

Additional Material for Press Release

Change in Asset Management Fee Structure

July 26, 2019



HEIWA REAL ESTATE REIT, Inc.



Asset Management Company

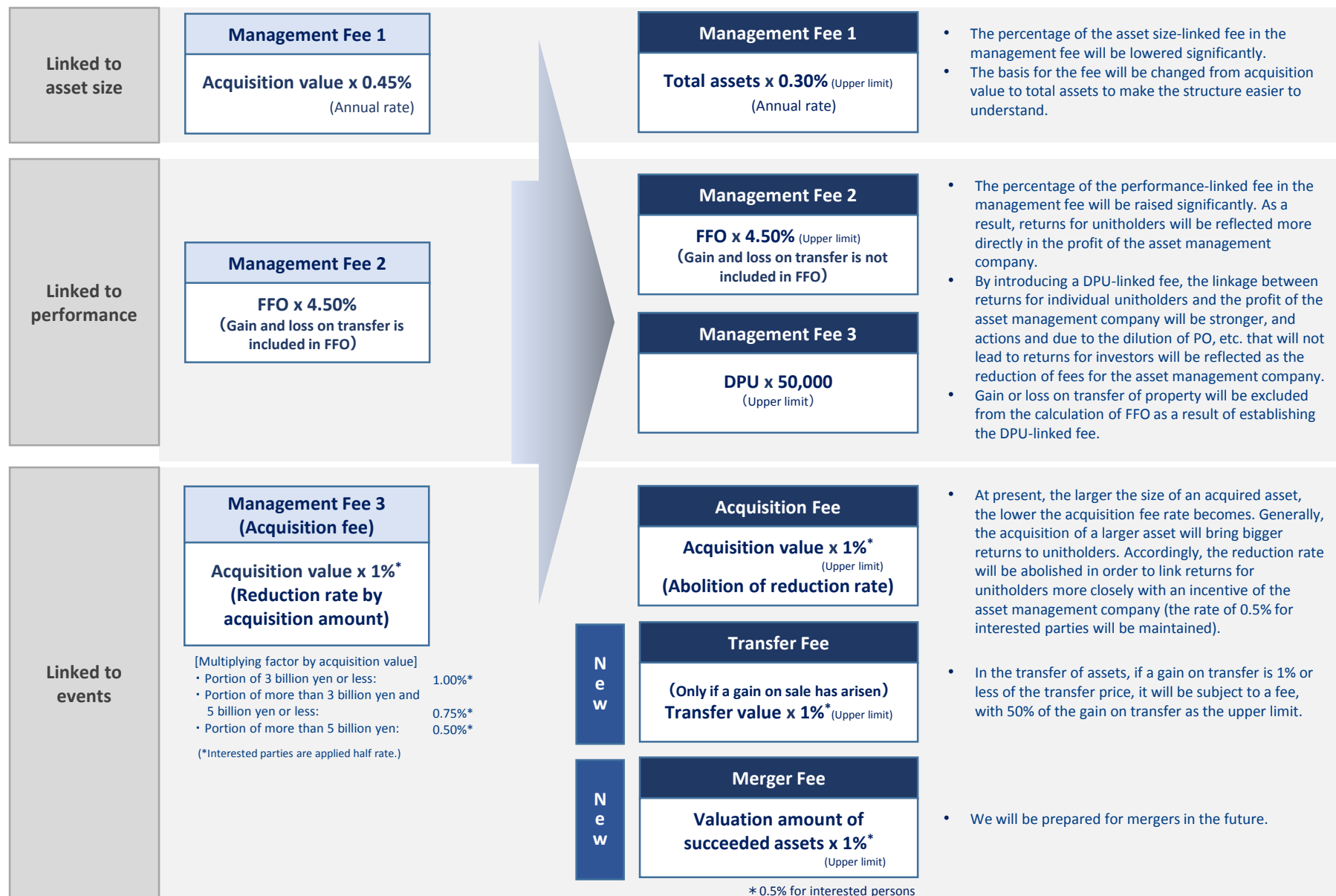
HEIWA REAL ESTATE Asset Management CO., LTD.

Financial Instruments Business Agent
Reg. No. 316, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act)
Member, The Investment Trusts Association, Japan

Changes in Asset Management Fee Structure: Overview of Changes



HEIWA REAL ESTATE REIT, Inc.



Changes in Asset Management Fee Structure: Comparison with Actual Values (Estimate)



HEIWA REAL ESTATE REIT, Inc.

■ AM1: Asset size-linked fee ■ AM2: FFO-linked fee ■ AM3: Distribution-linked fee ■ Acquisition fee ■ Transfer fee

35th Fiscal Period (May 2019)



Difference in fee due to changes in the fee structure

35th FP Distribution
2,425yen/unit

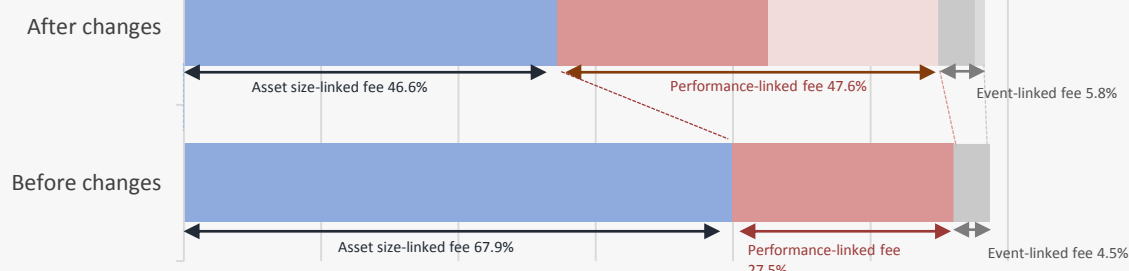
Excluding the acquisition fee and the transfer fee

