

August 24, 2012

**For Immediate Release**

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**Notice Concerning the Proposed Acquisition of**  
**Trust Beneficiary Rights in Real Estate**

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

1. Acquisition Background and Rationale

DHI decided to acquire Castalia Tsutsujigaoka (REGALO Sendai East Park) (the “Acquisition”) in order to secure stable revenue over the medium to long term based on the investment policy set forth in DHI’s Articles of Incorporation.

2. Acquisition Details

|                                       |   |
|---------------------------------------|---|
| Property Name (Note 1)                | Castalia Tsutsujigaoka (REGALO Sendai East Park)                              |
| Asset Type                            | Beneficiary right in trust that places real estate in trust                   |
| Execution date of Agreement (planned) | September 3, 2012   |
| Acquisition Price (Note 2)            | ¥1,208,573,065  |
| Seller (Note 3)                       | Not Disclosed   |
| Acquisition Date (planned)            | September 3, 2012   |
| Method of Settlement                  | Payment of entire amount upon delivery  |
| Acquisition funds (Note 4)            | The property will be bought using funds from debt financing and cash on hand. |

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(Note 1) DHI is scheduled to change the property name of the assets above. Accordingly, the name after the change is shown with the name as of today shown in parentheses.

(Note 2) Excluding such amounts as expenses related to acquisition, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 3) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the seller does not constitute a party with particular vested interest in DHI or the Daiwa House Asset Management Co., Ltd. (“Asset Management Company”).

(Note 4) Please refer to the press release “Notice Concerning Debt Financing” announced today.

### 3. Asset Description

| Name and Location, etc. of Respective Real Estate |  |   |   |  |                                     |
|---|--|---|---|--|-------------------------------------|
| Type of specified asset                           |  | Beneficiary right in trust that places real estate in trust |   |  |                                     |
| Present titleholder                               |  | Not Disclosed   |   |  |                                     |
| Most recent previous titleholder                  |  | —   |   |  |                                     |
| Trustee   |  | Mitsubishi UFJ Trust and Banking Corporation                |   |  |                                     |
| Location  | Lot number                                 |   | 4-2-1, Shintera, Wakabayashi-ku, Sendai City  |  |                                     |
|   | Residence indication                       |   | 4-2-35, Shintera, Wakabayashi-ku, Sendai City |  |                                     |
| Land  | Form of ownership                          |   | Proprietary ownership                         |  |                                     |
|   | Site area                                  |   | 1,541.55m <sup>2</sup>                        |  |                                     |
|   | Zoning                                     |   | Neighborhood commercial zone                  |  |                                     |
|   | Building coverage ratio / Floor area ratio |   | 80% / 300%                                    |  |                                     |
| Building  | Form of ownership                          |   | Proprietary ownership                         |  |                                     |
|   | Usage                                      |   | Apartment complex                             |  |                                     |
|   | Total floor area                           |   | 5,354.88m <sup>2</sup>                        |  |                                     |
|   | Structure / Number of floors               |   | RC structure; 12F                             |  |                                     |
|   | Construction completion date               |   | January 26, 2009                              |  |                                     |
| Overview of Leasing (as of August 20, 2012)       |  |   |   |  |                                     |
| Total number of tenants                           |  | 1   | Monthly rent (incl. common area charges)      | ¥ 8,274 thousand                                 |                                     |
| Number of leasable units                          |  | 84  | Deposits, guarantees, etc.                    | ¥ 13,426 thousand                                |                                     |
| Number of leased units                            |  | 80  | Occupancy rate (based on floor area)          | 95.2%  |                                     |
| Leasable floor area                               |  | 4,471.11m <sup>2</sup>                                      | Occupancy rate (based on number of units)     | 95.2%  |                                     |
| Leased floor area                                 |  | 4,255.69m <sup>2</sup>                                      | Breakdown of Residential Unit Type            |  |                                     |
| Property management company                       |  | ONE-EYED CAPITAL ADVISERS. (planned)                        | Type  | As a percentage of total number of units         | As a percentage of total floor area |
| Sublessee   |  | ONE-EYED CAPITAL ADVISERS. (planned)                        | Single Type                                   | —  | —                                   |
|   |  |   | DINKS Type                                    | 91.7%  | 88.7%                               |
| Sublease type                                     |  | Pass-through type   | Family Type                                   | 8.3%   | 11.3%                               |
|   |  |   | Large Type                                    | —  | —                                   |
| Engineering Report                                |  |   |   |  |                                     |
| Building investigation agency                     |  | Tokio Marine & Nichido Risk Consulting Co., Ltd.            | Earthquake resistance investigation agency    | Tokio Marine & Nichido Risk Consulting Co., Ltd. |                                     |
| Report date                                       |  | August 2012   | Report date                                   | July 2012  |                                     |
| Emergency repair expenses                         |  | —   | Earthquake probable maximum loss              | 2.7%   |                                     |
| Short-term repair expenses (within 1 year)        |  | —   | Soil environment investigation agency         | Tokio Marine & Nichido Risk Consulting Co., Ltd. |                                     |
| Long-term repair expenses (next 12 years)         |  | ¥27,316 thousand  | Report date                                   | August 2012                                      |                                     |
| Building replacement cost                         |  | ¥1,033,200 thousand   | Summary of engineering report                 | No matters were pointed out in particular.       |                                     |

