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For immediate release

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**Notice regarding Conclusion of Capital and Business Alliance Agreement between Heiwa Real Estate Co., Ltd. and Taisei Corporation, and Establishment of Tripartite Collaborative Relationship including Mitsubishi Estate Co., Ltd.**

Heiwa Real Estate Co., Ltd. (hereinafter, “Heiwa Real Estate”) and Taisei Corporation (hereinafter, “Taisei”) have each resolved at their respective Board of Directors’ meetings held today to enter into a capital and business alliance (hereinafter, the “Alliance”) and signed a capital and business alliance agreement (hereinafter, “Alliance Agreement”) as of today. Additionally, Heiwa Real Estate, Taisei, and Mitsubishi Estate Co., Ltd. (hereinafter, “Mitsubishi Estate”) have signed an agreement concerning tripartite collaboration. This agreement (hereinafter, the “Cooperation Agreement”) pertains to the Alliance Agreement and a capital and business alliance agreement between the Company and Mitsubishi Estate dated February 17, 2011.

**1. Reasons for Concluding the Alliance and Cooperation Agreement**

Heiwa Real Estate engages in the Building Business, encompassing the development, leasing, management, acquisition, and sale of buildings such as the Tokyo Stock Exchange Building and Osaka Stock Exchange Building, along with other stock exchange buildings in Nagoya and Fukuoka, as well as offices, commercial facilities, and residential properties. The company is also involved in Asset Management Business, which includes managing assets for HEIWA REAL ESTATE REIT, Inc., and providing brokerage services for real estate transactions. Under the Group Purpose, “Enriching everyone’s future with *Bazukuri* that draws people in,” and guided by the Group Long-term Vision “WAY 2040,” Heiwa Real Estate is committed to various growth strategies based on the slogan, “Pursue perpetual dynamic growth to become the ‘Bazukuri Company.’” These strategies include efforts to expand redevelopment business (deploy *Bazukuri* endeavors that draw

people in throughout Japan), cultivate profit growth while enhancing capital efficiency (expand leasing business, reinvest gains from property sales, and enter new business areas), and boost social value (promote sustainability initiatives).

Taisei engages in building construction business, civil engineering business, real estate development business, and engineering business, among other areas. This is guided by the Taisei Group Philosophy, “To Create a Vibrant Environment for All Members of Society,” and the Taisei Spirit, which embodies a commitment to “Active and Transparent Culture,” “Value Creation,” and “Evolution of Tradition” aimed at fulfilling this philosophy. As part of TAISEI VISION 2030, Taisei has identified medium- to long-term external environment and structural changes as “three Xs”: IX (industry transformation), SX (sustainability transformation), and DX (digital transformation). Taisei Group’s aim for FY2030, ended March 31, 2031, is to become “The Ever-Evolving CDE<sup>3</sup> (cubed) Company” by being “a pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives.” Taisei is steadily implementing medium- to long-term business strategies for each segment as well as creating a new business model and transforming businesses utilizing DX and M&A to realize sustainable growth and enhance corporate value over the medium to long term.

Mitsubishi Estate engages in a wide range of business activities in various fields. These include the Commercial Property Business and the Marunouchi Property Business, focusing on the development and operation of office buildings and retail facilities nationwide, particularly the Marunouchi area (Otemachi, Marunouchi, and Yurakucho). Additionally, it is involved in Residential Business, centered around the sale of condominiums and single-unit homes, International Business, Investment Management Business, Architectural Design & Engineering Business, and Real Estate Services Business. Under the basic mission of “contributing to society through urban development,” Mitsubishi Estate aims to realize the enhancement of corporate value through a harmonious balance between corporate growth and the interests of its various stakeholders. In its Long-Term Management Plan 2030, Mitsubishi Estate has positioned strategies for increasing shareholder value and strategies for increasing social value at the core of its management. Based on the fundamental policy to “Be the Ecosystem Engineers” defined in the Mitsubishi Estate Group Sustainability Vision 2050, it is promoting the integration of business and sustainability.

