



NOMURA
Office Fund

NOMURA REAL ESTATE OFFICE FUND

Financial Results of 8th Fiscal Period
(Ended October 31, 2007)



NOMURA REAL ESTATE OFFICE FUND



NOMURA REAL ESTATE ASSET MANAGEMENT

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NOMURA REAL ESTATE OFFICE FUND

December 2007



1. Overview of Fund Management



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Highlights of the 8th Fiscal Period (May 1, 2007 ~ October 31, 2007)



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Performance of the 8th Period (184 business days)

	8th Period (October 2007)	Comparison with the Previous Period		(Reference)		
		Forecasts as of June 15, 2007	Comparison with Actual Results			
Operating Revenues	¥ 11,968 mln	+ ¥ 877 mln	+ 7.9%	¥ 11,749 mln	+ ¥ 219 mln	+ 1.9%
Operating Income	¥ 5,725 mln	+ ¥ 587 mln	+ 11.4%	¥ 5,426 mln	+ ¥ 298 mln	+ 5.5%
Net Income	¥ 4,486 mln	+ ¥ 20 mln	+ 0.4%	¥ 4,201 mln	+ ¥ 285 mln	+ 6.8%
Cash Distribution per Unit	¥16,918 / unit	+ ¥ 168 / unit	+ 1.0%	¥ 15,800 / unit	+ ¥ 1,118 / unit	+ 7.1%

Notable Activities

Investment Sector

Invested in 3 Properties (¥9,500 mln)

Acquisition of

- Hatchobori NF Bldg (¥3.16 bln)
- Yokohama Odori Koen Bldg (¥2.99 bln)
- Kita-Sanjo Bldg (¥3.43 bln)

End-of-Period Total Portfolio:

¥292.4 bln

Asset Management Sector

Improved Rental Level

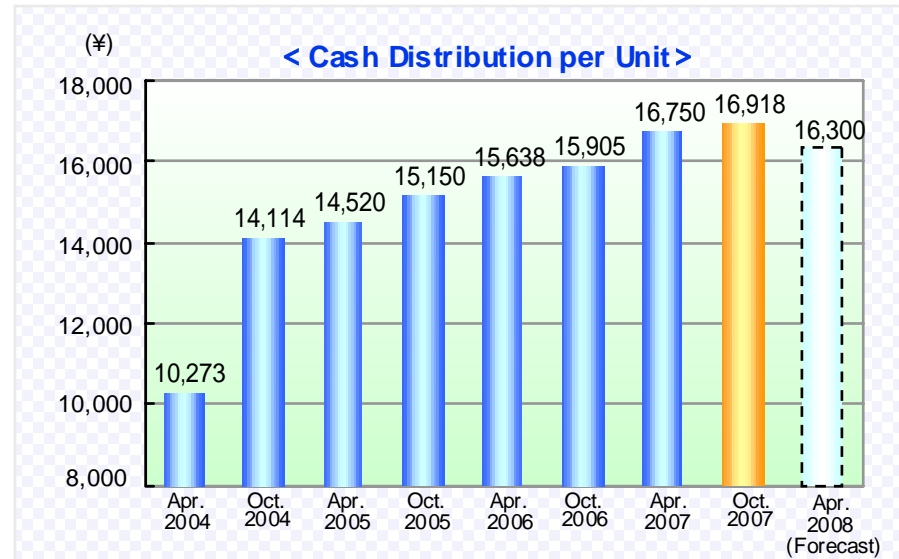
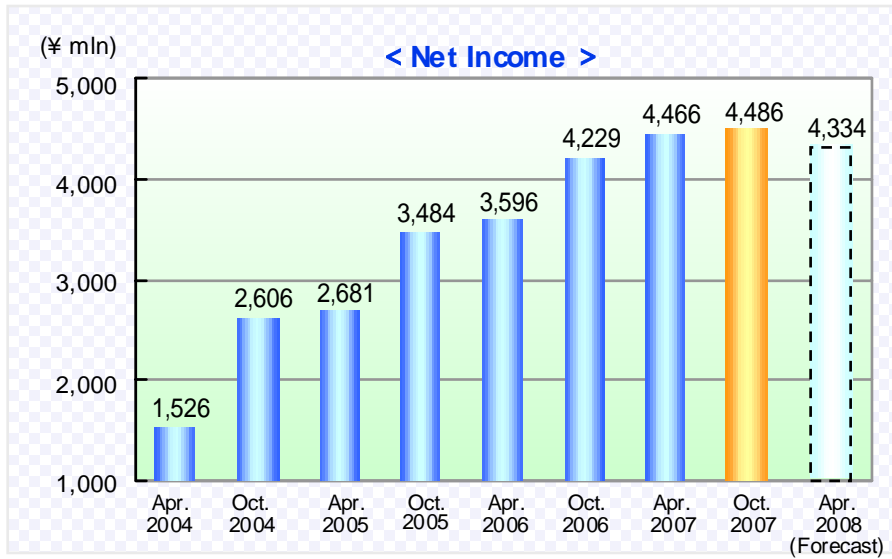
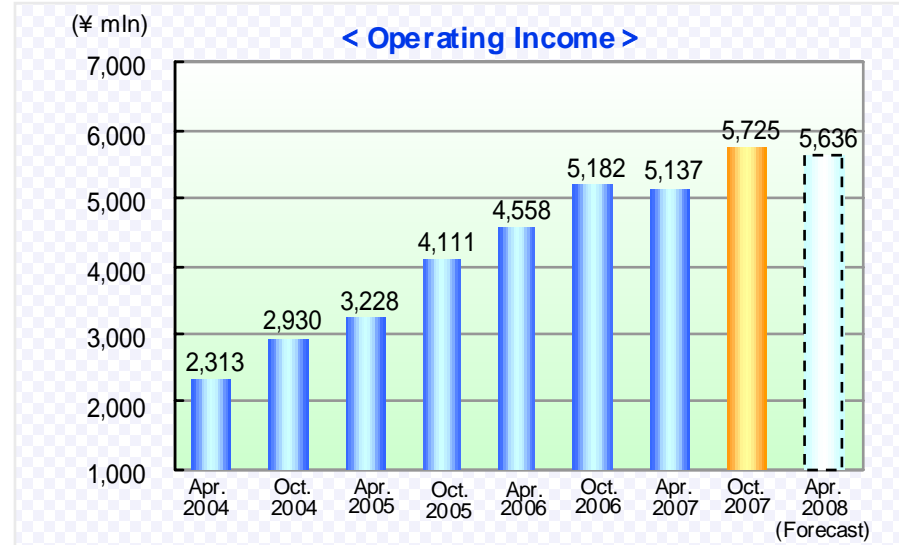
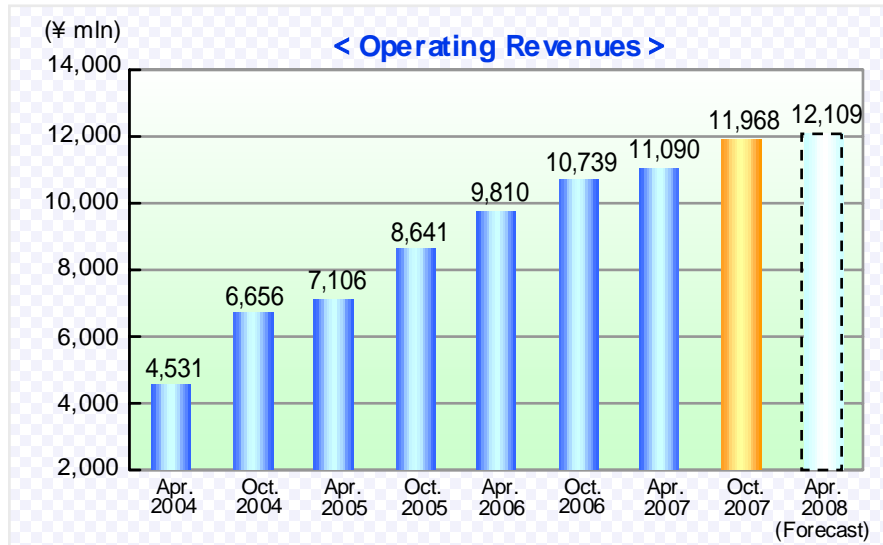
- Steady increase in rents for both new and renewed tenants
 - Implementation of various refurbishment works
- ➔ Average Unit Rent of Portfolio:
+1.2% (31 properties held at the end of 7th period)

Financial Sector

Focus on financial stability

- Maintenance of conservative LTV
 - Establish balanced financial structure
- ➔ · Duration **5.5 years**
· Fixed Interest **87.5%**

Changes in Performance





2. Future Management Policies

Analysis of the Market



Real Estate Investment Market

Current

- Private funds and originators seeking timing of sale
- Changes in acquisition approaches by funds due to changes in financial market
- As a result, acquisition cap rate seems to have bottomed

Future

- Property sales prompted by implementation of “Financial Instruments and Exchange Law” and refinancing
- The balance of supply and demand will not be reversed; acquisition cap rate expected to stay flat



Number of sales may gradually increase depending on market conditions

Office Leasing Market

Current

- Slowing of increase in asking rents for large properties in central Tokyo
- Increase in asking rents continues in suburban Tokyo and medium-sized properties
- Overall occupancy stabilizing in regional cities due to economic recovery

Future

- In the Tokyo metropolitan area, rents to continue increasing for medium-sized properties and surrounding areas
- Rates in regional cities will start increasing, following Osaka and Nagoya



Long-term increasing trend for office lease market to continue, with staggered timing by region

J-REIT Market

Current

- Valuation seems appropriate after large adjustment in investment unit price
- Difference in growth prospective from funding capacities has become apparent
- Market growth has slowed down in terms of number of listed REITs and market cap

Future

- Investors more strict on risk/return evaluation (difference in returns to expand)
- Primary offerings (POs and IPOs) will become increasingly difficult



Funds reorganized / consolidated through change in sponsorship and M&As

Future Growth Strategies



External Growth : “Continuous expansion of portfolio size

- Continue investment in carefully selected premium properties
- Increase market coverage for property sales information and enhance sourcing capacities
- Continue “the Premium Capital Increase” along with expansion of asset size

- Stabilize profit through portfolio expansion
- Improve BPS

**Aim for
“Further Stabilization of Fund Profits”
And
“Steady Growth of EPS”**

- Improve portfolio NOI
- Smooth repair expenses

Internal Growth: “Improve and stabilize portfolio profitability”

- Increase in average unit rental (2-3% p.a.)
- Early implementation of large-scale repair works
- Start considering fixing rent for large tenants

- Maintain / secure financing capacities
- Control interest rate risks

Financial Strategy: “Maintain and further enhance credibility”

- Maintain stable financial position through appropriate LTV control, etc.
- Continue active IR activities including debt IR



3. Details of the Financial Results

Income Statement



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		7th Fiscal Period		8th Fiscal Period		
		Nov. 1, 2006 - Apr. 30, 2007		May 1, 2007 - Oct. 31, 2007		
		(¥000)	(%)	(¥000)	(%)	
Current Profits	Operating Profits	Operating Revenues	11,090,987	100.0	11,968,778	100.0
		Rental business revenues	9,981,093	90.0	10,694,614	89.4
		Rental revenues	8,038,230	72.5	8,688,417	72.6
		Common area charges	1,942,862	17.5	2,006,196	16.8
		Other rental business revenues	1,109,894	10.0	1,264,351	10.6
		Monthly parking revenues	238,824	2.2	239,566	2.0
		Incidental income	798,947	7.2	953,671	8.0
		Other rental revenues	70,899	0.6	69,301	0.6
		Miscellaneous revenues	1,222	0.0	1,811	0.0
		Total Rental Business Revenues	11,090,987	100.0	11,958,965	99.9
Profits on Sales of Real Estate	-	-	9,812	0.1		
Operating Expenses	5,953,306	53.7	6,243,155	52.2		
Property management costs	1,135,710	10.2	1,197,041	10.0		
Taxes and duties	857,744	7.7	939,418	7.8		
Utility expenses	784,754	7.1	937,406	7.8		
Insurance expenses	22,713	0.2	23,271	0.2		
Repairs and maintenances	350,087	3.2	362,145	3.0		
Other expenses	176,271	1.6	213,180	1.8		
Depreciation	1,478,414	13.3	1,518,288	12.7		
Total Rental Business Expenses	4,805,696	43.3	5,190,753	43.4		
Asset management fees	976,483	8.8	874,405	7.3		
Selling and administrative expenses	171,125	1.5	177,996	1.5		
Rental Profits	6,285,290	56.7	6,768,211	56.5		
Operating Profits	5,137,681	46.3	5,725,622	47.8		
Current Profits	Non-Operating Profits	Non-Operating Revenues	404,195	3.6	69,098	0.6
		Compensation for superficies establishment	295,747	2.7	-	-
		Other non-operating revenues	108,447	1.0	69,098	0.6
		Non-Operating Expenses	1,075,054	9.7	1,307,920	10.9
		Interest expenses	563,127	5.1	668,555	5.6
		Interest expenses on bonds	306,543	2.8	432,532	3.6
		Amortization of bond issuance costs	40,641	0.4	45,065	0.4
		Loan arrangement fees	87,973	0.8	93,612	0.8
		Other non-operating expenses	76,768	0.7	68,153	0.6
		Non-Operating Profits	670,858	6.0	1,238,821	10.4
Current Profits	4,466,823	40.3	4,486,801	37.5		
Income before income taxes	4,466,823	40.3	4,486,801	37.5		
Corporate, local and enterprise taxes	605	0.0	605	0.0		
Tax adjustment	22	0.0	-	-		
Net Income	4,466,195	40.3	4,486,196	37.5		
Retained earnings brought forward	106	0.0	12,426	0.1		
Retained earnings at end of period	4,466,301	40.3	4,498,622	37.6		

Rental Business Revenues

The total number of properties in the portfolio at the 8th period has become 34 as a result of new acquisition of 3 properties: Hatchobori NF Bldg, Yokohama Odori Koen Bldg, and Kita-Sanjo Bldg.

