

[Translation]

May 8, 2007

To: All

K.K. DaVinci Advisors
6-2-1 Ginza, Chuo-ku
Tokyo, Japan

Osamu Kaneko,
Representative Director
(Code: 4314)
Contact: Hiroki Nakashima
Tel: 03-6215-9587

Regarding Our Proposal of a Tender Offer to TOC Co., Ltd.

On May 7, 2007, we received via registered mail a document from TOC Co., Ltd. (“TOC”) dated May 3, 2007 containing questions regarding our proposal for a tender offer for shares of stock issued by TOC (the “Proposal”). Today, we responded to TOC (please refer to the attached materials).

We have an extensive track record and expertise in real estate investment and in raising the value of such investments, and we are convinced that by collaborating with TOC we can realize its potential value. This led to our Proposal of April 25, 2007, and today, we again asked that TOC support the Proposal. Further, in order to give TOC’s shareholders adequate time to carefully compare our Proposal with the tender offer currently being conducted by YK Otani Fund TO (“Otani Fund”), we have also requested that TOC urge Otani Fund to extend the term of their tender offer.

In any case, although we had already made our wishes known to TOC regarding our Proposal, with the closing date for the tender offer from Otani Fund fast approaching, we felt it necessary, from the point of view of protecting shareholder value, to restate our request.

End

May 8, 2007

To the Board of Directors
TOC Co., Ltd.

K.K. DaVinci Advisors
Representative Director and President
Osamu Kaneko

Response to Your Questions

Dear Sirs,

As you are aware, on April 25, 2007, we sent you a proposal for a tender offer of 1,100 yen per share of common stock issued by your company (the "Proposal", originally titled "Proposal for Protecting Shareholder Value through a Tender Offer for Shares of Stock Issued by TOC, Co., Ltd."). Yesterday, May 7, 2007, at just before 11 a.m., we in turn received via registered mail a questionnaire from you (the "questionnaire") dated May 3, 2007 titled "Regarding the Document Dated April 25, 2007 and Titled the 'Proposal for Protecting Shareholder Value through a Tender Offer for Shares of Stock Issued by TOC Co., Ltd.'" In the questionnaire, you make reference to certain administrative sanctions ("sanctions") imposed by the Ministry of Finance on K.K. DaVinci Select ("DaVinci Select"), our 100%-owned subsidiary, and express concerns about our group's approach to and systems for ensuring regulatory compliance, stating that any consideration of our Proposal would be contingent upon your having a full understanding of the specific facts behind those sanctions and of the structures our group has in place for ensuring regulatory compliance. Further, yesterday you issued a press release, also titled "Regarding the Document Dated April 25, 2007 and Titled 'Proposal for Protecting Shareholder Value through a Tender Offer for Shares of Stock Issued by TOC Co., Ltd.'", in which you make public the fact that you have provided us with a questionnaire, and are working to ascertain certain facts as part of consideration of our Proposal, but that at the same time, there is no change in your opinion that the tender offer for shares of your common stock extended by YK Otani Fund TO ("Otani Fund") on April 6, 2007 should be supported. On the one hand, we take the said sanctions very seriously and have already taken concrete steps to improve internal control systems at our group companies; on the other hand, we do not feel that the sanctions in question represent any impediment to your consideration of our proposal to protect your company's shareholder value via a tender offer for shares of your company's stock, and we find it difficult to understand exactly what your concerns in the matter are. Based on the foregoing background, please find below our response to your questionnaire along with our views.