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| Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency  |  |                              |                        |
|--|--|------------------------------|------------------------|
| Building developer   | Ganymede Investment                                | Building contractor          | SUGIYAMAGUMI Co., Ltd. |
| Building designer  | SUGIYAMAGUMI Co., Ltd.<br>MADEINI Architect Office | Building confirmation agency | JAPAN ERI CO.,LTD.     |
| Structural designer  | MADEINI Architect Office                           |                              |                        |
| Other Information  |  |                              |                        |
| N/A  |  |                              |                        |
| Location Environment and Other Property Characteristics  |  |                              |                        |
| The property is located in a residential district spreading to the East Exit of JR Sendai Station, approximately 14-minute walk from Sendai Station and approximately 10-minute walk from Tsutsujigaoka Station on the JR Senseki Line, in an area that can be anticipated to have housing demand from singles and family households that place emphasis on their work and home being in close proximity and boasting also outstanding convenience in terms of lifestyle. With subway development also in progress, increasing convenience in the surrounding environment and other improvements in the residential environment are anticipated in the future. |  |                              |                        |
| Matters of Special Note  |  |                              |                        |
| N/A  |  |                              |                        |

[Explanation of Entries in Table Above]

The summary of the respective real estate in trust is the information as of August 20, 2012, unless otherwise specified.

a. Explanation of “Name and Location, etc. of Respective Real Estate”

- (i) “Present titleholder” is the parties that sold the real estate, etc. to DHI, and “Most recent previous titleholder” is the previous titleholder.
- (ii) “Trustee” is the trustee or the party that is scheduled to become the trustee of the to-be-acquired asset.
- (iii) “Location (Lot number)” is the lot number as indicated in the register, and “Location (Residence indication)” is the residence indication of the asset to be acquired as indicated in the register (for properties without residence indication, the location of the building is as indicated in the register (only one location is indicated for properties that have several locations)).
- (iv) “Form of ownership” for the land and building are the kind of rights held by the trustee for the asset scheduled for acquisition.
- (v) “Site area” for the land is the area of the land recorded in the register.
- (vi) “Zoning” for the land is the zoning provided in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- (vii) “Building coverage ratio” for the land is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act and is the maximum figure of the building coverage ratio determined by city planning in accordance with the zoning, etc. (designated building coverage ratio). Designated building coverage ratios may be relaxed / increased, or decreased, since the building is a fireproof building in a fire prevention district, or for other reasons. Therefore it may differ from the actual building coverage ratio to be applied.
- (viii) “Floor area ratio” for the land is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act and is the maximum figure of the floor area ratio determined by city planning in accordance with the zoning, etc. (designated floor area ratio). Designated floor area ratios may be relaxed / increased, or decreased, since the width of the road adjacent to the site, or for other reasons. Therefore it may defer from the actual floor area ratio to be applied.
- (ix) “Usage” for the building is the primary use out of the types recorded in the register.
- (x) “Total floor area” for the building is the sum total of the floor area recorded in the register.
- (xi) “Structure / Number of floors” for the building is the structure recorded in the register.  
“Structure / Number of floors” entries use the following acronyms.  
RC: Reinforced concrete structure      SRC: Steel reinforced concrete structure      S: Steel framed structure
- (xii) “Construction completion date” for the building is when construction was completed as recorded in the register.

