



NOMURA  
Office Fund

# NOMURA REAL ESTATE OFFICE FUND

## 17th Fiscal Period

(Ended April 30, 2012)

### Analyst Meeting Presentation Material



June 2012



# Contents

## 1. Highlights of the 17th Fiscal Period

- 17th Fiscal Period Financial Statement Overview 2
- 17th Fiscal Period Performance 3

## 2. Fund Management Summary

- Office Leasing Market 5
- Real Estate Investment Market 6
- Acquisition Policy 7
- Management Policy 8
- Finance/Capital Policy 9
- Management Strategies 10

## 3. Fund Management Results

- Changes in Total Portfolio 12
- (Topics) Newly Acquired Properties in the 17th Period 13
- (Reference) PMO (Premium Midsize Office) Series 14
- Management Results (1) 15
- Management Results (2) 16
- Management Topics 17
- Financial Status (as of April 30, 2012) 18
- Appraisal Value Status (17th Fiscal Period End) 19

## 4. Overview of the Financial Results

- Income Statement 21
- Balance Sheet 22
- Cash Distribution 23
- 18th Fiscal Period (October 2012) Forecast 24
- Unitholders 25
- Changes in Investment Unit Price 26

## Appendix

- Fund Summary 28
- Changes in Performance 29
- List of Properties 1 30
- List of Properties 2 31
- List of Properties 3 32
- Earnings by Each Property 33
- Changes in NOI 34
- Changes in Average Unit Rent / Tenant Status Change 35
- Diversification of Tenants 36
- List of End-of-Period Appraisal Value 37
- Status of Debts 38
- Map of Properties 39
- Acquisition Channel of Properties 40
- Cash Flow Statement 41
- Unit Price and Market Capitalization 42
- Summary of Asset Management Company 43



NOMURA  
Office Fund

Two vertical bars, one grey and one blue, are positioned to the left of the section header.

# 1. Highlights of the 17th Fiscal Period

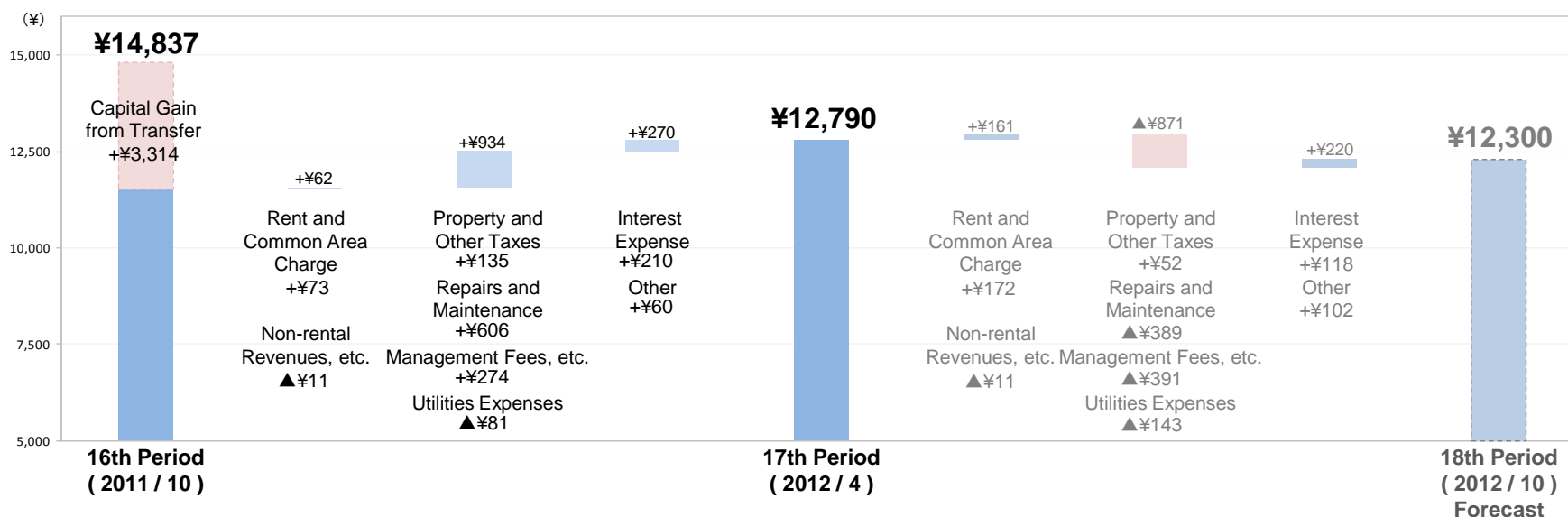
---

# 17th Fiscal Period Financial Statement Overview

## Performance of the 17th Period (182 business days)

	16th Period (ended Oct. 31, 2011)	17th Period (ended Apr. 30, 2012)	(Comparison)	18th Period Forecasts (ended Oct. 31, 2012)	(Comparison)
Operating Revenues	¥13,637 million	¥12,441 million	▲ 8.8%	¥12,608 million	1.3%
Operating Profits	¥6,219 million	¥5,529 million	▲ 11.1%	¥5,335 million	▲ 3.5%
Net Income	¥4,627 million	¥3,902 million	▲ 15.7%	¥3,753 million	▲ 3.8%
Cash Distribution per Unit	¥14,837 /unit	¥12,790 /unit	▲ 13.8%	¥12,300 /unit	▲ 3.8%

## Difference in Cash Distribution

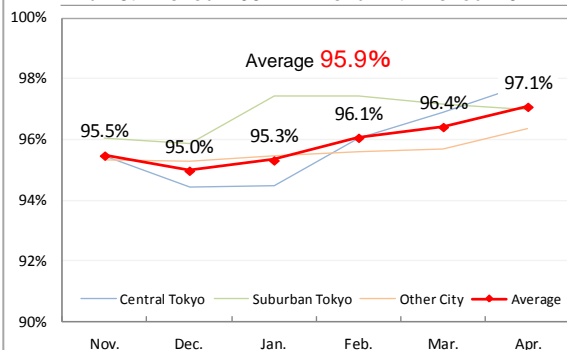


# Seventeenth Fiscal Period Performance

## Management

- Realizing high occupancy rates in all investment areas

End-16th Period : 96.4% → end-17th Period : 97.1%



- Average Occupancy Rate

[16th FP] [17th FP]

Total Portfolio	94.2% → 95.9% (+1.7pt)
Central Tokyo	92.9% → 95.9% (+3.0pt)
Suburban Tokyo	96.3% → 96.8% (+0.5pt)
Other Cities	94.7% → 95.6% (+0.9pt)

## Acquisition

- Acquisition of 3 new properties



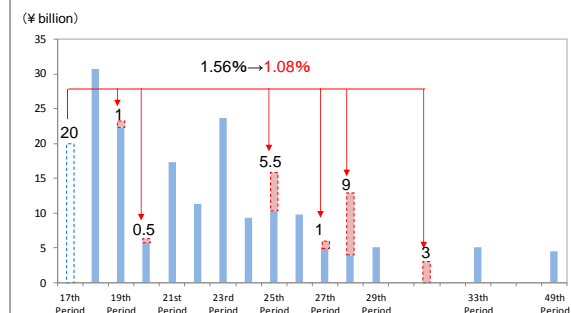
Number of Properties	: 3 properties
Acquisition Price	: ¥7.7 billion
NOI Yield	: 5.0 %
Building Age	: 2.5 years

[ Portfolio at 17th Fiscal Period End ]

Asset Size	: ¥375.4 billion
Portfolio NOI Yield	: 4.5 %

## Finance

- Refinancing ¥20 billion



- Partial repayment from funds in hand (¥ 1.25 billion)
- Lower interest costs
- Diversification of repayment date and elongation/fixation of debt financing

[16th FP] [17th FP]

Weighted Average Interest Rate	1.61% → 1.56% (-0.05pt)
Average Remaining Duration(*)	3.9 yr. → 4.1 yr. (+0.2yr.)
Loan Interest Rate Fixed Ratio	89.0 % → 90.8 % (+1.80pt)
LTV Level	46.1 % → 46.1 % (0.0pt)

**Increase Occupancy** +

**Acquire Properties with Stable Performance** +

**Refinancing**

**Stabilize Profitability**

(\*) Fixed-rate long-term debts only



NOMURA  
Office Fund

Two vertical bars, one grey and one blue, are positioned to the left of the section header.

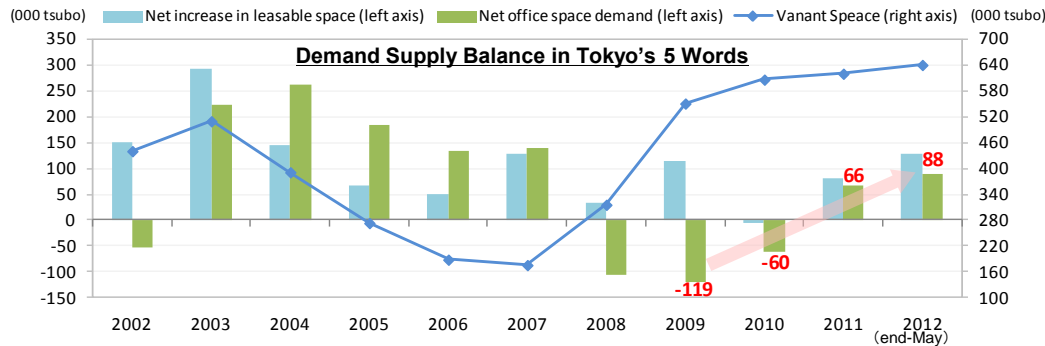
---

## 2. Fund Management Summary

# Office Leasing Market

## Current Condition

- Asking rents stay at levels near the bottom and renewal rents continue to decline at a moderate pace.
- The number of tenants seeking positive changes such as floor expansion and higher specification is increasing.
- Net office space demand turned positive in 2011.

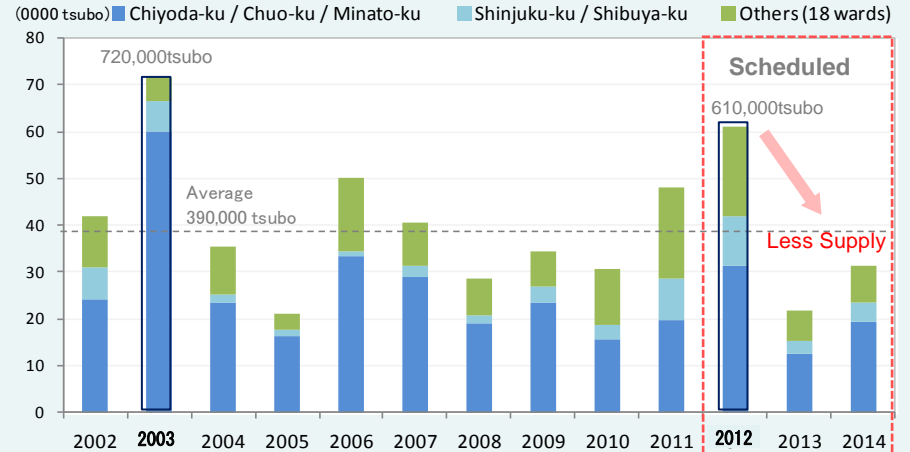


## Forecast

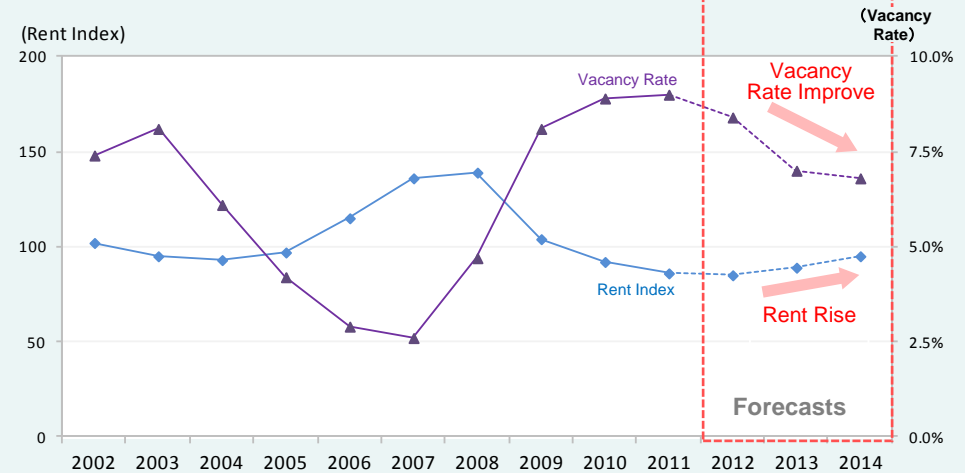
- New supply of office buildings is expected to decrease significantly from the second half of the current fiscal year.
- Further market polarization is expected based on location, scale, specification, etc.

**In and after 2013, the supply-demand balance will improve and rent trends will reverse starting from highly competitive properties.**

## Changes in Supply of New Buildings (Tokyo's 23 wards)



## Forecasts of Vacancy Rate and Rent (Tokyo's 5 words)



Source: (upper right and left) NREAM, based on data published by Miki Shoji.  
(lower right) NREAM, based on data published by Japan Real Estate Institute and Miki Shoji.

# Real Estate Investment Market

## Current Condition

- Investment appetite for income-producing properties is surging as monetary stimulus continues.
- Meanwhile, expected yields remain flat (certain levels of return are required)
- The number of prime properties offered for sale continued to be limited (Significant perception gap between the seller and the buyer concerning the appropriate transaction price)

## Forecast

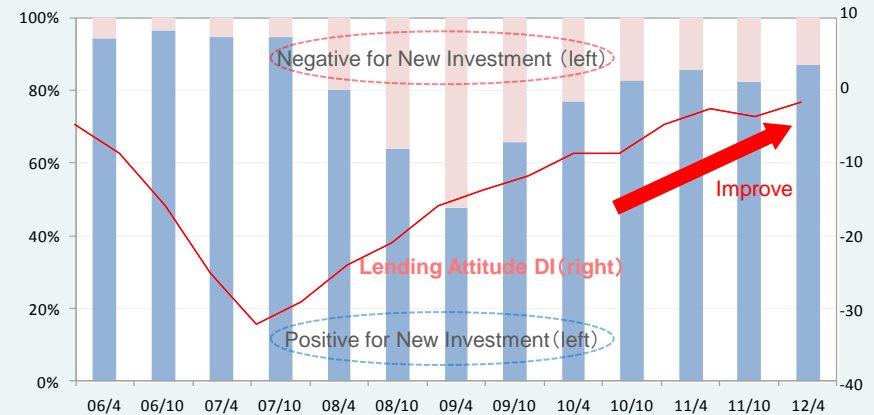
- Transactions involving high-grade office buildings in the real estate investment market will continue to be subdued except for private transactions involving REIT sponsors.
- The number of transactions will increase if buyers bid up a little more after confirming the reversal of asking rent trends

**Rents will start rising**

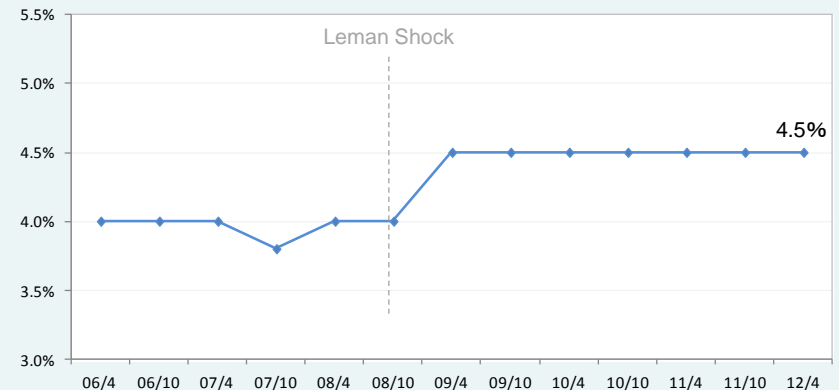
→ **Expected yield to decline**

→ **More transactions**

## Changes in Investing Attitude DI and Lending Attitude DI



## Changes in Expected Yields of A-Class Buildings (Marunouchi and Otemachi District)

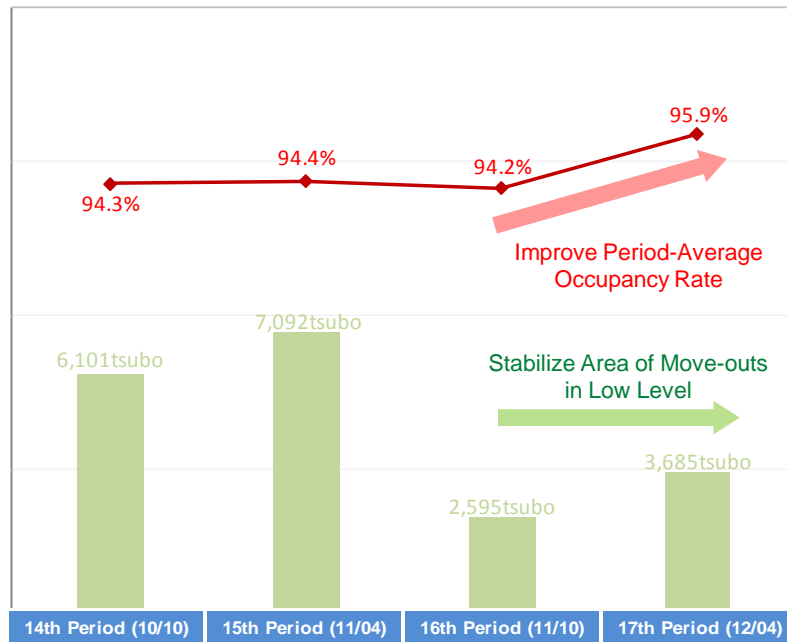


Source: NREAM, based on data published by the Bank of Japan and Japan Real Estate Institute.



## Maintain High Occupancy Rate and Profitability

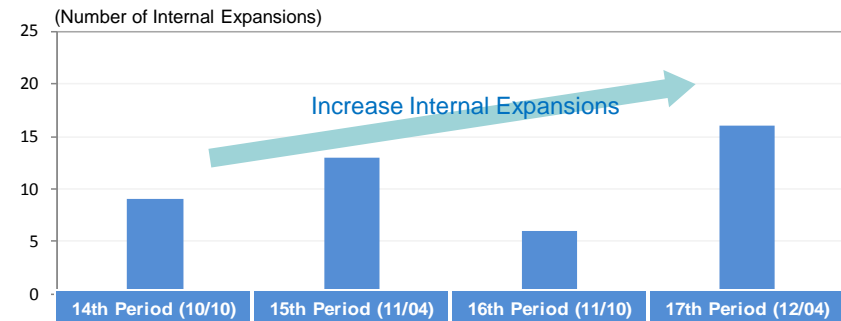
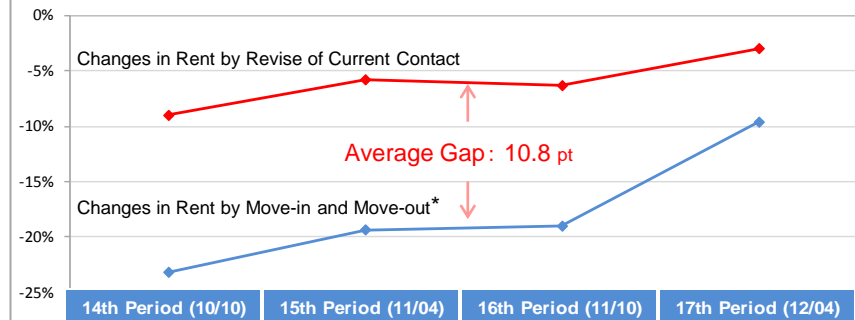
### Improve Period-Average Occupancy Rate



- Stabilize area of move-outs in low level
- Maintain high occupancy rate

➤ Improve Period-Average Occupancy Rate

### Maintain Rent Level



- Heighten ratio of tenants who revise current contracts
- Attain internal expansions

➤ Less Decreases in Rent Average

\* Changes within the same properties which both move-in and move-out occur during the same term, excluding internal expansions.

