

May 27, 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 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 XI) that executed on May 1, 2015.

(Note) Please refer to the press release “Notice Concerning Debt Financing” announced on April 9, 2015 and “Notice Concerning Debt Financing Lenders” announced on April 22, 2015.

2. Overview of Interest Rate Swap Agreement

Counterparty	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		
Notional principal	¥10,000,000,000		
Interest rate	Fixed interest payable	0.361%	
	Variable interest receivable	1 month Japanese Yen TIBOR	
Effective date	May 29, 2015		
Termination date	April 28, 2022		
Interest payment dates	First payment on the last day of June 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 April 28, 2022.		

Because of the aforementioned agreements, the interest rates applicable from May 29, 2015 and thereafter for the Term Loan XI will be in effect fixed at 0.661%.

\* 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/>