HEIWA REAL ESTATE REIT, Inc.

May 19, 2025

For Immediate Release

REIT Issuer
HEIWA REAL ESTATE REIT, Inc.
5-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
Aya Motomura, Executive Director
(Securities Code: 8966)
Asset Management Company
HEIWA REAL ESTATE Asset Management CO., LTD.
Masanori Hirano, Representative Director, President and Chief Executive Officer
Inquiries: Naomi Kawasaki, General Manager of Planning & Finance Department
TEL. +81-3-3669-8771

Notice Concerning Acquisition of Domestic Assets (Park East Sapporo, KYOMACHIBORI SQUARE, and HF OSHIAGE RESIDENCE)

HEIWA REAL ESTATE REIT, Inc. (hereinafter referred to as the "Investment Corporation") announces today that HEIWA REAL ESTATE Asset Management CO., Ltd. (hereinafter referred to as the "Asset Management Company"), the company to which the Investment Corporation entrusts its asset management operations, decided to execute the acquisition (hereinafter referred to as the "Acquisition") of assets (hereinafter referred to as the "Assets to be Acquired"). The details are as follows.

As Heiwa Real Estate Co., Ltd., the seller of the Assets to be Acquired is considered an interested party, etc. as defined by the Financial Instruments and Exchange Act (hereinafter referred to as the "FIEA") and the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Investment Trust Act") as well as an interested party under the Regulations to Prevent Acts in Conflict of Interest of the Asset Management Company, the Asset Management Company has performed decision-making procedures required under the said regulations and other rules prior to conducting these transactions with the counterparty.

Details

1. Overview of the Acquisition

Property Number	Property Name	Type of Specified Asset	Investment Category	Investment Area (Note 1)	Expected Acquisition Price (million yen) (Note 2)	Appraisal Value (million yen)
Of-60	Park East Sapporo	Real estate trust beneficiary right (additional acquisition of 24% of quasi-co-ownership interest)	Office	Regional Investment Area (Sapporo-City, Hokkaido)	1,440	1,831

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Of-61	KYOMACHIBORI SQUARE	Real estate trust beneficiary right	Office	Regional Investment Area (Osaka-City, Osaka)	3,385	3,700
Re-115	HF OSHIAGE RESIDENCE	Real estate and land lease rights (Note 3)	Residence	Primary Investment Area (Sumida-ku, Tokyo)	2,140	2,850
Total					6,965	8,381

(Note 1) The "Primary Investment Area" refers to the 23 Wards of Tokyo, the "Secondary Investment Area" refers to Tokyo excluding the Primary Investment Area, major urban areas in Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture, and the "Regional Investment Area" refers to major urban areas in the Metropolitan Area excluding the Primary Investment Area and the Secondary Investment Area. The "Metropolitan Area" refers to the Central Cities and the surrounding municipalities that are socially and economically connected to the Central Cities and the "Central Cities" of the Metropolitan Area refers to the 23 Wards of Tokyo and the government-designated cities. The same will apply below.

(Note 2) "Expected Acquisition Price" refers to the purchase price provided in the real estate trust beneficiary right transaction agreement or real estate transaction agreement (excluding the amount equivalent to consumption tax and land lease transfer consent fee paid to the land lease holder (land owner), etc.), and does not include the amounts of expenses related to acquisition, fixed property tax, and city planning tax, etc.

(Note 3) The Asset to be Acquired is a building with land leasing rights (leasing rights for the building and land). Land leasing right is general leasing right.

Of-60 Park East Sapporo

(1) Agreement execution date: May 19, 2025
(2) Scheduled acquisition date: June 4, 2025
(3) Seller: Heiwa Real Estate Co., Ltd.
(4) Acquisition financing: The proceeds from the issuance of new investment units (Note) and cash on hand
(5) Payment method: Lump-sum payment at time of delivery
(6) Brokerage: Not applicable

Of-61 KYOMACHIBORI SQUARE

(1) Agreement execution date: May 19, 2025
(2) Scheduled acquisition date: June 4, 2025
(3) Seller: Heiwa Real Estate Co., Ltd.
(4) Acquisition financing: The proceeds from the issuance of new investment units (Note) and cash on hand
(5) Payment method: Lump-sum payment at time of delivery
(6) Brokerage: Not applicable

Re-115 HF OSHIAGE RESIDENCE

(1) Agreement execution date: May 19, 2025
(2) Scheduled acquisition date: December 5, 2025
(3) Seller: Heiwa Real Estate Co., Ltd.
(4) Acquisition financing: The proceeds from the issuance of new investment units (Note) and cash on hand
(5) Payment method: Lump-sum payment at time of delivery
(6) Brokerage: Not applicable

(Note) For more details, please refer to "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

2. Reason for the Acquisition

The Investment Corporation will continue to implement its basic principles, namely the steady growth of its investment portfolio and the achievement of medium and long term sustainable profit. We will aim to maximize unitholder value by striking a balance between steady growth & sustainable profit. In January 2025, the Investment Corporation decided to add “Three Enhancement Initiatives” to its “NEXT VISION II” medium-term targets: “Increasing investor returns”, “Facilitating internal growth”, and “Strengthening asset turnover-type strategy”. It is broadening its initiatives to enhance capital efficiency and maximize unitholder value. The Investment Corporation has decided on the Acquisition as the starting point for “Three Enhancement Initiatives” to maximize unitholder value by carefully selective investment in properties with strong potential for rent increase.

(1) Park East Sapporo (additional acquisition of 24% of quasi-co-ownership interest)

The Asset to be Acquired is a two-minute walk from Odori Station on the Sapporo Municipal Subway Namboku Line, Tozai Line and Toho Line and a minute walk from Bus Center mae Station on the Sapporo Municipal Subway Tozai Line. Sapporo is Hokkaido's political, economic, and cultural center and is a government-designated city. There is a high concentration of financial institutions and government facilities in the area around Odori Station, where the Asset to be Acquired is located. There is also convenient access to multiple subway lines. Office spaces in this area are thus highly competitive. Additionally, a number of redevelopment projects are currently underway near Sapporo Station. Heiwa Real Estate Co., Ltd. is involved in some of these projects. The Investment Corporation has decided to acquire the Asset to be Acquired in anticipation of further development in the area. 45% of the quasi-co-ownership interest in the Asset to be Acquired has already been acquired in March, and together with this additional acquisition, the Investment Corporation will own 69% of the Asset to be Acquired, which is expected to generate an unrealized gain of approximately 1,124.7 million yen from the total appraisal value (5,264.7 million yen).

The Asset to be Acquired is equipped with air conditioning in individual spaces and has parking facilities that accommodate 65 vehicles. In addition to the convenient access to multiple subway lines mentioned above, the Asset to be Acquired offers features that cater to tenants that rely on vehicles for business purposes. The rent gap at the time of acquisition is -32.1%, and internal growth is anticipated due to a potential increase in rent income (Note). Furthermore, the Asset to be Acquired can be divided into smaller units starting from around 30 tsubo. This size is expected to attract stable demand from potential tenants looking for small and medium-sized office spaces, which constitute the majority of the Investment Corporation's office portfolio.

The net operating income (NOI) yield, based on the expected acquisition price and appraisal NOI is 5.4%. After accounting for depreciation, the NOI yield is 4.7%. The expected unrealized gain, calculated from the appraisal value and expected acquisition price, is 391 million yen.

(2) KYOMACHIBORI SQUARE

The Asset to be Acquired is a four-minute walk from Higobashi station on the Osaka Metro Yotsubashi line and a six-minute walk from Hommachi station. The Asset to be Acquired provides easy access to Osaka's main

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

business and central commercial areas. It takes about three minutes to reach Nishi-Umeda station and approximately five minutes to Namba station from Higobashi station.

