

March 17, 2011

For Immediate Release

REIT Issuer

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Impact of “2011 Off the Pacific Coast of Tohoku Earthquake” (Second Report)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) expresses its heartfelt condolences to all those affected by the earthquake off the Pacific coast of the northeastern part of the Japanese main land (Tohoku region) that occurred on March 11, 2011 (named the “2011 Off the Pacific Coast of Tohoku Earthquake” by the Japan Meteorological Agency). The Investment Corporation prays for everyone’s safety and restoration of the affected areas at the earliest possible date.

The Investment Corporation announced the following status of its portfolio properties in the wake of the earthquake.

Details

Of the 4 properties that the Investment Corporation owns in Sendai City, Miyagi Prefecture, the Investment Corporation received a report on “Ho-04 Super Hotel Sendai Hirose-dori” from Super Hotel Co., Ltd., which is the party to which the property is leased in its entirety. Super Hotel states that, although the property has not suffered any large wreckage or other damage, the hotel will be closed for business for the time being because there is disruption in gas supply in Sendai City where the property is located and difficulties are forecast in logistics-related procurement for hotel services.

Investigation/confirmation work has been conducted on all 87 properties owned by the Investment Corporation, including the abovementioned property, on an ongoing basis since the occurrence of the earthquake. Such has thus far confirmed that, while there has been minor physical wreckage on some properties, there have been no damage, etc. that would have material impact on the status of management.

Another announcement will be made at a later date in the event that serious damage or other reportable facts are found.

*Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and
Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

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