

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 rates for the applicable interest periods for funds borrowed by the Investment Corporation have been settled as follows.

Details

| Lender(s)  | Loan Balance   | Interest Rate (Note)  | Drawdown Date    | Principal Repayment Date |
|--|----------------|---|------------------|--------------------------|
| Aozora Bank, Ltd.  | ¥4,508 million | Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.10% | March 5, 2010    | October 31, 2011         |
| Aozora Bank, Ltd.<br>Resona Bank, Ltd.   | ¥1,970 million | Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.30% | March 29, 2010   | October 31, 2012         |
| Aozora Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>Resona Bank, Ltd.<br>The Norinchukin Bank<br>Nishi-Nippon City Bank, Ltd.<br>Sompo Japan Insurance Inc.<br>The Hokkaido Bank, Ltd. | ¥6,607 million | Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.20% | October 27, 2010 | October 31, 2011         |
| Aozora Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>Resona Bank, Ltd.  | ¥4,900 million | Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.50% | October 27, 2010 | October 31, 2013         |
| Aozora Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>Resona Bank, Ltd.  | ¥2,940 million | Base interest rate (JBA 6-month Japanese Yen TIBOR) + 1.80% | October 27, 2010 | October 31, 2015         |

(Note) •The interest payment dates are the last day of every January, July 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 6-month Japanese Yen TIBOR published by JBA two business days preceding the previous interest payment date. However, in the event that the calculation period is a period of less than 6 months, calculations are based on the base interest rate corresponding to that period (Each of the JBA 6-month Japanese Yen TIBOR and the JBA 3-month Japanese Yen TIBOR as of July 27, 2011 is 0.44929% and 0.34000%).

- 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/>