In addition to the individual air-conditioning being equipped, the equipment provided for the Asset to be Acquired includes a mechanical parking lot with a capacity of 33 vehicles and is capable of meeting demand from tenants regarding the parking of vehicles for business purposes. Renovation work on the first-floor entrance and common areas were carried out between 2003 and 2004. In 2021, the exterior walls of the building were repaired. In 2023 and 2024, common-use areas, including the entrance, facade, and wet areas on each floor, underwent renovations. The building offers ample space, with a standard floor area of approximately 130 tsubo. The rental spaces can be divided, allowing for various area configurations to be rented. As a result, the Asset to be Acquired is very competitive in the market. The rent gap at the time of the acquisition was -19.1%, suggesting a potential increase in rent income in the future. (Note)

The net operating income (NOI) yield, based on the expected acquisition price and appraisal NOI is 4.4%. After accounting for depreciation, the NOI yield is 3.7%. The expected unrealized gain, calculated from the appraisal value and expected acquisition price, is 315 million yen.

(3) HF OSHIAGE RESIDENCE

The Asset to be Acquired is an eleven-minute walk from Oshiage station on the Tokyo Metro Hanzomon Line, Toei Asakusa Line and Keisei Oshiage Line and an eleven-minute walk from TOKYO SKYTREE station on the Tobu Isesaki Line. It is within walking distance of two stations that serve four different lines. It takes approximately 14 minutes to travel from Oshiage station to Otemachi station using a direct train, 30 minutes to Shinjuku station and 20 minutes to Tokyo station. The Asset to be Acquired offers convenient access to the heart of Tokyo. TOKYO mizumachi, a station building that features numerous stores selling daily necessities and food items as well as restaurants, is approximately an eleven-minute walk from the Asset to be Acquired. The Sumida Ward Office, located southwest of the Asset to be Acquired, is about 14-minute walk away.

The Asset to be Acquired includes 70 units with a 40.23 or 41.99m^2 1LDK layout and four units with a 60.60 or 60.96m^2 2LDK layout. Demand is expected to be mainly from single-person households and DINKs. The Asset to be Acquired features security equipment, including automatic locks, security cameras, and video intercoms. Additionally, it is equipped with separate bathrooms and toilets, bathroom dehumidifiers, hot water washing toilet seats, home delivery boxes, and cable TV and satellite communication (CS and BS) equipment, etc. Free internet access is also available. Tenants can use a lounge for free in the common area on the first floor. The Asset to be Acquired was newly constructed, in 2025, and is competitive compared to other properties.

The net operating income (NOI) yield, based on the expected acquisition price and appraisal NOI is 4.6%. After accounting for depreciation, the NOI yield is 3.5%. The expected unrealized gain, calculated from the appraisal value and expected acquisition price, is 710 million yen.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

(Note) The rent gap of the Assets to be Acquired was calculated using the following formula.

Rent gap

= (monthly contract rent per tsubo for the Assets to be Acquired - market rent) / monthly contract rent per tsubo for the Assets to be Acquired x 100

"Market rent" refers to the maximum rent per tsubo including CAM fees which, according to the appraisal of CBRE K.K., is a reasonable level of rent under a new contract as of April 2025, based on comprehensive consideration of a range of factors including contracts concluded most recently for the Assets to be Acquired, contracts concluded for competing properties with the same use in the surrounding area, and the market environment, etc.

"Monthly contract rent per tsubo" is calculated by dividing the amount of monthly rent specified in the lease agreement for the Assets to be Acquired valid as of March 2025, by the total leased area of the Assets to be Acquired.

3. Details of the Assets to be Acquired

Of-60 Park East Sapporo

Property number/Property name		Of-60 Park East Sapporo
Type of asset		Real estate trust beneficiary right (quasi-co-ownership interest: 24%)
Trustee (Expected)		Sumitomo Mitsui Trust Bank, Limited
Trust term (Expected)		From March 28, 2025 to May 31, 2035
Location (Note 1)		(Building address on real estate registry) 1-2-2, Minami Ichijo Higashi, Chuo-ku, Sapporo City, Hokkaido, and 5 others (Lot number) 1-3, Minami Ichijo Higashi, Chuo-ku, Sapporo City, Hokkaido
Land	Form of ownership	Ownership
	Area (Note 1)	Entire site: 1,810.68 ㎡ Interest in the right of site: 434.56 ㎡ (Note 5) (1,249.36 ㎡ including already owned section of the building)
	Use district (Note 2)	Commercial district
	Building coverage ratio (Note 3)	80%
	Floor area ratio (Note 4)	600%
Building	Form of ownership	Ownership
	Use (Note 1)	Office
	Structure/Floors (Note 1)	Steel beam/steel-framed reinforced concrete Flat roof 1 floor below ground and 8 floors above ground
	Total floor space (Note 1)	Total floor space (Includes accessory buildings: parking): 10,865.75 ㎡ Proprietary area: 2,607.78 ㎡ (Note 5) (7,497.36 ㎡ including already owned section of the building)
	Construction completion date (Note 1)	November 15, 1985
Collateral		None
Property management company		Taisay Building Management Co., Ltd.
Master lease company		Taisay Building Management Co., Ltd.
Master lease type		Pass through
Tenant details (Note 6)		
	Total number of tenants	32

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Total rent income (Note 7)	76,497 thousand yen	
	Leasehold and security deposits (Note 7)	48,429 thousand yen	
	Total leased floor space (Note 7)	1,856.52 ㎡	
	Total leasable floor space (Note 7)	1,856.52 ㎡	
	Occupancy rates (Based on floor space)	100% (as of March 31, 2025)	
NOI yield (Note 8)		5.4%	
Outline of the engineering report		Survey company	Tokyo Bldg.-Tech Center Co., Ltd.
		Survey date	March 26, 2025
		Replacement value (Note 9)	740,160 thousand yen
		Probable maximum loss (PML)	0.2%
		Long-term repairs (next 15years) (Note 10)	76,046 thousand yen
Overview of real estate appraisal report		Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
		Value date	April 1, 2025
		Appraisal value	1,831,200 thousand yen
Other items of special note		An agreement has been concluded among the other quasi-co-owners, HEIWA REAL ESTATE CO., LTD. and the leasing company, stipulating that when each beneficiary transfers their quasi-co-ownership interest in the trust beneficiary rights, the other beneficiaries have the priority negotiation rights, except in cases where HEIWA REAL ESTATE CO., LTD. transfers to the Investment Corporation, the leasing company transfers to a third party previously notified in writing to HEIWA REAL ESTATE CO., LTD. and the Investment Corporation, or when prior written consent is obtained from all other beneficiaries.	

(Note 1) "Location (excluding indication of lot number)," "Area," "Use," "Structure/Floors" "Total floor space" and "Construction completion date" are as stated in the real estate registry.

(Note 2) "Use district" is the type of use district as listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.

(Note 3) "Building coverage ratio" is the ratio of building area to site area as stipulated in Article 53 of the Building Standards Act, and is a figure determined by city planning according to zoning and other factors. The Asset to be Acquired is a fireproof building in a commercial district and a fire prevention district, so the building coverage ratio has been relaxed to 100%.

(Note 4) "Floor area ratio" is the ratio of the total floor area of a building to the site area as stipulated in Article 52 of the Building Standards Act, and is a figure determined by city planning according to zoning and other factors.

(Note 5) "Interest in the right of site" is calculated by multiplying the site area or the total floor area of one building by quasi-co-ownership interest ratio (24%), rounded down to two decimal places.

(Note 6) Figures in "Tenant details" are as of March 31, 2025 and the amounts are rounded down to the nearest thousand yen. Furthermore, "Total rent income" is the annualized figure (multiplied by 12) of the monthly rent (including common expenses but not including fees for the usage of parking, storage rooms and such as well as consumption tax), based on lease agreements or sub-leasing agreements concluded between the seller and end tenants.

(Note 7) The figure is equivalent to the quasi-co-ownership interest ratio in the trust beneficiary right (24%), which the Investment Corporation plans to acquire.

