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For Immediate Release

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### Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has decided to acquire assets (hereinafter referred to as “Assets Scheduled for Acquisition”) as follows.

#### 1. Acquisition Details

Property number	Real estate in trust (Property name)	Location	Planned date of acquisition	Planned acquisition price (millions of yen)	Seller
L-B-20	D Project Kuki I	Kuki, Saitama	April 1, 2014	3,500	Daiwa House Industry Co., Ltd.
L-B-21	D Project Kuki II	Kuki, Saitama	April 1, 2014	7,200	Daiwa House Industry Co., Ltd.
L-B-22	D Project Kawagoe I	Kawagoe, Saitama	April 1, 2014	3,100	Daiwa House Industry Co., Ltd.
L-B-23	D Project Kawagoe II	Kawagoe, Saitama	April 1, 2014	4,250	Daiwa House Industry Co., Ltd.
L-B-24	DPL Inuyama	Inuyama, Aichi	April 1, 2014	3,380	Daiwa House Industry Co., Ltd.
L-B-25	D Project Fukuoka Hakozaki	Fukuoka, Fukuoka	April 1, 2014	3,700	Daiwa House Industry Co., Ltd.
Total	—	—	—	25,130	—

- (1) Execution date of the purchase agreement: : March 3, 2014  
 (2) Planned date of acquisition: : April 1, 2014 (planned date of settlement and transfer)  
 (3) Seller: : Please refer to 4. Seller Profile below.  
 (4) Acquisition funds: : Proceeds from issuance of new investment units and debt financing (Note)  
 (5) Method of settlement: : Payment of entire amount upon transfer

(Note) Please refer to the press releases “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and “Notice Concerning Debt Financing” dated today.

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## 2. Rationale

Based on the targets and policies of asset management prescribed in its Articles of Incorporation, DHR has decided to acquire the Assets Scheduled for Acquisition comprising six properties, judging that the acquisition should help expand the asset size, further increase the stability of cash flows through increased portfolio diversification and secure stable revenues in the long term. All of the Assets Scheduled for Acquisition will be acquired through the pipelines of the Daiwa House Group.

## 3. Property Details

The following tables provide overview of the trust beneficiary interests in real estate that are the Assets Scheduled for Acquisition.

Furthermore, unless otherwise stated, descriptions in each column in the “Overview of Specified Asset,” “Overview of Leasing,” “Overview of Property Appraisal” and “Property Characteristics” for each property indicated below are prepared in accordance with the following definitions, and are based on the information available as of January 31, 2014.

- “Planned date of acquisition” shows the planned date of acquisition of the respective Assets Scheduled for Acquisition indicated in the purchase agreements regarding the relevant acquisition, but such a date may be changed by mutual consent between DHR and the seller.
- “Planned acquisition price” shows the transaction price of the respective Assets Scheduled for Acquisition indicated in the purchase agreements regarding the relevant acquisition. Furthermore, the transaction price does not include consumption tax, local consumption tax and costs that were or will be required for acquisition, and is rounded to the nearest million yen.
- “Trust establishment date” is the date when trust was or is planned to be established for respective Assets Scheduled for Acquisition.
- “Trustee” is the trustee or the party that is scheduled to become the trustee of the respective Assets Scheduled for Acquisition.
- “Trust maturity date” shows the expiration date of the trust period designated in the trust agreement or the expiration date of the trust period scheduled to be changed in accordance with DHR’s acquisition of the respective Assets Scheduled for Acquisition.
- “Overview of building condition evaluation” shows the overview of the report prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd. concerning the results of the building condition evaluation, including building deterioration diagnosis survey, preparation of short-term and long-term repair plans, survey on compliance to the Building Standards Act and other laws and regulations and survey on hazardous substances contained in the building, for the respective Assets Scheduled for Acquisition, conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd. on consignment from DHR. The content of the respective report represents the judgment and opinion of the above evaluation company at a certain point and does not guarantee the appropriateness and correctness of the statements. Furthermore, “Evaluation period” indicates the preparation date of the relevant building condition evaluation report surveyed and prepared by the evaluation company.
- “Location” for the land shows the residence indication and, if there is no residence indication, shows the location of the building described in the registry (if there are multiple locations, then one of them).
- “Area” for the land is based on the descriptions in the registry, and may not match the present status.
- “Area classification” for the land indicates the type of zoning district depicted in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended) (hereinafter, the “City Planning Act”) or the type of urban district classification depicted in Article 7 of the City Planning Act.
- “Building coverage ratio/FAR” for the land indicates the maximum figure of the building coverage ratio (designated building coverage ratio) and the maximum figure of the floor area ratio (designated floor area ratio) determined by city planning in accordance with the zoning, etc. (if there are multiple figures, all of them). The designated building coverage ratio may be relaxed, increased or decreased due to such reasons as the property being a fireproof building in a fire prevention district, and the designated floor area ratio may be relaxed, increased or decreased due to such reasons as the width of the road adjacent to the site. Thus, they may defer from the building coverage ratio and the floor area ratio to be applied actually.
- “Type of ownership” for the land and building shows the kind of rights held by DHR or the trustee for each of the Asset Scheduled for Acquisition.