## Improvement of Portfolio Quality by Properties Replacement

### Transferring Properties

#### Avoid Capital Loss from Transfer

- Properties with low performance
- Properties in other cities
- Relatively old properties

Improvement in Profitability

Less Properties in Other Cities

Improvement in Building Age

Improvement in NAV

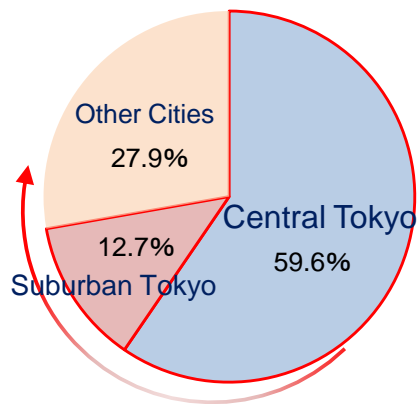
### Acquiring Properties

#### Acquisition within the Limit of Capital Received from Transfer

- Properties with stable performance
- Properties in central Tokyo or suburban Tokyo
- Newly built properties

### ● Property Target

NOF will continue intensive investment to prime properties in Tokyo metropolitan area.

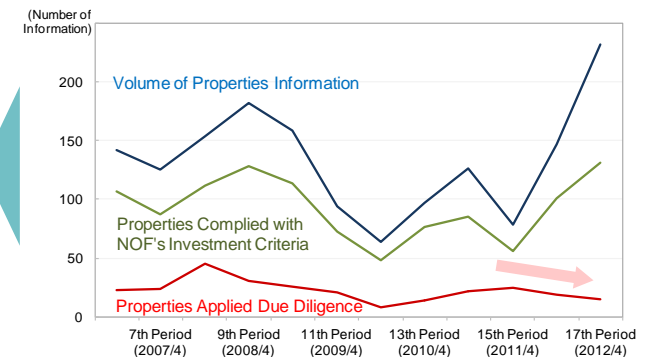


Implementing Sponsor's Pipeline

Expanding the NREAM's Original Sourcing Root

### ● Sourcing Root

Transactions of prime properties are limited.

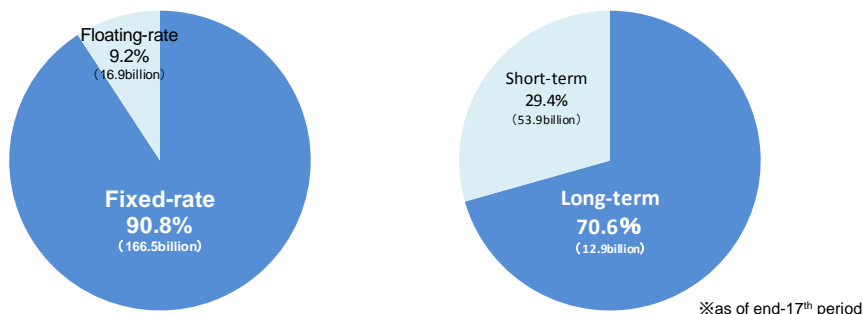


※Excluding residential, commercial and logistic properties.

## Maintain Conservative Financial Basis/Decrease in Interest Payment

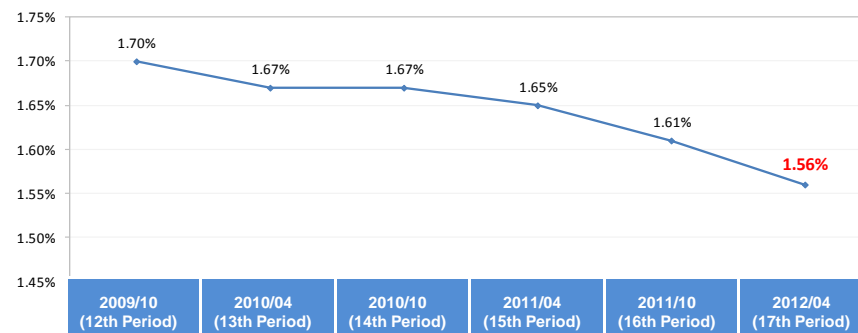
Within current favorable lending environment, NOF will maintain conservative financial basis and target on reduction in interest payments.

### Ratio of Long-term Debts/ Fixed-Rate Debts

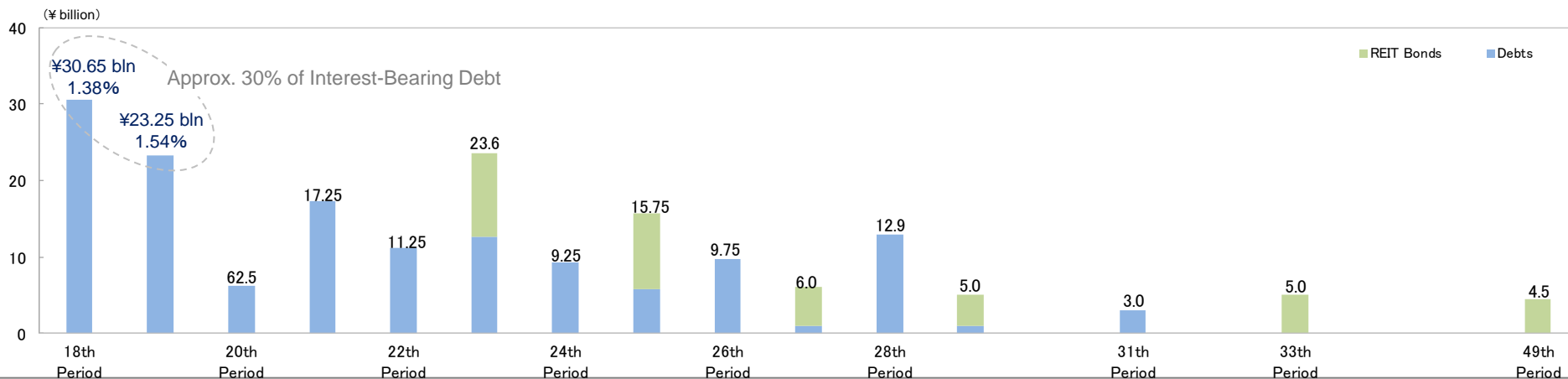


**Interest-Bearing Debt Outstanding : 183.4 billion**

### Average Interest-Rate



### Maturity Diversification



# Management Strategies

Rents are expected to start rising in or after 2013

Opportunities to acquire prime properties are limited

Debt financing environment continues favorable  
Investment unit prices stuck at low levels  
(PBR declines below 1.0)

## We will continue defensive strategy

- Maintain the portfolio income by improving average occupancy rates and shortening rent-free periods
- Improve the quality of the portfolio by replacing properties
- Steadfastly maintain stable financial conditions while being cautious about external growth requiring equity finance

	17th Period (ended Apr. 30, 2012)	18th Period (ended Oct. 31, 2012)	After 19th Period
Cash Distribution per Unit	¥ 12,790	¥ 12,300 (Forecasts)	Cash Distribution will Recovery for a Time



NOMURA  
Office Fund

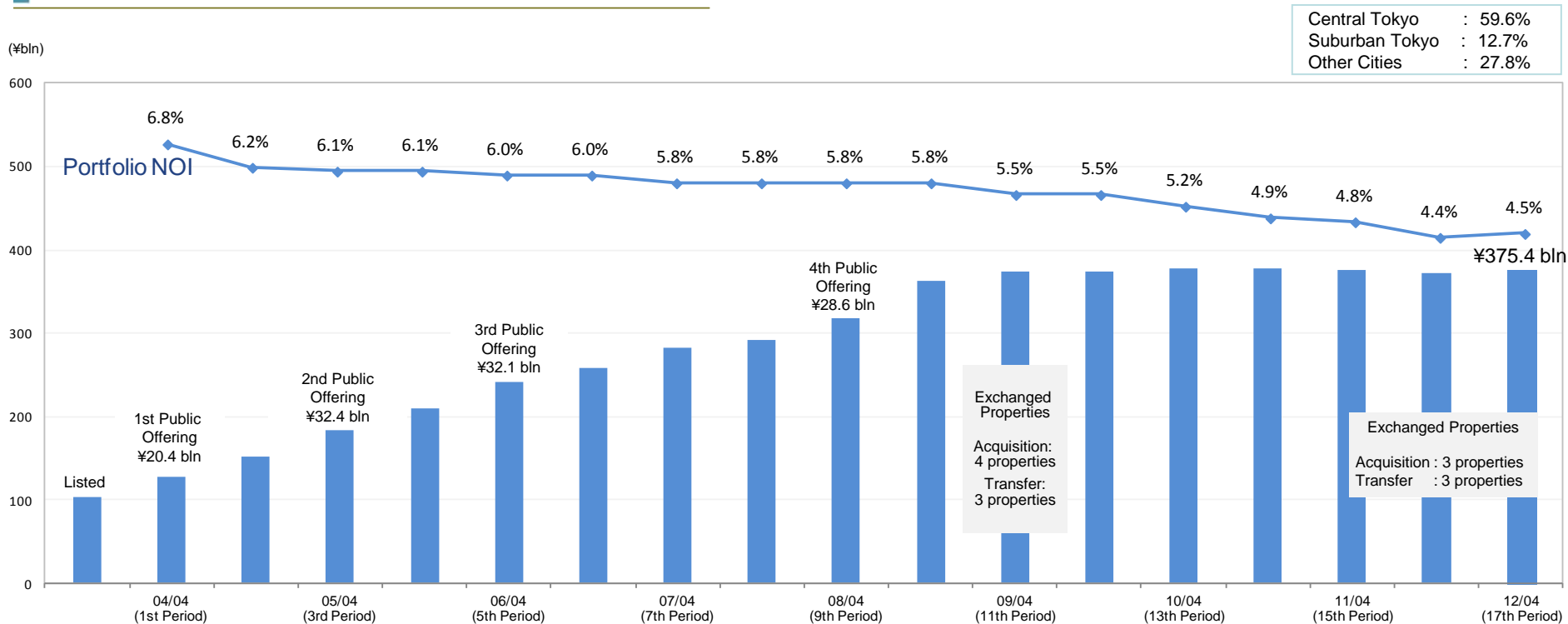
Two vertical bars, one grey and one blue, are positioned to the left of the section header.

---

## 3. Fund Management Results

# Changes in Total Portfolio

## Changes in Total Portfolio (by Acquisition Price)



## Portfolio Overview (17th Fiscal Period End)

Acquisition Price

**¥375.4 billion**

Number of Properties

**51**

Leasable Floor Space

**406,640 m<sup>2</sup>**

Building Age

**23.6 years**

# (Topics) Newly Acquired Properties in the 17th Period

## Properties Acquired in the 17th Period

Acquisition Price : ¥7.7 billion

Average NOI Yield : 5.0 %

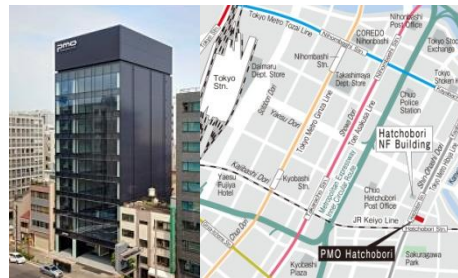
Average Building Age : 2.5 years\*

### PMO Akihabara



Completion : January 2010  
 Acquisition Price : ¥3,790 million  
 NOI Return : 4.9%  
 Occupancy Rate : 100.0%\*

### PMO Hatchobori



Completion : May 2009  
 Acquisition Price : ¥2,430 million  
 NOI Return : 5.0%  
 Occupancy Rate : 100.0%\*

### PMO Higashi-nihonbashi



Completion : October 2009  
 Acquisition Price : ¥1,480 million  
 NOI Return : 5.3%  
 Occupancy Rate : 100.0%\*

Weight of Tokyo Central Area : Increased

Portfolio NOI : Improved

Building Age : Improved

(\* as of April 30,2012)

# (Reference) PMO (Premium Midsize Office) Series

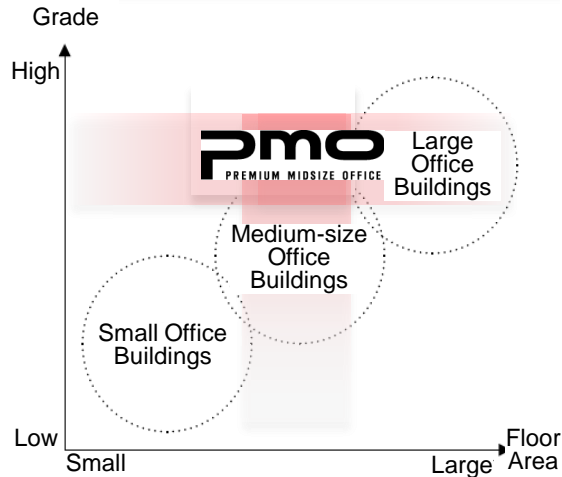
## Specification Comparable to Large Scale Office Buildings



Specification comparable to large office buildings:

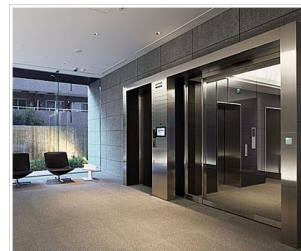
- **High-grade ambiance**
- **State-of-the-art facilities**
- **Reliable operation and management**

A new office building concept that realizes above features in medium-size office buildings



### • Latest Security System

- Designed to have a single tenant per floor
- Security gate, IC card readers
- 24-hour remote monitoring by ITV cameras



Security gate of PMO Nihonbashi Honcho

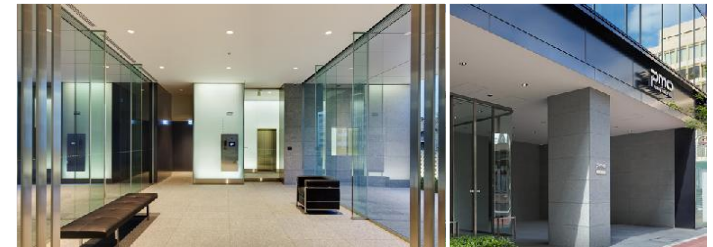


Reception Intercom System

- **Acquisition of creditworthy tenants**
- **Marketing competitiveness through the enhancement of brand recognition**

## Ongoing Development by Our Sponsor Company

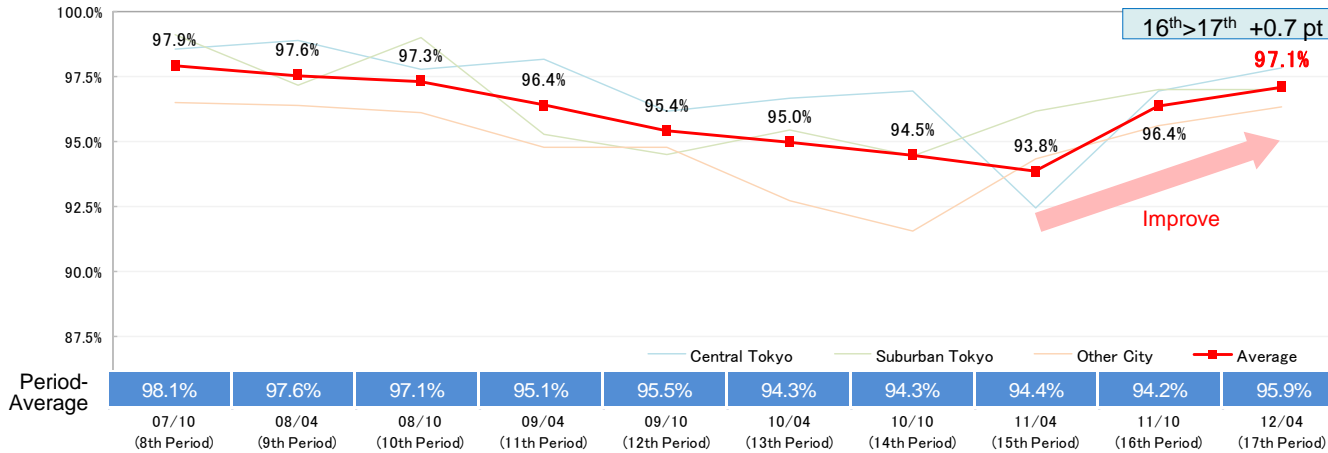
**Development Track Record: 15 properties**  
(including those at the planning stage)





# Management Result (1)

## Changes in Occupancy Rates at the End-Period

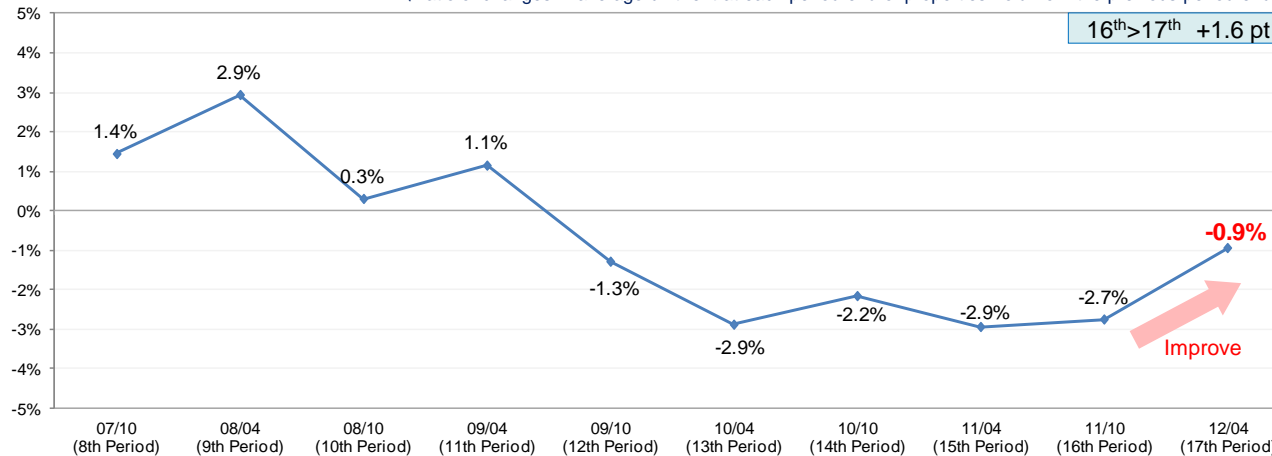


Realize High Occupancy in All Investment Areas

Central Tokyo : 97.8 %  
 Suburban Tokyo : 97.0 %  
 Other Cities : 96.3 %

## Ratio of Changes in Average Rent Level (Note)

(Ratio of changes in average unit rent at each period-end of properties hold from the previous period-end)



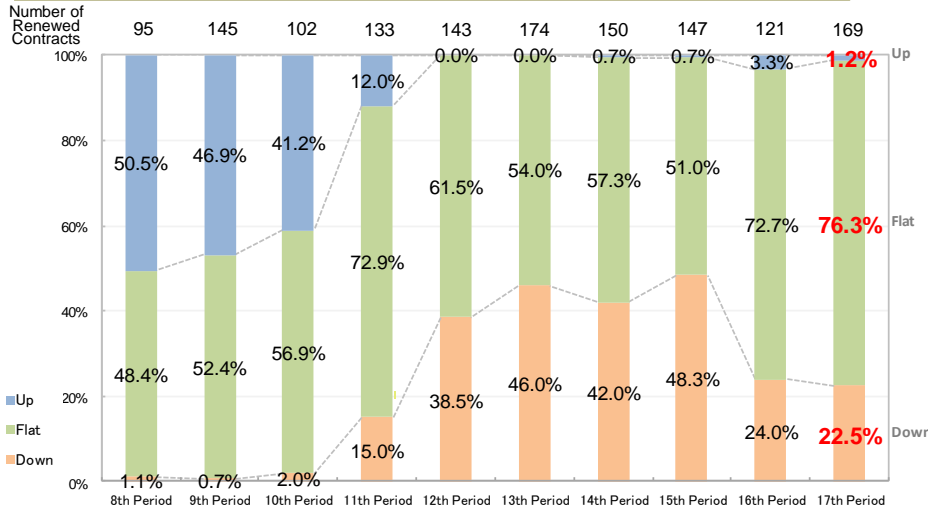
Less Decreases in Average Rent Downward

(Note) Average Rent Level: Average of monthly rent and common area charges prescribed in lease contract as of period-end.

