



NOMURA
Office Fund

Fifth Fiscal Period Semi-Annual Report

November 1, 2005 ▶ April 30, 2006

NOMURA REAL ESTATE OFFICE FUND, INC.

Profile

Nomura Real Estate Office Fund, Inc. (referred to as “Nomura Office Fund” or the “Company” hereafter) was listed on the Tokyo Stock Exchange on December 4, 2003 as a real estate investment corporation formed to own and invest in office properties, subject to the Law concerning Investment Trusts and Investment Corporations of Japan (referred to as the “Investment Trust Law” hereafter). The Company’s basic investment policy is to assure stable rent revenues and steady portfolio growth over the medium- to long-term.

Nomura Real Estate Asset Management Co., Ltd. (referred to as “NREAM” hereafter), a wholly owned subsidiary of Nomura Real Estate Holdings Co., Ltd. is in charge of asset management on behalf of Nomura Office Fund in accordance with the basic investment policy as described above. Through coordination with Nomura Real Estate Holdings Co., Ltd. and other group companies, NREAM aims to achieve these goals and more.

Strength of Nomura Office Fund

J-REIT with large-capitalization specialized in office buildings

- Portfolio of 28 properties at a total acquisition price of ¥240.8 billion (as of April 30, 2006)
- Aggregate market value of ¥229.5 billion (as of April 30, 2006)
- Constituent of MSCI Standard Index

Track record of stable management

- Five consecutive fiscal periods of growth in revenues and earnings
- Steady growth in cash distribution per unit

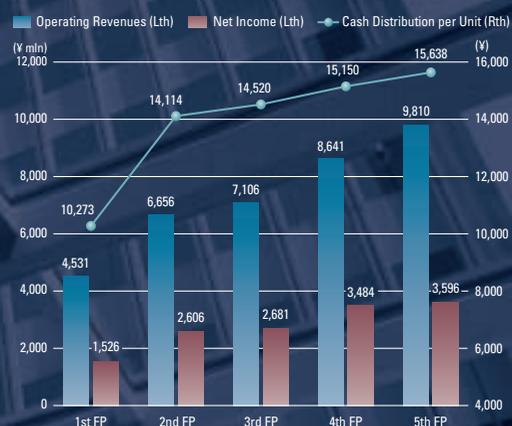
Collaboration with Nomura Real Estate Group

- NREAM, in charge of the Company’s asset management, belongs to Nomura Real Estate Group
- Supported by the group companies through provision of sales information and management expertise

Rated A by three domestic and foreign rating agencies

Standard & Poor’s Ratings Services	Long-term rating: A Short-term rating: A-1
Moody’s Investors Service, Inc.	Issuer rating: A3
Rating and Investment Information, Inc.	Issuer rating: A+

- Holding to conservative financial strategies
- Promoting long-term fixed-rate arrangements for interest-bearing debts



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To Our Investors

Dear Investors,

We are delighted to be able to present to you the financial results for the fifth fiscal period (ending April 30, 2006) and report on our activities during the period herein.

We booked operating revenues for this period of ¥9,810 million, current profits of ¥3,597 million, and net income of ¥3,596 million. Cash distribution per unit was ¥15,638.

Some of the major developments during the fifth period included new investments in five properties, located in Shinjuku-ku and Musashino City in Tokyo, Cities of Sendai, Osaka and Hiroshima respectively. As a result of these investments, the number of properties in the portfolio now totals 28 with a total value of ¥240.8 billion on an acquisition cost basis. Also further diversification of the portfolio has been promoted in terms of both properties and geographical location.

Turning your eyes to property leasing operation, you will note that the occupancy rate of 98.4% has gone up 1.1 point from the previous period, due to the continuous successful property management. Please also note that various refurbishment and renovation works have been conducted to keep up and further enhance the competitiveness of the properties, with a view to increase rent revenues over the mid-to long-term.

On the financial aspects, we have made a public issuance of investment corporation bonds in the total sum of ¥20 billion for the first time ever. This has contributed to diversifying the method of funding as well as promoting the long-term fixed-rate debts, which in turn helped to build a more stable financial base. In compliance with our policy to seek mid-to long-term optimization, we will continue adhering to the conservative investment policies in future.

Lastly, we would like to thank you again for your patronage in the past periods, and would like to ask for your continued support for the years to come.



Isamu Okada

Isamu Okada
Executive Director
Nomura Real Estate Office Fund, Inc.

Financial Highlights

FINANCIAL SUMMARY

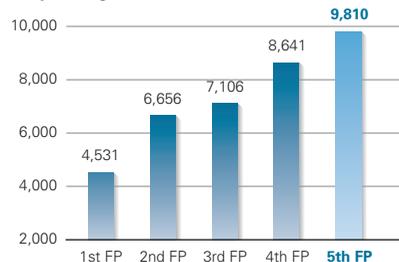
		5th FP from Nov. 1, 2005 to Apr. 30, 2006	4th FP from May. 1, 2005 to Oct. 31, 2005	3rd FP from Nov. 1, 2004 to Apr. 30, 2005	2nd FP from May. 1, 2004 to Oct. 31, 2004	1st FP from Aug. 7, 2003 to Apr. 30, 2004
Operating Revenues	¥ mln	9,810	8,641	7,106	6,656	4,531
Net Operating Income (NOI) (Note 1)	¥ mln	6,952	6,125	4,970	4,451	3,350
Income before Income Taxes	¥ mln	3,597	3,485	2,682	2,607	1,528
Net Income	¥ mln	3,596	3,484	2,681	2,606	1,526
Total Assets	¥ mln	268,559	239,067	208,003	173,545	147,946
Unitholders' Capital	¥ mln	124,610	124,610	92,168	92,168	71,706
Number of Units Issued	unit	229,970	229,970	184,650	184,650	148,600
Net Assets per Unit	¥	557,492	557,004	513,672	513,266	492,820
Total Cash Distribution	¥ mln	3,596	3,484	2,681	2,606	1,526
Cash Distribution per Unit	¥	15,638	15,150	14,520	14,114	10,273
Funds from Operation (FFO) per Unit (Note 2)	¥	21,889	20,559	20,142	19,255	14,757

Note 1: NOI (Net Operating Income) = Real Estate Rental Revenues - Real Estate Rental Expenses + Depreciation

Note 2: FFO per Unit = (Net Income + Depreciation + Amortization of Investment Corporation Bonds Issuance Costs) / Number of Units Issued

CHANGES IN KEY FIGURES

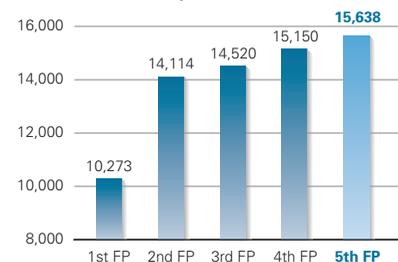
■ Operating Revenues (¥ mln)



■ Total Assets (¥ mln)



■ Cash Distribution per Unit (¥)



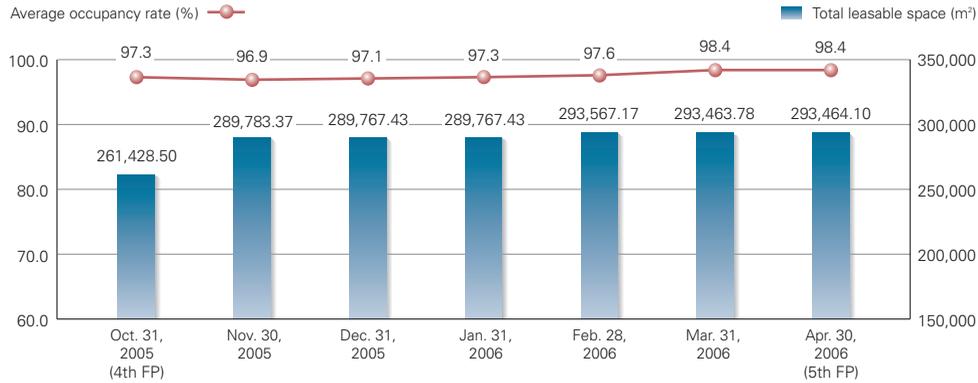
CHANGES IN UNIT PRICE AND AGGREGATE MARKET VALUE



Portfolio Highlights

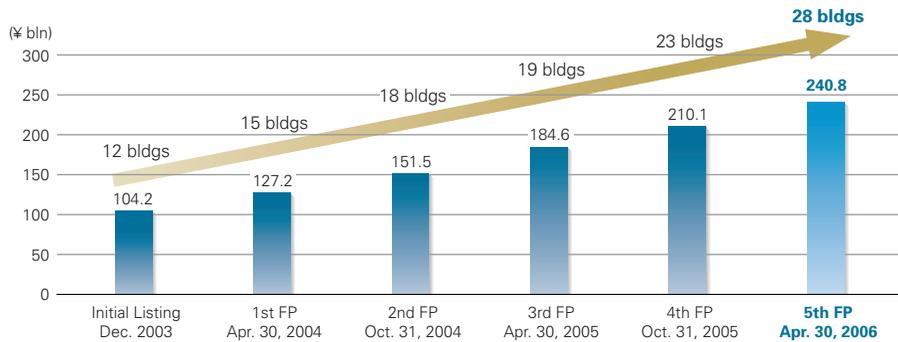
CHANGES IN OCCUPANCY RATE (Average)

The average occupancy rate at the end of the fifth fiscal period was 98.4%, 1.1 point up from the previous period.

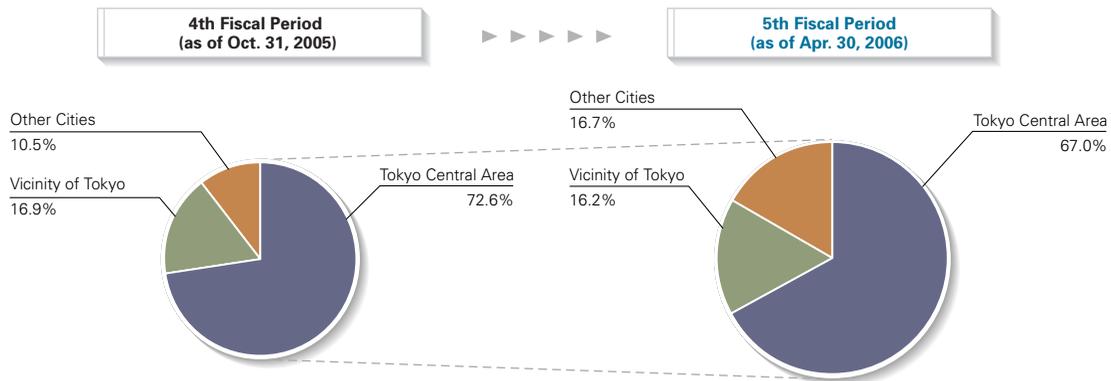


CHANGES IN SIZE OF PORTFOLIO

Diversification of the portfolio, which has steadily increased since the initial listing, has also been promoted.



DIVERSITY IN LOCATION



Note: Tokyo Central AreaSix central wards consisting of Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya
 Vicinity of TokyoOther areas of metropolitan Tokyo and the surrounding three prefectures including Kanagawa, Saitama and Chiba
 Other CitiesMajor regional cities in other areas

Management Summary of the Fifth Fiscal Period

New Investments

New investments were made to acquire "Nishi-Shinjuku Showa Building", "NOF Sendai Aoba-dori Building", "NOF Midosuji Building", "Hiroshima Chowa Building" and "Crystal Park Building" with the total acquisition price of ¥30.7 billion.

Nishi-Shinjuku Showa Building

Location Nishi-Shinjuku Shinjuku-ku, Tokyo
 Date acquired November 30, 2005
 Acquisition price ¥8.8 billion

Property Profile

The Shinjuku West Exit area, represented by the super high-rises clustering in Nishi Shinjuku, features high convenience while being a customer magnet and enjoying high name recognition. Situated on a corner plot within 3 minutes' walking distance from Shinjuku Station West Exit, stable demand for tenants can therefore be expected from corporate sales offices and businesses frequented by visitors coming from Shinjuku Station. Renewal work on air conditioning and common-use facilities has been completed.



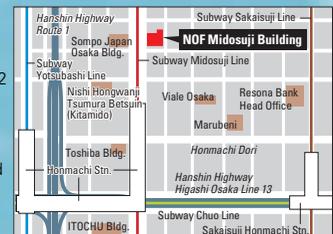
NOF Midosuji Building

Location Kawaramachi Chuo-ku, Osaka City, Osaka
 Date acquired November 30, 2005
 Acquisition price ¥12.9 billion

Note: Osaka Chowa Building changed its name to NOF Midosuji Building on August 1, 2006

Property Profile

The Midosuji area is a location where many financial institutions have their branch offices, and is also Osaka's foremost office district. The property is located within 2 minutes' walking distance from Honmachi Station on a corner plot facing the Midosuji Boulevard, making this property a rarity in terms of traffic convenience and location. Although the building is 32 years old, main facilities are up-to-date, and earthquake proofing has been confirmed on a par with the New Earthquake Proofing Standard according to the earthquake proofing examination.



NOF Sendai Aoba-dori Building

Location Ichiban-cho Aoba-ku, Sendai City, Miyagi
 Date acquired November 30, 2005
 Acquisition price ¥3.2 billion

Note: Sendai Chowa Building changed its name to NOF Sendai Aoba-dori Building on June 1, 2006

Property Profile

This property is a large office building in Sendai City, the heart of the Tohoku regional economy, situated in the city's central office district on a corner plot at the intersection of two main streets. The building features an appealing interior and exterior, with updated principal facilities renovated. In addition to wide-ranging demand for office space in light of the superior location, for the first-floor section demand for commercial and shop tenants can also be expected, with prospects for stable operations.



NOF Sendai Aoba-dori Building

Hiroshima Chowa Building

Location Tatemachi Naka-ku, Hiroshima City, Hiroshima
 Date acquired November 30, 2005
 Acquisition price ¥2.1 billion

Property Profile

This property is situated in the Hatchobori area, the business and commercial center of Hiroshima, home to a multitude of department stores and other commercial facilities. The property comprises a highly visible building on a corner plot facing Aoi-dori, one of Hiroshima's main streets. While large-scale renovation works are already completed, construction work for earthquake proofing is slated to begin soon, so that a diversity of tenant requirements regarding facilities can be accommodated.



Nishi-Shinjuku Showa Building

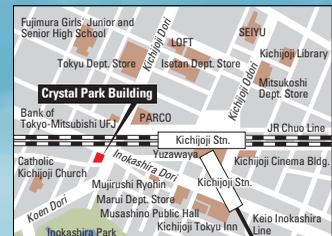
Crystal Park Building

Crystal Park Building

Location Gotenyama Musashino City, Tokyo
 Date acquired February 28, 2006
 Acquisition price ¥3.7 billion

Property Profile

This property is located in front of Kichijoji Station, a well-known terminal station west of Shinjuku, with access to three different train lines connecting to Shinjuku, Shibuya, and Otemachi. Kichijoji is a location of outstanding convenience, with a sizeable hinterland population and a concentration of commercial facilities, including department stores, hotels, and cinemas. In addition to demand for corporate sales offices, stable long-term tenant demand can therefore be expected from businesses frequented by visitors.



Management Summary of the Fifth Fiscal Period

STABLE PORTFOLIO MANAGEMENT

To maximize a stable income flow generated from the portfolio properties, we stand on a mid-to long-term perspective in managing the properties.

A carefully drawn up stratagem to manage the properties in the fifth fiscal period has contributed to improving the occupancy rates as shown in the following table. A large-scale renovation at the underground shopping floor of Shinjuku Nomura Building has enhanced the value of the property and the differentiation from the surrounding buildings.

Changes in occupancy rates

	5th FP (as of Apr. 30, 2006)	4th FP (as of Oct. 31, 2005)
Tokyo Central Area	99.4%	98.0%
Vicinity of Tokyo	99.2%	98.8%
Other Cities	95.7%	93.6%
Average	98.4%	97.3%

Renovation at the underground shopping floor of Shinjuku Nomura Building



The area previously used by a bank has been completely refurbished, where newly invited various food shops are in operation now.



Stairways / escalators were installed to enable direct access to the basement shopping floor from the crossing busy streets.

CONSERVATIVE FINANCIAL STRATEGIES

With a view to diversify the method of funding and also to turn the interest-bearing debts from a short-term floating-rate to a long-term fixed-rate basis, we issued investment corporation bonds in November 2005 for the total amount of 20 billion yen by means of public offering for the first time.

Name of Investment Corporation Bonds	Third Series Uninsured Investment Corporation Bonds	Fourth Series Uninsured Investment Corporation Bonds
Date of Issue	Nov. 28, 2005	Nov. 28, 2005
Redemption Date	Nov. 29, 2010 (5-year bonds)	Nov. 30, 2015 (10-year bonds)
Total Amount Issued	¥10 billion	¥10 billion
Interest Rate	1.19% p.a.	2.05% p.a.
Security / Guarantee	None	None

Rating (Third Series and Fourth Series)

Rating Company	Rating
Standard & Poor's Ratings Services	A
Moody's Investors Service, Inc.	A3
Rating and Investment Information, Inc.	A+

Financial Status of the Fifth Fiscal Period

TURNING OF SHORT-TERM FLOATING-RATE DEBTS TO LONG-TERM FIXED-RATE DEBTS

In anticipation of potential increase in interest rates in the future, we have turned interest-bearing debts to long-term fixed-rate debts where possible, thus securing a more stable financial base. The following pie charts illustrate the breakdown of interest-bearing debts.

