



For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Office Fund, Inc.
Mitsuharu Sato, Executive Director
(Securities Code: 8959)

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Notice Concerning Property Acquisition

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

1. Summary of the Asset (the “Property”)

- (1) Type of asset: Real Estate
- (2) Property name: NOF Nagoya Fushimi Building (tentative name)
- (3) Acquisition price: ¥4,050 million (Note)
- (4) Date of agreement: July 4, 2008 (date of agreement on purchase and sale of real estate)
- (5) Scheduled date of acquisition: October 30, 2009 (date of delivery of real estate)
- (6) Seller: Shimizu Corporation
- (7) Financing: TBD

(Note) Although the Property is in process of construction for the purpose of office use, the Fund will reapply to change the use of the first floor from office to retail. Concerning the above mentioned acquisition price, it is assumed that the reapplication is accepted and if not, the Fund mutually agreed with the Seller that the acquisition price would be ¥3,980 million.

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund’s policies as stipulated in its Articles of Incorporation. The Fund values the following factors.

- The Property is located in the center of Fushimi area, the representative office district in Nagoya city, and has an excellent location as it is located 1 minutes and 4minutes on foot from Fushimi Station on Subway Higashiyama Line and Tsurumai Line, and Marunouchi Station on Subway Sakura-dori Line, respectively.
Also, in addition that the Property faces a primary route, Fushimi dori, the district alongside Fushimi dori has been enhanced as an office location in Nagoya city as the area is highly developing with concentrated office buildings.

- According to the drawings and specifications, the Property has features such as a total floor area of 5,000 sq. meters, a standard floor area of 330 sq. meters dividable into three sections, ceiling height of 2.7 meters, seismic response control, and other cutting edge equipment. Taking advantage of these factors mentioned above, the Fund can expect stable mid-to-long term demands from a wide range of tenants.

At this Property is still under construction and scheduled to be completed in October 2009, the Fund plans to avoid completion and building delivery risks by making the conditions mentioned below the terms of payment.

- that the building be constructed in accordance with drawings and specifications and laws.
- that the seller complete the completion inspection under the Building Standard Law.
- that there be no violations of the Laws concerning building construction.

3. Property Summary

| | | |
|--|----------|---|
| Property Name | | NOF Nagoya Fushimi Building (tentative name) |
| Type of Asset | | Real Estate |
| Location (Note 1) | Registry | 2-923 Nishiki, Naka-ku, Nagoya City, Aichi |
| | Street | (Note 2) |
| Access | | 1 minute walk from Fushimi Station on Nagoya Municipal Subway Higashiyama Line and Tsurumai Line and 4 minute walk from Marunouchi Station on Nagoya Municipal Subway Sakura-dori Line. |
| Completion Date (Note 3) | | October, 2009 (Scheduled) |
| Use (Note 3) | | Office |
| Structure (Note 3) | | RC/S, B1/11F |
| Seismic Risk (PML) (Note 4) | | 8% (Shimizu Corporation's Engineering Seismic Risk Report as of June 17, 2008) |
| Architect | | Shimizu Corporation |
| Structural Strength Calculator | | Shimizu Corporation |
| Constructor | | Shimizu Corporation |
| Building Permit Agency | | Bureau Veritas Japan Co., Ltd. |
| Area | Land | 580.58 sq. meters (175.62 tsubo) (Note 1) |
| | Building | 5,216.89 sq. meters (1,578.10 tsubo) (Note 3) |
| Type of Ownership | Land | Ownership |
| | Building | Ownership |
| Building Coverage Ratio | | 100% (Note 5) |
| Floor Area Ratio | | 800% |
| Collateral | | None |
| Property Management Company | | TBD |
| Notes | | None |
| Acquisition Price | | ¥4,050 million |
| Appraisal Value and Method (Note 6) | | ¥4,070 million (Based on the capitalization approach as of May 1, 2008) (Appraiser: Japan Real Estate Institute) |
| Estimated NOI (Note 7) | | ¥180 million |
| Leasing Status (As of July 4, 2008) (Note 8) | | |
| Total number of Tenants | | — |
| Total Rental Income | | — |
| Security Deposits | | — |
| Occupancy Rate | | — |
| Total Leased Floor Space | | — |
| Total Leasable Floor Space (Note 9) | | 3,282.90 sq. meters (993.07 tsubo) |

| Occupancy Rates in the Past (Note 8) | March 31, 2004 | March 31, 2005 | March 31, 2006 | March 31, 2007 | March 31, 2008 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | — | — | — | — | — |

