HEIWA REAL ESTATE REIT, Inc.

Additional Documentation for Press Releases

"Notice Concerning Acquisition and Disposition of Domestic Assets"
"Notice Concerning Revision of Management Status Forecasts for Fiscal Periods Ending November 2026 (50th Fiscal Period) and May 2027 (51st Fiscal Period)"

October 27, 2026

Asset Replacement Utilizing Sponsor Support

・Accelerating initiatives to maximize investor value and improve distribution levels by enhancing capital efficiency through the "Three Enhancement Initiatives"

Facilitating Internal Growth

- Aim to achieve annual rental revenue growth (Note 1) of 6% through the following three initiatives:

① General policy to request upward rent revisions from all tenants (Note 2)

② Expand the number of properties subject to value-adding investments

③ **Acquire growth assets that contribute to future internal growth**

Increasing Investor Returns

- **Use EPU growth driven by rental growth as a source of investor returns**
- Continue investor returns funded by gain on sale and internal reserves generated through the asset turnover-type strategy

Recording gain on sale to support the progressive distribution policy	Recording gain on sale over two fiscal periods
Securing internal reserves as a source of stable distributions	

Three Enhancement Initiatives

Enhance measures to improve capital efficiency and maximize investor value

Assets to be acquired

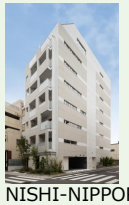


HF SHIMURA-SAKAUE RESIDENCE



HF OSHIAGE RESIDENCE II

Total expected acquisition price: approx. 8 billion yen



HF NISHI-NIPPORI RESIDENCE



HF SHIN-OSAKA RESIDENCE

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Strengthening Asset Turnover-type Strategy

- **Acquire assets that will serve as the foundation for future internal growth**
- Dispose of HF SHIROKANETAKANAWA RESIDENCE at a price exceeding its appraisal value (secure gain on sale over two fiscal periods)

Expected recording gain on sale	20 consecutive periods (expected)	Disposition at 110% of appraisal value 228% of book value

Asset to be disposed



HF SHIROKANE TAKANAWA RESIDENCE

- Disposition of a residential property over 20 years old **located within an area under consideration for a redevelopment project**, in light of future repair cost increases and potential rent decline risks
- Expected to generate a **gain on sale of 4.4 billion yen** through the disposition at a stage when **rental income has grown significantly**

Expected gain on sale: 4.4 billion yen

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(Note 1) "Annual rental revenue growth rate" is a medium-term growth target set and announced by the Investment Corporation as of the date of this material. The Asset Management Company determines and announces the medium-term growth targets of the Investment Corporation for the purpose of providing information to stakeholders. Such targets are merely operational targets and do not guarantee or promise their achievement.
(Note 2) Excluding tenants in certain properties whose contractual rents exceed market rent levels.

Disposition of One Residential Property and Acquisition of Four Residential Properties

