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For Immediate Release

Investment Corporation:

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Notice Concerning Debt Financing and Redemption of Investment Corporation Bonds

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it decided today to conduct debt financing and redemption of investment corporation bonds as follows.

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	Mitsui Sumitomo Insurance Company, Ltd.	1,000	7.1 years	TBD (Note1) (Note2)	Fixed	March 9, 2017	March 29, 2024	Bullet repayment	Unsecured and non-guaranteed
	Development Bank of Japan Inc.	2,000	10.1 years				March 31, 2027		
Total		3,000							

(Note 1) The first interest payment date will be the last day of August 2017 and subsequent interest payment dates will be the last day of the months of February and August 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.

2. Reason for conducting the debt financing

DHR will procure the debt financing to refinance the investment corporation bonds in the amount of 3,000 million yen scheduled for redemption on March 9, 2017.

3. Details of the scheduled redemption of investment corporation bonds

Name of investment corporation bonds	Amount of investment corporation bonds (million yen)	Issue period	Interest rate	Floating/ fixed	Issue date	Redemption date	Method of redemption	Collateral
Daiwa House Residential Investment Corporation 1st Unsecured Investment Corporation Bonds	3,000	5 years	1.12%	Fixed	March 9, 2012	March 9, 2017	Bullet redemption	Unsecured and non-guaranteed

4. Status of interest-bearing debt after the debt financing and redemption of investment corporation bonds

(Unit: million yen)

	Before (as of February 17, 2017)	After (as of March 9, 2017)	Increase / Decrease
Short-term loans	6,000	6,000	0
Current portion of long-term loans	43,495	43,495	0
Long-term loans	184,668	187,668	3,000
Total loans	234,163	237,163	3,000
Investment corporation bonds	19,000	16,000	(3,000)
Total interest-bearing debt	253,163	253,163	0

5. Other

For the risks concerning this matter, there are no changes from the Japanese language securities report submitted on November 25, 2016.

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* DHR’s website: <http://www.daiwahouse-reit.co.jp/en/>