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For Immediate Release

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Daiwa House REIT Investment Corporation
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(Code number 3263)

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Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate
(ACROSSPLAZA Miyoshi (Land))

Daiwa House REIT Management Co., Ltd., the asset manager to which Daiwa House REIT Investment Corporation (“DHR”) entrusts the management of its assets, 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 |
| (2) Property name: | ACROSSPLAZA Miyoshi (land) |
| (3) Planned acquisition price: | 3,390 million yen (excluding acquisition-related costs) |
| (4) Execution date of the purchase agreement: | September 30, 2014 (planned) |
| (5) Planned date of acquisition: | September 30, 2014 (planned date of settlement and transfer) |
| (6) Seller: | Daiwa Information Service Co., Ltd. |
| (7) Acquisition funds: | Cash on hand and proceeds from debt financing (Note) |
| (8) Method of settlement: | Payment of entire amount upon transfer |

(Note) For details, please refer to the press release “Notice Concerning Debt Financing” announced today.

2. Rationale

Based on the targets and policies of asset management prescribed in DHR’s Articles of Incorporation, Daiwa House REIT Management Co., Ltd. decided to acquire the property having deemed that the acquisition would expand the asset size, further increase the stability of cash flow through increased portfolio diversification and secure stable revenues in the long term.

Following the acquisition of ACROSSPLAZA Inazawa (land) on February 25, 2014, the property will be acquired through the utilization of collaboration with the Daiwa House Group, as Daiwa Information Service Co., Ltd., a Daiwa House Group company, is acquiring a property (land and building) from a third party and selling the land of the property to DHR.

3. Property Details

(1) Property Overview

Property number	ACROSSPLAZA Miyoshi (land)		Use	Retail	
R-M-5			Category	Mall type	
Overview of Specified Asset					
Type of specified asset	Trust beneficiary interest in real estate		Overview of building condition evaluation	Evaluation company	—
Planned date of acquisition	September 30, 2014			Evaluation period	—
Planned acquisition price	3,390 million yen			Urgent repair costs	—
Overview of trust beneficiary interest	Trust establishment date	September 7, 2005		Short-term repair costs	—
	Trustee	Sumitomo Mitsui Trust Bank, Limited (planned) (Note)	Long-term repair costs	—	
	Trust Maturity date	September 30, 2024	PML	—	
Land	Location	855-403 Aza Kitashinno, Oaza Fujikubo, Miyoshi-machi, Iruma-gun, Saitama	Building	Structure / floors	—
	Land area	24,018m ²		Date of construction	—
	Area classification	Class II residential zone/ class I low-rise exclusive residential zone		Gross floor area	—
	Building coverage ratio / FAR	60% / 200% 50% / 80%		Use	—
	Type of ownership	Ownership		Type of ownership	—
Total leasable area	24,018m ²		Designer	—	
Total leased area	24,018m ²		Structural designer	—	
Occupancy rate	100.00%		Contractor	—	
Master lease company	—		Inspection agency	—	
Property management company	—		Structural calculation evaluation agency	—	
Number of tenants	1		Collateral	None	
Special items: None					

(Note) Trustee of the property is scheduled to be changed from the current trustee, Mizuho Trust & Banking Co., Ltd. to Sumitomo Mitsui Trust Bank, Limited on September 30, 2014.

(2) Overview of Leasing

Overview of Leasing				
Lessee	Leased area	Annual rent (excluding consumption tax)	Contract period	Tenant leasehold and security deposit
Mizuho Trust & Banking Co., Ltd. (Note)	24,018m ²	188,568,000 yen	From September 30, 2014 to September 29, 2034	188,568,000 yen
Contract form:	Fixed-term leasehold agreement for business			
Rent revision:	During the leasehold period, the lessor and the lessee shall revise the rent on October 1 of each year, with October 1, 2015 set as the first such revision date.			
Contract renewal:	If the lessor or lessee wishes to renew the agreement, a notification shall be sent to the other party before six months from the date of expiry. In such a case, the lessor and lessee shall discuss in good faith the renewal of the agreement and the conditions. The renewed agreement shall be concluded after agreement has been reached through such discussions.			
Early cancellation:	The lessor and lessee may not terminate the lease agreement for personal reasons before the expiry of the leasehold period, with the exception of situations prescribed in the lease agreement.			