(Notes)

1. Location and Area (Land) are based on the information in the real estate registry.
2. As the Property is still under construction, the Street Address has yet to be confirmed.
3. As the Property is still under construction, Completion Date, Use, Structure and Area (Building) are based on the information in the building permit, etc.
4. PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
5. Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
6. Appraisal
The appraisal, relying on the standard valuation method, is to be conducted by the real estate appraiser on the appraisal date, assuming that the use of the first floor of the building is changed from office to retail and if not, the value would be ¥4,000 million.
7. Estimated NOI
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.
Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions. It is not a forecast of the fiscal period ending October 31, 2008 or any other specific periods.
(a) Occupancy rate: 96.1% (Office: 96.0%, Retail: 98.0%)
(b) Tax amounts: same as those imposed in 2008 tax year.
8. Leasing Status and Occupancy Rates in the Past
As the Property is still under construction, no lease agreements have been executed with tenants.
9. Total Leasable Floor Space
As the Property is still under construction, Total Leasable Floor Space is based on the information in the building permit, etc.

4. Seller Profile

| | |
|---|--|
| Company Name | Shimizu Corporation |
| Head Office | 1-2-3 Shibaura, Minato-ku, Tokyo |
| Representative | Yoichi Miyamoto, President |
| Capital | ¥74,365,000,000 |
| Principal Shareholder | Shimizu Estate Co., Ltd. |
| Principal Business | Constructing for building, civil engineering, machinery and other construction (general construction industry) |
| Relationship with the Fund and/or the Fund's Asset Management Company | None |

5. Transaction with Related Parties

None

6. Brokerage Profile

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|---|---|
| Broker | The Chuo Mitsui Trust and Banking Company, Ltd. |
| Relationship with the Fund and/or the Fund's Asset Management Company | None |
| Commission | As the Fund has not obtained an agreement with the brokerage agency, this information is not disclosed. |

7. Form of Payment

At the time of the turnover of the Property (scheduled on October, 2009), the Fund plans a package payment of the whole acquisition price. The acquisition financing has not yet determined.

8. Schedule for Acquisition

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|---------------------------------|--|
| July 4, 2008 | Execution of the agreement on purchase and sale of real estate |
| October 30, 2009 (scheduled) | Closing of the transaction and delivery of real estate |

9. Forecasts of Financial Results

Forecasts of the financial results on the fiscal period ending October 31, 2008 have not been changed due to the slight effect by the acquisition of the Property.

【Exhibits】

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|-----------|---|
| Exhibit 1 | Building Condition Appraisal Report Summary |
| Exhibit 2 | Portfolio after the Acquisition |
| Exhibit 3 | Completion Image of the Property |
| Exhibit 4 | Map |

Building Condition Appraisal Report Summary

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|-----------------|--|
| Property Name | NOF Nagoya Fushimi Building (tentative name) |
| Appraisal Value | ¥4,070,000,000 |
| Appraiser | Japan Real Estate Institute |
| Appraisal Date | May 1, 2008 |

(yen)

