

April 14, 2023

For immediate release

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## Notice Concerning Borrowing of Funds (Refinancing by Sustainability Loan, 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 April 14, 2023, to borrow 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 borrowing under Contract number 0102 is a loan (sustainability loan) made based on the sustainability finance framework formulated by HRR, which is its first attempt, and the borrowings under Contract Nos. 0094, 0095, 0097, 0099 and 0101 are loans (green loans) made based on the green finance framework formulated by HRR.

Furthermore, of the funds to be procured through the Borrowings, the portion to be financed by MUFG Bank, Ltd. corresponds to funds that the Bank has determined are eligible for the "Fund-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations)", conducted by the Bank of Japan for private financial institutions (Note).

HRR will continue to further promote sustainability initiatives and aim to strengthen its funding base by expanding the number of investors interested in ESG investment and financing.

(Note) For details of the Climate Response Financing Operations, please see below.

Mitsubishi UFJ Financial Group, Inc. website :

[https://www.mufg.jp/csr/groupcsr/index.html?utm\\_source=mufgbk&utm\\_medium=display&utm\\_campaign=groupcsr\\_top](https://www.mufg.jp/csr/groupcsr/index.html?utm_source=mufgbk&utm_medium=display&utm_campaign=groupcsr_top)

\*Only available in Japanese

### 1. Details of the Borrowings

#### (1) Contract No. 0093

Lender(s)	The Bank of Fukuoka, Ltd., The Ashikaga Bank, Ltd., The Yamaguchi Bank, Ltd., and The Bank of Kyoto, Ltd.
Borrowing amount	750,000,000 yen
Interest rate	Base interest rate (Note 1) +0.430% (floating interest rate) (Note 2)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on April 17, 2023
Final repayment date	April 28, 2028 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(2) Contract No. 0094 \* **Green Loan** (Note 4)

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	900,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 5)
Borrowing date	April 28, 2023
Borrowing method	An individual loan agreement is scheduled to be concluded with the above lender on April 17, 2023.
Final repayment date	April 27, 2029 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(3) Contract No. 0095 \* **Green Loan** (Note 4)

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	500,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 5)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lender on April 17, 2023
Final repayment date	October 31, 2029 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(4) Contract No. 0096

Lender(s)	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc. and Resona Bank, Ltd.
Borrowing amount	900,000,000 yen
Interest rate	Base interest rate (Note 1) +0.640% (floating interest rate) (Note 2)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on April 17, 2023
Final repayment date	October 31, 2030 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(5) Contract No. 0097 \* **Green Loan** (Note 4)

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	100,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 5)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lender on April 17, 2023
Final repayment date	October 31, 2030 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(6) Contract No. 0098

Lender(s)	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc. and Resona Bank, Ltd.
Borrowing amount	400,000,000 yen
Interest rate	Base interest rate (Note 1) +0.680% (floating interest rate) (Note 2)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on April 17, 2023
Final repayment date	April 30, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(7) Contract No. 0099 \* **Green Loan** (Note 4)

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	850,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 5)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lender on April 17, 2023
Final repayment date	April 30, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(8) Contract No. 0100

Lender(s)	Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc. and Resona Bank, Ltd.
Borrowing amount	590,000,000 yen
Interest rate	Base interest rate (Note 1) +0.720% (floating interest rate) (Note 2)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on April 17, 2023
Final repayment date	October 31, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(9) Contract No. 0101 \* **Green Loan** (Note 4)

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	500,000,000 yen
Interest rate	To be determined (fixed interest rate) (Note 5)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lender on April 17, 2023
Final repayment date	October 31, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date(Note 3)
Collateral	Unsecured and unguaranteed

(10) Contract No. 0102 \*Sustainability Loan<sup>(Note 4)</sup>

Lender(s)	Sumitomo Mitsui Banking Corporation and Development Bank of Japan Inc.
Borrowing amount	510,000,000 yen
Interest rate	Base interest rate (Note 1) +0.720% (floating interest rate) (Note 2)
Borrowing date	April 28, 2023
Borrowing method	Conclusion of individual lending agreements with the above lenders on April 17, 2023
Final repayment date	October 31, 2031 (Note 3)
Repayment method	Lump-sum repayment
Interest payment dates	First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the final repayment date <sup>(Note 3)</sup>
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 predetermined point in 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 Agreements. 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 such day falls in the following month, it shall be the immediately preceding business day.

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

(Note 5) The fixed interest rates are scheduled to be determined on April 26, 2023 and will be announced at the time of determination.

## 2. Reasons for Refinancing and Outline of Sustainability Loan and Green Loans

### (1) Reasons for Refinancing

The funds will be borrowed to procure funds to finance repayment of the principals upon the maturity of the existing borrowings. 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 Sustainability Loan and Green Loans

Of the Borrowings, the borrowing under Contract No. 0102 is a sustainability loan (hereinafter the "Sustainability Loan") made based on the sustainability finance framework (hereinafter the "Sustainability Framework") established by HRR.

