HEIWA REAL ESTATE REIT, Inc.

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For Immediate Release

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Notice Concerning Revision of Management Status Forecast for Fiscal Period Ending November 2026 (50th Fiscal Period) and Announcement of Management Status Forecast for Fiscal Period Ending May 2027 (51st Fiscal Period)

HEIWA REAL ESTATE REIT, Inc. (the "Investment Corporation") announces revisions to the management status forecast for the fiscal period ending November 2026 (50th Fiscal Period: June 1, 2026 to November 30, 2026) announced in the "48th Fiscal Period Financial Report" released on January 19, 2026. It also announces its management status forecast for the fiscal period ending May 2027 (51st Fiscal Period: December 1, 2026 to May 31, 2027). Details are as follows.

There are no changes to the management status forecast for the fiscal period ending May 2026 (49th Fiscal Period: December 1, 2025 to May 31, 2026) announced in the "Notice Concerning Revision of Management Status Forecast for Fiscal Period Ending May 2026 (49th Fiscal Period)" released on April 27, 2026.

Details

1. Revision of management status forecast for fiscal period ending November 2026 (50th Fiscal Period) and announcement of management status forecast for fiscal period ending May 2027 (51st Fiscal Period)

(1) Revision of management status forecast for fiscal period ending November 2026 (50th Fiscal Period)

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Distribution per unit (yen)
Previous forecast (A)	9,092	4,231	3,220	3,219	4,010
Revised forecast (B)	9,527	4,579	3,457	3,456	4,010

Note: This press release was prepared to make an announcement to the revision of management status forecasts for fiscal period ending November 2026 (50th Fiscal Period) and forecasts for fiscal period ending May 2027 (51st Fiscal Period) 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.

Variance (B) – (A)	435	348	236	236	0
Variance (%)	4.8	8.2	7.3	7.3	0.0

(Reference) The expected number of units issued and outstanding at the end of the fiscal period ending November 2026: 1,343,533

(2) Management status forecast for fiscal period ending May 2027 (51st Fiscal Period)

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Distribution per unit (yen)
Fiscal period ending May 2027 (51st Fiscal Period)	9,706	4,724	3,486	3,485	4,030

(Reference) The expected number of units issued and outstanding at the end of the fiscal period ending May 2027: 1,343,533

2. Reasons for revising the management status forecasts

As stated in the "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" and "Notice Concerning Acquisition of Domestic Assets (HF UENO INARICHO BUILDING, HF KITA JUJO BUILDING, and HF CHIBA FUJIMI BUILDING)" released today, the Investment Corporation resolved to issue new investment units and conduct a secondary offering of investment units in connection with the acquisition of new assets. Following this resolution, the Investment Corporation has revised the management status forecast for the fiscal period ending November 2026 (50th Fiscal Period) announced on January 19, 2026 to reflect changes in the assumptions for the forecast, and newly announces the management status and distributions forecast for the fiscal period ending May 2027 (51st Fiscal Period).

【Notes】

1. The above figures are the current forecasts calculated based on the assumptions stated in Attachment 1, "Main assumptions for management status forecasts for fiscal periods ending November 2026 (50th Fiscal Period) and May 2027 (51st Fiscal Period)". Therefore, it is possible that actual operating revenue, operating profit, ordinary profit, profit and distributions per unit will vary from the forecasts. These forecasts do not guarantee actual distributions.
2. The Investment Corporation may revise forecasts in the future in the event that significant discrepancy from the figures above is expected.
3. As of today, the Investment Corporation owns 138 properties and real estate trust beneficiary rights, and it plans to acquire 2 real estate trust beneficiary rights and 1 real estate and dispose of 2 real estate trust beneficiary rights by the end of the fiscal period ending November 2026 (50th Fiscal Period), as stated in Attachment 1, "Main assumptions for management status forecasts for fiscal periods ending November 2026 (50th Fiscal Period) and May 2027 (51st Fiscal Period)".
4. Amounts are rounded down to the nearest specified unit, and the rate of variance is rounded to the first decimal place.

