

Translation Purposes Only

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For Immediate Release

REIT Issuer

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(Securities Code: 8966)

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Conclusion of Agreement to Change Loan Agreement on
Release of Security Interests

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today the following decision to conclude an agreement to change loan agreement on the release of security interests, as described below.

Details

1. Details of Agreement to Change Loan Agreement on the Release of Security Interests

(1) Conclusion date of agreement to change loan agreement (scheduled)

December 13, 2013

(2) Overview of agreement to change loan agreement (scheduled)

In order to release mortgage and pledge established with the security interest holders as the participating financial institutions in relation to the transactions (including all of the Investment Corporation’s borrowings) based on the loan agreement dated October 27, 2011 (including subsequent changes) (the “Loan Agreement”), an agreement to change the Loan Agreement is being concluded with all participating financial institutions. The Investment Corporation received notice as of November 20, 2013 from Sumitomo Mitsui Banking Corporation, the agent, that all participating financial institutions have given consent to change loans to unsecured status regarding the transactions based on the Loan Agreement.

(3) Effective date

December 18, 2013 (scheduled)

The condition is that for the investment units (81,900 units) in the primary offering resolved at the Investment Corporation’s Board of Directors meeting held today, the Investment Corporation has received payment equivalent to the total amount to be paid in (total purchase price) for the issuance of the

investment units and that the transaction agreement for the acquisition of trust beneficial interest concluded today is still effective as of December 18, 2013 (Note).

(Note) In the case that the payment date for the primary offering is December 19, 2013, the effective date shall be determined upon consultation with all of the participating financial institutions.

*Please refer to the press releases “Notice Concerning Issuance of New Investment Units and Secondary Offering” and “Acquisition of Assets (HF SAKURADORI BUILDING and Two Other Properties)” dated today for details of the primary offering of new investment units and acquisition of trust beneficial interest.

(4) Assets subject to the release of security interests (scheduled)

The assets subject to the release of security interests are the below real estate and beneficial interest in real estate in trust (trust beneficial interest in real estate and associated assets (fire insurance claims, etc.).

	Property No.	Property Name	Type of Specified Asset	Acquisition Price (Note 2) (million yen)	
Offices	Of-01	HF GOTANDA BUILDING	Trust beneficial interest	1,290	
	Of-05	Suitengu Heiwa Building	Trust beneficial interest	1,550	
	Of-06	HF MONZENNAKACHO BUILDING	Trust beneficial interest	2,500	
	Of-07	Hamamatsucho SS Building	Trust beneficial interest	1,530	
	Of-08	Kokusai Tameike Building	Trust beneficial interest	2,700	
	Of-09	Grace Building Sengakujimae	Trust beneficial interest	1,220	
	Of-10	HF SHIN-YOKOHAMA BUILDING	Real estate	1,550	
	Of-11	Nihonbashi Daiichi Building	Trust beneficial interest	2,150	
	Of-12	Hatchobori SF Building	Real estate	3,092	
	Of-13	Shibuya AX Hills	Real estate	1,860	
	Of-14	KCA Building	Real estate	1,730	
	Of-15	HF NAKAMEGURO BUILDING	Real estate	2,870	
	Of-16	Anwa Tsukasacho Building	Real estate	1,385	
	Of-17	Hatchobori MF Building	Real estate	1,110	
	Of-18	M2 Harajuku	Trust beneficial interest	3,418	
	Of-20	Funabashi Face Building	Real estate	3,900	
	Of-21	Adesso Nishiazabu	Trust beneficial interest	640	
	Of-22	HF TORANOMON BUILDING	Real estate	1,675	
	Of-23	HF IKEBUKURO BUILDING	Real estate	1,314	
	Of-24	HF YUSHIMA BUILDING	Real estate	1,434	
	Of-25	Kayabacho Heiwa Building	Trust beneficial interest	4,798	
	Of-26	HIROKOJI AQUA PLACE	Trust beneficial interest	2,930	
	Of-27	Kobe Kyukyoryuchi Heiwa Building	Trust beneficial interest	2,310	
	Of-28	Mita Heiwa Building (<i>leasehold land</i>)	Trust beneficial interest	2,230	
	Of-29	Sakae Minami Heiwa Building	Trust beneficial interest	1,580	
		Re-03	HF ICHIKAWA RESIDENCE	Trust beneficial interest	430

