

NOMURA
Office Fund

Ninth Fiscal Period Semi-Annual Report

November 1, 2007 ▶ April 30, 2008

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. 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, Inc. 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, Inc. and other group companies, NREAM aims to achieve these goals and more.

Strength of Nomura Office Fund

J-REIT with a large-capitalization specialized in office buildings

- Portfolio of 37 properties at a total acquisition price of ¥317.4 billion (as of April 30, 2008)
- Market capitalization of ¥219.6 billion (as of April 30, 2008)
- Constituent of MSCI Standard Index

Track records of stable managements

- Nine consecutive fiscal periods of growth in operating revenues and net income
- Steady growth in DPU

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

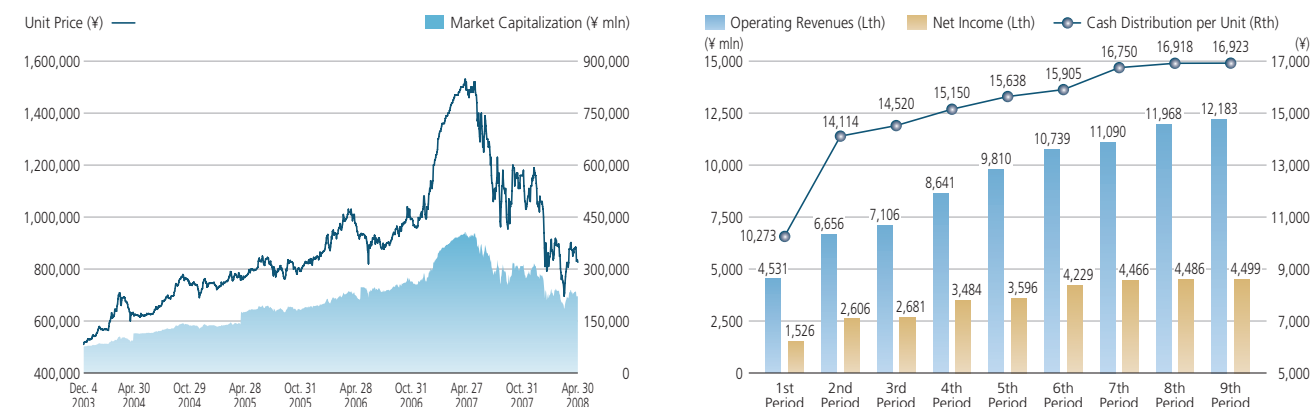
Rated A or more by domestic and foreign rating agencies

Rating and Investment Information, Inc.	Issuer rating: AA-
Standard & Poor’s Ratings Services	Long-term rating: A Short-term rating: A-1
Moody’s Investors Service, Inc.	Issuer rating: A2

- Holding to conservative financial strategies

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To Our Investors

Dear Investors,

We are delighted to be able to present to you the financial results for the ninth fiscal period (ended April 30, 2008) and report on our activities during the period herein.

We booked operating revenues for this period of ¥12,183 million, current profits of ¥4,500 million, and net income of ¥4,499 million. Cash distribution per unit was ¥16,923.

Some of the major developments during the ninth period included new investments in “Toho Edogawabashi Building,” “JCB Sapporo Higashi Building” and “SORA Shin-Osaka 21.” As a result of these investments, the number of properties in the portfolio now totals 37, with total acquisition price of ¥317.4 billion, promoting further diversification of the portfolio.

Concerning property management, we focused on raising of rents reflecting the office leasing market conditions that continue to be favorable. The average occupancy rate remained stable throughout this period, reaching 97.6% at the end of the period.

In terms of financing, regardless of the change in the funding environment, the Company has maintained strong relationship with financial institutions and secured stable funding, and continues to maintain a healthy balance sheet.

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.



Mitsuharu Sato
Executive Director
Nomura Real Estate Office Fund, Inc.

Financial Highlights

FINANCIAL SUMMARY

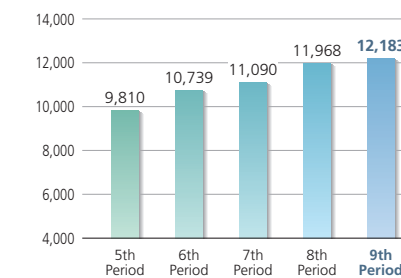
		9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007	6th Period from May 1, 2006 to Oct. 31, 2006	5th Period from Nov. 1, 2005 to Apr. 30, 2006
Operating Revenues	¥ mln	12,183	11,968	11,090	10,739	9,810
Net Operating Income (NOI) (Note 1)	¥ mln	8,572	8,286	7,763	7,591	6,952
Income before Income Taxes	¥ mln	4,500	4,486	4,466	4,230	3,597
Net Income	¥ mln	4,499	4,486	4,466	4,229	3,596
Total Assets	¥ mln	353,730	326,711	315,402	288,060	268,559
Unitholders' Capital	¥ mln	156,767	156,767	156,767	156,767	124,610
Number of Units Issued	unit	265,903	265,903	265,903	265,903	229,970
Net Assets per Unit	¥	606,488	606,510	606,315	605,499	557,492
Total Cash Distribution	¥ mln	4,499	4,498	4,453	4,229	3,596
Cash Distribution per Unit	¥	16,923	16,918	16,750	15,905	15,638
Funds from Operation (FFO) per Unit (Note 2)	¥	23,069	22,714	22,509	21,585	21,889

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

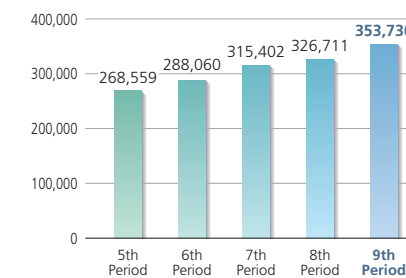
Note 2: FFO per Unit = (Net Income + Depreciation + Amortization of Investment Corporation Bonds Issuance Costs – Real Estate Sale Profit/Loss) / Number of Units Issued

CHANGES IN KEY FIGURES

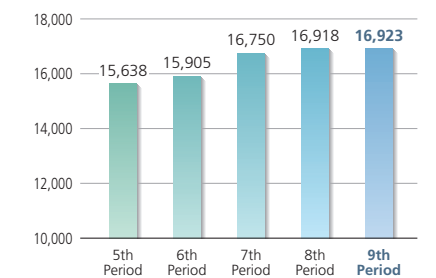
Operating Revenues (¥ mln)



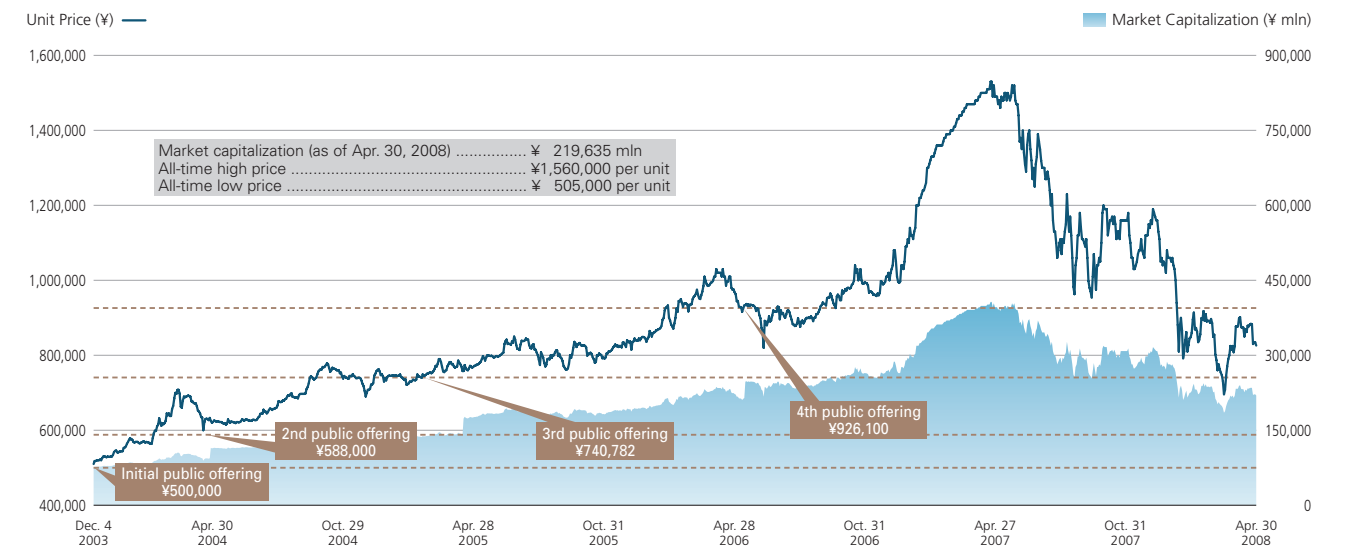
Total Assets (¥ mln)



Cash Distribution per Unit (¥)



CHANGES IN UNIT PRICE AND MARKET CAPITALIZATION



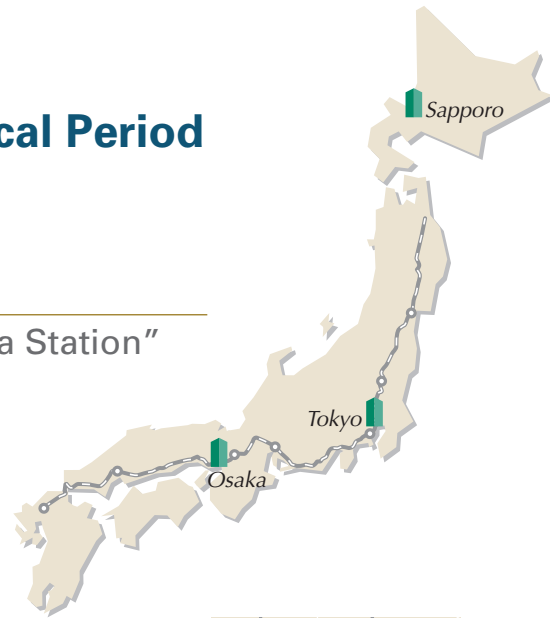
Management Summary of the Ninth Fiscal Period

NEW INVESTMENTS

SORA Shin-Osaka 21

A landmark office building adjacent to “Shin-Osaka Station” a terminal station in Osaka

- The landmark 21-story office building adjacent to Shin-Osaka Station with two Shinkansen Lines and several other lines
- The building, completed in 1994, with the individual air conditioning system, 2,700 mm of ceiling height, and large scale car-parking of 202 lots, etc., is able to meet a wide range of tenant needs
- Conditions of the location and the building have good prospects of stable office demand for mid-to-long term



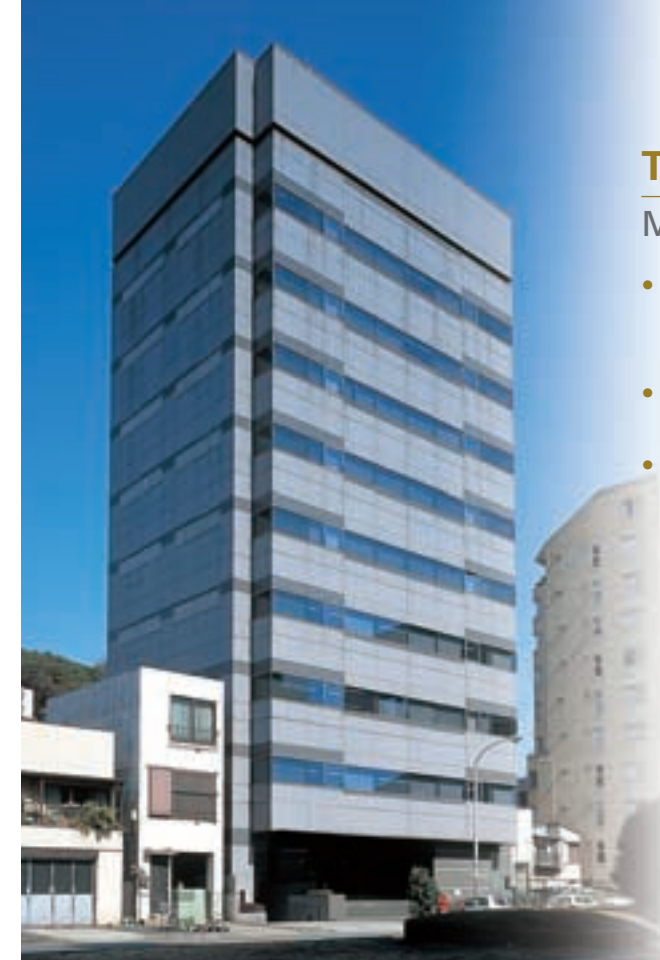
Location: Yodogawa-ku, Osaka City
Date Acquired: April 25, 2008
Acquisition Price: ¥19,251 million

Topics: Issuance of Short-term Investment Corporation Bonds

NOF has issued short-term investment corporation bonds (aka commercial paper) for the first time, aggregate amount of ¥20 billion for the acquisition of SORA Shin-Osaka 21.

Summary of Issuance

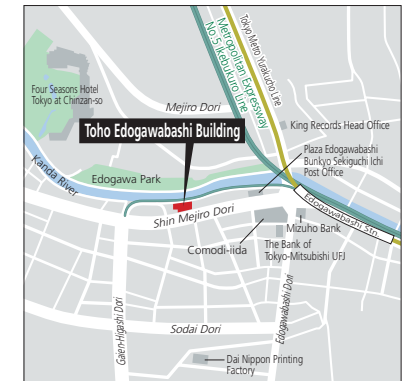
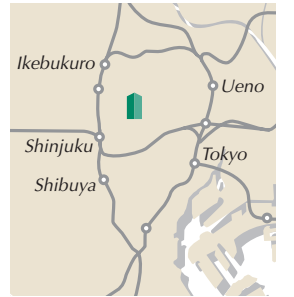
Amount of issuance	¥20 billion
Date of issuance	April 24, 2008
Redemption Date	June 6, 2008
Collateral	None
Ratings	a-1+ (R&I)
	A-1 (S&P)
	Prime-1 (Moody's)



Toho Edogawabashi Building

Medium-sized office building in center of Tokyo

- Good access to the Tokyo central business district such as Iidabashi or Ikebukuro, etc., since it is located near Edogawabashi Station
- Good visibility as the building faces the major street, Shin Mejiro Dori
- Appealing to tenants who seek a building with the individual air conditioning system, standard floor area of approximately 235 sq. meters, which is sufficient for any type of layout, and moderate floor size for one floor use

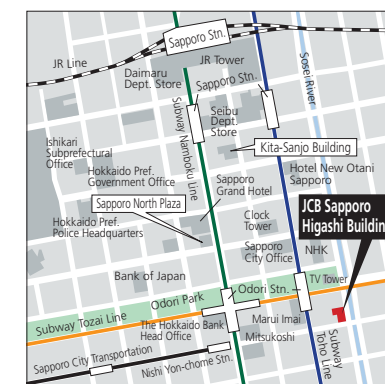


Location: Bunkyo-ku, Tokyo
Date Acquired: March 2008
Acquisition Price: ¥2,080 million

JCB Sapporo Higashi Building*

An office building of stable revenues with long-term lease contract

- Adjacent to Odori Station on the Subway Toho Line, Nanboku Line, and Tozai Line
- Good prospects for not only office demands but also commercial demands since it is located in the central district of Sapporo City
- Executed a ten year Building Lease Agreement ending in February 7, 2018 with JCB Co., Ltd. as its Hokkaido Branch



Location: Chuo-ku, Sapporo City
Date Acquired: February 8, 2008
Acquisition Price: ¥3,700 million

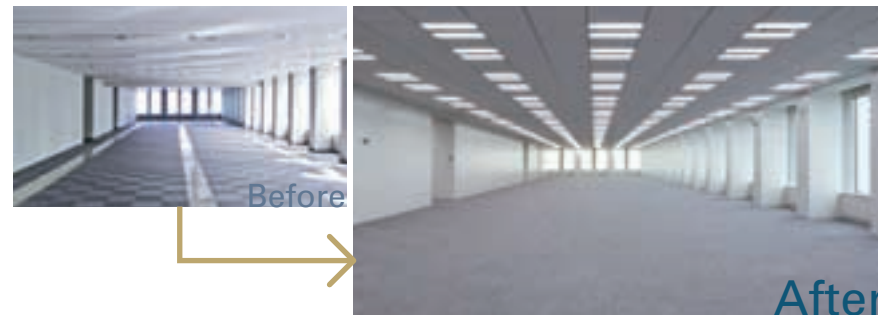


* Although the name of the Property is “Sapporo Higashi Building” as of now, it will be altered to the name above-mentioned hereafter.

