



NOMURA
Office Fund



NOMURA OFFICE FUND

Eleventh Fiscal Period

Semi-Annual Report November 1, 2008 ► April 30, 2009

NOMURA REAL ESTATE OFFICE FUND, INC.



NOMURA
Office Fund

Profile

Nomura Real Estate Office Fund, Inc. (referred to as “Nomura Office Fund” or the “Company” hereafter) was listed on the Tokyo Stock Exchange on December 4, 2003 as a real estate investment corporation formed to own and invest in office properties, subject to the Law Concerning Investment Trusts and Investment Corporations of Japan. The Company’s basic investment policy is to assure stable rent revenues and steady portfolio growth over the medium- to long-term.

Nomura Real Estate Asset Management Co., Ltd. (referred to as “NREAM” hereafter), a wholly owned subsidiary of Nomura Real Estate Holdings, Inc. is in charge of asset management on behalf of Nomura Office Fund in accordance with the basic investment policy as described above. Through coordination with Nomura Real Estate Holdings, Inc. and other group companies, NREAM aims to achieve these goals and more.

Strength of Nomura Office Fund

J-REIT with a large-capitalization specialized in office buildings

- Portfolio of 50 properties at a total acquisition price of ¥374.5 billion (as of April 30, 2009)
- Market capitalization of ¥155.3 billion (as of April 30, 2009)
- Constituent of MSCI Standard Index

Track records of stable managements

- Eleven consecutive fiscal periods of growth in operating revenues and net income
- Steady growth in DPU

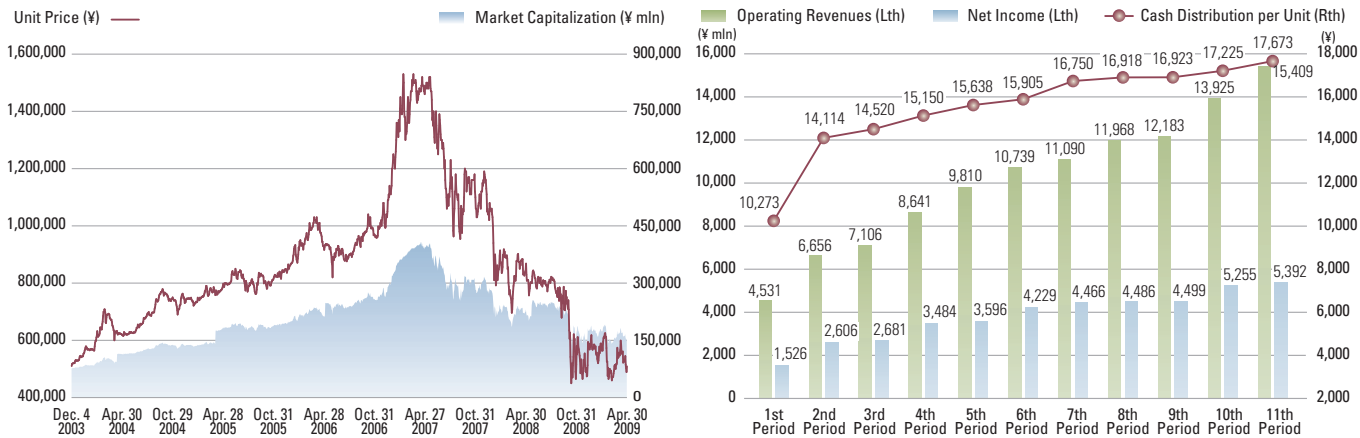
Collaboration with Nomura Real Estate Group

- NREAM, in charge of the Company’s asset management, belongs to Nomura Real Estate Group
- Supported by the group companies through provision of sales information and management expertise

Rated A or more by three domestic and foreign rating agencies

Rating and Investment Information, Inc.	Issuer rating: AA-
Standard & Poor’s Ratings Services	Long-term rating: A Short-term rating: A-1
Moody’s Investors Service, Inc.	Issuer rating: A2

- Holding to conservative financial strategies



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To Our Investors

Dear Investors,

We are delighted to be able to present to you the financial results for the eleventh fiscal period (ended April 30, 2009) and report on our activities during the period herein.

We booked operating revenues for this period of ¥15,409 million, current profits of ¥5,393 million, and net income of ¥5,392 million. Cash distribution per unit was ¥17,673.

Some of the major developments during the eleventh fiscal period included new investments in “PMO Nihonbashi Honcho”, “NRE Sapporo Building”, “NRE Higashi-nihonbashi Building”, “NRE Ueno Building”, “Kichijoji Mark Building”, “MY Higashi Gotanda Building”, and “NOF Tenjin-Minami Building.” At the same time, we sold “Kita-Sanjo Building”, “NOF Midosuji Building”, and “Hiroshima Tatemachi NOF Building.” As a result, the number of properties in the portfolio now totals 50, with total acquisition price of ¥374.5 billion, promoting further diversification of the portfolio. And also improved our portfolio quality, reducing the ratio of regional properties from 30.3% to 26.8%.

Concerning property management, although the occupancy rates in the office leasing market is on a downward trend due to the uncertain economy, NOF's average occupancy rate remained stable around 95% throughout this period, reaching 96.4% at the end of the period.

In terms of financing, the Company has maintained good relationship with financial institutions and secured stable funding, and continues to maintain a healthy balance sheet.

We will continue adhering to the conservative investment policies in future.

Lastly, we would like to thank you again for your patronage in the past periods, and would like to ask for your continued support for the years to come.



Mitsuharu Sato
Executive Director
Nomura Real Estate Office Fund, Inc.

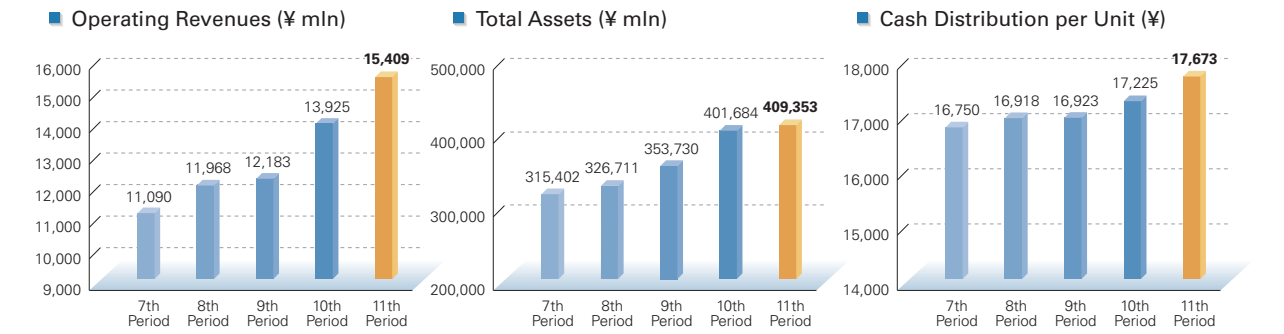
Financial Highlights

FINANCIAL SUMMARY

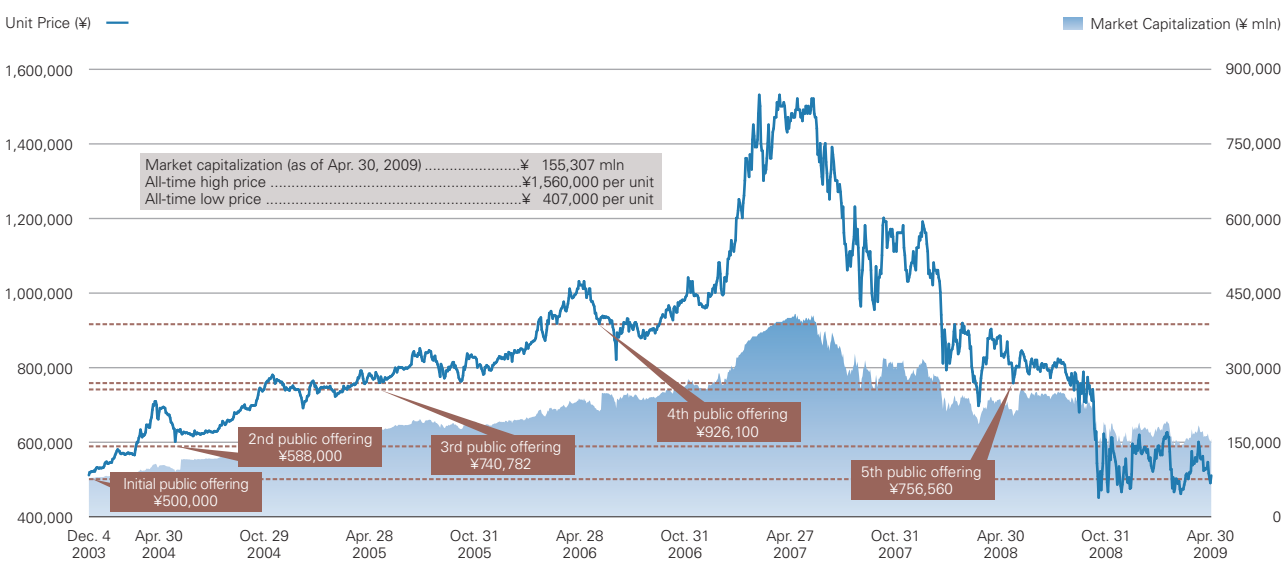
		11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008	9th Period from Nov. 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007
Operating Revenues	¥ mln	15,409	13,925	12,183	11,968	11,090
Net Operating Income (NOI) (Note 1)	¥ mln	10,226	9,927	8,572	8,286	7,763
Current Profits	¥ mln	5,393	5,256	4,500	4,486	4,466
Net Income	¥ mln	5,392	5,255	4,499	4,486	4,466
Total Assets	¥ mln	409,353	401,684	353,730	326,711	315,402
Unitholders' Capital	¥ mln	185,455	185,455	156,767	156,767	156,767
Number of Units Issued	unit	305,123	305,123	265,903	265,903	265,903
Net Assets per Unit	¥	625,478	625,031	606,488	606,510	606,315
Total Cash Distribution	¥ mln	5,392	5,255	4,499	4,498	4,453
Cash Distribution per Unit	¥	17,673	17,225	16,923	16,918	16,750
Funds from Operation (FFO) per Unit (Note 2)	¥	23,488	23,228	23,069	22,714	22,509

Note 1: NOI (Net Operating Income) = Real Estate Rental Revenues – Real Estate Rental Expenses + Depreciation
Note 2: FFO per Unit = (Net Income + Depreciation + Amortization of Investment Corporation Bonds Issuance Costs – Real Estate Sale Profit/Loss) / Number of Units Issued

CHANGES IN KEY FIGURES



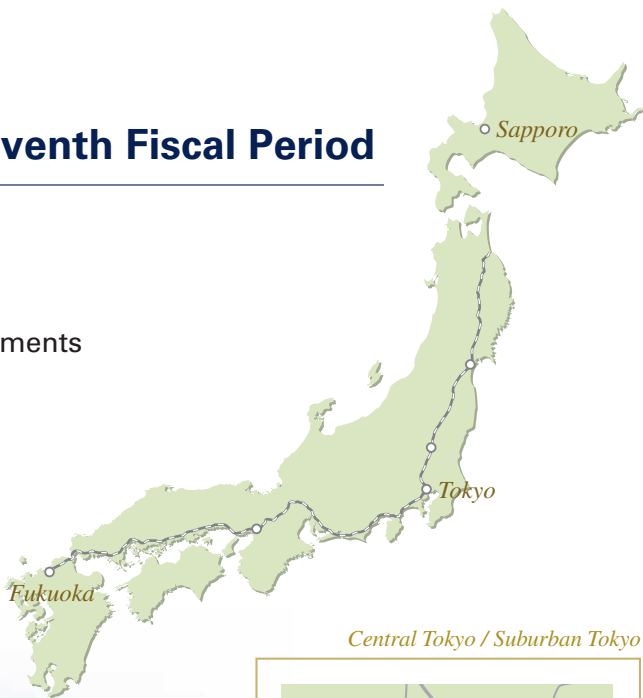
CHANGES IN UNIT PRICE AND MARKET CAPITALIZATION



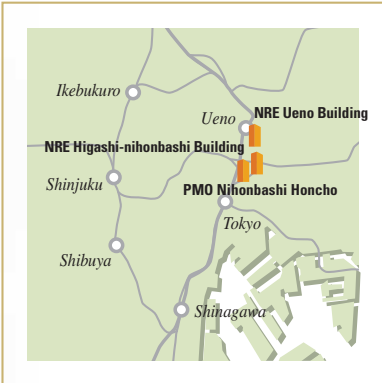
Management Summary of the Eleventh Fiscal Period

New Investments

In the Eleventh fiscal period, we made new investments in "PMO Nihonbashi Honcho", "NRE Higashi-nihonbashi Building", "NRE Ueno Building", "MY Higashi Gotanda Building", "Kichijoji Mark Building", "NRE Sapporo Building", and "NOF Tenjin-Minami Building" (Total acquisition price: ¥30.7 billion).



Central Tokyo / Suburban Tokyo



PMO Nihonbashi Honcho

Location: Chuo-ku, Tokyo
Date Acquired: November 5, 2008
Acquisition Price: ¥5,000 million

Property Profile

The Property, located in Nihonbashi area, a traditional office district of central Tokyo, has excellent access to multiple stations and completed in June 2008. It is a high quality and value-added office building equivalent to a large-scale office building, in terms of design, function, security system, etc. and the first Property of PMO (Premium Midsize Office), the new office building brand developed by Nomura Real Estate Development Co., Ltd.

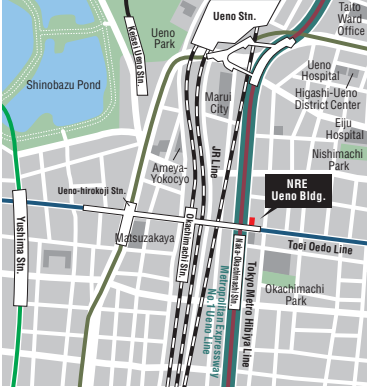


NRE Ueno Building

Location: Taito-ku, Tokyo
Date Acquired: January 14, 2009
Acquisition Price: ¥7,830 million

Property Profile

The Property has superior location, situated in Ueno/Okachimachi area including Ueno Station, the terminal station, and Okachimachi Station in the concentrated commercial district. The excellent location and specifications enable the Property to meet the tenants in manufacturing, financial institutions, etc., stably for mid- to long-term.



NRE Higashi-nihonbashi Building

Location: Chuo-ku, Tokyo
Date Acquired: January 14, 2009
Acquisition Price: ¥4,060 million

Property Profile

The Property has an excellent location, located close to Higashi-nihonbashi Station on the Toei Asakusa Line and Bakuro-yokoyama Station on the Toei Shinjuku Line. The stable demand can be expected from tenants such as manufacturers in Horidomecho/Higashi-nihonbashi area.

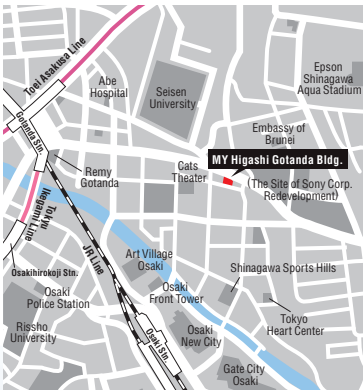


MY Higashi Gotanda Building

Location: Shinagawa-ku, Tokyo
Date Acquired: February 27, 2009
Acquisition Price: ¥3,010 million

Property Profile

The Property, an office building completed in 1993, is located in Gotanda/Osaki area where redevelopment plans have been rapidly proceeded. In addition to the demand from tenants in manufacturing, etc., the demand from tenants looking for the office near the redeveloped large scale office buildings are expected.



Central Tokyo / Suburban Tokyo



Kichijoji Mark Building

Location: Musashino City, Tokyo
Date Acquired: January 14, 2009
Acquisition Price: ¥1,800 million

Property Profile

The Property has excellent accessibility, located in Kichijoji area, highly concentrated office/commercial district with large population in the hinterland. Stable demand from tenants looking for commercial operations for residents/companies in surrounding area or tenants targeting at retail customers are expected.



Other Cities: Hokkaido Area

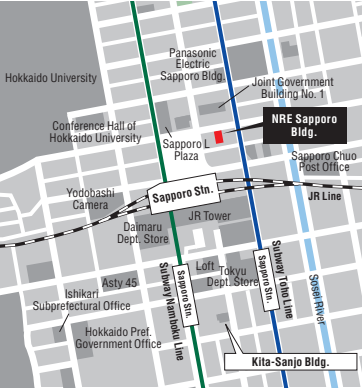


NRE Sapporo Building

Location: Kita-ku, Sapporo City
Date Acquired: November 5, 2008
Acquisition Price: ¥5,300 million

Property Profile

The Property, an office building with an excellent location, is located at 2 minutes walk from Sapporo Station. As it has high specifications such as the IC card security system and the quake-absorbing system which is quite rare in Sapporo City, the Company can expect stable demand from wide range of tenants.



Other Cities: Kyusyu Area

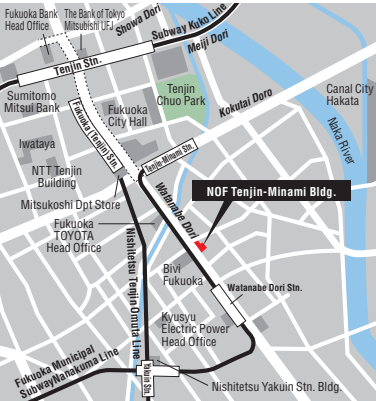


NOF Tenjin-Minami Building

Location: Chuo-ku, Fukuoka City
Date Acquired: March 27, 2009
Acquisition Price: ¥3,739 million

Property Profile

The Property, completed in February 2008, is adjacent to Tenjin area, the central business and commercial district in Fukuoka City. As the Property is located in the area where redevelopment projects of large office buildings are scheduled, it is anticipated that the area would become a well developed office district. Also, the location has convenient access as it provides several railway lines.



RENEWALS ENHANCE CUSTOMER ATTRACTION

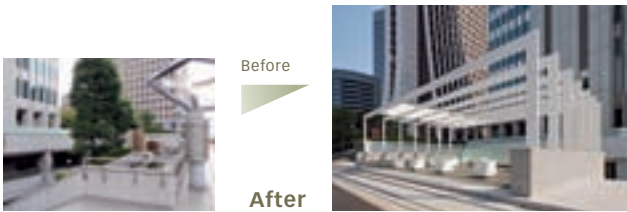
Renewal Example | Shinjuku Nomura Building

Large-scale renewal (phase II) was completed for the restaurant area on the north side of B1 floor.

