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For Immediate Release

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

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

1. Reasons for Disposition

DHI has been examining all real estate in terms of the medium- to long-term management efficiency of DHI’s portfolio and the characteristics, etc. of the respective properties. Based on such examination, DHI, as of today, decided to dispose New City Residence Todoroki (the “Disposition”).

2. Disposition Details

- | | |
|---|---|
| ① Property Name | : New City Residence Todoroki |
| ② Asset Type | : Beneficiary right in trust that places real estate in trust |
| ③ Sale Price (planned) | : ¥1,350,000,000 |
| (Excluding such amounts as expenses related to sale, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.) | |
| ④ Acquisition Date | : April 1, 2010 |
| ⑤ Acquisition Price | : ¥1,210,000,000 |



- ⑥ Book Value : ¥1,302,058,976 (as of February 29, 2012)
- ⑦ Difference between Sale Price (planned) and Book Value : ¥47,941,024 (difference between ③ and ⑥)
- ⑧ Execution date of the trust beneficiary rights sale and purchase agreement (planned) : June 29, 2012
- ⑨ Delivery Date (planned) : June 29, 2012 or on a date agreed upon by the buyer and DHI.
- ⑩ Buyer (planned) : Please refer to 3. below for details.
- ⑪ Sale Method : Sale in the form of lump-sum settlement of trust beneficiary rights that place real estate in trust to the abovementioned proposed buyer.

Address		1-16-7, Nakamachi, Setagaya Ward, Tokyo
Land	Type of Ownership	Proprietary ownership
	Site Area	3,660.77 m ²
	Zoning	Class 1 low-rise residential zone
	Building Coverage Ratio/ FAR	50% / 100%
Building	Type of Ownership (Note 1)	Sectional ownership
	Usage	Residential property
	Total Floor Space	3,905.32 m ²
	Construction/ No. of Floors	RC, 3F / B2F
	Completion Date	March 29, 1993
Tenants (Note 2)	Number of Tenants	1
	Number of Leasable Units	22 units
	Number of Leased Units	13 units
	Occupancy Rate	58.9%
	Rental Revenues	¥5,890 thousand
	Deposits and Guarantees	¥12,042 thousand
Period-end Appraisal value (Note 3)	Real Estate Appraiser	Japan Real Estate Institute
	Date of Value Opinion	February 29, 2012
	Appraisal Value	¥1,180,000,000

(Note 1) Although the property is under sectional ownership, DHI owns whole property.

(Note 2) (i) "Number of Tenants" is recorded as "1" where a single master lease contract has been executed with a sublease company.

(ii) "Number of Leasable Units" is the number of units of the real estate that is leasable.

(iii) "Number of Leased Units", "Occupancy Rate", "Rental Revenues" and "Deposits and Guarantees" are as of May 31, 2012.

(iv) "Number of Leased Units" is the number of units for which a lease agreement has been concluded with an end-tenant for real estate.

(v) "Occupancy Rate" is the ratio of leased floor area to leasable floor area of the real estate, rounded to one decimal place.

(vi) "Rental Revenues" is the monthly rental revenues as of May 2012, rounded down to the nearest thousand yen.

(vii) "Deposits and Guarantees" is the total amount of the deposits and guarantees of the real estate that must be returned to end-tenants based on the lease contract concluded with end-tenants, rounded down to the nearest thousand yen.

(Note 3) "Appraisal Values" is the real estate appraisal values as of February 29, 2012.

3. Buyer Profiles

(1) Buyer Profiles

Trade name	Morimoto Co., Ltd.
Head Office Address	3-7-4, Ebishu minami, Shibuya Ward, Tokyo
Representative	Hiroyoshi Morimoto, President
Principal Activities	Condominium, Real estate service and Lease property business
Capital	¥ 100 million (As of March 31, 2012)
Established	July 8, 1983
Relationship with DHI and Asset Management Company	
Capital Relationship	There is no capital relationship to describe between DHI, asset management company and Morimoto Co., Ltd.
Personnel Relationship	As of May 31, 2012, of the officers and officials of the Asset Management Company, three is personnel dispatched from the Company.
Business Relationship	The Company has a basic agreement on the pipeline support, etc. with DHI and the Asset Management Company, based on which the Company provides (i) operational management on investment real estate, advice and know-how of management service (ii) dispatching personnel to the Asset Management Company (iii) information and preferential negotiation rights on investment real estate (iv) support for acquisition of investment real estate to DHI and the Asset Management Company.
Status of Classification as Related Party	The Company does not constitute a related party of DHI or the Asset Management Company. Furthermore, affiliated persons or affiliated companies of the Company do not constitute a related party of DHI or the Asset Management Company.
Other	The Company constitutes an interested party as set forth in the bylaws of the Asset Management Company.