Occupancy rate for the 8th period (October 2007) was 97.9%, down 0.6% from 98.5% for the 7th period (April 2007).

Taxes and Duties

Property taxes, urban planning taxes and other duties for the 8th period were charged on the 31 properties out of the total 34 properties held at the end of the 8th period.

Repairs and Maintenances

In addition to cost of repair of ¥362 mln, there was capital expenditure of ¥1,252 mln, of which ¥138 mln was an initial reserve.

Rental Profits: ¥6,768 mln

(+¥482 mln from the previous period)

Additional revenues from the newly acquired 3 property: +¥43 mln
Increase in revenues from the existing 31 properties: +¥439 mln

Incidental Revenues: Revenues received as utility charges, charges for usage of facility and signboard, etc.

Other Rental Revenues: Hourly parking charges, etc.

Miscellaneous Revenues: Ground rents, etc.

Other Expenses: Trust fees, commissions, other maintenance fees, etc.

Operating Expenses: custodian, Administrative service, and auditing fees, etc.

Non-operating Expenses: Cost of restitution in integrum, etc

Balance Sheet



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Assets

	7th Fiscal Period as of Apr. 30, 2007		8th Fiscal Period as of Oct. 31, 2007	
	(¥000)	(%)	(¥000)	(%)
Current Assets	32,816,788	10.4%	34,469,735	10.6%
Cash and cash equivalents	12,046,410	3.8%	13,970,157	4.3%
Cash and cash equivalents in trust	20,004,404	6.3%	20,046,345	6.1%
Other current assets	765,973	0.2%	453,232	0.1%
Fixed Assets	282,376,844	89.5%	291,078,291	89.4%
Tangible assets	282,130,219	89.5%	291,853,819	89.3%
Properties	15,209,137	4.8%	21,602,747	6.6%
Buildings	4,201,142	1.3%	6,784,940	2.1%
Lands	11,007,994	3.5%	14,817,806	4.5%
Properties in trust	266,903,384	84.6%	270,213,839	82.7%
Buildings	79,250,169	25.1%	79,844,776	24.4%
Lands	187,653,215	59.5%	190,369,063	58.3%
Other tangible assets	17,697	0.0%	37,233	0.0%
Other tangible assets	17,697	0.0%	37,233	0.0%
Intangible assets	1,929	0.0%	1,827	0.0%
Trust and other intangible assets	1,929	0.0%	1,827	0.0%
Investments and other assets	244,695	0.1%	222,643	0.1%
Security deposits	211,230	0.1%	211,250	0.1%
Investments and other assets	33,465	0.0%	11,393	0.0%
Deferred Assets	208,925	0.1%	163,859	0.1%
Issuing cost of corporation bonds	208,925	0.1%	163,859	0.1%
Total Assets	315,402,557	100.0%	326,711,886	100.0%

Cash and Cash Equivalents

	(¥ mln)
Deposits in own name	13,970
Equivalent to security deposits received	2,347
Equivalent to reserved capital expenditure	3,355
Others	8,267
Deposits in trust	20,046
Equivalent to security deposits received	13,066
Equivalent to reserved capital expenditures	171
Others	6,808

Tangible Assets

	Acquisition price	Accumulated depreciation	(Depreciation for current term)	(¥ mln) End-of-term book value
Properties	301,558	9,705	(1,518)	291,853
Buildings in trust	89,388	9,506	(1,434)	79,882
Lands in trust	190,369	-	-	190,369
Buildings	6,983	198	(83)	6,784
Lands	14,817	-	-	14,817

Liabilities and Net Assets

	7th Fiscal Period as of Apr. 30, 2007		8th Fiscal Period as of Oct. 31, 2007	
	(¥000)	(%)	(¥000)	(%)
Current Liabilities	26,768,779	8.5%	41,469,712	12.7%
Trade accounts payable	644,503	0.2%	807,777	0.2%
Short-term debt	1,500,000	0.5%	13,500,000	4.1%
Long-term debt to be repaid within 1 year	21,000,000	6.7%	23,000,000	7.0%
Other accounts payable	1,586,180	0.5%	1,997,921	0.6%
Rent received in advance	1,880,883	0.6%	1,950,417	0.6%
Other current liabilities	157,212	0.0%	213,595	0.1%
Fixed Liabilities	127,412,588	40.4%	123,969,197	37.9%
Corporation bonds	44,500,000	14.1%	44,500,000	13.6%
Long-term debt	63,000,000	20.0%	59,000,000	18.1%
Security deposits	662,645	0.2%	948,401	0.3%
Security deposits in trust	19,195,895	6.1%	19,520,796	6.0%
Other fixed liabilities	54,048	0.0%	-	-
Total Liabilities	154,181,368	48.9%	165,438,909	50.6%
Unitholders' Equity	161,233,495	51.1%	161,265,816	49.4%
Unitholders' capital	156,767,193	49.7%	156,767,193	48.0%
Retained earnings	4,466,301	1.4%	4,498,622	1.4%
Variance from valuation and translation	12,305	0.0%	7,160	0.0%
Deferred hedge gains	12,305	0.0%	7,160	0.0%
Total Net Assets	161,221,189	51.1%	161,272,976	49.4%
Total Liabilities and Net Assets	315,402,557	100.0%	326,711,886	100.0%

Debts

Balance of interest-bearing debts	¥140,000 mln
Interest-bearing debts ratio	$\frac{(\text{S/T debts} + \text{L/T debts} + \text{Corp bonds})}{\text{Total assets}}$ 42.9%
Long-term interest-bearing debt ratio	$\frac{(\text{L/T debts} + \text{Corp bonds})}{\text{Total debts}}$ 73.9%

Cash Distribution



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Cash Distribution

Item		7th Fiscal Period	8th Fiscal Period
		from Nov. 1, 2006 to Apr. 30, 2007	from May 1, 2007 to Oct. 31, 2007
Retained Earnings	(¥000)	4,466,301	4,498,622
Cash Distribution	(¥000)	4,453,875	4,498,546
Cash Distribution per Unit	(¥)	16,750	16,918
Balance Carried Forward	(¥000)	12,426	76

• Cash Distribution

Cash distribution for the 8th fiscal period was decided to be approximately all of retained earnings for the period, with pay-out to total outstanding number of units as of the period-end of 265,903; resulting in cash distribution per unit of ¥16,918.

Comparison with Forecasts

Item		Forecasts	Actual Results	Difference (amount)	Difference (%)
		announced on June 15, 2007	8th Fiscal Period		
Operating Revenues	(¥ mln)	11,749	11,968	219	1.9
Current Profits	(¥ mln)	4,202	4,486	284	6.8
Net Income	(¥ mln)	4,201	4,486	285	6.8
Cash Distribution per Unit	(¥)	15,800	16,918	1,118	7.1

• Difference between Forecasts and Actual Results

- Operating Revenues
Incremental revenues brought by acquisition of Hatchobori NF Bldg, Yokohama Odori Koen Bldg, Kita-Sanjo Bldg, and the other 31 bldgs: ¥218 mln
- Current Profits
Difference in rental business expenses from compression of repairs and maintenances, etc.: + ¥89 mln

Interest-Bearing Debts



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As of October 31, 2007						
	Lender	Amount	Type of Interest	Interest Rate (p.a.)	Repayment Date	Remarks
Short-term debt (including long-term debt due for repayment within one year)	5 finan insti	¥3,200 mln	Floating	1.22083% (From Aug. 9, 2007 to Dec. 27, 2007)	Dec. 27, 2007	Unsecured / Unguaranteed
	1 finan insti	¥3,500 mln	Floating	1.13833% (From Aug. 27, 2007 to Dec. 27, 2007)	Dec. 27, 2007	
	5 finan insti	¥6,800 mln	Floating	1.24667% (From Sep. 27, 2007 to Dec. 27, 2007)	Dec. 27, 2007	
	6 finan insti	¥8,500 mln	Fixed (Note 3)	1.00625% (Weighted average after interest rate swap)	Dec. 8, 2007	
	5 finan insti	¥7,500 mln	Fixed (Note 2)	1.22500% (Weighted average after interest rate swap)	Feb. 26, 2008	
	1 finan insti	¥3,000 mln	Fixed	1.05250%	Feb. 26, 2008	
	4 finan insti	¥4,000 mln	Floating	1.29000% (From Aug. 27, 2007 to Feb. 26, 2008)	Aug. 26, 2008	
Total short-term debt	16 finan insti	¥36,500 mln	-	-	-	-
Long-term debt	5 finan insti	¥8,000 mln	Fixed (Note 1)	1.66750% (Weighted average after interest rate swap)	Dec. 8, 2008	Unsecured / Unguaranteed
	4 finan insti	¥5,000 mln	Fixed	1.51625%	Dec. 8, 2008	
	2 finan insti	¥2,000 mln	Fixed (Note 4)	1.19000% (Weighted average after interest rate swap)	Feb. 26, 2009	
	1 finan insti	¥3,000 mln	Fixed (Note 2)	1.77500% (Weighted average after interest rate swap)	Feb. 26, 2010	
	1 finan insti	¥1,000 mln	Fixed	1.50625%	Feb. 26, 2010	
	3 finan insti	¥2,500 mln	Fixed	1.48375%	Feb. 26, 2010	
	2 finan insti	¥2,000 mln	Fixed	1.65500%	Aug. 26, 2010	
	5 finan insti	¥7,500 mln	Fixed (Note 4)	1.68000% (Weighted average after interest rate swap)	Feb. 26, 2011	
	3 finan insti	¥4,000 mln	Fixed (Note 6)	1.63825% (Weighted average after interest rate swap)	Aug. 26, 2011	
	7 finan insti	¥11,000 mln	Fixed (Note 5)	1.89764% (Weighted average after interest rate swap)	Feb. 26, 2012	
	5 finan insti	¥5,000 mln	Fixed	1.43750%	Aug. 26, 2012	
	1 finan insti	¥1,000 mln	Fixed	1.53625%	Aug. 26, 2012	
	1 finan insti	¥1,000 mln	Fixed	1.75250%	Feb. 26, 2013	
	1 finan insti	¥2,000 mln	Fixed	1.99250%	Feb. 26, 2013	
3 finan insti	¥4,000 mln	Fixed	1.98000%	Mar. 19, 2014		
Total long-term debt	23 finan insti	¥59,000 mln	-	-	-	-
Total debt	28 finan insti	¥95,500 mln	-	-	-	-
1st series corp bond	Private placement	¥5,000 mln	Fixed	1.85%	Mar. 16, 2015	Unsecured / Unguaranteed
2nd series corp bond	Private placement	¥5,000 mln	Fixed	2.47%	Mar. 16, 2020	
3rd series corp bond	Public offering	¥10,000 mln	Fixed	1.19%	Nov. 29, 2010	
4th series corp bond	Public offering	¥10,000 mln	Fixed	2.05%	Nov. 30, 2015	
5th series corp bond	Public offering	¥5,000 mln	Fixed	1.61%	Mar. 19, 2012	
6th series corp bond	Public offering	¥5,000 mln	Fixed	2.21%	Mar. 17, 2017	
7th series corp bond	Public offering	¥4,500 mln	Fixed	2.90%	Mar. 17, 2028	
Total corporation bond	-	¥44,500 mln	-	-	-	-
Grand total	28 finan insti	¥140,000 mln	-	-	-	-

(Note 1) Fixed by interest rate swap from Dec. 8, 2003

(Note 2) Fixed by interest rate swap from May 27, 2004

(Note 3) Fixed by interest rate swap from Dec. 8, 2004

(Note 4) Fixed by interest rate swap from Feb. 27, 2006

(Note 5) Fixed by interest rate swap from Dec. 8, 2006

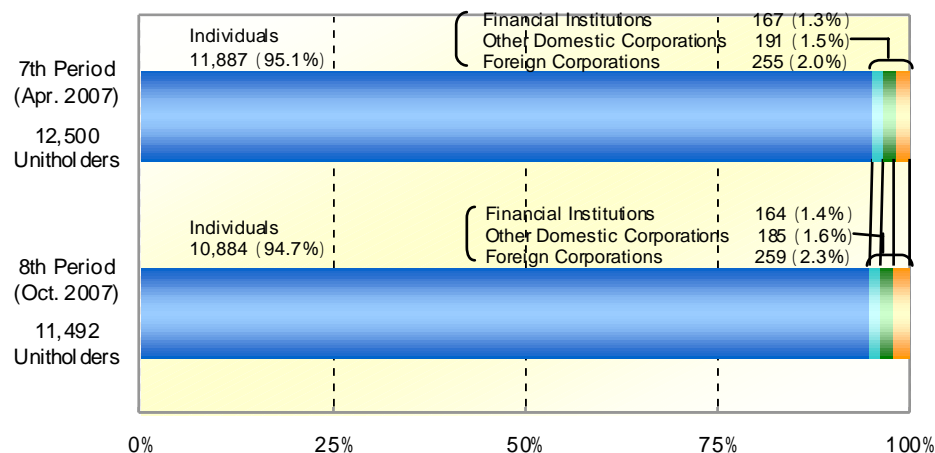
(Note 6) Fixed by interest rate swap from Mar. 19, 2007