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- “Structure/floors” and “Date of construction” for the building are based on the descriptions in the registry, and excludes annex buildings.
- “Gross floor area” and “Use” for the building are based on the descriptions in the registry, excluding the areas of annex buildings, and may not match the present status.
- “Total leasable area” is the leasable area of the building for each real estate in trust, and indicates the area which DHR recognizes to be leasable based on the lease contracts or building drawings, etc. of respective real estate in trust as of January 31, 2014.
- “Master lease company” represents a lessee who has executed a blanket lease agreement with DHR or the trustee with the aim of subleasing the property to third parties.
- “Property management company” indicates the property management company scheduled to be consigned with property management (PM) services for respective Assets Scheduled for Acquisition.
- “Number of tenants” indicates the number of tenants for each property of the Assets Scheduled for Acquisition based on the lease agreements, etc. as of January 31, 2014.
- “Collateral” indicates the outline of the collateral for respective Assets Scheduled for Acquisition, if there is any scheduled to be borne by DHR after the acquisition.
- “Special items” describes matters that are thought to be important in terms of rights holding and use, etc. of respective Assets Scheduled for Acquisition as of today, as well as matters that are thought to be important when considering their impact on the appraisal value, profitability and disposability of the respective Assets Scheduled for Acquisition and other factors.
- “Overview of Leasing” shows the content of respective lease agreements or lease reservation agreements as of January 31, 2014 for respective real estate in trust regarding the respective Assets Scheduled for Acquisition.
- “Leased area” shows the leased area indicated in respective lease agreements or lease reservation agreements as of January 31, 2014 for respective real estate in trust regarding the respective Assets Scheduled for Acquisition. Furthermore, as the respective lease agreements or lease reservation agreements may indicate leased area that includes portions not included in the gross floor area, the leased area may exceed the gross floor area. In particular, if eaves are included in the leased area for logistics facilities, the leased area may significantly surpass the gross floor area.
- “Annual rent” shows the annual rent indicated in respective lease agreements or lease reservation agreements as of January 31, 2014 for respective real estate in trust regarding the respective Assets Scheduled for Acquisition, or the annualized amount obtained by multiplying the monthly rent by 12 (or the sum total for real estate in trust for which multiple lease agreements, etc. have been executed.)
- “Contract period” shows the contract period indicated in respective lease agreements or lease reservation agreements as of January 31, 2014 for respective real estate in trust regarding the respective Assets Scheduled for Acquisition.
- “Tenant leasehold and security deposit” shows the sum total of the scheduled balances of tenant leasehold and security deposits indicated in respective lease agreements or lease reservation agreements as of January 31, 2014 for respective real estate in trust (or the sum total of them for respective real estate in trust for which multiple lease agreements, etc. have been executed.)
- “Overview of Property Appraisal” shows the overview of the real estate appraisal report of the respective Assets Scheduled for Acquisition (the “appraisal report”) prepared by The Tanizawa Sogo Appraisal Co., Ltd. regarding the appraisal consigned by DHR pursuant to the important notices on real estate appraisal and real estate appraisal standards based on the Act on Investment Trusts and Investment Corporations and pursuant to the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended). Furthermore, net operating income (NOI) and net cash flow (NCF) are rounded to the nearest million yen. The relevant appraisal report represents the judgment and opinion of the appraiser at a certain point, and does not guarantee the appropriateness and correctness of the statements and the possibility of trading at the appraisal value, etc. Furthermore, there is no relationship of special interest between The Tanizawa Sogo Appraisal Co., Ltd. and DHR.
- “Property Characteristics” shows the major items, including the fundamental nature, characteristics, and special features of the area where the location exists, of the respective Assets Scheduled for Acquisition stated in the respective evaluation reports for the respective Assets Scheduled for Acquisition prepared by CBRE K.K. on consignment from DHR of their evaluation. The evaluation of the respective Assets Scheduled for Acquisition represents the judgment and opinion of the evaluation company, and does not guarantee the appropriateness and correctness of the statements.

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**【D Project Kuki I】**

## (1) Property Overview

Property number	D Project Kuki I		Use	Logistics		
L-B-20			Category	BTS type		
<b>Overview of Specified Asset</b>						
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Planned date of acquisition	April 1, 2014			Evaluation period	February 2014	
Planned acquisition price	3,500 million yen			Urgent repair costs	0 yen	
Overview of trust beneficiary interest	Trust establishment date	April 1, 2014 (planned)		Short-term repair costs	0 yen	
	Trustee	Sumitomo Mitsui Trust Bank, Limited		Long-term repair costs	5,837,000 yen/ 12 years (annual average: 486,000yen)	
	Trust maturity date	March 31, 2024		PML	0.5%	
Land	Location	6004-2, Taikoden, Aza, Shobu, Shobucho, Kuki-shi, Saitama		Building	Structure / floors	Steel frame, 3 floors
	Land area	28,281.99 m <sup>2</sup>			Date of construction	October 5, 2011
	Area classification	Exclusive industrial district			Gross floor area	22,710.12 m <sup>2</sup>
	Building coverage ratio / FAR (Note 1)	50%/200%			Use	Warehouse
	Type of ownership	Ownership			Type of ownership	Ownership
Total leasable area	22,708.72 m <sup>2</sup>		Designer	Daiwa House Industry Co., Ltd.		
Total leased area	22,708.72 m <sup>2</sup>		Structural designer	Daiwa House Industry Co., Ltd.		
Occupancy rate	100.00%		Contractors	Daiwa House Industry Co., Ltd.		
Master lease company	—		Inspection agency	Saitama Housing Inspection Center General Foundation		
Property management company	Daiwa House Industry Co., Ltd.		Structural calculation evaluation agency	—		
Number of tenants	1		Collateral	None		
Special items: None						

(Note 1) The building coverage ratio of the property is essentially 50%, but due to application of corner lot mitigation, it is set at 60%.

(Note 2) As of the date of this announcement, the land and the building of this property are owned by the seller and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Hitachi Capital Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

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(2) Overview of Leasing

Overview of Leasing				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
TRANCOM Co., Ltd.	22,708.72 m <sup>2</sup>	— (Note)	From October 5, 2011 to October 4, 2031	— (Note)
Contract form:	Fixed-term building lease agreement			
Rent revision:	Rent shall be revised every five years from the starting date of the lease period, and shall be determined by discussion, comprehensively taking into account taxes and public dues on the building and the land of the property, fire insurance premiums and fluctuations in the long-term prime rates.			
Next rent revision:	October 5, 2016			
Contract renewal:	No renewal; the contract will end upon expiration of the lease period. If the lessee wishes to use the building of the property continuously after the expiration of the lease period, the lessor and lessee may discuss and execute a new lease agreement with the expiration date of the lease period set as the starting date.			
Early cancellation:	The lessee shall not be able to cancel the lease agreement until February 28, 2025. However, the lessee may cancel the lease agreement by February 28, 2025 if, when it does so, it notifies the lessor in writing by at least six months prior to the date of cancellation and pay pre-determined cancellation penalty. On March 1, 2025 and thereafter, the lessee may cancel the agreement by notifying the lessor in writing by at least six months prior to that date.			

(Note) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

(3) Overview of Property Appraisal

Overview of Property Appraisal	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	3,690 million yen
Appraisal date	December 31, 2013
Value based on direct capitalization method	3,700 million yen
Net operating income (NOI)	202 million yen
Net cash flow (NCF)	200 million yen
Cap rate	5.4%
Value based on discounted cash flow method	3,680 million yen
Discount rate	5.4%
Terminal cap rate	5.6%
Value based on cost method	3,630 million yen
Proportion of land	44.8%
Proportion of building	55.2%

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## (4) Property Characteristics

**Property Characteristics****■ Location**

Situated in close proximity to the Kuki Interchange on the Tohoku Expressway, the Shiraoka-Shobu Interchange on the Metropolitan Inter-City Expressway and National Highway Route 122, the property's location features superior traffic access to major roads compared to other parts of the area. Given such excellent traffic access, the property allows freight collection and delivery within Saitama Prefecture and over the entire Tokyo metropolitan area centering on Saitama Prefecture. In addition, the property can function as a relay point from the Tohoku region where many plants operate. Future extension of the Metropolitan Inter-City Expressway is a positive factor in terms of expanding the delivery areas, where concentration of companies is in progress in recent years. As for the operation environment, there is little concern for complaints arising from residents living in the vicinity, as the property is in an exclusive industrial district and stands on an area having a concentration of logistics facilities. Around-the-clock operation is also possible, making it a favorable location from a long-term perspective.

**■ Specifications**

The property is a three-storied logistics facility with a gross floor area of approximately 6,870 tsubos, and is used by a logistics company. Having highly versatile basic specifications including a ceiling height of 6.0m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars of 10.6m×10.0m and intra-conveyor capacity comprising a cargo elevator and 4 vertical conveyors, the property can meet requirements of tenants from a wide range of industries. In terms of delivery efficiency, storage and retrieval can be conducted efficiently even on rainy days, as the property is equipped with truck berths (though low-platform type) in three sides and a freight handling area with 33m-long eaves on the north side. For operations within the site, two gateways are installed for good usability of tenants who frequently conduct deliveries, as does the present tenant. The property also secures sufficient spaces, having parking lots for passenger cars available for 88 vehicles and a waiting space for trucks available for 28 vehicles.

