

Additional Documentation for Press Release

Notice Concerning Acquisition of Domestic Asset (LUCID SQUARE SEMBA)

August 8, 2025



HEIWA REAL ESTATE REIT, Inc.

LUCID SQUARE SEMBA



- The property to be acquired is a one-minute walk from Sakaisuji Honmachi Station on the Osaka Metro Chuo Line and Sakaisuji Line. Sakaisuji Honmachi area where the property to be acquired is located is a commercial area extending from Sakaisuji Honmachi Station and an office area with a relatively high concentration of financial institutions, large company-owned buildings and leasing buildings, among office areas in Osaka. The property is accessible from several subway lines, has excellent transportation convenience, and is considered to be a highly competitive office location. The Invest Corporation has decided to acquire the property because there is tenant demand from a large range of businesses and it is an area where further development is anticipated in the future.
- The property to be acquired is equipped with air conditioning in individual spaces and has parking facilities that accommodate 38 vehicles. In addition to the convenient access to multiple subway lines mentioned above, this property offers features that cater to tenants that rely on vehicles for business purposes. Moreover, as renovations of the entrance, water features of each floor and other common use area have been implemented, the rent gap at the time of acquisition is **-15.2%**, and internal growth is anticipated due to a potential increase in rent income (Note). Furthermore, as the property to be acquired has sufficient space of approximately 145 tsubo on the standard one floor to allow dividing the property into parcels, securing stable demand can be anticipated among tenants of medium-to small-size offices who are the major investment targets of the office portfolio of the Investment Corporation. In July 2023, the property received the highest rating of “Rank S” under CASBEE for Real Estate, a third-party certification system. This rating recognizes properties with high environmental performance and effective management, and it is expected to contribute to the initiatives of the Investment Corporation toward the realization of a low-carbon society.



Location	Osaka-City, Osaka
Total Floor Space	6,329.59㎡
Construction Date	September 29, 1992
Proposed Acquisition Price	4,720 million yen
Appraisal Value (as of August 2025)	5,200 million yen
Scheduled acquisition date	August 29, 2025
NOI Yield (Note 2)	4.1%
NOI Yield After Depreciation (Note 2)	3.7%

(Note 1) Rent gap = (market rent - monthly contract rent per tsubo for the property) / monthly contract rent per tsubo for the property x 100

Market rent refers to the maximum rent per tsubo including CAM fees which, according to the appraisal of CBRE K.K., is a reasonable level of rent under a new contract as of July 2025, based on comprehensive consideration of a range of factors including contracts concluded most recently for the property, contracts concluded for competing properties with the same use in the surrounding area, and the market environment.

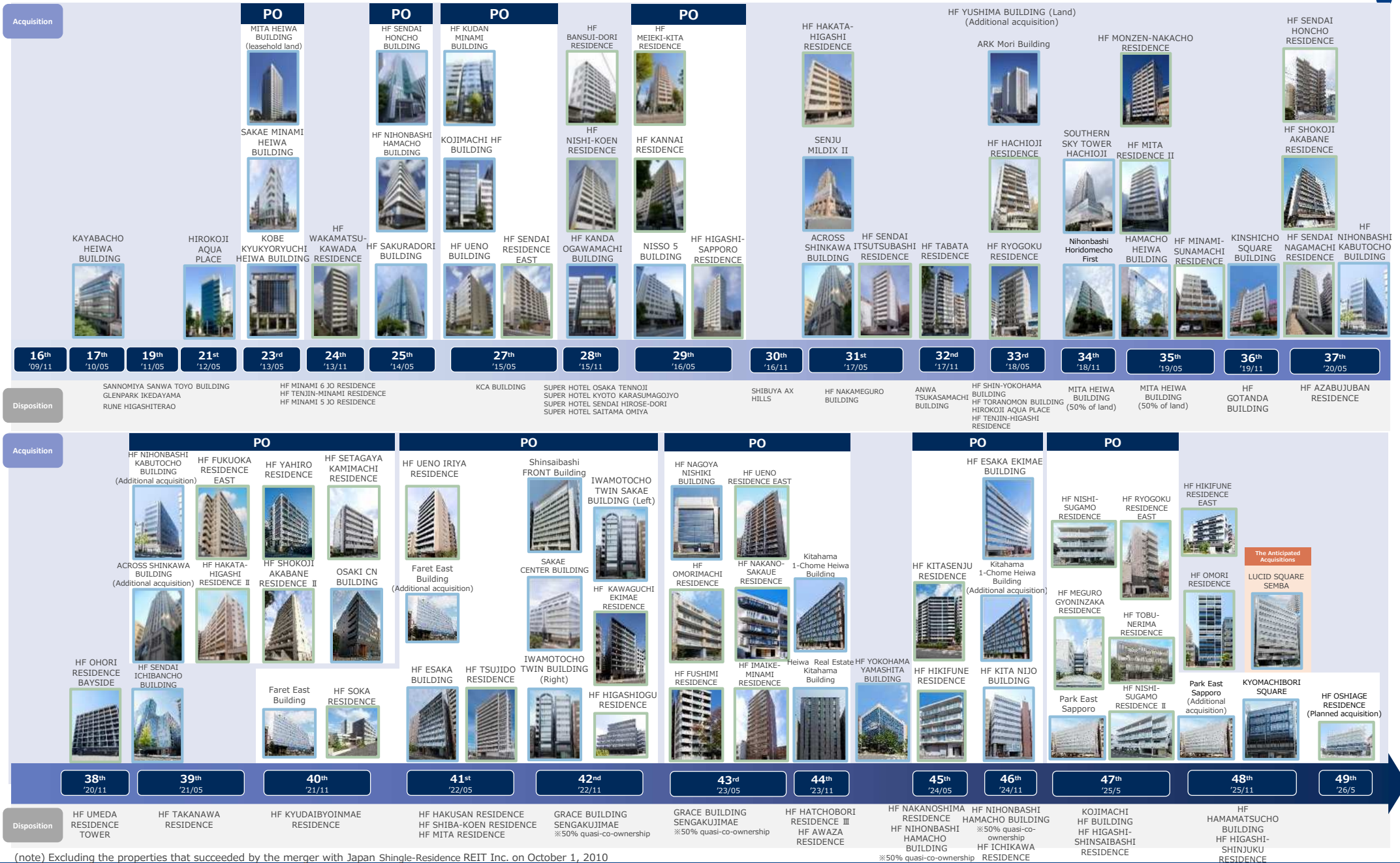
Monthly contract rent per tsubo is calculated by dividing the total amount of monthly rent specified in the lease agreement for the property to be acquired valid as of June 2025 and monthly rent specified in the lease agreement to be concluded, by the total leasable area of the property.

(Note 2) NOI Yield = NOI ÷ Proposed acquisition price NOI Yield After Depreciation = (NOI - Depreciation) ÷ Proposed acquisition price

NOI is NOI for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report of acquired asset.

Depreciation is based on estimates made by the Investment Corporation according to the service life of assets.

History of property acquisition and disposition (after the change of sponsor)



(note) Excluding the properties that succeeded by the merger with Japan Shingle-Residence REIT Inc. on October 1, 2010

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Asset Management Company

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