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For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Notice Concerning Partial Amendment to the Articles of Incorporation and the Appointment of Directors

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that it has decided to refer the partial amendment to the Articles of Incorporation and the appointment of directors to the 15th general meeting of investors (the “General Meeting of Investors”), as described below.

The following matters will go into effect upon approval by the General Meeting of Investors.

Details

1. Partial amendment to the Articles of Incorporation

The following are reasons for amending the Articles of Incorporation.

- (1) In accordance with the revision to the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of Prime Minister’s Office No. 129 of 2000, including the amendment thereto, hereinafter the “Ordinance”), the purpose of investing assets into real estate and other properties (as defined in Item 1, Article 105 of the Ordinance) must now be stated in the articles of incorporation. Therefore, the Articles of Incorporation shall be amended. (Articles 2 and 24 of the proposed amendment)
- (2) In accordance with the revision to the Act on Investment Trusts and Investment Corporations, the following changes, etc. shall be made.
 - (i) In regards to the provisions for convening the general meeting of investors on a certain date and thereafter without delay, new provisions shall be established in which the general meeting of investors of the Investment Corporation shall be convened on August 5, 2017 and thereafter without delay and also on August 5 every other year and thereafter without delay, and likewise may be convened from time to time as necessary. (Paragraph 1, Article 10 of the proposed amendment)
 - (ii) A change shall be made in which a public notice of the date of a general meeting of investors shall not be required for a general meeting of investors held before twenty five (25) months has passed from the date of last general meeting of investors held in accordance with the provisions of the first sentence of

- Paragraph 1, Article 10 of the proposed amendment. (Paragraph 2, Article 10 of the proposed amendment)
- (iii) A change shall be made in which the term of office of the executive director and supervisory directors may be extended or shortened by a resolution of the general meeting of investors to the extent specified by law. (Paragraph 1, Article 18 of the proposed amendment)
- (3) In accordance with the revision to the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation (Ordinance of the Finance Ministry No. 15 of 1957, including the amendment thereto), the requirements for investment corporations' eligibility for application of the special provisions for taxation have been amended. Therefore, the corresponding provisions shall be deleted. (Paragraph 7, Article 25 of the current Articles of Incorporation)
- (4) In accordance with the revision to the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Government Ordinance No. 480 of 2000, including the amendment thereto, hereinafter the "Order"), renewable energy power generation facilities are added to the specified assets in which investment may be made. Therefore, a change shall be made in which renewable energy power generation facilities are added to the investment of the Investment Corporation. (Item (14), Paragraph 4, Article 26 of the proposed amendment)
- (5) In accordance with the revision to laws and ordinances such as the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006, including the amendment thereto) and the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including the amendment thereto), a change shall be made in regards to the issue of difference in profits between for taxation and for accounting. As a result of this change, monies exceeding the profits may be distributed when the board of directors deems it appropriate for the purpose of reducing the tax burden on the investment corporation. (Paragraph 2, Article 32 of the proposed amendment)
- (6) Other changes in the wording, changes to and the unification of expressions, the organization of provisions, and the clarification of definitions, etc. shall be made and conducted. (Article 6; Items (13) and (15), Paragraph 4, Article 26; Paragraph 1, Article 31; Item (2) Paragraph 1, Article 32; Paragraph 2, Article 37; and Article 39 of the proposed amendment)

2. Appointment of directors

Because the respective terms of office of the executive director Masaaki Higashihara and the supervisory directors Taku Fukui and Hidekazu Kubokawa will expire on August 30, 2015, the proposal for appointing one (1) executive director and two (2) supervisory directors shall be submitted to the General Meeting of Investors.

In addition, the resolution for appointing Takaya Ichikawa as an alternate executive director shall cease to be effective upon the start of the General Meeting of Investors. Therefore, the proposal for appointing one (1) alternate executive director shall be submitted in case the post of executive director becomes vacant or the number of directors does not satisfy the number specified by law.

- (1) Candidate for executive director
Masaaki Higashihara (reappointment)
- (2) Candidate for supervisory director
Taku Fukui (reappointment)
Hidekazu Kubokawa (reappointment)
- (3) Candidate for alternate executive director

Takaya Ichikawa (reappointment)

3. Schedule

- July 29, 2015 : Approval of the proposals to be submitted to the 15th General Meeting of Investors by the board of directors
- August 13, 2015 : Issue of Notice of Calling the 15th General Meeting of Investors (scheduled)
- August 28, 2015 : The 15th General Meeting of Investors (scheduled)

End.

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* Investment Corporation Website: <http://www.heiwa-re.co.jp/english/>