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**【D Project Kuki II】**
**(1) Property Overview**

Property number	D Project Kuki II		Use	Logistics		
L-B-21			Category	BTS type		
<b>Overview of Specified Asset</b>						
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Planned date of acquisition	April 1, 2014			Evaluation period	February 2014	
Planned acquisition price	7,200 million yen			Urgent repair costs	0 yen	
Overview of trust beneficiary interest	Trust establishment date	April 1, 2014 (planned)		Short-term repair costs	0 yen	
	Trustee	Sumitomo Mitsui Trust Bank, Limited		Long-term repair costs	10,249,000yen/ 12 years (annual average:854,000 yen)	
	Trust maturity date	March 31, 2024		PML	3.4%	
Land	Location	6201-1, Kazarimen, Sanga, Aza, Shobucho, Kuki-shi, Saitama		Building	Structure / floors	Steel frame and reinforced concrete, 3 floors
	Land area	44,676.26 m <sup>2</sup>			Date of construction	June 21, 2013
	Area classification	Exclusive industrial district			Gross floor area	50,490.00 m <sup>2</sup>
	Building coverage ratio / FAR	50%/200%			Use	Warehouse
	Type of ownership	Ownership			Type of ownership	Ownership
Total leasable area	50,490.00 m <sup>2</sup>		Designer	Daiwa House Industry Co., Ltd.		
Total leased area	50,490.00 m <sup>2</sup>		Structural designer	Daiwa House Industry Co., Ltd.		
Occupancy rate	100.00%		Contractors	Daiwa House Industry Co., Ltd.		
Master lease company	—		Inspection agency	Saitama Housing Inspection Center General Foundation		
Property management company	Daiwa House Industry Co., Ltd.		Structural calculation evaluation agency	—		
Number of tenants	1		Collateral	None		
Special items: None						

(Note) As of the date of this announcement, the land and the building of this property are owned by the seller and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Hitachi Capital Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

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**(2) Overview of Leasing**

<b>Overview of Leasing</b>				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
Seven Net Shopping Co., Ltd. (Note 1)	50,490.00 m <sup>2</sup>	—(Note 2)	From June 21, 2013 to June 30, 2023	—(Note 2)
Contract form:	Fixed-term building lease agreement			
Rent revision:	Rent shall be revised every five years from the starting date of the lease period, and shall be determined by discussion, comprehensively taking into account taxes and public dues on the building and the land of the property, fire insurance premiums, increase or decrease in land rent, and long-term prime rates for every five years.			
Next rent revision:	June 21, 2018			
Contract renewal:	No renewal; the contract will end upon expiration of the lease period. The lessor shall notify the lessee in writing, between a year to six months prior to the expiration, that the lease will be terminated due to expiration and, simultaneously, confirm the lessee's intention to execute a new lease agreement (re-contract) with the date following the expiration of the lease period as the start date. If the lessee wishes to re-contract, and if the lessor and lessee agree on the content of the re-contract at least 6 months prior to the expiration of the lease period, the re-contract shall be executed. Unless a re-contract is executed, the lessee shall evacuate the building of the property by the expiration of the lease period.			
Early cancellation:	The lessee may not be able to cancel the lease agreement as a rule. However, the lessee may cancel the agreement if it notifies the lessor in writing by at least 12 months prior to the cancellation date and pay pre-determined cancellation penalty.			

(Note 1) It has been announced that Seven Net Shopping Co., Ltd. will be renamed to Seven & i Net Media Co., Ltd. due to an absorption-type merger as of March 1, 2014 with Seven & i Net Media Co., Ltd. serving as the surviving company and Seven Net Shopping Co., Ltd. as the absorbed company.

(Note 2) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

**(3) Overview of Property Appraisal**

<b>Overview of Property Appraisal</b>	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	7,650 million yen
Appraisal date	December 31, 2013
Value based on direct capitalization method	7,750 million yen
Net operating income (NOI)	424 million yen
Net cash flow (NCF)	418 million yen
Cap rate	5.4%
Value based on discounted cash flow method	7,610 million yen
Discount rate	(1st through 9th fiscal year) 5.4% (10th fiscal year) 5.5%
Terminal cap rate	5.6%
Value based on cost method	7,880 million yen
Proportion of land	32.5%
Proportion of building	67.5%

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## (4) Property Characteristics

**Property Characteristics****■ Location**

Situated in close proximity to the Kuki Interchange on the Tohoku Expressway, the Shiraoka-Shobu Interchange on the Metropolitan Inter-City Expressway and National Highway Route 122, the property's location features superior traffic access to major roads compared to other parts of the area. Given such excellent traffic access, the property allows freight collection and delivery within Saitama Prefecture and over the entire Tokyo metropolitan area centering on Saitama Prefecture. In addition, the property can function as a relay point from the Tohoku region where many plants operate. Future extension of the Metropolitan Inter-City Expressway is a positive factor in terms of expanding the delivery areas, where concentration of companies is in progress in recent years. As for the operation environment, there is little concern for complaints arising from residents living in the vicinity, as the property is in an exclusive industrial district and stands on an area having a concentration of logistics facilities. Around-the-clock operation is also possible, making it a favorable location from a long-term perspective.

**■ Specifications**

The property is a three-storied logistics facility with a gross floor area of approximately 15,270 tsubos, and is used by an online shopping company. In terms of basic specifications, the first floor has a ceiling height of 6.0m, floor load capacity of 1.5t/m<sup>2</sup> and a distance between pillars of 10.0m×9.9m. On the second and third floors, where daily goods and other small items are stored mainly and distribution processing and other operations are conducted, the ceiling height is 3.4m while the floor load capacity is 1.0t/m<sup>2</sup> for the second floor and 0.7t/m<sup>2</sup> for the third floor. The property has sufficient intra-conveyor capacity, with 3 cargo elevators and 3 vertical conveyors on each floor.

With truck berths installed on both sides of the first floor and three gateways in use, operations should be conducted efficiently. The property has passenger car parking spaces available for 269 vehicles – sufficient enough even when considering the fact that many employees commute by their own cars. Moreover, environmental consideration is taken into account, with solar panels installed on the rooftop of the building.

