

March 1, 2017

For Immediate Release

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Notice Concerning Debt Financing, Repayment and Prepayment of Loans

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

1. Loan agreements to be executed on March 31, 2017

(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	Mizuho Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Trust & Banking Co., Ltd.	10,000	6.5 years	TBD (Note 1) (Note 2)	Fixed	March 31, 2017	September 29, 2023	Bullet repayment	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation; Aozora Bank, Ltd.; Shinkin Central Bank; Mitsubishi UFJ Trust and Banking Corporation; Resona Bank, Limited	11,000	8.0 years				March 31, 2025		
Total		21,000							

(Note 1) The first interest payment date will be the last day of May 2017 and subsequent interest payment dates will be the last day of the months of each of the following three months and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).

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

Disclaimer: This announcement is prepared for the public disclosure of debt financing, repayment of loan and prepayment of loan of DHR and has not been prepared for the purpose of soliciting investment.

(2) Reason for conducting debt financing

On March 31, 2017, DHR will conduct the debt financing to repay its existing long-term loans due March 31, 2017 and prepay its short-term loans due April 28, 2017.

The difference of 95 million yen between the total of 21,095 million yen for both repayment of long-term loans (total of 15,095 million yen) and prepayment of short-term loans (total of 6,000 million yen) and the anticipated debt financing of 21,000 million yen described in section 1.(1) above will be paid with cash on hand.

(3) Details of the existing long-term loans 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; Aozora Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Shinkin Central Bank	7,000	5.0 years	1.025%	Fixed	March 27, 2012	March 31, 2017	Bullet repayment	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Mizuho Trust & Banking Co., Ltd.	7,000	5.0 years	1.025%	Fixed	March 27, 2012	March 31, 2017		
	Resona Bank, Limited	1,095	5.0 years	0.65727% (Note)	Floating	March 26, 2012	March 31, 2017		
Total		15,095							

(Note) The interest rate is applicable for the period from December 30, 2016 to March 31, 2017.

(4) Details of the existing short-term loans to be prepaid

Category	Lender	Borrowing amount (million yen) (Note 1)	Interest rate	Floating / fixed	Date of execution	Principal repayment date	Early repayment date
Short-term	Sumitomo Mitsui Trust Bank, Limited	750	0.205% (Note 2)	Floating	May 1, 2015	April 28, 2017	March 31, 2017
	Sumitomo Mitsui Banking Corporation	750					
	Mizuho Bank, Ltd.	2,250					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,250					
Total		6,000					

(Note 1) As described in “Notice Concerning Issuance of Investment Corporation Bonds and Prepayment of Short-Term Loans” on December 14, 2016, DHR prepaid certain amount on December 30, 2016, and the borrowing amounts above are the remaining amount as of the date hereof.

(Note 2) The interest rate is applicable for the period from February 28, 2017 to March 31, 2017.

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2. Loan agreements to be executed on April 11, 2017

(1) Details of the debt financing

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.; The Norinchukin Bank; Nippon Life Insurance Company	9,500	4.1 years	TBD (Note 1) (Note 2)	Fixed	April 11, 2017	April 30, 2021	Bullet repayment	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Resona Bank, Limited; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Trust & Banking Co., Ltd.; Shinsei Bank, Limited; The Bank of Fukuoka, Ltd.	10,000	9.1 years				April 30, 2026		
	Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Trust & Banking Co., Ltd.	10,000	11.0 years				April 28, 2028		
Total		29,500							

(Note 1) The first interest payment date will be the last day of May 2017 and subsequent interest payment dates will be the last day of the months of each of the following three months and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).

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

(2) Reason for conducting the debt financing

DHR will conduct the debt financing to use as part of the funds for acquiring the trust beneficiary interests of the anticipated acquisitions (15 properties with total anticipated acquisition price of 67,911 million yen), as announced today in the press release “Notice Concerning Acquisition and Leasing of Trust Beneficiary Interests in Domestic Real Estate”, and other related expenses.

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3. Status of interest-bearing debt after the debt financing, repayment and prepayment of loans

(Unit: million yen)

	Before (as of March 1, 2017)	After (as of April 11, 2017)	Increase / Decrease
Short-term loans	6,000	0	(6,000)
Current portion of long-term loans	43,495	28,400	(15,095)
Long-term loans	184,668 (Note)	238,168	53,500
Total loans	234,163	266,568	32,405
Investment corporation bonds	19,000 (Note)	16,000	(3,000)
Total interest-bearing debt	253,163	282,568	29,405

(Note) As announced in the press release “Notice Concerning Debt Financing and Redemption of Investment Corporation Bonds” on February 17, 2017, 3,000 million yen of investment corporation bonds is scheduled to be redeemed on March 9, 2017 (remaining amount of investment corporation bonds will be 16,000 million yen after the redemption), and 3,000 million yen of long-term loan is scheduled to be borrowed to fund for redemption (remaining aggregate amount of long-term loans will be 187,668 million yen after the debt financing).

4. Other

For the risks concerning this matter, there are no changes from the security registration statement submitted on March 1, 2017.

* 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/>

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