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December 9, 2019

REIT Issuer: Daiwa Office Investment Corporation (Stock Code No.: 8976)
Representative: Motoi Takahashi, Executive Director

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Notice Concerning Acquisition of Asset **(Daiwa Nakano-Sakaue) (Note)**

Daiwa Office Investment Corporation (the "Investment Corporation") hereby announces that Daiwa Real Estate Asset Management Co. Ltd. (the "Asset Manager"), to which the Investment Corporation entrusts management of its assets, has determined today to acquire trust beneficial interest in real estate as follows.

(Note) The name of the property is scheduled to change from Leoplace 21 Dairoku Building to Daiwa Nakano-Sakaue after the acquisition.

1. Summary of Asset to be Acquired

Asset Name	Daiwa Nakano-Sakaue (the "Property")
Type of Asset	Trust beneficial interest in domestic real estate
Location	3-31-11 Honcho, Nakano-ku, Tokyo
Acquisition Price	2,750 million yen (Excluding acquisition costs, consumption tax, etc.)
Date of Conclusion of Purchase Agreement	December 9, 2019
Delivery Date	December 13, 2019
Seller	TMK Shine Residence
Funding for Acquisition	Cash on hand
Payment Method	Lump-sum payment on delivery

(Note) The intermediary is neither an interested person, etc. as stipulated in the Order for Enforcement of the Act on Investment Trusts and Investment Corporations nor a related party as stipulated in the "rules on conflicts of interest," the Asset Manager's internal regulations.

2. Reason for Acquisition

The Property is an office building pursuant to the basic policy for asset management set forth in the Articles of Incorporation and the management policy of the Investment Corporation, and the acquisition was determined upon appreciation of the Property's rarity and profitability. Please refer to the following for further details.

(1) Location:

The Property is a 6-minute walk from Nakano-sakaue Station on the Tokyo Metro Marunouchi Line and Toei Subway Oedo Line. With train rides from Nakano-sakaue Station taking 4 minutes to reach Shinjuku Station and 23 minutes to reach Tokyo Station, etc., the Property enjoys excellent access to major stations in central Tokyo.

The Nakano-sakaue area where the Property stands is a submarket of the adjacent Nishi-shinjuku area offering relatively inexpensive rent despite being close to central Tokyo, and thus has strong appeal for tenants.

In addition, since the Property faces Ome-Kaido Road (Prefectural Road No. 4), it enjoys excellent access to the Josai area (western part of Tokyo's 23 wards) by car. Given such, the Property can expect demand for back offices from companies based in Shinjuku or for their sales offices for the Josai area, etc.

(2) Building Facilities:

The Property has 8 floors above ground and 1 floor below with a gross floor area of 3,978.82 m² and a leasable area of approximately 120 tsubos per floor is secured. It is equipped with 2,600 mm of typical floor ceiling height, OA floor, individual air-conditioning systems, etc., satisfying needs of offices for various business categories. Furthermore, since there are no pillars in the rental spaces, a flexible and efficient layout is possible.

Note: This press release has been prepared as a public announcement regarding the Investment Corporation's acquisition of an asset and has not been prepared with the aim of soliciting investments.

Although around 25 years have passed since its completion, the Property has been properly maintained and managed. It is judged that the Property will be able to, with well-planned facility updates, etc., remain competitive when compared with other properties in the surrounding areas going forward even after the acquisition.

Given the functionality and favorable location of the Property, it should perform competitively and contribute regularly to the profitability of the Investment Corporation's portfolio.

