

March 9, 2015

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: Shinya Ito, General Manager, Planning & Finance Department

TEL. ++81-3-3669-8771

Partial Early Repayment of Loans

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today the following decision to make partial early repayment of loans along with the transfer of domestic assets announced in the press release “Notice Concerning Transfer of Domestic Assets” dated today, as described below.

Details

1. Loans for Partial Early Repayment

Term Loan G

(a) Lenders	Aozora Bank, Ltd., Resona Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited
(b) Loan balance	¥4,000 million
(c) Early repayment amount	¥700 million
(d) Loan balance after repayment	¥3,300 million
(e) Interest rate	2.14200% (fixed interest rate type)
(f) Drawdown date	May 31, 2011
(g) Scheduled date of early repayment	April 3, 2015
(h) Principal repayment date	May 31, 2016
(i) Principal repayment method	Lump-sum payment on principal repayment date
(j) Collateral and guarantee	Unsecured and unguaranteed

Term Loan 13 Tranche C

(a) Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Ltd.
(b) Loan balance	¥3,000 million
(c) Early repayment amount	¥500 million
(d) Loan balance after repayment	¥2,500 million
(e) Interest rate	1.22273% (base interest rate (JBA 3-month Japanese Yen TIBOR) + 1.05% (variable interest rate type)) (Note)
(f) Drawdown date	October 25, 2012
(g) Scheduled date of early repayment	March 25, 2015
(h) Principal repayment date	May 31, 2016
(i) Principal repayment method	Lump-sum payment on principal repayment date
(j) Collateral and guarantee	Unsecured and unguaranteed

(Note) Applicable interest rate as of today is indicated.

2. Status of Interest-Bearing Liabilities after Partial Early Repayment

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

	Before Repayment	After Repayment	Change
Short-term loans	—	—	—
Long-term loans due within 1 year	10,620	10,620	—
Long-term loans	61,891	60,691	-1,200
Total loans	72,511	71,311	-1,200
Investment corporation bonds	—	—	—
Total interest-bearing liabilities	72,511	71,311	-1,200

3. Other

The risks associated with the early repayment of loans as described above do not change from those detailed in “Investment Risks” in the Securities Report for the 26th fiscal period (ended November 2014) submitted on February 25, 2015.

* 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/>