Semiannual Financial Report
The 49th Fiscal Period
(From December 1, 2025 to May 31, 2026)

HEIWA REAL ESTATE REIT, Inc.

5-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo

Message from the Executive Director

To Our Valued Investors,

Thank you for your continued support.

Since its stock was first listed in 2005, HEIWA REAL ESTATE REIT (“REIT”) has been investing in and operating medium-sized offices and single and compact residential properties primarily in the 23 wards of Tokyo.

Since the change of sponsor in 2009, the REIT has been working on maximizing the interests of investors and steadily grown its business with Heiwa Real Estate Group as its sponsor. Since 2020, the spread of the COVID-19 pandemic has been adding to the uncertainty in the real estate market. Amid these conditions, the REIT announced in July 2021, the NEXT VISION (asset size of 300 billion yen, distribution of 3,300 yen, AA- rating, and 100% electricity introduction rate derived from renewable energy), its new medium- to long-term targets. It has registered solid growth even in the COVID-19 pandemic and achieved its targets early excluding the asset size. In January 2024, the REIT announced NEXT VISION II (asset size of 300 billion yen, distribution of 3,800 yen, annual rental income of +1%, 10% ROI, AA rating, 90% GHG reduction by 2030, 100% electricity introduction rate derived from renewable energy) as new medium-term targets and has promoted to build a portfolio that can withstand cost increases attributable to inflation and the impact on interest costs due to policy changes by the Bank of Japan. In January 2025, the REIT announced NEXT VISION II+ , its new medium-term targets.

As part of an expanded effort to enhance capital efficiency and maximize unitholder value, the REIT aims to implement three key enhancement initiatives:Increasing investor returns,Facilitating internal growth,strengthening asset turnover-type strategy.

Under this plan, the REIT set a DPU target of 4,200 yen and projected an annual rental income growth rate of +2% through internal growth. Furthermore, in July 2025, the REIT increased its annual rent revenue growth rate target to +5%, taking into account the progress of its internal growth.

The REIT continued to achieve strong rent growth afterward, and its internal growth progressed steadily. As a result, in July 2026, the REIT raised its annual rent revenue growth rate target to +6%. The REIT aims to deliver consistent profit growth through improved earnings driven by rent growth, while achieving its target of 4,200 yen.

Responses to issues surrounding the environment, society, and corporate governance are important and significantly affect all of the management and business of the REIT. It recognizes that efforts to build a sustainable society contribute to the sustainable growth of the REIT. The REIT establishes ESG targets and strives to achieve them as one of its growth strategies.

The REIT aims to contribute to the interests of its investors and all other stakeholders while leveraging the sponsorship of the Heiwa Real Estate Group for both external and internal growth.

We earnestly ask for your continued support of our business.

1. Overview of asset management

(1) Summary of asset management during the 49th fiscal period

The REIT is striving based on its Basic Philosophy of "Steady Growth of Assets Under Management" and "Stable Medium- to Long-Term Profits," as well as "cooperation with and use of the Heiwa Real Estate Group" (collectively referring to Heiwa Real Estate Co., Ltd. ("Heiwa Real Estate") and the subsidiaries of Heiwa Real Estate; the same hereinafter) to manage its assets with the purpose of maximizing investors' value. Following is a summary of the REIT's asset management during the 49th fiscal period.

(i) Brief background of the REIT

Investment units in the REIT have been listed on the Real Estate Investment Trust Section (J-REIT Section) of the Tokyo Stock Exchange ("TSE") since March 8, 2005 (Securities Code: 8966). Between then and the start of the current fiscal period, the REIT executed a capital increase through public offering and issuance of new investment units through private placement on several occasions, an investment unit split and investment unit issuance through a merger with Japan Single-residence REIT Inc. on October 1, 2010 (the "Merger"), a cancellation of treasury investment units in September 2020. The REIT executed an issuance of new investment units every June for five consecutive years, beginning in 2021. As a result, total investment units issued and outstanding were 1,251,533 and unitholders' capital was ¥115,314 million as of the end of the 49th fiscal period (May 31, 2026).

(ii) Operating environment

During the current fiscal period, the Japanese economy remained on a gradual recovery path with corporate performance showing resiliency against a backdrop of capital investment and wage increases. On the other hand, overseas, geopolitical risks are factors of uncertainty against the backdrop of U.S. trade policies and the situation in the Middle East, and it will be necessary to continue to pay attention to monetary policy developments inside and outside Japan, as well as exchange rate trends.

In this environment, there was a phase in January 2026 where the TSE REIT index rose to 2,067.93 points, up from 2,023.80 points at the end of the previous fiscal period (November 30, 2025), against a backdrop of factors that include robust performance of Japanese equities. However, it subsequently began to trend downward against a backdrop of rising long-term interest rates in Japan and the situation in the Middle East, and was at 1,809.65 points at the end of the current fiscal period (May 31, 2026).

(a) Office building leasing market

According to the latest office building market data from Miki Shoji Co., Ltd., the average office building vacancy rate in the five central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku and Shibuya) fell to 2.07% at the end of the current fiscal period (May 31, 2026) from 2.44% at the end of the previous fiscal period (November 30, 2025), due to progress in agreements for floor space expansions, office expansion, and new branch offices within buildings. In addition, the average rent rose for 28 consecutive months from February 2024, increasing from ¥21,308/tsubo at the end of the previous fiscal period, to ¥22,845/tsubo at the end of the current fiscal period.

Vacancy rates have remained low as relocations and floor space expansions have progressed for expansion, upgrades, and better locations. For the portfolio assets, the REIT also aims to maintain high occupancy rates and achieve rent increases aligned with favorable market conditions.

(b) Residential leasing market

According to At Home Co., Ltd., in May 2026, the average condominium contract rent in areas of major cities across Japan increased year-on-year across all floor-area categories in 11 areas, including the metropolitan area (Tokyo 23 Wards, metropolis of Tokyo (excluding Tokyo 23 Wards), Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture) as well as Sapporo City, Nagoya City, Kyoto City, Osaka City, Hiroshima City, and Fukuoka City. In addition, the average contract rent for family-oriented condominiums rose year-on-year for nine consecutive months in all 13 areas, including Sendai City and Kobe City. The average contract rent for singles-oriented condominiums reached the highest levels in Tokyo 23 Wards for 24 consecutive months and in Osaka City for 22 consecutive months since January 2015. Furthermore, according to the Survey Report on the Statistics of Construction Starts published in May 2026, during the fiscal period from December 2025 to May 2026, the number of new housing starts (rental housing) decreased year-on-year for four consecutive months until March, but from April onwards, it increased year-on-year for two consecutive months. The residential market in the metropolitan area continues to experience strong rental demand. As a result, rents continue to rise for all residential unit types, including single, compact, and family units, and the market environment is progressing favorably. Additionally, in major cities outside of the metropolitan area, strong demand continues as rental demand remains stable, and occupancy rates are expected to remain at a high level. Backed by this strong rental demand, the REIT aims to expand the properties targeted for value enhancement, as well as steadily implement upward revisions of rent to further improve profitability.

(c) Real estate

As for government-assessed land prices as of January 1, 2026, which were published in March 2026, the average prices for all types of land, land in residential areas, and land in commercial areas each rose for the fifth consecutive year in Japan's three major metropolitan areas of Tokyo, Osaka and Nagoya, with each amount of increase expanding. In the Tokyo and Osaka areas, the amount of increase expanded, while in the Nagoya area, the amount of increase contracted. In addition, in regional areas, the average prices for all types of land, land in residential areas, and land in commercial areas each rose for the fifth consecutive year. Although the amount of increase contracted in the average prices for all types of land and land in residential areas, the amount of increase in commercial land prices remained the same as the prior year. Although the amount of increase contracted in Sapporo City, Sendai City, Hiroshima City, and Fukuoka City, in other areas, the amount of increase for all types of land and land in residential areas remained the same as the prior year, while it expanded in land in commercial areas.

In government ordinance-designated regional cities, which the REIT considers to be investment targets, land prices continued to increase in both residential and commercial areas.

(iii) Management performance

(a) External growth

The REIT acquired and transferred the following properties to achieve improvements in profitability and quality with respect to its portfolio.

Acquired properties

Acquisition date	Property no.	Property name	Asset type	Investment category	Acquisition price
March 2, 2026	Of-63	Nagoya Heiwa Building (quasi-co-ownership interest of 70%)	Real estate trust beneficiary right	Office	¥5,110 million
December 5, 2025	Re-115	HF OSHIAGE RESIDENCE	Real estate and land leasing rights	Residence	¥2,140 million
December 23, 2025	Re-118	HF SHIMO-AKATSUKA RESIDENCE	Real estate trust beneficiary right	Residence	¥1,600 million
December 23, 2025	Re-119	HF TOKIWADAI RESIDENCE	Real estate trust beneficiary right	Residence	¥1,980 million
December 23, 2025	Re-120	HF AYASE RESIDENCE	Real estate trust beneficiary right	Residence	¥1,250 million

Transferred properties

Transfer date	Property no.	Property name	Asset type	Investment category	Transfer price
May 29, 2026	Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	Real estate trust beneficiary right	Residence	¥3,500 million
May 29, 2026	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	Real estate trust beneficiary right	Residence	¥2,050 million

As a result, portfolio assets as of the end of the current fiscal period were 136 properties (total acquisition price: ¥265,046 million), including 46 office buildings (total acquisition price of ¥137,193 million) and 90 residential buildings (total acquisition price of ¥127,853 million).

(b) Internal growth

The REIT has consistently endeavored to increase profitability by improving and maintaining its occupancy rates. During the 49th fiscal period, the REIT continued to be engaged in tenant leasing activities, working to shorten vacancy duration as well as systematic efforts to increase its investment value based on tenant needs and the characteristics of each individual property. Supported by these and other initiatives for maintaining and improving the competitiveness of its assets, the occupancy rate for total assets held by the REIT came to 97.65% at the end of the current fiscal period. The REIT was able to stabilize the occupancy rate, which had reached 97.76% at the end of the previous fiscal period, at a high level throughout the current fiscal period. The average month-end occupancy rate for the current fiscal period stood high at 97.65%.

The REIT has been advancing ESG-related initiatives with a focus on consideration for the environment and energy saving and contribution to communities.

Meanwhile, in terms of renaming managed assets, which has been a consistent focus for some time, the REIT renamed the six properties shown below during the period from the beginning of the current fiscal period to the date of this document. By renaming the properties, the REIT aims to provide reassurance to existing tenants, increase the appeal of the properties to prospective tenants and conduct leasing activities more efficiently. The new names are used in this document.

Properties renamed (planned)

Date of change (planned)	Property no.	Old name	New name
December 1, 2025	Of-61	KYOMACHIBORI SQUARE	HF KYOMACHIBORI BUILDING
March 1, 2026	Re-116	Harmony Residence Tokyo Tree Kyojima	HF HIKIFUNE RESIDENCE EAST
March 1, 2026	Re-117	Season Flats Omorikita	HF OMORI RESIDENCE
May 1, 2026	Re-118	Alpha Court Shimo-Akatsuka	HF SHIMO-AKATSUKA RESIDENCE

May 1, 2026	Re-119	Alpha Court Tokiwadai3	HF TOKIWADAI RESIDENCE
May 1, 2026	Re-120	Alpha Court Ayase2	HF AYASE RESIDENCE

(iv) Procurement of funds

During the current fiscal period, the REIT took out loans totaling ¥10,310 million to fund property acquisition, etc. Additionally, it took out loans of ¥6,862 million to fund the repayment of loans that reached their principal repayment dates during the current fiscal period (totaling ¥6,862 million).

As a result of these loans, the average borrowing period as of the end of the current fiscal period came to 7.0 years, while the average remaining period was 4.0 years, and the average borrowing interest rate was 1.43%. The total interest-bearing liabilities amount (Note) at the end of current fiscal period was ¥138,680 million (period-end interest-bearing liabilities to total assets ratio (Note): 48.55%).

(Note) Interest-bearing liabilities = Short-term debt + Investment corporation bonds due within one year + Long term debt due within one year + Investment corporation bonds + Long-term debt Closing ratio of interest-bearing liabilities to total assets = Closing amount of interest-bearing liabilities / Closing amount of total assets × 100

A rating for the REIT as of the date of this document is presented below.

Credit rating agency	Issuer rating
Japan Credit Rating Agency, Ltd. (JCR)	Rating: AA-; Rating outlook: Stable

(v) Performance and distributions

The management described above led to 49th fiscal period results of ¥11,525 million in operating revenue, ¥6,627 million in operating profit, after deducting interest expenses on borrowings, ¥5,678 million in ordinary profit, and ¥5,677 million in profit. With respect to the distribution of monies (“distributions”) stipulated in Article 137 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 and subsequent amendments), distributions shall be not more than the amount of unappropriated retained earnings at the end of the current fiscal period and are defined as anything in excess of 90% of the “amount of distributable earnings” stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957 and subsequent amendments) in accordance with the stipulations of Article 32, paragraph 1 of its Articles of Incorporation (“bylaws”). Based on this policy, the REIT declared total distributions of ¥4,993,616,670 for the current fiscal period, which is the amount calculated by adding the reversal of reserve for temporary difference adjustments of ¥250,306,600 (¥200 per unit) to the amount calculated by deducting the internal reserve of ¥934,340,250 from the profit of ¥5,677,650,320 for the current fiscal period. The internal reserve includes a transfer of ¥380,098,954 to the reserve for temporary difference adjustments and a transfer of ¥216,777,682 to the reserve for tax purpose reduction entry in accordance with the “special case of taxation in case of replacement of specified properties” under Article 65-7 of the Act on Special Measures Concerning Taxation. As a result, distributions per unit have come to ¥3,990.

(2) Overview of capital increase

The table below shows changes in total number of investment units issued and outstanding and unitholders' capital over the past five years.

Date	Summary	Total number of investment units issued and outstanding		Unitholders' capital (million yen)		Remarks
		Change	Remaining units	Change	Balance	
June 1, 2021	Public offering	53,100	1,053,033	8,272	89,642	(Note 1)
June 29, 2021	Third-party allotment	2,700	1,055,733	420	90,063	(Note 2)
June 1, 2022	Public offering	55,200	1,110,933	7,362	97,426	(Note 3)
June 28, 2022	Third-party allotment	2,800	1,113,733	373	97,799	(Note 4)
June 1, 2023	Public offering	34,500	1,148,233	4,948	102,748	(Note 5)
June 27, 2023	Third-party allotment	1,700	1,149,933	243	102,992	(Note 6)
June 3, 2024	Public offering	42,800	1,192,733	5,312	108,305	(Note 7)
June 25, 2024	Third-party allotment	2,200	1,194,933	273	108,578	(Note 8)

June 2, 2025	Public offering	54,000	1,248,933	6,427	115,005	(Note 9)
June 24, 2025	Third-party allotment	2,600	1,251,533	309	115,314	(Note 10)

(Note 1) The REIT issued additional investment units (public offering) at the offer price of ¥161,070 per unit (the paid-in amount: ¥155,783 per unit) for the purpose of procuring funds for the acquisition of specific assets, etc.
(Note 2) With the additional issuance of investment units through public offering at the paid-in amount of ¥155,783 per unit (Note 1), the REIT issued additional investment units (third-party allotment) to SMBC Nikko Securities Inc.
(Note 3) The REIT issued additional investment units (public offering) at the offer price of ¥137,913 per unit (the paid-in amount: ¥133,386 per unit) for the purpose of procuring funds for the acquisition of specific assets, etc.
(Note 4) With the additional issuance of investment units through public offering at the paid-in amount of ¥133,386 per unit (Note 3), the REIT issued additional investment units (third-party allotment) to SMBC Nikko Securities Inc.
(Note 5) The REIT issued additional investment units (public offering) at the offer price of ¥148,239 per unit (the paid-in amount: ¥143,449 per unit) for the purpose of procuring funds for the acquisition of specific assets, etc.
(Note 6) With the additional issuance of investment units through public offering at the paid-in amount of ¥143,449 per unit (Note 5), the REIT issued additional investment units (third-party allotment) to SMBC Nikko Securities Inc.
(Note 7) The REIT issued additional investment units (public offering) at the offer price of ¥128,271 per unit (the paid-in amount: ¥124,126 per unit) for the purpose of procuring funds for the acquisition of specific assets, etc.
(Note 8) With the additional issuance of investment units through public offering at the paid-in amount of ¥124,126 per unit (Note 7), the REIT issued additional investment units (third-party allotment) to SMBC Nikko Securities Inc.
(Note 9) The REIT issued additional investment units (public offering) at the offer price of ¥122,996 per unit (the paid-in amount: ¥119,022 per unit) for the purpose of procuring funds for the acquisition of specific assets, etc.
(Note 10) With the additional issuance of investment units through public offering at the paid-in amount of ¥119,022 per unit (Note 9), the REIT issued additional investment units (third-party allotment) to SMBC Nikko Securities Inc.

<Changes in the market price of investment securities>

The table below shows high and low prices (closing prices) of the investment securities of the REIT in recent fiscal periods on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market, on which the investment securities are listed.

(Unit: yen)

Fiscal period	45th FP	46th FP	47th FP	48th FP	49th FP
Closing date	May 31, 2024	November 30, 2024	May 31, 2025	November 30, 2025	May 31, 2026
High	143,500	135,000	133,900	161,900	162,600
Low	129,700	117,200	114,700	127,400	135,500

(3) Distributions

Under the REIT's bylaws, distributions shall be not more than the amount of unappropriated retained earnings at the end of the current fiscal period and are defined as anything in excess of 90% of the "amount of distributable income" stipulated in a special provision in taxation for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation).

Based on this policy, the REIT made a decision to pay out ¥4,993,616,670 as distributions, calculated by adding reversal of reserve for temporary difference adjustments of ¥250,306,600 (¥200 per unit) to the amount calculated by deducting the internal reserve of ¥934,340,250, which includes the reserve for temporary difference adjustment of ¥380,098,954 and the transfer of reserve for tax purpose reduction entry of ¥216,777,682, from the profit of ¥5,677,650,320 for the current fiscal period, in accordance with the “special case of taxation in case of replacement of specified properties” under Article 65-7 of the Act on Special Measures Concerning Taxation. As a result, distributions per unit have come to ¥3,990.

Fiscal period		45th FP May 31, 2024	46th FP November 30, 2024	47th FP May 31, 2025	48th FP November 30, 2025	49th FP May 31, 2026
Unappropriated retained earnings	thousand yen	7,442,828	7,701,017	8,472,089	9,059,601	9,976,316
Reserve for temporary difference adjustment	thousand yen	—	—	148,743	—	380,098
Reversal of reserve for temporary difference adjustment	thousand yen	45,997	238,986	238,986	250,306	250,306
Retained earnings	thousand yen	3,602,051	3,590,448	3,961,840	4,366,353	4,852,907
Total distributions	thousand yen	3,886,773	4,349,556	4,600,492	4,943,555	4,993,616
Distributions per unit	yen	(3,380)	(3,640)	(3,850)	(3,950)	(3,990)
Distributions of profit	thousand yen	3,886,773	4,349,556	4,600,492	4,943,555	4,993,616
(Distributions of profit per unit)	yen	(3,380)	(3,640)	(3,850)	(3,950)	(3,990)
Contribution refunds	thousand yen	—	—	—	—	—
(Contribution refunds per unit)	yen	(—)	(—)	(—)	(—)	(—)
Of contribution refunds, distributions from reserve for temporary difference adjustment	thousand yen	—	—	—	—	—
(Of contribution refunds per unit, distributions from reserve for temporary difference adjustment per unit)	yen	(—)	(—)	(—)	(—)	(—)
Of contribution refunds, distributions accompanying decrease in capital, etc. under tax law	thousand yen	—	—	—	—	—
(Of contribution refunds per unit, distributions accompanying decrease in capital, etc. under tax law)	yen	(—)	(—)	(—)	(—)	(—)

(4) Management policy and future issues

The REIT has developed and managed a high quality portfolio, primarily consisting of office and residence properties located in Tokyo 23 Wards, with the aim of maximizing investors' value through its Basic Philosophy of "Steady Growth of Assets under Management" and "Stable Medium- to Long-Term Profits" as well as "cooperation with and use of the Heiwa Real Estate Group." In addition, we will focus on "increasing investor returns," "facilitating internal growth," and "strengthening asset turnover strategy". In subsequent fiscal periods, we will continue to adhere to the above philosophy, aiming to further maximize investors' value through the stable management of our portfolio and pursuing a strategy of steady growth.

(a) External growth

The REIT sought to expand its portfolio, enhance the portfolio's quality and increase profitability by selling four properties and acquiring ten new properties of good quality (including additional acquisitions) in the period from the previous fiscal period to the current fiscal period. While the REIT will continue to seek expansion in the scale of its assets in the future, it will also consider the replacement of assets, strive to enhance its medium- to long-term portfolio quality and aim to maximize unitholders' value. Although the situation with regard to the financing environment and expectations for higher property prices on the back of the economic recovery may change, competitors' appetite for the acquisition of properties is unlikely to weaken dramatically and the acquisition environment is likely to remain extremely challenging. The REIT will endeavor to promptly obtain information on excellent properties by using its pipeline with Heiwa Real Estate and building up its unique information routes as an asset management company. As a basic strategy, the REIT aims to increase opportunities for primarily acquiring properties owned and developed by Heiwa Real Estate, and additionally for acquiring properties owned and developed by other developers to expand its portfolio, contributing to stable profitability over the medium to long term.

(b) Internal growth
The REIT believes that by using the database and information network developed by the Heiwa Real Estate Group and its property management company, it can quickly detect leasing market trends and conduct precise property management, enabling it to maintain and increase occupancy rates and rent levels in assets under management. In the office building leasing market, since demand turned positive in 2022, momentum has continued to follow an increasing trend. Tenants' needs for high-quality office space are continuing to grow, and the REIT recognizes that there is an ongoing tendency for tenants to hold the view that the office strategies serve as an investment for securing human resources. Under the circumstances, to respond to the tenants' needs, the REIT will continue to exercise management based on value enhancement while seeking varied leasing ways. Meanwhile, in the residential leasing market, the residential market in the metropolitan area continues to experience strong rental demand. As a result, rents continue to rise for all residential unit types, including single, compact, and family units, and the market environment is progressing favorably. Additionally, in major cities outside of the metropolitan area, strong demand continues as rental demand remains stable, and occupancy rates are expected to remain at a high level. Backed by this strong rental demand, the REIT aims to expand the properties targeted for value enhancement, as well as steadily implement upward revisions of rent to further improve profitability.
In dealing with tenants, the REIT will continue to focus on maintaining and raising rent levels and reducing the number of departures. The REIT will also perform leasing management, including the reduction of time needed to restore properties to their original state, in a bid to shorten the period from tenant departures to the acquisition of new tenants. To make its properties more competitive, the REIT continuously and actively makes value-building investments in repairs and improvements of assets under management to maintain and enhance their medium- to long-term value, taking into account each property's asset age, facility level and other aspects.