3. Details of the Asset to be Acquired

Asset Name	Daiwa Nakano-Sakaue			
Type of Specified Asset	Trust beneficial interest in real estate			
Trustee (scheduled)	Mitsubishi UFJ Trust and Banking Corporation			
Trust Period (scheduled)	From September 26, 2019 to December 31, 2029			
Location (Address)	3-64-1 Honcho, Nakano-ku, Tokyo and 2 other lots			
Use (Real Property Registry)	Office/Car parking			
Ownership Form	i) Land: Ownership ii) Building: Ownership			
Site Area (Real Property Registry)	915.72 m ²			
Total Floor Area (Real Property Registry)	3,978.82 m ² (Note 1)			
Structure (Real Property Registry)	Steel framed reinforced concrete structure with flat roof, 8 stories above ground and 1 below			
Construction Date (Real Property Registry)	January 19, 1995			
Building Engineer	Nomura Real Estate Development Co., Ltd. First-Class Architect Office			
Constructor	Taisei Corporation			
Structural-design Engineer	Nomura Real Estate Development Co., Ltd. First-Class Architect Office			
Floor Height/Ceiling Height	3,700 mm (for standard floor)/2,600 mm (for standard floor)			
Air-conditioning System/ OA Laying	Each floor individual treatment air-conditioning/OA-capable floor			
Building Inspection Agency	Construction surveyor of Nakano-ku, Tokyo			
Engineering Due Diligence Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.			
Soil Contamination Risk Survey Company	Earth-Appraisal Co., Ltd.			
Probable Maximum Loss Level (Assessor)	5.93% (Sompo Risk Management Inc.)			
Acquisition Price	2,750 million yen (Excluding acquisition costs, consumption tax, etc.)			
Appraisal Value (Appraisal Date)	2,910 million yen (as of October 10, 2019)			
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.			
Collateral	None			
Summary of Tenants				
Total Number of Tenants		6 (As of the scheduled acquisition date)		
Rent Revenue		12 million yen per month (October 2019)		
Security Deposit and Guaranty		92 million yen (October 20, 2019)		
Total Leased Floor Space		2,869.13 m ² (estimation for the scheduled delivery date) (Note 2)		
Total Leasable Floor Space		2,869.13 m ² (Note 2)		
Trend in occupancy rates (Note 1)		October 31, 2018	October 31, 2019	Acquisition date (scheduled)
		—	100.0%	100.0%
NOI yield at acquisition (Note 3)	4.0%	Midterm NOI yield (Note 4)	4.4%	
Appraisal NOI (NOI yield) (Note 5)	4.4%	Depreciation (Note 6)	0.6%	
Other Relevant Information	None applicable.			

(Note 1) The Property is partially extended, but the area has not been registered and thus not included in the total floor area.

(Note 2) The figures are based on the data obtained from the seller for the total leased floor space, total leasable floor space and trend in occupancy rates of the end tenants. The occupancy rate for October 31, 2018, is not disclosed since it is from before the seller's acquisition of the Property.

(Note 3) NOI yield at acquisition is calculated based on the leasing agreement for the property on the acquisition date by dividing the annual income with the assumption of the occupancy rate being 100% by acquisition price in consideration of the taxes and other costs that may be incurred. The figures are rounded to the first decimal place. The figure is not the forecast for the current fiscal period or the next fiscal period onward.

(Note 4) Midterm NOI yield is calculated based on the assumption that after the property acquisition, the Investment

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Corporation will receive rent on an ongoing basis for the medium term (with the assumption of the occupancy rate being 93.0%). The estimated figures where the rental business expenses are deducted from the rental revenue are divided by the acquisition price. The figures are rounded to the first decimal place. The figure is not the forecast for the current fiscal period or the next fiscal period onward.

(Note 5) The figure for appraised NOI yield is calculated based on net operating income used for the calculation of the income approach value as per the direct reduction process as stipulated by the real property appraisal report and divided by acquisition price. The figure is rounded to the first decimal place.

(Note 6) The figure for depreciation is the total amount of the six-month depreciation conversion price expected to accrue in the financial period of acquisition and the appropriate expected depreciation charge for the next financial period (six-month period), which are divided by the acquisition price. The figure is rounded to the first decimal place and is not a forecast for the current fiscal period or the next fiscal period onward.

4. Details of the Seller

(1)	Name	TMK Shine Residence
(2)	Location	Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo
(3)	Title/Name of Representative	Director Tadasuke Akatsu
(4)	Nature of Business	1. Business pertaining to accepting specified assets and performing services of managing and disposing of such specified assets in accordance with an asset securitization plan under the Act on the Securitization of Assets 2. All other business incidental/related to the business pertaining to specified asset securitization stated above
(5)	Stated Capital	100,000 yen
(6)	Date of Incorporation	August 26, 2019
(7)	Net Assets	Not disclosed as the seller has not agreed to disclose net assets.
(8)	Total assets	Not disclosed as the seller has not agreed to disclose total assets.
(9)	Relationship with the Investment Corporation/Asset Manager	
	Capital Relationship	There is no capital relationship to be stated between the Investment Corporation/Asset Manager and the seller. Furthermore, there is no capital relationship to be stated between the affiliated parties and the affiliated companies of the Investment Corporation/Asset Manager and those of the seller.
	Personnel Relationship	There is no personnel relationship to be stated between the Investment Corporation/Asset Manager and the seller. Furthermore, there is no personnel relationship to be stated between the affiliated parties and the affiliated companies of the Investment Corporation/Asset Manager and those of the seller.
	Business Relationship	There is no business relationship to be stated between the Investment Corporation/Asset Manager and the seller. Furthermore, there is no business relationship to be stated between the affiliated parties and the affiliated companies of the Investment Corporation/Asset Manager and those of the seller.
	Status of Classification as Related Party	The seller does not fall under the category of Related Party of the Investment Corporation/Asset Manager. Moreover, the affiliated parties and the affiliated companies of the seller do not fall under the category of Related Party of the Investment Corporation/Asset Manager.

