

NOMURA
Office Fund



NOMURA OFFICE FUND

Fourteenth Fiscal Period

Semi-Annual Report May 1, 2010 ▶ October 31, 2010

NOMURA REAL ESTATE OFFICE FUND, INC.



NOMURA
Office Fund

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.

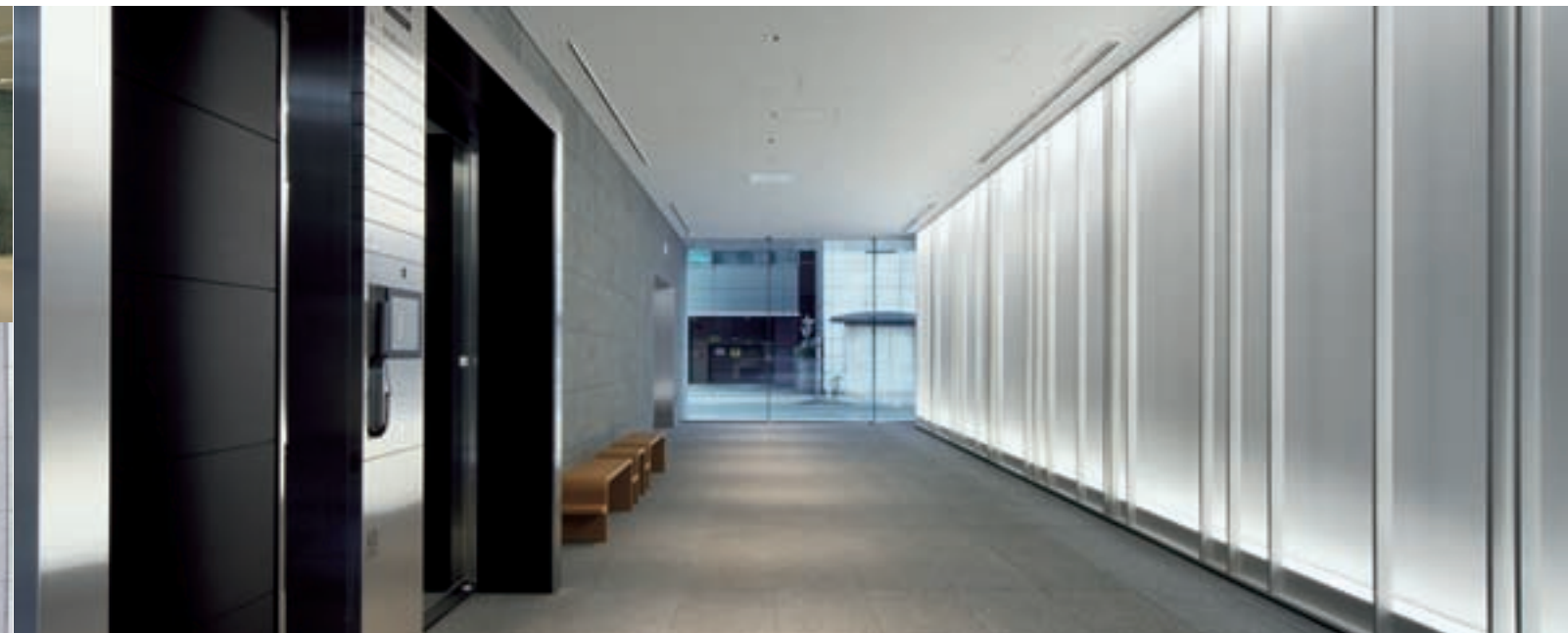
Nomura Real Estate Asset Management Co., Ltd. (referred to as “NREAM” hereafter), a wholly owned subsidiary of Nomura Real Estate Holdings, Inc. is in charge of asset management on behalf of Nomura Office Fund in accordance with the basic investment policy as described above. Through coordination with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

Contents

To Our Investors	2
Highlights of the Fourteenth Fiscal Period	3
Management Summary of the Fourteenth Fiscal Period	4
Portfolio Highlights	6
Financial Status	8
Summary of Portfolio Properties	10
Major Properties	12
Profile of the Asset Management Company	14
Performance Report	15
Financial Section	33
Business Structure/Corporate Data	50
Website	Back Cover



Investor Oriented



To Our Investors

Dear Investors,

We are delighted to be able to present to you the financial results for the fourteenth fiscal period (ended October 31, 2010) and report on our activities during the period herein.

We booked operating revenues for this period of ¥13,364 million, current profits of ¥4,480 million, and net income of ¥4,479 million. Cash distribution per unit was ¥14,681.

In this fiscal period, the Japanese economy buoyed by rising exports, recovering personal consumption and an upturn in corporate earnings raised hopes of a recovery, but with the risk of a downturn in overseas economies and concerns regarding continued yen appreciation, its future continues to be plagued by uncertainty.

Amid ongoing weakness in the office leasing market, we actively engaged in tenant leasing activities in order to maintain the occupancy rate of our portfolio.

As a result, we are successful in continuing stable fund management, with a portfolio occupancy rate of 94.5% as of the end of the fourteenth fiscal period.

Regarding the NRE Tennozu Building (formerly the JAL Building), currently the home of Japan Airlines International Co., Ltd., which is undergoing reorganization proceedings, future management, leasing measures and other matters are discussed on page 5 of this report. Please take time to review them.

The Company continues to maintain close relationships with financial institutions, which allow the Company continued access to stable financing sources, ensuring healthy financial conditions.

The Company will continue to strive for stable asset management in the next fiscal period and thereafter from the mid- to long-term perspectives so as to respond to the needs of our investors for high-quality wealth creation.

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.



Yuichi Maruko

Yuichi Maruko
Executive Director
Nomura Real Estate Office Fund, Inc.

Highlights of the Fourteenth Fiscal Period

Fourteenth period results

Cash distribution per unit **¥14,681**

Operating revenues **¥13,364 million**

Operating profits **¥6,223 million**

Net income **¥4,479 million**

NOI return of portfolio **4.9%**

Portfolio

Number of properties **51 properties**

Total leasable floor space **438,918.56m²**

Total number of tenants **704**

Total acquisition price **¥378,607 million**

Average occupancy rate **94.5%**

Finance

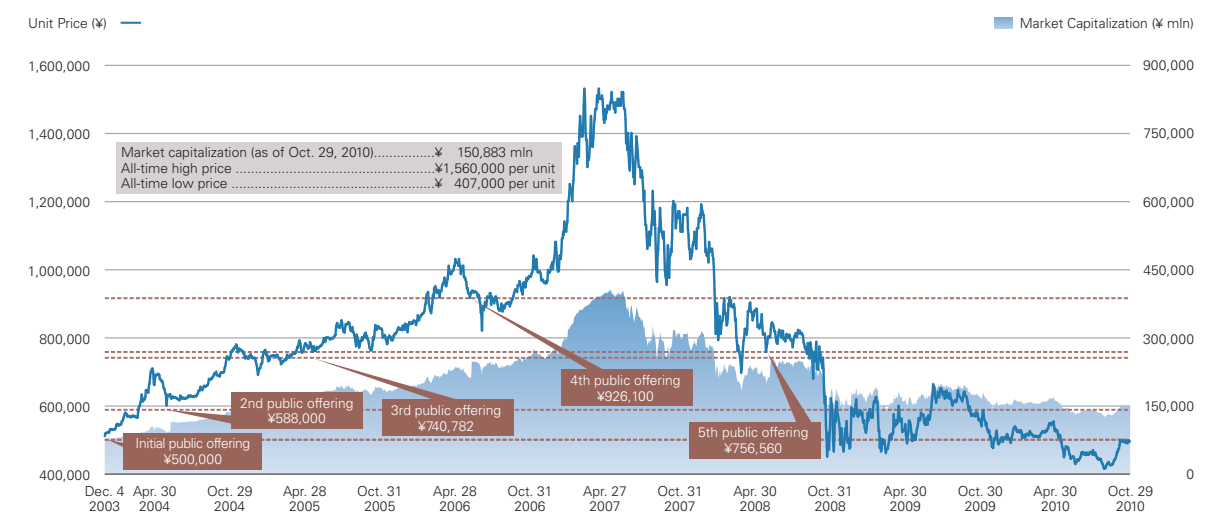
Ratio of long-term debts **73.9%**

Average remaining duration of long-term fixed debts **3.8 years**

Ratio of fixed-rate debts **91.2%**

Weighted average of interest rate of all the debts **1.67%**

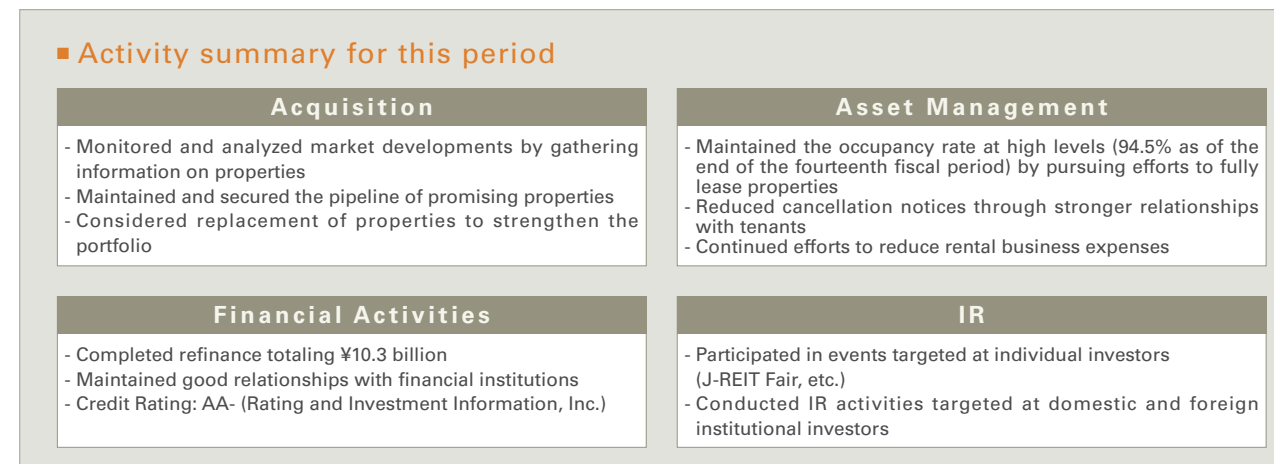
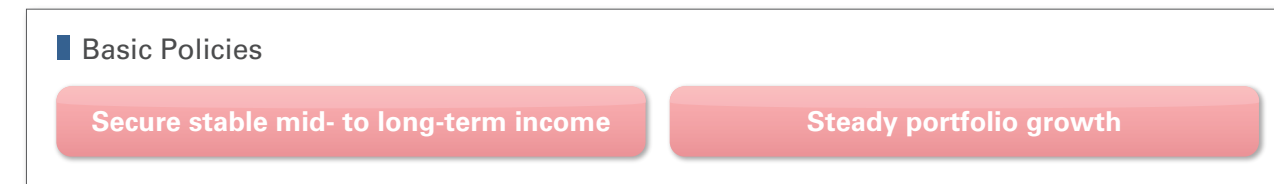
CHANGES IN UNIT PRICE AND MARKET CAPITALIZATION



Management Summary of the Fourteenth Fiscal Period

Activity summary for this period and management strategy for the future

This section describes the activities of the Company during this period and the management strategy to be implemented in future periods based on our "Basic Management Policy" and "Mid- to Long-term Management Strategy" below.



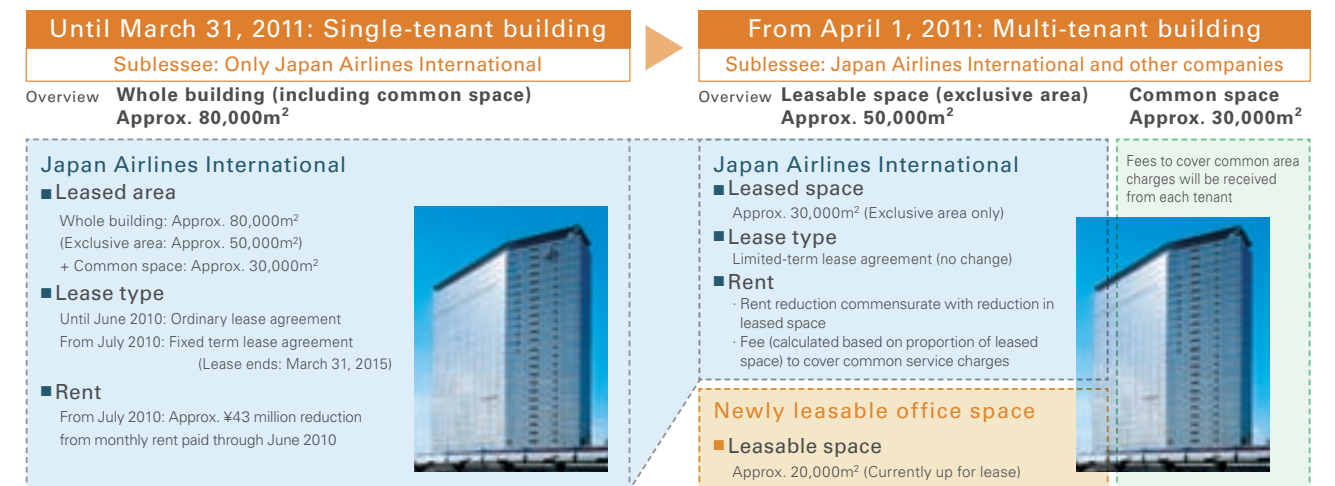
Measures targeting specific issues in NOF, and maintenance and stabilization of cash distributions and occupancy rates

Return to growth track and grow assets under management (Mid-to-long term goal: ¥500 billion)

NRE Tennozu Building (formerly the JAL Building)

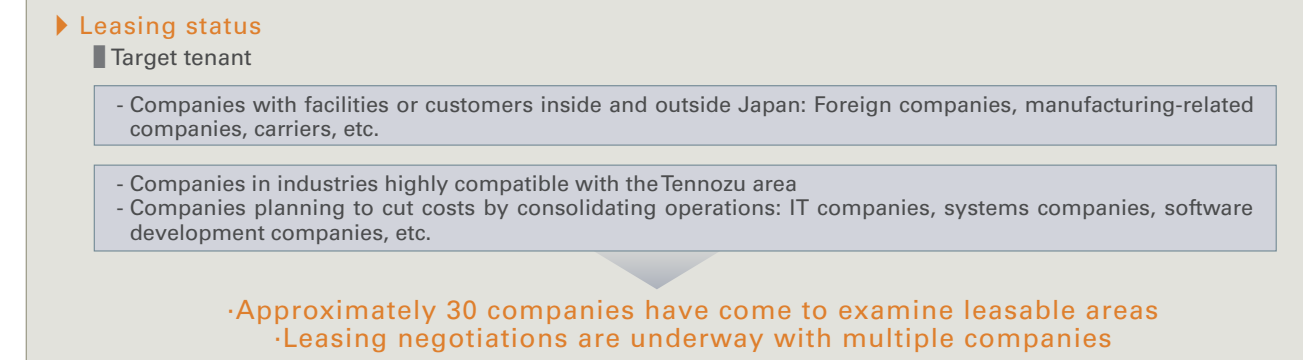
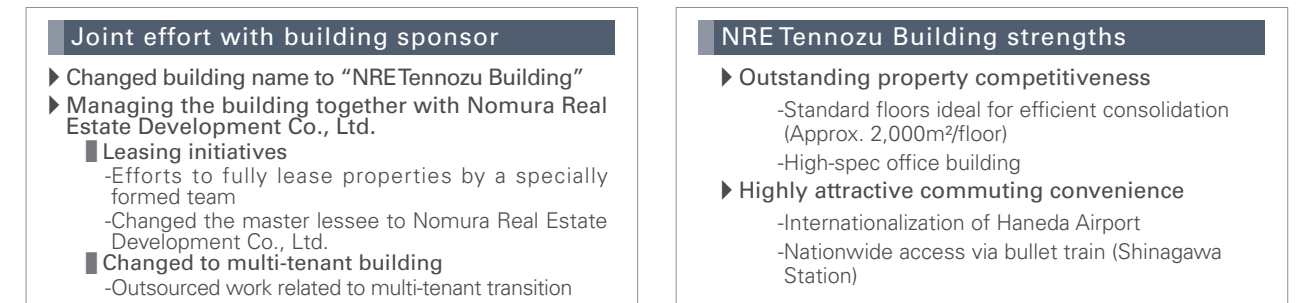
On June 30, 2010, a lease agreement outlining rent (beginning July 2010) and space (withdrawal from approximately 40% of exclusive area and all common space by March 31, 2011) reductions was entered into with Japan Airlines International Co., Ltd. (currently undergoing reorganization proceedings) for its space in NRE Tennozu Building (formerly the JAL Building). Nomura Real Estate Development Co., Ltd., our sponsor, will sublease the Tennozu Building beginning in April 2011 and start to manage it as a multi-tenant building. In that connection, the name of the building was changed to "NRE Tennozu Building."

Changes in the lease agreement with Japan Airlines International



*This image addresses the leasing of the entire property. Rents are amounts paid to the sublessee by the tenants.

Leasing activities



Aiming success in rapidly leasing out all newly available office space

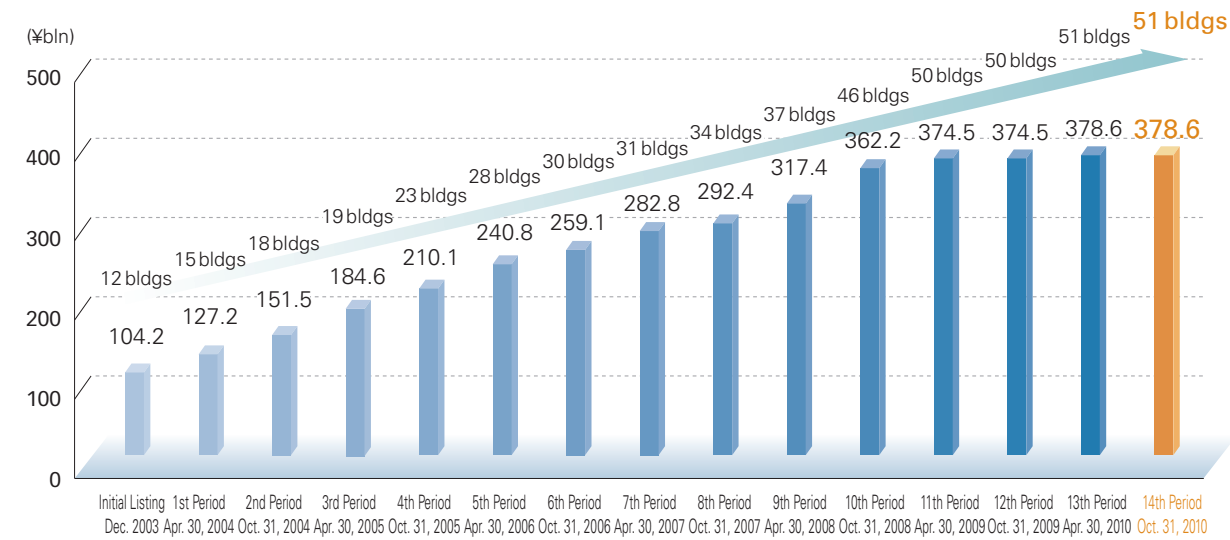
Portfolio Highlights

Well Diversified Portfolio

Nomura Office Fund has invested in properties focusing on the geographic diversification and diversification within each property in order to reduce risk of income fluctuation. The average occupancy rate at the end of the fourteenth fiscal period: 94.5%.