(Note 8) "NOI yield" is calculated by multiplying the annual NOI, which is an assumption of the income value by the direct capitalization method described in the appraisal report for the Asset to be acquired, by a quasi-co-ownership interest ratio of 24%. The NOI yield is rounded to the first decimal place.

(Note 9) The replacement value is calculated by multiplying the replacement value of one building as stated in the engineering report by the quasi-co-ownership interest ratio of 24%, rounded down to the nearest thousand yen.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

(Note 10) The long-term repairs (within 15 years) are calculated by multiplying the long-term repairs of one building as stated in the engineering report by the quasi-co-ownership interest ratio of 24%, rounded down to the nearest thousand yen.

Of-61 KYOMACHIBORI SQUARE

Property number/Property name		Of-61 KYOMACHIBORI SQUARE	
Type of asset		Real estate trust beneficiary right	
Trustee (Expected)		Sumitomo Mitsui Trust Bank, Limited	
Trust term (Expected)		From June 4, 2025 to June 30, 2035	
Location (Note 1)		(Building address on real estate registry) 1-158-1, Kyomschibori, Nishi-ku, Osaka City, Osaka (Lot number) 1-8-33, Kyomschibori, Nishi-ku, Osaka City, Osaka	
Land	Form of ownership	Ownership	
	Area (Note 1)	631.63 ㎡	
	Use district (Note 2)	Commercial district	
	Building coverage ratio (Note 3)	80%	
	Floor area ratio (Note 4)	800%	
Building	Form of ownership	Ownership	
	Use (Note 1)	Office	
	Structure/Floors (Note 1)	Steel-framed reinforced concrete Flat roof 2 floors below ground 10 floors above ground	
	Total floor space (Note 1)	5,367.12 ㎡	
	Construction completion date (Note 1)	March 16, 1988	
Collateral		None	
Property management company		Heiwa Real Estate Property Management Co., Ltd.	
Master lease company		Heiwa Real Estate Property Management Co., Ltd.	
Master lease type		Pass through	
Tenant details (Note 5)			
	Total number of tenants	19	
	Total rent income	138,169 thousand yen	
	Leasehold and security deposits	117,830 thousand yen	
	Total leased floor space	3,356.65 ㎡	
	Total leasable floor space	3,715.13 ㎡	
	Occupancy rates (Based on floor space)	90.4% (as of March 31, 2025)	
NOI yield (Note 6)		4.4%	
Outline of the engineering report		Survey company	Tokyo Bldg.-Tech Center Co., Ltd.
		Survey date	February 20, 2025
		Replacement value	1,622,000 thousand yen
		Probable maximum loss (PML)	13.7%
		Long-term repairs (next 15years)	210,320 thousand yen

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Overview of real estate appraisal report	Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
	Value date	April 1, 2025
	Appraisal value	3,700,000 thousand yen
Other items of special note	A part of the retaining wall foundation crosses the boundary from the entrusted property into the adjacent land on the west side. A memorandum has been concluded regarding boundary obstructions.	

(Note 1) "Location (excluding indication of lot number)," "Area," "Use," "Structure/Floors" "Total floor space" and "Construction completion date" are as stated in the real estate registry. Please note that since the lot number has not been implemented, the "Lot number,' refers to the building location as stated in the real estate registry.

(Note 2) "Use district" is the type of use district as listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.

(Note 3) "Building coverage ratio" is the ratio of building area to site area as stipulated in Article 53 of the Building Standards Act, and is a figure determined by city planning according to zoning and other factors. The Asset to be Acquired is a fireproof building in a commercial district and a fire prevention district, so the building coverage ratio has been relaxed to 100%.

(Note 4) "Floor-area ratio" is the ratio of the total floor area of a building to the site area as stipulated in Article 52 of the Building Standards Act, and is a figure determined by city planning according to zoning and other factors.

(Note 5) Figures in "Tenant details" are as of March 31, 2025 and the amounts are rounded down to the nearest thousand yen. Furthermore, "Total rent income" is the annualized figure (multiplied by 12) of the monthly rent (including common expenses but not including fees for the usage of parking, storage rooms and such as well as consumption tax), based on lease agreements or sub-leasing agreements concluded between the seller and end tenants.

(Note 6) "NOI yield" indicates the NOI yield calculated by using the net operating income (NOI) for the 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report for the Asset to be Acquired, and is rounded to the first decimal place.

Re-115 HF OSHIAGE RESIDENCE

Property number/Property name		Re-115 HF OSHIAGE RESIDENCE
Type of asset		Real estate and land lease rights
Location (Note 1)		(Building address on real estate registry) 5-26-1, 5-25-2, 5-24-1, Mukojima, Sumida-ku, Tokyo (Lot number) 5-25-3, Mukojima, Sumida-ku, Tokyo
Land	Form of ownership	General land lease right
	Area (Note 1)	3,691.13 ㎡
	Use district (Note 2)	Commercial district
	Building coverage ratio (Note 3)	80%
	Floor area ratio (Note 4)	400%
Building	Form of ownership	Ownership
	Use (Note 1)	Residential complex
	Structure/Floors (Note 1)	Reinforced concrete flat roof 7 floors above ground
	Total floor space (Note 1)	3,878.50 ㎡
	Construction completion date (Note 1)	March 7, 2025
Collateral		None
Property management company		To be determined
Master lease company		To be determined
Master lease type		Pass through
Tenant details (Note 5)		

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Total leasable units	74	
	Total leased units	6	
	Total rent income	12,792 thousand yen	
	Leasehold and security deposits	952 thousand yen	
	Total leased floor space	241.38 ㎡	
	Total leasable floor space	3,071.54 ㎡	
	Occupancy rates (Based on floor space)	7.9% (as of March 31, 2025)	
NOI yield (Note 6)		4. 6%	
Outline of the engineering report		Survey company	Tokyo Bldg.-Tech Center Co., Ltd.
		Survey date	March 24, 2025
		Replacement value	1,076,000 thousand yen
		Probable maximum loss (PML)	7.6%
		Long-term repairs (next 15 years)	21,210 thousand yen
Overview of real estate appraisal report		Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
		Value date	April 1, 2025
		Appraisal value	2,850,000 thousand yen
Other items of special note		There is a land lease agreement concluded between the owner and lessor (Note 7) of the subject land and HEIWA REAL ESTATE CO., LTD. that acquired it. The Investment Corporation is expected to acquire the lease rights of the land by succeeding the land lease agreement from the HEIWA REAL ESTATE CO., LTD. The overview of the land lease agreement is as stated below: (1) Purpose of the lease: To own a rental residential complex. The lessee shall establish a pass-through area on the leased land that is accessible to third parties and shall maintain such area until the end of the lease term. (2) Period of the lease: From November 25, 2022 to November 24, 2052 (30 years). However, it can be renewed by paying a renewal fee. (3) Priority negotiation rights: If the owner and lessor intend to transfer ownership of the land that is being leased, the lessee shall have the priority negotiation rights.	

(Note 1) "Location (excluding indication of lot number)," "Area," "Use," "Structure/Floors" "Total floor space" and "Construction completion date" are as stated in the real estate registry. Please note that while the leased land area stated in the land lease agreement is 809.90 ㎡.

(Note 2) "Use district" is the type of use district as listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.

(Note 3) "Building coverage ratio" is the ratio of building area to site area as stipulated in Article 53 of the Building Standards Act, and is a figure determined by city planning according to zoning and other factors. The Asset to be Acquired is a fireproof building in a commercial district and a fire prevention district, so the building coverage ratio has been relaxed to 100%.

(Note 4) The "Floor area ratio" is the ratio of the total floor space of the building to the site area as stipulated in Article 52 of the Building Standards Act.

