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For Immediate Release

Investment Corporation:  
Daiwa House REIT Investment Corporation  
2-3-6, Nihonbashi-Kayabacho, Chuo-ku, Tokyo  
Masazumi Kakei, Executive Director  
(Code number 3263)

Asset Manager:  
Daiwa House REIT Management Co., Ltd.  
Hirotaka Najima  
Representative Director, President and CEO

Inquiries:  
Masahiro Suzuki  
Director, Executive Manager of the Finance Department  
(Chief Financial Officer)  
(TEL. +81-3-5651-2895)

### Notice Concerning Debt Financing

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it will conduct debt financing. The details are as follows:

#### 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 Banking Corporation; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Mitsubishi UFJ Trust and Banking Corporation	3,000	7 years	Basic interest rate +0.50% (Note 1)	Fixed (Note 2)	April 1, 2014	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Trust Bank, Limited	3,500	8 years	Basic interest rate +0.55% (Note 1)	Fixed (Note 2)		April 1, 2022		
	Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Development Bank of Japan, Inc.	3,000	10 years	Basic interest rate +0.65% (Note 1)	Fixed (Note 2)		April 1, 2024		
	Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Development Bank of Japan, Inc.	2,000	12 years	Basic interest rate +0.95% (Note 1)	Fixed (Note 2)		April 1, 2026		
Total/ average borrowing period (Note 3)		11,500	9.0 years						

Disclaimer: This announcement is prepared for the public disclosure of debt financing of DHR and has not been prepared for the purpose of soliciting investment. DHR requests that investors make an investment based on their own responsibility and on their own judgment after making sure to read the prospectus for the issue of new investment units and secondary offering of investment units, as well as any revisions thereto (if any), prepared by DHR.

(Note 1) The first interest payment date will be the last day of May 2014, subsequent interest payment dates will be the last day of August, November, February and May of every year and the principal payment date (if the payment date is not a business day, the next business day will be the date). JBA 3 month 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. However, in case the calculation period is less than 3 months, the base rate that corresponds to the concerned period calculated based on the method stipulated in the contract will be used. For the JBA Japanese yen TIBOR, which is the base rate, please refer to JBA website (<http://www.zenginkyo.or.jp/tibor/>).

(Note 2) Although the individual term loan agreements are based on floating interest rate, DHR intends to fix the interest rates for anticipated date of execution and thereafter by entering into interest rate swap agreements.

(Note 3) Weighted average figure based on anticipated borrowing amounts is indicated.

## 2. Reason for conducting debt financing

The debt financing will be conducted so that the loans will be used as part of the funds for acquiring trust beneficiary interests in real estate of assets to be acquired indicated in the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate” announced today (6 properties, total planned acquisition price: 25,130 million yen), as well as related expenses.

By implementing long-term debt financings with average borrowing period of 9.0 years including debt financing with borrowing period of 12 years and fixing interest rates by entering into interest swap agreements as indicated above, DHR aims to improve stability of the financial base through extending borrowing periods, fixing interest rates and diversifying repayment maturities.

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

### (1) Total amount

11,500 million yen

### (2) Specific purpose of use

Funds for acquiring trust beneficiary interest in real estate of 6 properties mentioned above and related expenses

### (3) Scheduled outlay date

April 1, 2014

## 4. Status of balance of loans after the debt financing

(Unit: millions of yen)

	Before the debt financing (as of March 3, 2014)	After the debt financing (as of April 1, 2014)	Increase (Decrease)
Short-term loans (Note)	0	0	0
Long-term loans (Note)	63,000	74,500	11,500
Total loans	63,000	74,500	11,500
Investment corporation bonds	0	0	0
Total of loans and investment corporation bonds	63,000	74,500	11,500
Other interest-bearing liabilities	0	0	0
Total interest-bearing liabilities	63,000	74,500	11,500

(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.

## 5. Other

For the risks concerning repayment, etc., of the debt financing, there are no changes from the security registration statement submitted on March 3, 2014.

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

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