(Note) Trust beneficiary of the building located on the property is Daiwa Information Service Co., Ltd.

(3) Overview of Property Appraisal

Overview of Property Appraisal	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	3,540 million yen
Appraisal date	September 1, 2014
Value based on direct capitalization method	3,540 million yen
Net operating income (NOI) for first fiscal year	169 million yen
Net cash flow (NCF) for first fiscal year	173 million yen
Discount rate	5.0%

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

(4) Property Characteristics

Property Characteristics				
<p>■ Location</p> <p>The property is located in the southern part of Saitama Prefecture, approx. 30km from central Tokyo. From Tsuruse Station, the nearest station to the property, it is about a 30-minute train ride to Ikebukuro Station on the Tobu Tojo Line. Because of this accessibility, the area has many workers and students commuting to workplaces and schools in the Tokyo metropolitan area.</p> <p>The property is surrounded by a mix of residences, retail properties, manufacturing plants and agricultural land. Warehouses and logistics facilities are also located in the area because of its proximity to the Kan-Etsu Expressway Tokorozawa Interchange.</p> <p>The facility on the property is situated along the Kawagoe-Kaido street. Although the street in front of the property is a two lane road and is narrow, it is a highly convenient road running north and south. As such, it not only serves as an important residential road but also meets a growing need for retailers to open roadside shops. With car entrances available both along the Kawagoe-Kaido street and the road on the northern side, the property provides an easy access by car and bicycle as well as on foot.</p>				
<p>■ Tenant composition</p> <p>Anchored by Yaoko, a food supermarket, the shopping center on the property is comprised of 24 tenants including home appliance mass merchant Kojima, hundred-yen shop The Daiso, CD-DVD rental shop TSUTAYA and drugstore Sugi Pharmacy.</p>				
<p>■ Trade area characteristics</p> <p>The trade area has a population size that is typical for a suburban area, and the population shows a growing trend. With a residential town in the hinterland, there is a solid source of regular customers.</p> <p>Although the competition environment is harsh, ACROSSPLAZA Miyoshi has a high competitive advantage in terms of daily necessities as it is the sole NSC (neighborhood shopping center) located along the Kawagoe-Kaido street.</p>				
Trade area population	Distance from the property	1km trade area	3km trade area	5km trade area
2012	Population	17,537	156,256	377,797
	Number of households	7,181	65,812	161,782
2013	Population	17,793	158,711	386,009
	Number of households	7,330	67,373	166,669

Source: Basic Resident Register

4. Seller Profile

1.	Name	Daiwa Information Service Co., Ltd.
2.	Location	7-14-4 Ueno, Taito-ku, Tokyo
3.	Representative	Katsuyuki Fujita, President
4.	Business activities	Real estate management
5.	Capital	200 million yen (as of March 31, 2014)
6.	Foundation date	January 8, 1986
7.	Net assets	12,872 million yen (as of March 31, 2014)
8.	Total assets	99,786 million yen (as of March 31, 2014)
9.	Relationships with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship required to be stated between DHR/the Asset Manager and Daiwa Information Service. Daiwa Information Service is a subsidiary of the Asset Manager's parent company, Daiwa House Industry Co., Ltd.
	Personnel relationship	There is no personnel relationship required to be stated between DHR/the Asset Manager and Daiwa Information Service.
	Business relationship	DHR entrusts property management services and services as master lease company to Daiwa Information Service.
	Status of classification as related party	Daiwa Information Service falls under being a related party of DHR/the Asset Manager.

5. Related Party Transactions

As Daiwa Information Service, which is the seller of the property and the trust beneficiary of the building, is a related party, etc. as defined in the Act on Investment Trusts and Investment Corporations, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its voluntary rules based on its regulations concerning conflicts of interest.

