

October 24, 2012

For Immediate Release

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Notice Concerning Issuance of New Investment Units and
Secondary Offering of Investment Units

Daiwa House REIT Investment Corporation (“DHR”) hereby announces its resolution adopted at a meeting of the board of directors of DHR held on October 24, 2012, regarding issuance of new investment units and a secondary offering of investment units in association with the listing of DHR’s investment units (“Investment Units”) on the Tokyo Stock Exchange, Inc. (“TSE”) as follows.

1. Issuance of new investment units through public offering

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| (1) Number of units to be offered | 102,800 units |
| (2) Issue price (offer price) | Undetermined
The issue price (offer price) shall be determined on Monday, November 19, 2012 (“Issue Price Determination Date”) through a book building process (through which the issue price, etc., are determined after assessing demand conditions for the investment units and other factors by providing the indicative range for the issue price to the investors during the solicitation for subscription of the investment units) in accordance with Rule 1210 of the Enforcement Rules for Securities Listing Regulations of the TSE. The indicative range for the issue price shall be provided on Friday, November 9, 2012. |

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(3) Total issue price (offer price)	Undetermined
(4) Amount to be paid in (issue value)	Undetermined To be determined at a meeting of the board of directors of DHR to be held on the Issue Price Determination Date.
(5) Total amount to be paid in (issue value)	Undetermined
(6) Method of offering	<p>The units are being offered simultaneously in Japan and overseas.</p> <p>1) Japanese public offering The method of Japanese offering shall be through public offering (“Japanese Public Offering”) where all investment units through the Japanese Public Offering are to be subscribed and purchased by Japanese underwriters whose joint lead managers are Nomura Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Japanese underwriters other than Nomura Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. are Mizuho Securities Co., Ltd., Daiwa Securities Co. Ltd. and SMBC Nikko Securities Inc. (“Japanese Underwriters” collectively with Nomura Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.).</p> <p>2) International offering For the overseas offering (“International Offering”), the units are being offered in the overseas markets, mainly in the United States and Europe. Provided, however, in the United States, the units are only being offered to “qualified institutional buyers” in compliance with Rule 144A under the United States Securities Act of 1933, as amended. The aggregate number of investment units to be offered through the International Offering is not jointly but separately to be subscribed and purchased by Morgan Stanley & Co. International plc, Nomura International plc and UBS Limited (“Underwriters” collectively with the Japanese Underwriters). With regard to the number of investments units involved in 1) and 2) above, although DHR has planned to offer 87,400 units for the Japanese Public Offering and 15,400 units for the International Offering, the number due to be issued through each offering will be decided on the Issue Price Determination Date, within the range of the total 102,800 investment units to be issued through the public offering, taking into account demand conditions and other factors. The Japanese Public Offering, International Offering and secondary offering through overallotment stated in 2.</p>

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below are led by Morgan Stanley MUFG Securities Co., Ltd., Nomura Securities Co., Ltd. and UBS Securities Japan Ltd. as joint global coordinators (collectively “Joint Global Coordinator”).

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| (7) Details of underwriting agreement | The Underwriters shall pay in the amount equivalent to the total amount to be paid in (issue value) for the Japanese Public Offering and the International Offering to DHR on the payment date stated in (11) below. The difference between such amount and the total issue price (offer price) for the Japanese Public Offering and the International Offering shall be retained by the Underwriters. DHR shall pay no underwriting commission to the Underwriters. |
| (8) Demand declaration period
(Book-building period) | From Monday, November 12, 2012 to Friday, November 16, 2012 |
| (9) Subscription unit | 1 unit or more in multiples of 1 unit |
| (10) Subscription period
(Japanese Public Offering) | From Tuesday, November 20, 2012 to Monday, November 26, 2012 |
| (11) Payment date | Tuesday, November 27, 2012 |
| (12) Delivery date | Wednesday, November 28, 2012 |
| (13) The issue price (offer price), the amount to be paid in (issue value) and any other matters necessary for this issuance of new investment units shall be determined at future meetings of the board of directors of DHR. However, determination of the indicative range for the issue price shall be left to the discretion of the executive director. | |
| (14) The items concerning the Japanese Public Offering of the above shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act. | |