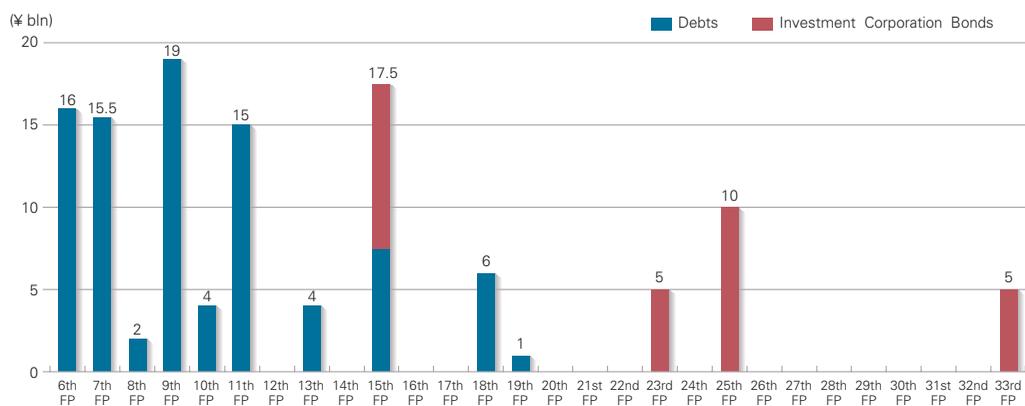


Note: "Short-term" debts include long-term debts due for repayment within one year.

Note: "Fixed-rate" debts include floating-rate debts swapped into fixed-rate debts.

DIVERSITY OF REPAYMENT DATES

We have diversified the repayment dates of interest-bearing debts to avoid concentration on any specific period or timing, thus reducing the refinancing risk and stabilizing the cash flow.



CREDIT RATINGS

To diversify the method of funding, including issuance of investment corporation bonds, we have obtained credit ratings from three credit rating companies.

Rating Company	Rating	Outlook
Standard & Poor's Ratings Services	A: Long-term corporate credit rating	Stable
	A-1: Short-term corporate credit rating	
Moody's Investors Service, Inc.	A3: Issuer rating	Stable
Rating and Investment Information, Inc.	A+: Issuer rating	Positive

Summary of Portfolio Properties

Name of Property	Location	Leasable Space (m ²)	Date Acquired	Acquisition Price (¥ mln)	Portion(%) (Note 1)
Tokyo Central Area					
Shinjuku Nomura Bldg. (Note 2)	Shinjuku-ku, Tokyo	31,589.26	Dec. 8, 2003	38,730	16.1
JAL Bldg.	Shinagawa-ku, Tokyo	42,084.11	Mar. 18, 2005	33,080	13.7
NOF Nihonbashi Honcho Bldg. (Note 4)	Chuo-ku, Tokyo	19,233.28	Dec. 5, 2003	20,600	8.6
Tennozu Park Side Bldg.	Shinagawa-ku, Tokyo	18,051.61	Feb. 27, 2004	14,800	6.1
NOF Shibuya Koen-dori Bldg.	Shibuya-ku, Tokyo	3,420.16	Sep. 28, 2004	12,000	5.0
NOF Shiba Bldg. (Note 4)	Minato-ku, Tokyo	8,165.10	May 25, 2004	10,000	4.2
Nishi-Shinjuku Showa Bldg.	Shinjuku-ku, Tokyo	5,659.96	Nov. 30, 2005	8,800	3.7
Toshin Tameike Bldg.	Minato-ku, Tokyo	4,715.20	Sep. 29, 2005	7,400	3.1
Shinagawa NF Bldg.	Shinagawa-ku, Tokyo	7,850.99	Dec. 8, 2003	5,500	2.3
Surugadai Plaza Bldg.	Chiyoda-ku, Tokyo	4,160.94	Feb. 27, 2004	5,150	2.1
NOF Kanda Iwamoto-cho Bldg. (Note 4)	Chiyoda-ku, Tokyo	4,076.38	Feb. 26, 2004	3,080	1.3
NOF Minami Shinjuku Bldg. (Note 4)	Shibuya-ku, Tokyo	2,464.71	Jun. 25, 2004	2,280	0.9
Total Tokyo Central Area (12 Properties)		151,471.70		161,420	67.0
Vicinity of Tokyo					
NOF Toyo-cho Bldg. (Note 4)	Koto-ku, Tokyo	18,218.17	Dec. 5, 2003	7,550	3.1
Technoport Kamata B Ridge	Ota-ku, Tokyo	13,683.46	Dec. 5, 2003	6,430	2.7
Crystal Park Bldg. (Note 3)	Musashino City, Tokyo	3,900.85	Feb. 28, 2006	3,700	1.5
Faret Tachikawa Center Square	Tachikawa City, Tokyo	6,853.38	Dec. 5, 2003	3,290	1.4
NOF Kawasaki Higashiguchi Bldg. (Note 4)	Kawasaki City, Kanagawa	8,284.03	Jun. 30, 2005	9,500	3.9
NOF Yokohama Nishiguchi Bldg. (Note 4)	Yokohama City, Kanagawa	6,817.76	May 12, 2005	5,050	2.1
NOF Shin-Yokohama Bldg. (Note 4)	Yokohama City, Kanagawa	8,074.83	Dec. 5, 2003	3,600	1.5
Total Vicinity of Tokyo (7 Properties)		65,832.48		39,120	16.2
Other Cities					
NOF Sendai Aoba-dori Bldg. (Note 4)	Sendai City, Miyagi	6,165.70	Nov. 30, 2005	3,200	1.3
NOF Utsunomiya Bldg. (Note 4)	Utsunomiya City, Tochigi	5,887.40	Dec. 5, 2003	2,970	1.2
NOF Nagoya Yanagibashi Bldg. (Note 4)	Nagoya City, Aichi	4,655.74	Sep. 29, 2005	3,550	1.5
NOF Midosuji Bldg. (Note 4)	Osaka City, Osaka	12,240.88	Nov. 30, 2005	12,900	5.4
Nomura Osaka Bldg.	Osaka City, Osaka	16,977.79	Dec. 5, 2003	6,410	2.7
Nomura Yotsubashi Bldg.	Osaka City, Osaka	11,558.68	Dec. 5, 2003	3,940	1.6
NOF Kobe Kaigan Bldg. (Note 4)	Kobe City, Hyogo	6,427.01	Dec. 5, 2003	3,280	1.4
Hiroshima Chowa Bldg.	Hiroshima City, Hiroshima	4,334.75	Nov. 30, 2005	2,100	0.9
Nomura Hiroshima Bldg.	Hiroshima City, Hiroshima	7,911.97	Dec. 5, 2003	1,930	0.8
Total Other Cities (9 Properties)		76,159.92		40,280	16.7
Grand Total (28 Properties)		293,464.10		240,820	100.0

Note 1: "Portion" reflects the percentage of each property's leasable space in the total portfolio (28 properties). The sum of the figure in each column may not necessarily add up to 100.0 due to rounding.

Note 2: Shinjuku Nomura Building is held through the quasi co-ownership of trust beneficial interest. Therefore, "Acquisition Price" and "Leasable Space" of the building reflect the portion of the quasi co-ownership which is 50.1 percent.

Note 3: Crystal Park Building is directly held as real estate, while all the other properties are held in the form of trust beneficial interests.

Note 4: The name of the property has been changed as shown in the following table.

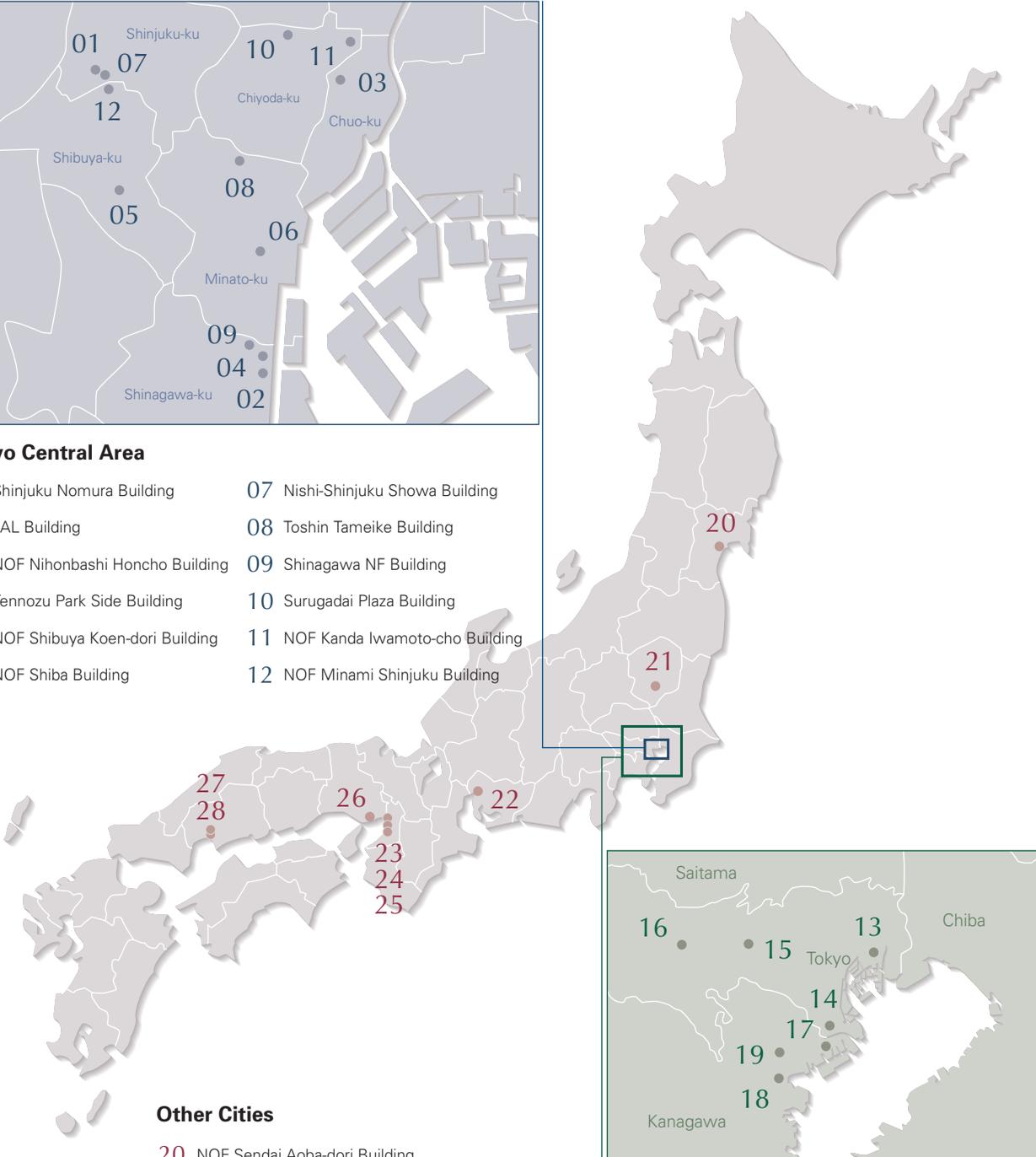
New Name	Previous Name	Date Changed
NOF Nihonbashi Honcho Bldg.	Itopia Nihonbashi Honcho Bldg.	
NOF Shiba Bldg.	Isuzu Shiba Bldg.	
NOF Kanda Iwamoto-cho Bldg.	Kanda Iwamoto-cho Tosei Bldg.	
NOF Minami Shinjuku Bldg.	Seiwa Shinjuku Bldg.	
NOF Toyo-cho Bldg.	TT Landic Toyo-cho Bldg.	Jun. 1, 2006
NOF Kawasaki Higashiguchi Bldg.	Kawasaki Higashiguchi Sanshin Bldg.	
NOF Shin-Yokohama Bldg.	Shin-Yokohama Nikko Bldg.	
NOF Sendai Aoba-dori Bldg.	Sendai Chowa Bldg.	
NOF Utsunomiya Bldg.	Utsunomiya NF Bldg.	
NOF Kobe Kaigan Bldg.	Kobe Kaigan Bldg.	
NOF Yokohama Nishiguchi Bldg.	Asahi Seimei Yokohama Nishiguchi Bldg.	
NOF Nagoya Yanagibashi Bldg.	Yanagibashi Sanshin Bldg.	Aug. 1, 2006
NOF Midosuji Bldg.	Osaka Chowa Bldg.	

Portfolio Map



Tokyo Central Area

- | | |
|-----------------------------------|-----------------------------------|
| 01 Shinjuku Nomura Building | 07 Nishi-Shinjuku Showa Building |
| 02 JAL Building | 08 Toshin Tameike Building |
| 03 NOF Nihonbashi Honcho Building | 09 Shinagawa NF Building |
| 04 Tennozu Park Side Building | 10 Surugadai Plaza Building |
| 05 NOF Shibuya Koen-dori Building | 11 NOF Kanda Iwamoto-cho Building |
| 06 NOF Shiba Building | 12 NOF Minami Shinjuku Building |



Other Cities

- 20 NOF Sendai Aoba-dori Building
- 21 NOF Utsunomiya Building
- 22 NOF Nagoya Yanagibashi Building
- 23 NOF Midosuji Building
- 24 Nomura Osaka Building
- 25 Nomura Yotsubashi Building
- 26 NOF Kobe Kaigan Building
- 27 Hiroshima Chowa Building
- 28 Nomura Hiroshima Building

Vicinity of Tokyo

- 13 NOF Toyo-cho Building
- 14 Technoport Kamata B Ridge
- 15 Crystal Park Building
- 16 Faret Tachikawa Center Square
- 17 NOF Kawasaki Higashiguchi Building
- 18 NOF Yokohama Nishiguchi Building
- 19 NOF Shin-Yokohama Building

Property Details



01 || Shinjuku Nomura Building

Location:	1-26-2 Nishi-Shinjuku Shinjuku-ku, Tokyo
Completion:	May 1978
Area:	Land 9,298.21 m ² (Entire area) Floor 117,258.88 m ² (Entire area)
Stories:	B5 / 50F
Property Managed by:	Nomura Real Estate Development Co., Ltd.
Type of Ownership:	Land Quasi co-ownership of 50.1% Building Quasi co-ownership of 50.1%

Note: The portfolio consists of the front building and adjacent compound area shown in the picture.



02 || JAL Building

Location:	2-4-11 Higashi-Shinagawa Shinagawa-ku, Tokyo
Completion:	June 1996
Area:	Land 11,670.40 m ² (Entire area) Floor 25,260.48 m ² (Exclusively owned area)
Stories:	B2 / 26F
Property Managed by:	Nomura Real Estate Development Co., Ltd.
Type of Ownership:	Land Co-ownership of 50.89619% Building Compartmentalized ownership



03 || NOF Nihonbashi Honcho Building

Location:	2-7-1 Nihonbashi Honcho Chuo-ku, Tokyo
Completion:	April 1961 (Extension April 1968)
Area:	Land 3,196.31 m ² Floor 29,430.67 m ²
Stories:	B3 / 8F
Property Managed by:	ITOCHU Urban Community Co., Ltd.



04 || Tennozu Park Side Building

Location:	2-5-8 Higashi-Shinagawa Shinagawa-ku, Tokyo
Completion:	January 1995
Area:	Land 5,816.26 m ² (Entire area) Floor 17,587.30 m ² (Exclusively owned area)
Stories:	B2 / 21F
Property Managed by:	Nomura Real Estate Development Co., Ltd.
Type of Ownership:	Land Co-ownership of 68.98% Building Compartmentalized ownership



05 || NOF Shibuya Koen-dori Building

Location:	20-17 Udagawa-cho Shibuya-ku, Tokyo
Completion:	September 1987
Area:	Land 637.08 m ² Floor 5,358.55 m ²
Stories:	B2 / 8F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



06 || NOF Shiba Building

Location:	4-2-3 Shiba Minato-ku, Tokyo
Completion:	March 1991
Area:	Land 2,074.65 m ² Floor 11,425.20 m ²
Stories:	B1 / 7F
Property Managed by:	Ikoma TBM K.K.



07 || Nishi-Shinjuku Showa Building

Location:	1-13-12 Nishi-Shinjuku Shinjuku-ku, Tokyo
Completion:	April 1982
Area:	Land 1,101.49 m ² (Entire area) Floor 5,858.26 m ² (Exclusively owned area)
Stories:	B2 / 11F
Property Managed by:	Nomura Real Estate Development Co., Ltd.
Type of Ownership:	Land Co-ownership of 84.25% Building Compartmentalized ownership



08 || Toshin Tameike Building

Location:	1-1-14 Akasaka Minato-ku, Tokyo
Completion:	August 1959
Area:	Land 690.67 m ² Floor 6,478.50 m ²
Stories:	B1 / 9F
Property Managed by:	Nomura Real Estate Development Co., Ltd.

