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December 19, 2017

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

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Notice Concerning Divestment of Asset (Daiwa Meieki Building)

We hereby announce that today Daiwa Office Investment Corporation (the “Investment Corporation”) has determined to divest a trust beneficial interest in real estate as follows.

1. Summary of Asset to be Divested

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| Asset Name | Daiwa Meieki Building (the “Property”) |
| Type of Asset | Trust beneficial interest in domestic real estate |
| Sale Price (scheduled) | 8,300 million yen (excluding settlement amounts of fixed asset tax and city planning tax, consumption tax and local consumption tax) |
| Book Value | 5,256 million yen (as of May 31, 2017) |
| Difference between the Sale Price (scheduled) and the Book Value | 3,044 million yen (Note 1) |
| Date of Conclusion of Sales Agreement | December 19, 2017 |
| Date of Delivery (scheduled) | December 20, 2017 |
| Purchaser | Not disclosed (Note 2) |
| Payment Method | Lump-sum payment at the time of delivery |
| Intermediary | Not disclosed (the “Intermediary”) (Note 3) |

(Note 1) This figure differs from capital gain. It is simply calculated to show difference between the sale price (scheduled) and the book value as of May 31, 2017 for reference.

(Note 2) The purchaser of the property is a domestic corporation, which has not agreed to disclose its name.

(Note 3) The Intermediary is a domestic corporation, which has not agreed to disclose its name.

2. Reason for Divestment

The Investment Corporation acquires properties that have potentials to improve quality of its existing portfolio in order to realize sustainable growth and stable proceeds, and, if necessary, examines replacement by divesting a part of the portfolio to further enhance quality of it under its replacement policy. We have conducted a comprehensive review of the portfolio composition as well as future competitiveness, revenue and expenses and decided to divest the Property.

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| Note: This press release has been prepared as a public announcement regarding the Investment Corporation’s divestment of an asset and not prepared with the aim of soliciting investments. |
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3. Details of the Asset to be Divested

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| Asset Name | Daiwa Meieki Building |
| Type of Specified Asset | Trust beneficial interest in domestic real estate |
| Trustee | Sumitomo Mitsui Trust Bank, Limited |
| Maturity of Trust Period | January 31, 2023 |
| Location (Address) | 1-21-19 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi |
| Use (Real Property Registry) | Office, Store |
| Ownership Form | (i) Land: Ownership (ii) Building: Ownership |
| Site Area (Real Property Registry) | 2,059.56 m ² |
| Total Floor Area (Real Property Registry) | 10,416.96 m ² *Including attached building (parking space & machine room) |
| Structure (Real Property Registry) | Steel framed structure, flat roof, 12 stories above ground |
| Construction Date (Real Property Registry) | December 20, 2007 |
| Book Value | 5,256 million yen (May 31, 2017) |
| Appraisal Value (Date of Valuation) | 7,750 million yen (as of May 31, 2017) |
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. |
| Date of Delivery (scheduled) | December 20, 2017 |
| Summary of Tenants (as of October 31, 2017) | |
| Total Number of Tenants | 25 |
| Rent Revenue | 225 million yen (Note) |
| Security Deposit and Guaranty | 345,994,570 yen |
| Total Leased Floor Space | 7,243.18 m ² |
| Total Leasable Floor Space | 7,461.90 m ² |
| Occupancy Rate | 97.0% |

(Note) Rent revenue is for the fiscal period ended May 2017 (from December 1, 2016 to May 31, 2017).

4. Details of the Purchaser

The purchaser of the Property is a domestic corporation and has not agreed to disclose its identity. There is no relationship required to be disclosed between the Investment Corporation / Asset Manager and the purchaser in terms of capital, personnel and business. The purchaser does not fall under a Related Party of the Investment Corporation / Asset Manager.

5. Uses of the Funds Obtained by the Divestment

A part of the funds obtained by the divestment will be used for the acquisitions of CONCURRED Yokohama and Nippon Manpower Building as announced December 19, 2017.

6. Status of the Intermediary

(1) Summary of the Intermediary

The Intermediary of the Property is a domestic corporation and has not agreed to disclose its identity. There is no relationship required to be disclosed between the Investment Corporation / Asset Manager and the Intermediary in terms of capital, personnel and business. The Intermediary does not fall under a Related Party of the Investment Corporation / Asset Manager.

(2) Fees for the Intermediary

With no permission from the Intermediary to disclose the fees and other details of the transaction, there is no disclosure on the fees.

