

November 30, 2010

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

2-5-1 Atago, Minato-ku, Tokyo

Masaaki Higashihara, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

Takaya Ichikawa, President & Representative Director

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Financial Report of

Japan Single-residence REIT Inc. (Investment Corporation Extinguished in the Absorption-Type Merger)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) merged with Japan Single-residence REIT Inc. (“JSR”) on October 1, 2010. The Investment Corporation announced the financial report for the 11th Fiscal Period (from August 1, 2010 to September 30, 2010) (provisional fiscal period) of JSR, which is the investment corporation extinguished in the absorption-type merger, as attached.

Please note that, as announced in JSR’s financial report for the 10th Fiscal Period (from February 1, 2010 to July 31, 2010), there is no merger payment (distribution per unit).

ATTACHMENT

(Reference) Japan Single-residence REIT Inc. (investment corporation extinguished in the absorption-type merger)
11th Fiscal Period Financial Report (REIT)

*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/>

(Reference) Japan Single-residence REIT Inc. (investment corporation extinguished in the absorption-type merger)
11th Fiscal Period Financial Report (REIT)

November 30, 2010

REIT Issuer: HEIWA REAL ESTATE REIT, Inc. (formerly, Japan Single-residence REIT Inc.)
 Securities Code: 8966
 Representative: Masaaki Higashihara, Executive Director

Stock Exchange Listing: TSE
 URL: <http://www.heiwa-re.co.jp/>

Asset Management Company: HEIWA REAL ESTATE Asset Management CO., LTD.
 Representative: Takaya Ichikawa, President & Representative Director
 Inquiries: Shinya Ito, General Manager, IR Department
 TEL: +81-3-5402-8731

Scheduled date of submission of periodic securities report (*yuka shoken hokokusho*): –

Scheduled date of commencement of merger payments: –

[Amounts are rounded down to the nearest million yen]

1. Status of Management and Assets for the 11th Fiscal Period

11th Fiscal Period (11th FP): Fiscal period ended September 2010 (from August 1, 2010 to September 30, 2010)

10th Fiscal Period (10th FP): Fiscal period ended July 2010 (from February 1, 2010 to July 31, 2010)

(1) Management

[% figures show the period-on-period increase (decrease)]

	Operating revenue	Operating income	Ordinary income	Net income
11th FP	¥581 million : –%	¥169 million : –%	(¥141 million) : –%	(¥135 million) : –%
10th FP	¥1,780 million : 0.8%	¥720 million : (0.2%)	(¥112 million) : –%	(¥119 million) : –%

	Net income per unit	Ratio of net income to unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
11th FP	(¥2,411)	(0.5%)	(0.2%)	(24.3%)
10th FP	(¥2,124)	(0.4%)	(0.2%)	(6.3%)

(2) Distributions (For the 11th Fiscal Period, merger payments are shown in place of distributions.)

	Distribution per unit (excluding distribution in excess of earnings)	Total distributions	Distribution in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Ratio of distributions to net assets
11th FP	¥0	¥0 million	¥0	¥0 million	–%	–%
10th FP	¥0	¥0 million	¥0	¥0 million	–%	–%

(3) Financial Position

	Total assets	Net assets	Ratio of unitholders' equity to total assets	Net assets per unit
11th FP	¥58,477 million	¥27,062 million	46.3%	¥482,310
10th FP	¥58,700 million	¥27,198 million	46.3%	¥484,721

(Reference) Unitholders' equity 11th Fiscal Period: ¥27,062 thousand 10th Fiscal Period: ¥27,198 million

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
11th FP	(¥211 million)	(¥18 million)	¥0 million	¥2,261 million
10th FP	¥255 million	(¥44 million)	(¥585 million)	¥2,491 million

(Note) In correlation with Japan Single-residence REIT Inc. (“JSR”) merging with HEIWA REAL ESTATE REIT, Inc., JSR’s 11th Fiscal Period ended on September 30, 2010, which is the day prior to the effective date of the merger (October 1, 2010). Accordingly, the two-month period that started on August 1, 2010 and ended on September 30, 2010 is deemed to be a single accounting period (referred to herein as the “11th Fiscal Period”). Consequently, the “period-on-period increase (decrease)” in “Operating revenue,” “Operating income,” “Ordinary income” and “Net income” under “(1) Management” are not shown for the 11th Fiscal Period.

2. Other

(1) Changes in Accounting Policies

- (i) Changes accompanying amendments to accounting standards, etc.: None
- (ii) Changes other than (i): None

(2) Number of Investment Units Issued and Outstanding

- (i) Number of investment units issued and outstanding at end of period (including own investment units):

11th Fiscal Period:	56,111 units	10th Fiscal Period:	56,111 units
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- (ii) Number of own investment units at end of period:

11th Fiscal Period:	0 units	10th Fiscal Period:	0 units
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