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For Immediate Release

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Notice Concerning Signing of Interest Rate Swap Agreement

Daiwa House Residential Investment Corporation (“DHI”) announces its decision to enter into interest rate swap agreement. The details are as follows:

1. Reason for entering into Interest Rate Swap Agreements

To hedge the risk of interest rate fluctuations of variable rate loan (Note) (Term Loan X) that executed on January 30, 2015.

(Note) Please refer to the press release “Notice Concerning Debt Financing and the Repayment of the Rehabilitation Obligations” announced on January 23, 2015.

2. Overview of Interest Rate Swap Agreement

Counterparty	Daiwa Securities Co., Ltd.		
Notional principal	¥6,858,000,000		
Interest rate	Fixed interest payable	0.3076%	
	Variable interest receivable	1 month Japanese Yen TIBOR	
Effective date	April 30, 2015		
Termination date	January 31, 2022		
Interest payment dates	First payment on the last day of May 2015 (or last business day of the months). Subsequent payment on the last day of respective months (or last business day of the respective months) and the end of the contract which is January 31, 2022.		

Because of the aforementioned agreements, the interest rates applicable from April 30, 2015 and thereafter for the Term Loan X will be in effect fixed at 0.6076%.

* 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/>