1. Administrative sanctions against DaVinci Select, and company measures regarding legal compliance

(1) Facts leading to the administrative sanctions against DaVinci Select, and the specific terms of the sanctions

The facts leading to the administrative sanctions against DaVinci Select involved how the company went about obtaining valuation assessments in the course of property transactions, specifically, that it “failed not only to present appropriate materials to the real estate appraisers hired by DaVinci Select for the appraisal of assets, in the course of the appraisal procedure required at the time of acquisition of the real estate which was to be incorporated into the assets, but also failed to confirm the content of the appraisal made notwithstanding a lack of appropriate materials, leaving the erroneous appraisal overlooked, and as a result, leading DaVinci Select to acquire the assets of the investment firm based on an exaggerated valuation” (see the DA Office Investment Corp. press release of February 14, 2007, provided herein as Attachment 1).

Note that, because the facts leading to the administrative sanctions were the result not of any structural or organizational deficiencies on the part of K.K. DaVinci Select, but were caused by the simple carelessness of a single individual in charge of the matter at the time, the business improvement order handed down by the Ministry of Finance concerned not improvements to the regulatory compliance structure (a sustained and/or uniform structure/system) of the company, but was an order to work on improving the company’s attitude (a transitory and/or limited approach or response) toward such issues. Since that time, DaVinci Select has not only complied with the order by completing implementation of a double (two-person) check system—something the department in charge had failed to do at the time—when conducting assessments, but has gone beyond the requirements of the business improvement order and has instigated and disclosed a new system of checks by a department other than the one in question.

Further, the business suspension order against DaVinci Select specifies only that DaVinci Select is prohibited from entering into any new asset management agreements with investment corporations other than DA Office Investment Corp. (through June 13, 2007) and is not targeted at the asset management services DaVinci Select currently provides to DA Office Investment Corp. Thus, there are currently no restrictions placed on the asset management, operations, and new property acquisition and conveyance work DaVinci Select performs for DA Office (see the DA Office Investment Corp. press release of March 13, 2007, provided herein as Attachment 2).

(2) Design and implementation of DaVinci Select’s compliance approach

The formulation of an approach to regulatory compliance at DaVinci Select, and the status

of its implementation, are described below.

Upon receiving the above sanctions, on March 28, 2007, DaVinci Select adopted its “Basic Management Principles”, and at the same time implemented certain organizational and personnel changes (see the DA Office Investment Corp. press release of March 28, 2007, provided herein as Attachment 3), and on April 13, 2007, submitted to the Ministry of Finance a business improvement plan that included steps to clarify its management approach, establish a regulatory compliance and internal management system, and clarify responsibility, including that at the management level, along with specific measures to prevent a recurrence, which plan was accepted by the Ministry on the same day (see the DA Office Investment Corp. press release of April 13, 2007, provided herein as Attachment 4). Note that, aside from some additional hiring, the business improvement measures and steps to prevent a recurrence outlined in the business improvement plan have already been completely implemented, a fact which the company has reported to the Ministry of Finance (see the DA Office Investment Corp. press release of April 26, 2007, provided herein as Attachment 5).

(3) **Status of our instructions to our subsidiary, DaVinci Select, regarding regulatory compliance**

DaVinci Select is operated independently of DaVinci Advisors. We are involved with DaVinci Select’s individual business activities to the extent permissible by law, and we will continue to offer our proactive support for their efforts to improve their compliance structures.

(4) **Formulation and management of a compliance structure at DaVinci Advisors**

We are strongly cognizant of the fact that solid regulatory compliance is an essential component of corporate management, and we position it as one of our highest management priorities.

At DaVinci Advisors, in addition to legally mandated auditing by our Board of Corporate Auditors and accounting auditors, we work to ensure regulatory compliance by conducting regular audits of our business activities and the effectiveness of our internal controls through our Internal Audit Department, which reports directly to the Representative Director of the company. To further strengthen our compliance infrastructure, in February of 2007, we split off from our Legal Department a new, independent Compliance Department, and at the same time hired an outside attorney as Compliance Officer, providing even greater strength to our overall compliance efforts. In addition, our Internal Audit Department participates in internal meetings along with members of the Legal and Compliance departments, enabling them to constantly monitor the effectiveness of our internal controls and the conduct of business, and regularly check whether our everyday business is being carried out appropriately and effectively in compliance with the law and

with our internal regulations.