(Note 5) Figures in "Tenant details" are as of March 31, 2025 and the amounts are rounded down to the nearest thousand yen. Furthermore, "Total rent income" is the annualized figure (multiplied by 12) of the monthly rent (including common expenses but not including fees for the usage of parking, storage rooms and such as well as consumption tax), based on lease agreements or sub-leasing agreements concluded between the seller and end tenants. The construction of the Asset to be Acquired was completed on March 7, 2025, and leasing of all units has commenced.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

(Note 6) "NOI yield" indicates the NOI yield calculated by using the net operating income (NOI) for the 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report for the Asset to be Acquired, and is rounded to the first decimal place.

(Note 7) The owner and lessor are not disclosed because the consent of the land owner and lessor has not been obtained.

4. Overview of the seller

Of-60 Park East Sapporo, Of-61 KYOMACHIBORI SQUARE, and Re-115 HF OSHIAGE RESIDENCE

Name	Heiwa Real Estate Co., Ltd.	
Head office address	1-10 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo	
Name and title of representative	Kiyoyuki Tsuchimoto, Representative Executive Officer, President and CEO	
Line of business	1. Building Business 2. Asset Management Business	
Capital stock	21,492 million yen (Note1)	
Date of incorporation	July 1947	
Consolidated net assets	117,999 million yen (Note1)	
Consolidated total assets	419,541 million yen (Note1)	
Major shareholders and shareholding ratio (Note2)	TAISEI CORPORATION The Master Trust Bank of Japan, Ltd. (trust account) Aya Nomura	20.12% 13.31% 7.28%
Relationship with the Investment Corporation and the Asset Management Company and the Company		
Capital relationship	Heiwa Real Estate Co., Ltd. owns 154,645 units (12.94% of total investment units issued) of the Investment Corporation's investment units as of November 30, 2024. In addition, Heiwa Real Estate owns 4,968 shares (100% of total shares issued) of the Asset Management Company's shares, and falls within the scope of interested persons, etc. as defined in the FIEA and the Investment Trusts Act.	
Personnel relationship	Of the officers and employees of the Asset Management Company, 2 persons (excluding part-time directors) are dispatched from Heiwa Real Estate Co., Ltd. as of today.	
Business relationship	In the fiscal period ended November 30, 2024 (46th Fiscal Period), the Investment Corporation acquired assets (2 properties) from Heiwa Real Estate Co., Ltd. as the seller.	
Whether or not a related party	Heiwa Real Estate Co., Ltd. falls under related party of the Investment Corporation and the Asset Management Company. In addition, Heiwa Real Estate falls under interested party of the Asset Management Company.	

(Note1) Figures are as of March 31, 2025.

(Note2) Figures are as of September 30, 2024.

5. Status of previous owner, etc. of the Assets to be Acquired

Of-60 Park East Sapporo

	Current owner	Previous owner
Name	Heiwa Real Estate Co., Ltd.	Person other than specially-interested party
Relationship with specially interested party	Please refer to 4. Overview of the seller "Relationship with the Investment Corporation and the Asset Management Company and the Company"	—
Course, reason, etc. leading to acquisition	Acquisition for business purpose	—
Acquisition price	The acquisition price is omitted because it has been owned by the previous owner for more than a year.	—

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Time of acquisition	November 30, 2005	—

Of-61 KYOMACHIBORI SQUARE

	Current owner	Previous owner
Name	Heiwa Real Estate Co., Ltd.	Person other than specially-interested party
Relationship with specially interested party	Please refer to 4. Overview of the seller "Relationship with the Investment Corporation and the Asset Management Company and the Company"	—
Course, reason, etc. leading to acquisition	Acquisition for use in the warehousing function	—
Acquisition price	3,350,000,000 yen	—
Time of acquisition	April 11, 2025	—

Re-115 HF OSHIAGE RESIDENCE

	Current owner
Name	Heiwa Real Estate Co., Ltd.
Relationship with specially interested party	Please refer to 4. Overview of the seller "Relationship with the Investment Corporation and the Asset Management Company and the Company"
Course, reason, etc. leading to acquisition	Acquisition for the purpose of developing rental housing
Acquisition price	—
Time of acquisition	—

6. Broker profile

None

7. Forward commitment

Re-115 HF OSHIAGE RESIDENCE

The Agreement on the Sale and Purchase, etc. of real estate regarding the acquisition above (hereinafter referred to as the "Agreement") falls under forward commitments, etc. (Note) as stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." issued by the Financial Services Agency. Under the Agreement, if the Agreement is canceled due to a cause attributable to the Investment Corporation or the counterparty, the defaulting party shall pay a cancelation penalty charge equal to 10% of the transaction price of the real estate to the sale and purchase.

The Investment Corporation will allot the proceeds from the issuance of new investment units and funds in hand to acquire financing for the asset. In consideration of cash and deposits held by the Investment Corporation today and cash flow conditions of the Investment Corporation, the Investment Corporation does not believe that there will be any concerns regarding the acquisition of the asset. Even if the Investment Corporation should be obliged to pay a penalty, there would be no significant impact on its financial condition. Therefore, it believes that the possibility that

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

the Acquisition will materially impact the Investment Corporation's financial condition and the payment of distributions, etc. is low.

(Note) Forward commitment, etc. is defined as sales contracts for real estate, etc. conducted by investment corporations, which are forward dated sales contract in which the settlement and delivery of the asset will be made at least one month after the date of contract or other similar contracts.

8. Transactions with interested parties

In addition to interested persons, etc. as defined in the FIEA and the Investment Trusts Act, the Asset Management Company regulates transactions involving conflicts of interest with interested parties, stipulating in the Regulations to Prevent Acts in Conflict of Interest that an "interested party" shall refer collectively to: (i) A company, etc. that holds more than 10% of the voting rights of all shareholders of the Asset Management Company; (ii) A company, etc. in which more than 50% of the voting rights of all its shareholders are held by (i); or (iii) A company, etc. to which (i) or (ii) provides advice, etc. on the management and administration of its assets.

As Heiwa Real Estate Co., Ltd., the seller of the Assets to be Acquired, is an interested party, etc. the Acquisition was resolved at a meeting of the Board of Directors of the Investment Corporation held today, upon receiving the unanimous approval of the Investment Committee, Compliance Committee and the Board of Directors, respectively, in accordance with the Regulations to Prevent Acts in Conflict of Interest and other rules.

9. Outlook

As for the management status forecasts following the Acquisition, please refer to "Notice Concerning Revision of Management Status Forecasts for Fiscal Period Ending November 2025 (48th Fiscal Period) and Announcement of Management Status Forecasts for Fiscal Period Ending May 2026 (49th Fiscal Period)" announced today.

10. Overview of the appraisal report

Property number / Property name				Of-60 Park East Sapporo	
Appraisal value				1,831,200 thousand yen	
Appraiser				Tanizawa Sogo Appraisal Co., Ltd.	
Value date				April 1, 2025	
Item				Content (thousand yen) (Note 1) (Note 2)	Overview, etc.
Value				1,831,200	Appraised by verifying the value by the direct capitalization method, using the value by the DCF method as the standard.
	Value indicated by the direct capitalization method approach			1,898,400	
		Effective gross income		103,458	
			Potential total profits	108,996	Appraised based on market rents compiled mainly using current rent levels and examples of renting in the area, among other factors, as reference.
			Losses from vacancies, etc.	5,537	Appraised based on vacancy rates standardized on a medium- to long-term basis.
		Operating expenses		26,336	
			Management fees	6,616	Recorded based on building management commission fee details and building management fee change list.
			Property management fee	1,709	Recorded based on the draft property management agreement.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