Management Summary of the Ninth Fiscal Period

STRATEGIC RENEWALS ENHANCE PROPERTY COMPETITIVENESS

On certain floors of Shinjuku Nomura Building, rent level was improved by implementation of the latest functionalities such as higher ceilings and customizable ceilings in the office space within the standard floor.



Points of renewal

- Raised ceiling height (100mm)
- OA floor implementation (75mm)
- Implementation of customizable ceiling that can accommodate flexible layout changes

Rental level for latest lease contract (Shinjuku Nomura Building)



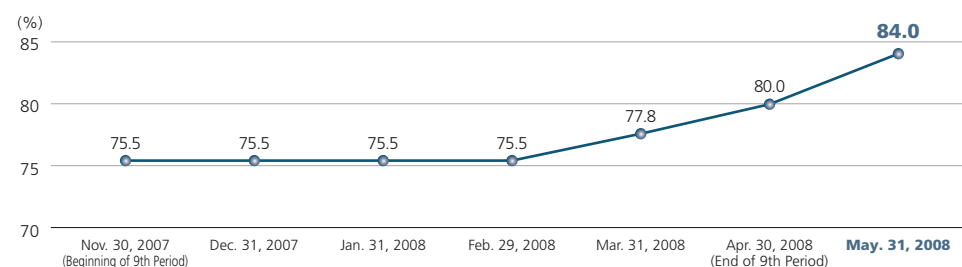
(Note) Rental unit price for the lease commencing in February 2008 = 100

RENEWALS ENHANCE PORTFOLIO OCCUPANCY RATES

The renovation aimed differentiating from the surrounding buildings and enhancing the level of satisfaction of tenants has resulted in an increased occupancy rate of approximately 10% of Hiroshima Tatemashi NOF Building.

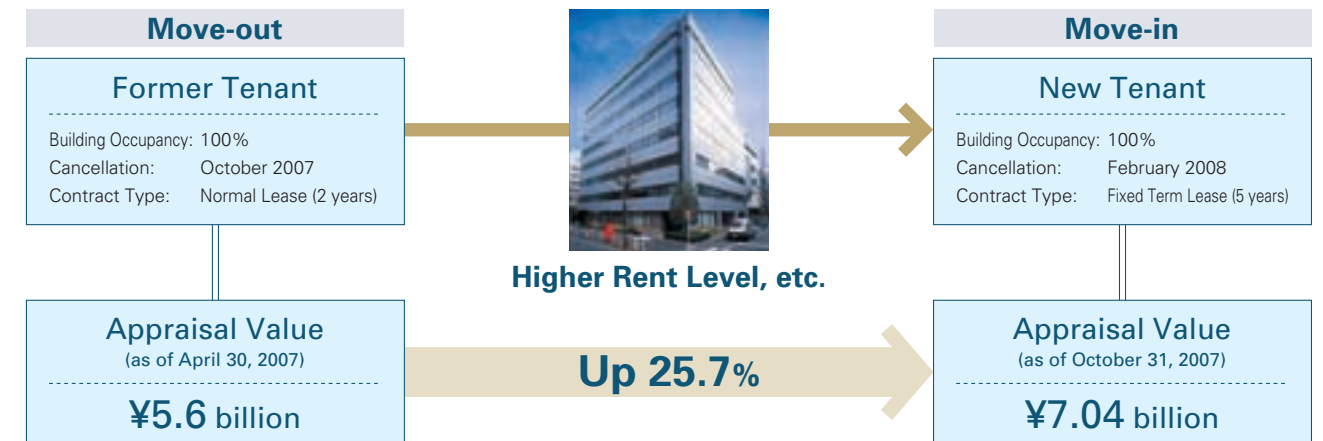


Occupancy Rate of Hiroshima Tatemachi NOF Bldg.



PROPERTY MANAGEMENT CAPTURES BUSINESS OPPORTUNITIES PRESENTED UNDER FAVORABLE OFFICE LEASING MARKET

Taking the opportunity presented by the notice of lease cancellation by the former tenant who occupied 100% of the NOF Surugadai Plaza Building, the Company took advantage of the favorable office leasing market, and quickly secured a lease contract with a new tenant. The new rent exceeds the former rental level, realizing improved profitability and property value.



Pick Up

A group of commercial buildings along Chuo-ku Kaigan Dori, Kobe City including "NOF Kobe Kaigan Building"* was designated as "Heritage of Industrial Modernization" by the Ministry of Economy, Trade and Industry.

* The property has been designated under its original name "Kaigan Building."

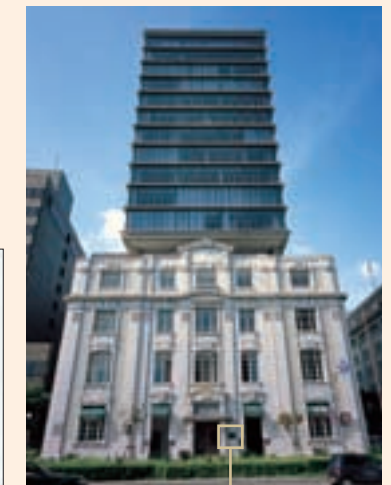
"Heritage of Industrial Modernization" is a designation of facilities etc., that played an innovative role during the industrial development process within the region as new and attractive tourist attractions, for the purpose of revitalizing the area.

The first to fourth floor of the property was built in 1918, and was used as the Kobe Branch of the Mitsui & Co., Ltd. In 1998, it was recreated as a state-of-the-art 16-story office building, adding the glass-walled high-rise tower while retaining the modernist appearance of the original structure. (The Company acquired the building in 2003.)

The beautiful exterior of the building that is registered as Tangible Cultural Property by the Agency for Cultural Affairs and designated as Important Landscape Building by the City of Kobe, also signifies the history of development of modern Japan, with remnants of machine-gun bullet holes from the World War II period. We hope to see this nostalgic property, enhanced by new functions and operating as a state-of-the-art office building, continue to play a role in the development of the community.



The certificate

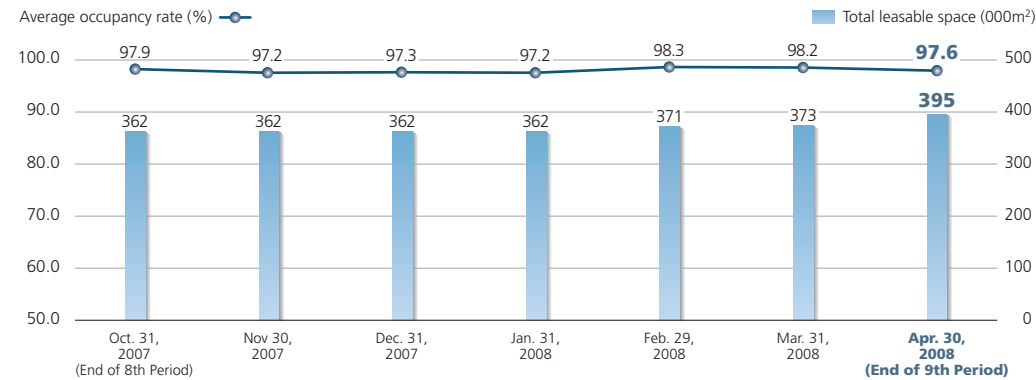


The certificate plate on the wall of the building

Portfolio Highlights

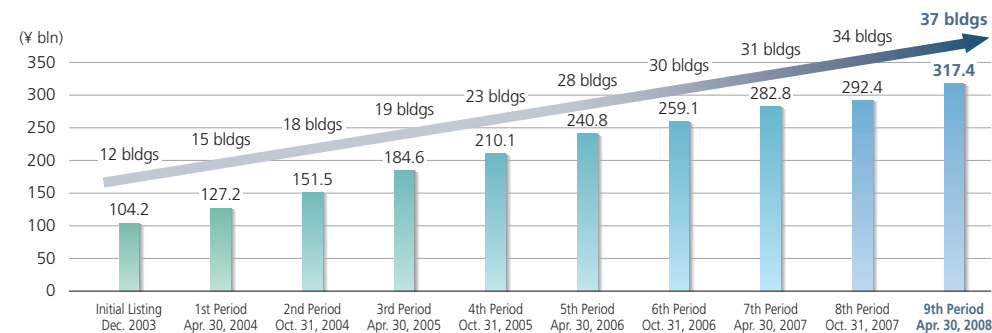
CHANGES IN OCCUPANCY RATE (Average)

The average occupancy rate maintained stable and high level throughout the ninth fiscal period.



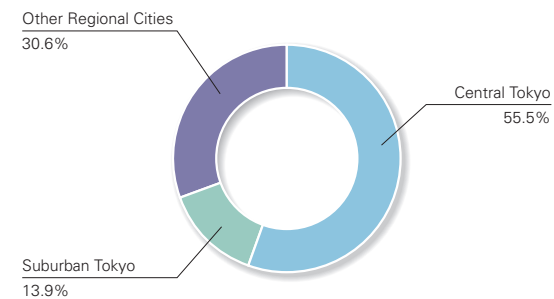
CHANGES IN SIZE OF PORTFOLIO

As indicated below, diversification of the portfolio, which has steadily increased since listing, has also been promoted.

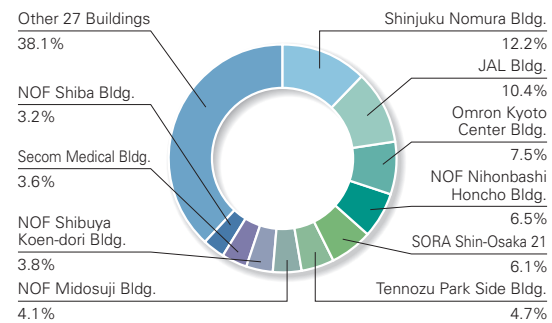


ALLOCATION BY AREA AND PROPERTY (as of Apr. 30, 2008)

Diversification by Location



Diversification by Property (Main Top 10 Properties)



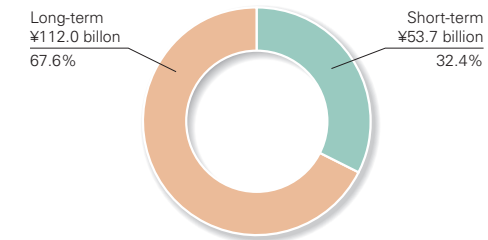
Note: Central TokyoSix central wards consisting of Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya
 Suburban TokyoOther areas of Tokyo and the Surrounding three prefectures including Kanagawa, Saitama and Chiba
 Other Regional CitiesMajor regional cities in other areas

Financial Status of the Ninth Fiscal Period

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

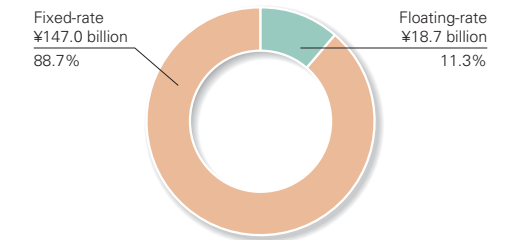
The Company has secured financial stability through promotion of long-term, fixed-rate interest-bearing debt including issuance of investment corporation bonds, to prepare for the future interest rate hikes.

Ratio of long-term and short-term interest-bearing debts



Note: "Short-term" includes long-term debts payable within one year.

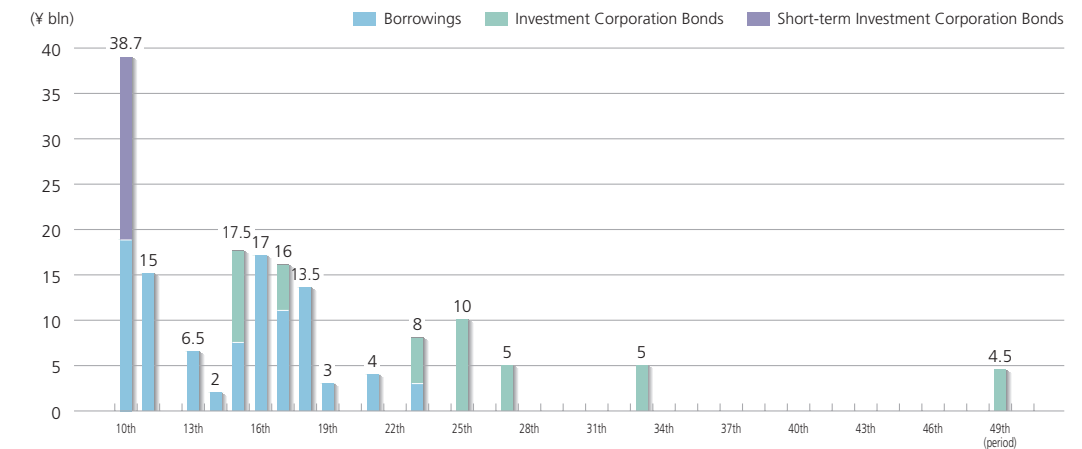
Ratio of fixed and floating interest-bearing debts



Note: "Fixed" includes floating-rate borrowings with fixed-rates through interest-rate swap transactions.

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 refinance risk and stabilizing the cash flow.



CREDIT RATINGS

We have obtained ratings from three domestic and foreign rating companies for the purpose of diversifying funding methods such as issuance of investment corporation bonds, and improving creditworthiness in the capital market.

Rating Company	Rating	Outlook
Rating and Investment Information, Inc.	AA-: Issuer rating	Stable
Standard & Poor's Ratings Services	A: Long-term corporate credit rating A-1: Short-term corporate credit rating	Stable
Moody's Investors Service, Inc.	A2: Issuer rating	Stable