Finally, as part of our efforts to improve corporate ethics and ensure complete compliance, it is important that we raise the level of awareness of these issues among our individual employees, and to that end, we have established the K.K. DaVinci Advisors Code of Conduct, which all employees are required to honor.

(5) Disclosure of other information

The above is an explanation of the specific circumstances leading to the administrative sanctions against DaVinci Select, and the development and implementation of a compliance infrastructure within our group companies. However, it is still not clear to us why you feel that the fact that DaVinci Select was handed these sanctions in the past, and has already implemented measures to improve their operations, might interfere with our (DaVinci Advisors') proposal to protect shareholder value through a tender offer, or what specific adverse effects you are concerned might accrue to you and your shareholders were we to acquire your shares. Compared to Otani Fund's current tender offer, under which they intend to acquire complete ownership of your company, we are offering your shareholders both a higher price and terms equal to or better than those offered by Otani Fund, which we believe will contribute to increased corporate value for you. If the above response still does not serve to relieve your concerns, please let us know exactly what possible adverse effects you are concerned about. Upon signing of a Non-Disclosure Agreement, we are prepared to provide you with disclosure of detailed materials about our group's compliance measures, which we believe will dispel any concerns you may have. Again, please let us know exactly what those issues are.

2. Requests from us

Given that your Board of Directors has already expressed its opinion that Otani Fund's current tender offer, under which they intend to acquire complete ownership of your company, provides an opportunity, of which you approve, for your shareholders to sell their shares, we believe that your Board of Directors has an obligation, under its duty of care, to maximize shareholder value by agreeing to any offer which will provide your shareholders an opportunity to sell at an even higher price, and at terms equal to or better than those otherwise offered. Again, if you feel that you require further explanation of the regulatory compliance situation at our company and at our subsidiaries, or of your other concerns, we are prepared to respond promptly with further detail upon completion of the necessary formalities. While we believe such further explanation will be sufficient to dispel your concerns, the fact that the price of your shares is approaching the per share price incorporated in our proposal is an indication that there are shareholders who are looking forward to your support of that offer, and we are strongly confident that in consideration of their responsibility to your shareholders, your Board of Directors will approve our proposal.

Further, in order to provide your shareholders with sufficient time to fully compare our proposal with the offer from Otani Fund, we would also ask that you urge Otani Fund to extend the term of their current tender offer.

Again, we are prepared at any time to provide your Board of Directors with further detailed explanation of the content of our proposal and to discuss our offer with you directly. We look forward to hearing from you at your earliest convenience.

[Provisional Translation Only]

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February 14, 2007

**Securities and Exchange Surveillance Commission
Recommendation based upon the result of the inspection of K.K. DaVinci Select and DA
Office Investment Corporation**

1. Recommendation Issued

As a result of having inspected K.K. DaVinci Select (“DS”, Chuo-ku, Tokyo, Representative Director: Takashi Abe, capital: 200,000,000 yen, number of employees and directors: 22), as an Investment Trust Company for the DA Office Investment Corporation (“DAO”), the Securities and Exchange Surveillance Commission discovered that DS violated laws and regulations as described below. Because of the violation, it recommended to the Prime Minister and the commissioner of the Financial Services Agency today to take administrative disciplinary action against DS pursuant to Article 20 paragraph 1 of the Act for the Establishment of the Financial Services Agency.

2 Circumstances

- Zenkan Chui Gimu Ihan, i.e., Breach of managerial diligence duty.

In its dealings with DAO, DS did not provide appropriate information to the third party appraisal institute at the time of the acquisition of the properties. In addition, DS overlooked that appraisals were overvalued because it did not check the appraisal results in detail, which were calculated based on inappropriate information. As a result of this, it acquired the properties with an overvalued appraisal price.

