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May 17, 2012

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Notice concerning Conclusion of Swap Contracts and Determination of Interest Rate

We hereby give notice that Daiwa Office Investment Corporation (the "Investment Corporation") agreed to enter into the interest-rate swap contracts (the "Swap Contracts") regarding the borrowings with floating-rate in the press release "Notice concerning Borrowing of Fund" announced on March 29, 2012 (the total notional principal: 13,000 million yen) (the "Floating-rate Borrowing") and that the interest rate regarding the borrowing with fixed-rate in the same press release (the total amount: 6,500 million yen) (the "Fixed-rate Borrowing") was determined, as below.

1. Reasons for the Swap Contracts for the Floating-rate Borrowings

The Investment Corporation can offset the risks of the future interest payments by converting the following new borrowings starting on May 21, 2012 from floating-rate to fixed-rate.

2. Summary of the Swap Contracts for the Floating-rate Borrowings

Lender	Notional Principal (million yen)	Counterparty	Interest-Rate		Scheduled Start Date	Scheduled Termination Date
			Fixed Payment	Variable Receipt		
Sumitomo Mitsui Banking Corporation	4,000	Sumitomo Mitsui Banking Corporation	0.45900%	3month yen TIBOR(*1)	2012/5/21	2017/5/31
Sumitomo Mitsui Trust Bank, Limited	3,000	Daiwa Securities Co. Ltd. (*2)	0.44675%	3month yen TIBOR(*1)	2012/5/21	2017/5/31
Mizuho Trust and Banking Co., Ltd.	1,500					
Shinsei Bank Ltd.	2,000	Sumitomo Mitsui Trust Bank, Limited	0.39750%	3month yen TIBOR(*1)	2012/5/21	2016/5/31
Mizuho Corporate Bank, Ltd.	2,000	Sumitomo Mitsui Trust Bank, Limited	0.36875%	3month yen TIBOR(*1)	2012/5/21	2015/5/29
The Bank of Yokohama, Ltd.	500					

(*1) Interest payments are due on the last business day of February, May, August and November. The applicable interest-rate from May 21, 2012 to May 31, 2012 is calculated based on 1 month yen TIBOR. Please refer to Japanese Bankers Association ("JBA") web-site (<http://www.zenginkyo.or.jp/en/tibor/rate>) for checking the variable receipt of 3 month yen TIBOR.

(*2) Daiwa Securities Co. Ltd. ("Daiwa Securities") is an interested person of Daiwa Real Estate Asset Management Co., Ltd. The Investment Corporation decided the transaction with Daiwa Securities after performing the prescribed procedure of the Asset Manager as a transaction with an interested person.

Note: This press release was prepared as a public announcement regarding Conclusion of Swap Contracts and Determination of Interest Rate and was not prepared with the aim of soliciting investments.

3. Fixed Interest-Rate after Concluding the Swap Contracts

Lender	Amount (million yen)	Current Variable Interest-Rate	Fixed Interest- Rate	Borrowing Date	Repayment Date
Sumitomo Mitsui Banking Corporation	4,000	3month yen TIBOR+0.40%	0.85900%	2012/5/21	2017/5/31
Sumitomo Mitsui Trust Bank, Limited	3,000	3month yen TIBOR+0.40%	0.84675%	2012/5/21	2017/5/31
Mizuho Trust and Banking Co., Ltd.	1,500	3month yen TIBOR+0.50%	0.84675%	2012/5/21	2017/5/31
Shinsei Bank Ltd.	2,000	3month yen TIBOR+0.35%	0.74750%	2012/5/21	2016/5/31
Mizuho Corporate Bank, Ltd.	2,000	3month yen TIBOR+0.30%	0.66875%	2012/5/21	2015/5/29
The Bank of Yokohama, Ltd.	500	3month yen TIBOR+0.30%	0.66875%	2012/5/21	2015/5/29

4. Determination of the interest rate of the Fixed-rate Borrowing

Lender	Amount (million yen)	Fixed Interest- Rate	Borrowing / Repayment Method	Borrowing Date	Repayment Date
Development Bank of Japan Inc.	6,500	1.022%	Unsecured Repayment in lump sum	2012/5/21	2017/5/20

5. Status of Interest-Bearing Liabilities after Drawdown of the Loans and Repayment of the Existing Loan

Please refer to "Reference Material" for the status of interest-bearing liabilities after drawdown of the loans and repayment of the existing loan.

