

January 27, 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 & Representative Director

Inquiries: Shinya Ito, General Manager, IR Department

TEL: +81-3-5402-8731

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 following funds borrowed by the Investment Corporation have been settled. (For details on the funds borrowed, please refer to the former Japan Single-residence REIT Inc.'s "Notice Concerning New Borrowing" dated June 28, 2010 and August 26, 2010, and the Investment Corporation's "Borrowing of Funds" dated March 3, 2008, "Borrowing of Funds and Execution of Agreements on Establishment of Additional Collateral" dated March 25, 2010 and "Borrowing of Funds and Repayment of Funds Borrowed" dated October 25, 2010. The press releases of the former Japan Single-residence REIT Inc. are available for viewing on the Investment Corporation's website.).

Details

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| 1. Classification: | Short-term loan |
| Lender: | The Tokyo Star Bank, Limited |
| Loan Amount: | ¥13,250,000,000 |
| Drawdown Date: | June 30, 2010 |
| Principal Repayment Date: | June 30, 2011 |
| Principal Repayment Method: | Lump-sum repayment on the principal repayment date |
| Interest Rate: | 3.34000% (per annum) |
| Applicable Interest Period: | January 31, 2011 to April 27, 2011 |
| 2. Classification: | Short-term loan |
| Lenders: | The Chuo Mitsui Trust and Banking Co., Ltd.; Aozora Bank, Ltd.;
Mizuho Trust & Banking Co., Ltd.; Sumitomo Mitsui Banking Corporation;
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: February 1, 2011 to February 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: February 1, 2011 to February 28, 2011

4. Classification: Long-term loan
Lender: Aozora Bank, Ltd.
Loan Amount: ¥4,531,000,000
Drawdown Date: March 5, 2010
Principal Repayment Date: October 31, 2011
Principal Repayment Method: First payment of ¥23,000,000 on July 30, 2010. Subsequent payments of ¥23,000,000 on the last day of January and July 2011. Remaining principal balance repaid on the principal repayment date.
Interest Rate: 1.55000% (per annum)
Applicable Interest Period: January 31, 2011 to July 28, 2011

5. Classification: Long-term loan
Lender: Aozora Bank, Ltd.; Resona Bank, Ltd.
Loan Amount: ¥1,980,000,000
Drawdown Date: March 29, 2010
Principal Repayment Date: October 31, 2012
Principal Repayment Method: First payment of ¥10,000,000 on July 30, 2010. Subsequent payments of ¥10,000,000 on the last day of January and July of the years 2011 and 2012. Remaining principal balance repaid on the principal repayment date.
Interest Rate: 1.75000% (per annum)
Applicable Interest Period: January 31, 2011 to July 28, 2011

6. Classification: Long-term loan
Lender: Aozora Bank, Ltd.; Sumitomo Mitsui Banking Corporation; Resona Bank, Ltd.;
The Norinchukin Bank; The Nishi-Nippon City Bank, Ltd.;
Sompo Japan Insurance Inc.; The Hokkaido Bank, Ltd.
Loan Amount: ¥7,387,500,000
Drawdown Date: October 27, 2010
Principal Repayment Date: October 31, 2011
Principal Repayment Method: On the last day of both January and July of the years 2011 and 2012, ¥37,500,000 will be repaid, and the balance shall be repaid on the principal repayment date.
Interest Rate: 1.65000% (per annum)
Applicable Interest Period: January 31, 2011 to July 28, 2011

7. Classification: Long-term loan
Lender: Aozora Bank, Ltd. ; Sumitomo Mitsui Banking Corporation; Resona Bank, Ltd.
Loan Amount: ¥4,925,000,000
Drawdown Date: October 27, 2010
Principal Repayment Date: October 31, 2013
Principal Repayment Method: On the last day of both January and July in each year from 2011 until 2013, ¥25,000,000 will be repaid, and the balance shall be repaid on the principal repayment date.
Interest Rate: 1.95000% (per annum)
Applicable Interest Period: January 31, 2011 to July 28, 2011

8. Classification: Long-term loan
Lender: Aozora Bank, Ltd.; Sumitomo Mitsui Banking Corporation; Resona Bank, Ltd.
Loan Amount: ¥2,955,000,000
Drawdown Date: October 27, 2010
Principal Repayment Date: October 31, 2015
Principal Repayment Method: On the last day of both January and July in each year from 2011 until 2015, ¥15,000,000 will be repaid, and the balance shall be repaid on the principal repayment date.
Interest Rate: 2.25000% (per annum)
Applicable Interest Period: January 31, 2011 to July 28, 2011

For the funds borrowed in 4. to 8. above, the balance after contractual repayments is shown.

The Investment Corporation will announce the interest rate applicable on and after April 28, 2011 for the funds borrowed in 1. above, the interest rate applicable on and after March 1, 2011 for the funds borrowed in 2. and 3. above and the interest rate applicable on and after July 29, 2011 for the funds borrowed in 4. to 8. 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/>