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7. Future Prospects

The date of delivery of the Property is scheduled to be December 20, 2017. There is thus no impact of the divestment of the Property on the forecast of management status for the fiscal period ended November 2017 (24th Fiscal Period). The impact of the divestment of the property on the forecast of management status for the fiscal period ending May 2018 (25th Fiscal Period), as well as the impact of the partial divestment of Shinjuku Maynds Tower and the acquisitions of CONCURRED Yokohama and Nippon Manpower Building which were announced on December 19 2017, is scheduled to be announced at the time of announcement of the final accounts for the fiscal period ended November 2017 (24th Fiscal Period), which is scheduled to be announced on January 18, 2018. Gains on sales of real estate properties obtained by the divestment and the partial divestment of Shinjuku Maynds Tower (approx. 460 million yen) in the fiscal period ending May 2018 (25th Fiscal Period) are scheduled to be partially retained as reserve for reduction entry and therefore the impact on the forecast of management status for the fiscal period is expected to be minimal.

8. Summary of Appraisal Report

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|-----------------|---------------------------------------|
| Appraiser | Daiwa Real Estate Appraisal Co., Ltd. |
| Appraisal Date | May 31, 2017 |
| Appraised Value | 7,750 million yen |

| Items | (million yen) (Note 1) | Outline, etc. |
|---------------------------------------|---------------------------|--|
| Income Approach Value | 7,750 | Based on DCF method with reference/verification to direct capitalization value |
| Direct Capitalization Value | 7,930 | |
| (1) Operating Revenue | 474 | |
| Potential Annual Rent Revenue | 541 | Recorded standardized rent, etc. after taking into consideration competitiveness over the mid-to-long-term, etc. |
| Amount of Loss due to Vacancy | 66 | Assessed a vacancy rate that is recognized as stable over the mid-to-long-term. |
| (2) Operating Expenses | 135 | |
| Maintenance and Operation Cost | 39 (Note 2) | Recorded maintenance and operation cost based on the level of peer properties by referring to the actual amount, etc. Assessed PM fee to be the amount equivalent to when PM fee rate is 1.2%. This assessment is based on the PM agreement. |
| PM Fee | | |
| Water & Utility Charges | 35 | Assessed monthly fee to be 1,300 yen/tsubo per leased floor space by referring to the water & utility charges of peer properties based on the actual historical data, etc. |
| Repair | 6 | Assessed based on the annual average repair and renewal expenses stated in ER. |
| Leasing Fee | 3 | Recorded 1.2 months of rent for new tenants based on the PM agreement, etc. |
| Tax | 45 | Based on actual historical data, etc. |
| Non-life Insurance | 0 | Recorded by judging the actual historical data, etc. to be appropriate. |
| Other | 4 | Recorded renewal fees, etc. |
| (3) Net Operating Revenue | 339 | |
| (4) Profit from deposits/guarantees | 3 | Return yield is assumed at 1.0% |
| (5) Capital Expenditures | 9 | Assessed capital expenditures to be the amount equivalent to 0.28% of building replacement costs by referring to the renewal fee of peer properties |
| (6) Net Revenue ((3)+(4)-(5)) | 333 | |
| (7) Capitalization Rate | 4.2% | Assessed based on the method of using the comparison with peer properties cases while also referring to interviews with investors, etc. |
| Discounted Cash Flow Value | 7,670 | |
| Discount Rate | 4.2% | Assessed by comparing with discount rates of peer properties' transactions and yields of other financial instruments, etc. |
| Terminal Capitalization Rate | 4.4% | Assessed by considering marketability of the Property at the end of the capitalization analysis period, etc. |
| Integrated Value by Using Cost Method | 8,780 | |
| Ratio of Land | 72.7% | |
| Ratio of Building | 27.3% | |

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| Other things appraiser noted upon valuation | — |
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(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

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breakdown of the fees. Disclosure of the PM fee figure in a specific manner may cause adverse effect on the other business operation of the prospective PM, leading to bring about negative impact on the planned efficient operation that the Investment Corporation is to contract with the PM. This may in return further cause adverse effect on unitholders' interest. Therefore, the figure presented at this column is summed up with maintenance and operation cost.

