



October 10, 2008

To Whom It May Concern

Heiwa Real Estate Co., Ltd.  
Sakutaro Kimbara  
President, Director  
(Code No. 8803)

### Notification of Recording of Loss on Revaluation of Investment Securities

Heiwa Real Estate Co., Ltd. wishes to notify you that, with regard to any investment securities we held in the “Other securities” account item whose market price or fair value has significantly declined, it became necessary to record the loss on revaluation of investment securities resulting from impairment as a special loss at the end of the second quarter of fiscal year ending March 31, 2009.

#### 1. Total Loss on Revaluation of Investment Securities at the End of the Second Quarter of Fiscal Year Ending March 31, 2009

(Consolidated)

(In millions of yen)

|     |  |                |
|-----|--|----------------|
| (A) | Total loss on revaluation of investment securities at the end of the second quarter of fiscal year ending March 31, 2009 | 1,397          |
| (B) | Net assets at the end of fiscal year ended March 31, 2008<br>(A/B x 100)   | 70,456 (1.98%) |
| (C) | Ordinary income for fiscal year ended March 31, 2008<br>(A/C x 100)  | 7,176 (19.47%) |
| (D) | Net income for fiscal year ended March 31, 2008<br>(A/D x 100)   | 3,737 (37.38%) |

(Non-consolidated)

(In millions of yen)

|     |  |                |
|-----|--|----------------|
| (A) | Total loss on revaluation of investment securities at the end of the second quarter of fiscal year ending March 31, 2009 | 1,397          |
| (B) | Net assets at the end of fiscal year ended March 31, 2008<br>(A/B x 100)   | 67,137 (2.08%) |
| (C) | Ordinary income for fiscal year ended March 31, 2008<br>(A/C x 100)  | 6,854 (20.38%) |
| (D) | Net income for fiscal year ended March 31, 2008<br>(A/D x 100)   | 3,691 (37.84%) |

(Notes) The end of the second quarter of the Company is September 30.

As investment securities whose fair value has significantly declined, we expect to record ¥500 million, the whole book value of the Yamato Life Insurance Company, a company which filed for court protection today under the Court-Guided Rehabilitation Law, as a loss on revaluation of investment securities.

We apply the quarterly-reversal-of-write-down-method to the impairment of investment securities.

#### 2. Financial Prospects for the Future

Regarding the effect on our financial results (consolidated and non-consolidated) for the first half and for the full year ending March 31, 2009, please refer to the “Revision of Financial Forecasts for Fiscal Year Ending March 31, 2009” announced today.