

July 24, 2025

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.
5-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
Aya Motomura, Executive Director
(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.
Masanori Hirano, Representative Director, President and Chief Executive Officer
Inquiries: Naomi Kawasaki, General Manager of Planning & Finance Department
TEL. +81-3-3669-8771

Notice Concerning Borrowing of Funds

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

Details

1. Borrowing of Funds

(1) Details of Borrowings

Term Loan 81 Tranche A

Lender	Sumitomo Mitsui Banking Corporation
Loan Amount	503 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.2000% (Note)
Drawdown Date	August 7, 2025
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to be concluded on August 5, 2025
Interest Payment Date	The last day of every month (the first interest payment date shall be September 30, 2025) 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	November 30, 2026
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

Term Loan 81 Tranche B

Lender	Sumitomo Mitsui Banking Corporation
Loan Amount	503 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.2725% (Note)
Drawdown Date	August 7, 2025
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to

	be concluded on August 5, 2025
Interest Payment Date	The last day of every month (the first interest payment date shall be September 30, 2025) 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 29, 2027
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

(Note) 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 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/>).

(2) Reason for Borrowings

The total amount of proceeds from the borrowing described above will be used to partly fund the acquisition of “HF HIKIFUNE RESIDENCE EAST”, 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 Domestic Asset (HF HIKIFUNE RESIDENCE EAST and HF OMORIMACHI RESIDENCE)” announced on July 8, 2025.

2. Status of Interest-Bearing Liabilities after Borrowing of Funds

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

	Before Borrowing of funds	After Borrowing of funds	Change
Short-term loans	0	0	-
Long-term loans due within 1 year	14,241	14,241	-
Long-term loans	98,896	99,902	1,006
Total loans	113,137	114,143	1,006
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	121,037	122,043	1,006

3. Other

The risks associated with the borrowing of funds as described above do not change from those detailed in “Investment Risks” in the securities registration statement, which was submitted on May 19, 2025 and the periodic securities report (yuka shoken hokokusho) for the fiscal period ended November 2024 (46th Fiscal Period), which was submitted on February 25, 2025.

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

DISCLAIMER:

Heiwa Real Estate REIT, Inc. makes no assurance or warranty with respect to the completeness or accuracy of this English translation. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. For complete and accurate information, please refer to the Japanese original.