The actions DS performed on behalf of DAO violate Article 34, Paragraph 2-2 of the Law relating to investment trusts and investment corporations, which prescribes that "An Investment Trust Company must accomplish its duties on behalf of an investment corporation with the diligence of a good manager."

Real Estate Acquisition Appraisal Procedures that were not followed

- Booking the revenue of a write-off of security deposit which belonged to the previous owner
When acquiring the properties, DS misconducted the appraisal process by giving the following inappropriate information, without intention, to the third party appraisal institute.

- revenue of a write-off of security deposit, that actually belonged to the previous owner
- revenue of vending machine, which actually did not exist (but that existed before the DS acquisition)

In addition, since DS did not check the appraisal results in detail prepared by the third party appraisal institute, it acquired the properties with overvalued appraisal prices.

- Overbooked revenue and Underbooked expenses

When acquiring the properties, DS misconducted the appraisal process by not providing the following information, without intention, to the third party appraisal institute.

- recently updated information of utilities and building maintenance costs
- information relating to a decrease in revenue of the sign boards

In addition, since DS did not check the appraisal results in detail prepared by the third party appraisal institute, it acquired the properties with overvalued appraisal prices.

- Overbooking of free rents not reflected

Although there were free rents in some properties which DS was to acquire on behalf of the DAO, it did not provide the information to the third party appraisal institute. Therefore, the third party appraisal institute did not reflect the free rents in the appraisal results.

Note: The above are the examples that the appraisal results were overvalued because DS did not provide appropriate information to the third party appraisal institute. However, we noted that the lack of documents and information did not have impact on some of other appraisals as a result of DS's recalculation in capitalization method or other evaluation methods

The impact on appraisal

Property name		Ginza	Shinbashi 620	Shinbashi b 510	Shin- yokoham a 131	Tsukiji 616
Acquisition date		IPO (oct-05)	IPO (oct-05)	IPO (oct-05)	jan-06	mar-06
Overbooked revenues	Security deposit	0.55	1.37	-	-	-
	Vending machines	-	0.54	-	-	-
	Utilities	-	▲ 5.80	4.80	-	-
	Sign board	-	0.90	-	-	-
	Free rent	6.97	-	-	1.02	9.97
underbooked expenses	Utilities	-	3.05	-	-	-
	Building maintenance costs	-	2.94	-	-	-
	Property management fee	-	0.11	-	-	-
Appraisal (Acquisition price)		14,100	660	2,080	1,350	2,440
Appraisal in recalculation		no impact	608	1,990	no impact	no impact
The difference between appraisal and recalculation		-	52	90	-	-
Sales price		-	790	-	-	-

unit : million yen

※1 The figures in revenues and expenses show the differences between appraisal and recalculation.(rough calculated figures)

※2 This chart indicates annual cash flow.

[English Translation]

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March 13, 2007

DA Office Investment Corporation
Kotaro Matsuoka, Executive Officer
(TES Code: 8976)

For inquiries:

K.K. DaVinci Select
Investor Relations, Yoshiki Nishigaki
Phone: +81 3 6215-9649

Notice of Administrative Order against Investment Trust Management Company

DA Office Investment Corporation (“DA Office”) hereby provides notice that its investment trust management company, K.K. DaVinci Select (“DaVinci Select”) received an administrative order today, March 13, 2007, from the Financial Services Agency. The details of the administrative order are described below.

The business suspension order, one of the orders described below, prohibits DaVinci Select from entering into a new asset management contract with an investment corporation other than DA Office, but it does not apply to the asset management services that DaVinci Select provides to DA Office. Therefore, the business suspension order will not restrict the services DaVinci Select provides to DA Office, such as the management and operation of its assets, the conduct of additional acquisitions, and the transfer of properties. In addition, the current forecast of the asset management performance of DA Office will not be revised.

