



For Translation Purposes Only

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**For Immediate Release**

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**Notice Concerning the Issue of New Investment Units and the Secondary Offering**

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) today announced that, at the Board of Directors meeting held on May 8, 2006, it has resolved to issue new investment units and conduct a secondary offering.

1. Primary Offering of New Investment Units (The Fund’s investment units shall be hereinafter referred to as “Investment Units” or the “Units”)

(1) Total number of units to be issued: 34,800 units

(2) Issue price

To be determined

(The price shall be determined at a Board of Directors meeting to be held between May 17, 2006 (Wednesday) and May 19, 2006 (Friday) (the “offer price determination date”))

(3) Offering method

Public offering. All Units shall be underwritten by the following underwriters (collectively, the “underwriters”):

Nomura Securities Co., Ltd. (“NSC”) (the lead managing underwriter)

Merrill Lynch Japan Securities Co., Ltd.

Nikko Citigroup Limited

Mizuho Securities Co., Ltd.

Daiwa Securities SMBC Co., Ltd.

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Mitsubishi UFJ Securities Co., Ltd.  
UBS Securities Japan Ltd.  
Takagi Securities Co., Ltd.

The offer price for the primary offering is to be determined based on the indicative pricing range which is obtained by multiplying the closing price at the Tokyo Stock Exchange, Inc. on the offer price determination date (if the closing price is not available on such offer price determination date, the closing price on the immediately preceding date) of a figure between 0.90 and 1.00 (any fraction less than one yen shall be disregarded), considering the demand for the new Units.

- (4) Underwriting agreement  
No underwriting commissions shall be paid. Instead, the total difference between the offer price in the primary offering and the issue price to be paid by the underwriters to Nomura Office Fund shall be distributed among the underwriters.
- (5) Minimum number of units for application  
One unit or more in multiples of one unit
- (6) Application period  
From May 22, 2006 (Monday) to May 24, 2006 (Wednesday). The application period may be advanced considering the demand for the new Units and other factors. The earliest period may be from May 18, 2006 (Thursday) to May 22, 2006 (Monday).
- (7) Payment date  
May 29, 2006 (Monday). The payment date may be advanced considering the demand for the new Units and other factors. The earliest date may be May 25, 2006 (Thursday).
- (8) The issue price and other items required for the issuance of the new Investment Units shall be determined at future Board of Directors meetings.
- (9) The aforementioned items shall be subject to the effectiveness of the Securities Registration Statement filed in accordance with the Securities and Exchange Law of Japan.

## 2. Secondary Offering (over-allotment)

- (1) Seller and the number of units offered:  
Nomura Securities Co., Ltd. : 1,740 units  
The number of units offered specified above is the maximum limit and may be lowered or the secondary offering may be canceled depending on the demand or other factors. The number of units offered shall be determined on the offer price determination date defined in 1. (2), above considering the demand

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for the new Units and other factors.

- (2) Offer price  
To be determined  
(The price shall be determined on the offer price determination date defined in 1. (2) above. The offer price shall be the same as the issue price for the primary offering.)
- (3) Offering method  
NSC, the lead managing underwriter for the primary offering, may borrow up to 1,740 Investment Units from an unitholder of the Fund and sell those units in consideration of the demand for the primary offering.
- (4) Minimum number of units for application  
One unit or more in multiples of one unit
- (5) Application period  
Same as the application period for the primary offering
- (6) Delivery and settlement date  
The first business day following the payment date defined in 1. (7) above
- (7) Offer price and other items required for the secondary offering shall be determined at future Board of Directors meetings.
- (8) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

3. Issue of New Investment Units (third-party allotment)

- (1) Total number of units to be issued: 1,740 units
- (2) Issue price  
To be determined at a Board of Directors meeting to be held on the offer price determination date. The issue price shall be the same as that of the primary offering.
- (3) Subscriber and the number of units allotted  
Nomura Securities Co., Ltd.: 1,740 units
- (4) Minimum number of units for application  
One unit or more in multiples of one unit
- (5) Application period (application date)  
June 26, 2006 (Monday). The application period (application date) may be advanced depending on the advancement of the application period of the

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primary offering. The earliest period may be advanced to June 22, 2006 (Thursday). The application date shall be the first business day following the date, which is the 30th day from the day following the last day of the application period of the primary offering and secondary offering (over-allotment).

(6) Payment date

June 27, 2006 (Tuesday). The payment date may be advanced depending on the advancement of the payment date of the primary offering. The most advanced date would be June 23, 2006 (Friday). The payment date shall be the second business day following the date, which is the 30th day from the day immediately following the last day of the application period of the primary offering and secondary offering (over-allotment).

- (7) If there are no applications for all or a part of the Units to be issued on or before the application date described in (5) above, the issue of such Units shall be canceled.
- (8) The issue price and other items required for the issuance of the new Investment Units shall be determined at future Board of Directors meetings.
- (9) The aforementioned items shall be subject to the effectiveness of the securities registration statement filed in accordance with the Securities and Exchange Law of Japan.

[Notes]

1. Secondary offering (over-allotment)

NSC, the lead managing underwriter for the primary offering, may conduct the secondary offering (over-allotment) after due consideration of the demand for the issued new Investment Units and other factors in the primary offering. The Investment Units subject to the secondary offering (over-allotments) are to be borrowed by NSC from an unitholder of the Fund up to 1,740 units. The number of the Units in the secondary offering (over-allotment) is scheduled to be 1,740 units, however that is the maximum limit and may be reduced or the secondary offering may be canceled depending on the demand or other factors.

