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For Immediate Release

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### Notice Concerning Debt Financing

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has decided today to conduct debt financing as described below.

#### 1. Details of debt financing

Category	Lender	Anticipated borrowing amount (millions of yen)	Borrowing period	Interest rate	Floating/ fixed	Anticipated date of execution	Repayment due date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.	4,000	7 years	Base interest rate +0.35% (Note 1)	Fixed (Note 2)	September 28, 2015	September 28, 2022	Bullet repayment	Unsecured and non-guaranteed
	Nippon Life Insurance Company	1,000	9 years	TBD (Note 3) (Note 4)	Fixed		September 30, 2024		
Total		5,000							

(Note 1) 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). JBA 1 month Japanese yen TIBOR as of 11 A.M. on two business days prior to the latest interest payment date (initially the anticipated date of execution) will be used as the base rate to calculate the applicable interest rate for the current calculation period.

For the JBA Japanese yen TIBOR, which is the base rate, please refer to JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).

(Note 2) Although the individual term loan agreement is based on floating interest rate, DHR intends to fix the interest rate for anticipated date of execution and thereafter by entering into interest rate swap agreement. Execution of interest rate swap agreement will be announced once determined.

(Note 3) The first interest payment date will be February 29, 2016, subsequent interest payment dates will be the last day of the months of August and February 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).

(Note 4) Interest rate will be announced once determined.

## 2. Reason for conducting debt financing

The loans will be used as part of the funds for acquiring trust beneficiary interests as described in the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and Leasing of Asset (DREAM TOWN ALi)” announced today (anticipated acquisition price of 7,790 million yen), as well as other related expenses.

By implementing long-term debt financing and fixing interest rates partly by entering into the interest swap agreement as indicated above, DHR aims to improve stability of the financial base through extending repayment periods of interest-bearing debts, fixing interest rates and diversifying repayment maturities.

## 3. Total amount, use of proceeds and scheduled outlay date of the proceeds

### (1) Total amount

5,000 million yen

### (2) Use of proceeds

Part of the funds for acquiring trust beneficiary interests in DREAM TOWN ALi and related expenses

### (3) Scheduled outlay date

September 28, 2015

## 4. 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.

## 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>