2. Secondary offering of investment units through over-allotment

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| (1) Seller and Number of units to be sold | Nomura Securities Co., Ltd. 5,140 units
The above number is the maximum number of investment units to be offered. The number may decrease, or the secondary offering through over-allotment itself may be cancelled, depending on demand conditions for the Japanese Public Offering and other factors. The number of investment units to be offered shall be determined at a meeting of the board of directors of DHR to be held on the Issue Price Determination Date, taking into account demand conditions for the Japanese Public Offering and other factors. |
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| (2) Selling price | Undetermined
To be determined on the Issue Price Determination Date. The selling price shall be the same as the issue price (offer price) for the Japanese Public Offering. |
| (3) Total selling price | Undetermined |
| (4) Method of offering | Nomura Securities Co., Ltd., the lead manager of the Japanese Public Offering, will make a Japanese offering of up to 5,140 of the Investment Units borrowed from Daiwa House Industry Co., Ltd. (“Designated Party” in certain cases) taking into account demand conditions for the Japanese Public Offering and other factors. |
| (5) Subscription unit | 1 unit or more in multiples of 1 unit |
| (6) Subscription period | Same as the subscription period for the Japanese Public Offering |
| (7) Delivery date | The business day immediately following the payment date for the Japanese Public Offering |
| (8) The selling price and any other matters necessary for this offering of investment units shall be determined at future meetings of the board of directors of DHR. | |
| (9) The above items shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act. | |

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3. Issuance of new investment units through third-party allotment

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| (1) Number of units to be offered | 5,140 units |
| (2) Amount to be paid in (issue value) | Undetermined
To be determined at a meeting of the board of directors of DHR held on the Issue Price Determination Date.
The amount to be paid in (issue value) shall be same as the amount to be paid in (issue value) for the Japanese Public Offering. |
| (3) Total amount to be paid in (issue value) | Undetermined |
| (4) Allottee | Nomura Securities Co., Ltd. |
| (5) Subscription unit | 1 unit or more in multiples of 1 unit |
| (6) Subscription period (subscription date) | Tuesday, December 25, 2012 |
| (7) Payment date | Wednesday, December 26, 2012 |
| (8) The Investment Units not subscribed within the subscription period (subscription date) stated in (6) above shall not be issued. | |
| (9) The amount to be paid in (issue value) and any other matters necessary for this issue of new investment units shall be determined at future meetings of the board of directors of DHR. | |

<Reference>

1. The Investment Units are scheduled to be listed on the TSE on Wednesday, November 28, 2012.
2. Secondary offering through over-allotment, etc.

The secondary offering by over-allotment of up to 5,140 units borrowed from the Designated Party may be effected by Nomura Securities Co., Ltd., the lead manager of the Japanese Public Offering, taking into account demand conditions for the Japanese Public Offering and other factors. Although 5,140 units are planned to be offered through over-allotment, this is the maximum number of investment units to be offered and, depending on demand conditions and other factors, such number may decrease, or the secondary offering by over-allotment itself may be cancelled.

In connection with the secondary offering through over-allotment, DHR has resolved, at a meeting of the board of directors held on Wednesday, October 24, 2012, to issue 5,140 of the Investment Units through third-party allotment, where the payment date is Wednesday, December 26, 2012 and the allottee is Nomura Securities Co., Ltd. (“Third-Party Allotment”), for the purpose of satisfying the obligation of Nomura Securities Co., Ltd. to return the Investment Units borrowed from the Designated Party (“Borrowed Investment Units”).

Furthermore, Nomura Securities Co., Ltd. may also purchase the new investment units on the TSE up to the number of investment units to be offered through over-allotment for the purpose of returning the

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Borrowed Investment Units (“Syndicate Cover Transactions”) during the period from Wednesday, November 28, 2012 to Tuesday, December 18, 2012 (“Syndicate Cover Transaction Period”). All Investment Units acquired through Syndicate Cover Transactions shall be used to return the Borrowed Investment Units. During the Syndicate Cover Transaction Period, Nomura Securities Co., Ltd. at its discretion may not conduct any Syndicate Cover Transactions or may terminate any Syndicate Cover Transactions before the number of units purchased reaches the number of units of the secondary offering through over-allotment.

