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For Immediate Release

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Notice Concerning Signing of Interest Rate Swap Agreements

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it signed interest rate swap agreements as described below regarding the loans to be executed on November 30, 2015 shown in the press release “Notice Concerning Debt Financing and Repayment of Loan” dated November 25, 2015.

1. Loans to be executed on November 30, 2015

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 Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited	7,000	6 years	0.505%	Fixed (Note 1)	November 30, 2015	November 30, 2021	Bullet repayment	Unsecured and non-guaranteed
2	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.	4,000	7.5 years	0.705%	Fixed (Note 1)		May 31, 2023		
3	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.	4,000	9.5 years	0.970%	Fixed (Note 1)		May 30, 2025		
4	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.	4,000	10.5 years	1.091%	Fixed (Note 1)		May 29, 2026		
Total/weighted average (Note 2)		19,000	8.0 years	0.77%					

(Note 1) 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.

(Note 2) Weighted average figure based on anticipated borrowing amounts is indicated.

2. Reason for signing the interest rate swap agreements

DHR signed the following interest swap agreements in order to fix interest rate of the loans listed in section 1 above (total borrowing amount of 19,000 million yen) and hedge the interest rate fluctuation risk.

3. Details of the interest rate swap agreements

(1) Interest rate swap agreement for the loan No. 1

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	7,000 million yen
Interest rate	Fixed interest rate payable: 0.23% Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR
Contract agreement date	November 26, 2015
Contract period	From November 30, 2015 to November 30, 2021 (6 years)
Interest payment date	The interest payment dates will be the last day of every month of every year excluding the last day of November 2015, 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 loan No. 1 will be fixed at 0.505% in effect by this interest rate swap agreement.

(2) Interest rate swap agreement for the loan No. 2

Counterparty	Mizuho Bank, Ltd.
Notional principal	4,000 million yen
Interest rate	Fixed interest rate payable: 0.33% Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR
Contract agreement date	November 26, 2015
Contract period	From November 30, 2015 to May 31, 2023 (7.5 years)
Interest payment date	The interest payment dates will be the last day of every month of every year excluding the last day of November 2015, 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 loan No. 2 will be fixed at 0.705% in effect by this interest rate swap agreement.

(3) Interest rate swap agreement for the loan No. 3

Counterparty	The Bank of Tokyo- Mitsubishi UFJ, Ltd.
Notional principal	4,000 million yen
Interest rate	Fixed interest rate payable: 0.47% Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR
Contract agreement date	November 26, 2015
Contract period	From November 30, 2015 to May 30, 2025 (9.5 years)
Interest payment date	The interest payment dates will be the last day of every month of every year excluding the last day of November 2015, 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 loan No. 3 will be fixed at 0.97% in effect by this interest rate swap agreement.

(4) Interest rate swap agreement for the loan No. 4

Counterparty	The Bank of Tokyo- Mitsubishi UFJ, Ltd.
Notional principal	4,000 million yen
Interest rate	Fixed interest rate payable: 0.541% Floating interest rate receivable: Japanese Bankers Association 1 month yen TIBOR
Contract agreement date	November 26, 2015
Contract period	From November 30, 2015 to May 29, 2026 (10.5 years)
Interest payment date	The interest payment dates will be the last day of every month of every year excluding the last day of November 2015, 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 loan No. 4 will be fixed at 1.091% in effect by this interest rate swap agreement.

* Distribution of this material: This material is distributed to “Kabuto Club” (a media correspondents’ club at the Tokyo Stock Exchange), 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/english>