



NOMURA
Office Fund



Fourth Fiscal Period **Semi-Annual Report**

May 1, 2005 >>> October 31, 2005

Profile

Nomura Real Estate Office Fund, Inc. (referred to as “Nomura Office Fund” or the “Company” hereafter) was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on December 4, 2003.

Subject to the Law Concerning Investment Trusts and Investment Corporations of Japan (referred to as the “Investment Trust Law” hereafter), Nomura Office Fund invests mainly in real estate and other specified assets with a view to secure stable rent revenues and to ensure steady portfolio growth over the medium- to long-term. Based on this basic policy, Nomura Office Fund invests in real estates, used primarily for office, in three major urban areas and other large cities including but not limited to the government-designated cities, as well as trust beneficial interests in such real estates.

Nomura Real Estate Asset Management Co., Ltd. (referred to as “NREAM” or the “Asset Management Company” hereafter), a wholly owned subsidiary of Nomura Real Estate Holdings Co., Ltd. is in charge of asset management on behalf of Nomura Office Fund in accordance with the basic investment policies as described above.

Through coordination with Nomura Real Estate Holdings Co., Ltd. and other group companies, NREAM aims to secure stable rent revenues from the portfolio and to ensure steady portfolio growth over the medium- to long-term.

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In general, accounting principles and practices used by real estate investment corporations in Japan (so-called “J-REITs”) in preparing its financial statements conform with accounting principles generally accepted in Japan (“Japanese GAAP”). However, they may differ from generally accepted accounting principles applied in certain other countries. Potential investors should consult their own professional advisors for an understanding of the differences between Japanese GAAP and generally accepted accounting principles in the United States (“U.S. GAAP”) or other jurisdictions and how those differences might affect the financial information contained herein.

To Our Investors

Dear Investors,

We are delighted to be able to present the financial results for the 4th fiscal period (ending October 31, 2005) and report to you on our activities during the period herein.

Nomura Office Fund (the “Company”) booked operating revenues for this period of ¥8,641 million, current profits of ¥3,485 million, and net income of ¥3,484 million. Cash distribution per unit was ¥15,150.

Some of the major developments during the 4th period included new investments in four office buildings in Minato-ku in metropolitan Tokyo, Yokohama City, Kawasaki City and Nagoya City respectively. As a result of these acquisitions, the number of buildings in the portfolio now totals 23 with a total acquisition price of ¥210.1 billion. These acquisitions have also helped to contribute to further diversify the portfolio in terms of geography, and reduce high dependency on single building.

Turning your eye to property leasing, we have managed to maintain the average occupancy rate as high as above 97% throughout the period. We have also conducted various refurbishment and renovation works not only to keep up but also further enhance the competitiveness of the properties with a view to increase rent revenues over the mid-to-long term.

On the financial aspects, we have built up a solid financial base by issuing new investment units, which were offered to the general public investors for the second time after the initial listing. The filing of shelf registration scheme also contributed to diversifying the method of funding. In compliance with our policy to seek mid-to-long term optimization, we will continue adhering to the conservative investment policies in future.

Lastly, we would like to thank you again for your patronage in the past periods, and would like to ask for your continued support for the years to come.



Isamu Okada

Isamu Okada
Executive Director
Nomura Real Estate Office Fund, Inc.

Financial Highlights

FINANCIAL SUMMARY

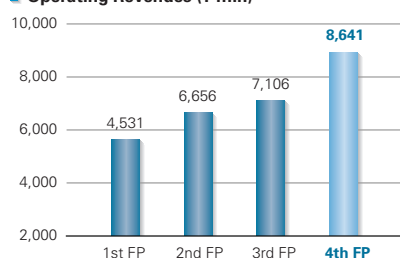
		4th Fiscal Period (Ending Oct. 2005)	3rd Fiscal Period (Ending Apr. 2005)	2nd Fiscal Period (Ending Oct. 2004)	1st Fiscal Period (Ending Apr. 2004)
Operating Revenues	¥ mln	8,641	7,106	6,656	4,531
Net Operating Income (NOI) (Note 1)	¥ mln	6,125	4,970	4,451	3,350
Income before Income Taxes	¥ mln	3,485	2,682	2,607	1,528
Net Income	¥ mln	3,484	2,681	2,606	1,526
Total Assets	¥ mln	239,067	208,003	173,545	147,946
Unitholders' Capital	¥ mln	124,610	92,168	92,168	71,706
Number of Units Issued	Unit	229,970	184,650	184,650	148,600
Net Assets per Unit	¥	557,004	513,672	513,266	492,820
Total Cash Distribution	¥ mln	3,484	2,681	2,606	1,526
Cash Distribution per Unit	¥	15,150	14,520	14,114	10,273
Funds from Operation (FFO) per Unit (Note 2)	¥	20,559	20,142	19,255	14,757

Note 1: NOI = Rental Business Revenue - Rental Business Expenses + Depreciation

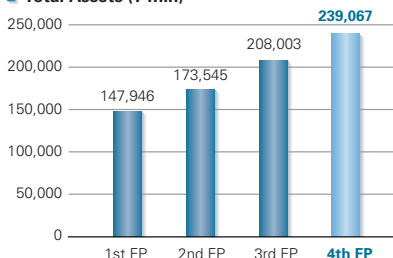
Note 2: FFO per Unit = (Net Income + Depreciation + Amortization of Investment Corporation Bonds Issuance Costs) / Number of Units Issued

CHANGES IN KEY FIGURES

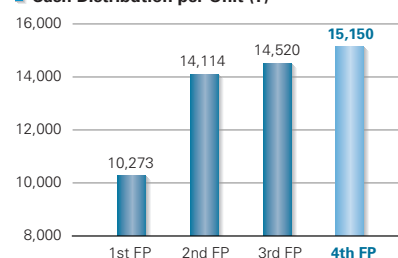
■ Operating Revenues (¥ mln)



■ Total Assets (¥ mln)



■ Cash Distribution per Unit (¥)



CHANGES IN UNIT PRICE



RATING

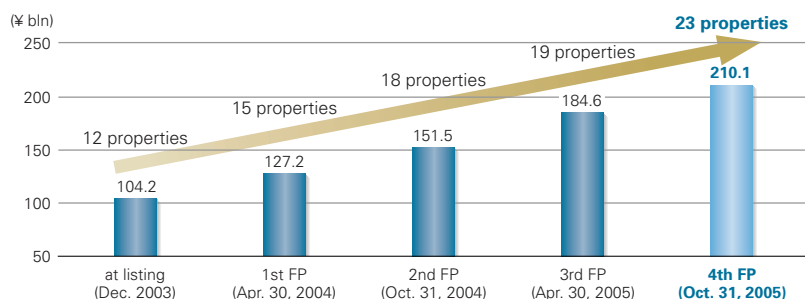
The following ratings have been given to the Company.

Rating Company	Rating
Standard & Poor's Ratings Services	A (Long-term Corporate Credit Rating) A-1 (Short-term Corporate Credit Rating)
Moody's Investors Services, Inc.	A3 (Issuer Rating)
Rating and Investment Information, Inc.	A+ (Issuer Rating)

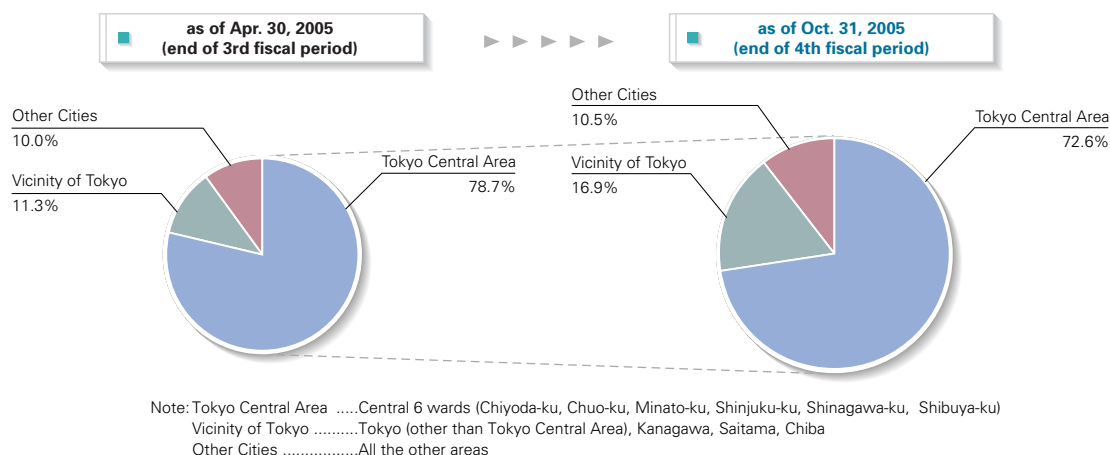
Portfolio Highlights

CHANGES IN ASSET SIZE

Four new investments (totalling ¥25.5 billion) having been made during the 4th period, and the total size of portfolio has grown to count 23 buildings with a total acquisition price of ¥210.1 billion. This is about double the size of what it used to be at the time of initial listing of the unit in December 2003.

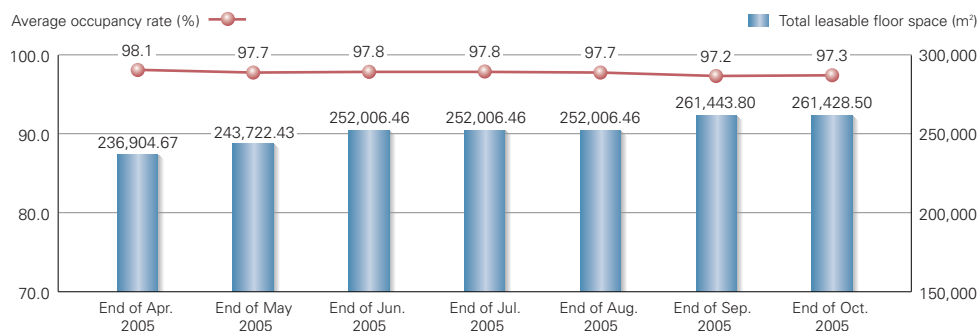


DIVERSITY IN LOCATION (Based on acquisition price)



CHANGES IN OCCUPANCY RATE AND OTHER KEY DATA (Average occupancy rate)

The average occupancy rate of the portfolio has been sustained at a stable rate above 97% throughout the 4th fiscal period. The breakdown of the average occupancy rates by location is as follows; 98.0% for the Tokyo Central Area, 98.8% for the Vicinity of Tokyo, and 93.6% for all the Other Cities.



	End of Apr. 2005	End of May 2005	End of Jun. 2005	End of Jul. 2005	End of Aug. 2005	End of Sep. 2005	End of Oct. 2005
Number of Buildings	19	20	21	21	21	23	23
Aggregate Number of Tenants	287	310	337	337	333	355	357
Total Leasable Floor Space (m²)	236,904.67	243,722.43	252,006.46	252,006.46	252,006.46	261,443.80	261,428.50
Average Occupancy Rate (%)	98.1	97.7	97.8	97.8	97.7	97.2	97.3

New Investments at the Fourth Fiscal Period

New investments with a total acquisition price of ¥25.5 billion was made to acquire “Asahi Seimei Yokohama Nishiguchi Building”, “Kawasaki Higashiguchi Sanshin Building”, “Toshin Tameike Building” and “Yanagibashi Sanshin Building”.

YANAGIBASHI SANSHIN BUILDING



Location:	Nakamura-ku, Nagoya City, Aichi
Date acquired:	September 29, 2005
Acquisition price:	¥3,550 million

Property Profile

Meieki quarter is the most sought-after business area within the City of Nagoya, where various extensive office redevelopment projects are currently underway. The quarter is expected to continue to attract an increasing number of major corporations operating nation-wide and their affiliated companies for the foreseeable future.

This property, with a highly distinguishable exterior made of glass curtainwalls, enjoys a superb location of being situated only seven minutes on foot from Nagoya Station, and facing the busy Hirokoji-Dori. These special features added to this property attract not only tenants of conventional businesses, but also those of visitor-oriented businesses.

ASAHI SEIMEI YOKOHAMA NISHIGUCHI BUILDING

Location:	Nishi-ku, Yokohama City, Kanagawa
Date acquired:	May 12, 2005
Acquisition price:	¥5,050 million

Property Profile

Located at the western side of Yokohama Station, where department stores, hotels and office buildings are densely accumulated, providing high standard of commercial convenience, this property is capable of meeting various tenants' needs ranging from offices of visitor-oriented business as well as conventional business, to commercial outlets. The property is situated in a neatly regulated block of land and thus is highly visible, and is also only five minutes walking distance from Yokohama Station, the major regional station that serves six railways.



TOSHIN TAMEIKE BUILDING

Location: Minato-ku, Tokyo
 Date acquired: September 29, 2005
 Acquisition price: ¥7,400 million

Property Profile

This property is extremely conveniently served by two major subway lines: it is only five minutes from Tameike-Sanno Station of Ginza Line and Namboku Line, and seven minutes from Toranomom Station of Ginza Line. In addition, it enjoys a good access to Shuto Expressway, or the circular motorway, and other major roads such as Sotobori-Dori and Roppongi-Dori.

Both the interior and exterior of the property was refurbished and the facilities were renewed in 1996. The property's antiseismic structure has passed the seismic test, proving that the property would meet the New Earthquake Resistance Standard. The property thus provides favourable features to satisfy the needs of tenants.



Yanagibashi Sanshin Building

Kawasaki Higashiguchi Sanshin Building

Toshin Tameike Building

Asahi Seimei Yokohama Nishiguchi Building

KAWASAKI HIGASHIGUCHI SANSHIN BUILDING

Location: Kawasaki-ku, Kawasaki City, Kanagawa
 Date acquired: June 30, 2005
 Acquisition price: ¥9,500 million

Property Profile

This property has a high rarity value of being located at only two minutes walking distance from JR Kawasaki Station, facing a gyratory in front of the station's East Exit. Taking further advantage of being located in front of the station, this property has special features of the basement level being connected to the underground shopping mall adjacent to the station, and the shops on the second level being directly accessible from the street via its exterior stairways. Such features of the property satisfy wide range of tenants' needs.