6. Investment Status Outlook

The impact regarding the Swap Contracts on the accounts for the fiscal period ending May 2012 (13th Fiscal Period) and the fiscal period ending November 2012 (14th Fiscal Period) is limited. Thus, the forecasts of the financial results on 13th Fiscal Period and 14th Fiscal Period have not been changed.

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Balance of Interest-Bearing Liabilities after Drawdown of the Loans and
Repayment of the Existing Loan (Assumed figure as of May 21, 2012)

(Unit: million yen)

	Before drawdown and repayment	After drawdown and repayment	Increase/ Decrease
Short-term loans (loan period: 1 year or less)	41,975.625	22,375.625	-19,600.00
Long-term loans (loan period: over 1 year) (*)	61,100.000	80,600.000	19,500.00
Total loans	103,075.625	102,975.625	-100.00
Investment corporation bonds	5,000.00	5,000.00	0
Subordinated investment corporation bonds	3,500.00	3,500.00	0
Total interest-bearing liabilities	111,575.625	111,475.625	-100.00

* Of the long-term loans, there is no balance of the current portion of long-term loans other than amounts to be repaid in 1 year or less.

Ratio of Floating-Rate and Fixed-Rate Interest-Bearing Liabilities (Assumed figure as of May 21, 2012)

(Unit: million yen)

	Aggregate amount of interest-bearing liabilities	Ratio
Floating-rate interest-bearing liabilities	34,970.000	31.4%
Fixed-rate interest-bearing liabilities(*)	76,505.625	68.6%

* Fixed-rate interest-bearing liabilities are included in debts which are changed from floating-rate to fixed-rate through the interest-bearing liability swap transaction.

Ratio of Floating-Rate and Fixed-Rate Interest-Bearing Liabilities (Assumed figure as of May 21, 2012)

(Unit: million yen)

Lender	Total Outstanding Amount *	Borrowings	Rate
Sumitomo Mitsui Banking Corporation	24,406	+4,000	23.7%
Development Bank of Japan Inc.	13,825	+6,500	13.4%
Sumitomo Mitsui Trust Bank Limited	13,404	+3,000	13.0%
Shinsei Bank, Ltd.	8,000	+2,000	7.8%
Resona Bank Limited	7,000	±0	6.8%
Mizuho Corporate Bank, Ltd.	6,900	+2,000	6.7%
Kansai Urban Banking Co., Ltd.	5,000	±0	4.9%
Aozora Bank, Ltd.	5,000	-19,600	4.9%
Mizuho Trust and Banking Co., Ltd.	4,500	+1,500	4.4%
Mitsubishi UFJ Trust and Banking Corporation	3,000	±0	2.9%
The Bank of Fukuoka, Ltd.	3,000	±0	2.9%
ORIX Bank Corporation	2,500	±0	2.4%
The Gunma Bank, Ltd.	1,985	±0	1.9%
The Shizuoka Bank, Ltd.	1,000	±0	1.0%
The 77 Bank, Ltd.	985	±0	1.0%
The Kagawa Bank, Ltd.	985	±0	1.0%
Taiyo Life Insurance Company	985	±0	1.0%
The Bank of Yokohama, Ltd.	500	+500	0.5%
Sub- total (Loan)	102,975	-100	100%
Subordinated Investment Corporate Bond	3,500	±0	
Ordinary Investment Corporate Bond	5,000	±0	
Total	111,475	-100	

(*) Total outstanding amount shall be rounded down to 1million yen.