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For immediate release

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

Hoshino Resorts REIT, Inc. (hereinafter "HRR") announces that it resolved, at the Board of Directors' Meeting held today, to borrow funds (hereinafter the "Borrowings"), conduct interest rate swap transactions (hereinafter the "Interest Rate Swap Transactions"), and establish green derivative for the purpose of refinancing existing borrowings (hereinafter the "Refinancing") as follows.

Additionally, of the Borrowings, Sumitomo Mitsui Trust Bank, Limited will be a new financial institution with which transactions will be commenced among the lenders under Contract No. 0148.

Furthermore, of the Borrowings, those under Contract No. 0149 are loans (green loans) (hereinafter "Green Loans") and green derivatives to be made based on the green finance framework formulated by HRR. "Green derivatives" are interest rate derivative contracts attached to the Green Loans based on the green finance framework evaluated by third parties.

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.

1. Details of the Borrowings

Contract No.	Lender(s)	Borrowing amount (Millions of yen)	Interest rate (Note 1)	Final Repayment Date (Note 1)	Contract Date	Borrowing Date	Repayment Method / Collateral
0147	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	300	Base interest rate +0.30000% (Note 2)	April 30, 2026	April 21, 2025	April 30, 2025	Lump-sum repayment • Unsecured and unguaranteed
0148	The Bank of Fukuoka, Ltd. The Hokuriku Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited(Note 4)	800	Base interest rate +0.27500% (Note 2) (Note 3)	October 31, 2028			

Contract No.	Lender(s)	Borrowing amount (Millions of yen)	Interest rate (Note 1)	Final Repayment Date (Note 1)	Contract Date	Borrowing Date	Repayment Method / Collateral
0149 (Green Loans)	The Bank of Fukuoka, Ltd. The Bank of Kyoto, Ltd. Resona Bank, Ltd.	900	Base interest rate +0.37500% (Note 2) (Note 3)	April 30, 2030	April 21, 2025	April 30, 2025	Lump-sum repayment • Unsecured and unguaranteed
0150-A	MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	1,500	Base interest rate +0.67500% (Note 2) (Note 3)	April 28, 2033			
0150-B	Development Bank of Japan Inc.	1,070	1.52500%				

Note 1: Interest payment dates for Contract No. 0147 are October 31, 2025 and the final repayment date. For Contract Nos. 0148, 0149, and 0150-A, the first interest payment date is on May 30, 2025, and subsequently on the last day of every month thereafter and the final repayment date. For Contract No. 0150-B, the first interest payment date is on October 31, 2025, and subsequently on the last day of every April and October thereafter and the final repayment date. However, if the interest payment date or the final repayment date does not fall on a business day, it will be the next business day. If such a date falls in the following month, it will be the immediately preceding business day.

Note 2: The “Base interest rate” for Contract No. 0147 shall be the 6-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, and the rate for Contract Nos. 0148, 0149, and 0150-A shall be the 1-month Japanese Yen TIBOR. However, if there is no corresponding rate for the period, the base 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 3: The interest rate (annual rate) will be substantively fixed by entering into an interest rate swap agreement. For details, please refer to “4. Interest Rate Swap Transactions” below.

Note 4: Sumitomo Mitsui Trust Bank, Limited is a new correspondent bank.

2. Reasons for Borrowing and Outline of Green Loans

(1) Reasons for Borrowings

Upon the maturity of the existing borrowings, we will procure funds to finance repayment of 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

The entire amount of the Green Loans will be used to refinance the borrowings associated with the initial acquisition of ANA Crowne Plaza Hiroshima (hereinafter “ACP Hiroshima”), which meets the criteria for eligible green properties under the Green Finance Framework formulated by HRR.

ACP Hiroshima acquired the Building-Housing Energy-efficiency Labeling System (BELS) certification of 2 stars (FY 2016 Standards) in January 2022. Furthermore, as an additional initiative that contributes to the environment, ACP Hiroshima has reduced in part the use of plastic products, including the use of pump bottles and the elimination of PET bottles. It was judged to be an eligible green property because it satisfied the eligibility criteria requirements under the Green Finance Framework. However, due to the revision of the primary energy consumption reduction standard values, etc. for BELS certification in April 2024, ACP Hiroshima no longer satisfies the eligibility criteria requirements for BELS certification.

At the same time, ACP Hiroshima has been making efforts with a comprehensive awareness of the environment, including conducting energy-saving measures, curbing energy consumption, and improving biodiversity. These efforts were highly evaluated in the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). In February 2025, ACP Hiroshima received the highest rating, “S Rank,” and was newly selected as an eligible green property that meets the eligibility criteria under the Green Finance Framework.

