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**For Immediate Release**

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**Notice Concerning Cancellation of Issuance of New Investment Units and  
Secondary Offering of Investment Units, Cancellation of Debt Financing,  
Postponement of Acquisition and Leasing of Domestic Assets,  
and Revision of Operation Status Forecasts**

Daiwa House Residential Investment Corporation (“DHI”) announces its decision today, regarding issuance of new investment units and secondary offering of investment units for which resolution was passed at a meeting of the board of directors of DHI held on March 9, 2015 as announced in the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated March 9, 2015, to cancel the abovementioned issuance of new investment units and secondary offering of investment units. This decision comes in light of such factors as having ascertained use of seismic isolation materials (seismic isolation rubber bearings for building construction) that do not conform to the performance evaluation standards for certification by the Minister of Land, Infrastructure, Transport and Tourism at one of the properties held by DHI as of today as announced in the press release “Notice Concerning Properties Using Seismic Isolation Materials Made by Toyo Tire & Rubber Co., Ltd.” dated today and this leading to a situation in which the corresponding impact on the business performance of DHI is yet to be determined at present.

In addition, along with the above, DHI decided to cancel also the debt financing announced in the press release “Notice Concerning Debt Financing” dated March 9, 2015, and decided to postpone the scheduled acquisition date of the acquisition and leasing of assets announced in the press release “Notice Concerning the Proposed Acquisition and Leasing of Domestic Assets (Pacific Royal Court Minatomirai Urban Tower and Four other Properties)” dated March 9, 2015. The acquisition funds and other matters will be announced at a later date once determined.

Furthermore, regarding the forecasts of the operation status of DHI announced in the press release “Notice Concerning Revision of Operation Status Forecasts for the 19th Fiscal Period and Operation Status Forecasts for the 20th Fiscal Period” dated March 9, 2015, these are now yet to be determined as below due to the abovementioned cancellation of issuance of new investment units and secondary offering of investment units, cancellation of debt financing, and postponement of acquisition and leasing of assets. The impact of the concerned cancellation and postponement and other matters will be promptly confirmed and announced at a later date.

## Revision of Operation Status Forecasts for the 19th Fiscal Period and 20th Fiscal Period

### (1) 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)
19th Fiscal Period Previous forecasts (A)	9,438	4,066	3,231	3,230	4,350	—
19th Fiscal Period Revised forecasts (B)	—	—	—	—	—	—
Amount of increase (decrease) (B-A)	—	—	—	—	—	—
Rate of increase (decrease) (%)	—	—	—	—	—	—

(Note 1) DHI implemented a 2-for-1 split of investment units effective March 1, 2015. Therefore, 19th Fiscal Period Previous forecasts take this split into account.

(Note 2) Total distributions for the 19th Fiscal Period Previous forecasts include the reversal of internal reserves (194 million yen).

### (2) Revision of Operation Status Forecasts for the 20th 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)
20th Fiscal Period Previous forecasts (A)	9,564	4,037	3,250	3,249	4,380	—
20th Fiscal Period Revised forecasts (B)	—	—	—	—	—	—
Amount of increase (decrease) (B-A)	—	—	—	—	—	—
Rate of increase (decrease) (%)	—	—	—	—	—	—

(Note) Total distributions for the 20th Fiscal Period Previous forecasts include the reversal of internal reserves (199 million yen).

\* 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/>

(Reference)

Press release dated March 9, 2015

“Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”

“Notice Concerning Debt Financing”

“Notice Concerning the Proposed Acquisition and Leasing of Domestic Assets (Pacific Royal Court Minatomirai Urban Tower and Four other Properties)”

“Notice Concerning Revision of Operation Status Forecasts for the 19th Fiscal Period and Operation Status Forecasts for the 20th Fiscal Period”