

December 16, 2013

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

9-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

Masaaki Higashihara, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

Takaya Ichikawa, President & Representative Director

Inquiries: Hirohisa Toda, General Manager, IR Department

TEL. +81-3-3669-8771

Notice Concerning Change in Rating (Upgrade to “A-”)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that Rating and Investment Information, Inc. (“R&I”), from which the Investment Corporation has acquired a rating, announced a change in the Investment Corporation’s rating as described below.

Details

1. Details of Change

	Before Change	After Change
Issuer Rating	BBB+	A-
Rating Outlook	Positive	Stable

2. Reason for the Revision

According to R&I, the change in the rating reflects the positive evaluation of the improvement of portfolio through continuous acquisition of properties and further reinforcement of financial base through capital increase by way of public offering, as well as changing loans to unsecured status (planned) among other measures.

*For details, please refer to the R&I website (<http://www.r-i.co.jp/>)

3. Efforts of the Investment Corporation Going Forward

The Investment Corporation will continue to cooperate with Heiwa Real Estate Co, Ltd. and proactively further reinforce both business and financial positions while maintaining steady asset management.

* 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/english/>