Unitholders

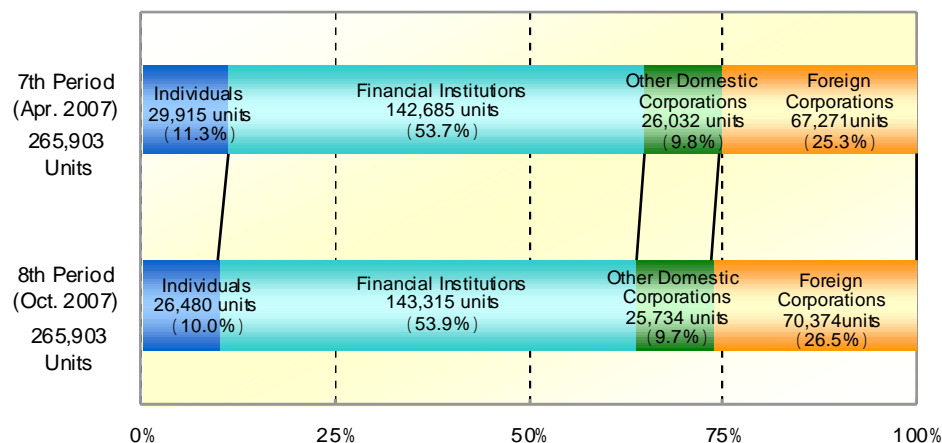


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Number of Unitholders



Number of Investment Units



Breakdown of Financial Institutions

	7th Period		8th Period	
	Units	Ratio	Units	Ratio
Banks	43,868	16.5%	36,780	13.8%
Trust Banks	71,192	26.8%	81,329	30.6%
Life Insurance Companies	7,413	2.8%	4,724	1.8%
Non-Life Insurance Companies	3,600	1.4%	2,729	1.0%
Other Financial Institutions	16,612	6.2%	17,753	6.7%
Total	142,685	53.7%	143,315	53.9%

Top 10 Unitholders

Unitholders	Units	Ratio
1 Japan Trustee Services Bank, Ltd.	21,557	8.11%
2 NikkoCiti Trust and Banking Corporation	19,122	7.19%
3 The Master Trust Bank of Japan, Ltd.	16,448	6.19%
4 Trust & Custody Services Bank, Ltd.	15,383	5.79%
5 Nomura Real Estate Development Co., Ltd.	13,326	5.01%
6 Kawasaki Gakuen	7,000	2.63%
7 The Nomura Trust and Banking Co., Ltd.	6,954	2.62%
8 The Bank of IKEDA, Ltd.	5,387	2.03%
9 The State Street Bank and Trust Company	5,168	1.94%
10 The Bank of New York, Treaty JASDEC Account	4,850	1.82%
Total	115,195	43.32%

(The ratio of Top 10 Unitholders for the 7th Period: 39.46%)

9th Fiscal Period (April 2008) Forecast



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	8th Period	9th Period	Difference	
	(¥mln)	Forecasts (¥mln)	(¥mln)	(%)
Rental business revenues	10,694	10,947	252	2.4
Other rental business revenues	1,264	1,161	102	8.1
Total rental business revenues	11,958	12,109	150	1.3
Profit on sale of real estate	9	-	9	100.0
Operating Revenues	11,968	12,109	140	1.2
Property management costs	1,197	1,376	179	15.0
Taxes and duties	939	938	0	0.1
Utility expenses	937	806	131	14.0
Insurance expenses	23	24	1	5.6
Repairs and maintenances	362	544	181	50.2
Other expenses	213	153	59	27.9
Depreciation	1,518	1,574	56	3.7
Total rental business expenses	5,190	5,418	228	4.4
Asset management fees	874	880	6	0.7
Operating expenses	177	172	5	2.8
Operating expenses	6,243	6,472	229	3.7
Rental business revenues	6,768	6,690	77	1.2
Operating Profits	5,725	5,636	88	1.6
Non-operating revenues	69	-	69	100.0
Non-operating expenses	1,307	1,301	6	0.5
Non-operating Profits	1,238	1,301	62	5.1
Current Profits	4,486	4,335	151	3.4
Income before income taxes	4,486	4,335	151	3.4
Corporate, local and enterprise taxes	0	1	0	65.3
Tax adjustment	-	0	0	-
Net Income	4,486	4,334	152	3.4
Retained earnings brought forward	12	0	12	99.4
Retained earnings at end of period	4,498	4,334	164	3.7
Outstanding units at period-end (unit)	265,903	265,903	0	0.0
Cash distribution per unit (¥)	16,918	16,300	618	3.7

Rental Business Revenues

Forecasts were made for the 9th period on the basis that the number of properties under management would remain to be 34 without any new acquisition or sale.

Taxes and Duties

Property taxes, urban planning taxes and other duties for the 9th period were estimated on the basis that 33 properties out of 34 properties, which were held at the end of the 8th period, would be taxable for that period.

Other Rental Business Revenues:

Revenues received as monthly parking charges, utility charges, charges for usage of facility, etc.

Other Expenses: Trust fees, commissions, other maintenance fees, etc.

Operating Expenses:

custodian, Administrative service, and auditing fees, etc.

Non-operating Expenses:

Interest costs, Interest expenses on bonds, Amortization of bond issuance costs, etc.

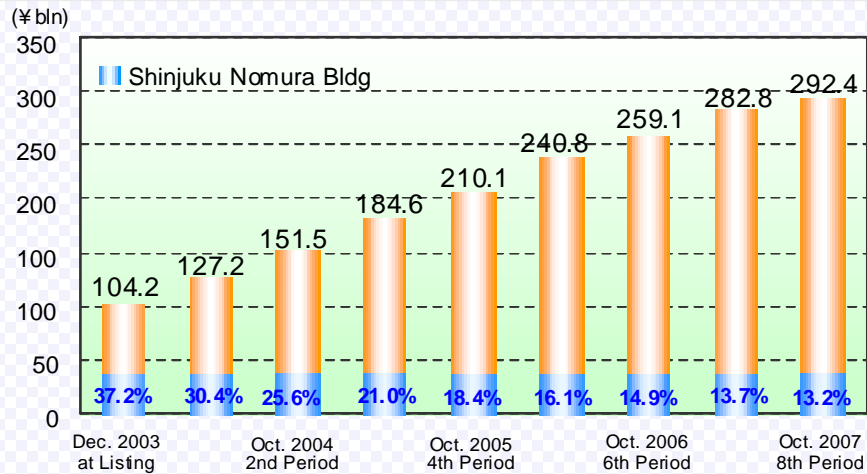


4. Fund Management Results

Results of Investment Sector



Changes in Total Portfolio (by Acquisition Price)

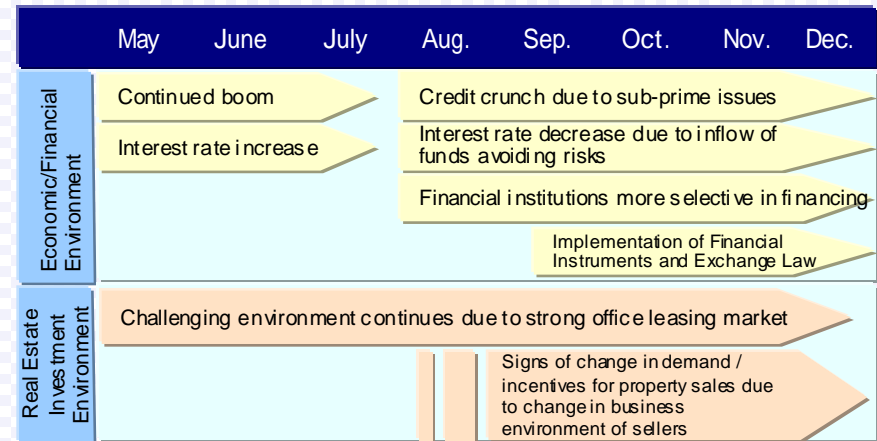


Continued investment in tight market conditions

Steady progress towards ¥500 billion total assets

Flexible pace of acquisition depending on market environment

Investment Environments since 8th Period



<Number of information of property sales> *Office use only

7th Fiscal Period 125

8th Fiscal Period 154

- Cleared standard for consideration: 87
- Considered in detail: 24

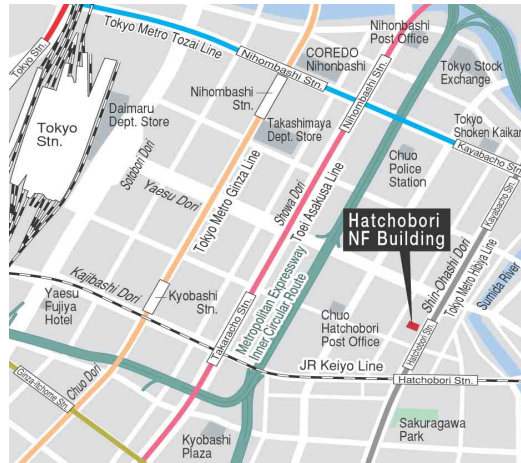
- Cleared standard for consideration: 112
- Considered in detail: 45
- Currently under consideration: 20

Portfolio Status(1)



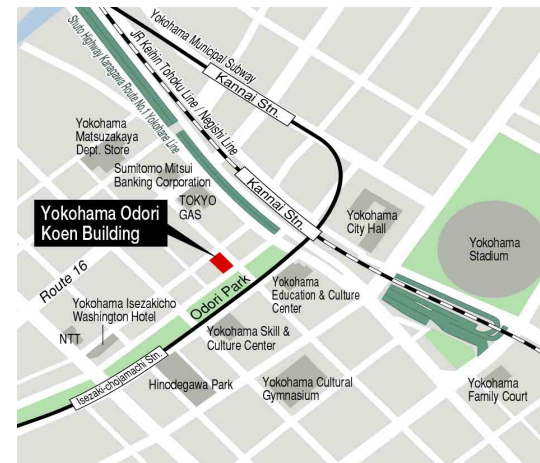
NOMURA
Office Fund

Acquired in the 8th Period: Hatchobori NF Building



Location	Chuo-ku, Tokyo City	【Features】
Floor	3,799.40m ² (1,149.31 tsubo) (The Entire Building)	
Type of Ownership	(Land) Ownership (Partly co-ownership) (Bldg) Compartmentalized Ownership	<ul style="list-style-type: none"> • A highly accumulated office area next to Yaesu and Nihombashi Areas • Faces a main street, Shin-Ohashi dori, and 1 minute walk from Hatchobori Station
Acquisition Price	¥ 3,160 mln	
Date of Acquisition	August 10, 2007	【Policy】
Seller	CREO Investment	
		<ul style="list-style-type: none"> • Promoting management that takes advantage of the solid office leasing market

Acquired in the 8th Period: Yokohama Odori Koen Building



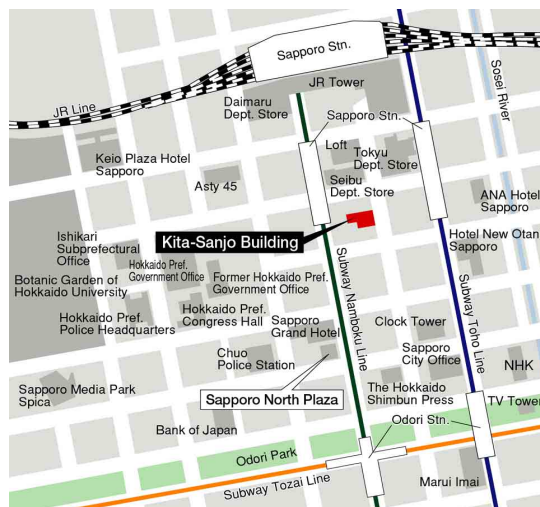
Location	Naka-ku, Yokohama City	【Features】
Floor	6,445.72m ² (1,949.83 tsubo)	
Type of Ownership	(Land) Ownership (Bldg) Ownership	<ul style="list-style-type: none"> • 3 minutes' walk from Kannai Station and is in a prime location nearby Yokohama City Hall • Building size and facilities satisfying demands of wide range of tenants
Acquisition Price	¥ 2,993 mln	
Date of Acquisition	September 28, 2007	【Policy】
Seller	ORIX Real Estate Corporation	
		<ul style="list-style-type: none"> • Stable operation by absorbing tenant demands through superior location

Portfolio Status(2)



NOMURA
Office Fund

Acquired in the 8th Period: Kita-Sanjo Building



Location	Chuo-ku, Sapporo City
Floor	7,461.25m ² (2,257.02 tsubo)
Type of Ownership	(Land) Ownership (Bldg) Ownership
Acquisition Price	¥ 3,430 mln
Date of Acquisition	September 28, 2007
Seller	OX-1 Y.K.

