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For Immediate Release

## REIT Issuer:

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Notice Concerning Appeal against Court Judgement of  
Lawsuit over Confirmation of Rent Reduction

Daiwa House REIT Investment Corporation (“DHR”) has been subject to the lawsuit over confirmation of rent reduction filed against Mitsubishi UFJ Trust and Banking Corporation, the trustee of DHR’s investment property D Project Shin-Misato (the “Property”), by Asahi Security Co., Ltd., the tenant of the Property. The Tokyo District Court rendered a judgement of the first instance (the “Judgement”) on July 24, 2017. DHR hereby announces that DHR appealed to the Tokyo District Court on August 4, 2017.

## 1. Background of the appeal

Asahi Securities Co., Ltd., the tenant of the Property, filed a claim in the Tokyo District Court on June 27, 2014 against Mitsubishi UFJ Trust and Banking Corporation, the trustee of the Property, to confirm the reduction of the current level of rent by approximately 16% for the period from May 1, 2014 onward, as announced in the press release “Notice Concerning Case Brought against Daiwa House REIT to Confirm Rent Reduction of its Investment Property” dated July 28, 2014.

DHR believes the current level of rent is reasonable and has pleaded to that effect through the trustee at the court proceedings. However, the Tokyo District Court rendered the Judgement on July 24, 2017, ordering DHR to confirm the reduction of the current level of rent by approximately 6% for the period from May 1, 2014 onward as announced in the press release “Notice Concerning Court Judgement of Lawsuit over Confirmation of Rent Reduction” dated July 24, 2017.

DHR appealed to the Tokyo District Court on August 4, 2017 on the grounds that DHR disagrees with the Judgement.

## 2. Outlook

DHR has included a provision for loss on litigation in the forecast of operating results for the fiscal periods ending August 2017 (from March 1, 2017 to August 31, 2017) and February 2018 (from September 1, 2017 to February 28, 2018) based on rent judged most likely as of April 19, 2017 after giving comprehensive consideration to the progress of the lawsuit, etc. Therefore, the impact on the operating results for the fiscal periods ending August 2017 and February 2018 will be minimal and there are no revisions to the forecast.

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\* DHR’s website: <http://www.daiwahouse-reit.co.jp/en/>