

August 25, 2025

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.
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Aya Motomura, Executive Director
(Securities Code: 8966)

Asset Management Company

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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 Borrowings

Term Loan 83-① Tranche A

Lender	MUFG Bank, Ltd.
Loan Amount	1,000 million yen
Interest Rate	TBD(Fixed interest rate)(Note1)
Drawdown Date	August 29, 2025
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to be concluded on August 27, 2025
Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be October 31, 2025) 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

aTerm Loan 83-① Tranche B

Lender	MUFG Bank, Ltd.
Loan Amount	700 million yen
Interest Rate	TBD(Fixed interest rate)(Note1)
Drawdown Date	August 29, 2025
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to be concluded on August 27, 2025
Interest Payment Date	The last day of every January, April, July and October (the first interest payment date shall be October 31, 2025) 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, 2032
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

Term Loan 83-②

Lender	Mizuho Bank, Ltd.
Loan Amount	1,300 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.620% (Note2)
Drawdown Date	August 29, 2025
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to be concluded on August 27, 2025
Interest Payment Date	The last day of every month (the first interest payment date shall be September 30, 2025) 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, 2033
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

Term Loan 83-③

Lender	Sumitomo Mitsui Trust Bank,Limited
Loan Amount	1,966 million yen
Interest Rate	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.570% (Note2)
Drawdown Date	August 29, 2025
Borrowing Method	Borrowing based on the individual loan agreements with the above lender scheduled to be concluded on August 27, 2025
Interest Payment Date	The last day of every month (the first interest payment date shall be September 30, 2025) 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, 2034
Principal Repayment Method	Lump-sum repayment on the principal repayment date
Collateral and Guarantee	Unsecured and unguaranteed

(Note1) The interest rate will be announced when determined.

(Note2) 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 Borrowings

The total amount of proceeds from the borrowing described above will be used to partly fund the acquisition of “LUCID SQUARE SEMBA”, 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 Domestic Asset (LUCID SQUARE SEMBA)” announced on August 8, 2025.

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	0	0	-
Long-term loans due within 1 year	14,241	14,241	-
Long-term loans	101,263	106,229	4,966
Total loans	115,504	120,470	4,966
Investment corporation bonds	7,900	7,900	-
Total interest-bearing liabilities	123,404	128,370	4,966

3. Other

The risks associated with the borrowing of funds as described above do not change from those detailed in “Investment Risks” in the securities registration statement, which was submitted on May 19, 2025 and the periodic securities report (yuka shoken hokokusho) for the fiscal period ended November 2024 (46th Fiscal Period), which was submitted on February 25, 2025.

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

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