

October 25, 2010

To Whom It May Concern

Real Estate Investment Trust  
 2-5-1 Atago, Minato-ku, Tokyo  
 Heiwa Real Estate REIT, Inc.  
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 (Securities Code: 8966)  
 Asset Management Company  
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Borrowing of Funds and Repayment of Funds Borrowed

HEIWA REAL ESTATE REIT, Inc. (the "Investment Corporation") announced today that it has made the following decision related to the borrowing of funds and repayment of funds borrowed (including prepayments).

Details

1. Borrowing of Funds

(1) Reason for the Loans

For the purpose of allocating refinancing capital through the prepayment of Term Loan 1 (loan amount: ¥6,930,000,000), whose principal maturity date is October 29, 2010, and allocating refinancing capital for Term Loan 4 (loan amount: ¥8,415,000,000), whose principal maturity date is October 27, 2010

(2) Loan Details

Term Loan 7

1) Lenders	Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., The Norinchukin Bank, The Nishi-Nippon City Bank, Ltd., Sompo Japan Insurance Inc., The Hokkaido Bank, Ltd.
2) Borrowed amount	¥7,425,000,000
3) Interest rate	Japanese Yen TIBOR +1.2% for the corresponding Interest Period The applicable interest rate in the period from October 27, 2010 until January 30, 2011 is 1.57615%. We will announce interest rates for periods after January 31, 2011 when such have been settled.
4) Drawdown date	October 27, 2010
5) Borrowing method	The loan is based on the Loan For Consumption which was concluded with the above lenders on October 25, 2010.
6) Interest payment dates	The last day of both January and July, 2011 (however, in the event that this day is not a business day, the business day immediately preceding it) and the principal maturity date.

7)	Principal maturity date	October 31, 2011 (however, in the event that this day is not a business day, the business day immediately preceding it).
8)	Principal repayment method	On the last day of both January and July, 2011 (however, in the event that this day is not a business day, the business day immediately preceding it), ¥37,500,000 will be repaid, and the balance shall be repaid on the Principal Repayment Date.
9)	Collateral	Yes

#### Term Loan 8

1)	Lenders	Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
2)	Borrowed amount	¥4,950,000,000
3)	Interest rate	Japanese Yen TIBOR +1.5% for the corresponding Interest Period The applicable interest rate in the period from October 27, 2010 until January 30, 2011 is 1.87615%. We will announce interest rates for periods after January 31, 2011 when such have been settled.
4)	Drawdown date	October 27, 2010
5)	Borrowing method	The loan is based on the Loan For Consumption which was concluded with the above lenders on October 25, 2010.
6)	Interest payment dates	The last day of both January and July in each year from 2011 until 2013 (however, in the event that this day is not a business day, the business day immediately preceding it) and the principal maturity date.
7)	Principal maturity date	October 31, 2013 (however, in the event that this day is not a business day, the business day immediately preceding it).
8)	Principal repayment method	On the last day of both January and July in each year from 2011 until 2013 (however, in the event that this day is not a business day, the business day immediately preceding it), ¥25,000,000 will be repaid, and the balance shall be repaid on the Principal Repayment Date.
9)	Collateral	Yes

#### Term Loan 9

1)	Lenders	Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
2)	Borrowed amount	¥2,970,000,000
3)	Interest rate	Japanese Yen TIBOR +1.8% for the corresponding Interest Period The applicable interest rate in the period from October 27, 2010 until January 30, 2011 is 2.17615%. We will announce interest rates for periods after January 31, 2011 when such have been settled.
4)	Drawdown date	October 27, 2010
5)	Borrowing method	The loan is based on the Loan For Consumption which was concluded with the above lenders on October 25, 2010.
6)	Interest payment date	The last day of January and July in each year from 2011 until 2015 (however, in the event that this day is not a business day, the business day immediately preceding it) and the Principal Maturity Date.
7)	Principal maturity date	October 31, 2015 (however, in the event that this day is not a business day, the business day immediately preceding it).
8)	Principal repayment method	On the last day of January and July in each year from 2011 until 2015 (however, in the event that this day is not a business day, the business day immediately preceding it), ¥15,000,000 will be repaid, and the balance shall be repaid on the Principal Repayment Date.
9)	Collateral	Yes

### (3) Purpose of the Funds

The total amount of funds that will be procured (¥15,345,000,000) will be allocated to Term Loan 1 prepayment funds and Term Loan 4 repayment funds which are outlined in "2. Loan Repayments" below.

## 2. Loan Repayments

### (1) Term Loan 1 (prepayment)

1)	Lenders	Aozora Bank, Ltd., The Norinchukin Bank, Resona Bank, Ltd., The Nishi-Nippon City Bank, Ltd.,
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	Sompo Japan Insurance, Inc., The Hokkaido Bank, Ltd.
2) Loan amount	¥6,930,000,000
3) Drawdown date	October 31, 2007
4) Principal maturity date	October 29, 2010
5) Scheduled prepayment date	October 27, 2010

(2) Term Loan 4

1) Lenders	Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
2) Loan amount	¥8,415,000,000
3) Drawdown date	October 27, 2009
4) Principal maturity date	October 27, 2010

3. Interest-bearing debt after repayment of this loan and existing loans

(Units: ¥100 million)

	Before repayment of this loan	After repayment of this loan	Change
Short-term loans	38,869	30,454	-8,415
Long-term loans	21,394	29,809	8,415
Total loans	60,263	60,263	—
Investment corporation bonds	10,000	10,000	—
Total loans and investment corporation bonds	70,263	70,263	—
Other interest-bearing debt	—	—	—
Total interest-bearing debt	70,263	70,263	—

\* 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

\* Investment Corporation Website: <http://www.heiwa-re.co.jp/>