CHANGES IN SIZE OF PORTFOLIO

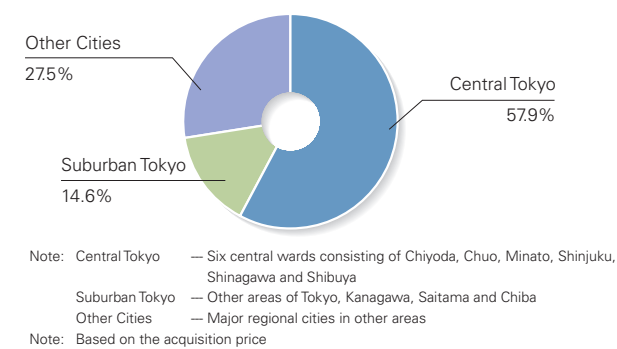
As indicated below, diversification of the portfolio, which has steadily increased since listing.



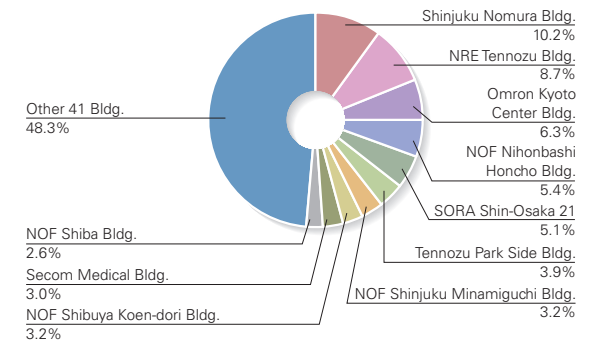
DIVERSIFICATION BY AREA AND PROPERTY

The area and property diversification as of the end of the fourteenth period are as follows.

Area Diversification

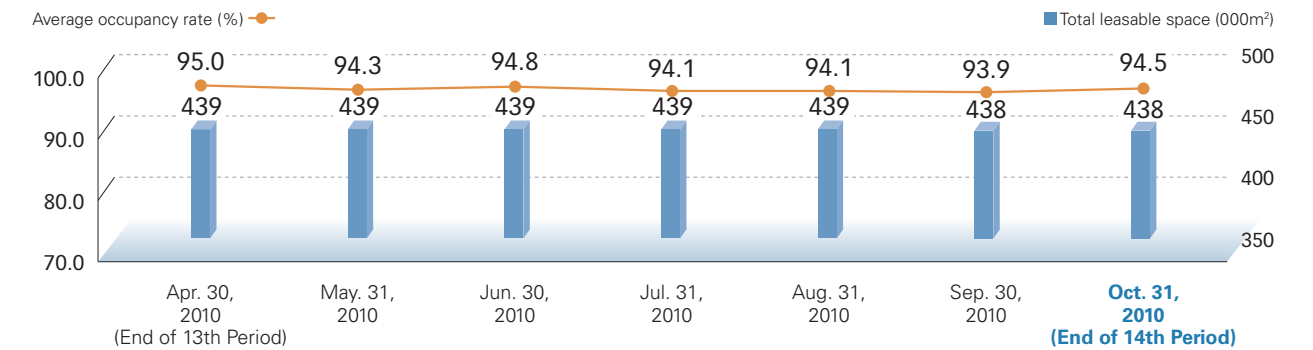


Property Diversification (Top 10 Properties and other)



CHANGES IN OCCUPANCY RATE (AVERAGE)

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



MAJOR TENANTS

Top 10 tenants in the leased space as of the end of the fourteenth period are as follows.

Tenant	Industry	Property	Expiry of contract	Leased space (m ²)	Weight in portfolio (%)	
1	Flagship Properties Private Company	Real Estate	NRE Tennozu Bldg.	Mar. 31, 2015	42,084.11	10.2
2	OMRON Corporation	Electronic Devices	Omron Kyoto Center Bldg.	Mar. 29, 2021	34,616.84	8.4
3	XYMAX AXIS CORPORATION	Real Estate	NOF Toyo-cho Bldg.	Nov. 30, 2014	18,218.17	4.4
4	SECOM Co., Ltd.	Services	Secom Medical Bldg. NOF Sendai Aoba-dori Bldg.	Feb. 28, 2025 Dec. 31, 2010	8,821.24 755.69	2.1 0.2
5	JCB Co., Ltd.	Financing	JCB Sapporo Higashi Bldg.	Feb. 7, 2018	9,062.04	2.2
6	Nomura Facilities Co., Ltd.	Real Estate	Shinjuku Nomura Bldg. NOF Utsunomiya Bldg. NRE Yotsubashi Bldg. NRE Hiroshima Bldg.	May 31, 2011 Dec. 31, 2011 Nov. 30, 2011 Oct. 31, 2011	574.11 1,140.85 1,847.63 2,834.48	0.1 0.3 0.5 0.7
7	Nomura Real Estate Development Co., Ltd.	Real Estate	Shinjuku Nomura Bldg. NRE Yotsubashi Bldg.	Nov. 30, 2013 Nov. 30, 2013	4,539.05 1,266.19	1.1 0.3
8	FUJITSU LIMITED	Electronic Devices	NOF Technoport Kamata Center Bldg. Faret Tachikawa Center Square NOF Shin-Yokohama Bldg.	Apr. 30, 2012 Dec. 31, 2011 Sep. 30, 2012	3,813.62 255.15 1,293.78	0.9 0.1 0.3
9	KYORIN Holdings, Inc.	Wholesale	NOF Surugadai Plaza Bldg.	Mar. 31, 2013	4,160.94	1.0
10	SOMPO JAPAN INSURANCE INC.	Insurance	Shinjuku Nomura Bldg. NRE Hiroshima Bldg.	May.31, 2011 Feb. 28, 2012	3,853.23 283.02	0.9 0.1
Total					139,420.14	33.6

DIVERSIFICATION IN TENANTS' BUSINESS

The ratio of diversification in tenants' business by space as of the end of the fourteenth period is as follows.



Financial Status

Carried Out Steady Refinancing

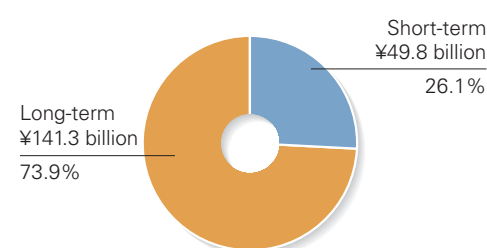
Nomura Office Fund has the basic financial policy for the purpose of securing financial stability and avoiding future interest rate risks. In this period, the Company completed the refinancing of ¥10.3 billion and outstanding interest-bearing debt as of the end of the fourteenth fiscal period is ¥191.23 billion.

THE RATIO OF LONG- AND SHORT-TERM DEBT AND FIXED- AND FLOATING-RATE DEBT (as of the end of the Fourteenth fiscal period)

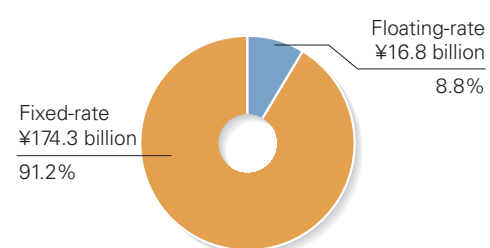
The Company has secured financial stability through promotion of long-term, fixed-rate interest-bearing debt to prepare for the future interest rate hikes.

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

■ Ratio of fixed and floating interest-bearing debts



Note: "Short-term" includes long-term debts to be repaid within one year.



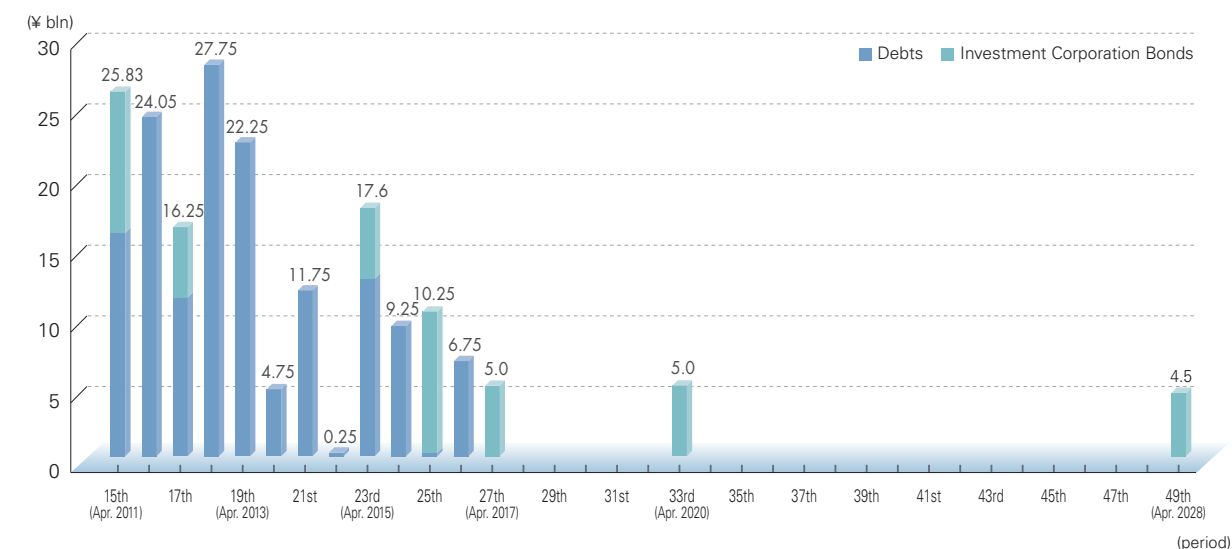
Note: "Fixed" includes floating-rate debts with fixed-rates through interest-rate swap transactions.

LIST OF LENDERS

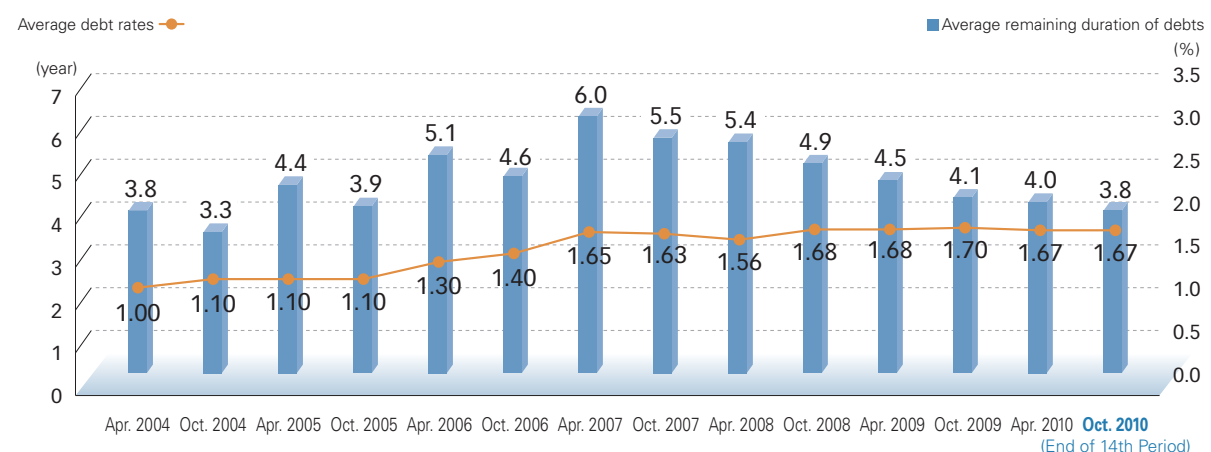
The number of lenders as of the end of the fourteenth period is 31 financial institutions.

Lender	Total Amount of Debt Remaining (¥mln)	Lender	Total Amount of Debt Remaining (¥mln)	Lender	Total Amount of Debt Remaining (¥mln)
Bank of Tokyo-Mitsubishi UFJ	23,400	Bank of Fukuoka	3,500	Yamanashi Chuo Bank	1,500
Sumitomo Mitsui Banking Corp.	20,900	Norinchukin Bank	3,000	Hyakujushi Bank	1,500
Development Bank of Japan	15,500	Taiyo Life Insurance	3,000	Chiba Bank	1,000
Mitsubishi UFJ Trust and Banking Corp.	11,550	Chuo Mitsui Trust and Banking	3,000	Keiyo Bank	1,000
Sumitomo Trust & Banking Corp.	10,480	Hachijuni Bank	2,000	Mitsui Life Insurance	1,000
Mizuho Corporate Bank	7,400	Daido Life Insurance	2,000	Mitsui Sumitomo Insurance	1,000
The Dai-ichi Life Insurance Company	5,000	Zenkyoren	2,000	Sompo Japan Insurance Inc.	1,000
Sumitomo Life Insurance Company	5,000	Mizuho Trust & Banking	2,000	The 77 Bank	1,000
Nomura Trust and Banking	4,000	Shinkin Central Bank	2,000	Aozora Bank	1,000
Chugoku Bank	4,000	Nishi-Nippon City Bank	2,000	Total borrowings	146,730
Iyo Bank	3,500	Hiroshima Bank	1,500	(Reference) Investment Corporation Bonds	44,500
				Total	191,230

DIVERSITY OF REPAYMENT DATES (as of the end of the Fourteenth fiscal period)



CHANGES IN AVERAGE DURATION OF LONG-TERM FIXED-RATE DEBTS AND WEIGHTED AVERAGE OF INTEREST RATE OF THE DEBTS



CREDIT RATINGS (as of the end of the Fourteenth fiscal period)

Rating Company	Rating	Outlook
Rating and Investment Information, Inc.	AA-: Issuer rating	Stable
Standard & Poor's Ratings Japan K.K.	A : Long-term corporate credit rating	Negative
Moody's Japan K.K.	A2 : Issuer rating	Negative

Summary of Portfolio Properties



MAP No.	Name of Property	Location	Leasable Floor Space (m ²)	Date Acquired	Acquisition Price (¥mln)	Ratio (%)
Central Tokyo						
01	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,500.89	Dec. 8, 2003	38,730	10.2
02	NRE Tennozu Building	Shinagawa-ku, Tokyo	42,084.11	Mar. 18, 2005	33,080	8.7
03	NOF Nihonbashi Honcho Building	Chuo-ku, Tokyo	19,157.05	Dec. 5, 2003	20,600	5.4
04	Tennozu Park Side Building	Shinagawa-ku, Tokyo	18,051.60	Feb. 27, 2004	14,800	3.9
05	NOF Shinjuku Minamiguchi Building	Shibuya-ku, Tokyo	6,685.52	Jun. 25, 2008	12,300	3.2
06	NOF Shibuya Koen-dori Building	Shibuya-ku, Tokyo	3,420.16	Sep. 28, 2004	12,000	3.2
07	Secom Medical Building	Chiyoda-ku, Tokyo	8,821.24	Sep. 1, 2006	11,500	3.0
08	NOF Shiba Building	Minato-ku, Tokyo	8,165.10	May 25, 2004	10,000	2.6
09	Nishi-Shinjuku Showa Building	Shinjuku-ku, Tokyo	5,670.84	Nov. 30, 2005	8,800	2.3
10	NRE Shibuya Dogenzaka Building	Shibuya-ku, Tokyo	3,436.67	Sep. 26, 2008	7,660	2.0
11	NOF Tameike Building	Minato-ku, Tokyo	4,715.20	Sep. 29, 2005	7,400	2.0
12	Iwamoto-cho Toyo Building	Chiyoda-ku, Tokyo	4,117.26	Jun. 25, 2008	6,020	1.6
13	NOF Shinagawa Konan Building	Shinagawa-ku, Tokyo	7,667.55	Dec. 8, 2003	5,500	1.5
14	NOF Surugadai Plaza Building	Chiyoda-ku, Tokyo	4,160.94	Feb. 27, 2004	5,150	1.4
15	PMO Nihonbashi Honcho	Chuo-ku, Tokyo	2,450.06	Nov. 5, 2008	5,000	1.3
16	NRE Higashi-nihonbashi Building	Chuo-ku, Tokyo	4,554.98	Jan. 14, 2009	4,060	1.1
17	Hatchobori NF Building	Chuo-ku, Tokyo	2,854.83	Aug. 10, 2007	3,160	0.8
18	NOF Kanda Iwamoto-cho Building	Chiyoda-ku, Tokyo	4,076.38	Feb. 26, 2004	3,080	0.8
19	NOF Takanawa Building	Shinagawa-ku, Tokyo	3,361.48	Feb. 27, 2009	3,010	0.8
20	Central Kyobashi Building	Chuo-ku, Tokyo	1,720.05	Jun. 25, 2008	2,550	0.7

MAP No.	Name of Property	Location	Leasable Floor Space (m ²)	Date Acquired	Acquisition Price (¥mln)	Ratio (%)
21	NOF Minami Shinjuku Building	Shibuya-ku, Tokyo	2,464.71	Jun. 25, 2004	2,280	0.6
22	Central Shintomicho Building	Chuo-ku, Tokyo	2,465.86	Jun. 25, 2008	1,750	0.5
23	Sunworld Yotsuya Building	Shinjuku-ku, Tokyo	2,367.51	Jun. 25, 2008	778	0.2
Total Central Tokyo (23 Properties)			193,969.99		219,208	57.9

Suburban Tokyo						
24	NRE Ueno Building	Taito-ku, Tokyo	4,869.81	Jan. 14, 2009	7,830	2.1
25	NOF Toyo-cho Building	Koto-ku, Tokyo	18,218.17	Dec. 5, 2003	7,550	2.0
26	NOF Technoport Kamata Center Building	Ota-ku, Tokyo	13,652.45	Dec. 5, 2003	6,416	1.7
27	Toho Edogawabashi Building	Bunkyo-ku, Tokyo	2,058.97	Mar. 28, 2008	2,080	0.5
28	Toshin Meguro Building	Meguro-ku, Tokyo	1,610.07	Jun. 25, 2008	1,340	0.4
29	Crystal Park Building	Musashino City, Tokyo	3,900.85	Feb. 28, 2006	3,700	1.0
30	NOF Kichijoji Honcho Building	Musashino City, Tokyo	1,936.40	Jan. 14, 2009	1,800	0.5
31	Faret Tachikawa Center Square	Tachikawa City, Tokyo	6,851.48	Dec. 5, 2003	3,290	0.9
32	NOF Kawasaki Higashiguchi Building	Kawasaki City, Kanagawa	8,266.67	Jun. 30, 2005	9,500	2.5
33	NOF Yokohama Nishiguchi Building	Yokohama City, Kanagawa	6,817.76	May 12, 2005	5,050	1.3
34	NOF Shin-Yokohama Building	Yokohama City, Kanagawa	8,074.83	Dec. 5, 2003	3,600	1.0
35	Yokohama Odori Koen Building	Yokohama City, Kanagawa	4,234.19	Sep. 28, 2007	2,993	0.8
Total Suburban Tokyo (12 Properties)			80,491.65		55,149	14.6

Other Cities						
36	Sapporo North Plaza	Sapporo City, Hokkaido	13,601.04	Jun. 1, 2006	6,820	1.8
37	NRE Sapporo Building	Sapporo City, Hokkaido	6,559.34	Nov. 5, 2008	5,300	1.4
38	JCB Sapporo Higashi Building	Sapporo City, Hokkaido	9,062.04	Feb. 8, 2008	3,700	1.0
39	NOF Sendai Aoba-dori Building	Sendai City, Miyagi	6,098.91	Nov. 30, 2005	3,200	0.8
40	NOF Utsunomiya Building	Utsunomiya City, Tochigi	5,887.35	Dec. 5, 2003	2,970	0.8
41	NOF Nagoya Fushimi Building	Nagoya City, Aichi	3,282.90	Dec. 25, 2009	4,050	1.1
42	NOF Nagoya Yanagibashi Building	Nagoya City, Aichi	4,655.74	Sep. 29, 2005	3,550	0.9
43	Omron Kyoto Center Building	Kyoto City, Kyoto	34,616.84	Mar. 20, 2007	23,700	6.3
44	SORA Shin-Osaka 21	Osaka City, Osaka	21,277.48	Apr. 25, 2008	19,251	5.1
45	NRE Osaka Building	Osaka City, Osaka	16,977.79	Dec. 5, 2003	6,410	1.7
46	NRE Nishi-Umeda Building	Osaka City, Osaka	5,213.02	Sep. 26, 2008	5,660	1.5
47	NRE Yotsubashi Building	Osaka City, Osaka	11,558.68	Dec. 5, 2003	3,940	1.0
48	NOF Kobe Kaigan Building	Kobe City, Hyogo	6,425.16	Dec. 5, 2003	3,280	0.9
49	NRE Hiroshima Building	Hiroshima City, Hiroshima	7,902.00	Dec. 5, 2003	1,930	0.5
50	NOF Hakata Ekimae Building	Fukuoka City, Fukuoka	7,504.28	Jun. 27, 2008	6,750	1.8
51	NOF Tenjin-Minami Building	Fukuoka City, Fukuoka	3,834.35	Mar. 27, 2009	3,739	1.0
Total Other Cities (16 Properties)			164,456.92		104,250	27.5

Grand Total (51 Properties)			438,918.56		378,607	100.0
------------------------------------	--	--	-------------------	--	----------------	--------------

Note: The Company owns "Secom Medical Building", "NRE Shibuya Dogenzaka Building", "PMO Nihonbashi Honcho", "NRE Higashi-nihonbashi Building", "NOF Takanawa Building", "NRE Ueno Building", "Toho Edogawabashi Building", "Crystal Park Building", "Yokohama Odori Koen Building", "NRE Sapporo Building", "JCB Sapporo Higashi Building", "NOF Nagoya Fushimi Building", "SORA Shin-Osaka 21" and "NRE Nishi-Umeda Building" 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 51 properties). As the figures in the above table have been rounded to the first decimal place, the total may not be 100.0%.