b. Explanation of “Overview of Leasing”

- (i) “Overview of Leasing” numerical figures and information are based on information as of August 20, 2012 and have been derived based on numerical figures and information granted us from the previous owner of the asset scheduled for acquisition.
- (ii) “Total number of tenants” enters the number of tenants as 1 if there is a master lease agreement concluded with the sublessee. In the foregoing case, the number of leased units is calculated on the assumption that consent for the sublessee to become the lessor has been obtained from all end-tenants. The entry is 1 tenant when 1 party leases multiple rental units.
- (iii) “Number of leasable units” is the number of units of the asset scheduled for acquisition that is leasable as of August 20, 2012.
- (iv) “Number of leased units” is the number of units for which a lease agreement has been concluded with an end-tenant for the asset scheduled for acquisition as of August 20, 2012.
- (v) “Leasable floor area” is the floor area of the real estate in trust that is leasable based on information as of August 20, 2012.
- (vi) “Leased floor area” is the sum total of the floor area of the asset scheduled for acquisition entered in the lease contract concluded with end-tenants as of August 20, 2012. However, where there is clearly an error in the lease contract entry, that based on information received from the previous titleholder of the acquired asset, completion drawings, etc. is shown.
- (vii) “Monthly rent (incl. common area charges)” is, in principle, the sum total amount of the monthly rent of the asset scheduled for acquisition (including common area charges, but excluding the monthly use fees for parking space, trunk room and other ancillary facilities) entered in the lease contract concluded with end-tenants as of August 20, 2012, excluding consumption taxes, etc. and rounded down to the nearest thousand yen.
- (viii) “Deposits, guarantees, etc.” is, in principle, the sum total amount of the deposits, guarantees, etc. of the asset scheduled for acquisition that must be returned to end-tenants based on the lease contract concluded with end-tenants as of August 20, 2012, rounded down to the nearest thousand yen.
- (ix) “Occupancy rate (based on floor area)” is the ratio of leased floor area to leasable floor area of the asset scheduled for acquisition,

- rounded to one decimal place.
- (x) “Occupancy rate (based on number of units)” is the ratio of the number of leased units to the number of leasable units of the asset scheduled for acquisition, rounded to one decimal place.
  - (xi) “Property management company” is the property management company that, as of today, is delegated property management services for the asset scheduled for acquisition.
  - (xii) “Sublessee” is the lessee that has a lease agreement concluded with the Present titleholder for the purpose of subleasing to third parties.
  - (xiii) “Sublease type” is “Pass-through type” when the master lease agreement concluded is not one based on payment of a guaranteed amount of rent, while it is “Rent-guaranteed type” when the master lease agreement concluded is one based on payment of a guaranteed amount of rent. With “Pass-through type,” rent is received only when subleasing actually takes place.

c. Explanation of “Breakdown of Residential Unit Type”

- (i) “Breakdown of Residential Unit Type” is based on the following classification.

|             | Exclusive-use floor area                             |
|-------------|--|
| Single Type | 30m <sup>2</sup> or less                             |
| DINKS Type  | 70m <sup>2</sup> or less, but over 30m <sup>2</sup>  |
| Family Type | 100m <sup>2</sup> or less, but over 70m <sup>2</sup> |
| Large Type  | Over 100m <sup>2</sup>                               |

- (ii) “As a percentage of total number of units” is the ratio of the number of leasable units of the residential unit type to the number of leasable units of the asset scheduled for acquisition, rounded to one decimal place. Accordingly, the sum total of the entered percentages does not necessarily add up to 100.0%.
- (iii) “As a percentage of total floor area” is the ratio of the leasable floor area of the residential unit type to the number of leasable units of the asset scheduled for acquisition, rounded to one decimal place. Accordingly, the sum total of the entered percentages does not necessarily add up to 100.0%.

d. Explanation of “Engineering Report”