DaVinci Select has expressed its sincere apology to all concerned parties and takes this administrative order very seriously. In connection with the business improvement order described below, DaVinci Select will vigorously work to clarify management’s stance regarding regulatory compliance and have management build its system of compliance and internal controls into a responsible state of readiness. In particular, in order to ensure the implementation of measures to confirm the appropriateness of any documentation that is provided to appraisal companies and that such documentation is properly reflected in their appraisals, DaVinci Select is reviewing its management operations, including by strengthening its internal control system through an organizational change that will include the establishment of a new

department exclusively responsible for internal controls. The details of such review will be incorporated into a business improvement plan in consultation with and under the guidance of the competent authorities, and announced as soon as it has been prepared.

NOTE

1. Reason for the Order

While managing the assets of DA Office pursuant to an asset management agreement between DaVinci Select and DA Office, DaVinci Select not only failed to provide proper documentation to the appraisal companies that were assessing real properties to be incorporated into DA Office's assets, it also failed to review the resulting appraisals, which were based on the improper documentation. As a result, DaVinci Select overlooked the inaccuracy of the resulting appraisals and acquired real properties for DA Office based on inflated appraisal values.

The above actions of DaVinci Select constitute a breach of the provisions of Article 34-2, Paragraph 2 of the Investment Trust and Investment Corporation Law (the "Law") which provides that an investment trust management company "shall conduct asset management services for an investment corporation with the due care of a good manager".

2. Details of the Order

(1) Business Suspension Order (Article 42, Paragraph 1, Item 1(A) of the Law)

Prohibits DaVinci Select from entering into new asset management contracts for three (3) months.

(2) Business Improvement Order (Article 40, Paragraph 1 of the Law)

(i) To ensure the fair and proper conduct of its business as an investment trust management company, DaVinci Select must clarify its management stance regarding regulatory compliance, have management build its system of compliance and internal controls into a responsible state of readiness, and review its business methods to make steady progress in achieving the foregoing.

(ii) In particular, when acquiring or operating properties for an investment corporation, DaVinci Select must implement measures to prevent a recurrence of any problem, including establishing procedures to confirm that the documentation provided to appraisal

companies is appropriate, and that such documentation is properly reflected in their appraisals, so that properties can be acquired based on a properly appraised value.

- (iii) DaVinci Select must clarify its responsibilities, including those of management, based on the results of the recent inspection.
- (iv) DaVinci Select must submit a business improvement plan by April 13, 2007 to implement items (i) through (iii) above and begin enforcing it immediately thereafter.

- End -

* The original Japanese version of this Notice has been distributed to The Kabuto Club, the Ministry of Land, Infrastructure and Transport (“MLIT”) Press Club, and the MLIT Press Club for Construction Publications.

* DA Office’s website can be found at: <http://www.da-office.co.jp>.

[English Translation]

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DA Office Investment Corporation

March 28, 2007

Real Estate Investment Trust Name:
DA Office Investment Corporation
6-2-1 Ginza, Chuo-ku, Tokyo
Kotaro Matsuoka, Executive Director
(Code No. 8976)

Investment Management Company:
K.K. DaVinci Select
Representative Director and President:
Takashi Abe
For Inquiries: IR & Planning Dept, General Manager,
Yoshiki Nishigaki,
Phone: + 81 3 6215-9649

**Adoption of “Basic Principles of Management” by the Investment Management Services Company;
Announcement of Reorganization**

K.K. DaVinci Select (the “investment management company”), the investment management services company to which our investment corporation entrusts the management of its assets, received, on March 13 of this year, and as advised on that date, a business improvement order, and is currently working under the direction of the relevant authorities to develop a business improvement plan. As a critical part of that plan, today the company announces the adoption of a “Basic Principles of Management”, certain organizational changes, and the implementation of changes in personnel. Full details of the investment management company’s business improvement plan will be made public once it has completed its submission of the plan to the regulatory authorities.