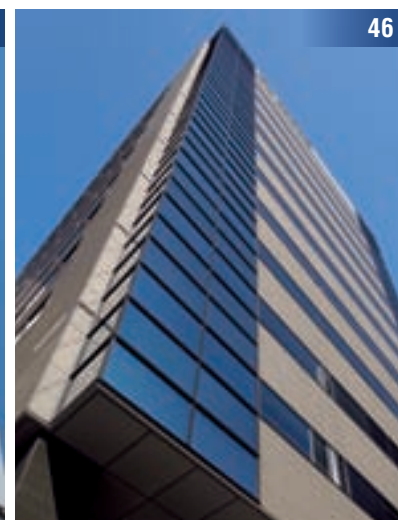
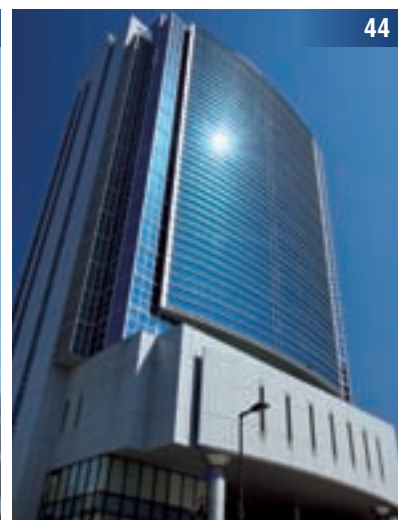
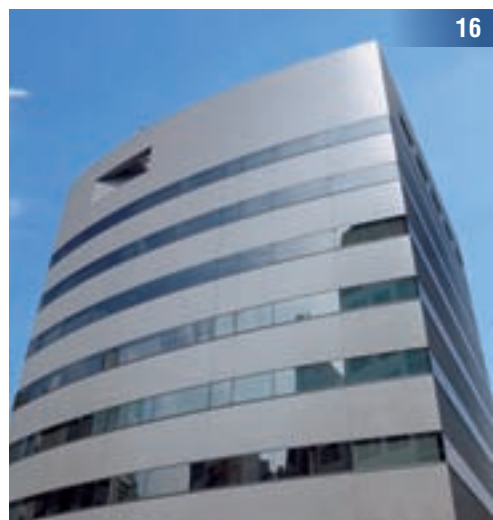
Note: Shinjuku Nomura Building is held through the quasi co-ownership of beneficial interest in real estate trust. The Company holds 50.1% of the quasi co-ownership. Total leasable floor space and acquisition price in the above table indicates the figures related to the quasi co-ownership.

Note: The Company 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) from the acquisition price before the transfer (6,430 million yen). The number of amount below unit is truncated.

Note: Names of following properties have been changed as listed. The same shall apply hereinafter.

New name	Previous name	Date changed
NRE Tennozu Building	JAL Building	October 1, 2010

Major Properties



01 | Shinjuku Nomura Building

1-26-2 Nishi-Shinjuku Shinjuku-ku, Tokyo

16 | NRE Higashi-nihonbashi Building

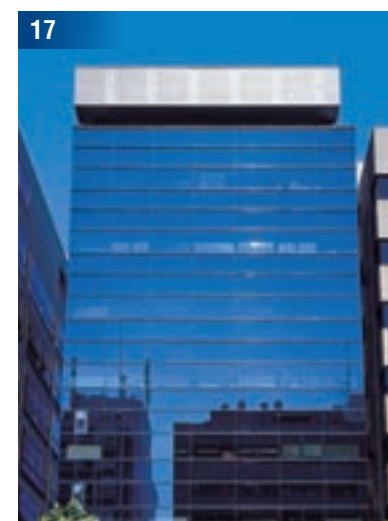
1-1-7 Higashi-nihonbashi, Chuo-ku, Tokyo

44 | SORA Shin-Osaka 21

2-1-3 Nishi-Miyahara, Yodogawa-ku, Osaka City, Osaka

46 | NRE Nishi-Umeda Building

2-1-22, Umeda, Kita-ku, Osaka City, Osaka

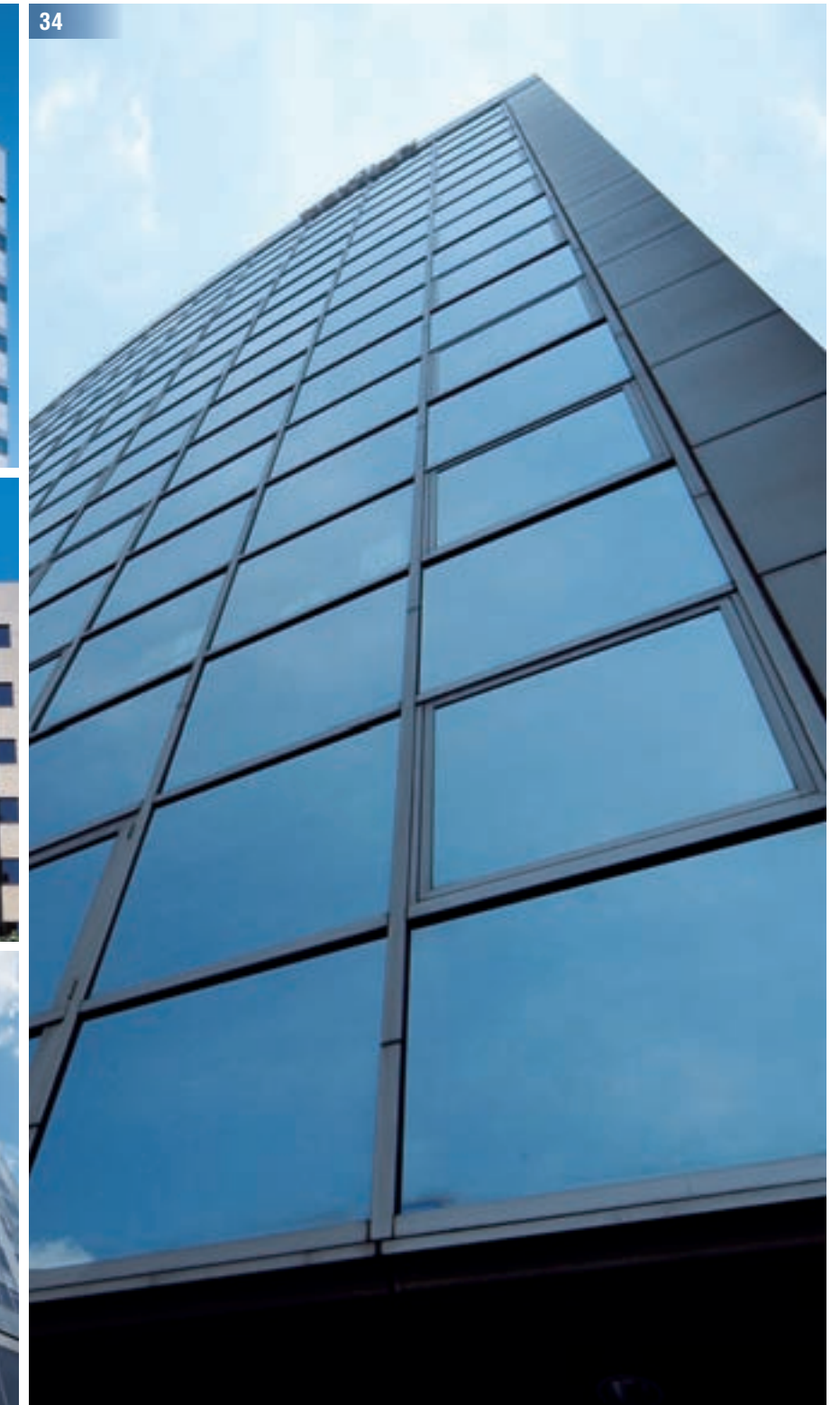


27 | Toho Edogawabashi Building

1-24-8 Sekiguchi Bunkyo-ku, Tokyo

17 | Hatchobori NF Building

2-21-6 Hatchobori Chuo-ku, Tokyo



51 | NOF Tenjin-Minami Building

3-6-15 Watanabe Dori, Chuo-ku, Fukuoka City, Fukuoka

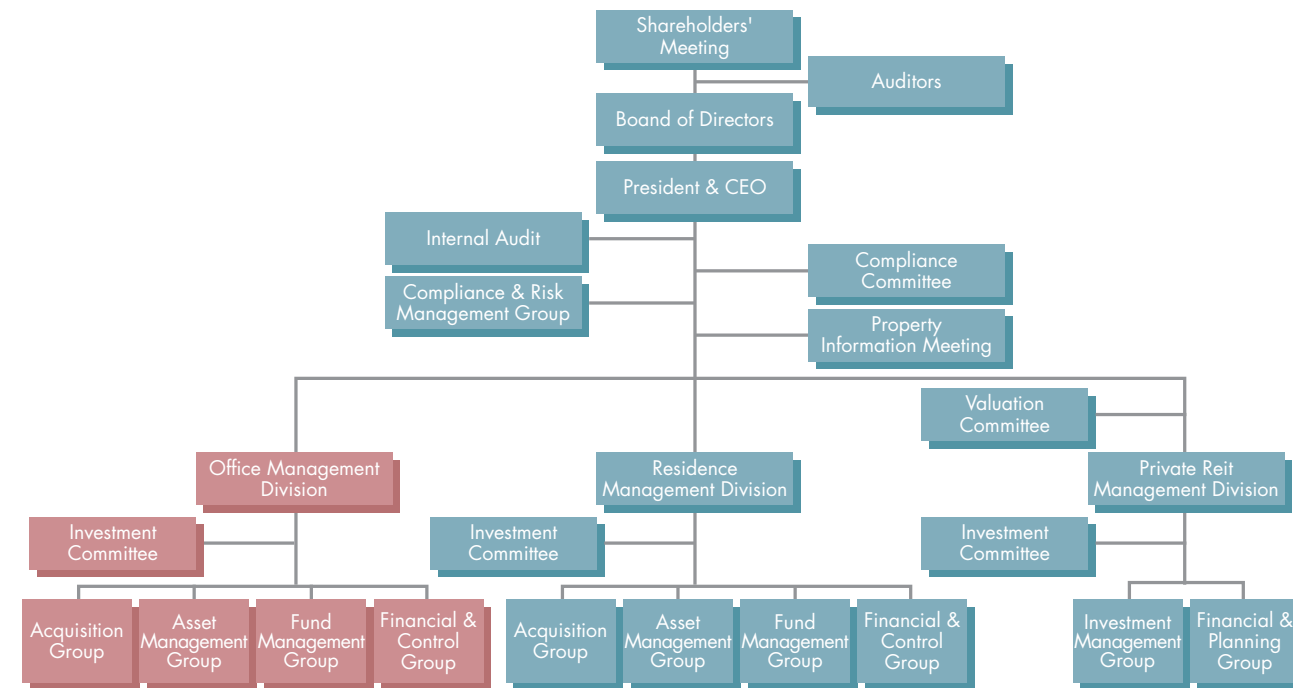
34 | NOF Shin-Yokohama Building

2-15-16 Shin-Yokohama Kohoku-ku, Yokohama City, Kanagawa

The Company has appointed the asset management company, Nomura Real Estate Asset Management, to provide full range of professional asset management services to the Company.

Company: Nomura Real Estate Asset Management Co., Ltd.
 Capital: ¥300 million (as of October 31, 2010)
 Shareholder: Nomura Real Estate Holdings, Inc. (100%)
 Incorporation: January 24, 2003

Organization of the asset management company



- Specialized in investment and management of office buildings
- Started operation in 2003



Profile of the President and General Manager

President & CEO Atsushi Ogata



Apr. 1987 Entered NRED
Nov. 1987 International Business Dept.
Dec. 1989 Overseas Project Dept.
Apr. 1992 Corporate Sales Division
Jun. 1995 Entrusted Sales Division
Apr. 2001 External assignment, Nomura Real Estate Urban Net Co., Ltd.
Jan. 2003 Asset Management Division
Apr. 2003 External Assignment, NREAM
Jun. 2005 Director, NREAM (current position)
Apr. 2006 General Manager, Office Management Division, NREAM
Apr. 2010 President and Chief Executive Officer, NREAM (current position)

General Manager Hirotaka Furugori



Apr. 1988 Entered NRED
Jun. 1988 Mid-to-high-rise Residence Development Dept.
Jan. 1991 Residential Sales Dept.
Jun. 1994 Customer Relations Dept.
Oct. 1995 Meidaimae Branch
Apr. 1997 Human Resource Dept.
Apr. 2005 Corporate Planning Dept., NRED and external assignment, Nomura Real Estate Holdings, Inc.
Jun. 2005 Head of Investment Management & Advisory Company, NRED and External Assignment, Nomura Real Estate Investment Management
Oct. 2007 Head of Investment Management & Advisory Company, NRED
Apr. 2010 External Assignment, General Manager, Office Management Division, NREAM (current position)



Secom Medical Building

Contents	Asset Management Report.....	16
	Profile of the Company	21
	Status of Investment Assets of the Company	23
	Capital Expenditures	26
	Expenses and Liabilities	27
	Trading during the Fourteenth Fiscal Period	30
	Other Information	32

Asset Management Report

1. CHANGES IN KEY INDICATORS

		14th Period from May 1, 2010 to Oct. 31, 2010	13th Period from Nov. 1, 2009 to Apr. 30, 2010	12th Period from May 1, 2009 to Oct. 31, 2009	11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008
Operating Revenues	(¥ mln)	13,364	13,686	14,203	15,409	13,925
of which Real Estate Rental Revenues	(¥ mln)	13,364	13,686	14,203	14,281	13,925
Operating Expenses	(¥ mln)	7,141	6,938	7,065	8,331	6,993
of which Real Estate Rental Expenses	(¥ mln)	5,883	5,667	5,761	5,917	5,790
Operating Profits	(¥ mln)	6,223	6,747	7,138	7,078	6,932
Current Profits	(¥ mln)	4,480	5,035	5,339	5,393	5,256
Net Income	(¥ mln)	4,479	5,034	5,338	5,392	5,255
Total Assets	(¥ mln)	407,703	410,127	408,312	409,353	401,684
(Changes from Previous Period)	(%)	(△0.6)	(+0.4)	(△0.3)	(+1.9)	(+13.6)
Interest-Bearing Debts	(¥ mln)	191,230	191,980	188,730	188,730	182,100
Net Assets	(¥ mln)	189,934	190,490	190,793	190,847	190,711
(Changes from Previous Period)	(%)	(△0.3)	(△0.2)	(△0.0)	(+0.1)	(+18.3)
Unitholders' Capital	(¥ mln)	185,455	185,455	185,455	185,455	185,455
Number of Units Issued	(Units)	305,123	305,123	305,123	305,123	305,123
Net Assets per Unit	(¥)	622,486	624,306	625,301	625,478	625,031
Total Cash Distribution	(¥ mln)	4,479	5,034	5,338	5,392	5,255
Cash Distribution per Unit	(¥)	14,681	16,500	17,496	17,673	17,225
of which Cash Distribution of Profits	(¥)	14,681	16,500	17,496	17,673	17,225
of which Cash Distribution in excess of Profits	(¥)	-	-	-	-	-
ROA (Return on Assets) (Note 1)	(%)	1.1	1.2	1.3	1.3	1.4
Annualized ROA (Note 2)	(%)	2.2	2.5	2.6	2.7	2.7
ROE (Return on Equity) (Note 3)	(%)	2.4	2.6	2.8	2.8	2.8
Annualized ROE (Note 2)	(%)	4.7	5.3	5.5	5.7	5.6
Capital Adequacy Ratio (Note 4)	(%)	46.6	46.4	46.7	46.6	47.5
(Changes from Previous Period)	(%)	(+0.2)	(△0.3)	(+0.1)	(△0.9)	(+1.9)
LTV (Loan-to-Value) (Note 5)	(%)	46.9	46.8	46.2	46.1	45.3
Number of Operating Days	(days)	184	181	184	181	184
Payout Ratio (Note 6)	(%)	100.0	99.9	99.9	100.0	99.9
Number of Properties Held	(bldgs)	51	51	50	50	46
Total Leasable Floor Space	(m ²)	438,918.56	439,139.15	435,901.82	436,094.41	430,487.81
Number of Tenants	(tenants)	704	686	666	661	676
Occupancy Rate	(%)	94.5	95.0	95.4	96.4	97.3
Depreciation	(¥ mln)	1,876	1,865	1,835	1,862	1,793
Capital Expenditures	(¥ mln)	597	692	779	1,376	1,552
NOI (Net Operating Income) (Note 7)	(¥ mln)	9,357	9,884	10,278	10,226	9,927
FFO (Funds from Operation) (Note 8)	(¥ mln)	6,363	6,908	7,180	7,167	7,087
FFO per Unit (Note 9)	(¥)	20,855	22,640	23,534	23,488	23,228

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 10th 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. 10th Period: 184 days, 11th Period: 181 days, 12th Period: 184 days, 13th period: 181 days, and 14th Period: 184 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 10th 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

2. OUTLINE OF INVESTMENTS IN THE FOURTEENTH 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 fiscal period, the Japanese economy, against the backdrop of an ongoing recovery in the world economy which was driven by Asian nations, and with the help of various stimulus measures by the government, benefited from rising exports and recovering personal consumption. In addition, according to the Bank of Japan's Short-term Economic Survey of Enterprises (Tankan), business conditions as seen by companies and financial position continued to improve. This, combined with signs of an upturn in corporate earnings and other factors, supports expectations for improving economic conditions. Nevertheless, with the risk of a downturn in overseas economies, concerns regarding continued yen appreciation and the prolongation of deflation, the Cabinet Office in its monthly economic report for October revised its basic assessment downward for the first time in 20 months, indicating that uncertainty continues about the economic outlook.

