

47th Fiscal Period Financial Report (REIT)

July 16, 2025

REIT Issuer: HEIWA REAL ESTATE REIT, Inc.
 Securities Code: 8966
 Representative: (Title) Executive Director

Stock Exchange Listing: TSE
 URL: <https://www.heiwa-re.co.jp/en/>
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Asset Management Company: HEIWA REAL ESTATE Asset Management CO., LTD.

Representative: (Title) Representative Director

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Scheduled date of submission of periodic securities report (yuka shoken hokokusho): August 28, 2025

Scheduled date of commencement of distribution payments:

August 14, 2025

Supplementary materials: Attached

IR Conference: Yes (for institutional investors and analysts)

[Amounts are rounded down to the nearest million yen]

1. Status of Management and Assets for the 47th Fiscal Period

47th Fiscal Period (47th FP): Fiscal period ended May 2025 (from December 1, 2024 to May 31, 2025)

(1) Management Status

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

	Operating revenue		Operating profit		Ordinary profit		Profit	
47th FP	¥10,154 million	12.3%	¥5,556 million	18.4%	¥4,882 million	19.1%	¥4,881 million	19.1%
46th FP	¥9,045 million	3.5%	¥4,694 million	4.7%	¥4,099 million	4.1%	¥4,098 million	4.1%

	Profit per unit	Ratio of profit to unitholders' equity	Ratio of ordinary profit to total assets	Ratio of ordinary profit to operating revenue
47th FP	¥4,085	3.9%	1.9%	48.1%
46th FP	¥3,432	3.4%	1.7%	45.3%

(2) Distributions

	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio (Note 1)	Ratio of distributions to net assets (Note 2)
47th FP	¥3,850	¥4,600 million	¥-	¥-	94.2%	3.7%
46th FP	¥3,640	¥4,349 million	¥-	¥-	106.1%	3.6%

(Note 1) Payout ratio shows figures that have been calculated using the following formula:

Total distributions (excluding total distributions in excess of earnings) ÷ Profit × 100

(Note 2) Ratio of distributions to net assets shows figures that have been calculated using the following formula:

Total distributions (excluding total distributions in excess of earnings) ÷ [(Net assets at beginning of period + Net assets at end of period) ÷ 2] × 100

(Note 3) The amount of total distributions (¥4,349 million) for the 46th fiscal period, is calculated as follows and therefore differs from the amount of profit. A portion of retained earnings brought forward (¥11 million) and the reversal of reserve for temporary difference adjustments of ¥238 million (¥200 per unit) are added to the profit.

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

(3) Financial Position

	Total assets	Net assets	Ratio of unitholders' equity to total assets	Net assets per unit
47th FP	¥262,404 million	¥125,610 million	47.9%	¥105,119
46th FP	¥249,190 million	¥124,894 million	50.1%	¥104,520

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
47th FP	¥8,139 million	(¥13,392 million)	¥7,500 million	¥17,469 million
46th FP	¥6,419 million	(¥8,180 million)	¥1,661 million	¥15,222 million

2. Management Status Forecasts for the 48th and 49th Fiscal Periods

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

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

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

	Operating revenue		Operating profit		Ordinary profit		Profit		Distribution per unit (excluding distribution in excess of earnings) (Note)	Distributions in excess of earnings per unit
48th FP	¥10,648 million	4.9%	¥5,928 million	6.7%	¥5,161 million	5.7%	¥5,161 million	5.7%	¥3,950	¥—
49th FP	¥8,674 million	(18.5)%	¥4,002 million	(32.5)%	¥3,202 million	(38.0)%	¥3,201 million	(38.0)%	¥3,990	¥—

(Reference) Estimated profit per unit: 48th fiscal period: ¥4,123 49th fiscal period: ¥2,558

(Note) Funds for the payment of distributions for the 48th fiscal period include the planned amount of the reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit). Funds for the payment of distributions for the 49th fiscal period include the additions of the planned amount of the reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit) and a portion of retained earnings brought forward. Therefore, the amounts of such funds are not equal to that of profit.

* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

- (i) Total number of investment units issued and outstanding at end of period (including treasury investment units):

47th FP	1,194,933 units	46th FP	1,194,933 units
47th FP	— units	46th FP	— units

- (ii) Number of treasury investment units at end of period:

(Note) For the number of investment units on which the calculation of profit per unit is based, see “Note on per-unit information” on page 36 of the Japanese version of the “47th Fiscal Period Financial Report (REIT)” for the fiscal period ended May 2025.

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

* Special note

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by the REIT. Accordingly, actual management status and other results may vary materially due to various factors. This forecast is not a guarantee of actual distributions paid. See the “Management status forecast assumptions for 48th fiscal period (from June 1, 2025 to November 30, 2025) and 49th fiscal period (from December 1, 2025 to May 31, 2026)” on page 10 for notes on assumptions used in management status forecasts and on the use of management status forecasts.

1. Management Status

(1) Management Status

a. General situation during the 47th 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 our asset management during the 47th 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 four consecutive years, beginning in 2021. As a result, total investment units issued and outstanding were 1,194,933 and unitholders’ capital was ¥108,578 million as of the end of the 47th fiscal period (May 31, 2025).

(ii) Operating environment

During the current fiscal period, the Japanese economy benefited from robust inbound demand and resilient corporate performance, but the effects of high prices have become entrenched, and consumer spending is still in the recovery stage. Looking at the overseas economy, future uncertainties are continuing amid the U.S. tariff policy, the situations in Ukraine and the Middle East and other factors, and it will be necessary to continue to pay attention to trends inside and outside Japan.

In this environment, the TSE REIT index recovered to 1,736.74 points at the end of the current fiscal period (May 31, 2025), up from 1,662.14 points at the end of the previous fiscal period (November 30, 2024), due to such factors as the relaxing of concerns about additional interest rate increases by the Bank of Japan, and improvements in real estate leasing market conditions, mainly in office buildings.

(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) improved to 3.56% at the end of the current fiscal period (May 31, 2025) from 4.16% at the end of the previous fiscal period (November 30, 2024), due to contracts steadily signed for new and existing buildings, as well as relocations for office expansion. In addition, the average rent rose for 16 consecutive months from February 2024, increasing from ¥20,243/tsubo at the end of the previous fiscal period, to ¥20,776/tsubo at the end of the current fiscal period.

Vacancy rates are also being driven down by the absorption of substantial areas, particularly in newly constructed and recently built buildings. Additionally, the REIT views occupancy rates of portfolio assets as something to be maintained at a high level through advertising strategies and sensible rents set to meet tenants’ needs, as tenants’ move to review their office strategies is showing signs of further increase.

(b) Residential leasing market

According to At Home Co., Ltd., in May 2025, the average condominium contract rent in areas of major cities across Japan increased year-on-year for area zones in the Tokyo 23 wards, metropolis of Tokyo (excluding Tokyo 23 wards), Saitama Prefecture, Chiba Prefecture, and Fukuoka City. In addition, the average contract rent for couple-oriented condominiums rose year-on-year in 11 areas, excluding Kobe City and Hiroshima City, and reached their highest levels since January 2015 particularly in six areas (Kanagawa Prefecture, Saitama Prefecture, Chiba Prefecture, Sendai City, Osaka City, and Fukuoka City). Furthermore, according to the Survey Report on the Statistics of Construction Starts published in May 2025, the number of new housing starts (rental housing) decreased year-on-year for two consecutive months in May 2025, following a decline in the prior month after it had fluctuated year-on-year since December 2024. The supply and demand for rental housing is currently tight mainly due to the increasing flow of people into Tokyo and the recent surge in prices of new condominiums. There is strong rental demand for condominiums, particularly for those suitable for DINKs and families, and the REIT believes that the favorable balance of supply and demand for rental condominiums will continue in the future. Furthermore, it is believed that occupancy rates will remain at a high level due to continuing stable demand in other major cities. In addition, the REIT will aim to further improve profitability, since the tendency toward increasing rents continues to be expected due to the favorable balance of supply and demand.

