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For Immediate Release

REIT Issuer

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Notice Concerning Revision of Management Status Forecast for the Fiscal Period Ending May 2026
(49th Fiscal Period)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced a revision to the management status forecast for the fiscal period ending May 2026 (49th Fiscal Period: December 1, 2025 to May 31, 2026) announced in the “48th Fiscal Period Financial Report (REIT)” released on January 19, 2026. The details are as follows.

Details

1. Revision of Management Status Forecast for the Fiscal Period Ending May 2026 (49th Fiscal Period)

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Distribution per unit (yen)
Previous forecast (A)	8,954	4,109	3,170	3,170	3,990
Revised forecast (B)	11,531	6,588	5,629	5,628	3,990
Variance (B) – (A)	2,577	2,479	2,458	2,458	0
Variance (%)	28.8	60.3	77.5	77.5	0.0

(Reference) The expected number of units issued and outstanding at the end of the fiscal period ending May 31, 2026: 1,251,533

2. Reasons for revising the Management Status Forecast

As described in the “Notice Concerning Disposition of Domestic Assets (HF NISHI-SHINJUKU RESIDENCE WEST and HF NISHI-SHINJUKU RESIDENCE EAST)” issued today, the Investment Corporation decided to dispose of HF NISHI-SHINJUKU RESIDENCE WEST and HF NISHI-SHINJUKU RESIDENCE EAST. The

revision reflects changes in the assumptions for the management status forecast announced on January 19, 2026, resulting from the disposition, as the operating revenue forecast for the fiscal period ending May 2026 (49th Fiscal Period) is expected to change 10% or more and the ordinary profit and profit forecasts are each expected to change by 30% or more. As the impact on the management status forecast for the fiscal period ending November 2026 (50th Fiscal Period) is minor, the management status forecast for this period will remain unchanged.

【Notes】

1. The above figures are the current forecast calculated based on the assumptions stated in the Attachment, “Main Assumptions for Management Status Forecasts for the Fiscal Period Ending May 31, 2026 (49th Fiscal Period)”. Therefore, actual operating revenue, operating profit, ordinary profit, profit and distribution per unit may differ from the forecast. In addition, the above forecast does not guarantee the amount of distributions.
2. The Investment Corporation may revise the forecast in the event that a significant deviation from the figures above is expected.
3. As of today, the Investment Corporation owns 138 real estate and real estate trust beneficiary rights, and it plans to dispose of 2 real estate trust beneficiary rights by the end of the fiscal period ending May 31, 2026 (49th Fiscal Period), as stated in the Attachment, “Main Assumptions for Management Status Forecast for the Fiscal Period Ending May 31, 2026 (49th Fiscal Period)”.
4. Amounts are rounded down to the nearest specified unit, and the rate of Variance is rounded to the first decimal place.

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

【Attachment】 Main Assumptions for Management Status Forecast for the Fiscal Period Ending May 31, 2026 (49th Fiscal Period)