(a) Office Leasing Market

The office leasing market continues to experience a strong downward pressure on rents from tenants due to their persisting cost-consciousness. Occupancy rates and new asking rents, however, appear to have bottomed out. With corporate earnings recovering, relocating to consolidate offices as a part of rationalization efforts has subsided and some tenants, sensing that rents have bottomed out, are actively moving to expand their office space or upgrade locations. As for areas outside of Tokyo, difficult conditions continue in Sendai and Osaka, while declines in new properties entering the market and other factors have given rise to signs of recovery in Sapporo, Nagoya and Fukuoka.

(b) Real Estate Sales Market

During this period, the volume of information on properties offered for sale continued to increase (vs. the previous fiscal period) as private funds contemplated sales and merged REITs moved to restructure portfolios. Information on prime properties for sale has been constrained within a limited range, but, with the cap rate already stabilizing and the pricing gap between potential sellers and buyers narrowing, conditions have become favorable for the completion of transactions, even if the number completed is small.

Among some J-REITs, the number of transactions for acquiring new properties and adjusting portfolios has begun to rise.

(2) Status of Managements for the Fourteenth 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.

The Company's total assets under management ("portfolio") as of the end of the fourteenth fiscal period (October 31, 2010) was 51 properties (total leasable floor space: 438,918.56m²) totaling ¥378.6 billion (total acquisition price) as there were no changes in the portfolio.

In property management, market conditions remained difficult, against the backdrop of the environment described in "(1) Market Environments (a) Office Leasing Market," but the number of cancellation notices from tenants is trending downward. The Company concentrated on the maintenance and improvement of the occupancy rate through aggressively approaching prospective tenants and maintaining close communications with existing tenants. Upon renewal of lease contracts, the Company engaged in active negotiation with its tenants to minimize declines in rent levels, while responding flexibly to the needs of each tenant, considering the deviation from the market asking-rent, the size of leasing space and the leasing period. As a result, the average rent for the 51 properties declined by only 3.0% compared to the previous fiscal period and the occupancy rate remained high at 94.5% at the end of the period.

In addition, we have maintained stable profits, through securing profits by utilizing the know-how of the Nomura Real Estate Group (Note) to reduce asset management expenses, such as reviewing property management specifications for each building.

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

(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.

As to debts, a total of ¥10.3 billion was borrowed as a part of repayment funds for existing debts. As a result, outstanding interest-bearing debt as of the end of fourteenth fiscal period was ¥191.2 billion.

3. STATUS OF CAPITAL

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

Date	Type of Issue	Number of Units Issued (Unit)		Unitholders' Capital (¥ mln)		Note
		Change	Balance	Change	Balance	
Aug. 7, 2003	Initial private placement	400	400	200	200	(Note 1)
Dec. 4, 2003	Public offering	148,200	148,600	71,506	71,706	(Note 2)
May 19, 2004	Public offering	35,000	183,600	19,866	91,572	(Note 3)
Jun. 16, 2004	Third-party allotment	1,050	184,650	595	92,168	(Note 4)
May 1, 2005	Public offering	44,000	228,650	31,496	123,665	(Note 5)
May 24, 2005	Third-party allotment	1,320	229,970	944	124,610	(Note 6)
May 25, 2006	Public offering	34,800	264,770	31,143	155,753	(Note 7)
Jun. 23, 2006	Third-party allotment	1,133	265,903	1,013	156,767	(Note 8)
May 27, 2008	Public offering	37,000	302,903	27,064	183,831	(Note 9)
Jun. 24, 2008	Third-party allotment	2,220	305,123	1,623	185,455	(Note 10)

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.

Note 9: Public offering at the offer price of ¥756,560 (issue price of ¥731,470) to redeem the short-term investment corporation bonds and to repay short-term borrowings.

Note 10: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥731,470 following the public offering on May 27, 2008.

[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.

		14th Period from May 1, 2010 to Oct. 31, 2010	13th Period from Nov. 1, 2009 to Apr. 30, 2010	12th Period from May 1, 2009 to Oct. 31, 2009	11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008
High	(¥)	536,000	588,000	683,000	645,000	874,000
Low	(¥)	412,000	465,000	495,000	431,000	407,000

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 ¥14,681.

		14th Period from May 1, 2010 to Oct. 31, 2010	13th Period from Nov. 1, 2009 to Apr. 30, 2010	12th Period from May 1, 2009 to Oct. 31, 2009	11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008
Retained Earnings	(¥000)	4,479,515	5,034,679	5,338,534	5,392,502	5,255,922
Accumulated earnings	(¥000)	4	149	102	64	178
Total cash distribution	(¥000)	4,479,510	5,034,529	5,338,432	5,392,438	5,255,743
(Cash distribution per unit)	(¥)	(14,681)	(16,500)	(17,496)	(17,673)	(17,225)
of which distribution of profits	(¥000)	4,479,510	5,034,529	5,338,432	5,392,438	5,255,743
(Distribution of profits per unit)	(¥)	(14,681)	(16,500)	(17,496)	(17,673)	(17,225)
of which refund of capital	(¥000)	-	-	-	-	-
(Refund of capital per unit)	(¥)	(-)	(-)	(-)	(-)	(-)

5. INVESTMENT POLICY AND FUTURE ISSUES

(1) Investment Environments

Although there are increasing signs of recovery in the real economy, with lingering uncertainty about future outlook against the backdrop of the strong yen, the Japanese economy is expected to search for the timing of bottoming out and recovery.

Under these circumstances, we believe that it is important to continue to focus on the maintenance of funding capacities through conservative financial management, and flexible property management that minimizes the decrease in portfolio profitability under the current weak office leasing market, while paying close attention to movements in expected yield and property liquidity in the real estate investment market.

(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 leasing 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. Regarding the NRE Tennozu Building, from which Japan Airlines International Co., Ltd. is scheduled to partially withdraw (20,483.83m²) on March 31, 2011, we are working closely with Nomura Real Estate Development Co., Ltd., the property management company, to strengthen leasing activities and restore the occupancy rate as soon as possible.

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.

(b) Enlargement of Portfolio by Acquisition of New Properties

The Company has set in motion several strategic measures; that is, targeting the expansion of asset size up to ¥500 billion in the medium term in order to achieve higher revenue (i.e. external growth); replacing our property portfolio to enhance its quality; ensuring the portfolio is well-balanced and diversified to minimize fluctuation risks in revenue; and maximizing the advantage of scale to reduce operational and administration costs.

In order for us to make right investments in properties of good value, we will ensure to collect information on properties for sale in an early stage, and conduct an in-depth due diligence to assess the potential risks involved in such investments. As part of our efforts to carry out this investment policy, we will work to find investment opportunities through further expansion of our own sourcing network as well as cooperation with other companies of Nomura Real Estate Group, and to make appropriate investment decisions based on our market research capabilities and technical expertise.

In making an investment decision, we adhere to strict criteria to select best properties that can bring stable revenues to the entire portfolio in light of mid- and long-term perspectives.

(c) Continuation of Conservative Financial Policy

In order to assure stable financing capability and increase creditworthiness in the market over the mid- to long-term, we will pay particular attention to debt finance. We will seek to continuously keep the LTV 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.

6. IMPORTANT EVENTS SUBSEQUENT TO THE FOURTEENTH FISCAL PERIOD

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

(1) Issuance of Investment Corporation Bonds

In accordance with the resolution at the Board of Directors' meeting held on October 20, 2010, the Company issued investment corporation bonds on November 26, 2010, as briefly explained below. The issuance is based on the Shelf Registration Statement of the Investment Corporation Bonds filed on November 18, 2009.

Name of the Investment Corporation Bonds	Nomura Real Estate Office Fund, Inc. Eighth Series Unsecured Investment Corporation Bonds
Aggregate Amount of the Investment Corporation Bonds	¥6,000,000,000
Payment Price	¥100 per par value of ¥100
Redemption Price	¥100 per par value of ¥100
Interest Rate	0.94% per annum
Pledge and Guarantee	Unsecured/unguaranteed
Maturity and Method of Redemption	November 26, 2014 (4-year bonds) The Company may, at any time on and after the date following the due date of payment, purchase and cancel any such Bond except as otherwise specifically provided by Japan Securities Depository Center, Inc., the custody of a transfer agency.
Interest Payment Date	May 26 and November 26, every year
Purpose of the Issuance	To be used for a part of the redemption of the Third Series Unsecured Investment Corporation Bonds (¥10,000,000,000) which will mature on November 29, 2010.

Name of the Investment Corporation Bonds	Nomura Real Estate Office Fund, Inc. Ninth Series Unsecured Investment Corporation Bonds
Aggregate Amount of the Investment Corporation Bonds	¥4,000,000,000
Payment Price	¥100 per par value of ¥100
Redemption Price	¥100 per par value of ¥100
Interest Rate	1.52% per annum
Pledge and Guarantee	Unsecured/unguaranteed
Maturity and Method of Redemption	November 26, 2017 (7-year bonds) The Company may, at any time on and after the date following the due date of payment, purchase and cancel any such Bond except as otherwise specifically provided by Japan Securities Depository Center, Inc., the custody of a transfer agency.
Interest Payment Date	May 26 and November 26, every year
Purpose of the Issuance	To be used for a part of the redemption of the Third Series Unsecured Investment Corporation Bonds (¥10,000,000,000) which will mature on November 29, 2010.

(2) Transfer of a Property

On December 8, 2010, the Company entered into a sale and purchase agreement regarding the transfer of NOF Toyo-cho Building and completed the transfer of 33% of the quasi-co-ownership interest in each of the two real estate trust beneficial interests. Consumption taxes and adjustments of property taxes are excluded from the sales prices.

NOF Toyo-cho Building	
Type of Asset	: Trust Beneficial Interest
Date of Agreement	: December 8, 2010
Scheduled Transfer Date (Note 1)	: (i) December 8, 2010 (33% of the quasi-co-ownership interest in each of the two real estate trust beneficial interests) (ii) May 10, 2011 (67% of the quasi-co-ownership interest in each of the two real estate trust beneficial interests)
Transfer Price	: (i) ¥2,859,000,000 (ii) ¥5,805,000,000 Total ¥8,664,000,000
Book Value (Note 2)	: (i) ¥2,326,147,531 (ii) ¥4,722,784,381 Total ¥7,048,931,912
Transferee	: Japanese General Operating Company

Note 1: The Property is composed of two beneficial interests, in each of which 50% co-ownership interest in the land and building is mainly entrusted. 33% of the quasi-co-ownership interest in each of the two beneficial interests will be transferred on December 8, 2010, and 67% of the quasi-co-ownership interest in each of the two beneficial interests will be transferred on May 10, 2011.

Note 2: The book value is calculated by multiplying the book value as of October 31, 2010 with the quasi-co-ownership interest in the real estate trust beneficial interests to be transferred (33% on December 8, 2010, and 67% on May 10, 2011 (The amount has been rounded to the nearest first decimal place)). The book value is a reference amount as of October 31, 2010.

Profile of the Company

1. STATUS OF UNITHOLDERS' CAPITAL

		14th Period (as of Oct. 31, 2010)	13th Period (as of Apr. 30, 2010)	12th Period (as of Oct. 31, 2009)	11th Period (as of Apr. 30, 2009)	10th Period (as of Oct. 31, 2008)
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)	305,123	305,123	305,123	305,123	305,123
Amount of unitholders' capital	(¥ mln)	185,455	185,455	185,455	185,455	185,455
Number of unitholders		13,100	12,970	12,565	12,503	12,406

2. MATTERS CONCERNING THE INVESTMENT UNITS

The 10 largest unitholders as of October 31, 2010 were as follows.

Name	Number of Units Held (Unit)	Portion in the Total Units Issued (%)
Japan Trustee Service Bank, Ltd. (Trust Accounts)	37,974	12.45
The Nomura Trust and Banking Co., Ltd. (Trust Accounts)	31,615	10.36
Trust & Custody Services Bank, Ltd. (Securities Trust Accounts)	20,296	6.65
Nomura Real Estate Development Co., Ltd.	15,287	5.01
The Master Trust Bank of Japan, Ltd. (Trust Accounts)	12,642	4.14
The Senshu Ikeda Bank, Ltd.	7,606	2.49
Kawasaki Gakuen	7,000	2.29
AIG EDISON-GA NON DIMA	5,280	1.73
Momiji Bank, Ltd.	5,116	1.68
Zenkyoren	3,996	1.31
Total	146,812	48.12

3. BREAKDOWN OF UNITHOLDERS

The breakdown of unitholders as of October 31, 2010 was as follows.

	Number of Unitholders	Portion (%)	Number of Units per Unitholder	Portion (%)
Private and other investors	12,478	95.3	34,271	11.2
Financial institutions (Including sales agents for financial instruments firm)	133	1.0	174,254	57.1
Other domestic corporate investors	222	1.7	31,156	10.2
Foreign corporate investors, etc.	267	2.0	65,442	21.4
Total	13,100	100.0	305,123	100.0

4. DIRECTORS AND AUDITOR

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

Title	Name	Other Major Title (s)	Total Amount of Fees Paid during the 14th Period (¥000)
Executive Director	Yuichi Maruko	Corporate Auditor, MEGALOS, Co., Ltd.	2,400
Supervisory Director	Shuhei Yoshida	Representative Lawyer, Yoshida Shuhei Law Office Supervisory Director, Nomura Real Estate Residential Fund, Inc.	2,400
Supervisory Director	Eitoku Aikawa	Adviser, Fair Appraisers, K.K. Supervisory Director, Nomura Real Estate Residential Fund, Inc.	2,400
Supervisory Director	Saneaki Ichijo	Partner, Anderson Mori & Tomotsune Law Firm	2,400
Supervisory Director	Naohito Miya	Manager of Miya Naohito CPA Firm Representative partner, Futaba Audit Corporation	2,400
Accounting Auditor	Earnst & Young ShinNihon LLC	–	14,500

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 other than Mr. Yuichi Maruko possesses two units of the Company's investment units as of October 31, 2010. Executive Directors and 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 fourth General Unitholders' Meeting held on July 27, 2009, Mr. Atsushi Ogata, the President and Chief Executive Officer 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.

(2) Policy on Determination of Dismissal and Denial of Reappointment of Accounting Auditors

In case an item listed under Article 105, Paragraph 1 of the Investment Trust Law becomes applicable to the accounting auditor, and the Board of Directors determines that there is no likelihood of improvement, the Board of Directors shall dismiss the accounting auditor by unanimous vote of all board members.

In addition, if the Board of Directors determines that the accounting auditor is inappropriate for the position having given thorough consideration to its business execution and other various reasons, the Board of Directors shall dismiss or deny reappointment of the accounting auditor, and present an agenda for appointment of a new accounting auditor at the General Unitholders' Meeting.

5. ASSET MANAGEMENT COMPANY, CUSTODIANS AND ADMINISTRATORS

Asset Management Company, custodians and administrators as of October 31, 2010 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)
Manager of special accounts	Mitsubishi UFJ Trust and Banking Corporation
Administrative agent (accounting, etc.)	Mitsubishi UFJ Trust and Banking Corporation
Administrative agent (investment corporation bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Nomura Securities Co., Ltd., Citigroup Global Markets Japan Inc., 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)	14th Period (as of Oct. 31, 2010)		13th Period (as of Apr. 30, 2010)	
		Total Amount (¥ mln) (Note 2)	Portion (%) (Note 3)	Total Amount (¥ mln) (Note 2)	Portion (%) (Note 3)
Real estate	Central Tokyo	30,813	7.6	30,909	7.5
	Suburban Tokyo	16,379	4.0	16,431	4.0
	Other Regional Cities	37,715	9.3	37,948	9.3
Real estate in trust	Central Tokyo	186,886	45.8	187,411	45.7
	Suburban Tokyo	37,408	9.2	37,501	9.1
	Other Regional Cities	65,365	16.0	65,648	16.0
Subtotal		374,569	91.9	375,851	91.6
Cash, deposits and other assets		33,133	8.1	34,275	8.4
Grand Total		407,703	100.0	410,127	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 Oct. 31, 2010 are as follows.

Name of Property	Book Value (¥ mln)	Leasable Floor Space (m ²) (Note 1)	Leased Space (m ²) (Note 2)	Occupancy Rate (%)	Portion of Rental Revenues (%)	Primary Use
Shinjuku Nomura Bldg.	39,369	31,500.89	29,623.17	94.0	12.9	Office
NRE Tennozu Bldg.	32,716	42,084.11	42,084.11	100.0	(Note 3)	Office
Omron Kyoto Center Bldg.	22,601	34,616.84	34,616.84	100.0	(Note 3)	Office
NOF Nihonbashi Honcho Bldg.	20,692	19,157.05	18,882.36	98.6	5.0	Office
SORA Shin-Osaka 21	19,008	21,277.48	19,228.84	90.4	4.0	Office
Tennozu Park Side Bldg.	12,878	18,051.60	15,751.71	87.3	5.2	Office
NOF Shibuya Koen-dori Bldg.	12,606	3,420.16	3,420.16	100.0	2.4	Office
NOF Shinjuku Minamiguchi Bldg.	12,318	6,685.52	6,685.52	100.0	2.5	Office
Secom Medical Bldg.	11,195	8,821.24	8,821.24	100.0	(Note 3)	Medical Office (Note 4)
NOF Shiba Bldg.	10,079	8,165.10	8,165.10	100.0	2.4	Office
Total	193,467	193,779.99	187,279.05	96.6	46.8 (Note 5)	

Note 1: "Leasable Floor Space" refers to the total leasable space for each asset including offices and shops (for properties owned in compartments, this generally refers to exclusively owned area; however, common spaces will be included if they are being leased. For Shinjuku Nomura Building, the area calculated by multiplying the overall leasable floor space by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by the Company. For NRE Tennozu Bldg., includes the area calculated by multiplying the overall common space by the co-ownership ratio for the common spaces prescribed in the terms of management of the building owned by the Company through the trustee.), at a certain time. Leasable floor space is calculated not based on the total floor space stated on the registry book, but based on the area stated on the building completion drawing, etc. included in the lease agreement. As such, it may differ from and exceed the total floor space stated on the registry book.

Note 2: "Leased Space" refers to the area included in the leasable floor space of each asset and is actually leased based on a lease agreement (provided, however, it is limited to office and shop spaces (where the entire leased floor space is being leased as a whole, the total area of the leased floor space.), and does not include leased parking spaces. For Shinjuku Nomura Building, the area calculated by multiplying the overall leased space by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by the Company. For NRE Tennozu Bldg., includes the area calculated by multiplying the overall common space by the co-ownership ratio for the common spaces (as prescribed in the terms of management of the building) owned by the Company through the trustee.).

Note 3: Not disclosed due to compelling reasons.