Summary of Portfolio Properties

Name of Property	Location	Leasable Floor Space (m ²)	Date Acquired	Acquisition Price (¥ mln)	Ratio (%)
Central Tokyo					
Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,589.26	Dec. 8, 2003	38,730	12.2
JAL Building	Shinagawa-ku, Tokyo	42,084.11	Mar. 18, 2005	33,080	10.4
NOF Nihonbashi Honcho Building	Chuo-ku, Tokyo	19,233.25	Dec. 5, 2003	20,600	6.5
Tennozu Park Side Building	Shinagawa-ku, Tokyo	18,051.60	Feb. 27, 2004	14,800	4.7
NOF Shibuya Koen-dori Building	Shibuya-ku, Tokyo	3,420.16	Sep. 28, 2004	12,000	3.8
Secom Medical Building	Chiyoda-ku, Tokyo	8,821.24	Sep. 1, 2006	11,500	3.6
NOF Shiba Building	Minato-ku, Tokyo	8,165.10	May 25, 2004	10,000	3.2
Nishi-Shinjuku Showa Building	Shinjuku-ku, Tokyo	5,663.19	Nov. 30, 2005	8,800	2.8
NOF Tameike Building	Minato-ku, Tokyo	4,715.20	Sep. 29, 2005	7,400	2.3
NOF Shinagawa Konan Building	Shinagawa-ku, Tokyo	7,667.55	Dec. 8, 2003	5,500	1.7
NOF Surugadai Plaza Building	Chiyoda-ku, Tokyo	4,160.94	Feb. 27, 2004	5,150	1.6
Hatchobori NF Building	Chuo-ku, Tokyo	2,854.83	Aug. 10, 2007	3,160	1.0
NOF Kanda Iwamoto-cho Building	Chiyoda-ku, Tokyo	4,076.38	Feb. 26, 2004	3,080	1.0
NOF Minami Shinjuku Building	Shibuya-ku, Tokyo	2,464.71	Jun. 25, 2004	2,280	0.7
Total Central Tokyo (14 Properties)		162,967.52		176,080	55.5
Suburban Tokyo					
NOF Toyo-cho Building	Koto-ku, Tokyo	18,218.17	Dec. 5, 2003	7,550	2.4
NOF Technoport Kamata Center Building	Ota-ku, Tokyo	13,683.47	Dec. 5, 2003	6,416	2.0
Toho Edogawabashi Building	Bunkyo-ku, Tokyo	2,058.97	Mar. 28, 2008	2,080	0.7
Crystal Park Building	Musashino City, Tokyo	3,900.85	Feb. 28, 2006	3,700	1.2
Faret Tachikawa Center Square	Tachikawa City, Tokyo	6,853.38	Dec. 5, 2003	3,290	1.0
NOF Kawasaki Higashiguchi Building	Kawasaki City, Kanagawa	8,253.41	Jun. 30, 2005	9,500	3.0
NOF Yokohama Nishiguchi Building	Yokohama City, Kanagawa	6,817.76	May 12, 2005	5,050	1.6
NOF Shin-Yokohama Building	Yokohama City, Kanagawa	8,074.83	Dec. 5, 2003	3,600	1.1
Yokohama Odori Koen Building	Yokohama City, Kanagawa	4,236.46	Sep. 28, 2007	2,993	0.9
Total Suburban Tokyo (9 Properties)		72,097.30		44,179	13.9
Other Regional Cities					
Sapporo North Plaza	Sapporo City, Hokkaido	13,623.94	Jun. 1, 2006	6,820	2.1
JCB Sapporo Higashi Building	Sapporo City, Hokkaido	9,062.04	Feb. 8, 2008	3,700	1.2
Kita-Sanjo Building	Sapporo City, Hokkaido	5,060.45	Sep. 28, 2007	3,430	1.1
NOF Sendai Aoba-dori Building	Sendai City, Miyagi	6,165.00	Nov. 30, 2005	3,200	1.0
NOF Utsunomiya Building	Utsunomiya City, Tochigi	5,887.40	Dec. 5, 2003	2,970	0.9
NOF Nagoya Yanagibashi Building	Nagoya City, Aichi	4,655.74	Sep. 29, 2005	3,550	1.1
Omron Kyoto Center Building	Kyoto City, Kyoto	34,616.84	Mar. 20, 2007	23,700	7.5
SORA Shin-Osaka 21	Osaka City, Osaka	21,653.31	Apr. 25, 2008	19,251	6.1
NOF Midosuji Building	Osaka City, Osaka	12,240.88	Nov. 30, 2005	12,900	4.1
Nomura Osaka Building	Osaka City, Osaka	16,977.79	Dec. 5, 2003	6,410	2.0
Nomura Yotsubashi Building	Osaka City, Osaka	11,558.68	Dec. 5, 2003	3,940	1.2
NOF Kobe Kaigan Building	Kobe City, Hyogo	6,425.16	Dec. 5, 2003	3,280	1.0
Hiroshima Tatemachi NOF Building	Hiroshima City, Hiroshima	4,432.02	Nov. 30, 2005	2,100	0.7
Nomura Hiroshima Building	Hiroshima City, Hiroshima	7,906.92	Dec. 5, 2003	1,930	0.6
Total Other Regional Cities (14 Properties)		160,266.17		97,181	30.6
Grand Total (37 Properties)		395,330.99		317,440	100.0

Note: The Company owns "Secom Medical Building," "Toho Edogawabashi Building," "Crystal Park Building," "Yokohama Odori Koen Building," "JCB Sapporo Higashi Building," "Kita-Sanjo Building" and "SORA Shin-Osaka 21" as real estate, and other properties in the form of beneficial interest in real estate trusts.

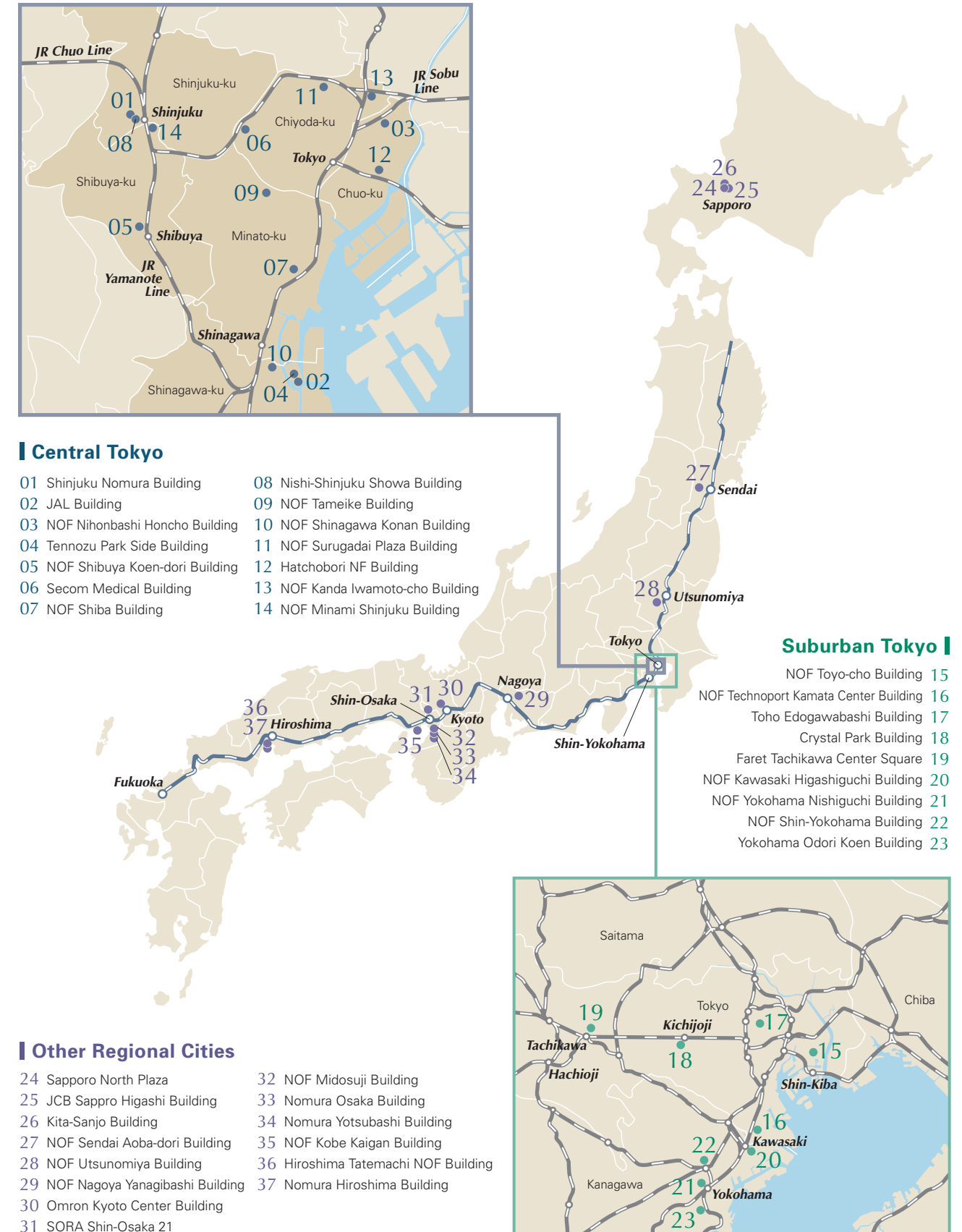
Note: "Ratio" refers to the ratio of each asset based on acquisition price to the entire portfolio (total of 37 properties). As the figures in the above table have been rounded to the first decimal place, the total may not be 100.0%.

Note: Shinjuku Nomura Building is held through the quasi co-ownership of beneficial interest in real estate trust. The Company holds 50.1% of the quasi co-ownership. Total leasable floor space and acquisition price in the above table indicates the figures related to the quasi co-ownership.

Note: NOF transferred a part of the land of NOF Technoport Kamata Center Building (co-owned area) on August 31, 2007. The acquisition price on the list is the amount subtracting a book price of the asset to be transferred (13 million yen, rounded down to the nearest million yen) from the acquisition price before the transfer (6,430 million yen). The number of amount below unit is truncated.

Note: Although the name of "JCB Sapporo Higashi Building" is "Sapporo Higashi Building" as of now, it will be altered hereafter.

Portfolio Map



Major Properties



02 JAL Building
2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo

05 NOF Shibuya Koen-dori Building
20-17 Udagawa-cho, Shibuya-ku, Tokyo

Shinjuku Nomura Building 01
1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo

06 Secom Medical Building
7-7 Nibancho, Chiyoda-ku, Tokyo

04 Tennozu Park Side Building
2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo

NOF Nihonbashi Honcho Building 03
2-7-1 Nihonbashi Honcho, Chuo-ku, Tokyo

NOF Shiba Building 07
4-2-3 Shiba, Minato-ku, Tokyo

NOF Tameike Building 09
1-1-14 Akasaka, Minato-ku, Tokyo

Major Properties



19 Faret Tachikawa Center Square
2-36-2 Akebono-cho, Tachikawa City, Tokyo

10 NOF Shinagawa Konan Building
1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo

NOF Toyo-cho Building 15
1-6-35 Shinsuna, Koto-ku, Tokyo

NOF Technoport Kamata Center Building 16
2-16-1 Minami-Kamata, Ota-ku, Tokyo

NOF Surugadai Plaza Building 11
2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo

30 Omron Kyoto Center Building
801 Minami Fudodo-cho, Horikawa Higashi-iru, Shiokoji-dori, Shimogyo-ku, Kyoto City, Kyoto

24 Sapporo North Plaza
4-2-2 Kitaichijo-Nishi, Chuo-Ku, Sapporo City, Hokkaido

NOF Kawasaki Higashiguchi Building 20
3-1 Ekimae-Honcho, Kawasaki-ku, Kawasaki City, Kanagawa

NOF Yokohama Nishiguchi Building 21
1-11-11 kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa

NOF Shin-Yokohama Building 22
2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa



34 **Nomura Yotsubashi Building**
1-4-4 Awaza, Nishi-ku, Osaka City, Osaka

29 **NOF Nagoya Yanagibashi Building**
1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi

NOF Kobe Kaigan Building **35**
3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo

NOF Nagoya Yanagibashi Building

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Asset Management Report

1. CHANGES IN KEY INDICATORS

		9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007	6th Period (Note 10) from May 1, 2006 to Oct. 31, 2006	5th Period from Nov. 1, 2005 to Apr. 30, 2006
Operating Revenues	¥ mln	12,183	11,968	11,090	10,739	9,810
of which Real Estate Rental Revenues	¥ mln	12,183	11,958	11,090	10,739	9,810
Operating Expenses	¥ mln	6,359	6,243	5,953	5,556	5,251
of which Real Estate Rental Expenses	¥ mln	5,213	5,190	4,805	4,619	4,257
Operating Income	¥ mln	5,823	5,725	5,137	5,182	4,558
Current Profits	¥ mln	4,500	4,486	4,466	4,230	3,597
Net Income	¥ mln	4,499	4,486	4,466	4,229	3,596
Total Assets	¥ mln	353,730	326,711	315,402	288,060	268,559
(Changes from Previous Period)	%	(+8.3)	(+3.6)	(+9.5)	(+7.3)	(+12.3)
Interest-Bearing Debts	¥ mln	165,700	140,000	130,000	106,000	120,000
Net Assets	¥ mln	161,267	161,272	161,221	161,004	128,206
(Changes from Previous Period)	%	(Δ0.0)	(+0.0)	(+0.1)	(+25.6)	(+0.1)
Unitholders' Capital	¥ mln	156,767	156,767	156,767	156,767	124,610
Number of Units Issued	Units	265,903	265,903	265,903	265,903	229,970
Net Assets per Unit	¥	606,488	606,510	606,315	605,499	557,492
Total Cash Distribution	¥ mln	4,499	4,498	4,453	4,229	3,596
Cash Distribution per Unit	¥	16,923	16,918	16,750	15,905	15,638
of which Cash Distribution of Profits	¥	16,923	16,918	16,750	15,905	15,638
of which Cash Distribution in excess of Profits	¥	—	—	—	—	—
ROA (Return on Assets) (Note 1)	%	1.3	1.4	1.5	1.5	1.4
Annualized ROA (Note 2)	%	2.7	2.8	3.0	3.0	2.9
ROE (Return on Equity) (Note 3)	%	2.8	2.8	2.8	2.7	2.8
Annualized ROE (Note 2)	%	5.6	5.5	5.6	5.4	5.7
Capital Adequacy Ratio (Note 4)	%	45.6	49.4	51.1	55.9	47.7
(Changes from Previous Period)	%	(Δ3.8)	(Δ1.7)	(Δ4.8)	(+8.2)	(Δ5.9)
LTV (Loan-to-Value) (Note 5)	%	46.8	42.9	41.2	36.8	44.7
Number of Operating Days	days	182	184	181	184	181
Payout Ratio (Note 6)	%	99.9	100.2	99.7	99.9	100.0
Number of Properties Held	bldgs	37	34	31	30	28
Total Leasable Floor Space	m ²	395,330.99	362,773.62	350,712.00	316,132.49	293,464.10
Number of Tenants	tenants	583	533	517	512	467
Occupancy Rate	%	97.6	97.9	98.5	98.2	98.4
Depreciation	¥ mln	1,601	1,518	1,478	1,471	1,399
Capital Expenditures	¥ mln	1,346	1,252	757	588	934
NOI (Net Operating Income) (Note 7)	¥ mln	8,572	8,286	7,763	7,591	6,952
FFO (Funds from Operation) (Note 8)	¥ mln	6,134	6,039	5,985	5,739	5,034
FFO per Unit (Note 9)	¥	23,069	22,714	22,509	21,585	21,889

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

As for the 6th period, 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 operating days. 5th period: 181 days, 6th period: 184 days, 7th period: 181 days, 8th period: 184 days, and 9th period: 182 days.

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

As for the 6th period, Net Assets 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)" = 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 - Real Estate Sale Profit/Loss

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

Note 10: Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Statement No. 5 issued by the Accounting Standards Board of Japan on December 9, 2005) and the "Financial Accounting Standard Implementation Guidance" (Statement No. 8 issued by the Accounting Standards Board of Japan on December 9, 2005) have been implemented from the 6th period.

2. OUTLINE OF INVESTMENTS IN THE NINTH FISCAL PERIOD

Nomura Real Estate Office Fund, Inc., incorporated on August 7, 2003 under the Law Concerning Investment Trusts and Investment Corporations of Japan, 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 invest 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 Law Concerning Investment Trusts and Investment Corporations of Japan (Law No. 198 of 1951) is referred to as the "Investment Trust Law" hereinafter.

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

During this period, the Japanese economy maintained a moderate recovery trend, with continued increase of capital expenditure and improvement in employment and income environments supported by sustained strength in corporate earnings.

However, in the environment surrounding real estate securitization market, the equity market including J-REITs market continued to languish as the credit crunch accelerated, partly due to the effect of the subprime loan problems.

In addition, while the real estate investment market was refined by the implementation of the Financial Instruments and Exchange Law, the prolonged building authorization procedures under the amended Building Standard Law caused a significant impact to the real estate sector.

(a) Office Leasing Market

The office leasing market remained solid during the ninth fiscal period, as the demand for office space continued to be sound along with the moderate Japanese economic recovery.

In Tokyo and other metropolitan areas, large-scale properties with superior convenience remain nearly fully occupied. The office supplies continued to be tight, due to factors such as the stable demand for office space by corporations and the relatively low number of new completions. Under these circumstances, overall level of rents of office buildings continues to rise, with new asking rents continuing to surge, and rent increase for existing tenants expanding smoothly, filling the gap between market rents and existing rents.

On the other hand, office market conditions appear to be easing for some of the regional cities that are experiencing prolonged economic weakness as well as for those experiencing resurgence of new completions from recovery of regional economy. However, prime properties located in central business districts continue to enjoy stable occupancy.

(b) Real Estate Sales Market

The real estate sales market during the ninth fiscal period saw an increase in the number of properties being sold, by real estate funds facing refinancing due to the change in environment such as implementation of the Financial Instruments and Exchange Law (Law No. 25 of 1948) and stricter lending practices by financial institutions, as well as by real estate companies seeking to lock in profits by asset sales towards the fiscal year end.

On the other hand, the number of buyers decreased for the same reasons, and the tightness of profitable real estate sales market appear to be peaking out.

