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For Immediate Release

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Notice Concerning Debt Financing

Daiwa House Residential Investment Corporation (“DHI”) announces its decision to undertake debt financing. The details are as follows:

1. Details of Debt Financing

Method	Debt Financing based on Commitment Line Agreement on September 5, 2011 (Commitment Line I-1)
Use	To fund the acquisition of trust beneficiary rights, as well as payment of related expenses (Note 1)
Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation The Chuo Mitsui Trust and Banking Co., Ltd. (Note 2) Mizuho Corporate Bank, Ltd.
Amount	¥3,200,000,000
Interest Rate (Note 3)	Basic interest rate (Japanese Bankers Association 1 month yen TIBOR + 0.90%) (Variable interest rate)
Loan Date	December 19, 2011
Repayment date	December 18, 2012
Repayment method	Principal repayment in full on the maturity date
Collateral	Unsecured

(Note 1) Please refer to the press release “Notice Concerning the Proposed Acquisition of Trust Beneficiary Rights in Real Estate” announced today.

(Note 2) The Chuo Mitsui Trust and Banking Co., Ltd., constitutes an interested party as set forth in the bylaws of the



Asset Management Company.

(Note 3) Interest payment dates are last business day of each months, and the principal repayment date (or last business day of the month).

JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date will be use as the base rate to calculate the applicable interest rate for the current calculation period..

Please refer to JBA website (<http://www.zenginkyo.or.jp/en/tibor/>) for the yen TIBOR.

2. Other

For the risks concerning the debt financing, there are no significant changes from the security registration statement (submitted on November 25, 2011).

[Reference]

Status of Balance of Loans as of December 30, 2011 (planned)

(Unit: million yen; rounded under million yen)

		As of November 30, 2011	As of December 30, 2011	Increase (Decrease)
Short-term loans (Note 1)	Commitment Line I-1	–	3,200	3,200
Long-term loans (Note 1)	Term loan I	12,542	12,519	(23) (Note 2)
	Term loan III	10,500	10,500	–
	Term loan IV	31,800	31,800	–
Total loans		54,842	58,019	3,177
Rehabilitation obligations (loans)		45,441	45,441	–
Rehabilitation obligations (investment corporation bonds)		21,865	21,865	–
Total interest-bearing liabilities		122,148	125,325	3,177

(Note 1) Short-term loans mean loans that repayment day within one year and Long-term loans mean loans that repayment day over one year.

(Note 2) Decrease attributable to the December 30, 2011 contractual obligation of repayment.

* 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/>