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For Immediate Release

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Notice Concerning Determination of Interest Rates and Signing of Interest Rate Swap Agreements

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that for a portion of the new borrowings (No. 1, 5 and 6 in section 1 below) announced in the press release titled “Notice Concerning Debt Financing” dated March 3, 2015, of which interest rates were yet to be determined, applicable interest rates were determined as described in section 2 below. DHR also announces that it signed the interest rate swap agreements as described in section 3 below, for a portion of the new borrowings (No. 2, 3 and 4 in section 1 below) of which interest rate swap agreements were planned to be signed to fix interest rates.

1. Borrowings to be executed on April 1, 2015

	Lender	Anticipated borrowing amount (millions of yen)	Borrowing period	Interest rate	Floating/ fixed	Anticipated date of execution	Repayment due date
No. 1	Mitsui Sumitomo Insurance Company, Limited	1,000	5 years	0.57125%	Fixed	April 1, 2015	April 1, 2020
No. 2	Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Norinchukin Bank	3,000	7.5 years	0.8711%	Fixed (Note)		October 3, 2022
No. 3	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; Resona Bank, Limited	4,000	8.5 years	0.9866%	Fixed (Note)		October 2, 2023
No. 4	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation	4,000	10.5 years	1.2315%	Fixed (Note)		October 1, 2025
No. 5	The Bank of Tokyo- Mitsubishi UFJ, Ltd.	3,000	10.5 years	1.1815%	Fixed		October 1, 2025
No. 6	Development Bank of Japan, Inc.	1,500	12 years	1.46%	Fixed		April 1, 2027

(Note) Although the individual term loan agreements are based on floating interest rate, the interest rates will be fixed in effect by signing the interest rate swap agreements listed in section 3 below.

Disclaimer: This announcement is prepared for the public disclosure of the determination of interest rates and signing of interest rate swap agreements of DHR and has not been prepared for the purpose of soliciting investment. DHR requests that investors invest at their own responsibility and discretion after making sure to read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any revisions thereto, prepared by DHR.

This announcement does not constitute any offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

2. Determination of borrowing interest rates

	Lender	Anticipated borrowing amount (millions of yen)	Borrowing period	Interest rate	Floating/ fixed	Anticipated date of execution	Repayment due date
No. 1	Mitsui Sumitomo Insurance Company, Limited	1,000	5 years	0.57125%	Fixed	April 1, 2015	April 1, 2020
No. 5	The Bank of Tokyo- Mitsubishi UFJ, Ltd.	3,000	10.5 years	1.1815%	Fixed		October 1, 2025
No. 6	Development Bank of Japan, Inc.	1,500	12 years	1.46%	Fixed		April 1, 2027

3. Signing of interest rate swap agreements

(1) Reason for signing the interest rate swap agreements

DHR signed the following interest swap agreements in order to fix interest rates of the borrowings No. 1, 5 and 6 in section 1 above (total borrowing amount: 11,000 million yen) and hedge the interest rate fluctuation risk.

(2) Details of the interest rate swap agreements

a) Interest rate swap agreement for borrowing No. 2

Counterparty : Nomura Securities Co., Ltd.
 Notional principal : 3,000 million yen
 Interest rate : Fixed interest rate payable: 0.4211%
 Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR

Contract agreement date : March 30, 2015
 Contract period : From April 1, 2015 to October 3, 2022 (7.5 years)
 Interest payment date : The first interest payment date will be April 30, 2015, subsequent interest payment dates will be the last day of every month except for the last day of the preceding month of the principal payment due date, and the principal payment due date (in case such date is not a business day, the following business day will be the date, however, in case this following business day falls into the following month, the immediately preceding business day will be the date).

The interest rate of the borrowing will be fixed at 0.8711% in effect by this interest rate swap agreement.

b) Interest rate swap agreement for borrowing No. 3

Counterparty : Nomura Securities Co., Ltd.
 Notional principal : 4,000 million yen
 Interest rate : Fixed interest rate payable: 0.4866%
 Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR

Contract agreement date : March 30, 2015
 Contract period : From April 1, 2015 to October 2, 2023 (8.5 years)
 Interest payment date : The first interest payment date will be April 30, 2015, subsequent interest payment dates will be the last day of every month except for the last day of the preceding month of the principal payment due date, and the principal payment due date (in case such date is not a business day, the following business day will be the date, however, in case this following business day falls into the following month, the immediately preceding business day will be the date).

The interest rate of the borrowing will be fixed at 0.9866% in effect by this interest rate swap agreement.

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c) Interest rate swap agreement for borrowing No. 4

Counterparty	: Nomura Securities Co., Ltd.
Notional principal	: 4,000 million yen
Interest rate	: Fixed interest rate payable: 0.6315% Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR
Contract agreement date	: March 30, 2015
Contract period	: From April 1, 2015 to October 1, 2025 (10.5 years)
Interest payment date	: The first interest payment date will be April 30, 2015, subsequent interest payment dates will be the last day of every month except for the last day of the preceding month of the principal payment due date, and the principal payment due date (in case such date is not a business day, the following business day will be the date, however, in case this following business day falls into the following month, the immediately preceding business day will be the date).

The interest rate of the borrowing will be fixed at 1.2315% in effect by this interest rate swap agreement.

4. Status of interest-bearing debt after the debt financing

	(Unit: millions of yen)		
	Before	After	Increase (Decrease)
Short-term loans (Note)	0	0	0
Long-term loans (Note)	75,500	92,000	16,500
Total loans	75,500	92,000	16,500
Investment corporation bonds	2,000	2,000	0
Total of loans and investment corporation bonds	77,500	94,000	16,500
Other interest-bearing debt	0	0	0
Total interest-bearing debt	77,500	94,000	16,500

(Note) Short-term loans are loans with maturity periods of one year or less and long-term loans are loans with maturity periods of more than one year. Further, long-term loans with maturity periods of less than one year until the repayment date as of each date are also included in long-term loans.

5. Outlook

This matter will have minimal impact on the forecasts of results for the fiscal period ending August 2015 (from March 1, 2015 to August 31, 2015) and the fiscal period ending February 2016 (from September 1, 2014 to February 29, 2016), thus there is no revision to the forecasts.

6. Other

For the risks concerning repayment, etc., of the debt financing, there is no change from the security registration statement submitted on March 3, 2015.

* DHR's website: <http://www.daiwahouse-reit.jp/english/>

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