

December 28, 2010

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

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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 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 August 26, 2010 and September 28, 2010. The press release is available for viewing on the Investment Corporation's website.).

Details

1. 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: December 31, 2010 to January 31, 2011
2. 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: December 31, 2010 to January 31, 2011

3. 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: 1.64000% (per annum)
Applicable Interest Period: December 31, 2010 to March 31, 2011

The Investment Corporation will announce the interest rate applicable on and after February 1, 2011 for the funds borrowed in 1. and 2. above and the interest rate applicable on and after April 1, 2011 for the funds borrowed in 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/>