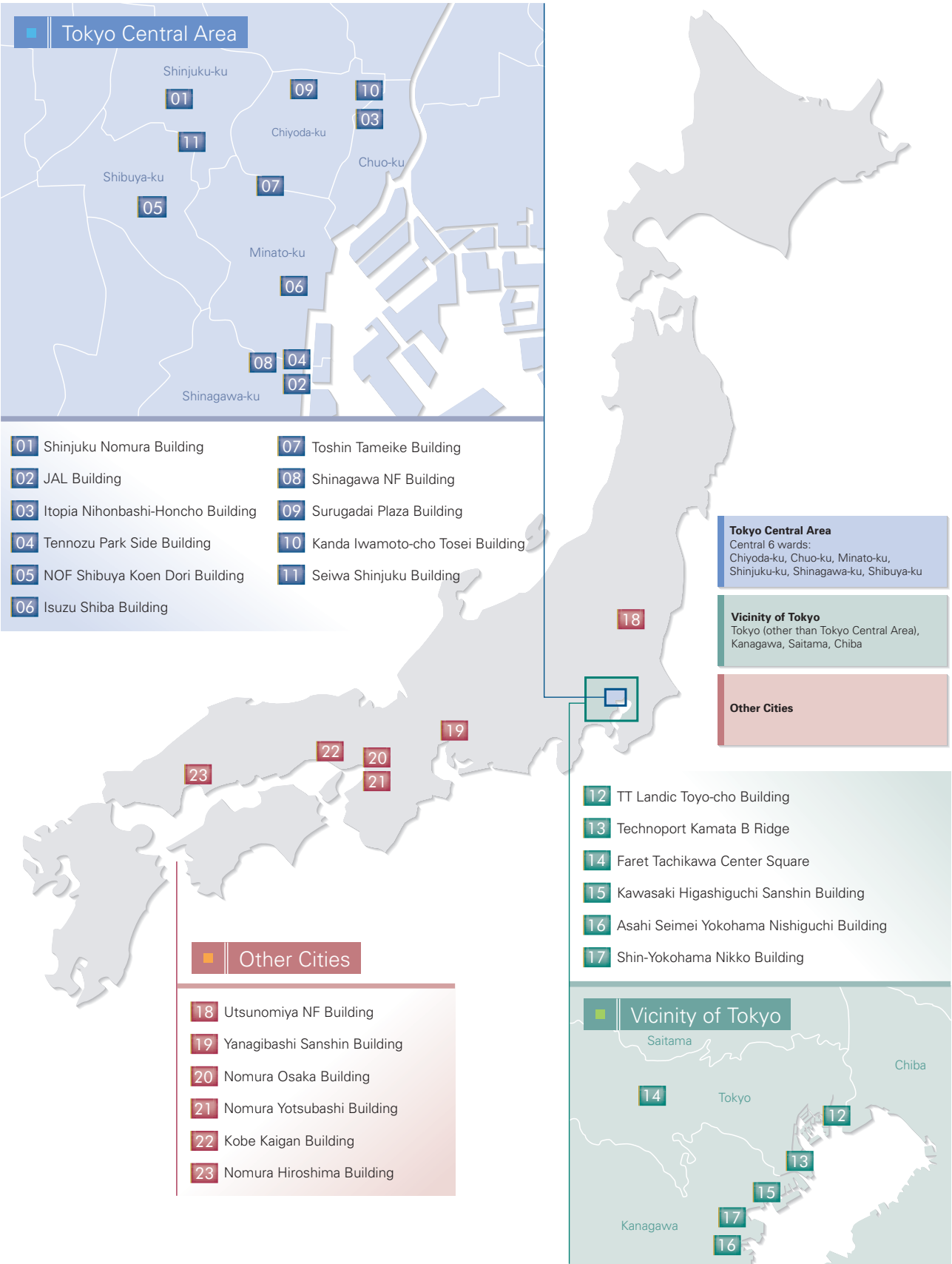


Summary of Portfolio Properties

Office Property	Location	Leasable Floor Space (m ²)	Completed Date	Acquired Date	Acquisition Price (¥ mln)	Ratio in Total Acquisition Price (%)
Tokyo Central Area						
01 Shinjuku Nomura Bldg.	Shinjuku-ku, Tokyo	31,804.67	May 1978	Dec. 8, 2003	38,730	18.4
02 JAL Bldg.	Shinagawa-ku, Tokyo	42,084.11	Jun. 1996	Mar. 18, 2005	33,080	15.7
03 Itopia Nihonbashi-Honcho Bldg.	Chuo-ku, Tokyo	19,233.28	Apr. 1961 (Extension Apr. 1968)	Dec. 5, 2003	20,600	9.8
04 Tennozu Park Side Bldg.	Shinagawa-ku, Tokyo	18,051.61	Jan. 1995	Feb. 27, 2004	14,800	7.0
05 NOF Shibuya Koen Dori Bldg.	Shibuya-ku, Tokyo	3,420.16	Sep. 1987	Sep. 28, 2004	12,000	5.7
06 Isuzu Shiba Bldg.	Minato-ku, Tokyo	8,165.10	Mar. 1991	May 25, 2004	10,000	4.8
07 Toshin Tameike Bldg.	Minato-ku, Tokyo	4,766.33	Aug. 1959	Sep. 29, 2005	7,400	3.5
08 Shinagawa NF Bldg.	Shinagawa-ku, Tokyo	7,850.99	Nov. 1987	Dec. 8, 2003	5,500	2.6
09 Surugadai Plaza Bldg.	Chiyoda-ku, Tokyo	4,160.94	Apr. 1997	Feb. 27, 2004	5,150	2.5
10 Kanda Iwamoto-cho Tosei Bldg.	Chiyoda-ku, Tokyo	4,076.38	Jul. 1988	Feb. 26, 2004	3,080	1.5
11 Seiwa Shinjuku Bldg.	Shibuya-ku, Tokyo	2,464.71	Mar. 1986	Jun. 25, 2004	2,280	1.1
Total Tokyo Central Area		146,078.28			152,620	72.6
Vicinity of Tokyo						
12 TT Landic Toyo-cho Bldg.	Koto-ku, Tokyo	18,218.17	Nov. 1989	Dec. 5, 2003	7,550	3.6
13 Technoport Kamata B Ridge	Ota-ku, Tokyo	13,683.46	Sep. 1990	Dec. 5, 2003	6,430	3.1
14 Faret Tachikawa Center Square	Tachikawa City, Tokyo	6,853.38	Dec. 1994	Dec. 5, 2003	3,290	1.6
15 Kawasaki Higashiguchi Sanshin Bldg.	Kawasaki City, Kanagawa	8,284.03	Mar. 1988	Jul. 30, 2005	9,500	4.5
16 Asahi Seimei Yokohama Nishiguchi Bldg.	Yokohama City, Kanagawa	6,817.76	Oct. 1985	May 12, 2005	5,050	2.4
17 Shin-Yokohama Nikko Bldg.	Yokohama City, Kanagawa	8,074.83	Oct. 1990	Dec. 5, 2003	3,600	1.7
Total Vicinity of Tokyo		61,931.63			35,420	16.9
Other Cities						
18 Utsunomiya NF Bldg.	Utsunomiya City, Tochigi	5,887.40	Dec. 1999	Dec. 5, 2003	2,970	1.4
19 Yanagibashi Sanshin Bldg.	Nagoya City, Aichi	4,655.74	Mar. 1991	Sep. 29, 2005	3,550	1.7
20 Nomura Osaka Bldg.	Osaka City, Osaka	16,977.79	Dec. 1983	Dec. 5, 2003	6,410	3.1
21 Nomura Yotsubashi Bldg.	Osaka City, Osaka	11,558.68	Nov. 1991	Dec. 5, 2003	3,940	1.9
22 Kobe Kaigan Bldg.	Kobe City, Hyogo	6,427.01	Feb. 1998	Dec. 5, 2003	3,280	1.6
23 Nomura Hiroshima Bldg.	Hiroshima City, Hiroshima	7,911.97	Jul. 1976	Dec. 5, 2003	1,930	0.9
Total Other Cities		53,418.59			22,080	10.5
Grand Total		261,428.50			210,120	100.0

- Notes: 1. All the buildings of the portfolio are held in the form of beneficial interests in real estate trust where the real estates are the primary underlying assets.
2. "Leasable Floor Space" is defined as an aggregated area of office and retail use within a building that can be leased at a certain given time. As for the properties owned in compartment, leasable floor space normally refers to such spaces owned in exclusivity, but may include common spaces if they are leased. The leasable floor space of Shinjuku Nomura Building is calculated by multiplying the total leasable floor space of the entire building by the ratio of co-ownership (50.1%) of beneficial interests. The total leasable floor space of JAL Building, which is owned through the trustee, includes the area of space calculated by multiplying the total common space with the ratio of our holding as per the terms of management of the building.
3. "Completed Date" was taken from the registry book of each property. As for Toshin Tameike Building, however, the date when the Certificate of Inspection was issued under the Building Standards Law was taken as no date was specified in the registry book.
4. "Ratio in Total Acquisition Price" reflects the percentage of each property's acquisition price in the total portfolio. The sum of the figure in each column may not necessarily add up to 100.0 due to rounding to the nearest first decimal place.
5. Shinjuku Nomura Building is held through the co-ownership of beneficial interests in real estate trust. The Company holds 50.1% of all co-ownership of the beneficial interest in real estate trust. The acquisition price above is the price for this co-ownership.

Location of Properties



Property Details



The property consists of the front building and adjacent yard.

01 || Shinjuku Nomura Building

Location:	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Structure:	SRC / RC / S
Floors:	B5 / 50F
Site Area:	9,298.21 m ²
Total Floor Space:	117,258.88 m ²
Type of Ownership:	Land Co-ownership* Building Co-ownership*
Property Management Company:	Nomura Real Estate Development Co., Ltd.

* The above areas represent the entire space of the building, of which the Company holds the co-ownership of 50.1%.



02 || JAL Building

Location:	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Structure:	SRC / RC *Damping structure
Floors:	B2 / 26F
Site Area:	11,670.40 m ² (Entire site)
Total Floor Space:	25,260.48 m ² (Exclusive area owned)
Type of Ownership:	Land Co-ownership Building Compartmentalized ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



03 || Itopia Nihonbashi-Honcho Building

Location:	2-7-1 Nihonbashi-Honcho, Chuo-ku, Tokyo
Structure:	SRC
Floors:	B3 / 8F
Site Area:	3,196.31 m ²
Total Floor Space:	29,430.67 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Itochu Urban Community, Ltd.



04 || Tennozu Park Side Building

Location:	2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Structure:	S / RC / SRC
Floors:	B2 / 21F
Site Area:	5,816.26 m ² (Entire site)
Total Floor Space:	17,587.30 m ² (Exclusive area owned)
Type of Ownership:	Land Co-ownership Building Compartmentalized ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



05 || NOF Shibuya Koen Dori Building

Location:	20-17 Udagawa-cho, Shibuya-ku, Tokyo
Structure:	SRC / RC
Floors:	B2 / 8F
Site Area:	637.08 m ²
Total Floor Space:	5,358.55 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



06 || Isuzu Shiba Building

Location:	4-2-3 Shiba, Minato-ku, Tokyo
Structure:	SRC / S
Floors:	B1 / 7F
Site Area:	2,074.65 m ²
Total Floor Space:	11,425.20 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	IKOMA TBM K.K.



07 || Toshin Tameike Building

Location:	1-1-14 Akasaka, Minato-ku, Tokyo
Structure:	SRC
Floors:	B1 / 9F
Site Area:	690.67 m ²
Total Floor Space:	6,478.50 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



08 || Shinagawa NF Building

Location:	1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Structure:	SRC
Floors:	B1 / 8F
Site Area:	3,240.30 m ²
Total Floor Space:	10,077.02 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.

Property Details



09 || Surugadai Plaza Building

Location:	2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo
Structure:	SF / SRC *Anti-seismic structure
Floors:	B1 / 8F
Site Area:	1,056.92 m ²
Total Floor Space:	5,782.27 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



10 || Kanda Iwamoto-cho Tosei Building

Location:	3-8-16 Iwamoto-cho, Chiyoda-ku, Tokyo
Structure:	SRC
Floors:	9F
Site Area:	773.32 m ²
Total Floor Space:	4,698.97 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Itochu Urban Community Ltd.



11 || Seiwa Shinjuku Building

Location:	5-32-7 Sendagaya, Shibuya-ku, Tokyo
Structure:	SRC
Floors:	B1 / 8F
Site Area:	545.87 m ²
Total Floor Space:	3,160.05 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



12 || TT Landic Toyo-cho Building

Location:	1-6-35 Shinsuna, Koto-ku, Tokyo
Structure:	SRC / RC
Floors:	7F
Site Area:	8,926 m ²
Total Floor Space:	18,051.08 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Building Management Co., Ltd.



13 Technoport Kamata B Ridge

Location:	2-16-1 Minami-Kamata, Ota-ku, Tokyo
Structure:	S / SRC
Floors:	B1 / 11F
Site Area:	(a) 9,429.59 m ² (b) 3,483.90 m ²
Total Floor Space:	21,516.54 m ² (Exclusive area owned)
Type of Ownership:	Land Ownership (Partly Co-ownership) Building Compartmentalized ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.

Note: (a) 100% owned, (b) co-ownership



14 Faret Tachikawa Center Square

Location:	2-36-2 Akebono-cho, Tachikawa City, Tokyo
Structure:	S / SRC / RC
Floors:	B2 / 12F
Site Area:	4,454.59 m ² (Entire site)
Total Floor Space:	6,865.80 m ² (Exclusive area owned)
Type of Ownership:	Land Co-ownership Building Compartmentalized ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



15 Kawasaki Higashiguchi Sanshin Building

Location:	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa
Structure:	S / SRC
Floors:	B1 / 12F
Site Area:	1,275.70 m ²
Total Floor Space:	10,932.69 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Building Management Co., Ltd.



16 Asahi Seimei Yokohama Nishiguchi Building

Location:	1-11-11 Kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa
Structure:	SRC
Floors:	B1 / 9F
Site Area:	1,502.94 m ²
Total Floor Space:	10,055.13 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.

Property Details



17 || Shin-Yokohama Nikko Building

Location:	2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa
Structure:	SRC
Floors:	B1 / 9F
Site Area:	1,320 m ²
Total Floor Space:	11,149.99 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



18 || Utsunomiya NF Building

Location:	2-1-1 Baba-dori, Utsunomiya City, Tochigi
Structure:	S / SRC
Floors:	B2 / 10F
Site Area:	1,545.13 m ²
Total Floor Space:	10,479.63 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Building Management Co., Ltd.



19 || Yanagibashi Sanshin Building

Location:	1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi
Structure:	S
Floors:	B2 / 12F
Site Area:	934.20 m ²
Total Floor Space:	7,363.25 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Building Management Co., Ltd.



20 || Nomura Osaka Building

Location:	1-8-15 Azuchi-cho, Chuo-ku, Osaka City, Osaka
Structure:	SRC
Floors:	B2 / 12F
Site Area:	3,136.56 m ²
Total Floor Space:	23,522.82 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



21 || Nomura Yotsubashi Building

Location:	1-4-4 Awaza, Nishi-ku, Osaka City, Osaka
Structure:	S / SRC
Floors:	B2 / 15F
Site Area:	1,865.34 m ²
Total Floor Space:	16,845.87 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



22 || Kobe Kaigan Building

Location:	3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo
Structure:	S / SRC
Floors:	B1 / 16F
Site Area:	1,451.31 m ²
Total Floor Space:	10,292.93 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	The Dai-Ichi Building Co., Ltd.



23 || Nomura Hiroshima Building

Location:	2-23 Tate-machi, Naka-ku, Hiroshima City, Hiroshima
Structure:	SRC
Floors:	B2 / 9F
Site Area:	1,319.15 m ²
Total Floor Space:	11,950.37 m ²
Type of Ownership:	Land Ownership Building Ownership
Property Management Company:	Nomura Real Estate Development Co., Ltd.



