

December 25, 2014

For Immediate Release

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Notice Concerning Conclusion of Pipeline Supporting Agreements

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that DHR and Daiwa House REIT Management Co., Ltd., the asset manager to whom DHR entrusts the management of its assets (the “Asset Manager”), have decided to conclude memorandums on pipeline support, etc. (hereinafter referred to as “pipeline supporting agreements”) individually with the following three Daiwa House Group companies, as described below.

1. Background of Conclusion of Pipeline Supporting Agreements

By concluding pipeline supporting agreements individually with Daiwa House Industry Co., Ltd. (“Daiwa House”), the sponsor of DHR and parent company of the Asset Manager, as well as with Daiwa Lease Co., Ltd. and Daiwa Odakyu Construction Co., Ltd. which are Daiwa House Group companies, and by maximally utilizing the pipeline support of the Daiwa House Group, DHR aims for steady external and internal growth.

In addition to the above agreements, DHR has decided to conclude pipeline supporting agreements with Daiwa Logistics Co., Ltd., Daiwa Information Service Co., Ltd. and Daiwa Royal Co., Ltd. (the “Supporting Companies”), which are Daiwa House Group companies.

The Supporting Companies are already preferential providers of property information under the pipeline supporting agreement with Daiwa House. However, since Supporting Companies develop and conduct management of logistics properties and retail properties which are targets of investment for DHR, the pipeline supporting agreements are being concluded with Supporting Companies individually to directly conduct exchange of property information, etc. with Supporting Companies and further enhance collaboration with the Daiwa House Group.

2. Overview of Pipeline Supporting Agreements

(1) Content of Support

a. Granting of preferential purchase negotiating rights and preferential provision of property information	<p>In any of the following events, the Supporting Company, or its designated party, shall preferentially provide information concerning properties ahead of third parties and grant a right to preferentially negotiate for purchase and sale, or a preferential negotiating right, to DHR and the Asset Manager:</p> <ul style="list-style-type: none">• In the event that the Supporting Company intends to dispose of qualified properties in Japan held by or to be held after future development by the Supporting Company or a special purpose company in which the Supporting Company invests or to which the Supporting Company outsources the asset management business of real estate (“Group SPC”).
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	<ul style="list-style-type: none"> • In the event that the Supporting Company intends to dispose of qualified properties in Japan held by or to be held after future development by the Supporting Company's consolidated subsidiaries, or the Supporting Company's group companies, other than the Supporting Company or the Group SPC. <p><Outline of preferential negotiating rights></p> <ul style="list-style-type: none"> • DHR and the Asset Manager may consider preferential acquisition during a designated period. • Until the end of such designated period, the Supporting Company shall not provide third parties with information on properties subject to preferential negotiating rights. • As a result of information provision, if the purchase conditions proposed by a third party who has received the information or the disposal conditions proposed to a third party by the grantor of the preferential negotiating right are equivalent to or less favorable than the conditions proposed by DHR and the Asset Manager, the Supporting Company shall reconfirm its intention to provide such property to DHR and the Asset Manager and, upon DHR's and the Asset Manager's request, will renegotiate. <p><Exemptions></p> <p>In any of the following cases, the Supporting Company shall not grant preferential negotiating rights:</p> <ul style="list-style-type: none"> • If the Supporting Company has agreed in advance to transfer qualified properties developed and acquired based on a joint business with a third party or to grant a preferential negotiating right to a third party. • If the Supporting Company has agreed in advance with another co-owner or contributor of the qualified properties to transfer co-ownership interests and contributor's interests under certain conditions or to grant preferential negotiating right to another co-owner or contributor. • If disposal of qualified properties is made pursuant to a request by administrative bodies. • If the Supporting Company is required to grant a preferential negotiating right to a third party based on an agreement with a third party which has been entered into prior to execution of this pipeline supporting agreement.
b. Provision of information concerning properties to be disposed	In the event that DHR and the Asset Manager notify the Supporting Company of a plan to dispose of DHR's assets, the Supporting Company shall preferentially provide DHR and the Asset Manager with information of parties who wish to purchase or parties reasonably deemed willing to purchase the properties to be disposed of prior to providing the information to third parties.
c. Provision of leasing support business	In DHR's interest, the Supporting Company shall attempt to keep an up-to-date understanding of leasing demand trends and provide leasing support, such as formulation of an effective leasing strategy concerning the qualified properties DHR intends to acquire and properties owned by DHR, and make maximum efforts to enable DHR to secure tenants quickly.
d. Other support	Upon DHR's and the Asset Manager's request, the Supporting Company shall, to the extent it does not violate applicable laws and regulations, provide the Asset Manager with advice and assistance concerning the acquisition and management of real estate, provide materials and information necessary to make investment judgments and provide any other necessary support.
e. Effective period	The effective period of the pipeline supporting agreement shall be ten years from the execution date of the agreement. Unless a request is made by either party of the agreement in writing to all other parties prior to a month before the expiration, it shall be extended for five years from the day after the expiration date, and the same shall apply subsequently.

(2) Conclusion Date of Pipeline Supporting Agreements

December 25, 2014 (scheduled)

3. Overview of Counterparties of Pipeline Supporting Agreements

Name	Daiwa Logistics Co., Ltd.	Daiwa Information Service Co., Ltd.	Daiwa Royal Co., Ltd.
Location	1-5-16 Awaza, Nishi-ku, Osaka	7-14-4 Ueno, Taito-ku, Tokyo	2-18-2 Iidabashi, Chiyoda-ku, Tokyo
Representative	Isamu Ogata, President	Katsuyuki Fujita, President	Ken Harada, President
Business activities	Transportation	Real estate management	Real estate management
Capital	3,764 million yen	200 million yen	500 million yen
Foundation date	August 29, 1959	January 8, 1986	April 23, 1991
Net assets	19,312 million yen	12,872 million yen	15,754 million yen
Total assets	47,892 million yen	99,786 million yen	125,045 million yen
Relationships with DHR and the Asset Manager			
Capital relationship	There is no capital relationship required to be stated between DHR/the Asset Manager and the companies concerned. The companies concerned are subsidiaries of the Asset Manager’s parent company, Daiwa House.		
Personnel relationship	There is no personnel relationship required to be stated between DHR/the Asset Manager and the companies concerned.		
Business relationship	The company concerned is a lessee of DHR’s owned property.	DHR entrust property management services and services as master lease company to the companies concerned.	
Status of classification as related party	The companies concerned fall under being a related party of DHR/the Asset Manager.		

*Capital, net assets and total assets are as of March 31, 2014.

4. Outlook

The conclusion of pipeline supporting agreements will have no impact on the forecasts of results for the fiscal period ending February 2015 (from September 1, 2014 to February 28, 2015) and the fiscal period ending August 2015 (from March 1, 2015 to August 31, 2015).

* 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>