



March 2, 2012

For Immediate Release

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Notice Concerning Issue of Investment Corporation Bonds

Daiwa House Residential Investment Corporation (“DHI”) announces its decision today to issue its Investment Corporation Bonds (the “DHI Bonds”) as follows.

1. Overview of Investment Corporation Bonds

(1) Name of Investment Corporation Bonds

Daiwa House Residential Investment Corporation No. 1 Unsecured Investment Corporation Bonds
(with special pari passu conditions among specified DHI Bonds)

(2) Aggregate Amount of Investment Corporation Bonds

¥3,000,000,000

(3) Form of Certificates

Under the applicable Act on Book-Entry Transfer of Company Bonds, Shares, etc., no bond certificates for No. 1 DHI Bonds will be issued.

(4) Issue Price

¥100 per par value of ¥100 of each bond

(5) Redemption Price

This English language notice is a translation of the Japanese language notice issued on the same day and was prepared solely for the convenience of, and reference by, overseas investors. DHI makes no warranties as to its accuracy or completeness.



¥100 per par value of ¥100 of each bond

- (6) Interest Rate
1.12% per annum
- (7) Denomination of Each Bond
¥100,000,000
- (8) Offering Method
Public Offering
- (9) Application Period
March 2 (Friday), 2012
- (10) Payment Date
March 9 (Friday), 2012
- (11) Security
No security or guarantee shall be created on any DHI Bonds and no fund shall be reserved specifically for the DHI Bonds.
- (12) Method of Redemption and Maturity
 - ①The entire principal of DHI Bonds shall be redeemed on March 9, 2017.
 - ②The DHI Bonds may be purchased and cancelled at any time on and after the date following the payment date unless otherwise stipulated by the depository.
 - ③If the redemption date is a bank holiday in Japan, DHI accelerate redemption the immediately previous business day.
- (13) Interest Payment Date
March 9 and September 9 of every year.
(or the immediately previous business day if such day is a bank holiday in Japan)
- (14) Financial Covenants
The “Negative pledge” is applicable to the DHI Bonds.
- (15) Ratings
Japan Credit Rating Agency, Ltd. (JCR) (AA-)
- (16) Depository Trust Company
Japan Securities Depository Center Inc.
- (17) Fiscal Agent, Issuing Agent and Paying Agent
The Chuo Mitsui Trust and Banking Co., Ltd.



(18) Arrangers for Underwriting Securities Companies

Daiwa Securities Capital Markets Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Purpose of Issuance

The DHI Bond was issued in order to repay the loans.

3. Amount, Use and Scheduled Expenditure Date of Proceeds

(1) Amount (estimated net proceeds)

¥2,977,000,000

(2) Specific Use and Scheduled Expenditure Date of Proceeds

The Proceeds will be used as part of repayment of short-term loans schedule on March 26, 2012 (2,100 million yen) and Rehabilitation obligations (loans) schedule on March 16, 2012 (877 million yen).

4. Status of Balance of Interest-bearing Liabilities after the Issue of the Investment Corporation Bonds
(as of March 9, 2012)

(Unit: million yen; rounded under million yen)

		Before the issuance (as of February 29, 2012)	After the issuance (as of March 9, 2012)	Increase (Decrease)
Short-term loans	Commitment Line I-I	3,200	3,200	—
Long-term loans	Term loan I	12,519	12,519	—
	Term loan III	10,500	10,500	—
	Term loan IV	31,800	31,800	—
Total loans		58,019	58,019	—
Investment corporation bonds		—	3,000	3,000
Rehabilitation obligations (loans)		45,441	45,441	—
Rehabilitation obligations (investment corporation bonds)		21,865	21,865	—
Total interest-bearing liabilities		125,325	128,325	3,000

(Note) Short-term loans are loans with maturity periods of one year or less and long-term loans are loans with maturity periods of over one year.

5. Other

For the risks concerning redemption of the DHI Bonds etc., there are no significant changes from the security registration statement (submitted on November 25, 2011).

* 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/>