(c) Financial strategy
The REIT is actively implementing measures in an effort to stabilize its financial foundations and achieve sustainable growth. It will consider the issuance of investment units as one of financing methods while simultaneously taking into consideration the dilution of existing unitholders' rights and the impact of investment units on traded prices, among other factors. It will allocate procured funds chiefly to expand the scale of assets through property acquisition, improve the profitability and quality of its portfolio, and/or strengthen its financial foundations through the reduction of LTV, and by doing so, seek to increase unitholders' value such as investment unit prices, distributions and NAV per unit from medium- to long-term perspectives. Concerning loans, the REIT will continue to strive to maintain its borrowing periods and diversify maturities by maintaining an appropriate loan-to-value ratio, while promoting measures to reduce risks from higher interest rates in the future and cut financial costs. It will also endeavor to further strengthen its bank formation by strengthening its relationships with financial institutions. The REIT will also issue investment corporation bonds, while keeping a close watch on the effect of reducing financial costs and trends in the financial market. As part of its unitholders' returns policy, the REIT will also consider the purchase and cancellation of treasury investment units based on comprehensive consideration of factors such as the level of the investment unit price, the situation of cash reserves, financial conditions and the market environment. By implementing these measures and initiatives on a continuous basis, the REIT will strive to build sound financial systems that are resilient to changes in the funding environment.

(d) Promotion of more timely disclosure
The REIT practices information disclosure that is accurate, fair and timely, complying with the TSE's Securities Listing Regulations and other regulations, laws, etc. relating to timely disclosure. The REIT discloses information on its decisions on the acquisition of new properties, etc. as a rule at the time of the decision by a REIT organization such as the Board of Directors, while events such as damage to assets under management resulting from incidental occurrences are disclosed at the time they are discovered. As a rule, the REIT uses the TSE's TDnet and its official website as its methods for disclosing information.

(5) Significant subsequent events

A. Issuance of new investment units

At the Board of Directors Meetings held on May 18, 2026 and May 21, 2026, the REIT resolved to issue new investment units as described below and the payments for issuance of new investment units through public offering and third-party allotment has been completed on June 1, 2026, and June 23, 2026, respectively. As a result, the amount of unitholders' capital is ¥127,077 million and the number of investment units issued is 1,343,533 as of the date of this document.

1. Issuance of new investment units through public offering

(1)	Number of investment units issued	87,700 units (Note)
(2)	Issue price (offer price)	¥132,122 per unit
(3)	Total amount of the issue	¥11,587,099,400
(4)	Paid-in amount (issue amount)	¥127,853 per unit
(5)	Total paid-in amount (total issue amount)	¥11,212,708,100
(6)	Payment date	June 1, 2026

(Note) Out of the above number of new investment units issued, 27,600 units were sold to overseas investors in overseas markets, mainly in Europe and Asia (excluding the United States and Canada).

2. Issuance of new investment units through third-party allotment

(1)	Number of investment units issued	4,300 units
(2)	Paid-in amount (issue amount)	¥127,853 per unit
(3)	Total paid-in amount (total issue amount)	¥549,767,900
(4)	Allottee	SMBC Nikko Securities Inc.
(5)	Payment date	June 23, 2026

B. Acquisition of Assets

Based on the basic policies of asset management, etc., set out in the Articles of Incorporation, the REIT acquired one real estate trust beneficiary right (acquisition price: ¥9,060 million), one real estate (acquisition price: ¥1,758 million) on June 3, 2026 and acquired one real estate trust beneficiary right (acquisition price: ¥2,600 million) on June 5, 2026 and acquired two real estate trust beneficiary rights (total acquisition price: ¥2,800 million) on August 7, 2026.

Of-64 HF UENO INARICHO BUILDING (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	May 18, 2026
Acquisition date	June 3, 2026
Acquisition price (Note 2)	¥9,060 million
Location (lot number)	1-3-5 Matsugaya, Taito-ku, Tokyo
Purpose of use	Office, store and parking
Construction date	October 16, 1992
Structure	Steel beam/steel-framed reinforced concrete with flat roof, 1 floor below ground and 8 floors above ground
Total floor space	8,490.44 m^2
Total rentable space	6,406.78 m^2

(Note 1) The name of this building is "Ueno East Building" as of the date of this document; however, the name will be changed to "HF UENO INARICHO BUILDING" on May 31, 2027. Therefore, the name after the said change is stated above.

(Note 2) "Acquisition price" is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

Of-65 HF KITA JUJO BUILDING (Note 1)

Type of specified asset	Real estate
Agreement date	May 18, 2026
Acquisition date	June 3, 2026
Acquisition price (Note 2)	¥1,758 million
Location (lot number)	3-1-1 Kita-Jujo-Nishi, Kita-ku, Sapporo City, Hokkaido (Note 3)
Purpose of use	Store and office

Construction date	March 29, 2024
Structure	Reinforced concrete with flat roof, 7 floors above ground
Total floor space	1,647.92 m^2
Total rentable space	1,327.08 m^2

(Note 1) The name of this building is “Noblesse SAPPORO” as of the date of this document; however, the name will be changed to “HF KITA JUJO BUILDING” on May 31, 2027. Therefore, the name after the said change is stated above.
(Note 2) “Acquisition price” is the price described in the real estate purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.
(Note 3) “Location” is the building address as stated in the real estate registry because the residential address has not been assigned.

Of-66 HF CHIBA FUJIMI BUILDING (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	May 18, 2026
Acquisition date	June 5, 2026
Acquisition price (Note 2)	¥2,600 million
Location (lot number)	2-15-11 Fujimi, Chuo-ku, Chiba City, Chiba
Purpose of use	Office and parking
Construction date	July 30, 1982
Structure	Steel-framed reinforced concrete and steel structure with flat roof and galvanized steel sheet roofing, 9 floors above ground
Total floor space	6,894.60 m^2
Total rentable space	5,010.54 m^2

(Note 1) The name of this building is “IMI Chiba Fujimi Building” as of the date of this document; however, the name will be changed to “HF CHIBA FUJIMI BUILDING” on May 31, 2027. Therefore, the name after the said change is stated above.
(Note 2) “Acquisition price” is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

Re-121 HF MIZUE RESIDENCE (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	July 31, 2026
Acquisition date	August 7, 2026
Acquisition price (Note 2)	¥1,690 million
Location (lot number)	2-31-8 Mizue, Edogawa-ku, Tokyo
Purpose of use	Co-housing
Construction date	March 26, 2024
Structure	Reinforced concrete with flat roof, 8 floors above ground
Total floor space	1,791.77 m^2
Total rentable space	1,573.09 m^2

(Note 1) The name of this building is “S-Residence Mizue” as of the date of this document; however, the name will be changed to “HF MIZUE RESIDENCE” on November 7, 2026. Therefore, the name after the said change is stated above.
(Note 2) “Acquisition price” is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

Re-122 HF HIGASHI-MIZUE RESIDENCE (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	July 31, 2026
Acquisition date	August 7, 2026
Acquisition price (Note 2)	¥1,110 million
Location (lot number)	1-6-6, Higashi-Mizue, Edogawa-ku, Tokyo
Purpose of use	Co-housing
Construction date	January 22, 2024
Structure	Reinforced concrete with flat roof, 6 floors above ground
Total floor space	1,143.40 m^2
Total rentable space	1,063.93 m^2

(Note 1) The name of this building is "Alivis Higashi-Mizue" as of the date of this document; however, the name will be changed to "HF HIGASHI-MIZUE RESIDENCE" on November 7, 2026. Therefore, the name after the said change is stated above.

(Note 2) "Acquisition price" is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

C. Borrowing of Funds

The REIT borrowed funds as described below to partially fund the acquisition of one real estate and one real estate trust beneficiary right acquired on June 3, 2026 and acquisition of two real estate trust beneficiary rights acquired on August 7, 2026 (as described in B. Acquisition of Assets above) (total borrowing amount of ¥7,150 million).

Term Loan 88-1 Tranche A

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Sumitomo Mitsui Banking Corporation	¥2,420	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.285% (Note 1)	June 3, 2026	November 30, 2028 (Note 2)	Lump sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Term Loan 88-1 Tranche B

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Sumitomo Mitsui Banking Corporation	¥1,260	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.47% (Note 1)	June 3, 2026	November 28, 2031 (Note 2)	Lump sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Term Loan 88-2

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Resona Bank, Limited	¥570	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.44% (Note 1)	June 3, 2026	November 28, 2031 (Note 2)	Lump sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Term Loan 89

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Sumitomo Mitsui Banking Corporation	¥2,900	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.20% (Note 1)	August 7, 2026	June 30, 2027 (Note 2)	Lump sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

(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 Japanese Bankers Association TIBOR Administration (the "JBATA") two business days prior to the first day of each interest calculation period. JBATA's Japanese Yen TIBOR is published on JBA's website.

(Note 2) In the event that the maturity date is not a business day, the repayment shall be made on the following business day. In the event that the following business day is in the next month, the repayment shall be made on the business day immediately preceding the maturity date.

2. Overview of the REIT

(1) Overview of investment units

Fiscal period		45th FP	46th FP	47th FP	48th FP	49th FP
		May 31, 2024	November 30, 2024	May 31, 2025	November 30, 2025	May 31, 2026
Total number of authorized investment units		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total number of investment units issued and outstanding		1,149,933	1,194,933	1,194,933	1,251,533	1,251,533
Unitholders' capital	million yen	102,992	108,578	108,578	115,314	115,314
Number of unitholders		15,849	18,361	21,223	22,575	23,672

(2) Matters concerning investment units

The following represents major unitholders as of May 31, 2026

Name	Units Owned (units)	Ownership Ratio (%) (Note)
Custody Bank of Japan, Ltd. (trust account)	305,561	24.41
The Master Trust Bank of Japan ,Ltd. (trust account)	177,980	14.22
Heiwa Real Estate Co., Ltd.	162,145	12.95
The Nomura Trust and Banking Co., Ltd. (trust account)	52,751	4.21
STATE STREET BANK AND TRUST COMPANY 505001	16,118	1.28
JP MORGAN CHASE BANK 385781	14,686	1.17
Shikoku Railway Company	10,249	0.81
STATE STREET BANK AND TRUST COMPANY 505103	10,104	0.80
Custody Bank of Japan, Ltd. (trust account 4)	9,449	0.75
The Joyo Bank, Ltd.	9,398	0.75
Total	768,441	61.39

(Note) The ratio of number of investment units owned to number of investment units outstanding is rounded down to the third decimal place.

(3) Matters relating to officers

The Executive Director, Supervisory Directors and Independent Auditor in the 49th fiscal period are shown below.

Role	Name	Major concurrent posts	Total remuneration for each role in the period (thousand yen)
Executive Director (Note 1)	Aya Motomura	Attorney at law, Inaba & Partners	3,000
Supervisory Director (Note 1)	Noriyuki Katayama	Attorney at law, City-Yuwa Partners	4,200
Supervisory Director (Note 1)	Hiroyuki Owada	Certified Public Accountant Certified Public Tax Accountant, Owada Certified Public Accountant Office	
Independent Auditor (Note 2)	KPMG AZSA LLC	—	13,680 (Note 3)

(Note 1) No Executive Director or Supervisory Directors have any investment units of the REIT under their own name or anyone else's name. The Supervisory Directors may be officers at companies other than the companies stated above, but those companies, including the ones stated above, do not have a stake in the REIT.
(Note 2) The REIT may dismiss or may not reappoint the independent auditor if necessary in consideration of various circumstances.
(Note 3) There is no consideration paid to KPMG AZSA LLC. for services other than those prescribed in Paragraph 1, Article 2 of the Certified PublicAccountants Act. Moreover, there is no consideration paid to any other firm within the same network as that of the said audit corporation.

(4) Matter of Liability Insurance Policy for Directors and Officers

The table below lists the directors liability insurance policies concluded by the investment corporation.

Scope of the insured	Overview of policy
Executive Director and Supervisory Director	(Overview of insured events covered) This insurance agreement covers compensation for damage and litigation expenses incurred by the insured as a result of claims made against them for action taken by them within the scope of their role in the company. (Percentage of insurance expenses to be paid) The entire amount is paid by the investment corporation. (Measures to maintain appropriateness of performance of duties) Damage, etc. incurred by the insured as a result of action, etc. with recognition of a criminal act or a violation of laws or regulations are excluded from the compensation.

(5) Asset Management Company, Asset Custodian and General Administrators

The asset management company, asset custody company and administrative service contractors at the end of 49th fiscal period are shown below.

Contract classification	Name
Asset Management Company	HEIWA REAL ESTATE Asset Management CO., LTD.
Asset Custodian	Mizuho Trust & Banking Co., Ltd.
General Services related to Accounting	Ernst & Young Tax Co.
Investors' Registry Administrator	Mizuho Trust & Banking Co., Ltd.
Special Account Administrator	Mizuho Trust & Banking Co., Ltd.
General Services related to Institutional Management	Mitsubishi UFJ Trust and Banking Corporation
General Services related to Investment Corporation Bonds	Resona Bank, Limited

3. Status on investment properties

(1) Composition of assets of real estate investment company

Asset type	Use	Area	48th Fiscal Period (As of November 30, 2025)		49th Fiscal Period (As of May 31, 2026)	
			Value of holding (Million yen) (Note 1)	Ratio to total Assets (%) (Note 2)	Value of holding (Million yen) (Note 1)	Ratio to total Assets (%) (Note 2)
Real estate (Note 3)	Office	Tokyo 23 Wards	7,539	2.8	7,555	2.6
		Metropolitan Area (Note 4)	5,095	1.9	5,124	1.8
		Other (Note 5)	5,205	1.9	5,215	1.8
	Residence	Tokyo 23 Wards	40,692	14.9	42,867	15.0
		Metropolitan Area (Note 4)	9,555	3.5	9,585	3.4
		Other (Note 5)	9,274	3.4	9,251	3.2
Subtotal			77,362	28.3	79,600	27.9
Real estate in trust (Note 3)	Office	Tokyo 23 Wards	56,527	20.7	56,647	19.8
		Metropolitan Area (Note 4)	8,788	3.2	8,777	3.1
		Other (Note 5)	49,806	18.2	54,960	19.2
	Residence	Tokyo 23 Wards	41,934	15.4	44,206	15.5
		Metropolitan Area (Note 4)	2,485	0.9	2,494	0.9
		Other (Note 5)	14,375	5.3	14,367	5.0
Subtotal			173,918	63.7	181,452	63.5
Real estate, etc., subtotal			251,280	92.1	261,053	91.4
Deposits and other assets			21,655	7.9	24,613	8.6
Total assets			272,935	100.0	285,667	100.0

(Note 1) “Value of holding” is based on the balance sheet amount (carrying amount after depreciation and impairment accounting in the case of real estate and real estate in trust) as of the end of the period.
(Note 2) “Assets ratio” is the ratio of total amount of assets held by type to total assets, rounded to one decimal place.
(Note 3) The land leasehold right, etc. owned in conjunction with a building, etc. is stated in the sections of “real estate” and “real estate in trust” by aggregating it with the building, etc. “Real estate” does not include construction in progress.
(Note 4) “Metropolitan Area” refers to Tokyo (other than Tokyo 23 Wards) and Kanagawa, Saitama and Chiba prefectures.
(Note 5) “Other” refers to investment areas other than Tokyo 23 Wards and Metropolitan Area.

(2) Major owned assets

The table below shows data about major assets owned by the REIT at the end of the 49th fiscal period (top ten properties in terms of book value at the end of the fiscal period).

Property name		Book value (million yen)	Rentable area (m^2) (Note 1)	Rental area (m^2) (Note 2)	Occupancy rate (%) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Main use
Of-50	Shinsaibashi FRONT Building	7,519	4,251.24	4,251.24	100.00	2.4	Office
Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	6,282	8,141.02	7,874.27	96.72	2.5	Residence
Re-110	HF MEGURO GYONINZAKA RESIDENCE	5,640	3,177.19	2,854.44	89.84	1.0	Residence
Re-25	HF GINZA RESIDENCE EAST	5,388	5,459.49	5,195.17	95.16	1.6	Residence
Of-47	OSAKI CN BUILDING	5,284	3,237.86	3,237.86	100.00	1.3	Office
Of-58	HF ESAKA EKIMAE BUILDING	5,187	7,510.27	7,510.27	100.00	1.8	Office
Of-63	Nagoya Heiwa Building	5,178	4,043.34	4,043.34	100.00	0.8	Office
Of-62	LUCID SQUARE SEMBA	4,907	4,451.56	4,451.56	100.00	1.4	Office
Of-25	KAYABACHO HEIWA BUILDING	4,906	4,156.53	4,156.53	100.00	2.3	Office
Of-55	Kitahama 1-Chome Heiwa Building	4,438	3,619.05	3,619.05	100.00	1.3	Office
Total		54,734	48,047.55	47,193.73	98.22	16.5	

(Note 1) Rentable area is the area of the space that can be rented for office, retail or residential use (excluding common use space). With respect to Of-63 Nagoya Heiwa Building, the rentable area presented has been calculated by multiplying the rentable area by the co-ownership interest ratio (70%) of the trust beneficial interest, rounded down to two decimal places.

(Note 2) Rental area is based on the rental agreement. With respect to Of-63 Nagoya Heiwa Building, the rentable area presented has been calculated by multiplying the rentable area by the co-ownership interest ratio (70%) of the trust beneficial interest, rounded down to two decimal places.

(Note 3) Occupancy rate is the ratio of rental area to rentable area at the end of the period.

(Note 4) Ratio of total rent revenue-real estate is the ratio of rental revenue from each property to rental revenue from the entire portfolio.

(3) Summary of portfolio properties

The table below is a statement of real estate owned by the REIT at the end of the 49th fiscal period.

Property name		Address (Note 1)	Form of asset	Valuation at end of period (Note 2) (million yen)	Book value (Note 3) (million yen)
Of-05	SUITENGU HEIWA BUILDING	1-16-8 Nihonbashi Kakigara-cho, Chuo-ku, Tokyo	Trust beneficial interest	1,924	1,406
Of-06	HF MONZENNAKACHO BUILDING	2-1-9 Tomioka, Koto-ku, Tokyo	Trust beneficial interest	3,440	2,254
Of-08	HF TAMEIKE BUILDING	2-12-10 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,530	2,849
Of-11	HF NIHONBASHI ODENMACHO BUILDING	2-7 Nihonbashi Odenma-cho, Chuo-ku, Tokyo	Trust beneficial interest	2,740	2,128
Of-12	HF HATCHOBORI BUILDING	3-12-8 Hatchobori, Chuo-ku, Tokyo	Real estate	2,870	2,999
Of-17	HATCHOBORI MF BUILDING	1-2-9 Irifune, Chuo-ku, Tokyo	Real estate	1,220	1,088
Of-18	M2 HARAJUKU	6-27-8 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	4,967	3,324
Of-20	FUNABASHI FACE BUILDING	1-3-1 Hon-cho, Funabashi City, Chiba	Real estate	3,590	3,439
Of-21	ADESSO NISHIAZABU	1-7-2 Nishi Azabu, Minato-ku, Tokyo	Real estate	579	584
Of-23	HF IKEBUKURO BUILDING	2-29-12 Minami Ikebukuro, Toshima-ku, Tokyo	Real estate	1,660	1,294
Of-24	HF YUSHIMA BUILDING	3-37-4 Yushima, Bunkyo-ku, Tokyo	Real estate	1,860	1,588
Of-25	KAYABACHO HEIWA BUILDING	3-1-2 Nihonbashi Kayaba-cho, Chuo-ku, Tokyo	Trust beneficial interest	7,790	4,906
Of-27	KOBE KYUKYORYUCHI HEIWA BUILDING	49 Harima-cho ,Chuo-ku, Kobe City, Hyogo	Trust beneficial interest	4,160	2,338
Of-29	SAKAE MINAMI HEIWA BUILDING	3-19-8 Sakae ,Naka-ku, Nagoya City, Aichi	Trust beneficial interest	2,430	1,409
Of-30	HF SAKURADORI BUILDING	3-23-20 Marunouchi,Naka-ku, Nagoya City, Aichi	Trust beneficial interest	7,100	4,206
Of-32	HF SENDAI HONCHO BUILDING	1-11-1 Honcho,Aoba-ku, Sendai-shi, Miyagi	Trust beneficial interest	3,750	2,378
Of-33	HF UENO BUILDING	5-6-10 Ueno,Taito-ku, Tokyo	Trust beneficial interest	4,170	3,414
Of-35	HF KUDAN MINAMI BUILDING	3-9-14 Kudan-Minami,Chiyoda-ku, Tokyo	Trust beneficial interest	3,290	2,823
Of-36	HF KANDA OGAWAMACHI BUILDING	3-3-5 Kanda ogawamachiChiyoda-ku, Tokyo	Trust beneficial interest	4,140	3,206
Of-37	NISSO 5 BUILDING	2-10-39 Kita-SaiwaiNishi-ku, Yokohama City, Kanagawa	Trust beneficial interest	4,330	3,140
Of-38	ACROSS SHINKAWA BUILDING	1-8-8, 1-8-15 Shinkawa, Chuo-ku, Tokyo	Trust beneficial interest	4,590	4,047
Of-39	SENJU MILDIX Ⅱ	3-98 Senju,Adachi-ku, Tokyo	Trust beneficial interest	1,900	1,587
Of-40	ARK Mori Building	1-12-32 Akasaka,Minato-ku, Tokyo	Trust beneficial interest	3,360	3,263
Of-41	Nihonbashi Horidomecho First	1-2-10 Nihonbashi Horidomecho, Chuo-ku, Tokyo	Trust beneficial interest	2,460	2,134
Of-42	SOUTHERN SKY TOWER HACHIOJI	4-7-1 Koyasumachi,Hachioji City, Tokyo	Trust beneficial interest	1,930	1,602
Of-43	HAMACHO HEIWA BUILDING	2-17-8 Nihonbashi-hamacho, Chuo-ku, Tokyo	Trust beneficial interest	3,460	3,169
Of-44	KINSHICHO SQUARE BUILDING	3-10-8 Koutoubashi, Sumida-ku, Tokyo	Trust beneficial interest	2,780	2,980

