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For Immediate Release

Nomura Real Estate Office Fund, Inc.
8-5-1 Nishi Shinjuku, Shinjuku-ku, Tokyo
Yasutoshi Akiyama
Representative and Executive Director
(Securities Code: 8959)

Inquiries:
Nomura Real Estate Asset Management Co., Ltd.
Atsushi Ogata
Fund Management Group
TEL: +81-3-3365-0507

Notice Concerning Property Acquisition

Nomura Real Estate Office Fund, Inc. ("Nomura Office Fund" or the "Fund") today announced that it has determined, and agreed on with the seller, the acquisition of real estate, as briefly explained below.

1. Summary of the Asset (the "Property")

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Isuzu Shiba Building
- (3) Acquisition price: ¥10,000 million
- (4) Date of agreement: March 25, 2004 (date of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: May 25, 2004 (scheduled date of delivery of the trust beneficial interest)
- (6) Seller: TURF INVESTMENT (please refer to 4. "Seller Profile," below)
- (7) Financing: Debt financing and private fund

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund's policies as stipulated in its Articles of Incorporation and in order to enhance the property portfolio in the Tokyo central area. Especially, the Fund appreciates the following factors.

- (1) Location
Shiba area, where Isuzu Shiba Building is located, is between Shinagawa area and Marunouchi area. The Property is located 7 minutes from Tamachi Station JR Yamanote Line, 3 minutes from Mita Station Toei Mita Line and 5 minutes from Mita Station Toei Asakusa Line, respectively, on foot and enjoys good access to the Shuto Express Way and the major streets in the Keihin area (the Daiichi Keihin St. and Route No. 1) as well as to the Haneda Airport and Shinkansen stations.

A number of companies from various industries, including financial institutes and a major electric machinery company, hold their headquarters in the Shiba Area. In addition, lots of companies take advantage of the good access of the area.

Recently several hotels and cultural facilities opened and made the area a business area with

high level of convenience.

(2) Building condition

The average floor area of the Property is approximately 1,250 sq. meters, with the floor height of 2,600 mm and the common facilities in the center of the floor (“center-core plan”), which allows flexibility in designing office space and convenient office lay-out.

The Property is equipped with facilities meeting various requests of tenants, including the span-separated air conditioning system and electricity capacity of 40VA/sq. meter.

3. Property Summary

Property Name		Isuzu Shiba Building			
Type of Asset		Trust beneficial interest			
Trustee		The Sumitomo Trust & Banking Co., Ltd.			
Term of Trust Agreement		September 30, 2011 (8 years and 4 months)			
Location (Note 1)	Registry	501, Shiba 4-chome, Minato-ku, Tokyo			
	Street	2-3, Shiba 4-chome, Minato-ku, Tokyo			
Access		7 minutes on foot from Tamachi Station JR Yamanote Line 3 minutes on foot from Mita Station Toei Mita Line 5 minutes on foot from Mita Station Toei Asakusa Line			
Completion Date (Note 1)		March 8, 1991			
Use		Office, car park			
Structure (Note 1)		SRC/S, B1/7F			
Seismic Risk (PML) (Note 2)		14% (Shimizu Corporation's Engineering Report dated March 1, 2004)			
Area (Note 1)	Land	2,074.65 sq. meters			
	Building	11,425.20 sq. meters			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Percentage of Interest	Land	100%			
	Building	100%			
Building Coverage Ratio (Note 3)		100%			
Floor-area Ratio		500%			
Collateral		None			
Property Management Company		To be determined.			
Acquisition Price		¥10, 000 million			
Appraisal Value and Method		¥10,000 million (based on the capitalization approach, as of March 1, 2004) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)			
Tenant Summary (As of March 25, 2004)					
Total number of Tenants		10			
Total Rental Income		¥582,072 thousand (Rents for March 2004 × 12 on the contract basis)			
Estimated NOI (Note 5)		¥515 million			
Occupancy Rate		100% (As of March 25, 2004)			
Total Leased Floor Space		8,165.08 sq. meters			
Total Leasable Floor Space		8,165.08sq. meters			
Occupancy Rates in the Past (Note 6)	March 31, 1999	March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2003
	-	-	100%	100%	100%

(Notes)

1. Location and several other items

Location, Completion Date, Structure and Areas are based on the information in the real estate registry.

2. PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
3. Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
4. Estimated NOI
NOI means the net operating income, that is the gross income from the leasing operation less the total operation costs and expenses.
Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions.
(a) Occupancy rate: 100% (same as that as of the date of agreement)
(b) Tax amounts: same as those imposed in 2003 tax year.
5. Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	TURF INVESTMENT
Head Office	c/o Sakura Sogo Jimusho, Mitsui Seimei Jimbocho Building 11F, 11, Kanda Jimbocho 1-chome, Chiyoda-ku, Tokyo
Representative	Shigeru Sugimoto, Representative Director
Capital	¥3 million
Principal Business	Acquisition, liquidity and sale of the trust beneficial interest based on Trust Agreement
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

None

6. Schedule for acquisition

March 25, 2004	Execution of the agreement on purchase and sale of the trust beneficial interest
May 25, 2004 (Scheduled)	Closing of the transaction and delivery of the trust beneficial interest

7. Forecasts of Financial Results for the Fiscal Period Ending April 30, 2004

Nomura Office Fund does not amend the forecasts of financial results of the Fund for the fiscal period ending April 30, 2004 (August 7, 2003 to April 30, 2004) due to the acquisition of the Property.