Features

- Located in the central office area of Sapporo City
- Accessible to multiple train lines by walk and adjacent to the underground passage which is directly connected to Sapporo Station

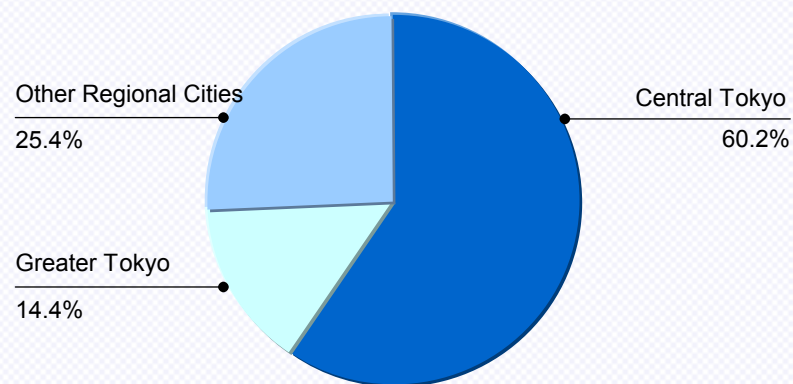
Policy

- Enhanced competitiveness by renewal works on entrance and air conditioning system
- Increased rent to market level

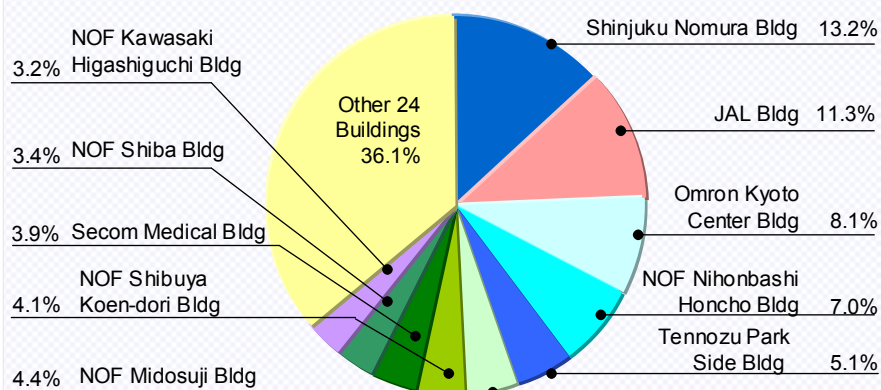
Diversification of Portfolio (8th Period-End)

Diversification by Location

※Based on Acquisition Price



Diversification by Property (Main Top 10 Properties)



Diversification of Tenants



NOMURA
Office Fund

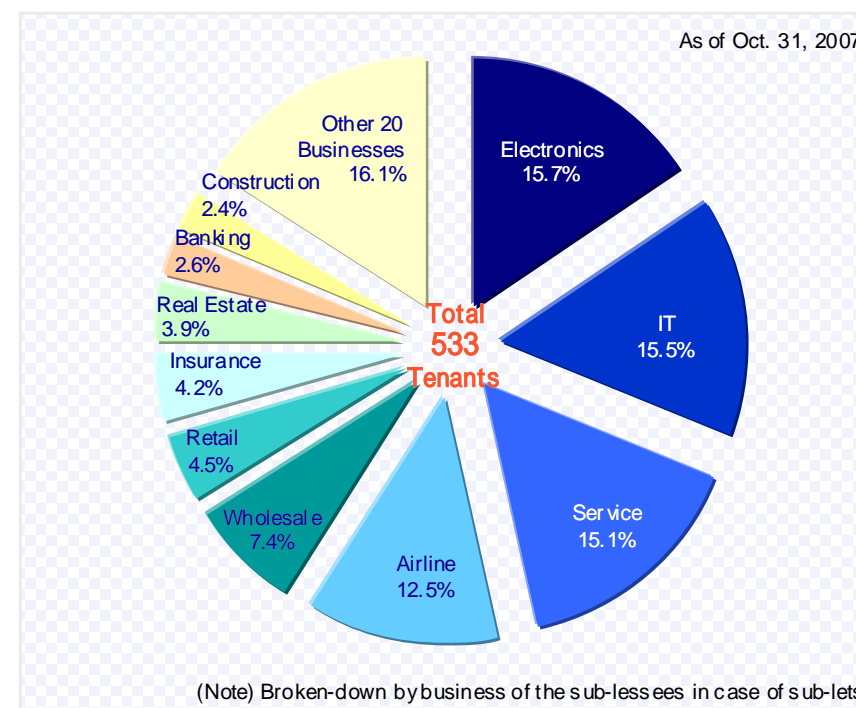
Top 10 Tenants (by Space)

As of Oct. 31, 2007

Tenant	Industry	Property	Expiry of contract	Leased space (m ²)	Weight in portfolio (%)	Weight for previous term (%)
1 Flagship Properties Private Company	Real Estate	JAL Bldg.	Mar. 31, 2015	42,084.11	11.8	12.2
2 OMRON Corporation	Electronic Devices	Omron Kyoto Center Bldg.	Mar. 29, 2021	34,616.84	9.7	10.0
3 XYMAX AXIS CORPORATION	Real Estate	NOF Toyo-cho Bldg.	Nov. 30, 2014	18,218.17	5.1	5.3
4 FUJITSU LIMITED	Electronic Devices	NOF Technoport Kamata Center Bldg.	Mar. 31, 2009	3,813.62	1.1	1.1
		Faret Tachikawa Center Square	Dec. 31, 2007	255.15	0.1	0.1
		NOF Shin-Yokohama Bldg.	Sep. 30, 2008	6,547.74	1.8	1.9
5 SECOM Co., Ltd.	Services	Secom Medical Bldg.	Feb. 28, 2025	8,821.24	2.5	2.6
		NOF Sendai Aoba-dori Bldg.	Dec. 31, 2008	755.69	0.2	0.2
7 Nomura Facilities Co., Ltd.	Real Estate	Shinjuku Nomura Bldg.	May 31, 2008	574.11	0.2	0.2
		NOF Utsunomiya Bldg.	Dec. 31, 2007	1,140.85	0.3	0.3
		Nomura Yotsubashi Bldg.	Nov. 30, 2007	1,847.63	0.5	0.5
		Nomura Hiroshima Bldg.	Mar. 31, 2009	2,834.48	0.8	0.8
6 Nomura Real Estate Development Co., Ltd.	Real Estate	Shinjuku Nomura Bldg.	Nov. 30, 2013	4,023.21	1.1	1.4
		Nomura Osaka Bldg.	Nov. 30, 2013	345.37	0.1	0.1
		Nomura Yotsubashi Bldg.	Nov. 30, 2013	1,266.19	0.4	0.4
8 FUJI XEROX OFFICE SUPPLY	Wholesale	NOF Surugadai Plaza Bldg.	Oct. 31, 2007	4,160.94	1.2	1.3
9 ORIX Real Estate Corporation	Real Estate	Yokohama Odori Koen Bldg.	Nov. 30, 2007	3,981.64	1.1	-
10 SOMPO JAPAN INSURANCE INC.	Insurance	Shinjuku Nomura Bldg.	Apr. 30, 2009	3,726.36	1.0	0.0
Total				139,013.34	39.1	

Diversification in Business (by Space)

As of Oct. 31, 2007



Stable (Mid-to-Long Term) Contracts

Mid-to-long term contracts expiring after three years from now:

8th Period End 31.3% (based on floor space)

23.1% (based on contract rent)

Results of Asset Management Sector



Changes in NOI Return of Portfolio

[Changes in NOI Return of Portfolio (%)]

	Apr. 2004	Oct. 2004	Apr. 2005	Oct. 2005	Apr. 2006	Oct. 2006	Apr. 2007	Oct. 2007
NOI of Portfolio	7.2	6.2	6.1	6.1	5.9	6.0	5.7	5.8

[Breakdown by the number of properties held at each Period-end (%)]

15 for 1st Period	7.2	6.5	6.7	6.6	6.6	7.1	6.9	7.0
18 for 2nd Period		6.2	6.3	6.4	6.3	6.8	6.7	6.7
19 for 3rd Period			6.1	6.2	6.1	6.4	6.3	6.4
23 for 4th Period				6.1	6.0	6.2	6.1	6.2
28 for 5th Period					5.9	6.1	6.0	6.1
30 for 6th Period						6.0	5.9	6.0
31 for 7th Period							5.7	5.8
34 for 8th Period								5.8

- Main factors for change in NOI between 7th and 8th periods (based on 30 properties held at the beginning of 7th period)
 - Increase of rent/common service fees: + ¥172 mln (+1.8% from previous period) (rent increase from tenant turnover / lease renewals)
 - Increase in taxes and duties : - ¥56 mln (+6.8% from previous period) (the expensing of the properties acquired in last year)
 - Increase in other expenses: - ¥33 mln (+19.3% from previous period) (brokerage commission of new tenants, etc.)

Changes in Average Unit Rent*1

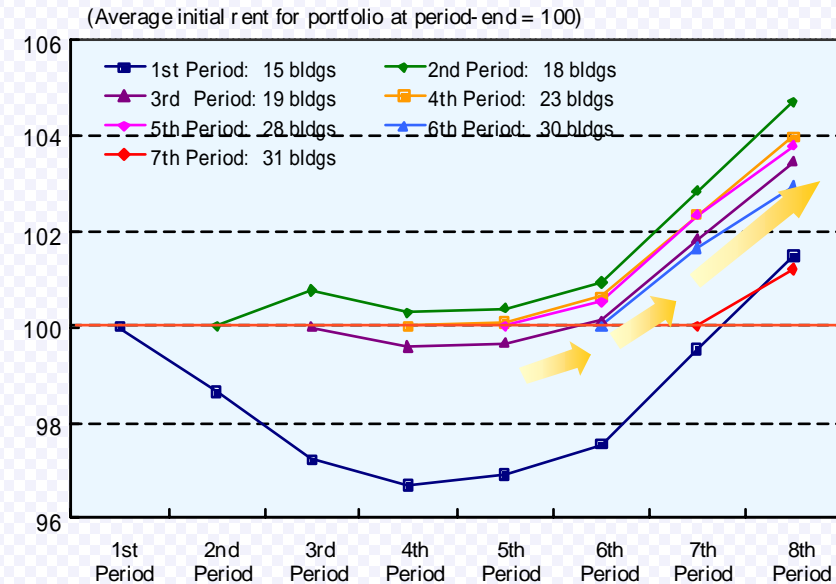
- Ratio of change between 7th and 8th periods



*1 Average Unit Rent: Average of monthly rent and common area charges prescribed in lease contracts as of period-end.

*2 JAL Building and Secom Medical Building.

