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For Immediate Release

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Notice Concerning Split of Investment Units,
Partial Amendment to the Articles of Incorporation and
Revision of Forecast Distribution per Unit

Daiwa House Residential Investment Corporation (“DHI”) announces that, at a meeting of the board of directors held today, a resolution was passed to implement a split of investment units and make a partial amendment to the Articles of Incorporation as follows.

In addition, DHI also announces the following revision of the forecast distribution per unit for the fiscal period ending in August 2015 (from March 1, 2015 to August 31, 2015) from that announced on October 9, 2014 with implementation of the split of investment units.

1. Purpose of Split

In light of the introduction of “Nippon Individual Savings Account (NISA)” on January 1, 2014, DHI will implement a split of investment units for the purpose of creating an environment favorable to investors for investment, by lowering the amount of the unit of investment in investment units, and thereby expanding the investor base and enhancing the liquidity of investment units of DHI.

2. Overview of Split

(1) Method of Split

With February 28, 2015 as the record date, DHI will implement a 2-for-1 split of the DHI investment units held by unitholders stated or recorded on that date’s final unitholders registry.

(2) Increase in Number of Investment Units through Split, etc.

- ① Number of DHI investment units issued and outstanding before split: 373,870 units
- ② Increase in number of investment units through split: 373,870 units
- ③ Number of DHI investment units issued and outstanding after split: 747,740 units
- ④ Total number of investment units authorized after split: 4,000,000 units

(3) Schedule of Split

- ① Date of public notice of record date: February 12, 2015 (Thursday) (planned)
- ② Record date: February 28, 2015 (Saturday)
- ③ Effective date: March 1, 2015 (Sunday)

(Note) The record date will, in effect, be February 27, 2015 (Friday).

3. Partial Amendment to the Articles of Incorporation

(1) Reason for Amendment

A partial amendment shall be made to the Articles of Incorporation of DHI based on the provision of Article 184 Paragraph 2 of the Companies Act, which applies to Article 81 Section 3 Paragraph 2 of the Act on Investment Trusts and Investment Corporations, in order to increase the total number of investment units authorized to be issued after split in accordance to the proportion of the investment unit split.

(2) Details of Amendment

The details of amendment are as follows (The changed portion is underlined).

Before change	After change
<p>Article 5 (Total number of investment units that may be issued, etc.)</p> <p>1. The total number of investment units that DHI may issue shall be <u>2,000,000 units</u>.</p>	<p>Article 5 (Total number of investment units that may be issued, etc.)</p> <p>1. The total number of investment units that DHI may issue shall be <u>4,000,000 units</u>.</p>

(3) Date of Amendment

March 1, 2015 (Sunday)

4. Future Prospects

The forecast distribution per unit for the fiscal period ending in August 2015 (19th Fiscal Period: from March 1, 2015 to August 31, 2015) announced on October 9, 2014 will be revised in proportion to the investment unit split (half), resulting in a revision from ¥8,650 to half that of ¥4,325. The expenses associated with the investment unit split will be minimal and there will thus be no change in operating revenue, operating income, ordinary income, net income, etc. for the 19th Fiscal Period.

In addition, concerning the ¥8,600 forecast distribution per unit for the fiscal period ending in February 2015 (18th Fiscal Period: from September 1, 2014 to February 28, 2015), there will be no revision because the effective date of the investment unit split will be March 1, 2015.

Revision of Operation Status Forecasts for the 19th Fiscal Period

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)	Number of investment units issued and outstanding (unit)
19th Fiscal Period Previous forecasts (A)	8,664	3,846	3,065	3,065	8,650	—	373,870
19th Fiscal Period Revised forecasts (B)	8,664	3,846	3,065	3,065	4,325	—	747,740
Amount of increase (decrease) (C) ((B) - (A))	—	—	—	—	(4,325)	—	373,870
Rate of increase (decrease) (C) / (A)	—	—	—	—	(50.0)%	—	100.0
(Reference) Forecast for 18th Fiscal Period	8,651	3,858	3,047	3,046	8,600	—	373,870

(Note 1) Figures for monetary amounts are rounded down to the nearest specified unit, and rates of increase (decrease) are rounded to one decimal place.

(Note 2) The funds from which distributions are paid out for the 18th Fiscal Period is the amount including the reversal of internal reserves (168 million yen) and differs from “net income.”

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* This press release (original Japanese version) 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/>