Points of renewal

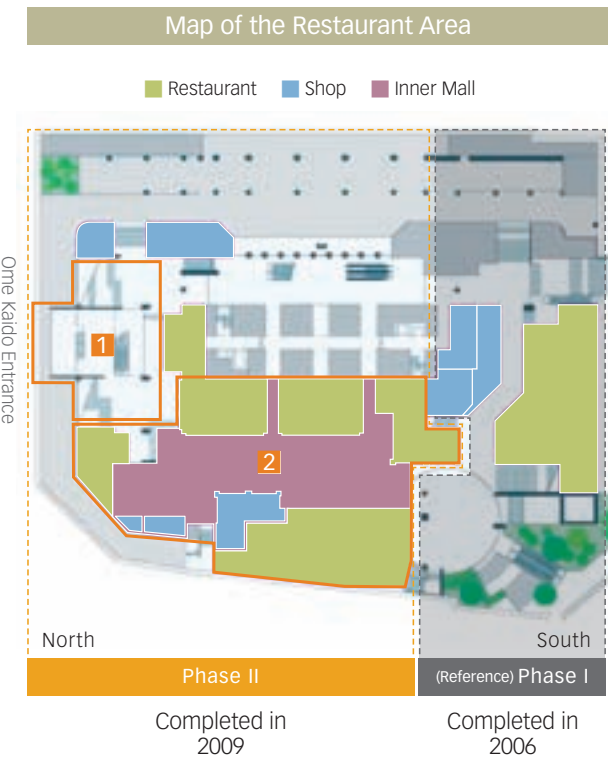
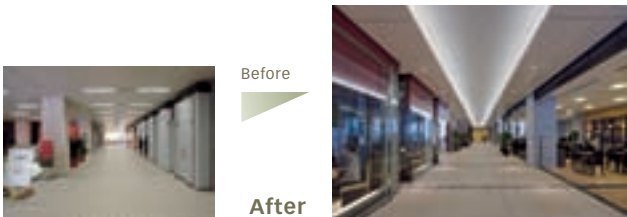
1 Ome Kaido (north) entrance

To enhance customer attraction from the Ome Kaido side which is expected to have increased pedestrian flow due to construction of a new building, the north entrance has been renewed with installation of designed features such as an arch, and escalators/stairs that enable smooth access to B1 and B2 floors.



2 Installation of an inner mall and unified designs

In conjunction with the opening of take-out food outlets, a food court ("inner mall") open to the public has been created, enabling customers to bring their lunch or other purchased goods, providing everyone a space to refresh during the day. In addition, by implementing unified designs with the already renewed south side, the entire floor space now provides a light-filled and sophisticated atmosphere.



Phase I (B1 south side restaurant area renewal)

Significant renewal was implemented to increase the number of visitors from the entrance facing the intersection to the south of the building that has the largest pedestrian flow, including two escalators and stairs leading to the southern entrance, floor space renovation and replacement of shops.

Change in the number of visitors

Before : Approx. 3,700 visitors/day* After : Approx. 5,500 visitors/day*

Completion of Phase I resulted in considerable increase in the number of customers to the restaurants in the basement floors. There were few visitors on weekends and holidays prior to the renewal, but now the restaurants are busy during lunch and dinner times on weekends as well as on weekdays. Office tenants have also expressed their appreciation stating that the entire section has been transformed brilliantly.

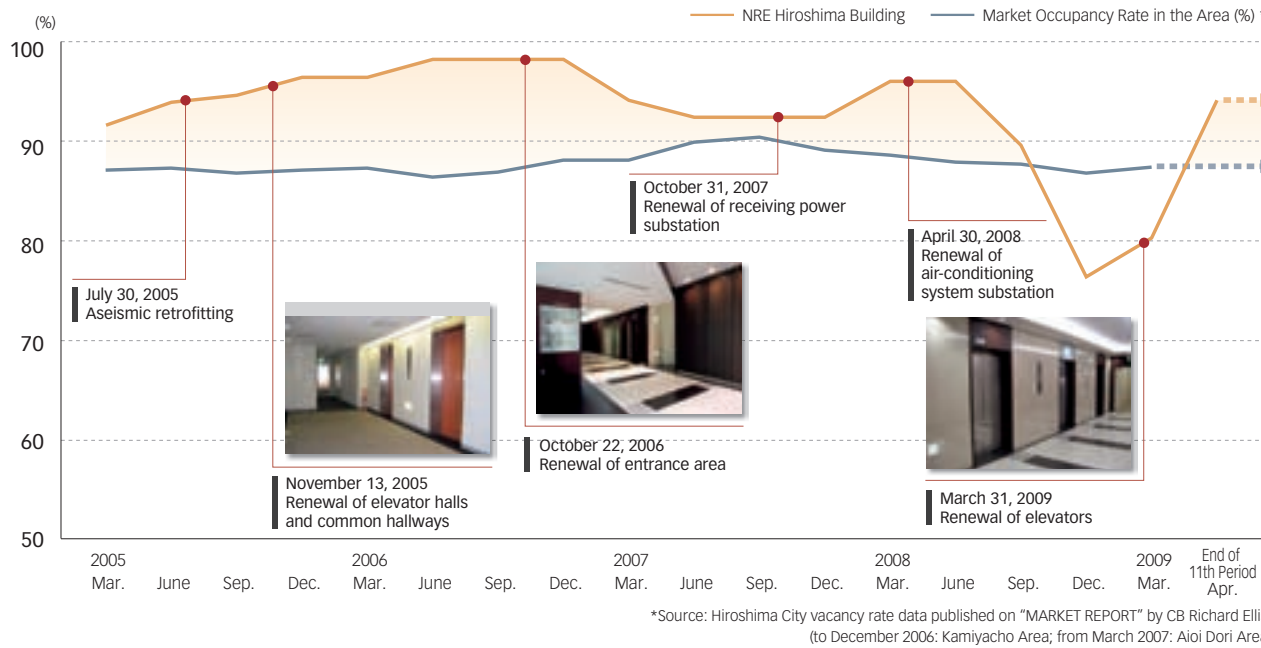
* According to the survey implemented by the owner of the Shinjuku Nomura Building.

RENEWALS ENHANCE PORTFOLIO COMPETITIVENESS

Renewal Example | 1 NRE Hiroshima Building

Various renovations were implemented on a continuous basis to differentiate the property from surrounding buildings for the purpose of enhancing appeal to prospective tenants and improving existing tenant satisfaction. Our efforts to improve its competitiveness have resulted in higher performance by the property compared to the office market in the area.

Occupancy Rate of NRE Hiroshima Building



Renewal Example | 2 SORA Shin-Osaka 21

Renewals of elevator halls and hallways were completed, and common space was created in the vaulted ceiling entrance hall area. These renovations were aimed at maintenance and improvement of mid- to long-term profitability through differentiation from surrounding buildings and achievement of improved tenant satisfaction.

Elevator Halls/Hallways

Before

After

By changing the interior and lighting to softer and warmer tones with quality finish, the impression of the building to the tenants and visitors has been rejuvenated.

Vaulted Ceiling Entrance Hall

Before

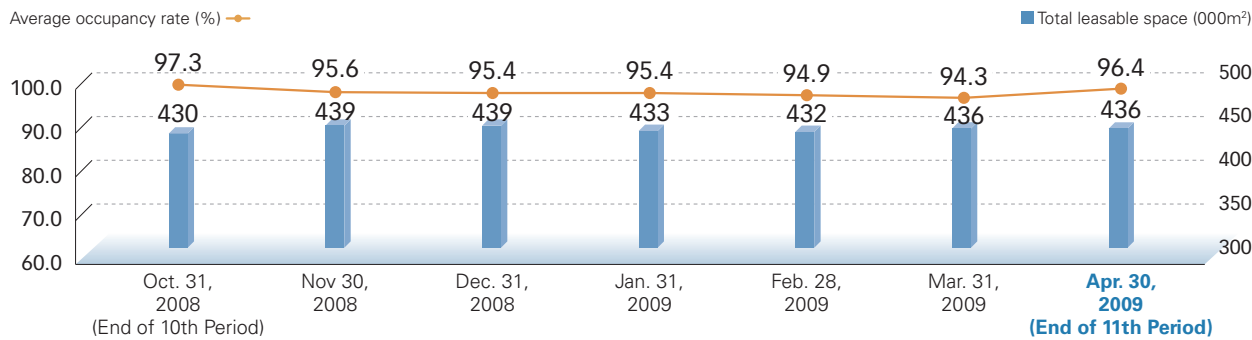
After

A common space open to public use has been created for the convenience of office tenants and numerous visitors to the building.

Portfolio Highlights

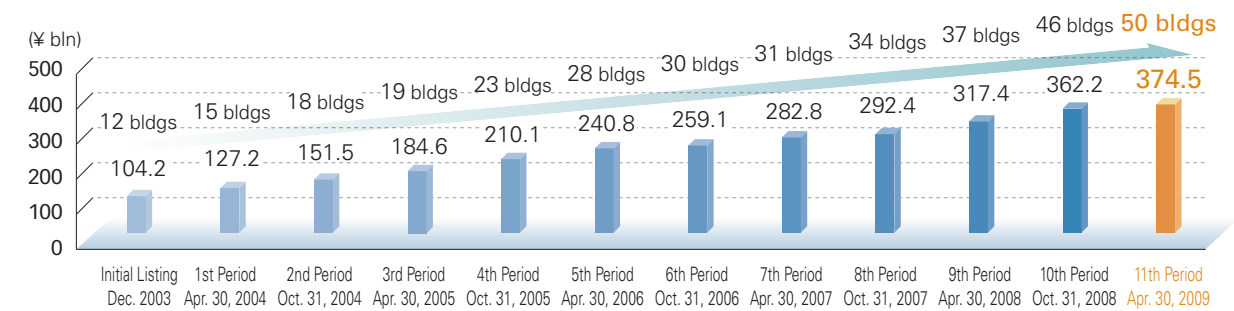
CHANGES IN OCCUPANCY RATE (AVERAGE)

The average occupancy rate maintained stable and high level throughout the eleventh fiscal period.



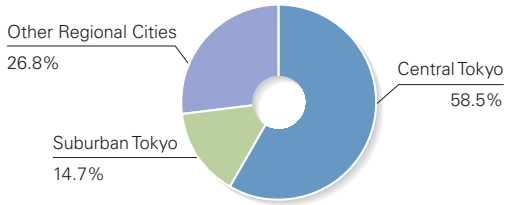
CHANGES IN SIZE OF PORTFOLIO

As indicated below, diversification of the portfolio, which has steadily increased since listing, has also been promoted.

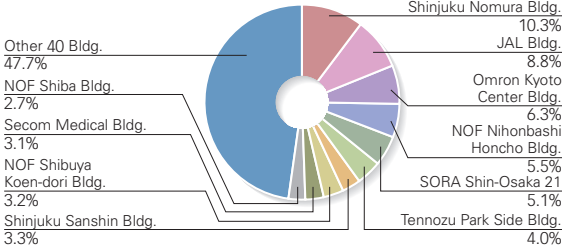


ALLOCATION BY AREA AND PROPERTY (as of Apr. 30, 2009)

Diversification by Location



Diversification by Property (Top 10 Properties and other)

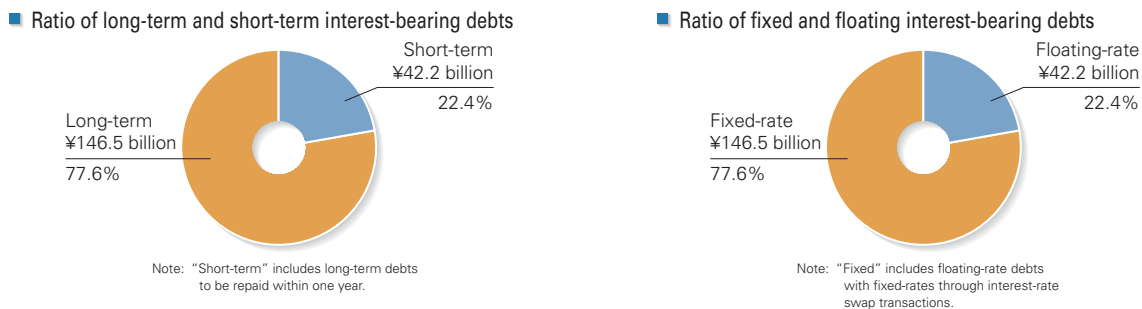


Note: Central TokyoSix central wards consisting of Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya
Suburban Tokyo.....Other areas of Tokyo and the Surrounding three prefectures including Kanagawa, Saitama and Chiba
Other CitiesMajor regional cities in other areas
Note: Based on the acquisition price

Financial Status of the Eleventh Fiscal Period

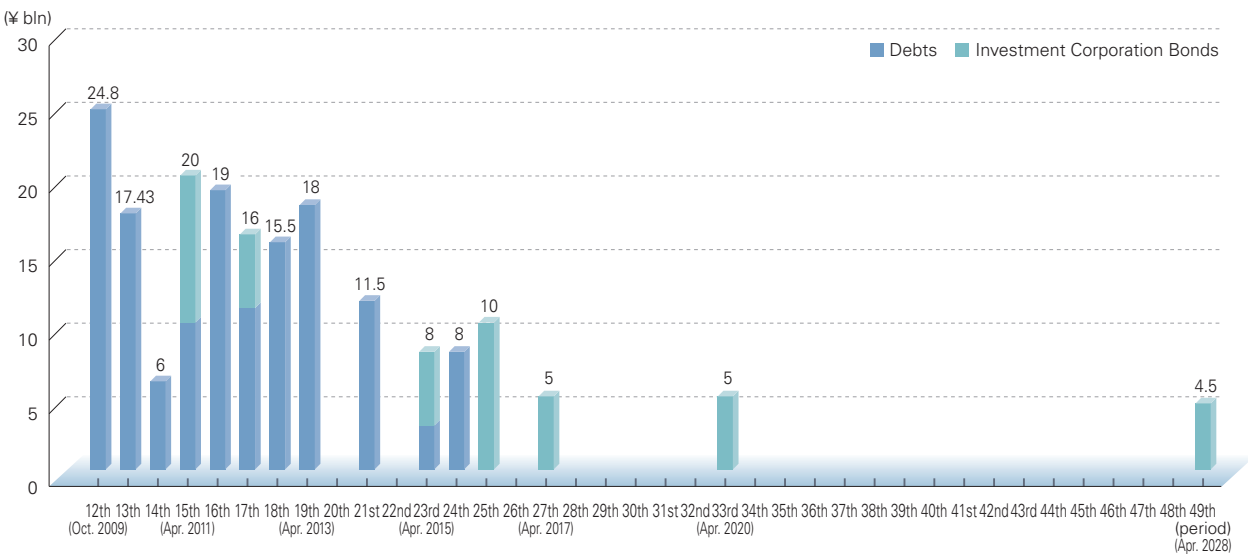
TURNING OF SHORT-TERM FLOATING-RATE DEBTS TO LONG-TERM FIXED-RATE DEBTS

The Company has secured financial stability through promotion of long-term, fixed-rate interest-bearing debt including issuance of investment corporation bonds, to prepare for the future interest rate hikes. As of the end of the eleventh fiscal period, the ratio of long- and short-term debt and fixed and floating debt are as follows:



DIVERSITY OF REPAYMENT DATES (as of the end of Eleventh fiscal period)

We have diversified the repayment dates of interest-bearing debts to avoid concentration on any specific period or timing, thus reducing the refinance risk and stabilizing the cash flow.



CREDIT RATINGS

We have obtained ratings from three domestic and foreign rating companies for the purpose of diversifying funding methods such as issuance of investment corporation bonds, and improving creditworthiness in the capital market.

Rating Company	Rating	Outlook
Rating and Investment Information, Inc.	AA-: Issuer rating	Stable
Standard & Poor's Ratings Services	A : Long-term corporate credit rating A-1: Short-term corporate credit rating	Negative —
Moody's Investors Service, Inc.	A2 : Issuer rating	Negative

Summary of Portfolio Properties



MAP No.	Name of Property	Location	Leasable Floor Space (m²)	Date Acquired	Acquisition Price (¥mln)	Ratio (%)
Central Tokyo						
01	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,500.89	Dec. 8, 2003	38,730	10.3
02	JAL Building	Shinagawa-ku, Tokyo	42,084.11	Mar. 18, 2005	33,080	8.8
03	NOF Nihonbashi Honcho Building	Chuo-ku, Tokyo	19,233.25	Dec. 5, 2003	20,600	5.5
04	Tennozu Park Side Building	Shinagawa-ku, Tokyo	18,051.60	Feb. 27, 2004	14,800	4.0
05	Shinjuku Sanshin Building	Shibuya-ku, Tokyo	6,675.23	Jun. 25, 2008	12,300	3.3
06	NOF Shibuya Koen-dori Building	Shibuya-ku, Tokyo	3,420.16	Sep. 28, 2004	12,000	3.2
07	Secom Medical Building	Chiyoda-ku, Tokyo	8,821.24	Sep. 1, 2006	11,500	3.1
08	NOF Shiba Building	Minato-ku, Tokyo	8,165.10	May 25, 2004	10,000	2.7
09	Nishi-Shinjuku Showa Building	Shinjuku-ku, Tokyo	5,659.96	Nov. 30, 2005	8,800	2.3
10	NRE Shibuya Dogenzaka Building	Shibuya-ku, Tokyo	3,436.67	Sep. 26, 2008	7,660	2.0
11	NOFTameike Building	Minato-ku, Tokyo	4,715.20	Sep. 29, 2005	7,400	2.0
12	Iwamoto-choToyo Building	Chiyoda-ku, Tokyo	4,117.26	Jun. 25, 2008	6,020	1.6
13	NOF Shinagawa Konan Building	Shinagawa-ku, Tokyo	7,667.55	Dec. 8, 2003	5,500	1.5
14	NOF Surugadai Plaza Building	Chiyoda-ku, Tokyo	4,160.94	Feb. 27, 2004	5,150	1.4
15	PMO Nihonbashi Honcho	Chuo-ku, Tokyo	2,450.06	Nov. 5, 2008	5,000	1.3
16	NRE Higashi-nihonbashi Building	Chuo-ku, Tokyo	4,554.98	Jan. 14, 2009	4,060	1.1
17	Hatchobori NF Building	Chuo-ku, Tokyo	2,854.83	Aug. 10, 2007	3,160	0.8
18	NOF Kanda Iwamoto-cho Building	Chiyoda-ku, Tokyo	4,076.38	Feb. 26, 2004	3,080	0.8
19	MY Higashi Gotanda Building	Shinagawa-ku, Tokyo	3,361.48	Feb. 27, 2009	3,010	0.8

