

Note: This document has been translated from the original Japanese for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese, the original shall prevail.

May 16, 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 on Distribution of Surplus

Heiwa Real Estate Co., Ltd. (hereafter, the “Company”) announces that its Board of Directors decided in a meeting held on May 16, 2025 to distribute dividends from surplus with a record date of March 31, 2025, as outlined below.

As stipulated in the Company’s Articles of Incorporation, the Board of Directors is authorized to make the final decision on dividend amounts. Details are as follows.

1. Details of the dividends

	Amount decided	Latest dividend forecasts (Announced on April 30, 2025)	Dividend paid for the fiscal year ended March 31, 2024
Record date	March 31, 2025	Same as on the left	March 31, 2024
Dividend per share	¥109 (Ordinary dividend of ¥79 per share and special dividend of ¥30 per share)	Same as on the left	¥108 (Ordinary dividend of ¥58 per share and special dividend of ¥50 per share)
Total amount of dividends	¥3,657 million	—	¥3,883 million
Effective date of payment	June 2, 2025	—	June 3, 2024
Source of dividends	Retained earnings	—	Retained earnings

2. Reasons

The Company returns profits to shareholders based on the assumption that its businesses, particularly the redevelopment and building leasing businesses, will operate stably over the long term, and sufficient internal reserves for raising shareholder value will be secured. For shareholder returns from FY2024 to FY2026, the Company’s basic policy is to maintain a consolidated dividend payout ratio of 50% in

consideration of the cost of shareholders' equity, capital efficiency, and other factors. Share buybacks will also be implemented flexibly, taking into account aspects such as stock price, investment plans, and financial condition.

As part of the initiatives to further advance management that is conscious of the cost of capital and stock price—outlined in the above policy and in the announcement made on January 31, 2025—the Company has decided to accelerate the reduction of cross-shareholdings. Taking into comprehensive consideration the business performance for the fiscal year ended March 31, 2025, including the recording of a gain on sale of investment securities as extraordinary income, the Company will enhance shareholder returns. Accordingly, it has decided to issue a special dividend, bringing the year-end dividend per share for the fiscal year, to ¥109, consisting of an ordinary dividend of ¥79 and a special dividend of ¥30. (For details, please refer to “Initiatives to Further Advance Management Conscious of the Cost of Capital and the Company’s Stock Price,” announced on January 31, 2025.)

Breakdown of Annual Dividends

	Annual dividends per share		
Fiscal year	Interim	Year-end	Total
Fiscal year ended March 31, 2025	¥63	¥109 (Ordinary dividend of ¥79 per share and special dividend of ¥30 per share)	¥172 (Ordinary dividend of ¥142 per share and special dividend of ¥30 per share)
Fiscal year ended March 31, 2024	¥58	¥108 (Ordinary dividend of ¥58 per share and special dividend of ¥50 per share)	¥166 (Ordinary dividend of ¥116 per share and special dividend of ¥50 per share)