

Translation Purposes Only

January 17, 2013

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

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Early Repayment of Loans

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today the decision to make early repayment of loans prior to the principal repayment dates as described below.

Details

1. Loans to be repaid prior to the principal repayment dates.

Term Loan 8

(a)	Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Ltd.
(b)	Loan Balance	¥4,825 million (Note1)
(c)	Early Repayment Amount	¥325 million
(d)	Loan Balance After Repayment	¥4,500 million
(e)	Interest Rate	1.93% (Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.50% (variable interest rate type)) (Note2)
(f)	Drawdown Date	October 27, 2010
(g)	Scheduled Date of Early Repayment	January 31, 2013
(h)	Principal Repayment Date	October 31, 2013
(i)	Principal Repayment Method	Early repayment of ¥325 million including scheduled repayment amount (¥25 million) which is due for repayment on the last day of July 2013 (however, in the event that this day is not a business day, the business day immediately

	preceding it) will be made. Remaining balance after the early repayment will be repaid in lump-sum on the principal repayment date.
(j) Collateral and Guarantee	Collateralized and unguaranteed

(Note 1) As for the loan balance, balance of loan after deducting the scheduled repayment amount of ¥25 million which is due for repayment on January 31, 2013 from the loan balance of ¥4,850 million as of January 17, 2013 is indicated. The agreement for the loan states that ¥25 million shall be repaid on the last day of January and July each year, and the remaining principal balance shall be repaid on the principal repayment date. For details, please refer to the press release “Borrowing of Funds and Repayment of Funds Borrowed” dated October 25, 2010.

(Note 2) Applicable interest rate as of today is indicated.

Term Loan 9

(a) Lenders	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Ltd.
(b) Loan Balance	¥2,895 million (Note 1)
(c) Early Repayment Amount	¥75 million
(d) Loan Balance After Repayment	¥2,820 million
(e) Interest Rate	2.23% (Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.80% (variable interest rate type)) (Note 2)
(f) Drawdown Date	October 27, 2010
(g) Scheduled Date of Early Repayment	January 31, 2013
(h) Principal Repayment Date	October 31, 2015
(i) Principal Repayment Method	Early repayment of ¥75 million, which is the total amount of scheduled repayment due on the last day of January and July in each year from the last day of July 2013 to the last day of July 2015 (however, in the event that one of these days is not a business day, the business day immediately preceding it), will be made. Remaining balance after the early repayment will be repaid in lump-sum on the principal repayment date.
(j) Collateral and Guarantee	Collateralized and unguaranteed

(Note 1) As for the loan balance, balance of loan after deducting the scheduled repayment amount of ¥15 million which is due for repayment on January 31, 2013 from the loan balance of ¥2,910 million as of January 17, 2013 is indicated. The agreement for the loan states that ¥15 million shall be repaid on the last day of January and July each year, and the remaining principal balance shall be repaid on the principal repayment date. For details, please refer to the press release “Borrowing of Funds and Repayment of Funds Borrowed” dated October 25, 2010.

(Note 2) Applicable interest rate as of today is indicated.

2. Repayment Funds

Repayment will be executed using cash on hand.

(The net proceeds the Investment Corporation received from the issuance of new investment units through third-party allotment announced in the press release “Notice Concerning Finalization of Number of Units to be Issued in Issuance of New Investment Units by Way of

Third-Party Allotment” dated January 8, 2013 will be partially used for the repayment.)

3. Status of Interest-Bearing Liabilities after Early Repayment

(Unit: million yen, fractions of 1 unit have been rounded off)

	Before Repayment	After Repayment	Change
Short-term loans	—	—	—
Long-term loans due within 1 year	12,895	12,570	-325
Long-term loans	52,443	52,368	-75
Total Loans	65,338	64,938	-400
Investment corporation bonds	—	—	—
Total interest-bearing liabilities	65,338	64,938	-400

(Note) As for the status of interest-bearing liabilities before early repayment, the balance of interest-bearing liabilities after deducting amount of principal repayment which is the agreed repayment due on January 31, 2013 is indicated.

4. Other

The risks associated with the early repayment of loans as described above do not change from that detailed in “Investment Risks” in the securities registration statement (*yuka shoken todokedesho*) submitted on November 22, 2012.

* 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/>