Property Details



09 || Shinagawa NF Building

Location:	1-2-5 Higashi-Shinagawa Shinagawa-ku, Tokyo
Completion:	November 1987
Area:	Land 3,240.30 m ² Floor 10,077.02 m ²
Stories:	B1 / 8F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



10 || Surugadai Plaza Building

Location:	2-5-12 Kanda Surugadai Chiyoda-ku, Tokyo
Completion:	April 1997
Area:	Land 1,056.92 m ² Floor 5,782.27 m ²
Stories:	B1 / 8F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



11 || NOF Kanda Iwamoto-cho Building

Location:	3-8-16 Iwamoto-cho Chiyoda-ku, Tokyo
Completion:	July 1988
Area:	Land 773.32 m ² Floor 4,698.97 m ²
Stories:	9F
Property Managed by:	ITOCHU Urban Community Co., Ltd.



12 || NOF Minami Shinjuku Building

Location:	5-32-7 Sendagaya Shibuya-ku, Tokyo
Completion:	March 1986
Area:	Land 545.87 m ² Floor 3,160.05 m ²
Stories:	B1 / 8F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



13 || NOF Toyo-cho Building

Location:	1-6-35 Shinsuna Koto-ku, Tokyo
Completion:	November 1989
Area:	Land 8,926 m ² Floor 18,051.08 m ²
Stories:	7F
Property Managed by:	Nomura Building Management Co., Ltd.



14 || Technoport Kamata B Ridge

Location:	2-16-1 Minami-Kamata Ota-ku, Tokyo
Completion:	September 1990
Area:	Land (a) 9,429.59 m ² (b) 3,483.90 m ² Floor 21,516.54 m ² (Exclusively owned area)
Stories:	B1 / 11F
Property Managed by:	Nomura Real Estate Development Co., Ltd.
Type of Ownership:	Land (a) Exclusively owned area, (b) Co-owned area of 30% Building Compartmentalized ownership



15 || Crystal Park Building

Location:	1-1-3 Gotenyama Musashino City, Tokyo
Completion:	October 1991
Area:	Land 1,057.14 m ² (Entire area) Floor 3,868.36 m ² (Exclusively owned area)
Stories:	B2 / 11F
Property Managed by:	The Dai-Ichi Building Co., Ltd.
Type of Ownership:	Land Co-ownership of 3,970,795 / 4,435,360 Building Compartmentalized ownership



16 || Faret Tachikawa Center Square

Location:	2-36-2 Akebono-cho Tachikawa City, Tokyo
Completion:	December 1994
Area:	Land 4,454.59 m ² (Entire area) Floor 6,865.80 m ² (Exclusively owned area)
Stories:	B2 / 12F
Property Managed by:	Nomura Real Estate Development Co., Ltd.
Type of Ownership:	Land Co-ownership of 45.698% Building Compartmentalized ownership

Property Details



17 || NOF Kawasaki Higashiguchi Building

Location:	3-1 Ekimae Honcho Kawasaki-ku Kawasaki City, Kanagawa
Completion:	March 1988
Area:	Land 1,275.70 m ² Floor 10,932.69 m ²
Stories:	B1 / 12F
Property Managed by:	Nomura Building Management Co., Ltd.



18 || NOF Yokohama Nishiguchi Building

Location:	1-11-11 Kita-Saiwai Nishi-ku Yokohama City, Kanagawa
Completion:	October 1985
Area:	Land 1,502.94 m ² Floor 10,055.13 m ²
Stories:	B1 / 9F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



19 || NOF Shin-Yokohama Building

Location:	2-15-16 Shin-Yokohama Kohoku-ku Yokohama City, Kanagawa
Completion:	October 1990
Area:	Land 1,320 m ² Floor 11,149.99 m ²
Stories:	B1 / 9F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



20 || NOF Sendai Aoba-dori Building

Location:	2-1-2 Ichiban-cho Aoba-ku Sendai City, Miyagi
Completion:	July 1968
Area:	Land 2,321.61 m ² Floor 12,977.45 m ²
Stories:	B2 / 11F*
Property Managed by:	The Dai-Ichi Building Co., Ltd.

*Note: The Notice of Confirmation issued in accordance with the Building Standard Law describes it as *8 stories above the ground and 3 stories of penthouse with 2 stories below ground*.



21 || NOF Utsunomiya Building

Location: 2-1-1 Baba-dori Utsunomiya City, Tochigi
Completion: December 1999
Area: Land 1,545.13 m²
Floor 10,479.63 m²
Stories: B2 / 10F
Property Managed by: Nomura Building Management Co., Ltd.



22 || NOF Nagoya Yanagibashi Building

Location: 1-16-28 Meieki-Minami Nakamura-ku Nagoya City, Aichi
Completion: March 1991
Area: Land 934.20 m²
Floor 7,363.25 m²
Stories: B2 / 12F
Property Managed by: Nomura Building Management Co., Ltd.



23 || NOF Midosuji Building

Location: 3-5-7 Kawaramachi Chuo-ku Osaka City, Osaka
Completion: April 1974
Area: Land 2,366.99 m²
Floor 21,007.98 m²
Stories: B2 / 10F
Property Managed by: Nomura Real Estate Development Co., Ltd.



24 || Nomura Osaka Building

Location: 1-8-15 Azuchi-cho Chuo-ku Osaka City, Osaka
Completion: December 1983
Area: Land 3,136.56 m²
Floor 23,522.82 m²
Stories: B2 / 12F
Property Managed by: Nomura Real Estate Development Co., Ltd.

Property Details



25 || Nomura Yotsubashi Building

Location:	1-4-4 Awaza Nishi-ku Osaka City, Osaka
Completion:	November 1991
Area:	Land 1,865.34 m ² Floor 16,845.87 m ²
Stories:	B2 / 15F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



26 || NOF Kobe Kaigan Building

Location:	3 Kaigan-dori Chuo-ku Kobe City, Hyogo
Completion:	February 1998
Area:	Land 1,451.31 m ² Floor 10,292.93 m ²
Stories:	B1 / 16F
Property Managed by:	The Dai-Ichi Building Co., Ltd.



27 || Hiroshima Chowa Building

Location:	1-20 Tatemachi Naka-ku Hiroshima City, Hiroshima
Completion:	November 1966
Area:	Land 925.55 m ² Floor 8,206.91 m ²
Stories:	B2 / 12F*
Property Managed by:	Nomura Real Estate Development Co., Ltd.

*Note: The Notice of Confirmation issued in accordance with the Building Standard Law describes it as '9 stories above the ground and 3 stories of penthouse with 2 stories below ground'.



28 || Nomura Hiroshima Building

Location:	2-23 Tatemachi Naka-ku Hiroshima City, Hiroshima
Completion:	July 1976
Area:	Land 1,319.15 m ² Floor 11,950.37 m ²
Stories:	B2 / 9F
Property Managed by:	Nomura Real Estate Development Co., Ltd.



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Asset Management Report

1. CHANGES IN KEY INDICATORS

		5th FP from Nov. 1, 2005 to Apr. 30, 2006	4th FP from May 1, 2005 to Oct. 31, 2005	3rd FP from Nov. 1, 2004 to Apr. 30, 2005	2nd FP from May 1, 2004 to Oct. 31, 2004	1st FP from Aug. 7, 2003 to Apr. 30, 2004
Operating Revenues	¥ mln	9,810	8,641	7,106	6,656	4,531
of which Real Estate Rental Revenues	¥ mln	9,810	8,641	7,106	6,656	4,531
Operating Expenses	¥ mln	5,251	4,530	3,877	3,725	2,217
of which Real Estate Rental Expenses	¥ mln	4,257	3,745	3,159	3,154	1,847
Operating Income	¥ mln	4,558	4,111	3,228	2,930	2,313
Current Profits	¥ mln	3,597	3,485	2,682	2,607	1,528
Net Income	¥ mln	3,596	3,484	2,681	2,606	1,526
Total Assets	¥ mln	268,559	239,067	208,003	173,545	147,946
Interest-Bearing Debts	¥ mln	120,000	93,000	96,500	64,500	61,000
Net Assets	¥ mln	128,206	128,094	94,849	94,774	73,233
Unitholders' Capital	¥ mln	124,610	124,610	92,168	92,168	71,706
Number of Units Issued	units	229,970	229,970	184,650	184,650	148,600
Net Assets per Unit	¥	557,492	557,004	513,672	513,266	492,820
Total Cash Distribution	¥ mln	3,596	3,484	2,681	2,606	1,526
Cash Distribution per Unit	¥	15,638	15,150	14,520	14,114	10,273
of which Cash Distribution of Profits	¥	15,638	15,150	14,520	14,114	10,273
of which Cash Distribution in excess of Profits	¥	–	–	–	–	–
ROA (Return on Assets) (Note 1)	%	1.4	1.5	1.4	1.6	1.1
Annualized ROA (Note 2)	%	2.9	3.1	2.8	3.1	2.8
ROE (Return on Equity) (Note 3)	%	2.8	2.7	2.8	2.8	2.1
Annualized ROE (Note 2)	%	5.7	5.4	5.7	5.6	5.2
Capital Adequacy Ratio (Note 4)	%	47.7	53.6	45.6	54.6	49.5
LTV (Loan-to-Value) Ratio (Note 5)	%	44.7	38.9	46.4	37.2	41.2
Number of Business Days	days	181	184	181	184	268
Payout Ratio (Note 6)	%	100.0	99.9	99.9	100.0	99.9
Number of Properties Held	bdgs	28	23	19	18	15
Total Leasable Floor Space	m ²	293,464.10	261,428.50	236,904.67	194,673.65	180,793.50
Number of Tenants	tenants	467	357	287	277	264
Occupancy Rate	%	98.4	97.3	98.1	94.4	93.3
Depreciation	¥ mln	1,399	1,229	1,023	949	666
Capital Expenditures	¥ mln	934	1,016	484	511	22
NOI (Net Operating Income) (Note 7)	¥ mln	6,952	6,125	4,970	4,451	3,350
FFO (Funds from Operation) (Note 8)	¥ mln	5,034	4,727	3,719	3,555	2,193
FFO per Unit (Note 9)	¥	21,889	20,559	20,142	19,255	14,757

Note 1: "ROA (Return on Assets)" = Current Profits / ((Total Assets at the beginning of term + Total Assets at the end of term) / 2) x 100

The Total Assets at the beginning of the first fiscal period is an aggregated amount of the Total Assets as of December 5, 2003, effectively the first day when the investment was commenced, and the funds borrowed on December 8, 2003.

As for the second and fourth fiscal periods, the Total Assets were time-adjusted due to the additional issuance of investment units.

Note 2: "ROA" and "ROE" are annualized using the following number of business days. 1st FP: 148 days, 2nd FP: 184 days, 3rd FP: 181 days, 4th FP: 184 days, and 5th FP: 181 days.

Note 3: "ROE (Return on Equity)" = Net Income / ((Unitholders' Equity at the beginning of term + Unitholders' Equity at the end of term) / 2) x 100

The Unitholders' Equity at the beginning of the first fiscal period was an aggregated amount of Unitholders' Equity as of December 5, 2003, effectively the first day when the investment was commenced.

As for the second and fourth fiscal periods, Unitholders' Equity is time-adjusted due to the additional issuance of investment units.

Note 4: "Capital Adequacy Ratio" = Net Assets / Total Assets x 100

Note 5: "LTV (Loan-to-Value) Ratio" = Interest-Bearing Debts / Total Assets x 100

Note 6: Rounded off to the first decimal place.

Note 7: "NOI (Net Operating Income)" = Real Estate Rental Revenues – Real Estate Rental Expenses + Depreciation

Note 8: "FFO (Funds from Operation)" = Net Income + Depreciation + Amortization of Investment Corporation Bonds Issuance Costs

Note 9: "FFO per Unit" = FFO / Number of Units Issued

2. OUTLINE OF INVESTMENTS IN THE FIFTH FISCAL PERIOD

Nomura Real Estate Office Fund, Inc., incorporated on August 7, 2003 under the Investment Trust and Investment Corporation Law, listed the unit certificates in the Real Estate Investment Trust (REIT) Market of the Tokyo Stock Exchange on December 4, 2003 (TSE code 8959). The Company's basic investment policy is to assure stable income from, and steady growth of, investment assets over the mid-to long-term. In accordance with this policy, we are investing in properties mostly for office use in three largest conurbations and other major cities, or in property-backed securities that are backed by such properties.

Note: The term "unit certificates" are the securities issued by the Company and may be referred to as "investment units" or "units" hereinafter.

The term "investment assets" refers to those assets that belong to the Company.

Unless otherwise stated, for the purpose of this report, the concept of "property (ies)" is construed to include leasehold and superficies.

The term "property (ies)" refers to those assets defined in Section 27, Paragraph 1, Article (1) and (2), and "property-backed securities" refers to those assets defined in Section 27, Paragraph 1, Article (3) respectively of The Articles of Incorporation of the Company.

The terms "property (ies)" and "property-backed securities" are collectively referred to as "property-related assets" hereinafter.

The properties and underlying properties of the property-related assets are collectively referred to as the "investment properties".

(1) Market Environments

(a) Office Leasing Market

Reflecting the continued recovery in the domestic economy, the office leasing market also continues to see improvement. In the Tokyo Central Area and some other cities, increased demands for office were seen among companies expanding their businesses or embarking upon new businesses. Consequently, improvement in the occupancy rate and level of rent has become more obvious regarding those properties with convenient location and attractive features.

In the Vicinity of Tokyo and Other Cities, the occupancy rate has also shown some improvement, and the level of rent is showing a sign of gradual improvement as well.

However, the general market environments have remained tough in no regard of the area for the buildings that are less competitive in terms of location, floor space and basic features. The trend towards bipolarization of the level of rent and occupancy rate has continued.

Note: "Tokyo Central Area", "Vicinity of Tokyo" and "Other Cities" refers to six central districts consisting of Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shinagawa-ku and Shibuya-ku, other areas of metropolitan Tokyo and the surrounding three prefectures including Kanagawa, Saitama and Chiba, and major regional cities in other areas, respectively.

(b) Real Estate Trading Market

The number of properties put on the trading market has been gradually decreasing as the activities of general corporations, which used to be disposing of properties for the purpose of restoring financial soundness and preparing themselves for the asset-impairment accounting, have now calmed down. There were sporadic sales by private funds* to lock in the profits, but prime properties of relatively large-scale tended to be held continuously. This was one of the causes that made the supply of attractive properties insignificant in the property market.

Demand also remained high, as keen-eyed investors such as pension funds, private funds and J-REITs continued to be in an aggressive pursuit of better investment opportunities. This in turn made it hard to find attractive properties particularly in central Tokyo and the downtown area of large cities.

*Note: The "private funds" herewith refers to an accumulation of money of a limited number of private investors, or other form of assets acquired by such accumulated money.

(2) Status of Investments for the Fifth Fiscal Period

To comply with the basic policy of acquiring only such properties that would generate stable cash flow over the mid-to long-term, the Company continues to invest in properties with strong competitiveness both in terms of locations and basic features.

Having proactively collected information and carefully investigated a number of opportunities brought to us, we had thus decided to acquire the following five properties during the fifth fiscal period. In November 2005, we acquired Nishi-Shinjuku Showa Building (Shinjuku-ku, Tokyo, at the acquisition price of ¥8.8 billion), Sendai Chowa Building, which changed its name to NOF Sendai Aoba-dori Building later on, (Aoba-ku, Sendai City, at the acquisition price of ¥3.2 billion), Osaka Chowa Building, which also changed its name to NOF Midosuji Building (Chuo-ku, Osaka City, at the acquisition price of ¥12.9 billion), and Hiroshima Chowa Building (Naka-ku, Hiroshima City, at the acquisition price of ¥2.1 billion), all as trust beneficial interest (Note 1). In February 2006, we also acquired Crystal Park Building (Musashino City, Tokyo, at the acquisition price of ¥3.7 billion) as Real Estate. As a result of the above five acquisitions totalling ¥30.7 billion at cost, the Company's portfolio has steadily increased and diversified. The entirety of the portfolio at the end of the fifth fiscal period included 28 properties totalling ¥240.8 billion on the basis of acquisition price.

The fifth fiscal period provided us with good opportunities to increase revenues. We improved the level of satisfaction of the existing tenants by the spot-on property management, which in turn enabled us to negotiate with them in confidence to pursue an upward revision of the rent. As for the prospect customers, based on and reflecting the general market conditions, we strategically played out an individual marketing for each of the properties we have to invite the new move-ins. As a result, the average occupancy rate improved to 98.4%, up 1.1% from the previous period.

Furthermore, a certain proportion of the tenants, representing about 20% of all the contracts renewed during the fifth fiscal period, agreed to an up-ward revision of rent. This has led to an increased average rent of the portfolio (Note 2) in the comparison of the 23 properties that had been held since the previous period.

Note 1: The "trust beneficial interest" refers to a beneficial interest arising from a trust in which real estates are the primary underlying assets.

Note 2: The "average rent of the portfolio" is obtained by dividing the "aggregate of all rents" in association with the total investment properties by the "total leased space", where the "aggregate of all rents" refers to the aggregate amount of monthly rents and common service charges that are effective and described in the lease contract of each property at a certain given time, and the "total leased space" refers to the aggregate amount of space of each property, which is actually contracted and leased at a certain given time, of all the space leasable only as office and shop.

