November 13, 2013

For Immediate Release

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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	¥7,000,000,000
Amount of Repayment	¥7,000,000,000 (full repayment)
Prepayment Date (planned)	November 29, 2013
Interest Rate	0.94818% (Variable interest rate) (from November 1, 2013 to November 29, 2013)
Loan Date	September 27, 2013
Repayment Date	September 26, 2014
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 Repayment will be funded using proceeds from the issuance of new investment units.

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(Note) For details of the proceeds from the issuance of new investment units, please refer to the press release "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" dated October 10, 2013.

3. Future Prospects

The Repayment will have only a minor impact on operating status forecasts for the 16th Fiscal Period (from September 1, 2013 to February 28, 2014) and 17th Fiscal Period (from March 1, 2014 to August 31, 2014), there is no revision to the operating status forecasts.

4. Other

For the risks concerning Repayment etc., there are no significant changes from the security registration statement (submitted on October 10, 2013).

[Reference] Status of Balance of Interest-bearing Liabilities after the Prepayment

(Unit: million yen; rounded under million yen)

		Before the Repayment (as of October 31, 2013)	After the Repayment (planned) (as of November 29, 2013)	Increase (Decrease)
Short-term loans (Note 1)	Commitment Line I-5	7,000	0	(7,000) (Note 2)
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	–
Total loans		107,305	100,305	(7,000)
Investment corporation bonds		3,000	3,000	–
Rehabilitation obligations (loans)		17,366	17,366	–
Rehabilitation obligations (investment corporation bonds)		1,069	1,069	–
Total interest-bearing liabilities		128,740	121,740	(7,000)

(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 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/

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