

September 26, 2011

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Notice concerning Borrowings of Funds and Early Repayment of Some Borrowings

We hereby give notice that Daiwa Office Investment Corporation (the “Investment Corporation”) decided today to borrow a total of 13,900 million yen and make an early repayment of 12,100 million yen as outlined below.

1. Reason for Borrowing of Funds and Early Repayment of Some Borrowings

On September 30, 2011 the Investment Corporation will execute a memorandum of understanding concerning the termination of security interest agreements with the corresponding financial institutions and release all security interests through the early repayment of some existing borrowings.

In accordance with this, the Investment Corporation will borrow funds for the repayment of 3,500 million yen due on September 30, 2011, and the early repayment of 7,100 million yen due on February 20, 2012 and 5,000 million yen due on August 30, 2013, as outlined below. Moreover, the balance of repayments will be paid using cash on hand.

For details on the release of security interests, please refer to the press release “Notice concerning Release of Security Interests” dated today.

2. Borrowing Details

Scheduled Lender	Loan Amount	Interest Rate	Scheduled Drawdown Date	Borrowing / Repayment Method	Repayment Date
Mizuho Corporate Bank, Ltd.	4,900 million yen	3 month Japanese Yen TIBOR +0.40% (Note2, Note3)	September 30, 2011	Unsecured Repayment in lump sum	March 31, 2014
Mitsubishi UFJ Trust and Banking Corporation	3,000 million yen	TBD (Note1) (Fixed interest rate)			
The Gunma Bank, Ltd.	1,000 million yen	3 month Japanese Yen TIBOR +0.40% (Note2, Note3)			
Development Bank of Japan Inc.	3,000 million yen	TBD (Note1) (Fixed interest rate)			March 31, 2015
Shinsei Bank, Limited	2,000 million yen	3 month Japanese Yen TIBOR +0.50% (Note2, Note4)			

Note: This press release was prepared as a public announcement regarding borrowings of funds and early repayment and was not prepared with the aim of soliciting investments.

- (Note1) Fixed interest rate will be announced as soon as a decision is made.
- (Note2) Interest payment shall be paid at the end of February, May, August and November (on the last business day of the end of each month if interest payment date is not business day) and the repayment date. Interest Rate is calculated based on 3 month Japanese Yen TIBOR which Japanese Bankers Association (“JBA”) announces two business days prior to the first day between applicable period. The applicable interest rate from September 30, 2011 to November 30, 2011 is calculated based on 2 month Japanese Yen TIBOR which JBA is going to post on September 28, 2011. Please refer to Japanese Yen TIBOR from the website of JBA. (<http://www.zenginkyo.or.jp/en/tibor/>)
- (Note3) The applicable interest rate from March 1, 2014 to March 31, 2014 is calculated based on 1 month Japanese Yen TIBOR announced on February 27, 2014 by JBA.
- (Note4) The applicable interest rate from February 28, 2015 to March 31, 2015 is calculated based on 1 month Japanese Yen TIBOR announced on February 26, 2015 by JBA.

3. Repayment of Existing Loans

(Repayment at maturity)

Lender	Type of Security Interest	Repayment Date	Repayment Amount
Mizuho Bank, Ltd.	Secured	September 30, 2011	3,500 million yen
Total	-	-	3,500 million yen

(Repayments ahead of schedule)

Lender	Type of Security Interest	Repayment Date	Repayment Amount
Shinsei Bank, Limited	Secured	September 30, 2011	7,100 million yen
American Life Insurance Company	Secured	September 30, 2011	5,000 million yen
Total	-	-	12,100 million yen

4. 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.

5. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

There is no change to the content of the investment risks described “1. Fund Information, 1-1 Status of Fund, 1-1-3 Investment Risk” of the Financial Report filed as of August 25, 2011 with respect to the risks involved in repayment etc.

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[Reference Material]
Balance of Interest-Bearing Liabilities after Drawdown of the Loans and Repayment of the Existing Loan (as of September 30, 2011)

(Unit: million yen)

	Before drawdown and repayment	After drawdown and repayment	Increase/ Decrease
Short-term loans (loan period: 1 year or less)	42,295.00	31,695.00	▲10,600.00
Long-term loans (loan period: over 1 year) (*)	60,906.25	69,806.25	+8,900.00
Total loans	103,201.25	101,501.25	▲1,700.00
Investment corporation bonds	5,000.00	5,000.00	0.00
Subordinated investment corporation bonds	3,500.00	3,500.00	0.00
Total interest-bearing liabilities	111,701.25	110,001.25	▲1,700.00

* 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 (as of September 30, 2011)

(Unit: million yen)

	Aggregate amount of interest-bearing liabilities	Ratio
Floating-rate interest-bearing liabilities (*)	78,977.50	71.80%
Fixed-rate interest-bearing liabilities	31,023.75	28.20%

Secured and Unsecured loans after Drawdown of the Loans and Repayment of the Existing Loan (as of September 30, 2011)

(Unit: million yen)

	Before drawdown and repayment	After drawdown and repayment	Increase/ Decrease
Secured loans	51,212.50	0.00	▲51,212.50
Unsecured loans	60,488.75	110,001.25	+49,512.50
Total loans	111,701.25	110,001.25	▲1,700.00

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