Financial Section



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Asset Management Report

1. CHANGES IN KEY INDICATORS

		4th FP Ending Oct. 2005	3rd FP Ending Apr. 2005	2nd FP Ending Oct. 2004	1st FP Ending Apr. 2004
Operating Revenues	¥ mln	8,641	7,106	6,656	4,531
of which Rental Business Revenue	¥ mln	8,641	7,106	6,656	4,531
Operating Expenses	¥ mln	4,530	3,877	3,725	2,217
of which Rental Business Expenses	¥ mln	3,745	3,159	3,154	1,847
Operating Income	¥ mln	4,111	3,228	2,930	2,313
Current Profits	¥ mln	3,485	2,682	2,607	1,528
Net Income	¥ mln	3,484	2,681	2,606	1,526
Total Assets	¥ mln	239,067	208,003	173,545	147,946
Interest Bearing Debt	¥ mln	93,000	96,500	64,500	61,000
Net Assets	¥ mln	128,094	94,849	94,774	73,233
Unitholders' Capital	¥ mln	124,610	92,168	92,168	71,706
Number of Units Issued	Unit	229,970	184,650	184,650	148,600
Net Assets per Unit	¥	557,004	513,672	513,266	492,820
Total Cash Distribution	¥ mln	3,484	2,681	2,606	1,526
Cash Distribution per Unit	¥	15,150	14,520	14,114	10,273
of which Cash Distribution of Profits	¥	15,150	14,520	14,114	10,273
of which Cash Distribution of Excess-Profits	¥	—	—	—	—
Return on Assets (Note 1)	%	1.5	1.4	1.6	1.1
(Annualized) (Note 2)	%	3.1	2.8	3.1	2.8
Return on Equity (Note 3)	%	2.7	2.8	2.8	2.1
(Annualized) (Note 2)	%	5.4	5.7	5.6	5.2
Capital Adequacy Ratio (Note 4)	%	53.6	45.6	54.6	49.5
Loan to Value Ratio (Note 5)	%	38.9	46.4	37.2	41.2
Number of Business Days	Day	184	181	184	268
Payout Ratio (Note 6)	%	99.9	99.9	100.0	99.9
Number of Properties Held	Bldg.	23	19	18	15
Total Leasable Floor Space	m ²	261,428.50	236,904.67	194,673.65	180,793.50
Number of Tenants		357	287	277	264
Occupancy Rate	%	97.3	98.1	94.4	93.3
Depreciation	¥ mln	1,229	1,023	949	666
Capital Expenditures	¥ mln	1,016	484	511	22
Net Operating Income (Note 7)	¥ mln	6,125	4,970	4,451	3,350
Funds From Operations (FFO) (Note 8)	¥ mln	4,727	3,719	3,555	2,193
FFO per Unit (Note 9)	¥	20,559	20,142	19,255	14,757

Note 1: $\text{Return on Assets} = \text{Current Profits} / ((\text{Total Assets at the Beginning of Term} + \text{Total Assets at the End of Term}) / 2) \times 100$

The Total Asset at the beginning of the 1st fiscal period is an aggregated amount of the total assets as of December 5, 2003, effectively the first day when the investment was commenced, and the funds borrowed on December 8, 2003.

As for the 2nd and the 4th fiscal periods, the Total Assets are time-adjusted due to the additional issues of investment units.

Note 2: ROA and ROE are annualised using the following number of business days. 1st period (from December 5, 2003 to April 30, 2004): 148 days, 2nd period: 184 days, 3rd period: 181 days, 4th period: 184 days.

Note 3: $\text{Return on Equity} = \text{Net Income} / ((\text{Unitholders' Equity at the Beginning of Term} + \text{Unitholders' Equity at the End of Term}) / 2) \times 100$

The Unitholders' Equity at the Beginning of the 1st Fiscal Period is an aggregated amount of Unitholders' Equity as of December 5, 2003, effectively the first day when the investment was commenced.

As for the 2nd and the 4th Fiscal Periods, Unitholders' Equity is time-adjusted due to the additional issues of investment units.

Note 4: $\text{Capital Adequacy Ratio} = \text{Net Assets} / \text{Total Assets} \times 100$

Note 5: $\text{Loan to Value Ratio} = \text{Interest Bearing Debt} / \text{Total Assets} \times 100$

Note 6: Rounded off to the first decimal place

Note 7: $\text{NOI} = \text{Rental Business Revenue} - \text{Rental Business Expenses} + \text{Depreciation}$

Note 8: $\text{FFO} = \text{Net Income} + \text{Depreciation} + \text{Amortization of Investment Corporation Bonds Issuance Costs}$

Note 9: $\text{FFO per Unit} = \text{FFO} / \text{Number of Units Issued}$

2. OUTLINE OF INVESTMENTS IN THE FOURTH FISCAL PERIOD

The Company, incorporated on August 7, 2003 under the Investment Trust Law, listed the unit certificates (code number 8959) in the Real Estate Investment Trust (REIT) Market of the Tokyo Stock Exchange on December 4, 2003. The Company's basic investment policy is to assure stable income from, and steady growth of, investment assets over the mid-to-long term. In accordance with this policy, we have invested in properties mostly for office use in 3 major metropolitan areas and other major cities, or in securities backed by such properties.

Note: The Law Concerning Investment Trust and Investment Corporation (Law No. 198 of 1951) are referred to as the "Investment Trust Law" hereinafter.

The "unit certificates" are the securities issued by the Company and are referred to as the "investment units" or "units" hereinafter.

The term "investment assets" refers to those assets that belong to the Company.

Unless otherwise stated, for the purpose of this report, the term "properties" is defined to include leasehold and superficies.

The term "real estate, etc." refers to those assets defined in Section 27, Paragraph 1, Article (1) and (2), and the term "real estate-related securities" refers to those assets defined in Section 27, Paragraph 1, Article (3) respectively of The Articles of Incorporation of the Company.

"Real estate, etc." and "real estate-related securities" are collectively referred to as the "real estate-related assets" hereinafter.

The real estates and underlying real estates of the real estate-related assets are collectively referred to as the "investment properties" or "objects".

(1) Market Environments

(a) Office Leasing Market

Reflecting the general recovery in the domestic economy, the office leasing market did see some improvement. As corporate performances picked up, the market in the Tokyo Central Area became more active with increased demands from companies seeking better efficiency and convenience in order to consolidate or expand their businesses. Consequently, the occupancy rate of those properties with attractive features improved along with an increase in their rent.

In areas other than Tokyo Central Area, the level of rent was yet to be improved, but in several cities, the occupancy rate has already increased.

Overall however, although we could observe several signs of improvement in limited areas, the general market environments remained tough particularly for those buildings with mild competitiveness in terms of location, floor space and basic building features. The trend towards bipolarisation of the level of rent and occupancy rate has continued.

(b) Real Estate Trading Market

Taking advantage of the improvement in general economic circumstances, yet trying to further restore financial soundness and prepare themselves for the asset-impairment accounting method to be introduced, a number of corporations were seen putting their assets onto the property market. In addition, the so-called bulk sales by subsidiaries of financial institutions continued to clear up their balance sheets. The volume of sales by private funds to lock in profits also increased. Supply in the real estate market thus remained high. However, good properties of relatively large-scale were rarely offered in the market as they tended to be held continuously.

Demand also remained high, as keen-eyed investors such as pension funds were in an ever more aggressive pursuit of better investment opportunities, and this in turn made it extremely difficult to find attractive properties particularly in Tokyo Central Area. The private funds and J-REITs also continued to be active.

Note: The "private funds" herewith is defined as an accumulation of money of a limited number of private investors, or other form of assets acquired by such accumulated money.

(2) Status of Investment for the 4th Fiscal Period

To comply with the basic policy of acquiring only such properties as would generate stable cash flow, the company has invested in properties with strong competitiveness both in terms of location and basic features to ensure stable revenue over the mid-to-long term.

Having proactively collected information and carefully investigated a number of opportunities brought to us, we had thus decided to acquire the following four properties during the 4th fiscal period ending October 31, 2005. They were: Asahi Seimei Yokohama Nishiguchi Building (May 2005, Nishi-ku, Yokohama City, ¥5,050 million, Beneficial interest in real estate trust), Kawasaki Higashiguchi Sanshin Building (June 2005, Kawasaki-ku, Kawasaki City, ¥9,500 million, Beneficial interest in real estate trust), Toshin Tameike Building (September 2005, Minato-ku, Tokyo, ¥7,400 million, Beneficial interest in real estate trust), Yanagibashi Sanshin Building (September 2005, Nakamura-ku, Nagoya City, ¥3,550 million, Beneficial interest in real estate trust).

As a result of their acquisition, the entirety of the investment properties (the "portfolio" hereinafter) of the Company as at the end of the 4th fiscal period included 23 buildings totalling ¥210,100 million at the acquisition price, which was about double the size of what it used to be at the time of initial listing in December 2003.

Turning the eye to asset management, we are proud to be able to report that the average occupancy rate was maintained at as high as above 97% throughout the 4th period. We have also conducted various refurbishment and renovation works not only to keep up but also further enhance the competitiveness of the properties with a view to increase revenues over the mid-to-long term.

Note: The "Beneficial interest in real estate trust" means a beneficial interest arising from a trust in which real estates are the primary underlying assets.

(3) Status of Funding

During the 4th fiscal period ending October 31, 2005, the Company has raised ¥32,400 million through issuance (public issue and third-party allotment) of additional investment units for the second time so that we could make further investments and build up a more solid financial base simultaneously. As 45,320 units have been issued this time, the total number of units issued has become 229,970 and counted for the total unitholders' capital of ¥124,610 million.

On the debt side, we have made a prepayment before maturity of ¥3,500 million out of the funds that were raised through the above-mentioned issuance of investment units. After a careful analysis of components of the current interest bearing debts, we have executed debts of ¥14,000 million based on a Commitment Line Agreement, and ¥5,000 million based on a Term Loan Agreement to finance acquisition of the above-mentioned four properties. As a result of these financial operations, the outstanding interest-bearing debts as at the close of the 4th fiscal period was ¥93,000 million.

We have also diversified the sources of funding by completing the shelf registration in September 2005, which in turn enabled us to issue the investment corporation bonds more timely. The established limit of shelf registration is ¥100,000 million.

3. STATUS OF CAPITAL

Please find below changes of the number of units issued and unitholders' capital.

Date	Type of Issue	Number of Units Issued (Unit)		Unitholders' Capital (¥ mln)		Note
		New Issue	Balance	New Issue	Balance	
Aug. 7, 2003	Initial Private Placement	400	400	200	200	(Note 1)
Dec. 4, 2003	Public Offering	148,200	148,600	71,506	71,706	(Note 2)
May 19, 2004	Public Offering	35,000	183,600	19,866	91,572	(Note 3)
Jun. 16, 2004	Third-party Allotment	1,050	184,650	595	92,168	(Note 4)
May 1, 2005	Public Offering	44,000	228,650	31,496	123,665	(Note 5)
May 24, 2005	Third-party Allotment	1,320	229,970	944	124,610	(Note 6)

Note 1: Initial private placement at the offer price of ¥500,000 per unit to incorporate the Company.

Note 2: Public offering at the offer price of ¥500,000 (issue price of ¥482,500) to finance acquisition of new properties.

Note 3: Public offering at the offer price of ¥588,000 (issue price of ¥567,600) to finance acquisition of new properties and to repay debts.

Note 4: Third-party allotment to Nomura Securities at the offer price of ¥567,600 following the public offering on May 19, 2004.

Note 5: Public offering at the offer price of ¥740,782 (issue price of ¥715,837) to finance acquisition of new properties and to repay debts.

Note 6: Third-party allotment to Nomura Securities at the offer price of ¥715,837 following the public offering on May 1, 2005.

[Changes in price at the Tokyo Stock Exchange]

Please find below changes in price of the Company's investment units listed on the J-REIT section of the Tokyo Stock Exchange.

		4th FP Ending Oct. 2005	3rd FP Ending Apr. 2005	2nd FP Ending Oct. 2004	1st FP Ending Apr. 2004
High	(¥)	850,000	798,000	779,000	715,000
Low	(¥)	748,000	678,000	591,000	505,000

4. RECORDS OF CASH DISTRIBUTION

In order for the maximum amount of cash distribution to be treated as losses, subject to the provisions set forth in Article 67-15 of the Special Taxation Measures Law, we have decided to distribute almost the entire amount of the Retained Earnings as at the end of this period and any amount less than one yen (¥1) shall be disregarded. The amount of cash distribution per unit was ¥15,150 rounding off the fraction to unit.

		4th FP (May 1, 2005 - Oct. 31, 2005)	3rd FP (Nov. 1, 2004 - Apr. 30, 2005)	2nd FP (May 1, 2004 - Oct. 31, 2004)	1st FP (Aug. 7, 2003 - Apr. 30, 2004)
Retained Earnings	(¥000)	3,484,171	2,681,225	2,606,196	1,526,651
Accumulated Earnings	(¥000)	126	107	46	83
Total Cash Distribution	(¥000)	3,484,045	2,681,118	2,606,150	1,526,567
(Cash Distribution per Unit)	(¥)	(15,150)	(14,520)	(14,114)	(10,273)
of which Distribution of Profits	(¥000)	3,484,045	2,681,118	2,606,150	1,526,567
(Distribution of Profits per Unit)	(¥)	(15,150)	(14,520)	(14,114)	(10,273)
of which Refund of Capital	(¥000)	—	—	—	—
(Refund of Capital per Unit)	(¥)	(—)	(—)	(—)	(—)

5. INVESTMENT POLICY AND ISSUES TO BE ATTENDED IN FUTURE

(1) Investment Environments

As we expect corporations to continue looking for larger spaces in new buildings reflecting the upturn of business, the rent levels of properties satisfying the tenant's such needs will increase, particularly in the Tokyo Central Area. The rent levels in the Vicinity of Tokyo and Other Cities are also expected to start rising gradually as occupancy rates improve.

However, the tendency towards bipolarization will intensify as the tenant's needs become more focused on those buildings in good location with the most up-to-date features.

As for the demand-supply conditions in the real estate trading market, we expect to see the supply coming continuously from general corporations and private funds disposing their assets for various reasons. On the other hand, acquisition of attractive properties in large cities will continue to highly competitive as private funds and J-REITs will aggressively be seeking those properties.

(2) Investment Policy and Issues to Be Attended

With such environments in mind, the Company will employ the following investment policies to ensure stable revenue from, and steady growth of, the portfolio over the mid-to-long term.

(a) Enlargement of Portfolio by Acquisition of New Properties

We will aim at increasing the revenue by expanding the size of the portfolio up to ¥500 billion in the medium term. The larger the scale of the portfolio, the easier it will be to promote further diversification of investment, which in turn will decrease the potential fluctuations in revenue, and enable us to control the cost of management and / or administration more effectively.

We do not think it wise to engage in overly heated competition in acquiring investment objects. In order for us to make right investments in properties of good value, we need to obtain information early about objects offered in the market, and conduct an in-depth due diligence to assess the potential risks involved in such investments. To make this protocol function and increase the trading opportunities for us, we will improve our own information-gathering capacity in co-operation with other companies of Nomura Real Estate group. By combining the professional know-how such as market research and engineering organically, we believe we can strengthen our ability to appraise the properties and establish further creditworthiness in market making.

In making an investment decision, we will adhere to strict rules to ensure that the new object will bring stable revenues to the entire portfolio in the light of mid-to-long term perspective.

Note: Nomura Real Estate group includes Nomura Real Estate Development Co., Ltd., Nomura Real Estate Holdings Co., Ltd. and its consolidated subsidiaries, but excludes Nomura Real Estate Asset Management Co., Ltd., which is an asset management company.

(b) Property Management in a Mid-to-Long Term View

We will make it one of our priorities to satisfy the requirements of existing tenants. We will make full use of our information resources organically to market potential tenants, and proactively introduce them to most suitable properties we have to offer. We believe that this in turn will contribute to maintaining and sustaining stable occupancy rate and level of rents over the mid-to-long term.

By putting the know-how of Nomura Real Estate group of companies together, we seek to design the most suitable specifications of the way to manage and maintain each property in the most cost-effective way, which in turn will ensure stable inflow of revenues.

In order to ensure stable revenues over the mid-to-long term, we will carry out strategic refurbishment and renovation works to maintain and / or improve features of the properties, establishing their uniqueness and increasing their competitiveness.

(c) Continuation of Conservative Financial Policy

In order to assure stable financing capability and increase creditworthiness in the market over the mid-to-long term, we will pay particular attention to debt finance; in other words, we will seek to continuously keep the LTV rate low, to use more long-term funding at fixed rates, to diversify the repayment dates, and to increase the number of institutions we borrow funds.

We will closely monitor the conditions of financial markets, and will carefully deliberate and choose the best means of funding such as through usages of commitment lines, and issuance of investment corporation bonds (by way of public offering and private placement) from a wide range of available sources of funding to ensure a well-balanced structure of interest bearing debts.

