

May 26, 2016

For Immediate Release

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Notice Concerning Debt Financing and Repayment of Loan

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has decided today to conduct debt financing and repayment of loan as described below.

1. Details of debt financing

Category	Lender	Anticipated borrowing amount (millions of yen)	Borrowing period	Interest rate	Floating/ fixed	Anticipated date of execution	Repayment due date	Method of repayment	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	1,000	1 year	Base interest rate +0.175% (Note)	Floating	June 1, 2016	June 1, 2017	Bullet repayment	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,000	1 year	Base interest rate +0.175% (Note)	Floating				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000	1 year	Base interest rate +0.175% (Note)	Floating				
	Mizuho Bank, Ltd.	1,000	1 year	Base interest rate +0.175% (Note)	Floating				
Total		4,000							

(Note) The interest payment dates will be the last day of every month for the period from the anticipated date of execution to the repayment due date excluding the last day of May 2017, and the repayment due date (in case such date is not a business day, the following business day will be the date, however, in case this following business day falls into the following month, the immediately preceding business day will be the date). JBA 1 month Japanese yen TIBOR as of 11 A.M. on two business days prior to the latest interest payment date (initially the anticipated date of execution) will be used as the base rate to calculate the applicable interest rate for the current calculation period. For the JBA Japanese yen TIBOR, which is the base rate, please refer to JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).

2. Reason for conducting the debt financing

DHR will conduct the debt financing to refinance its existing loan due June 1, 2016.

3. Details of the existing loan to be repaid

Category	Lender	Borrowing amount (millions of yen)	Borrowing period	Interest rate	Floating/ fixed	Date of execution	Repayment due date	Method of repayment	Collateral
Short-term	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.	4,000	1 year	Base interest rate +0.20%	Floating	June 1, 2015	June 1, 2016	Bullet repayment	Unsecured and non-guaranteed

4. Status of interest-bearing debt after the debt financing

(Unit: millions of yen)

	Before	After	Increase/Decrease
Short-term loans (Note)	4,000	4,000	0
Long-term loans (Note)	96,000	96,000	0
Total loans	100,000	100,000	0
Investment corporation bonds	2,000	2,000	0
Total of loans and investment corporation bonds	102,000	102,000	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	102,000	102,000	0

(Note) Short-term loans are loans with maturity periods of one year or less and long-term loans are loans with maturity periods of more than one year. Further, long-term loans with maturity periods of less than one year until the repayment due date as of each date are also included in long-term loans.

5. Other

For the risks concerning repayment, etc., of the debt financing, there are no changes in the “Investment Risks” stated in the Japanese language securities report submitted on May 26, 2016.

* 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/>