(c) Real estate

As for government-assessed land prices as of January 1, 2025, which were published in March 2025, the average prices for all types of land, land in residential areas, and land in commercial areas each rose for the fourth 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 slightly 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 fourth consecutive year. Although the amount of increase slightly contracted in Sapporo City, Sendai City, Hiroshima City, and Fukuoka City, the upward trend is generally continuing in other 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

With the aim of enhancing the profitability and quality of its portfolio, the REIT acquired one residential building on March 19, 2025 (Re-110 HF MEGURO GYONINZAKA RESIDENCE; real estate trust beneficiary right; acquisition price: ¥5,300 million), one office property on March 28, 2025 (Of-60 Park East Sapporo; real estate trust beneficiary right (quasi-co-ownership interest of 45%); acquisition price: ¥2,700 million), and four residential properties on May 9, 2025. These were Re-111 HF NISHI-SUGAMO RESIDENCE (real estate; acquisition price: ¥1,040 million), Re-112 HF NISHI-SUGAMO RESIDENCE II (real estate; acquisition price: ¥880 million), Re-113 HF TOBU-NERIMA RESIDENCE (real estate; acquisition price: ¥1,050 million), and Re-114 HF RYOGOKU RESIDENCE EAST (real estate; acquisition price: ¥880 million). In addition, the REIT sold one office property on March 19, 2025 (Of-34 HF KOJIMACHI HF BUILDING (real estate trust beneficiary right, acquisition price: ¥1,350 million)) and one residential property on May 30, 2025 (Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE (real estate trust beneficiary right, acquisition price: ¥566 million)).

As a result, portfolio assets as of the end of the current fiscal period were 131 properties (total acquisition price: ¥247,201 million), including 44 office buildings (total acquisition price of ¥124,068 million) and 87 residential buildings (total acquisition price of ¥123,133 million).

(b) Internal growth

The REIT has consistently endeavored to increase profitability by improving and maintaining its occupancy rates. During the 47th 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 97.1% at the end of the current fiscal period. The REIT was able to stabilize the occupancy rate, which had reached 97.5% 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 97.2%.

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 three properties shown below during the period from the beginning of the current fiscal period to the date of this document. In addition, the REIT plans to rename the four properties shown below that were acquired during the current fiscal period. 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
April 1, 2025	Of-59	Kita Nijo Building	HF KITA NIJO BUILDING
June 1, 2025	Of-58	SHINWA ESAKA BUILDING	HF ESAKA EKIMAE BUILDING
July 1, 2025	Re-110	Frontier Terrace Meguro	HF MEGURO GYONINZAKA RESIDENCE
October 1, 2025	Re-111	Harmony Residence Nishi Sugamo	HF NISHI-SUGAMO RESIDENCE
October 1, 2025	Re-112	Harmony Residence Tokyo Sugamo WEST	HF NISHI-SUGAMO RESIDENCE II
October 1, 2025	Re-113	Harmony Residence Itabashi Tokumaru	HF TOBU-NERIMA RESIDENCE
October 1, 2025	Re-114	Harmony Residence Tokyo Ryogoku Park Front	HF RYOGOKU RESIDENCE EAST

(iv) Procurement of funds

During the current fiscal period, the REIT took out loans totaling ¥11,850 million to fund property acquisition, etc. Additionally, to fund the repayment of loans that reached their principal repayment dates during the current fiscal period (totaling ¥6,897 million), the REIT took out loans totaling ¥6,897 million.

As a result of these loans, the average borrowing period as of the end of the current fiscal period came to 7.1 years, while the average remaining period was 4.0 years, and the average borrowing interest rate was 1.08%. The total interest-bearing liabilities amount (Note) at the end of current fiscal period was ¥125,887 million (period end LTV (Note): 47.97%).

(Note) Interest-bearing liabilities = short-term borrowings + current portion of investment corporation bonds + current portion of long-term borrowings + investment corporation bonds + long-term borrowings
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 47th fiscal period results of ¥10,154 million in operating revenue, ¥5,556 million in operating profit, after deducting interest expenses on borrowings, ¥4,882 million in ordinary profit, and ¥4,881 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 ¥4,600,492,050 for the current fiscal period, which is the amount calculated by adding reversal of reserve for temporary difference adjustments of ¥238,986,600 (¥200 per unit) to the amount calculated by deducting the internal reserve of ¥520,135,715, which includes the transfer of reserve for temporary difference adjustments of ¥148,743,724 and the transfer of reserve for tax purpose reduction entry of ¥108,756,208, from the profit of ¥4,881,641,165 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 ¥3,850.

b. Outlook for next period

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." Going forward, the REIT will focus its attention on the enhancement of unitholders' return, internal growth and 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 nine new properties of good quality (including one additional acquisition) 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 investors' 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. We will endeavor to promptly obtain information on excellent properties by using our pipeline with Heiwa Real Estate and building up our unique information routes as an asset management company. As a basic strategy, we aim 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 our 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 are increasingly more tenants holding the view that the office strategies serve as an investment for securing human resources. Under the circumstances, to respond to the tenants' needs, we will continue to exercise management based on value enhancement while seeking varied leasing ways. Meanwhile, in the residential leasing market, the supply and demand for rental housing is currently tight mainly due to the increasing flow of people into Tokyo and the recent surge in prices of new condominiums. There is strong rental demand for condominiums, particularly for those suitable for DINKs and families, and the REIT believes that the favorable balance of supply and demand for rental condominiums will continue in the future. Furthermore, it is believed that occupancy rates will remain at a high level due to continuing stable demand in other major cities. In addition, since the tendency toward increasing rents continues to be expected due to the favorable balance of supply and demand, the REIT will strategically carry out value-enhancement renovations during tenant turnover for condominiums in Tokyo designed for DINKs and families, thereby aiming to further improve profitability and strengthen the competitiveness of its properties. The REIT intends to exercise management carefully tailored to the characteristics of individual properties while continuing to closely monitor market conditions.

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 our properties more competitive, we continuously and actively make 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 investors' 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

We practice 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.

c. Significant subsequent events

A. Issuance of new investment units

A resolution to issue new investment units as follows was passed at the Board of Directors meetings held on May 19 and 22, 2025. The payment for new investment units issued through public offering was completed on June 2, 2025, and the payment for those issued through third party allotment was completed on June 24, 2025. As a result, unitholders' capital was ¥115,314 million and total investment units issued and outstanding were 1,251,533 as of the date of this document.

1. Issuance of new investment units through public offering

(1) New investment units issued:	54,000
(2) Price of issue (offering price):	¥122,996
(3) Total price of issue (offering price):	¥6,641,784,000
(4) Paid-in amount (issue price):	¥119,022
(5) Total paid-in amount (issue price):	¥6,427,188,000
(6) Due date of payment:	June 2, 2025

2. Issuance of new investment units through third party allotment

(1) New investment units issued:	2,600
(2) Paid-in amount (issue price):	¥119,022
(3) Total paid-in amount (issue price):	¥309,457,200
(4) Assignee:	SMBC Nikko Securities Inc.
(5) Due date of payment:	June 24, 2025

B. Asset acquisitions

The REIT acquired real estate trust beneficiary right in two properties (total acquisition price: ¥4,825 million) on June 4, 2025 in accordance with the basic policy, etc. set out in its bylaws. The REIT also concluded a sale and purchase agreement for two real estate properties (expected acquisition price total: ¥2,270 million) on July 8, 2025.

Property no.: Of-60; Property name: Park East Sapporo (additional acquisition)

Type of asset acquired	Real estate trust beneficiary right (quasi-co-ownership interest of 24%)
Contract date	May 19, 2025
Acquisition date	June 4, 2025
Acquisition price (Note 1)	¥1,440 million
Location (registration number)	1-3, 1-2-2, 1-4-1, 1-4-2, 1-4-3, 1-4-4, Minami Ichijo Higashi, Chuo-ku, Sapporo City, Hokkaido (Note 2)
Use	Office
Completed	November 15, 1985
Structure	Reinforced concrete flat-roofed 8-story building with one underground story
Total floor area (Note 3)	2,607.78 m ²
Total rentable area (Note 4)	1,856.52 m ²

(Note 1) The acquisition price is the sales price indicated in the trading agreement for the quasi-co-ownership of real estate trust beneficiary right (excluding amounts equal to consumption taxes, etc.) and does not include the costs of acquisition, fixed property tax, city planning tax, etc.

(Note 2) Since the residential address is not indicated officially, the location of the building stated in the real estate registry is shown.

(Note 3) This figure was calculated by multiplying the quasi-co-ownership interest of 24% by the total floor area of the entire building, rounded to the nearest one-hundredth of one percent.

