

July 19, 2021

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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Aya Motomura, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Notice Concerning Conclusion of Interest Rate Swap Agreements

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today it has concluded interest-rate swap agreements, as described below.

Details

1. Reason for Conclusion of Interest Rate Swap Agreements

To fix the interest rate for the loan amount concerning Term Loan 49 (loan amount: 1,000 million yen), Term Loan 50-① (loan amount: 1,000 million yen), Term Loan 50-② (loan amount: 1,000 million yen) and Term Loan 51 Tranche B (loan amount: 3,559.2 million yen) to hedge the risk of interest rate fluctuation.

2. Details of Interest Rate Swap Agreements

Loan	Term Loan 49
Counterparty	Daiwa Securities Co. Ltd.
Notional Principal	1,000 million yen
Interest Rate	Fixed interest rate payable at 0.08500% Variable interest rate receivable at JBA 1-month Japanese Yen TIBOR
Start Date	July 30, 2021
End Date	November 30, 2028

Loan	Term Loan 50-①
Counterparty	Daiwa Securities Co. Ltd.
Notional Principal	1,000 million yen
Interest Rate	Fixed interest rate payable at 0.08500% Variable interest rate receivable at JBA 1-month Japanese Yen TIBOR
Start Date	July 30, 2021
End Date	November 30, 2028

Loan	Term Loan 50-②
Counterparty	Daiwa Securities Co. Ltd.
Notional Principal	1,000 million yen
Interest Rate	Fixed interest rate payable at 0.08500% Variable interest rate receivable at JBA 1-month Japanese Yen TIBOR
Start Date	July 30, 2021
End Date	May 31, 2029

Loan	Term Loan 51 Tranche B
Counterparty	Daiwa Securities Co. Ltd.
Notional Principal	3,559.2 million yen
Interest Rate	Fixed interest rate payable at 0.05800% Variable interest rate receivable at JBA 3-month Japanese Yen TIBOR
Start Date	July 30, 2021
End Date	May 31, 2028

(Note) According to this interest rate swap agreements, the Floating Interest Rate of Term Loan 49 is set at a fixed interest rate of 0.68500%, the Floating Interest Rate of Term Loan 50-① is set at a fixed interest rate of 0.66500%, the Floating Interest Rate of Term Loan 50-② is set at a fixed interest rate of 0.68500%, and the Floating Interest Rate of Term Loan 51 Tranche B is set at a fixed interest rate of 0.65800%.

3. Future Outlook

The conclusion of interest rate swap agreements will have a minimal impact on the management status forecasts of the Investment Corporation for the 40th fiscal period (June 1, 2021 – November 30, 2021) and the 41th fiscal period (December 1, 2021 - May 31, 2022), no change has been made to the performance forecasts.

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