

April 26, 2018

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| For Immediate Release |
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REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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Masaaki Higashihara, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Notice Concerning of Partial Early Repayment of Loans

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced the following decision to make partial early repayment of loans along with the issuance of the Investment Corporation Bonds announced in the press release “Notice concerning Issuance of Investment Corporation Bonds” dated today, as described below.

## Details

## 1. Loans for Partial Early Repayment

## (1) Term Loan 34 Tranche A

|                                       |   |
|---------------------------------------|---|
| (a) Lender                            | MUFJ Bank, Ltd.   |
| (b) Loan balance                      | 600 million yen   |
| (c) Early repayment amount            | 600 million yen   |
| (d) Loan balance after repayment      | 0 million yen   |
| (e) Interest rate                     | 0.23045%<br>(Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.0175% ) (Note) |
| (f) Drawdown date                     | October 31, 2017  |
| (g) Scheduled date of early repayment | May 15, 2018  |
| (h) Principal repayment date          | October 31, 2018  |
| (i) Principal repayment method        | Lump-sum repayment on the principal repayment date                                  |
| (j) Collateral and Guarantee          | Unsecured and unguaranteed  |

(Note) Applicable interest rate as of today is indicated

## (2) Term Loan 35 Tranche A

|                                       |   |
|---------------------------------------|---|
| (a) Lender                            | Mizuho Bank, Ltd.   |
| (b) Loan balance                      | 700 million yen   |
| (c) Early repayment amount            | 200 million yen   |
| (d) Loan balance after repayment      | 500 million yen   |
| (e) Interest rate                     | 0.23045%<br>(Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.0175% ) (Note) |
| (f) Drawdown date                     | December 15, 2017   |
| (g) Scheduled date of early repayment | May 15, 2018  |
| (h) Principal repayment date          | November 30, 2018   |
| (i) Principal repayment method        | Lump-sum repayment on the principal repayment date                                  |
| (j) Collateral and Guarantee          | Unsecured and unguaranteed  |

(Note) Applicable interest rate as of today is indicated

## (3) Term Loan 36

|                                       |   |
|---------------------------------------|---|
| (a) Lender                            | Sumitomo Mitsui Trust Bank, Limited.  |
| (b) Loan balance                      | 200 million yen   |
| (c) Early repayment amount            | 200 million yen   |
| (d) Loan balance after repayment      | 0 million yen   |
| (e) Interest rate                     | 0.23045%<br>(Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.0175% ) (Note) |
| (f) Drawdown date                     | February 28, 2018   |
| (g) Scheduled date of early repayment | May 15, 2018  |
| (h) Principal repayment date          | February 28, 2019   |
| (i) Principal repayment method        | Lump-sum repayment on the principal repayment date                                  |
| (j) Collateral and Guarantee          | Unsecured and unguaranteed  |

(Note) Applicable interest rate as of today is indicated

2. Status of interest-bearing liabilities after the issuance of corporate bonds and the partial and early repayment of loan  
(As of May 15, 2018)

(Unit: million yen, fractions of 1 unit have been rounded off)

|                                   | Before the issuance of the investment corporation bonds and repayment | After the issuance of the investment corporation bonds and repayment | Change |
|-----------------------------------|---|--|--------|
| Short-term borrowing              | 1,500   | 500  | -1,000 |
| Long-term loans due within 1 year | 9,350   | 9,350  | -      |
| Long-term borrowing               | 68,011  | 68,011   | -      |
| Total loans                       | 78,861  | 77,861   | -1,000 |
| Corporate bonds                   | 2,800   | 3,800  | +1,000 |
| Total interest-bearing debt       | 81,661  | 81,661   | -      |

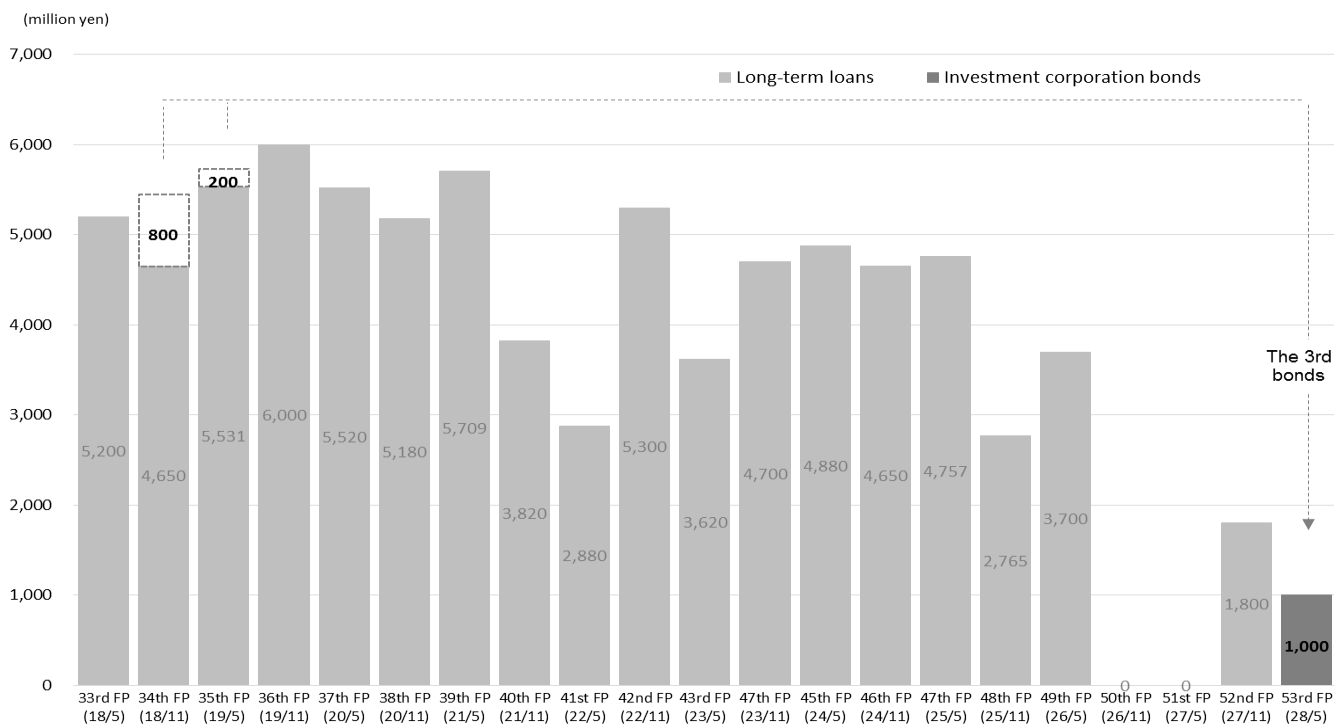
(Note) For more details about the Investment Corporation Bonds, please refer to the press release "Notice concerning Issuance of Investment Corporation Bonds"

### 3. Other

The risks associated with the early repayment of loans as described above do not change from those detailed in “Investment Risks” in the periodic securities report (*yuka shoken hokokusho*) for the fiscal period ended November 2017 (32nd Fiscal Period), which was submitted on February 28, 2018.

[Reference]

Maturity ladder after the issuance of the 3rd bonds, and the partial and early repayment of loan.



\* Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

\* Investment Corporation Website: <http://www.heiwa-re.co.jp/english/>