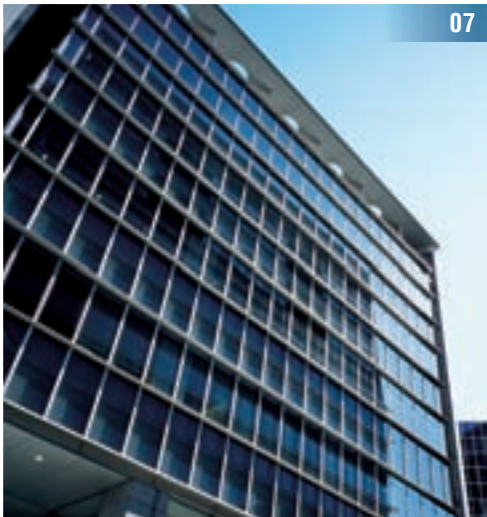
MAP No.	Name of Property	Location	Leasable Floor Space (m²)	Date Acquired	Acquisition Price (¥mln)	Ratio (%)
20	Central Kyobashi Building	Chuo-ku, Tokyo	1,720.05	Jun. 25, 2008	2,550	0.7
21	NOF Minami Shinjuku Building	Shibuya-ku, Tokyo	2,464.71	Jun. 25, 2004	2,280	0.6
22	Central Shintomicho Building	Chuo-ku, Tokyo	2,467.14	Jun. 25, 2008	1,750	0.5
23	Sunworld Yotsuya Building	Shinjuku-ku, Tokyo	2,367.51	Jun. 25, 2008	778	0.2
Total Central Tokyo (23 Properties)			194,026.30		219,208	58.5
Suburban Tokyo						
24	NRE Ueno Building	Taito-ku, Tokyo	4,869.32	Jan. 14, 2009	7,830	2.1
25	NOFToyo-cho Building	Koto-ku, Tokyo	18,218.17	Dec. 5, 2003	7,550	2.0
26	NOFTechnoport Kamata Center Building	Ota-ku, Tokyo	13,652.45	Dec. 5, 2003	6,416	1.7
27	Toho Edogawabashi Building	Bunkyo-ku, Tokyo	2,058.97	Mar. 28, 2008	2,080	0.6
28	Toshin Meguro Building	Meguro-ku, Tokyo	1,610.07	Jun. 25, 2008	1,340	0.4
29	Crystal Park Building	Musashino City, Tokyo	3,900.85	Feb. 28, 2006	3,700	1.0
30	Kichijoji Mark Building	Musashino City, Tokyo	1,936.40	Jan. 14, 2009	1,800	0.5
31	FaretTachikawa Center Square	Tachikawa City, Tokyo	6,853.38	Dec. 5, 2003	3,290	0.9
32	NOF Kawasaki Higashiguchi Building	Kawasaki City, Kanagawa	8,253.41	Jun. 30, 2005	9,500	2.5
33	NOFYokohama Nishiguchi Building	Yokohama City, Kanagawa	6,817.76	May 12, 2005	5,050	1.3
34	NOF Shin-Yokohama Building	Yokohama City, Kanagawa	8,074.83	Dec. 5, 2003	3,600	1.0
35	Yokohama Odori Koen Building	Yokohama City, Kanagawa	4,236.46	Sep. 28, 2007	2,993	0.8
Total Suburban Tokyo (12 Properties)			80,482.07		55,149	14.7
Other Cities						
36	Sapporo North Plaza	Sapporo City, Hokkaido	13,644.81	Jun. 1, 2006	6,820	1.8
37	NRE Sapporo Building	Sapporo City, Hokkaido	6,559.34	Nov. 5, 2008	5,300	1.4
38	JCB Sapporo Higashi Building	Sapporo City, Hokkaido	9,062.04	Feb. 8, 2008	3,700	1.0
39	NOF Sendai Aoba-dori Building	Sendai City, Miyagi	6,153.65	Nov. 30, 2005	3,200	0.9
40	NOF Utsunomiya Building	Utsunomiya City, Tochigi	5,887.40	Dec. 5, 2003	2,970	0.8
41	NOF NagoyaYanagibashi Building	Nagoya City, Aichi	4,655.74	Sep. 29, 2005	3,550	0.9
42	Omron Kyoto Center Building	Kyoto City, Kyoto	34,616.84	Mar. 20, 2007	23,700	6.3
43	SORA Shin-Osaka 21	Osaka City, Osaka	21,589.70	Apr. 25, 2008	19,251	5.1
44	NRE Osaka Building	Osaka City, Osaka	16,977.79	Dec. 5, 2003	6,410	1.7
45	NRE Nishi-Umeda Building	Osaka City, Osaka	5,213.02	Sep. 26, 2008	5,660	1.5
46	NRE Yotsubashi Building	Osaka City, Osaka	11,558.68	Dec. 5, 2003	3,940	1.1
47	NOF Kobe Kaigan Building	Kobe City, Hyogo	6,425.16	Dec. 5, 2003	3,280	0.9
48	NRE Hiroshima Building	Hiroshima City, Hiroshima	7,903.22	Dec. 5, 2003	1,930	0.5
49	EME Hakata Ekimae Building	Fukuoka City, Fukuoka	7,504.44	Jun. 27, 2008	6,750	1.8
50	NOFTenjin-Minami Building	Fukuoka City, Fukuoka	3,834.21	Mar. 27, 2009	3,739	1.0
Total Other Cities (15 Properties)			161,586.04		100,200	26.8
Grand Total (50 Properties)			436,094.41		374,557	100.0

Note : The Company owns "Secom Medical Building", "NRE Shibuya Dogenzaka Building", "PMO Nihonbashi Honcho", "NRE Higashi-nihonbashi Building", "MY Higashi Gotanda Building", "NRE Ueno Building", "Toho Edogawabashi Building", "Crystal Park Building", "Yokohama Odori Koen Building", "NRE Sapporo Building", "JCB Sapporo Higashi Building", "SORA Shin-Osaka 21" and "NRE Nishi-Umeda Building" as real estate, and other properties in the form of beneficial interest in real estate trusts.

Note: "Ratio" refers to the ratio of each asset based on acquisition price to the entire portfolio (total of 50 properties). As the figures in the above table have been rounded to the first decimal place, the total may not be 100.0%.

Note: Shinjuku Nomura Building is held through the quasi co-ownership of beneficial interest in real estate trust. The Company holds 50.1% of the quasi co-ownership. Total leasable floor space and acquisition price in the above table indicates the figures related to the quasi co-ownership.

Note: The Company transferred a part of the land of NOFTechnoport Kamata Center Building (co-owned area) on August 31, 2007. The acquisition price on the list is the amount subtracting a book price of the asset to be transferred (13 million yen) from the acquisition price before the transfer (6,430 million yen). The number of amount below unit is truncated.

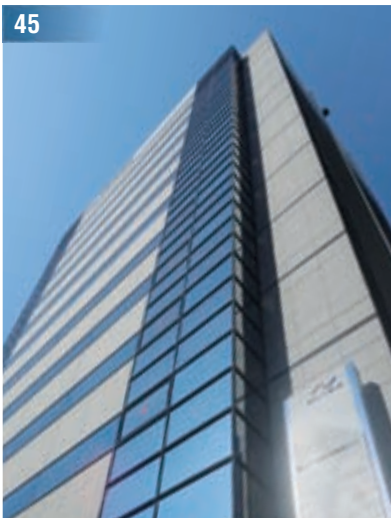


42 | Omron Kyoto Center Building
801 Minami Fudodo-cho, Horikawa Higashi-iru, Shiokoji-dori, Shimogyo-ku, Kyoto City, Kyoto

07 | Secom Medical Building
7-7 Nibancho Chiyoda-ku, Tokyo

04 | Tennozu Park Side Building
2-5-8 Higashi-Shinagawa Shinagawa-ku, Tokyo

29 | Crystal Park Building
1-1-3 Gotenyama Musashino City, Tokyo



31 | Faret Tachikawa Center Square
2-36-2 Akebono-cho Tachikawa City, Tokyo

45 | NRE Nishi-Umeda Building
2-1-22, Umeda, Kita-ku, Osaka City, Osaka



43 | SORA Shin-Osaka 21
2-1-3 Nishi-Miyahara Yodogawa-ku, Osaka City, Osaka

02 | JAL Building
2-4-11 Higashi-Shinagawa Shinagawa-ku, Tokyo



01 | Shinjuku Nomura Building
1-26-2 Nishi-Shinjuku Shinjuku-ku, Tokyo

03 | NOF Nihonbashi Honcho Building
2-7-1 Nihonbashi Honcho Chuo-ku, Tokyo

47 | NOF Kobe Kaigan Building
3 Kaigan-dori Chuo-ku Kobe City, Hyogo

10 | NRE Shibuya Dogenzaka Building
2-16-4 Dogenzaka, Shibuya-ku, Tokyo



Shinjuku Nomura Building

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Asset Management Report

1. CHANGES IN KEY INDICATORS

		11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008	9th Period from Nov.1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov.1, 2006 to Apr. 30, 2007
Operating Revenues	¥ mln	15,409	13,925	12,183	11,968	11,090
of which Real Estate Rental Revenues	¥ mln	14,281	13,925	12,183	11,958	11,090
Operating Expenses	¥ mln	8,331	6,993	6,359	6,243	5,953
of which Real Estate Rental Expenses	¥ mln	5,917	5,790	5,213	5,190	4,805
Operating Profits	¥ mln	7,078	6,932	5,823	5,725	5,137
Current Profits	¥ mln	5,393	5,256	4,500	4,486	4,466
Net Income	¥ mln	5,392	5,255	4,499	4,486	4,466
Total Assets	¥ mln	409,353	401,684	353,730	326,711	315,402
(Changes from Previous Period)	%	(+1.9)	(+13.6)	(+8.3)	(+3.6)	(+9.5)
Interest-Bearing Debts	¥ mln	188,730	182,100	165,700	140,000	130,000
Net Assets	¥ mln	190,847	190,711	161,267	161,272	161,221
(Changes from Previous Period)	%	(+0.1)	(+18.3)	(Δ0.0)	(+0.0)	(+0.1)
Unitholders' Capital	¥ mln	185,455	185,455	156,767	156,767	156,767
Number of Units Issued	Units	305,123	305,123	265,903	265,903	265,903
Net Assets per Unit	¥	625,478	625,031	606,488	606,510	606,315
Total Cash Distribution	¥ mln	5,392	5,255	4,499	4,498	4,453
Cash Distribution per Unit	¥	17,673	17,225	16,923	16,918	16,750
of which Cash Distribution of Profits	¥	17,673	17,225	16,923	16,918	16,750
of which Cash Distribution in excess of Profits	¥	—	—	—	—	—
ROA (Return on Assets) (Note 1)	%	1.3	1.4	1.3	1.4	1.5
Annualized ROA (Note 2)	%	2.7	2.7	2.7	2.8	3.0
ROE (Return on Equity) (Note 3)	%	2.8	2.8	2.8	2.8	2.8
Annualized ROE (Note 2)	%	5.7	5.6	5.6	5.5	5.6
Capital Adequacy Ratio (Note 4)	%	46.6	47.5	45.6	49.4	51.1
(Changes from Previous Period)	%	(Δ0.9)	(+1.9)	(Δ3.8)	(Δ1.7)	(Δ4.8)
LTV (Loan-to-Value) (Note 5)	%	46.1	45.3	46.8	42.9	41.2
Number of Operating Days	days	181	184	182	184	181
Payout Ratio (Note 6)	%	100.0	99.9	99.9	100.2	99.7
Number of Properties Held	bldgs	50	46	37	34	31
Total Leasable Floor Space	m²	436,094.41	430,487.81	395,330.99	362,773.62	350,712.00
Number of Tenants	tenants	661	676	583	533	517
Occupancy Rate	%	96.4	97.3	97.6	97.9	98.5
Depreciation	¥ mln	1,862	1,793	1,601	1,518	1,478
Capital Expenditures	¥ mln	1,376	1,552	1,346	1,252	757
NOI (Net Operating Income) (Note 7)	¥ mln	10,226	9,927	8,572	8,286	7,763
FFO (Funds from Operation) (Note 8)	¥ mln	7,167	7,087	6,134	6,039	5,985
FFO per Unit (Note 9)	¥	23,488	23,228	23,069	22,714	22,509

Note 1: "ROA (Return on Assets)" = Current Profits / ((Total Assets at the beginning of the period + Total Assets at the end of the period) / 2) x 100
As for the 10th period, the Total Assets were time-adjusted due to the additional issuance of investment units.

Note 2: "ROA" and "ROE" are annualized using the following number of operating days. 7th period: 181 days, 8th period: 184 days, 9th Period: 182 days, 10th Period: 184 days, and 11th Period: 181 days.

Note 3: "ROE (Return on Equity)" = Net Income / ((Net Assets at the beginning of the period + Net Assets at the end of the period) / 2) x 100
As for the 10th period, Net Assets is time-adjusted due to the additional issuance of investment units.

Note 4: "Capital Adequacy Ratio" = Net Assets / Total Assets x 100

Note 5: "LTV (Loan-to-Value)" = Interest-Bearing Debts / Total Assets x 100

Note 6: Rounded off to the first decimal place.

Note 7: "NOI (Net Operating Income)" = Real Estate Rental Revenues – Real Estate Rental Expenses + Depreciation

Note 8: "FFO (Funds from Operation)" = Net Income + Depreciation + Amortization of Investment Corporation Bonds Issuance Costs – Real Estate Sale Profit/Loss

Note 9: "FFO per Unit" = FFO / Number of Units Issued

2. OUTLINE OF INVESTMENTS IN THE ELEVENTH FISCAL PERIOD

Nomura Real Estate Office Fund, Inc., incorporated on August 7, 2003 under the Law Concerning Investment Trusts and Investment Corporations of Japan, listed the unit certificates in the Real Estate Investment Trust (REIT) Market of the Tokyo Stock Exchange on December 4, 2003 (TSE code 8959). The Company’s basic investment policy is to assure stable income from, and steady growth of, investment assets over the mid- to long-term. In accordance with this policy, we invest in properties mostly for office use in three largest conurbations and other major cities, or in property-backed securities that are backed by such properties.

Note: The Law Concerning Investment Trusts and Investment Corporations of Japan (Law No. 198 of 1951) is referred to as the "Investment Trust Law" hereinafter.
The term "unit certificates" are the securities issued by the Company and may be referred to as "investment units" or "units" hereinafter.
The term "investment assets" refers to those assets that belong to the Company.
Unless otherwise stated, for the purpose of this report, the concept of "property(ies)" is construed to include leasehold and superficies.
The term "property(ies)" refers to those assets defined in Section 27, Paragraph 1, Article (1) and (2), and "property-backed securities" refers to those assets defined in Section 27, Paragraph 1, Article (3) respectively of the Articles of Incorporation of the Company.
The terms "property(ies)" and "property-backed securities" are collectively referred to as "property-related assets" hereinafter.
The properties and underlying properties of the property-related assets are collectively referred to as the "investment properties".

(1) Market Environments

During this period, deterioration of corporate earnings became apparent due to the worldwide economic slowdown. As corporations are likely to continue reviewing of their business contents and employment adjustment, the future of the economy is still unclear.

(a) Office Leasing Market

Due to the slowing of overall economy, corporate demand for office space remains weak and the office leasing market ongoingly eased which became obvious in the previous period.

In some cities, increase in new supplies caused significant market easing, leading to further polarization in occupancy rates. At the same time, large-scale properties with superior convenience in metropolitan areas, which maintained relatively stable occupancies, the number of floor cancellation notices are increasing and the time to fill vacancies is lengthening due to the decrease in corporate demand for office space.

As to the office rental levels, increase in new asking rent and the rental levels for existing tenants are both on a downward trend, reflecting the supply environment for office space and growing awareness of cutting office related costs for corporations.

Under such circumstances, assuming that vacancy rates and the rental levels may vary from property to property depend on industry sector of tenants and its location, size, and features.

(b) Real Estate Sales Market

The real estate market in this period saw a substantial decrease in the number of transactions by real estate funds including J-REITs and real estate companies due to the stricter lending standards toward real estate sector imposed by domestic and foreign financial institutions. In addition, while polarization in property prices among regions become advanced, easing trends in supply and demand are also apparent in metropolitan Tokyo. As a result, expected return on real estate is now in generally upward trend.

(2) Status of Managements for the Eleventh Fiscal Period

To comply with the basic policy of acquiring only such properties that would generate stable cash flow over the mid- to long-term, the Company continues to invest in properties with strong competitiveness both in terms of locations and basic building features.

During the eleventh fiscal period, we have proactively collected information in accordance with the above-mentioned basic policy. As a result of careful investigation of a number of investment opportunities which obtained through collaboration with Nomura Real Estate Group, and the utilization of an asset management company’s own information pipeline, we made new investments on PMO Nihonbashi Honcho (Chuo-ku, Tokyo, ¥5.0 billion, real estate) and NRE Sapporo Building (Kita-ku, Sapporo City, ¥5.3 billion, real estate), in November, 2008, NRE Higashi-nihonbashi Building (Chuo-ku, Tokyo, ¥4.0 billion, real estate), NRE Ueno Building (Taito-ku, Tokyo, ¥7.8 billion, real estate), and Kichijoji Mark Building (Musashino City, Tokyo, ¥1.8 billion, beneficial interest in real estate trust) in January, 2009, MY Higashi Gotanda Building (Shinagawa-ku, Tokyo, ¥3.0 billion, real estate) in February, 2009, and NOF Tenjin-Minami Building (Chuo-ku, Fukuoka City, ¥3.7 billion, beneficial interest in real estate trust) in March, 2009. At the same time, we disposed NOF Midosuji Building (Chuo-ku, Osaka City, Transfer Price: ¥14.0 billion, real estate) and Kita-Sanjo Building (Chuo-ku, Sapporo City, ¥2.6 billion, real estate) in January, 2009 and Hiroshima Tatemachi NOF Building (Naka-ku, Hiroshima City, ¥2.2 billion, beneficial interest in real estate trust) in February, 2009 intending to reduce both the ratio of regional properties and average building age.

As a result of the above acquisition and disposition, the Company’s total assets under management ("portfolio") as of the end of the eleventh fiscal period (April 30, 2009) has reached 50 properties (total leasable floor space:436,094.41m²) totaling ¥37.4 billion (total acquisition price). We have steadily increased the size of the portfolio, while seeking diversification of the assets.

In property management, against the backdrop of the environment described in “(1) Market Environments (a) Office Leasing Market” above, decreasing demand for office space and increasing conservativeness towards rents among the corporate tenants became apparent, resulting in a rise in the number of cancellation notices from tenants during this period. Our emphasis was on improvement of the occupancy rate, and we concentrated on maintenance and improvement through aggressively approaching prospective tenants and keeping close communications with existing tenants, focusing on the fiscal year-end period when the tenant movements become active. We engaged in active negotiation at lease renewals to minimize the decrease in rent levels, while responding flexibly to the needs of each tenant, taking into consideration the deviation from the market asking-rent and the size of leased space. As a result, the occupancy rate was 96.4% at the end of the period. The average rent for the 43 properties (3 properties disposed during this period from the 46 properties held at the end of the previous fiscal period are excluded) was up 0.8% compared to the previous fiscal period.

Note 1: “Nomura Real Estate Group” refers to a corporate group consisting of the consolidated subsidiaries of Nomura Real Estate Holdings, Inc. (referred to as Nomura Real Estate Holdings hereinafter) including Nomura Real Estate Development Co., Ltd. but excluding Nomura Real Estate Asset Management Co., Ltd. (referred to as the Asset Management Company hereinafter).

Note 2: The “beneficial interest in real estate trust” refers to a beneficial interest arising from a trust in which real estates are the primary underlying assets.

(3) Status of Funding

Concerning funding through interest-bearing debts, the Company has the basic financial policy of funding through promotion of long-term, diversified and fixed interest rate debts, for the purpose of securing financial stability and avoiding future interest rate risks. Based on this policy, the Company has implemented funding through long-term debts and issuance of investment corporation bonds, while establishing a total of ¥40 billion of commitment line for the purpose of flexible funding at the time of property acquisition and reduction of refinancing risks, from the perspective of securing stable funding base.

As to debts, a total of ¥20.9 billion was borrowed as a part of repayment funds for existing debts; funding of ¥10 billion under a term loan agreement was made for investment in “PMO Nihonbashi Honcho” and “NRE Sapporo Building”; and funding of ¥2 billion was made based on a commitment line agreement for investment in “NOF Tenjin-Minami Building.” As a result, outstanding interest-bearing debt as of the end of eleventh fiscal period was ¥188.7 billion.

3. STATUS OF CAPITAL

No changes in the number of units issued have been made during the eleventh fiscal period. Changes in the number of units issued and unitholders’ capital until the eleventh fiscal period are as follows.