Notice

1. Adoption of “Basic Principles of Management”

The investment management company is fully cognizant of the fact that recent deficiencies in its compliance procedures could seriously undermine both the foundation of its own management, as well as that of the investment corporation for which it provides services, and has positioned thorough compliance

as a basic principle of its management policy (Investment Management Company Compliance Regulation Article 3, Section 1). Nevertheless, it is taking the recent business improvement order as an opportunity to further clarify its management approach to regulatory compliance, and to that end, announces that today its Board of Directors has made ensuring such compliance an official part of the investment management company's "Basic Principles of Management". These "Basic Principles of Management" will of course form the fundamental code of conduct for the investment management company's executive staff, and will be disseminated throughout the company as a basic guideline for the conduct of all employees, as we work to assure that solid compliance becomes a part of every individual business activity.

2. Organizational Changes (As of March 28, 2007)

As part of reforming its administrative structure in order to further strengthen its approach to regulatory compliance and internal management, the investment management company today put in place the following two organizational changes:

(1) Establishment of an Internal Control Office

The Administrative Department's former Compliance Team has been split off, and newly established as the Internal Control Office, reporting directly to the Representative Director.

The primary goal of the creation of this Internal Control Office is to create a structure whereby a department unrelated to the fund management division can review materials already checked once by fund management division staff, in particular those related to asset acquisitions on behalf of the investment corporation, where the appropriateness of appraisal assessment materials provided to appraisal companies at their request is reviewed, and the company makes sure that the content of such materials is reflected in the actual appraisal. By ensuring regulatory compliance and strengthening internal controls when acquiring assets on behalf of the investment corporation, the company has moved quickly to prevent a recurrence of the issues specified in the business improvement order.

(2) Establishment of an IR General & Planning Department

The Finance Department's former IR Team has been split off, and is now the newly established IR General & Planning Department.

The goal of establishing this IR General & Planning Department is not only the disclosure of information that directly affects the management and financial standing of the investment corporation, but to provide investors with proactive disclosure of the investment management company's efforts to conduct its business with a proper approach to regulatory compliance and internal controls. This provides a structure whereby investors gain a more transparent view of the investment management company's operations, and to ensure such proactive disclosure is carried out appropriately, the company has separated the IR Team from the Finance Department of which it was previously a part, and established it as an independent department.

(3) Personnel Changes (As of March 28, 2007)

In addition to the above organizational changes, the investment management company has today implemented the personnel changes noted in (1) and (2), below, and separately from the changes noted above, has also instituted the move noted in (3), below (which is not part of the business improvement plan in question here).

1. Internal Control Office

(New) Head of the Internal Control Office Masaaki Kuroda

2. IR & Planning Department

(Old) Finance Department, IR Team Manager Yoshiki Nishigaki

(New) IR General & Planning Department, General Manager
Yoshiki Nishigaki

3. Investment Management Department

(Resigned) Research Team Leader Chiaki Matsumoto

Note that the personnel moves noted in (2) and (3) below are considered significant changes in personnel under regulations governing investment trusts and investment corporations, and as such are reported to the director of the Ministry of Finance. Also, under terms related to permits to act as a discretionary agent, they must also be reported to the Minister of Land, Infrastructure, and Transport as significant changes in personnel.

- * Distribution of these materials: Kabuto Club, Land, Infrastructure and Transport Press Club, Ministry of Land, Infrastructure, and Transport Press Club for Construction Trade Journals
- * The Investment Corporation's web site is at <http://www.da-office.co.jp>

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April 13, 2007

DA Office Investment Corporation
Kotaro Matsuoka, Executive Officer
(TES Code: 8976)

For inquiries:

K.K. DaVinci Select
IR &Investor Relations General Planning
Dept, General Manager
Yoshiki Nishigaki
Phone: +81 3 6215-9649

**Notice of Submission of “Business Improvement Plan” by Investment Trust Management
Company**

DA Office Investment Corporation (“DA Office”) hereby provides notice that its investment trust management company, K.K. DaVinci Select (“DaVinci Select”), has formulated and submitted a business improvement plan (the “Plan”) today, April 13, 2007, to the Financial Services Agency, after receiving an administrative order on March 13, 2007, as announced on the same date.

