to the Second Series Unsecured Investment Corporation Bonds of Hoshino Resorts REIT, Inc. issued on August 26, 2021 (with special pari passu conditions among specified investment corporation bonds) (green bond).

The funds to be procured this time will be used as part of fund for early repayment of existing short-term borrowings related to the acquisition of real estate beneficiary rights in Hotel Vista Matsuyama, a project that meets the Green Finance Framework eligibility criteria. For details, please refer to “3. Total Amount to Be Procured, Use of Funds and Scheduled Expenditure Date” below.

HRR considers the preservation of the natural environment, 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 ‘Setouchi Bonds’” to the Investment Corporation Bonds so that the desire to protect nature will not be forgotten.

The German geographer Ferdinand von Richthofen, known as the father of modern geomorphology, praised the scenery of the Seto Inland Sea, "There is no other view in the world better than this broad and graceful landscape. In the future, this region will earn a good reputation as one of the most attractive places in the world and attract many people, " when he visited Japan in the late 19th century. (\*Source: The Association for the Environmental Conservation of The Seto Inland Sea, *Scientific Forum of the Seto Inland Sea*, Nos. 7 & 8, 1996, pp. 54-55)

## 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)

990 million yen

### (2) Specific use of funds to be procured and the scheduled expenditure date

As part of the early repayment of existing borrowings (short-term borrowings of 1.95 billion yen due on May 31, 2024), HRR plans to fully appropriate the amount on September 28, 2023. For details about the borrowings, please refer to “II. Early Repayment of Borrowings” below. The existing borrowings subject to early Repayment are short-term borrowings procured for the acquisition of real estate trust beneficiary rights in Hotel Vista Matsuyama.

## 4. Investors who declared investment in the Investment Corporation Bonds

Among the investors who have declared investment in the Investment Corporation Bonds as of today, the following are the investors who agreed to disclose their real names (in the order of the Japanese syllabary).

- The Iida Shinkin Bank
- The Echizen Shinkin Bank
- JA-Bank SAGA
- Tsuruga Shinkin Bank
- Tokushima Shinkin Bank
- The Fuji Shinkin Bank

## II. Early Repayment of Borrowings

## 1. Details of Repayment

HRR has decided to make an early repayment of the following borrowings on September 28, 2023.

Contract No. 0110

(1)	Lenders	MUFG Bank, Ltd.
(2)	Amount of borrowings	1,950,000,000 yen
(3)	Interest rate	Base interest rate + 0.300% (floating rate)
(4)	Borrowing date	June 1, 2023
(5)	Borrowing method	Concluded individual loan agreements on May 29, 2023 with the above lenders
(6)	Final repayment date	May 31, 2024
(7)	Repayment method	Lump-sum repayment at maturity
(8)	Interest payment date	First payment on June 30, 2023 with subsequent payments on the last day of each month and on the final repayment date
(9)	Collateral	Unsecured/Unguaranteed

(Note 1) Settlement payments will be made as a result of the Repayment, but the impact on HRR will be immaterial.

(Note 2) Please refer to "Notice Concerning Debt Financing" dated May 23, 2023, for further details of borrowings.

## 2. Repayment Funds

Net proceeds of approximately 990 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. The difference of 10 million yen from the prepayment amount of 1 billion yen is planned to be appropriated with 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 September 19, 2023)	After issuance of Investment Corporation Bonds and Repayment (as of September 28, 2023)	Amount of Increase/Decrease
Short-term borrowings (Note 1)	1,950	950	(1,000)
Long-term borrowings (Note 1)	79,578	79,578	-
Total borrowings	81,528	80,528	(1,000)
(sustainability loans)	510	510	-
(green loans)	15,800	15,800	-
Investment corporation bonds	2,800	3,800	1,000
(sustainability bonds)	-	-	-
(green bonds)	1,300	2,300	1,000
Sum of borrowings and investment corporation bonds	84,328	84,328	-
(sustainability finance)	510	510	-
(green finance)	17,100	18,100	1,000

(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 of 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, 2023, 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>

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

\* We do not provide any guarantees regarding the completeness or accuracy of the English translation of this document. If there is any discrepancy between the English translation and the original Japanese text, the latter shall prevail.