

For Translation Purposes Only

November 29, 2005

For Immediate Release

Nomura Real Estate Office Fund, Inc. 8-5-1 Nishi Shinjuku, Shinjuku-ku, Tokyo Yasutoshi Akiyama Representative and Executive Director (Securities Code: 8959)

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Notice Concerning Property Acquisition

Nomura Real Estate Office Fund, Inc. ("Nomura Office Fund" or the "Fund") today announced that it has determined the acquisition of real estate, as briefly stated below.

1. Summary of the Asset (the "Property")

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Sendai Chowa Building
- (3) Acquisition price: \$3,200 million
- (4) Date of agreement: November 30, 2005 (date of execution of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: November 30, 2005 (scheduled date of closing of the transaction and delivery of the trust beneficial interest)
- (6) Seller: YK JN Investment (please refer to 4. "Seller Profile," below)
- (7) Financing: Private fund, the issuance of the investment corporation bonds and debt financing

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund's policies as stipulated in its Articles of Incorporation. Especially, the Fund appreciates the following factors.

- The Property is located in the center of Aoba-dori and Hirose-dori area, known as the main business district in Sendai City. Commercial facilities such as department stores are also nearby. The Property has great advantages in location; it is at the corner of Aoba-dori and Nibancho-dori with great convenience and visibility.
- Interior renovation works in common areas, the floor-separated air conditioning system, electrical capacity of 55VA/square meter, office automation floors, and renewal of other major machines related to power voltage and air controlled system

have been completed by 2002. The earthquake retrofit works were carried out in 1996 when earthquake retrofit plan under the law was promoted. And it is confirmed by the anti-earthquake test that, structurally, the building has the earthquake-resistance capacity equivalent to the "New Earthquake-resistance Standard". Thus, the Property has sufficient conditions to satisfy tenants' needs for mid- to long-term.

• Stable demands, for office use as financial branch offices and business hub for Tohoku Region, and also for retail use by using the first floor, would be expected based on listed features above.

3. Property Summary

Truste Truste Truste Trust Agreement Location Registry 2-1-2 Ichibancho, Aoba-ku, Sendai City, Miyagi (Note 1) Street 2-1-2 Ichibancho, Aoba-ku, Sendai City, Miyagi Access 8 minutes on foot from Sendai Station, Subway Namboku Line Use Office, retail, parking Structure (Note 1) SRC, BZ/11F Seismic Risk (PML) (Note 2) (Shimizu Corporation's Engineering Report dated November 11, 2005) Area (Note 1) Land 2,321.61 sq. meters Type of Land Ownership Building Ownership Percentage of Land Interest Building 100% Building Coverage Ratio 100% (Note 3) Floor-area Ratio Collateral Property Management Company The Dai-Ichi Building Co., Ltd. (Note 4) - The Property was designed and constructed pursuant to the former Building Standards Law Enforcement Order (the former Earthquake-Resistance Standards). In 1996, the former owner obtained the recognition of Earthquake Retrofit, and conducted earthquake report was the earthquake-resistance capacity similar to the "New Earthquake-resistance Standard." - Air-borne asbestos is used in the machine room and the like of the Property. According to the above-mentioned engineering report dated November 11, 2005 and prepared by Shimizu Corporation, the Property. According to the above-mentioned engineering report, there are no problem with the places, where asbestos is used, and the control over such places and such use does not affect the environment. The Fund plans to remove asbestos after its acquisition of the Property. According to the above-mentioned engineering report, there are no problem with the places, where asbestos is used, and the control over such places and such use does not affect the environment. The Fund plans to remove asbestos after its acquisition of the Property. According to the above-mentioned engineering report, there are no problem with the places, where asbestos is used, and the control ove	Property Name		Sendai Chowa Building		
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Term of Trust Agreement Location Registry Registry Content Street 2-1-2 Ichibancho, Aoba-ku, Sendai City, Miyagi Registry Registry Street Registry Regis					
Location Registry 2-1-2 Ichibancho, Aoba-ku, Sendai City, Miyagi			From February 14, 2003 to February 28, 2013		
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Access 8 minutes on foot from Sendai Station, Subway Namboku Line	(Note 1)		2-1-2 Ichibancho, Aoba-ku, Sendai City, Miyagi		
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Leasing Status (Estimation as of November 29, 2005)	` ,		¥209 million		
m - 1 1 0 m - 1 00	Leasing Status (Estimation				
Total number of Tenants 26	Total number of Tenants		26		

Total Rental Income	± 270 million (Rents for November 2005 \times 12 on the contract basis)				
Occupancy Rate	93.0%				
Total Leased Floor Space	5,736.87 sq. meters				
Total Leasable Floor Space	6,165.70 sq. meters				
Occupancy Rates in the Past	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
(Note 6)	- 2001	-	82.3%	62.6%	97.4%

(Notes)

1. Location and several other items

Location, Completion Date, Structure and Areas are based on the information in the real estate registry. According to confirmed notification based on the Building Standards Code, the structure is SRC, B2/8F with 3F penthouse.

