

Translation Purposes Only

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REIT Issuer

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Notice Concerning the Change in Rating Outlook

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced that today that Rating and Investment Information, Inc. (“R&I”), from which the Investment Corporation has acquired a rating, concerning the change in the Investment Corporation’s rating outlook (rating affirmed) as described below.

Details

1. Details of Change

	Before Change	After Change
Issuer Rating	BBB	BBB
Rating Outlook	Stable	Positive

2. Reasons for the Revision

According to R&I’s announcement, the main reasons for the change in the rating outlook were that 1) there can be seen some improvements in the Investment Corporation’s portfolio quality and profitability through the merger, sale of properties and leasing, 2) the financial position, which temporarily deteriorated due to the merger, has been on a recovery track and 3) improvements in both business and financial aspects continue to be expected owing to support by Heiwa Real Estate Co., Ltd.

*For details, please refer to the R&I website

3. Efforts of the Investment Corporation Going Forward

The Investment Corporation is striving to improve both asset management and financial affairs, aiming to “enhance the quality and profitability of the portfolio and achieve steady growth,” and “further reinforce the financial position,” which have been pointed out as future challenges.

*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/>