



For Translation Purposes Only

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For Immediate Release
Nomura Real Estate Office Fund, Inc.
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(Securities Code: 8959)

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**Notice Concerning Forecasts of Financial Results
for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period)
and Cash Distribution on Merger**

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) is to implement a consolidation-type merger (the “Merger”), whereby each of the Fund, Nomura Real Estate Master Fund, Inc. (“NMF”) and Nomura Real Estate Residential Fund, Inc. (“NRF”) is set as a corporation consolidated through the consolidation-type merger and October 1, 2015 is set as the date of incorporation of investment corporation incorporated through the consolidation-type merger (the “New Investment Corporation”) as stated in “Notice Concerning Execution of Merger Agreement by and among Nomura Real Estate Master Fund, Inc., Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.” announced on May 27, 2015. The Fund announces its forecasts of financial results for the final fiscal period (May 1, 2015 to September 30, 2015) and cash distribution on merger to be made instead of cash distributions for the final fiscal period. The forecasts are summarized as follows.

1. Forecasts of Financial Results for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period) and Cash Distribution on Merger

Operating Revenues (Millions of Yen)	Operating Profits (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Cash Distribution on Merger per Unit (Yen)
10,825	3,993	2,741	2,740	7,770

[Related Information]

Expected total number of investment units outstanding as of September 30, 2015: 372,553 units
Expected net income per unit for the final fiscal period: 7,356 yen

[Notes]

1. The forecasts of financial results are for the five month period from May 1, 2015 to September 30, 2015.
2. The forecasts presented above are calculated as of today based on the assumptions as set forth in the Exhibit. The actual operating revenues, operating profits, ordinary income, net income and cash distribution on merger per unit may vary due to the acquisition and sale of properties, if any, changes in the real estate market, progress of the procedures for the Merger and other factors affecting the Fund. Nomura Office Fund does not guarantee the amount of the cash distribution on merger identified above. Please refer to Note 3 for more detailed information regarding cash distribution on merger.
3. Instead of cash distributions for the Fund's final fiscal period, the New Investment Corporation will make a cash distribution on merger to the unitholders listed or recorded on the final unitholders register of the Fund as of the day immediately prior to the date of incorporation of the New Investment Corporation (excluding each corporation consolidated through the consolidation-type merger and the dissenting unitholders of the Fund who demand for repurchase of investment units pursuant to Article 149-13 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended)) (the "Allotted Investors"), in an amount equivalent to the cash distributions for the final fiscal period based on the Fund's distributable profit (the payment on merger will be (i) the amount of distributable profit of the Fund as of the day immediately prior to the date of incorporation of the New Investment Corporation divided by (ii) the number of investment units that is obtained by deducting (a) the number of investment units held by the unitholders other than the Allotted Investors from (b) the number of investment units issued and outstanding of the Fund, as of the day immediately prior to the date of incorporation of the New Investment Corporation (amounts less than one yen are rounded down)). Therefore, the amount of the cash distribution on merger will vary in accordance with the status of exercise of the right to demand for repurchase of investment units. The amount set forth in the table above is based on the assumption that any of the right is not exercised, since the status of exercise of the right is yet to be determined at this stage.
4. Nomura Office Fund may revise the forecasts if the Fund expects a large variance from the above forecasts.
5. Amounts less than units are rounded off.

2. Reason for Announcement

(i) The resolutions of approval of the consolidation-type merger agreement and (ii) the resolutions of approval of the termination of the asset management agreement (for the Fund and NRF only), by the general meeting of unitholders of the Fund and NMF held on July 30, 2015, and NRF held on July 31, 2015 have been obtained as stated in “Notice Concerning Approval of the Consolidation-Type Merger Agreement at the General Meetings of Unitholders” announced on July 31, 2015. Following that, Nomura Office Fund announces its forecasts of financial results for the final fiscal period and cash distribution on merger at this stage.

Please refer to the “Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016 following the Merger between Nomura Real Estate Master Fund, Inc., Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.” announced on May 27, 2015 for the forecasts of the financial results and cash distribution per unit of the New Investment Corporation.

