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Daiwa House REIT Investment Corporation 2-4-8, Nagatacho, Chiyoda-ku, Tokyo Jiro Kawanishi, Executive Director (TSE Code: 8984)

Asset Manager:

Daiwa House Asset Management Co., Ltd. Koichi Tsuchida, President and CEO Inquiries:
Haruto Tsukamoto, Director and CFO TEL. +81-3-3595-1265

Notice Concerning Property Using Seismic Isolation Oil Dampers Manufactured by KYB Corporation and Kayaba System Machinery

The Ministry of Land, Infrastructure, Transport and Tourism made an announcement titled "Nonconformance to the certification standard of the Minister of Land, Infrastructure, Transport and Tourism and other standards of seismic isolation and vibration control oil dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd." on October 16, 2018.

Daiwa House REIT Investment Corporation ("DHR") hereby announces that DHR checked the properties DHR owns as of today and found that one property (the "Property") uses seismic isolation oil dampers manufactured by KYB Corporation ("KYB") and Kayaba System Machinery Co., Ltd. ("Kayaba System Machinery") that are not conforming to the performance standard of the Minister's certification or the performance standard based on the contracts with the customers of Kayaba Corporation and Kayaba System Machinery by the falsification of performance record data in the inspection process (the "Nonconforming Products").

KYB has announced its policy of promptly replacing the Nonconforming Products.

DHR will make an announcement if it finds any new fact that would have a major impact on the DHR's operating results.

^{*} 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: https://www.daiwahouse-reit.co.jp/en/