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**【D Project Kawagoe I】**
**(1) Property Overview**

Property number	D Project Kawagoe I		Use	Logistics		
L-B-22			Category	BTS type		
<b>Overview of Specified Asset</b>						
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Planned date of acquisition	April 1, 2014			Evaluation period	February 2014	
Planned acquisition price	3,100 million yen			Urgent repair costs	0 yen	
Overview of trust beneficiary interest	Trust establishment date	April 1, 2014 (planned)		Short-term repair costs	0 yen	
	Trustee	Mitsubishi UFJ Trust and Banking Corporation		Long-term repair costs	7,046,000 yen/12 years (annual average:587,000 yen)	
	Trust maturity date	March 31, 2034		PML	7.6%	
Land	Location	3-2-3 Yoshinodai, Kawagoe-shi, Saitama		Building	Structure / floors	Reinforced concrete and steel frame, 3 floors
	Land area	16,291.45 m <sup>2</sup>			Date of construction	April 30, 2011
	Area classification	Urbanization control area			Gross floor area	16,150.89 m <sup>2</sup>
	Building coverage ratio / FAR	60%/200%			Use	Warehouse
	Type of ownership	Ownership			Type of ownership	Ownership
Total leasable area	16,150.88 m <sup>2</sup>		Designer	Daiwa House Industry Co., Ltd.		
Total leased area	16,150.88 m <sup>2</sup>		Structural designer	Daiwa House Industry Co., Ltd.		
Occupancy rate	100.00%		Contractors	Daiwa House Industry Co., Ltd.		
Master lease company	—		Inspection agency	Good-eyes Building Inspection Organization		
Property management company	Daiwa House Industry Co., Ltd.		Structural calculation evaluation agency	—		
Number of tenants	1		Collateral	None		
Special items: None						

(Note) As of the date of this announcement, the land and the building of this property are owned by Daiwa Logistics Co., Ltd. and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Daiwa Logistics Co., Ltd. and Hitachi Capital Corporation will in joint names entrust the property to the above trustee, and that the seller will take over the trust beneficiary interest from Daiwa Logistics Co., Ltd. and Hitachi Capital Corporation and then transfer such trust beneficiary interest to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the transfer of the property in trust to the above trustee.

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(2) Overview of Leasing

<b>Overview of Leasing</b>				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
Daiwa Logistics Co., Ltd.	16,150.88 m <sup>2</sup>	205,524,000 yen	From May 1, 2011 to April 30, 2026	173,500,000 yen
Contract form:	Standard building lease agreement			
Rent revision:	Rent shall be revised every five years from the starting date of the lease agreement, and shall be determined by discussion, comprehensively taking into account taxes and public dues on the building and the land of the property, fire insurance premiums, increase or decrease in land rent, and increase or decrease in long-term prime rates for every five years. May 1, 2016			
Next rent revision:	If the lessee wishes to use the building of the property continuously after the expiration of the lease period, the lessee shall make a proposal to the lessor at least one year prior to the expiration of the lease agreement period to discuss contract renewal.			
Contract renewal:				
Early cancellation:	The lessee may not be able to cancel the lease agreement during the contract period as a rule. However, if the lessee notifies the lessor in writing by at least a year prior to the cancellation date, the lessee may cancel the agreement by paying pre-determined cancellation penalty.			

(3) Overview of Property Appraisal

<b>Overview of Property Appraisal</b>	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	3,320 million yen
Appraisal date	December 31, 2013
Value based on direct capitalization method	3,350 million yen
Net operating income (NOI)	181 million yen
Net cash flow (NCF)	181 million yen
Cap rate	5.4%
Value based on discounted cash flow method	3,310 million yen
Discount rate	5.4%
Terminal cap rate	5.6%
Value based on cost method	3,250 million yen
Proportion of land	53.6%
Proportion of building	46.4%

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## (4) Property Characteristics

**Property Characteristics****■ Location**

The property can place the entire Saitama Prefecture as well as Tokyo including Hachioji areas within its delivery range by utilizing the National Highway Route 16, a major ring road in the Tokyo metropolitan area, and the National Highway Route 254 that leads to central Tokyo. In addition, the property can cover a wide range of areas in the Tokyo metropolitan area by utilizing the nearby Kawashima Interchange on the Metropolitan Inter-City Expressway and the Kawagoe Interchange on the Kanetsu Expressway. After the Metropolitan Inter-City Expressway is extended, the property should be recognized as a well-located base to cover wide areas including the Tohoku region. In the neighboring areas, there are many urbanization control areas where it is difficult to construct rental logistics facilities. Given this location characteristic, large-scale properties like this property that are located within the Kawagoe Industrial Park No. 2, a land for sale by the Bureau of Public Enterprise of Saitama Prefecture, may have high scarcity value. As for operation environment, the property provides good access by large vehicles and can operate around the clock.

**■ Specifications**

The property is a three-storied logistics facility with a gross floor area of approximately 4,890 tsubos, and is used by a foodstuff wholesale company (foods and drinks) as a base covering the western part of the Tokyo metropolitan area. Its basic specifications command high versatility, with a ceiling height of 7.5m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars of 10.0m×10.9m and intra-conveyor capacity comprising 2 cargo elevators and 3 vertical conveyors. In terms of delivery efficiency, with two L-shaped truck berths installed, usability is secured to a certain degree through use of cargo elevators, etc. As for operations within the site, two gateways are available to sufficiently cope with requirements of tenants who have frequent, one-way delivery operations. The property has passenger car parking spaces available for 56 vehicles, and takes into account environmental consideration with greenery on the rooftop of the building.

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**【D Project Kawagoe II】**

## (1) Property Overview

Property number	D Project Kawagoe II		Use	Logistics		
L-B-23			Category	BTS type		
<b>Overview of Specified Asset</b>						
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Planned date of acquisition	April 1, 2014			Evaluation period	February 2014	
Planned acquisition price	4,250 million yen			Urgent repair costs	0 yen	
Overview of trust beneficiary interest	Trust establishment date	April 1, 2014 (planned)		Short-term repair costs	0 yen	
	Trustee	Mitsubishi UFJ Trust and Banking Corporation		Long-term repair costs	5,231,000 yen/12 years (annual average:436,000 yen)	
	Trust maturity date	March 31, 2034		PML	3.2%	
Land	Location	3-2-4 Yoshinodai, Kawagoe-shi, Saitama		Structure / floors	Steel frame and reinforced concrete, 2 floors	
	Land area	20,438.16 m <sup>2</sup>		Date of construction	September 3, 2012	
	Area classification	Urbanization control area		Gross floor area	19,872.00 m <sup>2</sup>	
	Building coverage ratio / FAR	60%/200%		Use	Warehouse	
	Type of ownership	Ownership		Type of ownership	Ownership	
Total leasable area	19,872.00 m <sup>2</sup>		Designer	Daiwa House Industry Co., Ltd.		
Total leased area	19,872.00 m <sup>2</sup>		Structural designer	Daiwa House Industry Co., Ltd.		
Occupancy rate	100.00%		Contractors	Daiwa House Industry Co., Ltd.		
Master lease company	—		Inspection agency	Good-eyes Building Inspection Organization		
Property management company	Daiwa House Industry Co., Ltd.		Structural calculation evaluation agency	—		
Number of tenants	1		Collateral	None		
Special items: None						

(Note) As of the date of this announcement, the land and the building of this property are owned by Daiwa Logistics Co., Ltd. and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Daiwa Logistics Co., Ltd. and Hitachi Capital Corporation will in joint names entrust the property to the above trustee, and that the seller will take over the trust beneficiary interest from Daiwa Logistics Co., Ltd. and Hitachi Capital Corporation and then transfer such trust beneficiary interest to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the transfer of the property in trust to the above trustee.