-15.3million yen
(-15.0yen/unit)

Including the acquisition fee and the transfer fee

-7.9million yen
(-7.0yen/unit)

34th Fiscal Period (Nov. 2018)



34th FP Distribution
2,350yen/unit

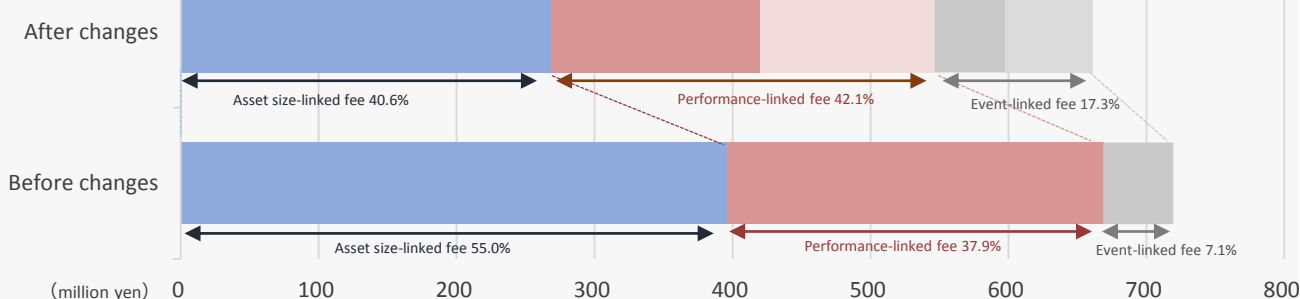
Excluding the acquisition fee and the transfer fee

-11.1million yen
(-10.9yen/unit)

Including the acquisition fee and the transfer fee

-3.8million yen
(-3.8yen/unit)

33rd Fiscal Period (May 2018)



33rd FP Distribution
2,300yen/unit

Excluding the acquisition fee and the transfer fee

-122.2million yen
(-120.4yen/unit)

Including the acquisition fee and the transfer fee

-58.7million yen
(-57.8yen/unit)

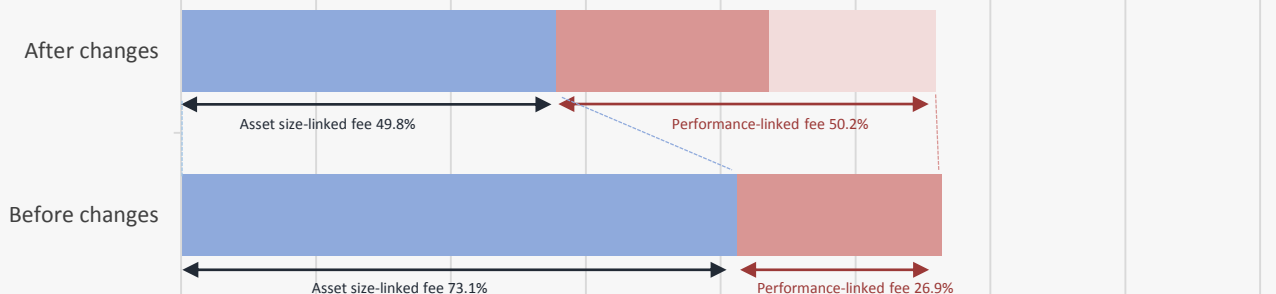
Changes in Asset Management Fee Structure: Comparison with Forecast Values (Estimate)



HEIWA REAL ESTATE REIT, Inc.

AM1: Asset size-linked fee AM2: FFO-linked fee AM3: Distribution-linked fee Acquisition fee

36th Fiscal Period (Nov. 2019)



Difference in fee due to changes in the fee structure

Excluding the acquisition fee and the transfer fee

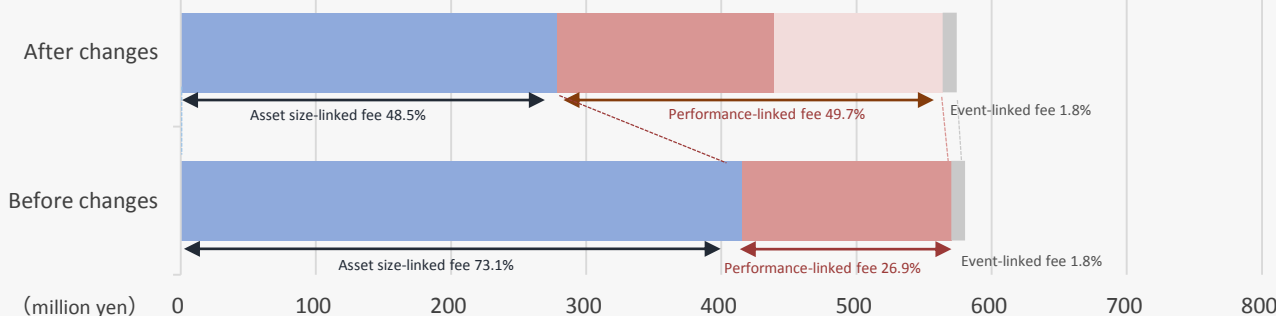
36th FP
Forecast Distribution
2,450yen/unit

-4.4million yen
(-4.3yen/unit)

Including the acquisition fee and the transfer fee

-4.4million yen
(-4.3yen/unit)

37th Fiscal Period (May 2020)



Excluding the acquisition fee and the transfer fee

37th FP
Forecast Distribution
2,450yen/unit

-6.2million yen
(-6.1yen/unit)

Including the acquisition fee and the transfer fee

-6.2million yen
(-6.1yen/unit)

Note: The values above are calculated based on the results forecasts announced on July 18, 2019.
The asset management fee will be changed from the 37th fiscal period (ending May 2020).

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