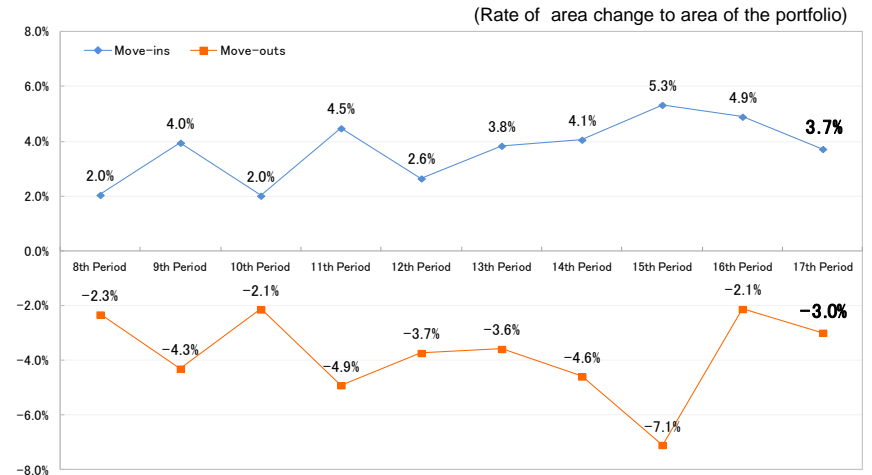
(Note) Transferred properties are excluded when calculating. NRE Tennozu Bldg is also excluded as its way in calculating the average unit rent has changed due to the conversion of the building to multi-tenanted during the 15th period.

# Management Results (2)

## Results of Contract Renewals (number of renewals)

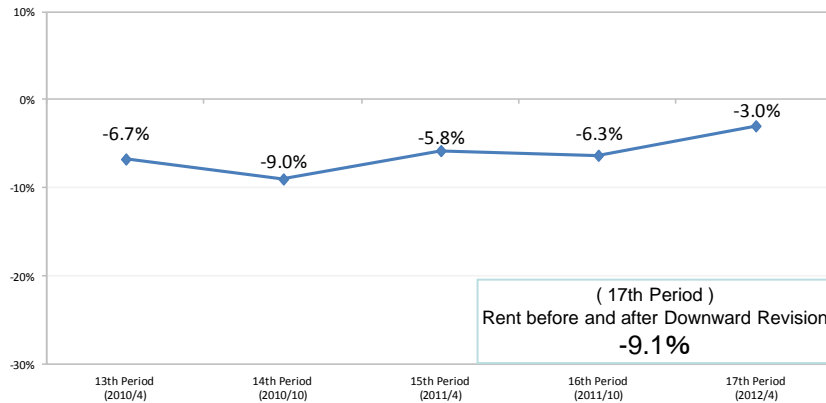


## Rate of Move-out and Move-in



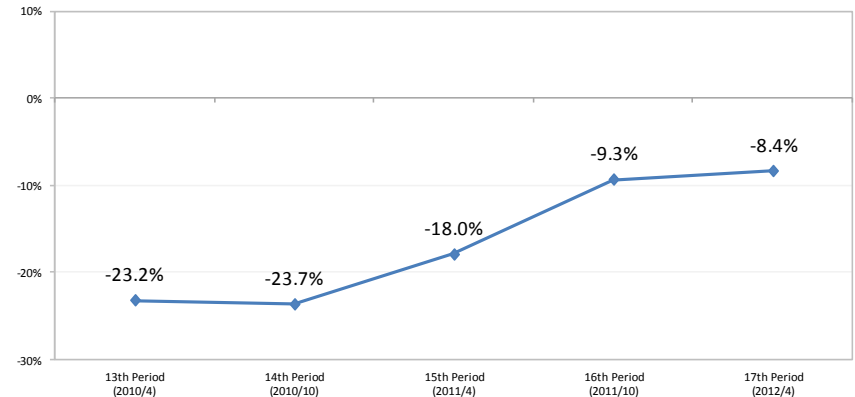
## Ratio of Change in Rent before and after Revision

• Change =  $((\text{Rent of renewed contracts} / \text{rent of previous contracts}) - 1) \times 100$   
(Including common area charges)



## Rent Change in the Same Building before Move-out and after Move-in

• Change =  $((\text{Rent of move-in} / \text{rent of move-out}) - 1) \times 100$  (Including common area charges)



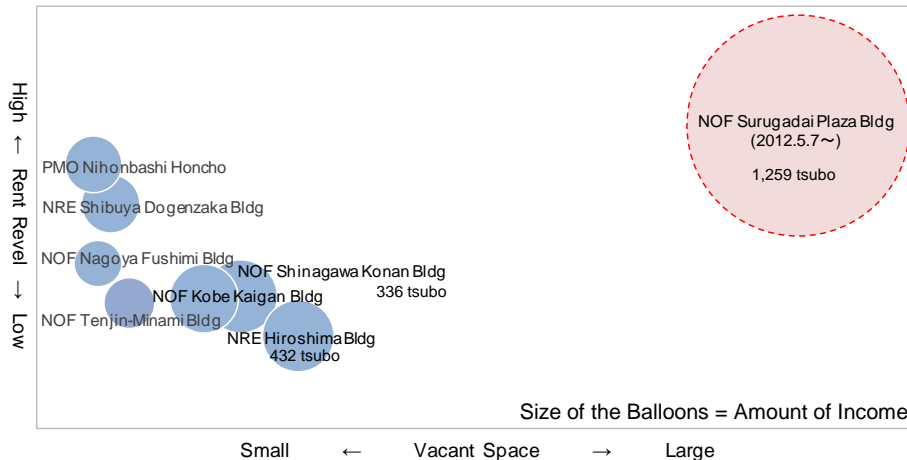
(Note) Based on properties held at the end of each period

# Management Topics

## High Priority Leasing Properties

Strategic leasing activities aiming at early acquisition of tenants

Properties with an occupancy rate of 90% or less  
(as of the end of the 17th fiscal period)



### • NOF Surugadai Plaza Building

On May 11th, NOF has entered into an agreement with the Tenant's evacuation



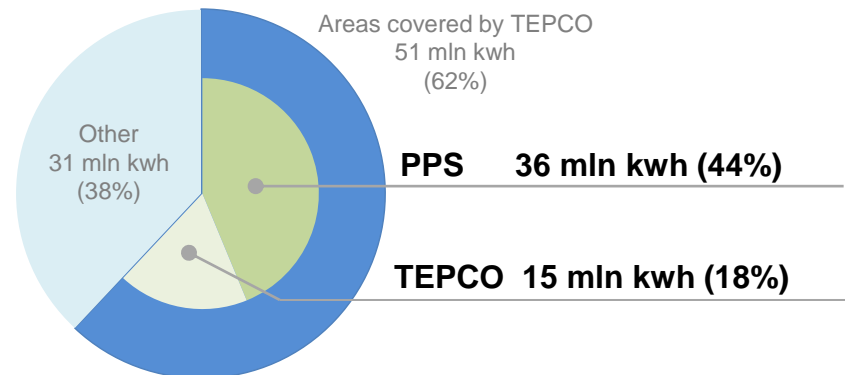
**Leased Space** : 4,160.94 square meters  
(1.0% of total leasable space of the portfolio)  
**Date of Evacuation** : May 6, 2013 (scheduled)

**Note** : NOF will receive from the Tenant the cash amount equivalent to restoration cost, together with rent, common-area charge and consumption taxes during the scheduled restoration period (from May 7, 2013 to July 8, 2013).

## Energy Conservation Measures

NOF has actively used PPSs (Note 1)  
from the cost-saving perspective

### • Electric Power Consumption by NOF (Note 2) (2011.5 ~ 2012.4)



- PPS prices will also increase in the areas covered by TEPCO
- But by a smaller degree than in the case of TEPCO

\* Price increase by TEPCO

Timing: In stages from April 1, 2012

Incremental charge/unit: Extra-high voltage; 2.46 yen/kwh (Note 3)

(Note 1) PPS stands for "Power Producer and Supplier"

(Note 2) Total consumption excluding properties in which tenants have a direct contract with electric power producers/suppliers

(Note 3) Not including consumption taxes. Incremental charge/unit for high voltage is ¥2.49/kwh (not including consumption taxes).

# Financial Status (as of April 30, 2012)

## Status of Debts

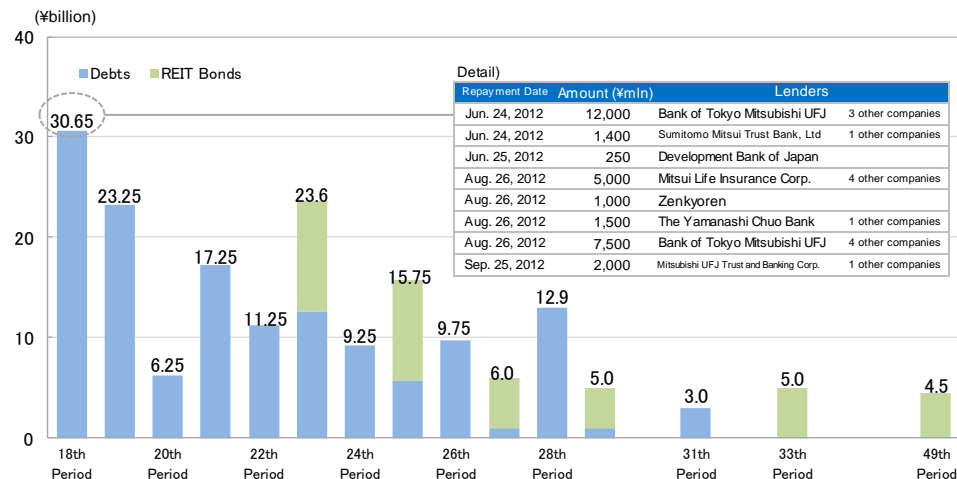
Interest-bearing Debt Outstanding <b>¥183.4 billion</b>	Average Interest-rate <b>1.56 %</b>
Ratio of Long-term Debts <b>70.6 %</b>	Ratio of Fixed-rate Debts <b>90.8 %</b> <small>*Including interest-rate swap transactions</small>
Average Remaining Duration <b>4.1 years</b> <small>*Fixed-rate long-term debts only</small>	LTV(Loan-to-Value) <b>46.1 %</b>

## Rating

( as of June 19, 2012 )

Agencies	the Fund	Outlook
R&I	AA-	Stable
S&P	A-	Stable
Moody's	A3	Stable

## Diversification of Maturity



## Funding Capabilities (31 lenders)

Lender	Total Amount of Debt Remaining	Lender	Total Amount of Debt Remaining
Bank of Tokyo-Mitsubishi UFJ	22,650	Bank of Fukuoka	3,500
Sumitomo Mitsui Banking Corp.	21,150	Taiyo Life Insurance	3,000
Development Bank of Japan	14,750	Norinchukin Bank	3,000
Sumitomo Mitsui Trust Bank, Ltd	12,400	Mizuho Trust & Banking	2,000
Mitsubishi UFJ Trust and Banking Corp.	11,550	Hachijuni Bank	2,000
Mizuho Corporate Bank	6,900	Nishi-Nippon City Bank	2,000
The Dai-ichi Life Insurance Company	5,000	Daido Life Insurance	2,000
Sumitomo Life Insurance Company	5,000	Zenkyoren	2,000
Nomura Trust and Banking	4,000	Shinkin Central Bank	2,000
Chugoku Bank	4,000	Hiroshima Bank	1,500
Iyo Bank	3,500	Hyakujushi Bank	1,500
		Chiba Bank	1,000
		Keiyo Bank	1,000
		Yamanashi Chuo Bank	1,000
		The 77 Bank	1,000
		Mitsui Life Insurance	1,000
		Mitsui Sumitomo Insurance	1,000
		Sompo Japan Insurance Inc.	1,000
		Resona Bank, Limited.	1,000
		Aozora Bank	500
		<b>Total borrowings</b>	<b>143,900</b>
		(Reference) Investment Corporation Bonds	39,500

# Appraisal Value Status (17th Fiscal Period End)

## Appraisal Values at 17th Period End

Total Appraisal Value **¥333,410 million**

Total Book Value **¥369,488 million**

Total Unrealized Gain/Loss **▲ ¥36,078 million**

<Appendix>

Total Unrealized Gain/Loss per Unit : ▲¥ 118,242

BPS per Unit : ¥ 620,923

NAV per Unit : ¥ 502,681

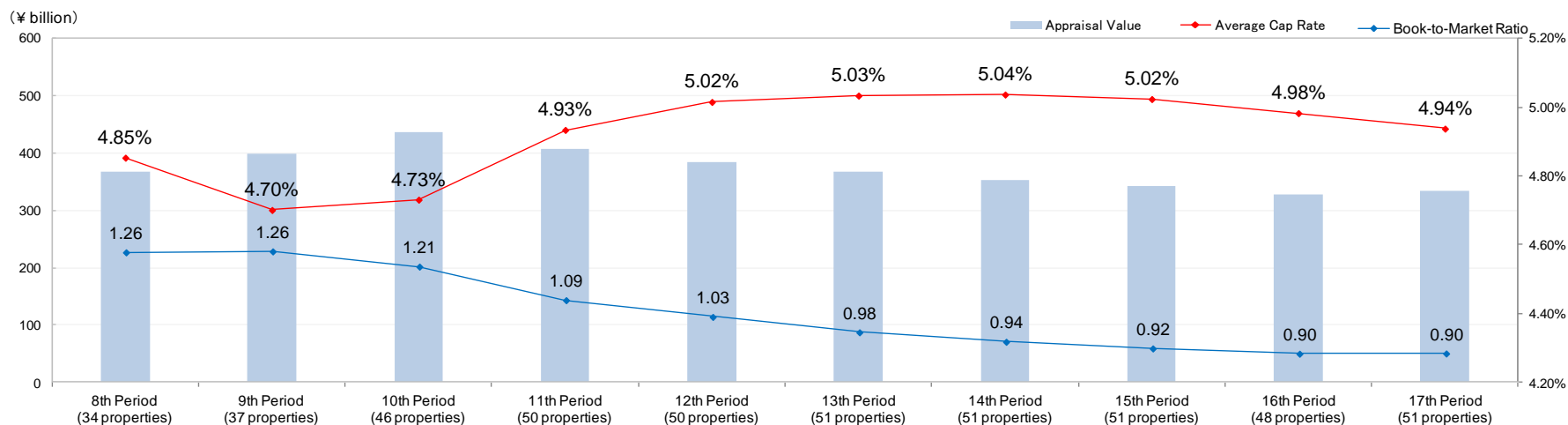
## Appraisal Value Details

	16th Period End (mln)	17th Period End (mln)	Change
Appraisal Value*	334,390	333,410	▲0.3%

	16th Period End (Number of properties)	17th Period End (Number of properties)	
Increase	13	15	29.4%
Flat	4	13	25.5%
Decrease	31	23	45.1%
Total	48	51	100.0%

\* "16th FP End Appraisal Value" includes the appraisal value at the time of acquisition of the 3 property acquired during 17th FP.

## Changes of Cap Rate, Appraisal Value, and Book-to-Market Ratio



\*Book-to-Market Ratio = Appraisal Value/Book Value



NOMURA  
Office Fund

A decorative graphic element consisting of two vertical bars, one grey and one blue, followed by a horizontal light blue line that spans the width of the slide.