(Note 4) This figure was calculated by multiplying the quasi-co-ownership interest of 24% by the total rentable area of the entire building, rounded to the nearest one-hundredth of one percent.

Property no.: Of-61; Property name: KYOMACHIBORI SQUARE

Type of asset acquired	Real estate trust beneficiary right
Contract date	May 19, 2025
Acquisition date	June 4, 2025
Acquisition price (Note)	¥3,385 million
Location (residential address)	1-8-33, Kyomachibori, Nishi-ku, Osaka City, Osaka
Use	Office
Completed	March 16, 1988
Structure	Reinforced concrete flat-roofed 10-story building with two underground stories
Total floor area	5,367.12 m ²
Total rentable area	3,715.13 m ²

(Note) The acquisition price is the sales price indicated in the trading agreement for the real estate trust beneficiary right (excluding amounts equal to consumption taxes, etc.) and does not include the costs of acquisition, fixed property tax, city planning tax, etc.

Property no.: Re-116; Property name: HF HIKIFUNE RESIDENCE EAST (Note 1)

Type of asset to be acquired	Real estate
Contract date	July 8, 2025
Scheduled acquisition date	August 7, 2025
Expected acquisition price (Note 2)	¥970 million
Location (residential address)	1-51-19, Kyojima, Sumida-ku, Tokyo
Use	Residential complex
Completed	September 10, 2021
Structure	Reinforced concrete flat-roofed 6-story building
Total floor area	915.23 m ²
Total rentable area	852.24 m ²

(Note 1) As of the date of this document, the name is Harmony Residence Tokyo Tree Kyojima, but it is scheduled to be changed to HF HIKIFUNE RESIDENCE EAST as of March 1, 2026. Therefore, the name after the change is used in this document.

(Note 2) The expected acquisition price is the sales price indicated in the trading agreement for the real estate (excluding amounts equal to consumption taxes, etc.) and does not include the costs of acquisition, fixed property tax, city planning tax, etc.

Property no.: Re-117; Property name: HF OMORI RESIDENCE (Note 1)

Type of asset to be acquired (Note 2)	Real estate and land leasing rights
Contract date	July 8, 2025
Scheduled acquisition date	August 8, 2025
Expected acquisition price (Note 3)	¥1,300 million
Location (residential address)	2-4-12, Omorikita, Ota-ku, Tokyo
Use	Residential complex
Completed	February 15, 2024
Structure	Reinforced concrete flat-roofed 14-story building
Total floor area	1,208.57 m ²
Total rentable area	1,054.90 m ²

(Note 1) As of the date of this document, the name is Season Flats Omorikita, but it is scheduled to be changed to HF OMORI RESIDENCE as of March 1, 2026. Therefore, the name after the change is used in this document.

(Note 2) The asset to be acquired is a building with leasehold interests in land (a building and leasehold interests in land). Leasehold interests in land are ordinary leasing rights.

(Note 3) The expected acquisition price is the sales price indicated in the trading agreement for the real estate (excluding amounts equal to consumption taxes, etc.) and does not include the costs of acquisition, fixed property tax, city planning tax, etc.

C. Asset transfer

In accordance with the basic asset management policy, etc. set out in its bylaws, the REIT transferred the real estate trust beneficiary right for the following assets held by the REIT based on sale and purchase agreements for the real estate trust beneficiary right dated April 3, 2025 and April 10, 2025, on June 30, 2025, and June 6, 2025, respectively.

Property no.: Of-07; Property name: HF HAMAMATSUCHO BUILDING

Asset transferred	Real estate trust beneficiary right
Location (residential address)	2-12-9 Shiba Daimon, Minato-ku, Tokyo
Transfer price (Note 1)	¥2,500 million
Carrying amount (Note 2)	¥1,552 million
Agreement execution date	April 3, 2025
Transfer date	June 30, 2025
Transferee	Not disclosed (Note 3)

(Note 1) The transfer price is the sales price indicated in the trading agreement for real estate trust beneficiary right (excluding amounts equal to consumption taxes, etc.), and does not include the amounts of settlement for fixed property tax, city planning tax, etc.

(Note 2) This figure shows the expected carrying amount on the date of the transfer.

(Note 3) Not disclosed because the transferee has not consented to disclosure.

Property no.: Re-63; Property name: HF HIGASHI SHINJUKU RESIDENCE

Asset transferred	Real estate trust beneficiary right
Location (residential address)	2-2-8, Okubo, Shinjuku-ku, Tokyo
Transfer price (Note 1)	¥2,550 million
Carrying amount (Note 2)	¥1,210 million
Agreement execution date	April 10, 2025
Transfer date	June 6, 2025
Transferee	Not disclosed (Note 3)

(Note 1) The transfer price is the sales price indicated in the trading agreement for real estate trust beneficiary right (excluding amounts equal to consumption taxes, etc.), and does not include the amounts of settlement for fixed property tax, city planning tax, etc.

(Note 2) This figure shows the expected carrying amount on the date of the transfer.

(Note 3) Not disclosed because the transferee has not consented to disclosure.

d. Outlook for management status

Management status is forecast to be as follows during the 48th fiscal period (from June 1, 2025 to November 30, 2025). See “Management status forecast assumptions for 48th fiscal period (from June 1, 2025 to November 30, 2025) and 49th fiscal period (from December 1, 2025 to May 31, 2026)” below for assumptions used in this forecast.

Operating revenue	¥10,648 million
Operating profit	¥5,928 million
Ordinary profit	¥5,161 million
Profit	¥5,161 million
Distributions per unit (excluding distributions in excess of earnings)	¥3,950
Distributions in excess of earnings per unit	¥—

(Note 1) Funds for the payment of distributions include the planned amount of the reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit). Therefore, the amount of such funds is not equal to that of profit.

(Note 2) The above forecast figures were calculated using a fixed set of assumptions and are valid as of the time of this notice. Actual profit, distributions, etc., may vary due to changes in conditions. Forecast figures are not a guarantee of the amount of distributions.

Management status is forecast to be as follows during the 49th fiscal period (from December 1, 2025 to May 31, 2026). See “Management status forecast assumptions for 48th fiscal period (from June 1, 2025 to November 30, 2025) and 49th fiscal period (from December 1, 2025 to May 31, 2026)” below for assumptions used in this forecast.

Operating revenue	¥8,674 million
Operating profit	¥4,002 million
Ordinary profit	¥3,202 million
Profit	¥3,201 million
Distributions per unit (excluding distributions in excess of earnings)	¥3,990
Distributions in excess of earnings per unit	¥—

(Note 1) Funds for the payment of distributions include the additions of the planned amount of the reversal of reserve for temporary difference adjustments of ¥250 million (¥200 per unit) and a portion of retained earnings brought forward. Therefore, the amount of such funds is not equal to that of profit.

(Note 2) The above forecast figures were calculated using a fixed set of assumptions and are valid as of the time of this notice. Actual profit, distributions, etc., may vary due to changes in conditions. Forecast figures are not a guarantee of the amount of distributions.

Management status forecast assumptions for 48th fiscal period (from June 1, 2025 to November 30, 2025) and 49th fiscal period (from December 1, 2025 to May 31, 2026)