Note 4: Although this property is currently registered as "clinic/parking" 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 5: "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 Oct. 31, 2010 (¥ 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	48,400	39,369
NRE Tennozu Bldg.	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	23,700	32,716
NOF Nihonbashi Honcho Bldg.	2-7-1 Nihonbashi-Honcho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	22,900	20,692
Tennozu Park Side Bldg.	2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	19,800	12,878
NOF Shinjuku Minamiguchi Bldg.	2-4-9 Yoyogi, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	9,860	12,318
NOF Shibuya Koen-dori Bldg.	20-17 Udagawa-cho, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	11,600	12,606
Secom Medical Bldg.	7-7 Niban-cho, Chiyoda-ku, Tokyo (Note 4)	Real Estate	10,400	11,195
NOF Shiba Bldg.	4-2-3 Shiba, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	9,590	10,079
Nishi-Shinjuku Showa Bldg.	1-13-12 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	8,380	8,709
NRE Shibuya Dogenzaka Bldg.	2-16-4 Dogenzaka, Shibuya-ku, Tokyo	Real Estate	6,210	7,626
NOF Tameike Bldg.	1-1-14 Akasaka, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	6,790	7,569
Iwamoto-cho Toyo Bldg.	3-1-2 Iwamoto-cho, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	4,580	5,926
NOF Shinagawa Kounan Bldg.	1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	5,790	5,394
NOF Surugadai Plaza Bldg.	2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	6,640	4,967
PMO Nihonbashi Honcho	4-12-20 Nihonbashi Honcho, Chuo-ku, Tokyo	Real Estate	4,310	4,921
NRE Higashi-nihonbashi Bldg.	1-1-7 Higashi-nihonbashi, Chuo-ku, Tokyo	Real Estate	3,360	4,064
Hatchobori NF Bldg.	2-21-6 Hatchobori, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,670	3,169
NOF Kanda Iwamoto-cho Bldg.	3-8-16 Iwamoto-cho, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,350	3,091
NOF Takanawa Bldg.	2-20-4 Higashi Gotanda, Shinagawa-ku, Tokyo	Real Estate	2,530	3,006
Central Kyobashi Bldg.	1-4-13 Kyobashi, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,330	2,544
NOF Minami-Shinjuku Bldg.	5-32-7 Sendagaya, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,330	2,303
Central Shintomicho Bldg.	3-5-10 Minato, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,390	1,761
Sunworld Yotsuya Bldg.	13-9 Araki-cho, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	658	785
Subtotal			217,568	217,700
Suburban Tokyo				
NRE Ueno Bldg.	1-14-4, Higashi-Ueno, Taito-Ku, Tokyo	Real Estate	6,520	7,830
NOF Toyo-cho Bldg.	1-6-35 Shinsuna, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	8,510	7,048
NOF Technoport Kamata Center Bldg.	2-16-1 Minami-Kamata, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	6,800	6,565
Toho Edogawabashi Bldg.	1-24-8 Sekiguchi Bunkyo-ku, Tokyo	Real Estate	1,400	2,076
Toshin Meguro Bldg.	2-20-28 Shimo Meguro, Meguro-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,130	1,335
Crystal Park Bldg.	1-1-3 Gotenyama, Musashino City, Tokyo	Real Estate	3,310	3,601
NOF Kichijoji Honcho Bldg.	1-10-31, Kichijoji Honcho, Musashino City, Tokyo	Beneficial Interest in Real Estate Trust	1,600	1,786
Faret Tachikawa Center Square	2-36-2 Akebono-cho, Tachikawa City, Tokyo	Beneficial Interest in Real Estate Trust	4,110	2,918
NOF Kawasaki Higashiguchi Bldg.	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa (Note 4)	Beneficial Interest in Real Estate Trust	8,440	9,413
NOF Yokohama Nishiguchi Bldg.	1-11-11 Kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa	Beneficial Interest in Real Estate Trust	5,527	5,002
NOF Shin-Yokohama Bldg.	2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Beneficial Interest in Real Estate Trust	3,070	3,338
Yokohama Odori Koen Bldg.	2-4-1 Horai-cho, Naka-ku, Yokohama City, Kanagawa (Note 4)	Real Estate	2,010	2,871
Subtotal			52,427	53,788
Other Cities				
Sapporo North Plaza	4-2-2 Kitaichijo-nishi, Chuo-ku, Sapporo City, Hokkaido (Note 4)	Beneficial Interest in Real Estate Trust	5,498	7,619
NRE Sapporo Bldg.	2-15-1, Kitashichijo-Nishi, Kita-ku, Sapporo City, Hokkaido (Note 4)	Real Estate	4,630	5,149
JCB Sapporo Higashi Bldg.	1-1 Minamiichijo-Nishi Chuo-ku, Sapporo City (Note 4)	Real Estate	3,220	3,668
NOF Sendai Aoba-dori Bldg.	2-1-2 Ichiban-cho, Aoba-ku, Sendai City, Miyagi	Beneficial Interest in Real Estate Trust	2,230	3,153
NOF Utsunomiya Bldg.	2-1-1 Baba-dori, Utsunomiya City, Tochigi	Beneficial Interest in Real Estate Trust	2,530	2,468
NOF Nagoya Fushimi Bldg.	2-9-27 Nishiki, Naka-ku, Nagoya City, Aichi	Real Estate	2,250	4,190
NOF Nagoya Yanagibashi Bldg.	1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi	Beneficial Interest in Real Estate Trust	2,700	3,658
Omron Kyoto Center Bldg.	801 Minami Fudodo-cho, Horikawa Higashi-iru, Shiokoji-dori, Shimogyo-ku, Kyoto City, Kyoto (Note 4)	Beneficial Interest in Real Estate Trust	19,400	22,601
SORA Shin-Osaka 21	2-1-3 Nishi-Miyahara, Yodogawa-ku, Osaka City	Real Estate	13,200	19,008
NRE Osaka Bldg.	1-8-15 Azuchi-cho, Chuo-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	7,550	6,340
NRE Nishi-Umeda Bldg.	2-1-22, Umeda, Kita-Ku, Osaka City, Osaka	Real Estate	3,750	5,698
NRE Yotsubashi Bldg.	1-4-4 Awaza, Nishi-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	4,480	3,683

NOF Kobe Kaigan Bldg.	3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo (Note 4)	Beneficial Interest in Real Estate Trust	2,610	2,862
NRE Hiroshima Bldg.	2-23 Tatemachi, Naka-ku, Hiroshima City, Hiroshima	Beneficial Interest in Real Estate Trust	2,600	2,616
NOF Hakata Ekimae Bldg.	1-15-20 Hakata Ekimae, Hakata-ku, Fukuoka City, Fukuoka	Beneficial Interest in Real Estate Trust	4,420	6,652
NOF Tenjin-Minami Bldg.	3-6-15 Watanabe Dori, Chuo-ku, Fukuoka City, Fukuoka	Beneficial Interest in Real Estate Trust	2,300	3,710
Subtotal			83,368	103,081
Grand total			353,363	374,569

Note 1: "Appraisal Value as of Oct. 31, 2010" 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 Japan Real Estate Institution, Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., Japan Valuers Co., Ltd., Appraisal Firm A-Square Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., or Morii Appraisal & Investment Consulting Inc. using the capitalization approach, with the end of the fourteenth fiscal period, i.e. October 31, 2010, 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, leased assets, construction in progress, and leaseholds 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 October 31, 2010 accounted solely for the quasi co-ownership.

Note 4: Residential indication of the property is not available yet.

Name of Property	14th Period (from May 1, 2010 to Oct. 31, 2010)				13th Period (from Nov. 1, 2009 to Apr. 30, 2010)			
	Number of Tenants (Note 1)	Occupancy Rate (%)	Rental Revenues during the Period (¥ mln)	Portion of Rental Revenues (%)	Number of Tenants (Note 1)	Occupancy Rate (%)	Rental Revenues during the Period (¥ mln)	Portion of Rental Revenues (%)
Central Tokyo								
Shinjuku Nomura Bldg.	91	94.0	1,727	12.9	86	94.1	1,782	13.0
NRE Tennozu Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Nihonbashi Honcho Bldg.	14	98.6	663	5.0	12	86.4	699	5.1
Tennozu Park Side Bldg.	13	87.3	696	5.2	13	89.1	719	5.3
NOF Shinjuku Minamiguchi Bldg.	15	100.0	339	2.5	15	100.0	324	2.4
NOF Shibuya Koen-dori Bldg.	3	100.0	326	2.4	3	100.0	352	2.6
Secom Medical Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Shiba Bldg.	9	100.0	318	2.4	9	100.0	347	2.5
Nishi-Shinjuku Showa Bldg.	20	100.0	312	2.3	21	100.0	296	2.2
NRE Shibuya Dogenzaka Bldg.	6	100.0	191	1.4	6	100.0	187	1.4
NOF Tameike Bldg.	12	100.0	215	1.6	12	100.0	199	1.5
Iwamoto-cho Toyo Bldg.	6	88.3	168	1.3	7	100.0	168	1.2
NOF Shinagawa Kounan Bldg.	4	87.9	243	1.8	5	100.0	251	1.8
NOF Surugadai Plaza Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
PMO Nihonbashi Honcho	7	100.0	135	1.0	7	100.0	128	0.9
NRE Higashi-nihonbashi Bldg.	6	100.0	127	1.0	6	100.0	152	1.1
Hatchobori NF Bldg.	7	100.0	109	0.8	7	100.0	106	0.8
NOF Kanda Iwamoto-cho Bldg.	8	100.0	133	1.0	8	100.0	132	1.0
NOF Takanawa Bldg.	14	100.0	110	0.8	14	100.0	109	0.8
Central Kyobashi Bldg.	8	100.0	85	0.6	8	100.0	84	0.6
NOF Minami-Shinjuku Bldg.	4	100.0	95	0.7	4	100.0	94	0.7
Central Shintomicho Bldg.	6	100.0	60	0.5	6	100.0	56	0.4
Sunworld Yotsuya Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Subtotal	257	97.0	7,396	55.3	253	96.7	7,616	55.6
Suburban Tokyo								
NRE Ueno Bldg.	9	96.7	222	1.7	9	100.0	220	1.6
NOF Toyo-cho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Technoport Kamata Center Bldg.	13	91.4	378	2.8	14	97.2	408	3.0
Toho Edogawabashi Bldg.	6	88.7	68	0.5	7	100.0	67	0.5
Toshin Meguro Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Crystal Park Bldg.	8	75.8	107	0.8	9	92.7	125	0.9
NOF Kichijoji Honcho Bldg.	6	90.2	77	0.6	6	100.0	76	0.6
Faret Tachikawa Center Square	17	95.3	222	1.7	16	94.2	218	1.6
NOF Kawasaki Higashiguchi Bldg.	25	92.2	309	2.3	24	89.1	302	2.2
NOF Yokohama Nishiguchi Bldg.	30	95.9	209	1.6	27	80.0	218	1.6
NOF Shin-Yokohama Bldg.	9	100.0	175	1.3	9	100.0	161	1.2
Yokohama Odori Koen Bldg.	15	88.2	102	0.8	16	92.4	105	0.8
Subtotal	140	94.5	2,209	16.5	139	95.5	2,241	16.4
Other Cities								
Sapporo North Plaza	37	87.8	308	2.3	39	91.8	326	2.4
NRE Sapporo Bldg.	6	100.0	204	1.5	6	100.0	203	1.5
JCB Sapporo Higashi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Sendai Aoba-dori Bldg.	24	72.3	111	0.8	24	70.7	130	1.0
NOF Utsunomiya Bldg.	23	88.6	146	1.1	22	84.2	152	1.1
NOF Nagoya Fushimi Bldg.	13	79.8	18	0.1	5	38.8	3	0.0
NOF Nagoya Yanagibashi Bldg.	12	78.4	104	0.8	10	70.6	115	0.8
Omron Kyoto Center Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
SORA Shin-Osaka 21	30	90.4	538	4.0	30	94.0	564	4.1
NRE Osaka Bldg.	21	83.9	473	3.5	24	94.4	490	3.6
NRE Nishi-Umeda Bldg.	11	95.2	180	1.3	12	100.0	183	1.3
NRE Yotsubashi Bldg.	17	99.0	313	2.3	17	96.8	310	2.3
NOF Kobe Kaigan Bldg.	34	94.4	182	1.4	32	93.2	180	1.3
NRE Hiroshima Bldg.	15	84.2	179	1.3	13	92.6	191	1.4
NOF Hakata Ekimae Bldg.	43	90.8	173	1.3	40	87.7	161	1.2
NOF Tenjin-Minami Bldg.	19	82.0	83	0.6	18	95.6	72	0.5
Subtotal	307	91.6	3,758	28.1	294	92.8	3,828	28.0
Grand Total	704	94.5	13,364 (Note 3)	100.0	686	95.0	13,686 (Note 3)	100.0

Note 1: In the case a master lease agreement is in place, in which the master tenant of the said lease agreement subleases a part or whole of the leased floor spaces to the end tenants, only the master tenant is counted as the number of tenants. For PMO Nihonbashi Honcho, which involves a "pass-through type" master lease agreement where the amount of rent received from the master tenant is the same as the rent received by said master tenant from the end tenant, the total number of end tenants is shown. 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.

4. OUTSTANDING AMOUNT AND CURRENT PRICE OF SPECIFIED TRANSACTIONS

The outstanding amount and current price of the specified transactions as of October 31, 2010 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)	95,350	68,850	△1,087
Total		95,350	68,850	△1,087

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 of October 31, 2010.

6. STATUS OF ASSETS BY COUNTRY AND REGION

As of the end of the fourteenth fiscal period, the real estate and beneficial interest in real estate trust held by the Company by country and region are as follows.

Country	Total Portfolio Amount (Note 1)	Appraisal Value as of Oct. 31, 2010 (Note 2)		Number of Properties
			Portion of Total Portfolio	
Japan	¥374,569 million	¥353,363 million	100.0%	51
Total	¥374,569 million	¥353,363 million	100.0%	51

Note 1: Total portfolio amount stands for the book value after depreciation and amortization.

Note 2: Appraisal value as of Oct. 31, 2010 stands for the value appraised by the real estate appraisers.

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 October 31, 2010. 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)		
			Total	Paid during 14th Period	Paid before 14th Period
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renovation of passenger elevator control system (Low/middle level (4 units for each)) (To increase quality) (Note 1)	From: May 2010 To: Oct. 2011	354 (Note 2)	—	—
NRE Tennozu Bldg. (Shinagawa-ku, Tokyo)	Refurbishment for multi-tenant building (To increase revenues)	From: Feb. 2011 To: Apr. 2011	152	—	—
NOF Shinjuku Minamiguchi Bldg. (Shibuya-ku, Tokyo)	Aseismic retrofitting (To increase quality)	From: Dec. 2010 To: Apr. 2011	166	—	—
Sapporo North Plaza (Chuo-ku, Sapporo City)	Refurbishment of exclusively owned area for connection of the pedestrian subway (To increase revenues) (Note 1)	From: Jul. 2010 To: Mar. 2011	59	—	—

Note 1: These works have already been implemented as of the date of this report.

Note 2: 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.

2. CAPITAL EXPENDITURES DURING THE FOURTEENTH FISCAL PERIOD

The table below lists capital expenditures during the fourteenth fiscal period in conjunction with the major works of renovation. During the period, we have conducted engineering works totalling ¥785 million: capital expenditures of ¥597 million and repair expenses of ¥187 million combined all together.

Name of Property (Location)	Description of Works (Purpose)	Period of Works	Cost of Works (¥ mln)
NRE Higashi-nihonbashi Bldg. (Chuo-ku, Tokyo)	Renewal of air-conditioning system (To increase quality)	From: Jun. 2010 To: Jul. 2010	18
Sapporo North Plaza (Chuo-ku, Sapporo City)	Renovation of multistoried parking facility (To increase quality)	From: Aug. 2010 To: Oct. 2010	69
Sapporo North Plaza (Chuo-ku, Sapporo City)	Refurbishment of the common floor area (To increase revenues)	From: Sep. 2010 To: Oct. 2011	33
Other Properties	Improvement of features	From: May 2010 To: Oct. 2010	477
Total			597

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.

	14th Period from May 1, 2010 to Oct. 31, 2010	13th Period from Nov. 1, 2009 to Apr. 30, 2010	12th Period from May 1, 2009 to Oct. 31, 2009	11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008
	¥ mln	¥ mln	¥ mln	¥ mln	¥ mln
Balance brought forward from the previous period	397	436	368	238	290
Amount reserved during the period	900	975	1,570	1,894	1,716
Amount used during the period	859	1,013	1,502	1,764	1,768
Balance brought forward to the next period	438	397	436	368	238

Expenses and Liabilities

1. EXPENSES RELATED TO ASSET MANAGEMENT

	14th Period from May 1, 2010 to Oct. 31, 2010	13th Period from Nov. 1, 2009 to Apr. 30, 2010
	¥000	¥000
Asset management fees (Note)	1,058,582	1,075,895
of which Management Fee I	723,621	712,258
of which Management Fee II	334,960	363,637
of which Management Fee III	—	—
Custodian fees	29,129	29,061
General administrative fees	64,651	64,959
Directors' compensation	12,000	12,000
Other expenses	93,461	89,953
Total	1,257,824	1,271,869

Note: 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 Oct. 31, 2010 is as follows.