## 4 . Details of the Financial Results

# Income Statement

		16th Fiscal Period as of Oct. 31, 2011		17th Fiscal Period as of Apr. 30, 2012		Differences		
		(¥000)	(%)	(¥000)	(%)	(¥000)		
Current Revenues and Expenses	Operating Revenues	Operating Revenues	13,637,076	100.0	12,441,505	100.0	▲1,195,571	
		Real Estate Rental Revenues	Real Estate Rental Revenues	11,223,340	82.3	11,245,514	90.4	22,174
			Rental revenues	8,839,500	64.8	8,899,648	71.5	60,148
			Common area charges	2,383,840	17.5	2,345,866	18.9	▲37,974
			Other rental business revenues	1,296,836	9.5	1,195,990	9.6	▲100,846
			Parking revenues	264,347	1.9	272,241	2.2	7,894
			Incidental income	945,232	6.9	851,848	6.8	▲93,383
			Other rental revenues	67,931	0.5	70,002	0.6	2,071
		Miscellaneous revenues	19,325	0.1	1,897	0.0	▲17,428	
		Total Real Estate Rental Revenues	12,520,177	91.8	12,441,505	100.0	▲78,671	
	Profit on sale of real estate	1,116,899	8.2	-	0.0	▲1,116,899		
	Operating Expenses	Operating Expenses	7,417,771	54.4	6,912,459	55.6	▲505,311	
		Real Estate Rental Expenses	Property management costs	1,401,146	10.3	1,390,033	11.2	▲11,112
			Taxes and duties	1,211,888	8.9	1,170,874	9.4	▲41,014
			Utility expenses	1,048,075	7.7	975,043	7.8	▲73,031
			Insurance expenses	22,869	0.2	21,296	0.2	▲1,572
			Repairs and maintenances	431,741	3.2	246,709	2.0	▲185,031
			Other expenses	262,128	1.9	205,121	1.6	▲57,007
			Depreciation	1,732,637	12.7	1,717,391	13.8	▲15,246
		Total Real Estate Rental Expenses	6,110,487	44.8	5,726,470	46.0	▲384,017	
Loss on sale of real estate		105,767	0.8	-	-	▲105,767		
Asset management fees	990,285	7.3	1,001,972	8.1	11,686			
Selling and administrative expenses	211,229	1.5	184,016	1.5	▲27,213			
Real Estate Rental Profits	6,409,689	47.0	6,715,034	54.0	305,345			
Operating Profits	6,219,305	45.6	5,529,045	44.4	▲690,260			
Non-Operating Profits	Non-Operating Revenues	134,901	1.0	57,722	0.5	▲77,178		
	Other non-operating revenues	134,901	1.0	57,722	0.5	▲77,178		
	Non-Operating Expenses	1,726,137	12.7	1,683,432	13.5	▲42,705		
	Interest expenses	1,097,074	8.0	1,044,037	8.4	▲53,037		
	Interest expenses on bonds	429,978	3.2	419,019	3.4	▲10,958		
	Amortization of bond issuance costs	13,224	0.1	12,655	0.1	▲569		
	Loan arrangement fees	112,153	0.8	121,780	1.0	9,627		
	Other non-operating expenses	73,706	0.5	85,939	0.7	12,232		
	Non-Operating Profits	▲1,591,236	▲11.7	▲1,625,709	▲13.1	▲34,473		
	Ordinary Income	4,628,069	33.9	3,903,336	31.4	▲724,733		
Income before income taxes	4,628,069	33.9	3,903,336	31.4	▲724,733			
Income taxes-current	974	0.0	922	0.0	▲52			
Income taxes-deferred	7	0.0	3	0.0	▲4			
Net Income	4,627,087	33.9	3,902,410	31.4	▲724,676			
Retained earnings brought forward	181	0.0	159	0.0	▲22			
Retained earnings at end of period	4,627,269	33.9	3,902,570	31.4	▲724,699			

## Real Estate Rental Revenues

- Newly acquired properties : PMO Hatchobori, PMOHigashi-nihonbashi, PMO Akihabara
- Occupancy rate : end-16th 96.4%→end-17th 97.1% (+0.7pt)

## Taxes and Duties ¥1,170 mln (▲¥41 mln from the 16th period)

- Revaluation for the fiscal year ending Dec-2012 ▲¥13 mln
- Profit on sale of real estate ▲¥17 mln

## Repairs and Maintenances

- Repairs and maintenances ¥246 mln
- Capital expenditures ¥1,022 mln
- ※ Significant capital expenditures
  - Shinjuku Nomura Bldg. Renovation of elevator control system ¥115 mln
  - NRF Tennozu Bldg. Refurbishment for multi-tenant building ¥119 mln
  - NRE Yotsubashi Bldg. Renewal of through the wall AC system ¥80 mln

## Real Estate Rental Profits ¥6,715 mln (+¥305 mln from the 16th period)

- Real estate rental revenues ▲¥78 mln
- Real estate rental expenses ▲¥384 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.
Selling and administrative	: Custodian, Administrative service, and auditing fees, expenses, etc.
Non-operating Revenues	: Penalties from tenants, insurances received, cost of restitution in integrum received from tenants
Non-operating Expenses	: Loss on disposal of fixed assets, cost of construction corresponding to the insurance

# Balance Sheet

## Assets

	16th Fiscal Period as of Oct. 31, 2011		17th Fiscal Period as of Apr. 30, 2012		Difference (¥000)
	(¥000)	(%)	(¥000)	(%)	
<b>Current Assets</b>	37,298,061	9.3	27,484,770	6.9	▲9,813,290
Cash and cash equivalents	20,049,043	5.0	10,226,772	2.6	▲9,822,271
Cash and cash equivalents in trust	16,268,623	4.1	16,465,915	4.1	197,291
Other current assets	980,394	0.2	792,083	0.2	▲188,311
<b>Fixed Assets</b>	362,975,034	90.7	370,077,570	93.1	7,102,536
<b>Tangible assets</b>	360,490,008	90.0	367,587,642	92.4	7,097,634
Properties	82,355,403	20.6	89,790,015	22.6	7,434,612
Buildings	24,950,235	6.2	28,106,175	7.1	3,155,939
Lands	57,405,167	14.3	61,683,840	15.5	4,278,672
Properties in trust	278,094,209	69.5	277,751,052	69.8	▲343,157
Buildings	76,310,768	19.1	75,967,610	19.1	▲343,157
Lands	201,783,441	50.4	201,783,441	50.7	-
Other tangible assets	40,394	0.0	46,574	0.0	6,180
Other tangible assets	40,394	0.0	46,574	0.0	6,180
<b>Intangible assets</b>	1,902,733	0.5	1,902,469	0.5	▲263
Leaseholds	1,900,904	0.5	1,900,904	0.5	-
Trust and other intangible assets	1,829	0.0	1,565	0.0	▲263
<b>Investments and other assets</b>	582,292	0.1	587,458	0.1	5,165
Security deposits	410,850	0.1	410,850	0.1	-
Other Investments and other assets	171,442	0.0	176,608	0.0	5,165
<b>Deferred Assets</b>	117,903	0.0	105,248	0.0	▲12,655
Issuing cost of corporation bonds	117,903	0.0	105,248	0.0	▲12,655
<b>Total Assets</b>	<b>400,390,999</b>	<b>100.0</b>	<b>397,667,589</b>	<b>100.0</b>	<b>▲2,723,410</b>

### Cash and Cash Equivalents

	Deposits		total
	In own name	in trust	
Equivalent to security deposits	3,917	10,718	14,636
Equivalent to reserved CAPEX	2,383	342	2,726
Other	3,925	5,404	9,329
<b>Total</b>	<b>10,226</b>	<b>16,465</b>	<b>26,692</b>

### Tangible Assets

	¥ mln			
	Acquisition price	Accumulated depreciation	Depreciation for current period	End-of-term book value
Properties	392,051	24,463	(1,717)	367,587
Buildings in trust, etc.	96,697	20,729	(1,256)	75,967
Lands in trust	201,783	-	-	201,783
Buildings, etc.	31,804	3,734	(461)	28,106
Lands	61,683	-	-	61,683
Others	46	-	-	46

## Liabilities and Net Assets

	16th Fiscal Period as of Oct. 31, 2011		17th Fiscal Period as of Apr. 30, 2012		Difference (¥000)
	(¥000)	(%)	(¥000)	(%)	
<b>Current Liabilities</b>	57,444,909	14.3	58,277,430	14.7	832,521
Trade accounts payable	1,028,305	0.3	636,472	0.2	▲391,832
Bonds to be repaid within 1 year	7,900,000	2.0	3,900,000	1.0	▲4,000,000
Long-term debt to be repaid within 1 year	5,000,000	1.2	-	0.0	▲5,000,000
Other accounts payable	39,000,000	9.7	50,000,000	12.6	11,000,000
Rent received in advance	2,523,900	0.6	1,759,122	0.4	▲764,777
Other current liabilities	1,864,744	0.5	1,894,408	0.5	29,664
<b>Fixed Liabilities</b>	127,958	0.0	87,426	0.0	▲40,532
<b>Fixed Liabilities</b>	152,863,374	38.2	149,932,142	37.7	▲2,931,232
Corporation bonds	39,500,000	9.9	39,500,000	9.9	-
Long-term debt	93,250,000	23.3	90,000,000	22.6	▲3,250,000
Security deposits	3,882,474	1.0	4,217,187	1.1	334,712
Security deposits in trust	16,228,116	4.1	16,213,849	4.1	▲14,266
Other Fixed Liabilities	2,783	0.0	1,105	0.0	▲1,678
<b>Total Liabilities</b>	<b>210,308,283</b>	<b>52.5</b>	<b>208,209,572</b>	<b>52.4</b>	<b>▲2,098,710</b>
<b>Net Assets</b>	<b>190,082,716</b>	<b>47.5</b>	<b>189,458,017</b>	<b>47.6</b>	<b>▲624,699</b>
Unitholders' capital	185,455,446	46.3	185,455,446	46.6	-
Retained earnings	4,627,269	1.2	4,002,570	1.0	▲624,699
<b>Total Net Assets</b>	<b>190,082,716</b>	<b>47.5</b>	<b>189,458,017</b>	<b>47.6</b>	<b>▲624,699</b>
<b>Total Liabilities and Net Assets</b>	<b>400,390,999</b>	<b>100.0</b>	<b>397,667,589</b>	<b>100.0</b>	<b>▲2,723,410</b>

### Debts

<b>Balance of interest-bearing debts</b>	¥183,400 mln	
<b>Interest-bearing debt ratio</b>	$\frac{\text{S/T debts} + \text{L/T debts} + \text{REIT bonds}}{\text{Total assets}}$	46.1%
<b>Long-term interest-bearing debt ratio</b>	$\frac{\text{L/T debts} + \text{REIT bonds}}{\text{S/T debts} + \text{L/T debts} + \text{REIT bonds}}$	70.6%



# Cash Distribution

## Cash Distribution

Item		16th Fiscal Period from May. 1, 2011 to Oct. 31, 2011	17th Fiscal Period from Nov. 1, 2011 to Apr. 30, 2012
Retained Earnings	(¥000)	4,627,269	3,902,570
Cash Distribution	(¥000)	4,527,109	3,902,523
Cash Distribution per Unit	(¥)	14,837	12,790
Compression Reserve	(¥000)	100,000	0
Balance Carried Forward	(¥000)	159	46

### Cash Distribution

• Total outstanding number of units as of the end of the 17th period 305,123

(Reference) 16th Fiscal Period

• Distributed nearly all of retained earnings for the period after deduction of compression reserve\* (¥100 million)  
→ Cash distribution per unit ¥14,837

## Comparison with Forecasts

Item		Forecasts announced on Dec. 15, 2011	Actual Results		
			17th Fiscal Period	(amount)	(%)
Operating Revenues	(¥ mln)	12,423	12,441	18	0.1
Operating Expenses	(¥ mln)	7,033	6,912	▲ 121	▲ 1.7
Operating Profit	(¥ mln)	5,389	5,529	139	2.6
Ordinary Income	(¥ mln)	3,784	3,903	118	3.1
Net Income	(¥ mln)	3,783	3,902	118	3.1
Cash Distribution per Unit	(¥)	12,400	12,790	390	3.1

### Differences between Actual Results and Forecasts

• Operating Revenues

Difference in real estate rental revenues + ¥8mln

Difference in other real estate rental revenues + ¥10 mln

• Operating Expenses

Difference in taxes and duties ▲ ¥15 mln

Difference in repairs and maintenances ▲ ¥55 mln

Other ▲ ¥51 mln

# 18th Fiscal Period (October 2012) Forecast

	17th Period	18th Period	Difference	
	Result (¥mln)	Forecasts (¥mln)	(¥mln)	(%)
Real estate rental revenues	11,245	11,298	52	0.5
Other rental revenues	1,195	1,310	114	9.5
Total real estate rental revenues	12,441	12,608	166	1
<b>Operating Revenues</b>	12,441	12,608	166	1.3
Property management costs	1,390	1,421	31	2.2
Taxes and duties	1,170	1,155	▲15	▲1.3
Utility expenses	975	1,136	161	16.5
Insurance expenses	21	20	▲0	▲4.1
Repairs and maintenances	246	365	118	48.1
Other expenses	205	288	83	40.5
Depreciation	1,717	1,694	▲22	▲1.3
Total real estate rental expenses	5,726	6,081	355	6.2
Asset management fees	1,001	991	▲10	▲1.0
Selling and administrative expenses	184	199	15	8.3
<b>Operating Expenses</b>	6,912	7,272	360	5.2
<b>Real Estate Rental Profits</b>	6,715	6,526	▲188	▲2.8
<b>Operating Profits</b>	5,529	5,335	▲193	▲3.5
Non-operating revenues	57	3	▲54	▲94.8
Non-operating expenses	1,683	1,584	▲98	▲5.9
<b>Non-operating Profits</b>	▲1,625	▲1,581	44	2.7
<b>Current Profits</b>	3,903	3,754	▲149	▲3.8
Income before income taxes	3,903	3,754	▲149	▲3.8
Income taxes-current	0	1	0	8.5
Income taxes-deferred	0	-	▲0	▲100.0
<b>Net Income</b>	3,902	3,753	▲149	▲3.8
Retained earnings brought forward	0	-	▲0	▲100.0
Retained earnings at end of period	3,902	3,753	▲149	▲3.8
<b>Outstanding units at period-end (unit)</b>	305,123	305,123	0	0.0
<b>Cash distribution per unit (¥)</b>	12,790	12,300	▲490	▲3.8

## Assumptions

### [Properties]

- Number of Properties : 51 properties
- Total Amount of Acquisition Price : ¥375,429 mln

### [Repair Expenses]

- Repair Expenses : ¥365 mln
- Capital Expenditure : ¥929 mln

### Example)

Shinjuku Nomura Building	Renovation of passenger elevator control system	: ¥186 mln
NRE Tennozu Building	Renewal of the central monitoring system	: ¥62 mln
Iwamoto-cho Toyo Building	Dividing construction of air conditioning system	: ¥50 mln

### [Loans]

- Total Interest-bearing Debt (as of Apr. 30, 2012) : ¥183,400 mln
- Interest-bearing Debt Repayment Due during 18th period
  - Repayment through loans : ¥30,400 mln
  - Agreed repayment : ¥250 mln

### 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.

### Selling and Administrative Expenses:

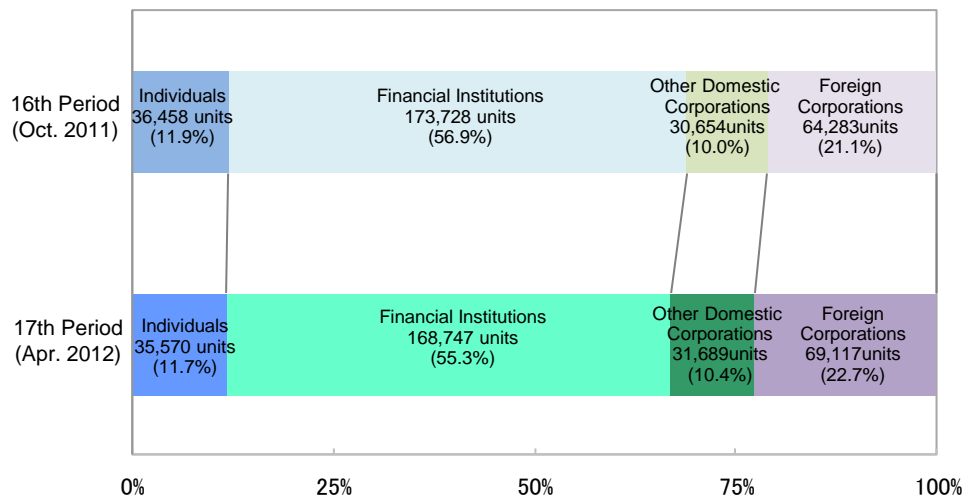
Custodian, administrative service, and auditing fees, etc.

### Non-operating Expenses:

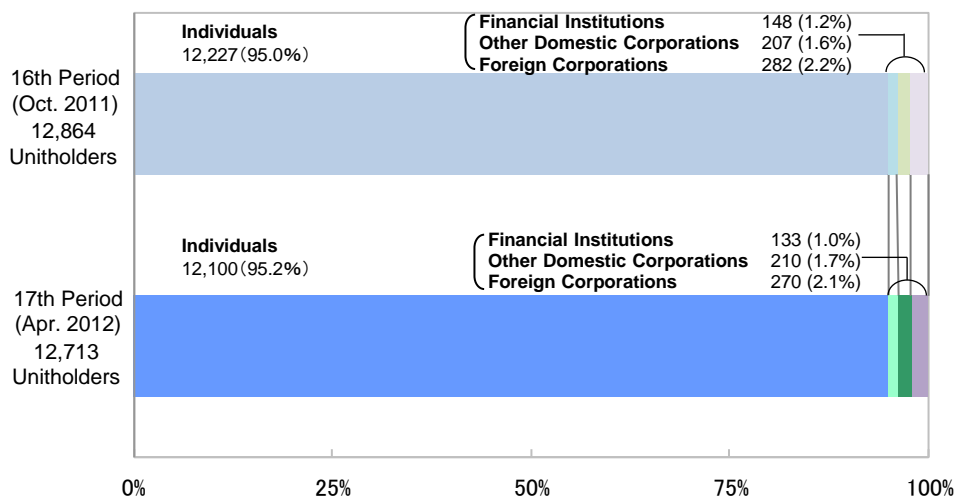
Interest costs, Interest expenses on bonds, amortization of bond issuance costs, etc.

# Unitholders

## Number of Investment Units (total 305,123 units)



## Number of Unitholders



## Breakdown of Financial Institutions

	16th Period		17th Period	
Banks	37,260	12.21%	35,256	11.55%
Trust Banks	114,395	37.49%	111,410	36.51%
Life Insurance Companies	5,598	1.83%	5,021	1.65%
Non-Life Insurance Companies	3,763	1.23%	3,090	1.01%
Other Financial Institutions	12,712	4.17%	13,970	4.58%
<b>Total</b>	<b>173,728</b>	<b>56.94%</b>	<b>168,747</b>	<b>55.30%</b>

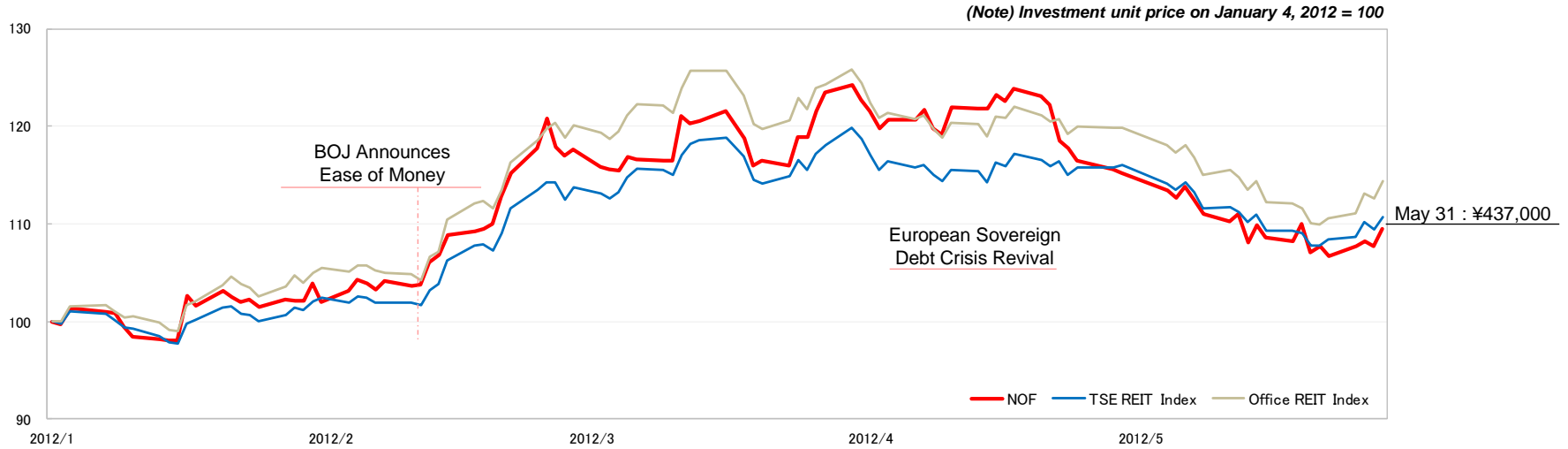
## Top 10 Unitholders

	Unitholders	Unit	Ratio
1	Japan Trustee Services Bank, Ltd.	60,293	19.76%
2	The Nomura Trust and Banking Co., Ltd.	19,171	6.28%
3	Trust & Custody Services Bank, Ltd.	16,700	5.47%
4	Nomura Real Estate Development Co., Ltd.	15,287	5.01%
5	The Master Trust Bank of Japan, Ltd.	9,757	3.20%
6	Nomura Bank (Luxembourg) S.A.	8,620	2.83%
7	Kawasaki Gakuen	7,000	2.29%
8	The Senshu Ikeda Bank, Ltd.	6,235	2.04%
9	State Street Bank West Pension Fund Clients Exempt	3,730	1.22%
10	American Life Insurance Company	3,700	1.21%
	<b>Total</b>	<b>150,493</b>	<b>49.32%</b>