The entire amount of the Sustainability Loan will be used to refinance the borrowings associated with the initial acquisition of "KAI Kaga" and "HOSHINOYA Taketomi Island", which meet the criteria for eligible sustainability properties under the Sustainability Framework.

The borrowings under Contract Nos. 0094, 0095, 0097, 0099 and 0101 are green loans (hereinafter the "Green Loans") made based on the green finance framework (hereinafter the "Green Framework") established by HRR.

The entire amount of the Green Loans will be used to refinance the borrowings associated with the initial acquisition of "HOSHINOYA Karuizawa", "Chisun Inn Chiba Hamano R16", "KAI Kinugawa", "ANA Crowne Plaza Hiroshima", and "Quintessa Hotel Osaka Shinsaibashi", which meet the criteria for eligible green properties under the Green Framework.

For details of the Sustainability Framework and the Green Framework, please refer to the "Sustainability 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

6,000,000,000 yen (scheduled)

#### (2) Specific Use of Funds to be Procured

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

##### I. Contract No. 0021

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	500,000,000 yen
Interest rate	1.09313% (fixed interest rate)
Borrowing date	May 2, 2016
Final repayment date	April 28, 2023
Repayment method	The first payment shall be on October 31, 2016, and thereafter, 7,143,000 yen of the principal shall be repaid on the last day of April and October every year, and the remaining total principal amount of 407,141,000 yen shall be repaid on April 28, 2023.

##### II. Contract No. 0025

Lender(s)	MUFG Bank, Ltd.
Borrowing amount	1,000,000,000 yen
Interest rate	0.82289% (fixed interest rate)
Borrowing date	July 19, 2016
Final repayment date	April 28, 2023
Repayment method	Lump-sum repayment

##### III. Contract No. 0031

Lender(s)	MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
Borrowing amount	2,500,000,000 yen
Interest rate	0.85244% (fixed interest rate)
Borrowing date	November 1, 2016
Final repayment date	April 28, 2023
Repayment method	Lump-sum repayment

##### IV. Contract No. 0057

Lender(s)	MUFG Bank, Ltd., The Bank of Fukuoka, Ltd. and Resona Bank, Ltd. The Yamaguchi Bank, Ltd., and The Bank of Kyoto, Ltd.
Borrowing amount	1,100,000,000 yen
Interest rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.250% (floating interest rate)
Borrowing date	April 30, 2020
Final repayment date	April 28, 2023
Repayment method	Lump-sum repayment

##### V. Contract No. 0066

Lender(s)	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation and Resona Bank, Ltd., The Ashikaga Bank, Ltd.
Borrowing amount	1,000,000,000 yen
Interest rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.300% (floating interest rate)
Borrowing date	April 30, 2021
Final repayment date	April 28, 2023
Repayment method	Lump-sum repayment

#### (3) Timing of Expenditure

April 28, 2023 (scheduled)

## 4. Interest Rate Swap Transactions

### (1) Reasons for 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 17, 2023, such interest rate swap transactions may not be conducted.

### (2) Details of the Interest Rate Swap Transactions

Contract Number		0093	0096	0098	0100 and 0102
Counterparty (Note)		To be determined	To be determined	To be determined	To be determined
Notional principal		750,000,000 yen	900,000,000 yen	400,000,000 yen	1,100,000,000 yen
Interest rate	Fixed interest rate payable (Note)	To be determined	To be determined	To be determined	To be determined
	Floating interest rate receivable	Base interest rate (JBA 3-month Japanese Yen TIBOR)			
Commencement date		April 28, 2023			
Termination date		April 28, 2028	October 31, 2030	April 30, 2031	October 31, 2031
Payment date		First payment on July 31, 2023, with subsequent payments on the last day of October, January, April and July each year and on the termination date.			

(Note) The counterparties and the fixed interest rates payable are scheduled to be determined on April 17, 2023 and will be announced as soon as they are determined.

## 5. Status of Borrowings, etc. Before and After the Borrowings (scheduled)

(millions of yen)

	Before the Borrowings (Note 1)	After the Borrowings	Change
Short-term borrowings (Note 2)	-	-	-
Long-term borrowings (Note 2)	73,845	73,838	(7)
Total borrowings	73,845	73,838	(7)
(Sustainability Loan)	-	510	510
(Green Loans)	7,210	10,060	2,850
Investment corporation bonds (Sustainability bonds)	2,800	2,800	-
(Green bonds)	-	-	-
(Green bonds)	1,300	1,300	-
Total borrowings and investment corporation bonds	76,645	76,638	(7)
(Sustainability finance)	-	510	510
(Green finance)	8,510	11,360	2,850

(Note 1) The contracted repayment amount (30,001,000 yen) scheduled to be made on April 28, 2023 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 January 24, 2023 with respect to the risks involved in the Borrowings.

\* 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.***