	Property name	Address (Note 1)	Form of asset	Valuation at end of period (Note 2) (million yen)	Book value (Note 3) (million yen)
Of-45	HF NIHONBASHI KABUTOCHO BUILDING	21-7 Nihonbashi Kayaba-cho, Chuo-ku, Tokyo	Trust beneficial interest	4,160	3,771
Of-46	HF SENDAI ICHIBANCHO BUILDING	1-8-1 Ichibancho, Aoba-ku, Sendai City, Miyagi	Real estate	2,590	2,720
Of-47	OSAKI CN BUILDING	5-10-10 Osaki, Shinagawa-ku, Tokyo	Trust beneficial interest	5,450	5,284
Of-48	Faret East Building	2-34-7 Akebonocho, Tachikawa City, Tokyo	Real estate	1,880	1,685
Of-49	HF ESAKA BUILDING	1-13-48 Esakacho, Suita City, Osaka	Trust beneficial interest	2,620	2,567
Of-50	Shinsaibashi FRONT Building	3-5-11, Minamisenba, Chuo-ku, Osaka-city, Osaka	Trust beneficial interest	8,440	7,519
Of-51	SAKAE CENTER BUILDING	3-13-20 Sakae, Naka-ku, Nagoya City, Aichi	Trust beneficial interest	4,280	4,012
Of-52	IWAMOTOCHO TWIN BUILDING	2-5-12 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficial interest	4,050	3,625
Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	2-5-12 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficial interest	581	467
Of-54	HF NAGOYA NISHIKI BUILDING	1-7-34, Nishiki, Naka-ku, Nagoya-city, Aichi	Real estate	2,550	2,494
Of-55	Kitahama 1-Chome Heiwa Building	1-1-14, Kitahama, Chuo-ku, Osaka City, Osaka	Trust beneficial interest	4,810	4,438
Of-56	Heiwa Real Estate Kitahama Building	2-1-5 Kitahama, Chuo-ku, Osaka City, Osaka	Trust beneficial interest	1,830	1,640
Of-57	HF YOKOHAMA YAMASHITA BUILDING	89-6, Yamashitacho, Naka-ku, Yokohama City, Kanagawa	Trust beneficial interest	4,040	4,034
Of-58	HF ESAKA EKIMAE BUILDING	1-13-33, Esakacho, Suita-city, Osaka	Trust beneficial interest	5,860	5,187
Of-59	HF KITA NIJO BUILDING	1-2-9, 1-2-10, Kitanijohigashi, Chuo-ku, Sapporo City, Hokkaido	Trust beneficial interest	1,640	1,598
Of-60	Park East Sapporo	1-1-3, Minami Ichijo Higashi, Chuo-ku, Sapporo City, Hokkaido	Trust beneficial interest	5,326	4,169
Of-61	HF KYOMACHIBORI BUILDING	1-8-33, Kyomachibori, Nishi-ku, Osaka City, Osaka	Trust beneficial interest	3,710	3,408
Of-62	LUCID SQUARE SEMBA	1-9-26, Kyutaromachi, Chuo-ku, Osaka City, Osaka	Trust beneficial interest	5,210	4,907
Of-63	Nagoya Heiwa Building	3-8-8, Sakae, Naka-ku, Nagoya City, Aichi	Trust beneficial interest	5,453	5,178
Office subtotal				164,500	138,280
Re-05	HF MEGURO RESIDENCE	2-15-10 Shimomeguro, Meguro-ku, Tokyo	Trust beneficial interest	891	606
Re-09	HF KASAI RESIDENCE	7-10-6 Higashi Kasai, Edogawa-ku, Tokyo	Trust beneficial interest	1,102	562
Re-11	HF WAKABAYASHI-KOEN RESIDENCE	4-33-14 Wakabayashi, Setagaya-ku, Tokyo	Trust beneficial interest	6,426	3,134
Re-12	HF HIMONYA RESIDENCE	5-5-15 Himonya, Meguro-ku, Tokyo	Trust beneficial interest	2,153	1,380
Re-14	HF MINAMIAZABU RESIDENCE	2-13-20 Minami Azabu, Minato-ku, Tokyo	Trust beneficial interest	1,700	1,273
Re-16	HF GAKUGEIDAIGAKU RESIDENCE	6-18-27 Shimomeguro, Meguro-ku, Tokyo	Trust beneficial interest	1,390	905
Re-17	HF HIGASHIKANDA RESIDENCE	3-1-9 Higashi Kanda, Chiyoda-ku, Tokyo	Trust beneficial interest	1,790	834

Property name		Address (Note 1)	Form of asset	Valuation at end of period (Note 2) (million yen)	Book value (Note 3) (million yen)
Re-18	HF HIGASHINIHONBASHI RESIDENCE	3-6-8 Nihonbashi, Chuo-ku, Tokyo	Trust beneficial interest	2,160	915
Re-19	HF NERIMA RESIDENCE	3-1-12 Nerima, Nerima-ku, Tokyo	Trust beneficial interest	1,080	539
Re-20	HF SHIROKANETAKANAWA RESIDENCE	1-2-6 Takanawa, Minato-ku, Tokyo	Real estate	7,260	3,524
Re-21	HF MEIDAIMAE RESIDENCE	1-27-7 Hanegi, Setagaya-ku, Tokyo	Real estate	1,290	975
Re-22	HF NIHONBASHI RESIDENCE	9-5 Nihonbashi Koami-cho, Chuo-ku, Tokyo	Trust beneficial interest	1,360	1,054
Re-23	HF KAMISHAKUJII RESIDENCE	3-34-12 Kamishakujii, Nerima-ku, Tokyo	Real estate	1,190	836
Re-24	HF KINSHICHO RESIDENCE	2-10-2 Kotobashi, Sumida-ku, Tokyo	Real estate	1,540	1,045
Re-25	HF GINZA RESIDENCE EAST	7-7-8 Tsukiji, Chuo-Ku, Tokyo	Real estate	7,330	5,388
Re-26	HF SHIN-YOKOHAMA RESIDENCE	2-7-6 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Real estate	3,250	2,894
Re-30	HF MAGOME RESIDENCE	1-38-8 Higashi Magome, Ota-ku, Tokyo	Real estate	1,840	1,440
Re-31	HF GAKUGEIDAIGAKU RESIDENCE Ⅱ	1-40-7 Naka-cho, Meguro-ku, Tokyo	Trust beneficial interest	1,600	1,575
Re-33	HF KAMEIDO RESIDENCE	2-36-13 Kameido, Koto-ku, Tokyo	Real estate	1,450	968
Re-34	HF TANASHI RESIDENCE	6-5-23 Tanashi, Nishitokyo City, Tokyo	Real estate	1,010	797
Re-38	La Residence de Shirokanedai	5-18-8 Shirokanedai, Minato-ku, Tokyo	Trust beneficial interest	1,210	727
Re-39	HF GINZA RESIDENCE EAST Ⅱ	1-6-10 Shintomi, Chuo-ku, Tokyo	Trust beneficial interest	2,050	1,286
Re-40	HF HATCHOBORI RESIDENCE Ⅱ	2-7-11 Shinkawa, Chuo-ku, Tokyo	Trust beneficial interest	2,540	1,705
Re-42	HF GINZA RESIDENCE	1-20-6 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,390	790
Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	2-7-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	8,570	6,282
Re-47	HF MARUNOUCHI RESIDENCE	2-11-21 Habashita, Nishi-ku, Nagoya City, Aichi	Trust beneficial interest	699	466
Re-48	HF HIRAO RESIDENCE	2-4-32 Nanokawa, Minami-ku, Fukuoka City, Fukuoka	Trust beneficial interest	2,400	1,432
Re-49	HF KAWARAMACHI NIJO RESIDENCE	84 Enoki-cho, Teramachi Dori, Nijo Sagaru, Nakagyo-ku, Kyoto City, Kyoto	Trust beneficial interest	655	462
Re-53	HF SHIJO KAWARAMACHI RESIDENCE	560 (3 lots) Nakano-cho, Teramachi Dori Ayanokoji Sagaru, Shimogyo-ku, Kyoto City, Kyoto	Trust beneficial interest	2,730	1,621
Re-54	La Residence de Sendagi	2-23-3 Sendagi, Bunkyo-ku, Tokyo	Trust beneficial interest	1,070	744
Re-55	HF SENDAGI RESIDENCE	2-6-6 Sendagi, Bunkyo-ku, Tokyo	Trust beneficial interest	1,200	775
Re-56	HF KOMAZAWA-KOEN RESIDENCE	4-11-2 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	806	576
Re-57	HF MUSASHIKOYAMA RESIDENCE	4-8-6 Koyama, Shinagawa-ku, Tokyo	Trust beneficial interest	1,300	786
Re-58	HF KOKUBUNJI RESIDENCE	3-18-7 Minami-cho, Kokubunji City, Tokyo	Trust beneficial interest	1,220	792
Re-59	HF HISAYAODORI RESIDENCE	1-12-1 Izumi, Higashi-ku, Nagoya City, Aichi	Trust beneficial interest	1,290	997

	Property name	Address (Note 1)	Form of asset	Valuation at end of period (Note 2) (million yen)	Book value (Note 3) (million yen)
Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	411-1 Kami Goryomae-cho, Kami Goryomae Dori, Karasuma Higashi Iru, Kamigyo-ku, Kyoto City, Kyoto	Trust beneficial interest	777	498
Re-65	HF KITA-YOBANCHO RESIDENCE	6-62 Kimachi Dori, Aoba-ku, Sendai City, Miyagi	Trust beneficial interest	1,100	722
Re-66	HF ATAGOBASHI RESIDENCE	260-1 Tsuchitoi, Wakabayashi-ku, Sendai City, Miyagi	Trust beneficial interest	874	588
Re-68	HF ASAKUSABASHI RESIDENCE	2-19-7 Yanagibashi, Taito-ku, Tokyo	Trust beneficial interest	1,180	717
Re-69	HF ICHIBANCHO RESIDENCE	2-1-7 Ichibancho, Aoba-ku, Sendai City, Miyagi	Trust beneficial interest	1,180	715
Re-70	HF HIGASHI-NAKANO RESIDENCE	2-19-4 Higashi Nakano, Nakano-ku, Tokyo	Trust beneficial interest	1,300	890
Re-72	HF WASEDA RESIDENCE	23-9 Benten-cho, Shinjuku-ku, Tokyo	Trust beneficial interest	3,020	1,964
Re-73	HF WASEDA RESIDENCE Ⅱ	23-10 Benten-cho, Shinjuku-ku, Tokyo	Trust beneficial interest	1,190	834
Re-74	HF WAKAMATSU-KAWADA RESIDENCE	9-4 Yochomachi, Shinjuku-ku, Tokyo	Trust beneficial interest	1,880	1,144
Re-75	HF SENDAI RESIDENCE EAST	306-11 Mototera-Koji, Miyagino-ku, Sendai City, Miyagi	Trust beneficial interest	2,050	1,461
Re-76	HF NISHI-KOEN RESIDENCE	7-18 Tachimachi, Aoba-ku, Sendai City, Miyagi	Trust beneficial interest	1,410	1,200
Re-77	HF BANSUI-DORI RESIDENCE	1-3-16 Kokubun-cho, Aoba-ku, Sendai City, Miyagi	Trust beneficial interest	912	727
Re-78	HF KANNAI RESIDENCE	74 Yoshidamachi, Naka-ku, Yokohama City, Kanagawa	Trust beneficial interest	2,440	1,701
Re-79	HF MEIEKI-KITA RESIDENCE	(W) 2-19-22 Kikui, (E) 2-19-27 Kikui, Nishi-ku, Nagoya City, Aichi	Trust beneficial interest	2,290	2,074
Re-80	HF HIGASHI-SAPPORO RESIDENCE	5-3-2-35 Higashi-Sapporo, Shiroishi-ku, Sapporo City, Hokkaido	Trust beneficial interest	1,980	1,397
Re-81	HF HAKATA-HIGASHI RESIDENCE	3-27-7 Higashi-Hie Hakata-ku, Fukuoka City, Fukuoka	Real estate	1,050	885
Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	2-4-19 Itsutsubashi Aoba-ku, Sendai City, Miyagi	Real estate	961	862
Re-83	HF TABATA RESIDENCE	2-24-1 Tabata Shinmachi, Kita-ku, Tokyo	Real estate	1,540	1,018
Re-84	HF RYOGOKU RESIDENCE	1-9-3 Midori, Sumida-ku, Tokyo	Real estate	1,800	1,313
Re-85	HF HACHIOJI RESIDENCE	8-7 Nakamachi, Hachioji City, Tokyo	Real estate	1,310	1,200
Re-86	HF MITA RESIDENCE Ⅱ	5-2-2 Shiba, Minato-ku, Tokyo	Real estate	1,680	1,247
Re-87	HF MONZEN-NAKACHO RESIDENCE	1-16-4 Botan, Koto-ku, Tokyo	Real estate	1,400	938
Re-88	HF MINAMI-SUNAMACHI RESIDENCE	7-4-9 Minamisuna, Koto-ku, Tokyo	Real estate	1,180	942
Re-89	HF SENDAI NAGAMACHI RESIDENCE	3-4-20 Nagamachi Taihaku-ku, Sendai City, Miyagi	Real estate	1,090	1,025
Re-90	HF SHOKOJI AKABANE RESIDENCE	37-4 Iwabuchi-cho, Kita-ku, Tokyo	Real estate	1,320	1,137
Re-91	HF SENDAI HONCHO RESIDENCE	2-9-26 Honcho Aoba-ku, Sendai City, Miyagi	Real estate	1,200	1,059
Re-92	HF OHORI RESIDENCE BAYSIDE	3-17-10 Nagahama Chuo-ku, Fukuoka City,Fukuoka	Real estate	1,330	1,165

Property name		Address (Note 1)	Form of asset	Valuation at end of period (Note 2) (million yen)	Book value (Note 3) (million yen)
Re-93	HF HAKATA-HIGASHI RESIDENCE Ⅱ	1-9-27 Yutaka, Hakata-ku, Fukuoka City, Fukuoka	Real estate	1,510	1,346
Re-94	HF FUKUOKA RESIDENCE EAST	14-22 Futamataseshinmachi, Higashi-ku, Fukuoka City, Fukuoka	Real estate	1,540	1,323
Re-95	HF SHOKOJI AKABANE RESIDENCE Ⅱ	24-16 Iwabuchi-cho, Kita-ku, Tokyo	Real estate	2,040	1,713
Re-96	HF YAHIRO RESIDENCE	4-50-1 Yahiro, Sumida-ku, Tokyo	Real estate	1,600	1,236
Re-97	HF SETAGAYAKAMIMACHI RESIDENCE	1-45-9 Setagaya, Setagaya-ku, Tokyo	Real estate	844	713
Re-98	HF SOKA RESIDENCE	4-2-21, Soka, Soka City, Saitama	Real estate	1,570	1,350
Re-99	HF UENO IRIYA RESIDENCE	1-12-1, Iriya, Taito-ku, Tokyo	Real estate	1,110	940
Re-100	HF TSUJIDO RESIDENCE	2-2-26 Tsujidokandai, Fujisawa City, Kanagawa	Real estate	2,160	2,007
Re-101	HF KAWAGUCHIEKIMAE RESIDENCE	3-2-24 Sakaecho, Kawaguchi City, Saitama	Real estate	1,720	1,334
Re-102	HF HIGASHIOGU RESIDENCE	8-32-5 Higashiogu, Arakawa-ku, Tokyo	Real estate	1,620	1,230
Re-103	HF IMAIKE-MINAMI RESIDENCE	(East bldg.) 9-10, Imaikeminami, Chikusa-ku, Nagoya City, Aichi (West bldg.) 9-20, Imaikeminami, Chikusa-ku, Nagoya City, Aichi	Real estate	929	924
Re-104	HF FUSHIMI RESIDENCE	1-25-23, Sakae, Naka-ku, Nagoya City, Aichi	Real estate	640	657
Re-105	HF NAKANO-SAKAUE RESIDENCE	1-29-17, Chuo, Nakano-ku, Tokyo	Real estate	1,320	1,090
Re-106	HF UENO RESIDENCE EAST	5-4-15, Higashiueno, Taito-ku, Tokyo	Real estate	2,910	2,604
Re-107	HF OMORIMACHI RESIDENCE	1-13-8, Omorinaka, Ota-ku, Tokyo	Real estate	1,340	1,265
Re-108	HF KITASENJU RESIDENCE	1-1-7, Senju, Adachi-ku, Tokyo	Real estate	3,290	2,671
Re-109	HF HIKIFUNE RESIDENCE	3-20-15, Kyojima, Sumida-ku, Tokyo	Trust beneficial interest	1,690	1,404
Re-110	HF MEGURO GYONINZAKA RESIDENCE	1-4-4, Shimomeguro, Meguro-ku, Tokyo	Trust beneficial interest	6,330	5,640
Re-111	HF NISHI-SUGAMO RESIDENCE	3-37-6, Takinogawa, Kita-ku, Tokyo	Real estate	1,270	1,074
Re-112	HF NISHI-SUGAMO RESIDENCE Ⅱ	3-37-4, Takinogawa, Kita-ku, Tokyo	Real estate	1,080	909
Re-113	HF TOBU-NERIMA RESIDENCE	1-32-8, Tokumaru, Itabashi-ku, Tokyo	Real estate	1,240	1,093
Re-114	HF RYOGOKU RESIDENCE EAST	3-18-7, Kamezawa, Sumida-ku, Tokyo	Real estate	1,070	913
Re-115	HF OSHIAGE RESIDENCE	5-25-3, Mukojima, Sumida-ku, Tokyo	Real estate	2,850	2,269
Re-116	HF HIKIFUNE RESIDENCE EAST	1-51-19, Kyojima, Sumida-ku, Tokyo	Real estate	1,190	1,005
Re-117	HF OMORI RESIDENCE	2-4-12, Omorikita, Ota-ku, Tokyo	Real estate	1,610	1,356
Re-118	HF SHIMO-AKATSUKA RESIDENCE	3-15-11, Kita-machi, Nerima-ku, Tokyo	Trust beneficial interest	1,920	1,708
Re-119	HF TOKIWADAI RESIDENCE	1-2-8, Minami-Tokiwadai, Itabashi-ku, Tokyo	Trust beneficial interest	2,470	2,107
Re-120	HF AYASE RESIDENCE	4-8-8, Kosuge, Katsushika-ku, Tokyo	Trust beneficial interest	1,540	1,336
Residence subtotal				166,789	122,772
Total				331,289	261,053

(Note 1) Address is based on residence indication or an address stated in the registry.
(Note 2) Valuation at end of period is an appraisal value determined by a real estate appraiser based on the asset valuation method and standard set out in

the bylaws and under the rules of The Investment Trusts Association, Japan.

(Note 3) Book value is the acquisition price (including expenses for acquisition and subsequent capital expenditures) as of May 31, 2026, after deducting the accumulated depreciation.

The table below shows the status of rental of real estate etc. owned by the REIT.

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Of-05	SUITENGU HEIWA BUILDING	6	100.00	62,973	0.7	6	100.00	62,209	0.7
Of-06	HF MONZENNAKACHO BUILDING	6	100.00	95,787	1.1	6	100.00	97,392	1.1
Of-07	HF HAMAMATSUCHO BUILDING (Note 5)	—	—	10,207	0.1	—	—	—	—
Of-08	HF TAMEIKE BUILDING	8	100.00	90,076	1.1	8	100.00	90,406	1.0
Of-11	HF NIHONBASHI ODENMACHO BUILDING	8	100.00	70,145	0.8	8	100.00	71,811	0.8
Of-12	HF HATCHOBORI BUILDING	8	100.00	79,475	0.9	8	100.00	79,192	0.9
Of-17	HATCHOBORI MF BUILDING	9	100.00	35,647	0.4	9	100.00	35,672	0.4
Of-18	M2 HARAJUKU	5	100.00	109,680	1.3	5	100.00	108,998	1.2
Of-20	FUNABASHI FACE BUILDING	9	100.00	123,512	1.4	9	100.00	123,842	1.4
Of-21	ADESSO NISHIAZABU	4	100.00	15,616	0.2	4	100.00	15,562	0.2
Of-23	HF IKEBUKURO BUILDING	8	100.00	49,705	0.6	8	100.00	48,389	0.5
Of-24	HF YUSHIMA BUILDING	9	100.00	51,464	0.6	9	100.00	51,307	0.6
Of-25	KAYABACHO HEIWA BUILDING	1	100.00	211,140	2.5	1	100.00	209,916	2.3
Of-27	KOBE KYUKYORYUCHI HEIWA BUILDING	39	100.00	161,058	1.9	39	97.44	178,012	2.0
Of-29	SAKAE MINAMI HEIWA BUILDING	6	100.00	92,919	1.1	6	100.00	94,953	1.1
Of-30	HF SAKURADORI BUILDING	23	100.00	343,523	4.0	22	97.41	331,717	3.7
Of-32	HF SENDAI HONCHO BUILDING	38	100.00	157,137	1.8	38	100.00	163,593	1.8
Of-33	HF UENO BUILDING	7	100.00	146,324	1.7	7	100.00	142,581	1.6

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Of-35	HF KUDAN MINAMI BUILDING	3	100.00	91,029	1.1	3	100.00	90,357	1.0
Of-36	HF KANDA OGAWAMACHI BUILDING	6	100.00	106,883	1.2	6	100.00	104,622	1.2
Of-37	NISSO 5 BUILDING	1	100.00	89,308	1.0	1	100.00	89,308	1.0
Of-38	ACROSS SHINKAWA BUILDING	12	98.06	146,409	1.7	13	100.00	145,956	1.6
Of-39	SENJU MILDIX II	5	100.00	70,957	0.8	5	100.00	70,957	0.8
Of-40	ARK Mori Building	1	100.00	Undisclosed (Note 7)	Undisclosed (Note 7)	1	100.00	Undisclosed (Note 7)	Undisclosed (Note 7)
Of-41	Nihonbashi Horidomecho First	3	100.00	64,145	0.7	3	100.00	65,802	0.7
Of-42	SOUTHERN SKY TOWER HACHIOJI	3	100.00	72,536	0.8	3	100.00	71,319	0.8
Of-43	HAMACHO HEIWA BUILDING	10	100.00	89,330	1.0	8	88.53	86,262	1.0
Of-44	KINSHICHO SQUARE BUILDING	11	100.00	80,580	0.9	11	100.00	79,962	0.9
Of-45	HF NIHONBASHI KABUTOCHO BUILDING	7	82.58	116,394	1.4	9	100.00	101,161	1.1
Of-46	HF SENDAI ICHIBANCHO BUILDING	14	100.00	90,083	1.1	14	100.00	92,508	1.0
Of-47	OSAKI CN BUILDING	7	100.00	115,894	1.4	7	100.00	118,042	1.3
Of-48	Faret East Building	7	100.00	66,449	0.8	7	100.00	69,951	0.8
Of-49	HF ESAKA BUILDING	7	100.00	73,953	0.9	7	100.00	73,647	0.8
Of-50	Shinsaibashi FRONT Building	14	100.00	216,096	2.5	14	100.00	215,097	2.4
Of-51	SAKAE CENTER BUILDING	21	99.21	141,213	1.6	22	93.69	144,645	1.6
Of-52	IWAMOTOCHO TWIN BUILDING	13	100.00	74,850	0.9	13	100.00	86,956	1.0
Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	9	100.00	15,313	0.2	8	88.67	17,045	0.2

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Of-54	HF NAGOYA NISHIKI BUILDING	21	96.91	73,726	0.9	22	100.00	78,164	0.9
Of-55	Kitahama 1-Chome Heiwa Building	18	100.00	121,917	1.4	18	100.00	120,306	1.3
Of-56	Heiwa Real Estate Kitahama Building	15	100.00	52,928	0.6	15	100.00	51,946	0.6
Of-57	HF YOKOHAMA YAMASHITA BUILDING	15	100.00	103,205	1.2	15	100.00	107,356	1.2
Of-58	HF ESAKA EKIMAE BUILDING	11	100.00	154,513	1.8	11	100.00	158,639	1.8
Of-59	HF KITA NIJO BUILDING	38	96.19	48,941	0.6	41	100.00	51,789	0.6
Of-60	Park East Sapporo (Note 5)	32	98.78	130,287	1.5	32	100.00	137,300	1.5
Of-61	HF KYOMACHIBORI BUILDING (Note 5)	20	100.00	81,220	0.9	20	100.00	90,178	1.0
Of-62	LUCID SQUARE SEMBA(Note 5)	25	100.00	63,307	0.7	25	100.00	124,953	1.4
Of-63	Nagoya Heiwa Building(Note 6)	—	—	—	—	14	100.00	71,620	0.8
Office subtotal		543	99.42	4,541,583	53.0	561	99.25	4,705,130	52.1
Re-05	HF MEGURO RESIDENCE	21	100.00	20,793	0.2	18	85.01	20,323	0.2
Re-09	HF KASAI RESIDENCE	48	100.00	28,327	0.3	47	97.87	28,670	0.3
Re-11	HF WAKABAYASHI-KOEN RESIDENCE	89	92.25	128,628	1.5	86	88.80	132,260	1.5
Re-12	HF HIMONYA RESIDENCE	52	97.25	47,618	0.6	53	100.00	47,879	0.5
Re-14	HF MINAMIAZABU RESIDENCE	58	96.66	37,913	0.4	58	96.64	38,920	0.4
Re-16	HF GAKUGEIDAIGAKU RESIDENCE	27	100.00	29,214	0.3	24	87.84	28,795	0.3
Re-17	HF HIGASHIKANDA RESIDENCE	64	100.00	39,381	0.5	60	93.83	39,143	0.4

