

Translation Purposes Only

September 27, 2012

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

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Change in Master Lease Companies and Property Management Companies

HEIWA REAL ESTATE REIT, Inc. (the “Investment Corporation”) announced today that it has decided to change master lease companies and property management companies (“ML and PM Companies”) as follows.

Details

1. Outline of Changes

On October 1, 2012, the ML and PM Companies that manage seven residential properties owned by the Investment Corporation will be changed as follows:

Property No.	Contracted Property (Old Property Name)	Before Change	After Change
		Current ML and PM Company	New ML and PM Company
Re-03	HF ICHIKAWA RESIDENCE (Concord Ichikawa)	Dainichi Co., Ltd.	Haseko Livenet, Inc.
Re-09	HF KASAI RESIDENCE (Reglus Higashikasai)	Starts Amenity Corporation	Haseko Livenet, Inc.
Re-12	HF HIMONYA RESIDENCE (Mirum Himonya)		Tokyu Community Co., Ltd.
Re-16	HF GAKUGEIDAIGAKU RESIDENCE (Advantage Gakugeidaigaku)		
Re-18	HF HIGASHINIHONBASHI RESIDENCE (Hermitage Higashinohonbashi)		Apamanshop Sublease Co., Ltd.
Re-19	HF NERIMA RESIDENCE (Hermitage Nerima)		
Re-42	Single-residence Ginza	Mitsui Fudosan Housing Lease Co., Ltd.	RA Asset Management Inc.

* The change in names of some contracted properties has been completed as of September 27, 2012. For details, please refer to the press release “Introduction of New Brand of the Investment Corporation” dated June 28, 2012 and the press release “Change in Names of Assets Under Management” dated September 27, 2012.

2. Reason for the Change

The decision to change ML and PM Companies was made after considering service provision capabilities, past performance, etc. of the new ML and PM Companies. The aim of this change is to stabilize income of assets under management in the medium- to long-term by increasing leasing abilities and consolidating ML and PM Companies by which improvement of service efficiency and economic effects can be expected.

3. Profile of the new ML and PM Companies

Company Name	Haseko Livenet, Inc.
Headquartered	2-31-19 Shiba, Minato-ku, Tokyo
Representative	Hiroshi Kinoshita
Paid-in Capital	¥1 billion
Major Shareholders	Haseko Anesis Corporation
Main Business	1. Contracted real estate leasing management and associated consulting services 2. Real estate buying, selling, leasing and associated brokerage, agency and intermediary services 3. Services related to the provision of real estate information
Relationship between the Investment Corporation or Asset Management Company and the Company	None

Company Name	Tokyu Community Co, Ltd.
Headquartered	4-10-1 Yoga, Setagaya-ku, Tokyo
Representative	Motonori Nakamura
Paid-in Capital	¥1,653.8 million
Major Shareholders	Tokyu Land Corporation
Main Business	Management, leasing, construction, etc.
Relationship between the Investment Corporation or Asset Management Company and the Company	None

Company Name	Apamanshop Sublease Co., Ltd.
Headquartered	1-1-5 Kyobashi, Chuo-ku, Tokyo
Representative	Hideki Adachi
Paid-in Capital	¥100 million
Major Shareholders	Apamanshop Holdings Co., Ltd.
Main Business	Lease and brokerage of real estate, agency business, management and operational business, non-life insurance agency business
Relationship between the Investment Corporation or Asset Management Company and the Company	None

Company Name	RA Asset Management Inc.
Headquartered	1-3-10 Nishi-Azabu, Minato-ku, Tokyo
Representative	Minoru Tsuruoka

Paid-in Capital	¥50 million
Major Shareholders	Ken Corporation Ltd., Ken Real Estate Investment Advisors Ltd.
Main Business	1. Property management 2. Buying, selling and brokerage for profitable real estate (including trust beneficiary rights) 3. Consulting services relating to real estate management
Relationship between the Investment Corporation or Asset Management Company and the Company	None

4. Future Outlook

The change in the ML and PM Companies will have a minimal impact on the management status for the fiscal period ending November 2012 and no change is made to the management forecast for the fiscal period ending November 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/>