

Translation Purposes Only

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REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

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Partial Revision of Bylaws and Election of Directors

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that it decided to submit a resolution for partial to bylaws and the election of directors at the 13th Annual General Investors’ Meeting (the “General Investors’ Meeting) scheduled for August 26, 2011, as described below.

Furthermore, the following items are subject to approval at the General Investors’ Meeting.

Details

1. Partial Revision of Bylaws

Revisions shall be made for the following reasons.

- (1) Of the requirements an investment corporation must fulfil to apply for special tax exemptions as provided in the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent revisions; the “Special Taxation Measures Act”), a requirement concerning offerings of investment units being conducted primarily in Japan as provided in the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, including subsequent revisions) was revised. In accordance with this, corrections shall be made to the necessary terminology, etc. of the bylaws.
- (2) Revisions to the Special Taxation Measures Act included changes in the requirements concerning reduced tax rates of the registration and license tax associated with the registration of real estate ownership transfer. In accordance with this, corrections shall be made to the necessary terminology, etc. of the bylaws.
- (3) In accordance with heightened endeavours in recent years on countermeasures against global warming, corrections shall be made to the necessary terminology, etc. of the bylaws in order to allow the Investment Corporation to invest in the carbon dioxide equivalent quota based on the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, including subsequent revisions) and similar emission rights and other items based on other laws and regulations or ordinances.
- (4) Corrections shall be made to the necessary terminology, etc. of the bylaws in order to allow the Investment

Corporation to set the amount of its distributions at what it reasonably decides, instead of the amount surpassing 90% of the amount of its distributable income, when it records tax losses or when it has deductible carryover losses and thus produces no income for tax purposes.

- (5) Other than the above, correction of wording, changes and standardization of terminology, changes to the numbering of Articles, clarification of definitions and other amendments shall also be implemented.

(For further details of the partial revision of bylaws, please refer to “Notice concerning the Convocation of the 13th Annual General Investors’ Meeting” attachment to the Japanese press release (Japanese only).)

2. Election of Directors

The term of office Masaaki Higashihara as Executive Director and of Kazutoshi Otsubo, Eiichiro Yokoyama and Takashi Sugiura as Supervisory Directors of the Investment Corporation will expire on August 30, 2011. Accordingly, the Investment Corporation shall submit the agenda for discussion and approval at the General Investors’ Meeting concerning election of an Executive Director and two Supervisory Directors.

Moreover, the agenda concerning election of a Supplemental Executive Director shall be submitted in preparation for a situation in which no Executive Director exists or the number of Directors falls short of legal requirements. This is because the earlier resolution on the election of Takaya Ichikawa, current Supplemental Executive Director, shall become end upon the commencement of the General Investors’ Meeting.

(1) Candidate for Executive Director

Masaaki Higashihara (reappointment)

(2) Candidate for Supervisory Directors

Taku Fukui (new appointment)

Hidekazu Kubokawa (new appointment)

(3) Candidate for Supplemental Executive Director

Takaya Ichikawa (reappointment)

(For further details of the election of directors, please refer to “Notice concerning convocation of the 13th Annual General Investors’ Meeting” attachment to the Japanese press release (Japanese only).)

3. Schedule

July 27, 2011: Approval of 13th Annual General Investors’ Meeting agenda by the board of directors

August 11, 2011: Mail notice concerning convocation of the 13th Annual General Investors’ Meeting (planned)

August 26, 2011: Hold 13th Annual General Investors’ Meeting (planned)

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*Investment Corporation Website: <http://www.heiwa-re.co.jp/>