Item	Assumptions
Management period	48th fiscal period: from June 1, 2025 to November 30, 2025 (183 days) 49th fiscal period: from December 1, 2025 to May 31, 2026 (182 days)
Assets under management	<ul style="list-style-type: none"> The 131 properties owned as of May 31, 2025, are based on the inclusion of Park East Sapporo (quasi-co-ownership interest of 24%) and KYOMACHIBORI SQUARE, which were acquired on June 4, 2025, and of the HF HIKIFUNE RESIDENCE EAST that is scheduled to be acquired on August 7, 2025, the HF OMORI RESIDENCE that is scheduled to be acquired on August 8, 2025, and the HF OSHIAGE RESIDENCE that is scheduled to be acquired on December 5, 2025, and on the exclusion of the HF HIGASHI SHINJUKU RESIDENCE disposed on June 6, 2025, and HF HAMAMATSUCHO BUILDING disposed on June 30, 2025. The actual number may vary if properties are newly acquired, disposed, etc.
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> Assumptions are made based on 1,251,533 total investment units issued and outstanding (1,194,933 total investment units issued and outstanding as of May 31, 2025 plus 54,000 new investment units issued through public offering as decided at the Board of Directors meetings on May 19 and 22, 2025 and 2,600 new investment units issued through third party allotment associated with the secondary distribution by overallotment). Profit and distribution per unit are calculated with the aforementioned 1,251,533 units as the total number of investment units issued and outstanding at the end of each period.
Operating revenue	<ul style="list-style-type: none"> Operating revenue is calculated based on the assumption of the above assets under management. As a gain on sale of real estate properties of HF HIGASHI SHINJUKU RESIDENCE and HF HAMAMATSUCHO BUILDING, which were disposed on June 6 and June 30, 2025, respectively, ¥2,133 million is expected for the fiscal period ended November 30, 2025. Operating revenue is calculated taking into account such factors as cancellation notices currently received and the future market environment, using the history of acquired assets as our standard.
Operating expenses	<ul style="list-style-type: none"> Operating expenses are calculated based on the assumption of the above assets under management. Assumptions concerning major operating expenses are as follows: 48th fiscal period (from June 1, 2025 to November 30, 2025) Public charges and taxes (fixed property tax, city planning tax, etc.): ¥574 million Repair expenses: ¥452 million Management commissions: ¥879 million Depreciation: ¥1,123 million 49th fiscal period (from December 1, 2025 to May 31, 2026) Public charges and taxes (fixed property tax, city planning tax, etc.): ¥578 million Repair expenses: ¥443 million Management commissions: ¥868 million Depreciation: ¥1,139 million Fixed property tax, city planning tax, etc. associated with properties held are accounted for as expenses related to leasing business by posting the amounts corresponding to the relevant calculation period from the amount of tax determined to be due. Although fixed property tax, city planning tax, etc., on the buying and selling of real estate properties is generally calculated on a pro-rata basis with former owners and settled at the time of acquisition, the amount equivalent to the settlement money is not expensed, as it is included in the acquisition cost. For repair expenses, an amount deemed necessary during the period based on the maintenance and repair plans for the properties is posted. Emergency costs may arise as a result of unforeseeable factors, and actual operating expenses may therefore vary significantly from the forecast.
Non-operating expenses	<ul style="list-style-type: none"> The REIT assumes ¥747 million and ¥778 million as interest expenses (including interest expenses on investment corporation bonds) and financing fees for the fiscal period ending November 30, 2025 and the fiscal period ending May 31, 2026, respectively. In addition, the REIT assumes ¥25 million and ¥25 million as the amortization of investment corporation bond issuance costs and investment unit issuance expenses for the fiscal period ending November 30, 2025 and the fiscal period ending May 31, 2026, respectively.
Interest-bearing liabilities	<ul style="list-style-type: none"> Interest-bearing liabilities as of May 31, 2025 are ¥125,887 million. Calculated on the assumption that the REIT will have interest-bearing liabilities balances of ¥123,404 million and ¥123,404 million at the end of the fiscal period ending November 30, 2025 and the fiscal period ending May 31, 2026, respectively, taking into consideration the early repayments of loans in June 2025 and the loans to be taken out for the property acquisitions in August 2025. The REIT assumes that it will refinance loans that become payable in November 2025 and May 2026.

Item	Assumptions
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy stipulated in the REIT's bylaws. Assumptions on distributions for the fiscal period ending November 30, 2025 are made based on the distribution of a total of ¥4,943 million (distribution of ¥3,950 per unit), which is the amount calculated by adding ¥250 million of the expected reversal of reserve for temporary difference adjustments (the expected reserve reversal of ¥200 per unit) to the expected profit of ¥5,161 million, and then subtracting ¥467 million as an internal reserve. Assumptions on distributions for the fiscal period ending May 31, 2026 are made based on the distribution of a total of ¥4,993 million (distribution of ¥3,990 per unit), which is the amount calculated by adding ¥250 million of the expected reversal of reserve for temporary difference adjustments (the expected reserve reversal of ¥200 per unit) and a portion of retained earnings brought forward to the expected profit of ¥3,201 million. • Distributions per unit (excluding distributions in excess of earnings) may change because of various factors, including changes in leasing income attributable to changes of assets under management or changes in tenants or to unexpected maintenance and repair work.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • We do not expect any distributions in excess of earnings at this time.
Other	<ul style="list-style-type: none"> • We assume no amendments to laws, the tax system, accounting standards, TSE rules, or The Investment Trusts Association, Japan rules, etc., that would affect the above forecast figures. • We assume that no major unforeseen changes will occur in the general economic trends, real estate market conditions, etc.

(2) Investment Risks

No disclosure necessary, since there have been no material changes from "Investment risks" in the most recent Securities Registration Statement (submitted on May 19, 2025; including the subsequent amendment).

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	46th fiscal period (As of November 30, 2024)	47th fiscal period (As of May 31, 2025)
Assets		
Current assets		
Cash and deposits	11,777,811	13,700,888
Cash and deposits in trust	3,947,123	4,489,865
Operating accounts receivable	158,831	184,439
Prepaid expenses	156,594	164,795
Consumption taxes refund receivable	17,868	–
Other	47,204	64,781
Allowance for doubtful accounts	(115)	(115)
Total current assets	16,105,318	18,604,655
Non-current assets		
Property, plant and equipment		
Buildings	24,295,405	25,460,911
Accumulated depreciation	(6,449,623)	(6,744,101)
Buildings, net	17,845,782	18,716,810
Structures	117,004	123,859
Accumulated depreciation	(59,827)	(62,822)
Structures, net	57,176	61,036
Machinery and equipment	336,971	349,471
Accumulated depreciation	(252,870)	(258,054)
Machinery and equipment, net	84,100	91,416
Tools, furniture and fixtures	406,982	477,871
Accumulated depreciation	(234,494)	(254,362)
Tools, furniture and fixtures, net	172,487	223,509
Land	42,321,308	45,369,469
Buildings in trust	52,124,550	53,215,044
Accumulated depreciation	(15,610,903)	(16,072,289)
Buildings in trust, net	36,513,647	37,142,755
Structures in trust	255,548	256,083
Accumulated depreciation	(127,737)	(131,216)
Structures in trust, net	127,811	124,866
Machinery and equipment in trust	785,331	781,477
Accumulated depreciation	(398,280)	(408,873)
Machinery and equipment in trust, net	387,051	372,603
Tools, furniture and fixtures in trust	1,511,793	1,604,301
Accumulated depreciation	(1,007,409)	(1,054,902)
Tools, furniture and fixtures in trust, net	504,384	549,398
Land in trust	120,301,628	126,192,730
Total property, plant and equipment	218,315,378	228,844,598
Intangible assets		
Leasehold interests in land	10,553,621	10,553,621
Land leasehold interests in trust	2,472,255	2,472,255
Software	730	385
Other	227	227
Total intangible assets	13,026,834	13,026,489

(Unit: Thousands of yen)

	46th fiscal period (As of November 30, 2024)	47th fiscal period (As of May 31, 2025)
Investments and other assets		
Guarantee deposits	24,589	24,589
Long-term prepaid expenses	348,983	394,076
Derivatives	709,539	883,363
Other	566,755	557,845
Total investments and other assets	1,649,867	1,859,874
Total non-current assets	232,992,080	243,730,962
Deferred assets		
Investment unit issuance expenses	58,941	38,275
Investment corporation bond issuance costs	34,495	31,022
Total deferred assets	93,436	69,298
Total assets	249,190,835	262,404,916
Liabilities		
Current liabilities		
Operating accounts payable	968,584	993,268
Current portion of long-term borrowings	13,976,000	14,241,000
Accrued expenses	951,302	988,520
Income taxes payable	369	—
Accrued consumption taxes	—	158,977
Advances received	1,329,803	1,360,068
Other	22,587	16,525
Total current liabilities	17,248,648	17,758,359
Non-current liabilities		
Investment corporation bonds	7,900,000	7,900,000
Long-term borrowings	92,161,200	103,746,200
Leasehold and guarantee deposits received	1,132,644	1,158,678
Leasehold and guarantee deposits received in trust	5,853,816	6,231,109
Total non-current liabilities	107,047,661	119,035,987
Total liabilities	124,296,310	136,794,347
Net assets		
Unitholders' equity		
Unitholders' capital	108,578,318	108,578,318
Surplus		
Capital surplus	7,406,652	7,406,652
Deduction from unitholders' capital surplus	*3 (1,699,990)	*3 (1,699,990)
Capital surplus, net	5,706,661	5,706,661
Voluntary retained earnings		
Reserve for tax purpose reduction entry	492,732	492,732
Reserve for temporary difference adjustments	*4 1,660,160	*4 1,421,173
Total voluntary retained earnings	2,152,893	1,913,906
Unappropriated retained earnings (undisposed loss)	7,701,017	8,472,089
Total surplus	15,560,572	16,092,657
Total unitholders' equity	124,138,890	124,670,976
Valuation and translation adjustments		
Deferred gains or losses on hedges	755,634	939,592
Total valuation and translation adjustments	755,634	939,592
Total net assets	*2 124,894,525	*2 125,610,568
Total liabilities and net assets	249,190,835	262,404,916

