HEIWA REAL ESTATE REIT, Inc.

July 31, 2026

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 89

Lender	Sumitomo Mitsui Banking Corporation, Limited.
Loan Amount	2,900 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.20% (Note)
Drawdown Date	August 7, 2026
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to be concluded on August 5, 2026
Interest Payment Date	The last day of every month (the first interest payment date shall be August 31, 2026) 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	June 30, 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 (2,900 million yen) will be used to partly fund the acquisition of "HF MIZUE RESIDENCE, HF HIGASHIMIZUE RESIDENCE" as well as a portion of the related expenses.

* For more details about the acquisition of the specified assets, please refer to the press release "Notice Concerning Acquisition of Domestic Assets (HF MIZUE RESIDENCE, HF HIGASHIMIZUE RESIDENCE)" announced on July 31, 2026.

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	2,900	2,900
	Long-term loans due within 1 year	16,608	16,608	-
	Long-term loans	113,282	113,282	-
Total loans		129,890	132,790	2,900
Investment corporation bonds		7,900	7,900	-
Total interest-bearing liabilities		137,790	140,690	2,900

3. Other

The risks associated with the borrowing of funds as agreements as described above do not change from those detailed in "Investment Risks" in the securities registration statement submitted on May 18, 2026 and in the periodic securities report (Yuka Shoken Hokokusho) for the fiscal period ended November 2025 (48th Fiscal Period), which was submitted on February 25, 2026.

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