(2) Relationship with Interested Party

The buyer, Morimoto Co., Ltd., constitutes an interested party as set forth in the bylaws of the Asset Management Company. Consequently, the Disposition has undergone the procedures required by the Interested-Party Transaction Rules bylaws of the Asset Management Company.

4. Broker Profile

(1) Broker Profile

No name, etc. is shown as the broker has not consented to such disclosure.

Please note that the broker does not constitute a party with particular vested interest in DHI or the Asset Management Company.

(2) Broker's Commission

Commission is not shown as the broker has not consented to such disclosure.

5. Future Prospects

The Disposition will have only a minor impact on operating status forecasts for the 13th Fiscal Period (from March 1, 2012 to August 31, 2012) and 14th Fiscal Period (from September 1, 2012 to February 28, 2013), there is no revision to the operating status forecasts.

* 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/>

[Reference Information]

Real Estate Portfolio List after Disposition

	Area (Note1)	Property No.	Property Name (Note2)	Acquisition Date (Note3)	Acquisition Price (Note4)	Investment Ratio (Note5)
Residential	Area 1	1001	Qiz Ebisu	March 22, 2006	7,650	3.6%
		1002	IPSE Azabujuban Shichimenzaka	March 22, 2006	4,500	2.1%
		1003	IPSE Shibakoen	March 22, 2006	2,630	1.2%
		1004	IPSE Ginza	March 22, 2006	2,520	1.2%
		1005	Next Form Nishiazabu	March 22, 2006	2,220	1.1%
		1006	IPSE Nihonbashi	March 22, 2006	1,200	0.6%
		1007	IPSE Tokyo East	March 7, 2007	2,300	1.1%
		1008	IPSE Azabujuban	June 21, 2007	2,910	1.4%
		1009	IPSE Azabujuban DUO	June 21, 2007	2,690	1.3%
		1010	IPSE Shinjuku Natsumezaka	June 21, 2007	1,865	0.9%
		1011	UNIROYAL Ginza	June 21, 2007	1,800	0.9%
		1012	IPSE Shibuya Tiers	June 21, 2007	1,400	0.7%
		1014	NCR Nishi Azabu Twin Tower	April 1, 2010	2,352	1.1%
		1015	NCR Nishi Azabu	April 1, 2010	2,143	1.0%
		1016	NCR Ochanomizu	April 1, 2010	1,770	0.8%
		1017	NCR Sangubashi	April 1, 2010	1,393	0.7%
		1018	NCR Nihonbashi East	April 1, 2010	1,279	0.6%
		1019	NCR Nihonbashi West	April 1, 2010	1,138	0.5%
		1020	NCR Ginza Twin I	April 1, 2010	932	0.4%
		1021	NCR Ginza Twin II	April 1, 2010	825	0.4%
		1022	NCR Harajuku	April 1, 2010	887	0.4%
		1023	NCR Yoyogi Uehara	April 1, 2010	608	0.3%
		1024	NCR Sendagaya	April 1, 2010	555	0.3%
		1025	NCR Shinjuku 7 chome	April 1, 2010	464	0.2%
		1027	NCR Ningyocho I	April 1, 2010	947	0.4%
		1028	NCR Ningyocho II	April 1, 2010	1,070	0.5%
		1029	NCR Shin-Ochanomizu	April 1, 2010	914	0.4%
		1030	NCR Nihonbashi Ningyocho III	April 1, 2010	1,370	0.6%
		1031	NCR Jinbocho II	April 1, 2010	1,160	0.5%
		1032	NCR Ginza East III	April 1, 2010	675	0.3%
		1033	NCR Shinjuku Gyoen I	April 1, 2010	2,720	1.3%
		1034	NCR Takanawadai	April 1, 2010	860	0.4%
		1035	NCR Nihonbashi Ningyocho IV	April 1, 2010	666	0.3%
		1036	NCR Shinjuku Gyoen II	April 1, 2010	486	0.2%
		1037	NCR Ginza East IV	April 1, 2010	400	0.2%
		1038	NCR Takanawadai II	April 1, 2010	1,190	0.6%
		1039	NCR Minami Azabu	April 1, 2010	642	0.3%
		1040	NCR Ginza	April 1, 2010	2,880	1.4%
		1041	NCR Nihonbashi Suitengu	April 1, 2010	2,707	1.3%
		1042	NCR Takanawa	April 1, 2010	7,430	3.5%
		1043	NCR Higashi Nihonbashi	April 1, 2010	3,520	1.7%
		1045	NCR Shinjuku	April 1, 2010	2,950	1.4%
		1046	IPSE Ichigaya	June 29, 2010	940	0.4%
		1047	Shibaura Island Bloom Tower	October 18, 2011	7,580	3.6%
		1048	Castalia Hatsudai	December 19, 2011	2,030	1.0%
		Subtotal			91,168	43.2%
	Area 2	2001	Meguro Kamurozaka Residencia	December 20, 2005	4,500	2.1%
		2002	IPSE Toritsudaigaku	March 22, 2006	648	0.3%
		2004	IPSE Yukigaya	March 7, 2007	1,110	0.5%
		2005	IPSE Yutenji	June 21, 2007	1,450	0.7%
		2006	IPSE Otsuka	June 21, 2007	1,480	0.7%
		2007	IPSE Kikukawa	June 21, 2007	817	0.4%
		2008	NCR Meguro	April 1, 2010	844	0.4%
		2009	NCR Otsuka	April 1, 2010	1,040	0.5%
		2010	NCR Jiyugaoka	April 1, 2010	1,200	0.6%
		2011	NCR Mejiro East	April 1, 2010	988	0.5%
		2012	NCR Ikebukuro	April 1, 2010	2,570	1.2%
		2013	NCR Kaname-cho	April 1, 2010	1,140	0.5%