*<Nomura Real Estate Office Fund, Inc.> URL: <http://www.nre-of.co.jp/english/>

[Exhibit]

**Assumptions for Forecasts of Financial Results
for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period)**

Item	Assumptions
Period	<ul style="list-style-type: none"> 24th fiscal period (final fiscal period): May 1, 2015 through September 30, 2015
Investment Portfolio	<ul style="list-style-type: none"> The Fund assumes that the investment portfolio consisting of 55 properties owned by the Fund as of the end of the 23rd fiscal period will remain unchanged (with no assets acquired or disposed of) until September 30, 2015. In practice, the investment portfolio is subject to potential change.
Operating Revenues	<ul style="list-style-type: none"> The forecast of operating revenues for the 24th fiscal period is based upon the operating revenues from 55 properties owned by the Fund as of end of the 23rd fiscal period. The forecasts of the level of the rent and vacancy rates are based on the trend of tenants, competing buildings in the neighborhood, and the recent real estate market trend, etc. Assumed that there is no rent in arrears and nonpayment of the rent.
Operating Expenses	<ul style="list-style-type: none"> In general, the fixed asset taxes and urban planning taxes imposed on the properties in the tax year (including the date) of transaction are distributed to the seller and the purchaser on a daily pro-rata basis and settled at the time of acquisition, and such taxes are deemed as the acquisition costs, not expenses. However, as to the 54 out of the 55 properties currently owned, of the estimated amount of annual tax, ¥1,083 million will be allocated as rental business expenses. Outsourcing expenses are estimated at ¥1,310 million as rental business expenses. As for the repair and maintenance, the Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.) estimates the required amounts for the respective properties for each of the fiscal periods based on the medium- and long-term repair plans. However, it is possible that the actual repair expenses for the fiscal periods may differ significantly from the estimates since (i) an unforeseeable event might cause serious damage to a building requiring emergent repair expenditure, (ii) amounts might vary year by year, and (iii) certain types of repair expenses are not required every year. Rental business expenses are estimated at ¥5,727 million and depreciation costs are estimated at ¥1,577 million. The operating expenses other than the rental business expenses (including asset management fees, asset custody fees, general administration fees and professional fees) are estimated at ¥1,103 million. Fees for services under the asset management agreement, the asset custody agreement, the general administration agreement, etc. during the fiscal period ending September 30, 2015 (24th fiscal period) (final fiscal period) to be paid after the incorporation of the New Investment Corporation are allocated as the Fund's operating expenses other than the rental business expenses for the fiscal period ending September 30, 2015 (24th fiscal period) (final fiscal period).
Non-Operating Expenses	<ul style="list-style-type: none"> Interest payable is estimated at ¥1,062 million. Loan-related expenses are estimated at ¥86 million.
Interest-Bearing Debts	<ul style="list-style-type: none"> The amount of the Fund's interest-bearing debts outstanding as of today is ¥162,200 million of loan and ¥34,500 million of investment corporation bonds. Concerning the borrowings of ¥3,500 million which will mature by September 30, 2015, the Fund assumes that the entire amount will be refinanced. The Fund assumes that there will be no changes in debt amounts other than the above.
Investment Units	<ul style="list-style-type: none"> The Fund assumes that the number of investment units is 372,553 units

	outstanding as of today.
Cash Distribution on Merger per Unit	<ul style="list-style-type: none"> • Cash distribution on merger per unit is to be made instead of cash distributions for the fiscal period ending September 30, 2015 (24th fiscal period) (final fiscal period) and is calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. • The Fund assumes that ¥154 million from the reserve for reduction entry will be reversed and distributed as a part of the cash distribution on merger. • Cash distribution on merger per unit may vary due to various factors, including (i) changes in the investment portfolio, changes in rent income caused by the tenant replacements or unforeseen repairs, or (ii) the status of exercise of the right to demand for repurchase of investment units.
Others	<ul style="list-style-type: none"> • The Fund assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and Investment Trusts Association regulations, which affect the above forecasts. • The Fund assumes that there will be no material changes in general economic conditions and real estate markets.