- (i) “Engineering Report” is based on the entries in the engineering report prepared for the asset scheduled for acquisition.
  - (ii) “Earthquake probable maximum loss” represent the probable maximum loss from an earthquake as being the amount of probable loss of damage that may result from an earthquake having 0.21% annual exceedance probability (475-year return period) expressed as a percentage (%) of the replacement cost (Note).
- (Note) Replacement cost: Refers to the expenses that will be incurred if the existing building is to be newly constructed at the time of investigation.

e. Explanation of “Other Information”

“Other Information” provides an explanation of matters that need to be noted with respect to the entries of the items in the summary of the asset scheduled for acquisition.

f. Explanation of “Location Environment and Other Property Characteristics”

“Location Environment and Other Property Characteristics” is, in principle, based on the entries of real estate appraisal reports for the asset scheduled for acquisition.

g. Explanation of “Matters of Special Note”

“Special Notation” presents matters recognized to be of importance in terms of the rights, use, etc. of assets, as well as matters recognized to be of importance in consideration of the degree of impact on the appraised value, profitability and appropriation of assets, including the following matters.

- (i) Significant limitations or restrictions by laws, ordinances, rules and regulations
- (ii) Significant burdens or limitations pertaining to rights, etc.
- (iii) Significant cases where there are buildings, etc. crossing the boundaries of real estate in trust and cases where there are issues with boundary confirmation, etc.; and related arrangements, etc.
- (iv) Significant agreements, arrangements, etc. made with co-owners or condominium unit owners

## 4. Seller Profile

The seller is a Limited Company in Japan. No name, etc. is shown as the seller has not consented to such disclosure. Please note that the seller does not constitute a party with particular vested interest in DHI or the Asset Management Company.

## 5. Status of Property Owners, etc.

Entry is omitted since the property is not acquired from a party with particular vested interest in DHI or the Asset Management Company.

## 6. Broker Profile

### (1) Broker Profile

|  |  |
|--|--|
| Trade name   | Nomura Real Estate Urban Net Co., Ltd.   |
| Head office location                               | Shinjuku Nomura Building, 1-26-2, Nishi-shinjuku, Shinjuku-ku, Tokyo   |
| Representative                                     | Nagayoshi Kanehata, President  |
| Main line of business                              | Housing distribution business, Commercial real estate distribution business, Newly-built property consignment sales business, Renovation business, Insurance agency business and Operation business of real estate information site      |
| Capital  | ¥1,000million (As of March 31, 2012)   |
| Established  | November 6, 2000   |
| Relationship with DHI and Asset Management Company |  |
| Capital Relationship                               | There is no capital relationship to describe between DHI, asset management company and Nomura Real Estate Urban Net Co., Ltd.  |
| Personnel Relationship                             | There is no personnel relationship to describe between DHI, asset management company and Nomura Real Estate Urban Net Co., Ltd.  |
| Business Relationship                              | There is no business relationship to describe between DHI, asset management company and Nomura Real Estate Urban Net Co., Ltd.   |
| 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 does not constitute an interested party as set forth in the bylaws of the Asset Management Company.  |

### (2) Broker's Commission

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

## 7. Matters Concerning Earthquake Resistance, etc.

DHI outsourced the examination/confirmation of earthquake-resistant structure content, including structural calculation documents, of the to-be-acquired assets to a professional third party institution (Tokio Marine & Nichido Risk Consulting Co., Ltd.) and has received a statement that no willful alteration of the structural calculation documents by the building designer is suspected. In addition, DHI has received a statement concerning the structural design and it is judged that the design is generally in accordance with the provisions of earthquake resistance of the Building Standards Act and its ordinances for enforcement, etc.

In addition, in the course of due diligence upon property acquisition, DHI has earthquake risk analyses conducted separate to the investigation of examination/confirmation conducted by the confirmation and investigation agencies. The analyses are based on a design drawing review, ground survey, etc. using structural drawings, structural calculation documents and other materials.