Date	Type of Issue	Number of Units Issued (Unit)		Unitholders’ Capital (¥ mln)		Note
		Change	Balance	Change	Balance	
Aug. 7, 2003	Initial private placement	400	400	200	200	(Note 1)
Dec. 4, 2003	Public offering	148,200	148,600	71,506	71,706	(Note 2)
May 19, 2004	Public offering	35,000	183,600	19,866	91,572	(Note 3)
Jun. 16, 2004	Third-party allotment	1,050	184,650	595	92,168	(Note 4)
May 1, 2005	Public offering	44,000	228,650	31,496	123,665	(Note 5)
May 24, 2005	Third-party allotment	1,320	229,970	944	124,610	(Note 6)
May 25, 2006	Public offering	34,800	264,770	31,143	155,753	(Note 7)
Jun. 23, 2006	Third-party allotment	1,133	265,903	1,013	156,767	(Note 8)
May 27, 2008	Public offering	37,000	302,903	27,064	183,831	(Note 9)
Jun. 24, 2008	Third-party allotment	2,220	305,123	1,623	185,455	(Note 10)

Note 1: Initial private placement at the offer price of ¥500,000 per unit to incorporate the Company.
Note 2: Public offering at the offer price of ¥500,000 (issue price of ¥482,500) to finance acquisition of new properties.
Note 3: Public offering at the offer price of ¥588,000 (issue price of ¥567,600) to finance acquisition of new properties and to repay borrowings.
Note 4: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥567,600 following the public offering on May 19, 2004.
Note 5: Public offering at the offer price of ¥740,782 (issue price of ¥715,837) to finance acquisition of new properties and to repay borrowings.
Note 6: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥715,837 following the public offering on May 1, 2005.
Note 7: Public offering at the offer price of ¥926,100 (issue price of ¥894,915) to finance acquisition of new properties and to repay borrowings.
Note 8: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥894,915 following the public offering on May 25, 2006.
Note 9: Public offering at the offer price of ¥756,560 (issue price of ¥731,470) to redeem the short-term investment corporation bonds and to repay short-term borrowings.
Note 10: Third-party allotment to Nomura Securities Co., Ltd. at the offer price of ¥731,470 following the public offering on May 27, 2008.

[Changes in Price at the Tokyo Stock Exchange]

Changes in prices of the Company’s investment units listed on the Tokyo Stock Exchange are as follows.

		11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008	9th Period from Nov 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov 1, 2006 to Apr. 30, 2007
High	(¥)	645,000	874,000	1,200,000	1,540,000	1,560,000
Low	(¥)	431,000	407,000	655,000	935,000	956,000

4. CASH DISTRIBUTION

In order to qualify for special tax treatment under Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957) to have maximum cash distribution amount treated as deductible dividends, the Company distributed the entire unappropriated retained earnings except for fractional amounts smaller than one yen per each investment unit. As a result, the amount of cash distribution per unit for this fiscal period was ¥17,673.

		11th Period from Nov. 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008	9th Period from Nov 1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov 1, 2006 to Apr. 30, 2007
Retained Earnings	(¥000)	5,392,502	5,255,922	4,500,000	4,498,622	4,466,301
Accumulated earnings	(¥000)	64	178	124	76	12,426
Total cash distribution	(¥000)	5,392,438	5,255,743	4,499,876	4,498,546	4,453,875
(Cash distribution per unit)	(¥)	(17,673)	(17,225)	(16,923)	(16,918)	(16,750)
of which distribution of profits	(¥000)	5,392,438	5,255,743	4,499,876	4,498,546	4,453,875
(Distribution of profits per unit)	(¥)	(17,673)	(17,225)	(16,923)	(16,918)	(16,750)
of which refund of capital	(¥000)	—	—	—	—	—
(Refund of capital per unit)	(¥)	(—)	(—)	(—)	(—)	(—)

5. INVESTMENT POLICY AND FUTURE ISSUES

(1) Investment Environments

From April 2009 and for a foreseeable future, the Japanese economy is expected to search for the timing of bottoming out and recovery amid the global economic downturn. At the same time, the turmoil in the capital and financial markets are likely to continue. Therefore, the attitude of financial institutions towards real estate lending and the appetite of the investors towards the real estate market are expected to remain severe.

Under these circumstances, we believe that defensive asset management is important such as maintenance of funding capacities through conservative financial management, flexible property management that minimizes the decrease in portfolio profitability assuming further deterioration of the office leasing market, and paying close attention to movements in expected yields and property liquidity in the real estate investment market.

(2) Investment Policy and Future Issues

With such environments in mind, the Company will employ the following investment policies to ensure stable income from, and steady growth of the portfolio over the mid- to long-term.

(a) Property Management in a Mid- to Long-Term View

In addition to enhancement of property management to satisfy the requirements of existing tenants, proper recognition of the property features and market environments will help us market the potential tenants more organically. We will maintain and uplift the occupancy rate and level of rents in pursuit of sustainable and improved profitability of portfolio, namely internal growth of portfolio, over the mid- to long-term.

By putting the know-how of Nomura Real Estate Group together, we seek to design the most suitable specifications of how to manage and maintain each property in the most effective way, which in turn will ensure stable inflow of revenues.

In order to ensure stable revenues over the mid- to long-term, we will carry out strategic refurbishment and renovation works to maintain and/or improve features of the properties, establishing their uniqueness and increasing their competitiveness.

(b) Continuation of Conservative Financial Policy

In order to assure stable financing capability and increase creditworthiness in the market over the mid- to long-term, we will pay particular attention to debt finance. We will seek to continuously keep the LTV low by using more long-term funding at fixed rates, diversifying the repayment dates, and increasing the number of institutions we bank with.

We will closely monitor the conditions of financial markets, and carefully deliberate and choose the best means of funding, including the usage of commitment lines, issuance of investment corporation bonds and short-term investment corporation bonds from a wide range of available sources of funding to ensure a well-balanced structure of interest-bearing debts.

(c) Enlargement of Portfolio by Acquisition of New Properties

Although the Company is targeting portfolio size of ¥500 billion in the medium term, we believe careful decisions are necessary for new property acquisition, having thoroughly considered the capital and real estate sales market conditions as well as the financial status of the Company.

6. IMPORTANT EVENTS SUBSEQUENT TO THE ELEVENTH FISCAL PERIOD

There is no relevant matter under this subject.

(Reference)

The Company will propose election of one Executive Director, one substitute Executive Director, and four Supervisory Directors and partial amendment of Articles of Incorporation for its Fourth General Unitholders’ Meeting to be held on July 27, 2009.

Profile of the Company

1. STATUS OF UNITHOLDERS’ CAPITAL

		11th Period (as of Apr. 30, 2009)	10th Period (as of Oct. 31, 2008)	9th Period (as of Apr. 30, 2008)	8th Period (as of Oct. 31, 2007)	7th Period (as of Apr. 30, 2007)
Maximum number of units allowed to issue	(Unit)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Number of units issued	(Unit)	305,123	305,123	265,903	265,903	265,903
Amount of unitholders’ capital	(¥ mln)	185,455	185,455	156,767	156,767	156,767
Number of unitholders		12,503	12,406	11,120	11,492	12,500

2. MATTERS CONCERNING THE INVESTMENT UNITS

The 10 largest unitholders as of April 30, 2009 were as follows.

Name	Number of Units Held (Unit)	Portion in the Total Units Issued (%)
NikkoCiti Trust and Banking Corp. (Trust Accounts)	26,437	8.66
Trust & Custody Services Bank, Ltd. (Securities Trust Accounts)	23,832	7.81
Japan Trustee Service Bank, Ltd.(Trust Accounts)	21,676	7.10
The Master Trust Bank of Japan, Ltd.(Trust Accounts)	17,376	5.69
Nomura Real Estate Development Co., Ltd.	15,287	5.01
The Nomura Trust and Banking Co., Ltd. (Trust Accounts)	8,782	2.88
Kawasaki Gakuen	7,000	2.29
North Pacific Bank, Ltd.	5,926	1.94
The Bank of Ikeda, Ltd.	5,669	1.86
The State Street Bank and Trust Company	5,436	1.78
Total	137,421	45.04

3. BREAKDOWN OF UNITHOLDERS

The breakdown of unitholders as of April 30, 2009 was as follows.

	Number of Unitholders	Portion (%)	Number of Units per Unitholders	Portion (%)
Private and other investors	11,826	94.6	30,588	10.0
Financial institutions (Including sales agents for financial instruments firm)	156	1.2	167,561	54.9
Other domestic corporate investors	209	1.7	29,457	9.7
Foreign corporate investors, etc.	312	2.5	77,517	25.4
Total	12,503	100.0	305,123	100.0

4. DIRECTORS AND AUDITOR

(1) Name of directors and an auditor in the eleventh fiscal period are as follows (Note 1).

Title	Name	Other Major Title (s)	Total Amount of Fees Paid during the 11th Period (¥000)
Executive Director	Mitsuharu Sato	Corporate Auditor, Nomura Real Estate Holdings, Inc. Corporate Auditor, Nomura Real Estate Development Co., Ltd.	2,400
Supervisory Director	Shuhei Yoshida	Representative Lawyer, Yoshida Shuhei Law Office Supervisory Director, Nomura Real Estate Residential Fund, Inc.	2,400
Supervisory Director	Eitoku Aikawa	Director, Fair Appraisers, K.K. Supervisory Director, Nomura Real Estate Residential Fund, Inc.	2,400
Supervisory Director	Saneaki Ichijo	Partner, Anderson Mori & Tomotsune Law Firm	2,400
Supervisory Director	Motoharu Yokose	Advisor, Asahi Tax Partners	2,400
Accounting Auditor	Earnst & Young ShinNihon LLC	—	14,500

Note 1: No Executive Directors or Supervisory Directors are in possession of the Company's investment units either under their own or other person's name. Supervisory Directors might serve as directors of other companies, but there are no mutual business interests whatsoever between such companies and the Company.
Note 2: At the third General Unitholders' Meeting held on July 23, 2007, Mr. Atsushi Ogata, Director of the Asset Management Company, Nomura Real Estate Asset Management Co., Ltd., has been appointed as substitute Executive Director, to provide against vacancy of the Executive Director's position or lack of statutory quorum.

(2) Policy on Determination of Dismissal and Denial of Reappointment of Accounting Auditors

In case an item listed under Article 105, Paragraph 1 of the Investment Trust Law becomes applicable to the accounting auditor, and the Board of Directors determines that there is no likelihood of improvement, the Board of Directors shall dismiss the accounting auditor by unanimous vote of all board members.
In addition, if the Board of Directors determines that the accounting auditor is inappropriate for the position having given thorough consideration to its business execution and other various reasons, the Board of Directors shall dismiss or deny reappointment of the accounting auditor, and present an agenda for appointment of a new accounting auditor at the General Unitholders' Meeting.

5. ASSET MANAGEMENT COMPANY, CUSTODIANS AND ADMINISTRATORS

Asset Management Company, custodians and administrators as of April 30, 2009 are as follows:

Business	Company Name (s)
Asset Management Company	Nomura Real Estate Asset Management Co., Ltd.
Custodian of assets	Mitsubishi UFJ Trust and Banking Corporation
Custodian of unitholders' register	Mitsubishi UFJ Trust and Banking Corporation (Note 1), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2), Sumitomo Mitsui Banking Corporation (Note 2)
Manager of special accounts	Mitsubishi UFJ Trust and Banking Corporation
Administrative agent (accounting, etc.)	Mitsubishi UFJ Trust and Banking Corporation
Administrative agent (investment corporation bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Nomura Securities Co., Ltd., Nikko Citigroup Limited, Mizuho Securities Co., Ltd.
Administrative agent (short-term investment corporation bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Note 1: Administrates preparation, retention and other tasks related to the Unitholders' Register.
Note 2: Administrates preparation, retention and other tasks related to the Investment Company Bond Register.

Status of Investment Assets of the Company

1. COMPOSITION OF ASSETS

Type of Assets	Area (Note 1)	11th Period (as of Apr. 30, 2009)		10th Period (as of Oct. 31, 2008)	
		Total Amount (¥ mln) (Note 2)	Portion (%) (Note 3)	Total Amount (¥ mln) (Note 2)	Portion (%) (Note 3)
Real estate	Central Tokyo	31,133	7.6	19,064	4.7
	Suburban Tokyo	16,539	4.0	8,725	2.2
	Other Regional Cities	34,146	8.3	32,373	8.1
Real estate in trust	Central Tokyo	188,379	46.0	188,330	46.9
	Suburban Tokyo	37,524	9.2	35,637	8.9
	Other Regional Cities	66,109	16.1	77,849	19.4
Subtotal		373,833	91.3	361,979	90.1
Cash, deposits and other assets		35,519	8.7	39,705	9.9
Grand Total		409,353	100.0	401,684	100.0

Note 1: "Central Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shinagawa and Shibuya Wards; "Suburban Tokyo" refers to Tokyo excluding the Central Tokyo area, Kanagawa, Saitama and Chiba; "Other Regional Cities" refers to areas other than Central Tokyo and Suburban Tokyo. The same applies hereafter.
Note 2: Total amount is taken from the balance sheet. (Real Estate and Real Estate in Trust represent the total book value after depreciation.)
Note 3: The percentage figures may not necessarily add up to 100.0 due to rounding to the nearest first decimal place.

2. BRIEF OF MAJOR PROPERTIES OWNED

The major components of assets (the 10 largest properties by book value) as of April 30, 2009 are as follows.

Name of Property	Book Value (¥ mln)	Leasable Floor Space (m²) (Note1)	Leased Space (m²) (Note2)	Occupancy Rate (%)	Portion of Rental Revenues (%)	Primary Use
Shinjuku Nomura Bldg.	39,636	31,500.89	30,656.50	97.3	13.9	Office
JAL Bldg.	33,102	42,084.11	42,084.11	100.0	(Note 3)	Office
Omron Kyoto Center Bldg.	23,058	34,616.84	34,616.84	100.0	(Note 3)	Office
NOF Nihonbashi-Honcho Bldg.	20,737	19,233.25	18,437.39	95.9	6.1	Office
SORA Shin-Osaka 21	19,335	21,589.70	19,756.67	91.5	4.1	Office
Tennozu Park Side Bldg.	13,329	18,051.60	17,735.94	98.3	5.6	Office
NOF Shibuya Koen-dori Bldg.	12,556	3,420.16	3,420.16	100.0	2.6	Office
Shinjuku Sanshin Bldg.	12,326	6,675.23	6,327.67	94.8	2.2	Office
Secom Medical Bldg.	11,329	8,821.24	8,821.24	100.0	(Note 3)	Medical Office (Note 4)
NOF Shiba Bldg.	10,132	8,165.10	8,165.10	100.0	2.5	Office
Total	195,544	194,158.12	190,021.62	97.9	49.2 (Note 5)	

Note 1: "Leasable Floor Space" refers to the total leasable space for each asset including offices and shops (for properties owned in compartments, this generally refers to exclusively owned area; however, common spaces will be included if they are being leased. For Shinjuku Nomura Building, the area calculated by multiplying the overall leasable floor space by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by the Company. For JAL Building, includes the area calculated by multiplying the overall common space by the co-ownership ratio for the common spaces prescribed in the terms of management of the building owned by the Company through the trustee.), at a certain time. Leasable floor space is calculated not based on the total floor space stated on the registry book, but based on the area stated on the building completion drawing, etc. included in the lease agreement. As such, it may differ from and exceed the total floor space stated on the registry book.
Note 2: "Leased Space" refers to the area included in the leasable floor space of each asset and is actually leased based on a lease agreement (provided, however, it is limited to office and shop spaces (where the entire leased floor space is being leased as a whole, the total area of the leased floor space.), and does not include leased parking spaces. For Shinjuku Nomura Building, the area calculated by multiplying the overall leased space by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by the Company. For JAL Building, includes the area calculated by multiplying the overall common space by the co-ownership ratio for the common spaces (as prescribed in the terms of management of the building) owned by the Company through the trustee.).
Note 3: Not disclosed due to compelling reasons.
Note 4: Although this property is currently registered as "clinic/parking" on the registry book, it was originally designed to be used as offices. The Company's Articles of Incorporation allows us to invest in the non-office properties given that they can easily be converted into offices.
Note 5: "Total" for "Portion of Rental Revenues" column include rental revenues for properties which do not disclose "Portion of Rental Revenues" due to unavoidable reasons.

3. DETAILS OF PORTFOLIO PROPERTIES

Name of Property	Location (Postal Address)	Type of Ownership	Appraisal Value as of Apr. 30, 2009 (¥ mln) (Note 1)	Book Value (¥ mln) (Note 2)
Central Tokyo				
Shinjuku Nomura Bldg. (Note 3)	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	59,300	39,636
JAL Bldg.	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	32,700	33,102
NOF Nihonbashi-Honcho Bldg.	2-7-1 Nihonbashi-Honcho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	24,900	20,737
Tennozu Park Side Bldg.	2-5-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	21,900	13,329
Shinjuku Sanshin Bldg.	2-4-9 Yoyogi, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	11,500	12,326
NOF Shibuya Koen-dori Bldg.	20-17 Udagawa-cho, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	13,000	12,556
Secom Medical Bldg.	7-7 Niban-cho, Chiyoda-ku, Tokyo (Note 4)	Real Estate	10,600	11,329
NOF Shiba Bldg.	4-2-3 Shiba, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	10,400	10,132
Nishi-Shinjuku Showa Bldg.	1-13-12 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	9,280	8,724
NRE Shibuya Dogenzaka Bldg.	2-16-4 Dogenzaka, Shibuya-ku, Tokyo	Real Estate	6,830	7,685
NOF Tameike Bldg.	1-1-14 Akasaka, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	7,560	7,606
Iwamoto-cho Toyo Bldg.	3-1-2 Iwamoto-cho, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	5,370	6,000
NOF Shinagawa Kounan Bldg.	1-2-5 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	6,380	5,453
NOF Surugadai Plaza Bldg.	2-5-12 Kanda Surugadai, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	6,940	5,058
PMO Nihonbashi Honcho	4-12-20 Nihonbashi Honcho, Chuo-ku, Tokyo	Real Estate	4,680	4,998
NRE Higashi-nihonbashi Bldg.	1-1-7 Higashi-nihonbashi, Chuo-ku, Tokyo	Real Estate	3,920	4,087
Hatchobori NF Bldg.	2-21-6 Hatchobori, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,920	3,210
NOF Kanda Iwamoto-cho Bldg.	3-8-16 Iwamoto-cho, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,650	3,109
MY Higashi Gotanda Bldg.	2-20-4 Higashi Gotanda, Shinagawa-ku, Tokyo	Real Estate	2,940	3,032
Central Kyobashi Bldg.	1-4-13 Kyobashi, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,430	2,559
NOF Minami-Shinjuku Bldg.	5-32-7 Sendagaya, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,670	2,292
Central Shintomocho Bldg.	3-5-10 Minato, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,600	1,751
Sunworld Yotsuya Bldg.	13-9 Araki-cho, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	720	790
Subtotal			252,190	219,513
Suburban Tokyo				
NRE Ueno Bldg.	1-14-4, Higashi-Ueno, Taito-Ku, Tokyo	Real Estate	7,460	7,871
NOF Toyo-cho Bldg.	1-6-35 Shinsuna, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	8,580	7,117
NOF Technoport Kamata Center Bldg.	2-16-1 Minami-Kamata, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	7,330	6,427
Toho Edogawabashi Bldg.	1-24-8 Sekiguchi Bunkyo-ku, Tokyo	Real Estate	1,630	2,100
Toshin Meguro Bldg.	2-20-28 Shimo Meguro, Meguro-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,160	1,343
Crystal Park Bldg.	1-1-3 Gotenyama, Musashino City, Tokyo	Real Estate	3,840	3,629
Kichijoji Mark Bldg.	1-10-31, Kichijoji Honcho, Musashino City, Tokyo	Beneficial Interest in Real Estate Trust	1,780	1,813
Faret Tachikawa Center Square	2-36-2 Akebono-cho, Tachikawa City, Tokyo	Beneficial Interest in Real Estate Trust	5,140	2,986
NOF Kawasaki Higashiguchi Bldg.	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa (Note 4)	Beneficial Interest in Real Estate Trust	9,200	9,492
NOF Yokohama Nishiguchi Bldg.	1-11-11 Kita-Saiwai, Nishi-ku, Yokohama City, Kanagawa	Beneficial Interest in Real Estate Trust	6,853	5,011
NOF Shin-Yokohama Bldg.	2-15-16 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa	Beneficial Interest in Real Estate Trust	4,080	3,334
Yokohama Odori Koen Bldg.	2-4-1 Horai-cho, Naka-ku, Yokohama City, Kanagawa (Note 4)	Real Estate	2,600	2,938
Subtotal			59,653	54,064
Other Cities				
Sapporo North Plaza	4-2-2 Kitaichijo-nishi, Chuo-ku, Sapporo City, Hokkaido (Note 4)	Beneficial Interest in Real Estate Trust	6,666	7,435
NRE Sapporo Bldg.	2-15-1, Kitashichijyo-Nishi, Kita-ku, Sapporo City, Hokkaido (Note 4)	Real Estate	4,890	5,295
JCB Sapporo Higashi Bldg.	1-1 Minamiichijo-Nishi Chuo-ku, Sapporo City (Note 4)	Real Estate	3,370	3,773
NOF Sendai Aoba-dori Bldg.	2-1-2 Ichiban-cho, Aoba-ku, Sendai City, Miyagi	Beneficial Interest in Real Estate Trust	3,090	3,185
NOF Utsunomiya Bldg.	2-1-1 Baba-dori, Utsunomiya City, Tochigi	Beneficial Interest in Real Estate Trust	3,150	2,578
NOF Nagoya Yanagibashi Bldg.	1-16-28 Meieki-Minami, Nakamura-ku, Nagoya City, Aichi	Beneficial Interest in Real Estate Trust	3,410	3,704
Omron Kyoto Center Bldg.	801 Minami Fudodo-cho, Horikawa Higashi-iru, Shiokoji-dori, Shimogyo-ku, Kyoto City, Kyoto (Note 4)	Beneficial Interest in Real Estate Trust	20,900	23,058
SORA Shin-Osaka 21	2-1-3 Nishi-Miyahara, Yodogawa-ku, Osaka City	Real Estate	16,200	19,335
NRE Osaka Bldg.	1-8-15 Azuchi-cho, Chuo-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	9,760	6,419
NRE Nishi-Umeda Bldg.	2-1-22, Umeda, Kita-Ku, Osaka City, Osaka	Real Estate	5,120	5,741
NRE Yotsubashi Bldg.	1-4-4 Awaza, Nishi-ku, Osaka City, Osaka	Beneficial Interest in Real Estate Trust	5,950	3,661
NOF Kobe Kaigan Bldg.	3 Kaigan-dori, Chuo-ku, Kobe City, Hyogo (Note 4)	Beneficial Interest in Real Estate Trust	3,200	2,948

