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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 decided today to conduct debt financing and repayment of loan as follows.

1. Loans to be executed on September 28, 2016

(1) Details of the debt financing

Category	Lender	Anticipated borrowing amount (million yen)	Borrowing period	Interest rate	Floating / fixed	Anticipated date of execution	Principal repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited; Mizuho Trust & Banking Co., Ltd.; Shinsei Bank, Limited; Shinkin Central Bank; The Bank of Fukuoka	9,000	9.0 years	TBD (Note 1) (Note 2)	Fixed	September 28, 2016	September 29, 2025	Bullet repayment	Unsecured and non-guaranteed
	Development Bank of Japan, Inc.	1,000	10.0 years	TBD (Note 2) (Note 3)	Fixed		September 28, 2026		
Total		10,000							

(Note 1) The first interest payment date will be last day of November 2016 and subsequent interest payment dates will be the last day of the months of February, May, August, and November and the principal repayment 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).

(Note 2) Interest rate will be announced once determined.

(Note 3) The first interest payment date will be the last day of February 2017 and subsequent interest payment dates will be the last day of the months of August and February and the principal repayment 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).

(2) Reason for conducting the debt financing

DHR will conduct the debt financing to use as part of the funds for acquiring the anticipated acquisitions (six properties of which total anticipated acquisition price is 17,210 million yen) as described in the press release dated April 15, 2016 “Notice Concerning Acquisition of Trust Beneficial Interests in Domestic Real Estate and Leasing of Assets” as well as other related expenses.

2. Loans to be executed on September 30, 2016

(1) Details of the debt financing

Category	Lender	Anticipated borrowing amount (million yen)	Borrowing period	Interest rate	Floating / fixed	Anticipated date of execution	Principal repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited; The Norinchukin Bank; The Chiba Bank, Ltd.; Shinsei Bank, Limited	9,900	3.5 years	Base interest rate +0.15% (Note 1)	Floating	September 30, 2016	March 31, 2020	Bullet repayment	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Aozora Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited; Shinsei Bank, Limited	10,400	6.5 years	TBD (Note 2) (Note 3)	Fixed		March 31, 2023		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; Aozora Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited; Shinsei Bank, Limited	11,000	7.5 years	TBD (Note 2) (Note 3)	Fixed		March 29, 2024		
Total		31,300							

(Note 1) The interest payment dates will be the last day of every month for the period from the anticipated date of execution to the principal repayment date (excluding the anticipated date of execution and the principal repayment date) and the principal repayment 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/>).

(Note 2) The first interest payment date will be the last day of November 2016 and subsequent interest payment dates will be the last day of the months of February, May, August, and November and the principal repayment 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).

(Note 3) Interest rate will be announced once determined.

(2) Reason for conducting the debt financing

DHR will conduct the debt financing to partly refinance its existing loan due September 30, 2016.

(3) Details of the existing loan to be repaid

Category	Lender	Borrowing amount (million yen)	Borrowing period	Interest rate	Floating / fixed	Date of execution	Principal repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Aozora Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited; Shinsei Bank, Limited	31,800	5.0 years	1.096%	Fixed	September 30, 2011	September 30, 2016	Bullet repayment	Unsecured and non-guaranteed

(Note) The balance of 500 million yen between the repayment amount of 31,800 million yen and the debt financing amount of 31,300 million yen described in section 2. (1) above will be repaid by cash on hand.

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

(Unit: million yen)

	Before (as of September 16, 2016)	After (as of September 30, 2016)	Increase / Decrease
Short-term loans	14,000	14,000	0
Current portion of long-term loans	74,295	42,495	(31,800)
Long-term loans	144,368	185,668	41,300
Total loans	232,663	242,163	9,500
Investment corporation bonds	11,000	11,000	0
Total interest-bearing debt	243,663	253,163	9,500

4. Other

For the risks concerning this matter, there are no changes from the Japanese language securities report submitted on May 27, 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.co.jp/en/>