

March 26, 2020

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

9-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

Aya Motomura, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

Takaya Ichikawa, President & Representative Director

Inquiries: Yoshio Ito, General Manager, Planning & Finance Department

TEL. +81-3-3669-8771

Borrowing of Funds and Repayment of Loans

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

Details

1. Borrowing of Funds

(1) Details of Borrowing

Term Loan 46 Tranche A

Lender	Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co.,Ltd.
Loan Amount	1,000 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.285% (Note1)
Drawdown Date	March 31, 2020
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on March 27, 2020
Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be April 30, 2020) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal Repayment Date	October 31, 2022
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

Term Loan 46 Tranche B

Lender	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited.
Loan Amount	1,000 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.415% (Note1)
Drawdown Date	March 31, 2020
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on March 27, 2020

Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be April 30, 2020) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal Repayment Date	October 31, 2024
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

#### Term Loan 46 Tranche C

Lender	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Mizuho Trust & Banking Co.,Ltd.
Loan Amount	3,520 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.600% (Note1)
Drawdown Date	March 31, 2020
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on March 27, 2020
Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be April 30, 2020) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal Repayment Date	May 31, 2027
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

#### Term Loan 47

Lender	The 77 Bank, Ltd.
Loan Amount	1,100 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.500% (Note1)
Drawdown Date	April 24, 2020 (Note2)
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on April 22, 2020
Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be July 31, 2020) and the principal repayment date (however, in the event that one of these days is not a business day, the business day immediately preceding it)
Principal Repayment Date	May 31, 2027
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

(Note1)The base interest rate applicable to the calculation period for the interest payable on an interest payment date is the 3-month Japanese Yen TIBOR released by JBA TIBOR Administration (the “JBATA”) two business days preceding the first day of each interest calculation period. For JBA’s Japanese Yen TIBOR, please check with JBATA’s website (<http://www.jbatibor.or.jp/english/rate/>).

(Note2) At this time, the scheduled drawdown date is set on April 24, 2020, while Term Loan 47 will be used to fund the acquisition of HF SENDAI HONCHO RESIDENCE. This property is in the construction work, there is a possibility of drawdown date after April 24, 2020. If the drawdown date changes, it will be disclosed again.

#### (2) Reason for Borrowing

Term Loan 46 (loan amount: 5,520 million yen) will be used to fund the repayment of Term Loan 19 (loan balance: 5,520 million yen), which are due for principal repayment on March 31, 2020.

Term Loan 47 (loan amount: 1,100 million yen) will be used to partly fund the acquisition of asset “HF SENDAI HONCHO RESIDENCE”, and the expenses associated with the acquisition.

\*For more details about the acquisition of the specified asset, please refer to the press release “Notice Concerning Acquisition of Asset (HF

SENDAI HONCHO RESIDENCE)” announced on December 26, 2019

## 2. Loans for Repayment

### Term Loan 19

Lenders	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Mizuho Trust & Banking Co.,Ltd.
Loan Balance	5,520 million yen
Drawdown Date	March 29, 2013
Principal Repayment Date	March 31, 2020

## 3. Status of Interest-Bearing Liabilities after Borrowing of Funds

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

	Before Borrowing and Repayment	After Borrowing and Repayment	Change
Long-term loans due within 1 year	11,550	6,030	-5,520
Long-term loans	65,617	72,237	6,620
Total loans	77,167	78,267	1,100
Investment corporation bonds	6,400	6,400	-
Total interest-bearing liabilities	83,567	84,667	1,100

## 4. Other

The risks associated with the borrowing of fund 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 2019 (36<sup>th</sup> Fiscal Period), which was submitted on February 27, 2020.

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