(2) Statement of Income

(Unit: Thousands of yen)

	46th fiscal period (From June 1, 2024 to November 30, 2024)		47th fiscal period (From December 1, 2024 to May 31, 2025)	
Operating revenue				
Leasing business revenue	*1	7,283,703	*1	7,356,646
Other leasing business revenue	*1	756,314	*1	806,089
Gain on sale of real estate properties	*2, *3	1,005,454	*2, *3	1,991,695
Total operating revenue		9,045,473		10,154,432
Operating expenses				
Expenses related to leasing business	*1, *3	3,357,168	*1, *3	3,566,774
Asset management fees		748,666		766,381
Asset custody fees		13,600		13,832
Administrative service fees		30,843		34,217
Remuneration for directors (and other officers)		6,102		6,102
Audit fees		12,400		12,800
Other operating expenses		182,049		198,106
Total operating expenses		4,350,831		4,598,214
Operating profit		4,694,642		5,556,217
Non-operating income				
Interest income		1,540		7,207
Reversal of distributions payable		502		684
Insurance claim income		3,598		4,889
Other		—		212
Total non-operating income		5,642		12,994
Non-operating expenses				
Interest expenses		472,781		560,312
Financing fees		59,636		63,133
Interest expenses on investment corporation bonds		30,335		30,335
Amortization of investment corporation bond issuance costs		3,472		3,472
Amortization of investment unit issuance expenses		20,665		20,665
Other		13,822		9,047
Total non-operating expenses		600,713		686,965
Ordinary profit		4,099,570		4,882,246
Profit before income taxes		4,099,570		4,882,246
Income taxes - current		605		605
Total income taxes		605		605
Profit		4,098,965		4,881,641
Retained earnings brought forward		3,602,051		3,590,448
Unappropriated retained earnings (undisposed loss)		7,701,017		8,472,089

(3) Statements of Unitholders' Equity
46th fiscal period (June 1, 2024 – November 30, 2024)

(Unit: Thousands of yen)

	Unitholders' equity				
	Unitholders' capital	Surplus			
		Capital surplus	Deduction from unitholders' capital surplus	Capital surplus, net	Voluntary retained earnings Reserve for tax purpose reduction entry
Balance at beginning of period	102,992,648	7,406,652	(1,699,990)	5,706,661	492,732
Changes during period					
Issuance of new investment units	5,585,670				
Reversal of reserve for temporary difference adjustments					
Dividends of surplus					
Profit					
Net changes in items other than unitholders' equity					
Total changes during period	5,585,670	–	–	–	–
Balance at end of period	*1 108,578,318	7,406,652	(1,699,990)	5,706,661	492,732

	Unitholders' equity				
	Surplus				Total unitholders' equity
	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus	
	Reserve for temporary difference adjustments	Total voluntary retained earnings			
Balance at beginning of period	1,706,157	2,198,890	7,442,828	15,348,379	118,341,028
Changes during period					
Issuance of new investment units					5,585,670
Reversal of reserve for temporary difference adjustments	(45,997)	(45,997)	45,997	—	—
Dividends of surplus			(3,886,773)	(3,886,773)	(3,886,773)
Profit			4,098,965	4,098,965	4,098,965
Net changes in items other than unitholders' equity					
Total changes during period	(45,997)	(45,997)	258,189	212,192	5,797,862
Balance at end of period	1,660,160	2,152,893	7,701,017	15,560,572	124,138,890

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	612,114	612,114	118,953,142
Changes during period			
Issuance of new investment units			5,585,670
Reversal of reserve for temporary difference adjustments			—
Dividends of surplus			(3,886,773)
Profit			4,098,965
Net changes in items other than unitholders' equity	143,519	143,519	143,519
Total changes during period	143,519	143,519	5,941,382
Balance at end of period	755,634	755,634	124,894,525

47th fiscal period (December 1, 2024 – May 31, 2025)

(Unit: Thousands of yen)

	Unitholders' equity				
	Unitholders' capital	Surplus			
		Capital surplus	Deduction from unitholders' capital surplus	Capital surplus, net	Voluntary retained earnings Reserve for tax purpose reduction entry
Balance at beginning of period	108,578,318	7,406,652	(1,699,990)	5,706,661	492,732
Changes during period					
Reversal of reserve for temporary difference adjustments					
Dividends of surplus					
Profit					
Net changes in items other than unitholders' equity					
Total changes during period	—	—	—	—	—
Balance at end of period	*1 108,578,318	7,406,652	(1,699,990)	5,706,661	492,732

	Unitholders' equity				
	Surplus				Total unitholders' equity
	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus	
	Reserve for temporary difference adjustments	Total voluntary retained earnings			
Balance at beginning of period	1,660,160	2,152,893	7,701,017	15,560,572	124,138,890
Changes during period					
Reversal of reserve for temporary difference adjustments	(238,986)	(238,986)	238,986	—	—
Dividends of surplus			(4,349,556)	(4,349,556)	(4,349,556)
Profit			4,881,641	4,881,641	4,881,641
Net changes in items other than unitholders' equity					
Total changes during period	(238,986)	(238,986)	771,071	532,085	532,085
Balance at end of period	1,421,173	1,913,906	8,472,089	16,092,657	124,670,976

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	755,634	755,634	124,894,525
Changes during period			
Reversal of reserve for temporary difference adjustments			—
Dividends of surplus			(4,349,556)
Profit			4,881,641
Net changes in items other than unitholders' equity	183,958	183,958	183,958
Total changes during period	183,958	183,958	716,043
Balance at end of period	939,592	939,592	125,610,568

(4) Statements of Cash Dividend Distributions

(Unit: yen)

	46th Fiscal Period (June 1, 2024 – November 30, 2024)	47th Fiscal Period (December 1, 2024 – May 31, 2025)
I. Unappropriated retained earnings	7,701,017,959	8,472,089,604
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments	*1 238,986,600	*1 238,986,600
III. Distributions	4,349,556,120	4,600,492,050
(Distributions per investment unit)	(3,640)	(3,850)
IV. Voluntary retained earnings		
Transfer of reserve for temporary difference adjustments	—	*1 148,743,724
Transfer of reserve for tax purpose reduction entry	—	108,756,208
V. Retained earnings brought forward	3,590,448,439	3,853,084,222
How distributions were calculated	<p>Following the policy prescribed in Article 32, paragraph 1 of 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 earnings" stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the REIT declared total distributions of ¥4,349,556,120 for the current fiscal period, which is the amount calculated by adding a portion of retained earnings brought forward of ¥11,603,523 and reversal of reserve for temporary difference adjustments of ¥238,986,600 (¥200 per unit) to profit of ¥4,098,965,997. The REIT does not distribute monies in excess of earnings as prescribed in Article 32, paragraph 2 of its bylaws.</p>	<p>Following the policy prescribed in Article 32, paragraph 1 of 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 earnings" stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the REIT declared total distributions of ¥4,600,492,050 for the current fiscal period, which is the amount calculated by adding reversal of reserve for temporary difference adjustments of ¥238,986,600 (¥200 per unit) to the amount calculated by deducting the internal reserve of ¥520,135,715, which includes the transfer of reserve for temporary difference adjustments of ¥148,743,724 and the transfer of reserve for tax purpose reduction entry of ¥108,756,208, from the profit of ¥4,881,641,165 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. The REIT does not distribute monies in excess of earnings as prescribed in Article 32, paragraph 2 of its bylaws.</p>

(5) Statement of Cash Flows

(Unit: Thousands of yen)