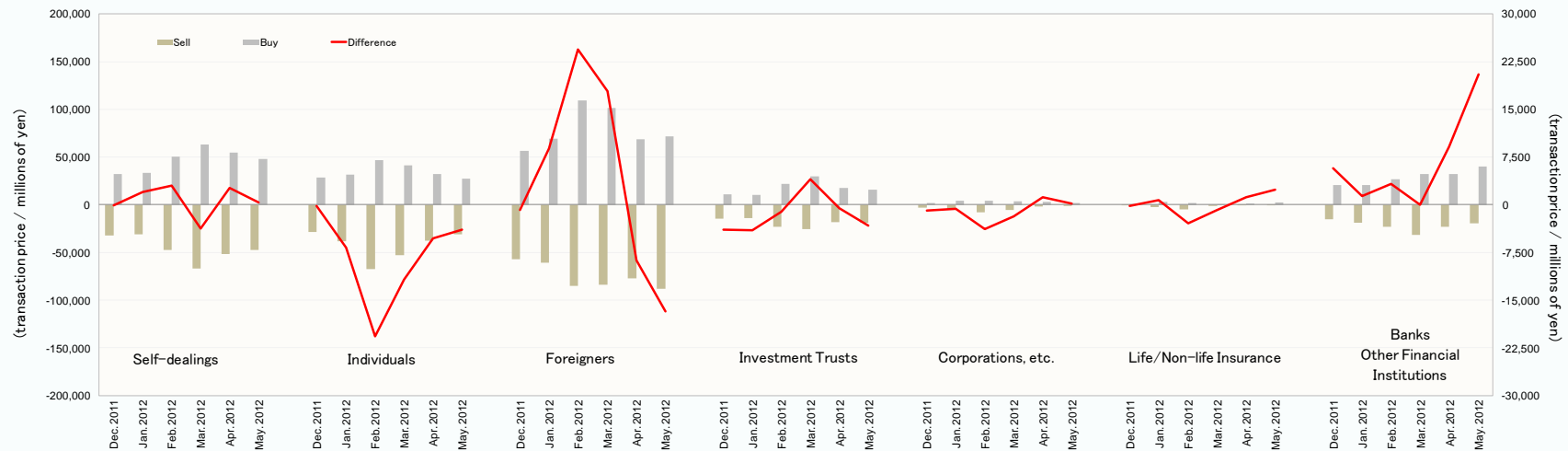
(The ratio of Top 10 Unitholders for the 16th Period: 50.37%)

# Changes in Investment Unit Price

## Changes in Investment Unit Price



### Trading Volume by Investor Type (from Dec. 1, 2011 to May 31, 2012)





NOMURA  
Office Fund

A decorative graphic on the left side of the page. It features two vertical bars: a grey one on the left and a blue one on the right. Below these bars, there are two horizontal lines: a light blue one on top and a darker blue one on the bottom, extending across the width of the page.

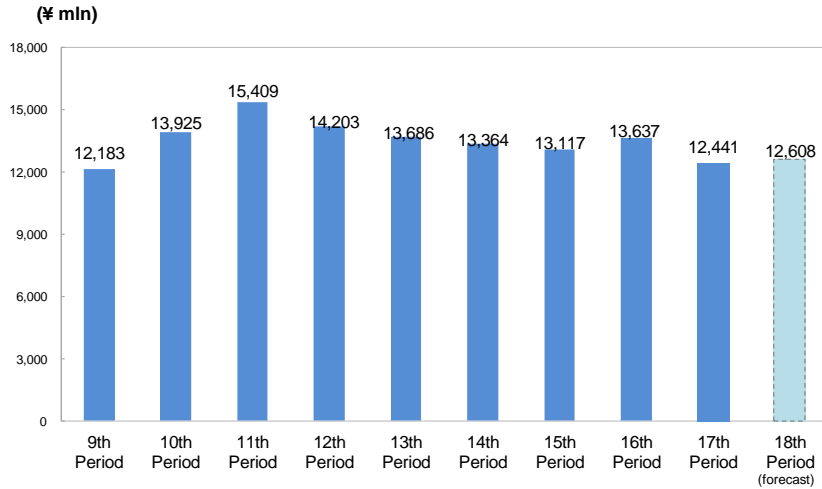
# Appendix

# Fund Summary

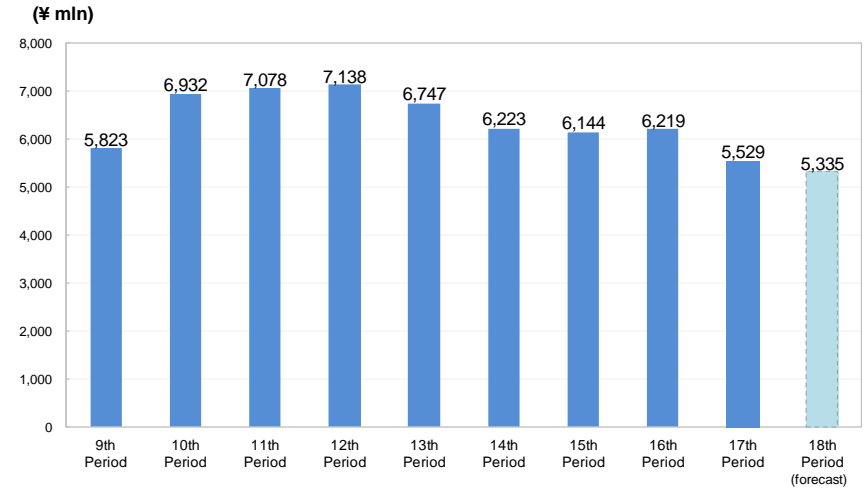
	8th Period October 2007	9th Period April 2008	10th Period October 2008	11th Period April 2009	12th Period October 2009	13th Period April 2010	14th Period October 2010	15th Period April 2011	16th Period October 2011	17th Period April 2012	
Total Assets	¥ mln	326,711	353,730	401,684	409,353	408,312	410,127	407,703	404,069	400,390	397,667
Interest-bearing Liabilities	¥ mln	140,000	165,700	182,100	188,730	188,730	191,980	191,230	187,900	184,650	183,400
LTV (Based on Total Assets)	%	42.9	46.8	45.3	46.1	46.2	46.8	46.9	46.5	46.1	46.1
Unitholders' Capital	¥ mln	156,767	156,767	185,455	185,455	185,455	185,455	185,455	185,455	185,455	185,455
Outstanding Units Issued	unit	265,903	265,903	305,123	305,123	305,123	305,123	305,123	305,123	305,123	305,123
Net Assets	¥ mln	161,272	161,267	190,711	190,847	190,793	190,490	189,934	189,883	190,082	189,458
Net Assets per Unit	¥	606,510	606,488	625,031	625,478	625,301	624,306	622,486	622,318	622,970	620,923
End-of-Period Closing Unit Price	¥	1,160,000	826,000	551,000	509,000	565,000	531,000	494,500	584,000	421,000	464,500
Market Capitalization	¥ mln	308,447	219,635	168,122	155,307	172,394	162,020	150,883	178,191	128,456	141,729
Operating Revenues	¥ mln	11,968	12,183	13,925	15,409	14,203	13,686	13,364	13,117	13,637	12,441
Operating Profits	¥ mln	5,725	5,823	6,932	7,078	7,138	6,747	6,223	6,144	6,219	5,529
Net Income	¥ mln	4,486	4,499	5,255	5,392	5,338	5,034	4,479	4,428	4,627	3,902
Total Cash Distribution	¥ mln	4,498	4,499	5,255	5,392	5,338	5,034	4,479	4,427	4,527	3,902
Cash Distribution per Unit	¥	16,918	16,923	17,225	17,673	17,496	16,500	14,681	14,512	14,837	12,790
Total Portfolio (Based on Acquisiti	¥ mln	292,409	317,440	362,248	374,557	374,557	378,607	378,607	376,115	367,729	375,429
Number of Properties		34	37	46	50	50	51	51	51	48	51
Leasable Space	m <sup>2</sup>	362,733.62	395,330.99	430,487.81	436,094.41	435,901.82	439,139.15	438,918.56	415,936.86	399,625.36	406,640.49
Number of Tenants		533	583	676	661	666	686	704	746	753	784
Occupancy Rate	%	97.9	97.6	97.3	96.4	95.4	95.0	94.5	93.8	96.4	97.1
Return on Assets (ROA)	%	1.4	1.3	1.4	1.3	1.3	1.2	1.1	1.1	1.2	1.0
(annualized)	%	2.8	2.7	2.7	2.7	2.6	2.5	2.2	2.2	2.3	2.0
Return on Equity (ROE)	%	2.8	2.8	2.8	2.8	2.8	2.6	2.4	2.3	2.4	2.1
(annualized)	%	5.5	5.6	5.6	5.7	5.5	5.3	4.7	4.7	4.8	4.1
Capital-Asset Ratio	%	49.4	45.6	47.5	46.6	46.7	46.4	46.6	47.0	47.5	47.6
Debt-Service Coverage Ratio (DSCR)	x	6.49	6.22	6.06	5.53	5.45	5.33	4.94	4.85	4.51	4.67
End-of-Period Total Book Value	¥ mln	291,853	316,999	361,979	373,833	372,790	375,851	374,569	371,136	362,390	369,488
End-of-Period Total Appraisal Valu	¥ mln	366,938	399,602	436,948	407,229	384,214	367,066	353,363	341,450	326,690	333,410
Total Latent Profit and Loss	¥ mln	75,084	82,602	74,968	33,395	11,423	-8,785	-21,206	-29,686	-35,700	-36,078
Latent Profit and Loss per Unit	¥	282,374	310,649	245,700	109,450	37,439	-28,793	-69,502	-97,293	-117,004	-118,242
Net Asset Value per Unit (Based on /	¥	888,884	917,138	870,731	734,929	662,740	595,513	552,983	525,024	505,966	502,681
NOI	¥ mln	8,286	8,572	9,927	10,226	10,278	9,884	9,357	8,965	8,142	8,432
Rate of NOI (p.a.)	%	5.8	5.7	5.7	5.5	5.5	5.3	4.9	4.8	4.5	4.5
Depreciation	¥ mln	1,518	1,601	1,793	1,862	1,835	1,865	1,876	1,861	1,732	1,717
Capital Expenditures	¥ mln	1,252	1,346	1,552	1,376	779	692	597	750	1,088	1,022
FFO	¥ mln	6,039	6,134	7,087	7,167	7,180	6,908	6,363	6,029	5,362	5,632
FFO per Unit	¥	22,714	23,069	23,228	23,488	23,534	22,640	20,855	19,761	17,573	18,460
FFO payout ratio	%	74.5	73.4	74.2	75.2	74.3	72.9	70.4	73.4	84.4	69.3

# Changes in Performance

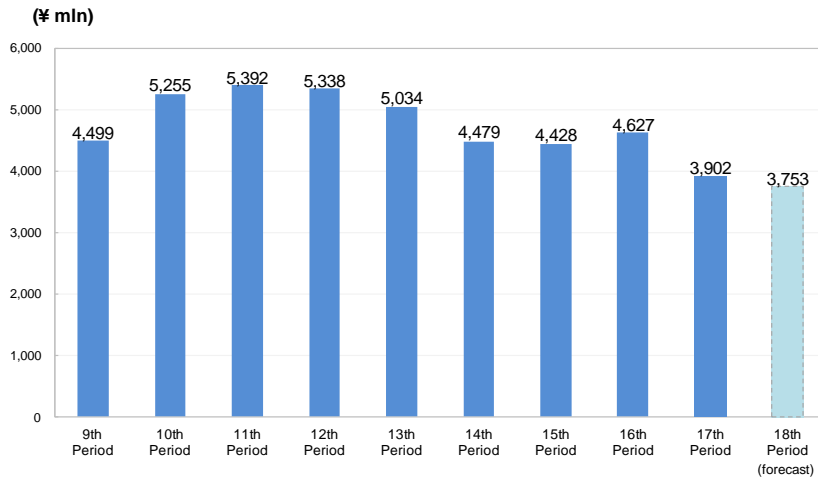
## Operating Revenues



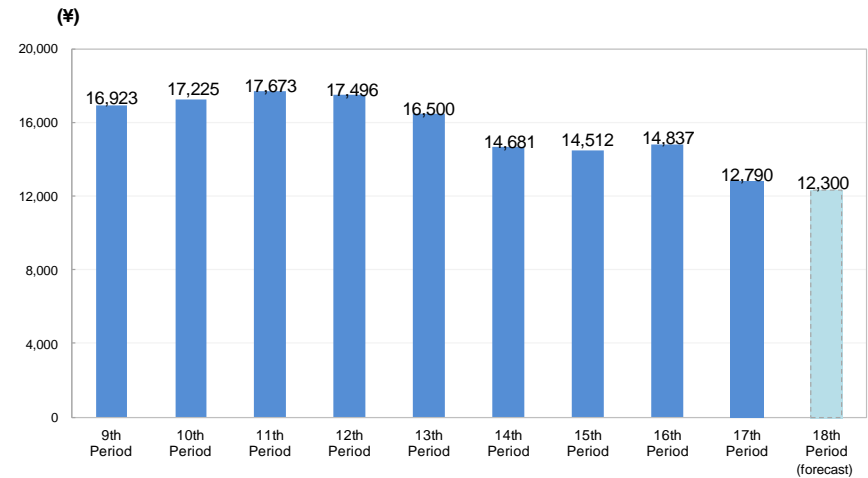
## Operating Profits



## Net Income



## Distribution per Unit



# List of Properties 1 (Central Tokyo)

Property Name	Location	Completion	Floors (Ground)	Total Floor Space (㎡) (Note 1, 2)	Leasable Space (㎡)	Occupancy Rate (Note 3)	# of Tenant	Standard Floor Space (㎡)	Air Conditioning	Room Height (mm)	PML (Note 4)	Acquisition Date	Acquisition Price (¥ mln)
Shinjuku Nomura Bldg	Nishi-Shinjuku, Shinjuku-ku	1978.5	50	117,258.88 (Entire building)	31,500.89	97.9%	96	1,262.37	Each 1/4 floor	2,600	5%	2003.12	38,730
NRE Tennozu Bldg	Higashi-Shinagawa, Shinagawa-ku	1996.6	26	①81,421.13 ②25,260.48	25,127.12	100.0%	6	2,214.55	Each 1/6 floor	2,700	6%	2005.3	33,080
NOF Nihonbashi Honcho Bldg	Nihonbashi Honcho, Chuo-ku	1961.4 (Extension)	8	29,430.67	19,157.05	98.6%	16	2,615.23	Each span	2,650	14%	2003.12	20,600
Tennozu Park Side Bldg	Higashi-Shinagawa, Shinagawa-ku	1995.1	21	①43,893.46 ②17,587.30	18,051.60	97.2%	15	1,331.14	Each 1/4 floor	2,650	6%	2004.2	14,800
NOF Shinjuku Minamiguchi Bldg	Yoyogi, Shibuya-ku	1974.4	8	9,044.04	6,712.84	100.0%	15	856.30	Each span	2,420	12%	2008.6	12,300
NOF Shibuya Koen-dori Bldg	Udakawa-cho, Shibuya-ku	1987.9	8	5,358.55	3,420.16	100.0%	3	442.38	Each span	2,500	12%	2004.9	12,000
Secom Medical Bldg	Nibancho, Chiyoda-ku	2005.2	7	8,683.73	8,821.24	100.0%	1	980.00	Each span	2,500 ~2,700	4%	2006.9	11,500
NOF Shiba Bldg	Shiba, Minato-ku	1991.3	7	11,425.20	8,165.10	100.0%	9	1,260.41	Each span	2,600	14%	2004.5	10,000
Nishi-Shinjuku Showa Bldg	Nishi-Shinjuku, Shinjuku-ku	1982.4	11	①10,902.22 ②5,858.26	5,686.89	95.5%	18	585.99	Each span	2,500	13%	2005.11	8,800
NRE Shibuya Dogenzaka Bldg	Dogenzaka, Shibuya-ku	1999.3	9	4,463.86	3,436.67	88.4%	7	399.37	Each 1/4 floor	2,600	12%	2008.9	7,660
NOF Tameike Bldg	Akasaka, Minato-ku	1959.8	9	6,478.50	4,715.20	97.4%	12	519.06	Each span	2,500	17%	2005.9	7,400
Iwamoto-cho Toyo Bldg	Iwamoto-cho, Chiyoda-ku	1993.6	9	5,367.28	4,117.26	100.0%	7	481.17	Each floor	2,575	13%	2008.6	6,020
NOF Shinagawa Konan Bldg	Higashi-Shinagawa, Shinagawa-ku	1987.11	8	10,077.02	7,667.55	85.5%	5	928.29	Each floor	2,600	11%	2003.12	5,500
NOF Surugadai Plaza Bldg	Kanda Surugadai, Chiyoda-ku	1997.4	8	5,782.27	4,160.94	100.0%	1	626.33	Each 1/2 floor	2,700	6%	2004.2	5,150
PMO Nihonbashi Honcho	Nihonbashi Honcho, Chuo-ku	2008.6	9	3,507.37	2,450.06	87.5%	6	306.36	Each 1/9 floor	2,700	13%	2008.11	5,000
NRE Higashi-nihonbashi Bldg	Higashi-nihonbashi, Chuo-ku	1990.9	9	6,741.42	4,554.98	100.0%	6	558.67	Each floor	2,600	10%	2009.1	4,060
PMO Akihabara	Iwamoto-cho, Chiyoda-ku	2010.1	8	3,896.26	3,037.37	100.0%	5	433.91	Each 1/12 floor	2,800	12%	2012.1	3,790
Hatchobori NF Bldg	Hatchobori, Chuo-ku	1990.10	9	①3,799.40 ②3,036.14	2,854.83	100.0%	7	388.87	Each 1/2 floor	2,600	12%	2007.8	3,160
NOF Kanda Iwamoto-cho Bldg	Iwamoto-cho, Chiyoda-ku	1988.7	9	4,698.97	4,076.38	100.0%	8	480.07	Each floor	2,550	14%	2004.2	3,080
NOF Takanawa Bldg	Higashi Gotanda, Shinagawa-ku	1993.4	8	4,764.00	3,361.48	96.4%	15	453.98	Each 1/4 floor	2,600	14%	2009.2	3,010
PMO Hatchobori	Hatchobori, Chuo-ku	2009.5	9	2,930.15	2,074.66	100.0%	8	259.43	Each 1/8 floor	2,800	10%	2011.11	2,430
NOF Minami Shinjuku Bldg	Sendagaya, Shibuya-ku	1986.3	8	3,160.05	2,464.71	93.2%	4	327.66	Each floor	2,500	12%	2004.6	2,280
Central Shintomicho Bldg	Minato, Chuo-ku	1990.3 (Extension)	8	2,777.61	2,465.86	100.0%	6	322.74	Each 1/3 floor	2,500	15%	2008.6	1,750
PMO Higashi-nihonbashi	Higashi-nihonbashi, Chuo-ku	2009.10	9	2,376.40	1,859.43	100.0%	8	232.51	Each 1/4 floor	2,700	13%	2011.11	1,480
Subtotal (24 properties)						179,940.27	97.8%	284					223,580