5. Status of Owners etc. of the Property

The acquisition of the trust beneficial interest does not pertain to acquisition from any persons having a special interest in the Investment Corporation or the Asset Manager.

6. Acquisition Schedule

Date of Determination of the Acquisition	December 9, 2019
Date of Conclusion of Purchase Agreement	December 9, 2019
Payment Date	December 13, 2019
Delivery Date	December 13, 2019

7. Future Prospect

The acquisition of the Property has no impact on the management status for the fiscal period ended November 2019 (28th fiscal period) as the delivery will take place on December 13, 2019. Furthermore, the impact of the acquisition on the management status forecast for the fiscal period ending May 2020 (29th fiscal period) is not significant and there are presently no revisions to the previously released forecast.

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8. Summary of Appraisal Report

Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.	
Appraisal Date	October 10, 2019	
Appraisal Value	2,910 million yen	
Items	(million yen) (Note 1)	Outline, etc.
Income Approach Value	2,910	Based on direct capitalization method with reference to DCF method.
Direct Capitalization Value	3,030	
(1) Operating Revenue	179	
Potential Annual Rent Revenue	187	Mid- to long-term competitiveness is accounted for in standardized rent, etc.
Amount of Loss due to Vacancy	7	Estimated stable vacancy rate for the medium to long term.
(2) Operating Expenses	46	
Maintenance and Operation Cost	12	Maintenance and operation cost is based on the current contract and those of peer properties, and PM fee is based on the scheduled PM contract and the fee levels of peer properties.
PM Fee	(Note 2)	
Water & Utility Charges	13	Based on actual historical data.
Repair	2	Recorded judging the average annualized repair expense stated in the ER to be appropriate.
Leasing Fee	1	Assessed referencing the levels of those for peer properties.
Tax	13	Based on actual historical data.
Non-life Insurance	0	Based on quoted premium, judged appropriate.
Other	2	Based on fees including renewal contracts.
(3) Net Operating Revenue	133	
(4) Profit from deposits/guarantees	1	Return yield is assumed at 1.0%.
(5) Capital Expenditures	13	Recorded judging the average annual renewal fee stated in the ER to be appropriate and considering CM fees.
(6) Net Revenue ((3)+(4)-(5))	121	
(7) Capitalization Rate	4.0%	With the method of using peer property comparison as the standard, investor sounding, etc. have also been referenced.
Discounted Cash Flow Value	2,860	
Discount Rate	3.7%	Based on historical discount rates of peer properties as well as comparison with cap rates related to other financial instruments.
Terminal Capitalization Rate	4.2%	Considered marketability, etc. of the Property at the end of the period of analyzing cap rates.
Integrated Value by Using Cost Method	2,560	
Ratio of Land	85.1%	
Ratio of Building	14.9%	
Other things appraiser noted upon valuation		-

(Note 1) The above revenue and expenses are based on the appraisal report and are not the figures forecasted by the Investment Corporation or the Asset Manager.

(Note 2) With no prospective PM's permission given for a specific disclosure of the PM fees, there is no disclosure of the breakdown of the fees. Disclosure of the PM fee figure in a specific manner may cause an adverse effect on the other business operations of the prospective PM, leading to a negative impact on the planned efficient operation that the Investment Corporation is to contract with the PM based on the administration and management policy. This may in return further adversely affect unitholders' interest. Therefore, the figure presented in this column is summed up with maintenance and operation cost.