## 8. Future Prospects

For operation status forecasts for the fiscal period ending in February 28, 2013 (14th Fiscal Period: from September 1, 2012 to February 28, 2013) and August 31, 2013 (15th Fiscal Period: from March 1, 2013 to August 31, 2013) that take the Acquisition into account are currently being assessed and will be announced in Kessan Tanshin for the 13th Fiscal Period on October 11, 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/>

[Reference Information]

1. Summary of Real Estate Appraisal

|   |   |   |
|---|---|---|
| Real estate appraiser   | Morii Appraisal & Investment Consulting, Inc. | Date of value opinion: August 1, 2012<br>Date of appraisal: August 20, 2012 |
| Final opinion of value  | 1,320,000,000                                 |   |
| A. Value indicated by the cost approach   | 1,330,000,000                                 |   |
| B. Value indicated by the income approach   | 1,320,000,000                                 |   |
| 1. Value indicated by the income approach based on the direct capitalization method | 1,330,000,000                                 |   |
| (1) Total revenue   | 105,639,000                                   | ①+②+③+④-⑤   |
| ① Rent income   | 97,034,500                                    |   |
| ② Common area charges income  | 6,586,500                                     |   |
| ③ Parking space income  | 8,784,000                                     |   |
| ④ Other income  | 1,058,000                                     | Key money, renewal fee, etc.  |
| ⑤ Losses from vacancies, etc.   | 7,824,000                                     |   |
| (2) Total expenses  | 22,418,000                                    | Sum total of a. to h.   |
| a. Maintenance and management expenses  | 3,636,000                                     |   |
| b. Utilities expenses   | 1,623,000                                     |   |
| c. Repair expenses  | 683,000                                       |   |
| d. Property management fee  | 2,615,000                                     |   |
| e. Leasing fee  | 3,588,000                                     |   |
| f. Taxes and dues   | 6,894,000                                     |   |
| g. Non-life insurance expenses  | 256,000                                       |   |
| h. Other expenses   | 3,123,000                                     |   |
| (3) Operating income from property leasing  | 83,221,000                                    | (1) - (2)   |
| (4) Operating revenue from deposits/guarantees, etc.                                | 207,000                                       |   |
| (5) Opportunity loss of operating revenue   | 0   |   |
| (6) Capital expenditures  | 1,593,000                                     | Based on an assessment (taking into consideration the engineering report)   |
| (7) Net operating income  | 81,835,000                                    | (3) + (4) - (5) - (6)   |
| (8) Cap rate  | 6.1%  |   |
| 2. Value indicated by the income approach based on the DCF method                   | 1,310,000,000                                 |   |
| Discount rate   | 5.8%  |   |
| Terminal cap rate   | 6.4%  |   |

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## 2. Real Estate Portfolio List after Acquisition of Property

