

May 22, 2023

This notice is the English translation of the Japanese announcement on May 22, 2023

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.  
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Aya Motomura, Executive Director  
(Securities Code: 8966)

Asset Management Company

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Notice Concerning of Early Repayment of Loan

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announces that it has decided to make early repayment before the due date for the following loan in consideration of the issuance of a secondary offering of new investment units, the details of which were described in the "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" released on today.

Details

1. Loan for early repayment

Term Loan 69

Lender	Sumitomo Mitsui Banking Corporation
Loan balance	1,280 million yen
Early repayment amount	1,280 million yen (Note)
Loan balance after repayment	0 yen (Note)
Drawdown date	April 27, 2023
Scheduled date of early repayment	June 8, 2023 (Note)
Principal repayment date	October 31, 2023

(Note) The “Early repayment amount” and the “Loan balance after repayment” in the above table respectively show a maximum amount that is expected to be repaid earlier than the schedule and a minimum balance after such repayment, which have been established based on a decision made on today. Still, we may change the actual amount of this early repayment after taking into account the amount of proceeds from the issuance of new investment units described in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” released on today. In addition, the “expected date of early repayment before the due date” shows the expected date of early repayment before the due date as of today, which we may change as well. If we decide to change the amount of early repayment before the due date and/or the expected date of such repayment, we will make an announcement separately.

2. Status of interest-bearing liabilities after the early repayment of loan.

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

	Before early repayment of loan	After early repayment of loan	Change
Short-term loans	1,480	200	-1,280
Long-term loans due within 1 year	11,760	11,760	-
Long-term borrowing	87,677	87,677	-
Total loans	100,917	99,637	-1,280
Investment corporation bonds	8,900	8,900	-
Total interest-bearing debt	109,817	108,537	-1,280

(Note) The above status is based on the assumption that we will make early repayment before the due date for the full amount of the loan.

3. Other

The risks associated with the early repayment of loan as described above do not change from those detailed in “Investment Risks” in the periodic securities report (*yuka shoken hokokusho*) for the fiscal period ended November 2022 (42nd Fiscal Period), which was submitted on February 28, 2023.

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