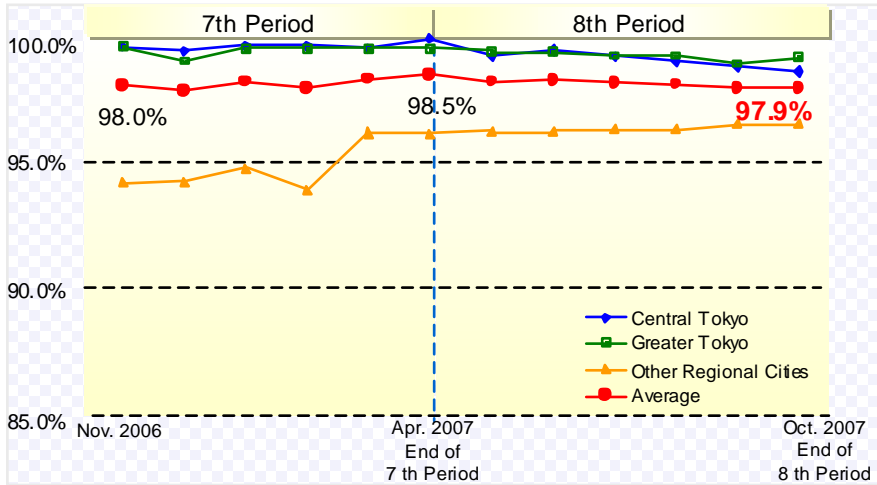
- Changes in average unit rent



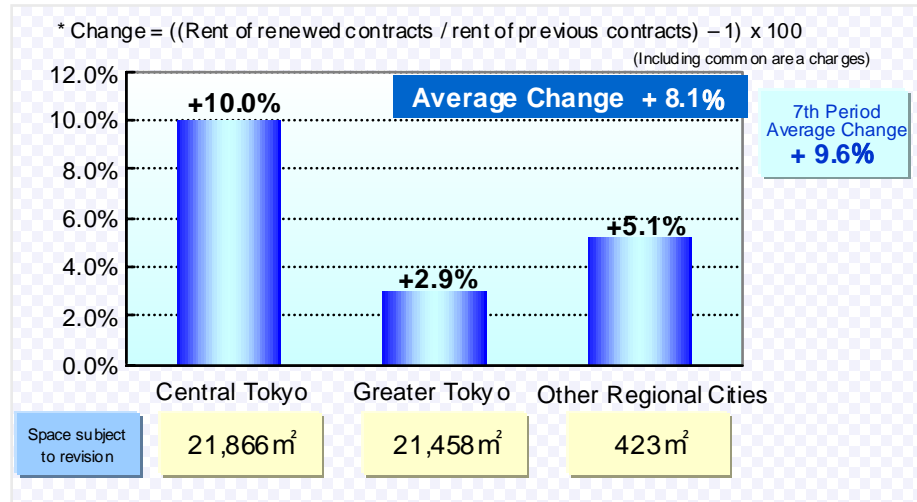
Increase in Rent of Portfolio



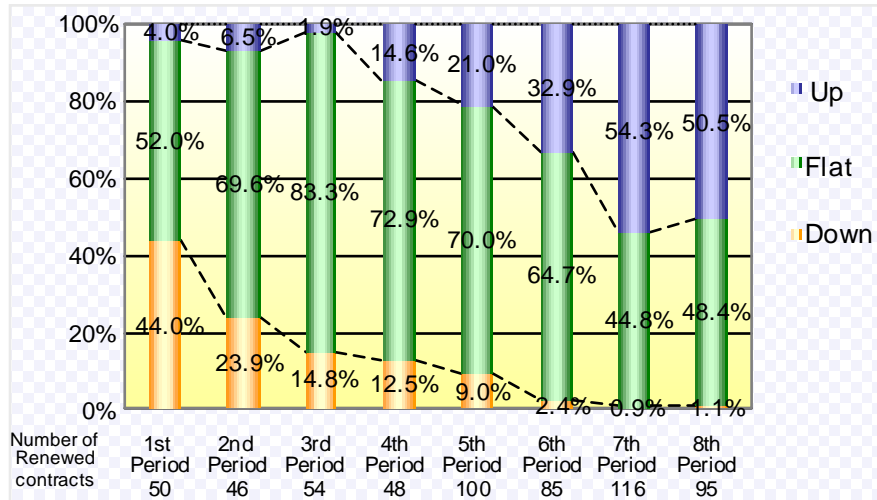
Stable Occupancy Rate



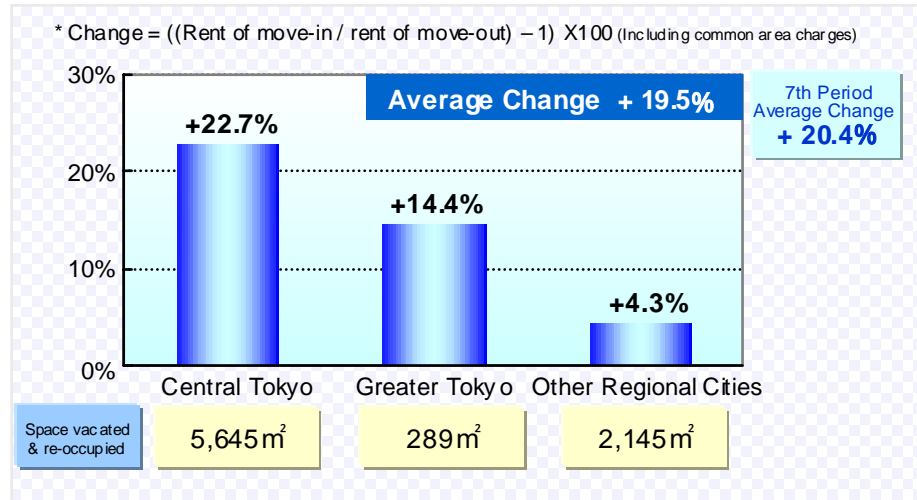
Rent before and after Upward Revision



Results of Contract Renewals (number of renewals)



Rent of the Same Space before Move-out and after Move-in



End-of-Period Appraisal Value



NOMURA
Office Fund

Appraisal Values at 8th Period-End

	7th Period End Appraisal Value (¥mln)	8th Period End Appraisal Value (¥mln)	Change
Central Tokyo (14 bldgs)	219,990	230,950	+ 5.0%
Greater Tokyo (8 bldgs)	48,145	51,350	+ 6.7%
Other Cities (12 bldgs)	81,288	84,638	+ 4.1%
Total Portfolio (34 bldgs)	349,423	366,938	+ 5.0%

Please refer to "Appendix" for details on individual properties.

* Appraisal value at acquisition is added for property acquired in the 8th period.

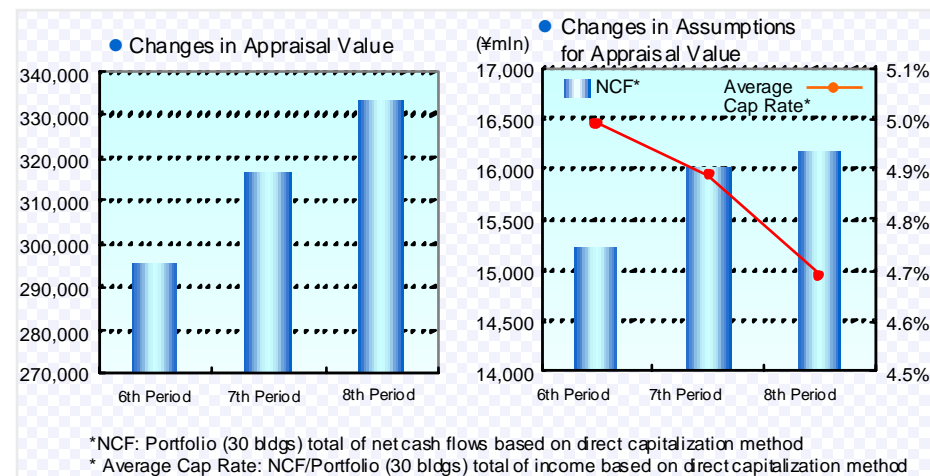
Total Appraisal Value	¥ mln	366,938
Total Book Value	¥ mln	291,853
Total Unrealized Gain/Loss	¥ mln	75,084
Unrealized Gain/Loss per Unit	¥	282,374

* Unrealized gain/loss: Appraisal value – Book Value

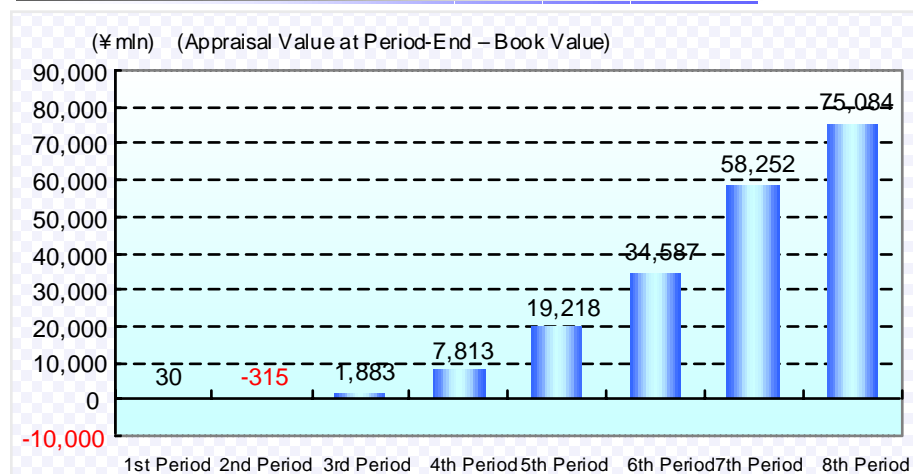
(For Reference) Net Asset per Unit

BPS (Book Value)	¥	606,510
NAV (Based on Appraisal Value)	¥	888,884

Increase in Appraisal Values (based on 30 buildings held at 6th period-end)



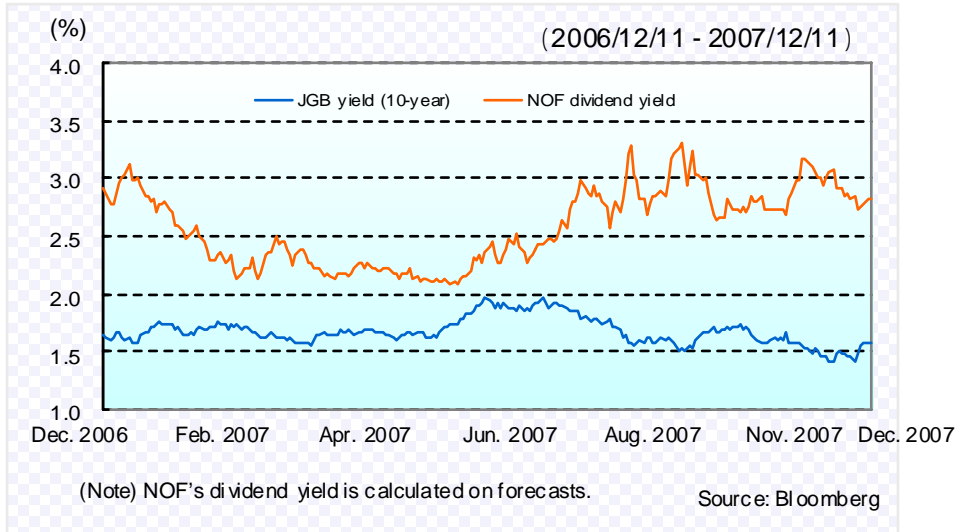
Changes in Unrealized Gains/Losses for Portfolio



End-of-Period Financial Status (1)



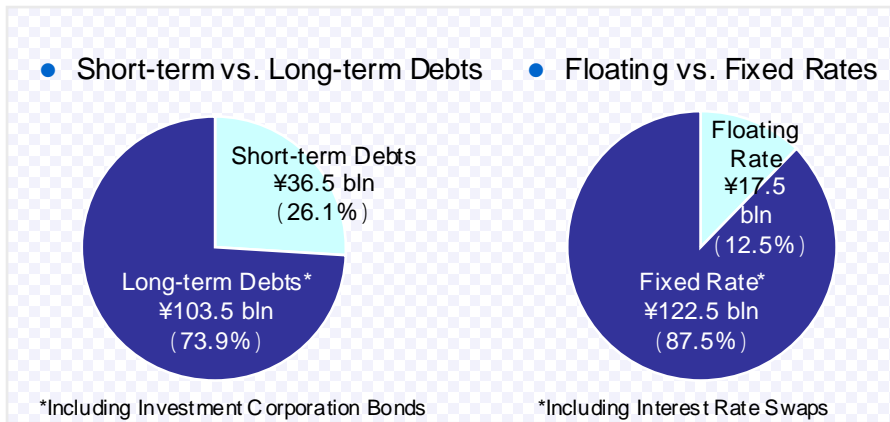
10-year JGB Yield vs. NOF's Dividend Yields



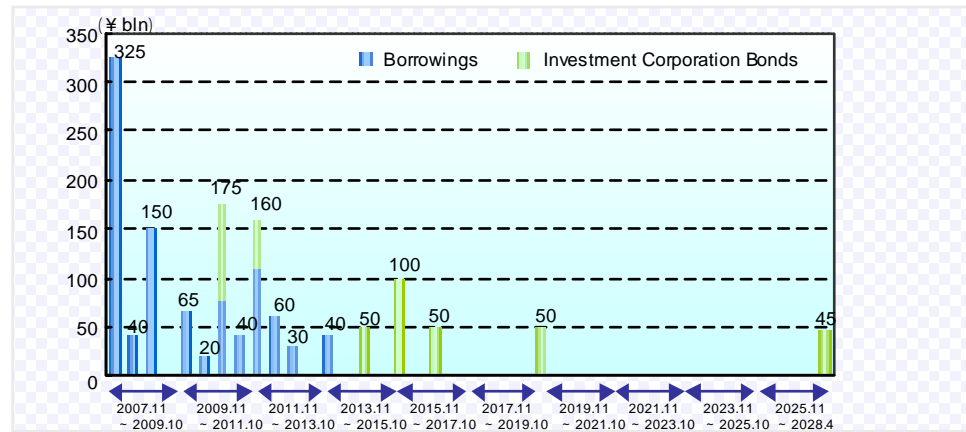
List of Lenders (Total 28 Financial Institutions)

		(¥mln)	
Lender	Total Amount of Debt Remaining	Lender	Total Amount of Debt Remaining
Bank of Tokyo-Mitsubishi UFJ	19,000	Development Bank of Japan	2,000
Sumitomo Mitsui Banking Corp.	9,000	Zen-Kyo-Ren	2,000
Mitsubishi UFJ Trust and Banking	6,000	Sumitomo Life Insurance Company	2,000
Sumitomo Trust & Banking Corp.	6,000	Hachijuni Bank	1,500
Norinchukin Bank	5,000	Hiroshima Bank	1,500
Da-ichi Mutual Life Insurance	5,000	Keiyo Bank	1,000
Mizuho Corporate Bank	4,000	Mitsui Sumitomo Insurance	1,000
Nomura Trust and Banking	4,000	Chugoku Bank	1,000
Mitsui Life insurance	4,000	Bank of Fukuoka	1,000
Iyo Bank	3,500	Aozora Bank	1,000
Chiba Bank	3,000	Yamanashi Chuo Bank	1,000
Chuo Mitsui Trust and Banking	3,000	Nippon Life Insurance Company	1,000
Taiyo Life Insurance	3,000	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000
Daido Life Insurance	3,000	Sompo Japan Insurance Inc.	1,000
		Total borrowings	95,500

Interest-Bearing Debts



Diversification of Maturity



End-of-Period Financial Status (2)



LTV (Loan to Value)

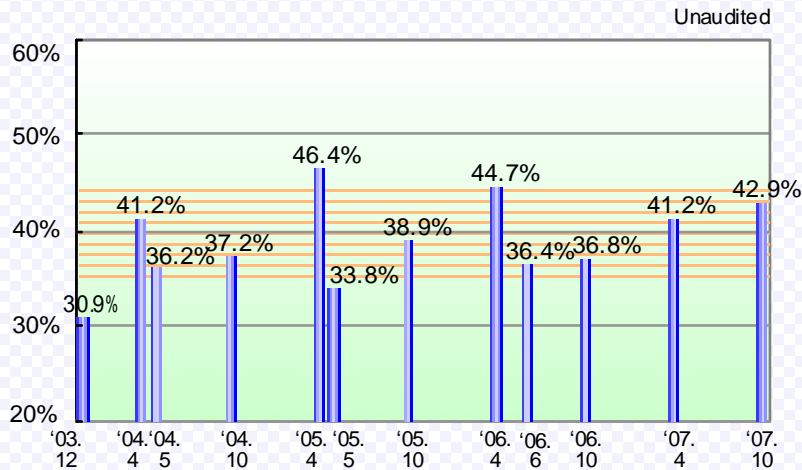
- LTV as of 8th Period End

42.9%

Interest-Bearing Debts	¥140.0 bln
(borrowings	¥95.5 bln)
(corporation bonds	¥44.5 bln)
<hr/>	
Total Assets	¥326.7 bln