The Fund plans to announce the forecasts of financial results for the fiscal year ending October 31, 2004 (May 1, 2004 to October 31, 2004), incorporating the affect of acquisition of the Property upon the announcement of the results for the fiscal period ending April 30, 2004 (scheduled for June 2004).

【Exhibits】

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

Appraisal Summary

Property Name	Isuzu Shiba Building
Appraisal Value	¥10,000,000,000
Appraiser	Daiwa Real Estate Appraisal Co., LTD.
Appraisal Date	March 1, 2004

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	10,000,000,000	In calculating, placed priority on the discounted cash flow approach and examined the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	10,238,000,000	
(1) Gross income	705,999,212	
Rental Income: (a)-(b)	650,603,472	
(a) Potential gross rental income	684,845,760	Assumed based on the rent standard, which is deemed stable for long-medium term.
(b) Losses due to vacancies, etc.	34,242,288	Assumed based on the competitiveness of the Property, etc.
Utilities costs	52,795,740	Assumed based on the historical performance, etc.
Other income	2,600,000	Income from machine charges, etc.
(2) Total expenses	148,779,755	
Maintenance	27,440,000	Assumed based on the estimated amount
Utilities cost	46,315,479	Assumed based on the historical performance, etc.
PM fee	16,265,087	Assumed based on the standard rate
Taxes	52,445,232	Actual amount imposed in 2003 tax year
Insurance premium	1,216,000	Assumed based on the historical performance, etc.
Leasing expenses	4,837,957	Assumed replacement of 10.0% of the total tenants every year
Other expenses	260,000	Neighborhood association fee
(3) Net operating income from leasing business (NOI=(1)-(2))	557,219,457	
(4) Interest from security deposit	10,607,487	Assumed interest rate being 2.0 % p.a.
(5) Capital Expenditure Reserve	25,190,250	Assumed based on the Engineering Report prepared by the Shimizu Corporation, etc.
(6) Net Cash Flow (NCF = (3)-(4)-(5))	542,636,694	
(7) Capitalization rate	5.3%	Determined based on the location and the characteristics and variance in the net operating income.
Price calculated by the Discounted Cash Flow Approach	9,812,000,000	
Discount rate	5.0%	
Terminal capitalization rate	5.5%	
Cost Approach Price	6,519,000,000	
Ratio of land	74.9%	
Ratio of building	25.1%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located in Shiba Area with high concentration of various industries and enjoys good access to JR Yamanote Line, Toei Mita Line and Toei Asakusa Line as well as the Daiichi Keihin and Hibiya Street. The Property has the relatively good competitiveness in the area with the standard floor area and the level of facilities in addition to the above characteristics.
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Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition
Tokyo central area (Notes 2 and 3)	Shinjuku Nomura Building	38,730	28.2	December 8, 2003
	Itopia Nihonbashi Building	20,600	15.0	December 5, 2003
	Tennozu Park Side Building	14,800	10.8	February 27, 2004
	Isuzu Shiba Building	10,000	7.3	May 25, 2004
	Shinagawa NF Building	5,500	4.0	December 8, 2003
	Surugadai Plaza Building	5,150	3.8	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	2.2	February 26, 2004
		87,860	71.3	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	5.5	December 5, 2003
	Technoport Kamata B	6,430	4.7	December 5, 2003
	Farlet Tachikawa Center Square	3,290	2.4	December 5, 2003
	Shin-Yokohama Nikko Building	3,600	2.6	December 5, 2003
		20,870	15.2	
Other cities (Note 2)	Utsunomiya NF Building	2,970	2.2	December 5, 2003
	Nomura Real Estate Osaka Building	6,410	4.7	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	2.9	December 5, 2003
	Kobe Kaigan Building	3,280	2.4	December 5, 2003
	Nomura Real Estate Hiroshima Building	1,930	1.4	December 5, 2003
		18,530	13.5	
Total (16 properties)		137,260	100.0	

(Notes)

- Percentages have been rounded to the nearest first decimal place. Accordingly, the total may not equal to 100%.
- Tokyo central area means Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shinagawa Ward and Shibuya Ward. Vicinity of Tokyo means Tokyo excluding the Tokyo central area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture. Other cities mean other local cities located in the area other than the Tokyo central area and the vicinity of Tokyo.
- Isuzu Shiba Building is included in the above table assuming that the Fund has acquired it. The purchase and sales agreement concerning Isuzu Shiba Building has been executed on March 25, 2004 and the property is scheduled to be acquired on May 25, 2004.

Photo



Map

