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For Immediate Release

Investment Corporation:
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Notice Concerning Acquisition of Asset (UNICUS Takasaki)

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has decided to acquire an asset as follows.

1. Acquisition Details

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|---|---|
| (1) Asset type: | Trust beneficiary interest in real estate (Note 1) |
| (2) Name of property: | UNICUS Takasaki |
| (3) Planned acquisition price: | 2,570 million yen (excluding acquisition-related costs and consumption tax, etc.) |
| (4) Execution date of the purchase agreement: | March 27, 2013 (planned) |
| (5) Planned date of acquisition: | March 27, 2013 (planned date of settlement and transfer) |
| (6) Seller: | Domestic operating company (Note 2) |
| (7) Acquisition funds: | Borrowings and cash on hand (Note 3) |
| (8) Method of settlement: | Payment of entire amount upon transfer |

(Note 1) DHR has agreed in the purchase agreement with the seller that on the acquisition date the seller will establish the real estate as trust with Sumitomo Mitsui Trust Bank, Limited as of the same date and that DHR will take over the trust beneficiary interest in real estate as of the same date.

(Note 2) Undisclosed as consent for disclosure has not been obtained from the seller.

(Note 3) For details of the borrowings please refer to the press release “Notice Concerning Debt Financing” dated today.

2. Rationale

Based on the targets and policies of asset management prescribed in its Articles of Incorporation, DHR decided to acquire the property having deemed that the acquisition would expand the asset size, increase the portfolio’s stability and secure stable revenues in the long term.

3. Property Details

(1) Property Overview

Property number	UNICUS Takasaki		Use	Retail	
R-M-4			Type	Mall type	
Overview of Specified Asset					
Type of specified asset	Trust beneficiary interest in real estate (planned)		Overview of building condition evaluation	Evaluation company	TOKIO MARINE & NICHIDO RISK CONSULTING CO., LTD.
Planned date of acquisition	March 27, 2013			Evaluation period	March 2013
Planned acquisition price	2,570 million yen			Urgent repair costs	0 yen
Overview of trust beneficiary interest	Trust establishment	March 27, 2013 (planned)		Short-term repair costs	0 yen
	Trustee	Sumitomo Mitsui Trust Bank, Limited (planned)	Long-term repair costs	77,378,000 yen/12 years (annual average: 6,448,000 yen)	
	Trust Maturity date	March 31, 2023 (planned)	PML	1.0%	
Land	Location	1150-5 Aza-Nishikanai, Iizukamachi, Takasaki-shi, Gunma, etc.	Building	Structure / floors	Steel frame, 2 floors
	Land area	19,256.35m ²		Date of construction	November 5, 2008
	Area classification	Neighborhood commercial zone / Class II residential zone		Gross floor area	9,801.89m ²
	Building coverage ratio / FAR	80% / 200% and 60% / 200%		Use	Retail
	Type of ownership	Ownership		Type of ownership	Ownership
Total leasable area	9,277.08m ²		Designer	Sumitomo Mitsui Construction Co., Ltd.	
Total leased area	9,277.08m ²		Structural designer	Sumitomo Mitsui Construction Co., Ltd.	
Occupancy rate	100.0%		Contractors	Sumitomo Mitsui Construction Co., Ltd. and Iwahori Construction Industry Co., Ltd.	
Master lease company	P & D Consulting Co., Ltd.		Inspection agency	The Building Center of Japan	
Property management company	P & D Consulting Co., Ltd.		Structural calculation evaluation agency	—	
Number of tenants	1		Collateral	None	
Special items: None					

(Note) DHR has agreed in the purchase agreement with the seller that on the acquisition date the seller will establish the real estate as trust with the above trustee as of the same date and that DHR will take over the trust beneficiary interest in real estate as of the same date.