	46th fiscal period From June 1, 2024 to November 30, 2024	47th fiscal period From December 1, 2024 to May 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,099,570	4,882,246
Depreciation	1,059,392	1,076,719
Increase (decrease) in allowance for doubtful accounts	(0)	—
Amortization of investment corporation bond issuance costs	3,472	3,472
Amortization of investment unit issuance expenses	20,665	20,665
Interest income	(1,540)	(7,207)
Interest expenses	503,116	590,647
Decrease (increase) in operating accounts receivable	(11,255)	(25,607)
Decrease (increase) in consumption taxes refund receivable	(17,868)	17,868
Increase (decrease) in accrued consumption taxes	(176,128)	158,977
Decrease (increase) in long-term prepaid expenses	14,875	(45,093)
Increase (decrease) in operating accounts payable	60,555	112,478
Increase (decrease) in accrued expenses	15,025	23,616
Increase (decrease) in advances received	15,456	30,264
Increase (decrease) in deposits received	6,437	(5,968)
Decrease in property, plant and equipment in trust due to sale	1,360,803	1,876,528
Other, net	(42,430)	720
Subtotal	6,910,146	8,710,327
Interest received	1,540	7,207
Interest paid	(491,312)	(577,045)
Income taxes refund (paid)	(828)	(1,469)
Net cash provided by (used in) operating activities	6,419,546	8,139,020
Cash flows from investing activities		
Purchase of property, plant and equipment	(216,420)	(4,403,461)
Purchase of property, plant and equipment in trust	(8,459,909)	(9,156,443)
Proceeds from leasehold and guarantee deposits received	73,623	112,135
Refund of leasehold and guarantee deposits received	(53,131)	(76,022)
Proceeds from leasehold and guarantee deposits received in trust	534,354	766,155
Refund of leasehold and guarantee deposits received in trust	(297,912)	(415,902)
Proceeds from payment of trust deposits corresponding to tenant leasehold and security deposits in trust	252,223	1,450
Deposits of trust deposits corresponding to tenant leasehold and security deposits in trust	(13,481)	(220,182)
Net cash provided by (used in) investing activities	(8,180,654)	(13,392,272)
Cash flows from financing activities		
Proceeds from long-term borrowings	6,840,000	18,747,000
Repayments of long-term borrowings	(6,840,000)	(6,897,000)
Proceeds from issuance of investment units	5,548,281	—
Distributions paid	(3,887,054)	(4,349,661)
Net cash provided by (used in) financing activities	1,661,227	7,500,338
Net increase (decrease) in cash and cash equivalents	(99,880)	2,247,086
Cash and cash equivalents at beginning of period	15,322,384	15,222,503
Cash and cash equivalents at end of period	*1 15,222,503	*1 17,469,590

(6) Precaution about Going Concern Assumptions

Not applicable

3. Reference Information

(1) Information on Prices for Assets Under Management, Etc.

a. Investment status

Asset type	Use	Area	46th Fiscal Period (As of November 30, 2024)		47th Fiscal Period (As of May 31, 2025)	
			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	7,502	3.0	7,512	2.9
		Metropolitan Area (Note 4)	5,085	2.0	5,103	1.9
		Other (Note 5)	5,152	2.1	5,211	2.0
	Residence	Tokyo 23 Wards	34,401	13.8	38,362	14.6
		Metropolitan Area (Note 4)	9,598	3.9	9,562	3.6
		Other (Note 5)	9,293	3.7	9,262	3.5
	Subtotal		71,034	28.5	75,015	28.6
Real estate in trust (Note 3)	Office	Tokyo 23 Wards	59,222	23.8	57,989	22.1
		Metropolitan Area (Note 4)	8,819	3.5	8,825	3.4
		Other (Note 5)	37,423	15.0	40,115	15.3
	Residence	Tokyo 23 Wards	37,453	15.0	43,051	16.4
		Metropolitan Area (Note 4)	2,489	1.0	2,480	0.9
		Other (Note 5)	14,897	6.0	14,392	5.5
	Subtotal		160,306	64.3	166,854	63.6
Real estate, etc., subtotal			231,341	92.8	241,870	92.2
Deposits and other assets			17,849	7.2	20,534	7.8
Total assets			249,190	100.0	262,404	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 fiscal period.

(Note 2) “Ratio to total assets” represents the ratio of the value of holding by type of asset to total assets, rounded to the nearest one-tenth of one percent. The same applies hereinafter.

(Note 3) The leasehold interests in land, 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.

(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.

	46th Fiscal Period (As of November 30, 2024)		47th Fiscal Period (As of May 31, 2025)	
	Balance sheet amount (Million yen)	Ratio to total assets (%)	Balance sheet amount (Million yen)	Ratio to total assets (%)
Liabilities	124,296	49.9	136,794	52.1
Net assets	124,894	50.1	125,610	47.9

b. Investment real estate properties

(i) Overview of portfolio assets

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Of-05	SUITENGU HEIWA BUILDING	Chuo-ku, Tokyo	Real estate trust beneficiary right	1,373	1,550	0.63
Of-06	HF MONZEN-NAKACHO BUILDING	Koto-ku, Tokyo	Real estate trust beneficiary right	2,261	2,500	1.01
Of-07	HF HAMAMATSUCHO BUILDING (Note 5)	Minato-ku, Tokyo	Real estate trust beneficiary right	1,555	1,530	0.62
Of-08	HF TAMEIKE BUILDING	Minato-ku, Tokyo	Real estate trust beneficiary right	2,845	2,700	1.09
Of-11	HF NIHONBASHI ODENMACHO BUILDING	Chuo-ku, Tokyo	Real estate trust beneficiary right	2,137	2,150	0.87
Of-12	HF HATCHOBORI BUILDING	Chuo-ku, Tokyo	Real estate	2,984	3,092	1.25
Of-17	HATCHOBORI MF BUILDING	Chuo-ku, Tokyo	Real estate	1,080	1,110	0.45
Of-18	M2 HARAJUKU	Shibuya-ku, Tokyo	Real estate trust beneficiary right	3,340	3,418	1.38
Of-20	FUNABASHI FACE BUILDING	Funabashi City, Chiba	Real estate	3,446	3,900	1.58
Of-21	ADESSO NISHIAZABU	Minato-ku, Tokyo	Real estate	587	640	0.26
Of-23	HF IKEBUKURO BUILDING	Toshima-ku, Tokyo	Real estate	1,278	1,314	0.53
Of-24	HF YUSHIMA BUILDING	Bunkyo-ku, Tokyo	Real estate	1,581	1,624	0.66
Of-25	KAYABACHO HEIWA Bldg.	Chuo-ku, Tokyo	Real estate trust beneficiary right	4,933	4,798	1.94
Of-27	KOBE KYUKYORYUCHI HEIWA BUILDING	Kobe City, Hyogo	Real estate trust beneficiary right	2,393	2,310	0.93
Of-29	SAKAE MINAMI HEIWA BUILDING	Nagoya City, Aichi	Real estate trust beneficiary right	1,420	1,580	0.64
Of-30	HF SAKURADORI BUILDING	Nagoya City, Aichi	Real estate trust beneficiary right	4,217	4,900	1.98
Of-32	HF SENDAI HONCHO BUILDING	Sendai City, Miyagi	Real estate trust beneficiary right	2,414	2,700	1.09

