

Translation Purposes Only

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REIT Issuer

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Notice of Completion of the Replotting Disposal of HF SENDAI RESIDENCE EAST

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) hereby announces that it has concluded the settlement associated with the replotting of one of its properties, HF SENDAI RESIDENCE EAST, on April 20, 2016 as described below. The replotting was announced in the “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and Lease (Daiwa Ueno Building and Three Other Properties)” released on November 7, 2014.

Note

1. Details of Replotting Disposal

Designated property: Re-75 HF SENDAI RESIDENCE EAST

- Address

Before replotting: 222 Mototera-Koji, Miyagino-ku, Sendai, Miyagi Prefecture (involves eight other parcels)

After replotting: 306-11 Mototera-Koji, Miyagino-ku, Sendai, Miyagi Prefecture (involves one other parcel)

- Site area

Before replotting: 1,149.53 m²

After replotting: 1,133.39 m²

- Settlement money

Settlement money: 8,625,255 yen

(It should be noted that this amount is included in the acquisition price.)

- Acquisition price

Before replotting: 1,630,000,000 yen

After replotting: 1,638,625,255 yen

2. Outlook

The impact of this settlement on the Investment Corporation's operational status in the 29th fiscal period (the fiscal period ended May 2016) and the 30th fiscal period (the fiscal period ended November 2016) is projected to be minor. Thus, no changes have been made to the operational forecasts.

* 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/>