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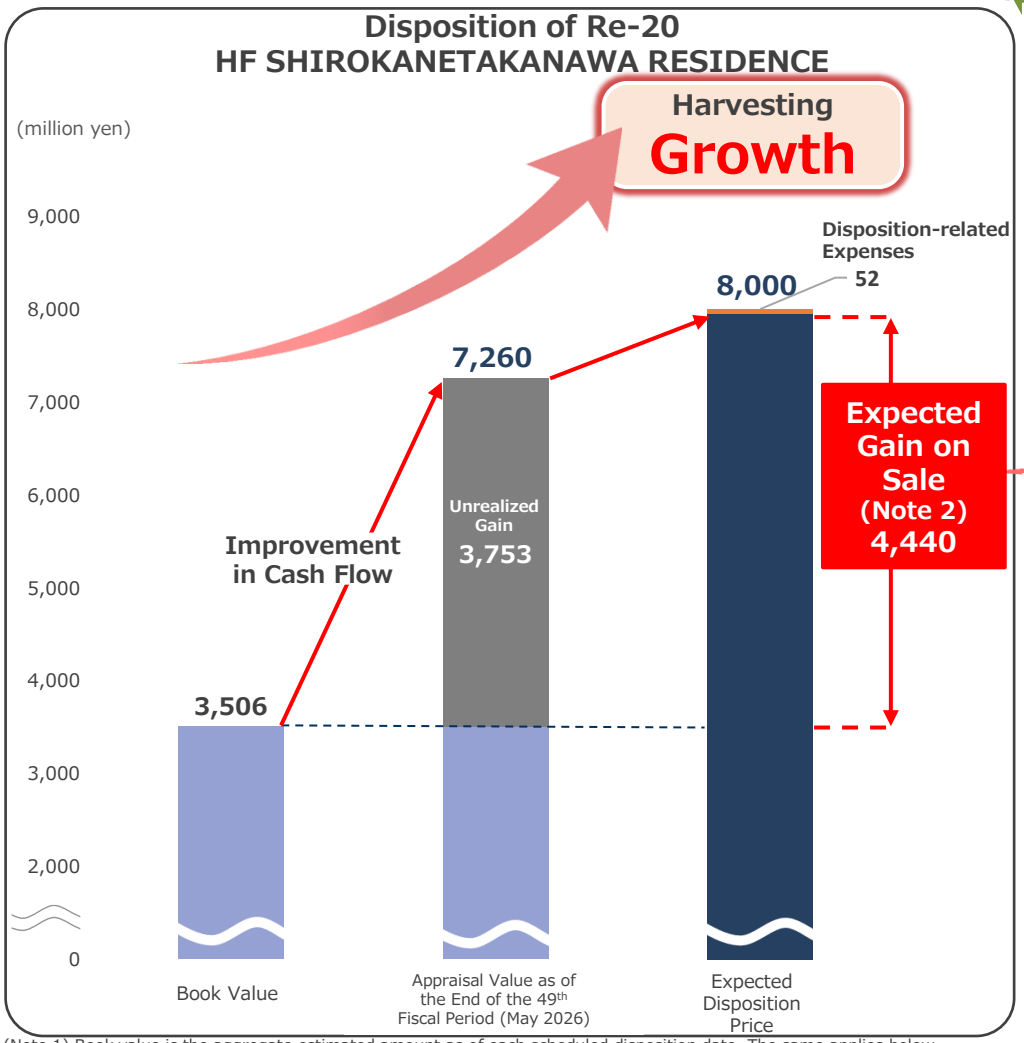
Disposition

Disposition of a mature family-type residence in central Tokyo that has achieved significant growth

