



For Translation Purposes Only

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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 the acquisition of real estate, as briefly stated below.

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

- (1) Type of asset : Real estate
- (2) Property name : Crystal Park Building
- (3) Acquisition price : ¥3,700 million
- (4) Date of agreement : February 28, 2006 (date of execution of the agreement on purchase and sale of real estate)
- (5) Scheduled date of acquisition : February 28, 2006 (scheduled date of closing of the transaction and delivery of the real estate)
- (6) Seller : The Dai-Ichi Building Co., Ltd. (please refer to 4. “Seller Profile,” below)
- (7) Financing : Private fund 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:

- Kichijoji area, where the Property is located, has superior accessibility to Shinjuku, Shibuya, Otemachi, etc. with direct connection through JR Chuo Line, JR Sobu Line, Keio Inokashira Line and Tokyo Metro Tozai Line (Direct connection through JR Chuo Line) and has large number of population in the hinterland. The surrounding area of Kichijoji station has been developed as multiple bases for commercial facilities, such as department stores, hotels and movie theaters.
- The Property is located 2 minutes on foot from Kichijoji station, and at the corner of concentrated business and commercial district in front of the station. Long-term stable demands from tenants are expected not only for office use as sales

business hubs but also for retail use of visitor-oriented office tenants.

- The Property has good building conditions to satisfy tenants' needs for mid- to long-term: unique appearance with high visibility, approximately 179 tsubo of the standard floor area, and high levels of performance on facilities, such as individual air-conditioning systems, the floor weight capacity of 500 kilograms per sq. meters, etc.

3. Property Summary

Property Name		Crystal Park Building
Type of Asset		Real estate
Location (Note 1)	Registry	1-2740-12, Gotenyama, Musashino City, Tokyo
	Street	1-1-3, Gotenyama, Musashino City, Tokyo
Access		2 minutes on foot from Kichijoji Station, JR Lines and Keio Inokashira Line
Completion Date (Note 1)		October 1991
Use		Office, retail, warehouse
Structure (Note 1)		SRC・S, B2/11F
Seismic Risk (PML) (Note 2)		14% (Shimizu Corporation's Engineering Report dated November 30, 2005)
Architect		MHS Planners, Architects & Engineers TOKAI-KOGYO CO., LTD
Constructor		TOKAI-KOGYO CO., LTD
Structural Strength Calculator		TOKAI-KOGYO CO., LTD
Building Inspection		Musashino City, Tokyo
Area (Note 1)	Land	1,057.14 sq. meters (Note 3)
	Building	Total floor area of the entire building: 6,462.19 sq. meters
		Total exclusive area of compartmentalized unit of the entire building: 4,278.04 sq. meters (Note 4)
		Area of compartmentalized unit held by the Fund: 3,839.92 sq. meters (Note 4)
Type of Ownership	Land	Co-ownership (Proportion of land: 3,970,795/4,435,360)
	Building	Compartmentalized ownership (Acquisition: whole area of B2, 2-8F, 10F and 11F, and part of B1 and 9F)
Building Coverage Ratio		100% (Note 5)
Floor-area Ratio		600%
Collateral		None
Property Management Company		The Dai-Ichi Building Co., Ltd. (Note 6)
Notes		<ul style="list-style-type: none"> • The administration agreement for the Property includes, in addition to certain provisions concerning the allocation of the repair costs, management and other expenses, certain restrictions on the transfer of the entire or part of the compartmentalized units such as requirement of obtainment of consents from the other unit owners of the Property. The seller has obtained the consents by the other unit owners of the Property. • With respect to some of the signboards of the Property, the inspections under the Building Standards Law has not been completed. The Fund will inspect the details immediately after the acquisition and take the countermeasures based on the results of such investigation on the payment by the seller.
Acquisition Price		¥3,700 million
Appraisal Value and Method		¥3,770 million (based on the capitalization approach, as of February 1, 2006) (Appraiser: Appraisal Firm Asquare Ltd.)
Estimated NOI (Note 7)		¥180 million
Leasing Status (as of February 27, 2006)		
Total number of Tenants		11
Total Rental Income		¥218 million (Rents for February 2006 × 12 on the contract basis)