			Utilities expenses	7,351	Recorded based on actual performance.
			Maintenance and repair cost	1,848	Appraised based on figures stated in the engineering report and similar cases by distributing them into repair expenses and capital expenditure in the proportion of 3:7.
			Tenant advertisement expenses, etc.	678	Appraised based on the assumption that 10.0% of tenants will be replaced annually.
			Public charges and taxes	6,668	Recorded based on actual results.
			Casualty insurance premiums	221	Recorded based on actual performance.
			Other expenses	1,241	Recorded based on actual performance and similar cases.
		Net operating income (NOI)		77,121	
		Interest on lump-sum payments		648	Recorded based on an assessed investment yield of 1.0%.
		Capital expenditures		3,696	Appraised based on figures stated in the engineering report and similar cases by distributing them into repair expenses and capital expenditure in the proportion of 3:7.
		Net cash flow (NCF)		74,074	
		Capitalization rate		3.9%	Appraised by comparing and examining several market capitalization rates for properties situated in neighboring or similar districts in the same market area, while simultaneously taking into account anticipated variations in future net cash flows and paying attention to relevance to discount rates.
	Value indicated by the discounted cash flow method approach			1,802,400	
		Discount rate		4.0%	Appraised by determining the base yield of the office building using the accumulation method, etc. based on the yields of financial instruments, and taking into account the individual risks of the acquired property.
		Terminal capitalization rate		4.1%	Appraised using the capitalization rate as the standard and by evaluating the uncertainty of future projections.
Value indicated by the cost approach using the cost accounting method				1,879,200	
	Percentage of land			90.2%	
	Percentage of building			9.8%	
Other notable items regarding the appraisal as stated by the appraiser				—	

(Note 1) "Appraisal value" is the appraisal value stated in the appraisal report and "Content" are the figures relating to the building and the site stated in the appraisal report, respectively, multiplied by the quasi-co-ownership interest ratio in the trust beneficiary right (24%) that the Investment Corporation plans to acquire.

(Note 2) The balance above is based on that in the appraisal report and is not that estimates of the Investment Corporation or the Asset Management Company.

Property number / Property name				Of-61 KYOMACHIBORI SQUARE	
Appraisal value				3,700,000 thousand yen	
Appraiser				DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Value date				April 1, 2025	
Item				Content (thousand yen) (Note)	Overview, etc.
Value				3,700,000	Appraised by verifying the value by the direct capitalization method, using the value by the DCF method as the standard.
	Value indicated by the direct capitalization method approach			3,850,000	
		Effective gross income		198,907	
			Potential total profits	207,227	Recorded considered mid-long term competitiveness of the subject property, based on current rent levels, the new rent levels of similar properties within the same supply-demand area, and their trends.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

			Losses from vacancies, etc.	8,319	Recorded after consideration of the competitiveness of the target property and other factors based on the typical vacancy rates of similar properties.
		Operating expenses		48,845	
			Management fees	10,115	Assessed with reference to the maintenance costs and estimated amounts of similar properties.
			Property management fee	3,667	Recorded with reference to the levels and planed contrasts of similar properties.
			Utilities expenses	14,835	Calculated based on the levels and actual amounts of similar properties.
			Maintenance and repair cost	1,318	Recorded based on repair expenses described in the engineering report with verification using the level of the cost of similar properties. In addition, tenant replacement costs are assessed and recorded with reference to the levels of similar properties, taking into account the replacement rate and vacancy rate.
			Tenant advertisement expenses, etc.	1,485	Recorded in reference to tenant-seeking costs, etc. of similar properties.
			Public charges and taxes	15,750	Recorded based on actual amounts, taking into account burden levels, etc.
			Casualty insurance premiums	324	With reference to insurance premiums for similar properties, an amount equivalent to 0.02% of building replacement cost is recorded.
			Other expenses	1,349	Recorded the assessment of the contingency for other miscellaneous expenses with reference to the levels of similar properties.
		Net operating income (NOI)		150,062	
		Interest on lump-sum payments		1,462	Recorded by taking both operational and procurement aspects comprehensively into account, the operating yield was assessed at 1.0%.
		Capital expenditures		13,003	Of the repair and renewal expenses stated in the engineering report, recorded the average annual renewal expenses over 15 years and CM fees.
		Net cash flow (NCF)		138,521	
		Capitalization rate		3.6%	Appraised by comprehensive consideration of the location conditions, building conditions, and transaction examples of similar properties.
	Value indicated by the discounted cash flow method approach			3,630,000	
		Discount rate		3.3%	Appraised by comparing with the discount rate related to the transactions of similar properties, investment yields of other financial products.
		Terminal capitalization rate		3.8%	Appraised after taking into account the marketability of the target real estate upon the expiration of the holding period based on the capitalization rate.
Value indicated by the cost approach using the cost accounting method				3,010,000	
	Percentage of land			92.0%	
	Percentage of building			8.0%	
Other notable items regarding the appraisal as stated by the appraiser				—	

(Note) The balance above is based on that in the appraisal report and is not that estimates of the Investment Corporation or the Asset Management Company.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Property number / Property name				Re-115 HF OSHIAGE RESIDENCE	
Appraisal value				2,850,000 thousand yen	
Appraiser				DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Value date				April 1, 2025	
Item				Content (thousand yen) (Note)	Overview, etc.
Value				2,850,000	Appraised by verifying the value by the direct capitalization method, using the value by the DCF method as the standard.
	Value indicated by the direct capitalization method approach			2,910,000	
		Effective gross income		169,649	
			Potential total profits	176,599	Recorded based on new rental levels for similar properties with the same demand and supply as well as their trends and taking into account the medium- to long-term competitiveness of the target real estate.
			Losses from vacancies, etc.	6,950	Recorded after consideration of the competitiveness of the target property and other factors based on the typical vacancy rates of similar properties.
		Operating expenses		70,889	
			Management fees	5,017	Appraised after referencing the maintenance and management fees of similar properties and estimated contract amount.
			Property management fee	2,777	Recorded after referencing the fee levels of similar properties and expected contract details.
			Utilities expenses	1,672	Appraised based on the levels of similar properties and actual amounts and others, also taking into account the power-saving effect of the solar panels.
			Maintenance and repair cost	2,347	Recorded based on repair expenses described in the engineering report with verification using the level of the cost of similar properties. Additionally, tenant replacement expenses were assess and recorded based on the levels of similar properties and, considering the tenant replacement ratio and occupancy rate .
			Tenant advertisement expenses, etc.	6,019	Appraised based on the levels of similar properties and actual amounts, etc.
			Public charges and taxes	8,322	The land is leased and therefore not recorded. The building is recorded at the estimated amount.
			Casualty insurance premiums	215	With reference to insurance premiums for similar properties, an amount equivalent to 0.02% of building replacement cost was recorded.
			Other expenses	44,519	Appraised a reserve fund for other miscellaneous expenses using the levels for similar properties as a reference and Recorded internet expenses, etc. based on actual amounts. In addition, land rent was recorded.
		Net operating income (NOI)		98,759	
		Interest on lump-sum payments		135	The investment yield is assessed to be 1.0% after comprehensively considering both the investment and procurement.
		Capital expenditures		3,012	Recorded after verifying the level of renewal costs for similar properties.
		Net cash flow (NCF)		95,882	
		Capitalization rate		3.3%	Appraised after comprehensively taking into account criteria of the location, building and other factors of the target real estate as well as examples of transactions of similar properties.
	Value indicated by the discounted cash flow method approach			2,820,000	
		Discount rate		3.0%	Appraised by comparing with the discount rate related to the transactions of similar properties, investment yields of other financial products.
		Terminal capitalization rate		3.4%	Appraised after taking into account the marketability of the target real estate upon the expiration of the holding period based on the capitalization rate.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Value indicated by the cost approach using the cost accounting method		3,270,000	
	Percentage of land	62.2%	
	Percentage of building	37.8%	
Other notable items regarding the appraisal as stated by the appraiser		—	

(Note) The balance above is based on that in the appraisal report and is not that estimates of the Investment Corporation or the Asset Management Company.

