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For Immediate Release

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Notice Concerning Change of Property Management
Company at Owned Property

Daiwa House Residential Investment Corporation (“DHI”) announces the following decision to change the following property management company (“PM company”). The details are as follows:

1. Reason for Change

DHI has been considering reviewing the companies to which it entrusts PM services and ML companies for such purposes as enhancement of tenant satisfaction through improvement of management quality, boosting of management efficiency and reduction of management costs. Based on such considerations, DHI decided on the policy to consolidate to its sponsor, the Daiwa House Group, in principle.

Based on the policy, DHI decided to change the PM company to Daiwa Living Co., Ltd. for the property listed in 2. below.

2. Overview of Change

Of DHI’s assets under management, DHI will change the PM Company for the property below effective October 1, 2013.

No.	Property Name	Before Change	After Change
1042	Castalia Takanawa	Mitsui Fudosan Housing Lease Co., Ltd.	Daiwa Living Co., Ltd.

This English language notice is a translation of the Japanese language notice and was prepared solely for the convenience of, and reference by, overseas investors. DHI makes no warranties as to its accuracy or completeness.

3. Property Manager Profile

Trade name	Daiwa Living Co., Ltd.
Head office address	3-7-18, Ariake, Koto-ku, Tokyo
Date established	October 26, 1989
Capital	100 million yen (100% affiliated company of Daiwa Living Management Co., Ltd.)
Business description	Apartment management business, Lease management business, etc
Relationship of interest with DHI or the Asset Manager	Daiwa Living Co., Ltd. constitutes an interested party as set forth in the bylaws of the Asset Management Company. Consequently, such transactions have undergone the procedures required by the Interested-Party Transaction Rules bylaws of the Asset Management Company.

4. Future Prospects

For operation status forecasts for the fiscal period ending in February 28, 2014 (16th Fiscal Period: from September 1, 2013 to February 28, 2014) and August 31, 2014 (17th Fiscal Period: from March 1, 2014 to August 31, 2014) that take the Change of PM company into account are currently being assessed and will be announced once determined. Kessan Tanshin for the 15th Fiscal Period will be announced on October 10, 2013.

* This press release (original Japanese version) 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/>