|             | Area<br>(Note 1) | Property<br>No. | Property Name                             | Acquisition Date<br>(Note 2) | Acquisition<br>Price<br>(Note 3) | Investment<br>Ratio<br>(Note 4) |
|-------------|------------------|-----------------|---|------------------------------|----------------------------------|---------------------------------|
| Residential | Area 1           | 1001            | Qiz Ebisu                                 | March 22, 2006               | 7,650                            | 3.6%                            |
|             |                  | 1002            | Castalia Azabujuban Shichimenzaka         | March 22, 2006               | 4,500                            | 2.1%                            |
|             |                  | 1003            | Castalia Shibakoen                        | March 22, 2006               | 2,630                            | 1.2%                            |
|             |                  | 1004            | Castalia Ginza                            | March 22, 2006               | 2,520                            | 1.2%                            |
|             |                  | 1005            | Castalia Hiroo                            | March 22, 2006               | 2,220                            | 1.0%                            |
|             |                  | 1006            | Castalia Nihonbashi                       | March 22, 2006               | 1,200                            | 0.6%                            |
|             |                  | 1007            | Castalia Hacchobori                       | March 7, 2007                | 2,300                            | 1.1%                            |
|             |                  | 1008            | Castalia Azabujuban                       | June 21, 2007                | 2,910                            | 1.4%                            |
|             |                  | 1009            | Castalia Azabujuban II                    | June 21, 2007                | 2,690                            | 1.3%                            |
|             |                  | 1010            | Castalia Shinjuku Natsumezaka             | June 21, 2007                | 1,865                            | 0.9%                            |
|             |                  | 1011            | Castalia Ginza II                         | June 21, 2007                | 1,800                            | 0.8%                            |
|             |                  | 1012            | Castalia Shibuya Sakuragaoka              | June 21, 2007                | 1,400                            | 0.7%                            |
|             |                  | 1014            | New City Residence Nishi Azabu Twin Tower | April 1, 2010                | 2,352                            | 1.1%                            |
|             |                  | 1015            | Castalia Nishi Azabu Kasumicho            | April 1, 2010                | 2,143                            | 1.0%                            |
|             |                  | 1016            | Castalia Ochanomizu                       | April 1, 2010                | 1,770                            | 0.8%                            |
|             |                  | 1017            | Castalia Sangubashi                       | April 1, 2010                | 1,393                            | 0.7%                            |
|             |                  | 1018            | Castalia Suitengu                         | April 1, 2010                | 1,279                            | 0.6%                            |
|             |                  | 1019            | Castalia Suitengu II                      | April 1, 2010                | 1,138                            | 0.5%                            |
|             |                  | 1020            | Castalia Shintomicho                      | April 1, 2010                | 932                              | 0.4%                            |
|             |                  | 1021            | Castalia Shintomicho II                   | April 1, 2010                | 825                              | 0.4%                            |
|             |                  | 1022            | Castalia Harajuku                         | April 1, 2010                | 887                              | 0.4%                            |
|             |                  | 1023            | Castalia Yoyogi Uehara                    | April 1, 2010                | 608                              | 0.3%                            |
|             |                  | 1024            | Castalia Sendagaya                        | April 1, 2010                | 555                              | 0.3%                            |
|             |                  | 1025            | Castalia Shinjuku 7 chome                 | April 1, 2010                | 464                              | 0.2%                            |
|             |                  | 1027            | Castalia Ningyocho                        | April 1, 2010                | 947                              | 0.4%                            |
|             |                  | 1028            | Castalia Ningyocho II                     | April 1, 2010                | 1,070                            | 0.5%                            |
|             |                  | 1029            | Castalia Shin-Ochanomizu                  | April 1, 2010                | 914                              | 0.4%                            |