(3) Status of Funding

To avert the risk of interest rates going up in the future, we have carefully conducted the funding and financial operations with care during the fifth fiscal period. We have turned short-term borrowings into long-term borrowings making the maturity dates more spread over time, and floating-rate borrowings into fixed-rate borrowings where possible. This has contributed to further securing the financial stability of the Company.

In addition to the above, based on the shelf registration scheme filed in September 2005, the Company publicly issued investment corporation bonds for ¥20 billion (Third Series Bonds (Note 1) for ¥10 billion, and Fourth Series Bonds (Note 2) for ¥10 billion) in November 2005.

With regard to the borrowings, after a careful analysis of components of the interest-bearing debts, we have executed borrowings of ¥21 billion on a Term Loan Agreement basis, and ¥2 billion on a Commitment Line Agreement basis to finance the acquisition of the aforementioned five properties. We have also made a prepayment of ¥16 billion loans before the maturity date. As a result, the outstanding interest-bearing debts as at the end of the fifth fiscal period were ¥120 billion.

In order to make more effective use of the security deposits received, we started utilizing a part of them as investment funds from the fifth fiscal period.

Note 1: Nomura Real Estate Office Fund, Inc. Third Series Uninsured Investment Corporation Bonds, ranking Pari Passu among the Specified Investment Corporation Bonds

Note 2: Nomura Real Estate Office Fund, Inc. Fourth Series Uninsured Investment Corporation Bonds, ranking Pari Passu among the Specified Investment Corporation Bonds

3. STATUS OF CAPITAL

Changes in the number of units issued and unitholders' capital until the end of the fifth fiscal period are as follows.

Date	Type of Issue	Number of Units Issued (Unit)		Unitholders' Capital (¥ mln)		Note
		New Issue	Balance	New Issue	Balance	
Aug. 7, 2003	Initial Private Placement	400	400	200	200	(Note 1)
Dec. 4, 2003	Public Offering	148,200	148,600	71,506	71,706	(Note 2)
May 19, 2004	Public Offering	35,000	183,600	19,866	91,572	(Note 3)
Jun. 16, 2004	Third-party Allotment	1,050	184,650	595	92,168	(Note 4)
May 1, 2005	Public Offering	44,000	228,650	31,496	123,665	(Note 5)
May 24, 2005	Third-party Allotment	1,320	229,970	944	124,610	(Note 6)

Note 1: Initial private placement at the offer price of ¥500,000 per unit to incorporate the Company.

Note 2: Public offering at the offer price of ¥500,000 (issue price of ¥482,500) to finance acquisition of new properties.

Note 3: Public offering at the offer price of ¥588,000 (issue price of ¥567,600) to finance acquisition of new properties and to repay borrowings.

Note 4: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥567,600 following the public offering on May 19, 2004.

Note 5: Public offering at the offer price of ¥740,782 (issue price of ¥715,837) to finance acquisition of new properties and to repay borrowings.

Note 6: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥715,837 following the public offering on May 1, 2005.

The details of capitalization up to the end of the fifth fiscal period is as shown in the above table. However, based on the resolutions adopted by the board meetings held on May 8, 2006 and May 17, 2006, the Company issued 34,800 units by public offering on May 25, 2006, and 1,133 units by third-party allotment on June 23, 2006. As a result, the total units outstanding are 265,903 units, and the unitholders' capital is ¥156,767 million as of June 30, 2006. This is set forth in "6. Important Events Subsequent to the Fiscal Period" in more detail.

[Changes in price at the Tokyo Stock Exchange]

Changes in prices of the Company's investment units listed on the Tokyo Stock Exchange are as follows.

		5th FP from Nov. 1, 2005 to Apr. 30, 2006	4th FP from May 1, 2005 to Oct. 31, 2005	3rd FP from Nov. 1, 2004 to Apr. 30, 2005	2nd FP from May 1, 2004 to Oct. 31, 2004	1st FP from Aug. 7, 2003 to Apr. 30, 2004
High	(¥)	1,030,000	850,000	798,000	779,000	715,000
Low	(¥)	778,000	748,000	678,000	591,000	505,000

4. RECORDS OF CASH DISTRIBUTION

In order for the maximum amount of cash distribution to be treated as deduction, subject to the provisions set forth in Article 67-15 of the Special Taxation Measures Law, the Company have decided to distribute almost the entire amount of the Retained Earnings as at the end of this period. The amount of cash distribution per unit was ¥15,638 rounding off the fraction to unit.

		5th FP from Nov. 1, 2005 to Apr. 30, 2006	4th FP from May 1, 2005 to Oct. 31, 2005	3rd FP from Nov. 1, 2004 to Apr. 30, 2005	2nd FP from May 1, 2004 to Oct. 31, 2004	1st FP from Aug. 7, 2003 to Apr. 30, 2004
Retained Earnings	(¥000)	3,596,294	3,484,171	2,681,225	2,606,196	1,526,651
Accumulated Earnings	(¥000)	23	126	107	46	83
Total Cash Distribution	(¥000)	3,596,270	3,484,045	2,681,118	2,606,150	1,526,567
(Cash Distribution per Unit)	(¥)	(15,638)	(15,150)	(14,520)	(14,114)	(10,273)
of which Distribution of Profits	(¥000)	3,596,270	3,484,045	2,681,118	2,606,150	1,526,567
(Distribution of Profits per Unit)	(¥)	(15,638)	(15,150)	(14,520)	(14,114)	(10,273)
of which Refund of Capital	(¥000)	–	–	–	–	–
(Refund of Capital per Unit)	(¥)	(–)	(–)	(–)	(–)	(–)

5. INVESTMENT POLICY AND FUTURE ISSUES

(1) Investment Environments

Reflecting the needs for new offices and the expansion of offices, which have become obvious along with the recovery in economy, the office leasing market in the Tokyo Central Area and the downtown area of other large cities continued to improve, leading to further expectation of higher rent level and occupancy rate.

However, the tendency towards bipolarization will intensify further, as the tenants have become more selective of the properties in good location and with the more up-to-date features.

As for the demand-supply conditions in the real estate trading market, we expect to see the supply coming continuously from general corporations and private funds disposing of their holdings, and also from the development projects that are based on a premise to be sold to the investment funds. On the other hand, due to improvement in the lease market and expectation of higher rent level, inflow of funds to the real estate market has been accelerated. For this reason, acquisition of attractive properties in large cities will continue to be highly competitive as private funds and J-REITs will aggressively be seeking such properties.

(2) Investment Policy and Future Issues

With such environments in mind, the Company will employ the following investment policies to ensure stable income from, and steady growth of the portfolio over the mid-to long-term.

(a) Enlargement of Portfolio by Acquisition of New Properties

We will aim to increase the revenue by enlarging the size of the portfolio up to ¥500 billion in the medium term. The larger the scale of the portfolio, the easier it will be to promote further diversity of investment, which in turn will decrease the potential fluctuations in revenue, and enable us to control the cost of management and/or administration more effectively.

We do not think it wise to engage in overly heated competition in acquiring investment properties. In order for us to make right investments in properties of good value, we need to collect information earlier about the investment properties offered in the market, and conduct an in-depth due diligence to assess the potential risks involved in such investments. To make this protocol function and increase the trading opportunities for us, we will improve our own information-collecting capacity in cooperation with other companies of Nomura Real Estate Group (Note 1). By combining the professional know-how such as market research and engineering organically, we believe we can strengthen our ability to appraise the properties and establish further creditworthiness in the market.

In making an investment decision, we will adhere to strict rules to ensure that the new property will bring stable revenues to the entire portfolio in the light of mid-to long-term perspective.

Note: "Nomura Real Estate Group" includes Nomura Real Estate Development Co., Ltd., Nomura Real Estate Holdings Co., Ltd. and its consolidated subsidiaries, but excludes Nomura Real Estate Asset Management Co., Ltd., which is an asset management company.

(b) Property Management in a Mid-to Long-Term View

We will make it one of our priorities to satisfy the requirements of existing tenants. We will make full use of our information resources organically to market potential tenants, and proactively introduce them to most suitable properties we have to offer. We believe that this in turn will contribute to maintaining and sustaining stable occupancy rate and level of rents over the mid-to long-term.

By putting the know-how of Nomura Real Estate Group together, we seek to design the most suitable specifications of how to manage and maintain each property in the most cost-effective way, which in turn will ensure stable inflow of revenues.

In order to ensure stable revenues over the mid-to long-term, we will carry out strategic refurbishment and renovation works to maintain and/or improve features of the properties, establishing their uniqueness and increasing their competitiveness.

(c) Continuation of Conservative Financial Policy

In order to assure stable financing capability and increase creditworthiness in the market over the mid-to long-term, we will pay particular attention to debt finance. We will seek to continuously keep the LTV rate low by using more long-term funding at fixed rates, diversifying the repayment dates, and increasing the number of institutions we bank with.

We will closely monitor the conditions of financial markets, and carefully deliberate and choose the best means of funding, including the usage of commitment lines and issuance of investment corporation bonds (both by way of public offering and private placement) from a wide range of available sources of funding to ensure a well-balanced structure of interest-bearing debts.

Note: "LTV (Loan-to-Value)" refers to ratio of interest-bearing debts over the total assets.

6. IMPORTANT EVENTS SUBSEQUENT TO THE FISCAL PERIOD

The significant post-balance sheet events that took place after the end of the fifth fiscal period are as follows.

(1) Additional Issuances of Investment Units

The Company issued 34,800 units by public offering on May 25, 2006, and 1,133 units by third party allotment on June 23, 2006 to raise a total sum of approximately ¥32.1 billion. The details of these issuances are as follows.

(a) Primary offering of new investment units

Number of units issued	34,800 units
Total offering price	¥32,228,280,000 (¥926,100 per unit)
Total issue price	¥31,143,042,000 (¥894,915 per unit)
Payment date	May 25, 2006

(b) Third-party allotment

Number of units issued	1,133 units
Total issue price	¥1,013,938,695 (¥894,915 per unit)
Payment date	June 23, 2006
Third-party allottee	Nomura Securities Co., Ltd.

(2) Acquisition of a New Property

The Company acquired a new property, Sapporo North Plaza, on June 1, 2006. The details are as follows.

Type of Specified Asset	Trust beneficial interest
Name of Property	Sapporo North Plaza
Location (Lot Number) (Note 1)	4-2-2 Kita-Ichijo-Nishi, Chuo-ku, Sapporo, Hokkaido, and two other lots
Location (Postal Address) (Note 1)	4-2-2 Kita-Ichijo-Nishi, Chuo-ku, Sapporo, Hokkaido (Note 3)
Structure (Note 1)	SRC, Flat roof, B2 / 12 F
Space of Land (Note 1)	2,363.79 m ²
Space of Floor (Note 1)	18,842.51 m ² (Note 2)
Type of Ownership	Land: Ownership, Building: Ownership
Date of Completion (Note 1)	August 17, 1981
Property Management Company	The Dai-Ichi Building Co., Ltd.
Number of Tenants	44
Total Leasable Space	13,779.43 m ²
Occupancy Rate	87.2 %
Acquisition Price	¥6,820 million
Date of Contract	May 8, 2006 (Purchase agreement of the beneficiary interest was signed.)
Date of Acquisition	June 1, 2006 (The beneficiary interest was transferred.)
Previous Owner	JOFI Sapporo Chuo, Ltd.
Source of Funds	Proceeds of issuance of investment units on May 25, 2006

Note 1: As per the information in the registry book.

Note 2: Including 110.55 m² of an annex building (garage).

Note 3: Postal address has not been officially allocated.

Profile of the Company

1. STATUS OF UNITHOLDERS' CAPITAL

		5th FP (Apr. 30, 2006)	4th FP (Oct. 31, 2005)	3rd FP (Apr. 30, 2005)	2nd FP (Oct. 31, 2004)	1st FP (Apr. 30, 2004)
Maximum Number of Units Allowed to Issue	Unit	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Number of Units Issued	Unit	229,970	229,970	184,650	184,650	148,600
Amount of Unitholders' Capital	¥ mln	124,610	124,610	92,168	92,168	71,706
Number of Unitholders		13,129	15,884	13,954	15,522	14,658

2. MAJOR UNITHOLDERS

The major unitholders as of April 30, 2006 are as follows.

Name	Address	Number of Units Held (Units)	Portion in the Total Units Issued (%)
Japan Trustee Service Bank, Ltd. (Trust Accounts)	1-8-11 Harumi, Chuo-ku, Tokyo	22,621	9.84
NikkoCiti Trust and Banking Corp. (Trust Accounts)	2-3-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo	14,348	6.24
Nomura Real Estate Development Co., Ltd.	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	11,500	5.00
The Master Trust Bank of Japan, Ltd. (Trust Accounts)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	10,199	4.43
Trust & Custody Services Bank, Ltd. (Securities Trust Accounts)	1-8-12 Harumi, Chuo-ku, Tokyo	8,546	3.72
Kawasaki Gakuen	577 Matsushima, Kurashiki City, Okayama	6,000	2.61
The Gibraltar Life Insurance Co., Ltd. (Ordinary Accounts and others)	1-8-11 Harumi, Chuo-ku, Tokyo	5,011	2.18
American Life Insurance Company GAL	2-3-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo	4,138	1.80
National Mutual Insurance Federation of Agricultural Cooperatives (Zen-Kyo-Ren)	2-7-9 Hirakawa-cho, Chiyoda-ku, Tokyo	3,993	1.74
The Senshu Bank, Ltd.	26-15 Miyamoto-cho, Kishiwada City, Osaka	3,900	1.70
Total		90,256	39.25

3. BREAKDOWN OF UNITHOLDERS

The breakdown of unitholders as of April 30, 2006 is as follows.

	Number of Unitholders	Portion (%)	Number of Units per Unitholders	Portion (%)
Private and Other Investors	12,577	95.8	33,226	14.4
Financial Institutions (Including Securities Companies)	178	1.4	144,327	62.8
Other Domestic Corporate Investors	215	1.6	24,146	10.5
Foreign Corporate Investors, etc.	159	1.2	28,271	12.3
Total	13,129	100.0	229,970	100.0

4. EXECUTIVE DIRECTORS AND SUPERVISORY DIRECTORS

Title	Name	Other Major Title(s)
Executive Director	Isamu Okada	President and Representative Director, Yokohama Business Park Heating and Cooling Supply Co., Ltd.
Supervisory Director	Yutaka Hori	Representative Lawyer, Hori Yutaka Law Office
Supervisory Director	Yoshiharu Hayakawa	Representative, Kasumi Empowerment Research Institute
Supervisory Director	Shuhei Yoshida	Representative Lawyer, Yoshida Shuhei Law Office
Supervisory Director	Eitoku Aikawa	Counsellor, Fair Appraisers, K.K.

Note: No Executive Directors or Supervisory Directors are in possession of the Company's investment units either under their own or other person's name. Supervisory Directors might serve as directors of other companies, but there are no mutual business interests whatsoever between such companies and the Company.

5. TRUSTEES, CUSTODIAN AND ADMINISTRATORS

Business	Company Name(s)
Investment Trust Manager (Asset Management Company)	Nomura Real Estate Asset Management Co., Ltd.
Custodian of Assets	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Underwriter)	(Note 1)
Administrative Agent (Transfer Agent)	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Accounting etc.)	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Investment Corporation Bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Nomura Securities Co., Ltd., Nikko Citigroup Limited, Mizuho Securities Co., Ltd. (Note 2)

Note 1: In association with the additional issuance of the investment units, the Company entered into underwriting agreements on May 17, 2006 with Nomura Securities Co., Ltd. (the lead manager), Merrill Lynch Japan Securities Co., Ltd., Nikko Citigroup Limited, Mizuho Securities Co., Ltd., Daiwa Securities SMBC Co., Ltd., Mitsubishi UFJ Securities Co., Ltd., UBS Securities Japan Ltd. and Takagi Securities Co., Ltd. The underwriting agreement was terminated in its entirety upon completion of the pay-in on May 25, 2006.

Note 2: In association with the issue of Third and Fourth Series investment corporation bonds, the Company entered into general administrative agreements on November 11, 2005 with Sumitomo Mitsui Banking Corporation, Nomura Securities Co., Ltd., Nikko Citigroup Limited and Mizuho Securities Co., Ltd. A particular section of the agreement relating to the administration of these issuances has been invalidated upon completion of the pay-in on November 28, 2005.

Status of Investment Assets of the Company

1. COMPOSITION OF ASSETS

Type of Assets	Area	5th FP (as of Apr. 30, 2006)		4th FP (as of Oct. 31, 2005)	
		Total Amount (¥ mln) (Note 1)	Portion (%) (Note 2)	Total Amount (¥ mln) (Note 1)	Portion (%) (Note 2)
Real Estate	Vicinity of Tokyo	3,741	1.4	–	–
	Tokyo Central Area	163,104	60.7	154,301	64.5
Real Estate in Trust	Vicinity of Tokyo	35,033	13.0	35,245	14.7
	Other Cities	40,021	14.9	22,019	9.2
Subtotal		241,901	90.1	211,566	88.5
Cash, Deposits and Other Assets		26,658	9.9	27,500	11.5
Grand Total		268,559	100.0	239,067	100.0

Note 1: Total amount is taken from the balance sheet. (Real Estate and Real Estate in Trust represent the total book value after depreciation.)