Nonetheless, large properties with central metropolitan location in particular continue to be difficult to acquire, as they rarely become available due to the significant advantage in holding such properties against the backdrop of solid trend in the office leasing market.

(2) Status of Managements for the Ninth 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 building features.

During the ninth fiscal period, we have proactively collected information in accordance with the above-mentioned basic policy. As a result of careful investigation of a number of investment opportunities which obtained through collaboration with Nomura Real Estate Group, and the utilization of an asset management company's own information pipeline, we made new investments on JCB Sapporo Higashi Building (Chuo-ku, Sapporo City, ¥3.7 billion, real estate) in February, 2008, Toho Edogawabashi Building (Bunkyo-ku, Tokyo, ¥2.08 billion, real estate) in March, 2008, SORA Shin-

Osaka 21 (Yodogawa-ku, Osaka City, ¥19.2 billion, real estate) in April, 2008, and NOF Tenjin-Minami Building (Chuo-ku, Fukuoka City, ¥3.7~4.1 billion, beneficial interest in real estate trust). Concerning NOF Tenjin-Minami Building, the Company has executed the agreement on purchase and sale of the trust beneficial interest and will acquire the Property on the date to be mutually agreed by March, 2009 between the Company and the Seller.

As a result of the above acquisition, the Company's total assets under management ("portfolio") as of the end of the ninth fiscal period (April 30, 2008) has reached 37 properties totaling ¥317.4 billion (total acquisition price). We have steadily increased the size of the portfolio, while seeking diversification of the assets.

In property management, we continued to focus on the growth of portfolio revenue (or internal growth of portfolio), improved the level of satisfaction of the existing tenants through conducting the strategic renewals, and held proactive rent negotiation reflecting the favorable rental market for property owners. For prospective tenants, we implemented strategic marketing especially for properties in regional cities with room for improvement of occupancy. As a result, the average occupancy rate stayed stably around 98% throughout this period, reaching 97.6% at the end of the period.

Furthermore, approximately 47% of leases renewed with existing tenants during this period agreed to upward revision of rent, continuing the favorable performance from the previous period (50%).

Reflecting these results, the appraisal value of portfolio at the end of the period was ¥399.6 billion, up 2.1% from the previous period. (Appraisal value at the end of the eighth period was used for the 34 properties held at the end of the eighth period, and appraisal price at the time of acquisition was used for the other properties acquired during the ninth period.)

Note 1: "Nomura Real Estate Group" refers to a corporate group consisting of the consolidated subsidiaries of Nomura Real Estate Holdings, Inc. (referred to as Nomura Real Estate Holdings hereinafter) including Nomura Real Estate Development Co., Ltd. but excluding Nomura Real Estate Asset Management Co., Ltd. (referred to as the Asset Management Company hereinafter).

Note 2: Although the name of "JCB Sapporo Higashi Building" is "Sapporo Higashi Building" as of April 30, 2008, it will be altered to the name mentioned hereafter.

Note 3: Concerning the acquisition price of "NOF Tenjin-Minami Building", it has not been determined as of April 30, 2008 as it will be determined within ¥3,750~4,100 million depending on the seller's leasing status according to the agreement on purchase and sale of the trust beneficial interest.

Note 4: The "trust beneficial interest in real estate" refers to a beneficial interest arising from a trust in which real estates are the primary underlying assets.

(3) Status of Funding

Concerning funding through interest-bearing debts, the Company has the basic financial policy of funding through promotion of long-term, diversified and fixed interest rate debts, for the purpose of securing financial stability and avoiding future interest rate risks. Based on this policy, the Company has implemented funding through long-term debts and issuance of investment corporation bonds, while establishing a total of ¥40 billion of commitment line for the purpose of flexible funding at the time of property acquisition and reduction of refinancing risks, from the perspective of securing stable funding base.

During the ninth fiscal period, further diversification of funding methods have been achieved, including establishment of the program for maximum issuance authority of ¥30 billion short-term investment corporation bonds (a financial tool legalized last year) which resulted in ¥20 billion issuance for the acquisition of "SORA Shin-Osaka 21." Including other term loan borrowings, total interest-bearing debts as of the end of ninth fiscal period was ¥165.7 billion.

3. STATUS OF CAPITAL

No changes in the number of units issued have been made during the ninth fiscal period. Changes in the number of units issued and unitholders' capital until the eighth period are as follows.

Date	Type of Issue	Number of Units Issued (Unit)		Unitholders' Capital (¥ mln)	
		Change	Balance	Change	Balance
Aug. 7, 2003	Initial private placement (Note 1)	400	400	200	200
Dec. 4, 2003	Public offering (Note 2)	148,200	148,600	71,506	71,706
May 19, 2004	Public offering (Note 3)	35,000	183,600	19,866	91,572
Jun. 16, 2004	Third-party allotment (Note 4)	1,050	184,650	595	92,168
May 1, 2005	Public offering (Note 5)	44,000	228,650	31,496	123,665
May 24, 2005	Third-party allotment (Note 6)	1,320	229,970	944	124,610
May 25, 2006	Public offering (Note 7)	34,800	264,770	31,143	155,753
Jun. 23, 2006	Third-party allotment (Note 8)	1,133	265,903	1,013	156,767

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.

Note 7: Public offering at the offer price of ¥926,100 (issue price of ¥894,915) to finance acquisition of new properties and to repay borrowings.

Note 8: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥894,915 following the public offering on May 25, 2006.

The details of changes in the number of units issued and unitholder's capital until the end of the ninth fiscal period is as shown in the above table. However, based on the resolutions adopted by the board meeting held on May 8, 2008 and May

20, 2008, the Company issued 37,000 units by public offering and 2,220 units by third-party allotment as described in "6. Important Events Subsequent to the Fiscal Period" hereinafter. The payment concerning the investment units issued by the public offering and third-party allotment have been completed on May 27, 2008 and June 24, 2008 respectively.

[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.

		9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007	6th Period from May 1, 2006 to Oct. 31, 2006	5th Period from Nov. 1, 2005 to Apr. 30, 2006
High	(¥)	1,200,000	1,540,000	1,560,000	1,040,000	1,030,000
Low	(¥)	655,000	935,000	956,000	803,000	778,000

4. CASH DISTRIBUTION

In order to qualify for special tax treatment under Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957) to have maximum cash distribution amount treated as deductible dividends, the Company distributed the entire unappropriated retained earnings except for fractional amounts smaller than one yen per each investment unit. As a result, the amount of cash distribution per unit for this fiscal period was ¥16,923.

		9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007	6th Period from May 1, 2006 to Oct. 31, 2006	5th Period from Nov. 1, 2005 to Apr. 30, 2006
Retained Earnings	(¥000)	4,500,000	4,498,622	4,466,301	4,229,293	3,596,294
Accumulated earnings	(¥000)	124	76	12,426	106	23
Total cash distribution	(¥000)	4,499,876	4,498,546	4,453,875	4,229,187	3,596,270
(Cash distribution per unit)	(¥)	(16,923)	(16,918)	(16,750)	(15,905)	(15,638)
of which distribution of profits	(¥000)	4,499,876	4,498,546	4,453,875	4,229,187	3,596,270
(Distribution of profits per unit)	(¥)	(16,923)	(16,918)	(16,750)	(15,905)	(15,638)
of which refund of capital	(¥000)	—	—	—	—	—
(Refund of capital per unit)	(¥)	(—)	(—)	(—)	(—)	(—)

5. INVESTMENT POLICY AND FUTURE ISSUES

(1) Investment Environments

For the time being, the effect of possible slowing of the US economy caused by the subprime loan problems, stronger yen, and surging oil or other resource prices on corporate earnings which directly affect office demands, needs to be determined.

Office leasing market in metropolitan Tokyo and other large cities are expected to see stable occupancy and rental levels for the foreseeable future, against the backdrop of continued growth in corporate demands for expansion of space and establishment of new offices, supported by the positive business performance and growth in employment. In other regional cities, although stable demand for office space is expected, supply conditions for each submarket must be determined separately, as some cities are experiencing increase in new completions along with economic recovery.

As to the real estate sales market, although easing of the market is becoming apparent in some parts, overall tightness in the market including for superior metropolitan properties is not expected to resolve quickly. Therefore, the trend of cap rates and property liquidity caused by the changes in lending practices of the financial institutions and in the capital market environment such as interest rate hikes, demands attention.

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

In addition to enhancement of property management to satisfy the requirements of existing tenants, proper recognition of the property features and market environments will help us market the potential tenants more organically. We will maintain and uplift the occupancy rate and level of rents in pursuit of sustainable and improved profitability of portfolio, namely internal growth of portfolio, 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 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.

Profile of the Company

1. STATUS OF UNITHOLDERS' CAPITAL

		9th Period (as of Apr. 30, 2008)	8th Period (as of Oct. 31, 2007)	7th Period (as of Apr. 30, 2007)	6th Period (as of Oct. 31, 2006)	5th Period (as of Apr. 30, 2006)
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	265,903	265,903	265,903	265,903	229,970
Amount of unitholders' capital	¥ mln	156,767	156,767	156,767	156,767	124,610
Number of unitholders		11,120	11,492	12,500	15,205	13,129

2. MATTERS CONCERNING THE INVESTMENT UNITS

The 10 largest unitholders as of April 30, 2008 were as follows.

Name	Number of Units Held (Unit)	Portion in the Total Units Issued (%)
Japan Trustee Service Bank, Ltd. (Trust Accounts)	20,228	7.61
NikkoCiti Trust and Banking Corp. (Trust Accounts)	19,686	7.40
Trust & Custody Services Bank, Ltd. (Securities Trust Accounts)	16,742	6.30
The Master Trust Bank of Japan, Ltd. (Trust Accounts)	16,111	6.06
Nomura Real Estate Development Co., Ltd.	13,326	5.01
The Nomura Trust and Banking Co., Ltd. (Trust Accounts)	7,162	2.69
Kawasaki Gakuen	7,000	2.63
North Pacific Bank, Ltd.	5,902	2.22
The State Street Bank and Trust Company	5,829	2.19
The Bank of Ikeda, Ltd.	5,229	1.97
Total	117,215	44.08

3. BREAKDOWN OF UNITHOLDERS

The breakdown of unitholders as of April 30, 2008 was as follows.

	Number of Unitholders	Portion (%)	Number of Units per Unitholder	Portion (%)
Private and other investors	10,506	94.5	25,670	9.7
Financial institutions (Including securities companies)	156	1.4	151,679	57.0
Other domestic corporate investors	184	1.7	25,363	9.5
Foreign corporate investors, etc.	274	2.5	63,191	23.8
Total	11,120	100.0	265,903	100.0

(b) 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 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, issuance of investment corporation bonds and short-term investment corporation bonds 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.

(c) 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 is 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. 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.

6. IMPORTANT EVENTS SUBSEQUENT TO THE NINTH FISCAL PERIOD

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

(1) Additional Issuances of Investment Units

The Company resolved to issue 37,000 units of new investment units through a primary offering, and 2,220 new investment units (maximum) through a third-party allotment, at the Board of Directors' meetings held on May 8, 2008, and May 20, 2008. For those additional new investment units issued, payments were completed on May 27, 2008 and June 24, 2008. As a result, the total unitholders' capital is 185,455,446,935 yen, and the number of investment units issued is 305,123 units.

(a) Primary offering of new investment units (Public offering)

Number of units issued:	37,000 units
Total offering price:	¥27,992,720,000 (¥756,560 per unit)
Total issue price:	¥27,064,390,000 (¥731,470 per unit)
Payment date:	May 27, 2008
Initial date for dividend accrual:	May 1, 2008

(b) Third-party allotment

Number of units issued:	2,220 units
Total issue price:	¥1,623,863,400 (¥731,470 per unit)
Payment date:	June 24, 2008
Initial date for dividend accrual:	May 1, 2008
Third-party allottee:	Nomura Securities Co., Ltd.

(c) Use of Proceeds

The net proceeds shall be used for the redemption of short-term investment corporation bonds (¥20.0 billion) and the repayment of short-term borrowings.

4. DIRECTORS AND AUDITOR

Name of directors and an auditor in the ninth fiscal period are as follows (Note 1).

Title	Name	Other Major Title(s)	Total Amount of Fees Paid during the 9th Period (¥000)
Executive Director	Mitsuharu Sato	Corporate Auditor, Nomura Real Estate Holdings, Inc. Corporate Auditor, Nomura Real Estate Development Co., Ltd.	2,400
Supervisory Director	Shuhei Yoshida	Representative Lawyer, Yoshida Shuhei Law Office	2,400
Supervisory Director	Eitoku Aikawa	Counsellor, Fair Appraisers, K.K.	2,400
Supervisory Director	Saneaki Ichijo	Partner, Anderson Mori & Tomotsune Law Firm	2,400
Supervisory Director	Motoharu Yokose	Advisor, Asahi Tax Partners	2,400
Accounting Auditor	Earnst & Young ShinNihon LLC	—	12,000

Note 1: 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.

Note 2: At the third General Unitholders' Meeting held on July 23, 2007, Mr. Atsushi Ogata, Director of the Asset Management Company, Nomura Real Estate Asset Management Co., Ltd., has been appointed as substitute Executive Director, to provide against vacancy of the Executive Director's position or lack of statutory quorum.

5. ASSET MANAGEMENT COMPANY, CUSTODIANS AND ADMINISTRATORS

Asset Management Company, custodians and administrators as of April 30, 2008 are as follows:

Business	Company Name(s)
Asset Management Company	Nomura Real Estate Asset Management Co., Ltd.
Custodian of assets	Mitsubishi UFJ Trust and Banking Corporation
Custodian of unitholders' register	Mitsubishi UFJ Trust and Banking Corporation (Note 1), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2), Sumitomo Mitsui Banking Corporation (Note 2)
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.
Administrative agent (short-term investment corporation bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Note 1: Administers preparation, retention and other tasks related to the Unitholders' Register.

Note 2: Administers preparation, retention and other tasks related to the Investment Company Bond Register.

Status of Investment Assets of the Company

1. COMPOSITION OF ASSETS

Type of Assets	Area (Note 1)	9th Period (as of Apr. 30, 2008)		8th Period (as of Oct. 31, 2007)	
		Total Amount (¥ mln) (Note 2)	Portion (%) (Note 3)	Total Amount (¥ mln) (Note 2)	Portion (%) (Note 3)
Real estate	Central Tokyo	11,420	3.2	11,465	3.5
	Suburban Tokyo	8,754	2.5	6,690	2.0
	Other Regional Cities	26,680	7.5	3,446	1.1
Real estate in trust	Central Tokyo	164,823	46.6	165,066	50.5
	Suburban Tokyo	34,306	9.7	34,379	10.5
	Other Regional Cities	71,013	20.1	70,804	21.7
Subtotal		316,999	89.6	291,853	89.3
Cash, deposits and other assets		36,731	10.4	34,858	10.7
Grand Total		353,730	100.0	326,711	100.0

Note 1: "Central Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards; "Suburban Tokyo" refers to Tokyo excluding the Central Tokyo area, Kanagawa, Saitama and Chiba; "Other Regional Cities" refers to areas other than Central Tokyo and Suburban Tokyo. The same applies hereafter.

Note 2: Total amount is taken from the balance sheet. (Real Estate and Real Estate in Trust represent the total book value after depreciation.)

Note 3: 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 10 largest properties by book value) as of April 30, 2008 are as follows.

Name of Property	Book Value (¥mln)	Leasable Floor Space (m ²)	Leased Space (m ²)	Occupancy Rate (%)	Portion of Rental Revenues (%)	Primary Use
Shinjuku Nomura Bldg.	39,104	31,589.26	30,696.81	97.2	15.7	Office
JAL Bldg.	33,389	42,084.11	42,084.11	100.0	(Note 1)	Office
Omron Kyoto Center Bldg.	23,352	34,616.84	34,616.84	100.0	(Note 1)	Office
NOF Nihonbashi-Honcho Bldg.	20,582	19,233.25	19,233.25	100.0	7.2	Office
SORA Shin-Osaka 21	19,410	21,653.31	20,604.10	95.2	0.2	Office
Tennozu Park Side Bldg.	13,619	18,051.60	18,051.60	100.0	6.4	Office
NOF Midouji Bldg.	12,903	12,240.88	11,415.98	93.3	4.0	Office
NOF Shibuya Koen-dori Bldg.	12,522	3,420.16	3,420.16	100.0	3.0	Office
Secom Medical Bldg.	11,420	8,821.24	8,821.24	100.0	(Note 1)	Medical Office (Note 2)
NOF Shiba Bldg.	10,111	8,165.10	8,165.10	100.0	2.8	Office
Total	196,414	199,875.75	197,109.19	98.6	53.6 (Note 3)	

Note 1: Not disclosed due to compelling reasons.

