



For Translation Purposes Only

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For Immediate Release

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

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Tatsuo Inoue, President and Chief Executive Officer
Inquiries: Atsushi Ogata, Director
Office Management Division
TEL: +81-3-3365-0507

Notice Concerning Property Acquisition

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

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

- (1) Type of asset: Real estate
- (2) Property name: JCB Sapporo Higashi Building (Note)
- (3) Acquisition price: ¥3,700 million
- (4) Scheduled date of agreement: February 8, 2008 (date of agreement on purchase and sale of real estate)
- (5) Scheduled date of acquisition: February 8, 2008 (date of delivery of real estate)
- (6) Seller: JCB Co., Ltd.
- (7) Financing: Debt financing

(Note) Although the name of the Property is “Sapporo Higashi Building” as of February 7, 2008, it will be altered to the name above-mentioned hereafter.

2. Grounds

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

- The Property has been fully occupied by JCB Co., Ltd. as its Hokkaido Branch and will continue to be used for the same purpose after the acquisition. The fund will execute a 10 year Building Lease Agreement ending in February 7, 2018, which enables a stable operation for the mid-to-long term.
- The Property is located in the central area of business and commerce among many office buildings, department stores and retail stores. Therefore it has good prospects for not only office demands but also commercial demands and has good access, 2 minutes on foot from Odori Station on the Subway Tozai Line and the Subway Nanboku Line. In addition, the Property enables good visibility with its location on the corner of Minami-ichijo Street, which is adjacent to the Odori Park, and Sosei

River Street.

- Installation of floor-separated air conditioning system and office automation floors, interior renovation works, and renovation of other major facilities have been completed by 2007. The building has the earthquake-resistance capacity equivalent to the “New Earthquake-resistance Standard”. These features of the building enable the Property to meet tenants’ needs.
- The floor area ratio of the property is approximately 500%, well below the specified level of 800%, suggesting the potential for greater income generation through the construction of a larger building in the future.

3. Property Summary

Property Name		JCB Sapporo Higashi Building
Type of Asset		Real estate
Location (Note 1)	Registry	1-1-1 Minamiichijo-Nishi, Chuo-ku, Sapporo City
	Street	1-1 Minamiichijo-Nishi Chuo-ku, Sapporo City (Note 2)
Access		2 minutes walk from Odori Station on the Subway Toho Line. 5 minutes walk from Odori Station on the Subway Nanboku and Tozai Lines.
Completion Date (Note 1)		October 26, 1966
Use (Note 1)		Office, retail, and parking
Structure (Note 1)		SRC, B1/7F
Seismic Risk (PML) (Note 3)		2% (Shimizu Corporation’s Engineering Report as of December 21, 2007)
Architect		Mitsubishi Estate Co., Ltd. (Currently Mitsubishi Jisho Sekkei Inc.)
Structural Strength Calculator		Mitsubishi Estate Co., Ltd. (Currently Mitsubishi Jisho Sekkei Inc.)
Constructor		Itogumi Construction Co., Ltd.
Building Inspection Agency		City of Sapporo
Area (Note 1)	Land	1,904.64 sq. meters
	Building	9,062.04 sq. meters
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100%(Note 4)
Floor Area Ratio		800%
Collateral		None
Property Management Company		Taisei Building Management Co., Ltd. (Note 5)
Notes		<ul style="list-style-type: none"> • With respect to one of the signboards of the Property, the inspection under the Building Standards Law has not been completed. After the acquisition of the Property, the Fund will remove the signboard and build a new one in accordance with the procedures set forth in the Building Standards Law. The costs related this work will be reimbursed by the Seller. • The Property was designed and constructed in compliance with the former Building Standards Law Enforcement Order (the former Earthquake-Resistance Standards). According to the report on the evaluation of seismic capacity dated October 2005 and prepared by Itogumi Construction Co., Ltd., the Property has the earthquake-resistance capacity equivalent to the “New Earthquake-resistance Standard.”
Acquisition Price		¥3,700 million
Appraisal Value and Method		¥3,740 million (Based on the capitalization approach as of January 1, 2008) (Appraiser: Japan Real Estate Institute)
Estimated NOI (Note 6)		¥202 million
Leasing Status (As of February 8, 2008) (Note 7)		
Total number of Tenants		1

