

Translation Purposes Only

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HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Change in Property Management Company

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that it has decided to change a property management company (the “PM Company”). The details are outlined below.

Details

1. Outline of the Change

On June 1, 2013, the PM Company that manages three office properties owned by the Investment Corporation will be changed as follows:

Property No.	Contracted Property	Current PM Company	New PM Company
Of-16	Anwa Tsukasacho Bldg	The Sankei Building Management Co., Ltd.	Heiwa Real Estate Co., Ltd.
Of-17	Hatchobori MF Bldg		
Of-21	Adesso Nishiazabu		

2. Reason for the Change

The Investment Corporation decided to make the change because the property management services (the “PM services”) for 15 of the 24 office properties (excluding Mita Heiwa Building (leasehold land)) owned by the Investment Corporation are currently entrusted to Heiwa Real Estate Co., Ltd. (“Heiwa Real Estate”) and taking into consideration of Heiwa Real Estate’s past PM services performance, etc. led to the conclusion that the change would contribute to maintaining and improving the high occupancy rate as well as the efficient operation and management of the properties owned by the Investment Corporation.

### 3. Profile of the New PM Company

Company Name	Heiwa Real Estate Co., Ltd.
Head Office Address	1-10 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
Representative	Sadao Yoshino, Director and President
Capital Stock	¥21,492 million (as of March 31, 2012)
Main Line of Business	1. Leasing business 2. Real estate development business 3. Housing development business 4. Other businesses
Relationship between the Investment Corporation or Asset Management Company and the Company	Exists

### 4. Transactions with Interested Parties

In addition to interested persons, etc. as defined in the Financial Instruments and Exchange Act and Act on Investment Trusts and Investment Corporations, the Asset Management Company regulates transactions involving conflicts of interest with interested parties, stipulating in its internal regulations that an “interested party” shall refer collectively to:

- (i) A company, etc. that holds more than 10% of the voting rights of all shareholders of the Asset Management Company;
- (ii) A company, etc. in which more than 50% of the voting rights of all its shareholders are held by (i); or
- (iii) A company, etc. to which (i) or (ii) provides advice, etc. on the management and administration of its assets.

The new PM Company Heiwa Real Estate constitutes an interested party. Therefore, in accordance with the internal regulations of the Asset Management Company, the transaction was subject to unanimous approval by each of the Investment Committee, Compliance Committee and Board of Directors of the Asset Management Company, before resolution by the Investment Corporation’s Board of Directors at its meeting held today.

### 5. Future Outlook

The change in the PM Company will have a minimal impact on the management status for the fiscal period ending May 2013 (from December 1, 2012 to May 31, 2013) and the fiscal period ending November 2013 (from June 1, 2013 to November 30, 2013) and no change has been made to the management status forecasts for the fiscal periods.

\* 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/>