Note 2: Although this property is currently registered as "clinic/car park" on the registry book, it was originally designed to be used as offices. The Company's Articles of Incorporation allows us to invest in the non-office properties given that they can easily be converted into offices.

Note 3: "Total" for "Portion of Rental Revenues" column include rental revenues for properties which do not disclose "Portion of Rental Revenues" due to unavoidable reasons.

3. DETAILS OF PORTFOLIO PROPERTIES

Name of Property	Location (Postal Address)	Type of Ownership	Appraisal Value	
			as of Apr. 30, 2008 (¥ mln) (Note 1)	Book Value (¥ mln) (Note 2)
Central Tokyo				
Shinjuku Nomura Bldg. (Note 3)	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	72,600	39,104
JAL Bldg.	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	33,400	33,389
NOF Nihonbashi-Honcho Bldg.	2-7-1 Nihonbashi-Honcho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	27,400	20,582
Tennozu Park Side Bldg.	2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	22,900	13,619
NOF Shibuya Koen-dori Bldg.	20-17 Udagawa-cho, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	14,000	12,522
Secom Medical Bldg.	7-7 Niban-cho, Chiyoda-ku, Tokyo (Note 5)	Real Estate	11,600	11,420
NOF Shiba Bldg.	4-2-3 Shiba, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	10,900	10,111
Nishi-Shinjuku Showa Bldg.	1-13-12 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	10,400	8,752
NOF Tameike Bldg.	1-1-14 Akasaka, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	8,470	7,634
NOF Shinagawa Kounan Bldg.	1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	6,980	5,479
NOF Surugadai Plaza Bldg.	2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	7,260	5,100
Hatchobori NF Bldg.	2-21-6 Hatchobori Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,210	3,167
NOF Kanda Iwamoto-cho Bldg.	3-8-16 Iwamoto-cho, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,900	3,101
NOF Minami-Shinjuku Bldg.	5-32-7 Sendagaya, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,980	2,258
Subtotal			236,000	176,243
Suburban Tokyo				
NOF Toyo-cho Bldg.	1-6-35 Shinsuna, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	9,020	7,128
NOF Technoport Kamata Center Bldg.	2-16-1 Minami-Kamata, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	7,790	6,231
Toho Edogawabashi Bldg.	1-24-8 Sekiguchi, Bunkyo-ku, Tokyo	Real Estate	2,080	2,101
Crystal Park Bldg.	1-1-3 Gotenyama, Musashino City, Tokyo	Real Estate	4,290	3,670
Faret Tachikawa Center Square	2-36-2 Akebono-cho, Tachikawa City, Tokyo	Beneficial Interest in Real Estate Trust	5,660	3,048
NOF Kawasaki Higashiguchi Bldg.	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa (Note 5)	Beneficial Interest in Real Estate Trust	10,300	9,523
NOF Yokohama Nishiguchi Bldg.	1-11-11 Kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa	Beneficial Interest in Real Estate Trust	7,933	5,022
NOF Shin-Yokohama Bldg.	2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Beneficial Interest in Real Estate Trust	4,530	3,352
Yokohama Odori Koen Bldg.	2-4-1 Horai-cho, Naka-ku, Yokohama City, Kanagawa (Note 5)	Real Estate	2,870	2,982
Subtotal			54,473	43,061
Other Regional Cities				
Sapporo North Plaza	4-2-2 Kitaichijo-nishi, Chuo-ku, Sapporo City, Hokkaido (Note 5)	Beneficial Interest in Real Estate Trust	6,949	7,176
JCB Sapporo Higashi Bldg. (Note 4)	1-1 Minamiichijo-Nishi, Chuo-ku, Sapporo City, Hokkaido (Note 5)	Real Estate	3,770	3,833
Kita-Sanjo Bldg.	3-1-25 Kitasanjo-nishi, Chuo-ku, Sapporo City, Hokkaido (Note 5)	Real Estate	3,020	3,437
NOF Sendai Aoba-dori Bldg.	2-1-2 Ichiban-cho, Aoba-ku, Sendai City, Miyagi	Beneficial Interest in Real Estate Trust	3,430	3,198
NOF Utsunomiya Bldg.	2-1-1 Baba-dori, Utsunomiya City, Tochigi	Beneficial Interest in Real Estate Trust	3,570	2,655
NOF Nagoya Yanagibashi Bldg.	1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi	Beneficial Interest in Real Estate Trust	3,820	3,689
Omron Kyoto Center Bldg.	801 Minami Fudodo-cho, Horikawa Higashi-iru, Shiokoji-dori, Shimogyo-ku, Kyoto City, Kyoto (Note 5)	Beneficial Interest in Real Estate Trust	24,200	23,352
SORA Shin-Osaka 21	2-1-3 Nishi-Miyahara, Yodogawa-ku, Osaka City, Osaka	Real Estate	18,600	19,410
NOF Midosuji Bldg.	3-5-7 Kawaramachi, Chuo-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	14,900	12,903
Nomura Osaka Bldg.	1-8-15 Azuchi-cho, Chuo-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	11,500	6,394
Nomura Yotsubashi Bldg.	1-4-4 Awaza, Nishi-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	6,980	3,692
NOF Kobe Kaigan Bldg.	3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo (Note 5)	Beneficial Interest in Real Estate Trust	3,490	2,993
Hiroshima Tatemachi NOF Bldg.	1-20 Tatemachi, Naka-ku, Hiroshima City, Hiroshima	Beneficial Interest in Real Estate Trust	2,200	2,395
Nomura Hiroshima Bldg.	2-23 Tatemachi, Naka-ku, Hiroshima City, Hiroshima	Beneficial Interest in Real Estate Trust	2,700	2,561
Subtotal			109,129	97,694
Grand Total			399,602	316,999

- Note 1: "Appraisal Value as of Apr. 30, 2008" 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 Calculations of Investment Corporations" (Cabinet Office Regulation No. 47 of 2006). The appraisal prices are calculated by Tanizawa Sogo Appraisal Co., Ltd., HIRO & REAS Network, Inc., Appraisal Firm A-Square Co., Ltd., Japan Real Estate Institution, Daiwa Real Estate Appraisal, Co., Ltd., Morii Appraisal & Investment Consulting Inc., or Chuo Real Estate Appraisal Co., Ltd. using the capitalization approach, with the end of the ninth fiscal period, i.e. April 30, 2008, 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 as of Apr. 30, 2008 accounted solely for the quasi co-ownership.
- Note 4: Although the name of "JCB Sapporo Higashi Building" is "Sapporo Higashi Building" as of April 30, 2008, it will be altered to the name mentioned hereafter and the same shall apply hereinafter.
- Note 5: Residential indication of the property is not available yet.

Name of Property	9th Period (from Nov. 1, 2007 to Apr. 30, 2008)				8th Period (from May 1, 2007 to Oct. 31, 2007)			
	at Period End		Rental Revenues during the Period (¥ mln)	Portion of Rental Revenues (%)	at Period End		Rental Revenues during the Period (¥ mln)	Portion of Rental Revenues (%)
	Number of Tenants (Note 1)	Occupancy Rate (%)			Number of Tenants (Note 1)	Occupancy Rate (%)		
Central Tokyo								
Shinjuku Nomura Bldg.	82	97.2	1,917	15.7	82	95.3	1,935	16.2
JAL Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Nihonbashi-Honcho Bldg.	12	100.0	871	7.2	11	97.3	837	7.0
Tennozu Park Side Bldg.	15	100.0	784	6.4	14	100.0	818	6.8
NOF Shibuya Koen-dori Bldg.	3	100.0	366	3.0	3	100.0	365	3.1
Secom Medical Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Shiba Bldg.	9	100.0	339	2.8	9	100.0	339	2.8
Nishi-Shinjuku Showa Bldg.	21	100.0	321	2.6	20	93.9	313	2.6
NOF Tameike Bldg.	13	100.0	224	1.8	13	100.0	225	1.9
NOF Shinagawa Kounan Bldg.	4	87.9	253	2.1	5	100.0	263	2.2
NOF Surugadai Plaza Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Hatchobori NF Bldg.	8	100.0	105	0.9	8	100.0	47	0.4
NOF Kanda Iwamoto-cho Bldg.	8	100.0	153	1.3	8	100.0	153	1.3
NOF Minami-Shinjuku Bldg.	5	100.0	104	0.9	5	100.0	106	0.9
Subtotal	183	98.9	6,744	55.4	181	98.6	(Note 3)	(Note 3)
Suburban Tokyo								
NOF Toyo-cho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Technoport Kamata Center Bldg.	13	87.7	426	3.5	14	100.0	455	3.8
Toho Edogawabashi Bldg.	7	100.0	12	0.1	—	—	—	—
Crystal Park Bldg.	10	100.0	131	1.1	11	100.0	131	1.1
Faret Tachikawa Center Square	17	100.0	238	2.0	17	100.0	242	2.0
NOF Kawasaki Higashiguchi Bldg.	27	98.8	333	2.7	26	95.7	322	2.7
NOF Yokohama Nishiguchi Bldg.	31	100.0	257	2.1	31	100.0	253	2.1
NOF Shin-Yokohama Bldg.	3	100.0	(Note 2)	(Note 2)	3	100.0	(Note 2)	(Note 2)
Yokohama Odori Koen Bldg.	14	94.0	110	0.9	1 (Note 4)	94.0 (Note 4)	21	0.2
Subtotal	123	97.2	1,999	16.4	104	99.1	(Note 3)	(Note 3)
Other Regional Cities								
Sapporo North Plaza	40	87.8	338	2.8	44	91.6	345	2.9
JCB Sapporo Higashi Bldg.	1	100.0	(Note 2)	(Note 2)	—	—	—	—
Kita-Sanjo Bldg.	18	95.6	116	1.0	10 (Note 5)	96.7 (Note 5)	21	0.2
NOF Sendai Aoba-dori Bldg.	29	100.0	170	1.4	28	95.6	163	1.4
NOF Utsunomiya Bldg.	24	99.6	172	1.4	24	97.3	176	1.5
NOF Nagoya Yanagibashi Bldg.	12	100.0	144	1.2	11	91.3	143	1.2
Omron Kyoto Center Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
SORA Shin-Osaka 21	20	95.2	20	0.2	—	—	—	—
NOF Midosuji Bldg.	15	93.3	486	4.0	16	100.0	494	4.1
Nomura Osaka Bldg.	27	99.1	533	4.4	28	100.0	547	4.6
Nomura Yotsubashi Bldg.	17	97.8	324	2.7	18	100.0	328	2.7
NOF Kobe Kaigan Bldg.	32	93.8	176	1.4	29	87.5	169	1.4
Hiroshima Tatemachi NOF Bldg.	25	80.0	97	0.8	24	77.6	100	0.8
Nomura Hiroshima Bldg.	16	96.0	207	1.7	15	92.4	207	1.7
Subtotal	277	96.4	3,439	28.2	248	96.5	(Note 3)	(Note 3)
Grand Total	583	97.6	12,183 (Note 6)	100.0	533	97.9	11,958 (Note 6)	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: Subtotal of "Rental Revenues" and "Portion of Rental Revenues" for each area is not disclosed due to compelling reasons for the eighth fiscal period.
- Note 4: Former owner of the property had temporarily leased this property (building) entirely for the purpose of subleasing to the end-tenant by November 30, 2007. Considering the foregoing, the occupancy rate as of end of eighth fiscal period in the above table indicates the occupancy rate based on leasing conditions with the end-tenant. Total number of end-tenants as of end of eighth fiscal period is 14.
- Note 5: Former owner of the property had temporarily leased part of this property (building) for the purpose of subleasing to the end-tenant by November 30, 2007. Considering the foregoing, the occupancy rate as of end of eighth fiscal period in the above table indicates the occupancy rate based on leasing conditions with the tenants the Company is directly leasing to and end-tenants of according to the sublease by the former owners. Total number of end-tenants as of end of eighth fiscal period (including direct tenants of the Company) is 17.
- Note 6: Grand Total includes 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 of April 30, 2008 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 floating-rate, paying fixed-rate)	56,000	46,000	△11
Total		56,000	46,000	△11

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 of April 30, 2008.

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 of April 30, 2008. 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 9th Period	Paid before 9th Period
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renewal of exclusively owned area (To increase revenues)	From: Jul. 2008 To: Sep. 2008	200	—	—
NOF Nihonbashi-Honcho Bldg. (Chuo-ku, Tokyo)	Renewal of elevators (To increase quality) (Note 2)	From: May 2008 To: Oct. 2008	196	—	—
Sapporo North Plaza (Chuo-ku, Sapporo City)	Aseismic retrofitting (To increase quality) (Note 2)	From: May 2008 To: Aug. 2008	258	—	20
NOF Nagoya Yanagibashi Bldg. (Nakamura-ku, Nagoya City)	Renewal of air-conditioning system (To increase quality) (Note 2)	From: May 2008 To: Jun. 2008	75	—	—
NOF Shiba Bldg. (Minato-ku, Tokyo)	Renewal of air-conditioning system (To increase quality) (Note 2)	From: May 2008 To: Nov. 2008	93	—	—
NOF Technoport Kamata Center Bldg. (Ota-ku, Tokyo)	Renewal of air-conditioning system (To increase quality)	From: Aug. 2008 To: Jan. 2010	400	—	—

Note 1: As for Shinjuku Nomura Building, the posted amount of cost represents 50.1%, our portion 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 NINTH FISCAL PERIOD

The table below lists capital expenditures during the ninth fiscal period in conjunction with the major works of renovation. During the period, we have conducted engineering works totalling ¥1,749 million: capital expenditures of ¥1,346 million and repair expenses of ¥403 million combined all together.

Name of Property (Location)	Description of Works (Purpose)	Period of Works		Cost of Works (¥ mln)
		From:	To:	
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renewal of exclusively owned area (To increase revenues)	From: Dec. 2007 To: Mar. 2008		134
Sapporo North Plaza (Chuo-ku, Sapporo City)	Renewal of air-conditioning system (To increase quality)	From: Nov. 2007 To: Dec. 2007		119
NOF Nagoya Yanagibashi Bldg. (Nakamura-ku, Nagoya City)	Renewal of air-conditioning system (To increase quality)	From: Dec. 2007 To: Apr. 2008		62
NOF Midosuji Bldg. (Chuo-ku, Osaka City)	Renewal of air-conditioning system and AHU (To increase quality)	From: Nov. 2007 To: Dec. 2007		45
Hiroshima Tatemachi NOF Bldg. (Naka-ku, Hiroshima City)	Renewal of Entrance Hall (To increase quality)	From: Nov. 2007 To: Dec. 2007		44
Nomura Hiroshima Bldg. (Naka-ku, Hiroshima City)	Renewal of air-conditioning system (To increase quality)	From: Nov. 2007 To: Apr. 2008		234
Other Properties	Improvement of features	From: Nov. 2007 To: Apr. 2008		703
Total				1,346

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.

	9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007	6th Period (10) from May 1, 2006 to Oct. 31, 2006	5th Period from Nov. 1, 2005 to Apr. 30, 2006
	¥ mln	¥ mln	¥ mln	¥ mln	¥ mln
Balance brought forward from the previous period	596	938	935	761	1,054
Amount reserved during the period	1,118	718	693	671	600
Amount used during the period	1,424	1,060	690	497	893
Balance brought forward to the next period	290	596	938	935	761

Expenses and Liabilities

1. EXPENSES RELATED TO ASSET MANAGEMENT

	9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007
	¥000	¥000
Asset management fees (Note 1)	990,994	874,405
of which Management Fee I	570,179	556,491
of which Management Fee II	327,802	317,914
of which Management Fee III	93,012	—
Custodian fees	26,001	25,577
General administrative fees	58,614	59,671
Directors' compensation	12,000	10,800
Other expenses	58,986	81,948
Total	1,146,597	1,052,401

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 BORROWINGS

The status of borrowings from the financial institutions as of April 30, 2008 is as follows.

