

March 29, 2011

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

2-5-1 Atago, Minato-ku, Tokyo

Masaaki Higashihara, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

Takaya Ichikawa, President &amp; Representative Director

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Borrowing of Funds (Interest Rate Settlement)

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced that the interest rate for each applicable interest period for the funds announced on March 28, 2011 and the existing funds below have been settled.

## Details

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|-----------------------------|--|
| 1. Classification:          | Long-term loan   |
| Lenders:                    | Sumitomo Mitsui Banking Corporation; Resona Bank, Ltd. ;<br>Mizuho Trust & Banking Co., Ltd.   |
| Loan Amount:                | ¥6,070,000,000   |
| Drawdown Date:              | March 31, 2011   |
| Principal Repayment Date:   | March 31, 2013   |
| Principal Repayment Method: | Lump-sum repayment on the principal repayment date   |
| Interest Rate:              | 1.38000% (per annum)   |
| Applicable Interest Period: | March 31, 2011 to April 28, 2011   |
| 2. Classification:          | Short-term loan  |
| Lenders:                    | The Chuo Mitsui Trust and Banking Co., Ltd.; Aozora Bank, Ltd.;<br>Mizuho Trust & Banking Co., Ltd.; Sumitomo Mitsui Banking Corporation;<br>The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Resona Bank, Ltd. |
| Loan Amount:                | ¥10,554,700,000  |
| Drawdown Date:              | August 31, 2010  |
| Principal Repayment Date:   | May 31, 2011   |
| Principal Repayment Method: | Lump-sum repayment on the principal repayment date   |
| Interest Rate:              | 1.18000% (per annum)   |
| Applicable Interest Period: | April 1, 2011 to April 28, 2011  |
| 3. Classification:          | Short-term loan  |

Lender: Aozora Bank, Ltd.  
Loan Amount: ¥6,130,000,000  
Drawdown Date: August 31, 2010  
Principal Repayment Date: May 31, 2011  
Principal Repayment Method: Lump-sum repayment on the principal repayment date  
Interest Rate: 1.68000% (per annum)  
Applicable Interest Period: April 1, 2011 to April 28, 2011

4. Classification: Short-term loan  
Lender: Musashino Bank, Ltd.  
Loan Amount: ¥519,600,000  
Drawdown Date: September 30, 2010  
Principal Repayment Date: May 31, 2011  
Principal Repayment Method: Lump-sum repayment on the principal repayment date  
Interest Rate: 1.56000% (per annum)  
Applicable Interest Period: April 1, 2011 to May 31, 2011

The Investment Corporation will announce the interest rate applicable on and after April 29, 2011 for the funds borrowed in 1. to 3. above when such have been settled.

\*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/>