Total Rental Income	- (Note 8)				
Security Deposits	- (Note 8)				
Occupancy Rate	100.0%				
Total Leased Floor Space	9,062.04 sq. meters				
Total Leasable Floor Space	9,062.04 sq. meters				
Occupancy Rates in the Past (Note 9)	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007
	-	-	-	-	100%

(Notes)

- Location and Several Other Items
Location (registry), Completion Date, Use, Structure and Areas are based on the information in the real estate registry.
- Street Address
A street address has not been allocated to the Property. Accordingly, the address used for mailing is provided.
- PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
- Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
- Property Management Company
Refers to the property management company that is scheduled to be appointed after the acquisition.
- Estimated NOI
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.
Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions. It is not a forecast of the fiscal period ending April 30, 2008 or any other specific periods.
(a) Occupancy rate: 100.0%
(b) Tax amounts: same as those imposed in 2007 tax year.
- Total Leased Floor Space and Total Leasable Floor Space
Total Leased Floor Space and Total Leasable Floor Space are based on the Lease Agreement.
- Total Rental Income and Security Deposits
Due to imperative circumstances, we are compelled to disclose this information. According to the Lease Agreement, the rent from February 8, 2008 to the end of the month is exempted.
- Occupancy Rates
Occupancy rates in the past are based on the information provided by the seller. It is reported that the Seller used the entire building since March 31, 2007 so that the occupancy rate as of the end of the month is 100%. Although the Seller leased the part of the building to third parties on or before March 31, 2006, information about the occupancy rates has not been provided by the Seller.

4. Seller Profile

Company Name	JCB Co., Ltd.
Head Office	Aoyama Rise Square 5-1-22 Minami Aoyama, Minato-ku, Tokyo
Representative	Tamio Takakura
Capital	¥10.6 billion (as of February 7, 2008)
Principal Shareholder	JCB Employee Shareholding Association
Principal Business	Credit card operations, providing credit card operation services, financing, credit guarantee, collections, gift card and certificate issuing and sales
Relationship with the Fund and /or the Fund's Asset Management Company	None

5. Transaction with Related Parties

None

6. Brokerage Profile

As the Fund has not obtained an agreement with the brokerage agency, this information is not disclosed. The brokerage agency is not a related party.

7. Form of Payment

At the time of the delivery of the Property (scheduled on February 8, 2008), the Fund plans a package payment of the whole acquisition price, through debt financing.

8. Schedule for Acquisition

February 8, 2008	Execution of the agreement on purchase and sale of the real estate
February 8, 2008	Closing of the transaction and delivery of the real estate

9. Forecasts of Financial Results

Forecasts of the financial results on the fiscal period ending April 30, 2008 have not been changed due to the slight effect by the acquisition of the Property.

【Exhibits】

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

Appraisal Summary

Property Name	JCB Sapporo Higashi Building
Appraisal Value	¥3,740,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	January 1, 2008

