HEIWA REAL ESTATE REIT, Inc.

May 22, 2025

For Immediate Release

REIT Issuer
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Notice Concerning Determination of Prices, etc. for Issuance of New Investment Units and Secondary Offering of Investment Units

HEIWA REAL ESTATE REIT, Inc. (hereinafter referred to as the "Investment Corporation") announces that it has determined, among others, the issue price and the secondary offer price at a meeting of its Board of Directors held today, in connection with the issuance of new investment units and the secondary offering of investment units resolved at a meeting of its Board of Directors held on May 19, 2025. Details are as follows.

Details

1. Issuance of new investment units through public offering (Primary Offering)

(1)	Number of new investment units to be offered	54,000 units 15,958 units out of the new investment units to be issued above are being sold to overseas investors in markets outside of Japan, mainly in Europe and Asia excluding the United States and Canada.	
(2)	Issue price (offer price)	Per unit	122,996 yen
(3)	Total amount of issue price (total offer price)		6,641,784,000 yen
(4)	Amount to be paid in (issue value)	Per unit	119,022 yen
(5)	Total amount to be paid in (total issue value)		6,427,188,000 yen
(6)	Subscription period	May 23, 2025 (Friday)	
(7)	Payment period for deposit in securities	May 23, 2025 (Friday) to May 26, 2025 (Monday)	
(8)	Payment date	June 2, 2025 (Monday)	
(9)	Delivery date	June 3, 2025 (Tuesday)	

Note: The underwriters will purchase and underwrite at the amount to be paid in (issue value) and make the offering at the issue price (offer price)

2. Secondary offering of investment units (Secondary offering through over-allotment)

(1)	Number of the secondary offering of investment units		2,600 units
(2)	Secondary offer price	Per unit	122,996 yen

Note: This press release has been prepared for the purpose of announcing to the public certain matters relating to the issuance of new investment units and secondary offering of investment units, and has not been prepared for the purpose of soliciting investment.
This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(3)	Total amount of secondary offer price	319,789,600 yen
(4)	Subscription period	May 23, 2025 (Friday)
(5)	Payment period for deposit in securities	May 23, 2025 (Friday) to May 26, 2025 (Monday)
(6)	Delivery date	June 3, 2025 (Tuesday)

3. Issuance of new investment units through third-party allotment (Third-party allotment)

(1)	Amount to be paid in (issue value)	Per unit	119,022 yen
(2)	Total amount to be paid in (issue value) (maximum)		309,457,200 yen
(3)	Subscription period (Subscription date)	June 23, 2025 (Monday)	
(4)	Payment date	June 24, 2025 (Tuesday)	

Note: Investment units for which no subscription is made during the subscription period (subscription date) set forth in (3) above will not be issued.

【Reference】

1. Calculation of the issue price and secondary offer price

(1)	Calculation reference date	May 22, 2025 (Thursday)
(2)	Unit price (closing price)	130,000 yen
(3)	Discount rate	2.50%

Note: It is calculated after deducting a projected distribution per investment unit of 3,850 yen (excluding distributions in excess of projected earnings) for the fiscal period ended May 2025 from the closing price of regular transactions of investment units of the Investment Corporation on the Tokyo Stock Exchange as of the calculation reference date.

2. Syndicate cover transaction period

From May 24, 2025 (Saturday) to June 20, 2025 (Friday)

3. Specific use of proceeds and expected disbursement date

Proceeds in the primary offering (6,427,188,000 yen) will be used to partially fund acquisitions of specified assets (within the meaning of Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951), as amended. Hereinafter the same shall apply) and all or part of the repayment of the loans borrowed on March 28, 2025 which was procured for the purpose of funding the acquisition of Park East Sapporo (co-ownership interest: 45%) and covering part of associated expenses, and on May 9, 2025 which was procured for the purpose of funding the acquisition of HF NISHI-SUGAMO RESIDENCE, HF NISH-SUGAMO RESIDENCE II, HF TOBU-NERIMA RESIDENCE and HF RYOGOKU RESIDENCE EAST and covering part of associated expenses. The maximum amount (309,457,200 yen) of proceeds from the issuance of new investment units through the third-party allotment resolved on the same day as the primary offering will be used for part of the expenses associated with the acquisition of specified assets, those associated with the primary offering and those associated with the issuance of new investment units through the third-party allotment. The Investment Corporation will treat the remainder as a cash reserve, and allocate it as a portion of the funds it will spend on the future acquisition of specified assets if any balance is left.

For details about the specified assets, please see the "Notice Concerning Acquisition of Domestic Assets (Park East Sapporo, KYOMACHIBORI SQUARE and HF OSHIAGE RESIDENCE)" dated May 19, 2025.

(Note) The amount to be procured will be deposited into accounts with financial institutions until the expenditure is made.

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

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