

Translation Purposes Only

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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 the applicable interest period for the following funds borrowed by the Investment Corporation has been settled.

Please note that, starting from this announcement, the details of funds borrowed that are subject to announcement are presented in table format and the method of presentation of the interest rate settlement for variable interest rates has also been changed. In correlation, future announcements on interest rate settlement will be made only upon each drawdown decision. Therefore, for variations in the applicable base interest rate, please check with the website of the Japanese Bankers Association (“JBA”).

Details

Lender(s)	Loan Balance	Interest Rate	Drawdown Date	Principal Repayment Date
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.	¥10,554.7 million	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 1.00% (Note 1)	August 31, 2010	May 31, 2011
Aozora Bank, Ltd.	¥6,130 million	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 1.50% (Note 1)	August 31, 2010	May 31, 2011
Sumitomo Mitsui Banking Corporation Resona Bank, Ltd. Mizuho Trust & Banking Co., Ltd.	¥6,070 million	Base interest rate (JBA 3-month Japanese Yen TIBOR) + 1.20% (Note 2)	March 31, 2011	March 31, 2013

- (Note 1) • The interest payment dates are the last day of every month and the principal repayment date (however, in the event that this day is not a business day, the business day immediately preceding it).
- The base interest rate applicable to the calculation period for the interest payable on an interest payment date is the 1-month Japanese Yen TIBOR published by JBA two business days preceding the interest payment date (The JBA 1-month Japanese Yen TIBOR as of April 26, 2011 is 0.18000%).
- (Note 2) • The interest payment dates are the last day of every January, April, July and October and the principal repayment date (however, in the event that this day is not a business day, the business day immediately preceding it).
- The base interest rate applicable to the calculation period for the interest payable on an interest payment date is the 3-month Japanese Yen TIBOR published by JBA two business days preceding the interest payment date (The JBA 3-month Japanese Yen TIBOR as of April 26, 2011 is 0.34000%). However, in the event that the calculation period is a period of less than 3 months, calculations are based on the base interest rate corresponding to that period.
- (Note 3) For JBA's Japanese Yen TIBOR, please check with JBA's website (<http://www.zenginkyo.or.jp/tibor/>).

*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/>