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For Immediate Release

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Notice Concerning Debt Financing and Repayment of the Loans

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

1. Details of Debt Financing

Term Loan Agreement (Syndication)

Term Loan XII	
Use	Refinance of Syndicated Loan based on Term loan III Agreement on December 24, 2010
Lenders	Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited (Note 2), Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Ltd., Shinsei Bank, Limited.
Amount	¥10,500,000,000
Interest Rate (Variable interest rate) (Note 1)	Basic interest rate (Japanese Bankers Association 1month yen TIBOR + 0.30%) (Variable interest rate)
Loan Date (planned)	December 28, 2015
Interest Payment Date	First payment day: January 29, 2016. Subsequent payment on the last day of each month and maturity date (or last business day of the respective months).
Repayment date	December 28, 2022 (or last business day of the month)
Repayment method	Principal repayment in full on the maturity date
Collateral	Unsecured, Unguaranteed

(Note 1) JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date (first interest payment date: execution date of debt financing) 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.

(Note 2) Sumitomo Mitsui Trust Bank, Limited. constitutes an interested party as set forth in the bylaws of the Asset Management Company.

2. Details of Repayment of the Loans

Term Loan Agreement (Syndication)

Lenders	Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited (Note), Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Ltd., Shinsei Bank, Limited.
Repayment Date (planned)	December 28, 2015
MaturityDate	December 28, 2015
Loan Amount (balance as of today)	¥10,500,000,000
Amount of Repayment	¥10,500,000,000
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.

3. Funds for the Repayment

The Repayment will be funded using Debt Financing.

4. Future Prospects

The Debt Financing and Repayment will have only a minor impact on operating status forecasts for the fiscal period ending in February 2016 (20th Fiscal Period: from September 1, 2015 to February 29, 2016) and August 2016 (21st Fiscal Period: from March 1, 2016 to August 31, 2016), there is no revision to the operating status forecasts.

5. Other

For the risks concerning Debt Financing and Repayment etc., there are no significant changes from the security registration statement (submitted on November 24, 2015).

[Reference]

Status of Balance of Interest-bearing Liabilities after the Debt Financing and Repayment (planned)

(Unit: million yen; rounded under million yen)

		Before the Debt Financing (as of November 30, 2015)	After the Debt Financing (planned) (as of December 28, 2015)	Increase (Decrease)
Short-term loans (Note 1)	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) (Note 2)
	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	–
Term Loan XII	–	10,500	10,500 (Note 3)	
Total loans		132,663	132,663	–
Investment corporation bonds		9,000	9,000	–
Total interest-bearing liabilities		141,663	141,663	–

(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 repayment announced today.

(Note 3) Increase attributable to the debt financing 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/>