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For Immediate Release

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Notice Concerning Revision to Forecast of Results and Distributions
 for the Fiscal Period Ending August 2013 (11th Fiscal Period)

Daiwa House REIT Investment Corporation (“DHR”) hereby announces revision to its forecast of results and distributions for the fiscal period ending August 2013 (March 1, 2013 – August 31, 2013: 11th fiscal period) it announced on November 28, 2012 as shown below.

1. Revision to the forecast of results and distributions for the fiscal period ending August 2013 (11th fiscal period)

	Operating revenues (millions of yen)	Net income (millions of yen)	Distributions per unit (yen) (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit (yen)
Previous forecast (A)	4,004	1,769	14,430	—
Revised forecast (B)	4,122	1,888	15,400	—
Difference (B) – (A)	118	119	970	—
Percentage change	2.9%	6.7%	6.7%	—

(Reference) Anticipated number of investment units outstanding at the end of the period: 122,540 units

(Notes)

- The above forecasts are formulated based on current assumptions shown in the attachment, “Assumptions for Forecast of Results for the Fiscal Period Ending August 2013.” Actual operating revenues, net income, distributions per unit and distributions in excess of earnings per unit may fluctuate due to factors such as the acquisition and sale of real estate, etc., in the future, developments in the real estate market, etc., additional issuances of new investment units in the future and other changes in circumstances surrounding DHR. The forecasts do not guarantee the distribution amount.
- All figures are rounded down to the nearest unit, and the percentage is rounded off to the first decimal place, also applicable below.

2. Reason for the revision

DHR has reviewed its outlook for the operating status for the fiscal period ending August 2013, taking into consideration such events as described in the news releases on March 22, 2013, “Notice Concerning Acquisition of Asset (UNICUS Takasaki)” and “Notice Concerning Debt Financing”, as well as lower-than-expected expenses such as depreciation expenses, interest expenses and other borrowing costs, etc. Accordingly, DHR has revised its forecast of results for the fiscal period ending August 2013 it announced on November 28, 2012.

3. Future outlook

Forecast of results for the fiscal period ending February 2014 (12th fiscal period) will be announced in the “Financial Report for the Fiscal Period Ended February 2013” scheduled to be released on April 12, 2013.

* 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/>

(Attachment)

Assumptions for Forecast of Results for the Fiscal Period Ending August 2013

Item	Assumptions
Operating period	<ul style="list-style-type: none"> Fiscal period ending August 2013 (184 days from March 1, 2013 to August 31, 2013: 11th fiscal period)
Portfolio	<ul style="list-style-type: none"> DHR holds trust beneficiary rights in 25 properties as of today. We have assumed that there will be no changes in our portfolio (acquisition of new properties or sale of the current properties) until August 31, 2013 (11th fiscal period end). Changes in the composition of the portfolio may, however, occur.
Operating revenues	<ul style="list-style-type: none"> Our assumption for revenues from property leasing is calculated based on lease agreements effective as of today, and market trends, etc. We have assumed no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> Operating expenses mainly comprise rental expenses. Our assumption for those expenses, excluding depreciation expenses, is calculated based on actual performance, making certain adjustments as appropriate considering factors causing changes in expenses. We have assumed that we will incur depreciation expenses of ¥843 million for the fiscal period ending August 2013 (11th fiscal period). These figures including some incidental expenses are calculated using the straight-line method. We have estimated property tax, city planning tax and depreciable assets tax at ¥357 million for the fiscal period ending August 2013 (11th fiscal period). Generally, when a property is sold, the purchaser of the property typically reimburses the seller for the pro rata portion of property tax and city planning tax that has previously been paid by the seller. However, this reimbursed amount is usually included in the acquisition cost and is not booked under expenses. Regarding UNICUS Takasaki, which we acquired on March 27, 2013, we have estimated property tax, city planning tax and depreciable assets tax included in the acquisition cost at ¥15 million. We have assumed that we will incur certain repair and maintenance expenses in each fiscal period for the ongoing repair and maintenance of the properties in our portfolio based on the medium- to long-term repair and maintenance plan prepared by the Asset Manager (Daiwa House REIT Management Co., Ltd.). However, actual repair and maintenance expenses in each period may differ substantially from our forecasts, as (i) we may incur expenses for urgent repairs to properties due to damage caused by a number of factors that are difficult to foresee, (ii) generally, there is a substantial difference in expenses incurred between each fiscal year, and (iii) expenses are not incurred based on a regular schedule.
Non-operating expenses	<ul style="list-style-type: none"> We have assumed interest expenses and other borrowing-related expenses of ¥367 million for the fiscal period ending August 2013 (11th fiscal period).
Borrowings	<ul style="list-style-type: none"> DHR has borrowings totaling ¥63,000 million as of today. We have assumed this balance of outstanding loans will be unchanged until August 31, 2013 (11th fiscal period end).
Investment units	<ul style="list-style-type: none"> DHR has 122,540 investment units issued and outstanding as of today. We have assumed there will be no change in the number of units outstanding resulting from the issuance of additional investment units, etc., until August 31, 2013 (11th fiscal period end).
Distributions per unit	<ul style="list-style-type: none"> We have calculated distributions (distributions per unit) based on the distribution policy prescribed in DHR's Articles of Incorporation. Changes in our portfolio, fluctuations in rental revenues due to changes in tenants and other factors, unforeseen repair and maintenance expenses and other factors may lead to changes in the amount of distributions per unit.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> DHR currently has no plans to pay distributions in excess of earnings.

Others	<ul style="list-style-type: none">• Our forecasts assume no impact from revisions to laws and ordinances, tax systems, accounting standards, securities listing regulations and related rules or the regulations and rules of The Investment Trusts Association, Japan, etc.• Our forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.
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