➡ Maintaining Conservative LTV Level

- Changes in LTV



➡ Controlling LTV Between 35% to 45%

Duration and Borrowing Rate

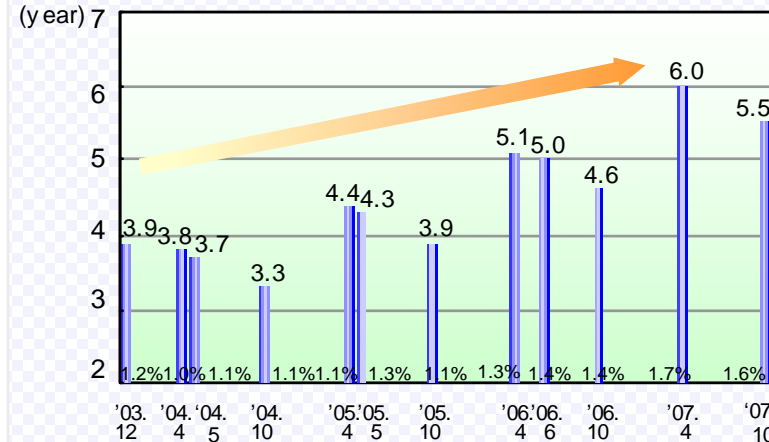
- Average remaining duration of long-term fixed debts (including Investment Corporation Bonds)

5.5 years

- Weighted average of interest rate of all the debts

1.63%

- Duration of Long-term fixed interest borrowings and changes in average borrowing rates (all)



➡ Steadily Promoting Prolongation of Duration



Appendix

List of Property



NOMURA
Office Fund

As of October 31, 2007

	Property Name	Location	Completion	Floors (Ground)	Total Floor Space (Note 1, 2)	Leasable Space (㎡)	Leased Space (㎡)	Occupancy Rate	# of Tenants	Standard Floor Space (㎡)	Air Conditioning	Room Height (mm)	PML (Note 3)	Acquisition Date
Central Tokyo	Shinjuku Nomura Bldg	Nishi-Shinjuku, Shinjuku-ku	1978.5	50	117,258.88 (Entire building)	31,589.26	30,117.06	95.3%	82	1,262.37	Each 1/4 floor	2,600	5%	2003.12
	JAL Bldg	Higashi-Shinagawa, Shinagawa-ku	1996.6	26	81,421.13 25,260.48	42,084.11	42,084.11	100.0%	1	2,214.55	Each 1/6 floor	2,700	6%	2005.3
	NOF Nhonbashi Honcho Bldg	Nhonbashi Honcho, Chuo-ku	1961.4 (Extension 1968.4)	8	29,430.67	19,233.28	18,708.05	97.3%	11	2,615.23	Each span	2,650	14%	2003.12
	Tennozu Park Side Bldg	Higashi-Shinagawa, Shinagawa-ku	1995.1	21	43,893.46 17,587.30	18,051.61	18,051.61	100.0%	14	1,331.14	Each 1/4 floor	2,650	6%	2004.2
	NOF Shibuya Koendori Bldg	Udakawa-cho, Shibuya-ku	1987.9	8	5,358.55	3,420.16	3,420.16	100.0%	3	442.38	Each span	2,500	12%	2004.9
	Secom Medical Bldg	Nibancho, Chiyoda-ku	2005.2	7	8,683.73	8,821.24	8,821.24	100.0%	1	980.00	Each span	2,500 -2,700	4%	2006.9
	NOF Shiba Bldg	Shiba, Minato-ku	1991.3	7	11,425.20	8,165.10	8,165.10	100.0%	9	1,260.41	Each span	2,600	14%	2004.5
	Nishi-Shinjuku Showa Bldg	Nishi-Shinjuku, Shinjuku-ku	1982.4	11	10,902.22 5,858.26	5,663.85	5,317.91	93.9%	20	585.99	Each span	2,500	13%	2005.11
	NOF Tameike Bldg	Akasaka, Minato-ku	1959.8	9	6,478.50	4,715.20	4,715.20	100.0%	13	519.06	Each span	2,500	17%	2005.9
	NOF Shinagawa Konan Bldg	Higashi-Shinagawa, Shinagawa-ku	1987.11	8	10,077.02	7,850.99	7,850.99	100.0%	5	928.29	Each floor	2,600	11%	2003.12
	NOF Surugadai Plaza Bldg	Kanda Surugadai, Chiyoda-ku	1997.4	8	5,782.27	4,160.94	4,160.94	100.0%	1	626.33	Each 1/2 floor	2,700	6%	2004.2
	Hatchobori NF Bldg	Hatchobori, Chuo-ku	1990.1	9	3,799.40 3,036.14	2,854.83	2,854.83	100.0%	8	388.87	Each 1/2 floor	2,600	12%	2007.8
	NOF Kanda Iwamoto-cho Bldg	Iwamoto-cho, Chiyoda-ku	1988.7	9	4,698.97	4,076.38	4,076.38	100.0%	8	480.07	Each floor	2,550	14%	2004.2
	NOF Minami Shinjuku Bldg	Sendagaya, Shibuya-ku	1986.3	8	3,160.05	2,464.71	2,464.71	100.0%	5	327.66	Each floor	2,500	12%	2004.6
	Greater Tokyo	NOF Toyo-cho Bldg	Shinsura, Koto-ku	1989.11	7	18,051.08	18,218.17	18,218.17	100.0%	1	1,986.46	Each span	2,550	14%
NOF Technoport Kamata Center Bldg		Minami-Kamata, Ota-ku	1990.9	11	21,516.54 (Exclusively owned area)	13,683.46	13,683.46	100.0%	14	1,148.45	Each span	2,650	10%	2003.12
Crystal Park Bldg		Gotenyama, Musashino City	1991.10	11	6,462.19 3,868.36	3,900.85	3,900.85	100.0%	11	193.93 - 590.35	Each floor	2,500	14%	2006.2
Faret Tachikawa Center Square		Akebono-cho, Tachikawa City	1994.12	12	33,706.08 6,865.80	6,853.38	6,853.38	100.0%	17	1,099.32	Each 1/4 floor	2,600	10%	2003.12
NOF Kawasaki Higashi-guchi Bldg		Kawasaki-ku, Kawasaki City	1988.3	12	10,932.69	8,253.41	7,899.62	95.7%	26	684.62	Each 1/3 floor	2,550	16%	2005.6
NOF Yokohama Nshiguchi Bldg		Nishi-ku, Yokohama City	1985.10	9	10,055.13	6,817.76	6,817.76	100.0%	31	794.75	Each 1/8 floor	2,500	14%	2005.5
NOF Shin-Yokohama Bldg		Kohoku-ku, Yokohama City	1990.10	9	11,149.99	8,074.83	8,074.83	100.0%	3	940.84	Each span	2,500	17%	2003.12
Yokohama Odori Koen Bldg		Naka-ku, Yokohama City	1989.3	11	6,445.72	4,236.47	3,981.64	94.0%	1	418.39	Each 1/3 floor	2,600	19%	2007.9
Sapporo North Plaza		Chuo-ku, Sapporo City	1981.8	12	18,842.51	13,658.14	12,515.80	91.6%	44	1,105.75	Each floor Auxiliary	2,580	2%	2006.6
Kita-Sanjo Bldg		Chuo-ku, Sapporo City	1988.3	9	7,461.25	5,060.45	4,894.70	96.7%	10	592.55	Each floor	2,500	1%	2007.9
Other Regional Cities	NOF Sendai Aoba-doi Bldg	Aoba-ku, Sendai City	1968.7	11	12,977.45	6,161.05	5,892.75	95.6%	28	802.79	Each span	2,480	8%	2005.11
	NOF Utsunomiya Bldg	Baba-dori, Utsunomiya City	1999.12	10	10,479.63	5,887.40	5,725.74	97.3%	24	664.68	Each span	2,700	5%	2003.12
	NOF Nagoya Yanagibashi Bldg	Nakamura-ku, Nagoya City	1991.3	12	7,363.25	4,655.74	4,252.97	91.3%	11	405.96	Each 1/2 floor	2,460	14%	2005.9
	Omion Kyoto Center Bldg	Simogyo-ku, Kyoto City	2000.7	11	34,616.84	34,616.84	34,616.84	100.0%	1	2,035.94	Each 1/16 floor	2,600	9%	2007.3
	NOF Midouji Bldg	Chuo-ku, Osaka City	1974.4	10	21,007.98	12,240.88	12,240.88	100.0%	16	1,234.14	Each 1/4 floor	2,600	13%	2005.11
	Nomura Osaka Bldg	Chuo-ku, Osaka City	1983.12	12	23,522.82	16,977.79	16,977.79	100.0%	28	1,336.52	Each floor Auxiliary	2,500	19%	2003.12
	Nomura Yotsubashi Bldg	Nishi-ku, Osaka City	1991.11	15	16,845.87	11,558.68	11,558.68	100.0%	18	797.35	Each floor Auxiliary	2,650	13%	2003.12
	NOF Kobe Kaigan Bldg	Chuo-ku, Kobe City	1998.2	16	10,292.93	6,425.16	5,624.51	87.5%	29	528.43	Each span	2,600	7%	2003.12
	Hiroshima Tatemachi NOF Bldg	Naka-ku, Hiroshima City	1986.11	12	8,206.91	4,434.58	3,442.04	77.6%	24	515.17	Each span	2,450	13%	2005.11
	Nomura Hiroshima Bldg	Naka-ku, Hiroshima City	1976.7	9	11,950.37	7,906.92	7,308.07	92.4%	15	1,047.54	Each floor Auxiliary	2,450	11%	2003.12
Total						362,773.62	355,286.77	97.9%	533				7.0%	

(Note 1) Total floor space is taken from the registry book.

(Note 2) Total floor space of the properties owned in compartment, except NOF Technoport Kamata Center Bldg, is expressed as entire building, and portion owned by NOF.

(Note 3) Rate of PML (Probable Maximum Loss) for each building was calculated by Shimizu Construction. 7.0% at the bottom field is for the entire portfolio.

Earnings by Property



NOMURA
Office Fund

(¥000)

Property Name	Shinjuku Nomura Bldg.	JAL Bldg.*	NOF Nihonbashi Honcho Bldg.	Tenozu Park Side Bldg.	NOF Shibuya Ko en-dori Bldg.	Secom Medical Bldg.*	NOF Shiba Bldg.	Nishi-Shinjuku Showa Bldg.	NOF Tameike Bldg.	NOF Shinagawa Konan Bldg.	NOF Surugadai Plaza Bldg.*	Hatchobori NF Bldg.
Number of business days	184	184	184	184	184	184	184	184	184	184	184	83
Rental business revenues	1,935,253		837,077	818,711	365,224		339,662	313,369	225,517	263,990		47,603
Rental revenues *incl. common charges	1,729,846		797,566	677,085	335,854		296,222	282,286	207,147	225,861		41,727
Other revenues	205,407		39,510	141,625	29,370		43,439	31,083	18,370	38,128		5,875
Rental business expenses	831,186		268,469	434,511	86,613		126,191	111,693	92,571	106,225		18,448
Property management costs	212,089		89,376	168,319	15,933		21,208	37,237	16,175	18,527		7,035
Taxes and duties	162,795		39,867	52,578	24,106		23,726	28,324	16,616	16,016		22
Utility expenses	217,486		47,542	45,745	13,955		25,643	23,043	18,695	25,642		4,629
Insurance expenses	3,199		1,356	123	277		564	747	321	529		10
Repairs and maintenances	54,434		3,800	9,261	3,639		6,108	83	9,532	17,923		132
Other expenses	61,480		19,212	2,550	1,690		2,224	3,160	9,737	2,581		694
Depreciation	119,701	145,962	67,313	155,933	27,009	4,503	46,716	19,096	21,492	25,004	30,427	5,923
Rental Profits	1,104,066	621,511	568,607	384,200	278,611	18,256	213,471	201,676	132,945	157,764	81,582	29,154
Net Operating Income (NOI)	1,223,767	767,473	635,921	540,133	305,620	22,762	260,187	220,773	154,438	182,769	112,008	35,078

Property Name	NOF Kanda Iwamoto-cho Bldg.	NOF Minami Shinjuku Bldg.	NOF Toyo-cho Bldg.*	NOF Technoport Kamata Center Bldg.	Crystal Park Bldg.	Faret Tachikawa Center Square	NOF Kawasaki Higashi-guchi Bldg.	NOF Yokohama Nishiguchi Bldg.	NOF Shin-yokohama Bldg.*	Yokohama Odori Koen Bldg.	Sapporo North Plaza	Kita-Sanjo Bldg.
Number of business days	184	184	184	184	184	184	184	184	184	34	184	34
Rental business revenues	153,364	106,009	455,026	131,122	24,201	322,521	253,115	220,945	21,455	345,305	21,416	
Rental revenues *incl. common charges	136,596	88,945	380,380	115,291	21,583	277,398	220,945	16,987	291,556	17,292		
Other revenues	16,767	17,064	74,646	15,830	2,618	45,123	32,170	4,468	53,749	4,124		
Rental business expenses	44,050	37,068	227,359	58,746	13,343	149,975	105,618	15,190	172,174	13,489		
Property management costs	10,900	9,534	54,455	17,916	4,465	22,387	24,351	2,241	37,355	2,095		
Taxes and duties	9,236	8,948	35,190	9,752	1,466	18,476	18,230	21	29,604	22		
Utility expenses	9,012	8,962	50,832	8,620	3,564	27,421	20,677	3,444	50,284	2,675		
Insurance expenses	241	173	1,002	267	501	575	515	52	938	66		
Repairs and maintenances	3,741	811	12,660	1,481	1,195	13,190	15,181	—	9,898	—		
Other expenses	500	1,723	5,181	1	5,585	3,703	3,240	6	7,908	516		
Depreciation	10,418	6,913	32,812	68,036	20,707	3,184	23,420	42,521	9,423	36,183	8,112	
Rental Profits	109,313	68,941	209,183	227,667	72,376	10,858	172,546	147,496	83,198	6,264	173,131	7,927
Net Operating Income (NOI)	119,732	75,854	241,995	295,704	93,083	13,976	236,767	170,917	125,720	15,688	209,314	16,039

