

November 18, 2020

For Immediate Release

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 Issuance of Investment Corporation Bond

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that it has decided to issue publicly offered investment corporation bond based on the comprehensive resolution adopted at the board of directors’ meeting held on May 29, 2020 as below.

Details

1. Details of the bond

Name of the investment corporation bond	HEIWA REAL ESTATE REIT, Inc. The 6th unsecured investment corporation bond (hereinafter called the “6th bond”) (Special pari passu conditions among specified investment corporation bond)
Issue amount	1,500 million yen
Form of bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., HEIWA REAL ESTATE REIT, Inc. will not issue investment corporation bond certificates for the 6th bond.
Issuance price	100 yen per 100 yen face value
Redemption price	100 yen per 100 yen face value
Interest rate	0.750% per annum
Amount per offering	100 million yen
Offering method	Public offering
Offering period	November 18, 2020
Payment date	November 25, 2020
Collateral and guarantee	The 6th bond will be issued on an unsecured, unguaranteed basis without the backing of specific assets.
Redemption method and maturity date	The total amount of the 6th bond will be redeemed on November 25, 2030. The 6th bond may be repurchased and cancelled at any time on and after the following day of the payment date, unless otherwise provided by law or the service regulations and other rules specified by the transfer agent, Japan Securities Depository Center, Inc.
Redemption method and	May 25 and November 25 every year

maturity date	(the first interest payment date shall be May 25, 2021)
Interest payment date	Negative pledge clause is attached.
Financial covenants	A + (Japan Credit Rating Agency, Ltd)
Rating	Resona Bank, Limited
Fiscal agent, issuing agent and payment agent	SMBC Nikko Securities Inc. Daiwa Securities Co., Ltd. Nomura Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd.

## 2. Reason for the issuance

The Investment Corporation will issue the bond to extend the terms of interest-bearing debt, disperse repayment dates and diversify financing methods, aiming to build a stronger foundation for financial affairs and reduce borrowing costs.

## 3. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

(i) Amount of funds to be raised (estimated amount of net proceeds: deducting issuance related expenses from the payment amount, and rounding down the amounts less than 1 million.)

1,487 million yen

(ii) Specific use of proceeds and scheduled timing of expenditure

The Investment Corporation plans to allocate by the end of December 2020 as early repayment funds for borrowings (loan balance: 1.1 billion yen) that are due on May 31, 2021. It is planned to expand the cash on hand, and to be used for a part of acquisition funds for specific assets and repayment funds for borrowings in the future.

## 4. Status of interest-bearing liabilities after the issuance of corporate bond

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

	Before the issuance of the investment corporation bond	After the issuance of the investment corporation bond	Change
Long-term loans due within 1 year	5,884	5,884	-
Long-term borrowing	72,383	72,383	-
Total loans	78,267	78,267	-
Corporate bonds	6,400	7,900	1,500
Total interest-bearing debt	84,667	86,167	1,500

## 5. Other

The risks associated with the issuance of Investment Corporation Bond 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 May 2020 (37th Fiscal Period), which was submitted on August 28, 2020.

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