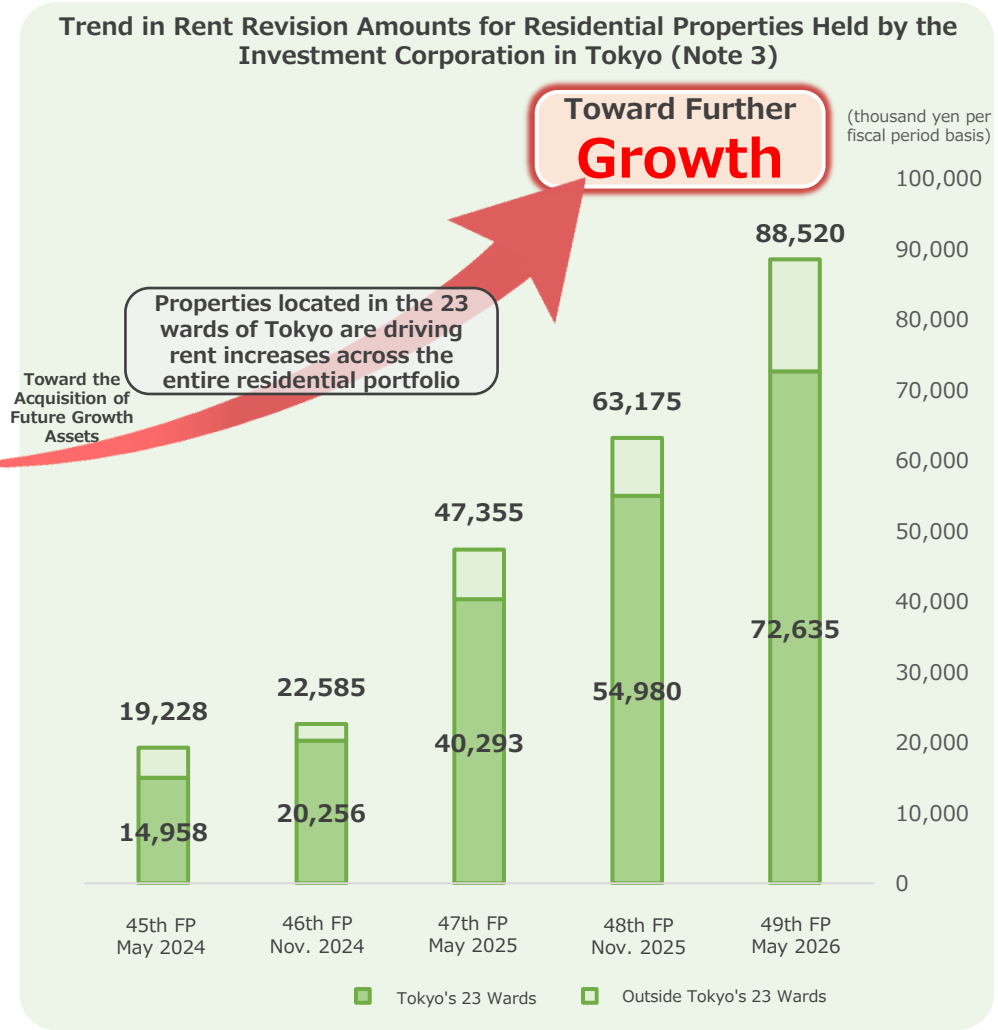
Acquisition

Acquisition of relatively new residential properties primarily located in the 23 wards of Tokyo with sustainable growth supported by actual housing demand

Disposition of Re-20 HF SHIROKANETAKANAWA RESIDENCE



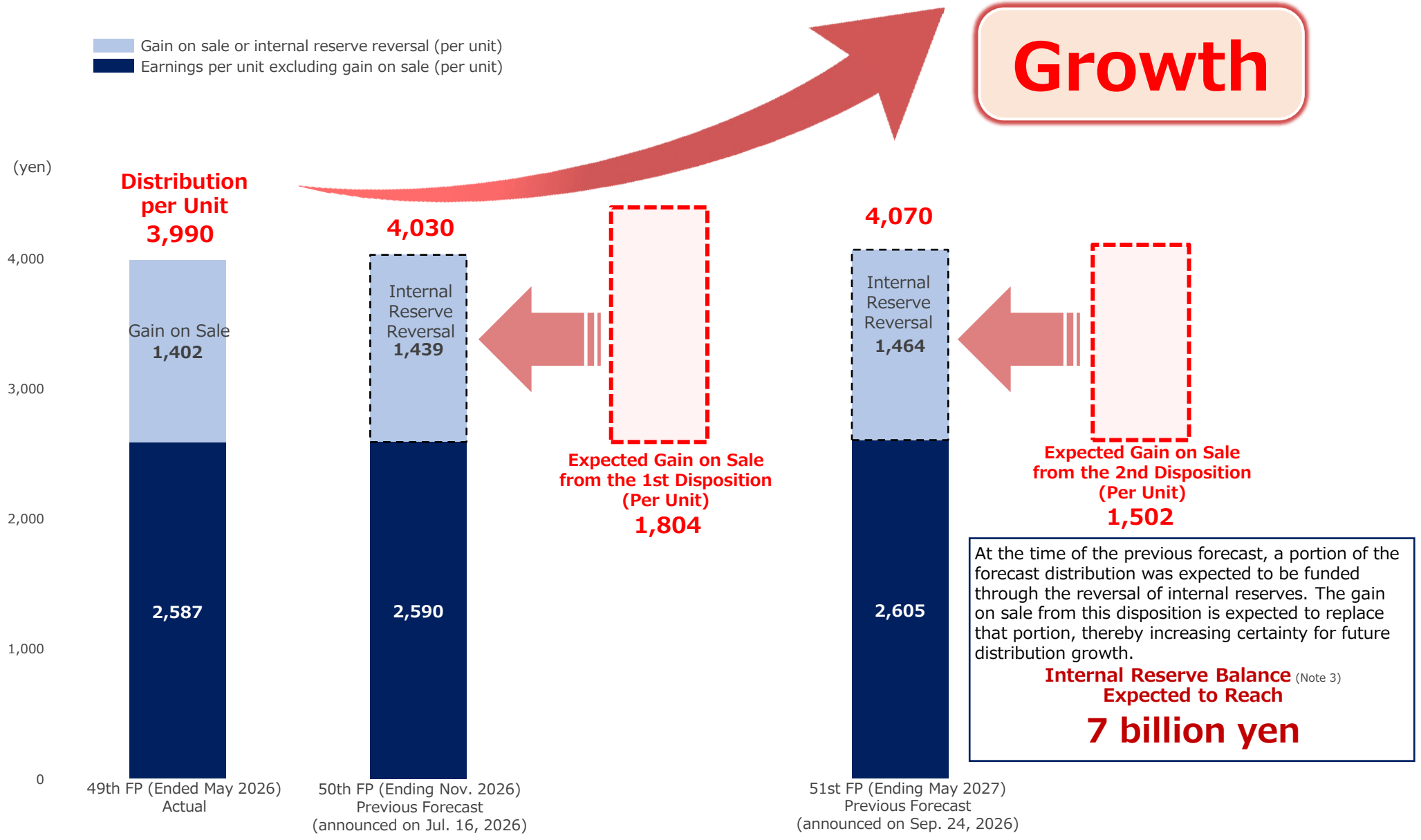
Trend in Rent Revision Amounts for Residential Properties Held by the Investment Corporation in Tokyo (Note 3)



