

Translation Purposes Only

December 4, 2012

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

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Notice Concerning Determination of Pricing for Issuance of New Investment Units and Secondary Offering, etc.

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced the issue price and the selling price for the issuance of new investment units and secondary offering resolved at the Board of Directors meeting held on November 22, 2012 has been settled at the Board of Directors meeting held on December 4, 2012, as described below.

Details

1. Issuance of new investment units through public offering (primary offering)

(1) Paid-in amount (issue value)	¥52,640 per unit
(2) Total paid-in amount (issue value)	¥4,763,920,000
(3) Issue price (offer price)	¥54,600 per unit
(4) Total issue price (offer price)	¥4,941,300,000
(5) Subscription period	December 5, 2012 (Wed) through December 6, 2012 (Thu)
(6) Advances on subscription	¥54,600 per unit
(7) Payment date	December 11, 2012 (Tue)
(8) Transfer date	December 12, 2012 (Wed)

(Note) The underwriters will buy and underwrite the units at the paid-in amount (issue value) and offer them at the issue price (offer price).

2. Secondary offering (secondary offering through over-allotment)

(1) Number of investment units to be sold	9,050 units
(2) Selling price	¥54,600 per unit
(3) Total selling price	¥494,130,000
(4) Subscription period	December 5, 2012 (Wed) through

	December 6, 2012 (Thu)
(5) Advances on subscription	¥54,600 per unit
(6) Transfer date	December 12, 2012 (Wed)

3. Issuance of new investment units by way of third-party allotment

(1) Paid-in amount (issue value)	¥52,640 per unit
(2) Total paid-in amount (issue value) (maximum)	¥476,392,000
(3) Subscription period (subscription date)	January 8, 2013 (Tue)
(4) Payment date	January 9, 2013 (Wed)

(Note) If some or all of the investment units are not applied for by the end of the subscription period (subscription date) set forth in (3) above, the issuance of those units not applied for shall be cancelled.

<Reference>

1. Calculations for the issue price and the selling price

(1) Base date for calculation	December 4, 2012 (Tue)
(2) Investment unit price for base date for calculation (closing price)	¥56,000 per unit
(3) Discount rate	2.50%

2. Syndicate cover transaction period

December 7, 2012 (Fri) through January 4, 2013 (Fri)

3. Use of the procured fund

Net proceeds of the public offering of ¥4,763,920,000 will be appropriated to part of the funds to acquire specified assets. The maximum net proceeds of the issuance of new investment units through the third-party allotment of ¥476,392,000 resolved on the same day as the public offering (the “Third-Party Allotment”) will be appropriated to part of the funds to acquire specified assets. Remaining proceeds, if any, will be used for the expenses associated with the acquisition of specified assets, expenses associated with the primary offering and the issuance of new investment units through Third-Party Allotment, and repayment of loans, in that order.

For details on the specified assets, please refer to “Acquisition of Assets (Kobe Kyukyoryuchi Heiwa Building and Two Other Properties)” announced 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/>

Note: This documents is intended to serve as a press release to make available the information on public offerings and secondary offering of units only. This documents should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Investment Corporation. Prospective investors are advised to read the Investment Corporation’s prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.