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(2) Overview of Leasing

<b>Overview of Leasing</b>				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
Daiwa Logistics Co., Ltd.	19,872.00 m <sup>2</sup>	277,476,000 yen	From September 3, 2012 to September 2, 2027	140,148,000 yen
Contract form:	Fixed-term building lease agreement			
Rent revision:	Rent shall be revised every five years from the starting date of the lease period, and shall be determined by discussion, comprehensively taking into account taxes and public dues on the building and the land of the property, fire insurance premiums, increase or decrease in land rent, and fluctuations in the long-term prime rates for every five years.			
Next rent revision:	September 3, 2017			
Contract renewal:	No renewal; the contract will end upon expiration of the lease period. If the lessee wishes to use the building of the property continuously, the lessee and lessor shall discuss re-contracting of the lease agreement.			
Early cancellation:	<p>The lease agreement may not be cancelled during the contract period. However, if the lessee notifies the lessor about cancelling the lease agreement in writing by at least 12 months prior to the cancellation date, the lessee may cancel the agreement by paying pre-determined cancellation penalty provided, however, that this shall not apply if the lessee introduces a replacement tenant whom the lessor accepts as a lessee, and the lessor executes a lease agreement with the tenant under the same terms and conditions as previous ones or in a way the lessor admits so that the building of the property will continue to be leased.</p> <p>If the sublease agreement between the lessee and the sublessee is terminated through dissolution or cancellation, etc. by reasons attributable to the sublessee, the lessee may cancel the lease agreement by notifying the lessor of the cancellation in writing by at least 3 months prior to the cancellation date. In this case, if the lessee receives cancellation penalty from the sublessee for the termination of the sublease agreement, the lessee shall pay the lessor the amount equivalent to the cancellation penalty as cancellation penalty for the termination of the lease agreement.</p>			

(3) Overview of Property Appraisal

<b>Overview of Property Appraisal</b>	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	4,540 million yen
Appraisal date	December 31, 2013
Value based on direct capitalization method	4,630 million yen
Net operating income (NOI)	251 million yen
Net cash flow (NCF)	250 million yen
Cap rate	5.4%
Value based on discounted cash flow method	4,500 million yen
Discount rate	5.4%
Terminal cap rate	5.6%
Value based on cost method	4,330 million yen
Proportion of land	52.8%
Proportion of building	47.2%

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## (4) Property Characteristics

**Property Characteristics****■ Location**

The property can place the entire Saitama Prefecture as well as Tokyo including Hachioji areas within its delivery range by utilizing the National Highway Route 16, a major ring road in the Tokyo metropolitan area, and the National Highway Route 254 that leads to central Tokyo. In addition, the property can cover a wide range of areas in the Tokyo metropolitan area by utilizing the nearby Kawashima Interchange on the Metropolitan Inter-City Expressway and the Kawagoe Interchange on the Kanetsu Expressway. After the Metropolitan Inter-City Expressway is extended, the property should be recognized as a well-located base to cover wide areas including the Tohoku region. In the neighboring areas, there are many urbanization control areas where it is difficult to construct rental logistics facilities. Given this location characteristic, large-scale properties like this property that are located within the Kawagoe Industrial Park No. 2, a land for sale by the Bureau of Public Enterprise of Saitama Prefecture, may have high scarcity value. As for operation environment, the property provides good access by large vehicles and can operate around the clock.

**■ Specifications**

The property is a two-storied logistics facility with a gross floor area of approximately 6,010 tsubos and, serving as a delivery base centering on foodstuff, used as a mother center covering Eastern Japan. Its basic specifications command high versatility, with a ceiling height of 5.5m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars of 11.0m×9.6m and intra-conveyor capacity comprising a cargo elevator and 5 vertical conveyors, and can meet requirements of tenants from a wide range of industries. Moreover, the property is a facility meant for specific tenants, with freezing, cooling and ambient temperature warehouses installed on part of the first and second floors. Because of this, truck berths have dock shelters on both sides. With two gateways available in the site, operations within the facility should be conducted efficiently. The property has passenger car parking spaces available for 100 vehicles – sufficient enough even when considering the fact that many employees commute by their own cars – and takes into account environmental consideration with greenery on the rooftop of the building.

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**【DPL Inuyama】**
**(1) Property Overview**

Property number	DPL Inuyama		Use	Logistics		
L-B-24			Category	BTS type		
<b>Overview of Specified Asset</b>						
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Planned date of acquisition	April 1, 2014			Evaluation period	February 2014	
Planned acquisition price	3,380 million yen			Urgent repair costs	0 yen	
Overview of trust beneficiary interest	Trust establishment date	April 1, 2014 (planned)		Short-term repair costs	0 yen	
	Trustee	Sumitomo Mitsui Trust Bank, Limited		Long-term repair costs	4,837,000 yen/ 12 years (annual average:403,000 yen)	
	Trust maturity date	March 31, 2024		PML	7.0%	
Land	Location	1-8 Hiratsuka, Aza Naka, Oaza Haguro Shinden, Inuyama-shi, Aichi and other		Building	Structure / floors	Steel frame, 3floors
	Land area	15,239.75 m <sup>2</sup>			Date of construction	September 18, 2013
	Area classification	Exclusive industrial district			Gross floor area	20,872.50 m <sup>2</sup>
	Building coverage ratio / FAR	60%/200%			Use	Warehouse
	Type of ownership	Ownership			Type of ownership	Ownership
Total leasable area	21,628.50 m <sup>2</sup>		Designer	Daiwa House Industry Co., Ltd.		
Total leased area	21,628.50 m <sup>2</sup>		Structural designer	Daiwa House Industry Co., Ltd.		
Occupancy rate	100.00%		Contractors	Dai Nippon Construction		
Master lease company	—		Inspection agency	Bureau Veritas Japan		
Property management company	Daiwa House Industry Co., Ltd.		Structural calculation evaluation agency	—		
Number of tenants	1		Collateral	None		
Special items: None						

(Note) DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, the seller will transfer the property in trust to the above trustee, and that DHR will take over the trust beneficiary interest as of the same date.

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(2) Overview of Leasing

<b>Overview of Leasing</b>				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
Sagawa Global Logistics Co., Ltd.	21,628.50 m <sup>2</sup>	— (Note)	From October 1, 2013 to September 30, 2028	— (Note)
Contract form:	Fixed-term building lease agreement			
Rent revision:	Rent shall be revised five years after the starting date of the lease period, and shall be determined by discussion, comprehensively taking into account taxes and public dues on the building and the land of the property, fire insurance premiums, increase or decrease in land rent, and fluctuations in the long-term prime rates for every five years.			
Next rent revision:	October 1, 2018			
Contract renewal:	No renewal; the contract will end upon expiration of the lease period. If the lessee wishes to use the building of the property continuously, the lessee shall be able to negotiate with the lessor, preferentially to third parties, regarding execution of a new lease agreement (re-contract) and may execute the re-contract if agreement is reached with the lessor. If no agreement regarding execution of the re-contract is reached by at least six months prior to the expiration of the lease period, the preferential negotiation right of the lessee on the re-contract shall become invalid.			
Early cancellation:	The lease agreement may not be cancelled during the contract period. However, if the lessee gives a prior notice in writing to the lessor about cancelling the lease agreement, the lessee may cancel the agreement. In that case, the lessee shall pay pre-determined cancellation penalty to the lessor.			