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Of-33	HF UENO BUILDING	Taito-ku, Tokyo	Real estate trust beneficiary right	3,367	3,400	1.38
Of-35	HF KUDAN MINAMI BUILDING	Chiyoda-ku, Tokyo	Real estate trust beneficiary right	2,851	2,720	1.10
Of-36	HF KANDA OGAWAMACHI BUILDING	Chiyoda-ku, Tokyo	Real estate trust beneficiary right	3,185	3,150	1.27
Of-37	NISSO 5 BUILDING	Yokohama City, Kanagawa	Real estate trust beneficiary right	3,174	3,100	1.25
Of-38	ACROSS SHINKAWA BUILDING	Chuo-ku, Tokyo	Real estate trust beneficiary right	4,001	3,750	1.52
Of-39	SENJU MILDIX II BANKAN	Adachi-ku, Tokyo	Real estate trust beneficiary right	1,590	1,650	0.67
Of-40	ARK Mori Building	Minato-ku, Tokyo	Real estate trust beneficiary right	3,262	3,085	1.25
Of-41	Nihonbashi Horidomecho First	Chuo-ku, Tokyo	Real estate trust beneficiary right	2,142	2,140	0.87
Of-42	SOUTHERN SKY TOWER HACHIOJI	Hachioji City, Tokyo	Real estate trust beneficiary right	1,594	1,600	0.65
Of-43	HAMACHO HEIWA BUILDING	Chuo-ku, Tokyo	Real estate trust beneficiary right	3,164	3,100	1.25
Of-44	KINSHICHO SQUARE BUILDING	Sumida-ku, Tokyo	Real estate trust beneficiary right	2,946	2,840	1.15
Of-45	HF NIHONBASHI KABUTOCHO BUILDING	Chuo-ku, Tokyo	Real estate trust beneficiary right	3,749	3,580	1.45
Of-46	HF SENDAI ICHIBANCHO BUILDING	Sendai City, Miyagi	Real estate	2,695	2,501	1.01
Of-47	Osaki CN Building	Shinagawa-ku, Tokyo	Real estate trust beneficiary right	5,235	5,160	2.09
Of-48	Faret East Building	Tachikawa City, Tokyo	Real estate	1,657	1,610	0.65
Of-49	HF ESAKA BUILDING	Suita City, Osaka	Real estate trust beneficiary right	2,575	2,500	1.01

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Of-50	Shinsaibashi FRONT Building	Osaka City, Osaka	Real estate trust beneficiary right	7,448	7,300	2.95
Of-51	SAKAE CENTER BUILDING	Nagoya City, Aichi	Real estate trust beneficiary right	4,010	4,000	1.62
Of-52	IWAMOTOCHO TWIN BUILDING	Chiyoda-ku, Tokyo	Real estate trust beneficiary right	3,616	3,380	1.37
Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	Chiyoda-ku, Tokyo	Real estate trust beneficiary right	426	400	0.16
Of-54	HF NAGOYA NISHIKI BUILDING	Nagoya City, Aichi	Real estate	2,515	2,100	0.85
Of-55	Kitahama 1-Chome Heiwa Building	Osaka City, Osaka	Real estate trust beneficiary right	4,477	4,500	1.82
Of-56	Heiwa Real Estate Kitahama Building	Osaka City, Osaka	Real estate trust beneficiary right	1,646	1,650	0.67
Of-57	HF YOKOHAMA YAMASHITA BUILDING	Yokohama City, Kanagawa	Real estate trust beneficiary right	4,055	3,800	1.54
Of-58	HF ESAKA EKIMAE BUILDING	Suita City, Osaka	Real estate trust beneficiary right	5,208	5,001	2.02
Of-59	HF KITA NIJO BUILDING	Sapporo City, Hokkaido	Real estate trust beneficiary right	1,573	1,535	0.62
Of-60	Park East Sapporo	Sapporo City, Hokkaido	Real estate trust beneficiary right	2,728	2,700	1.09
Office subtotal				124,757	124,068	50.19
Re-05	HF MEGURO RESIDENCE	Meguro-ku, Tokyo	Real estate trust beneficiary right	604	660	0.27
Re-09	HF KASAI RESIDENCE	Edogawa-ku, Tokyo	Real estate trust beneficiary right	563	650	0.26
Re-11	HF WAKABAYASHI-KOEN RESIDENCE	Setagaya-ku, Tokyo	Real estate trust beneficiary right	3,105	3,610	1.46
Re-12	HF HIMONYA RESIDENCE	Meguro-ku, Tokyo	Real estate trust beneficiary right	1,378	1,560	0.63

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Re-14	HF MINAMIAZABU RESIDENCE	Minato-ku, Tokyo	Real estate trust beneficiary right	1,280	1,370	0.55
Re-16	HF GAKUGEIDAIGAKU RESIDENCE	Meguro-ku, Tokyo	Real estate trust beneficiary right	870	1,000	0.40
Re-17	HF HIGASHIKANDA RESIDENCE	Chiyoda-ku, Tokyo	Real estate trust beneficiary right	837	1,100	0.44
Re-18	HF HIGASHINIHONBASHI RESIDENCE	Chuo-ku, Tokyo	Real estate trust beneficiary right	922	1,210	0.49
Re-19	HF NERIMA RESIDENCE	Nerima-ku, Tokyo	Real estate trust beneficiary right	545	690	0.28
Re-20	HF SHIROKANETAKANAWA RESIDENCE	Minato-ku, Tokyo	Real estate	3,542	4,030	1.63
Re-21	HF MEIDAIMAE RESIDENCE	Setagaya-ku, Tokyo	Real estate	979	1,070	0.43
Re-22	HF NIHONBASHI RESIDENCE	Chuo-ku, Tokyo	Real estate trust beneficiary right	1,048	1,130	0.46
Re-23	HF KAMISHAKUJII RESIDENCE	Nerima-ku, Tokyo	Real estate	808	950	0.38
Re-24	HF KINSHICHO RESIDENCE	Sumida-ku, Tokyo	Real estate	1,042	1,100	0.44
Re-25	HF GINZA RESIDENCE EAST	Chuo-ku, Tokyo	Real estate	5,396	5,940	2.40
Re-26	HF SHIN-YOKOHAMA RESIDENCE	Yokohama City, Kanagawa	Real estate	2,820	3,350	1.36
Re-30	HF MAGOME RESIDENCE	Ota-ku, Tokyo	Real estate	1,454	1,630	0.66
Re-31	HF GAKUGEIDAIGAKU RESIDENCE II	Meguro-ku, Tokyo	Real estate trust beneficiary right	1,559	1,650	0.67
Re-33	HF KAMEIDO RESIDENCE	Koto-ku, Tokyo	Real estate	942	1,050	0.42
Re-34	HF TANASHI RESIDENCE	Nishitokyo City, Tokyo	Real estate	813	911	0.37
Re-38	La Residence de Shirokanedai	Minato-ku, Tokyo	Real estate trust beneficiary right	724	730	0.30
Re-39	HF GINZA RESIDENCE EAST II	Chuo-ku, Tokyo	Real estate trust beneficiary right	1,299	1,460	0.59
Re-40	HF HATCHOBORI RESIDENCE II	Chuo-ku, Tokyo	Real estate trust beneficiary right	1,680	1,890	0.76

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Re-42	HF GINZA RESIDENCE	Chuo-ku, Tokyo	Real estate trust beneficiary right	788	944	0.38
Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	Setagaya-ku, Tokyo	Real estate trust beneficiary right	6,241	6,520	2.64
Re-47	HF MARUNOUCHI RESIDENCE	Nagoya City, Aichi	Real estate trust beneficiary right	476	624	0.25
Re-48	HF HIRAO RESIDENCE	Fukuoka City, Fukuoka	Real estate trust beneficiary right	1,451	1,780	0.72
Re-49	HF KAWARAMACHI NIJO RESIDENCE	Kyoto City, Kyoto	Real estate trust beneficiary right	462	534	0.22
Re-53	HF SHIJO KAWARAMACHI RESIDENCE	Kyoto City, Kyoto	Real estate trust beneficiary right	1,626	1,820	0.74
Re-54	La Residence de Sendagi	Bunkyo-ku, Tokyo	Real estate trust beneficiary right	744	820	0.33
Re-55	HF SENDAGI RESIDENCE	Bunkyo-ku, Tokyo	Real estate trust beneficiary right	776	870	0.35
Re-56	HF KOMAZAWA-KOEN RESIDENCE	Setagaya-ku, Tokyo	Real estate trust beneficiary right	579	615	0.25
Re-57	HF MUSASHI KOYAMA RESIDENCE	Shinagawa-ku, Tokyo	Real estate trust beneficiary right	763	842	0.34
Re-58	HF KOKUBUNJI RESIDENCE	Kokubunji City, Tokyo	Real estate trust beneficiary right	788	839	0.34
Re-59	HF HISAYAODORI RESIDENCE	Nagoya City, Aichi	Real estate trust beneficiary right	957	1,080	0.44
Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	Kyoto City, Kyoto	Real estate trust beneficiary right	501	572	0.23
Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	Shinjuku-ku, Tokyo	Real estate trust beneficiary right	1,887	1,990	0.81
Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	Shinjuku-ku, Tokyo	Real estate trust beneficiary right	1,104	1,170	0.47