Note: LTV means Loan to Value, a ratio of interest bearing debts over the total assets.

6. MATERIAL FACTS AFTER THE END OF THE FOURTH FISCAL PERIOD

The significant post-balance sheet facts that arose after the end of October 2005 were as follows.

(1) Issue of Investment Corporation Bonds

Based on the resolution of the Board of Directors adopted on September 29, 2005, the Company issued the following bonds on November 28, 2005, that is, after the end of the fiscal period on October 31, 2005. These bonds were issued under the shelf registration scheme filed on September 29, 2005.

Name of Investment Corporation Bonds	Nomura Real Estate Office Fund, Inc. Third Series Uninsured Investment Corporation Bonds (Ranking <i>Pari Passu</i> among the Specified Investment Corporation Bonds) (the "Third Series Bonds")
Total Amount Issued	¥10 billion
Issue Price	¥100 per par value of ¥100
Redemption Price	¥100 per par value of ¥100
Interest Rate	1.19% p.a.
Security / Guarantee	None
Redemption Date	November 29, 2010 (5-year bond)
Interest Dates	May 28 and November 28 each year
Use of Proceeds	To acquire the after-mentioned four properties, including related expenditures, and to partly repay the existing debts.

Name of Investment Corporation Bonds	Nomura Real Estate Office Fund, Inc. Fourth Series Uninsured Investment Corporation Bonds (Ranking <i>Pari Passu</i> among the Specified Investment Corporation Bonds) (the "Fourth Series Bonds")
Total Amount Issued	¥10 billion
Issue Price	¥100 per par value of ¥100
Redemption Price	¥100 per par value of ¥100
Interest Rate	2.05% p.a.
Security / Guarantee	None
Redemption Date	November 30, 2015 (10-year bond)
Interest Dates	May 28 and November 28 each year
Use of Proceeds	To acquire the after-mentioned four properties, including related expenditures, and to partly repay the existing debts.

Both of the Third Series Bonds and the Fourth Series Bonds have obtained the following rating as of November 11, 2005.

Rating Company	Rating
Rating and Investment Information, Inc.	A+
Standard & Poor's Ratings Services	A
Moody's Investors Service, Inc.	A3

(Reference - newly acquired four properties)

The company acquired the following buildings after the end of the 4th fiscal period on October 31, 2005. Outline of these properties on the date of acquisition are as follows.

Name	Nishi-Shinjuku Showa Building	Sendai Chowa Building
Type of Asset	Beneficial interest in real estate trust	Beneficial interest in real estate trust
Lot Number (Note 1)	1-13-16 Nishi-Shinjuku, Shinjuku-ku, Tokyo and 5 other lots	2-1-2 Ichiban-cho, Aoba-ku, Sendai City, Miyagi
Location (Note 1)	1-13-12 Nishi-Shinjuku, Shinjuku-ku, Tokyo	2-1-2 Ichiban-cho, Aoba-ku, Sendai City, Miyagi
Structure (Note 1)	RC	SRC
Floor (Note 1)	B2 / 11F	B2 / 11F (Note 3)
Site Area (Note 1)	1,101.49 m ² (the entire area of the building site)	2,321.61 m ²
Floor Space (Note 1)	5,858.26 m ² (The aggregate of exclusively owned area)	12,977.45 m ²
Type of Ownership	Land Co-ownership (Note 2) Building Compartmentalized Ownership	Land Ownership Building Ownership
Date of Completion (Note 1)	April 23, 1982	July 2, 1968
Property Management	Nomura Real Estate Development Co., Ltd.	The Dai-Ichi Building Co., Ltd.
Number of Tenants	20	26
Leasable Floor	5,648.67 m ²	6,165.70 m ²
Occupancy Rate	100.0%	93.0 %
Acquisition Price	¥8,800 million	¥3,200 million
Contract Date	November 30, 2005 (Trade of beneficial interest agreed)	November 30, 2005 (Trade of beneficial interest agreed)
Acquisition Date	November 30, 2005 (Beneficial interest transferred)	November 30, 2005 (Beneficial interest transferred)
Seller	YK JOFI Nishi-Shinjuku	YK J. N. Investment
Source of Funds	Own capital, issuance of investment corporation bonds and debts	Own capital, issuance of investment corporation bonds and debts

Name	Osaka Chowa Building	Hiroshima Chowa Building
Type of Asset	Beneficial interest in real estate trust	Beneficial interest in real estate trust
Lot Number (Note 1)	3-15-8 Kawara-machi, Chuo-ku, Osaka City, Osaka and 5 other lots	1-17 Tate-machi, Naka-ku, Hiroshima City, Hiroshima and 4 other lots
Location (Note1)	3-5-7 Kawara-machi, Chuo-ku, Osaka City, Osaka	1-20 Tate-machi, Naka-ku, Hiroshima City, Hiroshima
Structure (Note 1)	SRC	SRC
Floor (Note 1)	B2 / 10F	B2 / 12F (Note 4)
Site Area (Note 1)	2,366.99 m ²	925.55 m ²
Floor Space (Note 1)	21,007.98 m ²	8,206.91 m ²
Type of Ownership	Land Ownership Building Ownership	Land Ownership Building Ownership
Date of Completion (Note 1)	April 1, 1974	November 28, 1966
Property Management	Nomura Real Estate Development Co., Ltd.	Nomura Real Estate Development Co., Ltd.
Number of Tenants	18	21
Leasable Floor	12,240.88 m ²	4,334.75 m ²
Occupancy Rate	98.9%	78.4 %
Acquisition Price	¥12,900 million	¥2,100 million
Contract Date	November 30, 2005 (Trade of beneficial interest agreed)	November 30, 2005 (Trade of beneficial interest agreed)
Acquisition Date	November 30, 2005 (Beneficial interest transferred)	November 30, 2005 (Beneficial interest transferred)
Seller	YK J. N. Investment	YK J. N. Investment
Source of Funds	Own capital, issuance of investment corporation bonds and debts	Own capital, issuance of investment corporation bonds and debts

Note 1: Taken from the registry book.

Note 2: Our proportion of co-ownership is 8,425 / 10,000.

Note 3: According to notification of confirmation based on the Building Standards Law, the structure is SRC B2 / 8F with 3F penthouse.

Note 4: According to notification of confirmation based on the Building Standards Law, the structure is SRC B2 / 9F with 3F penthouse.

Profile of the Company

1. STATUS OF UNITHOLDERS' CAPITAL

		End of 4th FP (Oct. 31, 2005)	End of 3rd FP (Apr. 30, 2005)	End of 2nd FP (Oct. 31, 2004)	End of 1st FP (Apr. 30, 2004)
Maximum number of units allowed to issue		2,000,000	2,000,000	2,000,000	2,000,000
Total number of units issued		229,970	184,650	184,650	184,600
Total amount of unitholders' capital	¥mln	124,610	92,168	92,168	71,706
Total number of unitholders		15,884	13,954	15,522	14,658

2. MAJOR UNITHOLDERS

The major unitholders as of October 31, 2005 were as follows.

Name	Address	Number of Units Held	Portion in the Total Units Issued (%)
Japan Trustee Service Bank, Ltd. (Trust Accounts)	1-8-11 Harumi, Chuo-ku, Tokyo	22,964	9.99
Nomura Real Estate Development Co., Ltd.	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	11,500	5.00
The Master Trust Bank of Japan, Ltd. (Trust Accounts)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	8,518	3.70
Trust and Custody Services Bank, Ltd. (Securities Trust Accounts)	1-8-12 Harumi, Chuo-ku, Tokyo	8,303	3.61
Nikko Citi Trust and Banking Corporation (Trust Accounts)	2-3-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo	7,960	3.46
Kawasaki Gakuen	577 Matsushima, Kurashiki City, Okayama	6,000	2.61
American Life Insurance Company GAL	2-3-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo	5,309	2.31
The Gibraltar Life Insurance Co., Ltd. (Ordinary Accounts and others)	1-8-11 Harumi, Chuo-ku, Tokyo	4,811	2.09
National Mutual Insurance Federation of Agricultural Cooperatives (Zen-Kyo-Ren)	2-7-9 Hirakawa-cho, Chiyoda-ku, Tokyo	3,993	1.74
The Chugoku Bank, Ltd.	1-15-20 Marunouchi, Okayama City, Okayama	3,479	1.51
Total		82,837	36.02

3. BREAKDOWN OF UNITHOLDERS

(1) Number of Unitholders

	End of 4th Fiscal Period (Oct. 31, 2005)		End of 3rd Fiscal Period (Apr. 30, 2005)	
Private and Other Investors	15,284	96.2%	13,449	96.4%
Financial Institutions (Including Securities Companies)	200	1.3%	187	1.3%
Other Domestic Corporate Investors	258	1.6%	261	1.9%
Foreign Corporate Investors, etc.	142	0.9%	57	0.4%
Total	15,884	100.0%	13,954	100.0%

(2) Number of Units per Unitholders

	End of 4th Fiscal Period (Oct. 31, 2005)		End of 3rd Fiscal Period (Apr. 30, 2005)	
Private and Other Investors	40,788	17.7%	38,258	20.7%
Financial Institutions (Including Securities Companies)	140,665	61.2%	113,311	61.4%
Other Domestic Corporate Investors	25,621	11.1%	24,002	13.0%
Foreign Corporate Investors, etc.	22,896	10.0%	9,079	4.9%
Total	229,970	100.0%	184,650	100.0%

4. EXECUTIVE DIRECTORS AND SUPERVISORY DIRECTORS (Note 1)

Title	Name	Other Major Title(s)
Executive Director	Yasutoshi Akiyama (Note 2)	President and Representative Director, Nomura Real Estate Asset Management Co., Ltd.
Executive Director	Isamu Okada	President and Representative Director, Yokohama Business Park (YBP) Heating and Cooling Supply Co., Ltd.
Supervisory Director	Yutaka Hori	Representative Lawyer, Hori Yutaka Law Office
Supervisory Director	Yoshiharu Hayakawa	Representative, Kasumi Empowerment Research Institute
Supervisory Director	Shuhei Yoshida	Representative Lawyer, Yoshida Shuhei Law Office
Supervisory Director	Eitoku Aikawa	Executive Advisor, Fair Appraisers, K.K.

Note 1: No Executive Directors or Supervisory Directors were in possession of the Company's investment units either under their own or other person's name. Supervisory Directors might serve as directors of other companies, but there are no mutual business interests whatsoever between such companies and the Company.

Note 2: Yasutoshi Akiyama resigned the office on March 31, 2006.

5. TRUSTEES, CUSTODIAN AND ADMINISTRATORS

Business	Company
Investment Trust Manager (Asset Management Company)	Nomura Real Estate Asset Management Co., Ltd.
Custodian of Assets	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Underwriter)	(Note 1)
Administrative Agent (Transfer of Title)	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Accounting)	Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (Investment Corporation Bonds)	UFJ Bank, Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd. (Note 2)

Note 1: On April 18, 2005, the Company entered into underwriting agreements with Nomura Securities, the lead manager, Merrill Lynch Japan Securities, Nikko Citigroup, Mizuho Securities, UBS Securities Japan, Daiwa Securities SMBC, Mitsubishi Securities (currently Mitsubishi UFJ Securities) and Cosmo Securities in association with the public offering of the units. The underwriting agreement was terminated in its entirety upon completion of the pay-in on May 1, 2005.

Note 2: On November 11, 2005, the Company entered into general administrative agreements with Sumitomo Mitsui Banking Corporation, Nomura Securities, Nikko Citigroup and Mizuho Securities in association with the issue of the Third Series Bonds and the Fourth Series Bonds. A particular section of the agreement relating to the administration of offering was finished upon completion of the pay-in on November 28, 2005.

Status of Investment Assets of the Company

1. COMPOSITION OF ASSETS

Type of Assets	End of 4th Fiscal Period (October 31, 2005)		End of 3rd Fiscal Period (April 30, 2005)	
	Total Value (¥ mln) (Note 1)	Proportion (%) (Note 2)	Total Value (¥ mln) (Note 1)	Proportion (%) (Note 2)
Real Estate Held in Trust				
Tokyo Central Area	154,301	64.5	146,658	70.5
Vicinity of Tokyo	35,245	14.7	20,531	9.9
Other Cities	22,019	9.2	18,216	8.8
Subtotal	211,566	88.5	185,406	89.1
Cash, Deposits and Other Assets	27,500	11.5	22,597	10.9
Grand Total	239,067	100.0	208,003	100.0

Note 1: Total value is taken from the balance sheet (the entrusted assets represent the value after depreciation.).

Note 2: The percentage figures may not necessarily add up to 100.0 due to rounding to the nearest first decimal place.

2. MAJOR COMPONENTS OF INVESTMENT ASSETS

The major components of assets (top 10 largest properties by book value at the end of the fiscal period) were as follows.

Name of Building	Book Value (¥ mln)	Leasable Area (m ²)	Leased Area (m ²)	Occupancy Rate (%)	Proportion of Income of All Rental Business (%)	Primary Use
Shinjuku Nomura Bldg.	38,793	31,804.67	30,967.08	97.4	20.1	Office
JAL Bldg.	34,081	42,084.11	42,084.11	100.0	(Note 1)	Office
Itopia Nihonbashi-Honcho Bldg.	20,518	19,233.28	17,701.04	92.0	9.5	Office
Tennozu Park Side Bldg.	14,378	18,051.61	18,051.61	100.0	9.2	Office
NOF Shibuya Koen Dori Bldg.	12,616	3,420.16	3,420.16	100.0	4.3	Office
Isuzu Shiba Bldg.	10,255	8,165.10	7,675.73	94.0	3.8	Office
Kawasaki Higashiguchi Sanshin Bldg.	9,775	8,284.03	8,039.72	97.1	2.5	Office
Toshin Tameike Bldg.	7,646	4,766.33	4,766.33	100.0	0.5	Office
TT Landic Toyo-cho Bldg.	7,297	18,218.17	18,218.17	100.0	(Note 1)	Office
Nomura Osaka Bldg.	6,383	16,977.79	15,851.80	93.4	5.6	Office
Total	161,748	171,005.25	166,775.75	97.5	69.0 (Note 2)	—

Note 1: Not disclosed due to compelling reasons.

Note 2: Despite the above restrictions, the total include the proportions of JAL Building and TT Landic Toyo-cho Building.

