

January 29, 2014

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.
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Notice Concerning Interested Party Transaction

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has decided to conduct the following transaction with an interested party which falls under the definition of “interested party, etc.” (“interested party, etc.”), stipulated in the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”).

1. Summary of Transaction with Interested Party, etc.

In an effort to maintain and improve competitive advantage of FOLEO Hirakata as a retail property, DHR will conduct the following transaction with Daiwa Service Co., Ltd. which falls under the definition of “interested party, etc.”

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| (1) Property name | : FOLEO Hirakata |
| (2) Location | : 20-10, Koyamichi 1-chome, Hirakata-shi, Osaka |
| (3) Contractor | : Daiwa Service Co., Ltd. |
| (4) Content of construction service | : Replacement of carpet in common area on the 1 st and 2 nd floor |
| (5) Contract execution date | : January 29, 2014 |
| (6) Contract value | : 12,500,000 yen (excluding consumption tax, etc.) |
| (7) Construction period | : From February 17, 2014 to February 25, 2014 (planned) |

2. Company Profile of Interested Party, etc.

(1) Company name	Daiwa Service Co., Ltd.
(2) Location of headquarters	1-5-6 Awaza, Nishi-ku, Osaka-shi, Osaka
(3) Representative	Tomoyuki Kido, President
(4) Paid-in capital	130,100 thousand yen (as of October 1, 2013)
(5) Scope of business	Management of condominiums and buildings
(6) Relationships with DHR and the Asset Manager	Daiwa Service Co., Ltd. is a wholly-owned subsidiary of Daiwa House Industry Co., Ltd., a parent company of the Asset Manager. Daiwa Service Co., Ltd. falls under the definition of “interested party, etc.” stipulated in the Investment Trust Act.

3. Procedures Concerning Transactions with Interested Party, etc.

The transaction outlined above has gone through the necessary discussion and resolution procedures in accordance with the Asset Manager's internal rules to avoid transactions with conflicts of interest.

4. Outlook

This transaction will have no impact on the forecasts of results for the fiscal period ending February 2014 (from September 2013 to February 2014).

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