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[Reference Material] Portfolio Overview after Divestment 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 | 3.2% |
| | Daiwa Ginza Annex | Oct 21, 2005 | 3,050.0 | 0.7% |
| | Daiwa Shibaura | Oct 21, 2005 | 8,265.0 | 1.9% |
| | 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 | 0.7% |
| | 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 | 0.5% |
| | Daiwa Tsukijiekimae | Jan 27, 2006 | 1,560.0 | 0.4% |
| | Daiwa Tsukiji | Jan 27, 2006 | 1,240.0 | 0.3% |
| | Daiwa Tsukishima | Mar 24, 2006 | 7,840.0 | 1.8% |
| | Daiwa Nihombashi Horidomecho | May 1, 2006 | 2,520.0 | 0.6% |
| | Daiwa Azabudai | May 1, 2006 | 1,600.0 | 0.4% |
| | Daiwa Kyobashi | Jul 31, 2006 | 3,460.0 | 0.8% |
| | Daiwa Kojimachi 4 Chome | Oct 6, 2006 Mar 29/ May 29, 2013 | 2,910.0 | 0.7% |
| | | | | |
| | Daiwa Onarimon | Dec 1, 2006 | 13,860.0 | 3.2% |
| | Shinjuku Maynds Tower | Jul 13/ Nov 26, 2007 | 66,900.0 | 15.2% |
| | SHIBUYA EDGE | Jul 13, 2007 | 5,900.0 | 1.3% |
| | Daiwa Kodenmacho | Aug 31, 2007 | 2,460.0 | 0.6% |
| | 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 | 1.3% |
| | Daiwa Jimbocho 3 Chome | Mar 29, 2011 | 3,550.0 | 0.8% |
| | E SPACE TOWER | Jul 8, 2011 | 24,000.0 | 5.5% |
| | Daiwa Nihonbashi Hongokucho | May 11, 2012 | 1,721.0 | 0.4% |
| | shinyon curumu | Dec 3, 2012/ Apr 12, 2013 | 9,650.0 | 2.2% |
| | | | | |
| | Daiwa Akasaka | Aug 9, 2013 | 9,200.0 | 2.1% |
| | Daiwa Shibuya Miyamasuzaka | Sep 27, 2013 | 7,000.0 | 1.6% |
| Azabu Green Terrace | July 4, 2014 | 14,000.0 | 3.2% | |
| Daiwa Ebisu 4-chome | December 1, 2014 | 4,135.2 | 0.9% | |
| LAQAS Higashi Shinjuku | December 3, 2014 | 8,450.0 | 1.9% | |
| Daiwa Aoyama | March 2, 2015 | 9,800.0 | 2.2% | |
| Shinsen Place | March 2, 2015 | 4,800.0 | 1.1% | |
| Grass City Shibuya | May 1, 2015 | 16,000.0 | 3.6% | |
| Daiwa River Gate | Jun 2, 2015 | 28,000.0 | 6.4% | |

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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 | September 11, 2015 | 2,871.0 | 0.7% |
| | Daiwa Hatchobori ekimae West | September 11, 2015 | 1,647.0 | 0.4% |
| | Nikko Building | Mar 29, 2016 | 13,710.0 | 3.1% |
| | Kirin Nihonbashi Building | May 26, 2016 | 8,180.0 | 1.9% |
| | Daiwa Higashi-Nihonbashi | Jun 1, 2016 | 6,370.0 | 1.4% |
| | Square Daikanyama Building | Jun 29, 2016 | 2,280.0 | 0.5% |
| | Shinjuku West Building | Jul 21, 2016 | 942.0 | 0.2% |
| | Daiwa Kanda Mikuracho Building | Dec 21, 2016 | 1,592.0 | 0.4% |
| | Nippon Manpower Building | Jan 12, 2018 (Scheduled) | 4,200.0 | 1.0% |
| Total Number of Properties located in Five Central Wards of Tokyo: 46 | | | 352,922.2 | 80.3% |
| Greater Tokyo (Note 2) | Daiwa Higashi-Ikebukuro | Oct 21, 2005 | 2,958.0 | 0.7% |
| | Daiwa Shinagawa North | Jul 13, 2007 | 7,710.0 | 1.8% |
| | Daiwa Osaki 3 Chome | Sep 18, 2012 | 1,650.0 | 0.4% |
| | Daiwa Kamiooka | Mar 1, 2013 | 2,000.0 | 0.5% |
| | Integral Tower | May 29, 2014 | 15,220.0 | 3.5% |
| | Daiwa Meguro Square | May 1, 2015 | 5,600.0 | 1.3% |
| | Daiwa Ogikubo | Jul 21, 2016 | 3,800.0 | 0.9% |
| | CONCURREDD Yokohama | Jan 11, 2018 (Scheduled) | 38,100.0 | 8.7% |
| Total Number of Properties located in Greater Tokyo: 8 | | | 77,038.0 | 17.5% |
| Major Regional Cities (Note 3) | Daiwa Kitahama | Aug 1, 2014 | 9,481.5 | 2.2% |
| Total Number of Properties located in Major Regional Cities: 1 | | | 9,481.5 | 2.2% |
| Total Number of Properties: 55 | | | 439,441.7 | 100.0% |

(Note 1) "Five Central Wards of Tokyo" mean 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 acquisition price of each property to the aggregate amount of the 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.

(Note 5) CONCURREDD Yokohama and Nippon Manpower Building are listed above as described in "Notice Concerning Acquisition of Assets and Lease (CONCURREDD Yokohama and Nippon Manpower Building)" separately announced on December 19, 2017 and 3/7 of co-ownership interest is indicated for Shinjuku Maynds Tower as described in "Notice Concerning Partial Divestment of Asset (Shinjuku Maynds Tower)" separately announced on December 19, 2017.

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

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