

June 16, 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 the Prepayment of the Loans**

Daiwa House Residential Investment Corporation (“DHI”) announces its decision to undertake the prepayment of the loans. The details are as follows:

1. Details of Prepayment of the Loans

Short-term Loans (Debt Financing based on Commitment Line Agreement on September 5, 2011)

Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited (Note) Mizuho Bank, Ltd.
Loan Amount	¥800,000,000
Amount of Repayment	¥800,000,000 (full repayment)
Prepayment Date (planned)	June 30, 2015
Interest Rate	0.63% (Variable interest rate) (from May 30, 2015 to June 30, 2015)
Loan Date	September 26, 2014
Repayment Date	September 25, 2015
Repayment Method	Principal repayment in full on the maturity date
Collateral	Unsecured, Unguaranteed

(Note) Sumitomo Mitsui Trust Bank, Limited, constitutes an interested party as set forth in the bylaws of the Asset Management Company.

## 2. Funds for the Repayment

The Prepayment will be funded using cash on hands.

## 3. Future Prospects

The Prepayment will have only a minor impact on operating status forecasts for the fiscal period ending in August 2015 (19th Fiscal Period: from March 1, 2015 to August 31, 2015) and February 2016 (20th Fiscal Period: from September 1, 2015 to February 29, 2016), there is no revision to the operating status forecasts.

## 4. Other

For the risks concerning Prepayment etc., there are no significant changes from the security registration statement (submitted on May 22, 2015).

[Reference]

Status of Balance of Interest-bearing Liabilities after the Prepayment (planned)

(Unit: million yen; rounded under million yen)

		Before the Prepayment (as of June 16, 2015)	After the Prepayment (planned) (as of June 30, 2015)	Increase (Decrease)
Short-term loans (Note 1)	Commitment Line I-7	800	—	(800) (Note 2)
	The Bank of Tokyo-Mitsubishi UFJ-2	3,250	3,250	—
	Mizuho Bank, Ltd. -1	3,250	3,250	—
	Sumitomo Mitsui Trust Bank, Limited -1	1,750	1,750	—
	Sumitomo Mitsui Banking Corporation -1	1,750	1,750	—
Long-term loans (Note 1)	Term loan III	10,500	10,500	—
	Term loan IV	31,800	31,800	—
	Resona Bank-1	1,095	1,095	—
	Term loan V	7,000	7,000	—
	Term loan VI	7,000	7,000	—
	The Bank of Tokyo-Mitsubishi UFJ-1	4,000	4,000	—
	Term loan VII	12,400	12,400	—
	Term loan VIII	7,600	7,600	—
	Term loan IX	17,410	17,410	—
	Development Bank of Japan Inc.-1	1,500	1,500	—
	The Norinchukin Bank-1	3,500	3,500	—
	Term loan X	6,858	6,858	—
	Development Bank of Japan Inc.-2	2,000	2,000	—
	Term Loan XI	10,000	10,000	—
Total loans		133,463	132,663	(800)
Investment corporation bonds		9,000	9,000	—
Total interest-bearing liabilities		142,463	141,663	(800)

(Note 1) Short-term loans are loans with maturity periods of one year or less and long-term loans are loans with maturity periods of over one year.

(Note 2) Decrease attributable to the prepayment announced today.

\* 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/>