2. PML (Probable Maximum Loss)

PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.

3. Building Coverage Ratio

The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.

4. Property Management Company

Nomura Real Estate Development Co., Ltd is scheduled to be appointed.

Estimated NOI

NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.

Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions.

(a) Occupancy rate: 95.2% (office: 95%, retail: 98%)

(b) Tax amounts: same as those imposed in 2005 tax year.

6. Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	YK JN Investment		
Head Office	1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo		
Representative	Shinji Nakazawa, Director		
Capital	¥3 million (As of November 29, 2005)		
Principal Business	Real Estate		
Relationship with Nomura Office Fund	None		

5. Transaction with Related Parties

The acquisition of the property is not a transaction with a Related Party under the Investment Trust Law. However, as the related party of the Asset Management Company has been in a position to advise the seller in regard to the management and maintenance of the Property, Nomura Office Fund and the Asset Management Company determined the acquisition and the terms and conditions of the transaction, including the price, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.

6. Schedule for acquisition

November 30, 2005 (Scheduled)

Execution of the agreement on purchase and sale of the trust beneficial interest

November 30, 2005 (Scheduled)

Closing of the transaction and delivery of the trust

beneficial interest

7. Forecasts of Financial Results

Forecasts of financial results of the Fund for the fiscal period ending April 30, 2006 (November 1, 2005 to April 30, 2006) including the acquisition of the Property and 3 other new properties in the portfolio are scheduled to be reported on December 20, 2005 in the financial statement for the fiscal period ending October 31, 2005.

[Exhibits]

Exhibit 1 Appraisal Summary

Exhibit 2 Portfolio after the Acquisition

Exhibit 3 Property Photo

Exhibit 4 Map

Appraisal Summary

Property Name	Sendai Chowa Building			
Appraisal Value	¥3,200,000,000			
Appraiser	Morii Appraisal & Investment Consulting, Inc.			
Appraisal Date	November 15, 2005			

