

December 1, 2017

For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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Masaaki Higashihara, Executive Director

(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Notice Concerning Withdrawal of the Rating

HEIWA REAL ESTATE REIT, Inc. (hereinafter referred to as the "Investment Corporation") announced that the Investment Corporation requested withdrawal from issuer rating by the Rating and Investment Information, Inc. (hereinafter referred to as "R&I") and that R&I announced withdrawal from issuer rating today.

Details

1. Rating to be withdrawn

Rating agency	Rating subject	Rating	Outlook
Rating and Investment Information, Inc.	Issuer Rating	A-	Stable

2. Reasons for withdrawal

The Investment Corporation obtains the rating from R&I and Japan Credit Rating Agency, Ltd. (hereinafter referred to as "JCR"). As a result of the recent comprehensive examination of the effects and costs relating to the rating, among other factors, the Investment Corporation decided to request R&I to withdraw us from issuer rating. Regarding JCR rating, we intend to continue.

3. Influence of the withdrawal

Upon the withdrawal, there is no change to the forecasts for the state of management for the fiscal period ending November 2017 (the 32nd fiscal period) and the fiscal period ending May 2018 (the 33rd fiscal period).

* 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/>