

March 3, 2015

For Immediate Release

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Daiwa House REIT Investment Corporation (“DHR”) hereby announces its resolution adopted at a meeting of the board of directors of DHR held on March 3, 2015 regarding issuance of new investment units and secondary offering of investment units as follows.

1. Issuance of new investment units through public offering

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| (1) Number of investment units to be offered | 52,000 units |
| (2) Issue price (offer price) | Undetermined
The issue price (offer price) shall be determined at a meeting of the board of directors of DHR to be held on any day between Monday, March 16, 2015 and Wednesday, March 18, 2015 (the “Pricing Date”) by taking into account demand conditions, among other factors, in accordance with the method provided in Article 25 of the Rules Concerning Underwriting, Etc. of Securities set forth by Japan Securities Dealers Association with the closing price in regular trading of the investment units of DHR (the “DHR investment units”) on the Tokyo Stock Exchange, Inc. on the Pricing Date (if there is no closing price on that date, the closing price on the most recent day preceding that date) is multiplied by a factor between 0.90 and 1.00 (price shall be rounded down to the nearest yen) as the indicative price range. |
| (3) Total issue price (offer price) | Undetermined |

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This announcement does not constitute any offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

- (4) Amount to be paid in (issue value) Undetermined
The amount to be paid in (issue value) shall be determined at a meeting of the board of directors of DHR to be held on the Pricing Date in accordance with the method provided in Article 25 of the Rules Concerning Underwriting, Etc. of Securities set forth by Japan Securities Dealers Association.
- (5) Total amount to be paid in (issue value) Undetermined
- (6) Method of offering The units are being offered simultaneously in Japan and overseas.
- 1) Japanese public offering
The offering in Japan (the “Japanese Public Offering”) shall comprise a public offering in which all investment units subject to the Japanese Public Offering shall be purchased and underwritten by Japanese underwriters of which certain Japanese underwriters are the joint lead managers (collectively referred to as the “Joint Lead Managers”, and together with Japanese underwriters other than the Joint Lead Managers, the “Japanese Underwriters”).
- 2) International offering
The international offering (the “International Offering”) shall be an offering in markets outside of Japan, mainly in the United States, Europe and Asia. However, within the United States, the investment units will be offered only to qualified institutional investors in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended. All investment units subject to the International Offering shall be purchased and underwritten severally and not jointly in the total amount by international managers (the “International Managers”, and collectively with the Japanese Underwriters, referred to as the “Underwriters”).
- Furthermore, concerning the number of investment units pertaining to the respective offerings under 1) and 2) above, the offering is expected to comprise 33,793 units in the Japanese Public Offering and 18,207 units in the International Offering. The final allocations will be determined on the Pricing Date, taking into account demand conditions, among other factors, to the extent that total number of units to be offered will not exceed the upper limit of 52,000 units. The Japanese Public Offering, the International Offering and the secondary offering through over-allotment stated in 2. below are led by the joint global coordinators (collectively referred to as the “Joint Global Coordinators”).

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| (7) Details of underwriting agreement | The Underwriters shall pay in the amount equivalent to the total amount to be paid in (issue value) for the Japanese Public Offering and the International Offering to DHR on the payment date stated in (10) below. The difference between such amount and the total issue price (offer price) for the Japanese Public Offering and the International Offering shall be retained by the Underwriters. DHR shall pay no underwriting commission to the Underwriters. |
| (8) Subscription unit | 1 unit or more in multiples of 1 unit |
| (9) Subscription period
(Japanese Public Offering) | From the business day following the Pricing Date to the date that marks 2 business days after the Pricing Date |
| (10) Payment date | Any day between Monday, March 23, 2015 and Wednesday, March 25, 2015; provided, however, that the date shall be 5 business days after the Pricing Date |
| (11) Delivery date | The business day following the payment date stated in (10) above |
| (12) The issue price (offer price), the amount to be paid in (issue value) and any other matters necessary for this issuance of new investment units shall be determined at future meetings of the board of directors of DHR. | |
| (13) The above items concerning the Japanese Public Offering shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect. | |
2. Secondary offering of investment units (secondary offering through over-allotment)
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| (1) Seller and number of investment units to be sold | A Japanese Underwriter 5,220 units
The above number indicates the maximum number of investment units to be sold. The number may decrease, or the secondary offering through over-allotment itself may not take place at all, depending on demand conditions for the Japanese Public Offering, among other factors. The number of investment units to be sold shall be determined at a meeting of the board of directors of DHR to be held on the Pricing Date, taking into account demand conditions for the Japanese Public Offering, among other factors. |
| (2) Selling price | Undetermined
The selling price shall be determined on the Pricing Date. The selling price shall be the same as the issue price (offer price) for the Japanese Public Offering |
| (3) Total selling price | Undetermined |
| (4) Method of offering | Upon the Japanese Public Offering, a Japanese Underwriter, the bookrunner of the Japanese Public Offering, shall conduct a secondary offering of up to 5,220 units of DHR investment units which will be borrowed from Daiwa House Industry Co., Ltd. (“Designated Party” in certain cases), taking into account demand conditions for the Japanese Public Offering, among other factors. |
| (5) Subscription unit | 1 unit or more in multiples of 1 unit |
| (6) Subscription period | The same as the subscription period as for the Japanese Public Offering |