Note 2: The percentage figures may not necessarily add up to 100.0 due to rounding to the nearest first decimal place.

2. BRIEF OF MAJOR PROPERTIES OWNED

The major components of assets (the largest eleven properties by book value at the end of the fifth fiscal period) are as follows.

Name of Property	Book Value (¥ mln)	Leasable Space (m ²)	Leased Space (m ²)	Occupancy Rate (%)	Portion of Rental Revenues (%)	Primary Use
Shinjuku Nomura Bldg.	39,201	31,589.26	31,347.29	99.2	17.8	Office
JAL Bldg.	33,945	42,084.11	42,084.11	100.0	(Note 1)	Office
NOF Nihonbashi-Honcho Bldg. (Note 2)	20,558	19,233.28	19,233.28	100.0	8.0	Office
Tennozu Park Side Bldg.	14,223	18,051.61	18,051.61	100.0	7.9	Office
NOF Midosuji Bldg. (Note 2)	12,860	12,240.88	12,100.35	98.9	4.1	Office
NOF Shibuya Koen-dori Bldg.	12,595	3,420.16	3,420.16	100.0	3.7	Office
NOF Shiba Bldg. (Note 2)	10,211	8,165.10	8,165.10	100.0	3.3	Office
NOF Kawasaki Higashiguchi Bldg. (Note 2)	9,726	8,284.03	8,284.03	100.0	3.2	Office
Nishi-Shinjuku Showa Bldg.	8,803	5,659.96	5,466.42	96.6	2.5	Office
Toshin Tameike Bldg.	7,635	4,715.20	4,275.52	90.7	1.8	Office
NOF Toyo-cho Bldg. (Note 2)	7,245	18,218.17	18,218.17	100.0	(Note 1)	Office
Total	177,006	171,661.76	170,646.04	99.4	64.2 (Note 3)	

Note 1: Not disclosed due to compelling reasons.

Note 2: The name of the property has been changed as illustrated in the table on page 8.

Note 3: Despite the above restrictions, the total includes the proportions of JAL Bldg. and NOF Toyo-cho Bldg.

3. DETAILS OF PORTFOLIO PROPERTIES

Name of Property	Location (Postal Address)	Type of Ownership	Appraisal Value at the End of Period (¥ mln) (Note 1)	Book Value (¥ mln) (Note 2)
Tokyo Central Area				
Shinjuku Nomura Bldg. (Note 3)	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust Beneficial Interest	48,000	39,201
JAL Bldg.	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust Beneficial Interest	30,940	33,945
NOF Nihonbashi-Honcho Bldg. (Note 4)	2-7-1 Nihonbashi-Honcho, Chuo-ku, Tokyo	Trust Beneficial Interest	22,200	20,558
Tennozu Park Side Bldg.	2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust Beneficial Interest	16,900	14,223
NOF Shibuya Koen-dori Bldg.	20-17 Udagawa-cho, Shibuya-ku, Tokyo	Trust Beneficial Interest	13,900	12,595
NOF Shiba Bldg. (Note 4)	4-2-3 Shiba, Minato-ku, Tokyo	Trust Beneficial Interest	10,300	10,211
Nishi-Shinjuku Showa Bldg.	1-13-12 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust Beneficial Interest	9,110	8,803
Toshin Tameike Bldg.	1-1-14 Akasaka, Minato-ku, Tokyo	Trust Beneficial Interest	7,510	7,635
Shinagawa NF Bldg.	1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust Beneficial Interest	5,960	5,375
Surugadai Plaza Bldg.	2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo	Trust Beneficial Interest	5,430	5,208
NOF Kanda Iwamoto-cho Bldg. (Note 4)	3-8-16 Iwamoto-cho, Chiyoda-ku, Tokyo	Trust Beneficial Interest	3,430	3,061
NOF Minami-Shinjuku Bldg. (Note 4)	5-32-7 Sendagaya, Shibuya-ku, Tokyo	Trust Beneficial Interest	2,460	2,285
Subtotal			176,140	163,104
Vicinity of Tokyo				
NOF Toyo-cho Bldg. (Note 4)	1-6-35 Shinsuna, Koto-ku, Tokyo	Trust Beneficial Interest	7,950	7,245
Technoport Kamata B Ridge	2-16-1 Minami-Kamata, Ota-ku, Tokyo	Trust Beneficial Interest	6,870	6,322
Crystal Park Bldg.	1-1-3 Gotenyama, Musashino City, Tokyo	Real Estate	3,800	3,741
Faret Tachikawa Center Square	2-36-2 Akebono-cho, Tachikawa City, Tokyo	Trust Beneficial Interest	4,050	3,152
NOF Kawasaki Higashiguchi Bldg. (Note 4)	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa (Note 5)	Trust Beneficial Interest	9,680	9,726
NOF Yokohama Nishiguchi Bldg. (Note 4)	1-11-11 Kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa	Trust Beneficial Interest	5,580	5,095
NOF Shin-Yokohama Bldg. (Note 4)	2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Trust Beneficial Interest	3,790	3,491
Subtotal			41,720	38,774
Other Cities				
NOF Sendai Aoba-dori Bldg. (Note 4)	2-1-2 Ichiban-cho, Aoba-ku, Sendai City, Miyagi	Trust Beneficial Interest	3,220	3,184
NOF Utsunomiya Bldg. (Note 4)	2-1-1 Baba-dori, Utsunomiya City, Tochigi	Trust Beneficial Interest	3,210	2,807
NOF Nagoya Yanagibashi Bldg. (Note 4)	1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi	Trust Beneficial Interest	3,580	3,638
NOF Midosuji Bldg. (Note 4)	3-5-7 Kawaramachi, Chuo-ku, Osaka City, Osaka	Trust Beneficial Interest	13,100	12,860
Nomura Osaka Bldg.	1-8-15 Azuchi-cho, Chuo-ku, Osaka City, Osaka	Trust Beneficial Interest	7,700	6,378
Nomura Yotsubashi Bldg.	1-4-4 Awaza, Nishi-ku, Osaka City, Osaka	Trust Beneficial Interest	4,950	3,799
NOF Kobe Kaigan Bldg. (Note 4)	3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo (Note 5)	Trust Beneficial Interest	3,320	3,129
Hiroshima Chowa Bldg.	1-20 Tatemachi, Naka-ku, Hiroshima City, Hiroshima	Trust Beneficial Interest	2,100	2,088
Nomura Hiroshima Bldg.	2-23 Tatemachi, Naka-ku, Hiroshima City, Hiroshima	Trust Beneficial Interest	2,080	2,134
Subtotal			43,260	40,021
Grand total			261,120	241,901

Note 1: "Appraisal Value at the End of the Fiscal Period" stands for the prices appraised by the estate surveyors in accordance with the provisions of the Company's "Articles Of Incorporation" and the "Rules Concerning Balance Sheet, Income Statement, Asset Management Report, Calculation of Cash Distribution and Annexed Statement For Investment Corporations" (Decree No. 134 issued by the General Administrative Agency of the Cabinet in 2000). The appraisal prices are calculated by Tanizawa Sogo Appraisal Co., Ltd., Appraisal Firm A-Square Co., Ltd., Daiwa Real Estate Appraisal, Co., Ltd., HIRO & REAS Network, Inc., Morii Appraisal & Investment Consulting Inc., or Chuo Real Estate Appraisal Co., Ltd. using the capitalization approach, with the end of the fifth fiscal period, i.e. April 30, 2006, being taken as the point of evaluation.

Note 2: "Book Value" stands for the aggregate purchase price of lands, buildings, structures, machinery and equipments, tools and fixtures, and construction in progress, owned directly or held in trust, less depreciation including expenses associated with these purchases.

Note 3: The Company's stake in this property is quasi co-ownership of 50.1% of entirety. The appraisal value and book value at the end of the fiscal period accounted solely for the quasi co-ownership.

Note 4: The name of the property has been changed as illustrated in the table on page 8.

Note 5: The number appearing in the address of the properties is the lot number for registration purpose, as the postal address has not been allocated yet.

Name of Property	5th FP (Nov 1, 2005 – April 30, 2006)				4th FP (May 1, 2005 – October 31, 2005)			
	as at the End of Period		Rental Revenues during the Period (¥ mln)	Portion of Rental Revenues (%)	as at the End of Period		Rental Revenues during the Period (¥ mln)	Portion of Rental Revenues (%)
	Number of Tenants (Note 1)	Occupancy Rate (%)			Number of Tenants (Note 1)	Occupancy Rate (%)		
Tokyo Central Area								
Shinjuku Nomura Bldg.	86	99.2	1,745	17.8	85	97.4	1,740	20.1
JAL Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Nihonbashi-Honcho Bldg.	13	100.0	784	8.0	12	92.0	824	9.5
Tennozu Park Side Bldg.	14	100.0	774	7.9	14	100.0	792	9.2
NOF Shibuya Koen-dori Bldg.	3	100.0	366	3.7	3	100.0	367	4.3
NOF Shiba Bldg.	10	100.0	326	3.3	10	94.0	327	3.8
Nishi-Shinjuku Showa Bldg.	18	96.6	240	2.5	-	-	-	-
Toshin Tameike Bldg.	12	90.7	180	1.8	12	100.0	40	0.5
Shinagawa NF Bldg.	5	100.0	257	2.6	5	100.0	259	3.0
Surugadai Plaza Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Kanda Iwamoto-cho Bldg.	8	100.0	148	1.5	8	100.0	149	1.7
NOF Minami-Shinjuku Bldg.	5	100.0	102	1.0	5	100.0	103	1.2
Subtotal	176	99.4	6,002 (Note 3)	61.2	156	98.0	5,682 (Note 3)	65.8
Vicinity of Tokyo								
NOF Toyo-cho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Technoport Kamata B Ridge	13	97.7	438	4.5	13	99.9	422	4.9
Crystal Park Bldg.	11	100.0	41	0.4	-	-	-	-
Faret Tachikawa Center Square	15	96.7	224	2.3	16	95.3	225	2.6
NOF Kawasaki Higashiguchi Bldg.	27	100.0	315	3.2	24	97.1	214	2.5
NOF Yokohama Nishiguchi Bldg.	29	100.0	228	2.3	27	97.3	225	2.6
NOF Shin-Yokohama Bldg.	3	100.0	(Note 2)	(Note 2)	3	100.0	(Note 2)	(Note 2)
Subtotal	99	99.2	1,735 (Note 3)	17.7	84	98.8	1,576 (Note 3)	18.2
Other Cities								
NOF Sendai Aoba-dori Bldg.	27	94.7	139	1.4	-	-	-	-
NOF Utsunomiya Bldg.	26	98.8	172	1.8	26	98.8	169	2.0
NOF Nagoya Yanagibashi Bldg.	9	76.3	108	1.1	6	87.1	21	0.2
NOF Midosuji Bldg.	16	98.9	400	4.1	-	-	-	-
Nomura Osaka Bldg.	29	100.0	456	4.6	25	93.4	483	5.6
Nomura Yotsubashi Bldg.	18	100.0	313	3.2	16	95.3	307	3.6
NOF Kobe Kaigan Bldg.	28	88.9	184	1.9	28	87.5	192	2.2
Hiroshima Chowa Bldg.	23	81.5	87	0.9	-	-	-	-
Nomura Hiroshima Bldg.	16	98.2	209	2.1	16	96.4	207	2.4
Subtotal	192	95.7	2,073	21.1	117	93.6	1,381	16.0
Grand Total	467	98.4	9,810 (Note 3)	100.0	357	97.3	8,641 (Note 3)	100.0

Note 1: In the case a master lease agreement is in place, in which the master tenant of the said lease agreement subleases a part or whole of the leased floor spaces to the end tenants, only the master tenant is counted as the number of tenants. In the case more than one space within the same building are leased by the same tenant, such spaces are combined to count for just one tenant. However, when the same tenant leased floor spaces in more than one building, such spaces are counted separately for each building as if they are leased by different tenants. As for Shinjuku Nomura Building, the number of tenants in the entire building is taken into account.

Note 2: Not disclosed due to compelling reasons.

Note 3: Despite above Note 2, Subtotals and Grand Total include those not disclosed due to compelling reasons.

4. OUTSTANDING AMOUNT AND CURRENT PRICE OF SPECIFIED TRANSACTIONS

The outstanding amount and current price of the specified transactions as at the end of the fifth fiscal period are as follows.

Segment	Type of Transaction	Contract Amount (¥ mln) (Note 1)		Current Price (¥ mln) (Note 2)
			Longer than a Year	
Transaction other than market transaction	Interest rate swap (Receiving variable rate, paying fixed rate)	49,000	36,500	139
Total		49,000	36,500	139

Note 1: Presented based on notional principal of contract.

Note 2: Evaluated at the price provided by the counterparty based on the prevailing market rate.

5. STATUS OF THE OTHER ASSETS

Other than the Trust Beneficial Interest and Real Estate listed in the table under the title "3. Details of Portfolio Properties" the Company had no other assets to integrate into the portfolio as at the end of the fifth fiscal period.

Capital Expenditures

1. PLAN OF CAPITAL EXPENDITURES

The table below lists major capital expenditures in conjunction with the refurbishment and/or renewal works scheduled for the future (finished in part) on the properties held as at the end of the fifth fiscal period. The estimated cost of works includes the amount to be charged as “expenses” for accounting purposes.

Name of Property (Location)	Description of Works (Purpose)	Estimated Period	Estimated Cost (¥ mln) (Note 1)		
			Total	Paid during 5th FP	Paid before 5th FP
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Refurbishment of the common space on the standard floor (To increase revenues) (Note 2)	From: May 2006 To: Sep. 2006	103	–	–
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renewal of sanitary piping (To increase quality)	From: Nov. 2006 To: Mar. 2009	160	–	2
NOF Nihonbashi-Honcho Bldg. (Chuo-ku, Tokyo)	Renewal of heat pipes and AHU (To increase quality) (Note 2)	From: May 2006 To: Apr. 2009	289	–	–
NOF Shibuya Koen-dori Bldg. (Shibuya-ku, Tokyo)	Refurbishment of the main entrance (To increase revenues)	From: Sep. 2006 To: Oct. 2006	25	–	–
Toshin Tameike Bldg. (Minato-ku, Tokyo)	Renewal of outside walls of lower floors (To increase revenues) (Note 2)	From: Jun. 2006 To: Aug. 2006	40	1	1
Shinagawa NF Bldg. (Shinagawa-ku, Tokyo)	Renewal of air-conditioning system (To increase quality) (Note 2)	From: Jun. 2006 To: May 2007	195	–	–
NOF Kawasaki Higashiguchi Bldg. (Kawasaki-ku, Kawasaki City)	Refurbishment of the entrance and other areas (To increase revenues)	From: Jul. 2006 To: Sep. 2006	19	1	1
NOF Nagoya Yanagibashi Bldg. (Nakamura-ku, Nagoya City)	Refurbishment of the common space on the standard floor (To increase revenues) (Note 2)	From: Jun. 2006 To: Aug. 2006	24	1	1
Nomura Osaka Bldg. (Chuo-ku, Osaka City)	Renewal of the central monitoring system (To increase quality)	From: Nov. 2006 To: Apr. 2007	60	–	–
Nomura Yotsubashi Bldg. (Nishi-ku, Osaka City)	Renewal of the central monitoring system (To increase quality) (Note 2)	From: May 2006 To: Sep. 2006	40	–	–
Hiroshima Chowa Bldg. (Naka-ku, Hiroshima City)	Aseismic retrofitting (To increase quality)	From: Jul. 2006 To: Mar. 2007	118	–	–
Nomura Hiroshima Bldg. (Naka-ku, Hiroshima City)	Refurbishment of the entrance (To increase revenues)	From: Jul. 2006 To: Sep. 2006	30	–	–

Note 1: As for Nomura Shinjuku Building, the posted amount of cost represents 50.1%, our proportion of quasi co-ownership, of the total cost of refurbishment of the entire building.

Note 2: These works have already been implemented as of the date of this report.

2. CAPITAL EXPENDITURES DURING THE FIFTH FISCAL PERIOD

The table below lists capital expenditures during the fifth fiscal period in conjunction with the major works of renovation. During the fifth fiscal period, we have conducted engineering works totalling ¥1,237 million: capital expenditures of ¥934 million and repair expenses of ¥302 million combined all together.

Name of Property (Location)	Description of Works (Purpose)	Period of Works	Cost of Works (¥mln)
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Refurbishment of the shopping area and common space on the basement floor (To increase revenues)	From: Aug. 2005 To: Mar. 2006	321
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Refurbishment of the common space on the standard floor (To increase revenues)	From: May 2005 To: Feb. 2006	163
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renewal of sanitary piping (To increase quality)	From: Nov. 2005 To: Mar. 2006	50
NOF Nihonbashi-Honcho Bldg. (Chuo-ku, Tokyo)	Renewal of heat pipes and AHU (To increase quality)	From: Jun. 2005 To: Apr. 2006	59
NOF Shin-Yokohama Bldg. (Kohoku-ku, Yokohama City)	Renewal of accumulator of air-conditioning system (To increase quality)	From: Mar. 2006 To: Apr. 2006	29
Nomura Osaka Bldg. (Chuo-ku, Osaka City)	Barrier-free retrofitting on the common space (To increase revenues)	From: Feb. 2006 To: Mar. 2006	22
Other Properties	Improvement of features	From: Nov. 2005 To: Apr. 2006	286
Total			934

3. FUNDS RESERVED FOR THE LONG-TERM REPAIR PLANS

Subject to the long-term schedule for repairs and maintenance set down for each building, the Company has accounted for reserves from the operating cash flow to prepare for large-scale engineering works to be carried out in the future.