3. DETAILS OF PORTFOLIO PROPERTIES

Name of Building	Location (Postal Address)	Type of Ownership	Appraisal Value at the End of the Fiscal Period (¥ mln) (Note 1)
Tokyo Central Area			
Shinjuku Nomura Bldg. (Note 2)	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	41,000
JAL Bldg.	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	30,940
Itopia Nihonbashi-Honcho Bldg.	2-7-1 Nihonbashi-Honcho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	21,400
Tennozu Park Side Bldg.	2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	16,200
NOF Shibuya Koen Dori Bldg.	20-17 Udagawa-cho, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	14,000
Isuzu Shiba Bldg.	4-2-3 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	10,300
Toshin Tameike Bldg.	1-1-14 Akasaka, Minato-ku, Tokyo	Beneficial interest in real estate trust	7,400
Shinagawa NF Bldg.	1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	5,740
Surugadai Plaza Bldg.	2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	5,410
Kanda Iwamoto-cho Tosei Bldg.	3-8-16 Iwamoto-cho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	3,340
Seiwa Shinjuku Bldg.	5-32-7 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	2,410
Subtotal			158,140
Vicinity of Tokyo			
TT Landic Toyo-cho Bldg.	1-6-35 Shinsuna, Koto-ku, Tokyo	Beneficial interest in real estate trust	7,950
Technoport Kamata B Ridge	2-16-1 Minami-Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	6,870
Faret Tachikawa Center Square	2-36-2 Akebono-cho, Tachikawa City, Tokyo	Beneficial interest in real estate trust	3,900
Kawasaki Higashiguchi Sanshin Bldg.	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa (Note 3)	Beneficial interest in real estate trust	9,590
Asahi Seimei Yokohama Nishiguchi Bldg.	1-11-11 Kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa	Beneficial interest in real estate trust	5,560
Shin-Yokohama Nikko Bldg.	2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Beneficial interest in real estate trust	3,680
Subtotal			37,550
Other Cities			
Utsunomiya NF Bldg.	2-1-1 Baba-dori, Utsunomiya City, Tochigi	Beneficial interest in real estate trust	3,190
Yanagibashi Sanshin Bldg.	1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi	Beneficial interest in real estate trust	3,560
Nomura Osaka Bldg.	1-8-15 Azuchi-cho, Chuo-ku, Osaka City, Osaka	Beneficial interest in real estate trust	6,950
Nomura Yotsubashi Bldg.	1-4-4 Awaza, Nishi-ku, Osaka City, Osaka	Beneficial interest in real estate trust	4,600
Kobe Kaigan Bldg.	3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo (Note 3)	Beneficial interest in real estate trust	3,310
Nomura Hiroshima Bldg.	2-23 Tate-machi, Naka-ku, Hiroshima City, Hiroshima	Beneficial interest in real estate trust	2,080
Subtotal			23,690
Grand total			219,380

Note 1: "Appraisal Value at the end of the fiscal period" stands for the prices appraised by real estate appraisers in accordance with the provisions of the Company's Articles of Incorporation and the "Rules Concerning Balance Sheet, Income Statement, Asset Management Report, Calculation of Cash Distribution and Annexed Statement For Investment Corporations" (Decree No. 134 issued by the General Administrative Agency of the Cabinet in 2000). The appraisal prices are calculated by Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal, Co., Ltd., HIRO and REAS Network, Inc., Chuo Real Estate Appraisal Co., Ltd. or Appraisal Firm A-Square Co., Ltd. using the capitalization approach, with October 31, 2005 being taken as the point of evaluation.

Note 2: The Company's stake in this property is co-ownership of 50.1% of the entire building. The value at the end of the term accounted solely for the co-ownership.

Note 3: The numbers that appear in the address of the properties are the lot numbers as postal addresses of these properties have not been allocated yet.

Name of Building	4th Fiscal Period (May 1, 2005 – October 31, 2005)				3rd Fiscal Period (November 1, 2004 – April 30, 2005)			
	Number of Tenants at the End of the Period (Note 1)	Occupancy Rate at the End of the Period (%)	Rental Revenues during the Period (¥ mln)	Proportion of Income of All Rental Business (%)	Number of Tenants at the End of the Period (Note 1)	Occupancy Rate at the End of the Period (%)	Rental Revenues during the Period (¥ mln)	Proportion of Income of All Rental Business (%)
Tokyo Central Area								
Shinjuku Nomura Bldg.	85	97.4	1,740	20.1	86	97.5	1,701	23.9
JAL Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Itopia Nihonbashi-Honcho Bldg.	12	92.0	824	9.5	12	98.3	785	11.1
Tennozu Park Side Bldg.	14	100.0	792	9.2	14	100.0	767	10.8
NOF Shibuya Koen Dori Bldg.	3	100.0	367	4.3	3	100.0	238	3.3
Isuzu Shiba Bldg.	10	94.0	327	3.8	11	100.0	298	4.2
Toshin Tameike Bldg.	12	100.0	40	0.5	–	–	–	–
Shinagawa NF Bldg.	5	100.0	259	3.0	5	100.0	254	3.6
Surugadai Plaza Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Kanda Iwamoto-cho Tosei Bldg.	8	100.0	149	1.7	8	100.0	133	1.9
Seiwa Shinjuku Bldg.	5	100.0	103	1.2	5	100.0	101	1.4
Subtotal	156	98.0	5,682 (Note 3)	65.8	146	99.2	4,687 (Note 3)	66.0
Vicinity of Tokyo								
TT Landic Toyo-cho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Technoport Kamata B Ridge	13	99.9	422	4.9	12	95.7	394	5.6
Faret Tachikawa Center Square	16	95.3	225	2.6	16	100.0	226	3.2
Kawasaki Higashiguchi Sanshin Bldg.	24	97.1	214	2.5	–	–	–	–
Asahi Seimei Yokohama Nishiguchi Bldg.	27	97.3	225	2.6	–	–	–	–
Shin-Yokohama Nikko Bldg.	3	100.0	(Note 2)	(Note 2)	3	100.0	(Note 2)	(Note 2)
Subtotal	84	98.8	1,576 (Note 3)	18.2	32	98.8	1,076 (Note 3)	15.2
Other Cities								
Utsunomiya NF Bldg.	26	98.8	169	2.0	26	96.1	169	2.4
Yanagibashi Sanshin Bldg.	6	87.1	21	0.2	–	–	–	–
Nomura Osaka Bldg.	25	93.4	483	5.6	23	92.5	463	6.5
Nomura Yotsubashi Bldg.	16	95.3	307	3.6	17	97.1	312	4.4
Kobe Kaigan Bldg.	28	87.5	192	2.2	28	91.1	190	2.7
Nomura Hiroshima Bldg.	16	96.4	207	2.4	15	93.9	205	2.9
Subtotal	117	93.6	1,381	16.0	109	94.1	1,341	18.9
Grand Total	357	97.3	8,641 (Note 3)	100.0	287	98.1	7,106 (Note 3)	100.0

Note 1: In the case a master lease agreement is in place, in which the master tenant of the said lease agreement subleases a part or whole of the leased floor spaces to the end tenants, only the master tenant is counted as the number of tenants. In the case more than one space within the same building are leased by the same tenant, such spaces are combined to count for just one tenant. However, when the same tenant leased floor spaces in more than one building, such spaces are counted separately for each building as if they are leased by different tenants. As for Shinjuku Nomura Building, the number of tenants in the entire building is taken into account.

Note 2: Not disclosed due to compelling reasons.

Note 3: Total numbers include those not disclosed due to compelling reasons.

4. MAJOR TENANTS (Top ten largest tenants by leased floor space)

Tenant	Industry	Property	Termination of Lease Contract (Note 1)	Leased Floor Space (m ²)	Ratio in Total Leased Space (%) (Note 2)
Flagship Properties Inc.	Real Estate	JAL Bldg.	Mar. 31, 2015	42,084.11	16.5
XYMAX Corporation	Real Estate	TT Landic Toyo-cho Bldg.	Nov. 30, 2009	18,218.17	7.2
Fujitsu Limited	Electronics	Technoport Kamata B Ridge	Mar. 31, 2007	3,699.38	1.5
		Faret Tachikawa Center Square	Dec. 31, 2005	501.35	0.2
		Shin-Yokohama Nikko Bldg.	Sep. 30, 2006	6,547.74	2.6
		Nomura Osaka Bldg.	Dec. 31, 2006	809.15	0.3
Nomura Real Estate Development Co., Ltd.	Real Estate	Shinjuku Nomura Bldg.	Nov. 30, 2013	3,601.65	1.4
		Nomura Osaka Bldg.	Nov. 30, 2013	345.37	0.1
		Nomura Yotsubashi Bldg.	Nov. 30, 2013	1,266.19	0.5
		Shinjuku Nomura Bldg.	May 31, 2008	1,206.55	0.5
Nomura Facilities Co., Ltd.	Real Estate	Utsunomiya NF Bldg.	Dec. 9, 2005	1,072.69	0.4
		Nomura Hiroshima Bldg.	Mar. 31, 2007	2,834.48	1.1
		Surugadai Plaza Bldg.	Apr. 30, 2007	4,160.94	1.6
		Technoport Kamata B Ridge	Oct. 31, 2005	3,652.38	1.4
Ito-Yokado Co., Ltd.	Retail	IT	Feb. 28, 2007	3,598.83	1.4
Corporate Software Ltd.	IT	Tennozu Park Side Bldg.	Feb. 28, 2007	3,598.83	1.4
Daiken Corporation	Other	Itoya Nihonbashi-Honcho Bldg.	Feb. 14, 2007	3,221.93	1.3
Crosscat Co., Ltd.	IT	Shinagawa NF Bldg.	Feb. 28, 2007	2,375.87	0.9
Total				99,196.79	39.0

Note 1: Where more than one lease contract exist, the lease with the largest space is taken to represent the date of termination of the lease contract.

Note 2: The sum of the figures of each column may not necessarily add up to the figure in the Total due to rounding to the nearest first decimal place.

5. OUTSTANDING AMOUNT AND CURRENT PRICE OF SPECIFIED TRANSACTIONS

The outstanding amount and current price of the specified transactions as at the end of the 4th fiscal period were as follows.

Segment	Type of Transaction	Contract Amount (¥ mln) (Note 1)		Current Price (¥ mln) (Note 2)
			of which maturity is longer than a year (Note 1)	
Transaction other than market transaction	Interest rate swap (Receiving variable rate, paying fixed rate)	39,500	39,500	△235
Total		39,500	39,500	△235

Note 1: Notional principal is described in relation to interest rate swap agreement.

Note 2: Evaluated at the price provided by the counterparty based on the then market rate.

6. STATUS OF THE OTHER ASSETS

Other than the beneficial interest in real estate trust listed in “3. DETAILS OF PORTFOLIO PROPERTIES”, the Company had no other assets to integrate as at the end of the 4th fiscal period.

Capital Expenditures

1. SCHEDULE OF CAPITAL EXPENDITURES

The table below lists major capital expenditures in conjunction with refurbishment and/or renewal works scheduled for the future (finished in part) on the properties held as at the end of the 4th fiscal period. The cost of works includes items to be charged as “expenses” in connection with accounting procedure.

Name and Location of Building	Purposes	Period of Works	Cost of Works (¥ mln) (Note 1)		
			Total Amount of Work	Amount Paid during the 4th Period	Amount Paid before the 4th Period
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Refurbishment on the basement shopping floor and common space (Increase in revenues) (Note 2)	Aug. 2005 – Mar. 2006	450	64	64
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Refurbishment on the common space of the standard floors (Increase in revenues) (Note 2)	May 2005 – Sep. 2006	435	182	182
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renewal of sanitary piping (Increase in quality) (Note 2)	Nov. 2005 – Mar. 2008	177	–	2
Itopia Nihonbashi-Honcho Bldg. (Chuo-ku, Tokyo)	Renewal of heat pipes and AHU (Increase in quality) (Note 2)	Jun. 2005 – Nov. 2006	170	–	–
Shinagawa NF Bldg. (Shinagawa-ku, Tokyo)	Renewal of the wall-through units (Increase in quality)	Apr. 2006 – May 2008	200	–	–
NOF Shibuya Koen Dori Bldg. (Shibuya-ku, Tokyo)	Refurbishment of the main entrance (Increase in revenues)	Feb. 2006 – Mar. 2006	25	–	–
Kawasaki Higashiguchi Sanshin Bldg. (Kawasaki-ku, Kawasaki City)	Increase of electric capacity (Increase in revenues)	Feb. 2006 – Mar. 2006	20	–	–
Shin-Yokohama Nikko Bldg. (Kohoku-ku, Yokohama City)	Renewal of accumulator for air conditioning (Increase in quality)	Jan. 2006 – Jan. 2006	50	–	–
Nomura Osaka Bldg. (Chuo-ku, Osaka City)	Turning the common space barrier-free (Increase in revenues)	Dec. 2005 – Feb. 2006	22	–	–
Nomura Yotsubashi Bldg. (Nishi-ku, Osaka City)	Renewal of the out-side wall sealing (Renewal) (Note 3)	Aug. 2005 – Nov. 2005	56	–	–
Nomura Yotsubashi Bldg. (Nishi-ku, Osaka City)	Renewal of the central monitoring system (Increase in quality)	Jun. 2006 – Aug. 2006	40	–	–

Note 1: As for Nomura Shinjuku Building, the posted amount of cost represents 50.1%, our proportion of co-ownership, of the total cost of refurbishment of the entire building.

Note 2: These works had already started as of the date of this report.

Note 3: This work had already been completed as of the date of this report.

2. CAPITAL EXPENDITURES DURING THE FOURTH FISCAL PERIOD

The table below lists capital expenditures during the 4th fiscal period in conjunction with the major renovation works. During the 4th fiscal period, we have conducted engineering works totalling ¥1,229 million, capital expenditures of ¥1,016 million and repairing expenses of ¥213 million combined all together.

Name and Location of Building	Purposes	Period of Works	Cost of Works (¥mln)
Itopia Nihonbashi-Honcho Bldg. (Chuo-ku, Tokyo)	Renewal of heat piping (Renewal)	Sep. 2005 – Oct. 2005	34
NOF Shibuya Koen Dori Bldg. (Shibuya-ku, Tokyo)	Refurbishment on the basement and ground floors (Increase in revenues)	Jan. 2005 – May 2005	254
Nomura Osaka Bldg. (Chuo-ku, Osaka City)	Refurbishment of the entrance (Increase in revenues)	Jun. 2005 – Sep. 2005	28
Nomura Hiroshima Bldg. (Naka-ku, Hiroshima City)	Seismic retrofitting (Increase in quality)	Jan. 2005 – Jul. 2005	199
Asahi Seimei Yokohama Nishiguchi Bldg. (Nishi-ku, Yokohama City)	Refurbishment of the standard floors and entrance (Increase in revenues)	Aug. 2005 – Sep. 2005	56
Other buildings	Renewal of features	May 2005 – Oct. 2005	442
Total			1,016

3. FUNDS RESERVED FOR THE LONG-TERM REPAIR PLANS

Subject to long-term schedule for repair and maintenance set down for each building, the Company has accounted for reserves from the operating cash flow to prepare for large-scale engineering works to be carried out in the future.

	4th FP (May 1, 2005 - Oct. 31, 2005) ¥mln	3rd FP (Nov. 1, 2004 - Apr. 30, 2005) ¥mln	2nd FP (May 1, 2004 - Oct. 31, 2004) ¥mln	1st FP (Aug. 7, 2003 - Apr. 30, 2004) ¥mln
Balance Brought forward from the Previous Period	833	548	184	–
Amount Reserved during the Period	528	524	487	218
Amount Used during the Period	307	239	124	33
Balance Brought forward to the Next Period	1,054	833	548	184

Expenses and Liabilities

1. EXPENSES RELATED TO ASSET MANAGEMENT

	4th Fiscal Period (May 1, 2005 - Oct. 31, 2005) ¥000	3th Fiscal Period (Nov. 1, 2004 - Apr. 30, 2005) ¥000
Asset Management Fees (Note)	629,689	576,611
of which Management Fee I	380,141	301,208
of which Management Fee II	248,927	199,788
of which Management Fee III	620	75,614
Custodian Fee	23,330	20,535
General Administrative Fee	55,323	46,866
Directors' Compensation	8,400	4,800
Other Expenses	68,129	69,094
Total	784,872	717,907

Note: In the Asset Management Agreement between the Company and the Asset Management Company, there is no provision for the so-called acquisition fees, which are payable to the Asset Management Company by the Company on acquisition of a new property, and such fees are non-existent.

2. STATUS OF DEBT

The status of debt from the financial institutions as at the end of the 4th fiscal period is as shown in the schedule below.

