

March 31, 2015

For Immediate Release

Investment Corporation:
Daiwa House Residential Investment Corporation
7th Floor, Nissei Nagatacho Building
2-4-8 Nagatacho, Chiyoda-ku, Tokyo
Tetsuji Tada, Executive Director
(Code Number: 8984)

Asset Manager:
Daiwa House Asset Management Co., Ltd.
Koichi Tsuchida, CEO & President
Inquiries:
Hirotaka Uruma, CFO & Director
Finance & Corporate Planning Department
TEL: +81-3-3595-1265

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 (“Ministry”) on March 13, 2015, DHI has announced 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”) (the total fraud cases of seismic isolation materials involves 55 buildings including one DHI property).

As of March 13, 2015, The Ministry has instructed Toyo Tire & Rubber Co., Ltd. (“Toyo Tire & Rubber”) to promptly conduct verifications of the structural safety and report it to the Ministry.

As of March 25, 2015, Toyo Tire & Rubber has reported to the Ministry that “it has enough seismic resistance to withstand an earthquake registering about 5 Higher on the Japan Meteorological Agency (“JMA”) seismic intensity scale and there is no possibility for the buildings to collapse,” and, as of March 30, 2015, it has reported to the Ministry that “there is no possibility for the buildings to collapse in the event of an earthquake registering about 6 Higher or 7 on the Japan Meteorological Agency (“JMA”) seismic intensity scale.”

The Ministry has announced the below perspective as a result of evaluations by third-party organizations regarding the content of such reports.



DHI will hereby announce that, with the perspective of the Ministry, it has confirmed that there is no possibility for the concerned property to collapse in the event of an earthquake registering about 6 Higher or 7 on the Japan Meteorological Agency (“JMA”) seismic intensity scale.

[Perspective of the Ministry]

- The Ministry confirmed that there were no fraudulent operations by Toyo Tire & Rubber with regard to the data of the seismic isolation materials used for the verification of the structural safety based on the materials obtained through on-site inspection conducted on March 17, 2015.

- The Ministry requested third-party organizations (The Building Center of Japan and Japan ERI Co., Ltd.) to evaluate the results of the verification of the structural safety reported by Toyo Tire & Rubber.

- After conducting the above examinations, there was the need for partial corrections and such was pointed out to Toyo Tire & Rubber. However, no inappropriate treatment was found in any procedure of the verification of the structural safety, and it was confirmed that there is no possibility for any of the 55 buildings to collapse in the event of an earthquake registering about 6 Higher or 7 on the Japan Meteorological Agency (“JMA”) seismic intensity scale.

(Note)

Prepared based on the “Concerning report by Toyo Tire & Rubber Co., Ltd. regarding verification of structural safety of buildings involved in fraud case of seismic isolation materials” (http://www.mlit.go.jp/report/press/house05_hh_000548.html) press release by the Ministry dated March 31, 2015.

* URL of the DHI’s website: <http://daiwahouse-resi-reit.co.jp/eng/>