(Note 1) Book value is the aggregate estimated amount as of each scheduled disposition date. The same applies below.
(Note 2) Expected gain on sale is a reference amount calculated as the difference between the expected disposition price and the sum of book value and disposition-related expenses and may differ from the actual gain or loss on disposition. The same applies below.
(Note 3) Shows the trend of changes in net rent. Rent revision amounts represent, for each fiscal period, the amounts of rent increases upon rent revision less the amounts of rent decreases upon rent revision.

Recording Gain on Sale over Two Fiscal Periods Improves Visibility of Distribution Growth

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At the time of the previous forecast, a portion of the forecast distribution was expected to be funded through the reversal of internal reserves. The gain on sale from this disposition is expected to replace that portion, thereby increasing certainty for future distribution growth.

Internal Reserve Balance (Note 3)
Expected to Reach

7 billion yen

(Note 1) For the 49th Fiscal Period, 48 yen per unit has been added back to account for disposition-related expenses (non-deductible consumption tax and a portion of asset management fees).
(Note 2) Figures include the impact of the increase in the number of investment units outstanding resulting from the public offering conducted at the beginning of the 50th Fiscal Period.
(Note 3) Forecast figures for the 51st Fiscal Period are based on current assumptions and may change.

Overview of the Assets to be Acquired

(Acquisition of Four Relatively New Residential Properties Primarily Located in the 23 Wards of Tokyo from the Sponsor)

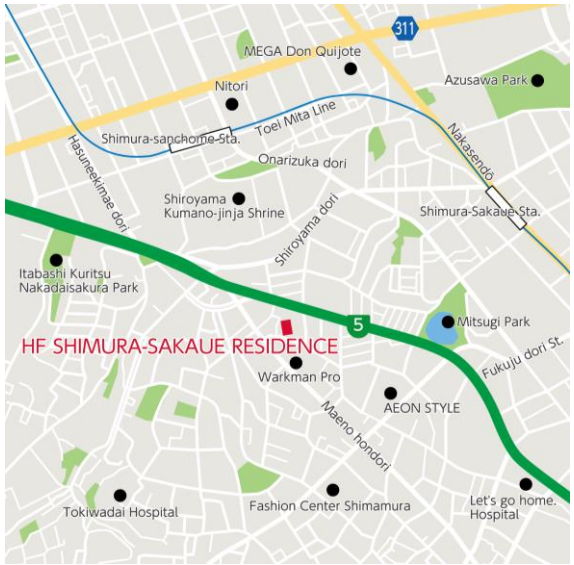
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HF SHIMURA-SAKAUE RESIDENCE



Location	Itabashi-ku, Tokyo
Total floor space	3,185.16㎡
Completion date	February 14, 2025
Expected acquisition price	2,830 million yen
Appraisal value (as of Aug. 2026)	3,390 million yen
Scheduled acquisition date	April 2, 2027
NOI yield / After depreciation (Note 1)	4.1% / 3.3%
Rent gap ratio (Note 2)	-6.4%

- The property is a 10-minute walk from Shimura-sanchome Station on the Toei Mita Line, offering **excellent access to various areas within Tokyo**.
- The property has a total of 78 units consisting of 57 units with 1K layout with floor space of 25.11 ㎡ to 25.30 ㎡ and 21 units with 2LDK layout with floor space of 55.40 ㎡ to 55.92 ㎡. Demand is expected to be mainly from single people and DINKs.