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

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【Attachment 1】 Main assumptions for management status forecasts for fiscal periods ending November 2026 (50th Fiscal Period) and May 2027 (51st Fiscal Period)

Item	Assumptions
Management period	50th Fiscal period ending November 2026: from June 1, 2026 to November 30, 2026 (183 days) 51st Fiscal period ending May 2027: from December 1, 2026 to May 31, 2027 (182 days)
Assets under management	・The Investment Corporation plans to acquire 3 properties and dispose of 2 properties by the end of the fiscal period ending November 2026 (50th Fiscal Period) as described below, in addition to the 138 real estates and real estate trust beneficiary rights (the "Acquired Assets") it owns as of today. ・It is assumed that the Investment Corporation will acquire "HF UENO INARICHO BUILDING" and "HF KITA JUJO BUILDING" on June 3, 2026, and "HF CHIBA FUJIMI BUILDING" on June 5, 2026 (these 3 properties are hereinafter collectively referred to as the "Assets to be Acquired"). ・It is assumed that the Investment Corporation will dispose of "HF NISHI-SHINJUKU RESIDENCE WEST" and "HF NISHI-SHINJUKU RESIDENCE EAST" (hereinafter collectively referred to as the "Assets to be Disposed") on May 29, 2026 (the assets owned by the Investment Corporation, which consist of the Acquired Assets and the Assets to be Acquired, excluding the Assets to be Disposed, may be referred to as the "Assets Under Management"). ・In forecasting the management status, it is assumed that there will be no changes to the Assets Under Management (acquisition of new properties, disposition of existing properties, etc.) other than the acquisition of the Assets to be Acquired and the disposition of the Assets to be Disposed until the end of the fiscal period ending May 2027 (51st Fiscal Period). ・The actual number of properties owned may vary if properties are newly acquired, disposed, etc.
Investment units outstanding	・The forecast assumes that, in addition to the 1,251,533 investment units issued and outstanding as of today, the Investment Corporation will fully issue 92,000 investment units, as part of issuance of new investment units through offering (the "Offering") resolved at a meeting of the Investment Corporation's Board of Directors held today, consisting of 87,700 units to be issued through a public offering (the "Primary Offering") and 4,300 units, which is the maximum number of units to be issued through a third-party allotment (the "Third-Party Allotment"). For more information about the Offering, please see the "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" released today. ・Apart from the above, it is assumed that no other new investment units will be issued and no acquisition or cancellation of treasury investment units will take place until the end of the fiscal period ending May 2027 (51st Fiscal Period). ・The forecasts of distributions per unit are calculated based on the number of investment units issued and outstanding at the end of each fiscal period, which is 1,343,533 units in total, including the number of investment units to be issued through the Primary Offering and the Third-Party Allotment.
Operating revenues	・Operating revenues are calculated based on the assumption of the above Assets Under Management. ・Operating revenues are calculated based on the past performance of the Acquired Assets, taking into account the cancellation notices currently received and the current market environment.

