

March 16, 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 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 50-①

Lender	The Bank of Fukuoka, Ltd.
Loan Amount	1,000 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.580% (Note)
Drawdown Date	March 24, 2021
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on March 22, 2021
Interest Payment Date	The last day of every month(the first interest payment date shall be April 30, 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

Term Loan 50-②

Lender	Shinsei Bank, Limited
Loan Amount	1,000 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.600% (Note)
Drawdown Date	March 24, 2021
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on March 22, 2021
Interest Payment Date	The last day of every month(the first interest payment date shall be April 30, 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	May 31, 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 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 (2,000 million yen) will be used to partly fund the acquisition of asset, 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 (4 Properties)” announced on March 12, 2021

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	10,804	10,804	-
Long-term loans	67,363	69,363	2,000
Total loans	78,167	80,167	2,000
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	86,067	88,067	2,000

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 November 2020 (38th Fiscal Period), which was submitted on February 26, 2021.

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