NRE Hiroshima Bldg.	2-23 Tatemachi, Naka-ku, Hiroshima City, Hiroshima	Beneficial Interest in Real Estate Trust	2,120	2,614
EME Hakata Ekimae Bldg.	1-15-20 Hakata Ekimae, Hakata-ku, Fukuoka City, Fukuoka	Beneficial Interest in Real Estate Trust	5,280	6,736
NOF Tenjin-Minami Bldg.	3-6-15 Watanabe Dori, Chuo-ku, Fukuoka City, Fukuoka	Beneficial Interest in Real Estate Trust	2,280	3,767
Subtotal			95,386	100,255
Grand total			407,229	373,833

Note 1: "Appraisal Value as of Apr. 30, 2009" stands for the prices appraised by the estate surveyors in accordance with the provisions of the Company's Articles of Incorporation and the "Rules Concerning Calculations of Investment Corporations" (Cabinet Office Regulation No. 47 of 2006). The appraisal prices are calculated by Japan Real Estate Institution, Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal, Co., Ltd., HIRO & REAS Network, Inc., Appraisal Firm A-Square Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., or Mori Appraisal & Investment Consulting Inc. using the capitalization approach, with the end of the eleventh fiscal period, i.e. April 30, 2009, being taken as the point of evaluation.

Note 2: "Book Value" stands for the aggregate purchase price of lands, buildings, structures, machinery and equipments, tools and fixtures, leased assets, construction in progress, and leaseholds owned directly or held in trust, less depreciation including expenses associated with these purchases.

Note 3: The Company's stake in this property is quasi co-ownership of 50.1% of entirety. The appraisal value and book value as of April 30, 2009 accounted solely for the quasi co-owner-ship.

Note 4: Residential indication of the property is not available yet.

Note 5: In addition to the buildings in the table, the Fund is scheduled to acquire "NOF Nagoya Fushimi Bldg (tentative)" on October 30, 2009. As the building is currently under construction, its "Surveyed value" as of April 30, 2009 is ¥2,600 million. The "Surveyed value" is calculated by the appraiser using a certain appraisal method based on certain data assuming that the building shall be completed in accordance with the Drawing and specification. Hence, the value may vary from the actual appraisal value after the completion.

Name of Property	11th Period (from Nov. 1, 2008 to Apr. 30, 2009)				10th Period (from May 1, 2008 to Oct. 31, 2008)			
	at Period End	Rental	Portion		at Period End	Rental	Portion	
	Number of Tenants (Note 1)	Occupancy Rate (%)	Revenues during the Period (¥ mln)	of Rental Revenues (%)	Number of Tenants (Note 1)	Occupancy Rate (%)	Revenues during the Period (¥ mln)	of Rental Revenues (%)
Central Tokyo								
Shinjuku Nomura Bldg.	83	97.3	1,990	13.9	81	96.2	1,970	14.2
JAL Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Nihonbashi-Honcho Bldg.	12	95.9	865	6.1	12	95.9	909	6.5
Tennozu Park Side Bldg.	16	98.3	805	5.6	15	100.0	830	6.0
Shinjuku Sanshin Bldg.	14	94.8	317	2.2	15	94.8	241	1.7
NOF Shibuya Koen-dori Bldg.	3	100.0	369	2.6	3	100.0	371	2.7
Secom Medical Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
NOF Shiba Bldg.	9	100.0	353	2.5	9	100.0	357	2.6
Nishi-Shinjuku Showa Bldg.	21	100.0	325	2.3	21	100.0	339	2.4
NRE Shibuya Dogenzaka Bldg.	6	100.0	194	1.4	6	100.0	37	0.3
NOF Tameike Bldg.	12	90.7	220	1.5	13	100.0	234	1.7
Iwamoto-cho Toyo Bldg.	7	100.0	154	1.1	7	100.0	102	0.7
NOF Shinagawa Kounan Bldg.	5	100.0	230	1.6	4	87.9	231	1.7
NOF Surugadai Plaza Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
PMO Nihonbashi Honcho	6	87.5	102	0.7	—	—	—	—
NRE Higashi-nihonbashi Bldg.	6	100.0	91	0.6	—	—	—	—
Hatchobori NF Bldg.	7	100.0	91	0.6	6	72.8	94	0.7
NOF Kanda Iwamoto-cho Bldg.	7	90.6	147	1.0	8	100.0	156	1.1
MY Higashi Gotanda Bldg.	13	100.0	40	0.3	—	—	—	—
Central Kyobashi Bldg.	8	100.0	86	0.6	9	100.0	55	0.4
NOF Minami-Shinjuku Bldg.	5	100.0	103	0.7	5	100.0	105	0.8
Central Shintomicho Bldg.	7	100.0	69	0.5	7	100.0	49	0.4
Sunworld Yotsuya Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Subtotal	251	98.2	7,989	55.9	225	97.8	7,505	53.9
Suburban Tokyo								
NRE Ueno Bldg.	8	96.8	141	1.0	—	—	—	—
NOF Toyo-cho Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Technoport Kamata Center Bldg.	14	97.2	427	3.0	15	100.0	411	3.0
Toho Edogawabashi Bldg.	6	88.7	67	0.5	7	100.0	71	0.5
Toshin Meguro Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Crystal Park Bldg.	9	100.0	134	0.9	10	100.0	141	1.0
Kichijoji Mark Bldg.	6	100.0	43	0.3	—	—	—	—
Faret Tachikawa Center Square	16	94.2	229	1.6	16	98.9	246	1.8
NOF Kawasaki Higashiguchi Bldg.	24	91.7	322	2.3	27	98.8	335	2.4
NOF Yokohama Nishiguchi Bldg.	29	93.1	253	1.8	30	95.5	261	1.9
NOF Shin-Yokohama Bldg.	7	87.3	73	0.5	3	100.0	(Note 2)	(Note 2)
Yokohama Odori Koen Bldg.	13	90.9	113	0.8	14	94.0	116	0.8
Subtotal	134	95.3	2,142	15.0	124	99.0	2,101	15.1
Other Cities								
Sapporo North Plaza	39	89.4	338	2.4	40	89.7	330	2.4
NRE Sapporo Bldg.	6	100.0	130	0.9	—	—	—	—
JCB Sapporo Higashi Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
Kita-Sanjo Bldg. (Note 3)	—	—	47	0.3	17	97.3	116	0.8
NOF Sendai Aoba-dori Bldg.	28	90.4	165	1.2	29	100.0	175	1.3
NOF Utsunomiya Bldg.	23	96.2	168	1.2	24	97.6	173	1.2
NOF Nagoya Yanagibashi Bldg.	11	91.3	140	1.0	11	91.3	151	1.1
Omron Kyoto Center Bldg.	1	100.0	(Note 2)	(Note 2)	1	100.0	(Note 2)	(Note 2)
SORA Shin-Osaka 21	25	91.5	586	4.1	23	97.2	634	4.6
NOF Midosuji Bldg. (Note 3)	—	—	169	1.2	15	86.6	448	3.2
NRE Osaka Bldg.	25	93.6	510	3.6	25	100.0	546	3.9
NRE Nishi-Umeda Bldg.	11	100.0	202	1.4	11	100.0	41	0.3
NRE Yotsubashi Bldg.	16	94.7	311	2.2	16	94.7	318	2.3
NOF Kobe Kaigan Bldg.	34	97.2	190	1.3	35	98.6	191	1.4
Hiroshima Tatemachi NOF Bldg. (Note 3)	—	—	69	0.5	27	87.5	104	0.8
NRE Hiroshima Bldg.	11	94.1	179	1.3	15	91.9	204	1.5
EME Hakata Ekimae Bldg.	33	87.6	189	1.3	37	93.5	138	1.0
NOF Tenjin-Minami Bldg.	12	82.2	8	0.1	—	—	—	—
Subtotal	276	94.8	4,149	29.1	327	96.1	4,319	31.0
Grand Total	661	96.4	14,281 (Note 4)	100.0	676	97.3	13,925 (Note 4)	100.0

Note 1: In the case a master lease agreement is in place, in which the master tenant of the said lease agreement subleases a part or whole of the leased floor spaces to the end tenants, only the master tenant is counted as the number of tenants. For PMO Nihonbashi Honcho, which involves a "pass-through type" master lease agreement where the amount of rent received from the master tenant is the same as the rent received by said master tenant from the end tenant, the total number of end tenants is shown. In the case more than one space within the same building are leased by the same tenant, such spaces are combined to count for just one tenant. However, when the same tenant leased floor spaces in more than one building, such spaces are counted separately for each building as if they are leased by different tenants. As for Shinjuku Nomura Building, the number of tenants in the entire building is taken into account.

Note 2: Not disclosed due to compelling reasons.

Note 3: The Company has disposed "Kita-Sanjo Bldg." and "NOF Midosuji Bldg." on January 14, 2009, "Hiroshima Tatemachi NOF Bldg." on February 27, 2009.

Note 4: Subtotal of "Rental Revenues" and "Portion of Rental Revenues" for each area is not disclosed due to compelling reasons.

4. OUTSTANDING AMOUNT AND CURRENT PRICE OF SPECIFIED TRANSACTIONS

The outstanding amount and current price of the specified transactions as of April 30, 2009 are as follows.

		Contract Amount (¥ mln) (Note 1)		Current Price (¥ mln) (Note 2)
Segment	Type of Transaction	Longer than a Year		
Transaction other than market transaction	Interest-rate swap (Receiving floating-rate, paying fixed-rate)	72,500	69,500	△835
Total		72,500	69,500	△835

Note 1: Presented based on notional principal of contract.
Note 2: Evaluated at the price provided by the counterparty based on the prevailing market rate.

5. STATUS OF THE OTHER ASSETS

Other than the Trust Beneficial Interest and Real Estate listed in the table under the title “3. Details of Portfolio Properties,” the Company had no other assets to integrate into the portfolio as of April 30, 2009.

6. STATUS OF ASSETS BY COUNTRY AND REGION

As of the end of the eleventh fiscal period, the real estate and beneficial interest in real estate trust held by the Company by country and region are as follows.

Country	Total Portfolio Amount (Note 1)	Appraisal Value as of Apr. 30, 2009 (Note 2)		Number of Properties
		Portion of Total Portfolio		
Japan	¥373,833 million	¥407,229 million	100.0%	50
Total	¥373,833 million	¥407,229 million	100.0%	50

Note 1: Total portfolio amount stands for the book value after depreciation and amortization.
Note 2: Appraisal value as of Apr. 30, 2009 stands for the value appraised by the real estate appraisers.

Capital Expenditures

1. PLAN OF CAPITAL EXPENDITURES

The table below lists major capital expenditures in conjunction with the refurbishment and/or renewal works scheduled for the future (finished in part) on the properties held as of April 30, 2009. The estimated cost of works includes the amount to be charged as “expenses” for accounting purposes.

Name of Property (Location)	Description of Works (Purpose)	Estimated Period	Estimated Cost (¥ mln)		
			Total	Paid during 11th Period	Paid before 11th Period
NOF Shibuya Koen-dori Bldg. (Shibuya-ku, Tokyo)	Renewal of air-conditioning system (To increase quality) (Note)	From: May. 2009 To: Nov. 2009	133	–	–
NRE Hiroshima Bldg. (Naka-ku, Hiroshima City)	Renewal of elevators (To increase quality) (Note)	From: May. 2009 To: Aug. 2009	69	–	–
NOF Technoport Kamata Center Bldg. (Ota-ku, Tokyo)	Renewal of through the wall air-conditioning system (To increase quality) (Note)	From: May. 2009 To: Mar. 2010	200	–	–

Note: These works have already been implemented as of the date of this report.

2. CAPITAL EXPENDITURES DURING THE ELEVENTH FISCAL PERIOD

The table below lists capital expenditures during the eleventh fiscal period in conjunction with the major works of renovation. During the period, we have conducted engineering works totalling ¥1,750 million: capital expenditures of ¥1,376 million and repair expenses of ¥374 million combined all together.

Name of Property (Location)	Description of Works (Purpose)	Period of Works		Cost of Works (¥ mln)
Shinjuku Nomura Bldg. (Shinjuku-ku, Tokyo)	Renewal of basement common area (To increase profitability)	From: Nov. 2008 To: Mar. 2009		314
NOF Shibuya Koen-dori Bldg. (Shibuya-ku, Tokyo)	Renewal of air-conditioning system (To increase quality)	From: Nov. 2008 To: Nov. 2008		59
NRE Hiroshima Bldg. (Naka-ku, Hiroshima City)	Renewal of elevators (To increase quality)	From: Nov. 2008 To: Mar. 2009		36
NOF Technoport Kamata Center Bldg. (Ota-ku, Tokyo)	Renewal of through the wall air-conditioning system (To increase quality)	From: Nov. 2008 To: Apr. 2009		114
Other Properties	Improvement of features	From: Nov. 2008 To: Apr. 2009		850
Total				1,376

3. FUNDS RESERVED FOR THE LONG-TERM REPAIR PLANS

Subject to the long-term schedule for repairs and maintenance set down for each building, the Company has accounted for reserves from the operating cash flow to prepare for large-scale engineering works to be carried out in the future.

	11th Period from Nov 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008	9th Period from Nov.1, 2007 to Apr. 30, 2008	8th Period from May 1, 2007 to Oct. 31, 2007	7th Period from Nov. 1, 2006 to Apr. 30, 2007
	¥ mln	¥ mln	¥ mln	¥ mln	¥ mln
Balance brought forward from the previous period	238	290	596	938	935
Amount reserved during the period	1,894	1,716	1,118	718	693
Amount used during the period	1,764	1,768	1,424	1,060	690
Balance brought forward to the next period	368	238	290	596	938

Expenses and Liabilities

1. EXPENSES RELATED TO ASSET MANAGEMENT

	11th Period from Nov 1, 2008 to Apr. 30, 2009	10th Period from May 1, 2008 to Oct. 31, 2008
	¥000	¥000
Asset management fees (Note)	1,159,373	1,025,096
of which Management Fee I	703,874	652,019
of which Management Fee II	381,171	373,077
of which Management Fee III	74,327	–
Custodian fees	28,813	27,014
General administrative fees	67,580	63,700
Directors’ compensation	12,000	12,000
Other expenses	113,228	74,389
Total	1,380,996	1,202,201

Note : In the Asset Management Agreement between the Company and the Asset Management Company, there is no provision for the acquisition fees, which are payable to the Asset Management Company by the Company on acquisition of a new property, and such fees are non-existent.

2. STATUS OF BORROWINGS

The status of borrowings from the financial institutions as of Apr.30, 2009 is as follows.

Financial Institutions	Date Borrowed	Outstanding as of Apr. 30, 2009 (¥000)	Outstanding as of Oct. 31, 2008 (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note			
Short-term Borrowings											
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 24, 2008	—	1,035,000	1.29250	Dec. 24, 2008	Balloon payment	(Note 2)	Unsecured/Uninsured			
Sumitomo Mitsui Banking Corp.		—	575,000								
The Mizuho Corporate Bank, Ltd.		—	230,000								
Mitsubishi UFJ Trust and Banking Corp.		—	230,000								
Sumitomo Trust and Banking Co., Ltd.		—	230,000								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 26, 2008	—	3,150,000	1.29250	Dec. 24, 2008						
Sumitomo Mitsui Banking Corp.		—	1,750,000								
The Mizuho Corporate Bank, Ltd.		—	700,000								
Mitsubishi UFJ Trust and Banking Corp.		—	700,000								
Sumitomo Trust and Banking Co., Ltd.		—	700,000								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 24, 2008	5,250,000	5,250,000	1.43500	June 24, 2009						
Sumitomo Mitsui Banking Corp.		5,250,000	5,250,000								
The Mizuho Corporate Bank, Ltd.		1,500,000	1,500,000								
Mitsubishi UFJ Trust and Banking Corp.		1,500,000	1,500,000								
Sumitomo Trust and Banking Co., Ltd.		1,500,000	1,500,000								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep. 25, 2008	4,410,000	4,410,000	1.33500	June 25, 2009						
Sumitomo Mitsui Banking Corp.		2,450,000	2,450,000								
The Mizuho Corporate Bank, Ltd.		980,000	980,000								
Mitsubishi UFJ Trust and Banking Corp.		980,000	980,000								
Sumitomo Trust and Banking Co., Ltd.		980,000	980,000								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 24, 2008	1,750,000	—	1.44333	Dec. 24, 2009						
Sumitomo Mitsui Banking Corp.		1,750,000	—								
The Mizuho Corporate Bank, Ltd.		500,000	—								
Mitsubishi UFJ Trust and Banking Corp.		500,000	—								
Sumitomo Trust and Banking Co., Ltd.		500,000	—								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 24, 2008	1,200,000	—	1.42167	Dec. 24, 2009						
Sumitomo Mitsui Banking Corp.		1,800,000	—								
Mitsubishi UFJ Trust and Banking Corp.		500,000	—								
Sumitomo Trust and Banking Co., Ltd.		430,000	—								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		Mar. 26, 2009	900,000						—	1.18417	Mar. 26, 2010
Sumitomo Mitsui Banking Corp.	500,000		—								
The Mizuho Corporate Bank, Ltd.	200,000		—								
Mitsubishi UFJ Trust and Banking Corp.	200,000		—								
Sumitomo Trust and Banking Co., Ltd.	200,000		—								
Subtotal		35,730,000	34,100,000								
Long-term Borrowings to be Repaid within a Year											
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2003	—	2,000,000	1.66750	Dec. 8, 2008	Balloon payment	(Note 2)	Unsecured/Uninsured			
Sumitomo Mitsui Banking Corp.		—	2,000,000								
Mitsubishi UFJ Trust and Banking Corp.		—	1,000,000								
The Iyo Bank, Ltd.		—	1,000,000								
The Norinchukin Bank, Ltd.		—	2,000,000								
Mitsui Life Insurance Company	Dec. 8, 2003	—	2,000,000	1.51625	Dec. 8, 2008						
Taiyo Life Insurance Company		—	1,000,000								
Daido Life Insurance Company		—	1,000,000								
Mitsui Sumitomo Insurance Co., Ltd.		—	1,000,000								
The Chiba Bank, Ltd.	Feb. 27, 2006	—	1,500,000	1.19000	Feb. 26, 2009						
The Hachijuni Bank, Ltd.		—	500,000								
The Norinchukin Bank, Ltd.	Feb. 26, 2004	3,000,000	—	1.77500	Feb. 26, 2010						
Mitsui Life Insurance Company	Feb. 26, 2004	1,000,000	—	1.50625	Feb. 26, 2010						
The Chiba Bank, Ltd.	Dec. 8, 2006	1,000,000	—	1.48375	Feb. 26, 2010						
The Hiroshima Bank, Ltd.		500,000	—								
Tokio Marine & Nichido Fire Insurance Co. Ltd.		1,000,000	—								
Subtotal			6,500,000						15,000,000		
Total Short-term Borrowings		42,230,000	49,100,000								