| Item | Amount or percentage | Grounds |
|--|----------------------|--|
| Capitalization approach price | 4,070,000,000 | In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account. |
| Price calculated by the direct capitalization approach | 4,130,000,000 | Calculated by capitalization rate based on a net revenue of the stable mid-to-long term |
| (1) Operating income (a)-(b) | 218,154,000 | |
| (a) Gross rental income | 227,765,000 | Assumed based on the rent standard, which is deemed stable for mid-to-long term. |
| (b) Losses due to vacancies, etc. | 9,611,000 | Assumed based on the stable mid-to-long term occupancy rates |
| (2) Operating expenses | 40,283,000 | |
| Maintenance | 15,000,000 | Assumed based on the scheduled maintenance costs and the estimated amount of a similar building of the Property |
| Utilities costs | 0 | Apply the utility expense revenues toward the costs |
| Repair costs | 1,600,000 | Assumed based on average annual repair costs of the Engineering Report and the estimated amount of a similar building of the Property |
| Property management fees | 4,363,000 | Assumed based on the s estimated amount of a similar building |
| Advertisement for leasing, etc. | 1,436,000 | Assumed based on the annual average of the perceived turnover period of the lessee |
| Taxes | 17,465,000 | Assumed based on actual amount imposed in 2008 tax year and replacement costs, etc. |
| Insurance premium | 410,000 | Assumed based on the insurance premium and the estimated amount, etc., of a similar building |
| Other expenses | 9,000 | Assumed based on the membership expense of the town |
| (3) Net operating income from leasing business (NOI=(1)-(2)) | 177,871,000 | |
| (4) Profit through management of temporary deposits, etc. | 3,257,000 | Assumed interest rate 2.0% p.a. |
| (5) Capital Expenditure Reserve | 3,720,000 | Assumed based on the age of the building and the average annual renewal expenses of the Engineering Report with the assumption that accumulating each period |
| (6) Net Cash Flow (NCF = (3)+(4)-(5)) | 177,408,000 | |
| (7) Capitalization rate | 4.3% | Assumed based on the Property's geographical and building conditions comprehensively |
| Price calculated by the Discounted Cash Flow Approach | 4,010,000,000 | |
| Discount rate | 4.1% | Assumed based on the yield on investment of similar buildings and the characteristics of the Property |
| Terminal capitalization rate | 4.5% | Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents |
| Cost Approach Price | 3,830,000,000 | |
| Ratio of land | 58.3% | |
| Ratio of building | 41.7% | |

(Note 1) In the appraisal report the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date assuming that the completion of the building is on schedule.

(Note 2) The appraisal value, relying on the standard valuation method, is to be conducted by the real estate appraiser on the appraisal date, assuming that the use of the first floor of the building is changed from office to retail and if not, the value would be ¥4,000 million.

Portfolio after Acquisition of the Property

| Area | Property Name | Acquisition Price (Scheduled) (million yen) | Percentage to total (%) (Note 1) | Date of Acquisition (Scheduled) |
|--------------------------------------|---|---|--|------------------------------------|
| Tokyo Central Area (Notes 2) | Shinjuku Nomura Building | 38,730 | 10.9 | December 8, 2003 |
| | JAL Building | 33,080 | 9.3 | March 18, 2005 |
| | NOF Nihonbashi Honcho Building | 20,600 | 5.8 | December 5, 2003 |
| | Tennozu Park Side Building | 14,800 | 4.1 | February 27, 2004 |
| | Shinjuku Sanshin Building | 12,300 | 3.4 | June 25, 2008 |
| | NOF Shibuya Koen-dori Building | 12,000 | 3.4 | September 28, 2004 |
| | Secom Medical Building | 11,500 | 3.2 | September 1, 2006 |
| | NOF Shiba Building | 10,000 | 2.8 | May 25, 2004 |
| | Nishi-Shinjuku Showa Building | 8,800 | 2.5 | November 30, 2005 |
| | NOF Tameike Building | 7,400 | 2.1 | September 29, 2005 |
| | Iwamoto-cho Toyo Building | 6,020 | 1.7 | June 25, 2008 |
| | NOF Shinagawa Konan Building | 5,500 | 1.5 | December 8, 2003 |
| | NOF Surugadai Plaza Building | 5,150 | 1.4 | February 27, 2004 |
| | Hatchobori NF Building | 3,160 | 0.9 | August 10, 2007 |
| | NOF Kanda Iwamoto-cho Building | 3,080 | 0.9 | February 26, 2004 |
| | Central Kyobashi Building | 2,550 | 0.7 | June 25, 2008 |
| | NOF Minami Shinjuku Building | 2,280 | 0.6 | June 25, 2004 |
| | Central Shintomicho Building | 1,750 | 0.5 | June 25, 2008 |
| | Sunworld Yotsuya Building | 778 | 0.2 | June 25, 2008 |
| | Total of Tokyo Central Area (19 properties) | 199,478 | 55.9 | |
| Suburban Tokyo (Note 2) | NOF Toyo-cho Building | 7,550 | 2.1 | December 5, 2003 |
| | NOF Technoport Kamata Center Building | 6,416 | 1.8 | December 5, 2003 |
| | Toho Edogawabashi Building | 2,080 | 0.6 | March 28, 2008 |
| | Toshin Meguro Building | 1,340 | 0.4 | June 25, 2008 |
| | Crystal Park Building | 3,700 | 1.0 | February 28, 2006 |
| | Farlet Tachikawa Center Square | 3,290 | 0.9 | December 5, 2003 |
| | NOF Kawasaki Higashiguchi Building | 9,500 | 2.7 | June 30, 2005 |
| | NOF Yokohama Nishiguchi Building | 5,050 | 1.4 | May 12, 2005 |
| | NOF Shin-Yokohama Building | 3,600 | 1.0 | December 5, 2003 |
| | Yokohama Odori Koen Building | 2,993 | 0.8 | September 28, 2007 |
| | Total of Suburban Tokyo (10 properties) | 45,519 | 12.8 | |
| Other Regional Cities (Note 2) | Sapporo North Plaza | 6,820 | 1.9 | June 1, 2006 |
| | JCB Sapporo Higashi Building | 3,700 | 1.0 | February 8, 2008 |
| | Kita-Sanjo Building | 3,430 | 1.0 | September 28, 2007 |
| | NOF Sendai Aoba-dori Building | 3,200 | 0.9 | November 30, 2005 |
| | NOF Utsunomiya Building | 2,970 | 0.8 | December 5, 2003 |
| | NOF Nagoya Yanagibashi Building | 3,550 | 1.0 | September 29, 2005 |
| | Omron Kyoto Center Building | 23,700 | 6.6 | March 20, 2007 |
| | SORA Shin-Osaka 21 | 19,251 | 5.4 | April 25, 2008 |
| | NOF Midosuji Building | 12,900 | 3.6 | November 30, 2005 |
| | Nomura Osaka Building | 6,410 | 1.8 | December 5, 2003 |
| | Nomura Yotsubashi Building | 3,940 | 1.1 | December 5, 2003 |
| | NOF Kobe Kaigan Building | 3,280 | 0.9 | December 5, 2003 |
| | Hiroshima Tatemachi NOF Building | 2,100 | 0.6 | November 30, 2005 |
| | Nomura Hiroshima Building | 1,930 | 0.5 | December 5, 2003 |
| | EME Hakata Ekimae Building | 6,750 | 1.9 | June 27, 2008 |
| | Total of Other Regional Cities (15 properties) | 103,931 | 29.1 | |
| Subtotal (44 properties) | | 348,928 | 97.8 | |