Capitalization approach price Saction Sac	Item	Amount (yen) or percentage (%)	Grounds		
approach 3,210,000,000 (1) Gross income 338,636,017 Rental income 226,064,484 (a) Potential gross rental income 226,064,484 (b) Losses due to vacancies, etc. 14,852,921 Common benefit expenses income (common benefit expenses income (common benefit expenses, utility costs) Interest from security deposit 3,439,015 Other income 34,517,285 Maintenance 42,098,000 Assumed based on the historical performance, etc. Management consignment fees 9,329,516 Assumed based on the historical performance, etc. Management consignment fees 9,329,516 Assumed based on the historical performance, etc. Management consignment fees 9,329,516 Assumed based on the historical performance, etc. Management consignment fees 9,329,516 Assumed based on the historical performance, etc. Insurance premium 1,478,000 Based on the assumed ratio of tenant change Utility costs 31,238,000 Assumed based on the historical performance, etc. Insurance premium 1,478,000 Assumed based on the estimated amount Taxes 35,277,000 Actual amount imposed in 2005 tax year. Other expenses 5,640,000 Other expenses 211,971,501 (4) Capital expenditure reserve 19,396,000 (5) Net cash flow (NCF = (3)-(4)) 192,575,501 Other price calculated by the discounted cash flow approach Discount rate 5,8% Discount rate 5,8% Terminal capitalization rate 5,8% Terminal capitalization rate 5,8% Terminal capitalization rate 5,8% Ratio of land 69,7%		3,200,000,000	cash flow approach and examined the result by the		
Rental income: (a)-(b) 211,211,563 (a) Potential gross rental income 226,064,484 (b) Losses due to vacancies, etc. 14,852,921 Assumed based on both the current performance and market rent. (b) Losses due to vacancies, etc. 14,852,921 Assumed based on both current and market vacancy rates Common benefit expenses income (common benefit expenses, utility costs) Interest from security deposit 3,439,015 Assumed based on the historical performance, etc. Other income 34,517,265 Income from parking, vending machines, antennas and conference rooms, etc. (2) Total expenses 126,664,516 Maintenance 42,098,000 Assumed based on the historical performance, etc. Management consignment fees 9,329,516 Assumed based on the estimated amount Leasing expenses 1,604,000 Based on the assumed ratio of tenant change Utility costs 31,238,000 Assumed based on the interest rate being 2.0 % p.a. Income from parking, vending machines, antennas and conference rooms, etc. (2) Total expenses 126,664,516 Maintenance 42,098,000 Assumed based on the historical performance, etc. Insurance premium 1,478,000 Assumed based on the interest rate being 2.0 % p.a. Income from parking, vending machines, antennas and conference rooms, etc. (3) Net operating income from leasing business (NOI=(1)-(2)) Assumed based on the interest rate being 2.0 % p.a. Income from parking income from leasing business (NOI=(1)-(2)) Assumed based on minor repair costs, capital expenditure reserve, etc (5) Net cash flow (NCF = (3)-(4)) 192,575,501 Determined based on the location and the characteristics and variance in the net opperating income and also considering the cap rates of the buildings located in the vicinity, etc. approach in the net opperating income and also considering the cap rates of the buildings located in the vicinity, etc. 3,800,000,000 Price calculated by the discounted cash flow approach Price 3,800,000,000 Ratio Price and Location and the vicinity, etc. 3,800,000,000 3,800,000,000 3,800,000,000 4,800,000,000 4,800,000,000 4,800,000,000	approach				
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Insurance premium Taxes 35,277,000 Actual amount imposed in 2005 tax year. Other expenses 5,640,000 Assumed based on the estimated amount Taxes 35,277,000 Actual amount imposed in 2005 tax year. Assumed based on minor repair costs, capital expenditure reserve, etc. (3) Net operating income from leasing business (NOI=(1)-(2)) (4) Capital expenditure reserve 19,396,000 (NCF = (3)-(4)) (4) Capitalization rate (5) Net cash flow (NCF = (3)-(4)) (6) Capitalization rate 192,575,501 Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc. Price calculated by the discounted cash flow approach Discount rate Terminal capitalization rate Cost approach price Ratio of land 1,478,000 Assumed based on the location 211,971,501 Cost approach Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc. Cost approach price Ratio of land 3,200,000,000 Assumed based on minor repair costs, capital expenditure reserve, etc.		1,604,000	Based on the assumed ratio of tenant change		
Taxes 35,277,000 Actual amount imposed in 2005 tax year. Other expenses 5,640,000 Assumed based on minor repair costs, capital expenditure reserve, etc (3) Net operating income from leasing business (NOI=(1)-(2)) (4) Capital expenditure reserve 19,396,000 Assumed based on Shimizu Corporation's Engineering Report (5) Net cash flow (NCF = (3)-(4)) (4) Capitalization rate 6.0% Price calculated by the discounted cash flow approach Discount rate 5.8% Terminal capitalization rate 6.1% Cost approach price 3,860,000,000 Ratio of land 69.7%	Utility costs	31,238,000	Assumed based on the historical performance, etc.		
Other expenses 5,640,000 Assumed based on minor repair costs, capital expenditure reserve, etc (3) Net operating income from leasing business (NOI=(1)-(2)) (4) Capital expenditure reserve 19,396,000 (5) Net cash flow (NCF = (3)-(4)) (4) Capitalization rate (4) Capitalization rate Price calculated by the discounted cash flow approach Discount rate Discount rate 5,8% Terminal capitalization rate 5,860,000,000 Ratio of land Assumed based on Shimizu Corporation's Engineering Report Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc.	Insurance premium	1,478,000	Assumed based on the estimated amount		
(3) Net operating income from leasing business (NOI=(1)-(2)) (4) Capital expenditure reserve (5) Net cash flow (NCF = (3)-(4)) (4) Capitalization rate (4) Capitalization rate Price calculated by the discounted cash flow approach Discount rate Terminal capitalization rate (3) Net operating income from leasing business (211,971,501) (19,396,000) Assumed based on Shimizu Corporation's Engineering Report Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc. Price calculated by the discounted cash flow approach Discount rate 5.8% Terminal capitalization rate Cost approach price Ratio of land 3,860,000,000 Ratio of land		35,277,000	Actual amount imposed in 2005 tax year.		
leasing business (NOI=(1)-(2)) (4) Capital expenditure reserve 19,396,000 Assumed based on Shimizu Corporation's Engineering Report (5) Net cash flow (NCF = (3)-(4)) (4) Capitalization rate (4) Capitalization rate Price calculated by the discounted cash flow approach Discount rate Terminal capitalization rate Cost approach price Ratio of land 211,971,501 Assumed based on Shimizu Corporation's Engineering Report 192,575,501 Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc.		5,640,000	Assumed based on minor repair costs, capital expenditure reserve, etc		
(5) Net cash flow (NCF = (3)-(4)) (4) Capitalization rate Price calculated by the discounted cash flow approach Discount rate Discount rate Cost approach price Ratio of land Discount Ratio of land Discount Ratio 193,390,000 192,575,501 Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc.	leasing business (NOI=(1)-(2))	211,971,501			
(A) Capitalization rate (A) Capitalization rate (B) Capitalization rate (C) Capitalization rate (A) Capitalization rate (B) Capitalization rate (C) Capitalization ra		19,396,000			
(4) Capitalization rate 6.0% characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc. Price calculated by the discounted cash flow approach Discount rate Terminal capitalization rate 6.1% Cost approach price Ratio of land 6.0% characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc.		192,575,501			
Price calculated by the discounted cash flow approach	(4) Capitalization rate	6.0%	characteristics and variance in the net operating income and also considering the cap rates of the		
Terminal capitalization rate 6.1% Cost approach price 3,860,000,000 Ratio of land 69.7%		3,200,000,000	V V		
Cost approach price 3,860,000,000 Ratio of land 69.7%		5.8%			
Cost approach price 3,860,000,000 Ratio of land 69.7%	Terminal capitalization rate	6.1%			
Ratio of land 69.7%					
		69.7%			
	Ratio of building	30.3%			