Financial Institutions	Date Borrowed	Outstanding as of Apr. 30, 2009 (¥000)	Outstanding as of Oct. 31, 2008 (¥000)	Average Interest Rate (%) (Note 1)	Date of Repayment	Method of Repayment	Use of Borrowings	Note		
Long-term Borrowings										
The Norinchukin Bank	Feb. 26, 2004	—	3,000,000	1.77500	Feb. 26, 2010	Balloon payment	(Note 2)	Unsecured/Uninsured		
Mitsui Life Insurance Company	Feb. 26, 2004	—	1,000,000	1.50625	Feb. 26, 2010					
The Chiba Bank, Ltd.	Dec. 8, 2006	—	1,000,000	1.48375	Feb. 26, 2010					
The Hiroshima Bank, Ltd.		—	500,000							
Tokio Marine & Nichido Fire Insurance Co. Ltd.		—	1,000,000							
Nippon Life Insurance Company	Nov. 30, 2006	1,000,000	1,000,000	1.65500	Aug. 26, 2010					
Sompo Japan Insurance Inc.		1,000,000	1,000,000							
Sumitomo Mitsui Banking Corp.	Aug. 26, 2008	1,000,000	1,000,000	1.12667	Aug. 26, 2010					
The Yamanashi Chuo Bank, Ltd.		1,000,000	1,000,000							
The Chugoku Bank, Ltd.		1,000,000	1,000,000							
The Bank of Fukuoka, Ltd.		1,000,000	1,000,000							
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2008	1,000,000	—	1.35750	Dec. 8, 2010					
Mitsubishi UFJ Trust and Banking Corp.		500,000	—							
Mitsui Sumitomo Insurance Co., Ltd.		1,000,000	—							
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 27, 2006	1,000,000	1,000,000	1.68000	Feb. 26, 2011					
The Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000							
Mitsubishi UFJ Trust and Banking Corp.		500,000	500,000							
Sumitomo Trust and Banking Co., Ltd.		3,000,000	3,000,000							
The Nomura Trust & Banking Co., Ltd.		2,000,000	2,000,000							
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 10, 2007	4,000,000	4,000,000	1.43200	June 10, 2011					
Sumitomo Mitsui Banking Corp.		1,000,000	1,000,000							
The Chiba Bank, Ltd.		500,000	500,000							
The Hachijuni Bank, Ltd.		1,000,000	1,000,000							
The Hiroshima Bank, Ltd.		1,000,000	1,000,000							
The Keiyo Bank, Ltd.	Apr. 25, 2008	1,000,000	1,000,000	1.44800	Aug. 25, 2011					
The Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000							
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000							
Sumitomo Trust and Banking Co., Ltd.		1,000,000	1,000,000							
The Hachijuni Bank, Ltd.		1,000,000	1,000,000							
The Yamanashi Chuo Bank, Ltd.	Mar. 19, 2007	500,000	500,000	1.63825	Aug. 26, 2011					
The Mizuho Corporate Bank, Ltd.		2,000,000	2,000,000							
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	1,000,000							
The Iyo Bank, Ltd.	Sep. 25, 2008	1,000,000	1,000,000	1.43950	Sep. 25, 2011					
The 77 Bank, Ltd.		1,000,000	1,000,000							
The Hyakujushi Bank, Ltd.	Dec. 8, 2006	1,000,000	1,000,000	1.89764	Feb. 26, 2012	Balloon payment	(Note 2)	Unsecured/Uninsured		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000,000	2,000,000							
Sumitomo Mitsui Banking Corp.		2,000,000	2,000,000							
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000							
Sumitomo Trust and Banking Co., Ltd.		2,000,000	2,000,000							
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	1,000,000							
The Nomura Trust & Banking Co., Ltd.		2,000,000	2,000,000							
The Iyo Bank, Ltd.		1,000,000	1,000,000							
Mitsui Life Insurance Co., Ltd.	Nov. 29, 2005	1,000,000	1,000,000	1.43750	Aug. 26, 2012					
Taiyo Life Insurance Company		1,000,000	1,000,000							
Daido Life Insurance Company		1,000,000	1,000,000							
National Mutual Insurance Federation of Agricultural Cooperative		1,000,000	1,000,000							
Development Bank of Japan		1,000,000	1,000,000							
National Mutual Insurance Federation of Agricultural Cooperative	Dec. 9, 2005	1,000,000	1,000,000	1.53625	Aug. 26, 2012					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000,000	2,000,000							
Sumitomo Mitsui Banking Corp.		1,500,000	1,500,000							
Mitsubishi UFJ Trust and Banking Corp.		2,500,000	2,500,000							
The Chuo Mitsui Trust & Banking Co., Ltd.		1,000,000	1,000,000							
The Iyo Bank, Ltd.	Feb. 26, 2008	500,000	500,000	1.46000	Aug. 26, 2012					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000							
Sumitomo Trust and Banking Co., Ltd.	Sep. 25, 2008	1,000,000	1,000,000	1.61150	Sep. 25, 2012					
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	1,000,000							
Mitsubishi UFJ Trust and Banking Corp.	Nov. 4, 2008	3,000,000	—	1.51175	Nov. 4, 2012					
Sumitomo Mitsui Banking Corp.		3,000,000	—							
Mitsubishi UFJ Trust and Banking Corp.		2,000,000	—							
Sumitomo Trust and Banking Co., Ltd.		2,000,000	—							
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 27, 2008	2,000,000	2,000,000	1.87200	Dec. 27, 2012					
Sumitomo Mitsui Banking Corp.		2,000,000	2,000,000							
The Mizuho Corporate Bank, Ltd.		1,000,000	1,000,000							
Development Bank of Japan	Mar. 17, 2005	1,000,000	1,000,000	1.75250	Feb. 26, 2013					
The Daiichi Mutual Life Insurance Company	Dec. 8, 2006	2,000,000	2,000,000	1.99250	Feb. 26, 2013					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 8, 2008	1,000,000	—	1.68680	Dec. 8, 2013					
Sumitomo Mitsui Banking Corp.		4,500,000	—							
Mitsubishi UFJ Trust and Banking Corp.		1,000,000	—							
The Iyo Bank, Ltd.		1,000,000	—							
Taiyo Life Insurance Company	Mar. 19, 2007	1,000,000	1,000,000	1.98000	Mar. 19, 2014					
Daido Life Insurance Company		1,000,000	1,000,000							
Sumitomo Life Insurance Company		2,000,000	2,000,000							
The Daiichi Mutual Life Insurance Company	Feb. 26, 2008	3,000,000	3,000,000	1.91875	Feb. 26, 2015					
Taiyo Life Insurance Company	June 24, 2008	1,000,000	1,000,000	2.31750	June 24, 2015					
Sumitomo Life Insurance Company		3,000,000	3,000,000							
Development Bank of Japan		4,000,000	4,000,000							
Subtotal		102,000,000	88,500,000							
Total		144,230,000	137,600,000							

3. STATUS OF INVESTMENT CORPORATION BONDS

The status of investment corporation bonds issued as of April 30, 2009 is as follows.

Name of Bonds	Issue Date	Balance as of Apr. 30, 2009 (¥ mln)	Balance as of Oct. 31, 2008 (¥ mln)	Interest Rate (%)	Maturity Date	Method of Repayment	Use of Proceeds	Note
First Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	1.85	Mar. 16, 2015	Balloon payment	(Note 1)	(Note 2)
Second Series Unsecured Investment Corporation Bonds	Mar. 16, 2005	5,000	5,000	2.47	Mar. 16, 2020	Balloon payment	(Note 1)	(Note 2)
Third Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	10,000	1.19	Nov. 29, 2010	Balloon payment	(Note 1)	(Note 3)
Fourth Series Unsecured Investment Corporation Bonds	Nov. 28, 2005	10,000	10,000	2.05	Nov. 30, 2015	Balloon payment	(Note 1)	(Note 3)
Fifth Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	5,000	5,000	1.61	Mar. 19, 2012	Balloon payment	(Note 1)	(Note 3)
Sixth Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	5,000	5,000	2.21	Mar. 17, 2017	Balloon payment	(Note 1)	(Note 3)
Seventh Series Unsecured Investment Corporation Bonds	Mar. 19, 2007	4,500	4,500	2.90	Mar. 17, 2028	Balloon payment	(Note 1)	(Note 3)
Total		44,500	44,500					

Note 1: The uses of proceeds are to purchase the property-related assets, pay for the costs, and to repay borrowings.

Note 2: Ranking Pari Passu among the investment corporation bonds for qualified institutional investors only.

Note 3: Ranking Pari Passu among the specified investment corporation bonds.

4. STATUS OF SHORT-TERM INVESTMENT CORPORATION BONDS

There are no outstanding short-term investment corporation bonds as of the end of the eleventh fiscal period.

Trading during the Eleventh Fiscal Period

1. STATUS OF REAL ESTATES AND ASSET-BACKED SECURITIES TRADING

Type of Asset	Name of Property	Acquisition		Disposition			
		Date	Price (¥ mln) (Note 1)	Date	Price (¥ mln) (Note 1)	Book Value (¥ mln)	Gain (Loss) (¥ mln) (Note 2)
Real Estate	PMO Nihonbashi Honcho	Nov. 5, 2008	5,000	—	—	—	—
Real Estate	NRE Sapporo Bldg.	Nov. 5, 2008	5,300	—	—	—	—
Real Estate	NRE Higashi-nihonbashi Bldg.	Jan. 14, 2009	4,060	—	—	—	—
Real Estate	NRE Ueno Bldg.	Jan. 14, 2009	7,830	—	—	—	—
Beneficial Interest in Real Estate Trust	Kichijoji Mark Bldg.	Jan. 14, 2009	1,800	—	—	—	—
Real Estate	Kita-Sanjo Bldg.	—	—	Jan. 14, 2009	2,630	3,411	△785
Real Estate (Note 3)	NOF Midosuji Bldg.	—	—	Jan. 14, 2009	14,000	12,838	1,128
Real Estate	MY Higashi Gotanda Bldg.	Feb. 27, 2009	3,010	—	—	—	—
Beneficial Interest in Real Estate Trust	Hiroshima Tatemachi NOF Bldg.	—	—	Feb. 27, 2009	2,210	2,434	△248
Beneficial Interest in Real Estate Trust	NOF Tenjin-Minami Bldg.	Mar. 27, 2009	3,739	—	—	—	—
Total			30,739		18,840	18,684	94

Note 1: "Acquisition price" and "Disposition price" do not include various costs (intermediary fees, taxes and duties, etc.) required for acquisition or disposition of the property (the purchase and sale price of the real estate, etc., as indicated in the Transfer Agreement of Trust Beneficial Interest or Real Estate).

Note 2: For dispositions, other sales expenses in addition to the above have been incurred, and "Gain (Loss)" is inclusive of this amount.

Note 3: For NOF Midosuji Bldg., the asset held by the Company was beneficial interest in real estate trust. As a beneficiary, the Company instructed the trustee to sell the real estate. In conjunction with this sale, the trust pertaining to NOF Midosuji Bldg. has been terminated, and the cash proceeds received by the trustee from the buyer were delivered to the Company as trust assets.

2. STATUS OF OTHER ASSETS

Other than the above-mentioned properties and asset-backed securities, the Company's assets are mostly comprised of direct bank deposits and bank deposits in trust.

3. PRICE INVESTIGATION

(1) Real Estates

Acquisition/ Disposition	Type of Asset	Name of Property	Acquisition/Disposition		Appraisal Value (¥ mln)
			Date	Price (¥ mln)	
Acquisition	Real Estate	PMO Nihonbashi Honcho	Nov. 5, 2008	5,000	5,000
Acquisition	Real Estate	NRE Sapporo Bldg.	Nov. 5, 2008	5,300	5,300
Acquisition	Real Estate	NRE Higashi-nihonbashi Bldg.	Jan. 14, 2009	4,060	4,060
Acquisition	Real Estate	NRE Ueno Bldg.	Jan. 14, 2009	7,830	7,830
Acquisition	Beneficial Interest in Real Estate Trust	Kichijoji Mark Bldg.	Jan. 14, 2009	1,800	1,800
Disposition	Real Estate	Kita-Sanjo Bldg.	Jan. 14, 2009	2,630	2,780
Disposition	Real Estate	NOF Midosuji Bldg.	Jan. 14, 2009	14,000	14,000
Acquisition	Real Estate	MY Higashi Gotanda Bldg.	Feb. 27, 2009	3,010	3,010
Disposition	Beneficial Interest in Real Estate Trust	Hiroshima Tatemachi NOF Bldg.	Feb. 27, 2009	2,210	2,060
Acquisition	Beneficial Interest in Real Estate Trust	NOF Tenjin-Minami Bldg.	Mar. 27, 2009	3,739	2,290

Note: The price investigation procedures were conducted by Ernst & Young ShinNihon LLC at the time of acquisition or disposition in accordance with the guidance under "Price Investigation of Specified Assets Held by Investment Trusts and Investment Corporations", Industry Audit Committee Report No. 23 issued by The Japanese Institute of Certified Public Accountants. The Company has received detailed reports including the location and lot number to identify these properties.

Note: "Acquisition price" and "Disposition price" do not include various costs (intermediary fees, taxes and duties, etc.) required for acquisition or disposition of the property (the purchase and sale price of the real estate, etc., as indicated in the Transfer Agreement of Trust Beneficial Interest or Real Estate).

Note: Please refer to "Note 3" of "1. STATUS OF REAL ESTATES AND ASSET-BACKED SECURITIES TRADING" mentioned above.

(2) Others

With regard to the properties the Company has traded but not included in the above table"(1) Real Estates," the price investigation procedures were conducted by Ernst & Young ShinNihon LLC subject to the requirement by Article 201 of the Investment Trust Law.

For the eleventh fiscal period (from November 1, 2008 to April 30, 2009), two OTC derivatives transactions were subject to investigation. Ernst & Young ShinNihon LLC was requested to investigate the details of three transactions including the name of counterparty, issues, the number of execution, financial instruments/monetary indicators, put/call options, exercise prices, the period of execution of right, the trading period, etc. The investigation report has been received.

4. TRANSACTIONS WITH RELATED PARTIES AND MAJOR SHAREHOLDERS

(1) Transactions

Table of transactions in respect of specified assets entered into with related parties and major shareholders during the eleventh fiscal period is as follows.

	Purchase (¥000)	(%)	Sale (¥000)	(%)
Total amount	30,739,000		18,840,000	
	Amount purchased from related parties and major shareholders	23,990,000 (78.0%)	Amount sold to related parties and major shareholders	18,840,000 (100.0%)
Details of transaction with related parties and major shareholders				
Nomura Real Estate Development Co., Ltd.	23,990,000	(100.0%)	7,140,000	(37.9%)
NREG Toshiba Building Co., Ltd.	–	(–%)	11,700,000	(62.1%)
Total	23,990,000	(100.0%)	18,840,000	(100.0%)

Note: Related parties and major shareholders refer to those bodies that have business interest and major stake in the Asset Management Companies defined by Article 29-4, Paragraph 2 of Financial Instruments and Exchange Law, with which the Company, stipulated by article 123 of Enforcement Order of Investment Trust Law, has an Asset Management Agreement.

(2) Fees Paid to Related Parties and Major Shareholders

Table of fees paid to related parties and major shareholders during the eleventh fiscal period is as follows.

	Name of Related Party and Major Shareholders	Amount Paid (A) (¥000)	Total Amount Paid (B) (¥000)	Portion (A) / (B) (%)
Contract-out fees	Nomura Building Management Co., Ltd. (Note 1)	646,382	1,105,726	58.5
	Flagship Properties, Inc. (Note 2)	916		
Property management fees	Nomura Real Estate Development Co., Ltd.	193,603	289,648	66.8
	Nomura Building Management Co., Ltd.	24,042		
Other expenses	Nomura Real Estate Development Co., Ltd.	44,255	124,992	35.4
	Nomura Building Management Co., Ltd.	25,500		

Note 1: In addition to the Property Management Agreement, the Company has entrusted Nomura Building Management Co., Ltd. with daily maintenance of building and equipments, the cost of which is included in "Contract-out Fees".

Note 2: The Company has entrusted certain jobs such as receipt of rents, payment of disbursements and notification of repairs in conjunction with the sublease of JAL Building to Flagship Properties. The Contract-out fees paid to Flagship Properties include remuneration for these services.

Note 3: Besides the above, the Company has made the following payments for repair works during the eleventh fiscal period.

Name of Related Party	Amount Paid (¥000)
Nomura Real Estate Development Co., Ltd.	54,045
Nomura Building Management Co., Ltd.	1,029,300

The management fees paid to the property management companies, which are related parties, are broken down as follows.

