



For Translation Purposes Only

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For Immediate Release

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Notice Concerning Property Acquisition

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

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

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Toshin Tameike Building
- (3) Acquisition price: ¥7,400 million
- (4) Date of agreement: September 29, 2005 (date of execution of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: September 29, 2005 (scheduled date of delivery of the trust beneficial interest)
- (6) Seller: Developer Sanshin Co., Ltd. (please refer to 4. “Seller Profile,” below)
- (7) Financing: Private fund and debt financing

2. Grounds

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

- The site located near the boundary between Minato-ku and Chiyoda-ku is convenient in location that it is next to Kasumigaseki area, concentrated governmental and public offices, and Akasaka area, concentrated foreign-affiliated companies and embassies. It is located five minutes’ walk from Tameike-Sanno Station of Tokyo Metro Ginza Line and Tokyo Metro Namboku Line, and also seven minutes’ walk from Tranomon Station of Tokyo Metro Ginza Line. In addition, it has a good access to Shuto Expressway Center Circular Route and major streets such as Sotobori-Dori and Roppongi-Dori.

- The Property was renovated in 1996, both inside and outside of the building and facilities. It is confirmed by the anti-earthquake test that, structurally, the building has the earthquake-resistance capacity equivalent to the “New Earthquake-resistance Standard”. These features of the building enable the Property to meet tenant needs.
- Based on these characteristics, it is expected to meet needs from various kinds of tenants such as ordinary companies, public organizations, layer offices, and patent offices that put importance on close locations to government and public offices.

3. Property Summary

Property Name		Toshin Tameike Building
Type of Asset		Trust beneficial interest
Trustee		The Chuo Mitsui Trust and Banking Company, Limited
Term of Trust Agreement		From September 29, 2005 to September 30, 2015
Location (Note 1)	Registry	1-130-2 Akasaka, Minato-ku, Tokyo
	Street	1-1-4 Akasaka, Minato-ku, Tokyo
Access		5 minutes on foot from Tameike-Sanno Station, Tokyo Metro Ginza Line and Tokyo Metro Namboku Line
Completion Date (Note 1)		August 10, 1959
Use		Office
Structure (Note 1)		SRC, B1/9F
Seismic Risk (PML) (Note 2)		17% (Shimizu Corporation's Engineering Report dated August 25, 2005)
Area (Note 1)	Land	690.67 sq. meters
	Building	6,478.50 sq. meters
Type of Ownership	Land	Ownership
	Building	Ownership
Percentage of Interest	Land	100%
	Building	100%
Building Coverage Ratio (Note 3)		100%
Floor-area Ratio		700%
Collateral		None
Property Management Company		Nomura Real Estate Development Co., Ltd. (Note 4)
Notes		<ul style="list-style-type: none"> • Nomura Real Estate Development Co., Ltd. is the related company of the Asset Management Company under the Investment and Trust Law. • Process required by the Building Construction Code on the basement level has not yet been partially completed, but it is agreed that the Seller will carry out the necessary procurement on its cost. • The parcel of land adjacent to the site to the north is owned by Tokyo Metropolitan Government. The Seller has the permission from the government to let the area to the tenants for parking lots and the Fund will succeed the permission. • The Property was designed and built in accordance with the Building Construction Code of the time of its construction and it does not conform to the current floor-area ratio regulation.
Acquisition Price		¥7,400 million
Appraisal Value and Method		¥7,400 million (based on the capitalization approach, as of September 1, 2005) (Appraiser: Appraisal Firm Asquare Ltd.)
Estimated NOI (Note 5)		¥330 million
Leasing Status (Estimation as of September 29, 2005) (Note 6)		
Total number of Tenants		12
Total Rental Income		¥406 million (Rents for September 2005 × 12 on the contract basis)
Occupancy Rate		100.0%
Total Leased Floor Space		4,781.58 sq. meters

Total Leasable Floor Space	4,781.58 sq. meters				
Occupancy Rates in the Past (Note 7)	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
	-	-	100.0%	89.6%	95.6%

(Notes)

1. Location and several other items
Location, Completion Date, Structure and Areas are based on the information in the real estate registry.
2. PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
3. Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
4. Property Management Company
Nomura Real Estate Development Co., Ltd is scheduled to be appointed.
5. Estimated NOI
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.
Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions.
(a) Occupancy rate: 97%
(b) Tax amounts: same as those imposed in 2005 tax year.
6. Leasing Status
Estimated status based on the information acquired by today and the figures are as of September 29, 2005.
7. Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	Developer Sanshin Co., Ltd.
Head Office	3-4-4, Nihonbashi Muromachi, Chuo-ku, Tokyo
Representative	Isamu Ando, President & Representative Director
Capital	¥541 million (As of May 31, 2005)
Principal Business	Real Estate
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

The property management company, Nomura Real Estate Development Co. Ltd., is a Related Party under the Investment Trust Law. Nomura Office Fund and its asset management company determined the consignment and the terms and conditions of the transaction, including the fees, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the asset management company's bylaws.

