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For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

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(Revision • Numeric data) Notice Concerning of Partial Revision of “33<sup>rd</sup> Fiscal Period Financial Report (REIT)”

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced the partial revision of “33<sup>rd</sup> Fiscal Period Financial Report (REIT)” released July 17, 2018, as described below. (The revised section is underlined)

Details

Revision section 1 :

1. Status of Management and Assets for the 33<sup>rd</sup> Fiscal Period

33<sup>rd</sup> Fiscal Period (33<sup>rd</sup> FP): Fiscal period ended May 2018(from December 1, 2017 to May 31, 2018), (4) Cash Flows

(Before Revision)

	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
33rd FP	¥12,208 million	<u>(¥6,385 million)</u>	(¥2,693 million)	<u>¥13,689 million</u>
32nd FP	¥4,590 million	(¥1,478 million)	(¥2,068 million)	¥10,559 million

(After Revision)

	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
33rd FP	¥12,208 million	<u>(¥2,683 million)</u>	(¥2,693 million)	<u>¥17,391 million</u>
32nd FP	¥4,590 million	(¥1,478 million)	(¥2,068 million)	¥10,559 million

Revision section 2 :

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3. Financial Statements (5) Cash Flow Statement

(Before Revision)

(Unit: 1,000 yen)

	32nd Fiscal Period (June 1, 2017 – November 30, 2017)	33rd Fiscal Period (December 1, 2017 – May 31, 2018)
(snip)	(snip)	(snip)
Cash Flows from Investing Activities		
Proceeds from withdrawal of time deposits	3,000,000	-
Payments into time deposits	(3,000,000)	-
Purchase of property, plant and equipment	(567,155)	(2,294,501)
Purchase of property, plant and equipment in trust	(258,903)	(3,419,339)
Purchase of intangible assets	(620,131)	(573,743)
Proceeds from receipt of tenant leasehold and security deposits	61,240	46,239
Repayments of tenant leasehold and security deposits	(93,271)	(155,794)
Proceeds from tenant leasehold and security deposits in trust	146,014	280,785
Repayments of tenant leasehold and security deposits in trust	(129,102)	(313,840)
Proceeds from payment of trust deposits corresponding to tenant leasehold and security deposits in trust	129,102	<u>329,726</u>
Deposits of trust deposits corresponding to tenant leasehold and security deposits in trust	(146,014)	<u>(280,785)</u>
Payments for guarantee deposits	-	(4,381)
Cash Flows from Investing Activities	<u>(1,478,221)</u>	<u>(6,385,635)</u>
(snip)	(snip)	(snip)
Increase (decrease) in cash and cash equivalents	<u>1,043,786</u>	<u>3,129,689</u>
Cash and cash equivalents at beginning of period	<u>9,515,757</u>	<u>10,559,544</u>
Cash and cash equivalents at end of period	<u>※ 1 10,559,544</u>	<u>※ 1 13,689,233</u>

(After Revision)

(Unit: 1,000 yen)

	32nd Fiscal Period (June 1, 2017 – November 30, 2017)	33rd Fiscal Period (December 1, 2017 – May 31, 2018)
(snip)	(snip)	(snip)
Cash Flows from Investing Activities		
Proceeds from withdrawal of time deposits	3,000,000	-
Payments into time deposits	(3,000,000)	-
Purchase of property, plant and equipment	(567,155)	(2,294,501)
Purchase of property, plant and equipment in trust	(258,903)	(3,419,339)
Purchase of intangible assets	(620,131)	(573,743)
Proceeds from receipt of tenant leasehold and security deposits	61,240	46,239
Repayments of tenant leasehold and security deposits	(93,271)	(155,794)
Proceeds from tenant leasehold and security deposits in trust	146,014	280,785
Repayments of tenant leasehold and security deposits in trust	(129,102)	(313,840)
Proceeds from payment of trust deposits corresponding to tenant leasehold and security deposits in trust	129,102	<u>3,988,071</u>
Deposits of trust deposits corresponding to tenant leasehold and security deposits in trust	(146,014)	<u>(236,934)</u>
Payments for guarantee deposits	-	(4,381)
Cash Flows from Investing Activities	<u>(1,478,221)</u>	<u>(2,683,438)</u>
(snip)	(snip)	(snip)

Increase (decrease) in cash and cash equivalents	1,043,786	<u>6,831,886</u>
Cash and cash equivalents at beginning of period	9,515,757	10,559,544
Cash and cash equivalents at end of period	※ 1 10,559,544	※ 1 <u>17,391,430</u>

\* Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

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