	5th FP from Nov. 1, 2005 to Apr. 30, 2006 ¥mln	4th FP from May 1, 2005 to Oct. 31, 2005 ¥mln	3rd FP from Nov. 1, 2004 to Apr. 30, 2005 ¥mln	2nd FP from May 1, 2004 to Oct. 31, 2004 ¥mln	1st FP from Aug. 7, 2003 to Apr. 30, 2004 ¥mln
Balance Brought forward from the Previous Period	1,054	833	548	184	–
Amount Reserved during the Period	600	528	524	487	218
Amount Used during the Period	893	307	239	124	33
Balance Brought forward to the Next Period	761	1,054	833	548	184

Expenses and Liabilities

1. EXPENSES RELATED TO ASSET MANAGEMENT

	5th FP from Nov. 1, 2005 to Apr. 30, 2006 ¥000	4th FP from May 1, 2005 to Oct. 31, 2005 ¥000
Asset Management Fees (Note 1)	851,350	629,689
of which Management Fee I	437,984	380,141
of which Management Fee II	272,416	248,927
of which Management Fee III	140,948	620
Custodian Fees	25,194	23,330
General Administrative Fees	51,405	55,323
Directors' Compensation	12,000	8,400
Other Expenses	54,383	68,129
Total	994,333	784,872

Note 1: In the Asset Management Agreement between the Company and the Asset Management Company, there is no provision for the acquisition fees, which are payable to the Asset Management Company by the Company on acquisition of a new property, and such fees are non-existent.

2. STATUS OF BORROWING

The status of borrowing from the financial institutions as at the end of the fifth fiscal period is as follows.

Financial Institutions	Date Borrowed	Outstanding as at the End of 5th FP (¥000)	Outstanding as at the End of 4th FP (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note
Short-term Borrowing								
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	Jun. 29, 2005	-	1,350,000	0.49083	Nov. 29, 2005			
Sumitomo Mitsui Banking Corp.		-	750,000					
Mitsubishi UFJ Trust and Banking Corp.		-	300,000					
Sumitomo Trust and Banking Co., Ltd.		-	300,000					
The Norinchukin Bank		-	300,000					
The Yamanashi Chuo Bank, Ltd.	Jun. 29, 2005	-	1,000,000	0.36583	Dec. 9, 2005			
The Chugoku Bank, Ltd.		-	1,000,000					
The Bank of Fukuoka, Ltd.		-	1,000,000					
National Mutual Insurance Federation of Agricultural Cooperatives		-	1,000,000					
The Aozora Bank, Ltd.		-	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	Sep. 28, 2005	-	4,950,000	0.49000	Dec. 28, 2005			
Sumitomo Mitsui Banking Corp.		-	2,750,000					
Mitsubishi UFJ Trust and Banking Corp.		-	1,100,000					
Sumitomo Trust and Banking Co., Ltd.		-	1,100,000					
The Norinchukin Bank		-	1,100,000					
The Mizuho Corporate Bank, Ltd.	Mar. 17, 2005	-	1,000,000	0.47000	Feb. 26, 2006	Balloon payment	(Note 3)	Unsecured/Uninsured
Mitsubishi UFJ Trust and Banking Corp.		-	500,000					
Sumitomo Trust and Banking Co., Ltd.		-	500,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 29, 2005	2,000,000	-	0.39000	May 29, 2006			
Sumitomo Mitsui Banking Corp.		1,000,000	-					
The Mizuho Corporate Bank, Ltd.		1,000,000	-					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	-					
Sumitomo Trust and Banking Co.		1,000,000	-					
The Chuo Mitsui Trust & Banking Co.		2,000,000	-					
The Nomura Trust & Banking Co.		1,000,000	-					
The Hachijuni Bank, Ltd.		1,000,000	-					
The Yamanashi Chuo Bank, Ltd.		1,000,000	-					
The Chugoku Bank, Ltd.		1,000,000	-					
The Hiroshima Bank, Ltd.		1,000,000	-					
The Iyo Bank, Ltd.		1,000,000	-					
The Bank of Fukuoka, Ltd.		1,000,000	-					
The Aozora Bank, Ltd.		1,000,000	-					
Subtotal			16,000,000					
Long-term Borrowing Due Within a Year								
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 4)	Feb. 26, 2004	-	1,000,000	0.60000	Feb. 26, 2006			
Sumitomo Trust and Banking Co.		-	2,500,000					
The Nomura Trust & Banking Co.		-	2,000,000					
The Chiba Bank, Ltd.		-	1,500,000					
The Hachijuni Bank, Ltd.		-	500,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 5)	Dec. 8, 2003	2,000,000	-	1.14500	Dec. 8, 2006	Balloon payment	(Note 3)	Unsecured/Uninsured
Sumitomo Mitsui Banking Corp.		2,000,000	-					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	-					
Sumitomo Trust and Banking Co., Ltd.		2,000,000	-					
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	-					
The Nomura Trust & Banking Co., Ltd.		2,000,000	-					
The Chiba Bank, Ltd.		1,000,000	-					
The Hiroshima Bank, Ltd.		500,000	-					
The Iyo Bank, Ltd.		1,000,000	-					
The Dai-ichi Mutual Life Insurance Company	Dec. 8, 2003	2,000,000	-	1.04500	Dec. 8, 2006			
Meiji Yasuda Life Insurance Company		1,000,000	-					
Subtotal		15,500,000	7,500,000					
Total Short-term Borrowing		31,500,000	28,500,000					

Financial Institutions	Date Borrowed	Outstanding as at the End of 5th FP (¥000)	Outstanding as at the End of 4th FP (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note
Long-term Borrowing								
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 5)	Dec. 8, 2003	-	2,000,000	1.14500	Dec. 8, 2006			
Sumitomo Mitsui Banking Corp.		-	2,000,000					
Mitsubishi UFJ Trust and Banking Corp.		-	1,000,000					
Sumitomo Trust and Banking Co., Ltd.		-	2,000,000					
The Chuo Mitsui Trust & Banking Co., Ltd.		-	1,000,000					
The Nomura Trust & Banking Co., Ltd.		-	2,000,000					
The Chiba Bank, Ltd.		-	1,000,000					
The Hiroshima Bank, Ltd.	-	500,000						
The Iyo Bank, Ltd.	-	1,000,000						
The Dai-ichi Mutual Life Insurance Company	Dec. 8, 2003	-	2,000,000	1.04500	Dec. 8, 2006			
Meiji Yasuda Life Insurance Company	-	-	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 4)	Feb. 28, 2005	2,000,000	2,000,000	0.66455	Aug. 28, 2007			
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	Dec. 8, 2004	4,000,000	4,000,000	1.00625	Dec. 8, 2007			
Sumitomo Mitsui Banking Corp.		1,000,000	1,000,000					
The Chiba Bank, Ltd.		500,000	500,000					
The Hachijuni Bank, Ltd.		1,000,000	1,000,000					
The Hiroshima Bank, Ltd.		1,000,000	1,000,000					
The Keiyo Bank, Ltd.		1,000,000	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)		2,000,000	2,000,000					
Sumitomo Mitsui Banking Corp.	1,500,000	1,500,000						
Mitsubishi UFJ Trust and Banking Corp.	2,500,000	2,500,000						
The Chuo Mitsui Trust & Banking Co., Ltd.	1,000,000	1,000,000						
The Iyo Bank, Ltd.	500,000	500,000						
The Dai-ichi Mutual Life Insurance Company	Feb. 26, 2004	3,000,000	3,000,000	1.05250	Feb. 26, 2008			
The Yamanashi Chuo Bank, Ltd.	-	1,000,000	-					
The Chugoku Bank, Ltd.	Dec. 9, 2005	1,000,000	-	0.51455	Aug. 26, 2008	Balloon payment	(Note 3)	Unsecured/Uninsured
The Bank of Fukuoka, Ltd.	1,000,000	-						
The Aozora Bank, Ltd.	-	1,000,000	-					
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 5)	Dec. 8, 2003	2,000,000	2,000,000	1.66750	Dec. 8, 2008			
Sumitomo Mitsui Banking Corp.		2,000,000	2,000,000					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000					
The Iyo Bank, Ltd.		1,000,000	1,000,000					
The Norinchukin Bank, Ltd.	-	2,000,000	-					
Mitsui Life Insurance Company	2,000,000	2,000,000						
Taiyo Life Insurance Company	1,000,000	1,000,000						
Daido Life Insurance Company	1,000,000	1,000,000						
Mitsui Sumitomo Insurance Company	1,000,000	1,000,000						
The Chiba Bank, Ltd.	Feb. 27, 2006	1,500,000	-	1.19000	Feb. 26, 2009			
The Hachijuni Bank, Ltd.	-	500,000	-					
The Norinchukin Bank	Feb. 26, 2004	3,000,000	3,000,000	1.77500	Feb. 26, 2010			
Mitsui Life Insurance Company	Feb. 26, 2004	1,000,000	1,000,000	1.50625	Feb. 26, 2010			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 27, 2006	1,000,000	-	1.68000	Feb. 26, 2011			
The Mizuho Corporate Bank, Ltd.		1,000,000	-					
Mitsubishi UFJ Trust and Banking Corp.		500,000	-					
Sumitomo Trust and Banking Co., Ltd.		3,000,000	-					
The Nomura Trust & Banking Co., Ltd.		2,000,000	-					
Mitsui Life Insurance Company	1,000,000	-						
Taiyo Life Insurance Company	1,000,000	-						
Daido Life Insurance Company	1,000,000	-						
National Mutual Insurance Federation of Agricultural Cooperatives	1,000,000	-						
Development Bank of Japan	1,000,000	-						
National Mutual Insurance Federation of Agricultural Cooperatives	Dec. 9, 2005	1,000,000	-	1.53625	Aug. 26, 2012			
Development Bank of Japan	Mar. 17, 2005	1,000,000	1,000,000	1.75250	Feb. 26, 2013			
Subtotal		58,500,000	54,500,000					
Total		90,000,000	83,000,000					

Note 1 : The average interest rate is weighted by the balance of each borrowing as at the end of the term and rounded to the nearest fifth decimal place. As for the borrowings, which were hedged by interest rate swaps for the purpose of avoiding interest rate fluctuation risk, the swapped interest rates are used to calculate the weighted average of interest.

Note 2 : The Bank of Tokyo-Mitsubishi, Ltd. and The UFJ Bank Limited merged effective January 1, 2006 to be The Bank of Tokyo-Mitsubishi UFJ, Ltd. The balance represents aggregated amount of borrowings from former Bank of Tokyo-Mitsubishi, Ltd and UFJ Bank Limited.

Note 3 : The use of borrowings is to purchase property-related assets.

Note 4 : The balance represents the borrowing from former Bank of Tokyo-Mitsubishi, Ltd.

Note 5 : The balance represents the borrowing from former UFJ Bank Limited.

3. STATUS OF INVESTMENT CORPORATION BONDS

The status of investment corporation bonds issued as at the end of the fifth fiscal period is as follows.

Name of Bonds	Issue Date	Balance as at the End of 5th FP (¥ mln)	Balance as at the End of 4th FP (¥ mln)	Interest Rate (%)	Maturity Date	Method of Repayment	Use of Proceeds	Note
First Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	1.85	Mar. 16, 2015	Balloon payment	(Note 1)	(Note 2)
Second Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	2.47	Mar. 16, 2020	Balloon payment	(Note 1)	(Note 2)
Third Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	–	1.19	Nov. 29, 2010	Balloon payment	(Note 1)	(Note 3)
Fourth Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	–	2.05	Nov. 30, 2015	Balloon payment	(Note 1)	(Note 3)
Total		30,000	10,000					

Note 1: The uses of proceeds are to purchase the property-related assets, pay for the costs, and to repay borrowings.

Note 2: Ranking Pari Passu among the investment corporation bonds for qualified institutional investors only.

Note 3: Ranking Pari Passu among the specified investment corporation bonds

Trading during the Fifth Fiscal Period

1. STATUS OF REAL ESTATES AND ASSET-BACKED SECURITIES TRADING

Type of Asset	Name of Property	Acquisition		Disposition			
		Date	Price (Note1) (¥ mln)	Date	Price (¥ mln)	Book Value (¥ mln)	Gain (Loss) (¥ mln)
Beneficial	Nishi-Shinjuku Showa Bldg.	Nov. 30, 2005	8,800	–	–	–	–
Interest in Real	NOF Sendai Aoba-dori Bldg. (Note 2)	Nov. 30, 2005	3,200	–	–	–	–
Estate Trust	NOF Midosuji Bldg. (Note 2)	Nov. 30, 2005	12,900	–	–	–	–
	Hiroshima Chowa Bldg.	Nov. 30, 2005	2,100	–	–	–	–
Real Estate	Crystal Park Bldg.	Feb. 28, 2006	3,700	–	–	–	–
Total			30,700	–	–	–	–

Note 1: The "Price" refers to the acquisition price of a given property, which is described in the Transfer Agreement of Trust Beneficial Interest or Real Estate, and does not include other expenses relevant to acquisition of the properties such as intermediary fees, taxes and duties.

Note 2: The name of the property has been changed as illustrated in the table on page 8.

2. STATUS OF OTHER ASSETS

Other than the above-mentioned properties and asset-backed securities, the Company's assets are mostly comprised of direct bank deposits and bank deposits in trust.

3. PRICE INVESTIGATION

(1) Real Estates

Type of Asset	Name of Property	Acquisition Date	Acquisition Price (¥ mln) (Note 1)	Appraisal Value (¥ mln) (Note 2)
Beneficial	Nishi-Shinjuku Showa Bldg.	Nov. 30, 2005	8,800	8,800
Interest in Real	NOF Sendai Aoba-dori Bldg. (Note 3)	Nov. 30, 2005	3,200	3,200
Estate Trust	NOF Midosuji Bldg. (Note 3)	Nov. 30, 2005	12,900	12,900
	Hiroshima Chowa Bldg.	Nov. 30, 2005	2,100	2,100
Real Estate	Crystal Park Bldg.	Feb. 28, 2006	3,700	3,770
Total			30,700	30,770

Note 1: "Price" refers to the price described in the Transfer Agreement of Trust Beneficial Interest or Real Estate, and does not include other expenses relevant to acquisition of the properties such as intermediary fees, taxes and duties.

Note 2: The price investigation procedures were conducted by Ernst & Young ShinNihon at the time of acquisition in accordance with the guidance under "Price Investigation of Specified Assets Held by Investment Trusts and Investment Corporations", Industry Audit Committee Report No. 23 issued by The Japanese Institute of Certified Public Accountants. The Company has received detailed reports including but not limited to the location and lot number to identify these properties.

Note 3: The name of the property has been changed as illustrated in the table on page 8.

(2) Other Assets

With regard to the properties the Company has traded but not included in the above table “(1) Real Estates,” the price investigation procedures were conducted by Ernst & Young ShinNihon subject to the requirement by Article 34-4 of the Investment Trust Law.

For the fifth fiscal period (from November 1, 2005 to April 30, 2006), two interest swap transactions were subject to investigation. Ernst & Young ShinNihon was requested to investigate the details of these transactions including the name of counterparty, currency, interest rate, period of transaction, etc. This investigation report has been received.

4. TRANSACTION WITH RELATED PARTIES

(1) Transactions

There is no relevant matter under this subject.

(2) Fees paid to related parties

Table of fees paid to related parties during the fifth fiscal period is as follows.

	Name of Related Party	Amount Paid (A) (¥000)	Total Amount Paid (B) (¥000)	Portion (A) / (B) (%)
Contract-out Fees	Nomura Building Management Co., Ltd.	466,556	756,532	61.7
	Flagship Properties Inc.	916		0.1
Property Management Fees	Nomura Real Estate Development Co., Ltd.	173,889	224,826	77.3
	Nomura Building Management Co., Ltd.	15,368		6.8
Investment Corporation Bonds Underwriting Fees	Nomura Securities Co., Ltd.	85,000	85,000	100.0
Other Expenses	Nomura Building Management Co., Ltd.	26,531	72,391	36.7
	Nomura Real Estate Development Co., Ltd.	25,002		34.5

Note 1: “Related party (ies)” refers to those bodies that have business interests in the Company and/or the Asset Management Company, with which the Company has an Asset Management Agreement under Article 20 of Enforcement Order of Investment Trust Law. Such bodies with which trades were conducted and/or to which payments were made during the fifth fiscal period were Nomura Building Management Co., Ltd., Flagship Properties Inc., Nomura Real Estate Development Co., Ltd. and Nomura Securities Co., Ltd.