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Re-18	HF HIGASHINIHONBASHI RESIDENCE	65	98.79	47,406	0.6	65	97.48	47,848	0.5
Re-19	HF NERIMA RESIDENCE	48	94.24	26,639	0.3	48	94.24	27,612	0.3
Re-20	HF SHIROKANETAKANAWA RESIDENCE	64	96.04	140,858	1.6	64	96.51	143,505	1.6
Re-21	HF MEIDAIMAE RESIDENCE	52	98.19	30,692	0.4	50	94.47	30,853	0.3
Re-22	HF NIHONBASHI RESIDENCE	47	97.04	37,022	0.4	48	100.00	37,415	0.4
Re-23	HF KAMISHAKUJII RESIDENCE	62	97.15	34,124	0.4	61	95.67	35,052	0.4
Re-24	HF KINSHICHO RESIDENCE	55	98.32	33,448	0.4	56	100.00	35,193	0.4
Re-25	HF GINZA RESIDENCE EAST	99	93.80	145,683	1.7	100	95.16	148,400	1.6
Re-26	HF SHIN-YOKOHAMA RESIDENCE	108	95.25	88,137	1.0	109	96.12	90,894	1.0
Re-30	HF MAGOME RESIDENCE	28	91.62	49,743	0.6	28	91.31	51,869	0.6
Re-31	HF GAKUGEIDAIGAKU RESIDENCE Ⅱ	21	95.74	39,951	0.5	21	95.25	40,488	0.4
Re-33	HF KAMEIDO RESIDENCE	61	100.00	34,572	0.4	60	98.35	34,473	0.4
Re-34	HF TANASHI RESIDENCE	35	100.00	34,285	0.4	34	97.00	34,760	0.4
Re-38	La Residence de Shirokanedai	28	100.00	29,691	0.3	28	100.00	30,038	0.3
Re-39	HF GINZA RESIDENCE EAST Ⅱ	72	97.37	55,104	0.6	74	100.00	57,026	0.6
Re-40	HF HATCHOBORI RESIDENCE Ⅱ	83	98.72	63,913	0.7	78	92.08	65,060	0.7
Re-42	HF GINZA RESIDENCE	42	91.97	33,194	0.4	44	97.85	33,938	0.4

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
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Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	280	97.61	216,664	2.5	278	96.72	226,634	2.5
Re-47	HF MARUNOUCHI RESIDENCE	68	94.46	25,960	0.3	72	100.00	25,459	0.3
Re-48	HF HIRAO RESIDENCE	199	99.55	86,923	1.0	197	98.54	87,405	1.0
Re-49	HF KAWARAMACHI NIJO RESIDENCE	49	98.21	20,268	0.2	48	95.83	20,547	0.2
Re-53	HF SHIJO KAWARAMACHI RESIDENCE	128	98.12	75,417	0.9	123	92.66	76,771	0.9
Re-54	La Residence de Sendagi	49	97.90	29,168	0.3	49	96.33	32,476	0.4
Re-55	HF SENDAGI RESIDENCE	49	100.00	32,910	0.4	49	100.00	37,346	0.4
Re-56	HF KOMAZAWA-KOEN RESIDENCE	36	100.00	21,777	0.3	34	94.45	21,732	0.2
Re-57	HF MUSASHIKOYAMA RESIDENCE	51	98.20	32,901	0.4	50	96.40	33,947	0.4
Re-58	HF KOKUBUNJI RESIDENCE	47	100.00	32,846	0.4	46	98.06	33,079	0.4
Re-59	HF HISAYAODORI RESIDENCE	93	95.09	41,857	0.5	94	96.08	41,426	0.5
Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	41	100.00	22,654	0.3	39	95.15	22,979	0.3
Re-61	HF NISHI-SHINJUKU RESIDENCE WEST (Note 6)	73	94.66	73,513	0.9	—	—	74,436	0.8
Re-62	HF NISHI-SHINJUKU RESIDENCE EAST (Note 6)	48	100.00	45,333	0.5	—	—	46,374	0.5
Re-63	HF HIGASHI-SHINJUKU RESIDENCE (Note 5)	—	—	1,274	0.0	—	—	—	—
Re-65	HF KITA-YOBANCHO RESIDENCE	87	96.66	36,731	0.4	87	96.68	40,533	0.4

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Re-66	HF ATAGOBASHI RESIDENCE	74	93.76	30,777	0.4	73	92.52	31,693	0.4
Re-68	HF ASAKUSABASHI RESIDENCE	37	94.87	28,891	0.3	39	100.00	29,737	0.3
Re-69	HF ICHIBANCHO RESIDENCE	74	95.26	40,241	0.5	74	94.65	40,364	0.4
Re-70	HF HIGASHI-NAKANO RESIDENCE	45	90.30	33,024	0.4	46	92.33	33,435	0.4
Re-72	HF WASEDA RESIDENCE	116	95.61	78,980	0.9	119	98.57	83,998	0.9
Re-73	HF WASEDA RESIDENCE Ⅱ	48	94.82	32,743	0.4	51	100.00	33,617	0.4
Re-74	HF WAKAMATSU-KAWADA RESIDENCE	31	93.43	45,290	0.5	32	96.71	44,442	0.5
Re-75	HF SENDAI RESIDENCE EAST	145	96.22	68,150	0.8	140	92.43	68,254	0.8
Re-76	HF NISHI-KOEN RESIDENCE	100	98.06	42,889	0.5	96	94.18	44,434	0.5
Re-77	HF BANSUI-DORI RESIDENCE	63	95.45	27,750	0.3	59	89.39	28,750	0.3
Re-78	HF KANNAI RESIDENCE	112	95.69	64,207	0.7	114	97.54	65,532	0.7
Re-79	HF MEIEKI-KITA RESIDENCE	103	90.32	63,033	0.7	110	97.74	64,059	0.7
Re-80	HF HIGASHI-SAPPORO RESIDENCE	148	98.36	59,973	0.7	150	99.45	61,008	0.7
Re-81	HF HAKATA-HIGASHI RESIDENCE	77	98.72	31,682	0.4	78	100.00	32,270	0.4
Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	50	90.92	25,954	0.3	53	96.37	27,131	0.3
Re-83	HF TABATA RESIDENCE	55	97.01	43,931	0.5	56	100.00	51,041	0.6
Re-84	HF RYOGOKU RESIDENCE	65	97.89	53,964	0.6	65	98.78	53,691	0.6
Re-85	HF HACHIOJI RESIDENCE	47	85.01	31,022	0.4	49	96.44	32,347	0.4

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Re-86	HF MITA RESIDENCE Ⅱ	40	100.00	34,092	0.4	39	97.73	34,884	0.4
Re-87	HF MONZEN-NAKACHO RESIDENCE	42	95.45	30,002	0.4	43	97.73	31,368	0.3
Re-88	HF MINAMI-SUNAMACHI RESIDENCE	48	100.00	29,114	0.3	48	100.00	28,883	0.3
Re-89	HF SENDAI NAGAMACHI RESIDENCE	69	100.00	35,637	0.4	65	94.62	35,518	0.4
Re-90	HF SHOKOJI AKABANE RESIDENCE	49	100.00	39,564	0.5	48	96.73	40,674	0.5
Re-91	HF SENDAI HONCHO RESIDENCE	64	92.76	34,002	0.4	65	94.16	34,668	0.4
Re-92	HF OHORI RESIDENCE BAYSIDE	65	97.21	36,210	0.4	66	98.60	38,260	0.4
Re-93	HF HAKATA-HIGASHI RESIDENCE Ⅱ	107	97.70	44,048	0.5	110	100.00	44,999	0.5
Re-94	HF FUKUOKA RESIDENCE EAST	116	97.61	47,115	0.5	118	99.04	48,122	0.5
Re-95	HF SHOKOJI AKABANE RESIDENCE Ⅱ	69	98.93	58,063	0.7	68	95.46	61,208	0.7
Re-96	HF YAHIRO RESIDENCE	61	95.26	45,101	0.5	64	100.00	45,760	0.5
Re-97	HF SETAGAYAKAMIMACHI RESIDENCE	30	100.00	21,277	0.2	30	100.00	21,178	0.2
Re-98	HF SOKA RESIDENCE	97	98.00	46,165	0.5	99	100.00	46,589	0.5
Re-99	HF UENO IRIYA RESIDENCE	30	89.39	25,514	0.3	33	100.00	26,418	0.3
Re-100	HF TSUJIDO RESIDENCE	37	92.81	55,167	0.6	40	100.00	54,911	0.6
Re-101	HF KAWAGUCHIEKIMAE RESIDENCE	87	96.03	58,598	0.7	89	98.01	62,921	0.7
Re-102	HF HIGASHIOGU RESIDENCE	48	97.36	43,409	0.5	46	91.31	44,211	0.5

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Re-103	HF IMAIKE-MINAMI RESIDENCE	71	100.00	26,379	0.3	68	95.89	27,048	0.3
Re-104	HF FUSHIMI RESIDENCE	36	100.00	18,519	0.2	36	100.00	19,187	0.2
Re-105	HF NAKANO-SAKAUE RESIDENCE	32	95.11	31,081	0.4	33	100.00	31,264	0.3
Re-106	HF UENO RESIDENCE EAST	56	100.00	66,595	0.8	56	100.00	66,426	0.7
Re-107	HF OMORIMACHI RESIDENCE	24	92.64	28,665	0.3	24	91.87	29,729	0.3
Re-108	HF KITASENJU RESIDENCE	89	99.06	83,794	1.0	90	100.00	81,336	0.9
Re-109	HF HIKIFUNE RESIDENCE	31	96.18	32,586	0.4	33	100.00	34,962	0.4
Re-110	HF MEGURO GYONINZAKA RESIDENCE	60	93.18	82,780	1.0	57	89.84	93,301	1.0
Re-111	HF NISHI-SUGAMO RESIDENCE	31	94.34	23,452	0.3	29	88.69	24,364	0.3
Re-112	HF NISHI-SUGAMO RESIDENCE Ⅱ	28	93.34	18,867	0.2	28	93.29	20,149	0.2
Re-113	HF TOBU-NERIMA RESIDENCE	33	97.65	24,734	0.3	34	100.00	24,934	0.3
Re-114	HF RYOGOKU RESIDENCE EAST	22	93.15	19,803	0.2	24	100.00	20,533	0.2
Re-115	HF OSHIAGE RESIDENCE (Note 6)	—	—	—	—	72	97.38	77,026	0.9
Re-116	HF HIKIFUNE RESIDENCE EAST (Note 5)	27	95.19	13,227	0.2	27	97.01	21,003	0.2
Re-117	HF OMORI RESIDENCE (Note 5)	38	100.00	20,913	0.2	35	92.30	34,844	0.4
Re-118	HF SHIMO-AKATSUKA RESIDENCE (Note 6)	—	—	—	—	40	87.50	28,097	0.3
Re-119	HF TOKIWADAI RESIDENCE (Note 6)	—	—	—	—	52	97.98	32,054	0.4

Property name		48th Fiscal Period (For the six-month period ended November 30, 2025)				49th Fiscal Period (For the six-month period ended May 31, 2026)			
		Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)	Number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue-real estate (during period) (thousand yen) (Note 3)	Ratio of total rent revenue-real estate (%) (Note 4)
Re-120	HF AYASE RESIDENCE (Note 6)	—	—	—	—	44	100.00	25,673	0.3
Residence subtotal		5,654	96.49	4,029,550	47.0	5,737	96.43	4,319,911	47.9
Total		6,197	97.76	8,571,133	100.00	6,298	97.65	9,025,042	100.00

(Note 1) Number of tenants is the number of end tenants whose lessors are the REIT, trusteed and master lease companies (number of rental units for residential properties).
The number of tenants for the fixed-rent office property is 1.
(Note 2) Occupancy rate is the ratio of rental area to rentable area.
(Note 3) Rent revenue-real estate is leasing business revenue from each property in the fiscal period.
(Note 4) Ratio of total rent revenue-real estate is the ratio of rental revenue from each property to rental revenue from the entire portfolio.
(Note 5) The dates of acquisition were June 4, 2025 for Of-60 Park East Sapporo (quasi-co-ownership interest: 24% of the additional acquisition) and June 4, 2025 for Of-61 HF KYOMACHIBORI BUILDING and August 29, 2025 for Of-62 LUCID SQUARE SEMBA and August 7, 2025 for Re-116 HF HIKIFUNE RESIDENCE EAST and August 8, 2025 for Re-117 HF OMORI RESIDENCE. The dates of transfer were June 30, 2025 for Of-07 HF HAMAMATSUCHO BUILDING and June 6, 2025 for Re-63 HF HIGASHI-SHINJUKU RESIDENCE.
(Note 6) The dates of acquisition were March 2, 2026 for Of-63 Nagoya Heiwa Building (quasi-co-ownership interest: 70%) and December 5, 2025 for Re-115 HF OSHIAGE RESIDENCE and December 23, 2025 for Re-118 HF SHIMO-AKATSUKA RESIDENCE, Re-119 HF TOKIWADAI RESIDENCE and Re-120 HF AYASE RESIDENCE. The dates of transfer were May 29, 2026 for Re-61 HF NISHI-SHINJUKU RESIDENCE WEST and Re-62 HF NISHI-SHINJUKU RESIDENCE EAST.
(Note 7) These figures are not disclosed because no consent of the master lease company and the property management company has been obtained.

(4) Schedule of securities incorporated into assets
Not applicable

(5) Schedule of renewable energy power generation facilities
Not applicable

(6) Schedule of public facilities management rights
Not applicable

(7) Status of other assets
Real estate owned by the REIT and trust beneficial interests in real estate owned by the REIT are stated in 3. Status of Investment properties (3) Summary of portfolio properties.
The major other specified assets that the REIT makes major invests in are stated below.

Table of contract amounts and market prices of specified transactions

(Unit: thousand yen)

Classification	Type	Contract amount (Note 1)		Market price (Note 2)
			Contract period of over a year	
Transactions other than market transactions	Interest rate swaps Pay fixed, receive floating	68,924,200	54,869,200	1,902,855

(Note 1) The contract amounts of interest rate swaps are based on notional amounts.
(Note 2) The market prices are based on quotes from financial institutions

(8) Asset holdings by country and region
No asset holdings in countries or regions outside Japan

4. Capital expenditures for properties held

(1) Planned capital expenditure

Major capital expenditures for repair work at properties owned by the REIT planned as of the date of the creation of this report are shown below.

The estimate in the table may include expenses in accounting.

The REIT will continue to work to prepare an efficient repair plan for each property to maintain and improve the competitiveness of assets under management from a medium- to long-term perspective and will repair properties and make capital expenditures.

Property name		Address	Purpose	Scheduled period	Estimated construction costs (thousand yen)		
					Total amount	Payment in the period	Amount already paid
Of-05	SUITENGU HEIWA BUILDING	Chuo-ku, Tokyo	Repair of transforming equipment	From June 2026 To November 2026	21,700	－	－
Of-23	HF IKEBUKURO BUILDING	Toshima-ku, Tokyo	Renovation of tenant-area	From June 2026 To November 2026	17,698	－	－
Of-24	HF YUSHIMA BUILDING	Bunkyo-ku, Tokyo	Renovation of tenant-area	From June 2026 To November 2026	16,316	－	－
Of-43	HAMACHO HEIWA BUILDING	Chuo-ku, Tokyo	Renovation of tenant-area	From June 2026 To November 2026	40,000	－	－
Of-44	KINSHICHO SQUARE BUILDING	Sumida-ku, Tokyo	Air conditioning equipment replacement	From June 2026 To November 2026	30,000	－	－
Of-46	HF SENDAI ICHIBANCHO BUILDING	Sendai City, Miyagi	Air conditioning equipment replacement	From June 2026 To November 2026	29,000	－	－
Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	Chiyoda-ku, Tokyo	Renovation of tenant-area	From June 2026 To November 2026	14,000	－	－
Re-54	La Residence de Sendagi	Bunkyo-ku, Tokyo	Comprehensive repair of outer walls	From June 2026 To November 2026	21,600	－	－
Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	Sendai City, Miyagi	Intercom equipment replacement	From June 2026 To November 2026	12,500	－	－

(2) Capital expenditures in the 49th fiscal period

Below is a list of major work at properties owned by the REIT for which capital expenditures were made in the 49th fiscal period.

Capital expenditures in the fiscal period stood at ¥1,275,130 thousand. Expenses for repairs, etc. were ¥1,721,180 thousand, including repair expenses of ¥446,050 thousand.

These projects were undertaken to increase the satisfaction of existing tenants and ensure a competitive edge attracting new tenants.

Property name		Address	Purpose	Period	Construction costs (thousand yen)
Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	Chiyoda-ku, Tokyo	Repair of elevators	From April 2026 To May 2026	17,302
Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	Chiyoda-ku, Tokyo	Renovation of tenant-area	From March 2026 To April 2026	13,765
Of-59	HF KITA NIJO BUILDING	Sapporo City, Hokkaido	Repair of elevators	From November 2025 To December 2025	25,800
Re-16	HF GAKUGEIDAIGAKU RESIDENCE	Meguro-ku, Tokyo	Comprehensive repair of outer walls	From January 2026 To May 2026	26,330
Re-17	HF HIGASHIKANDA RESIDENCE	Chiyoda-ku, Tokyo	Intercom equipment replacement	From April 2026 To May 2026	9,022
Re-23	HF KAMISHAKUJII RESIDENCE	Nerima-ku, Tokyo	Comprehensive repair of outer walls	From January 2026 To May 2026	33,521
Re-26	HF SHIN-YOKOHAMA RESIDENCE	Yokohama City, Kanagawa	Comprehensive repair of outer walls	From December 2025 To May 2026	61,041
Re-57	HF MUSASHIKOYAMA RESIDENCE	Shinagawa-ku, Tokyo	Comprehensive repair of outer walls	From January 2026 To May 2026	27,418
Re-59	HF HISAYAODORI RESIDENCE	Nagoya City, Aichi	Comprehensive repair of outer walls	From June 2025 To December 2025	49,992
Re-94	HF FUKUOKA RESIDENCE EAST	Fukuoka City, Fukuoka	Intercom equipment replacement	From May 2026 To May 2026	16,559
	Others			From December 2025 To May 2026	994,375
Total					1,275,130

(3) Reserve funds for long-term repair plans

The REIT has the repair reserves shown below. It appropriates a part of cash flows for major medium- to long-term repairs according to the long-term repair plan for each property.

(Unit: thousand yen)

Fiscal period	45th FP ended May 31, 2024	46th FP ended November 30, 2024	47th FP ended May 31, 2025	48th FP ended November 30, 2025	49th FP ended May 31, 2026
Reserves at beginning of fiscal period	–	–	–	–	–
Provision for reserves in the fiscal period	–	–	–	–	–
Reversal of reserves in the fiscal period	–	–	–	–	–
Reserves brought forward	–	–	–	–	–

(Note 1) In addition to the reserves above, the REIT has repair reserves of ¥534,787 thousand at the end of the 49th period under the management bylaws primarily for the buildings of which the REIT is a unit owner.

(Note 2) From the 20th fiscal period, the REIT does not provide funds to the repair reserves if the REIT is able to cover expenditures for repairs in each fiscal period using the cash flows for that fiscal period.

5. Expenses and liabilities

(1) Expense items related to asset management

(Unit: thousand yen)

Item	48th Fiscal Period (For the six-month period ended November 30, 2025)	49th Fiscal Period (For the six-month period ended May 31, 2026)
(a) Asset management fees (Note)	803,544	829,888
(b) Asset custody fees	14,581	15,075
(c) Administrative service fees	39,021	39,388
(d) Directors' compensation	6,651	7,200
(e) Independent auditors' fees	12,800	13,680
(f) Other operating expenses	219,208	209,965
Total	1,095,806	1,115,197

(Note) In addition to the asset management fee above, management fees related to property acquisitions of ¥94,025 thousand (48th period) and ¥84,550 thousand (49th period) were recorded. Management fees related to property transfers of ¥50,500 thousand (48th period) and ¥55,500 thousand (49th period) were also recorded.

(2) Status of borrowings

Below is the status of borrowings from each financial institution at the end of the 49th fiscal period.