## List of Properties 2 (Suburban Tokyo))

Property Name	Location	Completion	Floors (Ground)	Total Floor Space (㎡) (Note 1, 2)	Leasable Space (㎡)	Occupancy Rate (Note 3)	# of Tenant	Standard Floor Space (㎡)	Air Conditioning	Room Height (mm)	PML (Note 4)	Acquisition Date	Acquisition Price (¥ mln)
NRE Ueno Bldg	Higashi-Ueno, Taito-Ku	1990.3	10	7,117.78	4,869.81	100.0%	10	481.06	Each floor	2,440	12%	2009.1	7,830
NOF Technoport Kamata Center Bldg	Minami-Kamata, Ota-ku	1990.9	11	21,516.54 (Exclusively owned area)	13,652.45	92.7%	12	1,148.45	Each span	2,650	10%	2003.12	6,416
Toho Edogawabashi Bldg	Sekiguchi, Bunkyo-ku	1993.3	9	3,405.76	2,058.97	100.0%	7	235.47	Each floor	2,580	14%	2008.3	2,080
Toshin Meguro Bldg	Shimo-Meguro, Meguro-ku	1989.9	9	1,595.27	1,610.07	100.0%	1	140.39	Each floor	2,550	14%	2008.6	1,340
Crystal Park Bldg	Gotenyama, Musashino City	1991.10	11	①6,462.19 ②3,868.36	3,900.85	98.6%	12	193.93-590.35	Each floor	2,500	14%	2006.2	3,700
NOF Kichijoji Honcho Bldg	Kichijoji Honcho, Musashino City	1987.10	8	2,664.83	1,936.40	100.0%	7	269.37	Each floor	2,500	14%	2009.1	1,800
Faret Tachikawa Center Square	Akebono-cho, Tachikawa City	1994.12	12	①33,706.03 ②6,865.80	6,851.48	97.3%	17	1,099.32	Each 1/4 floor	2,600	10%	2003.12	3,290
NOF Kawasaki Higashiguchi Bldg	Kawasaki-ku, Kawasaki City	1988.3	12	10,932.69	8,266.67	93.5%	27	684.62	Each 1/3 floor	2,550	16%	2005.6	9,500
NOF Yokohama Nishiguchi Bldg	Nishi-ku, Yokohama City	1985.10	9	10,055.13	6,866.60	98.7%	28	794.75	Each 1/8 floor	2,500	14%	2005.5	5,050
NOF Shin-Yokohama Bldg	Kohoku-ku, Yokohama City	1990.10	9	11,149.99	8,074.83	100.0%	10	940.84	Each span	2,500	17%	2003.12	3,600
Yokohama Odori Koen Bldg	Naka-ku, Yokohama City	1989.3	11	6,445.72	4,234.19	100.0%	18	418.39	Each 1/3 floor	2,600	19%	2007.9	2,993
Subtotal (11 properties)						62,322.32	97.0%	149					47,599

## List of Properties 3 (Other Cities)

Property Name	Location	Completion	Floors (Ground)	Total Floor Space (㎡) (Note 1, 2)	Leasable Space (㎡)	Occupancy Rate (Note 3)	# of Tenant	Standard Floor Space (㎡)	Air Conditioning	Room Height (mm)	PML (Note 4)	Acquisition Date	Acquisition Price (¥ mln)
Sapporo North Plaza	Chuo-ku, Sapporo City	1981.8	12	18,842.51	13,601.62	94.9%	45	1,105.75	Each floor Auxiliary	2,580	1%	2006.6	6,820
NRE Sapporo Bldg	Kita-ku, Sapporo City	2008.7	10	9,603.81	6,559.34	98.2%	6	697.83	Each 1/3 floor	2,800	1%	2008.11	5,300
JCB Sapporo Higashi Bldg	Chuo-ku, Sapporo City	1966.10	7	9,062.04	9,062.04	100.0%	1	796.31	Each span	2,600	2%	2008.2	3,700
NOF Sendai Aoba-dori Bldg	Aoba-ku, Sendai City	1968.7	11	12,977.45	6,043.28	93.0%	30	802.79	Each span	2,480	8%	2005.11	3,200
NOF Utsunomiya Bldg	Baba-dori, Utsunomiya City	1999.12	10	10,479.63	5,887.40	95.7%	24	664.68	Each span	2,700	5%	2003.12	2,970
NOF Nagoya Fushimi Bldg	Naka-ku, Nagoya City	2009.8	11	4,954.83	3,282.90	89.9%	16	316.30	Each 1/3 floor	2,700	8%	2009.12	4,050
NOF Nagoya Yanagibashi Bldg	Nakamura-ku, Nagoya City	1991.3	12	7,363.25	4,655.74	92.6%	14	405.96	Each 1/2 floor	2,460	14%	2005.9	3,550
Omron Kyoto Center Bldg	Simogyo-ku, Kyoto City	2000.7	11	34,616.84	34,616.84	100.0%	1	2,035.94	Each 1/16 floor	2,600	9%	2007.3	23,700
SORA Shin-Osaka 21	Yodogawa-ku, Osaka City	1994.7	21	38,252.92	21,298.26	99.3%	34	1,008.28	Each 1/4 floor	2,700	9%	2008.4	19,251
NRE Osaka Bldg	Chuo-ku, Osaka City	1983.12	12	23,522.82	16,977.79	100.0%	25	1,336.52	Each floor Auxiliary	2,500	19%	2003.12	6,410
NRE Nishi-Umeda Bldg	Kita-ku, Osaka City	1993.6	12	8,036.71	5,213.02	92.2%	15	435.04	Each span	2,580	13%	2008.9	5,660
NRE Yotsubashi Bldg	Nishi-ku, Osaka City	1991.11	15	16,845.87	11,558.68	99.7%	21	797.35	Each floor Auxiliary	2,650	13%	2003.12	3,940
NOF Kobe Kaigan Bldg	Chuo-ku, Kobe City	1998.2	16	10,292.93	6,425.16	85.8%	33	528.43	Each span	2,600	7%	2003.12	3,280
NRE Hiroshima Bldg	Naka-ku, Hiroshima City	1976.7	9	11,950.37	7,873.79	81.9%	17	1,047.54	Each floor Auxiliary	2,450	11%	2003.12	1,930
NOF Hakata Ekimae Bldg	Hakata-ku, Fukuoka City	1983.7	11	10,961.34	7,504.28	94.7%	47	675.70	Each span	2,500	1%	2008.6	6,750
NOF Tenjin-Minami Bldg	Chuo-ku, Fukuoka City	2008.2	10	4,603.61	3,817.76	86.8%	22	411.49	Each 1/3 floor	2,750	1%	2009.3	3,739
Subtotal (16 properties)						164,377.90	96.3%	351					104,250
Total (51 properties)						406,640.49	97.1%	784			6.9%		375,429

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

(Note 2) Total floor space of the properties owned in compartment, except for NOF Technoport Kamata Center Bldg, is expressed as ①entire building, and ②portion owned by NOF.

(Note 3) Each Occupancy Rate indicates as of October 31, 2011.

(Note 4) Rate of PML (Probable Maximum Loss) for each building was calculated by Shimizu Corporation. 7.0% at the bottom field is for the entire portfolio.

# Earnings by Properties

(¥000)

Property Name	Shinjuku Nommura Bldg	NRE Tennozu Bldg *	NOF Nhonbashi Honcho Bldg	Tennozu Park Side Bldg	NOF Shinjuku Mnamiguchi Bldg	NOF Shibuya Koen-dori Bldg	Secom Medical Bldg *	NOF Shiba Bldg	Nishi-Shinjuku Show a Bldg	NRE Shibuya Dogenzaka Bldg	NOF Tameike Bldg	Iwamoto-cho Toyo Bldg	NOF Shinagawa a Konan Bldg
Number of business days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days
Rental business revenues	1,626,218		743,223	644,090	235,839	331,134		237,304	260,866	160,234	196,657	140,826	184,029
Rental revenues *incl. common charges	1,486,397		709,814	561,095	220,228	307,252		212,436	233,482	148,190	184,041	127,820	167,748
Other revenues	139,821		33,408	82,995	15,611	23,881		24,868	27,384	12,044	12,616	13,005	16,281
Rental business expenses	816,430		250,430	282,889	65,198	77,676		92,937	109,365	57,691	77,305	47,202	77,789
Property management costs	188,134		61,691	139,845	14,208	13,794		16,386	40,837	11,186	15,342	9,314	18,564
Taxes and duties	185,806		40,889	53,445	23,174	27,505		23,648	33,412	15,836	18,696	11,745	16,076
Utility expenses	166,639		40,257	19,523	12,528	9,461		18,673	19,177	7,264	15,310	8,869	14,182
Insurance expenses	2,382		964	125	327	241		404	724	196	225	232	369
Repairs and maintenances	63,062		10,706	2,562	2,261	1,866		1,591	689	2,846	7,670	2,298	2,384
Other expenses	47,455		7,015	3,340	2,702	1,705		6,406	3,181	565	5,996	1,311	2,698
Depreciation	162,948	154,667	88,906	64,045	9,995	23,102	45,089	25,827	11,343	19,796	14,064	13,430	23,514
Rental Profits	809,788	235,503	492,792	361,201	170,640	253,457	182,197	144,366	151,500	102,543	119,352	93,624	106,240
Net Operating Income (NOI)	972,736	390,171	581,698	425,246	180,636	276,560	227,286	170,194	162,844	122,340	133,416	107,054	129,754

Property Name	NOF Surugadai Plaza Bldg *	PMO Nhonbashi Honcho	NRE Hgashi- nihonbashi Bldg	PMO Akinabara	Hatchobori NF Bldg	NOF Kanda Iwamoto- cho Bldg	NOF Takanawa a Bldg	PMO Hatchobori	NOF Mnamt Shinjuku Bldg	Central Shintomicho Bldg	PMO Hgashi- nihonbashi	NRE Ueno Bldg	NOF Technoport Kamata Center Bldg
Number of business days	182 Days	182 Days	182 Days	109 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days
Rental business revenues		116,236	143,825	59,961	99,726	129,705	106,030	79,695	90,279	55,761	54,779	222,799	324,002
Rental revenues *incl. common charges		110,098	134,031	55,634	90,205	117,886	94,584	71,034	78,151	44,754	49,250	201,492	289,163
Other revenues		6,137	9,793	4,326	9,520	11,819	11,446	8,661	12,128	11,006	5,528	21,306	34,839
Rental business expenses		50,710	59,184	24,152	37,222	42,621	42,750	29,868	35,253	21,068	24,071	75,050	180,734
Property management costs		8,296	16,760	5,167	11,792	7,235	9,653	7,396	7,337	5,852	5,072	19,087	49,102
Taxes and duties		7,550	10,501	406	7,590	9,431	8,548	209	9,979	4,272	202	15,946	37,141
Utility expenses		6,336	8,590	3,671	6,638	6,638	6,733	5,432	6,649	4,276	4,541	13,369	33,106
Insurance expenses		165	279	86	19	187	194	139	123	114	107	298	673
Repairs and maintenances		236	2,297	0	392	2,321	1,719	1,319	934	90	3,858	4,934	9,304
Other expenses		2,529	298	412	1,650	3,561	782	666	2,959	887	515	621	3,823
Depreciation		30,527	25,595	20,455	14,407	8,862	13,246	16,259	15,845	6,885	5,511	12,762	51,954
Rental Profits		182,933	65,525	84,640	35,808	62,504	87,084	49,826	55,025	34,693	30,707	147,748	143,267
Net Operating Income (NOI)		213,461	91,120	105,096	50,215	71,366	100,330	65,671	61,910	40,205	43,470	169,618	195,221

Property Name	Toho Edogawa abashi Bldg	Toshin Meguro Bldg *	Crystal Park Bldg	NOF Kichijoji Honcho Bldg	Faret Tachikawa a Center Square	NOF Kawasaki Hgashiguchi Bldg	NOF Yokohama Nshiguchi Bldg	NOF Shin-Yokohama Bldg	Yokohama Odori Koen Bldg	Sapporo North Plaza	NRE Sapporo Bldg	JCB Sapporo Hgashi Bldg *	NOF Sendai Aoba-dori Bldg
Number of business days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days
Rental business revenues	58,978		119,454	69,984	213,741	313,092	218,142	161,476	99,533	330,527	203,288		130,634
Rental revenues *incl. common charges	50,310		107,393	64,003	196,638	275,641	192,348	145,806	81,599	282,266	179,219		108,360
Other revenues	8,667		12,060	5,981	17,102	37,451	25,794	15,670	17,933	48,260	24,069		22,273
Rental business expenses	30,321		46,026	25,249	89,443	110,809	84,610	74,712	83,200	175,770	106,625		77,921
Property management costs	6,346		19,080	5,162	31,997	21,986	20,433	18,694	12,999	36,621	13,839		20,011
Taxes and duties	6,484		10,084	5,168	16,882	20,588	21,351	16,905	7,182	33,125	17,365		18,687
Utility expenses	5,866		6,643	3,695	21,763	24,442	13,769	14,926	15,279	45,693	23,886		13,314
Insurance expenses	118		107	112	406	420	364	362	207	691	356		398
Repairs and maintenances	4,058		1,351	1,144	263	8,180	5,468	979	30,883	3,247	565		6,672
Other expenses	413		84	905	5,330	2,643	7,445	2,034	1,336	4,945	1,870		1,448
Depreciation	7,035	2,923	8,673	9,061	12,799	32,547	15,776	20,808	15,311	51,445	48,741	19,908	17,387
Rental Profits	28,656	33,104	73,428	44,734	124,927	202,283	133,532	86,764	16,332	154,756	96,663	80,716	52,712
Net Operating Income (NOI)	35,691	36,027	82,102	53,796	137,097	234,830	149,309	107,573	31,644	206,201	145,404	100,624	70,100

Property Name	NOF Utsunomiya Bldg	NOF Nagoya Fushimi Bldg	NOF Nagoya Yanagibashi Bldg	Omron Kyoto Center Bldg *	SORA Shin-Osaka 21	NRE Osaka Bldg	NRE Nishi-Umeda Bldg	NRE Yotsubashi Bldg	NOF Kobe Kaigan Bldg	NRE Hiroshima Bldg	NOF Hakata Ekimae Bldg	NOF Tenjin-Mnami Bldg	Total 51 Properties
Number of business days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	182 Days	
Rental business revenues	150,903	73,671	111,899		522,076	414,198	143,549	289,965	152,928	156,947	179,721	75,444	12,441,505
Rental revenues *incl. common charges	124,037	63,804	99,199		444,325	350,893	128,366	263,497	125,829	139,691	159,681	63,544	11,245,514
Other revenues	26,865	9,866	12,700		77,751	63,304	15,182	26,467	27,098	17,255	20,039	11,900	1,195,990
Rental business expenses	98,342	51,732	60,314		353,871	192,261	79,707	122,983	100,017	86,665	73,730	46,910	5,726,470
Property management costs	21,476	8,141	11,137		64,481	59,854	14,598	40,015	22,372	22,968	17,976	8,889	1,389,600
Taxes and duties	13,103	9,273	13,158		62,816	41,312	15,574	28,947	15,575	19,337	15,441	9,240	1,170,874
Utility expenses	15,618	7,409	11,790		54,416	47,562	11,999	22,544	18,401	13,758	16,398	7,100	975,043
Insurance expenses	381	175	248		1,423	818	310	566	506	389	435	165	21,296
Repairs and maintenances	4,326	140	2,453		23,403	5,463	643	2,559	2,233	2,716	2,110	236	246,709
Other expenses	4,471	746	817		18,576	2,995	21,484	2,302	5,327	2,080	2,286	1,481	205,554
Depreciation	38,964	25,845	20,709		164,491	128,753	34,254	15,095	26,047	35,601	25,414	19,081	1,717,391
Rental Profits	52,560	21,939	51,584		168,205	221,937	63,842	166,981	52,910	70,281	105,990	28,533	6,715,034
Net Operating Income (NOI)	91,524	47,785	72,293		480,518	296,958	256,191	78,937	193,029	88,511	95,696	125,071	8,432,425

(Note 1) Detailed figures, excluding NOI, Depreciation and Rental Profits, are not disclosed due to compelling reasons.

(Note 2) NOF Toyo-cho Bldg, Sunworld Yotsuya Bldg, and Central Kyobashi Bldg were transferred during the 16th period. Numbers in the table are as of the date before the transfer.

# Changes in NOI

	Apr. 2004	Oct. 2004	Apr. 2005	Oct. 2005	Apr. 2006	Oct. 2006	Apr. 2007	Oct. 2007	Apr. 2008	Oct. 2008	Apr. 2009	Oct. 2009	Apr. 2010	Oct. 2010	Apr. 2011	Oct. 2011	Apr. 2012
NOI of Portfolio	6.8	6.2	6.1	6.1	6.0	6.0	5.8	5.8	5.8	5.8	5.5	5.5	5.2	4.9	4.8	4.4	4.5
15 for 1st Period	6.8	6.6	6.7	6.6	6.6	7.1	7.0	7.1	7.2	7.5	7.2	7.2	6.9	6.3	6.4	5.8	6.0
18 for 2nd Period		6.2	6.3	6.4	6.3	6.8	6.7	6.8	6.8	7.1	6.9	6.9	6.6	6.1	6.1	5.6	5.7
19 for 3rd Period			6.1	6.2	6.1	6.4	6.3	6.4	6.4	6.6	6.5	6.5	6.2	5.7	5.6	4.9	5.1
23 for 4th Period				6.1	6.0	6.2	6.1	6.2	6.3	6.5	6.3	6.3	6.1	5.5	5.5	4.8	5.0
26 for 5th Period					6.0	6.1	6.0	6.1	6.2	6.4	6.3	6.2	5.9	5.4	5.4	4.7	5.0
28 for 6th Period						6.0	6.0	6.0	6.1	6.3	6.1	6.1	5.8	5.3	5.3	4.7	4.9
29 for 7th Period							5.8	5.9	5.9	6.1	5.9	5.9	5.7	5.2	5.2	4.7	4.9
31 for 8th Period								5.8	5.9	6.0	5.9	5.9	5.7	5.2	5.2	4.6	4.8
34 for 9th Period									5.8	5.9	5.7	5.7	5.5	5.1	5.0	4.6	4.7
43 for 10th Period										5.8	5.6	5.5	5.3	5.0	4.9	4.4	4.5
50 for 11th Period											5.5	5.5	5.3	4.9	4.8	4.4	4.5
50 for 12th Period												5.5	5.3	4.9	4.8	4.4	4.5
51 for 13th Period													5.2	4.9	4.8	4.4	4.5
51 for 14th Period														4.9	4.8	4.4	4.5
51 for 15th Period															4.8	4.4	4.5
48 for 16th Period																4.4	4.5
51 for 17th Period																	4.5

## • Main factors for change in NOI between 16th and 17th periods

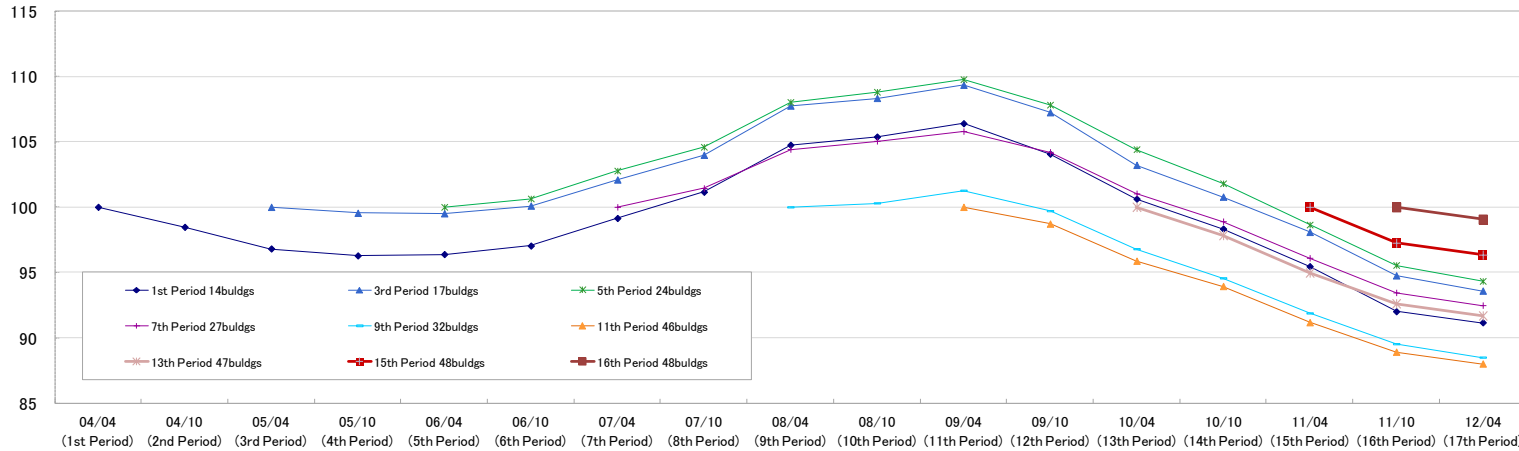
- Rent/common area charge : ¥22 mln  
(+0.2% from the 16th period)
- Repairs expenses : ▲¥185 mln  
(▲42.9% from the 16th period)
- Taxes and duties : ▲¥41 mln  
(▲3.4% from the 16th period)

(Note) The profit from transferred properties during the 16th period is excluded when calculating.

