HEIWA REAL ESTATE REIT, Inc.

February 22, 2022

For Immediate Release

REIT Issuer
HEIWA REAL ESTATE REIT, Inc.
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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 Borrowing

Term Loan 59-①

Lender	Resona Bank, Limited.
Loan Amount	700 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.550% (Note)
Drawdown Date	February 28, 2022
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on February 24, 2022
Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be April 28, 2022) 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	May 31, 2029
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

Term Loan 59-②

Lender	Shinsei Bank, Limited
Loan Amount	1,200 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.520% (Note)
Drawdown Date	February 28, 2022
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on February 24, 2022

Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be April 28, 2022) 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, 2029
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 3-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 will be used to partly find the acquisition of "HF TSUJIDO RESIDENCE", 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 Assets (HF TSUJIDO RESIDENCE)" announced on February 2, 2022

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	12,149	12,149	-
Long-term loans	74,808	76,708	1,900
Total loans	86,957	88,857	1,900
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	94,857	96,757	1,900

3. Other

The risks associated with the borrowing of funds 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 2021 (39th Fiscal Period), which was submitted on August 26, 2021.

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