Financial Institutions	Date Borrowed	Outstanding as of Oct. 31, 2010 (¥000)	Outstanding as of Apr. 30, 2010 (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note
Short-term Borrowings								
The Mizuho Corporate Bank, Ltd.	Jun. 24, 2009	-	1,400,000	1.12727	Jun. 24, 2010	Balloon payment	(Note 2)	Unsecured/Uninsured
Sumitomo Trust and Banking Co., Ltd.		-	1,400,000					
The Mizuho Corporate Bank, Ltd.		500,000	500,000					
Sumitomo Trust and Banking Co., Ltd.	Dec. 24, 2009	580,000	580,000	1.05000	Dec. 24, 2010			
The Chugoku Bank, Ltd.		1,000,000	1,000,000					
Aozora Bank, Ltd.		500,000	500,000					
The Chiba Bank, Ltd.		500,000	500,000					
The Hiroshima Bank, Ltd.	Feb. 26, 2010	500,000	500,000	1.04000	Feb. 26, 2011			
Shinkin Central Bank	Mar. 15, 2010	2,000,000	2,000,000	1.04000	Feb. 28, 2011			
The Mizuho Corporate Bank, Ltd.		1,400,000	-	1.05000	Jun. 24, 2011			
Sumitomo Trust and Banking Co., Ltd.		900,000	-					
The Chugoku Bank, Ltd.		1,000,000	-					
The Yamanashi Chuo Bank, Ltd.	Aug. 26, 2010	1,000,000	-	0.94000	Aug. 26, 2011			
Aozora Bank, Ltd.		500,000	-					
Subtotal		10,380,000	8,380,000					
Current Portion of Long-term Borrowings								
Nippon Life Insurance Company	Nov. 30, 2006	-	1,000,000	1.65500	Aug. 26, 2010	Balloon payment	(Note 2)	Unsecured/Uninsured
Sompo Japan Insurance Inc.		-	1,000,000					
Sumitomo Mitsui Banking Corp.		-	1,000,000					
The Yamanashi Chuo Bank, Ltd.	Aug. 26, 2008	-	1,000,000	0.90727	Aug. 26, 2010			
The Chugoku Bank, Ltd.		-	1,000,000					
The Bank of Fukuoka, Ltd.		-	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000,000	1,000,000					
Mitsubishi UFJ Trust and Banking Corp.	Dec. 8, 2008	500,000	500,000	0.94000	Dec. 8, 2010			
Mitsui Sumitomo Insurance Co., Ltd.		1,000,000	1,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000,000	1,000,000					
The Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000					
Mitsubishi UFJ Trust and Banking Corp.	Feb. 27, 2006	500,000	500,000	1.68000	Feb. 26, 2011			
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.		1,000,000	-					
Sumitomo Trust and Banking Co., Ltd.	Apr. 25, 2008	1,000,000	-	1.44800	Aug. 25, 2011			
The Hachijuni Bank, Ltd.		1,000,000	-					
The Yamanashi Chuo Bank, Ltd.		500,000	-					
The Mizuho Corporate Bank, Ltd.		2,000,000	-					
The Chuo Mitsui Trust & Banking Co., Ltd.	Mar. 19, 2007	1,000,000	-	1.63825	Aug. 26, 2011			
The Iyo Bank, Ltd.		1,000,000	-					
The 77 Bank, Ltd.		1,000,000	-					
The Hyakujushi Bank, Ltd.	Sep. 25, 2008	1,000,000	-	1.43950	Sep. 25, 2011			
Development Bank of Japan, Inc.	Jun. 25, 2009	500,000	500,000	1.97000	(Note 3)	(Note 3)		
Subtotal		29,500,000	16,500,000					
Total Short-term Borrowings		39,880,000	24,880,000					

Financial Institutions	Date Borrowed	Outstanding as of Oct. 31, 2010 (¥000)	Outstanding as of Apr. 30, 2010 (¥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.		-	4,000,000			Balloon payment	(Note 2)	Unsecured/Uninsured
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			
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					
The Chuo Mitsui Trust & Banking Co., Ltd.	Mar. 19, 2007	-	1,000,000	1.63825	Aug. 26, 2011			
The Iyo Bank, Ltd.		-	1,000,000					
The 77 Bank, Ltd.		-	1,000,000					
The Hyakujushi Bank, Ltd.	Sep. 25, 2008	-	1,000,000	1.43950	Sep. 25, 2011			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000,000	2,000,000					
Sumitomo Mitsui Banking Corp.		2,000,000	2,000,000					
Mitsubishi UFJ Trust and Banking Corp.	Dec. 8, 2006	1,000,000	1,000,000	1.89764	Feb. 26, 2012			
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					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 24, 2009	5,600,000	5,600,000	1.39575	Jun. 24, 2012			
Sumitomo Mitsui Banking Corp.		4,500,000	4,500,000					
Mitsubishi UFJ Trust and Banking Corp.		1,400,000	1,400,000					
The Hyakujushi Bank, Ltd.		500,000	500,000					
Mitsui Life Insurance Co., Ltd.		1,000,000	1,000,000					
Taiyo Life Insurance Company		1,000,000	1,000,000					
Daido Life Insurance Company	Nov. 29, 2005	1,000,000	1,000,000	1.43750	Aug. 26, 2012			
Zenkyoren		1,000,000	1,000,000					
Development Bank of Japan		1,000,000	1,000,000					
Zenkyoren	Dec. 9, 2005	1,000,000	1,000,000	1.53625	Aug. 26, 2012			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000,000	2,000,000					
Sumitomo Mitsui Banking Corp.		1,500,000	1,500,000					
Mitsubishi UFJ Trust and Banking Corp.	Feb. 26, 2008	2,500,000	2,500,000	1.46000	Aug. 26, 2012			
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	1,000,000					
The Iyo Bank, Ltd.		500,000	500,000					
Mitsubishi UFJ Trust and Banking Corp.	Sep. 25, 2008	1,000,000	1,000,000	1.61150	Sep. 25, 2012			
Sumitomo Trust and Banking Co., Ltd.		1,000,000	1,000,000					
Mitsubishi UFJ Trust and Banking Corp.		3,000,000	3,000,000					
Sumitomo Mitsui Banking Corp.	Nov. 4, 2008	3,000,000	3,000,000	1.51175	Nov. 4, 2012			
Mitsubishi UFJ Trust and Banking Corp.		2,000,000	2,000,000					
Sumitomo Trust and Banking Co., Ltd.		2,000,000	2,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000,000	2,000,000					
Sumitomo Mitsui Banking Corp.	Jun. 27, 2008	2,000,000	2,000,000	1.87200	Dec. 27, 2012			
The Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000					
Development Bank of Japan	Mar. 17, 2005	1,000,000	1,000,000	1.75250	Feb. 26, 2013			
The Dai-ichi Life Insurance Company, Limited.	Dec. 8, 2006	2,000,000	2,000,000	1.99250	Feb. 26, 2013			
Mizuho Trust & Banking Co., Ltd.		2,000,000	2,000,000					
THE NISHI-NIPPON CITY BANK, LTD.	Mar. 26, 2010	2,000,000	2,000,000	1.19000	Feb. 26, 2013			
The Chugoku Bank, Ltd.	Jun. 24, 2010	2,000,000	-	1.14050	Jun. 24, 2013			
The Bank of Fukuoka, Ltd.	Aug. 26, 2010	2,500,000	-	0.98550	Aug. 26, 2013			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corp.	Dec. 8, 2008	4,500,000	4,500,000	1.68680	Dec. 8, 2013			
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000					
The Iyo Bank, Ltd.		1,000,000	1,000,000					
Taiyo Life Insurance Company		1,000,000	1,000,000					
Daido Life Insurance Company	Mar. 19, 2007	1,000,000	1,000,000	1.98000	Mar. 19, 2014			
Sumitomo Life Insurance Company		2,000,000	2,000,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,800,000	1,800,000					
Sumitomo Mitsui Banking Corp.		2,400,000	2,400,000					
The Mizuho Corporate Bank, Ltd.	Dec. 24, 2009	500,000	500,000	1.55800	Dec. 24, 2014			
Mitsubishi UFJ Trust and Banking Corp.		650,000	650,000					
The Bank of Fukuoka, Ltd.		1,000,000	1,000,000					
The Dai-ichi Life Insurance Company, Limited.	Feb. 26, 2008	3,000,000	3,000,000	1.91875	Feb. 26, 2015			
The Norinchukin Bank, Ltd.	Feb. 26, 2010	3,000,000	-	1.69300	Feb. 26, 2015			
Taiyo Life Insurance Company		1,000,000	1,000,000					
Sumitomo Life Insurance Company	Jun. 24, 2008	3,000,000	3,000,000	2.31750	Jun. 24, 2015			
Development Bank of Japan, Inc.		4,000,000	4,000,000					
Sompo Japan Insurance Inc.	Aug. 26, 2010	1,000,000	-	1.31125	Aug. 26, 2015			
Development Bank of Japan, Inc.	Jun. 25, 2009	9,000,000	9,250,000	1.97000	(Note 3)	(Note 3)		
Subtotal		106,850,000	120,600,000					
Total		146,730,000	145,480,000					

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.

Note 3: Installments of ¥250 million will be made on the 25th of every sixth month starting on December 25, 2009, with the remaining payment of ¥6,750 million to be repaid on June 25, 2016.

3. STATUS OF INVESTMENT CORPORATION BONDS

The status of investment corporation bonds issued as of October 31, 2010 is as follows.

Name of Bonds	Issue Date	Balance as of Oct. 30, 2010 (¥ mln)	Balance as of Apr. 30, 2010 (¥ mln)	Interest Rate (%)	Maturity Date	Method of Repayment	Use of Proceeds	Note
First Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	1.85	Mar. 16, 2015	Balloon payment	(Note 1)	(Note 2)
Second Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	2.47	Mar. 16, 2020	Balloon payment	(Note 1)	(Note 2)
Third Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	10,000	1.19	Nov. 29, 2010	Balloon payment	(Note 1)	(Note 3)
Fourth Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	10,000	2.05	Nov. 30, 2015	Balloon payment	(Note 1)	(Note 3)
Fifth Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	5,000	5,000	1.61	Mar. 19, 2012	Balloon payment	(Note 1)	(Note 3)
Sixth Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	5,000	5,000	2.21	Mar. 17, 2017	Balloon payment	(Note 1)	(Note 3)
Seventh Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	4,500	4,500	2.90	Mar. 17, 2028	Balloon payment	(Note 1)	(Note 3)
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

There are no outstanding short-term investment corporation bonds as of the end of the fourteenth fiscal period.

Trading during the Fourteenth Fiscal Period

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

Not applicable.

2. STATUS OF OTHER ASSETS

Not applicable. In addition, the Company's assets other than the above mentioned properties and asset-backed securities, are mostly comprised of direct bank deposits and bank deposits in trust.

3. PRICE INVESTIGATION

(1) Real Estates
Not applicable.

(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 fourteenth fiscal period (from May 1, 2010 to October 31, 2010), two 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
Not applicable.

(2) Fees Paid to Related Parties and Major Shareholders

Table of fees paid to related parties and major shareholders during the fourteenth 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 2) Flagship Properties, Inc. (Note 3)	649,514 916	1,078,936	60.2 0.1
Property management fees	Nomura Real Estate Development Co., Ltd. Nomura Building Management Co., Ltd.	151,157 26,362	232,465	65.0 11.3
Other expenses	Nomura Real Estate Development Co., Ltd. Nomura Building Management Co., Ltd. Geo-Akamatsu Co., Ltd.	14,923 25,422 798	94,276	15.8 27.0 0.8

Note 1: The term "related parties" refers to related parties of Asset Management Companies as stipulated by Article 123 of the Enforcement Order of the Act on Investment Trusts and Investment Corporations and by Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations, issued by the Investment Trusts Association, Japan. The term "major shareholders" refers to major shareholders of Asset Management Companies as defined by Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act.

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

Note 3: The Company has entrusted certain jobs such as receipt of rents, payment of disbursements and notification of repairs in conjunction with the sublease of NRE Tennozu Building to Flagship Properties. The Contract-out fees paid to Flagship Properties include remuneration for these services.

Note 4: Besides the above, the Company has made the following payments for repair works during the fourteenth fiscal period.

Name of Related Party	Amount Paid (¥000)
Nomura Real Estate Development Co., Ltd.	37,026
Nomura Building Management Co., Ltd.	446,672

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.	32,044
NRE Tennozu Bldg.	Nomura Real Estate Development Co., Ltd.	2,691
Tennozu Park Side Bldg.	Nomura Real Estate Development Co., Ltd.	13,096
NOF Shibuya Koen-dori Bldg.	Nomura Real Estate Development Co., Ltd.	5,368
Secom Medical Bldg.	Nomura Real Estate Development Co., Ltd.	3,789
Nishi-Shinjuku Showa Bldg.	Nomura Real Estate Development Co., Ltd.	6,621
NRE Shibuya Dogenzaka Bldg.	Nomura Real Estate Development Co., Ltd.	3,852
NOF Tameike Bldg.	Nomura Real Estate Development Co., Ltd.	4,523
NOF Shinagawa Konan Bldg.	Nomura Real Estate Development Co., Ltd.	4,745
NOF Surugadai Plaza Bldg.	Nomura Real Estate Development Co., Ltd.	5,237
PMO Nihonbashi Honcho	Nomura Real Estate Development Co., Ltd.	3,378
NRE Higashi-nihonbashi Bldg.	Nomura Real Estate Development Co., Ltd.	2,529
Hatchobori NF Bldg.	Nomura Real Estate Development Co., Ltd.	2,382
NOF Minami-Shinjuku Bldg.	Nomura Real Estate Development Co., Ltd.	2,116
NRE Ueno Bldg.	Nomura Real Estate Development Co., Ltd.	4,310
NOF Technoport Kamata Center Bldg.	Nomura Real Estate Development Co., Ltd.	7,842
NOF Kichijoji Honcho Bldg.	Nomura Real Estate Development Co., Ltd.	1,507
Faret Tachikawa Center Square	Nomura Real Estate Development Co., Ltd.	4,427
NOF Yokohama Nishiguchi Bldg.	Nomura Real Estate Development Co., Ltd.	4,371
NOF Shin-Yokohama Bldg.	Nomura Real Estate Development Co., Ltd.	3,530
NRE Sapporo Bldg.	Nomura Real Estate Development Co., Ltd.	4,106
Omron Kyoto Center Bldg.	Nomura Real Estate Development Co., Ltd.	5,110
NRE Osaka Bldg.	Nomura Real Estate Development Co., Ltd.	11,864
NRE Nishi-Umeda Bldg.	Nomura Real Estate Development Co., Ltd.	3,794
NRE Yotsubashi Bldg.	Nomura Real Estate Development Co., Ltd.	7,914
NOF Shinjuku Minamiguchi Bldg.	Nomura Building Management Co., Ltd.	4,205
NOF Takanawa Bldg.	Nomura Building Management Co., Ltd.	2,174
Central Kyobashi Bldg.	Nomura Building Management Co., Ltd.	1,542
Central Shintomicho Bldg.	Nomura Building Management Co., Ltd.	1,113
Sunworld Yotsuya Bldg.	Nomura Building Management Co., Ltd.	689
NOF Toyo-cho Bldg.	Nomura Building Management Co., Ltd.	1,929
Toshin Meguro Bldg.	Nomura Building Management Co., Ltd.	600
NOF Kawasaki Higashiguchi Bldg.	Nomura Building Management Co., Ltd.	5,517
NOF Utsunomiya Bldg.	Nomura Building Management Co., Ltd.	3,728
NOF Nagoya Yanagibashi Bldg.	Nomura Building Management Co., Ltd.	1,998
NRE Hiroshima Bldg.	Nomura Building Management Co., Ltd.	2,862

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

Not applicable.

2. STATUS OF BENEFICIAL INTEREST IN INVESTMENT TRUSTS ESTABLISHED BY THE COMPANY

Not applicable.

3. 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.



Contents	
Balance Sheets	34
Statements of Income and Retained Earnings.....	36
Statements of Changes in Net Assets.....	37
Statements of Cash Flows.....	38
Notes to Financial Statements.....	39

Balance Sheets

	Thousands of Yen	
	As of October 31, 2010	As of April 30, 2010
ASSETS		
Current Assets:		
Cash and bank deposits	¥ 32,053,477	¥ 33,216,353
Rental receivables	231,407	179,932
Corporate taxes refundable	410	346
Other current assets	351,506	367,012
Total current assets	32,636,800	33,763,643
Property and Equipment, at Cost:		
Land	265,986,741	265,986,741
Buildings and structures	124,771,281	124,291,975
Machinery and equipment	1,500,266	1,415,304
Tools, furniture and fixtures	236,323	228,961
Leased assets	30,946	30,946
Construction in progress	104,631	81,166
Subtotal	392,630,188	392,035,093
Less accumulated depreciation	(19,961,210)	(18,084,506)
Net property and equipment	372,668,978	373,950,587
Investments and Other Assets:		
Leasehold rights	1,900,905	1,900,905
Intangible assets	2,357	2,621
Long-term prepaid expenses	6,842	14,582
Security deposits	410,850	410,850
Deferred investment corporation bond issuance costs	76,893	83,814
Total investments and other assets	2,397,847	2,412,772
Total Assets	¥ 407,703,625	¥ 410,127,002

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

	Thousands of Yen	
	As of October 31, 2010	As of April 30, 2010
LIABILITIES		
Current Liabilities:		
Trade accounts payable	¥ 708,071	¥ 546,960
Other accounts payable	869,252	1,200,171
Short-term investment corporation bonds	-	1,998,818
Short-term debt	10,380,000	8,380,000
Current portion of investment corporation bonds	10,000,000	10,000,000
Current portion of long-term debt	29,500,000	16,500,000
Accrued expenses	880,019	857,801
Accrued consumption taxes	161,491	204,430
Rent received in advance	2,085,652	2,164,533
Other current liabilities	85,194	124,814
Total current liabilities	54,669,679	41,977,527
Long-term Liabilities:		
Investment corporation bonds	34,500,000	34,500,000
Long-term debt	106,850,000	120,600,000
Security deposits from tenants	21,740,307	22,547,218
Other long-term liabilities	8,677	12,131
Total long-term liabilities	163,098,984	177,659,349
Total Liabilities	217,768,663	219,636,876
NET ASSETS		
Unitholders' Equity:		
Unitholders' capital	185,455,447	185,455,447
Retained earnings	4,479,515	5,034,679
Total unitholders' equity	189,934,962	190,490,126
Total Net Assets	189,934,962	190,490,126
Total Liabilities and Net Assets	¥ 407,703,625	¥ 410,127,002

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 May 1, 2010 to October 31, 2010	For the period from November 1, 2009 to April 30, 2010
<i>Operating Revenues and Expenses</i>		
Operating Revenues:		
Real estate rental revenues	¥ 13,364,441	¥ 13,686,232
	13,364,441	13,686,232
Operating Expenses:		
Real estate rental expenses	5,883,558	5,667,025
Asset management fees	1,058,582	1,075,895
Administrative service and custodian fees	93,781	94,021
Other operating expenses	105,462	101,953
	7,141,383	6,938,894
Operating Profit	6,223,058	6,747,338
<i>Non-Operating Revenues and Expenses</i>		
Non-Operating Revenues:		
Interest income	6,795	6,867
Other non-operating revenues	39,985	35,739
	46,780	42,606
Non-Operating Expenses:		
Interest expense	1,181,508	1,160,559
Loan arrangement fees	129,946	103,181
Interest expense on short-term investment corporation bonds	1,182	5,708
Interest expense on investment corporation bonds	433,413	428,087
Amortization of investment corporation bond issuance costs	6,921	8,089
Other non-operating expenses	36,600	48,716
	1,789,570	1,754,340
Income before Income Taxes	4,480,268	5,035,604
Income Taxes:		
Current	896	1,027
Deferred	6	-
Net Income	4,479,366	5,034,577
Retained earnings brought forward	149	102
Retained Earnings at End of Period	¥ 4,479,515	¥ 5,034,679

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

Statements of Changes in Net Assets

	Thousands of Yen						
	Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	Deferred Hedge Gains (Losses)	Total Valuation and Translation Adjustments	Total Net Assets
Balance as of April 30, 2010	305,123	¥185,455,447	¥5,034,679	¥190,490,126	-	-	¥190,490,126
Cash distribution paid	-	-	(5,034,530)	(5,034,530)	-	-	(5,034,530)
Net income	-	-	4,479,366	4,479,366	-	-	4,479,366
Balance as of October 31, 2010	305,123	¥185,455,447	¥4,479,515	¥189,934,962	-	-	¥189,934,962

	Thousands of Yen						
	Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	Deferred Hedge Gains (Losses)	Total Valuation and Translation Adjustments	Total Net Assets
Balance as of October 31, 2009	305,123	¥185,455,447	¥5,338,534	¥190,793,981	-	-	¥190,793,981
Cash distribution paid	-	-	(5,338,432)	(5,338,432)	-	-	(5,338,432)
Net income	-	-	5,034,577	5,034,577	-	-	5,034,577
Balance as of April 30, 2010	305,123	¥185,455,447	¥5,034,679	¥190,490,126	-	-	¥190,490,126

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

Statements of Cash Flows

	Thousands of Yen	
	For the period from May 1, 2010 to October 31, 2010	For the period from November 1, 2009 to April 30, 2010
Cash Flows		
Cash Flows from Operating Activities		
Income before income taxes	¥ 4,480,268	¥ 5,035,604
Depreciation	1,877,066	1,865,416
Amortization of long-term prepaid expenses	7,740	15,711
Amortization of investment corporation bond issuance costs	6,921	8,089
Interest income	(6,795)	(6,867)
Interest expense	1,616,103	1,594,355
Loss on disposal of property and equipment	2,107	10,319
(Increase) Decrease in rental receivables	(51,476)	53,818
Increase (Decrease) in trade accounts payable	161,111	(181,775)
(Decrease) in other accounts payable	(228,613)	(141,237)
(Decrease) in accrued consumption taxes	(42,939)	(6,393)
(Decrease) in rent received in advance	(78,881)	(106,289)
Changes in other current assets/liabilities	(22,170)	(93,776)
Subtotal	7,720,442	8,046,975
Interest received	6,535	6,867
Interest paid	(1,594,392)	(1,656,483)
Income taxes (paid) refund	(961)	720
Net cash provided by operating activities	6,131,624	6,398,079
Cash Flows from Investing Activities		
Payments into time deposits	(1,300,000)	-
Payments for purchases of property and equipment	(707,316)	(4,999,910)
Reimbursement of security deposits to tenants	(1,400,604)	(1,173,235)
Proceeds from security deposits from tenants	593,693	659,330
Net cash used in investing activities	(2,814,227)	(5,513,815)
Cash Flows from Financing Activities		
Proceeds from short-term debt	4,800,000	7,580,000
Repayment of short-term debt	(2,800,000)	(12,930,000)
Proceeds from short-term investment corporation bonds	-	5,991,530
Redemption of short-term investment corporation bonds	(2,000,000)	(4,000,000)
Proceeds from long-term debt	5,500,000	13,350,000
Repayment of long-term debt	(6,250,000)	(6,750,000)
Distributions to unitholders	(5,030,273)	(5,332,352)
Net cash used in financing activities	(5,780,273)	(2,090,822)
Net Decrease in Cash and Cash Equivalents	(2,462,876)	(1,206,558)
Cash and Cash Equivalents at Beginning of Period	33,216,353	34,422,911
Cash and Cash Equivalents at End of Period	¥ 30,753,477	¥ 33,216,353

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 October 31, 2010, the Company owned a portfolio of 51 office properties containing an aggregate of approximately 438,918.56 square meters of leasable area and leased office space to 704 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 thereto, 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 (Except for leased assets)

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 - 70 years
Structures	2 - 45 years
Machinery and equipment	3 - 15 years
Tools, furniture and fixtures	2 - 18 years

Intangible assets (Except for leased assets)

Intangible assets are amortized by the straight-line method.