|             |                  | 1030            | Castalia Higashi Nihonbashi II            | April 1, 2010                | 1,370                            | 0.6%                            |
|             |                  | 1031            | Castalia Jinbocho                         | April 1, 2010                | 1,160                            | 0.5%                            |
|             |                  | 1032            | Castalia Shintomicho III                  | April 1, 2010                | 675                              | 0.3%                            |
|             |                  | 1033            | Castalia Shinjuku Gyoen                   | April 1, 2010                | 2,720                            | 1.3%                            |
|             |                  | 1034            | Castalia Takanawadai                      | April 1, 2010                | 860                              | 0.4%                            |
|             |                  | 1035            | Castalia Higashi Nihonbashi III           | April 1, 2010                | 666                              | 0.3%                            |
|             |                  | 1036            | Castalia Shinjuku Gyoen II                | April 1, 2010                | 486                              | 0.2%                            |
|             |                  | 1037            | Castalia Shintomicho IV                   | April 1, 2010                | 400                              | 0.2%                            |
|             |                  | 1038            | Castalia Takanawadai II                   | April 1, 2010                | 1,190                            | 0.6%                            |
|             |                  | 1039            | Castalia Minami Azabu                     | April 1, 2010                | 642                              | 0.3%                            |
|             |                  | 1040            | Castalia Ginza III                        | April 1, 2010                | 2,880                            | 1.4%                            |
|             |                  | 1041            | Castalia Kayabacho                        | April 1, 2010                | 2,707                            | 1.3%                            |
|             |                  | 1042            | Castalia Takanawa                         | April 1, 2010                | 7,430                            | 3.5%                            |
|             |                  | 1043            | Castalia Higashi Nihonbashi               | April 1, 2010                | 3,520                            | 1.7%                            |
|             |                  | 1045            | Castalia Shinjuku                         | April 1, 2010                | 2,950                            | 1.4%                            |
|             |                  | 1046            | Castalia 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                           | 43.0%                           |
|             | Area 2           | 2001            | Castalia Meguro Kamurozaka                | December 20, 2005            | 4,500                            | 2.1%                            |
|             |                  | 2002            | IPSE Toritsudaigaku                       | March 22, 2006               | 648                              | 0.3%                            |
|             |                  | 2004            | Castalia Yukigaya                         | March 7, 2007                | 1,110                            | 0.5%                            |
|             |                  | 2005            | Castalia Yutenji                          | June 21, 2007                | 1,450                            | 0.7%                            |
|             |                  | 2006            | Castalia Otsuka                           | June 21, 2007                | 1,480                            | 0.7%                            |
|             |                  | 2007            | Castalia Kikukawa                         | June 21, 2007                | 817                              | 0.4%                            |
|             |                  | 2008            | Castalia Meguro                           | April 1, 2010                | 844                              | 0.4%                            |
|             |                  | 2009            | Castalia Otsuka II                        | April 1, 2010                | 1,040                            | 0.5%                            |
|             |                  | 2010            | Castalia Jiyugaoka                        | April 1, 2010                | 1,200                            | 0.6%                            |
|             |                  | 2011            | Castalia Mejiro                           | April 1, 2010                | 988                              | 0.5%                            |
|             |                  | 2012            | Castalia Ikebukuro                        | April 1, 2010                | 2,570                            | 1.2%                            |
|             |                  | 2013            | Castalia Kaname-cho                       | April 1, 2010                | 1,140                            | 0.5%                            |
|             |                  | 2014            | Castalia Tower Shinagawa Seaside          | April 1, 2010                | 7,380                            | 3.5%                            |