The details of the Plan are described below. Although portions of the Plan have already been implemented by DaVinci Select as announced in its notice dated March 28, 2007, DaVinci Select will continue to work to further strengthen its system of compliance and internal controls and to achieve fair and proper management operations in order to fulfill the expectations of investors.

NOTE

Business Improvement Plan of DaVinci Select (Summary)

I. Clarification of Management Stance and Creation of Responsible System of Compliance and Internal Controls
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1. Clarification of Management Stance concerning Compliance

(1) Adoption of Basic Management Principles and Submission of Oath

As announced on March 28, 2007, thorough compliance was adopted as a basic management principle of DaVinci Select at a meeting of its Board of Directors held on March 28, 2007. Since then, each officer and employee of DaVinci Select has submitted his or her oath to the representative director certifying that he or she will always keep DaVinci Select's basic management principles in mind and conduct its business while ensuring compliance.

(2)

of Details Regarding Business Improvement Plan (the "Plan")

DaVinci Select will hold a meeting to explain the Plan and will disseminate the details of the Plan to its officers and employees.

2. Creation of a Responsible System of Compliance and Internal Controls by Management

(1) Response to Recognized Issues

DaVinci Select will (i) conduct its management operations in compliance with its operational procedures⁽¹⁾ in an effort to never lose sight of the importance of its operations, (ii) make an effort to hire personnel in the numbers and with the qualifications necessary, so as to eliminate carelessness that can result from being understaffed, and (iii) create a system of confirming all documentation that is provided to an appraisal company by formulating an Appraisal Reports Manual⁽²⁾ and establishing an Internal Controls Office⁽³⁾.

(Note 1) Since September 2006, DaVinci Select has been conducting an internal project to review the business process for each of its operations and will establish these business processes as a set of new internal rules. The business process that will be formulated for the acquisition of properties by an investment corporation will be incorporated in the full-fledged amendment of the current Property Acquisition Manual.

(Note 2) The Appraisal Reports Manual will be newly formulated and included as a part of the amended Property Acquisition Manual.

(Note 3) An Internal Controls Office was established on March 28, 2007, as announced on the same date.

(2) Strengthening Compliance and Internal Controls Systems

An Internal Controls Office has been established to exercise internal control and/or conduct investigations of actual business procedures and contents, and to further strengthen DaVinci Select's system of compliance and internal controls. The effectiveness of the Internal Controls Office will be monitored by a compliance officer and the compliance committee. In addition, an IR & Planning Department⁽⁴⁾ has been created separate from and independent of the existing Finance Department in order to appropriately provide enhanced transparency and appropriate disclosure of management operations to investors.

(Note 4) A new IR & Planning Department was established on March 28, 2007, as announced on the same date.

II. Specific Measures to Prevent Recurrence

1. Preventative Measures

DaVinci Select will establish procedures for requesting an appraisal report from an appraisal company upon the acquisition of a property by an investment corporation, as well as checklists of operational items to be confirmed in its Appraisal Reports Manual. Accordingly, DaVinci Select will (i) establish a system where both the responsible investment management employee and his or her manager confirm the appropriateness of all documentation that is provided to an appraisal company and that such documentation is properly reflected in the resulting appraisal, and (ii) ensure that the Internal Controls Office confirms that the above confirmation procedures have been carried out properly. The effectiveness of the double-confirmation procedure, as well as the confirmation of such double-confirmation procedure by the Internal Controls Office, will be enhanced through subsequent investigation and/or confirmation, as well as internal inspections conducted by the compliance officer and compliance committee.