Property Name	NOF Se ndai Aoba-dori Bldg.	NOF Utsunomiya Bldg.	NOF Nagoya Yanagibashi Bldg.	Omron Kyoto Center Bldg.*	NOF Mido suji Bldg.	Nomura Osaka Bldg.	Nomura Yotsubashi Bldg.	NOF Kobe Kaigan Bldg.	Hiroshima Tate ma chi	Nomura Hiroshi ma Bldg.	Total 34 Properties
Number of business days	184	184	184	184	184	184	184	184	184	184	
Rental business revenues	163,012	176,268	143,788	494,055	547,268	328,764	1,690,833	100,896	207,640	11,958,965	
Rental revenues *incl. common charges	137,535	144,393	129,029	419,102	447,784	290,316	1,353,171	81,493	183,064	10,694,614	
Other revenues	25,476	31,874	14,758	74,953	99,484	38,447	33,665	19,403	24,576	1,264,351	
Rental business expenses	92,561	106,262	75,506	243,624	252,363	174,245	1,105,863	66,108	102,767	5,190,679	
Property management costs	25,156	23,884	12,932	41,587	64,561	43,230	22,324	16,152	26,444	1,197,041	
Taxes and duties	17,515	14,544	12,202	52,648	40,793	29,745	16,128	11,353	18,718	939,418	
Utility expenses	15,901	17,870	12,961	36,469	6,896	36,697	23,406	12,628	30,897	937,406	
Insurance expenses	545	586	359	939	1,161	796	703	331	533	23,271	
Repairs and maintenances	6,018	5,568	3,463	46,306	3,943	17,995	6,115	10,438	14,335	362,145	
Other expenses	2,364	3,316	579	4,329	2,621	2,109	7,078	4,391	1,706	213,180	
Depreciation	25,058	40,491	33,007	160,443	61,341	34,826	43,669	10,812	10,133	1,518,215	
Rental Profits	70,450	70,006	68,281	318,746	250,431	294,905	584,971	34,788	104,873	6,768,285	
Net Operating Income (NOI)	95,509	110,497	101,289	479,189	311,772	32,973	198,189	93,326	45,600	115,006	8,286,500

* Detailed figures are not disclosed due to compelling reasons. However, they are included in "Total 34 bldgs."

List of End-of-Period Appraisal Value



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	Property Name	Acquisition Price (¥ mln)	Book Value at 8th Period End (¥ mln)	Appraisal Value at 8th Period End (¥ mln)	Appraisal Value at 7th Period End (¥ mln)		Difference between 7th and 8th Period	
							(¥ mln)	Change
Central Tokyo	Shinjuku Nomura Bldg	38,730	39,031	70,900	67,200	3,700	5.5%	
	JAL Bldg	33,080	33,530	32,900	32,100	800	2.5%	
	NOF Nihonbashi Honcho Bldg	20,600	20,571	26,700	25,000	1,700	6.8%	
	Tennozu Park Side Bldg	14,800	13,767	22,000	19,700	2,300	11.7%	
	NOF Shibuya Koen-dori Bldg	12,000	12,539	13,900	13,900	-	-	
	Secom Medical Bldg	11,500	11,465	11,600	11,600	-	-	
	NOF Shiba Bldg	10,000	10,072	10,800	10,800	-	-	
	Nishi-Shinjuku Showa Bldg	8,800	8,771	10,200	10,200	-	-	
	NOF Tameike Bldg	7,400	7,652	8,310	7,920	390	4.9%	
	NOF Shinagawa Konan Bldg	5,500	5,492	6,780	6,480	300	4.6%	
	NOF Surugadai Plaza Bldg	5,150	5,117	7,040	5,600	1,440	25.7%	
	Hatchobori NF Bldg	3,160	3,179	3,160	*	3,160	-	
	NOF Kanda Iwamoto-cho Bldg	3,080	3,076	3,790	3,670	120	3.3%	
	NOF Minami Shinjuku Bldg	2,280	2,263	2,870	2,660	210	7.9%	
Total Central Tokyo	176,080	176,531	230,950	219,990	10,960	5.0%		
Greater Tokyo	NOF Toyo-cho Bldg	7,550	7,135	8,830	8,190	640	7.8%	
	NOF Technoport Kamata Center Bldg	6,416	6,180	7,660	7,130	530	7.4%	
	Crystal Park Bldg	3,700	3,689	4,100	4,050	50	1.2%	
	Faret Tachikawa Center Square	3,290	3,075	5,580	5,120	460	9.0%	
	NOF Kawasaki Higashiuchi Bldg	9,500	9,576	10,100	10,100	-	-	
	NOF Yokohama Nishiguchi Bldg	5,050	5,033	7,800	6,625	1,175	17.7%	
	NOF Shin-Yokohama Bldg	3,600	3,379	4,420	4,070	350	8.6%	
	Yokohama Odori Koen Bldg	2,993	3,001	2,860	*	2,860	-	
Total Greater Tokyo	42,099	41,070	51,350	48,145	3,205	6.7%		
Other Regional Cities	Sapporo North Plaza	6,820	7,044	6,928	6,868	60	0.9%	
	Kita-Sanjo Bldg	3,430	3,446	3,020	*	3,020	-	
	NOF Sendai Aoba-dori Bldg	3,200	3,182	3,430	3,400	30	0.9%	
	NOF Utsunomiya Bldg	2,970	2,693	3,570	3,390	180	5.3%	
	NOF Nagoya Yanagibashi Bldg	3,550	3,656	3,790	3,760	30	0.8%	
	Omron Kyoto Center Bldg	23,700	23,507	24,200	23,700	500	2.1%	
	NOF Midosuji Bldg	12,900	12,914	14,000	13,400	600	4.5%	
	Nomura Osaka Bldg	6,410	6,395	11,000	9,790	1,210	12.4%	
	Nomura Yotsubashi Bldg	3,940	3,717	6,610	6,070	540	8.9%	
	NOF Kobe Kaigan Bldg	3,280	3,028	3,460	3,420	40	1.2%	
	Hiroshima Tatemachi NOF Bldg	2,100	2,335	2,060	2,150	-90	-4.2%	
	Nomura Hiroshima Bldg	1,930	2,327	2,570	2,320	250	10.8%	
Total Other Regional Cities	74,230	74,251	84,638	81,288	3,350	4.1%		
Grand Total	292,409	291,853	366,938	349,423	17,515	5.0%		

(A)

(B)

* For these buildings acquired at the 8th Period, appraisal value is that of the time of acquisition.

Difference between Book Value and Appraisal Value

¥75,084 mln (¥282,374 / unit)

(B) - (A)

Map of Property



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- Central Tokyo**
- 01 Shinjuku Nomura Building
 - 02 JAL Building
 - 03 NOF Nihonbashi Honcho Building
 - 04 Tennozu Park Side Building
 - 05 NOF Shibuya Koen-dori Building
 - 06 Secom Medical Building
 - 07 NOF Spire Building
 - 08 Nishi-Shinjuku Shonan Building
 - 09 NOF Tamahe Building
 - 10 NOF Shinjuku Koen Building
 - 11 NOF Saragashi Plaza Building
 - 12 Hankoan RF Building
 - 13 NOF Kanda Iwanami-cho Building
 - 14 NOF Minami Shinjuku Building

















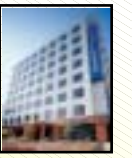






- Suburban Tokyo**
- 15 NOF Toyoko Building
 - 16 NOF Technoport Kamata Center Building
 - 17 Crystal Park Building
 - 18 Faret Tachikawa Center Square
 - 19 NOF Kawasaki Higashiguchi Building
 - 20 NOF Fuchuwa Midaguchi Building
 - 21 NOF Shin-Yokohama Building
 - 22 Yokohama Utsunomiya Building

- Other Regional Cities**
- 23 Seppou North Plaza
 - 24 Kira Sange Building
 - 25 NOF Senda Aoba-dori Building
 - 26 NOF Utsunomiya Building
 - 27 NOF Nagoya Fushiguchi Building
 - 28 Shinrei Kyoto Center Building
 - 29 NOF Midway Building
 - 30 Nomura Osaka Building
 - 31 Nonnuti Yotsubashi Building
 - 32 NOF Edoe Kagen Building
 - 33 Hankoan Tetsuzaki NOF Building
 - 34 Nomura Hiroshima Building

Acquisition Channel of Property



NOMURA
Office Fund

Acquisition Channel	Key Properties Acquired at Listing	Key Properties Acquired after Listing	
<p>Originally owned by or developed by Nomura Real Estate Group Companies</p>	 Shinjuku Nomura Bldg.  Faret Tachikawa Center Square  Nomura Yotsubashi Bldg.  Nomura Osaka Bldg.	 Tennoz u Park Side Bldg.  Secom Medical Bldg.  Omron Kyoto Center Bldg.	<p>8 Properties Cumulative Acquisition Price: ¥ 104.3 bln</p>
<p>• Information from or • Intermediation * by Nomura Real Estate Group Companies</p>	 NOF Nihonbashi Honcho Bldg.  NOF Shinagawa Kona n Bldg.  NOF Toyo-cho Bldg.  NOF Kobe Kaigan Bldg.	 JAL Bldg. *  NOF Minami Shinjuku Bldg.  Nishi-Shinjuku Showa Bldg.  Sapporo North Plaza  NOF Yokohama Nishiguchi Bldg.  NOF Sendai Aoba-dori Bldg.  NOF Midouji Bldg.  Hatchobori NF Bldg.	<p>17 Properties Cumulative Acquisition Price: ¥ 130.4 bln</p>
<p>Information from sources outside Nomura Real Estate Group</p>		 NOF Shiba Bldg.  NOF Shibuya Koen-dori Bldg.  NOF Kawasaki Higashiguchi Bldg.  Yokohama Odori Koen Bldg.	<p>9 Properties Cumulative Acquisition Price: ¥ 57.7 bln</p>

Fund Summary



NOMURA
Office Fund

		1st Period April 2004	2nd Period October 2004	3rd Period April 2005	4th Period October 2005	5th Period April 2006	6th Period October 2006	7th Period April 2007	8th Period October 2007
Total Assets	¥ mn	147,946	173,545	208,003	239,067	268,559	288,060	315,402	326,711
Interest-bearing Liabilities	¥ mn	61,000	64,500	96,500	93,000	120,000	106,000	130,000	140,000
LTV (Based on Total Assets)	%	41.2	37.2	46.4	38.9	44.7	36.8	41.2	42.9
Unitholders' Capital	¥ mn	71,706	92,168	92,168	124,610	124,610	156,767	156,767	156,767
Outstanding Units Issued	unit	148,600	184,650	184,650	229,970	229,970	265,903	265,903	265,903
Net Assets	¥ mn	73,233	94,774	94,849	128,094	128,206	161,004	161,221	161,272
Net Assets per Unit	¥	492.820	513.266	513.672	557.004	557.492	605.499	606.315	606.510
End-of-Period Closing Unit Price	¥	645,000	767,000	758,000	782,000	998,000	991,000	1,490,000	1,160,000
Market Capitalization	¥ mn	95,847	141,626	139,964	179,836	229,510	263,509	396,195	308,447
Operating Revenues	¥ mn	4,531	6,656	7,106	8,641	9,810	10,739	11,090	11,968
Operating Income	¥ mn	2,313	2,930	3,228	4,111	4,558	5,182	5,137	5,725
Net Income	¥ mn	1,526	2,606	2,681	3,484	3,596	4,229	4,466	4,486
Total Cash Distribution	¥ mn	1,526	2,606	2,681	3,484	3,596	4,229	4,453	4,498
Cash Distribution per Unit	¥	10,273	14,114	14,520	15,150	15,638	15,905	16,750	16,918
Total Portfolio (Based on Acquisition Price)	¥ mn	127,260	151,540	184,620	210,120	240,820	259,140	282,840	292,409
Number of Properties		15	18	19	23	28	30	31	34
Leasable Space	m ²	180,793.50	194,673.65	236,904.67	261,428.50	293,464.10	316,132.49	350,712.00	362,859.72
Number of Tenants		264	277	287	357	467	512	517	533
Occupancy Rate	%	93.3	94.4	98.1	97.3	98.4	98.2	98.5	97.9
Return on Assets (ROA)	%	1.1	1.6	1.4	1.5	1.4	1.5	1.5	1.4
(annualized)	%	2.8	3.1	2.8	3.1	2.9	3.0	3.0	2.8
Return on Equity (ROE)	%	2.1	2.8	2.8	2.7	2.8	2.7	2.8	2.8
(annualized)	%	5.2	5.6	5.7	5.4	5.7	5.4	5.6	5.5
Capital-Asset Ratio	%	49.5	54.6	45.6	53.6	47.7	55.9	51.1	49.4
Debt-Service Coverage Ratio (DSCR)	x	11.45	11.05	9.95	10.08	7.92	8.35	7.88	6.49
End-of-Period Total Book Value	¥ mn	127,089	151,815	185,406	211,566	241,901	259,449	282,130	291,853
End-of-Period Total Appraisal Value	¥ mn	127,120	151,500	187,290	219,380	261,120	294,037	340,383	366,938
Total Latent Profit and Loss	¥ mn	30	-315	1,883	7,813	19,218	34,587	58,252	75,084
Latent Profit and Loss per Unit	¥	202	-1,707	10,199	33,975	83,572	130,074	219,075	282,374
Net Asset Value per Unit (Based on Appraisal Value)	¥	493.023	511.559	523.872	590.979	641.064	735.574	825.390	888.884
NOI	¥ mn	3,350	4,451	4,970	6,125	6,952	7,591	7,763	8,286
Rate of NOI (p.a.)	%	7.2	6.2	6.1	6.1	5.9	6.0	5.7	5.8
Depreciation	¥ mn	666	949	1,023	1,229	1,399	1,471	1,478	1,518
Capital Expenditures	¥ mn	22	511	484	1,016	934	588	757	1,252
FFO	¥ mn	2,193	3,555	3,719	4,727	5,034	5,739	5,985	6,039
FFO per Unit	¥	14,757	19,255	20,142	20,559	21,889	21,585	22,509	22,714