Note 2: In addition to the Property Management Agreement, the Company has entrusted Nomura Building Management Co., Ltd. with daily maintenance of building and equipments, the cost of which was included in “Contract-out Fees”.

Note 3: Besides the above, the Company has made the following payments for repair works during the fifth fiscal period.

Name of Related Party	Amount Paid (¥000)
Nomura Real Estate Development Co., Ltd.	89,322
Nomura Building Management Co., Ltd.	626,369
Nomura Amenity Service Co., Ltd.	190

The management fees paid to the property management companies, which are related parties, are broken down as follows.

Name of Property	Property Management Company	Property Management Fees (¥000) (Note 1) (Note 2)
Shinjuku Nomura Bldg.	Nomura Real Estate Development Co., Ltd.	48,876
JAL Bldg.	Nomura Real Estate Development Co., Ltd.	2,822
Tennozu Park Side Bldg.	Nomura Real Estate Development Co., Ltd.	15,913
NOF Shibuya Koen-dori Bldg.	Nomura Real Estate Development Co., Ltd.	7,761
Nishi-Shinjuku Showa Bldg.	Nomura Real Estate Development Co., Ltd.	7,123
Toshin Tameike Bldg.	Nomura Real Estate Development Co., Ltd.	4,529
Shinagawa NF Bldg.	Nomura Real Estate Development Co., Ltd.	8,413
Surugadai Plaza Bldg.	Nomura Real Estate Development Co., Ltd.	3,936
NOF Minami-Shinjuku Bldg.	Nomura Real Estate Development Co., Ltd.	2,578
Technoport Kamata B Ridge	Nomura Real Estate Development Co., Ltd.	10,514
Faret Tachikawa Center Square	Nomura Real Estate Development Co., Ltd.	5,507
NOF Yokohama Nishiguchi Bldg.	Nomura Real Estate Development Co., Ltd.	7,784
NOF Shin-Yokohama Bldg.	Nomura Real Estate Development Co., Ltd.	4,386
NOF Midosuji Bldg.	Nomura Real Estate Development Co., Ltd.	10,365
Nomura Osaka Bldg.	Nomura Real Estate Development Co., Ltd.	13,479
Nomura Yotsubashi Bldg.	Nomura Real Estate Development Co., Ltd.	11,510
Hiroshima Chowa Bldg.	Nomura Real Estate Development Co., Ltd.	2,314
Nomura Hiroshima Bldg.	Nomura Real Estate Development Co., Ltd.	6,070
NOF Toyo-cho Bldg.	Nomura Building Management Co., Ltd.	1,988
NOF Kawasaki Higashiguchi Bldg.	Nomura Building Management Co., Ltd.	6,340
NOF Utsunomiya Bldg.	Nomura Building Management Co., Ltd.	5,086
NOF Nagoya Yanagibashi Bldg.	Nomura Building Management Co., Ltd.	1,952

Note 1: “Property Management Fees” are the aggregated sum of the basic fee and the incentive fee.

Note 2: Daily maintenance of building and equipments is entrusted to Nomura Building Management, but the fees associated with such works are not included here.

5. STATUS OF BUSINESS WITH THE ASSET MANAGEMENT COMPANY OVER ITS SUBSIDIARY BUSINESS

There is no relevant matter under this subject as Nomura Real Estate Asset Management Co., Ltd., the asset management company of the Company, is not in any subsidiary business.

Other Information

1. NOTICE

There is no relevant matter under this subject.

2. OTHER MATTERS

For the purpose of this report, the numbers of amount below unit were truncated and the numbers of rate are rounded to unit unless otherwise mentioned specifically.



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Balance Sheets

	As of April 30, 2006	Thousands of Yen As of October 31, 2005
ASSETS		
Current Assets:		
Cash and bank deposits	¥ 25,587,120	¥ 26,716,571
Rental receivables	160,862	138,049
Consumption taxes refundable	55,091	3,741
Other current assets	289,350	124,995
Total current assets	26,092,423	26,983,356
Property and Equipment, at Cost:		
Land	171,703,489	147,100,441
Buildings and structures	74,787,278	67,546,391
Machinery and equipment	605,246	506,894
Tools, furniture and fixtures	64,843	31,528
Construction in progress	7,291	249,385
Subtotal	247,168,147	215,434,639
Less accumulated depreciation	(5,267,086)	(3,867,761)
Net property and equipment	241,901,061	211,566,878
Investments and Other Assets:		
Intangible assets	2,001	1,989
Long-term prepaid expenses	8,160	8,885
Security deposits	211,230	210,780
Derivative assets	181,746	-
Deferred hedge losses	-	235,962
Deferred investment corporation bonds issuance costs	162,437	59,905
Total Assets	¥ 268,559,058	¥ 239,067,755

The accompanying notes to financial statements are an integral part of these statements.

Thousands of Yen

As of April 30, 2006

As of October 31, 2005

LIABILITIES**Current Liabilities:**

Trade accounts payable	¥ 511,875	¥ 529,402
Other accounts payable	879,136	625,125
Short-term debt	31,500,000	28,500,000
Accrued expenses	470,646	291,070
Accrued income taxes	899	982
Rent received in advance	1,643,280	1,439,846
Other current liabilities	61,584	1,412
Total current liabilities	35,067,420	31,387,837

Long-term Liabilities:

Investment corporation bonds	30,000,000	10,000,000
Long-term debt	58,500,000	54,500,000
Security deposits from tenants	16,603,384	14,849,571
Derivative liabilities	-	235,962
Deferred hedge gains	181,747	-
Total long-term liabilities	105,285,131	79,585,533

Total Liabilities	140,352,551	110,973,370
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UNITHOLDERS' EQUITY

Unitholders' capital	124,610,213	124,610,213
Retained earnings	3,596,294	3,484,172
Total unitholders' equity	128,206,507	128,094,385

Total Liabilities and Unitholders' Equity	¥ 268,559,058	¥ 239,067,755
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The accompanying notes to financial statements are an integral part of these statements.

Statements of Income and Retained Earnings

	For the period from November 1, 2005 to April 30, 2006	Thousands of Yen For the period from May 1, 2005 to October 31, 2005
Operating Revenues and Expenses		
Operating Revenues:		
Real estate rental revenues	¥ 9,810,526	¥ 8,641,349
	9,810,526	8,641,349
Operating Expenses:		
Real estate rental expenses	4,257,492	3,745,324
Asset management fees	851,350	629,690
Administrative service and custodian fees	76,599	78,653
Other operating expenses	66,383	76,529
	5,251,824	4,530,196
Operating Profits	4,558,702	4,111,153
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	138	131
Other non-operating revenues	9,651	9,321
	9,789	9,452
Non-Operating Expenses:		
Interest expenses	482,884	412,438
Loan arrangement fees	101,660	48,785
Interest expenses on investment corporation bonds	244,722	108,000
Amortization of investment corporation bonds issuance costs	38,429	14,855
New investment units issuance costs	-	42,770
Other non-operating expenses	103,697	8,683
	971,392	635,531
Income before Income Taxes	3,597,099	3,485,074
Income Taxes:		
Current	927	1,008
Deferred	4	1
Net Income	3,596,168	3,484,065
Retained Earnings brought forward	126	107
Retained Earnings at end of period	¥ 3,596,294	¥ 3,484,172

The accompanying notes to financial statements are an integral part of these statements.

Statements of Changes in Unitholders' Equity

	Units	Thousands of Yen Changes in Equity
Balance as of April 30, 2005	184,650	¥ 94,849,705
Cash distribution paid	-	(2,681,118)
Additional issuance of new investment units through public offering on May 1, 2005	44,000	31,496,828
Additional issuance of new investment units through third-party allotment on May 24, 2005	1,320	944,905
Net income	-	3,484,065
Balance as of October 31, 2005	229,970	128,094,385
Cash distribution paid	-	(3,484,046)
Net income	-	3,596,168
Balance as of April 30, 2006	229,970	¥ 128,206,507

The accompanying notes to financial statements are an integral part of these statements.

Statements of Cash Flows

	For the period from November 1, 2005 to April 30, 2006	Thousands of Yen For the period from May 1, 2005 to October 31, 2005
Cash Flows from Operating Activities		
Income before income taxes	¥ 3,597,099	¥ 3,485,074
Depreciation	1,399,446	1,229,070
Amortization of long-term prepaid expenses	725	725
Amortization of investment corporation bonds issuance costs	38,429	14,855
Interest income	(138)	(131)
Interest expenses	727,606	520,438
Increase in rental receivables	(22,812)	(22,150)
Decrease (Increase) in consumption taxes refundable	(51,350)	395,662
Increase (Decrease) in trade accounts payable	(17,526)	211,017
Increase in other accounts payable	138,097	15,543
Increase in rent received in advance	203,434	157,602
Changes in other current assets/liabilities	(104,188)	15,181
Subtotal	5,908,822	6,022,886
Interest received	138	131
Interest paid	(548,030)	(514,602)
Income taxes paid	(1,009)	(1,044)
Net cash provided by operating activities	5,359,921	5,507,371
Cash Flows from Investing Activities		
Payments for purchases of property and equipment	(31,619,557)	(27,286,702)
Payments for purchases of intangible assets	(105)	-
Payments of security deposits from tenants	(478,677)	(761,173)
Proceeds from security deposits from tenants	2,229,343	1,630,815
Net cash used in investing activities	(29,868,996)	(26,417,060)
Cash Flows from Financing Activities		
Proceeds from short-term debt	18,000,000	19,000,000
Repayments of short-term debt	(23,000,000)	(22,500,000)
Proceeds from long-term debt	19,500,000	-
Repayments of long-term debt	(7,500,000)	-
Proceeds from investment corporation bonds	20,000,000	-
Payments of investment corporation bonds issuance costs	(140,026)	-
Proceeds from issuance of new investment units	-	32,441,732
Distributions to unitholders	(3,480,350)	(2,683,024)
Net cash provided by financing activities	23,379,624	26,258,708
Net Increase (Decrease) in Cash and Cash Equivalents	(1,129,451)	5,349,019
Cash and Cash Equivalents at beginning of period	26,716,571	21,367,552
Cash and Cash Equivalents at end of period	¥ 25,587,120	¥ 26,716,571

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

1. Organizations

Nomura Real Estate Office Fund (the “Company”) is a real estate investment corporation formed to own and invest primarily in office properties. The Company is externally managed by a licensed asset management company, Nomura Real Estate Asset Management Co., Ltd. (“NREAM”). NREAM is a wholly owned subsidiary of Nomura Real Estate Holdings Co., Ltd.

On August 7, 2003, the Company was incorporated under the Law Concerning Investment Trusts and Investment Corporations (the “Investment Trust Law”) of Japan. On December 4, 2003, the Company was listed on the Tokyo Stock Exchange as the 9th J-REIT and started operations on the following day. As of the end of April 2006, the Company owned a portfolio of 28 office properties containing an aggregate of approximately 293,464.10 square meters of leasable area and leased office space to 467 tenants.

2. Basis of presentation

The Company maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Law of Japan, the Japanese Commercial Code, the Securities and Exchange Law of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include information that might not be required under Japanese GAAP but is presented herein as additional information. Amounts have been rounded to the nearest thousand of Yen in the accompanying financial statements and their notes whereas amounts have been truncated in the Japanese financial statements prepared in accordance with Japanese GAAP.

The Company’s fiscal period is a six-month period which ends at the end of April and October of each year, respectively. The Company does not prepare consolidated financial statements because it has no subsidiaries.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments that are highly liquid, readily convertible to cash, with insignificant risk of market value fluctuation, and with a maturity of three months or less when purchased.

Property and equipment

Property and equipment are stated at cost, which includes the purchase price and related costs for acquisition, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as below;

Buildings	3 - 65 years
Structures	2 - 45 years
Machinery and equipments	3 - 15 years
Tools, furniture and fixtures	3 - 15 years

Intangible assets

Intangible assets are amortized on a straight-line method.

Deferred charges

Deferred charges include new investment units issuance costs and investment corporation bonds issuance costs. The entire costs associated with the issuance of new investment units are expensed as incurred. Investment corporation bonds issuance costs are amortized over a period of three years, comprised of six fiscal periods, with an equal amount in each fiscal period.

Accounting treatment of beneficial interests in real estate

All the assets and liabilities held in trust, to which the real estates in possession of the Company were entrusted, and all the earnings and expenses incurred from the trust are properly reflected on the balance sheets and income statements, respectively.

Revenue recognition

Operating revenues consist of rental revenues including base rents and common area charges, and other operating revenues including utility charge reimbursements, parking space rental revenues and other income. Rental revenues are generally recognized on an accrual basis over the life of each lease. Utility charge reimbursements are recognized when earned and their amounts are to be reasonably estimated.

Property related taxes

Property related taxes including property taxes, urban planning taxes and depreciable property taxes imposed during the fiscal period are charged as rental expenses.

On the other hand, the Company paid the amount equivalent to the property related taxes to the sellers applicable to the period since acquisition and capitalized as part of the costs to acquire such properties or beneficial interests in real estate. The capitalized property related taxes amounted to ¥36,595 thousand for the period from November 1, 2005 to April 30, 2006.

Income taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rates.

Consumption taxes

Consumption taxes received and paid are not included in the statements of income.

Derivative financial instruments

The Company utilizes interest rate swap contracts as derivative financial instruments only for the purpose of hedging its exposure to changes in interest rates. The Company deferred recognition of gains or losses resulting from changes in fair value of interest rate swap contracts which meet the criteria for deferral hedging accounting.

4. Schedule of property and equipment

Property and equipment at April 30, 2006 and October 31, 2005 consist of the following:

	Thousands of Yen			
	As of April 30, 2006		As of October 31, 2005	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥ 2,607,267	¥ 2,607,267	-	-
Buildings and structures	1,136,277		-	
Accumulated depreciation	(10,376)	1,125,901	-	-
Machinery and equipment	8,966		-	
Accumulated depreciation	(672)	8,294	-	-
Land in trust	169,096,222	169,096,222	¥ 147,100,441	¥ 147,100,441
Buildings and structures in trust	73,651,001		67,546,391	
Accumulated depreciation	(5,124,260)	68,526,741	(3,775,705)	63,770,686
Machinery and equipment in trust	596,280		506,894	
Accumulated depreciation	(125,923)	470,357	(89,506)	417,388
Tools, furniture and fixtures in trust	64,843		31,528	
Accumulated depreciation	(5,855)	58,988	(2,550)	28,978
Construction in progress in trust	7,291	7,291	249,385	249,385
Total	¥ 241,901,061	¥ 241,901,061	¥ 211,566,878	¥ 211,566,878

5. Short-term debt

Short-term debt at April 30, 2006 and October 31, 2005 consists of the following:

	As of April 30, 2006		As of October 31, 2005	
	Amount (thousands of Yen)	Weighted- average interest rate	Amount (thousands of Yen)	Weighted- average interest rate
Unsecured loans from banks due on November 29, 2005	-	-	¥ 3,000,000	0.49083%
Unsecured loans principally from banks due on December 9, 2005	-	-	5,000,000	0.36583%
Unsecured loans from banks due on December 28, 2005	-	-	11,000,000	0.49000%
Unsecured loans from banks due on February 26, 2006	-	-	2,000,000	0.47000%
Unsecured loans from banks due on February 26, 2006	-	-	7,500,000	0.60000%
Unsecured loans from banks due on May 29, 2006	¥ 16,000,000	0.39000%	-	-
Unsecured loans from banks due on December 8, 2006	12,500,000	1.14500%	-	-
Unsecured loans from insurance companies due on December 8, 2006	3,000,000	1.04500%	-	-
Total	¥ 31,500,000		¥ 28,500,000	

The Company entered into ¥20,000 million credit facilities in the form of commitment lines with the certain financial institutions. The unused amount of such credit facilities was ¥20,000 million and ¥6,000 million as of April 30, 2006 and October 31, 2005, respectively.