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable due within one year	Aozora Bank, Ltd.	October 31, 2017	1,820,000	—	0.97750	May 29, 2026	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Resona Bank, Limited.		1,000,000	—					
	Sumitomo Mitsui Banking Corporation		550,000	—					
	Mizuho Bank, Ltd.		330,000	—					
	Sumitomo Mitsui Banking Corporation	May 31, 2018	1,100,000	1,100,000	0.74700	November 30, 2026	Lump-sum repayment		
	Sumitomo Mitsui Trust Bank, Limited.		900,000	900,000					
	Resona Bank, Limited.		700,000	700,000					
	Aozora Bank, Ltd.		700,000	700,000					
	MUFG Bank, Ltd.		200,000	200,000					
	The Bank of Fukuoka, Ltd.		200,000	200,000					
	The 77 Bank, Ltd.		200,000	200,000					
	Sumitomo Mitsui Banking Corporation	May 31, 2019	300,000	—	0.48292	May 29, 2026	Lump-sum repayment		
	Aozora Bank, Ltd.		200,000	—					
	MUFG Bank, Ltd.		300,000	—					
	The Bank of Fukuoka, Ltd.		285,000	—					
	ORIX Bank Corporation		300,000	—					
	The Norinchukin Bank		877,000	—					
	Sumitomo Mitsui Banking Corporation	October 31, 2019	300,000	300,000	0.57700	November 30, 2026	Lump-sum repayment		
	Resona Bank, Limited.		300,000	300,000					
	Aozora Bank, Ltd.		300,000	300,000					
	MUFG Bank, Ltd.		300,000	300,000					

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable due within one year	Mizuho Trust & Banking Co., Ltd.	October 31, 2019	300,000	300,000	0.57700	November 30, 2026	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited.		300,000	300,000					
	SBI Shinsei Bank, Limited		300,000	300,000					
	Sumitomo Mitsui Banking Corporation	March 31, 2020	—	2,070,000	0.66475	May 31, 2027	Lump-sum repayment		
	Resona Bank, Limited.		—	500,000					
	Mizuho Trust & Banking Co., Ltd.		—	950,000					
	The 77 Bank, Ltd.	April 24, 2020	—	1,100,000	0.56475	May 31, 2027	Lump-sum repayment		
	MUFG Bank, Ltd.	October 29, 2021	900,000	900,000	0.83300	November 30, 2026	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 31, 2022	—	400,000	1.07500	May 31, 2027	Lump-sum repayment		
	Resona Bank, Limited.		—	400,000					
	Aozora Bank, Ltd.		—	850,000					
	The Bank of Fukuoka, Ltd.		—	200,000					
	The Nomura Trust and Banking Co., Ltd.		—	585,000					
	Resona Bank, Limited.	May 31, 2023	400,000	—	1.29419	May 29, 2026	Lump-sum repayment		
	Sumitomo Mitsui Trust Bank, Limited.		200,000	—					
	The Nomura Trust and Banking Co., Ltd.		300,000	—					
	Sumitomo Mitsui Banking Corporation	October 31, 2024	300,000	300,000	1.11422	November 30, 2026	Lump-sum repayment		
	Resona Bank, Limited.		300,000	300,000					
	Sumitomo Mitsui Trust Bank, Limited.		100,000	100,000					

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable due within one year	Mizuho Bank, Ltd.	October 31, 2024	100,000	100,000	1.11422	November 30, 2026	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	The Chiba Bank, Ltd.		150,000	150,000					
	The Nomura Trust and Banking Co., Ltd.		200,000	200,000					
	Sumitomo Mitsui Banking Corporation	May 30 2025	—	500,000	1.11422	May 31 2027	Lump-sum repayment		
	Aozora Bank, Ltd.		—	400,000					
	Sumitomo Mitsui Banking Corporation	August 7, 2025	503,000	503,000	1.05422	November 30, 2026	Lump-sum repayment		
	Subtotal		15,515,000	16,608,000					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	March 31, 2020	2,070,000	—	0.66475	May 31, 2027	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Resona Bank, Limited.		500,000	—					
	Mizuho Trust & Banking Co., Ltd.		950,000	—					
	The 77 Bank, Ltd.	April 24, 2020	1,100,000	—	0.56475	May 31, 2027	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	October 30, 2020	1,000,000	1,000,000	0.66900	October 29, 2027	Lump-sum repayment		
	Resona Bank, Limited.		1,000,000	1,000,000					
	Aozora Bank, Ltd.		950,000	950,000					
	Mizuho Trust & Banking Co., Ltd.		1,000,000	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited.		300,000	300,000					
	The 77 Bank, Ltd.	December 17, 2020	1,000,000	1,000,000	0.68500	November 30, 2028	Lump-sum repayment		
	The Bank of Fukuoka, Ltd.	March 24, 2021	1,000,000	1,000,000	0.66500	November 30, 2028	Lump-sum repayment		
	SBI Shinsei Bank, Limited	March 24, 2021	1,000,000	1,000,000	0.68500	May 31, 2029	Lump-sum repayment		

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	Sumitomo Mitsui Banking Corporation	May 31, 2021	631,700	631,700	0.65800	May 31, 2028	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Aozora Bank, Ltd.		450,000	450,000					
	Mizuho Trust & Banking Co., Ltd.		1,786,700	1,786,700					
	Sumitomo Mitsui Trust Bank, Limited.		690,800	690,800					
	Development Bank of Japan Inc.	May 31, 2021	1,000,000	1,000,000	0.64125	May 31, 2028	Lump-sum repayment		
	Mizuho Trust & Banking Co., Ltd.	September 29, 2021	1,390,000	1,390,000	1.16460	November 30, 2028	Lump-sum repayment		
	Resona Bank, Limited.	October 29, 2021	1,000,000	1,000,000	2.08600	November 30, 2029	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	October 29, 2021	1,690,000	1,690,000	1.32770	October 31, 2028	Lump-sum repayment		
	Resona Bank, Limited.		330,000	330,000					
	Aozora Bank, Ltd.		1,040,000	1,040,000					
	Sumitomo Mitsui Trust Bank, Limited.		500,000	500,000					
	Mizuho Bank, Ltd.		200,000	200,000					
	SBI Shinsei Bank, Limited		100,000	100,000					
	Mizuho Trust & Banking Co., Ltd.	December 22, 2021	900,000	900,000	1.05500	May 31, 2029	Lump-sum repayment		
	Nippon Life Insurance Company	December 23, 2021	1,000,000	1,000,000	0.70000	December 22, 2028	Lump-sum repayment		
	Sumitomo Mitsui Trust Bank, Limited.	December 23, 2021	1,000,000	1,000,000	2.18890	November 29, 2030	Lump-sum repayment		
	Mizuho Trust & Banking Co., Ltd.	February 24, 2022	600,000	600,000	1.38830	November 30, 2029	Lump-sum repayment		
	Resona Bank, Limited.	February 28, 2022	700,000	700,000	1.34255	May 31, 2029	Lump-sum repayment		
	SBI Shinsei Bank, Limited	February 28, 2022	1,200,000	1,200,000	1.98600	November 30, 2029	Lump-sum repayment		

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	Sumitomo Mitsui Banking Corporation	May 31, 2022	400,000	—	1.07500	May 31, 2027	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Resona Bank, Limited.		400,000	—					
	Aozora Bank, Ltd.		850,000	—					
	The Bank of Fukuoka, Ltd.		200,000	—					
	The Nomura Trust and Banking Co., Ltd.		585,000	—					
	Sumitomo Mitsui Banking Corporation	May 31, 2022	400,000	400,000	1.00360	May 31, 2028	Lump-sum repayment		
	Aozora Bank, Ltd.		400,000	400,000					
	The Norinchukin Bank		600,000	600,000					
	Sumitomo Mitsui Banking Corporation	June 3, 2022	1,800,000	1,800,000	1.42580	May 31, 2029	Lump-sum repayment		
	Mizuho Bank, Ltd.		500,000	500,000					
	Development Bank of Japan Inc.	June 3, 2022	500,000	500,000	0.85947	May 31, 2029	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	October 31, 2022	500,000	500,000	1.45375	November 30, 2029	Lump-sum repayment		
	Aozora Bank, Ltd.		1,420,000	1,420,000					
	Mizuho Trust & Banking Co., Ltd.		1,500,000	1,500,000					
	The Bank of Fukuoka, Ltd.		500,000	500,000					
	Development Bank of Japan Inc.	October 31, 2022	900,000	900,000	0.98483	November 30, 2029	Lump-sum repayment		
	Kansai Mirai Bank, Limited	October 31, 2022	480,000	480,000	1.48738	November 30, 2032	Lump-sum repayment		
	The Chiba Bank, Ltd.	January 30, 2023	800,000	800,000	1.35850	January 30, 2030	Lump-sum repayment		
	Kansai Mirai Bank, Limited	January 30, 2023	800,000	800,000	1.76440	November 28, 2031	Lump-sum repayment		

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	Mizuho Trust & Banking Co., Ltd.	February 28, 2023	1,090,000	1,090,000	1.62100	May 31, 2030	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	The Norinchukin Bank	February 28, 2023	1,500,000	1,500,000	1.34240	May 31, 2030	Lump-sum repayment		
	SBI Shinsei Bank, Limited	March 1, 2023	1,090,000	1,090,000	1.70791	May 31, 2032	Lump-sum repayment		
	The Minato Bank, Ltd.	March 31, 2023	1,000,000	1,000,000	1.50731	May 31, 2033	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	April 28, 2023	1,100,000	1,100,000	1.87385	May 30, 2031	Lump-sum repayment		
	Mizuho Bank, Ltd.		1,100,000	1,100,000					
	Mizuho Bank, Ltd.	May 31, 2023	200,000	200,000	1.44738	October 29, 2027	Lump-sum repayment		
	SBI Shinsei Bank, Limited		100,000	100,000					
	MUFG Bank, Ltd.	May 31, 2023	500,000	500,000	0.70631	October 29, 2027	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 31, 2023	1,000,000	1,000,000	1.74100	May 31, 2030	Lump-sum repayment		
	Resona Bank, Limited.		780,000	780,000					
	Sumitomo Mitsui Trust Bank, Limited.		300,000	300,000					
	Mizuho Bank, Ltd.		600,000	600,000					
	SBI Shinsei Bank, Limited		300,000	300,000					
	MUFG Bank, Ltd.	May 31, 2023	1,000,000	1,000,000	1.04500	May 31, 2030	Lump-sum repayment		
	Development Bank of Japan Inc.	August 3, 2023	1,000,000	1,000,000	1.27844	November 28, 2031	Lump-sum repayment		
	Sumitomo Mitsui Trust Bank, Limited.	August 3, 2023	1,000,000	1,000,000	1.60738	May 31, 2032	Lump-sum repayment		
	Resona Bank, Limited.	August 3, 2023	1,000,000	1,000,000	1.60738	November 30, 2032	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	October 31, 2023	400,000	400,000	1.41738	October 29, 2027	Lump-sum repayment		
	Resona Bank, Limited.		300,000	300,000					

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	Mizuho Trust & Banking Co., Ltd.	October 31, 2023	330,000	330,000	1.41738	October 29, 2027	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited.		300,000	300,000					
	MUFG Bank, Ltd.	October 31, 2023	700,000	700,000	1.05302	May 31, 2028	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	October 31, 2023	900,000	900,000	1.77000	November 29, 2030	Lump-sum repayment		
	Resona Bank, Limited.		400,000	400,000					
	Aozora Bank, Ltd.		200,000	200,000					
	Mizuho Trust & Banking Co., Ltd.		400,000	400,000					
	Sumitomo Mitsui Trust Bank, Limited.		600,000	600,000					
	Mizuho Bank, Ltd.		200,000	200,000					
	MUFG Bank, Ltd.	October 31, 2023	1,550,000	1,550,000	1.46985	November 29, 2030	Lump-sum repayment		
	The Bank of Fukuoka, Ltd.	February 29, 2024	500,000	500,000	1.74600	May 31, 2032	Lump-sum repayment		
	The Chiba Bank, Ltd.	February 29, 2024	1,000,000	1,000,000	1.46738	May 31, 2032	Lump-sum repayment		
	SBI Shinsei Bank, Limited	February 29, 2024	1,000,000	1,000,000	1.47738	November 30, 2032	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 31, 2024	360,000	360,000	1.78800	November 30, 2028	Lump-sum repayment		
	Resona Bank, Limited.		200,000	200,000					
	MUFG Bank, Ltd.	May 31, 2024	225,000	225,000	1.13886	November 30, 2028	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 31, 2024	2,580,000	2,580,000	2.12870	May 30, 2031	Lump-sum repayment		
	Resona Bank, Limited.		740,000	740,000					
	MUFG Bank, Ltd.	May 31, 2024	2,000,000	2,000,000	1.49000	May 30, 2031	Lump-sum repayment		

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	MUFG Bank, Ltd.	October 31, 2024	600,000	600,000	1.21820	May 31, 2030	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	October 31, 2024	1,500,000	1,500,000	1.43946	November 28, 2031	Lump-sum repayment		
	Resona Bank, Limited.		1,800,000	1,800,000					
	Sumitomo Mitsui Trust Bank, Limited.		600,000	600,000					
	Mizuho Bank, Ltd.		700,000	700,000					
	MUFG Bank, Ltd.	October 31, 2024	490,000	490,000	1.39460	November 28, 2031	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	March 19, 2025	1,400,000	1,400,000	1.42422	November 30, 2033	Lump-sum repayment		
	Sumitomo Mitsui Trust Bank, Limited.	March 19, 2025	2,500,000	2,500,000	1.42422	November 30, 2033	Lump-sum repayment		
	Resona Bank, Limited.	March 19, 2025	1,400,000	1,400,000	1.45422	May 31, 2034	Lump-sum repayment		
	SBI Shinsei Bank, Limited	March 28, 2025	1,000,000	1,000,000	1.31422	May 31, 2034	Lump-sum repayment		
	Kansai Mirai Bank, Limited	March 28, 2025	700,000	700,000	1.34422	November 30, 2034	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 30, 2025	500,000	—	1.11422	May 31, 2027	Lump-sum repayment		
	Aozora Bank, Ltd.		400,000	—					
	Resona Bank, Limited.	May 30, 2025	352,000	352,000	1.16422	May 31, 2028	Lump-sum repayment		
	The Nomura Trust and Banking Co., Ltd.		400,000	400,000					
	MUFG Bank, Ltd.	May 30, 2025	120,000	120,000	1.55125	May 31, 2029	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 30, 2025	655,000	655,000	1.97260	November 29, 2030	Lump-sum repayment		
	Aozora Bank, Ltd.		520,000	520,000					
	Sumitomo Mitsui Banking Corporation	May 30, 2025	1,830,000	1,830,000	1.41422	May 31, 2032	Lump-sum repayment		

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	Resona Bank, Limited.	May 30, 2025	1,150,000	1,150,000	1.41422	May 31, 2032	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	Aozora Bank, Ltd.		650,000	650,000					
	MUFG Bank, Ltd.	May 30, 2025	320,000	320,000	1.89625	May 31, 2032	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	August 7, 2025	503,000	503,000	1.12672	October 29, 2027	Lump-sum repayment		
	The Chiba Bank, Ltd.	August 8, 2025	680,000	680,000	2.03410	May 31, 2032	Lump-sum repayment		
	The Norinchukin Bank	August 8, 2025	681,000	681,000	1.29422	November 30, 2032	Lump-sum repayment		
	MUFG Bank, Ltd.	August 29, 2025	1,000,000	1,000,000	1.72907	November 30, 2029	Lump-sum repayment		
	MUFG Bank, Ltd.	August 29, 2025	700,000	700,000	2.11496	November 30, 2032	Lump-sum repayment		
	Mizuho Bank, Ltd.	August 29, 2025	1,300,000	1,300,000	1.47422	November 30, 2033	Lump-sum repayment		
	Sumitomo Mitsui Trust Bank, Limited.	August 29, 2025	1,966,000	1,966,000	1.42422	May 31, 2034	Lump-sum repayment		
	Sompo Japan Insurance Inc.	November 28, 2025	469,000	469,000	1.19422	May 31, 2029	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	November 28, 2025	195,000	195,000	1.31652	November 29, 2030	Lump-sum repayment		
	The 77 Bank, Ltd.		200,000	200,000					
	Resona Bank, Limited.	November 28, 2025	500,000	500,000	1.34799	May 30, 2031	Lump-sum repayment		
	The Bank of Fukuoka, Ltd.		900,000	900,000					
	MUFG Bank, Ltd.	November 28, 2025	1,365,000	1,365,000	2.36625	November 30, 2032	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	November 28, 2025	1,300,000	1,300,000	1.41422	November 30, 2032	Lump-sum repayment		
	Resona Bank, Limited.		565,000	565,000					
	Sumitomo Mitsui Trust Bank, Limited.		100,000	100,000					
	Aozora Bank, Ltd.		100,000	100,000					

(Unit: thousand yen)

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Long-term loans payable	Mizuho Trust & Banking Co., Ltd.	November 28, 2025	100,000	100,000	1.41422	November 30, 2032	Lump-sum repayment	(Note 2)	Unsecured and unguaranteed
	SBI Shinsei Bank, Limited		485,000	485,000					
	Mizuho Bank, Ltd.		1,100,000	1,100,000					
	Resona Bank, Limited.	December 23, 2025	–	1,700,000	1.38914	May 31, 2033	Lump-sum repayment		
	MUFG Bank, Ltd.	December 23, 2025	–	2,000,000	2.80220	November 30, 2034	Lump-sum repayment		
	Mizuho Bank, Ltd.	December 23, 2025	–	1,470,000	1.56914	November 30, 2034	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	March 2, 2026	–	5,140,000	1.17684	June 30, 2027 (note 3)	Lump-sum repayment		
	The Bank of Fukuoka, Ltd.	May 29, 2026	–	285,000	1.22336	November 30, 2028	Lump-sum repayment		
	The Nomura Trust and Banking Co., Ltd.		–	300,000					
	The Norinchukin Bank	May 29, 2026	–	877,000	1.31836	May 31, 2030	Lump-sum repayment		
	Sumitomo Mitsui Banking Corporation	May 29, 2026	–	300,000	1.40836	November 28, 2031	Lump-sum repayment		
	Resona Bank, Limited.		–	500,000					
	Aozora Bank, Ltd.		–	820,000					
	Sumitomo Mitsui Banking Corporation	May 29, 2026	–	550,000	1.49836	May 31, 2033	Lump-sum repayment		
	Resona Bank, Limited.		–	900,000					
	Sumitomo Mitsui Trust Bank, Limited.		–	200,000					
	Aozora Bank, Ltd.		–	1,200,000					
	Mizuho Bank, Ltd.		–	330,000					
	MUFG Bank, Ltd.	May 29, 2026	–	600,000	3.30000	May 31, 2033	Lump-sum repayment		
	Subtotal		104,955,200	114,172,200					

(Unit: thousand yen)

Classification / Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 1)	Maturity	Repayment method	Purpose	Remarks
Total		120,470,200	130,780,200					

(Note 1) Average interest rate is a weighted average during the fiscal period. For the borrowings for which interest rate swaps are used to avoid interest rate risk, the estimated effect of the interest rate swaps is reflected on the average interest rate.
(Note 2) The funds are used for the acquisition of real estate, etc. or the refinancing of interest-bearing debt.
(Note 3) The full amount was repaid before its maturity on June 1, 2026 and June 30, 2026.

(3) Investment corporation bonds

Below is the status of investment corporation bonds issued at the end of the 49th fiscal period.

(Unit: thousand yen)

Name of bond	Issued date	Balance at beginning of period	Balance at end of period	Interest rate (%)	Repayment date	Repayment method	Use	Remarks
Unsecured Investment Corporation Bond #2	June 30, 2017	1,800,000	1,800,000	0.650%	June 30, 2027	Lump-sum repayment or Repurchase / Cancellation	Repayment of Loans	Unsecured and unguaranteed
Unsecured Investment Corporation Bond #3	May 7, 2018	1,000,000	1,000,000	0.700%	May 2, 2028	Lump-sum repayment or Repurchase / Cancellation	Repayment of Loans	Unsecured and unguaranteed
Unsecured Investment Corporation Bond #5	June 4, 2019	1,600,000	1,600,000	0.820%	May 31, 2029	Lump-sum repayment or Repurchase / Cancellation	Repayment of Loans	Unsecured and unguaranteed
Unsecured Investment Corporation Bond #6	November 25, 2020	1,500,000	1,500,000	0.750%	November 25, 2030	Lump-sum repayment or Repurchase / Cancellation	Repayment of Loans	Unsecured and unguaranteed
Unsecured Investment Corporation Bond #7 (Green Bonds)	December 12, 2022	2,000,000	2,000,000	0.880%	December 10, 2032	Lump-sum repayment or Repurchase / Cancellation	Repayment of Loans	Unsecured and unguaranteed
Total		7,900,000	7,900,000					

(4) Short-term investment corporation bonds
Not applicable

(5) Investment unit subscription rights
Not applicable

6. Status of purchases and sales in the fiscal period

(1) Real estate and asset-backed securities, etc. and infrastructure-related assets, etc.

Property name		Acquisition		Disposition			
		Date of acquisition	Acquisition price (Note 1) (million yen)	Date of transfer	Transfer price (Note 1) (million yen)	Book value (million yen)	Profit/loss on sale (Note 2) (million yen)
Of-63	Nagoya Heiwa Building (quasi-co-ownership interest of 70%)	March 2, 2026	5,110	—	—	—	—
Re-115	HF OSHIAGE RESIDENCE	December 5, 2025	2,140	—	—	—	—
Re-118	HF SHIMO-AKATSUKA RESIDENCE	December 23, 2025	1,600	—	—	—	—
Re-119	HF TOKIWADAI RESIDENCE	December 23, 2025	1,980	—	—	—	—
Re-120	HF AYASE RESIDENCE	December 23, 2025	1,250	—	—	—	—
Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	—	—	May 29, 2026	3,500	1,876	1,578
Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	—	—	May 29, 2026	2,050	1,096	922

Total	—	12,080	—	5,550	2,972	2,500

(Note 1) Acquisition price and Transfer price do not include expenses necessary for the acquisition or disposition of the real estate, etc. (intermediary fees, taxes and public dues, etc.) (transfer amount stated in the sales agreement, etc.).
(Note 2) Profit/loss on sale is the transfer price less the book value less sale costs.

(2) Status of purchases and sales of other assets
Major assets other than the real estate and asset-backed securities, etc. above are bank deposits and bank deposits in trust property.

(3) Appraisal or price, etc. of specified assets
(i) Real estate, etc.

Acquisition or disposition	Asset type	Name of real estate		Date of acquisition or disposition	Acquisition price or transfer price (million yen) (Note 1)	Real estate appraisal value (million yen)	Real estate appraisal organization	Valuation date
Acquisition	Trust beneficial interest	Of-63	Nagoya Heiwa Building (quasi-co-ownership interest of 70%)	March 2, 2026	5,110	5,453	Tanizawa Sogo Appraisal Co., Ltd.	January 1, 2026
Acquisition	Real estate	Re-115	HF OSHIAGE RESIDENCE	December 5, 2025	2,140	2,850	Daiwa Real Estate Appraisal Co., Ltd	November 30, 2025
Acquisition	Trust beneficial interest	Re-118	HF SHIMO-AKATSUKA RESIDENCE	December 23, 2025	1,600	1,910	Daiwa Real Estate Appraisal Co., Ltd	December 1, 2025
Acquisition	Trust beneficial interest	Re-119	HF TOKIWADAI RESIDENCE	December 23, 2025	1,980	2,470	Daiwa Real Estate Appraisal Co., Ltd	December 1, 2025
Acquisition	Trust beneficial interest	Re-120	HF AYASE RESIDENCE	December 23, 2025	1,250	1,530	Daiwa Real Estate Appraisal Co., Ltd	December 1, 2025
Disposition	Trust beneficial interest	Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	May 29, 2026	3,500	3,020	Chuo Real Estate Appraisal Co., Ltd	November 30, 2025
Disposition	Trust beneficial interest	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	May 29, 2026	2,050	1,770	Chuo Real Estate Appraisal Co., Ltd	November 30, 2025

(Note 1) Acquisition price and Transfer price do not include expenses necessary for the acquisition or disposition of the real estate, etc. (intermediary fees, taxes and public dues, etc.) (transfer amount stated in the sales agreement, etc.).

(ii) Other
For transactions other than those stated in "(i) Real estate, etc." above among the transactions conducted by the Investment Corporation that require an investigation into the value of specified assets pursuant to Article 201 of the Act on Investment Trusts and Investment Corporations, the investigation has been entrusted to KPMG AZSA LLC. Relevant transactions during the period covered (December 1, 2025 to May 31, 2026) were seven interest rate swap transactions, and the investigation report on these transactions was received from KPMG AZSA LLC. For the investigation into interest rate swap transactions, the Investment Corporation entrusted the investigation into the names of counterparties, contract values, transaction periods, and other matters related to the content of OTC derivatives.

(4) Transactions with interested parties
(i) Status of transactions

(Unit: thousand yen)

Classification	Trading value, etc. (Note 2)	
	Purchase amount, etc.	Sales amount, etc.
Total	12,080,000	5,550,000

Breakdown of transactions with interested parties, etc. (Note 1)		
Heiwa Real Estate Co., Ltd.	7,250,000 (60.0%)	－ (－)
Total	7,250,000 (60.0%)	－ (－)

(ii) Payment fees

(Unit: thousand yen)

Classification	Total payment fees (A)	Breakdown of transactions with interested parties, etc. (Note 1)		(B) / (A)
		Payee	Payment amount (B)	
Management commissions:	960,470	Heiwa Real Estate Co., Ltd.	(Note 4) 10,213	1.1%
		Heiwa Real Estate Property Management Co., Ltd.	(Note 5) 349,186	36.4%
Brokerage fee	164,900	Heiwa Real Estate Co., Ltd.	20,000	12.1%

(Note 1) Interested parties, etc. are the interested parties, etc. of the asset management company that have concluded an asset management agreement with the REIT that are set out in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, including subsequent revisions) and Article 26, Item 27 of the Investment Trusts Association, Japan's Rules on Management Reports, etc. of Investment Trusts and Investment Corporations.
(Note 2) Trading value, etc. is selling prices stated in agreements on sales of real estate and real estate trust beneficial interests.
(Note 3) Figures in parentheses are a percentage of the total amount.
(Note 4) Of the amount above, amounts paid as building management fees by Heiwa Real Estate are as stated below.
Heiwa Real Estate Property Management Co., Ltd. ¥619 thousand
(Note 5) Of the amount above, amounts paid as building management fees by Heiwa Real Estate Property Management Co., Ltd. are as stated below.
Third parties other than Heiwa Real Estate Property Management Co., Ltd. ¥104,659 thousand
(Note 6) Amounts paid to interested parties, etc., including the cost of repairs, other than the transactions above in the 48th fiscal period are as stated below. Heiwa Real Estate Property Management Co., Ltd. ¥19,079 thousand

(5) Transactions between the asset management company and its subsidiary businesses
HEIWA REAL ESTATE Asset Management CO., LTD., the asset management company of the REIT, does not have any side businesses (Type I Financial Instruments Business, Type II Financial Instrument Business, building lots and buildings transaction business, or real estate specified joint enterprise) and this item is not applicable.