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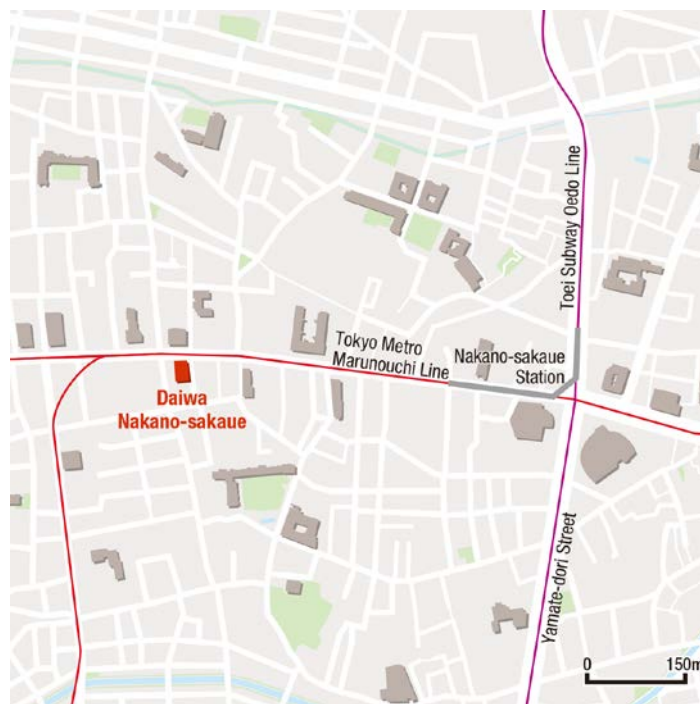
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[Reference Material 1] Daiwa Nakano-Sakaue

<External View>



<Map>



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[Reference Material 2] Portfolio Overview after acquisition of the Property

Region	Name of Property	Date of (Scheduled) Acquisition	Acquisition Price (million yen)	Investment Ratio (Note 4)
Five Central Wards of Tokyo (Note 1)	Daiwa Ginza	Oct 21, 2005	14,100.0	3.0%
	Daiwa Ginza Annex	Oct 21, 2005	3,050.0	0.7%
	Daiwa Shibaura	Oct 21, 2005	8,265.0	1.8%
	Daiwa Minami-Aoyama	Oct 21, 2005	4,550.0	1.0%
	Daiwa Sarugakucho	Oct 21, 2005/ Mar 30, 2012	3,190.0	0.7%
	Daiwa A Hamamatsucho	Oct 21, 2005	2,865.0	0.6%
	Daiwa Jingumae	Oct 21, 2005	2,800.0	0.6%
	Daiwa Shibadaimon	Oct 21, 2005	2,578.0	0.6%
	Daiwa Misakicho	Oct 21, 2005	2,346.0	0.5%
	Daiwa Shimbashi 510	Oct 21, 2005	2,080.0	0.4%
	Daiwa Tsukijiekimae	Jan 27, 2006	1,560.0	0.3%
	Daiwa Tsukiji	Jan 27, 2006	1,240.0	0.3%
	Daiwa Tsukishima	Mar 24, 2006	7,840.0	1.7%
	Daiwa Nihonbashi Horidomecho	May 1, 2006	2,520.0	0.5%
	Daiwa Azabudai	May 1, 2006	1,600.0	0.3%
	Daiwa Kyobashi	Jul 31, 2006	3,460.0	0.7%
	Daiwa Kojimachi 4-Chome	Oct 6, 2006 Mar 29/ May 29, 2013	2,910.0	0.6%
	Shinjuku Maynds Tower	Jul 13/ Nov 26, 2007	66,900.0	14.4%
	Daiwa SHIBUYA EDGE	Jul 13, 2007	5,900.0	1.3%
	Daiwa Kodenmacho	Aug 31, 2007	2,460.0	0.5%
	Daiwa Jimbocho	Mar 10, 2010	4,150.0	0.9%
	Daiwa Nishi-Shimbashi	Aug 13, 2010	5,000.0	1.1%
	Daiwa Kayabacho Building	Mar 25, 2011	5,600.0	1.2%
	Daiwa Jimbocho 3-chome	Mar 29, 2011	3,550.0	0.8%
	E SPACE TOWER	Jul 8, 2011	24,000.0	5.2%
	Daiwa Nihonbashi Hongokucho	May 11, 2012	1,721.0	0.4%
	shinyon curumu	Dec 3, 2012/ Apr 12, 2013	9,650.0	2.1%
	Daiwa Akasaka	Aug 9, 2013	9,200.0	2.0%
	Daiwa Shibuya Miyamasuzaka	Sep 27, 2013	7,000.0	1.5%
	Daiwa Azabu Terrace	July 4, 2014	14,000.0	3.0%
	Daiwa Ebisu 4-chome	December 1, 2014	4,135.2	0.9%
	LAQUAS Higashi Shinjuku	December 3, 2014	8,450.0	1.8%
	Daiwa Aoyama	March 2, 2015	9,800.0	2.1%
	Shinsen Place	March 2, 2015	4,800.0	1.0%
	Daiwa Shibuya Square	May 1, 2015	16,000.0	3.4%
	Daiwa River Gate	Jun 2, 2015	28,000.0	6.0%
	Daiwa Hatchobori ekimae	September 11, 2015	2,871.0	0.6%