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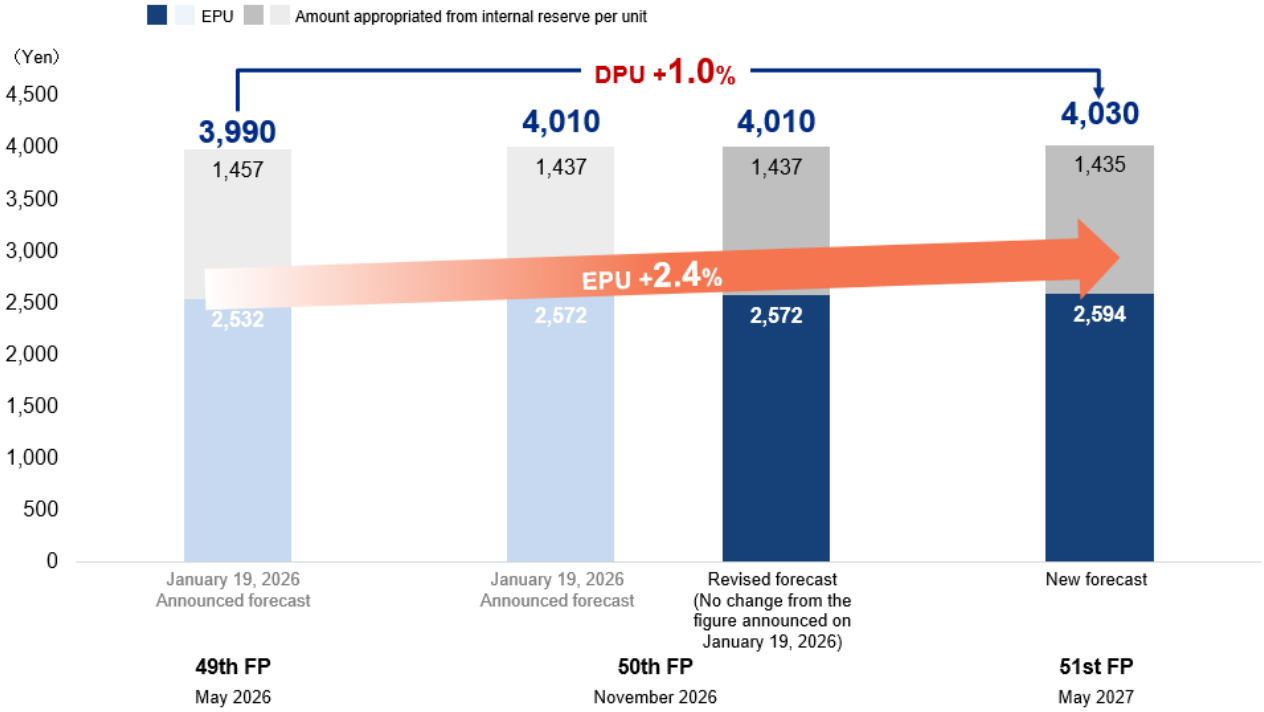
Operating expenses	・Operating expenses are calculated based on the assumption of the above Assets Under Management. ・Assumptions concerning major operating expenses are as follows: 【Fiscal period ending November 2026 (50th Fiscal Period)】 Public charges and taxes (fixed property tax, city planning tax, etc.): 622 million yen Maintenance and repair fees: 355 million yen Management commissions: 963 million yen Depreciation: 1,228 million yen 【Fiscal period ending May 2027 (51st Fiscal Period)】 Public charges and taxes (fixed property tax, city planning tax, etc.): 642 million yen Maintenance and repair fees: 353 million yen Management commissions: 978 million yen Depreciation: 1,249 million yen ・Fixed property tax and city planning tax, etc. associated with properties held are accounted for as expenses related to the leasing business by posting the amounts corresponding to the relevant calculation period from the amount of tax determined to be due. In general, in the sale and purchase of real estate properties, fixed property tax and city planning tax, etc. are calculated on a pro-rata basis between the buyer and the seller based on the ownership period and settled at the time of transaction. The amount equivalent to the settlement amount is not expensed upon acquisition, as it is included in the acquisition cost. Fixed property tax and city planning tax, etc. associated with the Assets to be Acquired will begin to be recorded as expenses, starting from the fiscal period ending May 2027 (51st Fiscal Period). ・For maintenance and repair fees, an amount deemed necessary during the period based on the maintenance and repair plans for the properties is posted. ・Emergency costs may arise as a result of unforeseeable factors, and actual operating expenses may therefore vary significantly from the forecast.
Non-operating expenses	・Interest expenses (including interest on investment corporation bonds) and borrowing-related expenses are estimated to be 1,103 million yen for the fiscal period ending November 2026 (50th Fiscal Period) and 1,221 million yen for the fiscal period ending May 2027 (51st Fiscal Period). Amortization of investment unit issuance expenses and investment corporation bond issuance expenses are estimated to be 28 million yen for the fiscal period ending November 2026 (50th Fiscal Period) and 28 million yen for the fiscal period ending May 2027 (51st Fiscal Period).
Interest-bearing liabilities	・The balance of interest-bearing liabilities as of today is 138,680 million yen. ・It is calculated based on the assumption that 3,500 million yen will be newly borrowed as part of the funds for the acquisition of the Assets to be Acquired in June 2026, and that the balance of interest-bearing liabilities will be 137,040 million yen as of the end of the fiscal period ending November 2026 (50th Fiscal Period) and 137,040 million yen as of the end of the fiscal period ending May 2027 (51st Fiscal Period). ・The Investment Corporation assumes that the long-term debt (5,140 million yen in total) will be repaid in advance on June 1 and 30, 2026, and that all interest-bearing debt maturing by the end of May 2027

