



March 9, 2012

For Immediate Release

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Notice Concerning the Prepayment of the Rehabilitation Obligations (loans) and Loans

Daiwa House Residential Investment Corporation (“DHI”) announces its decision to undertake the prepayment of the rehabilitation obligations (loans) and loans. The details are as follows:

1. Details of Prepayment of the Rehabilitation Obligations (loans)

Creditors	Resona Bank, Ltd.				
Prepayment Date (planned)	March 16, 2012				
Maturity Date	January 31, 2013	January 31, 2014	January 30, 2015	-	
Loan Amount (balance)	¥364,727,962	¥364,727,962	¥364,751,204	Total	¥1,094,207,128
Amount of Prepayment	¥364,727,962	¥364,727,962	¥364,751,204	Total	¥1,094,207,128
Interest Rate	Basic interest rate (3 month Japanese Yen TIBOR) + 0.90% (Variable interest rate)	Basic interest rate (3 month Japanese Yen TIBOR) + 1.00% (Variable interest rate)	1.72553% (annualized) (Fixed interest rate)	-	
Repayment Method	Principal repayment in full on the maturity date				
Collateral	Unsecured, Unguaranteed				

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.



2. Details of Prepayment of the Loans

Short-term Loans (Debt Financing based on Commitment Line Agreement on September 5, 2011)

Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation The Chuo Mitsui Trust and Banking Co., Ltd. (Note 1) Mizuho Corporate Bank, Ltd.
Loan Amount	¥3,200,000,000
Amount of Repayment	¥3,200,000,000 (full repayment)
Prepayment Date (planned)	March 26, 2012
Interest Rate	1.08% (Variable interest rate) (from March 1, 2012 to March 30, 2012)
Loan Date	December 19, 2011
Repayment Date	December 18, 2012
Repayment Method	Principal repayment in full on the maturity date
Collateral	Unsecured, Unguaranteed

(Note 1) The Chuo Mitsui Trust and Banking Co., Ltd., constitutes an interested party as set forth in the bylaws of the Asset Management Company.

3. Funds for the Repayment

The Repayment will be funded using proceeds from the No. 1 Unsecured Investment Corporation Bonds issued today and cash on hand.

4. Future Prospects

For operation status forecasts for the fiscal period ending in August 31, 2012 (13th Fiscal Period: from March 1, 2012 to August 31, 2012) that take the Repayment into account are currently being assessed and will be announced on April 10, 2012.

5. Other

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



[Reference]

Status of Balance of Interest-bearing Liabilities after the Prepayment

(Unit: million yen; rounded under million yen)

		Before the Repayment (as of February 29, 2012)	After the Repayment (as of March 26, 2012)	Increase (Decrease)
Short-term loans	Commitment Line I-1	3,200	—	(3,200) (Note 2)
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	54,819	(3,200)
Investment corporation bonds		—	3,000	3,000 (Note 3)
Rehabilitation obligations (loans)		45,441	44,346	(1,094) (Note 2)
Rehabilitation obligations (investment corporation bonds)		21,865	21,865	—
Total interest-bearing liabilities		125,325	124,031	(1,294)

(Note 1) 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.

(Note 2) Decrease attributable to the prepayment announced today.

(Note 3) Please refer to the press release “Notice Concerning Issue of Investment Corporation Bonds” announced on March 2, 2012.

* 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/>