(Note) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

(3) Overview of Property Appraisal

<b>Overview of Property Appraisal</b>	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	3,500 million yen
Appraisal date	December 31, 2013
Value based on direct capitalization method	3,480 million yen
Net operating income (NOI)	197 million yen
Net cash flow (NCF)	198 million yen
Cap rate	5.7%
Value based on discounted cash flow method	3,510 million yen
Discount rate	5.6%
Terminal cap rate	5.9%
Value based on cost method	3,250 million yen
Proportion of land	39.7%
Proportion of building	60.3%

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## (4) Property Characteristics

**Property Characteristics****■ Location**

The property features high location advantages as a key logistics base for wide-area distribution in the Chubu zone, enjoying good access to expressways and major roads, situated approx. 6km to the Komaki Interchange on the Tomei and Meishin Expressways and approx. 3km to the National Highway Route 41. In terms of operation environment, the location allows around-the-clock operations as the property is situated in the Inuyama Industrial Park where large plants stand in a row, presumably giving little impact on the surrounding environment. With no particular problem found in the traffic of large vehicles when they use front roads and major roads in the vicinity, the property is in a good environment from a viewpoint of operating a logistics base. Moreover, with regard to securing workforce, which assumes commuting by car, the property has parking spaces available for many vehicles and offers good access from neighboring cities. As such, the property is believed to have an environment in which workers can be readily secured.

**■ Specifications**

The property is a three-storied, large logistics center with a gross floor area of approximately 6,310 tsubos, with the entire building used by a major 3PL operator over a long period and partly used by a confectionery company as consignor. The berth on the southern side allows 29 trucks to dock. No particular problem is found in the roads connecting to the site and carry-in-and-out passages when large vehicles coming in and out, and truck yards and waiting spaces are sufficiently wide. The waiting parking lot for large vehicles is available for 15 trucks, and the parking space for passenger cars is available for around 47 vehicles.

As basic specifications, the property has a ceiling height of 6.5m for each floor and secures floor load capacity of approximately 1.5t/m<sup>2</sup> or more for each floor. The distance between pillars is as wide as 11.0m×11.5m, and 2 elevators and 4 vertical conveyors are equipped for intra-conveyance to each floor. These specifications ensure operational efficiency and storage capacity. Moreover, the property has a clerical workspace and other facility capacity that are sufficient enough for an operational base, securing good working environment internally.

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**【D Project Fukuoka Hakozaki】**

## (1) Property Overview

Property number	D Project Fukuoka Hakozaki		Use	Logistics	
L-B-25			Category	BTS type	
<b>Overview of Specified Asset</b>					
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Planned date of acquisition	April 1, 2014			Evaluation period	February 2014
Planned acquisition price	3,700 million yen			Urgent repair costs	0 yen
Overview of trust beneficiary interest	Trust establishment date	(Land) February 28, 2011 (Building) April 1, 2014 (planned)		Short-term repair costs	0 yen
	Trustee	Mitsubishi UFJ Trust and Banking Corporation	Long-term repair costs	40,626,000 yen/ 12 years (annual average:3,386,000 yen)	
	Trust maturity date	March 31, 2034	PML	10.9%	
Land	Location	5-2-1 Hakozakifuto, Higashi-ku, Fukuoka-shi, Fukuoka	Building	Structure / floors	Reinforced concrete and steel frame, 4 floors
	Land area	17,386.78 m		Date of construction	October 1, 2012
	Area classification	Quasi-industrial district		Gross floor area	33,332.18 m
	Building coverage ratio / FAR	60%/200%		Use	Warehouse
	Type of ownership	Ownership		Type of ownership	Ownership
Total leasable area	34,710.80 m <sup>2</sup>		Designer	Daiwa House Industry Co., Ltd.	
Total leased area	34,710.80 m <sup>2</sup>		Structural designer	Daiwa House Industry Co., Ltd.	
Occupancy rate	100.00%		Contractors	Daiwa House Industry Co., Ltd.	
Master lease company	—		Inspection agency	Japan ERI Co., Ltd.	
Property management company	Daiwa House Industry Co., Ltd.		Structural calculation evaluation agency	—	
Number of tenants	1		Collateral	None	
Special items: None					

(Note) As of the date of this announcement, the building of this property is owned by Fuyo General Lease Co., Ltd., and a fixed-term leasehold for business has been established for the land with Fuyo General Lease Co., Ltd. as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Fuyo General Lease Co., Ltd. will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, together with the trust beneficiary interest in the land the seller owns, transfer these two trust beneficiary interests to DHR on the acquisition date of the property. Furthermore, as the land and the building will belong to the same trustee and beneficiary due to the acquisition of these two trust beneficiary interests by DHR, the above fixed-term leasehold for business will be cancelled by mutual consent upon the said acquisition.

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**(2) Overview of Leasing**

<b>Overview of Leasing</b>				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
Nakano Shokai Co., Ltd.	34,710.80 m <sup>2</sup>	— (Note)	From October 1, 2012 to September 30, 2032	— (Note)
Contract form:	Fixed-term building lease agreement			
Rent revision:	It has been agreed that rent will be kept unchanged until the expiration of the lease period.			
Contract renewal:	No renewal; the contract will end upon expiration of the lease period.			
Early cancellation:	If the lessee wishes to terminate the lease agreement for its own reasons, it shall notify the lessor in writing by at least 6 months prior to the cancellation date. In this case, the lessee shall pay pre-determined cancellation penalty to the lessor by the final day of the month to which the cancellation date belongs.			

(Note) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

**(3) Overview of Property Appraisal**

<b>Overview of Property Appraisal</b>	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	3,850 million yen
Appraisal date	December 31, 2013
Value based on direct capitalization method	3,900 million yen
Net operating income (NOI)	222 million yen
Net cash flow (NCF)	218 million yen
Cap rate	5.6%
Value based on discounted cash flow method	3,830 million yen
Discount rate	5.6%
Terminal cap rate	5.8%
Value based on cost method	4,240 million yen
Proportion of land	40.8%
Proportion of building	59.2%

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## Property Characteristics

**Property Characteristics****■ Location**

The Hakozakifuto district in Higashi Ward of Fukuoka City is a bay area, situated in the northeastern part of the city and looking down the Hakata Bay. The property is located in the wharf area and in close proximity to the center of consumption, within a roughly 5km range from the central part of Fukuoka City. The location is also a key logistics base where such urban infrastructure functions as port, airport, urban expressways and public transportation (JR lines and subways) are concentrated in a compact manner. On top of being in close proximity to Hakata Port and near the central part of the city, the property is within 500m to the Hakozai Interchange on the Fukuoka Urban Expressway Kashii Line and approximately 1km to the Kaizuka Interchange on the Expressway's Kasuya Line in terms of land transportation, and it can function as a distribution base that covers the entire area centering on northern Kyushu by utilizing the Kyushu Expressway. The property is also close to Fukuoka Freight Terminal Station of Japan Freight Railway and approximately 7km to Fukuoka Airport, commanding extremely good traffic access. The area around Hakozakifuto has long had a concentration of warehouses as a distribution base, and presumably a location having high advantages as a base that attracts many demands.

