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For Immediate Release

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Notice Concerning the Proposed Partial Disposition of
Trust Beneficiary Rights in Real Estate

Daiwa House Residential Investment Corporation (“DHI”) announces its decision today to partially dispose trust beneficiary rights in real estate (the “Disposition”) as follows:

1. Disposition Details

- | | | |
|--|---|--|
| ① Property Name | : | Aprile Tarumi (part of land) |
| ② Asset Type | : | Trust beneficiary rights in real estate (part of land)) |
| ③ Sale Site Area (planned) | : | 220.82 m ² (about 3.8% of the area of the land recorded in the register) (Note 1) |
| ④ Site Area of the Property After the Disposition | : | 5,487.66 m ² (planned) |
| ⑤ Sale Price (planned) | : | ¥30,031,520 (Note 1) |
| (Excluding such amounts as expenses related to sale, amount equivalent to reimbursement of taxes and dues, etc.) | | |
| ⑥ Book Value | : | ¥17,070,236 (as of December 31, 2011) (Note 2) |
| ⑦ Difference between Sale Price (planned) and Book Value | : | ¥12,961,284 (difference between ⑤ and ⑦) |
| ⑧ Execution date of the trust beneficiary rights sale and purchase agreement (planned) | : | January 31, 2012 |
| ⑨ Delivery Date (planned) | : | March 15, 2012 |
| ⑩ Buyer (planned) | : | Kobe City |

- ⑪ Sale Method : Splitting of trust beneficiary rights that place real estate in trust and sale in the form of lump-sum settlement of trust beneficiary rights that place real estate in trust to the abovementioned proposed buyer.

(Note 1) In the event that a parcel subdivision survey finds that the surveyed area differs from the sale area, an adjustment will be made at ¥136,000 per 1m².

(Note 2) The amount is the book value of the land of the Property calculated in proportion to the planned sale area.

2. Reason for Disposition

DHI decided on the Disposition in light of the recent finalization of talks with the City of Kobe for the site on the southeast side of the Property, which the City of Kobe had requested to acquire as land for road use based on a road widening plan.

Please note that confirmation has been made that no legal problems arise even after the Disposition with respect to the floor area ratio, building coverage ratio, road diagonal restriction, etc. as stipulated in the Building Standards Act.

3. Buyer Profiles

Name	Kobe City
Relationship with DHI or the Asset Manager	N/A

4. Future Prospects

The Disposition will have only a minor impact on operating status forecasts for the 12th Fiscal Period (from September 1, 2011 to February 29, 2012) and 13th Fiscal Period (from March 1, 2012 to August 31, 2012), there is no revision to the operating status forecasts.

[Reference]

Description of the Property before the Disposition

Address		7-3-1, Takamaru, Tarumi Ward, Kobe City, Hyogo Prefecture
Land	Type of Ownership	Proprietary ownership
	Site Area	5,708.48 m ²
	Zoning	Class 1 medium- to high-rise exclusive residential district
	Building Coverage Ratio/ FAR	60% / 200%
Building	Type of Ownership	Proprietary ownership
	Usage	Apartment complex
	Total Floor Space	6,981.53 m ²



	Construction/ No. of Floors	RC, 12F
	Completion Date	January 22, 2003
	Number of Leasable Units	99 units

* This press release is to be distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange); the Ministry of Land, Infrastructure, Transport and Tourism Press Club; and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

* URL of the DHI's website: <http://daiwahouse-resi-reit.co.jp/eng/>