In relation to the secondary offering (over-allotment), Nomura Office Fund has resolved at the Board of Directors meeting held on May 8, 2006 (Monday): That in order to have NSC obtain Investment Units necessary to return the said Investment Units that NSC borrowed from the unitholders of the fund (the “borrowed Units”), Nomura Office Fund will issue 1,740 of new Investment Units by way of a third-party allotment, which are allotted to NSC (the “Third-party Allotment”); and that the payment date of the Third-party Allotment (the “Third-party Allotment Payment Date”) shall be the second business day following the date, which is the 30th day from the day immediately following the last day of the application period of the primary offering and secondary offering (over-allotment). The Fund has submitted

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the relevant Securities Registration Statement to the Director-General of the Kanto Local Finance Bureau on May 8, 2006 (Monday).

During the period from the day immediately following the last day of the application period of the primary offering and secondary offering (over-allotment) to the date five business days preceding the payment date of the Third-party Allotment (the “syndicate covering transactions period”), NSC may purchase the Investment Units up to the number offered in connection with the secondary offering (over-allotment) at the Tokyo Stock Exchange, Inc. in order to return the borrowed Units (the “syndicate covering transactions”). All the Units that NSC purchases through the syndicate covering transactions shall be used to return the borrowed Units. NSC has the discretion not to conduct any syndicate covering transactions or purchase only a certain number of Units less than the total over-allotted Units.

Furthermore, NSC may conduct a stabilization operation upon the primary offering and the secondary offering (over-allotment) and may use all or part of the Units purchased in such stabilization operation to return the borrowed Units.

NSC plans to apply for the Third-party Allotment and obtain the same number of Investment Units sold through the secondary offering (over-allotment) less the number of Units purchased through the stabilization operation or the syndicate covering transactions and used to return the borrowed Units. Accordingly, NSC may not apply for all or part of the Units issued by the Third-party Allotment, and as a result, the number of units issued by the Third-party Allotment may, due to forfeiture, decrease depending on the applied number of units or no Units may be issued at all.

## 2. Number of Investment Units outstanding after the issue of new Investment Units

Number of Investment Units currently outstanding:	229,970 units
Increase in the number of the Investment Units by the new issue (public offering):	34,800 units
Total number of Investment Units outstanding after the issue of the new Investment Units (public offering):	264,770 units
Increase in the number of the Investment Units by the new issue (Third-party Allotment):	1,740 units (Note)
Total number of the issued Investment Units after the issue of the new Investment Units (Third-party Allotment):	266,510 units (Note)

(Note) The number assuming that NSC applies for all the Units to be issued by the Third-party Allotment and all such Units are issued.

## 3. Use of proceeds

The net proceeds (the maximum limit of the anticipated amount: ¥34,949,413,800) obtained from the primary offering and the Third-party Allotment shall be used for

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the acquisition of beneficiary interest in real estate trust that Nomura Office Fund plans to acquire and the repayment of loans.

4. Distributions to investors

- (1) Cash distribution shall be made in line with the distribution policies provided for in the articles of incorporation of Nomura Office Fund.
- (2) Cash Distributions for the last three fiscal periods

Date	Fiscal Period ending October 31, 2004 (From May 1, 2004 to Oct. 31, 2004)	Fiscal Period ending April 30, 2005 (From Nov. 1, 2004 to Apr. 30, 2005)	Fiscal Period ending October 31, 2005 (From May 1, 2005 to Oct. 31, 2005)
Cash distribution per unit	¥14,114	¥14,520	¥15,150

5. Others

- (1) Pre-arranged allocation  
The underwriters are to allot 1,826 units out of the Investment Units issued in the Primary Offering to Nomura Real Estate Development Co., Ltd (“NRED”). NRED is the 100% subsidiary company of Nomura Real Estate Holdings Co., Ltd., the sole shareholder of the Asset Management Company, Nomura Real Estate Asset Management.
- (2) Limitations on disposition and additional issues
  - a) As of October 31, 2005, NRED who owns 11,500 existing units is scheduled to be allotted additional 1,826 units as described above. In connection with the Primary Offering, NRED has entered into an agreement with NSC, the lead managing underwriter, not to dispose any units without the prior written consent of NSC during the period from the offer price determination date for the primary offering to the date 6 months after the delivery and settlement date for the primary offering (except for the lending units to NSC in connection with the Third-Party Allotment).
  - b) In connection with the Primary Offering, Nomura Office Fund has entered into an agreement with NSC, the lead managing underwriter, not to issue additional Investment Units without the prior written consent of NSC during the period from the offer price determination date for the primary offering to the date 3 months after the delivery and settlement date for the Primary Offering (except for the additional issuance of Units by the Third-Party Allotment).

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(3) Past equity finance, etc.

(i) Past equity finance

Date	Total amount issued	Capital amount after the Issue	Remarks
August 7, 2003	¥200,000,000	¥200,000,000	Private Placement on incorporation
December 4, 2003	¥71,506,500,000	¥71,706,500,000	Public offering
May 19, 2004	¥19,866,000,000	¥91,572,500,000	Public offering
June 16, 2004	¥595,980,000	¥92,168,480,000	Third Party allotment
May 1, 2005	¥31,496,828,000	¥123,665,308,000	Public offering
May 24, 2005	¥944,904,000	¥124,610,212,000	Third Party allotment

(ii) Recent market price of the Investment Units (for the past three fiscal periods and immediately before)

	Period ending April 30, 2005	Period ending October 31, 2005	Period ending April 30, 2006	Period ending October 31, 2006
Starting price	¥767,000	¥760,000	¥778,000	¥996,000
Highest price	¥798,000	¥850,000	¥1,030,000	¥1,010,000
Lowest price	¥678,000	¥748,000	¥778,000	¥991,000
Closing price	¥758,000	¥782,000	¥998,000	¥1,010,000

(Note) The Closing price for the Period ending October 2006 is the closing price as of May 2, 2006.

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