

Translation Purposes Only

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For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

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Partial Retirement of Investment Corporation Bonds by Purchase

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that it has decided to execute partial retirement of investment corporation bonds by purchase.

Details

1. Reason for the Retirement by Purchase

The Investment Corporation has been striving to establish a stable financial base, and have already executed partial retirement of investment corporation bonds by purchase. As part of such efforts, the Investment Corporation will execute the retirement by purchase with the purpose of reducing interest-bearing liabilities costs and solid redemption of investment corporation bonds.

2. Date of Purchase (planned)

March 28, 2012

3. Details of Investment Corporation Bonds to be Retired by Purchase

(1) Name: Crescendo Investment Corporation second unsecured investment corporation bond

(Pari passu clause limited to among specified investment corporation bonds attached)

(2) Total investment corporation bonds: 9,500 million yen

(3) Interest rate: 2.17%

(4) Maturity date: October 31, 2012

(5) Face value of retirement by purchase: 400 million yen

\*Please refer to the press release “Issuance of Investment Corporation Bonds” (Japanese only) dated October 12, 2007 for details.

#### 4. Purchase Financing

Purchase will be executed using cash on hand.

#### 5. Future Outlook

Partial retirement of investment corporation bonds by purchase will have a minimal impact on the management situation of the Investment Corporation for the fiscal period ending May 2012 (December 1, 2011 to May 31, 2012), and no change has been made to the performance forecast for the fiscal period.

#### [Reference] Status of Interest-Bearing Liabilities After the Retirement by Purchase

(Units: million yen, fractions of 1 unit have been rounded off)

	Before Retirement by Purchase	After Retirement by Purchase	Change
Short-term loans	6,130	6,130	—
Long-term loans	45,818	45,818	—
Total Loans	51,948	51,948	—
Investment corporation bonds	9,500	9,100	-400
Total interest-bearing liabilities	61,448	61,048	-400

\* 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/>