

March 3, 2015

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

Notice Concerning Revision to Forecast of Results
for the Fiscal Period Ending August 2015 and
Announcement of Forecast of Results for the Fiscal Period Ending February 2016

Daiwa House REIT Investment Corporation (“DHR”) hereby announces the revision to its forecast of results for the fiscal period ending August 2015 (from March 1, 2015 to August 31, 2015) announced on October 17, 2014 and newly announces its forecast of results for the fiscal period ending February 2016 (from September 1, 2015 to February 29, 2016), as shown below.

Meanwhile, there are no changes to DHR's forecast of results for the fiscal period ended February 2015 (from September 1, 2014 to February 28, 2015) announced on October 17, 2014.

1. Revision to the forecast of results for the fiscal period ending August 2015
 (from March 1, 2015 to August 31, 2015)

	Operating revenues (millions of yen)	Operating income (millions of yen)	Ordinary income (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)	5,148	2,811	2,335	2,335	7,950	0
Revised forecast (B)	6,279	3,615	2,859	2,858	8,150	0
Difference (B) – (A)	1,131	804	524	523	200	—
Percentage change	22.0%	28.6%	22.4%	22.4%	2.5%	—

*Anticipated number of issued units at the end of the period in previous forecast:
 293,480 units

Anticipated number of issued units at the end of the period in revised forecast:
 350,700 units (refer to “Investment units” in the attachment, “Assumptions for Forecasts of Results for the Fiscal Periods Ending August 2015 and February 2016” for details)

Disclaimer: This announcement is prepared for the public disclosure of the revision to forecast of results for the fiscal period ending August 2015 and announcement of forecast of results for the fiscal period ending February 2016 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 new investment units and secondary offering of investment units, as well as any revisions thereto, prepared by DHR.

2. Forecast of results for the fiscal period ending February 2016
(from September 1, 2015 to February 29, 2016)

	Operating revenues (millions of yen)	Operating income (millions of yen)	Ordinary income (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)
Forecast for the fiscal period ending February 2016	6,593	3,695	3,087	3,086	8,800	0

*Anticipated number of issued units at the end of the period:
350,700 units (refer to “Investment units” in the attachment, “Assumptions for Forecasts of Results for the Fiscal Periods Ending August 2015 and February 2016” for details)

(Note 1) The above forecasts are formulated based on current assumptions shown in the attachment, “Assumptions for Forecast of Results for the Fiscal Periods Ending August 2015 and February 2016.” Actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding distributions in excess of earnings 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.

(Note 2) DHR may revise the above forecasts in the event that results are anticipated to differ substantially from the forecasts.

(Note 3) All figures are rounded down to the nearest unit, and the percentage is rounded off to the first decimal place.

(Reference) Forecast of results for the fiscal period ended February 2015
(from September 1, 2014 to February 28, 2015)

	Operating revenues (millions of yen)	Operating income (millions of yen)	Ordinary income (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)
Forecast for the fiscal period ended February 2015	5,127	2,930	2,648	2,467	8,400	0

* Anticipated number of issued units at the end of the period: 293,480 units

3. Reason for the revision and announcement

DHR has revised its forecast due to changes in assumptions for forecast of results for the fiscal period ending August 2015 announced on October 17, 2014 as a result of issuance of new investment units announced today in the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and acquisition and leasing of assets announced today in the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and Leasing of Assets”.

In addition, DHR announces new forecast of results for the fiscal period ending February 2016 based on the same assumptions as above.

* 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>

Disclaimer: This announcement is prepared for the public disclosure of the revision to forecast of results for the fiscal period ending August 2015 and announcement of forecast of results for the fiscal period ending February 2016 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 new investment units and secondary offering of investment units, as well as any revisions thereto, prepared by DHR.

(Attachment)

Assumptions for Forecasts of Results for the Fiscal Periods Ending August 2015 and February 2016