# Changes in Average Unit Rent / Tenant Status Change

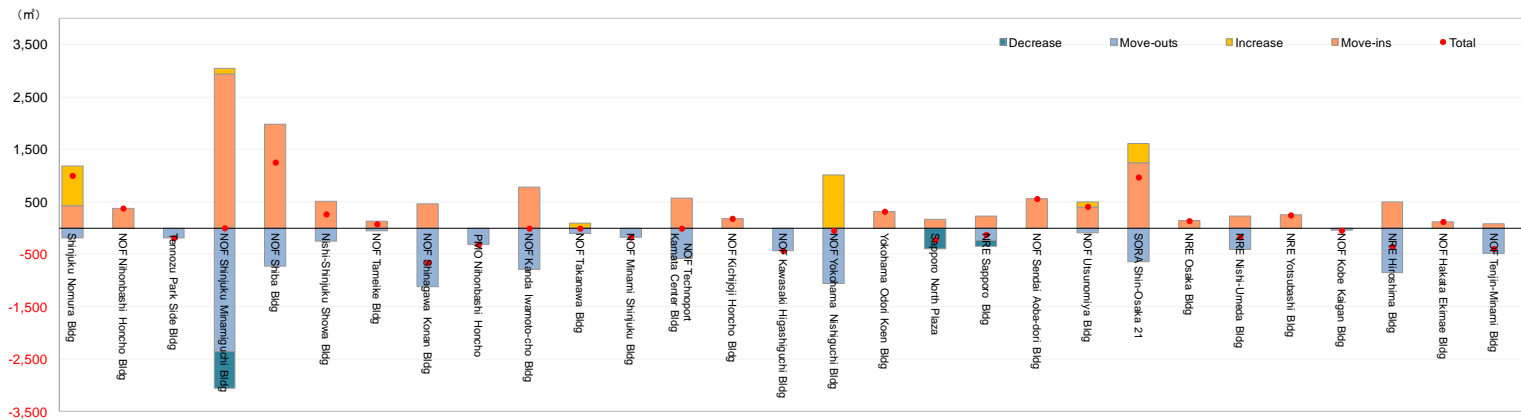
## Changes in Average Unit Rent

(Average initial rent for portfolio at period-end = 100)



(Note) Transferred properties are excluded when calculating. NRE Tennozu Bldg is also excluded as its way in calculating the average unit rent has changed due to the conversion of the building to multi-tenanted during the 15th period.

## Tenant Status Change in Each Property



# Diversification of Tenants

## Top 10 Tenants (by Space)

	Tenant	Industry	Property	Expiry of contract	Leased space (m)	Weight in portfolio (%)	Weight from previous period
1	OMRON Corporation	Electronic Devices	OMRON Kyoto Center Bldg	3/29/2021	34,616.84	8.8	(9.0)
2	Japan Airlines Co., Ltd.	Airline	NRE Tennozu Bldg	3/31/2015	15,082.43	3.8	(3.9)
3	SECOM Co., Ltd.	Services	Secom Medical Bldg	2/28/2025	8,821.24	2.2	(2.3)
			NOF Sendai Aoba-dori Bldg	12/31/2012	755.69	0.2	(0.2)
4	JCB Co., Ltd.	Financing	JCB Sapporo Higashi Bldg	2/7/2018	9,062.04	2.3	(2.4)
5	Canon Marketing Japan Inc.	Wholesale	NRE Tennozu Bldg	(Note 1)	9,047.93	2.3	(2.4)
6	Nomura Real Estate Development Co., Ltd	Real Estate	Shinjuku Nomura Bldg	11/30/2013	4,666.03	1.2	(1.2)
			NOF Sendai Aoba-dori Bldg	1/31/2014	506.27	0.1	-
			NRE Yotsubashi Bldg	11/30/2013	1,266.19	0.3	(0.3)
7	Nomura Facilities Co., Ltd.	Real Estate	Shinjuku Nomura Bldg	5/31/2014	574.11	0.2	(0.2)
			NOF Utsunomiya Bldg	12/31/2013	1,140.85	0.3	(0.3)
			NRE Yotsubashi Bldg	11/30/2013	1,847.63	0.5	(0.5)
			NRE Hiroshima Bldg	10/31/2013	2,834.48	0.7	(0.7)
8	KYORIN Holdings, Inc.	Wholesale	NOF Surugadai Plaza Bldg	5/6/2013	4,160.94	1.1	(1.1)
9	DAIDO Life Insurance Company	Insurance	NOF Nihonbashi Honcho Bldg	11/30/2012	3,172.50	0.8	(0.8)
			NRE Ueno Bldg	3/31/2014	807.64	0.2	(0.2)
10	SOMPO JAPAN INSURANCE INC.	Insurance	Shinjuku Nomura Bldg	5/31/2013	3,636.96	0.9	(1.0)
Total					101,999.78	25.8	

(Note 1) Not disclosed due to compelling reasons.

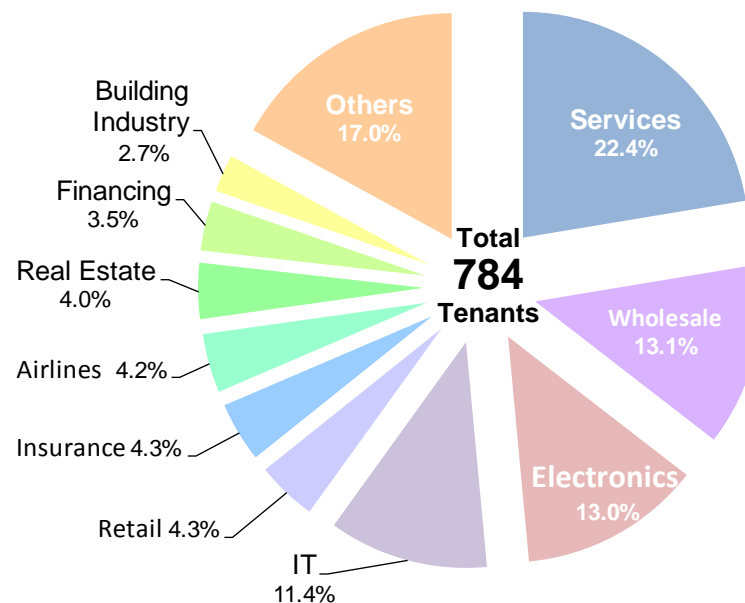
(Note 2) "Industry" stated in the above table is each end tenant's industry.

## Stable (Mid-to-Long Term) Contracts

**Mid-to-long term contracts expiring after three years from the end of the 17th period**

- Based on floor space : 17.9%
- Based on contract rent : 13.9%

## Diversification in Business (by Space)



# List of End-of-Period Appraisal Value

	Property Name	Acquisition Price (¥ mln)	Book Value at 17th Period (¥ mln)	Appraisal Value at 17th Period End (¥ mln)	Appraisal Value (¥ mln)	Difference between (¥ mln)	Change
Central Tokyo	Shinjuku Nomura Bldg	38,730	39,591	45,500	45,500	-	-
	NRE tennozu Bldg	33,080	32,593	22,300	22,200	100	0.5%
	NOF Nihonbashi Honcho Bldg	20,600	20,544	21,900	21,900	-	-
	Tennozu Park Side Bldg	14,800	12,616	16,200	16,200	-	-
	NOF Shinjuku Minamiguchi Bldg	12,300	12,366	9,530	9,560	▲30	▲0.3%
	NOF Shibuya Koen-dori Bldg	12,000	12,560	11,800	11,800	-	-
	Secom Medical Bldg	11,500	11,059	10,700	10,700	-	-
	NOF Shiba Bldg	10,000	10,020	8,250	8,560	▲310	▲3.6%
	Nishi-Shinjuku Showa Bldg	8,800	8,693	8,020	8,050	▲30	▲0.4%
	NRE Shibuya Dogenzaka Bldg	7,660	7,572	5,820	5,960	▲140	▲2.3%
	NOF Tameike Bldg	7,400	7,537	6,560	6,580	▲20	▲0.3%
	Iwamoto-cho Toyo Bldg	6,020	5,970	4,250	4,250	-	-
	NOF Shinagawa Konan Bldg	5,500	5,360	5,120	5,270	▲150	▲2.8%
	NOF Surugadai Plaza Bldg	5,150	4,879	6,350	6,350	-	-
	PMO Nihonbashi Honcho	5,000	4,844	4,160	4,260	▲100	▲2.3%
	NRE Higashi-nihonbashi Bldg	4,060	4,031	3,510	3,480	30	0.9%
	PMO Akihbara	3,790	3,819	3,800	3,790	10	0.3%
	Hatchobori NF Bldg	3,160	3,160	2,620	2,590	30	1.2%
	NOF Kanda Iwamoto-cho Bldg	3,080	3,059	3,960	3,960	-	-
	NOF Takanawa Bldg	3,010	3,058	2,600	2,590	10	0.4%
PMO Hacchobori	2,430	2,441	2,500	2,430	70	2.9%	
NOF Minami Shinjuku Bldg	2,280	2,289	2,210	2,220	▲10	▲0.5%	
Central Shintomicho Bldg	1,750	1,758	1,440	1,430	10	0.7%	
PMO Higashi Nihonbashi Bldg	1,480	1,490	1,530	1,480	50	3.4%	
<b>Total Central Tokyo</b>	<b>223,580</b>	<b>221,323</b>	<b>210,630</b>	<b>211,110</b>	<b>▲480</b>	<b>▲0.2%</b>	
Suburban Tokyo	NRE Ueno Bldg	7,830	7,779	6,530	6,510	20	0.3%
	NOF Technoport Kamata Center Bldg	6,416	6,497	6,470	6,430	40	0.6%
	Toho Edogawabashi Bldg	2,080	2,052	1,370	1,430	▲60	▲4.2%
	Toshin Meguro Bldg	1,340	1,325	1,210	1,210	-	-
	Crystal Park Bldg	3,700	3,576	3,180	3,190	▲10	▲0.3%
	NOF Kichijoji Honcho Bldg	1,800	1,827	1,640	1,640	-	-
	Faret Tachikawa Center Square	3,290	2,941	3,890	3,960	▲70	▲1.8%
	NOF Kawasaki Higashiguchi Bldg	9,500	9,348	8,260	8,360	▲100	▲1.2%
	NOF Yokohama Nishiguchi Bldg	5,050	4,986	4,850	4,970	▲120	▲2.4%
	NOF Shin-Yokohama Bldg	3,600	3,289	2,730	2,830	▲100	▲3.5%
Yokohama Odori Koen Bldg	2,993	2,910	1,920	1,930	▲10	▲0.5%	
<b>Total Suburban Tokyo</b>	<b>47,599</b>	<b>46,535</b>	<b>42,050</b>	<b>42,460</b>	<b>▲410</b>	<b>▲1.0%</b>	

	Property Name	Acquisition Price (¥ mln)	Book Value at 17th Period (¥ mln)	Appraisal Value at 17th Period End (¥ mln)	Appraisal Value (¥ mln)	Difference between (¥ mln)	Change
Other Cities	Sapporo North Plaza	6,820	7,634	5,690	5,590	100	1.8%
	NRE Sapporo Bldg	5,300	5,004	4,620	4,680	▲60	▲1.3%
	JCB Sapporo Higashi Bldg	3,700	3,596	3,220	3,220	-	-
	NOF Sendai Aoba-dori Bldg	3,200	3,136	2,120	2,070	50	2.4%
	NOF Utsunomiya Bldg	2,970	2,359	2,390	2,500	▲110	▲4.4%
	NOF Nagoya Fushimi Bldg	4,050	4,112	2,310	2,300	10	0.4%
	NOF Nagoya Yanagibashi Bldg	3,550	3,637	2,390	2,420	▲30	▲1.2%
	Omron Kyoto Center Bldg	23,700	22,197	19,200	19,100	100	0.5%
	SORA Shin-Osaka 21	19,251	18,637	12,900	13,000	▲100	▲0.8%
	NRE Osaka Bldg	6,410	6,259	6,900	7,050	▲150	▲2.1%
	NRE Nishi-Umeda Bldg	5,660	5,700	3,240	3,240	-	-
	NRE Yotsubashi Bldg	3,940	3,776	4,460	4,240	220	5.2%
	NOF Kobe Kaigan Bldg	3,280	2,772	2,380	2,430	▲50	▲2.1%
	NRE Hiroshima Bldg	1,930	2,559	2,310	2,340	▲30	▲1.3%
	NOF Hakata Ekimae Bldg	6,750	6,586	4,340	4,380	▲40	▲0.9%
NOF Tenjin-Minami Bldg	3,739	3,657	2,260	2,260	-	-	
<b>Total Other Cities</b>	<b>104,250</b>	<b>101,629</b>	<b>80,730</b>	<b>80,820</b>	<b>▲90</b>	<b>▲0.1%</b>	
<b>Grand Total</b>	<b>375,429</b>	<b>369,488</b>	<b>333,410</b>	<b>334,390</b>	<b>▲980</b>	<b>▲0.3%</b>	

(A) (B)

Difference between Book Value and Appraisal Value - ¥36,078 mln (-¥118,242 / unit)

(B) - (A)

## Comparison with the previous period

	15th Period⇒ 16th Period	16th Period⇒ 17th Period
<b>Increase</b>	<b>13</b>	<b>15</b>
<b>±0</b>	<b>4</b>	<b>13</b>
<b>Decrease</b>	<b>31</b>	<b>23</b>

# Status of Debts

Repayment Period	Lenders	Amount	Type of Interest	Interest Rate (p.a.)	Repayment Date	Short-term/Long-term	
18th period	¥30,650million	4 financial institution	¥12,000million	Fixed (Note1)	1.39575%	Jun. 24, 2012	Short-term debt (Including current portion of long-term debt)
		2 financial institution	¥1,400million	Floating	0.73643%	Jun. 24, 2012	
		1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
		5 financial institution	¥5,000million	Fixed	1.43750%	Aug. 26, 2012	
		1 financial institution	¥1,000million	Fixed	1.53625%	Aug. 26, 2012	
		2 financial institution	¥1,500million	Floating	0.73643%	Aug. 26, 2012	
		5 financial institution	¥7,500million	Fixed (Note1)	1.46000%	Aug. 26, 2012	
		2 financial institution	¥2,000million	Fixed (Note1)	1.61150%	Sep. 25, 2012	
		4 financial institution	¥10,000million	Fixed (Note1)	1.51175%	Nov. 04, 2012	
		1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
19th period	¥23,250million	1 financial institution	¥1,000million	Floating	0.63643%	Dec. 26, 2012	¥53,900million
		3 financial institution	¥5,000million	Fixed (Note1)	1.87200%	Dec. 27, 2012	
		1 financial institution	¥1,000million	Fixed	1.75250%	Feb. 26, 2013	
		1 financial institution	¥2,000million	Fixed	1.99250%	Feb. 26, 2013	
		2 financial institution	¥4,000million	Floating	1.14071%	Feb. 26, 2013	
		1 financial institution	¥2,000million	Fixed (Note1)	1.14050%	Jun. 24, 2013	
20th period	¥6,250million	1 financial institution	¥1,000million	Floating	0.88643%	Jun. 24, 2013	
		1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
		1 financial institution	¥2,500million	Fixed (Note1)	0.98550%	Aug. 26, 2013	
		1 financial institution	¥500million	Floating	0.70643%	Aug. 27, 2013	
		4 financial institution	¥7,500million	Fixed (Note1)	1.68680%	Dec. 08, 2013	
21th period	¥17,250million	1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
		4 financial institution	¥5,500million	Floating	0.99071%	Feb. 26, 2014	
		3 financial institution	¥4,000million	Fixed	1.98000%	Mar. 19, 2014	
		3 financial institution	¥3,000million	Fixed (Note1)	0.91900%	Jun. 10, 2014	
22th period	¥11,250million	1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
		4 financial institution	¥6,000million	Fixed (Note1)	0.83875%	Aug. 26, 2014	
		2 financial institution	¥2,000million	Floating	0.83643%	Aug. 26, 2014	
		5 financial institution	¥6,350million	Fixed (Note1)	1.55800%	Dec. 24, 2014	
23th period	¥12,600million	1 financial institution	¥250million	Fixed	1.97000%	(Note2)	Long-term debt
		1 financial institution	¥3,000million	Fixed	1.91875%	Feb. 26, 2015	
		1 financial institution	¥3,000million	Fixed (Note1)	1.69300%	Feb. 26, 2015	
24th period	¥9,250million	3 financial institution	¥8,000million	Fixed	2.31750%	Jun. 24, 2015	¥90,000million
		1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
		1 financial institution	¥1,000million	Fixed	1.31125%	Aug. 26, 2015	
25th period	¥5,750million	1 financial institution	¥250million	Fixed	1.97000%	(Note2)	
		3 financial institution	¥5,500million	Fixed (Note1)	0.90800%	Feb. 27, 2016	
26th period	¥9,750million	1 financial institution	¥6,750million	Fixed	1.97000%	(Note2)	
		3 financial institution	¥3,000million	Fixed (Note1)	1.10100%	Aug. 26, 2016	
27th period	¥1,000million	2 financial institution	¥1,000million	Fixed (Note1)	1.07450%	Feb. 26, 2017	
28th period	¥12,900million	2 financial institution	¥3,900million	Fixed (Note1)	1.43500%	Jun. 10, 2017	
		5 financial institution	¥9,000million	Fixed (Note1)	1.12850%	Aug. 27, 2017	
29th period	¥1,000million	1 financial institution	¥1,000million	Fixed (Note1)	1.84650%	Feb. 26, 2018	
31th period	¥3,000million	3 financial institution	¥3,000million	Fixed (Note1)	1.44450%	Feb. 26, 2019	
Total debt		¥143,900million	-	-	-	-	
23th period	¥11,000million	Public offering	¥6,000million	Fixed	0.94%	Nov. 26, 2014	
		Private placement	¥5,000million	Fixed	1.85%	Mar. 16, 2015	
25th period	¥10,000million	Public offering	¥10,000million	Fixed	2.05%	Nov. 30, 2015	Investment Corporation Bonds
27th period	¥5,000million	Public offering	¥5,000million	Fixed	2.21%	Mar. 17, 2017	
29th period	¥4,000million	Public offering	¥4,000million	Fixed	1.52%	Nov. 24, 2017	¥39,500million
33th period	¥5,000million	Private placement	¥5,000million	Fixed	2.47%	Mar. 16, 2020	
49th period	¥4,500million	Public offering	¥4,500million	Fixed	2.90%	Mar. 17, 2028	
Total bonds		¥39,500million	-	-	-	-	
Grand total		¥183,400million	-	-	-	-	

(Note 1) Converted the interest rate from floating-rate to fixed-rate in order to hedge risks of interest rate fluctuations by the interest-rate swap agreement.