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	2014	Castalia Tower Shinagawa Seaside	April 1, 2010	7,380	3.5%
	2015	NCR Yakumo	April 1, 2010	857	0.4%
	2016	NCR Togoshiekimae	April 1, 2010	1,560	0.7%
	2018	NCR Honjo Azumabashi	April 1, 2010	996	0.5%
	2019	NCR Kitazawa	April 1, 2010	742	0.4%
	2020	NCR Monzennakacho	April 1, 2010	503	0.2%
	2023	NCR Kamiikedai	April 1, 2010	198	0.1%
	2024	NCR Morishita	April 1, 2010	832	0.4%
	2025	NCR Wakabayashi koen	April 1, 2010	776	0.4%
	2026	NCR Asakusabashi	April 1, 2010	792	0.4%
	2027	NCR Iriya	April 1, 2010	546	0.3%
	2028	NCR Ueno Tower	April 1, 2010	2,641	1.3%
	2029	NCR Morishita West	April 1, 2010	686	0.3%
	2030	NCR Minowa	April 1, 2010	1,430	0.7%
	2031	NCR Jiyugaoka West	April 1, 2010	533	0.3%
	2032	NCR Nakano	April 1, 2010	1,060	0.5%
	2033	NCR Yoga	April 1, 2010	923	0.4%
	2034	NCR Sumiyoshi	April 1, 2010	948	0.4%
	2035	NCR Monzennakacho East	April 1, 2010	2,160	1.0%
	2036	NCR Oshiage	April 1, 2010	1,100	0.5%
	2037	NCR Kuramae	April 1, 2010	1,260	0.6%
	2038	IPSE Nakanobu	June 29, 2010	1,790	0.8%
	2039	Royal Parks Toyosu	November 1, 2010	7,360	3.5%
	2040	IPSE Togoshi	November 1, 2010	1,770	0.8%
	2041	Castalia Ooimachi	June 30, 2011	1,181	0.6%
	2042	Castalia Omori	August 2, 2011	1,500	0.7%
	2043	Castalia Mishuku	October 7, 2011	1,900	0.9%
	2044	Castalia Arakawa	March 28, 2012	1,660	0.8%
	2045	Castalia Omori II	March 29, 2012	2,370	1.1%
	Subtotal			66,241	30.9%
Area 3	3001	Cosmo Heim Musashikosugi	March 22, 2006	1,674	0.8%
	3002	IPSE Tsurumi	June 21, 2007	666	0.3%
	3003	NCR Funabashi Honcho	April 1, 2010	704	0.3%
	3006	NCR Nishi Funabashi	April 1, 2010	783	0.4%
	3007	NCRMaihama	April 1, 2010	670	0.3%
	3008	NCR Ichikawamyoden	April 1, 2010	671	0.3%
	3010	NCRUrayasu	April 1, 2010	592	0.3%
	3011	NCR Minamigyotoku I	April 1, 2010	543	0.3%
	3012	NCR Minamigyotoku II	April 1, 2010	385	0.2%
	3013	NCR Nogeiyama	April 1, 2010	325	0.2%
	3017	PT Ichikawa	April 1, 2010	461	0.2%
	3018	Royal Parks Hanakoganei	October 7, 2011	5,300	2.5%
	Subtotal			12,774	6.1%
Area 4	4001	Fourteen Hills East Tower	December 20, 2005	1,920	0.9%
	4008	Aprile Tarumi	April 1, 2010	1,340	0.6%
	4009	Crest Kusatsu	April 1, 2010	3,004	1.4%
	4010	NCR Honmachi East	April 1, 2010	1,490	0.7%
	4011	NCR Shin-Umeda	April 1, 2010	1,376	0.7%
	4012	NCR Abeno	April 1, 2010	4,368	2.1%
	4014	NCR Sakae	April 1, 2010	1,010	0.5%
	4015	NCR Nipponbashi Kouzu	April 1, 2010	3,570	1.7%
	4016	NCR Maruyama Urasando	April 1, 2010	411	0.2%
	4017	NCR Maruyama Omotesando	April 1, 2010	1,740	0.8%
	4018	NCR Hakataekihigashi	April 1, 2010	960	0.5%
	4019	NCR Shinsaibashi East Tower	April 1, 2010	3,400	1.6%
	4020	NCR Sannomiya	April 1, 2010	1,230	0.6%
	4021	NCR Kotodaikoen	April 1, 2010	481	0.2%
	4022	NCR Ichibancho	April 1, 2010	783	0.4%
	4023	NCR Omachi	April 1, 2010	656	0.3%
	4024	NCR Uemachidai	April 1, 2010	2,190	1.0%
	4025	NCR Higobashi Tower	April 1, 2010	2,670	1.3%
	4026	Big Tower Minami Sanjo	November 1, 2010	1,740	0.8%

