



March 25, 2010

To Whom It May Concern

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

### Notification of Recording of Extraordinary Loss

Heiwa Real Estate Co., Ltd. wishes to notify you that the company is likely to record an impairment loss and a loss on the revaluation of operating investment as extraordinary loss in the financial results for the fiscal year ending March 31, 2010.

#### 1. Impairment Loss

We are scheduled to record an impairment loss on any asset held whose profitability has significantly declined, in consideration of the current business environment and financial prospects for the future.

Amount of impairment loss: 10.5 billion yen

#### 2. Loss on Revaluation of Operating Investment

Regarding operating investment (preferred investments in specific purpose companies (SPCs)) held, we are scheduled to record a loss on the revaluation of operating investment resulting from significant declines in the asset values of the SPC, our investments.

Amount of loss on the revaluation of operating investment: 4.6 billion yen

#### 3. Financial Prospects for the Future

For details on the effects on our financial results (consolidated and non-consolidated) for the full year ending March 31, 2010, please see the "Revision of Financial Forecasts and Year-end Dividend Forecasts for Full Year Ending March 31, 2010" announced today.