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	Re-05	HF MEGURO RESIDENCE	Trust beneficial interest	660	
	Re-09	HF KASAI RESIDENCE	Trust beneficial interest	650	
	Re-11	HF WAKABAYASHI-KOEN RESIDENCE	Trust beneficial interest	3,610	
	Re-12	HF HIMONYA RESIDENCE	Trust beneficial interest	1,560	
	Re-14	HF MINAMIAZABU RESIDENCE	Trust beneficial interest	1,370	
	Re-15	HF AZABUJUBAN RESIDENCE	Trust beneficial interest	1,260	
	Re-16	HF GAKUGEIDAIGAKU RESIDENCE	Trust beneficial interest	1,000	
	Re-17	HF HIGASHIKANDA RESIDENCE	Trust beneficial interest	1,100	
	Re-18	HF HIGASHINIHONBASHI RESIDENCE	Trust beneficial interest	1,210	
	Re-19	HF NERIMA RESIDENCE	Trust beneficial interest	690	
	Re-20	HF SHIROKANETAKANAWA RESIDENCE	Real estate	4,030	
	Re-21	HF MEIDAIMAE RESIDENCE	Real estate	1,070	
	Re-22	HF NIHONBASHI RESIDENCE	Trust beneficial interest	1,130	
	Re-23	HF KAMISHAKUJII RESIDENCE	Real estate	950	
	Residences	Re-24	HF KINSHICHO RESIDENCE	Real estate	1,100
		Re-25	HF GINZA RESIDENCE EAST	Trust beneficial interest	5,940
		Re-26	HF SHIN-YOKOHAMA RESIDENCE	Real estate	3,350
		Re-29	HF HAKUSAN RESIDENCE	Real estate	2,350
		Re-30	HF MAGOME RESIDENCE	Real estate	1,630
		Re-31	HF GAKUGEIDAIGAKU RESIDENCE II	Trust beneficial interest	1,650
		Re-33	HF KAMEIDO RESIDENCE	Real estate	1,050
		Re-34	HF TANASHI RESIDENCE	Real estate	911
		Re-35	HF SHIBA-KOEN RESIDENCE	Trust beneficial interest	836
Re-36		HF MITA RESIDENCE	Trust beneficial interest	1,080	
Re-37		HF TAKANAWA RESIDENCE	Trust beneficial interest	749	
Re-38		LA RESIDENCE DE SHIROKANEDAI	Trust beneficial interest	730	
Re-39		HF GINZA RESIDENCE EAST II	Trust beneficial interest	1,460	
Re-40		HF HATCHOBORI RESIDENCE II	Trust beneficial interest	1,890	
Re-41		HF HATCHOBORI RESIDENCE III	Trust beneficial interest	793	
Re-42		HF GINZA RESIDENCE	Trust beneficial interest	944	
Re-43		HF KOMAZAWA-KOEN RESIDENCE TOWER	Trust beneficial interest	6,520	
Re-44		HF UMEDA RESIDENCE TOWER	Trust beneficial interest	1,920	
Re-45		HF NAKANOSHIMA RESIDENCE	Trust beneficial interest	453	
Re-46		HF AWAZA RESIDENCE	Trust beneficial interest	577	
Re-47	HF MARUNOUCHI RESIDENCE	Trust beneficial interest	624		
Re-48	HF HIRANO RESIDENCE	Trust beneficial interest	1,780		
Re-49	HF KAWARAMACHI NIJO RESIDENCE	Trust beneficial interest	534		
Re-52	HF TENJIN-HIGASHI RESIDENCE	Trust beneficial interest	502		
Re-53	HF SHIJO KAWARAMACHI RESIDENCE	Trust beneficial interest	1,820		