Financial Institutions	Date Borrowed	Outstanding as of Apr. 30, 2008 (¥000)	Outstanding as of Oct. 31, 2007 (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note
Short-term Borrowings								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 9, 2007	—	1,440,000	1.22083	Dec. 27, 2007			
Sumitomo Mitsui Banking Corp.		—	800,000					
The Mizuho Corporate Bank, Ltd.		—	320,000					
Mitsubishi UFJ Trust and Banking Corp.		—	320,000					
Sumitomo Trust and Banking Co., Ltd.		—	320,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 27, 2007	—	3,500,000	1.13833	Dec. 27, 2007			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 27, 2007	—	3,060,000	1.24667	Dec. 27, 2007			
Sumitomo Mitsui Banking Corp.		—	1,700,000					
The Mizuho Corporate Bank, Ltd.		—	680,000					
Mitsubishi UFJ Trust and Banking Corp.		—	680,000					
Sumitomo Trust and Banking Co., Ltd.		—	680,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 27, 2007	1,000,000	—	1.15333	Jun. 27, 2008	Balloon payment	(Note 2)	Unsecured/Uninsured
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., Ltd.		1,000,000	—					
The Chiba Bank, Ltd.		1,000,000	—					
The Iyo Bank, Ltd.	1,500,000	—						
The Chugoku Bank, Ltd.	1,000,000	—						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 7, 2008	1,800,000	—	1.27583	Jun. 27, 2008			
Sumitomo Mitsui Banking Corp.		1,000,000	—					
The Mizuho Corporate Bank, Ltd.		400,000	—					
Mitsubishi UFJ Trust and Banking Corp.		400,000	—					
Sumitomo Trust and Banking Co., Ltd.		400,000	—					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 27, 2008	990,000	—	1.25917	Jun. 27, 2008			
Sumitomo Mitsui Banking Corp.		550,000	—					
The Mizuho Corporate Bank, Ltd.		220,000	—					
Mitsubishi UFJ Trust and Banking Corp.		220,000	—					
Sumitomo Trust and Banking Co., Ltd.		220,000	—					
Subtotal		14,700,000	13,500,000					
Long-term Borrowings Due within a Year								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2004	—	4,000,000	1.00625	Dec. 10, 2007			
Sumitomo Mitsui Banking Corp.		—	1,000,000					
The Chiba Bank, Ltd.		—	500,000					
The Hachijuni Bank, Ltd.		—	1,000,000					
The Hiroshima Bank, Ltd.		—	1,000,000					
The Keiyo Bank, Ltd.		—	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 26, 2004	—	2,000,000	1.22500	Feb. 26, 2008			
Sumitomo Mitsui Banking Corp.		—	1,500,000					
Mitsubishi UFJ Trust and Banking Corp.		—	2,500,000					
The Chuo Mitsui Trust & Banking Co., Ltd.		—	1,000,000					
The Iyo Bank, Ltd.		—	500,000					
The Dai-ichi Mutual Life Insurance Company	Feb. 26, 2004	—	3,000,000	1.05250	Feb. 26, 2008			
The Yamanashi Chuo Bank, Ltd.	Dec. 9, 2005	1,000,000	1,000,000	1.28583	Aug. 26, 2008	Balloon payment	(Note 2)	Unsecured/Uninsured
The Chugoku Bank, Ltd.		1,000,000	1,000,000					
The Bank of Fukuoka, Ltd.		1,000,000	1,000,000					
The Aozora Bank, Ltd.		1,000,000	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2003	2,000,000	—	1.66750	Dec. 8, 2008			
Sumitomo Mitsui Banking Corp.		2,000,000	—					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	—					
The Iyo Bank, Ltd.		1,000,000	—					
The Norinchukin Bank, Ltd.		2,000,000	—					
Mitsui Life Insurance Company	Dec. 8, 2003	2,000,000	—	1.51625	Dec. 8, 2008			
Taiyo Life Insurance Company		1,000,000	—					
Daido Life Insurance Company		1,000,000	—					
Mitsui Sumitomo Insurance Co., Ltd.		1,000,000	—					
The Chiba Bank, Ltd.	Feb. 27, 2006	1,500,000	—	1.19000	Feb. 26, 2009			
The Hachijuni Bank, Ltd.		500,000	—					
Subtotal		19,000,000	23,000,000					
Total Short-term Borrowings		33,700,000	36,500,000					

Financial Institutions	Date Borrowed	Outstanding as of Apr. 30, 2008 (¥000)	Outstanding as of Oct. 31, 2007 (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note
Long-term Borrowings								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2003	—	2,000,000	1.66750	Dec. 8, 2008			
Sumitomo Mitsui Banking Corp.		—	2,000,000					
Mitsubishi UFJ Trust and Banking Corp.		—	1,000,000					
The Iyo Bank, Ltd.		—	1,000,000					
The Norinchukin Bank, Ltd.		—	2,000,000					
Mitsui Life Insurance Company	Dec. 8, 2003	—	2,000,000	1.51625	Dec. 8, 2008			
Taiyo Life Insurance Company		—	1,000,000					
Daido Life Insurance Company		—	1,000,000					
Mitsui Sumitomo Insurance Co., Ltd.		—	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 Chiba Bank, Ltd.	Dec. 8, 2006	1,000,000	1,000,000	1.48375	Feb. 26, 2010			
The Hiroshima Bank, Ltd.		500,000	500,000					
Tokio Marine & Nichido Fire Insurance Co. Ltd.		1,000,000	1,000,000					
Nippon Life Insurance Company		1,000,000	1,000,000					
Sompo Japan Insurance Inc.		1,000,000	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 27, 2006	1,000,000	1,000,000	1.68000	Feb. 26, 2011			
The Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000					
Mitsubishi UFJ Trust and Banking Corp.		500,000	500,000					
Sumitomo Trust and Banking Co., Ltd.		3,000,000	3,000,000					
The Nomura Trust & Banking Co., Ltd.		2,000,000	2,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,000,000	—					
Sumitomo Mitsui Banking Corp.	1,000,000	—						
The Chiba Bank, Ltd.	Dec. 10, 2007	500,000	—	1.43200	Jun. 10, 2011			
The Hachijuni Bank, Ltd.		1,000,000	—					
The Hiroshima Bank, Ltd.		1,000,000	—					
The Keiyo Bank, Ltd.		1,000,000	—					
The Mizuho Corporate Bank, Ltd.		1,000,000	—					
Mitsubishi UFJ Trust and Banking Corp.	Apr. 25, 2008	1,000,000	—	1.44800	Aug. 25, 2011	Balloon payment	(Note 2)	Unsecured/Uninsured
Sumitomo Trust and Banking Co., Ltd.		1,000,000	—					
The Hachijuni Bank, Ltd.		1,000,000	—					
The Yamanashi Chuo Bank, Ltd.		500,000	—					
The Mizuho Corporate Bank, Ltd.		2,000,000	2,000,000					
The Chuo Mitsui Trust & Banking Co., Ltd.	Mar. 19, 2007	1,000,000	1,000,000	1.63825	Aug. 26, 2011			
The Iyo Bank, Ltd.		1,000,000	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2006	2,000,000	2,000,000	1.89764	Feb. 26, 2012			
Sumitomo Mitsui Banking Corp.		2,000,000	2,000,000					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000					
Sumitomo Trust and Banking Co., Ltd.		2,000,000	2,000,000					
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	1,000,000					
The Nomura Trust & Banking Co., Ltd.		2,000,000	2,000,000					
The Iyo Bank, Ltd.	1,000,000	1,000,000						
Mitsui Life Insurance Co., Ltd.	Nov. 29, 2005	1,000,000	1,000,000	1.43750	Aug. 26, 2012			
Taiyo Life Insurance Company		1,000,000	1,000,000					
Daido Life Insurance Company		1,000,000	1,000,000					
National Mutual Insurance Federation of Agricultural Cooperative		1,000,000	1,000,000					
Development Bank of Japan	Dec. 9, 2005	1,000,000	1,000,000	1.53625	Aug. 26, 2012			
National Mutual Insurance Federation of Agricultural Cooperative		1,000,000	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 26, 2008	2,000,000	—	1.46000	Aug. 26, 2012			
Sumitomo Mitsui Banking Corp.		1,500,000	—					
Mitsubishi UFJ Trust and Banking Corp.		2,500,000	—					
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	—					
The Iyo Bank, Ltd.		500,000	—					
Development Bank of Japan	Mar. 17, 2005	1,000,000	1,000,000	1.75250	Feb. 26, 2013			
The Daiichi Mutual Life Insurance Company	Dec. 8, 2006	2,000,000	2,000,000	1.99250	Feb. 26, 2013			
Taiyo Life Insurance Company	Mar. 19, 2007	1,000,000	1,000,000	1.98000	Mar. 19, 2014			
Daido Life Insurance Company		1,000,000	1,000,000					
Sumitomo Life Insurance Company		2,000,000	2,000,000					
The Daiichi Mutual Life Insurance Company	Feb. 26, 2008	3,000,000	—	1.91875	Feb. 26, 2015			
Subtotal		67,500,000	59,000,000					
Total		101,200,000	95,500,000					

Note 1: The average interest rate is weighted by the balance of each borrowing as at the end of the period 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 use of borrowings is to purchase property-related assets, the related miscellaneous expenses and the repayment of borrowings.

3. STATUS OF INVESTMENT CORPORATION BONDS

The status of investment corporation bonds issued as of April 30, 2008 is as follows.

Name of Bonds	Issue Date	Balance as of Apr. 30, 2008 (¥ mln)	Balance as of Oct. 31, 2007 (¥ 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 2)
Second Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	2.47	Mar. 16, 2020			
Third Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	10,000	1.19	Nov. 29, 2010			(Note 3)
Fourth Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	10,000	2.05	Nov. 30, 2015			
Fifth Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	5,000	5,000	1.61	Mar. 19, 2012			
Sixth Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	5,000	5,000	2.21	Mar. 17, 2017			
Seventh Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	4,500	4,500	2.90	Mar. 17, 2028			
Total		44,500	44,500					

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.

4. STATUS OF SHORT-TERM INVESTMENT CORPORATION BONDS

The status of short-term investment corporation bonds issued as of April 30, 2008 is as follows.

Name of Bonds	Issue Date	Balance as of Apr. 30, 2008 (¥ mln)	Issue Price (¥ mln)	Maturity Value (¥ mln)	Maturity Date	Note
First Series Short-term Investment Corporation Bonds	Apr. 24, 2008	19,984	19,981	20,000	June 6, 2008	Unsecured/Uninsured
Total		19,984	19,981	20,000		

Trading during the Ninth Fiscal Period

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

Type of Asset	Name of Property	Acquisition		Disposition			Gain (Loss) (¥mln)
		Date	Price (¥mln) (Note)	Date	Price (¥mln) (Note)	Book Value (¥mln)	
Real estate	JCB Sapporo Higashi Bldg.	Feb. 8, 2008	3,700	—	—	—	—
Real estate	Toho Edogawabashi Bldg.	Mar. 28, 2008	2,080	—	—	—	—
Real estate	SORA Shin-Osaka 21	Apr. 25, 2008	19,251	—	—	—	—
Total			25,031				

Note: "Acquisition price" and "Disposition price" do not include various costs (intermediary fees, taxes and duties, etc.) required for acquisition or disposition of the property (the purchase and sale price of the real estate, etc., as indicated in the Transfer Agreement of Trust Beneficial Interest or Real Estate).

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

Acquisition/Disposition	Type of Asset	Name of Property	Acquisition/Disposition		Appraisal Value (¥ mln)
			Date	Price (¥ mln)	
Acquisition	Real estate	JCB Sapporo Higashi Building	Feb. 8, 2008	3,700	3,740
Acquisition	Real estate	Toho Edogawabashi Building	Mar. 28, 2008	2,080	2,080
Acquisition	Real estate	SORA Shin-Osaka 21	Apr. 25, 2008	19,251	18,600

Note 1: The price investigation procedures were conducted by Ernst & Young ShinNihon LLC at the time of acquisition or disposition 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 the location and lot number to identify these properties.

Note 2: "Acquisition price" and "Disposition price" do not include various costs (intermediary fees, taxes and duties, etc.) required for acquisition or disposition of the property (the purchase and sale price of the real estate, etc., as indicated in the Transfer Agreement of Trust Beneficial Interest or Real Estate).

(2) Others

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 LLC subject to the requirement by Article 201 of the Investment Trust Law.

For the ninth fiscal period (from November 1, 2007 to April 30, 2008), three OTC derivatives transactions were subject to investigation. Ernst & Young ShinNihon LLC was requested to investigate the details of three transactions including the name of counterparty, issues, the number of execution, financial instruments/monetary indicators, put/call options, exercise prices, the period of execution of right, the trading period, etc. The investigation report has been received.

4. TRANSACTIONS WITH RELATED PARTIES AND MAJOR SHAREHOLDERS

(1) Transactions

No sales transaction of specific assets with related parties and major shareholders has been made during the ninth fiscal period.

(Note) Related parties and major shareholders refer to those bodies that have business interest and major stake in the Asset Management Company defined by Article 29-4, Paragraph 2 of Financial Instruments and Exchange Law, with which the Company, stipulated by article 123 of Enforcement Order of Investment Trust Law, has an Asset Management Agreement.

(2) Fees Paid to Related Parties and Major Shareholders

Table of fees paid to related parties and major shareholders during the ninth fiscal period is as follows.

	Name of Related Party and Major Shareholders	Amount Paid (A) (¥000)	Total Amount Paid (B) (¥000)	Portion (A) / (B) (%)
Contract-out fees	Nomura Building Management Co., Ltd. (Note 1)	535,855	935,502	57.3
	Flagship Properties, Inc. (Note 2)	916		
Property management fees	Nomura Real Estate Development Co., Ltd.	235,275	325,079	72.4
	Nomura Building Management Co., Ltd.	19,127		
Other expenses	Nomura Real Estate Development Co., Ltd.	43,773	94,480	46.3
	Nomura Bulding Management Co., Ltd.	19,245		
	GEO-AKAMATSU CO., LTD.	239		0.3

Note 1: 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 is included in "Contract-out Fees".

Note 2: The Company has entrusted certain jobs such as receipt of rents, payment of disbursements and notification of repairs in conjunction with the sublease of JAL Building to Flagship Properties. The Contract-out fees paid to Flagship Properties include remuneration for these services.