Name of Property	Property Management Company	Property Management Fees	
		(¥000)	(Note 1) (Note 2)
Shinjuku Nomura Bldg.	Nomura Real Estate Development Co., Ltd.	38,901	
JAL Bldg.	Nomura Real Estate Development Co., Ltd.	2,419	
Tennozu Park Side Bldg.	Nomura Real Estate Development Co., Ltd.	28,212	
NOF Shibuya Koen-dori Bldg.	Nomura Real Estate Development Co., Ltd.	7,301	
Secom Medical Bldg.	Nomura Real Estate Development Co., Ltd.	3,789	
Nishi-Shinjuku Showa Bldg.	Nomura Real Estate Development Co., Ltd.	8,135	
Nomura Shibuya Dogenzaka Bldg.	Nomura Real Estate Development Co., Ltd.	4,109	
NOF Tameike Bldg.	Nomura Real Estate Development Co., Ltd.	4,982	
NOF Shinagawa Konan Bldg.	Nomura Real Estate Development Co., Ltd.	5,650	
NOF Surugadai Plaza Bldg.	Nomura Real Estate Development Co., Ltd.	5,358	
PMO Nihonbashi Honcho	Nomura Real Estate Development Co., Ltd.	2,930	
NRE Higashi-nihonbashi Bldg.	Nomura Real Estate Development Co., Ltd.	1,955	
Hatchobori NF Bldg.	Nomura Real Estate Development Co., Ltd.	1,929	
NOF Minami-Shinjuku Bldg.	Nomura Real Estate Development Co., Ltd.	2,060	
NRE Ueno Bldg.	Nomura Real Estate Development Co., Ltd.	2,907	
NOF Technoport Kamata Center Bldg.	Nomura Real Estate Development Co., Ltd.	9,403	
Kichijoji Mark Bldg.	Nomura Real Estate Development Co., Ltd.	933	
Faret Tachikawa Center Square	Nomura Real Estate Development Co., Ltd.	4,626	
NOF Yokohama Nishiguchi Bldg.	Nomura Real Estate Development Co., Ltd.	6,026	
NOF Shin-Yokohama Bldg.	Nomura Real Estate Development Co., Ltd.	2,537	
NRE Sapporo Bldg.	Nomura Real Estate Development Co., Ltd.	2,908	
Omron Kyoto Center Bldg.	Nomura Real Estate Development Co., Ltd.	6,605	
NOF Midosuji Bldg. (Note 3)	Nomura Real Estate Development Co., Ltd.	4,767	
NRE Osaka Bldg.	Nomura Real Estate Development Co., Ltd.	14,686	
NRE Nishi-Umeda Bldg.	Nomura Real Estate Development Co., Ltd.	3,983	
NRE Yotsubashi Bldg.	Nomura Real Estate Development Co., Ltd.	10,092	
Hiroshima Tatemachi NOF Bldg. (Note 4)	Nomura Real Estate Development Co., Ltd.	1,756	
NRE Hiroshima Bldg.	Nomura Real Estate Development Co., Ltd.	4,631	
Shinjuku Sanshin Bldg.	Nomura Building Management Co., Ltd.	5,214	
MY Higashi Gotanda Bldg.	Nomura Building Management Co., Ltd.	749	
Central Kyobashi Bldg.	Nomura Building Management Co., Ltd.	1,477	
Central Shintomicho Bldg.	Nomura Building Management Co., Ltd.	1,257	
Sunworld Yotsuya Bldg.	Nomura Building Management Co., Ltd.	723	
NOF Toyo-cho Bldg.	Nomura Building Management Co., Ltd.	1,865	
Toshin Meguro Bldg.	Nomura Building Management Co., Ltd.	600	
NOF Kawasaki Higashiguchi Bldg.	Nomura Building Management Co., Ltd.	5,285	
NOF Utsunomiya Bldg.	Nomura Building Management Co., Ltd.	4,222	
NOF Nagoya Yanagibashi Bldg.	Nomura Building Management Co., Ltd.	2,645	

Note 1: “Property Management Fees” are the aggregated sum of the basic fee and the incentive fee.
Note 2: Daily maintenance of building and equipments is entrusted to Nomura Building Management, but the fees associated with such works are not included here.
Note 3: The Company has disposed the Property on January 14, 2009.
Note 4: The Company has disposed the Property on February 27, 2009.

5. STATUS OF BUSINESS WITH THE ASSET MANAGEMENT COMPANY OVER ITS SUBSIDIARY BUSINESS

There is no relevant matter under this subject as Nomura Real Estate Asset Management Co., Ltd., the asset management company of the Company, is not in any subsidiary business.

Other Information

1. NOTICE

Summary of execution/amendment of major agreements that have been approved by the Company’s Board of Directors are as follows:

Board of Directors Meeting Approval Date	Approved Matter	Summary
November 4, 2008	Execution of the Special Account Management Agreement	Selection of Mitsubishi UFJ Trust and Banking Corporation as the manager of special accounts, and execution of the “Special Account Management Agreement” was approved.
December 15, 2008	Amendment of the Investment Unit Administration Agent Agreement	Amendment of the “Investment Unit Administration Agent Agreement” corresponding to the implementation of the electronic securities transfer system on January 5, 2009.

2. STATUS OF BENEFICIAL INTEREST IN INVESTMENT TRUSTS ESTABLISHED BY THE COMPANY

Not applicable.

3. OTHER MATTERS

For the purpose of this report, the numbers of amount below unit are truncated and the numbers in percentage are rounded to unit unless otherwise mentioned specifically.



NOF Toyo-cho Building

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Balance Sheets

	Thousands of Yen	
	As of April 30, 2009	As of October 31, 2008
ASSETS		
Current Assets:		
Cash and bank deposits	¥ 34,333,017	¥ 38,567,826
Rental receivables	275,564	294,748
Corporate taxes refundable	3,858	6,353
Other current assets	355,494	260,218
Total current assets	34,967,933	39,129,145
Property and Equipment, at Cost:		
Land	263,516,082	257,244,529
Buildings and structures	121,357,088	114,639,528
Machinery and equipment	1,172,733	997,100
Tools, furniture and fixtures	214,744	210,179
Lease assets	31,423	31,423
Construction in progress	33,095	42,202
Subtotal	386,325,165	373,164,961
Less accumulated depreciation	(14,393,003)	(13,086,726)
Net property and equipment	371,932,162	360,078,235
Investments and Other Assets:		
Leasehold right	1,900,905	1,900,905
Intangible assets	3,201	3,493
Long-term prepaid expenses	41,165	57,730
Security deposits	410,850	411,300
Deferred investment corporation bond issuance costs	96,802	103,438
Total investments and other assets	2,452,923	2,476,866
Total Assets	¥ 409,353,018	¥ 401,684,246

The accompanying notes to financial statements are an integral part of these statements.

	Thousands of Yen	
	As of April 30, 2009	As of October 31, 2008
LIABILITIES		
Current Liabilities:		
Trade accounts payable	¥ 739,721	¥ 821,170
Other accounts payable	1,530,105	1,475,833
Short-term debt	42,230,000	49,100,000
Accrued expenses	918,519	712,984
Accrued consumption taxes	54,753	53,222
Rent received in advance	2,286,617	2,366,636
Other current liabilities	79,701	15,148
Total current liabilities	47,839,416	54,544,993
Long-term Liabilities:		
Investment corporation bonds	44,500,000	44,500,000
Long-term debt	102,000,000	88,500,000
Security deposits from tenants	24,146,613	23,405,390
Other long-term liabilities	19,039	22,494
Total long-term liabilities	170,665,652	156,427,884
Total Liabilities	218,505,068	210,972,877
NET ASSETS		
Unitholders' Equity:		
Unitholders' capital	185,455,447	185,455,447
Retained earnings	5,392,503	5,255,922
Total unitholders' equity	190,847,950	190,711,369
Total Net Assets	190,847,950	190,711,369
Total Liabilities and Net Assets	¥ 409,353,018	¥ 401,684,246

The accompanying notes to financial statements are an integral part of these statements.

Statements of Income and Retained Earnings

	Thousands of Yen	
	For the period from November 1, 2008 to April 30, 2009	For the period from May 1, 2008 to October 31, 2008
<i>Operating Revenues and Expenses</i>		
Operating Revenues:		
Real estate rental revenues	¥ 14,281,598	¥ 13,925,429
Gain on sales of real estate	1,128,049	–
	15,409,647	13,925,429
Operating Expenses:		
Real estate rental expenses	5,917,157	5,790,875
Loss on sales of real estate	1,033,415	–
Asset management fees	1,159,373	1,025,096
Administrative service and custodian fees	96,394	90,716
Other operating expenses	125,229	86,390
	8,331,568	6,993,077
Operating Profit	7,078,079	6,932,352
<i>Non-Operating Revenues and Expenses</i>		
Non-Operating Revenues:		
Interest income	30,545	36,975
Other non-operating revenues	33,106	40,173
	63,651	77,148
Non-Operating Expenses:		
Interest expense	1,154,971	916,963
Loan arrangement fees	84,941	119,319
Interest expense on short-term investment corporation bonds	–	51,378
Interest expense on investment corporation bonds	428,087	432,525
Amortization of investment corporation bond issuance costs	6,636	38,491
New investment units issuance costs	–	50,788
Other non-operating expenses	73,847	143,205
	1,748,482	1,752,669
Income before Income Taxes	5,393,248	5,256,831
Income Taxes:		
Current	917	1,032
Deferred	6	1
Net Income	5,392,325	5,255,798
Retained earnings brought forward	178	124
Retained Earnings at End of Period	¥ 5,392,503	¥ 5,255,922

The accompanying notes to financial statements are an integral part of these statements.

Statements of Changes in Net Assets

	Thousands of Yen						
	Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	Deferred Hedge Gains (Losses)	Total Valuation and Translation Adjustments	Total Net Assets
Balance as of October 31, 2008	305,123	¥185,455,447	¥5,255,922	¥190,711,369	–	–	¥190,711,369
Cash distribution paid	–	–	(5,255,744)	(5,255,744)	–	–	(5,255,744)
Net income	–	–	5,392,325	5,392,325	–	–	5,392,325
Balance as of April 30, 2009	305,123	¥185,455,447	¥5,392,503	¥190,847,950	–	–	¥190,847,950
	Thousands of Yen						
	Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	Deferred Hedge Gains (Losses)	Total Valuation and Translation Adjustments	Total Net Assets
Balance as of April 30, 2008	265,903	¥156,767,193	¥4,500,001	¥161,267,194	–	–	¥161,267,194
Issuance of new investment units	39,220	28,688,254	–	28,688,254	–	–	28,688,254
Cash distribution paid	–	–	(4,499,877)	(4,499,877)	–	–	(4,499,877)
Net income	–	–	5,255,798	5,255,798	–	–	5,255,798
Balance as of October 31, 2008	305,123	¥185,455,447	¥5,255,922	¥190,711,369	–	–	¥190,711,369

The accompanying notes to financial statements are an integral part of these statements.

Statements of Cash Flows

	Thousands of Yen	
	For the period from November 1, 2008 to April 30, 2009	For the period from May 1, 2008 to October 31, 2008
<i>Cash Flows</i>		
Cash Flows from Operating Activities		
Income before income taxes	¥ 5,393,248	¥ 5,256,831
Depreciation	1,862,688	1,793,148
Amortization of long-term prepaid expenses	16,589	10,538
Amortization of investment corporation bond issuance costs	6,636	38,491
Interest income	(30,545)	(36,975)
Interest expense	1,583,058	1,400,866
Loss on disposal of property and equipment	879	7,600
Decrease(Increase) in rental receivables	19,185	(94,689)
Decrease in consumption taxes refundable	–	309,378
(Decrease)Increase in trade accounts payable	(81,450)	83,883
Increase(Decrease) in other accounts payable	245,955	(320,025)
Increase in accrued consumption taxes	1,531	53,222
(Decrease)Increase in rent received in advance	(80,019)	265,869
Decrease in sales of tangible fixed assets	3,411,999	–
Decrease in sales of tangible fixed assets in trust	15,272,662	–
Changes in other current assets/liabilities	(29,792)	(69,295)
Subtotal	27,592,624	8,698,842
Interest received	23,893	36,975
Interest paid	(1,371,542)	(1,196,677)
Income taxes paid	1,577	(1,858)
Net cash provided by operating activities	26,246,552	7,537,282
Cash Flows from Investing Activities		
Payments into time deposits	(2,260,000)	–
Payments for purchases of property and equipment	(32,609,632)	(44,895,113)
Payments for purchases of intangible assets	(1,901)	(1,900,905)
Reimbursement of security deposits to tenants	(2,136,298)	(663,840)
Proceeds from security deposits from tenants	2,877,520	2,563,149
Payments of security deposits	–	(200,050)
Proceeds from security deposits	450	–
Net cash used in investing activities	(34,129,861)	(45,096,759)
Cash Flows from Financing Activities		
Proceeds from short-term debt	12,930,000	34,100,000
Repayment of short-term debt	(11,300,000)	(14,700,000)
Proceeds from short-term investment corporation bonds	–	14,954,207
Repayment of short-term investment corporation bonds	–	(35,000,000)
Proceeds from long-term debt	20,000,000	21,000,000
Repayment of long-term debt	(15,000,000)	(4,000,000)
Proceeds from issuance of new investment units	–	28,688,253
Distributions to unitholders	(5,241,500)	(4,498,779)
Net cash provided by financing activities	1,388,500	40,543,681
Net Increase in Cash and Cash Equivalents	(6,494,809)	2,984,204
Cash and Cash Equivalents at Beginning of Period	38,567,826	35,583,622
Cash and Cash Equivalents at End of Period	¥ 32,073,017	¥ 38,567,826

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

1. ORGANIZATION

Nomura Real Estate Office Fund, Inc. (the “Company”) is a real estate investment corporation formed to own and invest primarily in office properties. The Company is externally managed by a licensed asset management company, Nomura Real Estate Asset Management Co., Ltd. (“NREAM”). NREAM is a wholly-owned subsidiary of Nomura Real Estate Holdings, Inc.

On August 7, 2003, the Company was incorporated under the Law Concerning Investment Trusts and Investment Corporations (the “Investment Trust Law”) of Japan. On December 4, 2003, the Company was listed on the Tokyo Stock Exchange as the 9th J-REIT and started operations on the following day. As of April 30, 2009, the Company owned a portfolio of 50 office properties containing an aggregate of approximately 436,094.41 square meters of leasable area and leased office space to 661 tenants.

2. BASIS OF PRESENTATION

The Company maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Law of Japan, the Corporation Law of Japan, the Financial Instruments and Exchange Law of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include certain information that might not be required under Japanese GAAP but is presented herein as additional information. Amounts have been rounded to the nearest thousand of yen in the accompanying financial statements and the notes thereto, whereas amounts were truncated in the Japanese financial statements prepared in accordance with Japanese GAAP.

The Company’s fiscal period is a six-month period which ends at the end of April or October. The Company does not prepare consolidated financial statements because it has no subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments that are highly liquid, readily convertible to cash, with an insignificant risk of market value fluctuation, and with a maturity of three months or less when purchased.

Property and equipment (Except for leased assets)
Property and equipment are stated at cost, which includes the purchase price and related costs for acquisition, less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the fixed assets outlined below:

Buildings	3 - 70 years
Structures	2 - 45 years
Machinery and equipment	3 - 15 years
Tools, furniture and fixtures	2 - 18 years

Intangible assets (Except for leased assets)
Intangible assets are amortized by the straight-line method.

Lease Transactions
Finance lease transactions, excluding the ownership of the leased assets is deemed to be transferred to the lessee, are accounted for the straight-line method, depreciated over the lease term with no residual value.

Impairment of fixed assets
The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. An impairment loss is recognized if the carrying amount of its fixed assets exceeds the respective aggregate of the estimated future cash flows. If the fixed assets are determined to be impaired, it is written down to its recoverable amount and the write-down is recorded as an impairment loss during the current period. No impairment losses have been recognized to date.

Deferred investment corporation bond issuance costs
Deferred investment corporation bond issuance costs are amortized over the respective terms of the bonds by the straight-line method.

Accounting treatment of beneficial interests in real estate
All assets and liabilities held in trust, for which the real estate in possession of the Company was entrusted, and all the earnings and expenses incurred from such trust are properly reflected in the accompanying balance sheets and statements of income and retained earnings, respectively.

Revenue recognition
Operating revenues consist of rental revenues including base rents and common area charges, and other operating revenues including utility charge reimbursements, parking space rental revenues and other income. Rental revenues are generally recognized on an accrual basis over the life of each lease. Utility charge reimbursements are recognized when earned and their amounts are reasonably estimated.

Property related taxes

Property related taxes including property taxes, urban planning taxes and depreciable property taxes imposed during the fiscal period are charged as rental expenses.

On the other hand, the Company paid the amount equivalent to the property related taxes to the respective sellers of properties applicable to the period since acquisition and capitalized such amounts as part of the costs to acquire such properties or beneficial interests in real estate. The capitalized property related taxes amounted to ¥86,862 thousand for the six-month period ended April 30, 2009, and ¥82,023 thousand for the six-month period ended October 31, 2008.

Income taxes

Deferred tax assets and liabilities are computed based on the differences between the financial statements and income tax bases of assets and liabilities using the applicable statutory tax rates.

Consumption taxes

Consumption taxes received and paid are not included in the accompanying statements of income and retained earnings.

Derivative financial instruments

The Company utilizes interest-rate swap contracts as derivative financial instruments only for the purpose of hedging its exposure to changes in interest rates. The Company deferred recognition of gains or losses resulting from changes in the fair value of interest-rate swap contracts which meet the criteria for deferral hedge accounting.

Although the deferred hedge treatment is generally applied, effective September 1, 2006, the Company has applied special treatment to those interest-rate swap contracts that meet the criteria for such special treatment based on the revised Investment Trust Law (effective beginning on May 1, 2006) and partial Amendment of the Articles of Incorporation. Under the special treatment, interest-rate swaps are not remeasured at fair value; instead, the net amount paid or received under the interest rate swap contract is recognized and included in interest expense or income.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of April 30, 2009 and October 31, 2008 consist of the following:

	Thousands of Yen	
	For the period from November 1, 2008 to April 30, 2009	For the period from May 1, 2008 to October 31, 2008
Cash and bank deposits	¥ 34,333,017	¥ 38,567,826
Bank deposits with original maturities of more than three months	(2,260,000)	—
Cash and cash equivalents	¥ 32,073,017	¥ 38,567,826

5. SCHEDULE OF PROPERTY AND EQUIPMENT

Property and equipment as of April 30, 2009 and October 31, 2008 consist of the following:

	Thousands of Yen			
	As of April 30, 2009		As of October 31, 2008	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥ 54,934,510	¥ 54,934,510	¥ 40,439,040	¥ 40,439,040
Buildings and structures	25,545,536		18,296,244	
Accumulated depreciation	(986,467)	24,559,069	(631,536)	17,664,708
Machinery and equipment	465,086		192,251	
Accumulated depreciation	(44,825)	420,261	(34,495)	157,756
Tools, furniture and fixtures	4,790		—	
Accumulated depreciation	(113)	4,677	—	—
Land in trust	208,581,573	208,581,573	216,805,489	216,805,489
Buildings and structures in trust	95,811,551		96,343,284	
Accumulated depreciation	(12,950,872)	82,860,679	(12,031,671)	84,311,613
Machinery and equipment in trust	707,646		804,849	
Accumulated depreciation	(346,639)	361,007	(337,748)	467,101
Tools, furniture and fixtures in trust	209,954		210,179	
Accumulated depreciation	(57,670)	152,284	(48,319)	161,860
Lease assets in trust	31,423		31,423	
Accumulated depreciation	(6,416)	25,007	(2,957)	28,466
Construction in progress in trust	33,095	33,095	42,202	42,202
Total	¥371,932,162	¥371,932,162	¥360,078,235	¥360,078,235

6. SHORT-TERM DEBT

Short-term debt as of April 30, 2009 and October 31, 2008 consists of the following:

	As of April 30, 2009		As of October 31, 2008	
	Amount (Thousands of Yen)	Weighted- average interest rate	Amount (Thousands of Yen)	Weighted- average interest rate
Unsecured loans from banks due on December 8, 2008	—	—	¥ 8,000,000	1.66750%
Unsecured loans from insurance companies due on December 8, 2008	—	—	5,000,000	1.51625%
Unsecured loans from banks due on December 24, 2008	—	—	2,300,000	1.29250%
Unsecured loans from banks due on December 24, 2008	—	—	7,000,000	1.29250%
Unsecured loans from banks due on February 26, 2009	—	—	2,000,000	1.19000%
Unsecured loans from banks due on June 24, 2009	¥15,000,000	1.43500%	15,000,000	1.43500%
Unsecured loans from banks due on June 25, 2009	9,800,000	1.33500%	9,800,000	1.33500%
Unsecured loans from banks due on December 24, 2009	5,000,000	1.44333%	—	—
Unsecured loans from banks due on December 24, 2009	3,930,000	1.42167%	—	—
Unsecured loans from a bank due on February 26, 2010	3,000,000	1.77500%	—	—
Unsecured loans from an insurance company due on February 26, 2010	1,000,000	1.50625%	—	—
Unsecured loans from banks due on February 26, 2010	2,500,000	1.48375%	—	—
Unsecured loans from banks due on March 26, 2010	2,000,000	1.18417%	—	—
Total	¥42,230,000		¥49,100,000	

The Company entered into ¥40,000 million credit facilities in the form of commitment lines with five financial institutions for the six-month period ended April 30, 2009 and October 31, 2008. The total unused amount of such credit facilities was ¥8,200 million as of April 30, 2009 and ¥5,900 million as of October 31, 2008.

