

Translation Purposes Only

April 8, 2011

For Immediate Release

REIT Issuer

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Impact of 2011 Off the Pacific Coast of Tohoku Earthquake (Third Report)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) expresses its heartfelt condolences to those in the areas affected by the 2011 off the Pacific coast of Tohoku Earthquake.

Around 11:32 p.m. on April 7, 2011, there occurred an aftershock of the 2011 off the Pacific coast of Tohoku Earthquake. The Investment Corporation hereby announces the following effects of the aftershock on its portfolio properties in the Tohoku region.

Details

After conducting onsite investigations with outside experts on the Investment Corporation’s three residential properties in Sendai City, Miyagi Prefecture today (“Re-65 Single-residence Kitayobancho,” “Re-66 Single-residence Atagobashi” and “Re-69 Single-residence Ichibancho”), it was confirmed that the properties have not suffered any damage, etc. that would have material impact on the status of management.

In addition, although the Investment Corporation’s hotel “Ho-04 Super Hotel Sendai Hirose-dori” located in Sendai City, Miyagi Prefecture, is currently closed for business as announced in the press release titled “Impact of ‘2011 Off the Pacific Coast of Tohoku Earthquake’ (Second Report)” dated March 17, 2011, as a result of another onsite investigation conducted by outside experts following the restoration of gas supply and the judgment that logistics-related procurement has become possible, the Investment Corporation has received a report that there are no problems with the building structure. The hotel is therefore scheduled to commence business on April 11.

Another announcement will be made at a later date in the event that serious damage or other reportable facts are found.

*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

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