

November 27, 2020

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

9-1 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, President & Representative Director

Inquiries: Yoshio Ito, General Manager, Planning & Finance Department

TEL. +81-3-3669-8771

Notice Concerning Borrowing of Fund

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today the following decision to borrow fund as described below.

Details

1. Borrowing of Fund

(1) Details of Borrowing

Term Loan 49

Lender	The 77 Bank, Ltd.
Loan Amount	1,000 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.600% (Note)
Drawdown Date	December 17, 2020
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on December 15, 2020
Interest Payment Date	The last day of every month(the first interest payment date shall be January 29, 2021) 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	November 30, 2028
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 Borrowing

The total amount of proceeds from the borrowing described above (1,000 million yen) will be used to partly fund the acquisition of asset “TORYO BUILDING”, and the expenses associated with the acquisition.

* For more details about the acquisition of the specified asset, please refer to the press release “Notice Concerning Acquisition of Asset (TORYO BUILDING)” announced on October 27, 2020

2. Status of Interest-Bearing Liabilities after Borrowing of Fund

(Unit: million yen, fractions of one unit have been rounded off)

	Before Borrowing of fund	After Borrowing of fund	Change
Long-term loans due within 1 year	4,784	4,784	-
Long-term loans	72,383	73,383	1,000
Total loans	77,167	78,167	1,000
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	85,067	86,067	1,000

3. Other

The risks associated with the borrowing of fund as described above do not change from those detailed in “Investment Risks” in the periodic securities report (*yuka shoken hokokusho*) for the fiscal period ended May 2020 (37th Fiscal Period), which was submitted on August 28, 2020.

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