7. Financial situation

(1) Situation of assets, liabilities, principal and profit and loss
Please refer to the balance sheet, profit and loss statement, statements of changes in net assets, Notes and statements of cash dividend distributions.
The information about the Balance Sheet, Statement of Income, Statements of Changes in Owners' Equity, Notes, and the Statement of Cash Distribution for the previous period are provided as a reference and not subject to audits by an accounting auditor pursuant to the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.
The Statement of Cash Flows is not subject to audits by an accounting auditor pursuant to the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

(2) Change in method of calculating depreciation
Not applicable

(3) Change in valuation method for infrastructure assets including real estate
Not applicable

(4) Disclosure of investment trust beneficial securities issued by the REIT
(i) Status of acquisition
Not applicable

(ii) Status of holding
Below is data on investment units of the REIT held by the asset management company.

	Number of investment units at end of period	Value of investment units held at end of period (Note) (million yen)	Ratio to investment units issued and outstanding (%)
40th FP November 30, 2021	3,334	337	0.3

41st FP May 31, 2022	3,334	337	0.3
42nd FP November 30, 2022	3,334	337	0.3
43rd FP May 31, 2023	3,334	337	0.3
44th FP November 30, 2023	3,334	337	0.3
45th FP May 31, 2024	3,334	337	0.3
46th FP November 30, 2024	3,334	337	0.3
47th FP May 31, 2025	3,334	337	0.3
48th FP November 30, 2025	3,334	337	0.3
49th FP May 31, 2026	3,334	337	0.3

(Note) Value of investment units held at end of period is an acquisition price.

8. Other

(1) Notice

The REIT held Board of Directors meetings in the 49th fiscal period. Summaries of the major agenda items resolved by the Board of Directors are as follows.

Date of approval	Item	Summary
May 18, 2026	Conclusion of underwriting agreement	In association with the issuance of new investment units, administrative services related to the public offering of investment units were entrusted to SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Iwai Cosmo Securities Co., Ltd., Okasan Securities Co., Ltd., Toyo Securities Co., Ltd. , Mito Securities Co.,Ltd.

Major changes to the agreement with the administrative service provider, which were resolved by the Board of Directors in the 48th fiscal period and became effective from the 49th fiscal period, are as follows.

Date of approval	Item	Summary
September 29, 2025	Commencement of application of the renewed general administrative outsourcing contract pertaining to accounting-related services	As the term of the outsourcing agreement for accounting and related services dated August 28, 2020 between the REIT and Ernst & Young Tax Co. expired, the REIT renewed the outsourcing agreement for accounting and related services with Ernst & Young Tax Co. effective October 31, 2025, and revised the service fees thereunder (effective date: December 1, 2025).

(2) Disclosure related to overseas real estate held by the REIT

Not applicable

(3) Disclosure related to real estate owned by the REIT holding overseas real estate

Not applicable

(4) Rounding of amounts and percentages

In this report, unless otherwise stated, fractions are rounded down and percentages are rounded off.

9. Sustainability Initiatives

(1) International initiatives / External evaluations

GRESB Real Estate Assessment

Three Stars for Two Consecutive Years

Disclosure Rating [A]

TCFD

CDP Climate Change Program

First participation in 2025
SME category「B」score

Green Finance Framework

Green 1 （F）

(Japan Credit Rating Agency, Ltd.)

Environmental certificates (as of June 5, 2026)

	Number of Properties		Gross floor area of owned building basis(㎡)	Portfolio coverage (Gross floor area of owned building basis)
DBJ Green Building Certification	★★★★	1	3,636.49	15.1%
	★★★	6	53,529.64	
	★★	2	14,027.06	
	Subtotal	9	71,193.19	
CASBEE for Real Estate Certification	S	13	69,774.88	34.4%
	A	18	79,376.68	
	Subtotal	31	157,606.64	
BELS	★★★	1	1,376.66	2.5%
	★★	2	10,201.69	
	Subtotal	3	11,578.35	
SMBC Sustainable Building Assessment Loan System	★★★★	1	13,160.83	2.9%
	Subtotal	1	13,160.83	
Total		44*1	210,484.88 *2	45.9% *2

*1 The total figures for the "Number of environmental certifications acquired" are based on the cumulative number of properties that have obtained DBJ Green
Building Certification, CASBEE for Real Estate Certification, BELS Certification, or the SMBC Sustainable Building Assessment Loan System.
*2 The total figures for the "Total floor space (㎡) of owned properties" and "Acquisition rate" excludes duplication of DBJ Green Building Certification, CASBEE for Real
Estate Certification, BELS Certification and SMBC Sustainable Building Assessment Loan System for the same property.

(2) Environment

Set Greenhouse Gas (GHG) emission reduction targets and obtained SBT certification

The general shift to power

▶Newly set targets:
Reduce total GHG (Scope 1 and Scope 2) emissions of the portfolio by 90% from 2018 by 2030.

- Use of renewable energy (renewable energy, purchase of non-fossil certificates)
- Upgrading to equipment with lower environmental impact (lighting, air conditioning, power transformer)
- Understanding and measurement of Scope 3 for net zero by 2050 (introduction of an electric power measurement system for private areas of residences)

▶ SBT certification obtained

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- The Investment Corporation has set the goal of reducing its Scope 1 and Scope 2 GHG emissions by 50% from the levels in 2018 by 2030, while also committing to measuring and reducing its Scope 3 emissions. These initiatives were certified by the SBTi on March 1, 2024.

▶ Replacement with LED lighting

The switchover in common areas was completed at all properties except one (as of May 31, 2026).
The remaining property is scheduled to be completed in the 49th fiscal period.

HF NAGOYA NISHIKI BUILDING

HF NIHONBASHI KABUTOCHO BUILDING

Introduction of an electric power measurement system for sections occupied by tenants

The system has been introduced at all residential properties (except properties for sectional ownership) owned as of May 31, 2026.

Installation AED and Elevator Cabinet

HF NIHONBASHI KABUTOCHO BUILDING

Installation of Scandiamoss

Scandiamoss made from 100% natural materials Indoor greening products that are kind to both the environment and people

HAMACHO HEIWA BUILDING

HF KITA NIJO BUILDING

(3) Social

Community involvement

Cleaning around
Kabuto-cho Kayaba-cho district

Participation in the Kitahama Waterfront Council

川を活かしたまちづくり
北浜水辺協議会

Engagement with Institutional Investors

	IR for the 48 th FP (FP ended Nov. 2025)
Financial results briefing for domestic institutional investors, analysts, etc.	1 case (January)
IR meetings for domestic institutional investors, analysts, etc.	43 case
IR meetings for overseas institutional investors, etc.	15 case

Engagement with Individual Investors

	IR for the 48 th FP (FP ended Nov. 2025)
Financial results briefing for domestic Individual Investors	3 case (February / March)
IR Events for individual investors	4 case

(4) Initiatives for Asset Management Company Employees

Health support and work-life balance

The Asset Management Company is committed to supporting the health of employees and improving their work-life balance through, in addition to acquiring health management-related certifications through support for employee health and implementing in-house sports events, the introduction of a wide range of programs such as childcare leave equally available to men and women, short working hour system, long-term care leave, promotion of paid leave (at least 70% of annual vacation days), paid leave on an hourly basis, staggered commuting hours, and telecommuting.

Certified as a “ Health & Productivity Management Outstanding Organization 2026” (Small and Medium-sized Enterprise Category) and selected for the **“ Bright 500 “**) for the second consecutive year. We also renewed our

“Excellent Health Corporation (Gold Certification)” status. In addition, we were certified as a **“Sports Yell Company 2026 ”** .

2026 Certified Health & Productivity Management Outstanding Organization (Small- to Medium-Sized Enterprise Category) Bright 500

Excellent Health Company Gold Certification

Sports Yell Company 2026

In-house sports event (Official Ring Toss Game)

Promotion of female participation and career advancement in the workplace

"Eruboshi (Grade 2) " Certification under the Act on the Promotion of Female Participation and Career Advancement in the Workplace.

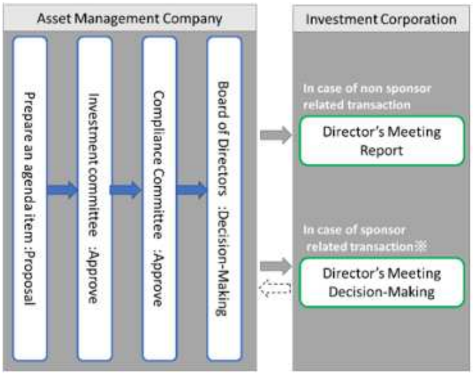
TOKYO Papa Ikugyo Promotion Company (Bronze Certification)
Obtained the TOKYO Papa Ikugyo Promotion Company Registration Mark

Installation AED
Install an AED in the office

(5) Governance

Corporate Governance

The organization of this REIT consists of one executive officer with no conflicted interest in REIT and Asset Management company, two auditors, a board of officers comprising all the executive officers and auditors and the accounting auditor in addition to the general meeting of investors comprising the investors.
Process for making decisions regarding acquisition or sale of assets
For certain transactions with interested parties as set forth in the regulations of the REIT, it is necessary for the board of directors to make a resolution followed by a discussion and a final decision by the director's meeting of the REIT. However, in the case of transactions with interested parties that are larger than a certain scale, it is necessary to obtain the prior agreement of the director's meeting of the REIT before a resolution is passed by the board of directors.
Use of outside experts in internal audits (Asset Management Company)
The Asset Management Company conducts its internal audits jointly with outside experts. It ensures objectivity in audits and responds to new or complex risks.



Principles For Customer-Oriented Business Conduct

HEIWA REAL ESTATE Asset Management CO., LTD. adopted "the Principles for Customer-Oriented Business Conduct" announced on March 30, 2017 by the Financial Services Agency.
Positioning the REIT and its unitholders as customers, the Company prepared and announced the policy for implementing customer-oriented operations in its asset management. It has been disclosing the implementation of the policy as necessary.

For details, please refer to the following URL.
https://www.heiwa-am.co.jp/en/policy/

Introduction of Senior managing officer system

The Asset Management Company introduced the Executive Officer System in June 2022, followed by the Introduction of the Senior Executive Officer System in April 2025.
Aimed at reinforcing executive authority and responsibility to enhance operational agility and speed up decision-making.

Overview of Senior managing officer system

1. The position of Senior Managing Officer shall be established as a Managing Officer position Directors may concurrently serve as managing officers
2. A resolution of the Board of Directors shall be required to appoint or remove Senior Managing Officers.

Independent auditor's report

To the Board of Directors of HEIWA REAL ESTATE REIT, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HEIWA REAL ESTATE REIT, Inc. ("HEIWA REAL ESTATE REIT"), which comprise the balance sheets as at May 31, 2026 and November 30, 2025, the statements of income and retained earnings, changes in net assets and cash flows for each of the six-month periods then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of HEIWA REAL ESTATE REIT as at May 31, 2026 and November 30, 2025, and its financial performance and its cash flows for each of the six-month periods then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of HEIWA REAL ESTATE REIT in accordance with the ethical requirements in Japan (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 21 to the financial statements, which states issuance of new investment units, acquisition of assets and borrowing of funds. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the Semiannual Financial Report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Supervisory directors are responsible for overseeing the executive director's performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing HEIWA REAL ESTATE REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory directors are responsible for overseeing the executive director's performance of his duties with regard to the design, implementation and maintenance of HEIWA REAL ESTATE REIT's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of HEIWA REAL ESTATE REIT's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HEIWA REAL ESTATE REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause HEIWA REAL ESTATE REIT to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the executive director regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the executive director with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with him all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the HEIWA REAL ESTATE REIT are disclosed in (3) Matters relating to officers included in “Overview of the REIT” of the Semiannual Financial Report.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in HEIWA REAL ESTATE REIT which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ Hidekazu Takahashi

Designated Engagement Partner

Certified Public Accountant

/S/ Hironori Hashizume

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

August 28, 2026

Notes to the Reader of Independent Auditor’s Report:

This is a copy of the Independent auditor’s report and the original copies are kept separately by HEIWA REAL ESTATE REIT and KPMG AZSA LLC.

HEIWA REAL ESTATE REIT, Inc.
BALANCE SHEETS

As of May 31, 2026 and November 30, 2025

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Assets		
Current Assets:		
Cash and deposits (Note 4)	¥ 16,001,713	¥ 14,198,705
Cash and deposits in trust (Note 4)	5,180,999	4,790,189
Tenant receivables	170,158	212,784
Prepaid expenses	188,616	178,805
Other current assets	178,724	100,058
Allowance for doubtful accounts	(67)	(50)
Total Current Assets	21,720,144	19,480,492
Investment Properties (Notes 6 and 7):		
Land	46,171,643	46,169,225
Buildings	27,517,297	26,358,560
Structures	142,915	137,529
Machinery and equipment	373,818	365,525
Tools, furniture and fixtures	565,005	518,330
Land in trust	138,901,474	132,894,678
Buildings in trust	55,598,583	53,747,187
Structures in trust	254,432	257,448
Machinery and equipment in trust	855,535	842,127
Tools, furniture and fixtures in trust	1,696,318	1,631,805
Less: accumulated depreciation	(26,350,588)	(25,586,471)
Leasehold rights	12,854,571	11,472,226
Leasehold rights in trust	2,472,255	2,472,255
Total Investment Properties, Net	261,053,263	251,280,429
Other Assets:		
Software	16	40
Lease and guarantee deposits	24,619	24,589
Long-term prepaid expenses	469,729	440,835
Derivative assets (Note 5)	1,790,786	1,056,974
Deferred investment units issuance costs	49,402	71,543
Deferred investment corporation bond issuance costs	24,077	27,550
Others	535,014	553,385
Total Other Assets	2,893,646	2,174,918
Total Assets	¥ 285,667,054	¥ 272,935,839

The accompanying notes are an integral part of these financial statements.

HEIWA REAL ESTATE REIT, Inc.
BALANCE SHEETS, CONTINUED

As of May 31, 2026 and November 30, 2025

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Liabilities		
Current Liabilities:		
Operating accounts payable	¥ 1,178,771	¥ 1,071,665
Long-term debt due within one year (Notes 5 and 8)	16,608,000	15,515,000
Accrued expenses	1,141,595	1,031,217
Accrued consumption taxes	136,667	40,924
Advances received	1,551,761	1,447,830
Other current liabilities	73,201	83,816
Total Current Liabilities	20,689,997	19,190,453
Long-Term Liabilities:		
Investment corporation bonds (Notes 5 and 9)	7,900,000	7,900,000
Long-term debt (Notes 5 and 8)	114,172,200	104,955,200
Tenant security deposits	1,247,661	1,201,043
Tenant security deposits in trust	6,979,043	6,530,327
Derivative liabilities (Note 5)	27,556	413
Total Long-Term Liabilities	130,326,460	120,586,985
Total Liabilities	151,016,457	139,777,438
Net Assets (Notes 10)		
Unitholders' Equity:		
Unitholders' capital	115,314,963	115,314,963
Units authorized: 8,000,000 units		
Units issued and outstanding: 1,251,533 units and 1,251,533 units as of May 31, 2026 and November 30, 2025, respectively		
Capital surplus	7,406,652	7,406,652
Deduction from capital surplus	(1,699,990)	(1,699,990)
Reserve for reduction entry	669,175	601,488
Reserve for temporary difference adjustment (Note 11)	1,080,624	1,330,930
Retained earnings	1,749,799	9,059,601
Total Unitholders' Equity	132,747,741	132,013,646
Valuation and translation adjustments:		
Deferred gains or losses on hedges	1,902,855	1,144,754
Total valuation and translation adjustments	1,902,855	1,144,754
Total Net Assets	134,650,596	133,158,401
Total Liabilities and Net Assets	¥ 285,667,054	¥ 272,935,839

The accompanying notes are an integral part of these financial statements.

HEIWA REAL ESTATE REIT, Inc.

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six months ended May 31, 2026 and November 30, 2025

	For the six months ended			
	May 31, 2026		November 30, 2025	
	(Thousands of Yen)			
Operating Revenues (Note 12):				
Rental revenues (Note 13)	¥	8,140,845	¥	7,743,628
Other revenues related to property leasing (Note 13)		884,196		827,504
Gain on sales of investment properties (Notes 14 and 19)		2,500,101		2,133,569
Total Operating Revenues		11,525,143		10,704,702
Operating Expenses:				
Property-related expenses (Notes 13 and 19)		3,782,182		3,623,445
Asset management fees		829,888		803,544
Asset custody fees		15,075		14,581
Administrative service fees		39,388		39,021
Directors' compensation		7,200		6,651
Independent auditors' fees		13,680		12,800
Other operating expenses		209,965		219,208
Total Operating Expenses		4,897,379		4,719,252
Operating Income		6,627,763		5,985,449
Non-Operating Revenues:				
Interest income		25,321		19,206
Reversal of distributions payable		869		499
Insurance income		2,616		4,191
Other non-operating revenues		1,080		1,000
Total Non-Operating Revenues		29,888		24,898
Non-Operating Expenses:				
Interest expenses		836,692		663,864
Borrowing related expenses		75,514		72,195
Interest expenses on investment corporation bonds		30,335		30,335
Amortization of deferred investment corporation bond issuance costs		3,472		3,472
Amortization of deferred investment units issuance costs		22,141		22,141
Other non-operating expenses		11,240		11,215
Total Non-Operating Expenses		979,396		803,225
Ordinary Income		5,678,255		5,207,122
Income Before Income Taxes		5,678,255		5,207,122
Income taxes – current		605		605
Income Taxes (Note 15)		605		605
Net Income		5,677,650		5,206,517
Retained Earnings Brought Forward		4,298,666		3,853,084
Retained Earnings at End of Period	¥	9,976,316	¥	9,059,601

The accompanying notes are an integral part of these financial statements.

HEIWA REAL ESTATE REIT, Inc.

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended May 31, 2026 and November 30, 2025

		Unitholders' Equity						
	Number of Units	Unitholders' Capital	Capital Surplus	Deduction from Capital Surplus	Reserve for Reduction Entry	Reserve for Temporary Difference Adjustment	Retained Earnings	Total Unitholders' Equity
	(Units)	(Thousands of Yen)						
Balance as of May 31, 2025	1,194,933	¥108,578,318	¥7,406,652	¥ (1,699,990)	¥ 492,732	¥1,421,173	¥ 8,472,089	¥124,670,976
Cash distributions declared	–	–	–	–	–	–	(4,600,492)	(4,600,492)
Net income	–	–	–	–	–	–	5,206,517	5,206,517
Issuance of new investment units	56,600	6,736,645	–	–	–	–	–	6,736,645
Provision of reserve for reduction entry	–	–	–	–	108,756	–	(108,756)	–
Provision of reserve for temporary difference adjustment	–	–	–	–	–	148,743	(148,743)	–
Reversal of reserve for temporary difference adjustment	–	–	–	–	–	(238,986)	238,986	–
Net changes of items other than unitholders' equity	–	–	–	–	–	–	–	–
Balance as of November 30, 2025	1,251,533	¥115,314,963	¥7,406,652	¥ (1,699,990)	¥ 601,488	¥1,330,930	¥ 9,059,601	¥132,013,646
Cash distributions declared	–	–	–	–	–	–	(4,943,555)	(4,943,555)
Net income	–	–	–	–	–	–	5,677,650	5,677,650
Provision of reserve for reduction entry	–	–	–	–	67,686	–	(67,686)	–
Reversal of reserve for temporary difference adjustment	–	–	–	–	–	(250,306)	250,306	–
Net changes of items other than unitholders' equity	–	–	–	–	–	–	–	–
Balance as of May 31, 2026	1,251,533	¥115,314,963	¥7,406,652	¥ (1,699,990)	¥ 669,175	¥1,080,624	¥ 9,976,316	¥132,747,741

	Valuation and Translation Adjustments		
	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Total Net Assets
	(Thousands of Yen)		
Balance as of May 31, 2025	¥ 939,592	¥ 939,592	¥ 125,610,568
Cash distributions declared	–	–	(4,600,492)
Net income	–	–	5,206,517
Issuance of new investment units	–	–	6,736,645
Provision of reserve for reduction entry	–	–	–
Provision of reserve for temporary difference adjustment	–	–	–
Reversal of reserve for temporary difference adjustment	–	–	–
Net changes of items other than unitholders' equity	205,161	205,161	205,161
Balance as of November 30, 2025	¥1,144,754	¥1,144,754	¥ 133,158,401
Cash distributions declared	–	–	(4,943,555)
Net income	–	–	5,677,650
Provision of reserve for reduction entry	–	–	–
Reversal of reserve for temporary difference adjustment	–	–	–
Net changes of items other than unitholders' equity	758,100	758,100	758,100
Balance as of May 31, 2026	¥1,902,855	¥1,902,855	¥ 134,650,596

The accompanying notes are an integral part of these financial statements.

HEIWA REAL ESTATE REIT, Inc.
STATEMENTS OF CASH FLOWS

For the six months ended May 31, 2026 and November 30, 2025

	For the six months ended	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 5,678,255	¥ 5,207,122
Depreciation and amortization	1,165,766	1,120,060
Increase (decrease) in allowance for doubtful accounts	17	(65)
Amortization of deferred investment corporation bond issuance costs	3,472	3,472
Amortization of deferred investment units issuance costs	22,141	22,141
Interest income	(25,321)	(19,206)
Interest expenses	867,027	694,199
Decrease (increase) in tenant receivables	42,625	(28,344)
Increase (decrease) in accrued consumption taxes	95,742	(118,053)
Increase in long-term prepaid expenses	(28,894)	(46,758)
Decrease in operating accounts payable	(10,193)	(57,119)
Increase in accrued expenses	94,936	36,009
Increase in advances received	103,931	87,762
(Decrease) increase in deposits received	(7,743)	7,988
Decrease in investment properties in trust due to sale	2,972,685	2,765,375
Other, net	(9,702)	58,365
Interest income received	25,321	19,206
Interest expenses paid	(851,586)	(687,512)
Income taxes paid	(1,542)	(2,444)
Net Cash Provided by Operating Activities	10,136,939	9,062,200
Cash Flows from Investing Activities:		
Proceeds from withdrawals of time deposits	3,000,000	3,000,000
Payment for deposits of time deposits	(3,000,000)	(3,000,000)
Payment for purchases of investment properties other than intangible assets	(1,210,634)	(1,702,884)
Payment for purchases of investment properties in trust	(11,240,017)	(10,571,448)
Payment for purchases of intangible assets	(1,382,345)	(918,604)
Proceeds from tenant security deposits	104,620	127,003
Refunds of tenant security deposits	(48,157)	(91,574)
Proceeds from tenant security deposits in trust	742,657	615,316
Refunds of tenant security deposits in trust	(275,309)	(286,314)
Proceeds from payment of trust deposits corresponding to tenant security deposits in trust	199,470	20,663
Deposit of trust deposits corresponding to tenant security deposits in trust	(323,064)	(226,732)
Payment of guarantee deposits	(29)	—
Net Cash Used in Investing Activities	(13,432,809)	(13,034,575)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	17,172,000	14,712,000
Repayments of long-term debt	(6,862,000)	(12,229,000)
Proceeds from issuance of new investment units	—	6,681,235
Distributions paid	(4,943,905)	(4,599,788)
Net Cash Provided by Financing Activities	5,366,094	4,564,446
Net Change in Cash and Cash Equivalents	2,070,224	592,072
Cash and Cash Equivalents at Beginning of Period	18,061,662	17,469,590
Cash and Cash Equivalents at End of Period (Note 4)	¥ 20,131,887	¥ 18,061,662

The accompanying notes are an integral part of these financial statements.

