

[Translation]

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To Whom It May Concern:

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Announcement of Medium-term Management Plan

The Heiwa Real Estate Group has formulated its new Medium-term Management Plan, which will cover the period from the fiscal year ending March 31, 2012 through to the fiscal year ending March 31, 2014.

Although the Japanese economy has been on the path to recovery since the global financial crisis triggered by the collapse of Lehman Brothers, it now faces a number of issues, such as the impact of yen appreciation on industry, the Great East Japan Earthquake, which was unprecedented in scale, and widespread concern about the subsequent nuclear accident. Other lingering uncertainties include the possible impact of the European fiscal crisis on the global economy, including emerging markets.

Against this backdrop, the outlook for the real estate market remains unclear, notwithstanding some fleeting signs of recovery in the real estate sector operating environment.

Amid these conditions, the Group's operating performance and financial position weakened in the fiscal year ended March 31, 2010 and the Company has put priority on rebuilding the foundations of the business in the most recent two fiscal years. As part of these efforts, the Company concluded a capital and business alliance with Mitsubishi Estate, Co., Ltd., carried out a capital increase through a public offering, and implemented initiatives to reinforce the REIT operation business.

After these steps to restore stability, the new Medium-term Management Plan is designed to mark the first stage on the road to realizing the Company's clear vision for growth.

1. Vision

Based on our track record and the trust we have built up over many years through the management of buildings that house stock exchanges nationwide, we plan to play a key role in revitalizing urban areas, primarily in Japan's major cities. Our first area of focus will be Kabuto-cho, where our head office is located.

2. Position of Medium-term Management Plan

Our new Medium-term Management Plan is designed to put the foundations in place to achieve this vision by reinforcing the earnings base and enhancing our expertise. More specifically, during the three years of the plan, we intend to accumulate the necessary expertise and capabilities to carry out the redevelopment of Kabuto-cho.

3. Name of Medium-term Management Plan

Medium-term Management Plan 2013 Foundations for the Future:

Corporate Value Improvement Strategy (1st Stage)

–Strategic Actions for Performance & Quality Improvement–

4. Plan Period

From the fiscal year ending March 31, 2012 through the fiscal year ending March 31, 2014.

5. Basic Strategies

- (1) Increase the profitability of business assets
- (2) Stabilize the financial base
- (3) Implement initiatives to generate growth

6. Business Strategies

- (1) Increase the profitability of business assets
 - Raise the quality and secure the competitiveness of leased assets
 - Enhance disaster prevention and safety measures for leased assets
 - Improve the energy efficiency of leased assets
 - Reinforce the property management business
 - Reduce business operating expenses
- (2) Adopt stricter criteria for the acquisition of leased assets
 - Emphasize profitability and capital efficiency when making investment decisions regarding properties
- (3) Push ahead with the redevelopment of Kabuto-cho

- Create a master plan for the redevelopment project
Accelerate the formulation of plans currently under development
 - Gather information related to land earmarked for redevelopment
Reinforce links with the area, including communication with local stakeholders
- (4) Develop the REIT operation business
- Build a value chain with REITs
- (5) Rebuild the business and take steps to generate growth
- Rebuild the business
Concentrate resources on strategic business fields by accurately understanding changes in the operating environment
 - Identify new business opportunities
Search for ways to expand all businesses while emphasizing profitability

7. Organizational and financial strategies

- Upgrade the organizational framework and reinforce the financial base
- Upgrade organizations and adhere to financial indicator targets to maximize the Group's corporate value

8. Numerical targets

Year ending	March 31, 2012	March 31, 2013	March 31, 2014
Consolidated operating income	¥6.5 billion	¥6.5 billion	¥7.0 billion
Consolidated ordinary income	¥3.4 billion	¥3.8 billion	¥4.5 billion
Debt-equity ratio	2.7x	2.4x	2.1x