6. Investment corporation bonds

Details of investment corporation bonds outstanding are briefly as follows:

	As of April 30, 2006		As of October 31, 2005	
	Amount (thousands of Yen)	Weighted- average interest rate	Amount (thousands of Yen)	Weighted- average interest rate
Unsecured bonds due on March 16, 2015	¥ 5,000,000	1.85000%	¥ 5,000,000	1.85000%
Unsecured bonds due on March 16, 2020	5,000,000	2.47000%	5,000,000	2.47000%
Unsecured bonds due on November 29, 2010	10,000,000	1.19000%	-	-
Unsecured bonds due on November 30, 2015	10,000,000	2.05000%	-	-
Total	¥ 30,000,000		¥ 10,000,000	

7. Long-term debt

Long-term debt at April 30, 2006 and October 31, 2005 consists of the following:

	As of April 30, 2006		As of October 31, 2005	
	Amount (thousands of Yen)	Weighted- average interest rate	Amount (thousands of Yen)	Weighted- average interest rate
Unsecured loans from banks due on December 8, 2006	-	-	¥ 12,500,000	1.14500%
Unsecured loans from insurance companies due on December 8, 2006	-	-	3,000,000	1.04500%
Unsecured loans from a bank due on August 28, 2007	¥ 2,000,000	0.66455%	2,000,000	0.65000%
Unsecured loans from banks due on December 8, 2007	8,500,000	1.00625%	8,500,000	1.00625%
Unsecured loans from banks due on February 26, 2008	7,500,000	1.22500%	7,500,000	1.22500%
Unsecured loans from an insurance company due on February 26, 2008	3,000,000	1.05250%	3,000,000	1.05250%
Unsecured loans from banks due on August 26, 2008	4,000,000	0.51455%	-	-
Unsecured loans from banks due on December 8, 2008	8,000,000	1.66750%	8,000,000	1.66750%
Unsecured loans from insurance companies due on December 8, 2008	5,000,000	1.51625%	5,000,000	1.51625%
Unsecured loans from banks due on February 26, 2009	2,000,000	1.19000%	-	-
Unsecured loans from a bank due on February 26, 2010	3,000,000	1.77500%	3,000,000	1.77500%
Unsecured loans from an insurance company due on February 26, 2010	1,000,000	1.50625%	1,000,000	1.50625%
Unsecured loans from banks due on February 26, 2011	7,500,000	1.68000%	-	-
Unsecured loans principally from insurance companies due on August 26, 2012	5,000,000	1.43750%	-	-
Unsecured loans from another financial institution due on August 26, 2012	1,000,000	1.53625%	-	-
Unsecured loans from a bank due on February 26, 2013	1,000,000	1.75250%	1,000,000	1.75250%
Total	¥ 58,500,000		¥ 54,500,000	

8. Unitholders' equity

The Company issues only non-par value investment units in accordance with the Investment Trust Law of Japan. The entire amount of the issue price of new units is designated as stated capital. The Company is required to maintain net assets of at least ¥50,000 thousand as required by the Investment Trust Law of Japan.

9. Per unit information

The net asset value per unit as of April 30, 2006 and October 31, 2005 was ¥557,492 and ¥557,004, respectively. Net income per unit was ¥15,638 and ¥15,150 for the period ended April 30, 2006 and October 31, 2005, respectively.

10. Income taxes

The Company, as an investment corporation, is subject to corporate income taxes at a regular statutory rate of approximately 40%. However, the Company may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided the requirements are met under the Special Taxation Measure Law of Japan. Under this law, an investment corporation must meet a number of tax requirements, including a requirement to distribute in excess of 90% of its distributable income for the fiscal period, in order to deduct such amounts. If the investment corporation does not satisfy all of the requirements, the entire taxable income of the investment corporation will be subject to regular corporate income taxes.

Since the Company distributed approximately 100% of its distributable income in the form of cash distributions totaling ¥3,596,271 thousand and ¥3,484,046 thousand for the period ended April 30, 2006 and October 31, 2005, respectively, such distributions were treated as deductible distributions for purposes of corporate income taxes. The effective tax rate on the Company's income was 0.03% for the periods ended April 30, 2006 and October 31, 2005. The following summarizes the significant differences between the statutory tax rate and the effective tax rate:

	For the period from November 1, 2005 to April 30, 2006	For the period from May 1, 2005 to October 31, 2005
Statutory tax rate	39.39%	39.39%
Deductible cash distributions	(39.38)	(39.38)
Other	0.02	0.02
Effective tax rate	0.03%	0.03%

11. Breakdown of real estate rental revenues and expenses

Rental real estate revenues and expenses for the six month periods ended April 30, 2006 and October 31, 2005 consist of the following:

	Thousands of Yen	
	For the period from November 1, 2005 to April 30, 2006	For the period from May 1, 2005 to October 31, 2005
Real estate rental revenues	¥ 9,810,526	¥ 8,641,349
Rental revenues	8,815,222	7,709,467
Rental revenues	7,027,837	6,138,529
Common area charges	1,787,385	1,570,938
Non-Rental revenues	995,304	931,882
Parking revenues	189,349	156,428
Incidental income	734,285	707,783
Other miscellaneous revenues	71,670	67,671
Real estate rental expenses	4,257,492	3,745,324
Property management costs	756,532	649,670
Property management fees	224,826	183,772
Utilities expenses	726,302	711,509
Property and other taxes	666,062	614,908
Casualty insurance	22,318	21,809
Repairs and maintenance	302,896	213,372
Depreciation	1,399,418	1,229,041
Other rental expenses	159,138	121,243
Profits	¥ 5,553,034	¥ 4,896,025

12. Leases

The Company, as lessor, has entered into leases whose fixed monthly rents are due in advance with lease term of generally two years for office. The future minimum rental revenues under existing non-cancelable operating leases as of April 30, 2006 and October 31, 2005 are as follows:

	Thousands of Yen	
	As of April 30, 2006	As of October 31, 2005
Due within one year	¥ 5,053,380	¥ 5,205,813
Due after one year	16,797,113	18,492,717
Total	¥ 21,850,493	¥ 23,698,530

13. Derivatives and hedge accounting

The Company has entered into interest rate swap contracts with several Japanese financial institutions to hedge its variable rate long-term debt obligations. The Company utilizes interest rate swap contracts, which are derivative financial instruments, only for the purpose of mitigating future risks of fluctuations of interest rates, but does not enter into such transactions for speculative or trading purposes. The Company entered into such derivative transactions to hedge risk in accordance with its Articles of Incorporation and the established risk management policies of NREAM.

The following summarizes the notional amounts and the estimated fair value of the interest-related positions outstanding at April 30, 2006 and October 31, 2005:

	Thousands of Yen		
	Notional amount	Fair value	Unrealized gain (loss)
April 30, 2006			
Interest rate swaps:			
Receive/float and pay/fixd	¥ 49,000,000	¥ 139,816	¥ 139,816
October 31, 2005			
Interest rate swaps:			
Receive/float and pay/fixd	¥ 39,500,000	¥ (235,962)	¥ (235,962)

14. Significant subsequent events

Appropriation of retained earnings

On June 22, 2006, the Board of Directors resolved to effect the payment of a cash distribution of ¥15,638 per unit aggregating ¥3,596,271 thousand to unitholders at the record date of April 30, 2006.

Offering of new investment units

On May 1, 2006, the Board of Directors resolved to issue new investment units as follows. The payments were completed on May 25, 2006 and June 23, 2006. As a result, the total number of units increased from 229,970 to 265,903 and unitholders' equity increased from ¥124,610 million to ¥156,767 million.

(1) Primary offering of new investment units

Number of units issued	34,800 units
Offering price per unit	¥926,100 per unit
Total offering price	¥32,228,280,000
Issue price per unit	¥894,915 per unit
Total issue price	¥31,143,042,000
Payment date	May 25, 2006

(2) Third-party allotment

Number of units issued	1,133 units
Issue price per unit	¥894,915 per unit
Total issue price	¥1,013,938,695
Payment date	June 23, 2006
Third-party allottee	Nomura Securities Co., Ltd.

Report of Independent Auditors

To the Board of Directors and Unitholders of
Nomura Real Estate Office Fund, Inc.

We have audited the accompanying balance sheets of Nomura Real Estate Office Fund, Inc. as of April 30, 2006 and October 31, 2005, and the related statements of income and retained earnings, changes in unitholders' equity and cash flows for the six-month periods ended April 30, 2006 and October 31, 2005, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

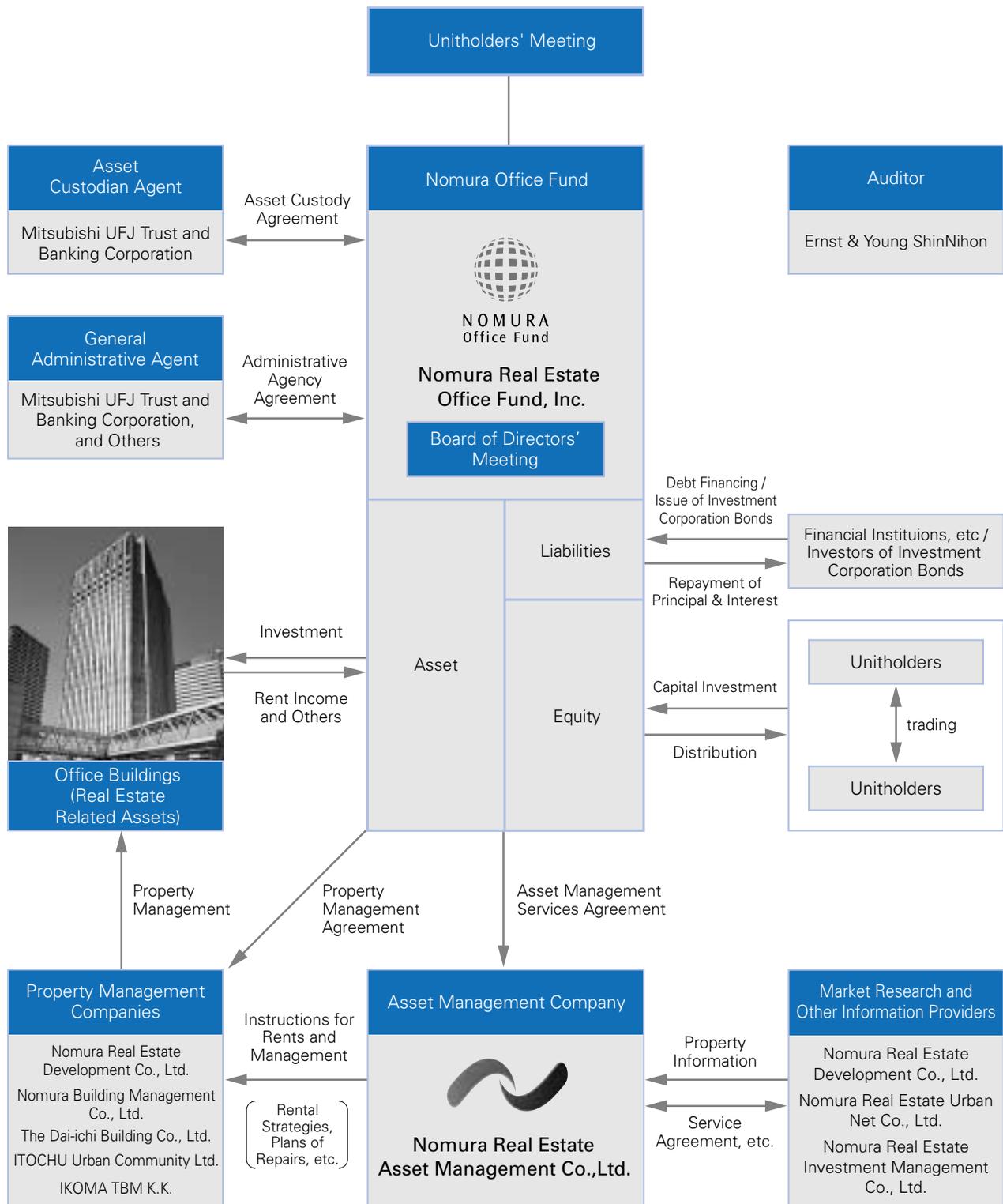
We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nomura Real Estate Office Fund, Inc. at April 30, 2006 and October 31, 2005, and the results of its operations and its cash flows for the six-month periods ended April 30, 2006 and October 31, 2005 in conformity with accounting principles generally accepted in Japan.

Ernst & Young Shin Nihon

July 13, 2006

Business Structure



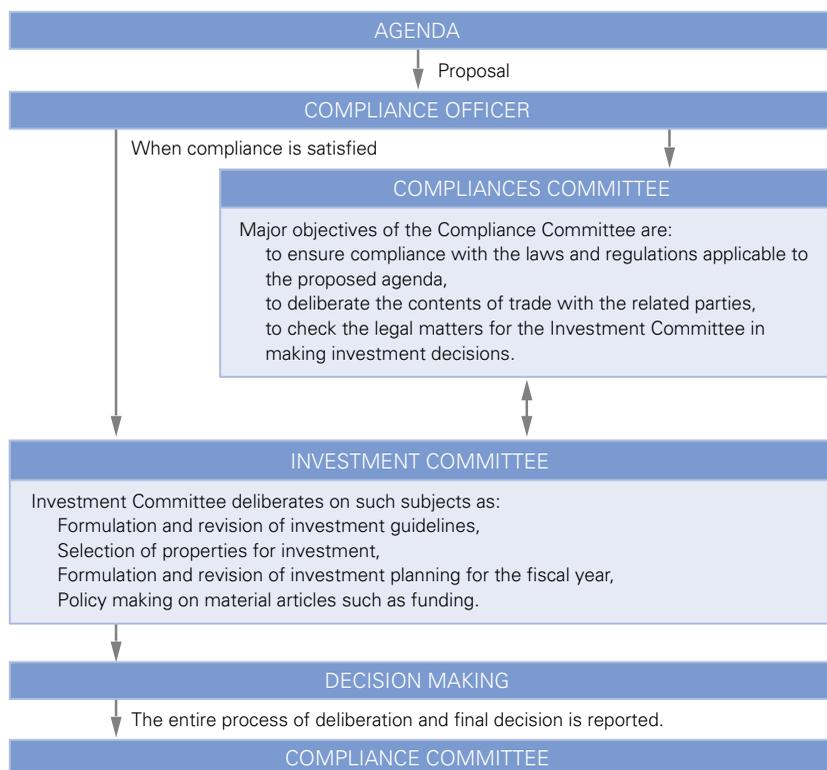
Profile of the Asset Management Company

PROFILE AND HISTORY OF INCORPORATION

Company: Nomura Real Estate Asset Management Co., Ltd.
 Paid-up capital: ¥300 million (as of March 31, 2005)
 Shareholder: Nomura Real Estate Holdings Co., Ltd. (100%)
 Incorporation: January 24, 2003

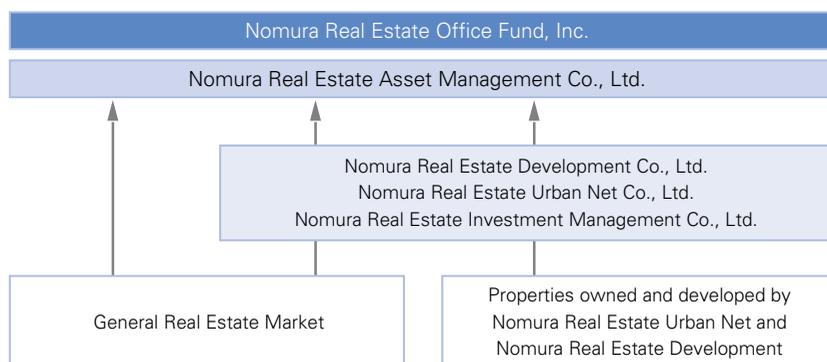
PROCESS OF DECISION-MAKING

We have ensured transparency in the decision-making process by placing all agenda through the Compliance Committee, in which two external members with professional experience sit.



USE OF INFORMATION NETWORK OF NOMURA REAL ESTATE GROUP

In order to maximize opportunity to invest in better properties, we have collected as much information as possible not only from the Asset Management Company but also from other companies of Nomura Real Estate group as listed below.



Corporate Data

Corporate Name

Nomura Real Estate Office Fund, Inc.

Corporate Office

8-5-1 Nishi Shinjuku Shinjuku-ku, Tokyo
160-0023, Japan
<http://www.nre-of.co.jp/english/>

Date of Incorporation

August 7, 2003

Stock Listing

Tokyo Stock Exchange (Securities Code: 8959)

Fiscal Period

Six months ending on April 30 and October 31

Paid-in Capital

¥124,610,212,840 (as of April 30, 2006)

Number of Units Issued

229,970 (as of April 30, 2006)

Number of Unitholders

13,129 (as of April 30, 2006)

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi Chiyoda-ku, Tokyo 100-8212, Japan

Business Office of the Transfer Agent

Corporate Agency Department
Mitsubishi UFJ Trust and Banking Corporation
7-10-11 Higashisuna Koto-ku, Tokyo 137-8081, Japan
Tel: +81-3-5683-5111

Independent Auditors

Ernst & Young ShinNihon
Hibiya Kokusai Bldg. 2-2-3 Uchisaiwai-cho Chiyoda-ku,
Tokyo 100-0011, Japan

Investor Relations

For further information, please contact the Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
8-5-1 Nishi Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Tel: +81-3-3365-0507

Disclaimer

This semiannual report includes translations of certain Japanese documents originally filed under the Securities and Exchange Law of Japan. This report was prepared in English solely for the convenience of and reference by readers outside Japan and should not be considered as a disclosure statement. The original Japanese documents always govern the meaning and interpretation.

In general, accounting principles and practices used by real estate investment corporations in Japan ("J-REITs") in preparing its financial statements conform with accounting principles generally accepted in Japan ("Japanese GAAP"). However, they may differ from generally accepted accounting principles applied in certain other countries. Potential investors should consult their own professional advisors for an understanding of the differences between Japanese GAAP and generally accepted accounting principles in the United States ("U.S. GAAP") or other jurisdictions and how those differences might affect the financial information contained herein.

Estimates for Nomura Office Fund's future operating results contained in this semiannual report are forward-looking statements and are based on information currently available to Nomura Office Fund and its asset management company and are subject to risks and uncertainties. Consequently, these projections should not be relied upon as the sole basis for evaluating Nomura Office Fund. Actual results may differ substantially from the projections depending on a number of factors.



NOMURA
Office Fund

NOMURA REAL ESTATE OFFICE FUND, INC.

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