



For Translation Purposes Only

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For Immediate Release

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Notice Concerning Property Acquisition

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

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

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Osaka Chowa Building
- (3) Acquisition price: ¥12,900 million
- (4) Date of agreement: November 30, 2005 (date of execution of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: November 30, 2005 (scheduled date of closing of the transaction and delivery of the trust beneficial interest)
- (6) Seller: YK JN Investment (please refer to 4. “Seller Profile,” below)
- (7) Financing: Private fund, the issuance of the investment corporation bonds and debt financing

2. Grounds

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

- The Property faces Midotsuji Street, the prime business district in Osaka, where major corporations and financial institutions are located. It also has a good access to Honmachi Station, Osaka Municipal Subway Midotsuji and Chuo Lines, which is 2 minutes on foot.
- The total floor area of the building is approximately 19,834.71 sq. meters and the typical floor area is approximately 1,229.75 sq. meters. It enjoys good visibility. Various facilities, such as interiors in common areas, floor-separated air conditioning

system, electrical capacity of 55VA/square meter, office automation floors, and machines related to transformers and air controlled system have been updated. In addition, it is confirmed by the anti-earthquake test that, structurally, the building has the earthquake-resistance capacity equivalent to the “New Earthquake-resistance Standard”. These features of the Property have sufficient conditions to satisfy tenants’ needs for mid- to long-term.

- As listed above, stable needs from a wide range of tenants, mainly as corporate headquarters or branch offices of nationwide corporations, are expected.

3. Property Summary

Property Name		Osaka Chowa Building
Type of Asset		Trust beneficial interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Term of Trust Agreement		From February 14, 2003 to February 28, 2013
Location (Note 1)	Registry	3-15-8-5 Kawaramachi, Chuo-ku, Osaka City, Osaka
	Street	3-5-7 Kawaramachi, Chuo-ku, Osaka City, Osaka
Access		2 minutes on foot from Honmachi Station, Subway Midosuji Line, Subway Chuo Line and Subway Yotsubashi Line
Completion Date (Note 1)		April 1, 1974
Use		Office, retail
Structure (Note 1)		SRC, B2/10F
Seismic Risk (PML) (Note 2)		13% (Shimizu Corporation's Engineering Report dated November 11, 2005)
Area (Note 1)	Land	2,366.99 sq. meters
	Building	21,007.98 sq. meters
Type of Ownership	Land	Ownership
	Building	Ownership
Percentage of Interest	Land	100%
	Building	100%
Building Coverage Ratio		100% (Note 3)
Floor-area Ratio		1,000%
Collateral		None
Property Management Company		Nomura Real Estate Development Co., Ltd. (Note 4)
Notes		<ul style="list-style-type: none"> • The property management company, NRED, is a related party (“Related Party”) as defined under the Law Concerning Investment Trust and Investment Corporations (“Investment Trust Law”). • The Property was designed and constructed in compliance with the former Building Standards Law Enforcement Order (the former Earthquake-Resistance Standards). According to the report on the evaluation of seismic capacity dated September 1995 and prepared by Obayashi Corporation, the Property has the earthquake-resistance capacity similar to the “New Earthquake-resistance Standard.” • Air-borne asbestos is used in the machine room and the like of the Property. According to the Engineering Report dated November 11, 2005 and prepared by Shimizu Corporation, there are no problem with the places, where asbestos is used, and the control over such places and such use does not affect the environment. The Fund plans to remove asbestos after its acquisition of the Property.
Acquisition Price		¥12,900 million
Appraisal Value and Method		¥12,900 million (based on the capitalization approach, as of November 15, 2005) (Appraiser: Appraisal Firm Asquare Ltd.)
Estimated NOI (Note 5)		¥672 million
Leasing Status (Estimation as of November 29, 2005)		

Total number of Tenants	18				
Total Rental Income	¥821 million (Rents for November 2005 × 12 on the contract basis)				
Occupancy Rate	98.9%				
Total Leased Floor Space	12,100.35 sq. meters				
Total Leasable Floor Space	12,240.88 sq. meters				
Occupancy Rates in the Past (Note 6)	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
	-	-	100.0%	91.1%	100.0%

(Notes)

- Location and several other items
Location, Completion Date, Structure and Areas are based on the information in the real estate registry.
- PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
- Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
- Property Management Company
Nomura Real Estate Development Co., Ltd is scheduled to be appointed.
- 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: 95.0%
(b) Tax amounts: same as those imposed in 2005 tax year.
- Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	YK JN Investment
Head Office	1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Shinji Nakazawa, Director
Capital	¥3 million (As of November 29, 2005)
Principal Business	Real Estate
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

- Acquisition of the Property
The acquisition of the property is not a transaction with a Related Party under the Investment Trust Law. However, as the related party of the Asset Management Company has been in a position to advise the seller in regard to the management and maintenance of the Property, Nomura Office Fund and the Asset Management Company determined the acquisition and the terms and conditions of the transaction, including the price, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.
- Property Management
The property management company, Nomura Real Estate Development Co. Ltd., is a Related Party under the Investment Trust Law. Nomura Office Fund and its asset management company determined the consignment and the terms and conditions of the transaction, including the fees, pursuant to the restrictions and formalities concerning the

transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.