Occupancy Rate	100.0%				
Total Leased Floor Space	3,900.85 sq. meters				
Total Leasable Floor Space	3,900.85 sq. meters				
Occupancy Rates in the Past (Note 8)	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
	100.0%	100.0%	64.3%	78.7%	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.
- Area of Land
The land area shows the space of the entire property. The co-ownership share of the property site is 3,970,795/4,435,360.
- Total exclusive area of compartmentalized unit of the entire building and Area of compartmentalized unit held by the Fund
Areas of the building are based on the information in the real estate registry as stated above. As the area of exclusive area of 10F and 11F of the Property has been found incorrect, the seller will make an application at acquisition for the amendment in the registry at their responsibilities and expenses. Total exclusive area of compartmentalized unit of the entire building and the area held by the Fund will be amended to 4,306.48 sq. meters and 3,868.36 sq. meters respectively.
- 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
Name of a scheduled property management company to be appointed after acquisition is stated.
- 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: 97.0%
(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	The Dai-Ichi Building Co., Ltd.
Head Office	1-8-10, Harumi, Chuo-ku, Tokyo
Representative	Makoto Koshino, President & Representative Director
Capital	¥900 million (as of December 13, 2005)
Principal Business	1. Leasing, buying and selling, maintenance and brokerage of real estate, and entrustment of planning and consulting on real estates 2. Insurance agency 3. Other miscellaneous businesses related above
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

None

6. Schedule for acquisition

February 28, 2006 (Scheduled)	Execution of the agreement on purchase and sale of the real estate
February 28, 2006 (Scheduled)	Closing of the transaction and delivery of the real estate

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) have not been changed due to the small effect in acquisition of the Property.

【Exhibits】

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

Appraisal Summary

Property Name	Crystal Park Building
Appraisal Value	¥3,770,000,000
Appraiser	Appraisal Firm Asquare Ltd.
Appraisal Date	February 1, 2006

Item	Amount (yen) or percentage (%)	Grounds
Capitalization approach price	3,770,000,000	In assessing, placed equal priorities on both the discounted cash flow approach and direct capitalization approach. In calculating appraisal value, placed priority on the capitalization value.
Price calculated by the direct capitalization approach	3,826,659,000	
(1) Gross income	279,572,202	
Rental income	252,180,045	
Potential gross rental income	259,979,428	Assumed based on both the current performance and market rent
Losses due to vacancies, etc.	7,799,383	Assumed based on both current and market vacancy rates
Other income	27,392,157	Income from parking and utilities, etc.
(2) Total expenses	92,065,927	
Maintenance	26,189,000	Assumed based on the Engineering Report
Property management fees	6,891,827	Assumed based on the estimated amount
Capital expenditure	19,535,058	Assumed based on the estimated amount
Taxes	20,609,195	Actual amount imposed in property tax payment notices
Insurance premium	511,522	Assumed based on the estimated amount
Utilities costs	16,920,591	Assumed based on the historical performance, etc.
Other expenses	1,408,734	Assumed based on the historical performance, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	187,506,275	
(4) Capitalization rate	4.9%	Based on the standard investment cap rate of the market and the location and the characteristics of the Property
Price calculated by the discounted cash flow approach	3,715,546,000	
Discount rate	5.0%	
Terminal capitalization rate	5.0%	
Cost approach price	2,800,000,000	
Ratio of land	70.0%	
Ratio of building	30.0%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located in Kichijoji area, a major commercial district along the JR Chuo Line to the west from Shinjuku. Surrounding area of Kichijoji station especially is a flourishing area and has high demands as sales hubs as well as offices in western Tokyo. In addition, many old multi-use buildings exist in the area of Kichijoji station including the north exit area, where the Property is located. Therefore, in calculating appraisal value scarcity in the area of such buildings with large scale and high grade like the Property and, as the result, the possibility of extremely high demands from tenants are taken into account.
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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	16.1	December 8, 2003
	JAL Building	33,080	13.7	March 18, 2005
	Itopia Nihonbashi Building	20,600	8.6	December 5, 2003
	Tennozu Park Side Building	14,800	6.1	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	5.0	September 28, 2004
	Isuzu Shiba Building	10,000	4.2	May 25, 2004
	Nishi-Shinjuku Showa Building	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	2.1	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.3	February 26, 2004
	Seiwa Shinjuku Building	2,280	0.9	June 25, 2004
		161,420	67.0	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.1	December 5, 2003
	Technoport Kamata B	6,430	2.7	December 5, 2003
	Crystal Park Building (Note 3)	3,700	1.5	February 28, 2006
	Farlet Tachikawa Center Square	3,290	1.4	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building	9,500	3.9	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
		39,120	16.2	
Other cities (Note 2)	Sendai Chowa Building	3,200	1.3	November 30, 2005
	Utsunomiya NF Building	2,970	1.2	December 5, 2003
	Yanagibashi Sanshin Building	3,550	1.5	September 29, 2005
	Osaka Chowa Building	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	1.6	December 5, 2003
	Kobe Kaigan Building	3,280	1.4	December 5, 2003
	Hiroshima Chowa Building	2,100	0.9	November 30, 2005
	Nomura Real Estate Hiroshima Building	1,930	0.8	December 5, 2003
		40,280	16.7	
Total (28 properties)		240,820	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.
- Crystal Park Building is included in the above table assuming that the Fund has acquired the new property even though the scheduled date of closing transaction, delivery of the real estate and acquisition is February 28, 2006.

Photo



Map