Financial Institutions	Date of Borrowing	Outstanding as at the End of 4th Period (¥000)	Outstanding as at the End of Previous Period (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Proceeds	Description			
Short-term Debt											
UFJ Bank Limited	Mar. 17 2005	—	4,750,000	0.48833	May 17 2005	Balloon payment	(Note 2)	Unsecured / Unguaranteed			
Sumitomo Mitsui Banking Corporation		—	4,750,000								
The Bank of Tokyo-Mitsubishi, Ltd.		—	3,800,000								
Mitsubishi UFJ Trust and Banking Corporation		—	1,900,000								
The Sumitomo Trust & Banking Co., Ltd.		—	1,900,000								
The Norinchukin Bank	Nov. 29 2004	—	1,900,000	0.47833	Nov. 29 2005						
The Chuo Mitsui Trust and Banking Company, Limited		—	1,500,000								
The Nomura Trust and Banking Co., Ltd.		—	500,000								
The Hachijuni Bank, Ltd.		—	500,000								
The Hiroshima Bank, Ltd.		—	500,000								
The Iyo Bank, Ltd.	Jun. 29 2005	—	500,000	0.49083	Nov. 29 2005						
UFJ Bank Limited		750,000	—								
Sumitomo Mitsui Banking Corporation		750,000	—								
The Bank of Tokyo-Mitsubishi, Ltd.		600,000	—								
Mitsubishi UFJ Trust and Banking Corporation		300,000	—								
The Sumitomo Trust & Banking Co., Ltd.	Jun. 29 2005	300,000	—	0.36583	Dec. 9 2005						
The Norinchukin Bank		300,000	—								
The Yamanashi Chuo Bank, Ltd.		1,000,000	—								
The Chugoku Bank, Ltd.		1,000,000	—								
The Bank of Fukuoka, Ltd.		1,000,000	—								
National Mutual Insurance Federation of Agricultural Cooperatives	Sep. 28 2005	1,000,000	—	0.49000	Dec. 28 2005						
Aozora Bank, Ltd.		1,000,000	—								
UFJ Bank Limited		2,750,000	—								
Sumitomo Mitsui Banking Corporation		2,750,000	—								
The Bank of Tokyo-Mitsubishi, Ltd.		2,200,000	—								
Mitsubishi UFJ Trust and Banking Corporation	Mar. 17 2005	1,100,000	1,000,000	0.47000	Feb. 26 2006						
The Sumitomo Trust & Banking Co., Ltd.		1,100,000	500,000								
The Norinchukin Bank		1,100,000	500,000								
Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000								
Mitsubishi UFJ Trust and Banking Corporation		500,000	500,000								
The Sumitomo Trust & Banking Co., Ltd.		500,000									
Subtotal		21,000,000	24,500,000								
Long-term Debt to Be Repaid within a Year											
The Bank of Tokyo-Mitsubishi, Ltd.	Feb. 26 2004	1,000,000	1,000,000	0.60000	Feb. 26 2006	Balloon payment	(Note 2)	Unsecured / Unguaranteed			
The Sumitomo Trust & Banking Co., Ltd.		2,500,000	2,500,000								
The Nomura Trust and Banking Co., Ltd.		2,000,000	2,000,000								
The Chiba Bank, Ltd.		1,500,000	1,500,000								
The Hachijuni Bank, Ltd.		500,000	500,000								
Subtotal		7,500,000	7,500,000								
Total Short-term Debt		28,500,000	32,000,000								
Long-term Debt											
UFJ Bank Limited	Dec. 8 2003	2,000,000	2,000,000	1.14500	Dec. 8 2006	Balloon payment	(Note 2)	Unsecured / Unguaranteed			
Sumitomo Mitsui Banking Corporation		2,000,000	2,000,000								
The Sumitomo Trust & Banking Co., Ltd.		2,000,000	2,000,000								
Mitsubishi UFJ Trust and Banking Corporation		1,000,000	1,000,000								
The Chuo Mitsui Trust and Banking Company, Limited		1,000,000	1,000,000								
The Nomura Trust and Banking Co., Ltd.	Dec. 8 2003	2,000,000	2,000,000	1.04500	Dec. 8 2006						
The Chiba Bank, Ltd.		1,000,000	1,000,000								
The Hiroshima Bank, Ltd.		500,000	500,000								
The Iyo Bank, Ltd.		1,000,000	1,000,000								
The Dai-ichi Mutual Life Insurance Company		2,000,000	2,000,000								
Meiji Yasuda Life Insurance Company	Feb. 28, 2005	1,000,000	1,000,000	0.65000	Aug. 28, 2007						
The Bank of Tokyo-Mitsubishi, Ltd.		2,000,000	2,000,000								
UFJ Bank Limited		1,000,000	1,000,000								
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000								
The Bank of Tokyo-Mitsubishi, Ltd.		3,000,000	3,000,000								
The Chiba Bank, Ltd.	Dec. 8 2004	500,000	500,000	1.00625	Dec. 8 2007						
The Hachijuni Bank, Ltd.		1,000,000	1,000,000								
The Hiroshima Bank, Ltd.		1,000,000	1,000,000								
The Keiyo Bank, Ltd.		1,000,000	1,000,000								
UFJ Bank Limited		1,500,000	1,500,000								
Sumitomo Mitsui Banking Corporation	Feb. 26 2004	1,500,000	1,500,000	1.22500	Feb. 26 2008						
The Bank of Tokyo-Mitsubishi, Ltd.		500,000	500,000								
Mitsubishi UFJ Trust and Banking Corporation		2,500,000	2,500,000								
The Chuo Mitsui Trust and Banking Company, Limited		1,000,000	1,000,000								
The Iyo Bank, Ltd.		500,000	500,000								
The Dai-ichi Mutual Life Insurance Company	Feb. 26, 2004	3,000,000	3,000,000	1.05250	Feb. 26, 2008						
UFJ Bank Limited		2,000,000	2,000,000								
Sumitomo Mitsui Banking Corporation		2,000,000	2,000,000								
Mitsubishi UFJ Trust and Banking Corporation		1,000,000	1,000,000								
The Iyo Bank, Ltd.		1,000,000	1,000,000								
The Norinchukin Bank	Dec. 8 2003	2,000,000	2,000,000	1.66750	Dec. 8 2008						
Mitsui Life Insurance Co., Ltd.		2,000,000	2,000,000								
Taiyo Life Insurance Company		1,000,000	1,000,000								
Daido Life Insurance Company		1,000,000	1,000,000								
Mitsui Sumitomo Insurance Co., Ltd.		1,000,000	1,000,000								
The Norinchukin Bank	Feb. 26, 2004	3,000,000	3,000,000	1.77500	Feb. 26, 2010						
Mitsui Life Insurance Co., Ltd.		1,000,000	1,000,000								
Development Bank of Japan		1,000,000	1,000,000								
		1,000,000	1,000,000								
		1,000,000	1,000,000								
Total Long-term Debt		54,500,000	54,500,000								
Grand Total		83,000,000	86,500,000								

Note 1 : The average interest rate is weighted by the balance of each debt as at the end of the term and rounded to the nearest fifth decimal place. As for the debts hedged by interest rate swaps, the swapped interest rates are used to calculate the weighted average of interest.

Note 2 : The use of debts is to purchase the beneficial interest in real estate trust.

3. STATUS OF INVESTMENT CORPORATION BONDS

The status of the investment corporation bonds issued as at the end of the 4th fiscal period was as follows.

Name of Bonds	Issue Date	Balance as at the End of 4th Fiscal Period (¥ mln)	Balance as at the End of Previous Fiscal Period (¥ mln)	Interest Rate (%)	Maturity Date	Method of Repayment	Use of Proceeds	Description
First Series Unsecured Investment Corporation Bonds	Mar. 16 2005	5,000	5,000	1.85	Mar. 16 2015	Balloon payment	(Note 1)	(Note 2)
Second Series Unsecured Investment Corporation Bonds	Mar. 16 2005	5,000	5,000	2.47	Mar. 16 2020	Balloon payment	(Note 1)	(Note 2)
Total		10,000	10,000					

Note 1: The use of proceeds were to purchase the Beneficial interest in real estate trust.

Note 2: These bonds rank pari passu among these investment corporation bonds issued by the Company and may be transferred to qualified institutional investors only.

Trading during the Fiscal Period

1. TRADING OF REAL ESTATES, ASSET BACKED SECURITIES, ETC.

Type of Asset	Name of Property	Acquisition		Disposition			
		Date	Price (Note) (¥ mln)	Date	Price (¥ mln)	Book Value (¥ mln)	P / L (¥ mln)
Beneficial Interest in Real Estate Trust	Asahi Seimei Yokohama Nishiguchi Bldg.	May 12, 2005	5,050	—	—	—	—
	Kawasaki Higashiguchi Sanshin Bldg.	Jun. 30, 2005	9,500	—	—	—	—
	Toshin Tameike Bldg.	Sep. 29, 2005	7,400	—	—	—	—
	Yanagibashi Sanshin Bldg.	Sep. 29, 2005	3,550	—	—	—	—
Total			25,500	—	—	—	—

Note: The term "Price" refers to the acquisition price described in the Transfer Agreement of Beneficial Interest, and does not include other expenses relevant to acquisition of the property such as intermediary fees, taxes and duties.

2. TRADING OF OTHER ASSETS

Other than the above-mentioned properties and asset-backed securities, the Company's assets are mostly comprised of direct bank deposits and bank deposits in trust.

3. SURVEY OF PRICES OF THE SPECIAL ASSETS

(1) Real Estates

Acquisition or Disposition of Properties	Type of Asset	Name of Property	Acquisition Date	Acquisition Price (¥ mln) (Note 1)	Surveyed Value (¥ mln) (Note 2)
Acquisition	Beneficial interest in real estate trust	Asahi Seimei Yokohama Nishiguchi Bldg.	May 12, 2005	5,050	5,320
		Kawasaki Higashiguchi Sanshin Bldg.	Jun. 30, 2005	9,500	9,570
		Toshin Tameike Bldg.	Sep. 29, 2005	7,400	7,400
		Yanagibashi Sanshin Bldg.	Sep. 29, 2005	3,550	3,560
Total				25,500	25,850

Note 1: The term "Acquisition Price" refers to the price described in the Transfer Agreement of Beneficial Interest, and does not include other expenses relevant to acquisition of the property such as intermediary fees, taxes and duties.

Note 2: "Surveyed value" was given by Ernst and Young ShinNihon at the time of acquisition in accordance with the guidance under "Price Survey of Specified Assets Held by Investment Trusts and Investment Corporations", Industry Audit Committee Report No. 23 issued by The Japanese Institute of Certified Public Accountants. The Company has received detailed reports including but not limited to the location and lot number to identify these properties.

(2) Other Assets

Certain transactions the price of which shall be surveyed pursuant to Article 34-4 of the Investment Trust Law but which are not listed on "(1) Real Estates" above have been surveyed by Ernst and Young ShinNihon. There were no such transactions to have had to be surveyed during May 1, 2005 and Oct. 31, 2005.

4. TRANSACTION WITH RELATED PARTIES

(1) Transactions

Table of transactions with related parties for the 4th fiscal period is as follows.

	Purchase (¥ mln)	Sale (¥ mln)
	25,500	–
Amount of Transaction	of which purchase from related parties 5,050 (19.8%)	of which sales to interested parties – (–%)
Related Party		
YK Creo Investment Second	5,050	–

(2) Fees paid to related parties

Table of fees paid to interested parties for the 4th fiscal period is as follows.

	Amount Paid (A) (¥000)	Related Parties (Payee)	Amount Paid (B) (¥000)	(B) / (A)
Contract-out Fees	649,536	Nomura Building Management Co., Ltd. YK Flagship Properties	416,460 916	64.1% 0.1%
Property Management Fees	183,771	Nomura Real Estate Development Co., Ltd. Nomura Building Management Co., Ltd.	136,837 10,043	74.5% 5.5%
Other Expenses	59,792	Nomura Real Estate Development Co., Ltd. Nomura Building Management Co., Ltd.	12,735 24,901	21.3% 41.6%

Note 1: Related parties refer to those bodies which have business interests in the Asset Management Company, with which the Company has an Asset Management Agreement under Article 20 of Enforcement Order of Investment Trust Law. Such bodies for the 4th fiscal period were YK Creo Investment Second, Nomura Building Management Co., Ltd., YK Flagship Properties, and Nomura Real Estate Development Co., Ltd.

Note 2: In addition to the Property Management Agreement, the Company has entrusted Nomura Building Management Co., Ltd. with daily maintenance of building and equipments, which is listed as "Contract-out Fees".

Note 3: Besides the above, the Company has made the following payments for repair works (thousands of Yen).

Paid to Nomura Real Estate Development Co., Ltd.	¥33,659
Paid to Nomura Building Management Co., Ltd.	¥375,673

The management fees paid to the Property Management Companies, which are related parties, are broken down as follows.

Name of Building	Property Management Company	Property Management Fees (¥000) (Note 1) (Note 2)
Shinjuku Nomura Bldg.	Nomura Real Estate Development Co., Ltd.	39,588
JAL Bldg.	Nomura Real Estate Development Co., Ltd.	2,590
Tennozu Park Side Bldg.	Nomura Real Estate Development Co., Ltd.	18,447
NOF Shibuya Koen Dori Bldg.	Nomura Real Estate Development Co., Ltd.	5,663
Toshin Tameike Bldg.	Nomura Real Estate Development Co., Ltd.	726
Shinagawa NF Bldg.	Nomura Real Estate Development Co., Ltd.	7,325
Surugadai Plaza Bldg.	Nomura Real Estate Development Co., Ltd.	6,668
Seiwa Shinjuku Bldg.	Nomura Real Estate Development Co., Ltd.	2,458
Technoport Kamata B Ridge	Nomura Real Estate Development Co., Ltd.	11,618
Faret Tachikawa Center Square	Nomura Real Estate Development Co., Ltd.	4,616
Asahi Seimei Yokohama Nishiguchi Bldg.	Nomura Real Estate Development Co., Ltd.	5,016
Shin-Yokohama Nikko Bldg.	Nomura Real Estate Development Co., Ltd.	4,204
Nomura Osaka Bldg.	Nomura Real Estate Development Co., Ltd.	12,311
Nomura Yotsubashi Bldg.	Nomura Real Estate Development Co., Ltd.	9,014
Nomura Hiroshima Bldg.	Nomura Real Estate Development Co., Ltd.	6,583
TT Landic Toyo-cho Bldg.	Nomura Building Management Co., Ltd.	2,201
Kawasaki Higashiguchi Sanshin Bldg.	Nomura Building Management Co., Ltd.	2,586
Utsunomiya NF Bldg.	Nomura Building Management Co., Ltd.	4,820
Yanagibashi Sanshin Bldg.	Nomura Building Management Co., Ltd.	435

Note 1: The property management fee is an aggregated sum of the basic fee and the incentive fee.

Note 2: Fees for the daily maintenance of building and equipments entrusted to Nomura Building Management Co., Ltd. are not included here.

5. STATUS OF BUSINESS WITH THE ASSET MANAGEMENT COMPANY OVER ITS SUBSIDIARY BUSINESS

There is nothing to be reported under this subject as Nomura Real Estate Asset Management Co., Ltd., the asset management company of the Company, is not in any subsidiary business.

Other Information

1. NOTICE

The major conclusions and/or revisions of contract the Board of Directors approved were as follows.

Date of Approval	Agenda	Description
Aug. 22, 2005	Change of Transfer Agent, and amendment to provisions of the Unit Handling Regulations.	Following the merger between UFJ Trust Bank, Ltd., which was the transfer agent, and Mitsubishi Trust and Banking Corporation on October 1, 2005, necessary amendments were made to relevant provisions of the Unit Handling Regulations concerning the transfer agent, place of business and the notifying agents.
Sep. 29, 2005	Issue of Investment Corporation Bonds (comprehensive resolution)	Following the comprehensive resolution approving issuance of investment corporation bonds up to ¥100 billion over the period of Oct. 7, 2005 and Oct. 6, 2006, the Board has commissioned the Executive Directors to decide on the matters concerning trust and administrative agreements.

