HEIWA REAL ESTATE REIT, Inc.

May 21, 2026

For Immediate Release

REIT Issuer
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Notice Concerning Borrowing of Funds (Including Green Loan) and Repayment of Loans

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

Details

1. Borrowing of funds

(1) Details of borrowings

Term Loan 87 Tranche A

Lenders	The Bank of Fukuoka, Ltd., The Nomura Trust and Banking Co., Ltd.
Loan amount	585 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.285% (Note 1)
Drawdown date	May 29, 2026
Borrowing method	Borrowing based on the individual loan agreements with the above lenders scheduled to be concluded on May 27, 2026
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2026) 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 30, 2028
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 87 Tranche B (Green Loan) (Note 2)

Lender	The Norinchukin Bank
Loan amount	877 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.380% (Note 1)
Drawdown date	May 29, 2026
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on May 27, 2026

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.

Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2026) 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, 2030
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 87 Tranche C

Lenders	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd.
Loan amount	1,620 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.470% (Note 1)
Drawdown date	May 29, 2026
Borrowing method	Borrowing based on the individual loan agreements with the above lenders scheduled to be concluded on May 27, 2026
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2026) 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 28, 2031
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 87 Tranche D

Lenders	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, Aozora Bank, Ltd., Mizuho Bank, Ltd.
Loan amount	3,180 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.560% (Note 1)
Drawdown date	May 29, 2026
Borrowing method	Borrowing based on the individual loan agreements with the above lenders scheduled to be concluded on May 27, 2026
Interest payment date	The last day of every month (the first interest payment date shall be June 30, 2026) 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, 2033
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 87 Tranche E

Lender	MUFG Bank, Ltd.
Loan amount	600 million yen
Interest rate	TBD (fixed interest rate) (Note 3)
Drawdown date	May 29, 2026
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on May 27, 2026
Interest payment date	The last day of every January, April, July and October (the first interest payment date shall be July 31, 2026) 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, 2033
Principal repayment method	Lump-sum repayment on the principal repayment date

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Collateral and guarantee	Unsecured and unguaranteed

Term Loan 88-① Tranche A

Lender	Sumitomo Mitsui Banking Corporation
Loan amount	2,420 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.285% (Note 1)
Drawdown date	June 3, 2026
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on June 1, 2026
Interest payment date	The last day of every month (the first interest payment date shall be July 31, 2026) 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 30, 2028
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 88-① Tranche B

Lender	Sumitomo Mitsui Banking Corporation
Loan amount	1,260 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.470% (Note 1)
Drawdown date	June 3, 2026
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on June 1, 2026
Interest payment date	The last day of every month (the first interest payment date shall be July 31, 2026) 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 28, 2031
Principal repayment method	Lump-sum repayment on the principal repayment date
Collateral and guarantee	Unsecured and unguaranteed

Term Loan 88-②

Lender	Resona Bank, Limited
Loan amount	570 million yen
Interest rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.440% (Note 1)
Drawdown date	June 3, 2026
Borrowing method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on June 1, 2026
Interest payment date	The last day of every month (the first interest payment date shall be July 31, 2026) 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 28, 2031
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 borrowing of 877 million yen from the Norinchukin Bank is a green loan executed based on the Green Finance Framework established by the Investment Corporation (the "Framework"), and is planned to be used to fund the repayment of borrowings procured for the purpose of acquiring HF SHIROKANETAKANAWA RESIDENCE, which is a green eligible asset defined in the Framework.

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.

For details of the Framework, please refer to the following URL on the Investment Corporation's website. (https://www.heiwa-re.co.jp/en/sustainability/environment/greenfinance.html)

(Note 3) The interest rate will be announced when determined.

(2) Reason for borrowings

Of the above borrowings, with respect to Term Loan 87, the total amount of the funds to be procured will be used to fund the repayment of the existing loans described in "2. Loans subject to repayment" below.

Also, of the above borrowings, the total amount of Term Loan 88-① and 88-② (4,250 million yen) will be used for part of acquisition funds for HF UENO INARICHO BUILDING and HF KITA JUJO BUILDING among the specified assets described in the "Notice Concerning Acquisition of Domestic Assets (HF UENO INARICHO BUILDING, HF KITA JUJO BUILDING, and HF CHIBA FUJIMI BUILDING)" dated May 18, 2026, as well as a part of the associated expenses.

For details of the specified assets, please refer to the press release "Notice Concerning Acquisition of Domestic Assets (HF UENO INARICHO BUILDING, HF KITA JUJO BUILDING, and HF CHIBA FUJIMI BUILDING)" dated May 18, 2026.

2. Loans subject to repayment

Term Loan 34 Tranche C

Lenders	Aozora Bank, Ltd., Resona Bank, Limited, Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.
Loan balance	3,700 million yen
Drawdown date	October 31, 2017
Principal repayment date	May 29, 2026

Term Loan 43 Tranche B

Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., MUFG Bank, Ltd., The Bank of Fukuoka, Ltd., ORIX Bank Corporation, The Norinchukin Bank
Loan balance	2,262 million yen
Drawdown date	May 31, 2019
Principal repayment date	May 29, 2026

Term Loan 71 Tranche B

Lenders	Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, The Nomura Trust and Banking Co., Ltd.
Loan balance	900 million yen
Drawdown date	May 31, 2023
Principal repayment date	May 29, 2026

3. Status of interest-bearing liabilities after the borrowing of funds and the repayment of the existing 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	15,515	8,653	-6,862

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Long-term loans	115,265	121,237	5,972
Total loans	130,780	129,890	-890
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	138,680	137,790	-890

(Note) The status of "Before the borrowing and the repayment" reflects relevant amounts before the borrowing of funds and the repayment of loans announced today and such amounts before the early repayment before the due date announced in the "Notice Concerning Early Repayment of Loan" dated May 18, 2026, 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 submitted on May 18, 2026 and the periodic securities report (*yuka shoken hokokusho*) for the fiscal period ended November 2025 (48th Fiscal Period), submitted on February 25, 2026.

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

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