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For immediate release

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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 "HRR") announces that it resolved, at the Board of Directors' Meeting held on October 24, 2022, to execute the borrowings of funds (hereinafter the "Borrowings") and interest rate swap transactions (hereinafter the "Interest Rate Swap Transactions") for the purpose of refinancing existing borrowings (hereinafter the "Refinancing") as follows.

Of the Borrowings, the borrowings under Contract No. 0086, 0087 and 0088 are 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 undertake borrowing (refinancing) through green loans based on the Green Finance Framework.

1. Details of the Borrowings

(1) Contract No. 0083

(i) Lenders	The Bank of Fukuoka, Ltd., and The Bank of Kyoto, Ltd.
(ii) Borrowing amount	400,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.350% (floating interest rate) (Note 2)
(iv) Borrowing date	October 31, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2022
(vi) Final repayment date	October 30, 2026 (Note 3)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

(2) Contract No. 0084

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	1,400,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.470% (floating interest rate) (Note 2)
(iv) Borrowing date	October 31, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2022
(vi) Final repayment date	April 28, 2028 (Note 3)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

(3) Contract No. 0085

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	1,100,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.510% (floating interest rate) (Note 2)
(iv) Borrowing date	October 31, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2022
(vi) Final repayment date	October 31, 2028 (Note 3)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

(4) Contract No. 0086 * **Green Loan** (Note 4)

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	500,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.592% (floating interest rate) (Note 2)
(iv) Borrowing date	October 31, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2022
(vi) Final repayment date	April 27, 2029 (Note 3)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

(5) Contract No. 0087 * **Green Loan** (Note 4)

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	420,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.594% (floating interest rate) (Note 2)
(iv) Borrowing date	October 31, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2022
(vi) Final repayment date	October 31, 2029 (Note 3)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the final repayment date (Note 3)
(ix) Collateral	Unsecured and unguaranteed

(6) Contract No. 0088 * **Green Loan** (Note 4)

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	300,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.640% (floating interest rate) (Note 2)
(iv) Borrowing date	October 31, 2022
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2022
(vi) Final repayment date	April 30, 2030 (Note 3)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the final repayment date (Note 3)
(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) The interest rate (annual rate) will be substantially fixed upon the conclusion of the Interest Rate Swap Agreement. For details, please refer to "4. Interest Rate Swap Transactions" below.

(Note 3) 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 4) Please refer to "(2) Outline of Green Loans under 2. Reasons for the Refinancing and Outline of Green Loans" below.

2. Reasons for the Refinancing and Outline of Green Loans

(1) Reasons for the Refinancing

As the repayment of the existing borrowings becomes due, HRR will borrow funds to procure the funds necessary to repay the principal. For an overview 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. 0086, 0087 and 0088 are green loans (hereinafter the "Green Loans") that are executed based on the Green Finance Framework (hereinafter the "Framework") established by HRR.

The entire amount of the Green Loans will be used to refinance the borrowings associated with the initial acquisition of ANA Crowne Plaza Hiroshima, which meets the criteria for eligible green properties under the Framework.

For details of the Framework, please refer to the "Sustainable Finance" page on HRR's 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

4,120,000,000 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. 0017

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	1,500,000,000 yen
(iii) Interest rate	Base interest rate (Note 1) +0.850% (fixed interest rate)
(iv) Borrowing date	November 2, 2015
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 28, 2015
(vi) Final repayment date	October 31, 2022 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	The first interest payment and repayment of 21,430,000 yen that is the divided principal amount shall be made on April 28, 2016 and thereafter, on the last day of April and October (Note 2) of each year. And on October 31, 2022, the remaining principal amount of 1,221,410,000 yen shall be repaid.
(ix) Collateral	Unsecured and unguaranteed

II. Contract No. 0030

(i) Lenders	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
(ii) Borrowing amount	2,500,000,000 yen
(iii) Interest rate	0.76832% (fixed interest rate)
(iv) Borrowing date	November 1, 2016
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 28, 2016
(vi) Final repayment date	October 31, 2022 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment on April 28, 2017, with subsequent payments on the last day of April and October each year and on the final repayment date. (Note 2)
(ix) Collateral	Unsecured and unguaranteed

III. Contract No. 0069

(i) Lenders	The Bank of Fukuoka, Ltd., and The Bank of Kyoto, Ltd.
(ii) Borrowing amount	400,000,000 yen
(iii) Interest rate	Base interest rate (Note 3) +0.300% (floating interest rate)
(iv) Borrowing date	October 29, 2021
(v) Borrowing method	Conclusion of individual lending agreements with the above lenders on October 27, 2021
(vi) Final repayment date	October 31, 2022 (Note 2)
(vii) Repayment method	Lump-sum repayment
(viii) Interest payment dates	First payment date on January 31, 2022, with subsequent payments on the last day of April and July each year and on the final repayment date. (Note 2)
(ix) Collateral	Unsecured and unguaranteed

(Note 1) "Base interest rate" is the interest rate (fixed rate) obtained by adding the swap rate (offered rate) corresponding to the period from the borrowing date to the final repayment date, and the T/L spread (offered rate) corresponding to the same period, multiplied by 365 and divided by 360.

(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) "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 drawdown 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

October 31, 2022

4. Interest Rate Swap Transactions

(1) Reasons for the Interest Rate Swap

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 October 27, 2022, such interest rate swap transactions may not be conducted.

(2) Details of the Interest Rate Swap Transactions

I. Contract No. 0083

Counterparty		To be determined (Note)
Notional principal		400,000,000 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		October 31, 2022
Termination date		October 30, 2026
Payment date		First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the termination date.

II. Contract No. 0084

Counterparty		To be determined (Note)
Notional principal		1,400,000,000 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		October 31, 2022
Termination date		April 28, 2028
Payment date		First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the termination date.

III. Contract No. 0085

Counterparty		To be determined (Note)
Notional principal		1,100,000,000 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		October 31, 2022
Termination date		October 31, 2028
Payment date		First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the termination date.

IV. Contract No. 0086

Counterparty		To be determined (Note)
Notional principal		500,000,000 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		October 31, 2022
Termination date		April 27, 2029
Payment date		First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the termination date.

V. Contract No. 0087

Counterparty		To be determined (Note)
Notional principal		420,000,000 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		October 31, 2022
Termination date		October 31, 2029
Payment date		First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the termination date.

VI. Contract No. 0088

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		October 31, 2022
Termination date		April 30, 2030
Payment date		First payment on January 31, 2023, with subsequent payments on the last day of April, July, October and January each year and on the termination date.

(Note) The counterparty and the fixed interest rate payable are scheduled to be determined on October 27, 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)	-	-	-
Long-term borrowings (Note 2)	71,787	71,785	(1)
Total borrowings	71,787	71,785	(1)
(Green loans)	3,900	5,120	1,220
Investment corporation bonds	2,800	2,800	-
(Green bonds)	1,300	1,300	-
Total borrowings and investment corporation bonds	74,587	74,585	(1)
(Green finance)	5,200	6,420	1,220

(Note 1) The scheduled repayment amount (37,144,000 yen) to be executed on October 31, 2022 is deducted from the borrowing amount as of today.

(Note 2) 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 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 submitted on July 27, 2022 with respect to the risks involved in the Borrowings.

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