【Scheduled Acquisition】

| Area | Property Name | Acquisition Price (Scheduled) (million yen) | Percentage to total (%) (Note 1) | Date of Acquisition (Scheduled) |
|--------------------------------------|---|---|--|------------------------------------|
| Other Regional Cities (Note 2) | NOF Tenjin-Minami Building (Note 3) | 3,925 | 1.1 | Sep. 2008~Mar. 2009 |
| | NOF Nagoya Fushimi Building (tentative name) | 4,050 | 1.1 | October 30, 2009 |
| Subtotal (2 Properties) | | 7,975 | 2.2 | |

| | | | | |
|-----------------------|--|---------|-------|--|
| Total (46 Properties) | | 356,903 | 100.0 | |
|-----------------------|--|---------|-------|--|

(Notes)

1. Percentages have been rounded to the nearest first decimal place. Therefore, the total may not equal to 100%.
2. Tokyo Central Area refers to Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shinagawa-ku and Shibuya-ku.
Suburban Tokyo refers to other areas of metropolitan Tokyo and the surrounding three prefectures, which are Kanagawa-ken, Saitama-ken and Chiba-ken.
Other Regional Cities refers to the major regional cities in the areas other than the Tokyo Central Area and the Suburban Tokyo.
3. Concerning “NOF Tenjin-Minami Building”, the agreement on purchase and sale of the trust beneficial interest has been executed on April 18, 2008 and the Fund will acquire the Property on either September 26, 2008, December 26, 2008, or March 27, 2009 comply with the seller's attraction of tenants (occupancy rates and average rents) according to the said agreement. The acquisition price in the above table is ¥3,925, median of the limit range, however the acquisition price will be determined within the range of ¥3,750 to ¥4,100 comply with the circumstances of attraction of tenants.
4. Although the Property is in process of construction for the purpose of office use, the Fund will reapply to change the use of the first floor from office to retail. Concerning the above mentioned acquisition price, it is assumed that the reapplication is accepted and if not, the Fund mutually agreed with the Seller that the acquisition price would be ¥3,980 million.

Completion Image of the Property



(Note) This image has been created in accordance with architectural drawings and specifications and may differ from the actual building.

Map