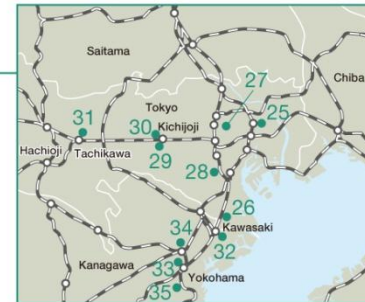
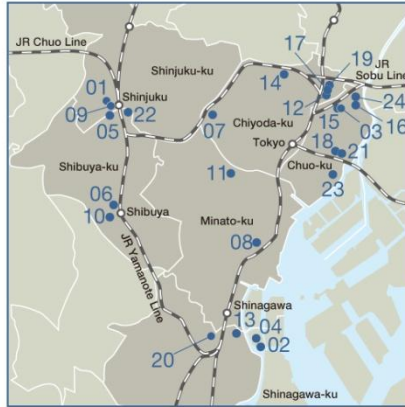
(Note 2) Repay ¥250 million of principal at each Repayment Date until December 25, 2015, and repay ¥6,750 million on December 25, 2016, the last repayment date.



# Map of Properties (as of April 30, 2012)

## Central Tokyo

- 01 Shinjuku Nomura Bldg
- 02 NRE Tennozu Bldg
- 03 NOF Nihonbashi Honcho Bldg
- 04 Tennozu Park Side Bldg
- 05 NOF Shinjuku Minamiguchi Bldg
- 06 NOF Shibuya Koen-dori Bldg
- 07 Secom Medical Bldg
- 08 NOF Shiba Bldg
- 09 Nishi-Shinjuku Showa Bldg
- 10 NRE Shibuya Dogenzaka Bldg
- 11 NOF Tameike Bldg
- 12 Iwamoto-cho Toyo Bldg
- 13 NOF Shinagawa Konan Bldg
- 14 NOF Surugadai Plaza Bldg
- 15 PMO Nihonbashi Honcho
- 16 NRE Higashi-nihonbashi Bldg
- 17 PMO Akihabara
- 18 Hatchobori NF Bldg
- 19 NOF Kanda Iwamoto-cho Bldg
- 20 NOF Takanawa Bldg
- 21 PMOHatchobori
- 22 NOF Minami Shinjuku Bldg
- 23 Central Shintomicho Bldg
- 24 PMO Higashi-nihonbashi



## Suburban Tokyo

- 25 NRE Ueno Bldg
- 26 NOF Technoport Kamata Center Bldg
- 27 Toho Edogawabashi Bldg
- 28 Toshin Meguro Bldg
- 29 Crystal Park Bldg
- 30 NOF Kichijoji Honcho Bldg
- 31 Faret Tachikawa Center Square
- 32 NOF Kawasaki Higashiguchi Bldg
- 33 NOF Yokohama Nishiguchi Bldg
- 34 NOF Shin-Yokohama Bldg
- 35 Yokohama Odori Koen Bldg

## Other Cities

- 36 Sapporo North Plaza
- 37 NRE Sapporo Bldg
- 38 JCB Sapporo Higashi Bldg
- 39 NOF Sendai Aoba-dori Bldg
- 40 NOF Utsunomiya Bldg
- 41 NOF Nagoya Fushimi Bldg
- 42 NOF Nagoya Yanagibashi Bldg
- 43 Omron Kyoto Center Bldg
- 44 SORA Shin-Osaka 21
- 45 NRE Osaka Bldg
- 46 NRE Nishi-Umeda Bldg
- 47 NRE Yotsubashi Bldg
- 48 NOF Kobe Kaigan Bldg
- 49 NRE Hiroshima Bldg
- 50 NOF Hakata Ekimae Bldg
- 51 NOF Tenjin-Minami Bldg



Shinjuku Nomura Bldg



Tennozu Park Side Bldg



NOF Shibuya Koen-dori Bldg



Secom Medical Bldg



NOF Shiba Bldg



PMO Nihonbashi Honcho



Faret Tachikawa Center Square



NRE Sapporo Bldg































SORA Shin-Osaka 21



NOF Kobe Kaigan Bldg

# Acquisition Channel of Properties (as of April 30, 2012)

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  NRE Yotsubashi Bldg  NRE Osaka Bldg	 Tennozu Park Side Bldg  Secom Medical Bldg  Omron Kyoto Center Bldg  PMO Hatchobori  NRE Nishi-Umeda Bldg  PMO Nihonbashi Honcho  NRE Sapporo Bldg  PMO Akihabara
<p>• Information from or • Intermediation * by Nomura Real Estate Group Companies</p>	 NOF Nihonbashi Honcho Bldg  NOF Shinagawa Konan Bldg  NOF Shin-Yokohama Bldg  NOF Kobe Kaigan Bldg	 NRE Tennozu Bldg *  NOF Minami Shinjuku Bldg  Nishi-Shinjuku Showa Bldg  Sapporo North Plaza  NOF Yokohama Nishiguchi Bldg  NOF Sendai Aoba-dori Bldg  NOF Shinjuku Minamiguchi Bldg  Hatchobori NF Bldg
<p>Information from sources outside Nomura Real Estate Group</p>		 NOF Shiba Bldg  NOF Shibuya Koen-dori Bldg  NOF Kawasaki Higashiguchi Bldg  SORA Shin-Osaka 21

➔ **19 Properties**  
Cumulative Acquisition Price: ¥152.3 billion

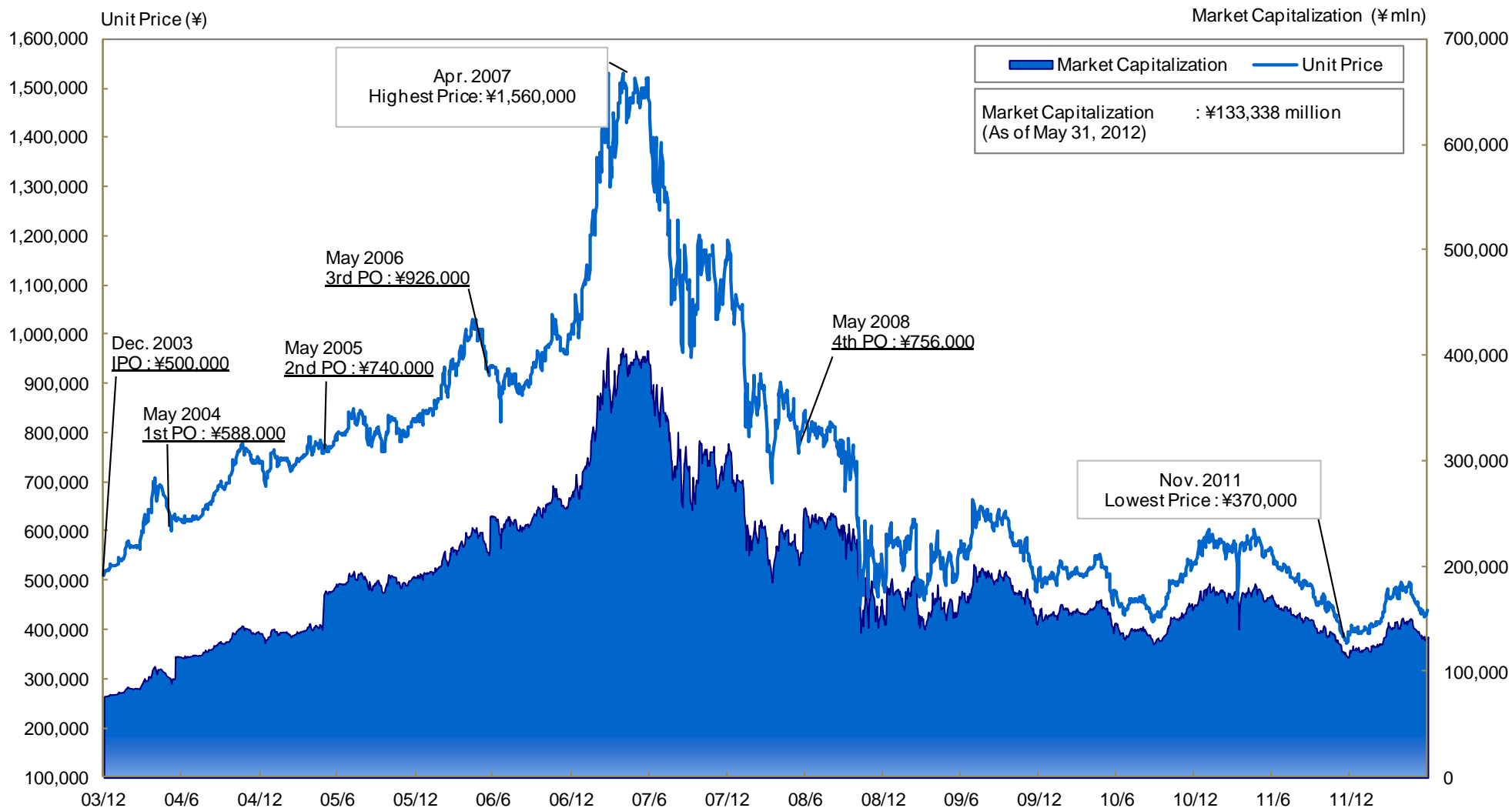
➔ **18 Properties**  
Cumulative Acquisition Price: ¥129.2 billion

➔ **14 Properties**  
Cumulative Acquisition Price: ¥93.8 billion

# Cash Flow Statement

	16th Fiscal Period May. 1, 2011 - Oct. 31, 2011 (¥000)	17th Fiscal Period Nov. 1, 2011 - Apr. 30, 2012 (¥000)
<b>I. Cash Flow of Operating Activities</b>		
Income before income taxes	4,628,069	3,903,336
Depreciation	1,732,901	1,717,655
Amortization of long-term prepaid expenses	7,185	10,425
Amortization of corporate bond issuance costs	13,224	12,655
Change in loss reserve due to disaster (▲decrease)	▲ 46,795	▲ 1,540
Interest income	▲ 3,369	▲ 3,091
Interest expenses	1,527,053	1,463,057
Loss on disposal of tangible assets	764	2,707
Change in rental receivables (▲increase)	▲ 362,512	321,062
Change in trade accounts payable (▲decrease)	—	▲ 157,794
Change in trade accounts payable (▲decrease)	410,035	▲ 391,832
Change in other accounts payable (▲decrease)	▲ 558,230	▲ 256,954
Change in tax receivable (▲decrease)	49,276	▲ 215,642
Change in rent received in advance (▲decrease)	▲ 64,736	29,664
Change in security deposits received (▲decrease)	37,087	▲ 37,216
Decrease in sales of tangible fixed assets in trust	8,101,016	-
Others	▲ 117,175	9,449
<b>Subtotal</b>	<b>15,353,793</b>	<b>6,405,939</b>
Interest received	3,369	3,091
Interest paid	▲ 1,566,498	▲ 1,494,038
Taxes and duties (▲paid)	▲ 1,048	▲ 914
<b>Net cash provided by operating activities</b>	<b>13,789,616</b>	<b>4,914,078</b>
<b>II. Cash Flow of Investing Activities</b>		
Purchase of tangible assets	▲ 82,405	▲ 7,976,696
Purchase of tangible assets in trust	▲ 783,342	▲ 1,108,951
Tenants' security deposits paid	▲ 72,899	▲ 114,331
Security deposits received	74,359	449,044
Security deposits in trust paid	▲ 1,346,801	▲ 620,009
Security deposits in trust received	708,944	605,742
<b>Net cash used in investing activities</b>	<b>▲ 1,502,143</b>	<b>▲ 8,765,201</b>
<b>III. Cash Flow of Financing Activities</b>		
Proceeds from short-term debt	2,900,000	1,000,000
Repayment of short-term debt	▲ 4,800,000	▲ 5,000,000
Proceeds from long-term debt	17,900,000	19,000,000
Repayment of long-term debt	▲ 19,250,000	▲ 11,250,000
Proceeds from the issuance of investment corporation bonds	-	▲ 5,000,000
Cash distribution to unitholders	▲ 4,429,007	▲ 4,523,855
<b>Net cash provided by financing activities</b>	<b>▲ 7,679,007</b>	<b>▲ 5,773,855</b>
<b>IV. Change in Cash and Cash Equivalent (▲decrease)</b>	<b>4,608,465</b>	<b>▲ 9,624,979</b>
<b>V. Starting Balance of Cash and Cash Equivalent</b>	<b>31,709,201</b>	<b>36,317,666</b>
<b>VI. Ending Balance of Cash and Cash Equivalent</b>	<b>36,317,666</b>	<b>26,692,687</b>

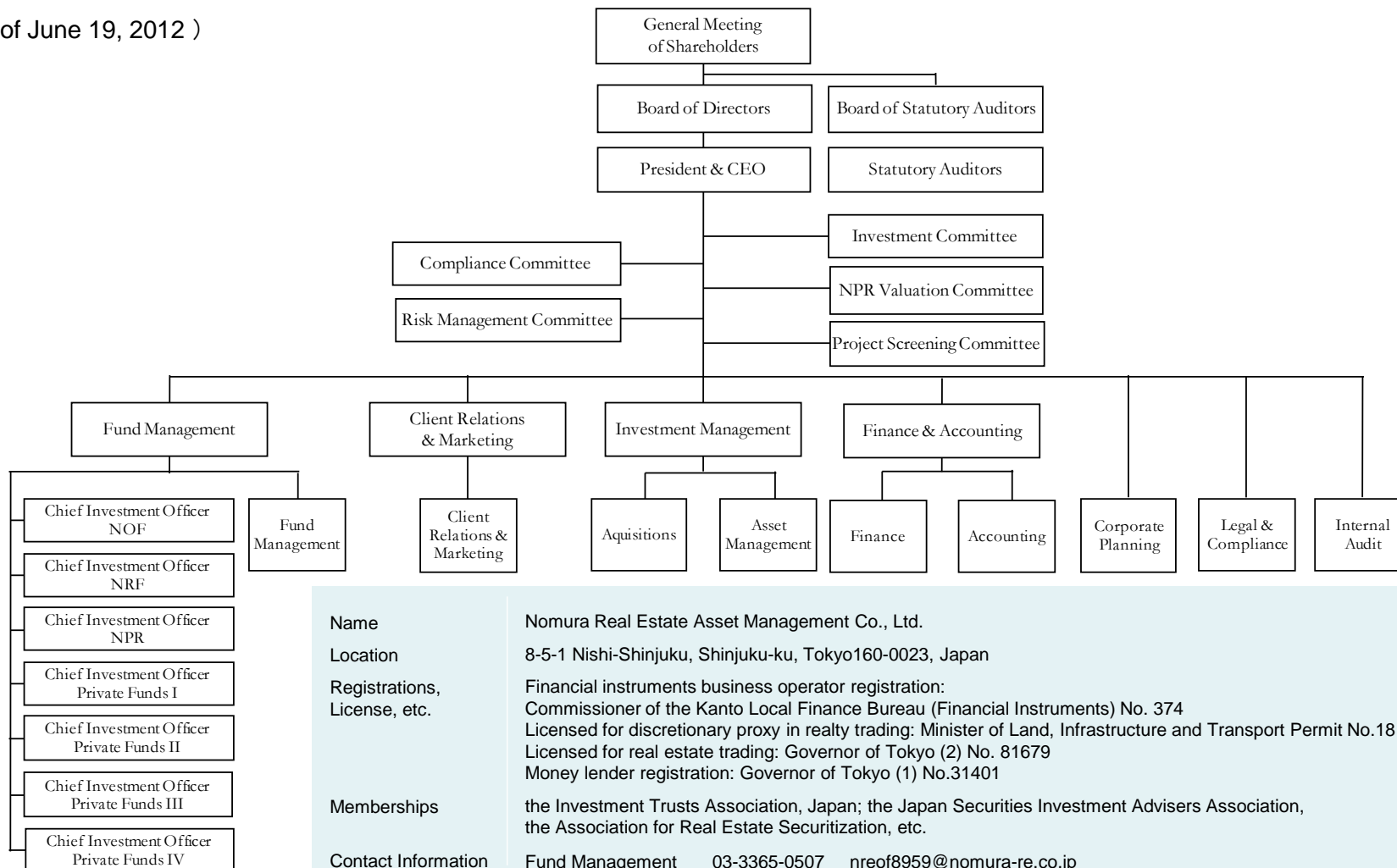
# Unit Price and Market Capitalization (Dec. 4, 2003 – May. 31, 2012)



# Summary of Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.)

## Structure

( as of June 19, 2012 )





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



This document has been prepared for the purpose of provision of information only, and should not be construed as an offer, solicitation or commercial conduct of any nature associated with any specific products. Investors wishing to purchase the investment units of Nomura Real Estate Office Fund, Inc. should contact their own securities brokers or dealers. A fee may be charged by your financial instruments business operator in relation to the sale or purchase of investment units.

For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, asset management reports, etc.

The forward-looking statements with respect to the future financial results contained in this document are based on the current facts about the investment policy of the Fund, applicable laws and regulations, the market environment, business practice, etc., as of the preparation date of this document and do not reflect or consider any changes in the circumstances after the preparation date. These forward-looking statements inherently reflect uncertainty about known risks as well as unknown risks and other factors and may deviate from the actual operating and management results, financial conditions, etc., of the Fund.

Investment in real estate investment securities may result in a loss due to a decline in the transaction price caused by, for example, changes in the price or the revenue-generating capability of the underlying properties or deterioration of the financial conditions of the issuer.

Although the information contained in this document is intended to be complete and thorough, there is no assurance of precision and safety of the same. Please note that the contents of this document is subject to change or cancellation without prior notice.

It is prohibited to make duplication, reproduction, distribution or use of any part or whole of the information contained in this document without express prior written consent.