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- (7) Delivery date The business day following the payment date for the Japanese Public Offering
 - (8) The selling price and any other matters necessary for this secondary offering of investment units shall be determined at future meetings of the board of directors of DHR.
 - (9) The above items shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.
3. Issuance of new investment units through third-party allotment
- (1) Number of investment units to be offered 5,220 units
 - (2) Amount to be paid in (issue value) Undetermined
The amount to be paid in (issue value) shall be determined at a meeting of the board of directors of DHR to be held on the Pricing Date. The amount to be paid in (issue value) shall be the same as the amount to be paid in (issue value) for the Japanese Public Offering.
 - (3) Total amount to be paid in (issue value) Undetermined
 - (4) Allottee and number of investment units to be allotted A Japanese Underwriter 5,220 units
 - (5) Subscription unit 1 unit or more in multiples of 1 unit
 - (6) Subscription period (subscription date) Monday, April 13, 2015
 - (7) Payment date Tuesday, April 14, 2015
 - (8) The DHR investment units not subscribed by the subscription period (subscription date) stated in (6) above shall not be issued.
 - (9) The amount to be paid in (issue value) and any other matters necessary for this issuance of new investment units shall be determined at future meetings of the board of directors of DHR.
 - (10) The above items shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

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<Reference>

1. Secondary offering through over-allotment, etc.

Upon the Japanese Public Offering, a Japanese Underwriter, the bookrunner of the Japanese Public Offering, may conduct a secondary offering (secondary offering through over-allotment) of up to 5,220 units of DHR investment units which will be borrowed from the Designated Party, taking into account demand conditions, among other factors. The number of investment units to be sold in the secondary offering through over-allotment is planned to be 5,220 units, however the number of investment units to be sold indicates the maximum number of investment units to be sold. The number may decrease, or the secondary offering through over-allotment itself may not take place at all, depending on demand conditions, among other factors.

In connection with the secondary offering through over-allotment, DHR adopted a resolution at a meeting of the board of directors of DHR held on Monday, March 3, 2015 to conduct an issuance of new investment units through third-party allotment of 5,220 units of DHR investment units with a Japanese Underwriter as the allottee (the “Third-Party Allotment”), setting Tuesday, April 14, 2015 as the payment date, for the purpose of having the Japanese Underwriter to acquire the DHR investment units it requires to return the DHR investment units which will be borrowed from the Designated Party (“Borrowed Investment Units”).

In addition, during the period from the day following the date on which the subscription period for the Japanese Public Offering and secondary offering through over-allotment ends to Tuesday, April 7, 2015 (“Syndicate Covering Transaction Period”), the Japanese Underwriter may purchase DHR investment units on the Tokyo Stock Exchange, Inc. up to the number of investment units of the secondary offering through over-allotment (“Syndicate Covering Transactions”) for the purpose of returning the Borrowed Investment Units. All DHR investment units that the Japanese Underwriter acquires through the Syndicate Covering Transactions will be used to return the Borrowed Investment Units. During the Syndicate Covering Transaction Period, the Japanese Underwriter may, at its discretion, not conduct the Syndicate Covering Transactions at all, or terminate the Syndicate Covering Transactions before the number of investment units reaches the number of investment units of the secondary offering through over-allotment.

Moreover, the Japanese Underwriter may conduct stabilizing transactions in conjunction with the Japanese Public Offering and secondary offering through over-allotment. The DHR investment units acquired through the stabilizing transactions may, in whole or in part, be used to return the Borrowed Investment Units.