7. LONG-TERM DEBT

Long-term debt as of April 30, 2009 and October 31, 2008 consists of the following:

	As of April 30, 2009		As of October 31, 2008	
	Amount (Thousands of Yen)	Weighted- average interest rate	Amount (Thousands of Yen)	Weighted- average interest rate
Unsecured loans from a bank due on February 26, 2010	—	—	¥ 3,000,000	1.77500%
Unsecured loans from an insurance company due on February 26, 2010	—	—	1,000,000	1.50625%
Unsecured loans principally from banks due on February 26, 2010	—	—	2,500,000	1.48375%
Unsecured loans from insurance companies due on August 26, 2010	¥ 2,000,000	1.65500%	2,000,000	1.65500%
Unsecured loans from banks due on August 26, 2010	4,000,000	1.12667%	4,000,000	1.24667%
Unsecured loans from banks due on December 8, 2010	2,500,000	1.35750%	—	—
Unsecured loans from banks due on February 26, 2011	7,500,000	1.68000%	7,500,000	1.68000%
Unsecured loans from banks due on June 10, 2011	8,500,000	1.43200%	8,500,000	1.43200%
Unsecured loans from banks due on August 25, 2011	4,500,000	1.44800%	4,500,000	1.44800%
Unsecured loans from banks due on August 26, 2011	4,000,000	1.63825%	4,000,000	1.63825%
Unsecured loans from banks due on September 25, 2011	2,000,000	1.43950%	2,000,000	1.43950%
Unsecured loans from banks due on February 26, 2012	11,000,000	1.89764%	11,000,000	1.89764%
Unsecured loans principally from insurance companies due on August 26, 2012	5,000,000	1.43750%	5,000,000	1.43750%
Unsecured loans from a financial institution due on August 26, 2012	1,000,000	1.53625%	1,000,000	1.53625%
Unsecured loans from banks due on August 26, 2012	7,500,000	1.46000%	7,500,000	1.46000%
Unsecured loans from banks due on September 25, 2012	2,000,000	1.61150%	2,000,000	1.61150%
Unsecured loans from banks due on November 4, 2012	10,000,000	1.51175%	—	—
Unsecured loans from banks due on December 27, 2012	5,000,000	1.87200%	5,000,000	1.87200%
Unsecured loans from a bank due on February 26, 2013	1,000,000	1.75250%	1,000,000	1.75250%
Unsecured loans from an insurance company due on February 26, 2013	2,000,000	1.99250%	2,000,000	1.99250%
Unsecured loans from banks due on December 8, 2013	7,500,000	1.68680%	—	—
Unsecured loans from insurance companies due on March 19, 2014	4,000,000	1.98000%	4,000,000	1.98000%
Unsecured loans from an insurance company due on February 26, 2015	3,000,000	1.91875%	3,000,000	1.91875%
Unsecured loans principally from insurance companies due on June 24, 2015	8,000,000	2.31750%	8,000,000	2.31750%
Total	¥102,000,000		¥88,500,000	

8. INVESTMENT CORPORATION BONDS

Investment Corporation Bonds

Details of investment corporation bonds outstanding are summarized as follows:

	As of April 30, 2009		As of October 31, 2008	
	Amount (Thousands of Yen)	Weighted- average interest rate	Amount (Thousands of Yen)	Weighted- average interest rate
First Series of Unsecured Investment Corporation Bonds Due on March 16, 2015	¥ 5,000,000	1.85000%	¥ 5,000,000	1.85000%
Second Series of Unsecured Investment Corporation Bonds Due on March 16, 2020	5,000,000	2.47000%	5,000,000	2.47000%
Third Series of Unsecured Investment Corporation Bonds Due on November 29, 2010	10,000,000	1.19000%	10,000,000	1.19000%
Fourth Series of Unsecured Investment Corporation Bonds Due on November 30, 2015	10,000,000	2.05000%	10,000,000	2.05000%
Fifth Series of Unsecured Investment Corporation Bonds Due on March 19, 2012	5,000,000	1.61000%	5,000,000	1.61000%
Sixth Series of Unsecured Investment Corporation Bonds Due on March 17, 2017	5,000,000	2.21000%	5,000,000	2.21000%
Seventh Series of Unsecured Investment Corporation Bonds Due on March 17, 2028	4,500,000	2.90000%	4,500,000	2.90000%
Total	¥44,500,000		¥44,500,000	

9. UNITHOLDERS' EQUITY

The Company issues only non-par value investment units in accordance with the Investment Trust Law. The entire amount of the issue price of new units is designated as stated capital. The Company is required to maintain net assets of at least ¥50,000 thousand as set forth in the Investment Trust Law.

10. PER UNIT INFORMATION

The net asset values per unit as of April 30, 2009 and October 31, 2008 were ¥625,478 and ¥625,031 respectively. Net income per unit was ¥17,672 and ¥17,563 for the six-month period ended April 30, 2009 and October 31, 2008, respectively.

11. RELATED PARTY TRANSACTIONS

Parent Company, corporate shareholders and other
Not applicable

Directors, individual shareholders and other
Not applicable

Subsidiary companies and other
Not applicable

Fellow subsidiary companies and other
Not applicable

12. INCOME TAXES

The Company, as an investment corporation, is subject to corporate income taxes at a statutory tax rate of approximately 40% for the six-month period ended April 30, 2009 and October 31, 2008. However, the Company may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided such distributions meet the requirements under the Special Taxation Measures Law of Japan. Under this law, an investment corporation must meet a number of tax requirements, including a requirement to distribute in excess of 90% of its distributable income for the fiscal period, in order to deduct such amounts. If the investment corporation does not satisfy all of the requirements, the entire taxable income of the investment corporation will be subject to regular corporate income taxes.

Since the Company distributed approximately 100% of its distributable income in the form of cash distributions totaling ¥5,392,438 thousand and ¥5,255,743 thousand for the six-month period ended April 30, 2009 and October 31, 2008, respectively, such distributions were treated as deductible distributions for purposes of corporate income taxes. The following summarizes the significant differences between the statutory tax rate and the effective tax rates:

	For the period from November 1, 2008 to April 30, 2009	For the period from May 1, 2008 to October 31, 2008
Statutory tax rate	39.33%	39.39%
Deductible cash distributions	(39.32)	(39.38)
Other	0.01	0.01
Effective tax rates	0.02%	0.02%

13. BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES

Real estate rental revenues and expenses for the six-month period ended April 30, 2009 and October 31, 2008 consist of the following:

	Thousands of Yen	
	For the period from November 1, 2008 to April 30, 2009	For the period from May 1, 2008 to October 31, 2008
Real estate rental revenues	¥14,281,598	¥13,925,429
Rental revenues	13,022,991	12,493,338
Rental revenues	10,668,132	10,150,767
Common area charges	2,354,859	2,342,571
Non-rental revenues	1,258,607	1,432,091
Parking revenues	306,928	302,604
Incidental income	880,072	1,056,711
Other miscellaneous revenues	71,607	72,776
Real estate rental expenses	5,917,157	5,790,875
Property management costs	1,105,726	1,069,458
Property management fees	288,967	317,749
Utility expenses	987,226	1,084,225
Property and other taxes	982,905	971,039
Casualty insurance	27,100	26,729
Repairs and maintenance	374,258	320,219
Depreciation	1,862,469	1,793,088
Other rental expenses	288,506	208,368
Profit	¥ 8,364,441	¥ 8,134,554

14. BREAKDOWN OF GAIN AND LOSS ON SALES OF REAL ESTATE

Gain on sales of real estate for the six-month period ended April 30, 2009 and October 31, 2008 consist of the following:

	Thousands of Yen	
	For the period from November 1, 2008 to April 30, 2009	For the period from May 1, 2008 to October 31, 2008
Gain on sales of real estate		
Proceeds from sales of real estate	¥14,000,000	—
Cost of sales of real estate	12,838,587	—
Other related sales expenses	33,364	—
Gain on sales of real estate	¥ 1,128,049	—
Loss on sales of real estate		
Proceeds from sales of real estate	¥ 4,840,000	—
Cost of sales of real estate	5,846,074	—
Other related sales expenses	27,341	—
Loss on sales of real estate	¥ 1,033,415	—

15. LEASES

Finance lease agreements, excluding the ownership of the leased assets is deemed to be transferred to the lessee, are mainly tools, furniture and fixtures in trust. Finance lease transactions excluding the ownership of the leased assets is deemed to be transferred to the lessee are accounted for the straight-line method, depreciated over lease period and will have a salvage value of zero.

The Company, as lessor, has entered into lease agreements whose fixed monthly rents are due in advance with a lease term of generally two years for offices. The future minimum rental revenues under existing non-cancelable operating lease agreements as of April 30, 2009 and October 31, 2008 are summarized as follows:

	Thousands of Yen	
	As of April 30, 2009	As of October 31, 2008
Due within one year	¥ 5,343,440	¥ 4,949,373
Due after one year	31,726,610	32,368,785
Total	¥37,070,051	¥37,318,158

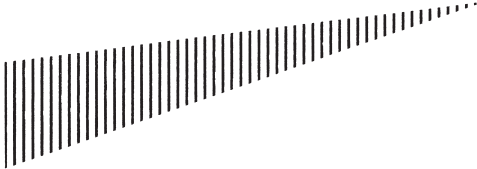
16. DERIVATIVES AND HEDGE ACCOUNTING

The Company has entered into interest-rate swap contracts with several Japanese financial institutions to hedge its variable rate long-term debt obligations. The Company utilizes interest-rate swap contracts, which are derivative financial instruments, only for the purpose of mitigating future risk of fluctuation of interest rates, but does not enter into such transactions for speculative or trading purposes. The Company entered into such derivative transactions to hedge risk in accordance with its Articles of Incorporation and the established risk management policies of NREAM.

Beginning the fiscal period ended October 31, 2007, the Company has applied the “special treatment” set forth in the amended Investment Trust Law (effective beginning on May 1, 2006) and partial Amendment of the Articles of Incorporation.

The following summarizes the notional amounts and the estimated fair value of the interest-rate related positions outstanding as of April 30, 2009 and October 31, 2008:

	Thousands of Yen		
	Notional amount	Estimated fair value	Unrealized loss
As of April 30, 2009			
Interest-rate swaps:			
Received/floating and paid/fixed	¥72,500,000	(¥835,254)	(¥835,254)
As of October 31, 2008			
Interest-rate swaps:			
Received/floating and paid/fixed	¥65,000,000	(¥603,601)	(¥603,601)



ERNST & YOUNG

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Report of Independent Auditors

To the Board of Directors and Unitholders of
Nomura Real Estate Office Fund, Inc.

We have audited the accompanying balance sheets of Nomura Real Estate Office Fund, Inc. as of April 30, 2009 and October 31, 2008, and the related statements of income and retained earnings, changes in net assets and cash flows for the six-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nomura Real Estate Office Fund, Inc. at April 30, 2009 and October 31, 2008, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

July 10, 2009

Ernst & Young ShinNihon LLC

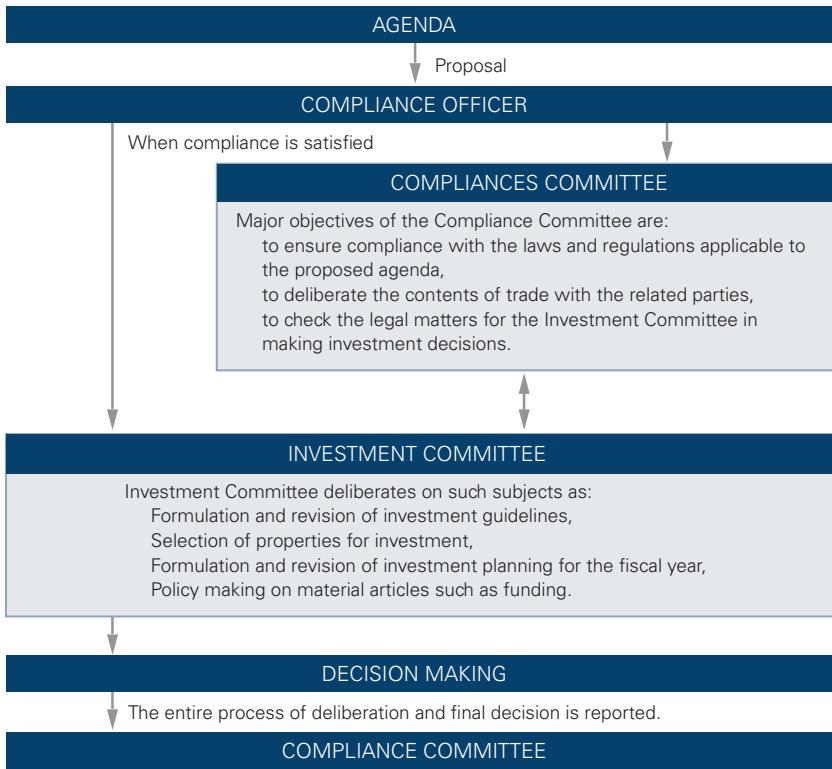
Profile of the Asset Management Company

PROFILE AND HISTORY OF INCORPORATION

Company: Nomura Real Estate Asset Management Co., Ltd.
Capital: ¥300 million (as of April 30, 2009)
Shareholder: Nomura Real Estate Holdings, Inc. (100%)
Incorporation: January 24, 2003

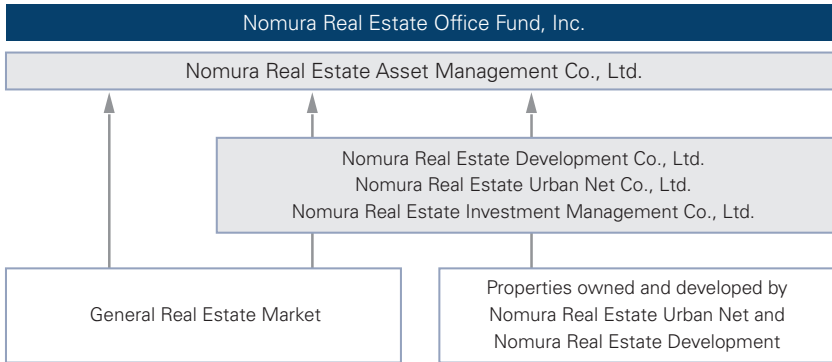
PROCESS OF DECISION-MAKING

We have ensured transparency in the decision-making process by placing agenda through the Compliance Committee, in which two external members with professional experience sit.

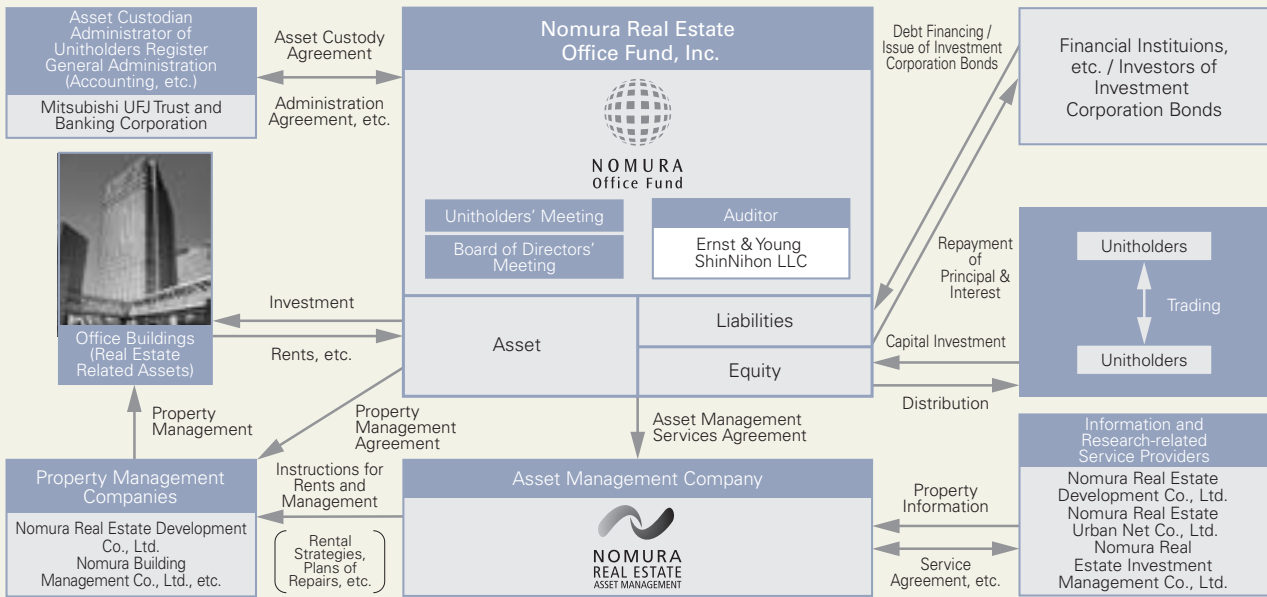


USE OF INFORMATION NETWORK OF NOMURA REAL ESTATE GROUP

In order to maximize opportunity to invest in better properties, we have collected as much information as possible not only from the Asset Management Company but also from other companies of Nomura Real Estate group as listed below.



Business Structure



Corporate Data

Corporate Name Nomura Real Estate Office Fund, Inc.	Transfer Agent Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi Chiyoda-ku, Tokyo 100-8212, Japan
Corporate Office 8-5-1 Nishi Shinjuku Shinjuku-ku, Tokyo 160-0023, Japan http://www.nre-of.co.jp/english/	Business Office of the Transfer Agent Corporate Agency Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashisuna Koto-ku, Tokyo 137-8081, Japan Tel: +81-3-5683-5111
Date of Incorporation August 7, 2003	Independent Auditors Ernst & Young ShinNihon LLC Hibiya Kokusai Bldg. 2-2-3 Uchisaiwai-cho Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing Tokyo Stock Exchange (Securities Code: 8959)	Investor Relations For further information, please contact the Asset Management Company: Nomura Real Estate Asset Management Co., Ltd. 8-5-1 Nishi Shinjuku Shinjuku-ku, Tokyo 160-0023, Japan Tel: +81-3-3365-0507
Fiscal Period Six months ending on April 30 and October 31	
Capital ¥185,455,446,935 (as of April 30, 2009)	
Number of Units Issued 305,123 (as of April 30, 2009)	
Number of Unitholders 12,503 (as of April 30, 2009)	

Disclaimer

This semiannual report includes translations of certain Japanese documents originally filed under the Securities and Exchange Law of Japan. This report was prepared in English solely for the convenience of and reference by readers outside Japan and should not be considered as a disclosure statement. The original Japanese documents always govern the meaning and interpretation.

In general, accounting principles and practices used by real estate investment corporations in Japan ("J-REITs") in preparing its financial statements conform with accounting principles generally accepted in Japan ("Japanese GAAP"). However, they may differ from generally accepted accounting principles applied in certain other countries. Potential investors should consult their own professional advisors for an understanding of the differences between Japanese GAAP and generally accepted accounting principles in the United States ("U.S. GAAP") or other jurisdictions and how those differences might affect the financial information contained herein.

Estimates for Nomura Office Fund's future operating results contained in this semiannual report are forward-looking statements and are based on information currently available to Nomura Office Fund and its asset management company and are subject to risks and uncertainties. Consequently, these projections should not be relied upon as the sole basis for evaluating Nomura Office Fund. Actual results may differ substantially from the projections depending on a number of factors.



NOMURA
Office Fund

NOMURA REAL ESTATE OFFICE FUND, INC.

<http://www.nre-of.co.jp/english/>