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For Immediate Release

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Notice Concerning Properties Using Seismic Isolation Materials
Made by Toyo Tire & Rubber Co., Ltd.

Daiwa House Residential Investment Corporation (“DHI”) announces that, in response to “Concerning substandard, etc. to the Minister’s certification of seismic isolation materials manufactured by Toyo Tire & Rubber Co., Ltd.” announced by the Ministry of Land, Infrastructure, Transport and Tourism on March 13, 2015, it has checked the properties DHI owns as of today and discovered that one property (“concerned property”) uses seismic isolation materials (seismic isolation rubber for buildings, “seismic isolation materials”) that are substandard to the performance standard of the Minister’s certification (“concerned matter”).

Toyo Tire & Rubber Co., Ltd. (“Toyo Tire & Rubber”) informed DHI that it will request the constructor and architect of the concerned property for the verification (structural calculation) that “there is no problem in safety as a structure,” and at the same time that it will carry out procedures to once again obtain the Minister’s certification for the seismic isolation materials.

In addition, Toyo Tire & Rubber has announced that, when concerns arise about the safety of the building using the seismic isolation materials, it will address the matter as its highest priority of its business management including promptly proceeding measures such as replacement of the seismic isolation materials under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism and specific government agencies.

<Disclaimer> This document is a press release to make a public announcement of the properties using seismic isolation materials made by Toyo Tire & Rubber Co., Ltd of Daiwa House Residential Investment Corporation, and has not been prepared as a solicitation for investment. DHI cautions investors to ensure that they refer to the prospectus for notification of the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by DHI before undertaking investments and investments be made at their own discretion and responsibility.

Although the impact of the concerned matter to the performance of DHI is yet determined at this point, if an impact to the dividends arises, DHI plans to absorb impact to dividends utilizing 18.4 billion yen of internal reserves (reserve in preparation of distribution)(as of the end of August 2014).

In addition, as for the measures announced in the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units,” “Notice Concerning the Proposed Acquisition and Leasing of Domestic Assets (Pacific Royal Court Minatomirai Urban Tower and Four other Properties)” and “Notice Concerning Debt Financing” dated March 9, 2015, DHI is currently under consideration including to whether or not to execute them, which the decision will be made by today.

The future status will be announced once discovered or determined.

* This press release is (original Japanese version) 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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This English language notice is a translation of the Japanese language notice and was prepared solely for the convenience of, and reference by, overseas investors. DHI makes no warranties as to its accuracy or completeness.