Based on the above, the entire amount of the loan under Contract No. 0149 will be used as the Green Loans to refinance the loan associated with the initial acquisition of ACP Hiroshima, with green derivatives attached to the Green Loan scheduled to be procured.

For details on ACP Hiroshima's CASBEE certification, please refer to the press release “Notice Concerning Acquisition of the Highest Rating (S Rank) in ‘CASBEE Real Estate Certification’ (ANA Crowne Plaza Hiroshima)” dated February 5, 2025.

<https://ssl4.eir-parts.net/doc/3287/tdnet/2572551/00.pdf>

Additionally, for details of the Green Finance 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 for Funds to Be Procured

(1) Amount of Funds to Be Procured

: 4,570,000,000 yen (scheduled)

(2) Specific Use of Funds to Be Procured

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

Contract No.	Lender(s)	Borrowing amount (Millions of yen)	Interest rate	Final Repayment Date/Timing of Expenditure	Contract Date	Borrowing Date	Repayment Method / Collateral
0022	Development Bank of Japan Inc.	500	1.47689%	April 30, 2025	April 27, 2016	May 2, 2016	Unsecured and unguaranteed (Note)
0038	MUFG Bank, Ltd. Development Bank of Japan Inc. Sumitomo Mitsui Banking Corporation Resona Bank, Ltd.	3,000	0.83000%		October 30, 2017	November 1, 2017	Lump-sum repayment at maturity / Unsecured and unguaranteed
0073	The Bank of Fukuoka, Ltd. The Bank of Kyoto, Ltd. The Hokuriku Bank, Ltd.	900	0.50200%		April 26, 2022	April 28, 2022	
0074 (Green Loans)	The Bank of Fukuoka, Ltd.	300	0.50600%		April 26, 2022	May 2, 2022	

Note: Repayment shall be made by repaying the principal amount of 7,143,000 yen, with the first repayment date on October 31, 2016, and subsequently on the last day of April and October every year thereafter, and the remaining principal amount of 378,569,000 yen on the final repayment date. However, if the repayment date does not fall on a business day, it will be the next business day. If such a date falls in the following month, it will be the immediately preceding business day.

4. 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. For the interest rate swap based on Contract No. 0149, HRR plans to procure green derivatives through the conclusion of an interest rate derivative agreement attached to the Green Loans. Depending on the terms of the fixed interest rate, the Interest Rate Swap Transactions may not be conducted.

(2) Details of the Interest Rate Swap Transactions

Contract No.	Counterparty (Note 1)	Notional principal (Millions of yen)	Interest rate		Commencement date	Termination date
			Fixed interest rate payable (Note 1)	Floating interest rate receivable		
0148	To be determined	800	To be determined	Base interest rate (JBA 1-month Japanese Yen TIBOR)	April 30, 2025	October 31, 2028
0149 (Green Derivatives)	To be determined	900	To be determined			April 30, 2030
0150-A	To be determined	1,500	To be determined			April 28, 2033

Note 1: The counterparties and the fixed interest rates payable will be determined on April 22, 2025, and will be announced as soon as they are determined.

Note 2: The first payment date is on May 30, 2025, and subsequently on the last day of every month thereafter and the final repayment date. However, if the payment date or the final repayment date does not fall on a business day, it will be the next business day. If such date falls in the following month, it will be the immediately preceding business day.

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

(Millions of yen)

	Before executing the Borrowings	After executing the Borrowings	Variance
Short-term borrowings (Note 1)	480	780	300
Long-term borrowings (Note 1)	94,803	94,486	(317)
Total borrowings	95,283	95,266	(17)
(Sustainable Loans) (Note 2)	32,110	32,710	600
Investment corporation bonds	3,800	3,800	—
(Sustainable bonds) (Note 2)	2,300	2,300	—
Total borrowings and investment corporation bonds	99,083	99,066	(17)
(Sustainable finance) (Note 2)	34,410	35,010	600

Note 1: Short-term borrowings refer to loans with original maturities of one year or less, and long-term borrowings refer to loans with original maturities of more than one year.

Note 2: The outstanding balance of sustainable loans states the total outstanding balance of sustainability loans, green loans, blue loans, and positive impact finance. The outstanding balance of sustainable bonds states the total outstanding balance of sustainability bonds and green bonds. The outstanding balance of sustainable finance states the total outstanding balance of sustainable loans and sustainable bonds.

Note 3: Amounts less than the unit are rounded down.

6. Other Matters Necessary for Investors to Appropriately Understand and Evaluate the Provided Information

There is no change to the “Investment Risks” description in the Securities Report submitted on January 24, 2025, 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.*