Item	Assumptions
Management Period	49th Fiscal Period: from December 1, 2025 to May 31, 2026 (182 days)
Assets under Management	<ul style="list-style-type: none"> • The Investment Corporation plans to dispose of 2 properties as set forth below by the end of the fiscal period ending May 31, 2026 (49th Fiscal Period) from among the 138 properties consisting of real estate and real estate trust beneficiary rights it owns as of today (hereinafter referred to as the “Acquired Assets”). • It is assumed that “HF NISHI-SHINJUKU RESIDENCE WEST” and “HF NISHI-SHINJUKU RESIDENCE EAST” will be disposed of on May 29, 2026 (hereinafter referred to as the “Assets to be Disposed”; the Investment Corporation’s assets excluding the Assets to be Disposed from the Acquired Assets may be referred to as the “Assets Under Management”). • In forecasting the management status, it is assumed that there will be no changes to the Assets Under Management (acquisition of new properties, disposition of existing properties, etc.) other than the disposition of the Assets to be Disposed through the end of the fiscal period ending May 31, 2026 (49th Fiscal Period). • The actual number of properties owned may vary if properties are newly acquired, disposed, etc.
Investment units outstanding	<ul style="list-style-type: none"> • The forecast assumes 1,251,533 units, which is the total number of investment units issued and outstanding as of today, and that there will be no additional issuance of new investment units and no acquisition or cancellation of its own investment units until the end of the fiscal period ending May 31, 2026 (49th Fiscal Period).
Operating revenues	<ul style="list-style-type: none"> • Operating revenues are calculated based on the assumption of the above Assets Under Management. • The Investment Corporation expects to record 2,498 million yen as a gain on sale of Assets to be Disposed for the fiscal period ending May 31, 2026 (49th Fiscal Period). • Operating revenues are calculated based on the past performance of the Acquired Assets, taking into account the cancellation notices currently received and the current market environment.
Operating expenses	<ul style="list-style-type: none"> • Operating expenses are calculated based on the assumption of the above Assets Under Management. • Assumptions concerning major operating expenses are as follows: Fiscal Period Ending May 31, 2026 (49th Fiscal Period) <ul style="list-style-type: none"> Public charges and taxes (fixed property tax, city planning tax, etc.): 593 million yen Maintenance and repair fees: 482 million yen Management commissions: 953 million yen Depreciation: 1,168 million yen • Fixed property tax and city planning tax, etc. associated with properties held are accounted for as expenses related to the leasing business by posting the amounts corresponding to the relevant calculation period from the amount of tax determined to be due. In general, in the sale and purchase of real estate properties, fixed property tax and city planning tax, etc. are calculated on a pro-rata basis between the buyer and the seller based on the ownership period and settled at the time of transaction. The amount equivalent to the settlement amount is not expensed upon acquisition, as it is included in the acquisition cost. • For maintenance and repair fees, an amount deemed necessary during the period based on the maintenance and repair plans for the properties is posted. • Emergency costs may arise as a result of unforeseeable factors, and actual operating expenses may therefore vary significantly from the forecast.

Non-operating expenses	<ul style="list-style-type: none"> • Interest expenses (including interest on investment corporation bonds) and borrowing-related expenses are estimated to be 944 million yen for the fiscal period ending May 31, 2026 (49th Fiscal Period). Amortization of investment unit issuance expenses and investment corporation bond issuance expenses are estimated to be 25 million yen for the fiscal period ending May 31, 2026 (49th Fiscal Period).
Interest-bearing liabilities	<ul style="list-style-type: none"> • The balance of interest-bearing liabilities as of today is 138,680 million yen. • The Investment Corporation assumes that the interest-bearing liabilities maturing by the end of May 31, 2026 will be fully refinanced.
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy stipulated in the Investment Corporation's bylaws. • With respect to distributions for the fiscal period ending May 31, 2026 (49th Fiscal Period), it is assumed that the distribution amount will be a total of 4,993 million yen (distribution of 3,990 yen per unit), which is calculated by adding 250 million yen of the expected reversal of the reserve for temporary difference adjustments (the expected reserve reversal of 200 yen per unit) to the expected profit of 5,628 million yen after setting aside 885 million yen as internal reserves (707 yen per unit). • Distributions per unit (excluding distributions in excess of earnings) may change due to various factors, including changes in leasing income attributable to changes to Assets Under Management or changes in tenants or to unexpected maintenance and repair work.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • The Investment Corporation does not expect any distributions in excess of earnings as of today.
Other	<ul style="list-style-type: none"> • The Investment Corporation assumes no amendments to laws, the tax system, accounting standards, the rules of the Tokyo Stock Exchange, or the rules of the Investment Management Association of Japan, etc., that would affect the above forecast figures. • The Investment Corporation assumes that no major unforeseen changes will occur in the general economic trends, real estate market conditions, etc.

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