



March 25, 2010

To Whom It May Concern

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

Revision of Financial Forecasts and Year-end Dividend Forecasts  
for Full Year Ending March 31, 2010

In light of recent financial trends and other factors, Heiwa Real Estate Co., Ltd. has revised its financial forecasts and year-end dividend forecasts for the full year ending March 31, 2010 from the forecasts announced in the financial results dated April 30, 2009.

1. Revision of Consolidated Financial Forecasts

Full year ending March 31, 2010 (April 1, 2009 to March 31, 2010)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts: A	40,000	8,000	4,500	1,600	10.70
Revised forecasts: B	41,000	5,900	2,600	(8,800)	(58.86)
Amount of change: B – A	1,000	(2,100)	(1,900)	(10,400)	—
Percent change (%)	2.5	(26.3)	(42.2)	—	—
(Reference) Full year ended March 31, 2009	51,935	8,998	6,178	862	5.81

2. Revision of Non-consolidated Financial Forecasts

Full year ending March 31, 2010 (April 1, 2009 to March 31, 2010)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts: A	37,000	7,600	4,400	1,600	10.70
Revised forecasts: B	37,500	7,600	4,700	(8,900)	(59.53)
Amount of change: B – A	500	0	300	(10,500)	—
Percent change (%)	1.4	0	6.8	—	—
(Reference) Full year ended March 31, 2009	48,834	8,505	6,087	1,161	7.82

### 3. Reasons for Revisions

We have revised our financial forecasts for the full year ending March 31, 2010 for the following reasons. Though we have recorded extraordinary income from the transfer of fixed assets, we are likely to record extraordinary loss on fixed assets and operating investment whose profitability has significantly declined.

Our revision of the non-consolidated financial forecasts is the same as our revision of the consolidated financial forecasts.

### 4. Revision of Dividend Forecasts at the End of March 2010

#### (1) Reasons for revision of dividend forecasts

We believe that the sustainable development of our business and the establishment of a stable financial base are among the most important issues for our corporate management. It is also our policy to return our profits to every shareholder based on the performance trends, targeting a consolidated payout ratio of 30 percent or higher.

As stated in the above revision of financial forecasts, however, our financial results for the full year ending March 31, 2010 are expected to fall into the red. Therefore, we regret to inform you that we will not be distributing any year-end dividends.

#### (2) Contents of revision

Record date	Cash dividends per share (Yen)		
	End of 2Q	Year-end	Annual
Previous forecasts	Yen —	Yen 3.00	Yen 6.00
Revised forecasts	—	0.00	3.00
Results for the current fiscal year	3.00	—	—
Full year ended March 31, 2009	6.00	6.00	12.00

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