(2) Overview of Leasing

Overview of Leasing				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
P & D Consulting Co., Ltd.	9,277.08m ²	259,740,000 yen	From November 20, 2008 to November 19, 2028	151,515,000 yen
Contract form:	Sublease-type master lease agreement			
Rent revision:	Rent will be revised in principal every three years with the lease agreement date as the starting date by consultation taking into consideration changes in the economic climate upon consideration of increase or decrease of taxes and public dues, rise or fall in the land and building prices, rental conditions of neighboring buildings, etc.			
Contract renewal:	No renewal; the contract will end upon expiration of the lease period.			
Early cancellation:	Cancellation of the lease agreement is prohibited for 10 years from the day that leasing begins.			

(3) Overview of Property Appraisal

Overview of Property Appraisal	
Appraiser	Japan Real Estate Institute
Appraisal value	2,690 million yen
Appraisal date	February 28, 2013
Value based on direct capitalization method	2,690 million yen
Net operating income (NOI)	195 million yen
Net cash flow (NCF)	194 million yen
Direct cap rate	7.2%
Value based on DCF method	2,680 million yen
Discount rate	6.9%
Terminal cap rate	7.4%
Value based on cost method	2,680 million yen
Proportion of land	63.6%
Proportion of building	36.4%

(Note) NOI and NCF are rounded to the nearest million yen.

(4) Property Characteristics

Property Characteristics				
<p>■ Location The property is located 2km north of JR Takasaki Station. The parking lot is easily accessible as cars can directly enter from the four-lane residential road (Chuo-dori) that connects central Takasaki to the Takasaki loop route. The parking lot accommodates approx. 345 cars on ground and rooftop.</p>				
<p>■ Tenant composition With the supermarket Yaoko as the core tenant, the property also has Sugi Pharmacy (drug store), SHOO-LA-RUE, Honeys (apparel), ABC Mart (shoes), Daiso (100 yen shop) and other daily life service providers.</p>				
<p>■ Trade area characteristics There is a population of 16,000 in the 1km trade area, 115,000 in the 3km trade area and 220,000 in the 5km trade area. This is a standard population size for a central regional city. Furthermore, the drive-time trade area is sufficiently wide as the 3km area can be traveled in 15 minutes by car. There are many single food supermarkets nearby but few shopping centers that have a collection of specialty shops, and the property's locational conditions are sufficient.</p>				
Trade area population	Distance from the property	1km trade area	3km trade area	5km trade area
2011	Population	16,424	114,734	219,634
	Number of households	7,569	51,055	93,909
2012	Population	16,304	114,868	219,657
	Number of households	7,541	51,381	94,561

Source: Basic Resident Register

(5) Seller Profile

The seller is a domestic operating company. The name of the seller is not disclosed as consent for disclosure has not been obtained from the seller. Furthermore, the seller is not a related party, etc. as defined in the Act on Investment Trusts and Investment Corporations and is not a related party as defined in the Asset Management Company's regulations concerning conflicts of interest.

4. Status of the Seller

The acquisition is not from a seller which is a related party, etc. as defined in the Act on Investment Trusts and Investment Corporations or a related party as defined in the Asset Management Company's regulations concerning conflicts of interest.

5. Brokerage

(1) Overview of the Broker

1. Name	Sumitomo Mitsui Trust Bank, Limited
2. Location	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
3. Representative	Hitoshi Tsunekage, President
4. Business activities	Trust banking business
5. Capital	342,037 million yen
6. Foundation date	July 28, 1925
7. Relationship with DHR or its Asset Management Company	
Capital relationship	There is no capital relationship required to be stated between DHR/the Asset Management Company and Sumitomo Mitsui Trust Bank. Furthermore, the affiliated persons and affiliated companies of Sumitomo Mitsui Trust Bank do not fall under the Capital Relationship of DHR/the Asset Management Company's affiliated persons and affiliated companies.
Personnel relationship	As of February 28, 2013, three of the Asset Management Company's employees have been seconded from Sumitomo Mitsui Trust Bank. The affiliated persons and affiliated companies of Sumitomo Mitsui Trust Bank do not fall under the Personnel Relationship of DHR/the Asset Management Company's affiliated persons and affiliated companies.
Business relationship	Sumitomo Mitsui Trust Bank has been entrusted with DHR's custodian, general administrator, transfer agent and lender. The affiliated persons and affiliated companies of Sumitomo Mitsui Trust Bank do not fall under the Business Relationship of DHR/the Asset Management Company's affiliated persons and affiliated companies.
Status of classification as related party	Sumitomo Mitsui Trust Bank does not fall under the Related Party of DHR/the Asset Management Company. Furthermore, the affiliated persons and affiliated companies of Sumitomo Mitsui Trust Bank do not fall under the Related Party of DHR/the Asset Management Company.