Heiwa Real Estate has been considering business alliances with potential collaborators who can work together to achieve the abovementioned Group Long-term Vision. Taisei, as one of Japan’s leading general contractors, has an outstanding track record, particularly in urban redevelopment. Moreover, both Heiwa Real Estate and Taisei believe they can establish a strong collaborative relationship, especially in asset management and sustainability initiatives. Based on these considerations, Heiwa Real Estate concluded that Taisei is the optimal business alliance partner to collaboratively develop these areas.

Through the Alliance, it is expected that establishing a medium- to long-term collaborative relationship will lead to greater corporate value for both companies. This will be achieved by further leveraging their respective strengths in business foundations, expertise, and other domains to (1) expand and accelerate redevelopment business, (2) collaborate on new business areas such as investments in new real estate (asset classes), and (3) promote business alliances in the fields of sustainability and DX.

As part of the Alliance, in addition to the business partnership, Taisei will become the largest shareholder of Heiwa Real Estate by acquiring its common shares from both Simplex Asset Management Co., Ltd. and Simplex Asset Management (HK) Company Limited (hereinafter, collectively referred to as “Simplex”) and Mitsubishi Estate. Through this, Taisei and Heiwa Real Estate expect to establish a close business collaboration and leverage business synergies, thereby enhancing corporate value mutually.

Additionally, since Heiwa Real Estate has already formed a capital and business alliance with Mitsubishi Estate, the conclusion of the Cooperation Agreement aims to establish mutual understanding between the three parties—Heiwa Real Estate, Taisei, and Mitsubishi Estate—regarding how the new Alliance Agreement relates

to the existing alliance with Mitsubishi Estate.

These three companies shall respect the spirit, purpose, and content of each other's capital and business alliance agreements. (For Heiwa Real Estate and Mitsubishi Estate, this refers to the capital and business alliance agreement dated February 17, 2011. For Heiwa Real Estate and Taisei, it pertains to the Alliance Agreement.) Through mutual cooperation and coordination in advancing the capital and business alliances based on their respective agreements, the three companies aim to establish a collaborative relationship and enhance their individual corporate value.

Comments from each company follow.

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

In March 2024, the Heiwa Real Estate Group defined the Long-term Vision "WAY 2040" and adopted the slogan, "Pursue perpetual dynamic growth to become the 'Bazukuri Company.'" As key growth strategies for achieving this vision, we aim to (1) expand redevelopment business (deploy *Bazukuri* endeavors that draw people in throughout Japan), (2) cultivate profit growth while enhancing capital efficiency (expand leasing business, reinvest gains from property sales, and enter new business areas), and (3) boost social value (promote sustainability initiatives).

On this occasion, we are initiating a fresh capital and business alliance with Taisei, a prominent general contractor in Japan, while also upholding our existing capital and business alliance with Mitsubishi Estate, a leading real estate developer in Japan. Through this initiative, we seek to expedite the growth strategies outlined in the Group Long-term Vision and strive toward enhancing corporate value by fostering a collaborative relationship among the three companies.

Taisei Corporation (Yoshiro Aikawa, President and Chief Executive Officer)

In our recently announced "TAISEI VISION 2030 Achievement Plan," we have set forth a vision for the Group Domestic Real Estate Development Business by FY2030. Our goal is to contribute to high value-added urban development by making the most of our development know-how and technological capabilities as a general contractor.

Through the Alliance with Heiwa Real Estate and the Cooperation Agreement between Heiwa Real Estate, Mitsubishi Estate, and Taisei, we will work toward high-value-added urban development and enhancing mutual corporate value by leveraging our development capabilities to create investment opportunities in the development business.

Mitsubishi Estate Co., Ltd. (Atsushi Nakajima, President and Chief Executive Officer)

Since the conclusion of the capital and business alliance agreement on February 17, 2011, we have been collaborating with Heiwa Real Estate to explore urban development projects, including in the Nihonbashi Kabutocho district. Moving forward, we will strive to further develop and enhance the appeal of areas such as Nihonbashi Kabutocho, leveraging the strengths of Heiwa Real Estate, Taisei, and ourselves.

## 2. Details of the Alliance and the Cooperation Agreement

### (1) Details of the Alliance

Heiwa Real Estate and Taisei have agreed to collaborate in various business domains, with the main content outlined as follows.

