

December 2, 2014

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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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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Borrowing of Funds (Interest Rate Settlement)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that the interest rate for funds borrowed as announced in the press release “Borrowing of Funds” on December 1, 2014 has been settled as follows.

Details

| Lender                    | Loan Amount  | Interest Rate                   | Drawdown Date    | Principal Repayment Date |
|---------------------------|--------------|---------------------------------|------------------|--------------------------|
| Development Bank of Japan | ¥900 million | Fixed interest rate<br>1.24348% | December 4, 2014 | October 31, 2022         |

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