* Investment Corporation Website: https://www.heiwa-re.co.jp/en/

【Attachment】

(Attachment 1) Pictures and maps of the Assets to be Acquired

(Attachment 2) Portfolio list after the Acquisition, the disposition of HF HAMAMATSUCHO BUILDING, HF HIGASHI-SHINJUKU RESIDENCE, and HF HIGASHI-SHINSAIBASHI RESIDENCE

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

(Attachment 1) Pictures and maps of the Assets to be Acquired

(Pictures)

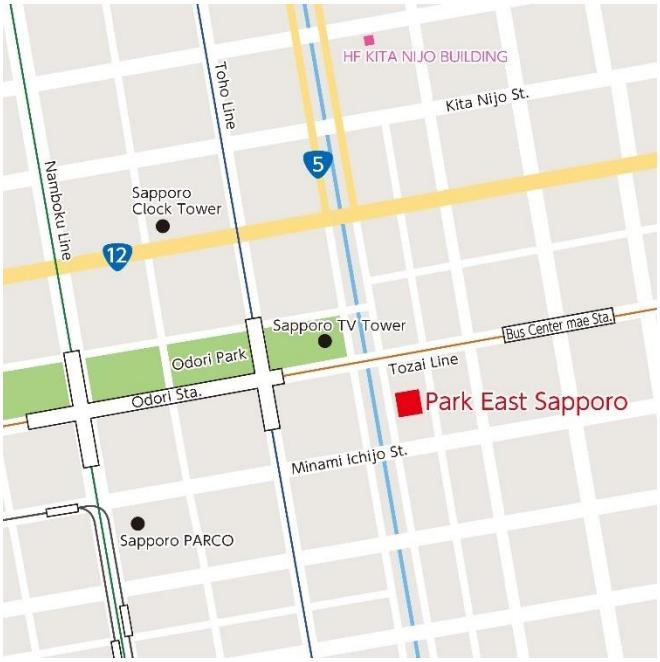
Of-60 Park East Sapporo







(Map)



Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Of-61 KYOMACHIBORI SQUARE

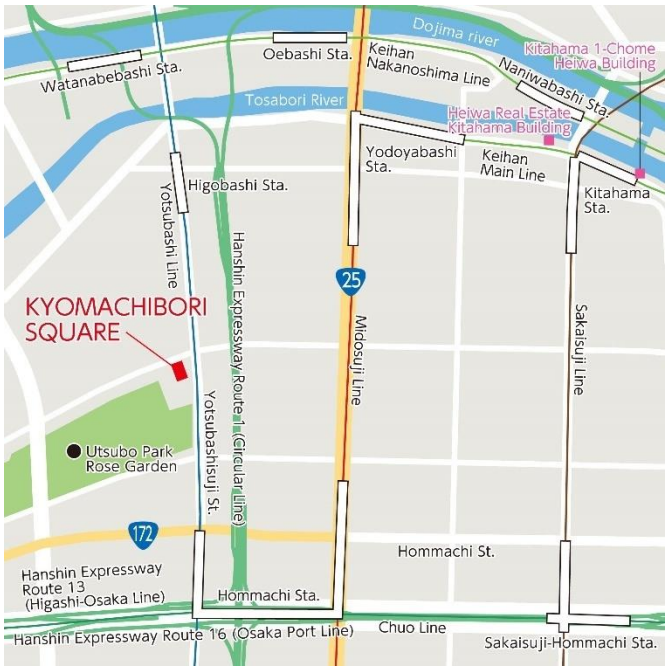
(Pictures)







(Map)







Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

Re-115 HF OSHIAGE RESIDENCE

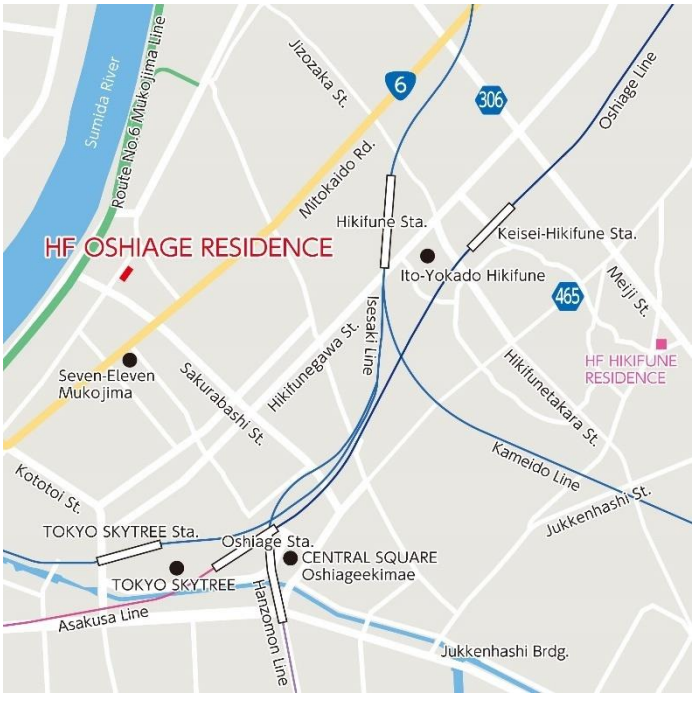
(Pictures)







(Map)







Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

(Attachment 2) Portfolio list after the Acquisition, the disposition of HF HAMAMATSUCHO BUILDING, HF HIGASHI-SHINJUKU RESIDENCE, and HF HIGASHI-SHINSAIBASHI RESIDENCE

	Property No.	Property Name	Location	Investment Area (Note 1)	(Expected) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
Office	Of-05	SUITENGU HEIWA BUILDING	Chuo-ku, Tokyo	I	1,550	0.62
	Of-06	HF MONZENNAKACHO BUILDING	Koto-ku, Tokyo	I	2,500	0.99
	Of-08	HF TAMEIKE BUILDING	Minato-ku, Tokyo	I	2,700	1.07
	Of-11	HF NIHONBASHI ODENMACHO BUILDING	Chuo-ku, Tokyo	I	2,150	0.86
	Of-12	HF HATCHOBORI BUILDING	Chuo-ku, Tokyo	I	3,092	1.23
	Of-17	HATCHOBORI MF BUILDING	Chuo-ku, Tokyo	I	1,110	0.44
	Of-18	M2 HARAJUKU	Shibuya-ku, Tokyo	I	3,418	1.36
	Of-20	FUNABASHI FACE BUILDING	Funabashi City, Chiba	II	3,900	1.55
	Of-21	ADESSO NISHIAZABU	Minato-ku, Tokyo	I	640	0.25
	Of-23	HF IKEBUKURO BUILDING	Toshima-ku, Tokyo	I	1,314	0.52
	Of-24	HF YUSHIMA BUILDING	Bunkyo-ku, Tokyo	I	1,624	0.65
	Of-25	KAYABACHO HEIWA BUILDING	Chuo-ku, Tokyo	I	4,798	1.91
	Of-27	KOBE KYUKYORYUCHI HEIWA BUILDING	Kobe City, Hyogo	III	2,310	0.92
	Of-29	SAKAE MINAMI HEIWA BUILDING	Nagoya City, Aichi	III	1,580	0.63
	Of-30	HF SAKURADORI BUILDING	Nagoya City, Aichi	III	4,900	1.95
	Of-32	HF SENDAI HONCHO BUILDING	Sendai City, Miyagi	III	2,700	1.07
	Of-33	HF UENO BUILDING	Taito-ku, Tokyo	I	3,400	1.35
	Of-35	HF KUDAN MINAMI BUILDING	Chiyoda-ku, Tokyo	I	2,720	1.08
	Of-36	HF KANDA OGAWAMACHI BUILDING	Chiyoda-ku, Tokyo	I	3,150	1.25
	Of-37	NISSO 5 BUILDING	Yokohama City, Kanagawa	II	3,100	1.23
	Of-38	ACROSS SHINKAWA BUILDING	Chuo-ku, Tokyo	I	3,750	1.49
	Of-39	SENJU MILDIX II	Adachi-ku, Tokyo	I	1,650	0.66
	Of-40	ARK Mori Building	Minato-ku, Tokyo	I	3,085	1.23
	Of-41	Nihonbashi Horidomecho First	Chuo-ku, Tokyo	I	2,140	0.85
	Of-42	Southern Sky Tower Hachioji	Hachioji City, Tokyo	II	1,600	0.64