#### 1) Collaboration in redevelopment business, etc.

To facilitate the progress of long term redevelopment projects, the parties have agreed to establish and develop a collaborative relationship for redevelopment projects in the Nihonbashi Kabutocho district, along with Mitsubishi Estate. They will also engage in sincere discussions to: a) examine and promote redevelopment projects in Sapporo, b) establish a comprehensive cooperative relationship, including mutual provision of know-how related to redevelopment projects as needed, and c) collaborate on redevelopment projects that either or both may consider promoting in the future.

#### 2) Collaboration in new business fields such as new real estate investment

Heiwa Real Estate aims to venture into new business fields to achieve the Group Long-term Vision, and the parties have agreed to actively collaborate on business alliances in new business fields such as investment in logistics facilities, a new asset class.

#### 3) Collaboration in sustainability and DX

The parties have agreed to actively collaborate on business alliances in the fields of sustainability and DX.

In addition, Taisei has agreed to nominate one person as a candidate for an executive officer position at Heiwa Real Estate. Taisei acknowledges and fully respects the Heiwa Real Estate's commitment to maintaining listing status and management autonomy, prioritizing the collective interests of all shareholders in addition to its own.

### (2) Details of the Cooperation Agreement

Heiwa Real Estate, Taisei, and Mitsubishi Estate shall mutually respect the spirit, purpose, and content of each other's capital and business alliance agreements, and shall advance the alliances based on their respective agreements. In doing so, they shall cooperate and collaborate with each other within the required scope.

### (3) Details of capital relationship

Heiwa Real Estate and Taisei, as well as Heiwa Real Estate and Mitsubishi Estate, have agreed to smoothly advance their respective capital and business alliance agreements and the tripartite collaborative relationship. To facilitate this process, Taisei has today entered into share transfer agreements with both Simplex and Mitsubishi Estate (hereinafter, the "Share Transfer Agreements"). Under these agreements, Taisei will acquire all of the common shares of Heiwa Real Estate held by Simplex (5,829,000 shares, representing 16.30% of the total voting rights (357,527) as of March 31, 2024, with the percentage rounded to two decimal places. This number includes one voting right for 100 shares that, while registered under Heiwa Real Estate's name in the shareholder register, are not substantially owned by Heiwa Real Estate.) and a portion of the common shares of Heiwa Real Estate held by Mitsubishi Estate (388,500 shares, representing 1.09% of the voting rights) through off-market transactions. Heiwa Real Estate also plans to acquire common shares of Taisei in the market, ensuring that the voting rights ratio does not exceed 0.5%.

In addition, Heiwa Real Estate has resolved today to execute a share repurchase and has determined the specific acquisition method. An announcement titled “Notice of Completion of Share Repurchase through the Tokyo Stock Exchange Trading Network for Off-Floor Share Repurchases and Resultant Changes Concerning Major Shareholders and Associated Companies” has been released today. Mitsubishi Estate plans to sell a portion of its common shares of Heiwa Real Estate back to Heiwa Real Estate as part of this share repurchase (hereinafter, “the Share Repurchase”).

Through these capital transactions, Taisei will become the largest shareholder of Heiwa Real Estate, and Heiwa Real Estate will become an equity-method affiliate of Taisei.

(Reference) The number of common shares of Heiwa Real Estate and the percentage of voting rights held by each company after the Alliance and the Share Repurchase (planned)

Taisei	Mitsubishi Estate
6,750,100 shares (20.12% of voting rights) (planned)	1,677,300 shares (5.00% of voting rights) (planned)

Note: The percentage of voting rights (planned) is calculated based on the figure obtained by deducting the number of shareholders’ voting rights that Heiwa Real Estate plans to acquire from shareholders intending to sell their stake in Heiwa Real Estate via the Share Repurchase scheme from the total number of shareholder voting rights as of March 31, 2024 (357,527).

### 3. Schedule

(1)	Date of Board of Directors’ resolution	June 7, 2024
(2)	Date of conclusion of the Alliance Agreement and the Cooperation Agreement	June 7, 2024
(3)	Start date of the Alliance and the Cooperation Agreement	June 7, 2024
(4)	Date of conclusion of Share Transfer Agreements	June 7, 2024
(5)	Completion date of share transfer procedures	June 10, 2024 (planned)
(6)	Execution date of the Share Repurchase	June 10, 2024 (planned)