(2) Details and Amount of Brokerage Fees, etc.

The details and amount of brokerage fees, etc. is not shown as consent for disclosure has not been obtained from the broker.

6. Acquisition Schedule

Acquisition decision date:	March 22, 2013
Purchase agreement date:	March 27, 2013 (planned)
Payment date:	March 27, 2013 (planned)
Delivery date:	March 27, 2013 (planned)

7. Outlook

Forecasts of results for the 11th fiscal period (ending August 2013) given the impact of the property acquisition are under examination and are scheduled to be announced by the release of the financial results for the 10th fiscal period (ended February 2013) scheduled for April 12, 2013.

* 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>

< Attachments >

1. Photographs and location map
2. Property portfolio after acquisition

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1. Photographs and location map



2. Property portfolio after acquisition

Property Number	Property Name	(Planned) Acquisition Price (yen in millions)	Portfolio Share (%)	(Planned) Acquisition Date (year/month/day)
L-B-1	D Project Machida	7,600	6.5	2012/11/29
L-B-2	D Project Hachioji	12,600	10.8	2012/11/29
L-B-3	D Project Aikawa-Machi	2,600	2.2	2012/11/28
L-B-4	D Project Shin-Misato	4,440	3.8	2012/11/29
L-B-5	D Project Urayasu I	7,700	6.6	2012/11/28
L-B-6	D Project Urayasu II	21,400	18.3	2012/11/29
L-B-7	D Project Akanehama	2,550	2.2	2012/11/28
L-B-8	D Project Noda	5,100	4.4	2012/11/28
L-B-9	D Project Inuyama	6,650	5.7	2012/11/28
L-B-10	D Project Gifu	900	0.8	2012/11/29
L-B-11	D Project Neyagawa	4,600	3.9	2012/11/28
L-B-12	D Project Sapporo Minami	600	0.5	2012/11/28
L-B-13	D Project Morioka	1,000	0.9	2012/11/29
L-B-14	D Project Sendai Minami	1,250	1.1	2012/11/28
L-B-15	D Project Tsuchiura	2,880	2.5	2012/11/29
L-B-16	D Project Gotenba	950	0.8	2012/11/28
L-B-17	D Project Nishi-Hiroshima	990	0.8	2012/11/28
L-B-18	D Project Fukuoka Umi	3,100	2.6	2012/11/29
L-B-19	D Project Tosu	2,100	1.8	2012/11/29
Logistics Properties Total		89,010	76.0	—
R-M-1	ACROSSMALL Shinkamagaya	7,419	6.3	2007/12/12
R-M-2	FOLEO Hirakata	5,040	4.3	2008/12/11
R-M-3	QiZ GATE URAWA	5,360	4.6	2008/12/11
R-M-4	UNICUS Takasaki	2,570	2.2	2013/3/27
R-R-1	LIFE Sagamihara Wakamatsu	1,650	1.4	2008/12/11
R-R-2	FOLEO Sendai Miyanomori	6,040	5.2	2012/11/29
Retail Properties Total		28,079	24.0	—
Portfolio Total		117,089	100.0	—

(Note) Figures of less than one million yen are rounded down from (planned) acquisition price, and ratios are rounded off to the first decimal places.