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Property No.	Property Name	Location	Investment Area (Note 1)	(Expected) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
Office	Of-43	HAMACHO HEIWA BUILDING	Chuo-ku, Tokyo	I	3,100	1.23
	Of-44	KINSHICHO SQUARE BUILDING	Sumida-ku, Tokyo	I	2,840	1.13
	Of-45	HF NIHONBASHI KABUTOCHO BUILDING	Chuo-ku, Tokyo	I	3,580	1.42
	Of-46	HF SENDAI ICHIBANCHO BUILDING	Sendai City, Miyagi	III	2,501	1.00
	Of-47	OSAKI CN BUILDING	Shinagawa-ku, Tokyo	I	5,160	2.05
	Of-48	Faret East Building	Tachikawa City, Tokyo	II	1,610	0.64
	Of-49	HF ESAKA BUILDING	Suita City, Osaka	III	2,500	0.99
	Of-50	Shinsaibashi FRONT Building	Osaka City, Osaka	III	7,300	2.91
	Of-51	SAKAE CENTER BUILDING	Nagoya-City, Aichi	III	4,000	1.59
	Of-52	IWAMOTOCHO TWIN BUILDING	Chiyoda-ku, Tokyo	I	3,380	1.35
	Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	Chiyoda-ku, Tokyo	I	400	0.16
	Of-54	HF NAGOYA NISHIKI BUILDING	Nagoya-City, Aichi	III	2,100	0.84
	Of-55	Kitahama 1-Chome Heiwa Building	Osaka City, Osaka	III	4,500	1.79
	Of-56	Heiwa Real Estate Kitahama Building	Osaka City, Osaka	III	1,650	0.66
	Of-57	HF YOKOHAMA YAMASHITA BUILDING	Nagoya-City, Aichi	II	3,800	1.51
	Of-58	SHINWA ESAKA BUILDING	Suita-City, Osaka	III	5,001	1.99
	Of-59	HF KITA NIJO BUILDING	Sapporo-City, Hokkaido	III	1,535	0.61
	Of-60	Park East Sapporo	Sapporo-City, Hokkaido	III	4,140	1.65
	Of-61	KYOMACHIBORI SQUARE	Osaka City, Osaka	III	3,385	1.35
Office Subtotal					**127,363**	**50.69**
Residence	Re-05	HF MEGURO RESIDENCE	Meguro-ku, Tokyo	I	660	0.26
	Re-09	HF KASAI RESIDENCE	Edogawa-ku, Tokyo	I	650	0.26
	Re-11	HF WAKABAYASHI-KOEN RESIDENCE	Setagaya-ku, Tokyo	I	3,610	1.44
	Re-12	HF HIMONYA RESIDENCE	Meguro-ku, Tokyo	I	1,560	0.62
	Re-14	HF MINAMIAZABU RESIDENCE	Minato-ku, Tokyo	I	1,370	0.55
	Re-16	HF GAKUGEIDAIGAKU RESIDENCE	Meguro-ku, Tokyo	I	1,000	0.40
	Re-17	HF HIGASHIKANDA RESIDENCE	Chiyoda-ku, Tokyo	I	1,100	0.44
	Re-18	HF HIGASHINIHONBASHI RESIDENCE	Chuo-ku, Tokyo	I	1,210	0.48

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Property No.	Property Name	Location	Investment Area (Note 1)	(Expected) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
Residence	Re-19	HF NERIMA RESIDENCE	Nerima-ku, Tokyo	I	690	0.27
	Re-20	HF SHIROKANETAKANAWA RESIDENCE	Minato-ku, Tokyo	I	4,030	1.60
	Re-21	HF MEIDAIMAE RESIDENCE	Setagaya-ku, Tokyo	I	1,070	0.43
	Re-22	HF NIHONBASHI RESIDENCE	Chuo-ku, Tokyo	I	1,130	0.45
	Re-23	HF KAMISHAKUJII RESIDENCE	Nerima-ku, Tokyo	I	950	0.38
	Re-24	HF KINSHICHO RESIDENCE	Sumida-ku, Tokyo	I	1,100	0.44
	Re-25	HF GINZA RESIDENCE EAST	Chuo-ku, Tokyo	I	5,940	2.36
	Re-26	HF SHIN-YOKOHAMA RESIDENCE	Yokohama City, Kanagawa	II	3,350	1.33
	Re-30	HF MAGOME RESIDENCE	Ota-ku, Tokyo	I	1,630	0.65
	Re-31	HF GAKUGEIDAIGAKU RESIDENCE II	Meguro-ku, Tokyo	I	1,650	0.66
	Re-33	HF KAMEIDO RESIDENCE	Koto-ku, Tokyo	I	1,050	0.42
	Re-34	HF TANASHI RESIDENCE	Nishi-tokyo City, Tokyo	II	911	0.36
	Re-38	LA RESIDENCE DE SHIROKANEDAI	Minato-ku, Tokyo	I	730	0.29
	Re-39	HF GINZA RESIDENCE EAST II	Chuo-ku, Tokyo	I	1,460	0.58
	Re-40	HF HATCHOBORI RESIDENCE II	Chuo-ku, Tokyo	I	1,890	0.75
	Re-42	HF GINZA RESIDENCE	Chuo-ku, Tokyo	I	944	0.38
	Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	Setagaya-ku, Tokyo	I	6,520	2.59
	Re-47	HF MARUNOUCHI RESIDENCE	Nagoya City, Aichi	III	624	0.25
	Re-48	HF HIRAO RESIDENCE	Fukuoka City, Fukuoka	III	1,780	0.71
	Re-49	HF KAWARAMACHI NIJO RESIDENCE	Kyoto City, Kyoto	III	534	0.21
	Re-53	HF SHIJO KAWARAMACHI RESIDENCE	Kyoto City, Kyoto	III	1,820	0.72
	Re-54	LA RESIDENCE DE SENDAGI	Bunkyo-ku, Tokyo	I	820	0.33
	Re-55	HF SENDAGI RESIDENCE	Bunkyo-ku, Tokyo	I	870	0.35
	Re-56	HF KOMAZAWA-KOEN RESIDENCE	Setagaya-ku, Tokyo	I	615	0.24
	Re-57	HF MUSASHIKOYAMA RESIDENCE	Shinagawa-ku, Tokyo	I	842	0.34
	Re-58	HF KOKUBUNJI RESIDENCE	Kokubunji City, Tokyo	II	839	0.33

