HEIWA REAL ESTATE REIT, Inc.

April 24, 2023

For Immediate Release

REIT Issuer
HEIWA REAL ESTATE REIT, Inc.
5-1 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, Representative Director, President and Chief Executive Officer
Inquiries: Junichi Kawamura, Managing Officer and General Manager of Planning & Finance Department
TEL. +81-3-3669-8771

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 69

Lender	Sumitomo Mitsui Banking Corporation
Loan Amount	1,280 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.200% (Note1)
Drawdown Date	April 27, 2023
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on April 25, 2023
Interest Payment Date	The last day of every month (the first interest payment date shall be May 31, 2023) 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	October 31, 2023
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

Term Loan 70

Lender	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.
Loan Amount	2,200 million yen
Interest Rate	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 0.620% (Note2)
Drawdown Date	April 28, 2023
Borrowing Method	Borrowing based on the individual loan agreement with the above lender scheduled to be concluded on April 26, 2023

Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be July 31, 2023) 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, 2031
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

(Note1) 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/).

(Note2) 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 "STAGE NISHIKI" and "HF OMORIMACHI 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 (STAGE NISHIKI and HF OMORIMACHI RESIDENCE)" announced on April 13, 2023.

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

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

	Before Borrowing of funds	After Borrowing of funds	Change
Short-term loans	200	1,480	1,280
Long-term loans due within 1 year	11,760	11,760	-
Long-term loans	85,477	87,677	2,200
Total loans	97,437	100,917	3,480
Investment corporation bonds	8,900	8,900	-
Total interest-bearing liabilities	106,337	109,817	3,480

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 2022 (42nd Fiscal Period), which was submitted on February 28, 2023.

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