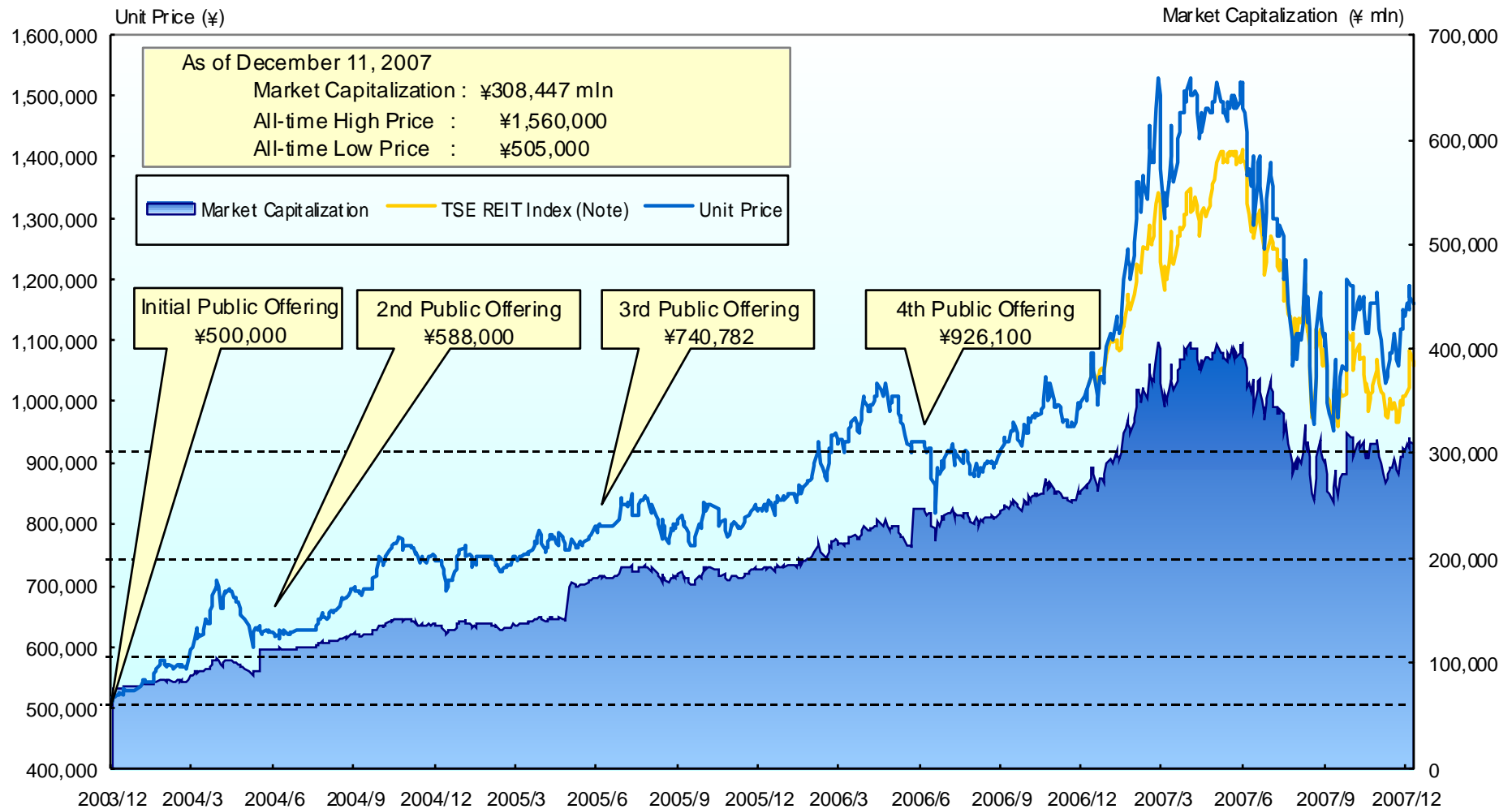
Cash Flow Statement



NOMURA
Office Fund

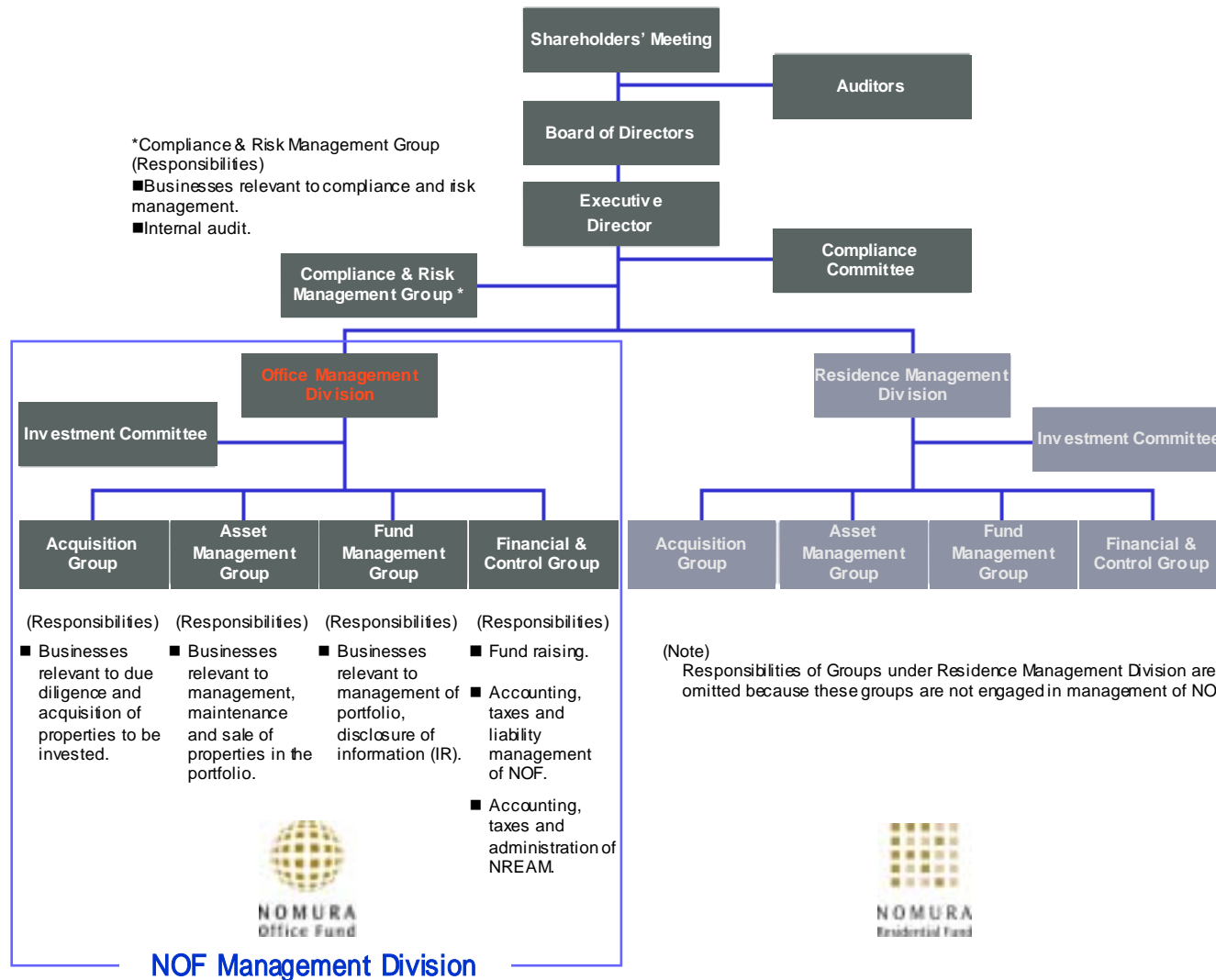
	7th Fiscal Period	8th Fiscal Period
	Nov 1, 2006 - Apr 30, 2007 (¥000)	May 1, 2007 - Oct 31, 2007 (¥000)
I. Cash Flow of Operating Activities		
Income before income taxes	4,466,823	4,486,801
Depreciation	1,478,442	1,518,317
Amortization of long-term prepaid expenses	1,227	1,255
Amortization of corporate bond issuance costs	40,641	45,065
Interest income	14,027	29,750
Interest expenses	869,671	1,101,088
Compensation for superficies establishment	295,747	-
Compensation for transfer of structures	-	10,893
Loss on disposal of tangible assets	-	1,606
Change in rental receivables	5,505	41,823
Change in consumption tax refundable	319,807	290,245
Change in trade accounts payable	91,104	163,273
Change in other accounts payable	229,100	101,744
Change in rent received in advance	121,741	69,533
Change in security deposits received	37,697	65,021
Decrease in sales of tangible fixed assets in trust	-	13,905
Others	52,063	43,522
Subtotal	6,660,309	7,615,425
Interest received	14,027	29,750
Interest paid	832,617	1,069,888
Taxes and duties	3,279	3,745
Net cash provided by operating activities	5,838,440	6,571,541
II. Cash Flow of Investing Activities		
Purchase of tangible assets	22,675	6,473,952
Purchase of tangible assets in trust	24,070,591	4,299,768
Security deposits received	2,317	285,756
Security deposits in trust paid	854,929	482,237
Security deposits in trust received	3,345,506	807,138
Security deposits paid	-	20
Compensation for superficies establishment received	295,747	-
Compensation for transfer of structures received	-	10,893
Net cash used in investing activities	21,304,624	10,152,190
III. Cash Flow of Financing Activities		
Proceeds from short-term debt	1,500,000	13,500,000
Repayment of short-term debt	2,000,000	1,500,000
Proceeds from long-term debt	25,500,000	-
Repayment of long-term debt	15,500,000	2,000,000
Proceeds from investment corporation bonds	14,500,000	-
Issuing cost of investment corporation bonds	124,542	-
Cash distribution to unitholders	4,227,732	4,453,662
Net cash provided by financing activities	19,647,724	5,546,337
IV. Change in Cash and Cash Equivalent	4,181,540	1,965,688
V. Starting Balance of Cash and Cash Equivalent	27,869,274	32,050,815
VI. Ending Balance of Cash and Cash Equivalent	32,050,815	34,016,503

Unit Price and Market Capitalization (Dec. 4, 2003 – Dec. 11, 2007)



(Note) TSE REIT Index on December 11, 2006 = NOF's closing unit price on the same date (one year from December 11, 2006)

Organization of the Asset Management Company



Corporate Profile

[Registered Trade Name]
Nomura Real Estate Asset Management Co., Ltd.

[Date of Incorporation]
January 24, 2003

[Capital]
¥300,000,000

[Shareholder]
Nomura Real Estate Holdings Inc. (100%)

[Number of Employees]
57 (including Directors)

[Description of Business]
Asset management business for investment corporations (J-REITs)

Registered for a financial instruments business:
Director of Kanto Local Finance Bureau No. 374
Licensed for discretionary proxy in realty trading:
Minister of Land, Infrastructure and Transport
No. 18
Licensed for real estate trading:
Governor of Tokyo No. (1) 81679

Below is a message announced jointly with the asset management company at the time of listing on December 4, 2003.



NOMURA
Office Fund

We, at Nomura Real Estate Office Fund Inc., believe that listing of Real Estate Investment Trust (REIT) serves to form a base on which the nation can build their financial resources. The long-term investment capital will contribute to stabilization of not only the real estate market, but also the Japanese economy as a whole.

Many investors wish stable investment more than anything else. Responding to such needs of asset building, we have set our investment policy as being "stable over mid- to long-term".

Wishing to make a contribution to the nation's economic growth in any way, we are determined to continue doing the best of our ability in our function to combine the private financial resources directly with the real estates.

AN INVESTOR ORIENTED COMPANY
respecting the trust and expectation of the investors

Nomura Real Estate Office Fund, Inc.
(TSE code: 8959)

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

Fund Manager: Nomura Real Estate Asset Management Co., Ltd.

 NOMURA REAL ESTATE ASSET MANAGEMENT



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The forward-looking statements with respect to the future financial results contained in this document should not be construed as a guarantee of the actual performance in the future.

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