Leased Assets

Depreciation of leased assets under finance lease transactions, excluding those in which the ownership of the leased assets is deemed to be transferred to the lessee, is calculated by the straight-line method, over the lease term with no residual value.

Impairment of fixed assets

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

Deferred investment corporation bond issuance costs

Deferred investment corporation bond issuance costs are amortized by the straight-line method over the respective terms of the bonds.

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 related earnings and expenses incurred are 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 and equipment is subject to property related taxes, urban planning taxes and depreciable property taxes on a calendar year basis. These taxes are generally charged to income during the period. The sellers of the properties were liable for property related taxes for the calendar year including the period from the date of purchase by the Company through the end of the year since the taxes are imposed on the owner registered in the record as of January 1st based on the assessment made by the local government. No such taxes were imposed for the six-month period ended October 31, 2010 as the Company did not acquire any properties. The capitalized property related taxes amounted to ¥11,876 thousand for the six-month period ended April 30, 2010.

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, the Company applies special treatment to those interest-rate swap contracts that meet the criteria for such special treatment. 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.

The New Accounting standard for Asset Retirement Obligations

From the 14th fiscal period ended October 31, 2010, the Company adopted the revised accounting standards, "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 on March 31 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 on March 31 2008). There was no impact on its financial position or results of the operation as a result of such adoption.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of October 31, 2010 and April 30, 2010 consist of the following:

	Thousands of Yen	
	As of October 31, 2010	As of April 30, 2010
Cash and bank deposits	¥ 32,053,477	¥ 33,216,353
Bank deposits with original maturities of more than three months	(1,300,000)	-
Cash and cash equivalents	¥ 30,753,477	¥ 33,216,353

5. SCHEDULE OF PROPERTY AND EQUIPMENT

Property and equipment as of October 31, 2010 and April 30, 2010 consist of the following:

	Thousands of Yen			
	As of October 31, 2010		As of April 30, 2010	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥ 57,405,168	¥ 57,405,168	¥ 57,405,168	¥ 57,405,168
Buildings and structures	27,381,012	25,100,149	27,308,860	25,468,212
Accumulated depreciation	(2,280,863)		(1,840,648)	
Machinery and equipment	597,530	486,333	590,835	503,320
Accumulated depreciation	(111,197)		(87,515)	
Tools, furniture and fixtures	12,463	10,615	6,636	5,586
Accumulated depreciation	(1,848)		(1,050)	
Construction in progress	6,210	6,210	6,210	6,210
Land in trust	208,581,573	208,581,573	208,581,573	208,581,573
Buildings and structures in trust	97,390,269	80,390,607	96,983,115	81,343,465
Accumulated depreciation	(16,999,662)		(15,639,650)	
Machinery and equipment in trust	902,736	455,213	824,469	410,263
Accumulated depreciation	(447,523)		(414,206)	
Tools, furniture and fixtures in trust	223,860	119,855	222,325	133,609
Accumulated depreciation	(104,005)		(88,716)	
Leased assets in trust	30,946	14,834	30,946	18,225
Accumulated depreciation	(16,112)		(12,721)	
Construction in progress in trust	98,421	98,421	74,956	74,956
Total	¥372,668,978	¥372,668,978	¥373,950,587	¥373,950,587

6. SHORT-TERM DEBT

Short-term debt as of October 31, 2010 and April 30, 2010 consist of the following:

	As of October 31, 2010		As of April 30, 2010	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from banks due on June 24, 2010	-	-	¥ 2,800,000	1.12727%
Unsecured loans from insurance companies due on August 26, 2010	-	-	2,000,000	1.65500%
Unsecured loans from banks due on August 26, 2010	-	-	4,000,000	0.90727%
Unsecured loans principally from banks due on December 8, 2010	¥ 2,500,000	0.94000%	2,500,000	1.04000%
Unsecured loans from banks due on December 24, 2010	2,580,000	1.05000%	2,580,000	1.12727%
Unsecured loans from banks due on February 26, 2011	1,000,000	1.04000%	1,000,000	1.10727%
Unsecured loans from banks due on February 26, 2011	7,500,000	1.68000%	7,500,000	1.68000%
Unsecured loans from a financial institution due on February 28, 2011	2,000,000	1.04000%	2,000,000	1.10727%
Unsecured loans from banks due on June 10, 2011	8,500,000	1.43200%	-	-
Unsecured loans from banks due on June 24, 2011	2,300,000	1.05000%	-	-
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%	-	-
Unsecured loans from banks due on August 26, 2011	2,500,000	0.94000%	-	-
Unsecured loans from banks due on September 25, 2011	2,000,000	1.43950%	-	-
Unsecured loans from a bank due on June 25, 2016 (Note 2)	500,000	1.97000%	500,000	1.97000%
Total	¥39,880,000		¥24,880,000	

Note 1: The weighted-average interest rate is weighted by the balance of each borrowing 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: Installments of ¥250 million will be made on the 25th day of every sixth month starting on December 25, 2009, with the remaining payment of ¥6,750 million to be repaid on June 25, 2016.

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 October 31, 2010 and April 30, 2010. The total unused amounts of such credit facilities were ¥40,000 million as of October 31, 2010 and April 30, 2010.

7. LONG-TERM DEBT

Long-term debt as of October 31, 2010 and April 30, 2010 consist of the following:

	As of October 31, 2010		As of April 30, 2010	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
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%
Unsecured loans from banks due on September 25, 2011	-	-	2,000,000	1.43950%
Unsecured loans from banks due on February 26, 2012	¥ 11,000,000	1.89764%	11,000,000	1.89764%
Unsecured loans from banks due on June 24, 2012	12,000,000	1.39575%	12,000,000	1.39575%
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%	7,500,000	1.46000%
Unsecured loans from banks due on September 25, 2012	2,000,000	1.61150%	2,000,000	1.61150%
Unsecured loans from banks due on November 4, 2012	10,000,000	1.51175%	10,000,000	1.51175%
Unsecured loans from banks due on December 27, 2012	5,000,000	1.87200%	5,000,000	1.87200%
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 banks due on February 26, 2013	4,000,000	1.19000%	4,000,000	1.22636%
Unsecured loans from a bank due on June 24, 2013	2,000,000	1.14050%	-	-
Unsecured loans from a bank due on August 26, 2013	2,500,000	0.98550%	-	-
Unsecured loans from banks due on December 8, 2013	7,500,000	1.68680%	7,500,000	1.68680%
Unsecured loans from insurance companies due on March 19, 2014	4,000,000	1.98000%	4,000,000	1.98000%
Unsecured loans from banks due on December 24, 2014	6,350,000	1.55800%	6,350,000	1.55800%
Unsecured loans from an insurance company due on February 26, 2015	3,000,000	1.91875%	3,000,000	1.91875%
Unsecured loans from a financial institution due on February 26, 2015	3,000,000	1.69300%	3,000,000	1.69300%
Unsecured loans principally from insurance companies due on June 24, 2015	8,000,000	2.31750%	8,000,000	2.31750%
Unsecured loans from an insurance company due on August 26, 2015	1,000,000	1.31125%	-	-
Unsecured loans from a bank due on June 25, 2016 (Note 2)	9,000,000	1.97000%	9,250,000	1.97000%
Total	¥106,850,000		¥120,600,000	

Note 1: The weighted-average interest rate is weighted by the balance of each borrowing 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: Installments of ¥250 million will be made on the 25th of every sixth month starting on December 25, 2009, with the remaining payment of ¥6,750 million to be repaid on June 25, 2016.

The scheduled repayment amounts of long-term debt for each of the five years after the balance sheet date (excluding the current portion of long-term debt) are as follows.

	Thousands of Yen			
	1-2 years	2-3 years	3-4 years	4-5 years
Long-term debt	39,000,000	27,000,000	12,000,000	21,850,000

8. INVESTMENT CORPORATION BONDS

Investment Corporation Bonds

Details of investment corporation bonds outstanding are summarized as follows:

	As of October 31, 2010		As of April 30, 2010	
	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	

Note: The scheduled redemption amounts of investment corporation bonds for each of the five years after the balance sheet date are as follows.

	Thousands of Yen				
	Within a year	1-2 years	2-3 years	3-4 years	4-5 years
Investment Corporation Bonds	10,000,000	5,000,000	–	–	5,000,000

Short-term Investment Corporation Bonds

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

	As of October 31, 2010		As of April 30, 2010	
	Amount (Thousands of Yen)	Redemption price (Thousands of Yen)	Amount (Thousands of Yen)	Redemption price (Thousands of Yen)
Fourth Series of Short-term Investment Corporation Bonds due on June 24, 2010	–	–	¥1,999,818	¥2,000,000
Total	–	–	¥1,999,818	¥2,000,000

9. 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.

10. PER UNIT INFORMATION

The net asset values per unit and the net income per unit as of October 31, 2010 and April 30, 2010 were as follows:

	For the period from May 1, 2010 to October 31, 2010	For the period from November 1, 2009 to April 30, 2010
Net asset values per unit	¥622,486	¥624,306
Net income per unit	¥ 14,680	¥ 16,500

The net income per unit is calculated by dividing net income by the weighted-average number of units outstanding for the respective six-month period.

Note: The basis for calculating net income per unit is as follows.

	For the period from May 1, 2010 to October 31, 2010	For the period from November 1, 2009 to April 30, 2010
Net income (Thousands of Yen)	¥4,479,366	¥5,034,577
Amount not available to ordinary unitholders (Thousands of Yen)	–	–
Net income available to ordinary unitholders (Thousands of Yen)	¥4,479,366	¥5,034,577
Average number of units during the period	305,123	305,123

11. RELATED PARTY TRANSACTIONS

Parent Company, corporate shareholders and other
Not applicable

Directors, individual shareholders and other
Not applicable

Subsidiary companies and other
Not applicable

Fellow subsidiary companies and other
Not applicable

12. 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 October 31, 2010 and April 30, 2010. 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 ¥4,479,511 thousand and ¥5,034,530 thousand for the six-month periods ended October 31, 2010 and April 30, 2010, 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 rate:

	For the period from May 1, 2010 to October 31, 2010	For the period from November 1, 2009 to April 30, 2010
Statutory tax rate	39.33%	39.33%
Deductible cash distributions	(39.32)	(39.32)
Other	0.01	0.01
Effective tax rate	0.02%	0.02%

13. FINANCIAL INSTRUMENTS

Overview

(1) Policy for Financial Instruments

Upon acquisition of property-related assets, the Company may raise funds through certain financing methods including borrowings, issuance of investment corporation bonds including short-term investment corporation bonds ("investment corporation bonds"), and issuance of investment units. In financing through interest-bearing debt, to secure stable financing capability and reduce future risk of rising interest rates, the Company's investment policy is to secure longer-term, fixed-rate borrowings with well-diversified maturities.

The Company enters into derivative transactions only for the purpose of reducing risk of future interest rate fluctuations and does not engage in speculative transactions.

(2) Type and Risk of Financial Instruments and Related Risk Management

Debts and investment corporation bonds are primarily used to fund the acquisition of property-related assets as well as the repayment of debts and redemption of investment corporation bonds. The Company is exposed to liquidity risk of being unable to meet its obligations on scheduled due dates. The Company controls and limits such risk by diversifying not only the financial institutions, but also the type of financing to include the effective use of surplus funds and direct financing from the capital markets such as issuance of investment units. In addition, the Company is exposed to the market risk arising from fluctuations in interest rates on its floating-rate debts. However, the effect of such risk on the operation of the Company is limited by maintaining the LTV ratio at low levels and the ratio of long-term fixed-rate debts to total debt at high levels. Furthermore, the Company may utilize derivative transactions (interest-rate swap transactions) as a hedging instrument to reduce the market risk under floating-rate debts by swapping such floating-rate interest payments for fixed-rate interest payments.

Bank deposits are held as a means of investing surplus funds, and the Company is exposed to the credit risk that financial institutions may default. However, the effect of such risk is limited by diversifying the financial institutions with which surplus funds are deposited.

Security deposits represent funds deposited by tenants, and the Company is exposed to the risk of returning deposits in the event of a tenant terminates the rental contract. However, the effect of such risk is limited by reserving sufficient funds to allow the Company to meet the obligation to return such deposits.

(3) Supplementary Explanation on Estimated Fair Value of Financial Instruments

The fair value of financial instruments is based on the quoted market price, if applicable. When there is no quoted market price available, fair value is reasonably estimated. Certain assumptions are used for the estimation of fair value. Accordingly, the result of such estimation may change if different assumptions are used. Furthermore, the contractual amounts of derivative transactions stated in "16. Derivatives and Hedge Accounting" below do not represent the market risk involved in these derivative transactions.

Fair Value of Financial Instruments

For the period from May 1, 2010 to October 31, 2010

The following table summarizes the carrying value and the estimated fair values of financial instruments as of October 31, 2010.

The following table does not include financial instruments whose fair value is extremely difficult to estimate (see Note 3).

	Thousands of Yen		
	Carrying Value (Note 1)	Fair Value (Note 1)	Difference
(i) Cash and bank deposits	14,007,165	14,007,165	-
(ii) Cash and bank deposits in trust	18,046,312	18,046,312	-
(iii) Short-term debt	(10,380,000)	(10,380,000)	-
(iv) Current portion of investment corporation bonds	(10,000,000)	(10,004,690)	4,690
(v) Current portion of long-term debt	(29,500,000)	(29,713,579)	213,579
(vi) Investment corporation bonds	(34,500,000)	(35,367,286)	867,286
(vii) Long-term debt	(106,850,000)	(109,269,968)	2,419,968
(viii) Derivative transactions	-	-	-

Note 1: The numbers in parenthesis indicate liabilities.

Note 2: Method for determining the fair value of financial instruments and derivative transactions

- (i) Cash and bank deposits and (ii) Cash and bank deposits in trust
As these items are settled within a short-term period, their fair value is nearly equal to the carrying value. Therefore, for these items, the Carrying Value is reported as the Fair Value.
- (iii) Short-term debt
As these items are settled within a short-term period, their fair value is nearly equal to the carrying value. Therefore, for these items, the Carrying Value is reported as the Fair Value.
- (iv) Current portion of investment corporation bonds and (vi) Investment corporation bonds
The fair value of investment corporation bonds issued by the Company is determined based on their market prices.
- (v) Current portion of long-term debt and (vii) Long-term debt
For floating-rate long-term debt, the carrying value is reported as it is considered to be approximately equal to the fair value because such debt reflects the market interest rates in a short-term period. (However, the fair value of certain floating-rate long-term debt that qualifies for the special treatment of interest-rate swaps (see "18. Derivatives and Hedge Accounting") is determined by discounting the sum of its principal and interest payments net of any cash flows from the interest-rate swap at a rate reasonably estimated to be applicable to similar fixed-rate debt.) The fair value of fixed-rate long-term debt is determined by discounting the sum of its principal and interest payments at a rate reasonably estimated to be applicable to similar fixed-rate debt.
- (viii) Derivative transactions
Refer to "18. Derivatives and Hedge Accounting".

Note 3: The fair value of security deposits (with a carrying value of ¥3,856,470 thousand) and security deposits in trust (with a carrying value of ¥17,883,837 thousand) that have been deposited from tenants under lease contracts are not disclosed because they do not have any market price and their effective deposit period from the lease inception to tenant's termination of the rental contract cannot be reliably determined, thus making it impossible to reasonably estimate their future cash flows, and therefore, it is considered to be extremely difficult to estimate their fair value.

Note 4: Redemption schedule for cash and bank deposits and cash and bank deposit in trust

	Thousands of Yen					
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Cash and bank deposits	14,007,165	-	-	-	-	-
Cash and bank deposits in trust	18,046,312	-	-	-	-	-
Total	32,053,477	-	-	-	-	-

Note 5: Redemption schedule for investment corporation bonds and debt

	Thousands of Yen					
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Short-term debt	10,380,000	-	-	-	-	-
Investment corporation bonds	10,000,000	5,000,000	-	-	5,000,000	24,500,000
Long-term debt	29,500,000	39,000,000	27,000,000	12,000,000	21,850,000	7,000,000
Total	49,880,000	44,000,000	27,000,000	12,000,000	26,850,000	31,500,000

For the period from November 1, 2009 to April 30, 2010

The following table summarizes the carrying value and the estimated fair values of financial instruments as of April 30, 2010. The following table does not include financial instruments whose fair value is extremely difficult to estimate (see Note 3).

	Thousands of Yen		
	Carrying Value (Note 1)	Fair Value (Note 1)	Difference
(i) Cash and bank deposits	14,358,510	14,358,510	-
(ii) Cash and bank deposits in trust	18,857,843	18,857,843	-
(iii) Short-term investment corporation bonds	(1,998,818)	(1,998,818)	-
(iv) Short-term debt	(8,380,000)	(8,380,000)	-
(v) Current portion of investment corporation bonds	(10,000,000)	(10,023,500)	23,500
(vi) Current portion of long-term debt	(16,500,000)	(16,548,447)	48,447
(vii) Investment corporation bonds	(34,500,000)	(34,701,300)	201,300
(viii) Long-term debt	(120,600,000)	(121,777,774)	1,177,774
(ix) Derivative transactions	-	-	-

Note 1: The numbers in parenthesis indicate liabilities.