Item	Assumptions
Operating period	<ul style="list-style-type: none"> • Fiscal period ending August 2015 (15th fiscal period: 184 days from March 1, 2015 to August 31, 2015) • Fiscal period ending February 2016 (16th fiscal period: 182 days from September 1, 2015 to February 29, 2016)
Portfolio	<ul style="list-style-type: none"> • DHR has assumed that DHR will continue to own 40 properties until February 29, 2016, comprising trust beneficiary interests in 33 properties already held by DHR (“current assets”) and trust beneficiary interests in 7 properties DHR plans to acquire (“assets scheduled for acquisition”) that have been resolved at a meeting of the board of directors held today. • DHR has assumed that D Project Kuki III, D Project Kuki IV, D Project Kuki V, D Project Kuki VI, D Project Yashio, and D Project Nishiyodogawa will be acquired on April 1, 2015 and D Project Matsudo will be acquired on June 1, 2015, which are assets scheduled for acquisition. • DHR has assumed that there will be no changes in the composition of DHR’s portfolio (acquisition of new properties or sale of the current assets) until August 31, 2015 and February 29, 2016 other than the above. • Changes in the composition of the portfolio may, however, occur.
Operating revenues	<ul style="list-style-type: none"> • DHR’s assumption for revenues from property leasing for the current assets is calculated based on lease agreements effective as of today, and market trends, etc. DHR has calculated revenues from property leasing of the assets scheduled for acquisition taking into account information provided by the current owners of each property, lease agreements scheduled to be effective as of the acquisition dates of the properties and market trends, etc. • DHR has assumed no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> • Operating expenses mainly comprise rental expenses. DHR’s assumption for those expenses on the current assets, excluding depreciation expenses, is calculated based on actual performance, making certain adjustments as appropriate considering the factors causing changes in expenses, etc. DHR has calculated those expenses for the anticipated acquisitions based on past performance using information provided by the current owners of each property, making certain adjustments as appropriate considering the factors causing changes in expenses, etc. • DHR has assumed that DHR will incur depreciation expenses of ¥1,359 million for the fiscal period ending August 2015 and ¥1,439 million for the fiscal period ending February 2016. These figures including such as incidental expenses are calculated using the straight-line method. • DHR has estimated property tax and city planning tax, etc. at ¥476 million for the fiscal period ending August 2015 and ¥476 million for the fiscal period ending February 2016. Generally, when a property is sold, the purchaser of the property typically reimburses the seller for the <i>pro rata</i> portion of property tax and city planning tax, etc. 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. Property tax and city planning tax, etc. for the assets scheduled for acquisition will be expensed from the fiscal period ending August 2016. DHR has assumed that ¥195 million of property tax and city planning tax, etc. will be included in the acquisition costs for the assets scheduled for acquisition.

Disclaimer: This announcement is prepared for the public disclosure of the revision to forecast of results for the fiscal period ending August 2015 and announcement of forecast of results for the fiscal period ending February 2016 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 new investment units and secondary offering of investment units, as well as any revisions thereto, prepared by DHR.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> • DHR has assumed that DHR 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. However, actual repair and maintenance expenses in each fiscal period may differ substantially from DHR's forecasts, as (i) DHR may incur expenses for urgent repairs to properties due to damage caused by unforeseeable factors, (ii) generally, there is a substantial difference in expenses incurred between each fiscal period, and (iii) expenses are not incurred based on a regular schedule.
Non- operating expenses	<ul style="list-style-type: none"> • DHR has assumed one-time costs of ¥182 million for the fiscal period ending August 2015 as expenses related to issuance of new investment units, etc. resolved at a meeting of the board of directors of DHR held today. • DHR has assumed interest expenses and other borrowing-related expenses of ¥575 million for the fiscal period ending August 2015 and ¥610 million for the fiscal period ending February 2016.
Interest-bearing debt	<ul style="list-style-type: none"> • DHR has outstanding interest-bearing debt of ¥77,500 million as of today. In addition to it, DHR intends to secure new borrowings of ¥16,500 million long-term loans on April 1, 2015 and ¥4,000 million short-term loans on June 1, 2015, which have been resolved at a meeting of the board of directors of DHR held today. Based on this, DHR has assumed the balance of outstanding interest-bearing debt to be ¥98,000 million as of August 31, 2015. • DHR has assumed this balance of outstanding interest-bearing debt will be unchanged until February 29, 2016.
Investment units	<ul style="list-style-type: none"> • In addition to the 293,480 units issued as of today, DHR has assumed that all of the total of 57,220 units, which is the maximum number of investment units planned to be newly issued through issuance of new investment units through public offering (52,000 units) and issuance of new investment units through third-party allotment (maximum 5,220 units) which was resolved at the board of directors meeting of DHR held today, will be issued. • Other than the above, DHR has assumed there will be no change in the number of issued units resulting from the additional issuance of investment units, etc. until August 31, 2015 and February 29, 2016. • Net income per unit and distributions per unit are calculated based on the assumption that the number of issued units as of August 31, 2015 and February 29, 2016 will total 350,700 investment units including the above maximum number of 57,220 new investment units to be issued.
Distributions per unit	<ul style="list-style-type: none"> • DHR has calculated distributions (distributions per unit) based on the distribution policy prescribed in DHR's Articles of Incorporation. • Changes in DHR's 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 out distributions in excess of earnings.
Others	<ul style="list-style-type: none"> • DHR's 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. • DHR's forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.

Disclaimer: This announcement is prepared for the public disclosure of the revision to forecast of results for the fiscal period ending August 2015 and announcement of forecast of results for the fiscal period ending February 2016 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 new investment units and secondary offering of investment units, as well as any revisions thereto, prepared by DHR.