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|        |          |                              |                   |        |       |
|--------|----------|------------------------------|-------------------|--------|-------|
|        | 2015     | Castalia Yakumo              | April 1, 2010     | 857    | 0.4%  |
|        | 2016     | Castalia Togoshiekimae       | April 1, 2010     | 1,560  | 0.7%  |
|        | 2018     | Castalia Honjo Azumabashi    | April 1, 2010     | 996    | 0.5%  |
|        | 2019     | Castalia Kitazawa            | April 1, 2010     | 742    | 0.3%  |
|        | 2020     | Castalia Monzennakacho       | April 1, 2010     | 503    | 0.2%  |
|        | 2023     | Castalia Kamiikedai          | April 1, 2010     | 198    | 0.1%  |
|        | 2024     | Castalia Morishita           | April 1, 2010     | 832    | 0.4%  |
|        | 2025     | Castalia Wakabayashi koen    | April 1, 2010     | 776    | 0.4%  |
|        | 2026     | Castalia Asakusabashi        | April 1, 2010     | 792    | 0.4%  |
|        | 2027     | Castalia Iriya               | April 1, 2010     | 546    | 0.3%  |
|        | 2028     | Castalia Kita Ueno           | April 1, 2010     | 2,641  | 1.2%  |
|        | 2029     | Castalia Morishita II        | April 1, 2010     | 686    | 0.3%  |
|        | 2030     | Castalia Minowa              | April 1, 2010     | 1,430  | 0.7%  |
|        | 2031     | Castalia Oyamadai            | April 1, 2010     | 533    | 0.3%  |
|        | 2032     | Castalia Nakano              | April 1, 2010     | 1,060  | 0.5%  |
|        | 2033     | Castalia Yoga                | April 1, 2010     | 923    | 0.4%  |
|        | 2034     | Castalia Sumiyoshi           | April 1, 2010     | 948    | 0.4%  |
|        | 2035     | Castalia Monzennakacho II    | April 1, 2010     | 2,160  | 1.0%  |
|        | 2036     | Castalia Oshiage             | April 1, 2010     | 1,100  | 0.5%  |
|        | 2037     | Castalia Kuramae             | April 1, 2010     | 1,260  | 0.6%  |
|        | 2038     | Castalia Nakanobu            | June 29, 2010     | 1,790  | 0.8%  |
|        | 2039     | Royal Parks Toyosu           | November 1, 2010  | 7,360  | 3.5%  |
|        | 2040     | Castalia 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 |                              |                   | 65,241 | 30.7% |
| Area 3 | 3001     | Cosmo Heim Musashikosugi     | March 22, 2006    | 1,674  | 0.8%  |
|        | 3002     | Castalia Tsurumi             | June 21, 2007     | 666    | 0.3%  |
|        | 3003     | Castalia Funabashi           | April 1, 2010     | 704    | 0.3%  |
|        | 3006     | Castalia Nishi Funabashi     | April 1, 2010     | 783    | 0.4%  |
|        | 3007     | Castalia Maihama             | April 1, 2010     | 670    | 0.3%  |
|        | 3008     | Castalia Ichikawamyoden      | April 1, 2010     | 671    | 0.3%  |
|        | 3010     | Castalia Urayasu             | April 1, 2010     | 592    | 0.3%  |
|        | 3011     | Castalia Minamigyotoku       | April 1, 2010     | 543    | 0.3%  |
|        | 3012     | Castalia Minamigyotoku II    | April 1, 2010     | 385    | 0.2%  |
|        | 3013     | Castalia NogeYama            | April 1, 2010     | 325    | 0.2%  |
|        | 3017     | Castalia Ichikawa            | April 1, 2010     | 461    | 0.2%  |
|        | 3018     | Royal Parks Hanakoganei      | October 7, 2011   | 5,300  | 2.5%  |
|        | Subtotal |                              |                   | 12,774 | 6.0%  |
| Area 4 | 4001     | Castalia Shinsakae           | 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     | Castalia Sakaisuji Honmachi  | April 1, 2010     | 1,490  | 0.7%  |
|        | 4011     | Castalia Shin-Umeda          | April 1, 2010     | 1,376  | 0.6%  |
|        | 4012     | Castalia Abeno               | April 1, 2010     | 4,368  | 2.1%  |
|        | 4014     | Castalia Sakae               | April 1, 2010     | 1,010  | 0.5%  |
|        | 4015     | Castalia Nipponbashi Kouzu   | April 1, 2010     | 3,570  | 1.7%  |
|        | 4016     | Castalia Maruyama Urasando   | April 1, 2010     | 411    | 0.2%  |
|        | 4017     | Castalia Maruyama Omotesando | April 1, 2010     | 1,740  | 0.8%  |
|        | 4018     | Castalia Higashi Hie         | April 1, 2010     | 960    | 0.5%  |
|        | 4019     | Castalia Tower Nagahoribashi | April 1, 2010     | 3,400  | 1.6%  |
|        | 4020     | Castalia Sannomiya           | April 1, 2010     | 1,230  | 0.6%  |
|        | 4021     | Castalia Kotodaikoen         | April 1, 2010     | 481    | 0.2%  |
|        | 4022     | Castalia Ichibancho          | April 1, 2010     | 783    | 0.4%  |
|        | 4023     | Castalia Omachi              | April 1, 2010     | 656    | 0.3%  |
|        | 4024     | Castalia Uemachidai          | April 1, 2010     | 2,190  | 1.0%  |
|        | 4025     | Castalia Tower Higobashi     | April 1, 2010     | 2,670  | 1.3%  |
|        | 4026     | Big Tower Minami Sanjo       | November 1, 2010  | 1,740  | 0.8%  |

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|        |          |          |                             |                                |         |        |
|--------|----------|----------|-----------------------------|--------------------------------|---------|--------|
|        |          | 4027     | Castalia Fushimi            | January 14, 2011               | 2,260   | 1.1%   |
|        |          | 4028     | Castalia Meieki Minami      | August 1, 2011                 | 720     | 0.3%   |
|        |          | 4029     | Castalia Yakuin             | September 26, 2011             | 930     | 0.4%   |
|        |          | 4030     | Castalia Mibu               | December 22, 2011              | 1,193   | 0.6%   |
|        |          | 4031     | Castalia Tsutsujigaoka      | September 3, 2012<br>(planned) | 1,209   | 0.6%   |
|        |          | Subtotal |                             |                                |         | 40,651 |
|        | Subtotal |          |                             |                                | 209,834 | 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  |          |          |                             |                                | 212,244 | 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) “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 3) “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 4) “Investment Share” is the ratio of the acquisition price to the total amount of acquisition prices, rounded to one decimal place.

3. Photograph of the Property Planned for Acquisition

