HEIWA REAL ESTATE REIT, Inc.

May 22, 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 Borrowing of Funds and Repayment of Loans

HEIWA REAL ESTATE REIT, Inc. (hereinafter referred to as the "Investment Corporation") announced today the following decision to borrow funds and make repayment of loans, as described below.

Details

1. Borrowing of funds

(1) Details of borrowings

Term Loan 80 Tranche A

Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd.
Loan amount	900 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.260% (Note 1)
Drawdown date	May 30, 2025
Borrowing method	Borrowing based on the individual loan agreements with the above lenders scheduled to be concluded on May 28, 2025
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2025) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal repayment date	May 31, 2027
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 80 Tranche B

Lenders	Resona Bank, Limited, The Nomura Trust and Banking Co., Ltd.
Loan amount	752 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.310% (Note 1)
Drawdown date	May 30, 2025

Note: This press release was prepared to make an announcement to the borrowing of funds and repayment of loans 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.

Borrowing method	Borrowing based on the individual loan agreement with the above lenders scheduled to be concluded on May 28, 2025
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2025) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal repayment date	May 31, 2028
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 80 Tranche C

Lender	MUFG Bank, Ltd.
Loan amount	120 million yen
Interest rate	TBD (fixed interest rate) (Note 2)
Drawdown date	May 30, 2025
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on May 28, 2025
Interest payment date	The last day of every January, April, July and October (the first interest payment date shall be July 31, 2025) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal repayment date	May 31, 2029
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 80 Tranche D

Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd.
Loan amount	1,175 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.470% (Note 1)
Drawdown date	May 30, 2025
Borrowing method	Borrowing based on the individual loan agreement with the above lenders scheduled to be concluded on May 28, 2025
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2025) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal repayment date	November 29, 2030
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 80 Tranche E

Lenders	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd.
Loan amount	3,630 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.560% (Note 1)
Drawdown date	May 30, 2025
Borrowing method	Borrowing based on the individual loan agreement with the above lenders scheduled to be concluded on May 28, 2025
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2025) and the principal repayment date (however, in the event that one of these days is not a

Note: This press release was prepared to make an announcement to the borrowing of funds and repayment of loans 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 day, the business day immediately preceding it)
Principal repayment date	May 31, 2032
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 80 Tranche F

Lender	MUFG Bank, Ltd.
Loan amount	320 million yen
Interest rate	TBD (fixed interest rate) (Note 2)
Drawdown date	May 30, 2025
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on May 28, 2025
Interest payment date	The last day of every January, April, July and October (the first interest payment date shall be July 31, 2025) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal repayment date	May 31, 2032
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

(Note 1) The base interest rate applicable to the calculation period for the interest payable on an interest payment date is the 1-month Japanese Yen TIBOR released by JBA TIBOR Administration (the "JBATA") two business days preceding the first day of each interest calculation period. For JBA's Japanese Yen TIBOR, please check with JBATA's website (http://www.jbatibor.or.jp/english/rate/).

(Note 2) The interest rate will be announced when determined.

(2) Reason for borrowings

The total amount of the funds to be procured (6,897 million yen) will be used to fund the repayment of the existing loans outlined in "2. Loans subject to repayment" below.

2. Loans subject to repayment

Term Loan 31 Tranche B

Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Limited, MUFG Bank, Ltd., ORIX Bank Corporation
Loan Balance	3,847 million yen
Drawdown Date	October 31, 2016
Principal Repayment Date	May 30, 2025

Term Loan 37

Lender	Sumitomo Mitsui Banking Corporation
Loan Balance	900 million yen
Drawdown Date	March 28, 2018
Principal Repayment Date	May 30, 2025

Term Loan 44 Tranche B

Note: This press release was prepared to make an announcement to the borrowing of funds and repayment of loans 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.

Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd.
Loan Balance	1,200 million yen
Drawdown Date	October 31, 2019
Principal Repayment Date	May 30, 2025

Term Loan 60 Tranche B

Lenders	Resona Bank, Limited, The Nomura Trust and Banking Co., Ltd.
Loan Balance	950 million yen
Drawdown Date	May 31, 2022
Principal Repayment Date	May 30, 2025

3. Status of interest-bearing liabilities after the borrowing of funds and the repayment of the loans

(Unit: million yen, figures are rounded-down to the nearest unit)

	Before the borrowing and the repayment	After the borrowing and the repayment	Increase / Decrease
Short-term loans	0	0	-
Long-term loans due within 1 year	13,976	7,079	-6,897
Long-term loans	104,011	106,058	2,047
Total loans	117,987	113,137	-4,850
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	125,887	121,037	-4,850

(Note) The status of "Before the borrowing and the repayment" reflects relevant amounts before the borrowing of funds and the repayment of loans announced on today and such amounts before the early repayment before the due date announced in the "Notice Concerning of Early Repayment of Loan" announced on May 19, 2025, while the status of "After the borrowing and the repayment" shows relevant amounts after the execution of all of the said transactions.

4. Other

The risks associated with the borrowing of funds as described above do not change from those detailed in "Investment Risks" in the securities registration statement, which was submitted on May 19, 2025 and the periodic securities report (*yuka shoken hokokusho*) for the fiscal period ended November 2024 (46th Fiscal Period), which was submitted on February 25, 2025.

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

Note: This press release was prepared to make an announcement to the borrowing of funds and repayment of loans 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.