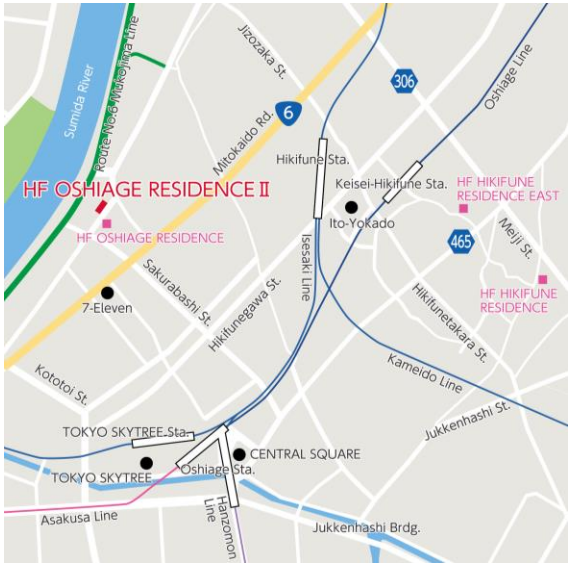
HF OSHIAGE RESIDENCE II

Sponsor-supported Ordinary Land Leasehold Development Project



Location	Sumida-ku, Tokyo
Total floor space	1,233.25 ㎡
Completion date	September 17, 2026
Expected acquisition price	890 million yen
Appraisal value (as of Sep. 2026)	1,170 million yen
Scheduled acquisition date	April 2, 2027
NOI yield / After depreciation (Note 1)	4.6% / 3.6%

- The property is a 12-minute walk from Oshiage Station on the Tokyo Metro Hanzomon Line, the Toei Asakusa Line and the Keisei Oshiage Line, and a 13-minute walk from Tokyo Skytree Station on the Tobu Isesaki Line, offering **excellent access to various areas within Tokyo**.
- **A new residential property developed under an ordinary land leasehold project utilizing sponsor support.**
- The property has a total of 19 units with 2LDK layout with floor space of 49.85 ㎡ to 59.83 ㎡. Demand is expected to be mainly from DINKs and families.



(Note 1) NOI yield = Net operating income (NOI) ÷ Expected acquisition price　NOI yield after depreciation = (NOI − depreciation expenses) ÷ Expected acquisition price
NOI is based on the one-year net operating income (NOI) that serves as the premise of the income approach under the direct capitalization method adopted in the appraisal reports for the assets to be acquired. For the calculation of the current acquisition yield, NOI as of the expected acquisition date is used. Depreciation expenses are estimates calculated by the Investment Corporation based on the useful lives of the relevant assets.
(Note 2) Rent gap ratio = (Contract rent per tsubo per month of the assets to be acquired − Market rent) ÷ Contract rent per tsubo per month of the assets to be acquired × 100
"Market Rent" refers to the rent per tsubo including common area charges, assessed by Leasing Management Consulting Co., Ltd. as the appropriate rent level for new lease agreements for the assets to be acquired as of July 2026. "Contract rent per tsubo per month" is calculated by dividing the monthly rent stipulated in the lease agreements effective as of August 2026 for the assets to be acquired by the total leased area of the respective assets.

Overview of the Assets to be Acquired

(Acquisition of Four Relatively New Residential Properties Primarily Located in the 23 Wards of Tokyo from the Sponsor)

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HF NISHI-NIPPORI RESIDENCE



Location	Arakawa-ku, Tokyo
Total floor space	1,118.35 ㎡
Completion date	June 11, 2021
Expected acquisition price	1,140 million yen
Appraisal value (as of Aug. 2026)	1,320 million yen
Scheduled acquisition date	November 27, 2026
NOI yield / After depreciation (Note 1)	4.0% / 3.3%
Rent gap ratio (Note 2)	-13.9%