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	will be refinanced.
Distributions per unit	・Distributions per unit are calculated based on the cash distribution policy stipulated in the Investment Corporation's bylaws. ・With respect to distributions for the fiscal period ending November 2026 (50th Fiscal Period), it is assumed that a total of 5,387 million yen will be distributed (distribution of 4,010 yen per unit), calculated by adding 1,931 million yen (1,437 yen per unit), which is the sum of the planned reversal amount of the reserve for adjustment of temporary differences and a portion of retained earnings brought forward to the expected profit of 3,456 million yen. ・With respect to distributions for the fiscal period ending May 2027 (51st Fiscal Period), it is assumed that a total of 5,414 million yen will be distributed (distribution of 4,030 yen per unit), calculated by adding 1,928 million yen (1,435 yen per unit), which is the sum of the planned reversal amount of the reserve for adjustment of temporary differences and a portion of the retained earnings brought forward, to the expected profit of 3,485 million yen. ・Distributions per unit may change due to various factors, including changes in leasing income attributable to changes of Assets Under Management or changes in tenants or to unexpected maintenance and repair work.
Distributions in excess of earnings per unit	・The Investment Corporation does not expect any distributions in excess of earnings as of today.
Other	・The Investment Corporation assumes no amendments to laws, the tax system, accounting standards, the rules of the Tokyo Stock Exchange, or the rules of the Investment Management Association of Japan, etc., that would affect the above forecast figures. ・The Investment Corporation assumes that no major unforeseen changes will occur in the general economic trends, real estate market conditions, etc.

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【Attachment 2】 Trends in Distribution per Unit (DPU) forecasts through the Initiative



(note 1) "EPU" refers to Distribution per Unit excluding the effects of amount appropriated from internal reserve. "Amount appropriated from internal reserve per unit" refers to amount appropriated from internal reserve per unit.
(note 2) "Distribution per Unit (DPU)", "EPU", and "amount appropriated from internal reserve" for the 49th, 50th, and 51st fiscal periods mentioned above are estimates by the Investment Corporation as of January 19, 2026 or the date of this document and do not guarantee or promise their realization. For details on the assumptions used in calculating these figures, please refer to the "Notes" in the following pages, the "48th Fiscal Period Financial Report (REIT)" published on January 19, 2026, the "Notice Concerning Revision of Management Status Forecast for Fiscal Period Ending May 2026 (49th Fiscal Period)" published on April 27, 2026, and the "Notice Concerning Revision of Management Status Forecast for Fiscal Period Ending November 2026 (50th Fiscal Period) and Announcement of Management Status Forecast for Fiscal Period Ending May 2027 (51st Fiscal Period)" published on May 18, 2026.

(Note 1) Regarding "DPU", the DPU forecasts for the fiscal period ending May 2026 (49th fiscal period) and for the fiscal period ending November 2026 (50th fiscal period) (forecast announced on January 19, 2026) are the DPU forecasts announced in "48th Fiscal Period Financial Report (REIT)" dated January 19, 2026. The DPU forecasts for the fiscal period ending November 2026 (50th fiscal period) (revised forecast) and for the fiscal period ending May 2027 (51st fiscal period) are the DPU forecasts announced in "Notice Concerning Revision of Management Status Forecast for Fiscal Period Ending November 2026 (50th Fiscal Period) and Announcement of Management Status Forecast for Fiscal Period Ending May 2027 (51st Fiscal Period)" dated May 18, 2026.

(Note 2) "EPU" refers to distribution per unit excluding the effect of amount appropriated from internal reserve. In addition, "amount appropriated from internal reserve per unit" refers to the amount appropriated from internal reserve per unit.

(Note 3) In this document, "number of outstanding investment units after the Offering" is calculated on the assumption that applications will be made by SMBC Nikko Securities Inc. for all Investment Units to be issued in the Third-Party Allotment.