6. Schedule for acquisition

September 29, 2005 (Scheduled)	Execution of the agreement on purchase and sale of the trust beneficial interest
September 29, 2005 (Scheduled)	Closing of the transaction and delivery of the trust beneficial interest

7. Forecasts of Financial Results for the Fiscal Period Ending October 31, 2005

Forecasts of financial results of the Fund for the fiscal period ending October 31, 2005 (May 1, 2005 to October 31, 2005) have not been changed due to the small effect of acquisition of the Property.

【Exhibits】

Exhibit 1	Appraisal Summary
Exhibit 2	Portfolio after the Acquisition
Exhibit 3	Property Photo
Exhibit 4	Map

Appraisal Summary

Property Name	Toshin Tameike Building
Appraisal Value	¥7,400,000,000
Appraiser	Appraisal Firm Asquare Ltd.
Appraisal Date	September 1, 2005

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	7,400,000,000	In calculating, placed priority on the discounted cash flow approach and examined the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	7,444,120,000	
(1) Gross income	458,999,940	
Potential gross rental income	429,997,798	Assumed based on both the current performance and market rent.
Losses due to vacancies, etc.	8,599,956	Assumed based on both current and market occupancy rates.
Other income	37,602,098	Income from parking and utilities, etc.
(2) Total expenses	116,570,435	
Maintenance	16,648,000	Assumed based on the Engineering Report
Management consignment fees	9,738,317	Assumed based on the estimated amount
Leasing expenses	18,180,804	Assumed based on the estimated amount
Taxes	33,049,459	Actual amount imposed in 2005 tax year
Insurance premium	746,000	Assumed based on the estimated amount
Utilities costs	31,682,879	Assumed based on the historical performance, etc.
Other expenses	6,524,976	Includes rent of land for parking lots, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	342,429,505	
(4) Capitalization rate	4.6%	Based on the standard investment cap rate of the market and the location and the characteristics of the Property.
Price calculated by the Discounted Cash Flow Approach	7,342,490,000	
Discount rate	4.6%	
Terminal capitalization rate	4.6%	
Cost Approach Price	6,459,000,000	
Ratio of land	91.7%	
Ratio of building	8.3%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located on Sotobori-Dori, approximately five minutes' walk from Tameike-Sanno station of Tokyo Metro Ginza Line. There are a lot of government and public offices nearby. The Property was built on 1959, but the large-scale renovation, including the renewal of interior and exterior of the building and conversion to the individual air-conditioning system, is already done to meet tenants' needs for facilities. Current occupancy rate is 100 percent because of strong demands from tenants that put importance on high accessibility to government and public offices etc. as described above, and it is expected to be stable in the future. These characteristics have been fully taken into account in determination of the appraisal price.
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Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
Tokyo central area (Notes 2)	Shinjuku Nomura Building	38,730	18.4	December 8, 2003
	JAL Building	33,080	15.7	March 18, 2005
	Itopia Nihonbashi Building	20,600	9.8	December 5, 2003
	Tennozu Park Side Building	14,800	7.0	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	5.7	September 28, 2004
	Isuzu Shiba Building	10,000	4.8	May 25, 2004
	Toshin Tameike Building (Note 3)	7,400	3.5	September 29, 2005
	Shinagawa NF Building	5,500	2.6	December 8, 2003
	Surugadai Plaza Building	5,150	2.5	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.5	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.1	June 25, 2004
		152,620	72.6	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.6	December 5, 2003
	Technoport Kamata B	6,430	3.1	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.6	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building	9,500	4.5	June 30, 2005
	Asahi Seimei Yokohama Nishiguchi Bldg	5,050	2.4	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.7	December 5, 2003
		35,420	16.9	
Other cities (Note 2)	Utsunomiya NF Building	2,970	1.4	December 5, 2003
	Yanagibashi Sanshin Building (Note 3)	3,550	1.7	September 29, 2005
	Nomura Real Estate Osaka Building	6,410	3.1	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	1.9	December 5, 2003
	Kobe Kaigan Building	3,280	1.6	December 5, 2003
	Nomura Real Estate Hiroshima Building	1,930	0.9	December 5, 2003
		22,080	10.5	
Total (23 properties)		210,120	100.0	

(Notes)

- Percentages have been rounded off to one decimal place. Accordingly, the total may not equal to 100%.
- Tokyo central area means Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shinagawa Ward and Shibuya Ward.
Vicinity of Tokyo means Tokyo excluding the Tokyo central area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.
Other cities mean other local cities located in the area other than the Tokyo central area and the vicinity of Tokyo.
- Toshin Tameike Building and Yanagibashi Sanshin Building are included in the above table assuming that the Fund has acquired it even though the scheduled acquisition is September 29, 2005.

Photo



Map