As for the operation environment, the area is classified as quasi-industrial district and neighbored by industrial areas where distribution centers, manufacturing plants, marketing offices and many places of business standing in a row. As such, there is little concern for such matters as neighborhood relations in terms of operations, and the property enjoys good environment in which it can operate around the clock. In addition no particular problem is found about operations, including entrance and exit of large vehicle by way of the front roads and major transportation routes. With regard to securing workforce and other employment issues, for which commuting by car is a basic consideration because of the location, the property provides comparatively good access from neighboring areas as it has residential districts of neighboring city areas as a hinterland and is within a 15-minute walk from the nearest station (Hakozaki-Kyudai-mae Station on the subway Hakozaki Line).

**■ Specifications**

The property is a four-storied, large logistics center with a gross floor area of approximately 10,080 tsubos, and is used by a leading logistics provider. The berth on the eastern side allows 16 large vehicles to dock. No particular problem is found in the roads connecting to the site and carry-in-and-out passages, and truck yards and waiting spaces are sufficiently wide. In addition, the waiting parking lot for large vehicles is available for 23 trucks, and the parking space for passenger cars is available for around 72 vehicles, securing sufficient spaces.

As basic specifications, the property has a ceiling height of 6.0m for each floor and secures floor load capacity of approximately 1.5t/m<sup>2</sup> for each floor. The distance between pillars is 10.6m, and 2 cargo elevators and 6 vertical conveyors are equipped for intra-conveyance to each floor. These specifications ensure operational efficiency and storage capacity. The property arranges offices, break rooms, passenger elevators, etc. on both sides of the building, designed to allow divided use of the facility. It is also equipped with air conditioners and other facility functions that suffice operational requirements, securing good working environment internally.

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#### 4. Seller Profile

1.	Name	Daiwa House Industry Co., Ltd.
2.	Location	3-3-5 Umeda, Kita-ku, Osaka-shi, Osaka
3.	Representative	Naotake Ohno, President and COO
4.	Business activities	General contractor
5.	Capital	161,699 million yen (as of December 31, 2013)
6.	Foundation date	March 4, 1947
7.	Net assets	923,362 million yen (as of December 31, 2013)
8.	Total assets	2,595,867 million yen (as of December 31, 2013)
9.	Relationships with DHR and the Asset Manager	
	Capital relationship	The seller holds 13.55% of DHR's investment units outstanding as of February 28, 2014. The seller also holds 100.0% of shares issued and outstanding of the Asset Manager as of February 28, 2014.
	Personnel relationship	Of the officers and employees of the Asset Manager, 13 people have been dispatched from the seller as of February 28, 2014.
	Business relationship	The seller is a consignee of PM and other services for DHR, and is a lessee of real estate owned by DHR. The seller has executed a memorandum of understanding regarding pipeline support and other matters with DHR and the Asset Manager
	Status of classification as related party	The seller falls under the category of a related party of DHR/the Asset Manager.

#### 5. Related Party Transactions

As Daiwa House Industry Co., Ltd., which is the seller of and the property management company for each of the Assets Scheduled for Acquisition, and Daiwa Logistics Co., Ltd., which is the lessee of D Project Kawagoe I and D Project Kawagoe II, are respectively a related party, etc. as defined in the Act on Investment Trusts and Investment Corporations, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its voluntary rules based on its regulations concerning conflicts of interest.

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## 6. Status of the Seller

Property acquisitions from parties with particular interests are as follows. The table below notes (1) the name of the party; (2) the relationship with the party that has a particular interest; and (3) the backgrounds and reason for the acquisition.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
L-B-20 D Project Kuki I (6004-2, Taikoden, Aza, Shobu, Shobucho, Kuki-shi, Saitama)	(Land) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	A party which does not have any particular interests	—
	(Land) Omitted as the previous owner/trust beneficiary has owned the land for over one year (Building) 1,858 million yen	—	—
	(Land) March 2012 (Building) April 2014 (planned)	—	—
L-B-21 D Project Kuki II (6201-1, Kazarimen, Sanga, Aza, Shobucho, Kuki-shi, Saitama)	(Land) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	A party which does not have any particular interests	—
	(Land) Omitted as the previous owner/trust beneficiary has owned the land for over one year (Building) 4,376 million yen	—	—
	(Land) March 2012 (Building) April 2014 (planned)	—	—
L-B-22 D Project Kawagoe I (3-2-3 Yoshinodai, Kawagoe-shi, Saitama)	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	(Land) (1) Daiwa Logistics Co., Ltd. (2) Wholly owned subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager (3) Acquisition for development purposes (Building) A party which does not have any particular interests	(Land) A party which does not have any particular interests
	2,562 million yen	(Land) Omitted as the owner before previous owner/trust beneficiary has owned the land for over one year	—
	April 2014 (planned)	October 2009	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
L-B-23 D Project Kawagoe II (3-2-4 Yoshinodai, Kawagoe-shi, Saitama)	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	(Land) (1) Daiwa Logistics Co., Ltd. (2) Wholly owned subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager (3) Acquisition for development purposes (Building) A party which does not have any particular interests	(Land) A party which does not have any particular interests
	3,773 million yen	(Land) Omitted as the owner before previous owner/trust beneficiary has owned the land for over one year	—
	April 2014 (planned)	October 2009	—
L-B-24 DPL Inuyama (1-8 Hiratsuka, Aza Naka, Oaza Haguro Shinden, Inuyama-shi, Aichi and other)	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—
	July 2012	—	—
L-B-25 D Project Fukuoka Hakozaki (5-2-1 Hakozakifuto, Higashi-ku, Fukuoka-shi, Fukuoka)	(Land) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	A party which does not have any particular interests	—
	(Land) Omitted as the previous owner/trust beneficiary has owned the land for over one year (Building) 2,250 million yen	—	—
	(Land) February 2011 (Building) April 2014 (planned)	—	—

## 7. Brokerage

None

## 8. Acquisition Schedule

Acquisition decision date : March 3, 2014  
 Execution date of the purchase agreement : March 3, 2014  
 Payment date : April 1, 2014 (planned)  
 Delivery date : April 1, 2014 (planned)

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## 9. Outlook

For the forecasts of results for the fiscal period ending August 2014 (from March 1, 2014 to August 31, 2014) and the fiscal period ending February 2015 (from September 1, 2014 to February 28, 2015), please refer to the press release “Notice Concerning Revision to Forecast of Results for the Fiscal Period Ending August 2014 and Forecast of Results for the Fiscal Period Ending February 2015” separately announced today.