(Note 4) In this document, "EPU" for each fiscal period is calculated by the following formula:

EPU for the 49th fiscal period (forecast announced on January 19, 2026)

= estimated DPU in the 49th fiscal period (forecast announced on January 19, 2026) – amount appropriated from internal reserve per unit for the 49th fiscal period (forecast announced on January 19, 2026)

EPU for the 50th fiscal period (forecast announced on January 19, 2026)

= estimated DPU in the 50th fiscal period (forecast announced on January 19, 2026) – amount appropriated from internal reserve per unit for the 50th fiscal period (forecast announced on January 19, 2026)

EPU for the 50th fiscal period (revised forecast)

= estimated DPU in the 50th fiscal period (revised forecast) – amount appropriated from internal reserve per unit for the 50th fiscal period

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(revised forecast)

EPU for the 51st fiscal period (new forecast)

= estimated DPU in the 51st fiscal period (new forecast) – amount appropriated from internal reserve per unit for the 51st fiscal period (new forecast)

(Note 5) In this document, "estimated DPU" for each fiscal period is calculated by the following formula:

Estimated DPU for the 49th fiscal period (forecast announced on January 19, 2026)

= estimated distribution in the 49th fiscal period (forecast announced on January 19, 2026) / number of outstanding investment units as of the date of this document.

Estimated DPU for the 50th fiscal period (forecast announced on January 19, 2026)

= estimated distribution in the 50th fiscal period (forecast announced on January 19, 2026) / number of outstanding investment units as of the date of this document.

Estimated DPU for the 50th fiscal period (revised forecast)

= estimated distribution in the 50th fiscal period (revised forecast) / number of outstanding investment units after the Offering

Estimated DPU for the 51st fiscal period (new forecast)

= estimated distribution in the 51st fiscal period (new forecast) / number of outstanding investment units after the Offering

(Note 6) In this document, "amount appropriated from internal reserve per unit" for each fiscal period is calculated by the following formula:

Amount appropriated from internal reserve per unit for the 49th fiscal period (forecast announced on January 19, 2026)

= amount appropriated from internal reserve in the 49th fiscal period (forecast announced on January 19, 2026) / number of outstanding investment units as of the date of this document

Amount appropriated from internal reserve per unit for the 50th fiscal period (forecast announced on January 19,2026)

= amount appropriated from internal reserve in the 50th fiscal period (forecast announced on January 19, 2026) / number of outstanding investment units as of the date of this document

Amount appropriated from internal reserve per unit for the 50th fiscal period (revised forecast)

= amount appropriated from internal reserve in the 50th fiscal period (revised forecast) / number of outstanding investment units after the Offering

Amount appropriated from internal reserve per unit for the 51st fiscal period (new forecast)

= amount appropriated from internal reserve in the 51st fiscal period (new forecast) / number of outstanding investment units after the Offering

(Note 7) In this document, "amount appropriated from internal reserve" for each fiscal period is calculated by the following formula: Additionally, the "amount appropriated from internal reserve" includes the expected reversal of reserve for temporary difference adjustments, as indicated in the premise of the forecasts for the 49th fiscal period (announced on January 19, 2026), the 50th fiscal period (announced on January 19, 2026), the 50th fiscal period (revised forecast) and the 51st fiscal period (new forecast).

Amount appropriated from internal reserve for the 49th fiscal period (forecast announced on January 19, 2026)

= estimated distribution in the 49th fiscal period (forecast announced on January 19, 2026) – estimated profit in the 49th fiscal period (forecast announced on January 19, 2026)

Amount appropriated from internal reserve for the 50th fiscal period (forecast announced on January 19, 2026)

= estimated distribution in the 50th fiscal period (forecast announced on January 19, 2026) – estimated profit in the 50th fiscal period (forecast announced on January 19, 2026)

Amount appropriated from internal reserve for the 50th fiscal period (revised forecast)

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= estimated distribution in the 50th fiscal period (revised forecast) – estimated profit in the 50th fiscal period (revised forecast)

Amount appropriated from internal reserve for the 51st fiscal period (new forecast) = estimated distribution in the 51st fiscal period (new forecast) – estimated profit in the 51st fiscal period (new forecast)

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