48th Fiscal Period Financial Report (REIT)

January 19, 2026

REIT Issuer:	HEIWA REAL ESTATE REIT, Inc.	Stock Exchange Listing: TSE
Securities Code:	8966	URL: https://www.heiwa-re.co.jp/en/
Representative:	(Title) Executive Director	(Name) Aya Motomura
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Scheduled date of submission of periodic securities report (yuka shoken hokokusho): February 25, 2026
Scheduled date of commencement of distribution payments: February 16, 2026
Supplementary materials: Attached
IR Conference: Yes (for institutional investors and analysts)

[Amounts are rounded down to the nearest million yen]

1. Status of Management and Assets for the 48th Fiscal Period

48th Fiscal Period (48th FP): Fiscal period ended November 2025 (from June 1, 2025 to November 30, 2025)

(1) Management Status [% figures show the period-on-period increase (decrease)]

	Operating revenue		Operating profit		Ordinary profit		Profit	
48th FP	¥10,704 million	5.4%	¥5,985 million	7.7%	¥5,207 million	6.7%	¥5,206 million	6.7%
47th FP	¥10,154 million	12.3%	¥5,556 million	18.4%	¥4,882 million	19.1%	¥4,881 million	19.1%

	Profit per unit	Ratio of profit to unitholders' equity	Ratio of ordinary profit to total assets	Ratio of ordinary profit to operating revenue
48th FP	¥4,162	4.0%	1.9%	48.6%
47th FP	¥4,085	3.9%	1.9%	48.1%

(2) Distributions

	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio (Note 1)	Ratio of distributions to net assets (Note 2)
48th FP	¥3,950	¥4,943 million	¥–	¥–	94.9%	3.8%
47th FP	¥3,850	¥4,600 million	¥–	¥–	94.2%	3.7%

(Note 1) Payout ratio shows figures that have been calculated using the following formula:
Total distributions (excluding total distributions in excess of earnings) ÷ Profit × 100

(Note 2) Ratio of distributions to net assets shows figures that have been calculated using the following formula:
Total distributions (excluding total distributions in excess of earnings) ÷ [(Net assets at beginning of period + Net assets at end of period) ÷ 2] × 100

(Note 3) The amount of total distributions (¥4,600 million) for the 47th fiscal period, is calculated as follows and therefore differs from the amount of profit. The reversal of reserve for temporary difference adjustments of ¥238 million (¥200 per unit) is added to the amount calculated by deducting the internal reserve of ¥520 million, which includes a ¥148 million transfer of reserve for temporary difference adjustments and a ¥108 million transfer of reserve for tax purpose reduction entry, from profit.

(Note 4) The amount of total distributions (¥4,943 million) for the 48th fiscal period, is calculated as follows and therefore differs from the amount of profit. The reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit) is added to the amount calculated by deducting the internal reserve of ¥513 million, which includes a ¥67 million transfer of reserve for tax purpose reduction entry, from profit.

(3) Financial Position

	Total assets	Net assets	Ratio of unitholders' equity to total assets	Net assets per unit
48th FP	¥272,935 million	¥133,158 million	48.8%	¥106,396
47th FP	¥262,404 million	¥125,610 million	47.9%	¥105,119

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
48th FP	¥9,062 million	(¥13,034 million)	¥4,564 million	¥18,061 million
47th FP	¥8,139 million	(¥13,392 million)	¥7,500 million	¥17,469 million

2. Management Status Forecasts for the 49th and 50th Fiscal Periods

49th Fiscal Period (49th FP): Fiscal period ending May 2026 (from December 1, 2025 to May 31, 2026)
50th Fiscal Period (50th FP): Fiscal period ending November 2026 (from June 1, 2026 to November 30, 2026)

[% figures show the period-on-period increase (decrease)]

	Operating revenue		Operating profit		Ordinary profit		Profit		Distribution per unit (excluding distribution in excess of earnings) (Note)	Distributions in excess of earnings per unit
49th FP	¥8,954 million	(16.4)%	¥4,109 million	(31.3)%	¥3,170 million	(39.1)%	¥3,170 million	(39.1)%	¥3,990	¥–
50th FP	¥9,092 million	1.5%	¥4,231 million	3.0%	¥3,220 million	1.6%	¥3,219 million	1.6%	¥4,010	¥–

(Reference) Estimated profit per unit: 49th fiscal period: ¥2,532 50th fiscal period: ¥2,572

(Note) Funds for the payment of distributions for the 49th fiscal period include the additions of the planned amount of the reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit) and a portion of retained earnings brought forward. Funds for the payment of distributions for the 50th fiscal period include the additions of the planned amount of the reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit) and a portion of retained earnings brought forward. Therefore, the amounts of such funds are not equal to that of profit.

*** Other**

(1) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements

(i) Changes in accounting policies accompanying amendments to accounting standards, etc.:	No
(ii) Changes in accounting policies other than (i):	No
(iii) Changes in accounting estimates:	No
(iv) Restatement:	No

(2) Total Number of Investment Units Issued and Outstanding

(i) Total number of investment units issued and outstanding at end of period (including treasury investment units):	48th FP	1,251,533 units	47th FP	1,194,933 units
(ii) Number of treasury investment units at end of period:	48th FP	– units	47th FP	– units

(Note) For the number of investment units on which the calculation of profit per unit is based, see "Note on per-unit information" on page 35 of the Japanese version of the "48th Fiscal Period Financial Report (REIT)" for the fiscal period ended November 2025.

* This financial report is not subject to audits by certified public accountants or an audit company.

* Special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by the REIT. Accordingly, actual management status and other results may vary materially due to various factors. This forecast is not a guarantee of actual distributions paid. See the "Management status forecast assumptions for 49th fiscal period (from December 1, 2025 to May 31, 2026) and 50th fiscal period (from June 1, 2026 to November 30, 2026)" on page 10 for notes on assumptions used in management status forecasts and on the use of management status forecasts.