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August 28, 2025

For immediate release

Kiyoyuki Tsuchimoto, Representative Executive Officer,
President and CEO
Heiwa Real Estate Co., Ltd.
1-10, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
(Code No. 8803) TSE Prime Market, NSE Premier Market, Fukuoka, and Sapporo

Notice Regarding Acquisition of Fixed Assets in Connection with the Promotion of the Odori-nishi 4 South, Type 1 District Redevelopment Project in Central Sapporo

Heiwa Real Estate Co., Ltd. (head office: Chuo-ku, Tokyo; president: Kiyoyuki Tsuchimoto; hereafter, “Heiwa Real Estate” or the “Company”) announced today that, at a meeting of its Board of Directors held on August 28, 2025, it resolved to acquire fixed assets in connection with the promotion of the Odori-nishi 4 South, Type 1 District Redevelopment Project (hereafter, the “Project”) in the center of the City of Sapporo, as outlined below.

1. Background to the acquisition

Heiwa Real Estate has identified “Expand redevelopment business: Deploy *Bazukuri* endeavors that draw people in throughout Japan” as one of the growth strategies in its medium-term management plan, WAY 2040 Stage 1. In the Project, the Company has been participating both as a stakeholder and as an association member. As a member of the Odori-nishi 4 South District urban redevelopment association, we have been working alongside other stakeholders to promote the Project, contribute to enhancing the value of central Sapporo, and establish a hub that will drive the development of a sustainable and attractive city center. In connection with the promotion of the Project, the Board of Directors, at its meeting held on August 28, 2025, resolved to amend the association member agreement and address related matters. Following this resolution, the Company has determined the planned outline of the fixed assets it will acquire as an association member. Please note that this resolution was made on the assumption that the project plan and other matters will be amended by the association, and that details may be subject to change based on future discussions and consultations.

2. Details of the assets to be acquired

The Company plans to acquire a portion of the land and buildings related to this Project, as detailed in the attached document.

3. Acquisition cost (planned)

Approximately ¥120 billion

4. Overview of the counterparty

Counterparty: Odori-nishi 4 South District urban redevelopment association

Location: 1-3, Minami 1-jo Higashi, Chuo-ku, Sapporo, Hokkaido

President: Kiyoyuki Tsuchimoto, Representative Executive Officer, President and CEO, Heiwa Real Estate Co., Ltd.

Operations: (1) Development of facility buildings and their sites

(2) Development of public facilities

(3) Operations related to the preceding items

Date of establishment: August 2, 2024

Note: This urban redevelopment association was approved for establishment by the City of Sapporo in accordance with Article 11, Paragraph 1 of the Urban Renewal Act. The Company participates as both a stakeholder and an association member.

5. Schedule

Start of construction: October 2025 (planned)

Completion: August 2029 (planned)

6. Outlook

The impact of the acquisition of these assets on the Company's financial results for the fiscal year ending March 31, 2026, is expected to be minimal.

Attachment

Overview of the Project Plan

Project entity	Odori-nishi 4 South District urban redevelopment association
Location	Part of Odori-nishi 4-chome, Chuo-ku, Sapporo
Total land area	Approx. 5,030 m ²
Total floor area	Approx. 99,800 m ²
Planned floor area ratio	Approx. 1,650%
Structure	Steel-frame structure, reinforced concrete structure, and reinforced concrete and steel structure; Adopts intermediate layer seismic isolation structure
Main uses	Provision of office, commercial, and hotel facilities, a parking garage, and district heating and cooling facilities
Building height and number of floors	Approx. 185 meters; 36 above-ground and three below-ground floors
Related parties	Association member: Heiwa Real Estate Co., Ltd. Specific business agent: Taisei Corporation Business consultant: Consortium between Mitsubishi Jisho Design Inc. and General Real-estate Appraisal Consultants Co., Ltd. Basic designer: Mitsubishi Jisho Design Inc. Executive designer: Consortium between Taisei Corporation and Mitsubishi Jisho Design Inc. Design supervisor: Kengo Kuma & Associates
Scheduled start of construction	October 2025
Scheduled completion	August 2029

Note: Details are subject to change based on future discussions and negotiations.