Item	Amount or percentage	Grounds
Capitalization approach price	3,740,000,000	In calculating, placed priority on the discounted cash flow approach and examined the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	3,800,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	275,040,000	
(a) Gross rental income	275,040,000	Assumed based on the rent standard, which is deemed stable for long-medium term.
(b) Losses due to vacancies, etc.	0	Assumed to be 100% because of long term lease by a single tenant
(2) Operating expenses	82,376,000	
Maintenance	49,440,000	Assumed based on the actual figure in the previous period and the assumed administrative and maintenance expenses
Utilities costs	0	To be paid by the tenant
Repair costs	8,888,000	Assumed based on the Engineering Report made by Takenaka Corporation
Property management fees	2,921,000	Based on the assumed condition of the contract
Advertisement for leasing, etc.	0	No relevant costs
Taxes	20,304,000	Assumed based on the Property's fixed asset tax and city-planning tax and depreciable assets declaration
Insurance premium	823,000	Assumed based on the estimated amount.
Other expenses	0	No relevant costs
(3) Net operating income from leasing business (NOI=(1)-(2))	192,664,000	
(4) Profit through management of temporary deposits, etc.	3,060,000	Assumed interest rate 2% p.a.
(5) Capital Expenditure Reserve	20,740,000	Assumed based on the Engineering Report made by Takenaka Corporation
(6) Net Cash Flow (NCF = (3)+(4)-(5))	174,984,000	
(7) Capitalization rate	4.6%	Based on the standard investment cap rate of the market and the location and the characteristics of the Property.
Price calculated by the Discounted Cash Flow Approach	3,740,000,000	
Discount rate	4.7%	
Terminal capitalization rate	4.5%	
Cost Approach Price	3,620,000,000	
Ratio of land	64.9%	
Ratio of building	35.1%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is a medium height office/retail building in the commercial district near Odori Station of the Subway Toho Line, situated on the central business area in Sapporo City. Although the building is 40 years old, the improvement on a broad scale has been completed, which enables the Property to have certain market competitiveness. In addition, the said area has a good prospect for office demands and good access to the central area of Sapporo City. The Property also has the potential for greater income generation through the construction of a larger building in the future. These factors are taken into consideration.
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Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (Scheduled) (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
Tokyo Central Area (Notes 2)	Shinjuku Nomura Building	38,730	13.1	December 8, 2003
	JAL Building	33,080	11.2	March 18, 2005
	NOF Nihonbashi Honcho Building	20,600	7.0	December 5, 2003
	Tennozu Park Side Building	14,800	5.0	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	4.1	September 28, 2004
	Secom Medical Building	11,500	3.9	September 1, 2006
	NOF Shiba Building	10,000	3.4	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	3.0	November 30, 2005
	NOF Tameike Building	7,400	2.5	September 29, 2005
	NOF Shinagawa Konan Building	5,500	1.9	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.7	February 27, 2004
	Hatchobori NF Building	3,160	1.1	August 10, 2007
	NOF Kanda Iwamoto-cho Building	3,080	1.0	February 26, 2004
	NOF Minami Shinjuku Building	2,280	0.8	June 25, 2004
	Total of Tokyo Central Area (14 properties)	176,080	59.5	
Suburban Tokyo (Note 2)	NOF Toyo-cho Building	7,550	2.5	December 5, 2003
	NOF Technoport Kamata Center Building	6,430	2.2	December 5, 2003
	Crystal Park Building	3,700	1.2	February 28, 2006
	Farlet Tachikawa Center Square	3,290	1.1	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	3.2	June 30, 2005
	NOF Yokohama Nishiguchi Building	5,050	1.7	May 12, 2005
	NOF Shin-Yokohama Building	3,600	1.2	December 5, 2003
	Yokohama Odori Koen Building	2,993	1.0	September 28, 2007
	Total of Suburban Tokyo (8 properties)	39,120	14.2	
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	2.3	June 1, 2006
	JCB Sapporo Higashi Building (Note 3)	3,700	1.2	February 8, 2008
	Kita-Sanjo Building	3,430	1.2	September 28, 2007
	NOF Sendai Aoba-dori Building	3,200	1.1	November 30, 2005
	NOF Utsunomiya Building	2,970	1.0	December 5, 2003
	NOF Nagoya Yanagibashi Building	3,550	1.2	September 29, 2005
	Omron Kyoto Center Building	23,700	8.0	March 20, 2007
	NOF Midosuji Building	12,900	4.4	November 30, 2005
	Nomura Osaka Building	6,410	2.2	December 5, 2003
	Nomura Yotsubashi Building	3,940	1.3	December 5, 2003
	NOF Kobe Kaigan Building	3,280	1.1	December 5, 2003
	Hiroshima Tatemachi NOF Building	2,100	0.7	November 30, 2005
	Nomura Hiroshima Building	1,930	0.7	December 5, 2003
	Total of Other Regional Cities (13 properties)	77,930	26.3	
Total (35 properties)		296,109	100.0	

(Notes)

1. Percentages have been rounded to the nearest first decimal place. Therefore, the total may not equal to 100%.
2. Tokyo Central Area refers to Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shinagawa-ku and Shibuya-ku.
Suburban Tokyo refers to other areas of metropolitan Tokyo and the surrounding three prefectures, which are Kanagawa-ken, Saitama-ken and Chiba-ken.
Other Regional Cities refers to the major regional cities in the areas other than the Tokyo Central Area and the Suburban Tokyo.
3. “JCB Sapporo Higashi Building” is included in the above table assuming that the Fund has acquired it. The purchase and sales agreement concerning the Property is scheduled to be executed and acquired on February 8, 2008.

Photo



Map