Note 2: Method for determining the fair value of financial instruments and derivative transactions

- (i) Cash and bank deposits and (ii) Cash and bank deposits in trust
As these items are settled within a short-term period, their fair value is nearly equal to the carrying value. Therefore, for these items, the Carrying Value is reported as the Fair Value.
- (iii) Short-term investment corporation bonds and (iv) Short-term debt
As these items are settled within a short-term period, their fair value is nearly equal to the carrying value. Therefore, for these items, the Carrying Value is reported as the Fair Value.
- (v) Current portion of investment corporation bonds and (vii) Investment corporation bonds
The fair value of investment corporation bonds issued by the Company is determined based on their market prices.
- (vi) Current portion of long-term debt and (viii) Long-term debt
For floating-rate long-term debt, the carrying value is reported as it is considered to be approximately equal to the fair value because such debt reflects the market interest rates in a short-term period. (However, the fair value of certain floating-rate long-term debt that qualifies for the special treatment of interest-rate swaps (see "18. Derivatives and Hedge Accounting") is determined by discounting the sum of its principal and interest payments net of any cash flows from the interest-rate swap at a rate reasonably estimated to be applicable to similar fixed-rate debt.) The fair value of fixed-rate long-term debt is determined by discounting the sum of its principal and interest payments at a rate reasonably estimated to be applicable to similar fixed-rate debt.
- (ix) Derivative transactions
Refer to "18. Derivatives and Hedge Accounting".

Note 3: The fair value of security deposits (with a carrying value of ¥4,030,824 thousand) and security deposits in trust (with a carrying value of ¥18,516,394 thousand) that have been deposited from tenants under lease contracts are not disclosed because they do not have any market price and their effective deposit period from the lease inception to tenant's termination of the rental contract cannot be reliably determined, thus making it impossible to reasonably estimate their future cash flows, and therefore, it is considered to be extremely difficult to estimate their fair value.

Note 4: Redemption schedule for cash and bank deposits and cash and bank deposit in trust

	Thousands of Yen					
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Cash and bank deposits	14,358,510	-	-	-	-	-
Cash and bank deposits in trust	18,857,843	-	-	-	-	-
Total	33,216,353	-	-	-	-	-

Note 5: Redemption schedule for investment corporation bonds and debt

	Thousands of Yen					
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Short-term investment corporation bonds	2,000,000	-	-	-	-	-
Short-term debt	8,380,000	-	-	-	-	-
Investment corporation bonds	10,000,000	5,000,000	-	-	5,000,000	24,500,000
Long-term debt	16,500,000	30,500,000	50,000,000	12,000,000	12,850,000	15,250,000
Total	36,880,000	35,500,000	50,000,000	12,000,000	17,850,000	39,750,000

14. INVESTMENT AND RENTAL PROPERTIES

For the period from May 1, 2010 to October 31, 2010

The Company owns in its portfolio certain office buildings (including land) for lease located in Tokyo and other areas. The following table summarizes the carrying value and the estimated fair value of these properties as of October 31, 2010.

Thousands of Yen			
Carrying Value		Fair value	
As of October 31, 2010	Change during the period	As of April 30, 2010	As of October 31, 2010
374,569,882	(1,281,609)	375,851,491	353,363,000

Note 1: The Carrying Value represents the acquisition cost less accumulated depreciation.

Note 2: The fair value as of October 31, 2010 represents the sum of the appraisal values estimated by external real estate appraisers.

The real estate rental revenues and expenses for the six-month period ended October 31, 2010 is presented in "16. Breakdown of Real Estate Rental Revenues and Expenses."

For the period from November 1, 2009 to April 30, 2010

Effective the six-month period ended April 30, 2010, "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No.20, November 28, 2008) and "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No.23, November 28, 2008) have been applied.

The Company owns in its portfolio certain office buildings (including land) for lease located in Tokyo and other areas. The following table summarizes the carrying value and the estimated fair value of these properties as of April 30, 2010.

Thousands of Yen			
Carrying Value		Fair value	
As of April 30, 2010	Change during the period	As of October 31, 2009	As of April 30, 2010
375,851,491	3,061,158	372,790,333	367,066,000

Note 1: The Carrying Value represents the acquisition cost less accumulated depreciation.

Note 2: The components of net change included increases mainly due to the acquisition of NOF Nagoya Fushimi Building (¥4,228,600 thousand).

Note 3: The fair value as of April 30, 2010 represents the sum of the appraisal values estimated by external real estate appraisers.

The real estate rental revenues and expenses for the six-month period ended April 30, 2010 is presented in "16. Breakdown of Real Estate Rental Revenues and Expenses."

15. SEGMENT INFORMATION

For the period from May 1, 2010 to October 31, 2010

Effective the six-month period ended October 31, 2010, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, March 21, 2008) have been applied.

Since the Company has been engaged in real estate leasing business using a single segment, segment information has been omitted.

Information about products and services

Since revenues from external customers for single segment of similar products and services accounted for more than 90 percent of total operating revenues, information about products and services has been omitted.

Information about geographical areas

(1) Revenues

Since more than 90 percent of the total operating revenues were generated from external customers within Japan, geographical breakdown of revenues has been omitted.

(2) Property and equipment

Since more than 90 percent of the total property and equipment on the balance sheet are located within Japan, geographical breakdown of such property and equipment has been omitted.

Information about major clients

Since no single external client represents 10 percent or more of the Company's total operating revenues, information about major clients has been omitted.

16. BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES

Real estate rental revenues and expenses for the six-month period ended October 31, 2010 and April 30, 2010 consist of the following:

Thousands of Yen		
	For the period from May 1, 2010 to October 31, 2010	For the period from November 1, 2009 to April 30, 2010
Real estate rental revenues	¥13,364,441	¥13,686,232
Rental revenues	12,020,206	12,502,676
Rental revenues	9,779,004	10,208,784
Common area charges	2,241,202	2,293,892
Other rental revenues	1,344,235	1,183,556
Parking revenues	259,448	280,740
Incidental income	1,015,971	833,623
Other miscellaneous revenues	68,816	69,193
Real estate rental expenses	5,883,558	5,667,025
Property management costs	1,078,936	1,071,347
Property management fees	232,466	247,517
Property and other taxes	1,218,289	1,129,932
Utility expenses	1,028,750	838,194
Casualty insurance	26,275	26,129
Repairs and maintenance	187,697	246,706
Depreciation	1,876,802	1,865,203
Other rental expenses	234,343	241,997
Profit	¥ 7,480,883	¥ 8,019,207

17. LEASES

Finance lease agreements, excluding those in which the ownership of the leased assets is deemed to be transferred to the lessee, are mainly for tools, furniture and fixtures in trust. Depreciation of leased assets under finance lease transactions excluding those in which the ownership of the leased assets is deemed to be transferred to the lessee are calculated by the straight-line method, over the lease period with no residual value.

The Company, as lessor, enters into lease agreements for which 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 October 31, 2010 and April 30, 2010 are summarized as follows:

Thousands of Yen		
	As of October 31, 2010	As of April 30, 2010
Due within one year	¥ 4,597,339	¥ 5,230,358
Due after one year	23,376,402	26,857,725
Total	¥27,973,741	¥32,088,083

18. DERIVATIVES AND HEDGE ACCOUNTING

Derivative transactions as of October 31, 2010

(1) There were no derivative financial instruments not subject to hedge accounting.

(2) Derivative financial instruments subject to hedge accounting were as follows:

Thousands of Yen					
Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount Due after one year	Fair value	Method used for determining fair value
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	95,350,000	68,850,000	(*)

* Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these derivatives is included in that of related long-term debt (see "13. Financial Instruments (Note 2) (v) Current portion of long-term debt and (vii) Long-term debt" above).

Derivative transactions as of April 30, 2010

(1) There were no derivative financial instruments not subject to hedge accounting.

(2) Derivative financial instruments subject to hedge accounting were as follows:

Thousands of Yen					
Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount Due after one year	Fair value	Method used for determining fair value
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	90,850,000	83,350,000	(*)

* Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these derivatives is included in that of related long-term debt (see "13. Financial Instruments (Note 2) (vi) Current portion of long-term debt and (viii) Long-term debt" above).

19. SIGNIFICANT SUBSEQUENT EVENTS

Issuance of Investment Corporation Bonds

In accordance with the resolution at the Board of Directors' meeting held on October 20, 2010, the Company issued investment corporation bonds on November 26, 2010, as briefly explained below. The issuance is based on the Shelf Registration Statement of the Investment Corporation Bonds filed on November 18, 2009.

- (1) Nomura Real Estate Office Fund, Inc. Eighth Series Unsecured Investment Corporation Bonds
- | | |
|--|------------------------------------|
| Aggregate Amount of the Investment Corporation Bonds | : ¥6,000,000,000 |
| Payment Price | : ¥100 per par value of ¥100 |
| Redemption Price | : ¥100 per par value of ¥100 |
| Interest Rate | : 0.94% per annum |
| Pledge and Guarantee | : Unsecured/unguaranteed |
| Maturity and Method of Redemption | : November 26, 2014 (4-year bonds) |
- The Company may, at any time on and after the date following the due date of payment, purchase and cancel any such Bond except as otherwise specifically provided by Japan Securities Depository Center, Inc., the custody of a transfer agency.
- | | |
|-------------------------|--|
| Interest Payment Date | : May 26 and November 26, every year |
| Purpose of the Issuance | : To be used for a part of the redemption of the Third Series Unsecured Investment Corporation Bonds (¥10,000,000,000) which will mature on November 29, 2010. |
- (2) Nomura Real Estate Office Fund, Inc. Ninth Series Unsecured Investment Corporation Bonds
- | | |
|--|------------------------------------|
| Aggregate Amount of the Investment Corporation Bonds | : ¥4,000,000,000 |
| Payment Price | : ¥100 per par value of ¥100 |
| Redemption Price | : ¥100 per par value of ¥100 |
| Interest Rate | : 1.52% per annum |
| Pledge and Guarantee | : Unsecured/unguaranteed |
| Maturity and Method of Redemption | : November 24, 2017 (7-year bonds) |
- The Company may, at any time on and after the date following the due date of payment, purchase and cancel any such Bond except as otherwise specifically provided by Japan Securities Depository Center, Inc., the custody of a transfer agency.
- | | |
|-------------------------|--|
| Interest Payment Date | : May 26 and November 26, every year |
| Purpose of the Issuance | : To be used for a part of the redemption of the Third Series Unsecured Investment Corporation Bonds (¥10,000,000,000) which will mature on November 29, 2010. |

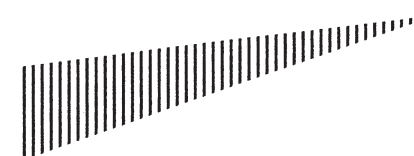
Transfer of a Property

On December 8, 2010, the Company entered into a sale and purchase agreement regarding the transfer of NOF Toyo-cho Building and completed the transfer of 33% of the quasi-co-ownership interest in each of the two real estate trust beneficial interests. Consumption taxes and adjustments of property taxes are excluded from the sales prices.

NOF Toyo-cho Building	
Type of Asset	: Trust Beneficial Interest
Date of Agreement	: December 8, 2010
Scheduled Transfer Date (Note 1)	: (i) December 8, 2010 (33% of the quasi-co-ownership interest in each of the two real estate trust beneficial interests) (ii) May 10, 2011 (67% of the quasi-co-ownership interest in each of the two real estate trust beneficial interests)
Transfer Price	: (i) ¥2,859,000,000 (ii) ¥5,805,000,000 Total ¥8,664,000,000
Book Value (Note 2)	: (i) ¥2,326,147,531 (ii) ¥4,722,784,381 Total ¥7,048,931,912
Transferee	: Japanese General Operating Company

Note 1: The Property is composed of two beneficial interests, in each of which 50% co-ownership interest in the land and building is mainly entrusted. 33% of the quasi-co-ownership interest in each of the two beneficial interests will be transferred on December 8, 2010, and 67% of the quasi-co-ownership interest in each of the two beneficial interests will be transferred on May 10, 2011.

Note 2: The book value is calculated by multiplying the book value as of October 31, 2010 with the quasi-co-ownership interest in the real estate trust beneficial interests to be transferred (33% on December 8, 2010, and 67% on May 10, 2011 (The amount has been rounded to the nearest first decimal place)). The book value is a reference amount as of October 31, 2010.



ERNST & YOUNG

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

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197

Report of Independent Auditors

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

We have audited the accompanying balance sheets of Nomura Real Estate Office Fund, Inc. as of October 31, 2010 and April 30, 2010, 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 October 31, 2010 and April 30, 2010, 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.

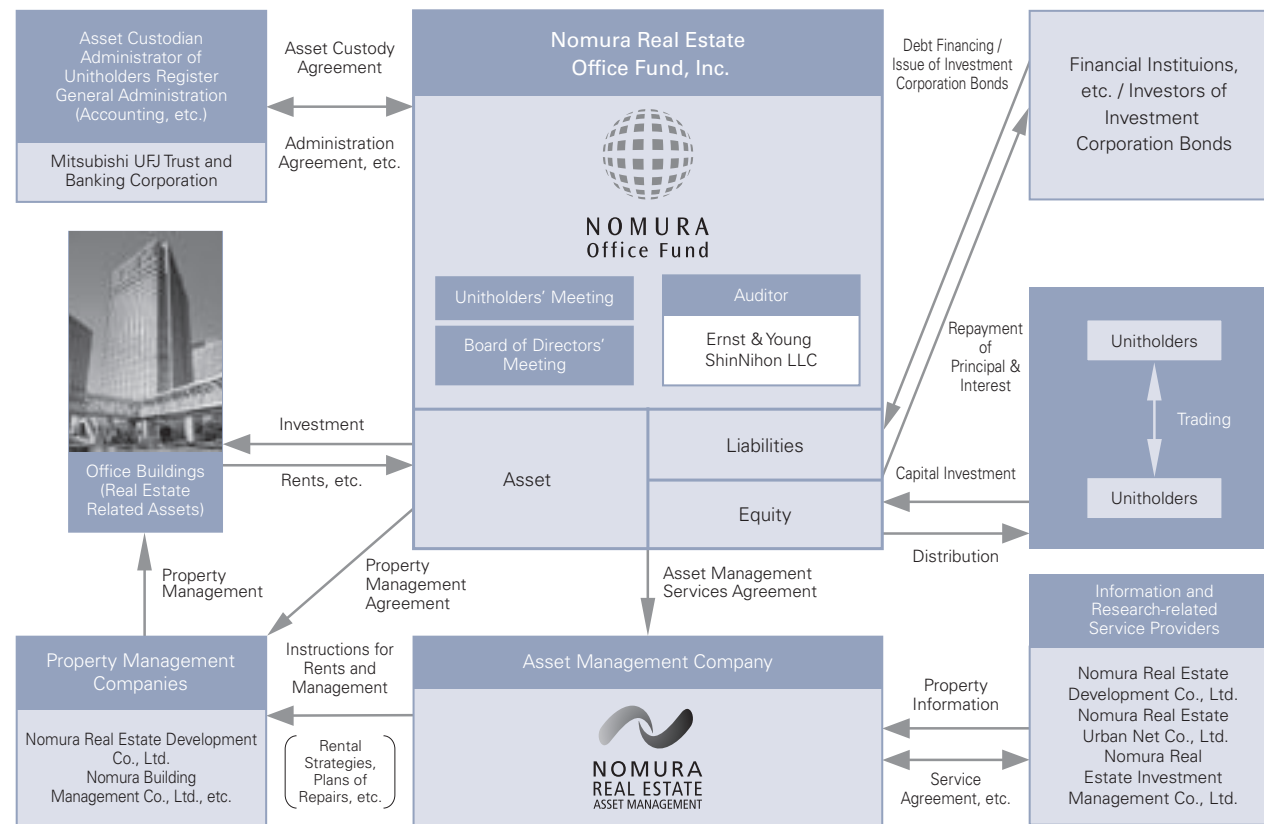
Supplemental Information

As described in Note 19, Significant Subsequent Events, the Company transferred its properties.

January 17, 2011

Ernst & Young Shin Nihon LLC

Business Structure



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

¥185,455,446,935 (as of October 31, 2010)

Number of Units Issued

305,123 (as of October 31, 2010)

Number of Unitholders

13,100 (as of October 31, 2010)

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

Website

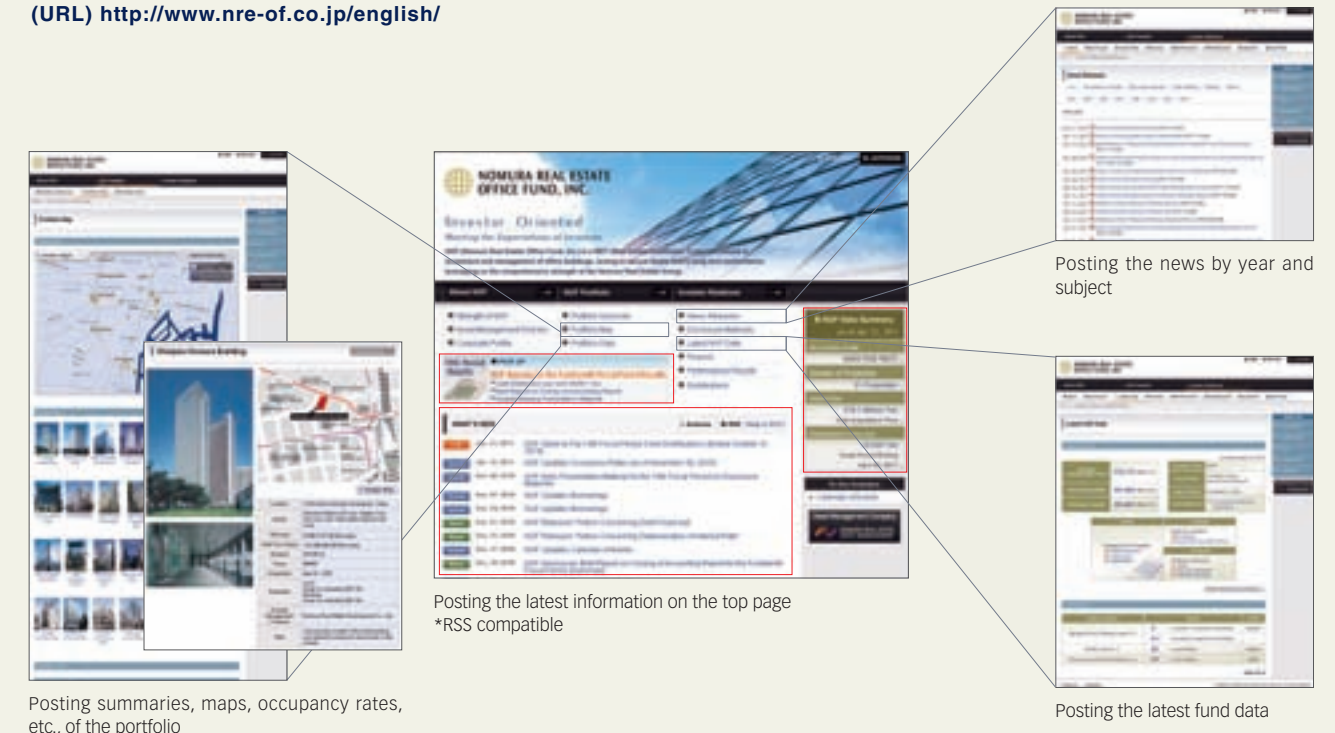
Nomura Office Fund's Website

The Company strives to provide accurate and timely disclosure of information by utilizing the website.

- Strength of NOF, Asset Management Policies, Corporate Profile
- Portfolio Summary, Portfolio Data, Occupancy Rates, Major Tenants
- News, Latest Data, Performance, Distributions, Calendar

We continue to provide information timely and strive to enhance the contents of the website.

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



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/>