The General Unitholders' Meeting was held on July 26, 2005. The major articles approved in the Meeting were as follows.

Agenda	Description
Partial revision of the Articles of Incorporation	Partial revisions were made to the Articles of Incorporation as follows. <ul style="list-style-type: none">· Deletion of articles that are no longer necessary and subsequent revision of verbiage· Addition of an article to exempt directors from liability· Clarification of criteria of investable property· Amendments to reflect the tax reform
Appointing Two Executive Directors	Mr. Yasutoshi Akiyama and Mr. Isamu Okada were appointed as Executive Directors for the period of two years from August 8, 2005.
Appointing Four Supervisory Directors	Mr. Yutaka Hori, Mr. Yoshiharu Hayakawa, Mr. Shuhei Yoshida and Mr. Eitoku Aikawa were appointed as Supervisory Directors for the period of two years from August 8, 2005.

2. OTHER MATTERS

Unless otherwise mentioned, the amounts were truncated and the rates were rounded to the nearest amount described, for the purpose of this report.

Balance Sheets

	Thousands of Yen	
	As of October 31, 2005	As of April 30, 2005
ASSETS		
Current Assets:		
Cash and bank deposits	¥ 26,716,571	¥ 21,367,552
Rental receivables	138,049	115,899
Consumption taxes refundable	3,741	399,403
Other current assets	124,995	138,896
Total current assets	26,983,356	22,021,750
Property and Equipment, at Cost:		
Land	147,100,441	128,077,282
Buildings and structures	67,546,391	59,491,138
Machinery and equipment	506,894	458,346
Tools, furniture and fixtures	31,528	11,239
Construction in progress	249,385	7,558
Subtotal	215,434,639	188,045,563
Less accumulated depreciation	(3,867,761)	(2,638,809)
Net property and equipment	211,566,878	185,406,754
Investments and Other Assets:		
Intangible assets	1,989	2,080
Deposits	210,780	10,780
Long-term prepaid expenses	8,885	9,610
Deferred hedge losses	235,962	478,528
Deferred investment corporation bonds issuance costs	59,905	74,275
Total Assets	¥ 239,067,755	¥ 208,003,777

The accompanying notes to financial statements are an integral part of these statements.

Thousands of Yen

As of October 31, 2005

As of April 30, 2005

LIABILITIES**Current Liabilities:**

Trade accounts payable	¥ 529,402	¥ 318,385
Other accounts payable	625,125	508,602
Short-term debt	28,500,000	32,000,000
Accrued expenses	291,070	285,235
Accrued income taxes	982	1,018
Rent received in advance	1,439,846	1,282,244
Other current liabilities	1,412	130
Total current liabilities	31,387,837	34,395,614

Long-term Liabilities:

Investment corporation bonds	10,000,000	10,000,000
Long-term debt	54,500,000	54,500,000
Derivative liabilities	235,962	478,528
Deposits from tenants	14,849,571	13,779,930
Total long-term liabilities	79,585,533	78,758,458

Total Liabilities	110,973,370	113,154,072
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UNITHOLDERS' EQUITY

Unitholders' capital	124,610,213	92,168,480
Retained earnings	3,484,172	2,681,225
Total unitholders' equity	128,094,385	94,849,705

Total Liabilities and Unitholders' Equity	¥ 239,067,755	¥ 208,003,777
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The accompanying notes to financial statements are an integral part of these statements.

Statements of Income and Retained Earnings

	For the period from May 1, 2005 to October 31, 2005	Thousands of Yen For the period from November 1, 2004 to April 30, 2005
Operating Revenues and Expenses		
Operating Revenues:		
Real estate rental revenues	¥ 8,641,349	¥ 7,106,162
	8,641,349	7,106,162
Operating Expenses:		
Real estate rental expenses	3,745,324	3,159,292
Asset management fees	629,690	576,612
Administrative service and custodian fees	78,653	67,402
Other operating expenses	76,529	73,894
	4,530,196	3,877,200
Operating Profits	4,111,153	3,228,962
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	131	116
Other non-operating revenues	9,321	6,702
	9,452	6,818
Non-Operating Expenses:		
Interest expenses	412,438	389,040
Loan arrangement fees	48,785	97,614
Interest expenses on investment corporation bonds	108,000	26,630
Amortization of investment corporation bonds issuance costs	14,855	14,855
New investment units issuance costs	42,770	-
Other non-operating expenses	8,683	25,425
	635,531	553,564
Income before Income Taxes	3,485,074	2,682,216
Income Taxes:		
Current	1,008	1,041
Deferred	1	(4)
Net Income	3,484,065	2,681,179
Retained Earnings brought forward	107	46
Retained Earnings at end of period	¥ 3,484,172	¥ 2,681,225

The accompanying notes to financial statements are an integral part of these statements.

Statements of Changes in Unitholders' Equity

		Thousands of Yen
	Units	Changes in Equity
Balance as of October 31, 2004	184,650	¥ 94,774,676
Cash distribution paid	-	(2,606,150)
Net income	-	2,681,179
Balance as of April 30, 2005	184,650	94,849,705
Cash distribution paid	-	(2,681,118)
Additional issuance of new investment units through public offering on May 1, 2005	44,000	31,496,828
Additional issuance of new investment units through third-party allotment on May 24, 2005	1,320	944,905
Net income	-	3,484,065
Balance as of October 31, 2005	229,970	¥ 128,094,385

The accompanying notes to financial statements are an integral part of these statements.

Statements of Cash Flows

	Thousands of Yen	
	For the period from May 1, 2005 to October 31, 2005	For the period from November 1, 2004 to April 30, 2005
Cash Flows from Operating Activities		
Income before income taxes	¥ 3,485,074	¥ 2,682,216
Depreciation	1,229,070	1,023,262
Amortization of long-term prepaid expenses	725	604
Amortization of investment corporation bonds issuance costs	14,855	14,855
Interest income	(131)	(116)
Interest expenses	520,438	415,670
Decrease (Increase) in rental receivables	(22,150)	13,068
Decrease (Increase) in consumption taxes refundable	395,662	(399,403)
Increase (Decrease) in trade accounts payable	211,017	(4,090)
Increase (Decrease) in other accounts payable	15,543	(64,582)
Increase (Decrease) in accrued consumption taxes	-	(18,600)
Increase (Decrease) in rent received in advance	157,602	240,569
Increase (Decrease) in deposits received from tenants	1,281	(910)
Changes in other current assets/liabilities	13,900	(66,743)
Subtotal	6,022,886	3,835,800
Interest received	131	116
Interest paid	(514,602)	(361,106)
Income taxes paid	(1,044)	(962)
Net cash provided by operating activities	5,507,371	3,473,848
Cash Flows from Investing Activities		
Payments for purchases of property and equipment	(27,286,702)	(34,556,713)
Payments for purchases of intangible assets	-	(98)
Payments of deposits received from tenants	(761,173)	(347,061)
Proceeds from deposits received from tenants	1,630,815	2,275,868
Payments of long-term prepaid expenses	-	(10,214)
Net cash used in investing activities	(26,417,060)	(32,638,218)
Cash Flows from Financing Activities		
Proceeds from short-term debt	19,000,000	21,000,000
Repayments of short-term debt	(22,500,000)	(10,500,000)
Proceeds from long-term debt	-	11,500,000
Proceeds from investment corporation bonds	-	10,000,000
Payments of investment corporation bonds issuance costs	-	(89,130)
Proceeds from issuance of new investment units	32,441,732	-
Distributions to unitholders	(2,683,024)	(2,596,397)
Net cash provided by financing activities	26,258,708	29,314,473
Net Increase in Cash and Cash Equivalents	5,349,019	150,103
Cash and Cash Equivalents at beginning of period	21,367,552	21,217,449
Cash and Cash Equivalents at end of period	¥ 26,716,571	¥ 21,367,552

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

1. Organizations

Nomura Real Estate Office Fund (the “Fund”) is a real estate investment corporation formed to own and invest primarily in office properties. The Fund is externally managed by a licensed asset management company, Nomura Real Estate Asset Management Co., Ltd. (“NREAM”). NREAM is a wholly owned subsidiary of Nomura Real Estate Holdings Co., Ltd.

On August 7, 2003, the Fund was incorporated under the Law Concerning Investment Trusts and Investment Corporations (the “Investment Trust Law”) of Japan. On December 4, 2003, the Fund was listed on the Tokyo Stock Exchange as the 9th J-REIT and started operations on the following day. As of the end of October 2005, the Fund owned a portfolio of 23 office properties containing an aggregate of approximately 261,428.50 square meters of leasable area and leased office space to 357 tenants.

2. Basis of presentation

The Fund maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Law of Japan, the Japanese Commercial Code, the Securities and Exchange Law of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Fund, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Fund filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include information that might not be required under Japanese GAAP but is presented herein as additional information. Amounts have been rounded to the nearest thousand of Yen in the accompanying financial statements and their notes whereas amounts have been truncated in the Japanese financial statements prepared in accordance with Japanese GAAP.

The Fund’s fiscal period is a six-month period which ends at the end of April and October of each year, respectively. The Fund does not prepare consolidated financial statements because it has no subsidiaries.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments that are highly liquid, readily convertible to cash, with insignificant risk of market value fluctuation, and with a maturity of three months or less when purchased.

Property and equipment

Property and equipment are stated at cost, which includes the purchase price and related costs for acquisition, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as below;

Buildings	3 - 65 years
Structures	2 - 45 years
Machinery and equipments	3 - 15 years
Tools, furniture and fixtures	3 - 15 years

Intangible assets

Intangible assets are amortized on a straight-line method.

Deferred charges

Deferred charges include new investment units issuance costs and investment corporation bonds issuance costs. The entire costs associated with the issuance of new investment units are expensed as incurred. Investment corporation bonds issuance costs are amortized over a period of three years, comprised of six fiscal periods, with an equal amount in each fiscal period.

Accounting treatment of beneficial interests in real estate

All the assets and liabilities held in trust, to which the real estates in possession of the Fund were entrusted, and all the earnings and expenses incurred from the trust are properly reflected on the balance sheets and income statements, respectively.

Revenue recognition

Operating revenues consist of rental revenues including base rents and common area charges, and other operating revenues including utility charge reimbursements, parking space rental revenues and other income. Rental revenues are generally recognized on an accrual basis over the life of each lease. Utility charge reimbursements are recognized when earned and their amounts are to be reasonably estimated.

Property related taxes

Property related taxes including property taxes, urban planning taxes and depreciable property taxes imposed during the fiscal period are charged as rental expenses.

On the other hand, the Fund paid the amount equivalent to the property related taxes to the sellers applicable to the period since acquisition and capitalized as part of the costs to acquire such properties or beneficial interests in real estate. The capitalized property related taxes amounted to ¥199,778 thousand for the 4th fiscal period.

Income taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rates.

Consumption taxes

Consumption taxes received and paid are not included in the statements of income.

Derivative Financial Instruments

The Fund utilizes interest rate swap contracts as derivative financial instruments only for the purpose of hedging its exposure to changes in interest rates. The Fund deferred recognition of gains or losses resulting from changes in fair value of interest rate swap contracts which meet the criteria for deferral hedging accounting.

4. Schedule of property and equipment

Property and equipment at October 31, 2005 and April 30, 2005 consisted of the following:

	Thousands of Yen			
	As of October 31, 2005		As of April 30, 2005	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land in trust	¥ 147,100,441	¥ 147,100,441	¥ 128,077,282	¥ 128,077,282
Buildings and structures in trust	67,546,391		59,491,138	
Accumulated depreciation	(3,775,705)	63,770,686	(2,578,486)	56,912,652
Machinery and equipment in trust	506,894		458,346	
Accumulated depreciation	(89,506)	417,388	(59,234)	399,112
Tools, furniture and fixtures in trust	31,528		11,239	
Accumulated depreciation	(2,550)	28,978	(1,089)	10,150
Construction in progress in trust	249,385	249,385	7,558	7,558
Total	¥ 211,566,878	¥ 211,566,878	¥ 185,406,754	¥ 185,406,754

5. Short-term debt

Short-term debt at October 31, 2005 and April 30, 2005 consisted of the following:

	As of October 31, 2005		As of April 30, 2005	
	Amount (thousands of Yen)	Weighted- average interest rate	Amount (thousands of Yen)	Weighted- average interest rate
Unsecured loans from banks due on May 17, 2005	–	–	¥ 19,000,000	0.48833%
Unsecured loans from banks due on November 29, 2005	–	–	3,500,000	0.47833%
Unsecured loans from banks due on November 29, 2005	¥ 3,000,000	0.49083%	–	–
Unsecured loans from banks due on December 9, 2005	5,000,000	0.36583%	–	–
Unsecured loans from banks due on December 28, 2005	11,000,000	0.49000%	–	–
Unsecured loans from banks due on February 26, 2006	2,000,000	0.47000%	2,000,000	0.47000%
Unsecured loans from banks due on February 26, 2006	7,500,000	0.60000%	7,500,000	0.60000%
Total	¥ 28,500,000		¥ 32,000,000	

The Fund entered into ¥20,000 million credit facilities in the form of commitment lines with the six financial institutions. The unused amount of such credit facilities was ¥6,000 million and ¥1,000 million as of October 31, 2005 and April 30, 2005, respectively.

6. Investment corporation bonds

Details of investment corporation bonds outstanding are briefly as follows:

	As of October 31, 2005		As of April 30, 2005	
	Amount (thousands of Yen)	Weighted- average interest rate	Amount (thousands of Yen)	Weighted- average interest rate
Unsecured bonds due on March 16, 2015	¥ 5,000,000	1.85000%	¥ 5,000,000	1.85000%
Unsecured bonds due on March 16, 2020	5,000,000	2.47000%	5,000,000	2.47000%
Total	¥ 10,000,000		¥ 10,000,000	

7. Long-term debt

Long-term debt at October 31, 2005 and April 30, 2005 consisted of the following:

	As of October 31, 2005		As of April 30, 2005	
	Amount (thousands of Yen)	Weighted- average interest rate	Amount (thousands of Yen)	Weighted- average interest rate
Unsecured loans from banks due on December 8, 2006	¥ 12,500,000	1.14500%	¥ 12,500,000	1.14500%
Unsecured loans from banks due on December 8, 2006	3,000,000	1.04500%	3,000,000	1.04500%
Unsecured loans from insurance companies due on August 28, 2007	2,000,000	0.65000%	2,000,000	0.65000%
Unsecured loans from a bank due on December 8, 2007	8,500,000	1.00625%	8,500,000	1.00625%
Unsecured loans from banks due on February 26, 2008	7,500,000	1.22500%	7,500,000	1.22500%
Unsecured loans from an insurance company due on February 26, 2008	3,000,000	1.05250%	3,000,000	1.05250%
Unsecured loans from banks due on December 8, 2008	8,000,000	1.66750%	8,000,000	1.66750%
Unsecured loans from insurance companies due on December 8, 2008	5,000,000	1.51625%	5,000,000	1.51625%
Unsecured loans from a bank due on February 26, 2010	3,000,000	1.77500%	3,000,000	1.77500%
Unsecured loans from an insurance company due on February 26, 2010	1,000,000	1.50625%	1,000,000	1.50625%
Unsecured loans from a bank due on February 26, 2013	1,000,000	1.75250%	1,000,000	1.75250%
Total	¥ 54,500,000		¥ 54,500,000	

8. Unitholders' equity

The Fund issues only non-par value investment units in accordance with the Investment Trust Law of Japan. The entire amount of the issue price of new units is designated as stated capital. The Fund is required to maintain net assets of at least ¥50,000 thousand as required by the Investment Trust Law of Japan.

