



March 21, 2012

For Immediate Release

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Notice Concerning Debt Financing

Daiwa House Residential Investment Corporation (“DHI”) announces its decision to undertake debt financing. The details are as follows:

1. Details of Debt Financing

(1) Term Loan Agreement (Negotiated)

Use	Repayment of debt financing based on Commitment Line Agreement on September 5, 2011 (Commitment Line I)
Lenders	Resona Bank, Ltd.
Amount	¥1,095,000,000
Interest Rate (Note 1)	Basic interest rate (Japanese Bankers Association 3month yen TIBOR + 0.60%) (Variable interest rate)
Loan Date (planned)	March 26, 2012
Interest Payment Date	First payment on the last day of June 2012 (or last business day of the months). Subsequent payment on the last day of March, June, September and December and maturity date (or last business day of the respective months).
Repayment date	March 31, 2017 (or last business day of the months)
Repayment method	Principal repayment in full on the maturity date
Collateral	Unsecured, Unguaranteed

(Note 1) Interest payment dates are last business day of each months, and the principal repayment date (or last business day of the month).

JBA 3 month yen TIBOR rate of two business days prior to the latest interest payment date will be use as the base rate to calculate the applicable interest rate for the current calculation period..

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.

Please refer to JBA website (<http://www.zenginkyo.or.jp/en/tibor/>) for the yen TIBOR.

(2) Debt financing based on Commitment Line Agreement on September 5, 2011

Commitment Line I-2	
Use	Funds for acquisition of trust beneficiary rights and related expenses (Note 1)
Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, The Chuo Mitsui Trust and Banking Co., Ltd. (Note 2) and Mizuho Corporate Bank, Ltd.
Amount	¥3,200,000,000
Interest Rate (Note 3)	Basic interest rate (Japanese Bankers Association 1month yen TIBOR + 0.90%) (Variable interest rate)
Loan Date (planned)	March 28, 2012
Repayment date	March 27, 2013 (or last business day of the months)
Repayment method	Principal repayment in full on the maturity date
Collateral	Unsecured, Unguaranteed

(Note 1) Please refer to the press release “Notice Concerning the Proposed Acquisition of Trust Beneficiary Rights in Real Estate” announced today.

(Note 2) The Chuo Mitsui Trust and Banking Co., Ltd., constitutes an interested party as set forth in the bylaws of the Asset Management Company.

(Note 3) Interest payment dates are last business day of every months, and the principal repayment date (or last business day of the month).

JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date will be use as the base rate to calculate the applicable interest rate for the current calculation period..

Please refer to JBA website (<http://www.zenginkyo.or.jp/en/tibor/>) for the yen TIBOR.

2. 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 Debt Financing into account are currently being assessed and will be announced on April 10, 2012.

3. Other

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

[Reference]

Status of Balance of Loans after the Debt Financing

(Unit: million yen; rounded under million yen)

		Before the Debt Financing (as of Feb. 29, 2012)	After the Debt Financing (as of March 31, 2012)	Increase (Decrease)
Short-term loans	Commitment Line I-1	3,200	—	(3,200) (Note 2)
	Commitment Line I-2	—	3,200	3,200 (Note 3)
Long-term loans	Term loan I	12,519	12,496	(23) (Note 4)
	Term loan III	10,500	10,500	—
	Term loan IV	31,800	31,800	—
	Resona Bank-1	—	1,095	1,095 (Note 3)
	Term loan V	—	7,000	7,000 (Note 5)
	Term loan VI	—	7,000	7,000 (Note 5)
	The Bank of Tokyo-Mitsubishi UFJ-1	—	4,000	4,000 (Note 5)
Total loans		58,019	77,091	19,072
Investment corporation bonds		—	3,000	3,000 (Note 6)
Rehabilitation obligations (loans)		45,441	43,435	(2,005) (Note 2)
Rehabilitation obligations (investment corporation bonds)		21,865	1,793	(20,072) (Note 5)
Total interest-bearing liabilities		125,325	125,319	(6)

(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 and “Notice Concerning the Partial Prepayment of the Rehabilitation Obligations (loans)” announced on March 19, 2012.

(Note 3) Increase attributable to the debt financing announced today.

(Note 4) Decrease attributable to the contractual repayment planned on March 30, 2012.

(Note 5) Please refer to the press release “Notice Concerning Debt Financing and Retirement by Purchase of Rehabilitation Obligations (Investment Corporation Bonds)” announced today.

(Note 6) 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/>