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Re-63	HF HIGASHI SHINJUKU RESIDENCE (Note 5)	Shinjuku-ku, Tokyo	Real estate trust beneficiary right	1,212	1,360	0.55
Re-65	HF KITA-YOBANCHO RESIDENCE	Sendai City, Miyagi	Real estate trust beneficiary right	726	809	0.33
Re-66	HF ATAGOBASHI RESIDENCE	Sendai City, Miyagi	Real estate trust beneficiary right	596	684	0.28
Re-68	HF ASAKUSABASHI RESIDENCE	Taito-ku, Tokyo	Real estate trust beneficiary right	722	771	0.31
Re-69	HF ICHIBANCHO RESIDENCE	Sendai City, Miyagi	Real estate trust beneficiary right	716	834	0.34
Re-70	HF HIGASHI-NAKANO RESIDENCE	Nakano-ku, Tokyo	Real estate trust beneficiary right	852	942	0.38
Re-72	HF WASEDA RESIDENCE	Shinjuku-ku, Tokyo	Real estate trust beneficiary right	1,968	2,090	0.85
Re-73	HF WASEDA RESIDENCE II	Shinjuku-ku, Tokyo	Real estate trust beneficiary right	837	872	0.35
Re-74	HF WAKAMATSUKAWADA RESIDENCE	Shinjuku-ku, Tokyo	Real estate trust beneficiary right	1,143	1,158	0.47
Re-75	HF Sendai Residence EAST	Sendai City, Miyagi	Real estate trust beneficiary right	1,419	1,638	0.66
Re-76	HF NISHI-KOEN RESIDENCE	Sendai City, Miyagi	Real estate trust beneficiary right	1,216	1,310	0.53
Re-77	HF BANSUI-DORI RESIDENCE	Sendai City, Miyagi	Real estate trust beneficiary right	737	790	0.32
Re-78	HF KANNAI RESIDENCE	Yokohama City, Kanagawa	Real estate trust beneficiary right	1,691	1,800	0.73
Re-79	HF MEIEKI-KITA RESIDENCE	Nagoya City, Aichi	Real estate trust beneficiary right	2,089	2,160	0.87
Re-80	HF HIGASHI-SAPPORO RESIDENCE	Sapporo City, Hokkaido	Real estate trust beneficiary right	1,413	1,560	0.63
Re-81	HF HAKATA-HIGASHI RESIDENCE	Fukuoka City, Fukuoka	Real estate	889	880	0.36

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	Sendai City, Miyagi	Real estate	869	850	0.34
Re-83	HF TABATA RESIDENCE	Kita-ku, Tokyo	Real estate	1,030	1,100	0.44
Re-84	HF RYOGOKU RESIDENCE	Sumida-ku, Tokyo	Real estate	1,330	1,400	0.57
Re-85	HF HACHIOJI RESIDENCE	Hachioji City, Tokyo	Real estate	1,204	1,120	0.45
Re-86	HF MITA RESIDENCE II	Minato-ku, Tokyo	Real estate	1,252	1,210	0.49
Re-87	HF MONZENNAKACHO RESIDENCE	Koto-ku, Tokyo	Real estate	942	945	0.38
Re-88	HF MINAMI-SUNAMACHI RESIDENCE	Koto-ku, Tokyo	Real estate	903	900	0.36
Re-89	HF SENDAI NAGAMACHI RESIDENCE	Sendai City, Miyagi	Real estate	1,042	1,030	0.42
Re-90	HF SHOKOJI AKABANE RESIDENCE	Kita-ku, Tokyo	Real estate	1,150	1,150	0.47
Re-91	HF SENDAI HONCHO RESIDENCE	Sendai City, Miyagi	Real estate	1,072	1,070	0.43
Re-92	HF OHORI RESIDENCE BAYSIDE	Fukuoka City, Fukuoka	Real estate	1,173	1,150	0.47
Re-93	HF HAKATA HIGASHI RESIDENCE II	Fukuoka City, Fukuoka	Real estate	1,300	1,198	0.48
Re-94	HF FUKUOKA RESIDENCE EAST	Fukuoka City, Fukuoka	Real estate	1,318	1,180	0.48
Re-95	HF SHOKOJI AKABANE RESIDENCE II	Kita-ku, Tokyo	Real estate	1,733	1,690	0.68
Re-96	HF Yahiro Residence	Sumida-ku, Tokyo	Real estate	1,251	1,220	0.49
Re-97	HF SETAGAYAKAMIMACHI RESIDENCE	Setagaya-ku, Tokyo	Real estate	718	700	0.28
Re-98	HF SOKA RESIDENCE	Soka City, Saitama	Real estate	1,360	1,300	0.53
Re-99	HF UENO IRIYA RESIDENCE	Taito-ku, Tokyo	Real estate	947	900	0.36
Re-100	HF TSUJIDO RESIDENCE	Fujisawa City, Kanagawa	Real estate	2,014	1,870	0.76
Re-101	HF KAWAGUCHIEKIMAE RESIDENCE	Kawaguchi City, Saitama	Real estate	1,348	1,260	0.51
Re-102	HF HIGASHIOGU RESIDENCE	Arakawa-ku, Tokyo	Real estate	1,242	1,210	0.49
Re-103	HF IMAIKE-MINAMI RESIDENCE	Nagoya City, Aichi	Real estate	933	860	0.35
Re-104	HF FUSHIMI RESIDENCE	Nagoya City, Aichi	Real estate	664	610	0.25
Re-105	HF NAKANO-SAKAUE RESIDENCE	Nakano-ku, Tokyo	Real estate	1,096	1,050	0.42
Re-106	HF UENO RESIDENCE EAST	Taito-ku, Tokyo	Real estate	2,617	2,500	1.01
Re-107	HF OMORIMACHI RESIDENCE	Ota-ku, Tokyo	Real estate	1,273	1,200	0.49
Re-108	HF KITASENJU RESIDENCE	Adachi-ku, Tokyo	Real estate	2,700	2,510	1.02
Re-109	HF HIKIFUNE RESIDENCE	Sumida-ku, Tokyo	Real estate trust beneficiary right	1,413	1,380	0.56

Property no.	Property name	Address	Form of asset (Note 1)	Balance sheet amount (Million yen) (Note 2)	Acquisition price (Million yen) (Note 3)	Percentage of investments (%) (Note 4)
Re-110	HF MEGURO GYONINZAKA RESIDENCE	Meguro-ku, Tokyo	Real estate trust beneficiary right	5,596	5,300	2.14
Re-111	HF NISHI-SUGAMO RESIDENCE	Kita-ku, Tokyo	Real estate	1,079	1,040	0.42
Re-112	HF NISHI-SUGAMO RESIDENCE II	Kita-ku, Tokyo	Real estate	913	880	0.36
Re-113	HF TOBU-NERIMA RESIDENCE	Itabashi-ku, Tokyo	Real estate	1,094	1,050	0.42
Re-114	HF RYOGOKU RESIDENCE EAST	Sumida-ku, Tokyo	Real estate	914	880	0.36
Residence subtotal				117,112	123,133	49.81
Total				241,870	247,201	100.00

(Note 1) The “Form of asset” column shows the REIT’s form of ownership of the asset. The form is shown as “Real estate trust beneficiary right” if the REIT is listed as a beneficiary and as “Real estate” if the REIT is listed as the owner in the real estate registry.

(Note 2) The “Balance sheet amount” column shows the acquisition price (including expenses for acquisition and subsequent capital expenditures) as of the end of the 47th fiscal period (May 31, 2025), after deducting the accumulated depreciation.

(Note 3) The “Acquisition price” column shows the trading value indicated in the real estate trading agreement or real estate trust beneficiary right trading agreement of each asset (excluding amounts equal to consumption taxes, etc. and other dues and expenses for the permission to transfer the leasehold interest in land and other fees paid to the leaseholder (land owner); The same applies hereinafter). However, for properties acquired as a result of the merger (from Re-38 La Residence de Shirokanedai through Re-73 HF WASEDA RESIDENCE II), the column shows the appraisal value as of October 1, 2010, the day the merger took effect.

(Note 4) The “Percentage of investments” column shows the percentage of each property’s acquisition price to total acquisition price of all acquired assets, rounded to the nearest one-hundredth of one percent.

(Note 5) Of-07 HF HAMAMATSUCHO BUILDING was transferred on June 30, 2025, and Re-63 HF HIGASHI SHINJUKU RESIDENCE was transferred on June 6, 2025.

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