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Region	Name of Property	Date of Acquisition	Acquisition Price (million yen)	Investment Ratio (Note 4)
Five Central Wards of Tokyo (Note 1)	Daiwa Hatchobori ekimae West	September 11, 2015	1,647.0	0.4%
	Daiwa Nishi-Shinjuku	Mar 29, 2016	13,710.0	3.0%
	Kirin Nihonbashi Building	May 26, 2016	8,180.0	1.8%
	Daiwa Higashi-Nihonbashi	Jun 1, 2016	6,370.0	1.4%
	Daiwa Daikanyama	Jun 29, 2016	2,280.0	0.5%
	Daiwa Shinjuku West	Jul 21, 2016	942.0	0.2%
	Daiwa Kanda Mikuracho Building	Dec 21, 2016	1,592.0	0.3%
	Daiwa Kanda East	Jan 12, 2018	4,200.0	0.9%
	Daiwa Kandasudacho	Jun 7, 2018/ Nov 1, 2018	2,295.0	0.5%
	Daiwa Sasazuka Tower	Oct 30, 2018	15,500.0	3.3%
	Daiwa Sasazuka	Dec 27, 2018	3,000.0	0.6%
	Daiwa Harumi	Feb 27, 2019	11,200.0	2.4%
	Daiwa Mita 2-Chome	Jul 1, 2019	2,635.0	0.6%
Total Number of Properties located in Five Central Wards of Tokyo: 50			373,692.2	80.6%
Greater Tokyo (Note 2)	Daiwa Higashi-Ikebukuro	Oct 21, 2005	2,958.0	0.6%
	Daiwa Shinagawa North	Jul 13, 2007	7,710.0	1.7%
	Daiwa Kamiooka	Mar 1, 2013	2,000.0	0.4%
	Daiwa Ogikubo Tower	May 29, 2014	15,220.0	3.3%
	Daiwa Meguro Square	May 1, 2015	5,600.0	1.2%
	Daiwa Ogikubo	Jul 21, 2016	3,800.0	0.8%
	CONCURRED Yokohama	Jan 11, 2018	38,100.0	8.2%
	Daiwa Shinagawa Gotenyama	Sep 13, 2018	2,500.0	0.5%
	Daiwa Nakano-Sakaue	Dec 13, 2019	2,750.0	0.6%
Total Number of Properties located in Greater Tokyo: 9			80,638.0	17.4%
Major Regional Cities (Note 3)	Daiwa Kitahama	Aug 1, 2014	9,481.5	2.0%
Total Number of Properties located in Major Regional Cities: 1			9,481.5	2.0%
Total Number of Properties: 60			463,811.7	100.0%

(Note 1) "Five Central Wards of Tokyo" means Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku.

(Note 2) "Greater Tokyo" means Tokyo (excluding the Five Central Wards of Tokyo), Kanagawa, Chiba and Saitama prefectures.

(Note 3) "Major Regional Cities" means Osaka area (i.e., Osaka, Kyoto and Hyogo Prefectures), Nagoya area (Aichi, Mie and Gifu Prefectures), ordinance-designated cities and core cities under Local Autonomy Act.

(Note 4) Figures in the "Investment Ratio" column represent the percentage of the (scheduled) acquisition price of each property to the aggregate amount of the (scheduled) acquisition price and are rounded to the first decimal place. Please note that adding up of the investment ratio of the properties may not exactly match the investment ratio for each investment region or for the overall portfolio.

* Website URL of the Investment Corporation: <http://www.daiwa-office.co.jp/en/>

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