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

Name of Related Party	Amount Paid (¥000)
Nomura Real Estate Development Co., Ltd.	37,389
Nomura Building Management Co., Ltd.	566,690

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.	53,227
JAL Bldg.	Nomura Real Estate Development Co., Ltd.	3,312
Tennozu Park Side Bldg.	Nomura Real Estate Development Co., Ltd.	15,523
NOF Shibuya Koen-dori Bldg.	Nomura Real Estate Development Co., Ltd.	15,714
Secom Medical Bldg.	Nomura Real Estate Development Co., Ltd.	3,789
Nishi-Shinjuku Showa Bldg.	Nomura Real Estate Development Co., Ltd.	7,349
NOF Tameike Bldg.	Nomura Real Estate Development Co., Ltd.	12,508
NOF Shinagawa Konan Bldg.	Nomura Real Estate Development Co., Ltd.	10,427
NOF Surugadai Plaza Bldg.	Nomura Real Estate Development Co., Ltd.	3,974
Hatchobori NF Bldg.	Nomura Real Estate Development Co., Ltd.	6,437
NOF Minami-Shinjuku Bldg.	Nomura Real Estate Development Co., Ltd.	6,895
NOF Technoport Kamata Center Bldg.	Nomura Real Estate Development Co., Ltd.	9,655
Faret Tachikawa Center Square	Nomura Real Estate Development Co., Ltd.	8,631
NOF Yokohama Nishiguchi Bldg.	Nomura Real Estate Development Co., Ltd.	10,466
NOF Shin-Yokohama Bldg.	Nomura Real Estate Development Co., Ltd.	4,683
Omron Kyoto Center Bldg.	Nomura Real Estate Development Co., Ltd.	5,407
NOF Midosuji Bldg.	Nomura Real Estate Development Co., Ltd.	19,100
Nomura Osaka Bldg.	Nomura Real Estate Development Co., Ltd.	19,322
Nomura Yotsubashi Bldg.	Nomura Real Estate Development Co., Ltd.	10,703
Hiroshima Tatemachi NOF Bldg.	Nomura Real Estate Development Co., Ltd.	2,596
Nomura Hiroshima Bldg.	Nomura Real Estate Development Co., Ltd.	5,549
NOF Toyo-cho Bldg.	Nomura Building Management Co., Ltd.	2,365
NOF Kawasaki Higashiguchi Bldg.	Nomura Building Management Co., Ltd.	7,703
NOF Utsunomiya Bldg.	Nomura Building Management Co., Ltd.	4,900
NOF Nagoya Yanagibashi Bldg.	Nomura Building Management Co., Ltd.	4,158

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

Summary of execution/amendment of major agreements that have been approved by the Board of Directors are as follows:

Board of Directors Meeting Approval Date	Approved Matter	Summary
April 15, 2008	Issuance of short-term investment corporation bonds and execution of relevant agreements (comprehensive resolution)	A comprehensive resolution concerning the issuance of short-term investment corporation bonds for the maximum issuance amount of ¥30 billion has been adopted; and the appointment of Bank of Tokyo Mitsubishi UFJ, Ltd., as the administrative agent for the offering, redemption and settlement of the short-term investment corporation bonds, as well as for private offering of the short-term investment corporation bonds, have been approved.

2. OTHER MATTERS

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



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Balance Sheets

	Thousands of Yen	
	As of April 30, 2008	As of October 31, 2007
ASSETS		
Current Assets:		
Cash and bank deposits	¥ 35,583,622	¥ 34,016,504
Rental receivables	200,059	210,234
Corporate taxes refundable	5,527	5,341
Consumption taxes refundable	309,378	33,935
Other current assets	254,625	203,722
Total current assets	36,353,211	34,469,736
Property and Equipment, at Cost:		
Land	221,645,728	205,186,870
Buildings and structures	105,534,282	95,326,975
Machinery and equipment	917,793	896,784
Tools, furniture and fixtures	171,376	110,795
Construction in progress	36,915	37,233
Subtotal	328,306,094	301,558,657
Less accumulated depreciation	(11,306,725)	(9,704,837)
Net property and equipment	316,999,369	291,853,820
Investments and Other Assets:		
Intangible assets	1,726	1,827
Long-term prepaid expenses	27,376	11,394
Security deposits	211,250	211,250
Deferred investment corporation bond issuance costs	137,818	163,860
Total Assets	¥ 353,730,750	¥ 326,711,887

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

	Thousands of Yen	
	As of April 30, 2008	As of October 31, 2007
LIABILITIES		
Current Liabilities:		
Trade accounts payable	¥ 737,287	¥ 807,777
Other accounts payable	1,844,192	1,474,216
Short-term investment corporation bonds	19,984,303	—
Short-term debt	33,700,000	36,500,000
Accrued expenses	563,800	523,706
Rent received in advance	2,100,767	1,950,418
Other current liabilities	27,125	213,595
Total current liabilities	58,957,474	41,469,712
Long-term Liabilities:		
Investment corporation bonds	44,500,000	44,500,000
Long-term debt	67,500,000	59,000,000
Security deposits from tenants	21,506,082	20,469,198
Total long-term liabilities	133,506,082	123,969,198
Total Liabilities	192,463,556	165,438,910
NET ASSETS		
Unitholders' Equity:		
Unitholders' capital	156,767,193	156,767,193
Retained earnings	4,500,001	4,498,623
Total unitholders' equity	161,267,194	161,265,816
Valuation and Translation Adjustments:		
Deferred hedge gains	—	7,161
Total valuation and translation adjustments	—	7,161
Total Net Assets	161,267,194	161,272,977
Total Liabilities and Net Assets	¥ 353,730,750	¥ 326,711,887

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

Statements of Income and Retained Earnings

Thousands of Yen

	For the period from November 1, 2007 to April 30, 2008	For the period from May 1, 2007 to October 31, 2007
Operating Revenues and Expenses		
Operating Revenues:		
Real estate rental revenues	¥ 12,183,127	¥ 11,958,966
Gain on sale of real estate	—	9,813
	12,183,127	11,968,779
Operating Expenses:		
Real estate rental expenses	5,213,083	5,190,754
Asset management fees	990,995	874,405
Administrative service and custodian fees	84,616	85,249
Other operating expenses	70,986	92,748
	6,359,680	6,243,156
Operating Profit	5,823,447	5,725,623
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	32,898	29,751
Compensation for the transfer of structures	—	10,894
Other non-operating revenues	53,779	28,454
	86,677	69,099
Non-Operating Expenses:		
Interest expense	743,444	668,556
Loan arrangement fees	94,520	93,613
Interest expense on short-term investment corporation bonds	3,052	—
Interest expense on investment corporation bonds	428,975	432,532
Amortization of investment corporation bond issuance costs	32,295	45,066
Other non-operating expenses	106,884	68,153
	1,409,170	1,307,920
Income before Income Taxes	4,500,954	4,486,802
Income Taxes:		
Current	1,051	605
Deferred	(22)	—
Net Income	4,499,925	4,486,197
Retained earnings brought forward	76	12,426
Retained Earnings at End of Period	¥ 4,500,001	¥ 4,498,623

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

Statements of Changes in Net Assets

For the period from November 1, 2007 to April 30, 2008

Thousands of Yen

	Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	Deferred Hedge Gains	Total Valuation and Translation Adjustments	Total Net Assets
Balance as of October 31, 2007	265,903	¥156,767,193	¥4,498,623	¥161,265,816	¥7,161	¥7,161	¥161,272,977
Cash distribution paid	—	—	(4,498,546)	(4,498,546)	—	—	(4,498,546)
Net income	—	—	4,499,925	4,499,925	—	—	4,499,925
Interest-rate swaps	—	—	—	—	(7,161)	(7,161)	(7,161)
Balance as of April 30, 2008	265,903	¥156,767,193	¥4,500,001	¥161,267,194	—	—	¥161,267,194

For the period from May 1, 2007 to October 31, 2007

Thousands of Yen

	Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	Deferred Hedge Gains	Total Valuation and Translation Adjustments	Total Net Assets
Balance as of April 30, 2007	265,903	¥156,767,193	¥4,466,302	¥161,233,495	(¥12,305)	(¥12,305)	¥161,221,190
Cash distribution paid	—	—	(4,453,875)	(4,453,875)	—	—	(4,453,875)
Net income	—	—	4,486,197	4,486,197	—	—	4,486,197
Interest-rate swaps	—	—	—	—	19,466	19,466	19,466
Balance as of October 31, 2007	265,903	¥156,767,193	¥4,498,623	¥161,265,816	¥ 7,161	¥ 7,161	¥161,272,977

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

Statements of Cash Flows

	Thousands of Yen	
	For the period from November 1, 2007 to April 30, 2008	For the period from May 1, 2007 to October 31, 2007
Cash Flows		
Cash Flows from Operating Activities:		
Income before income taxes	¥ 4,500,954	¥ 4,486,802
Depreciation	1,601,990	1,518,317
Amortization of long-term prepaid expenses	2,918	1,256
Amortization of investment corporation bond issuance costs	32,295	45,066
Interest income	(32,898)	(29,751)
Interest expense	1,175,471	1,101,088
Compensation for the transfer of structures	—	(10,894)
Loss on disposal of property and equipment	—	1,607
Decrease (Increase) in rental receivables	10,174	(41,823)
(Increase) Decrease in consumption taxes refundable	(275,442)	290,245
(Decrease) Increase in trade accounts payable	(70,490)	163,273
Increase (Decrease) in other accounts payable	349,217	(101,745)
Increase in rent received in advance	150,349	69,534
Decrease in property and equipment due to sale	—	13,906
Changes in other current assets/liabilities	(264,180)	108,544
Subtotal	7,180,358	7,615,425
Interest received	32,898	29,751
Interest paid	(1,131,556)	(1,069,888)
Income taxes paid	(1,238)	(3,746)
Net cash provided by operating activities	6,080,462	6,571,542
Cash Flows from Investing Activities:		
Payments for purchases of property and equipment	(26,733,587)	(10,773,722)
Reimbursement of security deposits to tenants	(1,081,136)	(482,237)
Proceeds from security deposits from tenants	2,118,020	1,092,895
Payments of security deposits	—	(20)
Proceeds from compensation for the transfer of structures	—	10,894
Net cash used in investing activities	(25,696,703)	(10,152,190)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	24,700,000	13,500,000
Repayment of short-term debt	(23,500,000)	(1,500,000)
Proceeds from short-term investment corporation bonds	19,981,251	—
Proceeds from long-term debt	23,500,000	—
Repayment of long-term debt	(19,000,000)	(2,000,000)
Distributions to unitholders	(4,497,892)	(4,453,663)
Net cash provided by financing activities	21,183,359	5,546,337
Net Increase in Cash and Cash Equivalents	1,567,118	1,965,689
Cash and Cash Equivalents at Beginning of Period	34,016,504	32,050,815
Cash and Cash Equivalents at End of Period	¥ 35,583,622	¥ 34,016,504

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

Notes to Financial Statements

1. ORGANIZATION

Nomura Real Estate Office Fund, Inc. (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, Inc.

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 April 30, 2008, the Company owned a portfolio of 37 office properties containing an aggregate of approximately 395,330.99 square meters of leasable area and leased office space to 583 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 Corporation Law of Japan, the Financial Instruments 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 certain 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 the notes there to, whereas amounts were 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 or October. 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 an 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 by the straight-line method over the estimated useful lives of the fixed assets outlined below:

Buildings	3 - 69 years
Structures	2 - 45 years
Machinery and equipment	3 - 15 years
Tools, furniture and fixtures	3 - 15 years

Intangible assets

Intangible assets are amortized by the straight-line method.

Impairment of fixed assets

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. An impairment loss is recognized if the carrying amount of its fixed assets exceeds the respective aggregate of the estimated future cash flows. If the fixed assets are determined to be impaired, it is written down to its recoverable amount and the write-down is recorded as an impairment loss during the current period. No impairment losses have been recognized to date.

Deferred investment corporation bond issuance costs

Deferred investment corporation bond issuance costs are amortized over the respective terms of the bonds by the straight-line method. Deferred investment corporation bond issuance costs that were reported on the balance sheets at October 31, 2006 or prior to the six-month period then ended were amortized over a period of three years, with an equal amount amortized in each fiscal period based on the previous method of accounting.

Accounting treatment of beneficial interests in real estate

All assets and liabilities held in trust, for which the real estate in possession of the Company was entrusted, and all the earnings and expenses incurred from such trust are properly reflected in the accompanying balance sheets and statements of income and retained earnings, 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 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 respective sellers of properties applicable to the period since acquisition and capitalized such amounts as part of the costs to acquire such properties or beneficial interests in real estate. The capitalized property related taxes amounted to ¥118,642 thousand for the six-month period ended April 30, 2008, and ¥14,593 thousand for the six-month period ended October 31, 2007.

Income taxes

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

Consumption taxes

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

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 the fair value of interest-rate swap contracts which meet the criteria for deferral hedge accounting.

Although the deferred hedge treatment is generally applied, effective September 1, 2006, the Company has applied special treatment to those interest-rate swap contracts that meet the criteria for such special treatment based on the revised Investment Trust Law (effective beginning on May 1, 2006) and partial Amendment of the Articles of Incorporation. Under the special treatment, interest-rate swaps are not remeasured at fair value; instead, the net amount paid or received under the interest rate swap contract is recognized and included in interest expense or income.

4. SCHEDULE OF PROPERTY AND EQUIPMENT

Property and equipment as of April 30, 2008 and October 31, 2007 consist of the following:

	Thousands of Yen			
	As of April 30, 2008		As of October 31, 2007	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥ 31,276,665	¥ 31,276,665	¥ 14,817,807	¥ 14,817,807
Buildings and structures	15,784,166		6,849,948	
Accumulated depreciation	(337,826)	15,446,340	(185,222)	6,664,726
Machinery and equipment	154,538		133,529	
Accumulated depreciation	(22,462)	132,076	(13,314)	120,215
Land in trust	190,369,063	190,369,063	190,369,063	190,369,063
Buildings and structures in trust	89,750,116		88,477,027	
Accumulated depreciation	(10,618,014)	79,132,102	(9,229,641)	79,247,386
Machinery and equipment in trust	763,255		763,255	
Accumulated depreciation	(293,381)	469,874	(250,902)	512,353
Tools, furniture and fixtures in trust	171,376		110,795	
Accumulated depreciation	(35,042)	136,334	(25,758)	85,037
Construction in progress in trust	36,915	36,915	37,233	37,233
Total	¥ 316,999,369	¥ 316,999,369	¥ 291,853,820	¥ 291,853,820

5. SHORT-TERM DEBT

Short-term debt as of April 30, 2008 and October 31, 2007 consists of the following:

	As of April 30, 2008		As of October 31, 2007	
	Amount (Thousands of Yen)	Weighted-average interest rate	Amount (Thousands of Yen)	Weighted-average interest rate
Unsecured loans from banks due on December 10, 2007	—	—	¥ 8,500,000	1.00625%
Unsecured loans from banks due on December 27, 2007	—	—	3,200,000	1.22083%
Unsecured loans from a bank due on December 27, 2007	—	—	3,500,000	1.13833%
Unsecured loans from banks due on December 27, 2007	—	—	6,800,000	1.24667%
Unsecured loans from banks due on February 26, 2008	—	—	7,500,000	1.22500%
Unsecured loans from an insurance company due on February 26, 2008	—	—	3,000,000	1.05250%
Unsecured loans from banks due on June 27, 2008	¥ 8,500,000	1.15333%	—	—
Unsecured loans from banks due on June 27, 2008	4,000,000	1.27583%	—	—
Unsecured loans from banks due on June 27, 2008	2,200,000	1.25917%	—	—
Unsecured loans from banks due on August 26, 2008	4,000,000	1.28583%	4,000,000	1.29000%
Unsecured loans from banks due on December 8, 2008	8,000,000	1.66750%	—	—
Unsecured loans from insurance companies due on December 8, 2008	5,000,000	1.51625%	—	—
Unsecured loans from banks due on February 26, 2009	2,000,000	1.19000%	—	—
Total	¥ 33,700,000		¥ 36,500,000	

The Company entered into ¥40,000 million credit facilities in the form of commitment lines with five financial institutions for the six-month periods ended April 30, 2008 and October 31, 2007. The total unused amount of such credit facilities was ¥33,800 million as of April 30, 2008 and ¥30,000 million as of October 31, 2007.

