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

Notice Concerning Interested Party Transactions

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has decided today to conduct the following transactions with interested parties, etc. (the “interested parties, etc.”) as stipulated in the Act on Investment Trusts and Investment Corporations (the “Investment Trust Act”).

1. Summary of transactions with the interested parties, etc.

In an effort to reduce power consumption and CO₂ emission as part of energy-saving and electricity-saving measures, DHR will conclude a renewal construction service contract to install LED lighting in common area of FOLEO Hirakata with Daiwa Information Service Co., Ltd. which is the interested party, etc.

DHR will also modify the master lease and entrustment of property management contract with Daiwa Royal Co., Ltd., the lessee of FOLEO Hirakata and the interested party, etc. DHR will increase rent as below to reflect the benefits of reduced electricity cost by the renewal construction work.

(1) Subject property

- a. Property name : FOLEO Hirakata
- b. Location : 20-10, Koyamichi 1-chome, Hirakata-shi, Osaka

(2) Construction service contract

- a. Contractor : Daiwa Information Service Co., Ltd.
- b. Content of construction service : Installation of LED lighting in common area
- c. Contract execution date : October 30, 2015 (planned)
- d. Contract value : 39,800,000 yen (excluding consumption tax, etc.)
Most part of the amount will be booked as capital expenditure.
- e. Construction period : From November 1, 2015 to November 30, 2015 (planned)

(3) Memorandum on modification, etc. of the master lease and entrustment of property management contract

- a. Lessor : Mitsubishi UFJ Trust and Banking Corporation
 - b. Lessee : Daiwa Royal Co., Ltd.
 - c. Type of contract : Pass-through type master lease agreement
 - d. Content of modification : Revision of master lease rent
 - e. Annual rent (Note) : (before) master lease rent (pass-through) 375 million yen
(after) master lease rent (pass-through) 375 million yen + 3 million yen
 - f. Execution of memorandum on modification of the contract : October 30, 2015 (planned)
 - g. Effective date of modification : December 1, 2015 (planned)
- (Note) Annual rent is as indicated in each sublease agreement as of August 31, 2015.

2. Company profile of the interested parties, etc.

(1) Daiwa Information Service Co., Ltd.

a. Company name	Daiwa Information Service Co., Ltd.
b. Location of headquarters	7-14-4 Ueno, Taito-ku, Tokyo
c. Representative	Katsuyuki Fujita, President
d. Paid-in capital	200 million yen (as of March 31, 2015)
e. Scope of business	Asset management business
f. Relationships with DHR and the Asset Manager	Daiwa Information Service Co., Ltd. is a subsidiary of the Asset Manager's parent company, Daiwa House Industry Co., Ltd. and falls under being an interested party, etc. stipulated in the Investment Trust Act. DHR entrusts property management and master lease company duties to Daiwa Information Service Co., Ltd.

(2) Daiwa Royal Co., Ltd.

a. Company name	Daiwa Royal Co., Ltd.
b. Location of headquarters	2-18-2 Iidabashi, Chiyoda-ku, Tokyo
c. Representative	Ken Harada, President
d. Paid-in capital	500 million yen (as of March 31, 2015)
e. Scope of business	Asset management business
f. Relationships with DHR and the Asset Manager	Daiwa Royal Co., Ltd. is a subsidiary of the Asset Manager's parent company, Daiwa House Industry Co., Ltd. and falls under being an interested party, etc. stipulated in the Investment Trust Act. DHR entrusts property management master lease company duties to Daiwa Royal Co., Ltd.

3. Procedures concerning transactions with interested parties, etc.

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

4. Outlook

As the impact of this matter on the forecast of operating results for the fiscal periods ending February 2016 (from September 1, 2015 to February 29, 2016) and August 2016 (from March 1, 2016 to August 31, 2016) will be minimal, there are no revisions to the forecast.

* 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>