



March 19, 2012

**For Immediate Release**

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### **Notice Concerning the Partial Prepayment of the Rehabilitation Obligations (loans)**

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

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

Creditors	Mitsui Sumitomo Insurance Company, Limited				
Prepayment Date (planned)	March 27, 2012				
Maturity Date	January 31, 2013	January 31, 2014	January 30, 2015	-	
Loan Amount (balance)	¥303,883,434	¥303,883,434	¥303,902,797	Total	¥911,669,665
Amount of Prepayment	¥303,883,434	¥303,883,434	¥303,902,797	Total	¥911,669,665
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				



## 2. Funds for the Repayment

The Repayment will be funded using cash on hand.

## 3. 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.

## 4. 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 March 19, 2012)	After the Repayment (as of March 27, 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	—
Rehabilitation obligations (loans)		44,346	43,435	(911) (Note 3)
Rehabilitation obligations (investment corporation bonds)		21,865	21,865	—
Total interest-bearing liabilities		127,231	123,119	(4,111)

(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) Please refer to the press release “Notice Concerning the Prepayment of the Rehabilitation Obligations (loans) and Loans” announced on March 9, 2012.

(Note 3) Decrease attributable to the prepayment announced today.

\* 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/>

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