\* Distribution of this material: This material is distributed to “Kabuto Club” (a media correspondents’ club at the Tokyo Stock Exchange, Inc.), the press club at the Ministry of Land, Infrastructure, Transport and Tourism and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

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

### < Attachments >

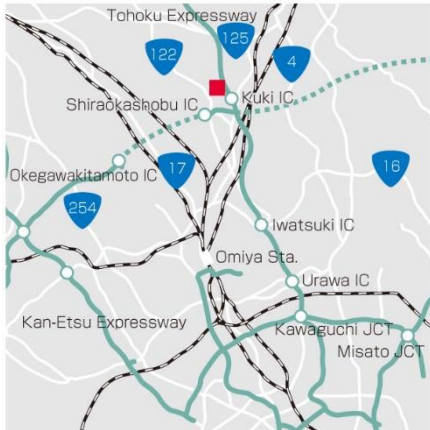
1. Photographs and location maps
2. Property portfolio after acquisition

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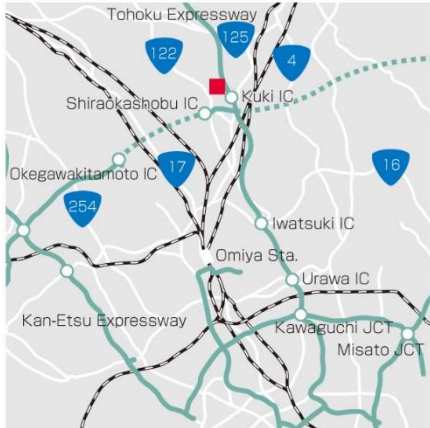
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1. Photographs and location maps

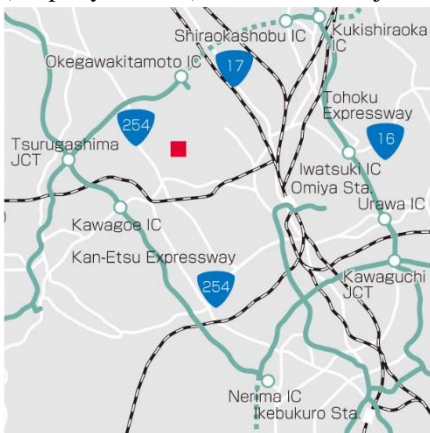
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(Property number) L-B-21 D Project Kuki II



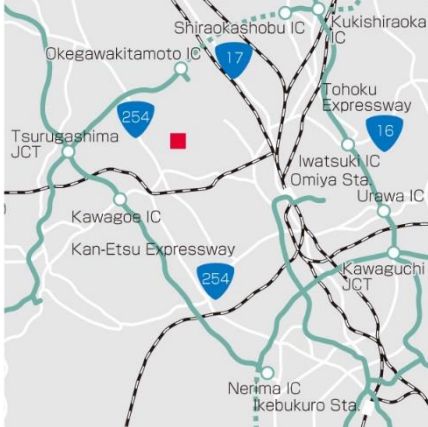
(Property number) L-B-22 D Project Kawagoe I



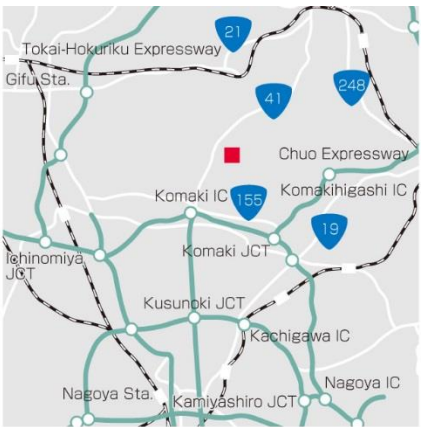
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(Property number) L-B-23 D Project Kawagoe II



(Property number) L-B-24 DPL Inuyama



(Property number) L-B-25 D Project Fukuoka Hakozaki



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## 2. Property portfolio after acquisition

Property number	Property Name	(Planned) Acquisition Price (yen in millions)	Portfolio Share (%) (Note)	(Planned) Acquisition Date (year/month/day)
L-B-1	D Project Machida	7,600	5.3	2012/11/29
L-B-2	D Project Hachioji	12,600	8.7	2012/11/29
L-B-3	D Project Aikawa-Machi	2,600	1.8	2012/11/28
L-B-4	D Project Shin-Misato	4,440	3.1	2012/11/29
L-B-5	D Project Urayasu I	7,700	5.3	2012/11/28
L-B-6	D Project Urayasu II	21,400	14.8	2012/11/29
L-B-7	D Project Akanehama	2,550	1.8	2012/11/28
L-B-8	D Project Noda	5,100	3.5	2012/11/28
L-B-9	D Project Inuyama	6,650	4.6	2012/11/28
L-B-10	D Project Gifu	900	0.6	2012/11/29
L-B-11	D Project Neyagawa	4,600	3.2	2012/11/28
L-B-12	D Project Sapporo Minami	600	0.4	2012/11/28
L-B-13	D Project Morioka	1,000	0.7	2012/11/29
L-B-14	D Project Sendai Minami	1,250	0.9	2012/11/28
L-B-15	D Project Tsuchiura	2,880	2.0	2012/11/29
L-B-16	D Project Gotenba	950	0.7	2012/11/28
L-B-17	D Project Nishi-Hiroshima	990	0.7	2012/11/28
L-B-18	D Project Fukuoka Umi	3,100	2.2	2012/11/29
L-B-19	D Project Tosu	2,100	1.5	2012/11/29
L-B-20	D Project Kuki I	3,500	2.4	2014/4/1
L-B-21	D Project Kuki II	7,200	5.0	2014/4/1
L-B-22	D Project Kawagoe I	3,100	2.2	2014/4/1
L-B-23	D Project Kawagoe II	4,250	2.9	2014/4/1
L-B-24	DPL Inuyama	3,380	2.3	2014/4/1
L-B-25	D Project Fukuoka Hakozaki	3,700	2.6	2014/4/1
<b>25 Logistics Properties Total</b>		<b>114,140</b>	<b>79.2</b>	<b>—</b>
R-M-1	ACROSSMALL Shinkamagaya	7,419	5.1	2007/12/12
R-M-2	FOLEO Hirakata	5,040	3.5	2008/12/11
R-M-3	QiZ GATE URAWA	5,360	3.7	2008/12/11
R-M-4	UNICUS Takasaki	2,570	1.8	2013/3/27
R-R-1	LIFE Sagamihara Wakamatsu	1,650	1.1	2008/12/11
R-R-2	FOLEO Sendai Miyanomori	6,040	4.2	2012/11/29
R-R-3	Top Mall Inazawa (Land)	1,944	1.3	2014/2/25
<b>7 Retail Properties Total</b>		<b>30,023</b>	<b>20.8</b>	<b>—</b>
<b>Portfolio Total of 32 Properties</b>		<b>144,163</b>	<b>100.0</b>	<b>—</b>

(Note) Figures of less than one million yen are rounded down from (planned) acquisition price, and portfolio shares are rounded off to the first decimal place.

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