Items considered for the
adjustment of the results
of derivations and
determination of the
appraised value

The Property is located on Aoba-dori in the main business district in Sendai City. It is located at the corner of Aoba-dori and Hirose-dori with good visibility. A large-scale redevelopment is in process and it is considered that it enables to maintain high occupancy rates for a long time and to keep enough competitiveness in the area.

Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
	Shinjuku Nomura Building	38,730	16.3	December 8, 2003
	JAL Building	33,080	14.0	March 18, 2005
	Itopia Nihonbashi Building	20,600	8.7	December 5, 2003
	Tennozu Park Side Building	14,800	6.2	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	5.1	September 28, 2004
m l	Isuzu Shiba Building	10,000	4.2	May 25, 2004
Tokyo central area (Notes 2)	Nishi-Shinjuku Showa Building (Note 3)	8,800	3.7	November 30, 2005
(-15552 1.)	Toshin Tameike Building	7,400	3.1	September 29, 2005
	Shinagawa NF Building	5,500	2.3	December 8, 2003
	Surugadai Plaza Building	5,150	2.2	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.3	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.0	June 25, 2004
		161,420	68.1	
	TT Landic Toyocho Building	7,550	3.2	December 5, 2003
	Technoport Kamata B	6,430	2.7	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.4	December 5, 2003
Vicinity of Tokyo (Note 2)	Kawasaki Higashiguchi Sanshin Building	9,500	4.0	June 30, 2005
(-1000 1.)	Asahi Seimei Yokohama Nishiguchi Building	5,050	2.1	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.5	December 5, 2003
		35,420	14.9	
	Sendai Chowa Building (Note 3)	3,200	1.3	November 30, 2005
	Utsunomiya NF Building	2,970	1.3	December 5, 2003
	Yanagibashi Sanshin Building	3,550	1.5	September 29, 2005
	Osaka Chowa Building (Note 3)	12,900	5.4	November 30, 2005
Other cities (Note 2)	Nomura Real Estate Osaka Building	6,410	2.7	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	1.7	December 5, 2003
	Kobe Kaigan Building	3,280	1.4	December 5, 2003
	Hiroshima Chowa Building (Note 3)	2,100	0.9	November 30, 2005
	Nomura Real Estate Hiroshima Building	1,930	0.8	December 5, 2003
			17.0	
	Total (27 properties)	237,120	100.0	

(Notes)

- Percentages have been rounded off to one decimal place. Accordingly, the total may not equal to 100%. Tokyo central area means Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shinagawa Ward and Shibuya Ward. Vicinity of Tokyo means Tokyo excluding the Tokyo central area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.
 - Other cities mean other local cities located in the area other than the Tokyo central area and the vicinity of Tokyo.
- Nishi-Shinjuku Showa Building, Sendai Chowa Building (the Property), Osaka Chowa Building and Hiroshima Chowa Building are included in the above table assuming that the Fund has acquired the 4 new properties even though the scheduled date of closing transaction, delivery of the trust beneficial interest and acquisition is November 30, 2005. 3.