2. Real Estate Appraisal Business Training

DaVinci Select's employees who are qualified in real-estate appraisal will conduct appraisal training for its other officers and employees to enhance its preventative measures and ensure that personnel

who handle appraisal reports have adequate knowledge to conduct the company's operations responsibly.

3. Clarification of Decision Making Process for Acquisition of Properties

In the amended Property Acquisition Manual, DaVinci Select will clarify the process whereby the appropriateness of the terms of any property acquisition by DA Office, and of the acquisition itself, including confirmation that the data provided as a basis for determining the purchase price is appropriate, are reviewed and/or passed upon by each responsible department and inspected confirmed by the appropriate committee. Detailed confirmation of the appropriateness of the data will be a prerequisite to the review and decision-making process to be conducted by each responsible department. Therefore, DaVinci Select believes that the above procedures will prevent a recurrence of the problems that led to the administrative order.

III. Clarification of Responsibilities, Including Management

1. Clarification of Responsibilities of Each Personnel

DaVinci Select defines the responsibilities of the employees who are directly responsible for each operation and of the chief administrator and responsible manager in its "Business Process", "Property Acquisition Manual" and "Appraisal Reports Manual".

2. Clarification of Responsibilities of Management

The board of directors of DaVinci Select is the decision making body responsible for basic matters of compliance and ensuring that thorough compliance is placed at the top of management's agenda. Therefore, the Board of Directors has been charged with the responsibility of establishing and implementing the Plan. The board of directors will ensure that it continues to fulfill its responsibilities appropriately and will ensure the implementation of DaVinci Select's compliance and internal controls systems.

3. Sanctions

In connection with its recent administrative order, DaVinci Select has established internal sanctions as follows⁽⁵⁾:

(1) Sanctions pursuant to Article 55 of the Rules of Employment

Subject Employee/Officer:

Director and Investment Management General Manager, Kotaro Matsuoka

Particulars:

Reprimand (submission of a written apology and caution regarding future conduct)

(2) Salary Reduction

Subject Employee/Officer:

Representative Director, Takashi Abe

Particulars:

Salary reduction of 12% for one year beginning April 2007

(Note 5) The key employee responsible for the events leading to the administrative order will not be subject to sanctions since he/she has already resigned from DaVinci Select.

- End -

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DA Office Investment Corporation

April 26, 2007

Real Estate Investment Trust Name:
DA Office Investment Corporation
6-2-1 Ginza, Chuo-ku, Tokyo
Kotaro Matsuoka, Executive Director
(Code No. 8976)

Investment Management Company:
K.K. DaVinci Select
Representative Director and President: Takashi Abe
For Inquiries: IR & Planning Dept, General Manager,
Yoshiki Nishigaki
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Announcement of the Completion of the Investment Management Service Company's "Business Improvement Plan"

K.K. DaVinci Select (the "investment management company"), the investment management services company to which DA Office Investment Corporation entrusts the management of its assets, which under a business improvement order dated March 13, 2007, submitted its business improvement plan (Note 1) to the Ministry of Finance on April 13, 2007, today reported to the Ministry of Finance that it has completed (Note 2) implementation of the business improvement measures outlined in that plan, and has finished taking steps to prevent a recurrence of the issues leading to the original order.

The investment management company, which has established regulatory compliance as a basic management principle, intends to continue working to ensure that the business improvement measures and preventative steps it has implemented continue to be properly maintained, managed, and expanded, and will work to further strengthen its approach to regulatory compliance and internal controls, to build a fair and open operation worthy of the trust of its investors.

Note 1. Please refer to our announcement of April 13, 2007, "Investment Management Services Company Submits Business Improvement Plan" for an overview of the business improvement plan.

Note 2. Does not include steps to increase staff during the current fiscal year (of which a portion has been completed as of today). Further staff increase will be reported to the Ministry of Finance as they are implemented.

* The investment corporation's web site is at <http://www.da-office.co.jp>