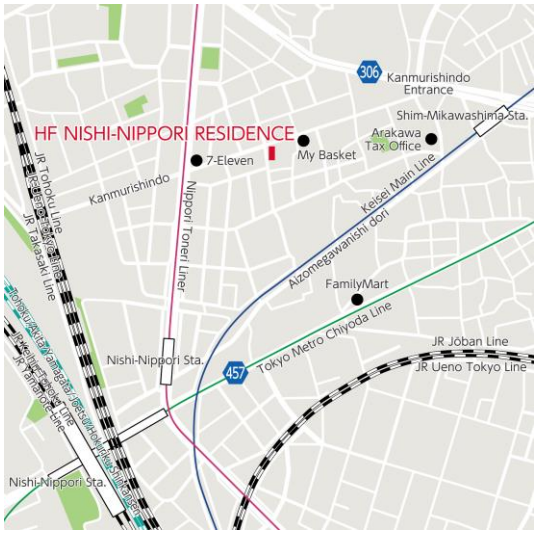
- The property is a 5-minute walk from Shim-Mikawashima Station on the Keisei Main Line and is also within walking distance of Nishi-Nippori Station on the Tokyo Metro Chiyoda Line, the JR Yamanote and Keihin-Tohoku Lines and the Nippori-Toneri Liner, offering **excellent access to various areas within Tokyo**.
- The property has a total of 24 units consisting of 13 units with 1K layout with floor space of 26.40 ㎡ to 30.42 ㎡ and 11 units with 2LDK layout with floor space of 41.59 ㎡ to 50.63 ㎡. Demand is expected to be mainly from single people and DINKs.

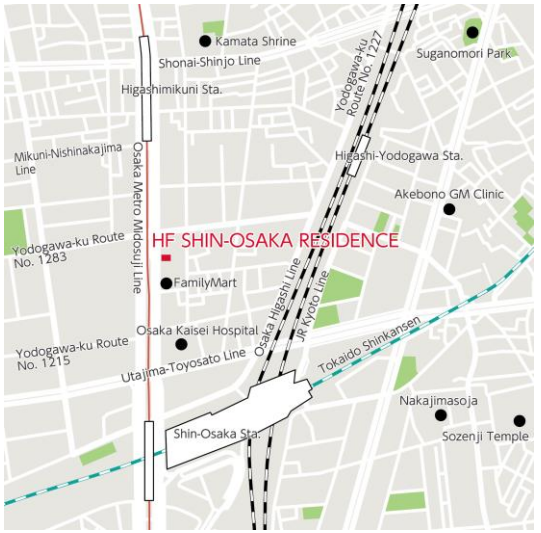
HF SHIN-OSAKA RESIDENCE



Location	Osaka City, Osaka
Total floor space	3,855.61 ㎡
Completion date	March 3, 2021
Expected acquisition price	3,160 million yen
Appraisal value (as of Aug. 2026)	3,340 million yen
Scheduled acquisition date	November 27, 2026
NOI yield / After depreciation (Note 1)	4.0% / 2.8%
Rent gap ratio (Note 2)	-17.2%

- The property is a 4-minute walk from Higashi-Mikuni Station on the Osaka Metro Midosuji Line and a 5-minute walk from Shin-Osaka Station on the Osaka Metro Midosuji Line, the JR Kyoto Line, the JR Osaka Higashi Line and the Shinkansen, within the Shin-Osaka area, **one of Osaka's major transportation hubs**.
- The property has a total of 84 units consisting of 28 units with 1DK layout with floor space of 29.14 ㎡ to 35.08 ㎡ and 56 units with 1LDK layout with floor space of 38.94 ㎡ to 41.52 ㎡. Demand is expected to be mainly from single people and DINKs.





(Note 1) NOI yield = Net operating income (NOI) ÷ Expected acquisition price　NOI yield after depreciation = (NOI − depreciation expenses) ÷ Expected acquisition price
NOI is based on the one-year net operating income (NOI) that serves as the premise of the income approach under the direct capitalization method adopted in the appraisal reports for the assets to be acquired. For the calculation of the current acquisition yield, NOI as of the expected acquisition date is used. Depreciation expenses are estimates calculated by the Investment Corporation based on the useful lives of the relevant assets.
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History of Property Acquisitions and Dispositions
(Following Main Sponsor Change)

HEIWA REAL ESTATE REIT, Inc.





(Note) Excluding properties acquired through the merger with Japan Single-Residence REIT Inc. on October 1, 2010.

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HEIWA REAL ESTATE REIT, Inc.

Asset Management Company

HEIWA REAL ESTATE Asset Management CO.,LTD.

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