6. Status of the Seller

Property acquisitions from parties with particular interests are as follows. The table below notes (1) the name of the company; (2) the relationship with a party that has a particular interest; and (3) the circumstances behind and reason for the acquisition.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date
R-M-5 ACROSSPLAZA Miyoshi (land) (855-403 Aza Kitashinno, Oaza Fujikubo, Miyoshi- machi, Iruma-gun, Saitama)	(1) Daiwa Information Service Co., Ltd. (2) Subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager (3) Acquisition for investment management purposes	A party which does not have any particular interests
	3,270 million yen	—
	March 2014	—

7. Brokerage

None

8. Acquisition Schedule

- | | |
|---|------------------------------|
| (1) Acquisition decision date: | September 26, 2014 |
| (2) Execution date of the purchase agreement: | September 30, 2014 (planned) |
| (3) Payment date: | September 30, 2014 (planned) |
| (4) Delivery date: | September 30, 2014 (planned) |

9. Outlook

This acquisition will have minimal impact on the forecasts of results for the fiscal period ending February 2015 (from September 1, 2014 to February 28, 2015), thus there is no revision to the forecasts.

* 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

< Attachments >

1. Photographs and location map



2. Property portfolio after acquisition

Property number	Property name	Acquisition price (planned) (yen in millions) (Note)	Investment ratio (%) (Note)	Acquisition date (planned) (year/month/day)
L-B-1	D Project Machida	7,600	5.2	2012/11/29
L-B-2	D Project Hachioji	12,600	8.5	2012/11/29
L-B-3	D Project Aikawa-Machi	2,600	1.8	2012/11/28
L-B-4	D Project Shin-Misato	4,440	3.0	2012/11/29
L-B-5	D Project Urayasu I	7,700	5.2	2012/11/28
L-B-6	D Project Urayasu II	21,400	14.5	2012/11/29
L-B-7	D Project Akanehama	2,550	1.7	2012/11/28
L-B-8	D Project Noda	5,100	3.5	2012/11/28
L-B-9	D Project Inuyama	6,650	4.5	2012/11/28
L-B-10	D Project Gifu	900	0.6	2012/11/29
L-B-11	D Project Neyagawa	4,600	3.1	2012/11/28
L-B-12	D Project Sapporo Minami	600	0.4	2012/11/28
L-B-13	D Project Morioka	1,000	0.7	2012/11/29
L-B-14	D Project Sendai Minami	1,250	0.8	2012/11/28
L-B-15	D Project Tsuchiura	2,880	2.0	2012/11/29
L-B-16	D Project Gotenba	950	0.6	2012/11/28
L-B-17	D Project Nishi-Hiroshima	990	0.7	2012/11/28
L-B-18	D Project Fukuoka Umi	3,100	2.1	2012/11/29
L-B-19	D Project Tosu	2,100	1.4	2012/11/29
L-B-20	D Project Kuki I	3,500	2.4	2014/4/1
L-B-21	D Project Kuki II	7,200	4.9	2014/4/1
L-B-22	D Project Kawagoe I	3,100	2.1	2014/4/1
L-B-23	D Project Kawagoe II	4,250	2.9	2014/4/1
L-B-24	DPL Inuyama	3,380	2.3	2014/4/1
L-B-25	D Project Fukuoka Hakozaki	3,700	2.5	2014/4/1
25 Logistics Properties Total		114,140	77.4	—
R-M-1	ACROSSMALL Shinkamagaya	7,419	5.0	2007/12/12
R-M-2	FOLEO Hirakata	5,040	3.4	2008/12/11
R-M-3	QiZ GATE URAWA	5,360	3.6	2008/12/11
R-M-4	UNICUS Takasaki	2,570	1.7	2013/3/27
R-M-5	ACROSSPLAZA Miyoshi (land)	3,390	2.3	2014/9/30
R-R-1	LIFE Sagamihara Wakamatsu	1,650	1.1	2008/12/11
R-R-2	FOLEO Sendai Miyanomori	6,040	4.1	2012/11/29
R-R-3	ACROSSPLAZA Inazawa (land)	1,944	1.3	2014/2/25
8 Retail Properties Total		33,413	22.6	—
Portfolio Total of 33 Properties		147,553	100.0	—

(Note) Figures of acquisition price (planned) are rounded to the nearest million yen and investment ratios are rounded to the nearest tenth.