

Hoshino Resorts REIT, Inc.

January 28, 2020

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 (Determination of Conditions) and Interest Rate Swap

Hoshino Resorts REIT, Inc. (hereinafter “HRR”) announces the determination of the conditions of the debt financing announced in “Notice Concerning Debt Financing” dated December 16, 2019 (hereinafter the “Debt Financing”), and the resolution made at its Board of Directors’ Meeting held on January 28, 2020 to conduct interest rate swaps as follows.

1. Details of Debt Financing

(1) Contract No. 0053

1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.
2) Amount of the loan	1,400,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.300% (floating rate) (Note 2)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreements on January 29, 2020 (scheduled) with the above lenders
6) Final repayment date	January 29, 2021 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 30, 2020 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/Unguaranteed

(2) Contract No. 0054-01

1) Lenders	Mizuho Bank, Ltd., THE NISHI-NIPPON CITY BANK, LTD., Development Bank of Japan Inc., The Yamaguchi Bank, Ltd., The Senshu Ikeda Bank, Ltd.
2) Amount of the loan	900,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.357% (floating rate) (Note 2)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreements on January 29, 2020 (scheduled) with the above lenders
6) Final repayment date	October 31, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 30, 2020 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/Unguaranteed

(3) Contract No. 0054-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	100,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreement on January 29, 2020 (scheduled) with the above lender
6) Final repayment date	October 31, 2024 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 30, 2020 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/Unguaranteed

(4) Contract No. 0055-01

1) Lenders	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., Resona Bank, Limited, Mizuho Bank, Ltd.
2) Amount of the loan	1,900,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.550% (floating rate) (Note 2)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreements on January 29, 2020 (scheduled) with the above lenders
6) Final repayment date	October 30, 2026 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 30, 2020 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/Unguaranteed

(5) Contract No. 0055-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	1,000,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreement on January 29, 2020 (scheduled) with the above lender
6) Final repayment date	October 30, 2026 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 30, 2020 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/Unguaranteed

(6) Contract No. 0056-01

1) Lenders	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc.
2) Amount of the loan	500,000,000 yen
3) Interest rate	Base interest rate (Note 1) + 0.600% (floating rate) (Note 2)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreements on January 29, 2020 (scheduled) 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 April 30, 2020 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/Unguaranteed

(7) Contract No. 0056-02

1) Lender	MUFG Bank, Ltd.
2) Amount of the loan	300,000,000 yen
3) Interest rate	TBD (Note 4) (fixed rate)
4) Scheduled borrowing date	January 31, 2020
5) Method of borrowing	To conclude individual loan agreement on January 29, 2020 (scheduled) with the above lender
6) Final repayment date	April 30, 2027 (Note 3)
7) Repayment method	Lump-sum repayment at maturity
8) Interest payment date	First payment on April 30, 2020 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/Unguaranteed

(Note 1) "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 interest payment 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/english>) (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.

(Note 4) Interest rate is scheduled to be determined on January 29, 2020 and will be announced once it is finalized.

2. Purpose of Debt Financing

The Debt Financing described above will be carried out to raise funds for the acquisition (planned acquisition price: 6,030 million yen in total) of the assets to be acquired described in “Notice Concerning Acquisition of Domestic Real Estate” dated January 28, 2020 (hereinafter the “Assets to be Acquired”), and a part of the acquisition related expenses (including consumption tax and local consumption tax).

3. Total Amount of the Loan, Use of Proceeds and Scheduled Expenditure Date

(1) Total Amount of the Loan

6,100,000,000 yen (scheduled)

(2) Detailed Use of Proceeds

Funds will be allocated to the acquisition of the Assets to be Acquired and to a part of the acquisition related expenses.

(3) Scheduled Expenditure Date

January 31, 2020 (scheduled)

4. Interest Rate Swap

(1) Purpose of Conducting Interest Rate Swap

The 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. Such interest rate swap may not be conducted depending on terms on fixed interest rate payable scheduled to be determined on January 29, 2020.

(2) Details of Interest Rate Swap

Contract No. of loan agreement		0054-01	0055-01	0056-01
Counterparty		TBD (Note)	TBD (Note)	TBD (Note)
Notional principal		900,000,000 yen	1,900,000,000 yen	500,000,000 yen
Interest rate	Fixed interest rate payable	TBD (Note)	TBD (Note)	TBD (Note)
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)	Base interest rate (JBA 3-month Japanese Yen TIBOR)	Base interest rate (JBA 3-month Japanese Yen TIBOR)
Commencement date		January 31, 2020	January 31, 2020	January 31, 2020
Termination date		October 31, 2024	October 30, 2026	April 30, 2027
Payment date		First payment on April 30, 2020 with subsequent payments on the last day of January, April, July and October each year and the termination date	First payment on April 30, 2020 with subsequent payments on the last day of January, April, July and October each year and the termination date	First payment on April 30, 2020 with subsequent payments on the last day of January, April, July and October each year and the termination date

(Note) Counterparty and fixed interest rate payable are scheduled to be determined on January 29, 2020 and will be announced once they are finalized.

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5. Status of Interest-bearing Debt Before and After Debt Financing (Scheduled)

(Unit: millions of yen)

	Before Debt Financing	After Debt Financing	Amount of Increase / Decrease
Short-term loans (Note)	–	1,400	1,400
Long-term loans (Note)	60,255	64,955	4,700
Total loans	60,255	66,355	6,100
Investment corporation bonds	1,500	1,500	–
Sum of borrowings and investment corporation bonds	61,755	67,855	6,100
Other interest-bearing debt	–	–	–
Total interest-bearing debt	61,755	67,855	6,100

(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 HRR’s Securities Report submitted on January 27, 2020 with respect to the risks of the Debt Financing.

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