9. Per unit information

The net asset value per unit as of October 31, 2005 and April 30, 2005 was ¥557,004 and ¥513,672, respectively. Net income per unit was ¥15,150 and ¥14,520 for the period ended October 31, 2005 and April 30, 2005, respectively.

10. Income taxes

The Fund, as an investment corporation, is subject to corporate income taxes at a regular statutory rate of approximately 40%. However, the Fund may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided the requirements are met under the Special Taxation Measure Law of Japan. Under this law, an investment corporation must meet a number of tax requirements, including a requirement to distribute in excess of 90% of its distributable income for the fiscal period, in order to deduct such amounts. If the investment corporation does not satisfy all of the requirements, the entire taxable income of the investment corporation will be subject to regular corporate income taxes.

Since the Fund distributed approximately 100% of its distributable income in the form of cash distributions totaling ¥3,484,046 thousand and ¥2,681,118 thousand for the period ended October 31, 2005 and April 30, 2005, respectively, such distributions were treated as deductible distributions for purposes of corporate income taxes. The effective tax rate on the Fund's income was 0.03% and 0.04% for the periods ended October 31, 2005 and April 30, 2005, respectively. The following summarizes the significant differences between the statutory tax rate and the effective tax rate:

	For the period from May 1, 2005 to October 31, 2005	For the period from November 1, 2004 to April 30, 2005
Statutory tax rate	39.39%	39.39%
Deductible cash distributions	(39.38)	(39.37)
Other	0.02	0.02
Effective tax rate	0.03%	0.04%

11. Breakdown of real estate rental revenues and expenses

Rental real estate revenues and expenses for the six month periods ended October 31, 2005 and April 30, 2005 consist of the following:

	Thousands of Yen	
	For the period from May 1, 2005 to October 31, 2005	For the period from November 1, 2004 to April 30, 2005
Real estate rental revenues	¥ 8,641,349	¥ 7,106,162
Rental revenues	7,709,467	6,339,783
Rental revenues	6,138,529	4,890,847
Common area charges	1,570,938	1,448,936
Non-Rental revenues	931,882	766,379
Parking revenues	156,428	135,004
Incidental income	707,783	562,230
Other miscellaneous revenues	67,671	69,145
Real estate rental expenses	3,745,324	3,159,292
Property management costs	649,670	658,655
Property management fees	183,772	152,919
Utilities expenses	711,509	575,824
Property and other taxes	614,908	479,820
Casualty insurance	21,809	20,582
Repairs and maintenance	213,372	110,900
Depreciation	1,229,041	1,023,299
Other rental expenses	121,243	137,293
Profits	¥ 4,896,025	¥ 3,946,870

12. Leases

The Fund, as lessor, has entered into leases whose fixed monthly rents are due in advance with lease term of generally two years for office. The future minimum rental revenues under existing non-cancelable operating leases as of October 31, 2005 and April 30, 2005 are as follows:

	Thousands of Yen	
	As of October 31, 2005	As of April 30, 2005
Due within one year	¥ 5,205,813	¥ 5,800,774
Due after one year	18,492,717	20,715,972
Total	¥ 23,698,530	¥ 26,516,746

13. Derivatives and hedge accounting

The Fund has entered into interest rate swap contracts with several Japanese financial institutions to hedge its variable rate long-term debt obligations. The Fund utilizes interest rate swap contracts, which are derivative financial instruments, only for the purpose of mitigating future risks of fluctuations of interest rates, but does not enter into such transactions for speculative or trading purposes. The Fund entered into such derivative transactions to hedge risk in accordance with its Articles of Incorporation and the established risk management policies of NREAM.

The following summarizes the notional amounts and the estimated fair value of the interest-related positions outstanding at October 31, 2005 and April 30, 2005:

	Thousands of Yen		
	Notional amount	Fair value	Unrealized gain (loss)
October 31, 2005			
Interest rate swaps:			
Receive/float and pay/fixed	¥ 39,500,000	¥ (235,962)	¥ (235,962)
April 30, 2005			
Interest rate swaps:			
Receive/float and pay/fixed	¥ 39,500,000	¥ (478,528)	¥ (478,528)

14. Significant subsequent events

Appropriation of retained earnings

On December 20, 2005, the board of Directors resolved to effect the payment of a cash distribution of ¥15,150 per share aggregating ¥3,484,046 thousand to unitholders at the record date of October 31, 2005.

Issuance of investment corporation bonds

On November 28, 2005, the Fund issued investment corporation bonds in accordance with the following conditions.

(1) Nomura Real Estate Office Fund, Inc. Third Series Unsecured Investment Corporation Bonds

Aggregate amount	¥10,000,000,000
Issue price	¥100 per the face value of ¥100
Redemption value	¥100 per the face value of ¥100
Interest rate	A fixed rate of 1.19%
Pledge and guarantee	Unsecured / unguaranteed
Redemption date	November 29, 2010
Interest payable	May 28 and November 28 in each year until the redemption date
Use of proceeds	Property acquisition and repayment of debt financing

(2) Nomura Real Estate Office Fund, Inc. Fourth Series Unsecured Investment Corporation Bonds

Aggregate amount	¥10,000,000,000
Issue price	¥100 per the face value of ¥100
Redemption value	¥100 per the face value of ¥100
Interest rate	A fixed rate of 2.05%
Pledge and guarantee	Unsecured / unguaranteed
Redemption date	November 30, 2015
Interest payable	May 28 and November 28 in each year until the redemption date
Use of proceeds	Property acquisition and repayment of debt financing

Report of Independent Auditors

To the Board of Directors and Unitholders of
Nomura Real Estate Office Fund, Inc.

We have audited the accompanying balance sheets of Nomura Real Estate Office Fund, Inc. as of October 31, 2005 and April 30, 2005, the related statements of income and retained earnings, changes in unitholders' equity and cash flows for the six-month periods ended October 31, 2005 and April 30, 2005, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

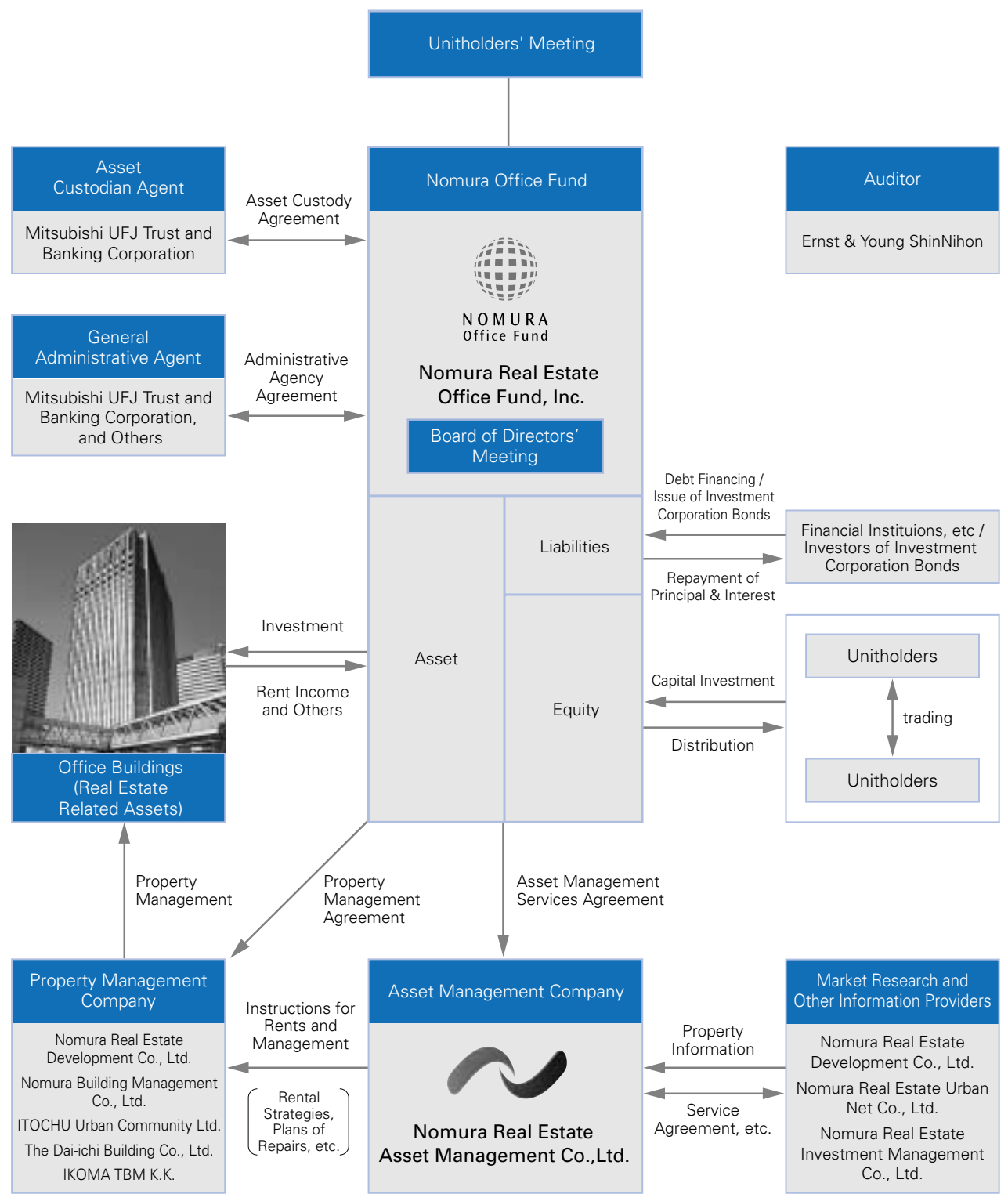
We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nomura Real Estate Office Fund, Inc. at October 31, 2005 and April 30, 2005, and the results of its operations and cash flows for the six-month periods ended October 31, 2005 and April 30, 2005 in conformity with accounting principles generally accepted in Japan.

Ernst & Young Shin Nihon

January 16, 2006

Business Structure



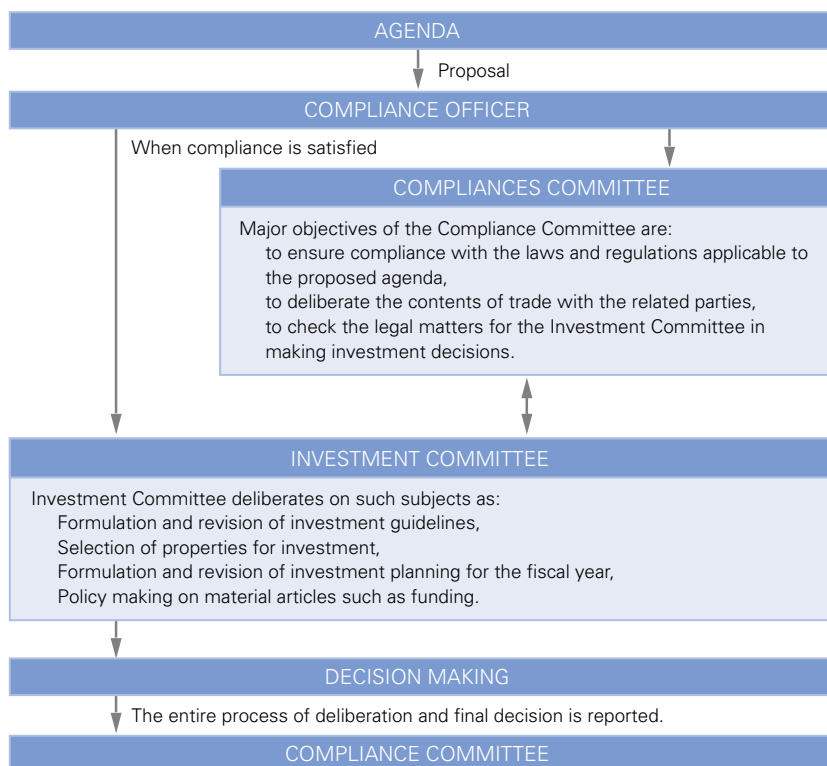
Profile of the Asset Management Company

PROFILE AND HISTORY OF INCORPORATION

Company: Nomura Real Estate Asset Management Co., Ltd.
Paid-up capital: ¥300 million (as of March 31, 2005)
Shareholder: Nomura Real Estate Holdings Co., Ltd. (100%)
Incorporation: January 24, 2003

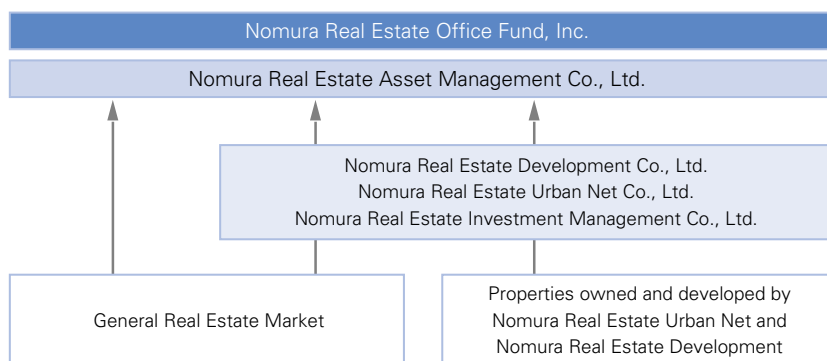
PROCESS OF DECISION-MAKING

We have ensured transparency in the decision-making process by placing all agenda through the Compliance Committee, in which two external members with professional experience sit.



USE OF INFORMATION NETWORK OF NOMURA REAL ESTATE GROUP

In order to maximize opportunity to invest in better properties, we have collected as much information as possible not only from the Asset Management Company but also from other companies of Nomura Real Estate group as listed below.



Corporate Data

Corporate Name

Nomura Real Estate Office Fund, Inc.

Corporate Office

8-5-1 Nishi Shinjuku Shinjuku-ku, Tokyo
160-0023, Japan
<http://www.nre-of.co.jp>

Date of Incorporation

August 7, 2003

Stock Listing

Tokyo Stock Exchange (Securities Code: 8959)

Fiscal Period

Six months ending on April 30 and October 31

Paid-in Capital

¥124,610,212,840 (as of October 31, 2005)

Number of Units Issued

229,970 (as of October 31, 2005)

Number of Unitholders

15,884 (as of October 31, 2005)

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi Chiyoda-ku, Tokyo 100-8212, Japan

Business Office of the Transfer Agent

Corporate Agency Department
Mitsubishi UFJ Trust and Banking Corporation
7-10-11 Higashisuna Koto-ku, Tokyo 137-8081, Japan
Tel: +81-3-5683-5111

Independent Auditors

Ernst & Young ShinNihon
Hibiya Kokusai Bldg. 2-2-3 Uchisaiwaicho Chiyoda-ku,
Tokyo 100-0011, Japan

Investor Relations

For further information, please contact the Asset Management Company:
NOMURA REAL ESTATE ASSET MANAGEMENT CO., LTD.
8-5-1 Nishi Shinjuku Shinjuku-ku, Tokyo 160-0023, Japan
Tel: +81-3-3365-0507

Disclaimer

This semiannual report includes translations of certain Japanese documents originally filed under the Securities and Exchange Law of Japan. This report was prepared in English solely for the convenience of and reference by readers outside Japan and should not be considered as a disclosure statement. The original Japanese documents always govern the meaning and interpretation.

Estimates for Nomura Office Fund's future operating results contained in this semiannual report are forward-looking statements and are based on information then available to Nomura Office Fund and its asset management company and are subject to risks and uncertainties. Consequently, these projections should not be relied upon as the sole basis for evaluating Nomura Office Fund. Actual results may differ substantially from the projections depending on a number of factors.



NOMURA
Office Fund

NOMURA REAL ESTATE OFFICE FUND, INC.

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