The Japanese Underwriter plans to acquire DHR investment units by accepting the allotment of the Third-Party Allotment for the number of investment units corresponding to the number of investment units acquired through stabilizing transactions and the Syndicate Covering Transactions that are to be used to return the Borrowed Investment Units is deducted from the number of investment units of the secondary offering through over-allotment. For this reason, the number of investment units to be issued through the Third-Party Allotment may not be subscribed in whole or in part and, as a result, the final number of investment units to be issued through the Third-Party Allotment may decrease by the same extent, or the issuance itself may not take place at all, due to forfeiture.

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The transactions above shall be conducted by the Japanese Underwriter in consultation with the other Joint Lead Managers.

2. Changes in number of investment units outstanding associated with the issuance of new investment units

Total number of investment units outstanding as of today	293,480 units	
Increase in number of investment units associated with the issuance of new investment units through public offering	52,000 units	
Total number of investment units outstanding after the issuance of new investment units through public offering	345,480 units	
Increase in number of investment units associated with the Third-Party Allotment	5,220 units	(Note)
Total number of investment units outstanding after the Third-Party Allotment	350,700 units	(Note)

(Note) The number of investment units in the event that the Japanese Underwriter subscribes to all investment units to be issued through the Third-Party Allotment, and the issuance takes place.

3. Purpose and reason for the issuance

DHR believes that acquiring the specified assets (Note) would further enhance the stability of cash flow through expansion of its asset size and increase diversification of the portfolio, as well as secure stable revenues in the long term. DHR decided to issue new investment units considering market trends, financial stability, level of distributions per unit and other factors.

(Note) For details of the specified assets, please refer to the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases” dated March 3, 2015.

4. Amount of funds to be procured, use of the funds and scheduled outlay period

(1) Amount of funds to be procured (approximate net proceeds)

¥31,267,296,800 (maximum)

(Note) The sum total amount of ¥18,465,846,920 in proceeds from the Japanese Public Offering, ¥9,949,033,080 in proceeds from the International Offering and ¥2,852,416,800 in maximum proceeds from the issuance of new investment units through the Third-Party Allotment. In addition, the above amount is the estimated amount calculated based on the closing price in regular trading of DHR investment units on the Tokyo Stock Exchange, Inc. as of Wednesday, February 25, 2015.

(2) Specific use of the funds to be procured and scheduled outlay period

Net proceeds to be procured through the Japanese Public Offering, the International Offering and Third-Party Allotment will be used to fund part of the acquisition of specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter) that DHR plans to acquire. If there are any funds remaining, the funds will be used as cash reserves to fund part of acquisition of specified assets or fund part of repayment of loans in the future. Such remaining funds will be deposited in a financial institution until it's outlaid.

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5. Designation of distributee

The Japanese Underwriters plan to sell 5,200 units of the DHR investment units of the Japanese Public Offering to Daiwa House Industry Co., Ltd. as the purchaser designated by DHR. Daiwa House Industry Co., Ltd. is a unitholder of DHR, as well as a shareholder of DHR's Asset Manager.

6. Future prospects

Please refer to the press release "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" dated March 3, 2015.

7. Restrictions on sale and additional issuance

- (1) In connection with the Japanese Public Offering and the International Offering, DHR plans to request the Designated Party to agree with the Joint Global Coordinators and a Japanese Underwriter that it shall not conduct a transfer, etc. of DHR investment units (however, excluding lending, etc. of DHR investment units associated with the secondary offering through over-allotment) during the period from the Pricing Date to the date that marks one year after the delivery date of the Japanese Public Offering without the prior written consent of the Joint Global Coordinators and the Japanese Underwriter.

The Joint Global Coordinators and the Japanese Underwriter are expected to have the authority to cancel the content of said agreement, in whole or in part, at their discretion even during the period above.

- (2) In connection with the Japanese Public Offering and the International Offering, DHR has agreed with the Joint Global Coordinators that it shall not conduct an issuance, etc. of DHR investment units (however, excluding issuance of new investment units, etc. associated with the Japanese Public Offering, the International Offering, the Third-Party Allotment and split of investment units) during the period from the Pricing Date to the date that marks three months after the delivery date of the Japanese Public Offering without the prior written consent of the Joint Global Coordinators.

The Joint Global Coordinators have the authority to cancel the content of said agreement, in whole or in part, at their discretion even during the period 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/>

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