6. Schedule for acquisition

November 30, 2005 (Scheduled)	Execution of the agreement on purchase and sale of the trust beneficial interest
November 30, 2005 (Scheduled)	Closing of the transaction and delivery of the trust beneficial interest

7. Forecasts of Financial Results

Forecasts of financial results of the Fund for the fiscal period ending April 30, 2006 (November 1, 2005 to April 30, 2006) including the acquisition of the Property and 3 other new properties in the portfolio are scheduled to be reported on December 20, 2005 in the financial statement for the fiscal period ending October 31, 2005.

【 Exhibits 】

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

Appraisal Summary

Property Name	Osaka Chowa Building
Appraisal Value	¥12,900,000,000
Appraiser	Appraisal Firm Asquare Ltd.
Appraisal Date	November 15, 2005

Item	Amount (yen) or percentage (%)	Grounds
Capitalization approach price	12,880,000,000	In assessing appraisal approach, placed equal priorities on both the discounted cash flow approach and direct capitalization approach. In calculating appraisal value, placed priority on the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	12,977,926,000	
(1) Gross income	954,848,320	
Rental income	807,356,600	
Potential gross rental income	849,849,053	Assumed based on both the current performance and market rent
Losses due to vacancies, etc.	42,492,453	Assumed based on both current and market vacancy rates
Other income	147,491,720	Income from parking and utilities, etc.
(2) Total expenses	305,951,998	
Maintenance	50,369,000	Assumed based on the Engineering Report
Property management fees	26,369,535	Assumed based on the estimated amount
Capital expenditure	53,532,000	Assumed based on the estimated amount
Taxes	102,842,194	Actual amount imposed in 2005 tax year
Insurance premium	2,220,920	Assumed based on the estimated amount
Utilities costs	68,925,700	Assumed based on the historical performance, etc.
Other expenses	1,692,649	Assumed based on the historical performance, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	648,896,322	
(4) Capitalization rate	5.0%	Based on the standard investment cap rate of the market and the location and the characteristics of the Property
Price calculated by the discounted cash flow approach	12,774,259,000	
Discount rate	5.2%	
Terminal capitalization rate	5.1%	
Cost approach price	11,660,000,000	
Ratio of land	79.7%	
Ratio of building	20.3%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located on Midosuji Street in the prime business district in Osaka, where many offices for major companies and financial institutions exist. The appraisal value was determined based on above superiority in location and renovation status, etc.
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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 (Scheduled)
Tokyo central area (Notes 2)	Shinjuku Nomura Building	38,730	16.3	December 8, 2003
	JAL Building	33,080	14.0	March 18, 2005
	Itopia Nihonbashi Building	20,600	8.7	December 5, 2003
	Tennozu Park Side Building	14,800	6.2	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	5.1	September 28, 2004
	Isuzu Shiba Building	10,000	4.2	May 25, 2004
	Nishi-Shinjuku Showa Building (Note 3)	8,800	3.7	November 30, 2005
	Toshin Tameike Building	7,400	3.1	September 29, 2005
	Shinagawa NF Building	5,500	2.3	December 8, 2003
	Surugadai Plaza Building	5,150	2.2	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.3	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.0	June 25, 2004
		161,420	68.1	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.2	December 5, 2003
	Technoport Kamata B	6,430	2.7	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.4	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building	9,500	4.0	June 30, 2005
	Asahi Seimei Yokohama Nishiguchi Building	5,050	2.1	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.5	December 5, 2003
		35,420	14.9	
Other cities (Note 2)	Sendai Chowa Building (Note 3)	3,200	1.3	November 30, 2005
	Utsunomiya NF Building	2,970	1.3	December 5, 2003
	Yanagibashi Sanshin Building	3,550	1.5	September 29, 2005
	Osaka Chowa Building (Note 3)	12,900	5.4	November 30, 2005
	Nomura Real Estate Osaka Building	6,410	2.7	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	1.7	December 5, 2003
	Kobe Kaigan Building	3,280	1.4	December 5, 2003
	Hiroshima Chowa Building (Note 3)	2,100	0.9	November 30, 2005
	Nomura Real Estate Hiroshima Building	1,930	0.8	December 5, 2003
		40,280	17.0	
Total (27 properties)		237,120	100.0	

(Notes)

- Percentages have been rounded off to one 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.
- Nishi-Shinjuku Showa Building, Sendai Chowa Building, Osaka Chowa Building (the Property) and Hiroshima Chowa Building are included in the above table assuming that the Fund has acquired the 4 new properties even though the scheduled date of closing transaction, delivery of the trust beneficial interest and acquisition is November 30, 2005.

Photo



Map