Nomura Securities Co., Ltd. plans to subscribe the necessary number of the Investment Units through Third-Party Allotment. That number is to be calculated by deducting the number of units acquired through Syndicate Cover Transactions from that to be sold through over-allotment. For this reason, the units to be issued through Third-Party Allotment may not be subscribed in part or in whole, and as a result, the subscription right will be forfeited and the final number of units with respect to the Third-Party Allocation may be reduced to the same extent, or the issue itself may be suspended.

The Syndicate Cover Transactions shall be made by Nomura Securities Co., Ltd. in consultation with the Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

3. Change in the number of investment units outstanding associated with the issuance of new investment units

Total number of investment units outstanding as of October 24, 2012	14,600 units
Increase in the number of investment units associated with the issuance of new investment units through public offering	102,800 units
Total number of investment units outstanding after the issuance of new investment units through public offering	117,400 units
Increase in the number of investment units associated with Third-Party Allotment	5,140 units (Note)
Total number of investment units outstanding after Third-Party Allotment	122,540 units (Note)

(Note) These figures show the number of units in the event Nomura Securities Co., Ltd. subscribes all investment units to be issued through Third-Party Allotment, and said units are issued.

4. Total amount, purpose of use and scheduled outlay period of proceeds

(1) Total amount to be procured (approximate net balance)

¥53,970,000,000 (maximum)

(Note) The amount comprises ¥43,700,000,000 in net proceeds from the Japanese Public Offering, ¥7,700,000,000 in net proceeds from the International Offering and the maximum ¥2,570,000,000 in net proceeds from the issuance of new investment units by Third-Party Allotment. The above amount is a prospective amount as of October 24, 2012.

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(2) Specific purpose of use and scheduled outlay period of proceeds

Net proceeds to be procured through the Japanese Public Offering, International Offering and Third-Party Allotment shall be used for the acquisition of new specified assets (which are set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations), as well as for the repayment of borrowings.

5. Designated purchaser

The Japanese Underwriters plan to sell 2,000 units of the Investment Units in connection with the Japanese Public Offering to Daiwa House Industry Co., Ltd., as the purchaser designated by DHR. Daiwa House Industry Co., Ltd. is a unitholder of DHR, as well as a shareholder of the Asset Manager.

6. Future prospects

Please refer to the news release “Notice Concerning Forecasts of Results for the Fiscal Periods Ending February 2013 and August 2013” announced on October 24, 2012.

7. Status of past equity finance

Date	Issue value (thousands of yen)	Total equity after issuance (thousands of yen)	Reference
September 14, 2007	200,000	200,000	Establishment through private placement
December 11, 2007	3,400,000	3,600,000	Capital increase through private placement
December 10, 2008	3,700,000	7,300,000	Capital increase through private placement

8. Lock-up

(1) In connection with the Japanese Public Offering and International Offering, DHR plans to request the Designated Party to agree with the Joint Global Coordinator and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. that it shall not effectuate any sale, etc., of the investment units it holds during the period from Monday, November 19, 2012 to Thursday, November 28, 2013, without the prior written consent of the Joint Global Coordinator and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (however, excluding where Investment Units are lent to Nomura Securities Co., Ltd. for the purpose of secondary offering through overallotment).

The Joint Global Coordinator and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. are expected to have the right to dissolve said agreements in part or in whole even during the periods above at their discretion.

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- (2) In connection with the Japanese Public Offering and International Offering, DHR has agreed with the Joint Global Coordinator that it will not effectuate any issuance, etc., of the Investment Units during the period from Monday, November 19, 2012 to Thursday, February 28, 2013 without the prior written consent of the Joint Global Coordinator (however, excluding where new investment units are issued through the Japanese Public Offering, International Offering, Third-Party Allotment or by investment unit split).

The Joint Global Coordinator has the right to dissolve said agreements in part or in whole even during the periods above at their discretion.

* Distribution of this material: This material is distributed to “Kabuto Club” (a media correspondents’ club at the TSE), 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.

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