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For Immediate Release

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

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that applicable interest rates for the new borrowings shown in the press release “Notice Concerning Debt Financing” dated September 16, 2015 were determined today. DHR also announces that it signed an interest rate swap agreement as outlined below.

1. Determination of interest rates

No.	Lender	Anticipated borrowing amount (millions of yen)	Borrowing period	Interest rate	Floating/ fixed	Anticipated date of execution	Repayment due date	Method of repayment	Collateral
1	Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.	4,000	7 years	0.6498%	Fixed (Note)	September 28, 2015	September 28, 2022	Bullet repayment	Unsecured and non-guaranteed
2	Nippon Life Insurance Company	1,000	9 years	0.73%	Fixed		September 30, 2024		
Total		5,000							

(Note) While the individual term loan agreement is based on floating interest rate, the interest rate will be fixed in effect by signing the interest rate swap agreement outlined below.

2. Signing of interest rate swap agreement

(1) Reason for signing the interest rate swap agreement

DHR signed the following interest swap agreement in order to fix interest rate of the borrowing No. 1 in section 1 above (borrowing amount of 4,000 million yen) and hedge the interest rate fluctuation risk.

(2) Details of the interest rate swap agreement

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	4,000 million yen
Interest rate	Fixed interest rate payable: 0.2998% Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR
Contract agreement date	September 24, 2015
Contract period	From September 28, 2015 to September 28, 2022 (7 years)
Interest payment date	The first interest payment date will be October 30, 2015, subsequent interest payment dates will be the last day of every month of every year 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 No. 1 will be fixed at 0.6498% in effect by this interest rate swap agreement.

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

(Unit: millions of yen)

	Before the debt financing	After the debt financing	Increase (Decrease)
Short-term loans (Note)	4,000	4,000	0
Long-term loans (Note)	92,000	97,000	5,000
Total loans	96,000	101,000	5,000
Investment corporation bonds	2,000	2,000	0
Total of loans and investment corporation bonds	98,000	103,000	5,000
Other interest-bearing debt	0	0	0
Total interest-bearing debt	98,000	103,000	5,000

(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 due date as of each date are also included in long-term loans.

4. Outlook

As the impact of this matter on the forecast of operating results for the fiscal period ending February 2016 (from September 1, 2015 to February 29, 2016) will be minimal, there are no revisions to the forecast.

5. Other

For the risks concerning repayment, etc., of the debt financing, there are no changes from the securities report submitted on May 27, 2015.

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