HEIWA REAL ESTATE REIT, Inc.
Notes to Financial Statements

For the six months ended May 31, 2026 and November 30, 2025

Note 1 – Organization and Basis of Presentation

(a) Organization

HEIWA REAL ESTATE REIT, Inc. ("HEIWA REAL ESTATE REIT") was established on January 31, 2002 as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions, hereinafter referred to as the "Investment Trust Act") by the founder (the former Canal Investment Trust Co., Ltd.; now, HEIWA REAL ESTATE REIT Asset Management, Inc., the Asset Management Company).

HEIWA REAL ESTATE REIT is an externally managed real estate fund, established as an investment corporation. HEIWA REAL ESTATE REIT Asset Management, Inc., as HEIWA REAL ESTATE REIT's asset management company, is engaged in acquiring, managing, leasing, and renovating office properties, residential properties and commercial properties. HEIWA REAL ESTATE CO., LTD. ("HEIWA REAL ESTATE") currently own 100% of HEIWA REAL ESTATE REIT Asset Management, Inc.

Investment units in HEIWA REAL ESTATE REIT have been listed on the Real Estate Investment Trust Section (J-REIT Section) of the Tokyo Stock Exchange since March 8, 2005. Subsequently, HEIWA REAL ESTATE REIT issued new investment units through public offerings and third-party allotments on several occasions, and executed an investment unit split and investment unit issuance due to a merger with Japan Single-residence REIT Inc. on October 1, 2010.

As of May 31, 2026, HEIWA REAL ESTATE REIT has ownership or trust beneficiary interests in 136 properties with approximately 341,660.22 square meters of rentable space and has leased space to 6,298 tenants. The occupancy rate for the properties is approximately 97.7%.

(b) Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and their related accounting regulations and in conformity with Generally Accepted Accounting Principles of Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from both International Financial Reporting Standards ("IFRS") and U.S. Generally Accepted Accounting Principles.

The accompanying financial statements have been reformatted and translated into English from the financial statements of HEIWA REAL ESTATE REIT prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing the accompanying financial statements, relevant notes have been expanded and certain reclassifications have been made from the Japanese GAAP financial statements. Certain supplementary information included in the statutory Japanese GAAP financial statements, but not required for fair presentation, is not presented in the accompanying financial statements. Certain reclassifications have been made to the prior period's financial statements to conform to the presentation for the current period.

As permitted by Japanese GAAP, amounts of less than one thousand yen have been omitted. Consequently, the totals shown in the accompanying financial statements do not necessarily agree with sums of the individual amounts.

(c) Significant Accounting Estimates

Impairment loss on investment properties

(1) Carrying amount on the accompanying financial statements

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Investment properties	¥ 261,053,263	¥ 251,280,429

(2) Information on the nature of significant accounting estimates for identified items

HEIWA REAL ESTATE REIT has adopted the accounting treatment to reduce the book value of investment properties to its recoverable amount when the invested amount is deemed to be unrecoverable due to decrease in profitability in conformity with the Accounting Standard for Impairment of Fixed Assets.

Investment properties are grouped on an individual real property basis. HEIWA REAL ESTATE REIT reviews each of the investment properties for impairment when factors such as consecutive operating losses, significant decline in the market price and others related to investment properties indicate the carrying amount of a property may not be recoverable. Whether an impairment loss is recognized is determined based on the future cash flows expected from the property. In the case that the impairment loss is recognized, the book value of the property is reduced to the respective recoverable amount determined primarily based on appraisal values by external real estate appraisers, and the difference between the book value and recoverable amount is recorded as an impairment loss.

Future cash flows are measured by comprehensive judgement on estimates of rents, occupancy rates, rental expenses and other factors based on market trends, transaction information of similar properties, historical data and others. Operating results and market price of each investment property may be affected by trends in property leasing market and property trading market. It is possible to recognize impairment losses in the next fiscal period if assumptions used in estimates change.

Note 2 – Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in trust, demand deposits and deposits in trust and short-term investments which are highly liquid and readily convertible to cash and which have insignificant risk of market value fluctuation and maturities of three months or less from the date of acquisition.

(b) Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating an uncollectible amount based on the analysis of certain individual accounts that may not be collectable.

(c) Investment Properties

Investment properties that include investment properties in trust are recorded at cost, which includes the allocated purchase price, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:

	(Years)
Buildings	2-65
Structures	4-62
Machinery and equipment	3-15
Tools, furniture and fixtures	2-18

(d) Software

Software for internal use is amortized using the straight-line method over its useful lives (5 years).

(e) Long-Term Prepaid Expenses

Long-term prepaid expenses are amortized using the straight-line method.

(f) Deferred Investment Units Issuance Costs

Deferred investment units issuance costs are amortized on a straight-line basis over three years.

(g) Deferred Investment Corporation Bond Issuance Costs

Deferred investment corporation bond issuance costs are amortized on a straight-line basis over the respective terms of the bonds.

(h) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory rate.

(i) Real Estate Taxes

Investment properties are subject to various taxes such as property taxes and city planning taxes. Owners of the properties are registered by records maintained in each jurisdiction by the local government. The taxes are imposed on the registered record owner as of January 1 of each year based on an assessment made by the local government.

When a property is purchased within the calendar year, the taxes for the corresponding calendar year are imposed on the seller. HEIWA REAL ESTATE REIT pays the seller the corresponding amount of the taxes for the period from the property acquisition date to December 31 of the calendar year and capitalizes these amounts as acquisition costs of the property rather than expensing them. In subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

The following is a summary of capitalized real estate taxes.

	For the six-month periods ended	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Capitalized real estate taxes	¥ 34,157	¥ 23,453

(j) Consumption Taxes

Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.

(k) Hedge Accounting

HEIWA REAL ESTATE REIT enters into derivative transactions for the purpose of hedging risks defined in the Articles of Incorporation of HEIWA REAL ESTATE REIT in accordance with its financial policy. HEIWA REAL ESTATE REIT uses interest rate swaps as hedging instruments in order to hedge the risk of interest rate fluctuations related to borrowings. In principle, the deferral method is applied for hedge transactions. HEIWA REAL ESTATE REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes.

(l) Revenue Recognition

Major contents of performance obligations relating to revenue arising from contracts with customers of HEIWA REAL ESTATE REIT and general timing of satisfying such performance obligations (general timing of revenue recognition for the revenue recognition) are as follows:

(1) Sales of Investment Properties

Revenue from sales of investment properties is recognized when the purchaser of investment properties who is a customer obtains control over the investment properties as a result of satisfaction of seller's delivery obligations stipulated in contracts regarding the sales of the investment properties.

Net amount is presented as "Gain on sales of investment properties" or "Loss on sales of investment properties" on the statements of income and retained earnings calculated by deducting "Cost of sales of investment properties" which represents the book value of the investment properties sold and "Other expenses related to sales" which represents other direct expenses for the sales from "Proceeds from sales of investment properties" which represents consideration for the sales of investment properties.

(2) Utility charge revenues

HEIWA REAL ESTATE REIT supplies electricity, water, etc., to the tenants of investment properties. Utility charge revenues are recognized based on terms of agreements such as property lease contract.

(m) Accounting Treatment of Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate owned by HEIWA REAL ESTATE REIT, all accounts of assets and liabilities within the assets in trust and all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and statements of income and retained earnings.

The following assets in trust are recognized and presented separately on the balance sheets.

(i) Cash and deposits in trust
(ii) Land in trust, buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and leasehold rights in trust
(iii) Tenant security deposits in trust

Note 3 – Standards Issued but Not Yet Effective

"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)

(i) Overview
As part of the initiatives to make Japanese GAAP consistent with international standards, ASBJ conducted a study based on international accounting standards to develop an accounting standard relating to leases that will have lessees recognize assets and liabilities for all leases, and issued an accounting standard for leases and a guidance. While the basic policy of the standard is based on a single lessee accounting model of IFRS 16, by only adopting the main provisions instead of the whole of IFRS 16, the standard aimed to be simple and highly convenient, basically requiring no modification when applying the provisions of IFRS 16 to non-consolidated financial statements. For the accounting treatment of lessees, lessees shall adopt the single lessee accounting model as the method to allocate expenses arising from leases as with IFRS 16, under which depreciation on right-of-use assets and interests on lease liabilities for all leases, regardless of a finance lease or an operating lease are recorded.

(ii) Scheduled date of application
The above standard and guidance are scheduled to be applied from the beginning of the period ending November 30, 2027.

(iii) Effects of application of the standards, etc.
The effect of the application on the financial statements is being assessed.

Note 4 – Cash and Cash Equivalents

Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows is as follows:

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Cash and deposits	¥ 16,001,713	¥ 14,198,705
Cash and deposits in trust	5,180,999	4,790,189
Trust deposits retained for repayment of tenant security deposits	(1,050,825)	(927,232)
Cash and cash equivalents	¥ 20,131,887	¥ 18,061,662

Note 5 – Financial Instruments

(a) Qualitative Information for Financial Instruments

Policy for Financial Instrument Transactions

HEIWA REAL ESTATE REIT raises funds through borrowings, issuance of investment corporation bonds and issuance of investment units for acquisition of investment properties. HEIWA REAL ESTATE REIT enters into derivative transactions only for the purpose of hedging interest rate risks arising from borrowings and does not engage in speculative transactions. Surplus funds can be invested into securities and other monetary assets. However, HEIWA REAL ESTATE REIT currently does not actively make such investments.

Nature and Extent of Risks Arising from Financial Instruments and Risk Management

Proceeds from borrowings and investment corporation bonds are mainly used to acquire investment properties and repay outstanding borrowings. These are exposed to liquidity risk on their repayments and redemptions. Such risk is managed in ways such as preparing cash flow analyses by the Asset Management Company, securing funds on hand, diversifying maturities and lenders, executing commitment type term loan contracts, and other measures. Floating-rate borrowings are exposed to the risk of rising interest rates. HEIWA REAL ESTATE REIT uses derivatives (interest rate swaps) to manage such risk. Derivatives are executed and administered in accordance with the risk management rules and based on advices from the Asset Management Company. HEIWA REAL ESTATE REIT enters into derivatives only with financial institutions with high ratings in order to mitigate credit risk.

Tenant security deposits are exposed to liquidity risk arising from the vacating of properties by tenants. Such risk is managed by reserving sufficient funds to make repayments in principle.

Supplemental Explanation Regarding Fair Value of Financial Instruments

Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value. Also, the contractual amounts of derivatives do not represent the market risk involved in these derivatives.

(b) Estimated Fair Value of Financial Instruments

Book values, fair values and differences between them are as follows: Cash and deposits, cash and deposits in trust and short-term debt are not disclosed because they are cash or the book value of these assets is deemed a reasonable approximation of the fair value with short maturities. Tenant security deposits and tenant security deposits in trust are not disclosed because they are immaterial.

	As of May 31, 2026 (Thousands of Yen)			**As of November 30, 2025** (Thousands of Yen)		
	Book value	**Fair value**	**Difference**	**Book value**	**Fair value**	**Difference**
Long-term debt due within one year	¥ 16,608,000	¥ 16,608,000	¥ —	¥ 15,515,000	¥ 15,515,000	¥ —
Investment corporation bonds	7,900,000	7,404,410	(495,590)	7,900,000	7,489,930	(410,070)
Long-term debt	114,172,200	113,301,078	(871,121)	104,955,200	104,516,755	(438,444)
Liabilities total	¥138,680,200	¥ 137,313,488	¥(1,366,711)	¥ 128,370,200	¥ 127,521,685	¥ (848,514)
Derivatives (*)	¥ 1,902,855	¥ 1,902,855	¥ —	¥ 1,144,754	¥ 1,144,754	¥ —

(*) The value of assets and liabilities arising from derivatives is shown at net value and with the amount in parenthesis indicating the net liability position.

Note:

Methods used to estimate the fair value of financial instruments and derivatives

Long-term debt due within one year, investment corporation bonds and long-term debt:

The fair value of investment corporation bonds is based on their indicative market price obtained from Japan Securities Dealers Association. For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent. For long-term debts with fixed interest rates, the fair value is calculated based on the total amount of principal and interest discounted at the current interest rate applicable to similar borrowings.

Derivatives:

There are no derivatives to which hedge accounting is not applied as of May 31, 2026 and November 30, 2025.

Derivatives to which hedge accounting is applied are as follows:

Hedge accounting method	Type	Hedged item	As of May 31, 2026		
			Contractual amount		Fair value (*)
			Total	Due after one year	
			(Thousands of Yen)		
Deferral hedge accounting method	Interest rate swaps Receive floating/ Pay fixed	Long-term debt	¥ 68,924,200	¥ 54,869,200	¥ 1,902,855

Hedge accounting method	Type	Hedged item	As of November 30, 2025		
			Contractual amount		Fair value (*)
			Total	Due after one year	
			(Thousands of Yen)		
Deferral hedge accounting method	Interest rate swaps Receive floating/ Pay fixed	Long-term debt	¥ 67,701,200	¥ 54,439,200	¥ 1,144,754

(*) The fair value is determined at the quoted price provided by financial institutions.

(c) Redemption schedule for investment corporation bonds and long-term debt

As of May 31, 2026	Due within one year	Due after one year to two years	Due after two years to three years	Due after three years to four years	Due after four years to five years	Due after five years
	(Thousands of Yen)					
Long-term debt due within one year	¥ 16,608,000	¥ —	¥ —	¥ —	¥ —	¥ —
Investment corporation bonds	—	2,800,000	1,600,000	—	1,500,000	2,000,000
Long-term debt	—	19,434,200	15,609,000	17,467,000	15,740,000	45,922,000
Total	¥ 16,608,000	¥ 22,234,200	¥ 17,209,000	¥ 17,467,000	¥ 17,240,000	¥ 47,922,000

As of November 30, 2025	Due within one year	Due after one year to two years	Due after two years to three years	Due after three years to four years	Due after four years to five years	Due after five years
	(Thousands of Yen)					
Long-term debt due within one year	¥ 15,515,000	¥ —	¥ —	¥ —	¥ —	¥ —
Investment corporation bonds	—	1,800,000	1,000,000	1,600,000	1,500,000	2,000,000
Long-term debt	—	14,838,000	15,446,200	15,609,000	14,790,000	44,272,000
Total	¥ 15,515,000	¥ 16,638,000	¥ 16,446,200	¥ 17,209,000	¥ 16,290,000	¥ 46,272,000

Note 6 – Investment Properties

Investment properties consist of the following:

	As of May 31, 2026 /(Thousands of Yen)			As of November 30, 2025 (Thousands of Yen)		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	¥ 46,171,643	¥ —	¥ 46,171,643	¥ 46,169,225	¥ —	¥ 46,169,225
Buildings	27,517,297	(7,384,871)	20,132,426	26,358,560	(7,053,732)	19,304,827
Structures	142,915	(69,463)	73,452	137,529	(66,058)	71,470
Machinery and equipment	373,818	(267,422)	106,396	365,525	(261,436)	104,089
Tools, furniture and fixtures	565,005	(303,071)	261,934	518,330	(277,903)	240,427
Land in trust	138,901,474	—	138,901,474	132,894,678	—	132,894,678
Buildings in trust	55,598,583	(16,647,200)	38,951,383	53,747,187	(16,289,604)	37,457,583
Structures in trust	254,432	(133,849)	120,582	257,448	(134,885)	122,562
Machinery and equipment in trust	855,535	(450,461)	405,073	842,127	(428,786)	413,340
Tools, furniture and fixtures in trust	1,696,318	(1,094,249)	602,069	1,631,805	(1,074,063)	557,742
Leasehold rights	12,854,571	—	12,854,571	11,472,226	—	11,472,226
Leasehold rights in trust	2,472,255	—	2,472,255	2,472,255	—	2,472,255
Total	¥ 287,403,852	¥ (26,350,588)	¥ 261,053,263	¥ 276,866,900	¥ (25,586,471)	¥ 251,280,429

Note 7 – Fair Value of Investment and Rental Properties

HEIWA REAL ESTATE REIT owns rental properties for office and residential use in Tokyo and other regions throughout Japan. The book value, net changes in the book value and the fair value of the investment and rental properties are as follows:

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Book value:		
Balance at beginning of period	¥ 251,280,429	¥ 241,870,475
Change during the period	9,772,834	9,409,953
Balance at end of period	¥ 261,053,263	¥ 251,280,429
Fair value	¥ 331,289,800	¥ 318,030,000

Notes:
1. Book value represents acquisition costs after deducting accumulated depreciation.
2. For the six months ended May 31, 2026, the increases are primarily due to acquisition of NAGOYA HEIWA BUILDING and four other properties (¥12,634,670 thousand), and the decreases are primarily due to disposal of HF NISHI-SHINJUKU RESIDENCE WEST and one other property (¥2,972,685 thousand) and depreciation (¥1,165,766 thousand). For the six months ended November 30, 2025, the increases are primarily due to acquisition of LUCID SQUARE SEMBA and four other properties (¥12,156,818 thousand), and the decreases are primarily due to disposal of HF HAMAMATSUCHO BUILDING and one other property (¥2,765,375 thousand) and depreciation (¥1,120,060 thousand).
3. Fair value is determined based on appraisal values provide by external real estate appraisers.

The information on Operating Revenues and Expenses is disclosed in Note 13.

Note 8 –Long-Term Debt

Long-term debt consist of the following:

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Long-term debt		
0.48% - 1.29% unsecured loans due 2026 (Notes 1 and 2)	¥ 8,653,000	¥ 15,515,000
0.56% - 1.45% unsecured loans due 2027 (Notes 1 and 2)	19,978,000	14,838,000
0.64% - 1.79% unsecured loans due 2028 (Notes 1 and 2)	17,031,200	16,446,200
0.69% - 2.09% unsecured loans due 2029 (Notes 1 and 2)	14,609,000	14,609,000
1.05% - 2.19% unsecured loans due 2030 (Notes 1 and 2)	15,667,000	14,790,000
1.28% - 2.13% unsecured loans due 2031 (Notes 1 and 2)	17,430,000	15,810,000
1.29% - 2.37% unsecured loans due 2032 (Notes 1 and 2)	17,196,000	17,196,000
1.39% - 3.30% unsecured loans due 2033 (Notes 1 and 2)	11,680,000	6,200,000
1.31% - 2.80% unsecured loans due 2034 (Notes 1 and 2)	8,536,000	5,066,000
Less: amount due within one year	(16,608,000)	(15,515,000)
Total long-term debt due after one year	¥ 114,172,200	¥ 104,955,200

Notes:

1. Interest rates presented are average interest rates applicable to individual loans during the period ended May 31, 2026. The average interest rates are stated after reflecting the effect of the interest rate swaps as to the loans with interest rate swaps for the purpose of hedging the risk of interest rate fluctuations.
2. Funds are used for the acquisition of real estate and refinancing of borrowings.

HEIWA REAL ESTATE REIT maintains commitment line contracts with four financial institutions. The amounts of unused commitments on loans as of May 31, 2026 and November 30, 2025 are as follows:

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Total amounts of borrowing commitment lines	¥ 8,000,000	¥ 8,000,000
Borrowing execution balances	—	—
Net unused balance	¥ 8,000,000	¥ 8,000,000

Note 9 – Investment Corporation Bonds

Investment corporation bonds consist of the following:

	Issued date	Maturity date	Interest rate	As of May 31, 2026	As of November 30, 2025
				(Thousands of Yen)	
2nd unsecured bonds	June 30, 2017	June 30, 2027	0.65%	¥ 1,800,000	¥ 1,800,000
3rd unsecured bonds	May 7, 2018	May 2, 2028	0.70%	1,000,000	1,000,000
5th unsecured bonds	June 4, 2019	May 31, 2029	0.82%	1,600,000	1,600,000
6th unsecured bonds	November 25, 2020	November 25, 2030	0.75%	1,500,000	1,500,000
7th unsecured bonds	December 12, 2022	December 10, 2032	0.88%	2,000,000	2,000,000
Total				¥ 7,900,000	¥ 7,900,000

Note 10 – Net Assets

HEIWA REAL ESTATE REIT issues non-par value units in accordance with the Investment Trust Act. HEIWA REAL ESTATE REIT maintains a minimum of ¥50,000 thousand of net assets as required by the Investment Trust Act.

The following table shows the cumulative number and amount of treasury investment units cancelled as of a May 31, 2026 and November 30, 2025, respectively.

	As of May 31, 2026	As of November 30, 2025
Cumulative number of treasury investment units cancelled	14,914	14,914
	(Thousands of Yen)	
Cumulative amount of treasury investment units cancelled	¥ 1,699,990	¥ 1,699,990

Note 11 – Reserve for Temporary Difference Adjustment

The following table shows the amount of provision and reversal of reserve for temporary difference adjustment and the reason for provision or reversal.

For the six months ended May 31, 2026	Original amount	Balance as of December 1, 2025	Provision during the period	Reversal during the period	Balance as of May 31, 2026	Reason for provision or reversal
	(Thousands of Yen)					
Gain on bargain purchase (Note 1)	¥ 2,497,604	¥ 873,976	¥ —	¥ (245,432)	¥ 628,543	Allocation for distributions
Part of differences between tax and accounting due to gain on sale of investment properties (Note 2)	¥ 338,693	¥ 308,211	¥ —	¥ (3,386)	¥ 304,824	Allocation for distributions
	¥ 148,743	¥ 148,743	¥ —	¥ (1,487)	¥ 147,256	Allocation for distributions

Notes:

1. The amount represents gain on bargain purchase provided in past periods and is scheduled to be reversed every period by an amount equal to or more than the initial amount divided by 50 years from the following period of its provision.
2. The amount represents a part of differences between tax and accounting due to gain on sales of investment properties provided in past periods and is scheduled to be reversed every period by an amount equal to or more than the initial amount divided by 50 years from the following period of its provision.