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Property No.	Property Name	Location	Investment Area (Note 1)	(Expected) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
Residence	Re-59	HF HISAYAODORI RESIDENCE	Nagoya City, Aichi	III	1,080	0.43
	Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	Kyoto City, Kyoto	III	572	0.23
	Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	Shinjuku-ku, Tokyo	I	1,990	0.79
	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	Shinjuku-ku, Tokyo	I	1,170	0.47
	Re-65	HF KITA-YOBANCHO RESIDENCE	Sendai City, Miyagi	III	809	0.32
	Re-66	HF ATAGOBASHI RESIDENCE	Sendai City, Miyagi	III	684	0.27
	Re-68	HF ASAKUSABASHI RESIDENCE	Taito-ku, Tokyo	I	771	0.31
	Re-69	HF ICHIBANCHO RESIDENCE	Sendai City, Miyagi	III	834	0.33
	Re-70	HF HIGASHI-NAKANO RESIDENCE	Nakano-ku, Tokyo	I	942	0.37
	Re-72	HF WASEDA RESIDENCE	Shinjuku-ku, Tokyo	I	2,090	0.83
	Re-73	HF WASEDA RESIDENCE II	Shinjuku-ku, Tokyo	I	872	0.35
	Re-74	HF WAKAMATSU-KAWAA RESIDENCE	Shinjuku-ku, Tokyo	I	1,158	0.46
	Re-75	HF SENDAI RESIDENCE EAST	Sendai City, Miyagi	III	1,638	0.65
	Re-76	HF NISHI-KOEN RESIDENCE	Sendai City, Miyagi	III	1,310	0.52
	Re-77	HF BANSUI-DORI RESIDENCE	Sendai City, Miyagi	III	790	0.31
	Re-78	HF KANNAI RESIDENCE	Yokohama City, Kanagawa	II	1,800	0.72
	Re-79	HF MEIEKI-KITA RESIDENCE	Nagoya City, Aichi	III	2,160	0.86
	Re-80	HF HIGASHI-SAPPORO RESIDENCE	Sapporo City, Hokkaido	III	1,560	0.62
	Re-81	HF HAKATA-HIGASHI RESIDENCE	Fukuoka City, Fukuoka	III	880	0.35
	Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	Sendai City, Miyagi	III	850	0.34
	Re-83	HF TABATA RESIDENCE	Kita-ku, Tokyo	I	1,100	0.44
	Re-84	HF RYOGOKU RESIDENCE	Sumida-ku, Tokyo	I	1,400	0.56
	Re-85	HF HACHIOJI RESIDENCE	Hachioji City, Tokyo	II	1,120	0.45
	Re-86	HF MITA RESIDENCE II	Minato-ku, Tokyo	I	1,210	0.48
	Re-87	HF MONZEN-NAKACHO RESIDENCE	Koto-ku, Tokyo	I	945	0.38
	Re-88	HF MINAMI-SUNAMACHI RESIDENCE	Koto-ku, Tokyo	I	900	0.36

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Property No.	Property Name	Location	Investment Area (Note 1)	(Expected) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
Residence	Re-89	HF SENDAI NAGAMACHI RESIDENCE	Sendai City, Miyagi	III	1,030	0.41
	Re-90	HF SHOKOJI AKABANE RESIDENCE	Kita-ku, Tokyo	I	1,150	0.46
	Re-91	HF SENDAI HONCHO RESIDENCE	Sendai City, Miyagi	III	1,070	0.43
	Re-92	HF OHORI RESIDENCE BAYSIDE	Fukuoka City, Fukuoka	III	1,150	0.46
	Re-93	HF HAKATA-HIGASHI RESIDENCE II	Fukuoka City, Fukuoka	III	1,198	0.48
	Re-94	HF FUKUOKA RESIDENCE EAST	Fukuoka City, Fukuoka	III	1,180	0.47
	Re-95	HF SHOKOJI AKABANE RESIDENCE Ⅱ	Kita-ku, Tokyo	I	1,690	0.67
	Re-96	HF YAHIRO RESIDENCE	Sumida-ku, Tokyo	I	1,220	0.49
	Re-97	HF SETAGAYAKAMIMACHI RESIDENCE	Setagaya-ku, Tokyo	I	700	0.28
	Re-98	HF SOKA RESIDENCE	Soka-City, Saitama	II	1,300	0.52
	Re-99	HF UENO IRIYA RESIDENCE	Taito-ku, Tokyo	I	900	0.36
	Re-100	HF TSUJIDO RESIDENCE	Fujisawa-City, Kanagawa	II	1,870	0.74
	Re-101	HF KAWAGUCHIEKIMAE RESIDENCE	Kawaguchi-City, Saitama	II	1,260	0.50
	Re-102	HF HIGASHIOGU RESIDENCE	Arakawa-ku, Tokyo	I	1,210	0.48
	Re-103	HF IMAIKE-MINAMI RESIDENCE	Nagoya-City, Aichi	III	860	0.34
	Re-104	HF FUSHIMI RESIDENCE	Nagoya-City, Aichi	III	610	0.24
	Re-105	HF NAKANO-SAKAUE RESIDENCE	Nakano-ku, Tokyo	I	1,050	0.42
	Re-106	HF UENO RESIDENCE EAST	Taito-ku, Tokyo	I	2,500	0.99
	Re-107	HF OMORIMACHI RESIDENCE	Ota-ku, Tokyo	I	1,200	0.48
	Re-108	HF KITASENJU RESIDENCE	Adachi-ku, Tokyo	I	2,510	1.00
	Re-109	HF HIKIFUNE RESIDENCE	Sumida-ku, Tokyo	I	1,380	0.55
	Re-110	HF MEGURO GYONINZAKA RESIDENCE (Note 4)	Meguro-ku, Tokyo	I	5,300	2.11
	Re-111	HF NISHI-SUGAMO RESIDENCE (Note 5)	Kita-ku, Tokyo	I	1,040	0.41
	Re-112	HF NISHI-SUGAMO RESIDENCE Ⅱ (Note 5)	Kita-ku, Tokyo	I	880	0.35

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.

	Property No.	Property Name	Location	Investment Area (Note 1)	(Expected) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
	Re-113	HF TOBU-NERIMA RESIDENCE (Note 5)	Itabashi-ku, Tokyo	I	1,050	0.42
	Re-114	HF RYOGOKU RESIDENCE EAST (Note 5)	Sumida-ku, Tokyo	I	880	0.35
	Re-115	HF OSHIAGE RESIDENCE	Sumida-ku, Tokyo	I	2,140	0.85
Residence Subtotal					**123,913**	**49.31**
Portfolio Total					**251,276**	**100.00**

(Note 1) The Investment Area column entries are as follows:
Investment in the Primary Investment Area (The 23 Wards of Tokyo): I
Investment in the Secondary Investment Area (Tokyo, outside the Primary Investment Area), and major urban areas in Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture): II
Investment in the Regional Investment Area (Refers to major urban areas in the Metropolitan Area excluding the Primary Investment Area and the Secondary Investment Area. The "Metropolitan Area" is the Central Cities and the surrounding municipalities that are socially and economically connected to the Central Cities and the "Central Cities" of the Metropolitan Area are the 23 Wards of Tokyo and the government-designated cities.): III

(Note 2) Figures for the (Expected) Acquisition Price are rounded down to the nearest specified unit, and figures for the Investment Ratio are rounded to the second decimal place. Accordingly, the figures may not necessarily add up to the figures in the total columns.

(Note 3) Of-07 HF HAMAMATSUCHO BUILDING will be disposed on June 30, 2025 and is not included in the portfolio above. For details, please refer to "Notice Concerning Asset Acquisition and Disposition" released publicly on April 3, 2025.

(Note 4) Re-110 HF MEGURO GYONINZAKA RESIDENCE is to be renamed on July 1, 2025.

(Note 5) Re-111 HF NISHI-SUGAMO RESIDENCE, Re-112 HF NISHI-SUGAMO RESIDENCE II, Re-113 HF TOBU-NERIMA RESIDENCE and Re-114 HF RYOGOKU RESIDENCE EAST are to be renamed on October 1, 2025. For details, please refer to "Notice Concerning Asset Acquisition and Disposition" released publicly on April 3, 2025.

(Note 6) Re-63 HF HIGASHI-SHINJUKU RESIDENCE will be disposed on June 6, 2025 and is not included in the portfolio above. For details, please refer to "Notice Concerning Disposition of Domestic Assets (HF HIGASHI-SHINJUKU RESIDENCE and HF HIGASHI-SHINSAIBASHI RESIDENCE)" released publicly on April 10, 2025.

(Note 7) Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE will be disposed on May 30, 2025 and is not included in the portfolio above. For details, please refer to "Notice Concerning Disposition of Domestic Assets (HF HIGASHI-SHINJUKU RESIDENCE and HF HIGASHI-SHINSAIBASHI RESIDENCE)" released publicly on April 10, 2025.

Note: This press release was prepared to make an announcement to the public concerning the acquisition of domestic assets by the Investment Corporation. It has not been prepared to solicit investment whether in or outside Japan. The Investment Corporation requests that prospective investors be sure to read the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by the Investment Corporation, and note that the investment decisions are made at their discretion and responsibility.