6. LONG-TERM DEBT

Long-term debt as of April 30, 2008 and October 31, 2007 consists of the following:

	As of April 30, 2008		As of October 31, 2007	
	Amount (Thousands of Yen)	Weighted-average interest rate	Amount (Thousands of Yen)	Weighted-average interest rate
Unsecured loans from banks due on December 8, 2008	—	—	¥ 8,000,000	1.66750%
Unsecured loans from insurance companies due on December 8, 2008	—	—	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 principally from banks due on February 26, 2010	2,500,000	1.48375%	2,500,000	1.48375%
Unsecured loans from insurance companies due on August 26, 2010	2,000,000	1.65500%	2,000,000	1.65500%
Unsecured loans from banks due on February 26, 2011	7,500,000	1.68000%	7,500,000	1.68000%
Unsecured loans from banks due on June 10, 2011	8,500,000	1.43200%	—	—
Unsecured loans from banks due on August 25, 2011	4,500,000	1.44800%	—	—
Unsecured loans from banks due on August 26, 2011	4,000,000	1.63825%	4,000,000	1.63825%
Unsecured loans from banks due on February 26, 2012	11,000,000	1.89764%	11,000,000	1.89764%
Unsecured loans principally from insurance companies due on August 26, 2012	5,000,000	1.43750%	5,000,000	1.43750%
Unsecured loans from a financial institution due on August 26, 2012	1,000,000	1.53625%	1,000,000	1.53625%
Unsecured loans from banks due on August 26, 2012	7,500,000	1.46000%	—	—
Unsecured loans from a bank due on February 26, 2013	1,000,000	1.75250%	1,000,000	1.75250%
Unsecured loans from an insurance company due on February 26, 2013	2,000,000	1.99250%	2,000,000	1.99250%
Unsecured loans from insurance companies due on March 19, 2014	4,000,000	1.98000%	4,000,000	1.98000%
Unsecured loans from an insurance company due on February 26, 2015	3,000,000	1.91875%	—	—
Total	¥ 67,500,000		¥ 59,000,000	

7. INVESTMENT CORPORATION BONDS

Investment Corporation Bonds

Details of investment corporation bonds outstanding are summarized as follows:

	As of April 30, 2008		As of October 31, 2007	
	Amount (Thousands of Yen)	Weighted-average interest rate	Amount (Thousands of Yen)	Weighted-average interest rate
First Series of Unsecured Investment Corporation Bonds due on March 16, 2015	¥ 5,000,000	1.85000%	¥ 5,000,000	1.85000%
Second Series of Unsecured Investment Corporation Bonds due on March 16, 2020	5,000,000	2.47000%	5,000,000	2.47000%
Third Series of Unsecured Investment Corporation Bonds due on November 29, 2010	10,000,000	1.19000%	10,000,000	1.19000%
Fourth Series of Unsecured Investment Corporation Bonds due on November 30, 2015	10,000,000	2.05000%	10,000,000	2.05000%
Fifth Series of Unsecured Investment Corporation Bonds due on March 19, 2012	5,000,000	1.61000%	5,000,000	1.61000%
Sixth Series of Unsecured Investment Corporation Bonds due on March 17, 2017	5,000,000	2.21000%	5,000,000	2.21000%
Seventh Series of Unsecured Investment Corporation Bonds due on March 17, 2028	4,500,000	2.90000%	4,500,000	2.90000%
Total	¥ 44,500,000		¥ 44,500,000	

Short-term Investment Corporation Bonds

Details of short-term investment corporation bonds outstanding are summarized as follows:

	As of April 30, 2008		As of October 31, 2007	
	Amount (Thousands of Yen)	Redemption price (Thousands of Yen)	Amount (Thousands of Yen)	Redemption price (Thousands of Yen)
First Series of Short-term Investment Corporation Bonds due on June 6, 2008	¥ 19,984,303	¥ 20,000,000	—	—
Total	¥ 19,984,303	¥ 20,000,000	—	—

8. UNITHOLDERS' EQUITY

The Company issues only non-par value investment units in accordance with the Investment Trust Law. 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 set forth in the Investment Trust Law.

9. PER UNIT INFORMATION

The net asset values per unit as of April 30, 2008 and October 31, 2007 were ¥606,488 and ¥606,510 respectively. Net income per unit was ¥16,923 and ¥16,871 for the six-month periods ended April 30, 2008 and October 31, 2007, respectively.

10. INCOME TAXES

The Company, as an investment corporation, is subject to corporate income taxes at a statutory tax rate of approximately 40% for the six-month periods ended April 30, 2008 and October 31, 2007. However, the Company may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided such distributions meet the requirements under the Special Taxation Measures 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 ¥4,499,876 thousand and ¥4,498,546 thousand for the six-month periods ended April 30, 2008 and October 31, 2007, respectively, such distributions were treated as deductible distributions for purposes of corporate income taxes. The following summarizes the significant differences between the statutory tax rate and the effective tax rates:

	For the period from November 1, 2007 to April 30, 2008	For the period from May 1, 2007 to October 31, 2007
Statutory tax rate	39.39%	39.39%
Deductible cash distributions	(39.38)	(39.39)
Other	0.01	0.01
Effective tax rates	0.02%	0.01%

11. BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES

Real estate rental revenues and expenses for the six-month periods ended April 30, 2008 and October 31, 2007 consist of the following:

	For the period from November 1, 2007 to April 30, 2008	For the period from May 1, 2007 to October 31, 2007
Real estate rental revenues	¥ 12,183,127	¥ 11,958,966
Rental revenues	11,057,640	10,694,615
Rental revenues	8,991,314	8,688,418
Common area charges	2,066,326	2,006,197
Non-rental revenues	1,125,487	1,264,351
Parking revenues	255,389	239,567
Incidental income	795,928	953,671
Other miscellaneous revenues	74,170	71,113
Real estate rental expenses	5,213,083	5,190,754
Property management costs	935,502	890,482
Property management fees	325,080	306,560
Utility expenses	790,511	937,406
Property and other taxes	941,568	939,419
Casualty insurance	23,075	23,272
Repairs and maintenance	403,143	362,145
Depreciation	1,601,962	1,518,289
Other rental expenses	192,242	213,181
Profit	¥ 6,970,044	¥ 6,768,212

12. BREAKDOWN OF GAIN ON SALE OF REAL ESTATE

Gain on sale of real estate for the six-month periods ended April 30, 2008 and October 31, 2007 consist of the following:

	For the period from November 1, 2007 to April 30, 2008	For the period from May 1, 2007 to October 31, 2007
Proceeds from sale of real estate	—	¥ 25,398
Cost of sale of real estate	—	13,906
Other related sale expenses	—	1,679
Gain on sale of real estate	—	¥ 9,813

13. LEASES

The Company, as lessor, has entered into lease agreements whose fixed monthly rents are due in advance with a lease term of generally two years for offices. The future minimum rental revenues under existing non-cancelable operating lease agreements as of April 30, 2008 and October 31, 2007 are summarized as follows:

	As of April 30, 2008	As of October 31, 2007
Due within one year	¥ 4,773,371	¥ 4,429,671
Due after one year	32,986,020	33,407,917
Total	¥ 37,759,392	¥ 37,837,589

14. 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 risk of fluctuation 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.

Beginning the fiscal period ended October 31, 2007, the Company has applied the "special treatment" set forth in the amended Investment Trust Law (effective beginning on May 1, 2006) and partial Amendment of the Articles of Incorporation.

Consequently, the fiscal period ended October 31, 2007, total net assets increased by ¥96,848 thousand over the amount which would have been recorded under the previous method of accounting.

The following summarizes the notional amounts and the estimated fair value of the interest-rate related positions outstanding as of April 30, 2008 and October 31, 2007:

	Notional amount	Estimated fair value	Unrealized loss
As of April 30, 2008			
Interest-rate swaps:			
Received/floating and paid/fixed	¥ 56,000,000	(¥ 11,987)	(¥ 11,987)
As of October 31, 2007			
Interest-rate swaps:			
Received/floating and paid/fixed	¥ 51,500,000	(¥ 147,976)	(¥ 147,976)

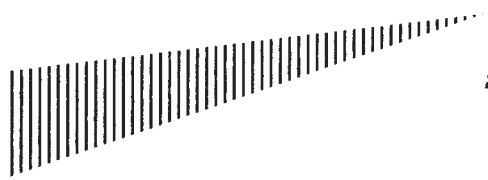
15. SIGNIFICANT SUBSEQUENT EVENTS

Offering of new investment units

On May 8, 2008 and May 20, 2008, the Board of Directors of the Company approved resolution for the issuances of new investment units as follows. The related payments were completed on May 27, 2008 and June 24, 2008. As a result, the total number of units increased from 265,903 to 305,123 and unitholders' equity increased from ¥156,767 million to ¥185,455 million.

- | | |
|---|-----------------------------|
| (1) Primary offering of new investment units | |
| Number of units issued | 37,000 units |
| Offering price per unit | ¥756,560 |
| Total offering price | ¥27,992,720,000 |
| Issue price per unit | ¥731,470 |
| Total issue price | ¥27,064,390,000 |
| Payment date | May 27, 2008 |
| The date from which the unitholders are deemed to be eligible for dividends | May 1, 2008 |
| (2) Third-party allotment | |
| Number of units issued | 2,220 units |
| Issue price per unit | ¥731,470 |
| Total issue price | ¥1,623,863,400 |
| Payment date | June 24, 2008 |
| The date from which the unitholders are deemed to be eligible for dividends | May 1, 2008 |
| Third-party allottee | Nomura Securities Co., Ltd. |

- (3) Purpose of the issuances
The proceeds were used for the redemption of short-term investment corporation bonds (¥20 billion) and the repayment of existing short-term debt.



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, 2008 and October 31, 2007, and the related statements of income and retained earnings, changes in net assets and cash flows for the six-month periods then ended. 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, 2008 and October 31, 2007, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

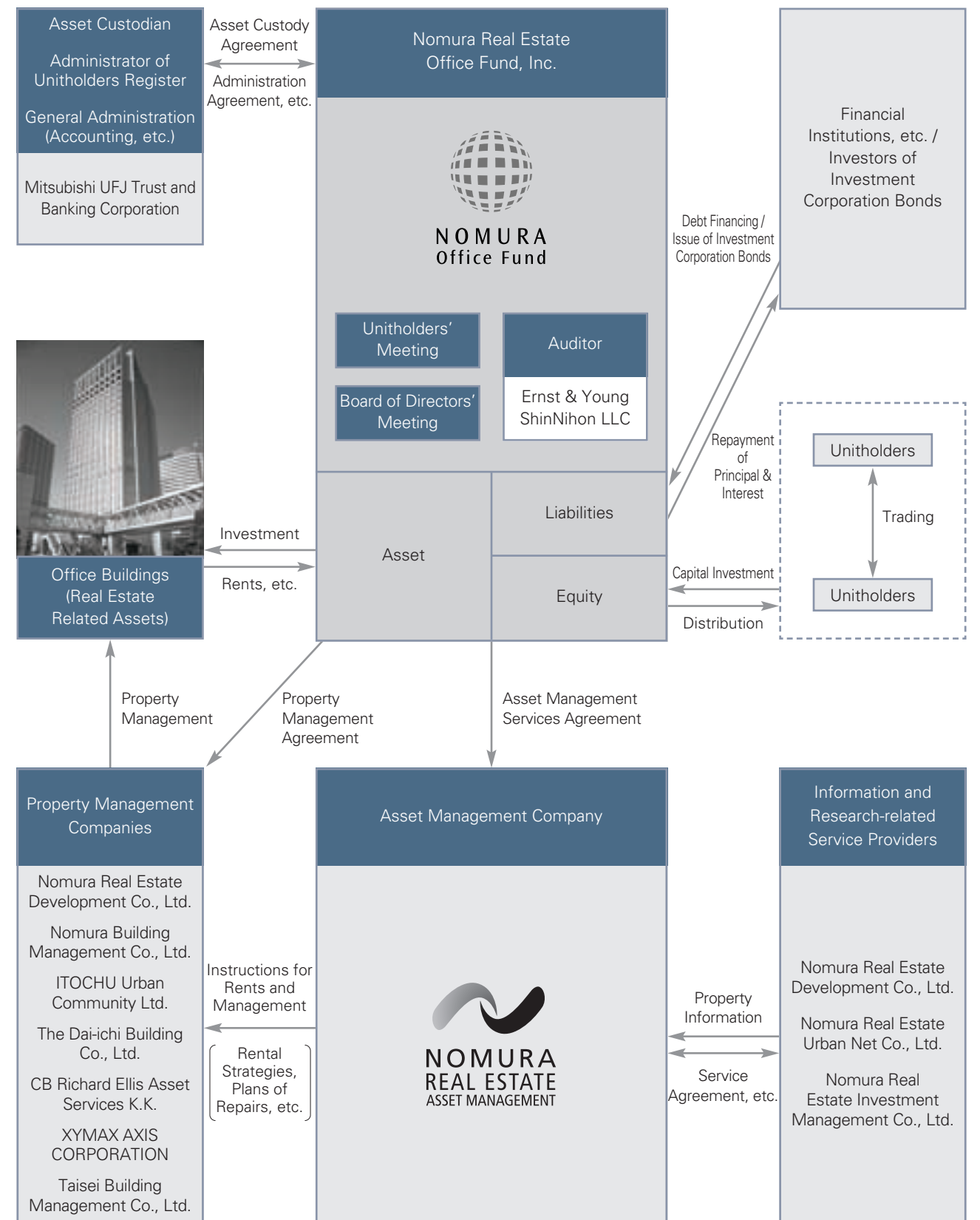
Supplementary Information

As described in Note 15, Significant Subsequent Events, the Company issued new investment units on May 27, 2008 and June 24, 2008.

Ernst & Young ShinNihon LLC

July 14, 2008

Business Structure



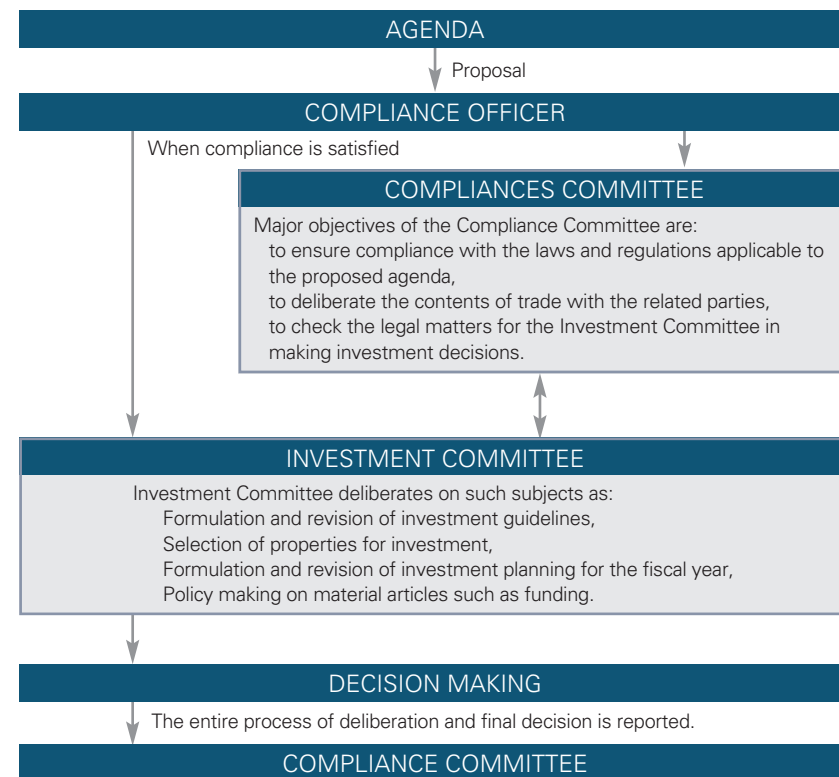
Profile of the Asset Management Company

PROFILE AND HISTORY OF INCORPORATION

Company: Nomura Real Estate Asset Management Co., Ltd.
 Capital: ¥300 million (as of March 31, 2008)
 Shareholder: Nomura Real Estate Holdings, Inc. (100%)
 Incorporation: January 24, 2003

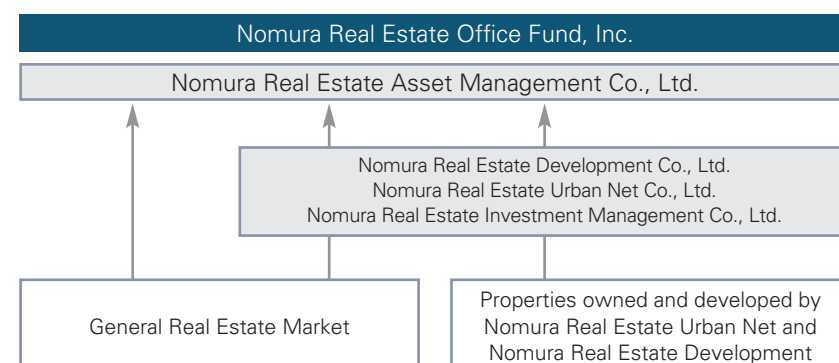
PROCESS OF DECISION-MAKING

We have ensured transparency in the decision-making process by placing 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

Capital
 ¥156,767,193,535 (as of April 30, 2008)

Number of Units Issued
 265,903 (as of April 30, 2008)

Number of Unitholders
 11,120 (as of April 30, 2008)

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 LLC
 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.

<http://www.nre-of.co.jp/english/>