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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 31,800 million yen variable rate loan (Note) (Term Loan IV) that executed on September 30, 2011.

(Note) Please refer to the press release “Notice Concerning Debt Financing” announced on September 28, 2011.

2. Overview of Interest Rate Swap Agreement

Counterparty	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional principal	¥31,800,000,000
Interest rate	Fixed interest payable 0.446% Variable interest receivable 3 month Japanese Yen TIBOR
Effective date	December 30, 2011
Termination date	September 30, 2016
Interest payment dates	First payment on the last day of March 2012 (or last business day of the months). Subsequent payment on the last day of March, June, September and December (or last business day of the respective months) and the end of the contract which is September 30, 2016.

Because of the aforementioned agreements, the interest rates applicable from December 30, 2011 and thereafter for the Term Loan IV will be in effect fixed at 1.096%.



* 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/>