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		4027	Lexington Square Fushimi	January 14, 2011	2,260	1.1%
		4028	Castalia Meieki Minami	August 1, 2011	720	0.3%
		4029	Besta Yakuin	September 26, 2011	930	0.4%
		4030	Castalia Mibu	December 22, 2011	1,193	0.6%
		Subtotal			39,442	18.7%
		Subtotal			208,625	98.9%
Retail	Area 3	8001	INAGEYA Yokohama Nishigaoka	September 27, 2007	1,000	0.5%
	Area 4	8002	FOLEO TOWN Tsutsui	March 23, 2007	1,410	0.7%
	Subtotal			2,410	1.1%	
	Total			211,035	100.0%	

(Note 1) Under “Area,” “Area 1” refers to the Chiyoda, Chuo, Minato, Shibuya and Shinjuku Wards, “Area 2” refers to the wards of Tokyo excluding “Area 1,” “Area 3” refers to the Tokyo metropolitan area (Tokyo (excluding “Areas 1” and “Area 2”), Kanagawa, Saitama and Chiba Prefectures), and “Area 4” refers to other cities (areas with populations of approximately 100,000 people or more).

(Note 2) Under “Property Name,” “NCR” is the acronym for “New City Residence” and “PT” for “Park Terrace.”

(Note 3) “Acquisition Date” is entered as the effective date of the merger (April 1, 2010) for properties that were held by the former New City Residence Investment Corporation.

(Note 4) “Acquisition Price” is excluding such amounts as expenses related to acquisition, reimbursement of taxes and dues, etc., and consumption taxes. For properties that were held by the former New City Residence Investment Corporation, the price at which the properties were succeeded at the time of the merger (the appraisal value as of the end of February 2010) is shown. Amounts are rounded to the nearest million yen.

(Note 5) “Investment Share” is the ratio of the acquisition price to the total amount of acquisition prices, rounded to one decimal place.