For the six months ended November 30, 2025	Original amount	Balance as of June 1, 2025	Provision during the period	Reversal during the period	Balance as of November 30, 2025	Reason for provision or reversal
	(Thousands of Yen)					
Gain on bargain purchase (Note 1)	¥ 2,497,604	¥ 1,109,575	¥ —	¥ (235,599)	¥ 873,976	Allocation for distributions
Part of differences between tax and accounting due to gain on sale of investment properties (Note 2)	¥ 338,693	¥ 311,598	¥ —	¥ (3,386)	¥ 308,211	Allocation for distributions
	¥ 148,743	¥ —	¥ 148,743	¥ —	¥ 148,743	Allocation for distributions

Notes:

1. The amount represents gain on bargain purchase provided in past periods and is scheduled to be reversed every period by an amount equal to or more than the initial amount divided by 50 years from the following period of its provision.
2. The amount represents a part of differences between tax and accounting due to gain on sales of investment properties provided in past periods and is scheduled to be reversed every period by an amount equal to or more than the initial amount divided by 50 years from the following period of its provision.

Note 12 – Revenue Recognition

Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers is presented in Note 13 – Operating Revenues and Expenses and Note 14 – Gain on Sales of Investment Properties. Note that Note 13 – Operating Revenues and Expenses includes revenues based on “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13). Revenues generated from contracts with major customers primarily consist of sales of investment properties and utility charge revenues.

Note 13 – Operating Revenues and Expenses

Details of rental revenues and expenses are as follows:

	For the six months ended			
	May 31, 2026		November 30, 2025	
	(Thousands of Yen)			
Revenues from property leasing:				
Rental revenues:				
Base rents	¥	7,378,542	¥	7,009,482
Common area charges		762,303		734,146
Total rental revenues		8,140,845		7,743,628
Other revenues related to property leasing:				
Parking space rental revenues		244,689		230,924
Utility charge revenues		344,299		373,146
Incidental income		224,634		185,175
Cancellation penalty income		48,963		12,119
Others		21,609		26,139
Total other revenues related to property leasing		884,196		827,504
Total revenues from property leasing		9,025,042		8,571,133
Property-related expenses:				
Rental expenses:				
Property management expenses		960,470		896,765
Taxes and dues		597,387		582,024
Utilities expenses		375,536		398,262
Repair expenses		446,050		426,462
Insurance expenses		8,120		7,757
Trust fees		34,616		33,000
Depreciation		1,165,766		1,120,060
Others		194,234		159,111
Total property-related expenses		3,782,182		3,623,445
Operating income from property leasing	¥	5,242,859	¥	4,947,687

Note 14 – Gain on Sales of Investment Properties

Details of gain on sales of investment properties are as follows:

For the six months ended May 31, 2026

		(Thousands of Yen)
HF NISHI-SHINJUKU RESIDENCE WEST:		
Proceeds from sales of investment properties	¥	3,500,000
Cost of sales of investment properties		1,876,043
Other expenses related to sales		45,934
Gain on sales of investment properties	¥	1,578,021
HF NISHI-SHINJUKU RESIDENCE EAST:		
Proceeds from sales of investment properties	¥	2,050,000
Cost of sales of investment properties		1,096,641
Other expenses related to sales		31,278
Gain on sales of investment properties	¥	922,079

For the six months ended November 30, 2025

		(Thousands of Yen)
HF HAMAMATSUCHO BUILDING:		
Proceeds from sales of investment properties	¥	2,500,000
Cost of sales of investment properties		1,553,528
Other expenses related to sales		46,552
Gain on sales of investment properties	¥	899,919
HF HIGASHI-SHINJUKU RESIDENCE:		
Proceeds from sales of investment properties	¥	2,550,000
Cost of sales of investment properties		1,211,847
Other expenses related to sales		104,502
Gain on sales of investment properties	¥	1,233,649

Note 15 – Income Taxes

The following table summarizes the significant differences between the statutory tax rate and HEIWA REAL ESTATE REIT's effective tax rate.

	For the six months ended	
	May 31, 2026	**November 30, 2025**
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(28.44)	(29.87)
Changes in valuation allowance	(2.67)	(1.19)
Provision of reserve for reduction entry	(1.23)	(0.42)
Others	0.89	0.03
Effective tax rate	0.01%	0.01%

The significant components of deferred tax assets and liabilities are as follows:

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Deferred tax assets:		
Allowance for doubtful accounts	¥ 21	¥ 15
Valuation differences due to merger	1,602,704	1,754,174
Total deferred tax assets	1,602,726	1,754,190
Valuation allowance	(1,602,726)	(1,754,190)
Net deferred tax assets	¥ —	¥ —

(Change in income tax and rates)

On March 31, 2025, "the Act for Partial Amendment of the Income Tax Act. etc. (Act No. 13, 2025)" were enacted in the Diet session. As a result of the amendment, "Defense Special Corporate Tax" will be levied from the fiscal period beginning on or after April 1, 2026. In relation to the amendment, the statutory tax rate used in calculation of deferred tax assets and liabilities on temporary differences that are expected to be reversed from the fiscal period beginning on or after June 1, 2026 has been changed. There is no effect of the change of the statutory tax rate.

Note 16 – Distribution Information

Cash distributions are declared by the Board of Directors of HEIWA REAL ESTATE REIT after the end of each period. Such distributions are payable to unitholders of record at the end of each period. Information on retained earnings brought forward after the cash distributions and cash distributions per unit is as follows:

	For the six months ended			
	May 31, 2026		November 30, 2025	
	(Yen)			
Unappropriated retained earnings	¥	9,976,316,939	¥	9,059,601,798
Reversal of reserve for temporary difference adjustment (Note)		250,306,600		250,306,600
Cash distributions declared		4,993,616,670		4,943,555,350
(Cash distributions per unit)		(3,990)		(3,950)
Provision of reserve for temporary difference adjustment (Note)		380,098,954		—
Provision of reserve for reduction entry		216,777,682		67,686,429
Retained earnings carried forward	¥	4,636,130,233	¥	4,298,666,619

Note: In accordance with transitional measures of the Supplementary Provisions paragraph No. 3 of the Ordinance on Accounting of Investment Corporations (Cabinet Office Order No. 27 of 2015), HEIWA REAL ESTATE REIT provided reserve for temporary difference adjustment of ¥2,497,604,770, which was the outstanding amount allocated to gain on bargain purchase recognized in past periods from unappropriated retained earnings in the statement of distributions for the six months ended November 30, 2015. The provided amount has been reversed every period by an amount equal to or more than the initial amount divided by 50 years from the six months ended May 31, 2016. HEIWA REAL ESTATE REIT reversed ¥245,432,227 and ¥245,432,227 for the six months ended May 31, 2026 and November 30, 2025, respectively.
In addition, HEIWA REAL ESTATE REIT provided reserve for temporary difference adjustment of ¥338,693,498 and ¥148,743,724, which were a part of differences between tax and accounting due to gain on sales of investment properties for the six months ended November 30, 2020 and May 31, 2025, respectively. The provided amounts are reversed every period by an amount equal to or more than the initial amount divided by 50 years from the following periods in which each amounts were provided. HEIWA REAL ESTATE REIT reversed ¥3,386,935 and ¥1,487,438 for the six months ended May 31, 2026 and ¥3,386,935 and ¥1,487,438 for the six months ended November 30, 2025, respectively.
HEIWA REAL ESTATE REIT provided reserve for temporary difference adjustment of ¥380,098,954, which was a part of differences between tax and accounting due to gain on sales of investment properties for the six months ended May 31, 2026. The provided amount is reversed every period by an amount equal to or more than the initial amount divided by 50 years from the six months ended November 30, 2026.

Pursuant to the terms of the distribution policy set forth in Article 32(1) of HEIWA REAL ESTATE REIT's Articles of Incorporation, the amount of distributions is defined to be in excess of an amount equivalent to 90% of HEIWA REAL ESTATE REIT's distributable profit as defined in Article 67-15 of the Special Taxation Measure Act of Japan, but not in excess of the amount of retained earnings at the end of period.

Based on the policy, HEIWA REAL ESTATE REIT declared total distributions of ¥4,993,616,670 and ¥4,943,555,350 for the six months ended May 31, 2026 and November 30, 2025, respectively, which are the amounts calculated by adding reversal of reserve for temporary difference adjustment of ¥250,306,600 (¥200 per unit) to the amount calculated by deducting ¥934,340,250 including provision of temporary difference adjustment of ¥380,098,954 and provision of reserve for reduction entry of ¥216,777,682 in application of "Special provisions for taxation in case of replacement of specified assets" of Article 65-7 of the Special Taxation Measure Act of Japan from net income of ¥5,677,650,320 for the six months ended May 31, 2026 and the amounts calculated by adding reversal of reserve for temporary difference adjustment of ¥250,306,600 (¥200 per unit) to the amount calculated by deducting ¥513,268,826 including provision of temporary difference adjustment of ¥67,686,429 in application of "Special provisions for taxation in case of replacement of specified assets" of Article 65-7 of the Special Taxation Measure Act of Japan from net income of ¥5,206,517,576 for the six months ended November 30, 2025, respectively. Furthermore, HEIWA REAL ESTATE REIT does not make cash distributions in excess of profit as set forth in Article 32(2) of HEIWA REAL ESTATE REIT's Articles of Incorporation.

Note 17 – Per Unit Information

Information about earnings per unit and net assets per unit is as follows:

	For the six months ended			
	May 31, 2026		November 30, 2025	
Earnings per unit:	(Yen)			
Net income per unit	¥	4,536	¥	4,162
Weighted average number of units outstanding (units)		1,251,533		1,250,911

	As of			
	May 31, 2026		November 30, 2025	
	(Yen)			
Net assets per unit	¥	107,588	¥	106,396

The net income per unit is calculated by dividing the net income by the weighted average number of units outstanding during the period. The net assets per unit is computed based on the number of units outstanding at each period end. Diluted earnings per unit and related information are not disclosed as no dilutive units are outstanding.

Note 18 – Related-Party Transactions

Related-party transactions are as follows:

For the six months ended May 31, 2026

Classification	Name	Location	Capital stock (Thousands of Yen)	Principal business	Ratio of voting rights	Relation to the related party	Nature of transaction	Amount of transaction (Thousands of Yen)	Account	Balance at the end of period (Thousands of Yen)
Major corporate unitholder	HEIWA REAL ESTATE CO., LTD.	Chuo-ku, Tokyo	¥21,492,822	Real estate	13.0% (directly owned) 0.3% (indirectly owned)	Provision of property management services	Payment of property management fees (Note 2)	¥ 10,213	Operating accounts payable	¥ 662
							Purchase of real estate (Note 3)	2,140,000	–	–
							Purchase of trust beneficiary interests in real estate (Note 4)	5,143,857	–	–
							Payment of brokerage fees	20,000	–	–
Companies whose majority of voting rights are owned by a major corporate unitholder	HEIWA REAL ESTATE Property Management Co., Ltd. (Note 5)	Chuo-ku, Tokyo	134,000	Property management	–	Provision of property management services	Payment of property management fees (Note 6)	349,186	Operating accounts payable	59,017
							Payment of repair work	19,079	Operating accounts payable	5,639
	HEIWA REAL ESTATE Asset Management CO., LTD. (Note 5)		295,575	Investment management	0.3% (directly owned)	Provision of asset management services	Payment of asset management fees	969,938 (Note 7)	Accrued expenses	973,926

Notes:

1. Terms and conditions of transactions are determined based on market price.
2. The property management fees include building management fees which HEIWA REAL ESTATE paid to the following subcontractor.
   HEIWA REAL ESTATE Property Management Co., Ltd. ¥619 thousand
3. The purchase of real estate is related to HF OSHIAGE RESIDENCE. The amount of transaction includes the transfer price stated in the transfer agreement, but not include other ancillary expenses related to the acquisition.
4. The purchase of trust beneficiary interests in real estate is related to NAGOYA HEIWA BUILDING (70% interest of quasi co-ownership). The amount of transaction includes the transfer price stated in the transfer agreement and related property taxes and city planning taxes settled between the seller, but not include other ancillary expenses related to the acquisition.
5. The major corporate unitholder, HEIWA REAL ESTATE, directly owns 100% of voting rights of these companies.
6. The property management fees include building management fees which HEIWA REAL ESTATE Property Management Co., Ltd. paid to the following subcontractor.
   Third parties other than HEIWA REAL ESTATE Property Management Co., Ltd. ¥104,659 thousand
7. The asset management fees include acquisition fees of ¥84,550 thousand and transfer fees of ¥55,500 thousand.

For the six months ended November 30, 2025

Classification	Name	Location	Capital stock (Thousands of Yen)	Principal business	Ratio of voting rights	Relation to the related party	Nature of transaction	Amount of transaction (Thousands of Yen)	Account	Balance at the end of period (Thousands of Yen)
Major corporate unitholder	HEIWA REAL ESTATE CO., LTD.	Chuo-ku, Tokyo	¥21,492,822	Real estate	13.0% (directly owned) 0.3% (indirectly owned)	Provision of property management services	Payment of property management fees (Note 2)	¥ 9,997	Operating accounts payable	¥ 1,090
							Purchase of trust beneficiary interests in real estate (Note 3)	4,837,641	–	–
							Payment of brokerage fees	86,500	–	–
Companies whose majority of voting rights are owned by a major corporate unitholder	HEIWA REAL ESTATE Property Management Co., Ltd. (Note 4)	Chuo-ku, Tokyo	134,000	Property management	–	Provision of property management services	Payment of property management fees (Note 5)	332,748	Operating accounts payable	43,218
							Payment of repair work	30,297	Operating accounts payable	16,318
	HEIWA REAL ESTATE Asset Management CO., LTD. (Note 4)		295,575	Investment management	0.3% (directly owned)	Provision of asset management services	Payment of asset management fees	948,069 (Note 6)	Accrued expenses	883,899

Notes:
1. Terms and conditions of transactions are determined based on market price.
2. The property management fees include building management fees which HEIWA REAL ESTATE paid to the following subcontractor.
   HEIWA REAL ESTATE Property Management Co., Ltd. ¥1,200 thousand
3. The purchase of trust beneficiary interests in real estate is related to Park East Sapporo (24% interest of quasi co-ownership) and HF KYOMACHIBORI BUILDING. The amount of transaction includes the transfer price stated in the transfer agreement and related property taxes and city planning taxes settled between the seller, but not include other ancillary expenses related to the acquisition.
4. The major corporate unitholder, HEIWA REAL ESTATE, directly owns 100% of voting rights of these companies.
5. The property management fees include building management fees which HEIWA REAL ESTATE Property Management Co., Ltd. paid to the following subcontractor.
   Third parties other than HEIWA REAL ESTATE Property Management Co., Ltd. ¥95,478 thousand
6. The asset management fees include acquisition fees of ¥94,025 thousand and transfer fees of ¥50,500 thousand.

Note 19 – Transactions with Major Unitholders

Amounts of transactions with major unitholders are as follows:

	For the six months ended	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Gain on sales of investment properties (Other expenses related to sales)	¥ (20,000)	¥ (86,500)
Property-related expenses	10,213	9,997

Note 20 – Segment Information

Segment Information

Segment information is omitted as HEIWA REAL ESTATE REIT has only one segment, which is the property leasing business.

Related Information

Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category account for more than 90% of the operating revenues on the statements of income and retained earnings.

Information by Geographic Areas

(1) Operating revenues
Disclosure of this information is omitted as domestic operating revenues account for more than 90% of total operating revenues.

(2) Investment properties
Disclosure of this information is omitted as domestic investment properties account for more than 90% of the book value of the total investment properties.

Information on Major Clients

The operating revenues from a major client (gain on sales of investment properties of ¥2,500,101 thousand from the transferee of Re-61 HF NISHI-SHINJUKU RESIDENCE WEST and Re-62 HF NISHI-SHINJUKU RESIDENCE EAST and gain on sales of investment properties of ¥1,233,649 thousand from the transferee of Re-63 HF HIGASHI-SHINJUKU RESIDENCE for the six months ended May 31, 2026 and November 30, 2025, respectively) account for 10% or more of the operating revenues recorded in the statement of income and retained earnings. The related segment is the property leasing business for the six months ended May 31, 2026 and November 30, 2025. The names of the transferees are not disclosed as consent has not been obtained from the transferees. In addition, none of the transferees constitute interested parties in relation to HEIWA REAL ESTATE REIT or the Asset Management Company.

Note 21 – Subsequent Events

A. Issuance of New Investment Units

At the Board of Directors Meetings held on May 18, 2026 and May 21, 2026, HEIWA REAL ESTATE REIT resolved to issue new investment units as described below and the payments for issuance of new investment units through public offering and third-party allotment has been completed on June 1, 2026, and June 23, 2026, respectively. As a result, the amount of unitholders' capital is ¥127,077 million and the number of investment units issued is 1,343,533 as of the date of this document.

1. Issuance of new investment units through public offering

(1) Number of investment units issued	87,700 units (Note)
(2) Issue price (offer price)	¥132,122 per unit
(3) Total amount of the issue	¥11,587,099,400
(4) Paid-in amount (issue amount)	¥127,853 per unit
(5) Total paid-in amount (total issue amount)	¥11,212,708,100
(6) Payment date	June 1, 2026

Note: Out of the above number of new investment units issued, 27,600 units were sold to overseas investors in overseas markets, mainly in Europe and Asia (excluding the United States and Canada).

2. Issuance of new investment units through third-party allotment

(1) Number of investment units issued	4,300 units
(2) Paid-in amount (issue amount)	¥127,853 per unit
(3) Total paid-in amount (total issue amount)	¥549,767,900
(4) Allottee	SMBC Nikko Securities Inc.
(5) Payment date	June 23, 2026

B. Acquisition of Assets

Based on the basic policies of asset management, etc., set out in the Articles of Incorporation, HEIWA REAL ESTATE REIT acquired one real estate trust beneficiary right (acquisition price: ¥9,060 million) and one real estate (acquisition price: ¥1,758 million) on June 3, 2026, acquired one real estate trust beneficiary right (acquisition price: ¥2,600 million) on June 5, 2026 and acquired two real estate trust beneficiary rights (total acquisition price: ¥2,800 million) on August 7, 2026.

Of-64 HF UENO INARICHO BUILDING (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	May 18, 2026
Acquisition date	June 3, 2026
Acquisition price (Note 2)	¥9,060 million
Location (lot number)	1-3-5 Matsugaya, Taito-ku, Tokyo
Purpose of use	Office, store and parking
Construction date	October 16, 1992
Structure	Steel beam/steel-framed reinforced concrete with flat roof, 1 floor below ground and 8 floors above ground
Total floor space	8,490.44m^2
Total rentable space	6,406.78m^2

Notes:
1. The name of this building is “Ueno East Building” as of the date of this document; however, the name will be changed to “HF UENO INARICHO BUILDING” on May 31, 2027. Therefore, the name after the said change is stated above.
2. “Acquisition price” is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

Of-65 HF KITA JUJO BUILDING (Note 1)

Type of specified asset	Real estate
Agreement date	May 18, 2026
Acquisition date	June 3, 2026
Acquisition price (Note 2)	¥1,758 million
Location (lot number)	3-1-1 Kita-Jujo-Nishi, Kita-ku, Sapporo City, Hokkaido (Note 3)
Purpose of use	Store and office
Construction date	March 29, 2024
Structure	Reinforced concrete with flat roof, 7 floors above ground
Total floor space	1,647.92m^2
Total rentable space	1,327.08m^2

Notes:
1. The name of this building is “Noblesse SAPPORO” as of the date of this document; however, the name will be changed to “HF KITA JUJO BUILDING” on May 31, 2027. Therefore, the name after the said change is stated above.
2. “Acquisition price” is the price described in the real estate purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.
3. “Location” is the building address as stated in the real estate registry because the residential address has not been assigned.

Of-66 HF CHIBA FUJIMI BUILDING (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	May 18, 2026
Acquisition date	June 5, 2026
Acquisition price (Note 2)	¥2,600 million
Location (lot number)	2-15-11 Fujimi, Chuo-ku, Chiba City, Chiba
Purpose of use	Office and parking
Construction date	July 30, 1982
Structure	Steel-framed reinforced concrete and steel structure with flat roof and galvanized steel sheet roofing, 9 floors above ground
Total floor space	6,894.60m^2
Total rentable space	5,010.54m^2

Notes:
1. The name of this building is "IMI Chiba Fujimi Building" as of the date of this document; however, the name will be changed to "HF CHIBA FUJIMI BUILDING" on May 31, 2027. Therefore, the name after the said change is stated above.
2. "Acquisition price" is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

Re-121 HF MIZUE RESIDENCE (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	July 31, 2026
Acquisition date	August 7, 2026
Acquisition price (Note 2)	¥1,690 million
Location (lot number)	2-31-8 Mizue, Edogawa-ku, Tokyo
Purpose of use	Co-housing
Construction date	March 26, 2024
Structure	Reinforced concrete with flat roof, 8 floors above ground
Total floor space	1,791.77m^2
Total rentable space	1,573.09m^2

Notes:
1. The name of this building is "S-Residence Mizue" as of the date of this document; however, the name will be changed to "HF MIZUE RESIDENCE" on November 7, 2026. Therefore, the name after the said change is stated above.
2. "Acquisition price" is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

Re-122 HF HIGASHI-MIZUE RESIDENCE (Note 1)

Type of specified asset	Real estate trust beneficiary right
Agreement date	July 31, 2026
Acquisition date	August 7, 2026
Acquisition price (Note 2)	¥1,110 million
Location (lot number)	1-6-6, Higashi-Mizue, Edogawa-ku, Tokyo
Purpose of use	Co-housing
Construction date	January 22, 2024
Structure	Reinforced concrete with flat roof, 6 floors above ground
Total floor space	1,143.40m^2
Total rentable space	1,063.93m^2

Notes:
1. The name of this building is "Alivis Higashi-Mizue" as of the date of this document; however, the name will be changed to "HF HIGASHI-MIZUE RESIDENCE" on November 7, 2026. Therefore, the name after the said change is stated above.
2. "Acquisition price" is the price described in the real estate trust beneficiary right purchase agreement (consumption tax excluded), and does not include acquisition costs or the amounts of settlement for fixed property tax, city planning tax, etc.

C. Borrowing of Funds

HEIWA REAL ESTATE REIT borrowed funds as described below to partially fund the acquisition of one real estate and one real estate trust beneficiary right acquired on June 3, 2026 and acquisition of two real estate trust beneficiary rights acquired on August 7, 2026 (as described in *B. Acquisition of Assets* above) (total borrowing amount of ¥7,150 million).

Term Loan-88-1 Tranche A

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Sumitomo Mitsui Banking Corporation	¥2,420	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.285% (Note 1)	June 3, 2026	November 30, 2028 (Note 2)	Lump-sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Term Loan-88-1 Tranche B

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Sumitomo Mitsui Banking Corporation	¥1,260	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.47% (Note 1)	June 3, 2026	November 28, 2031 (Note 2)	Lump-sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Term Loan-88-2

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Resona Bank, Limited	¥570	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.44% (Note 1)	June 3, 2026	November 28, 2031 (Note 2)	Lump-sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Term Loan-89

Lender	Borrowing Amount (Millions of Yen)	Interest Rate	Borrowing Date	Maturity Date	Repayment Method	Usage of Fund	Collateral and Guarantee
Sumitomo Mitsui Banking Corporation	¥2,900	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.20% (Note 1)	August 7, 2026	June 30, 2027 (Note 2)	Lump-sum repayment	To fund for acquisition of property and others	Unsecured/ non-guaranteed

Notes:
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 Japanese Bankers Association TIBOR Administration (the "JBATA") two business days prior to the first day of each interest calculation period. JBATA's Japanese Yen TIBOR is published on JBA's website.
2. In the event that the maturity date is not a business day, the repayment shall be made on the following business day. In the event that the following business day is in the next month, the repayment shall be made on the business day immediately preceding the maturity date.