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	Re-54	LA RESIDENCE DE SENDAGI	Trust beneficial interest	820	
	Re-55	HF SENDAGI RESIDENCE	Trust beneficial interest	870	
	Re-56	HF KOMAZAWA-KOEN RESIDENCE	Trust beneficial interest	615	
	Re-57	HF MUSASHIKOYAMA RESIDENCE	Trust beneficial interest	842	
	Re-58	HF KOKUBUNJI RESIDENCE	Trust beneficial interest	839	
	Re-59	HF HISAYAODORI RESIDENCE	Trust beneficial interest	1,080	
	Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	Trust beneficial interest	572	
	Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	Trust beneficial interest	1,990	
	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	Trust beneficial interest	1,170	
	Re-63	HF HIGASHI-SHINJUKU RESIDENCE	Trust beneficial interest	1,360	
	Re-64	HF HIGASHI-SHINSAIBASHI RESIDENCE	Trust beneficial interest	566	
	Re-65	HF KITA-YOBANCHO RESIDENCE	Trust beneficial interest	809	
	Re-66	HF ATAGOBASHI RESIDENCE	Trust beneficial interest	684	
	Re-67	HF KYUDAIBYOINMAE RESIDENCE	Trust beneficial interest	426	
	Re-68	HF ASAKUSABASHI RESIDENCE	Trust beneficial interest	771	
	Re-69	HF ICHIBANCHO RESIDENCE	Trust beneficial interest	834	
	Re-70	HF HIGASHI-NAKANO RESIDENCE	Trust beneficial interest	942	
	Re-72	HF WASEDA RESIDENCE	Trust beneficial interest	2,090	
	Re-73	HF WASEDA RESIDENCE II	Trust beneficial interest	872	
	Re-74	HF WAKAMATSUKAWADA RESIDENCE (Note3)	Trust beneficial interest	1,158	
	Hotels	Ho-01	Super Hotel Osaka Tennoji	Trust beneficial interest	1,080
		Ho-02	Super Hotel Kyoto Karasumagojyo	Trust beneficial interest	900
		Ho-03	Super Hotel Saitama Omiya	Trust beneficial interest	1,050
		Ho-04	Super Hotel Sendai Hirose-dori	Trust beneficial interest	1,150
Portfolio Total				138,169	

(Note 1) The assets scheduled for acquisition indicated in the press release “Acquisition of Assets (HF SAKURADORI BUILDING and Two Other Properties)” dated today are also scheduled to have security interests established based on the stipulation of the Loan Agreement, but the security rights shall not be established if the conditions in 1. (3) above are fulfilled.

(Note 2) Acquisition prices are rounded down to the nearest whole number and therefore the total may not match.

(Note 3) The name of the property as of the date of this document is Apartments Wakamatsu Kawada, its name will be changed to HF WAKAMATSU KAWADA RESIDENCE on December 1, 2013 and so the name after the change is indicated.

(5) Details of borrowings for release of security interests

Total balance of borrowing for release of security interests (total secured claims as of today: ¥65,221 million).

2. Financial Strategy, etc. After the Release of Security Interests

The Investment Corporation believes that the release of security interests will strengthen the financial strategy, allowing diversification of financing methods, securing mobility and flexibility for its financial strategy, expansion of the lender formation and decrease in financing costs, and also will allow strategic replacements of assets under management and such.

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3. Management Status Outlook

The release of security interests will have no impact on the management status for the fiscal period ending November 2013 (from June 1, 2013 to November 30, 2013). Please refer to the press release “Management Status Forecasts for Fiscal Period Ending May 2014 and Fiscal Period Ending November 2014” dated today.

- * 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/>

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