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For Immediate Release

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Notice Concerning Property Acquisition

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

1. Summary

- | | |
|------------------------------------|---|
| (1) Type of assets: | Trust beneficial interests (the real estate to be settled in the trust are the compartment units and co-ownership interest in the building site) |
| (2) Property name: | JAL Building |
| (3) Acquiring share: | Approximately 51% (based on the ratio of the areas of compartment units to be acquired to the areas of all compartment units)(as to the details please refer to 3. “Property Summary,” below) |
| (4) Acquisition price: | ¥33,080 million |
| (5) Date of agreement: | December 1, 2004 (date of the agreement on purchase and sale of trust beneficial interest) |
| (6) Scheduled date of acquisition: | March 18, 2005 (scheduled date of delivery of the trust beneficial interest) |
| (7) Seller : | Global Building Co., Ltd. (please refer to 4. “Seller Profile,” below) |
| (8) Broker: | Nomura Real Estate Development Co., Ltd. |
| (9) Financing: | Debt financing |

The assets outlined above (including those belonging to the Other Unit Owner, depending on the context) shall be hereinafter referred to as the “Property.”

2. Grounds

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

(1) Location

Tennozu area, where the Property is located, is situated one kilometer south east of Shinagawa Station JR Line and consists of the Tokyo Waterfront area. It has been developed as a business-zone with multi-complex functions such as office buildings, commercial facilities, hotels and cultural facilities. In recent years, Shinagawa Inter City, Shinagawa Grand Commons and Shinagawa Station Tokaido Line for the bullet train opened for business in sequence in Shinagawa Station East, the neighboring area of the Property. The agglomeration of these office and commercial complexes provides these areas with the benefits of revitalization and increasing convenience, which the Property also enjoys.

Furthermore, the Property is close to the Haneda Airport, which makes the Property attractive to tenants, especially for those engaged in the air transportation-related industries, including the tenant of the Property, as their hub offices.

The Property is located one minute's walk from Tennozu Isle Station, Rinkai Line (through pedestrian decks the Property is directly connected with the station), and three minutes' walk from Tennozu Isle Station Tokyo Monorail Line. The Haneda Airport is 16 minutes by taking the Tokyo Monorail Line. The Property is in a very convenient location.

(2) Building condition

The Property is one of the largest office buildings in Tennozu area with 26 floors above ground and 2 floors below ground, approximately 83,000 sq. meters in total floor area and approximately 2,200 sq. meters in the average floor area, and has the following features:

- * The average floor area is approximately 2,200 sq. meters, 2,700 mm of floor height without pillars, which is hard to find. In addition, the floor design allows flexible use of the floor, such as separation of the floor area in various ways.

- * The Property is equipped with an anti-seismic system (high damping device) which mitigates oscillation of the building when an earthquake occurs, as well as other various facilities to meet the demands of tenants, including a floor-separated air conditioning system, which may set 6 different air-conditioning areas per floor, "false floors" (100 mm height) for office automation and electricity capacity of 50 VA/sq. meter.

(3) Contribution to stability of Fund's portfolio

It is expected that with respect to the Property a long-term (10 years) lease agreement is entered into with Japan Airlines International Co., Ltd. (hereinafter, referred to as "JAL International") as the end-tenant, which, combined with the superiority in location and building conditions, will ensure steady income for a long term (As for the details of lease, please refer to 6. "Lease Summary").

3. Property Summary

Property Name		JAL Building				
Type of Asset		Trust beneficial interest				
Trustee		The Mitsubishi Trust and Banking Corporation Co., Ltd.				
Term of Trustee Agreement		Ten years commencing March 18, 2005 (schedule)				
Location (Note 1)	Registry	5-2 Higashishinagawa 2-chome, Shinagawa-ku Tokyo and other properties				
	Street	4-11 Higashishinagawa 2-chome, Shinagawa-ku Tokyo				
Access		One minute on foot from Tennozu Isle Station, Tokyo Waterfront Area, Rapid Transit Rinkai Line Three minutes on foot from Tennozu Isle Station Tokyo Monorail Line				
Completion Date (Note 1)		June 28, 1996				
Use		Office etc.				
Structure (Note 1)		SRC/RC, B2/26F				
Seismic Risk (PML) (note 2)		6 % (Shimizu Corporation's Engineering Seismic Risk Report concerning the JAL Building dated November 19, 2004)				
Area (Note 1)	Land	11,670.40 sq. meters (Note 3)				
	Building	25,260.48 sq. meters (Note 4)				
Type of Ownership	Land	Co-ownership (Co-ownership ratio: 5,089,619/10,000,000)				
	Building	Compartmentalized ownership				
Building Coverage Ratio (Note 5)		80 %				
Floor-area Ratio (Note 6)		500 %				
Collateral		None				
Property Management Company		Not determined				
Acquisition Price		¥33,080 million				
Appraisal Value and Date		¥30,940 million (based on the capitalization approach, as of November 15, 2004) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Tenant Summary (Estimate as of March 18, 2005) (Note 7)						
Total Number of Tenants		1				
Total Rental Income		- (Note 8)				
Estimated NOI (Note 9)		¥1,549 million				
Occupancy Rate		100 %				
Total Leased Floor Space		25,550.70 sq. meters				
Total Leasable Floor Space		25,550.70 sq. meters				
Occupancy Rates (Note 10)		March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004
		100%	100%	100%	100%	100%

(Notes)

- Location and several other items
Location, Completion Date, Structure and Areas are based on the information in the real estate registry.
- PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within the next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., the average life time of buildings) of a major earthquake occurring.
- Land Area
The land area shows the space of the entire property. The co-ownership share of the property site is 5,089,619/10,000,000.
- Total Floor Area
The total floor area shows the area of compartment unit held by the Fund (through the trustee).
- Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
- Floor-area Ratio
The floor-area ratio otherwise applicable to the Property is 500%, an increased ratio of 652.55% applies to the Property under Articles 59-2 and 86 of the Building Standards Law.
- Tenants
As a new lease agreement will be entered into on the date of acquisition of the Property, the tenant summary shows the tenancy information as of the date of acquisition.
- Total Rental Income
Due to an unavoidable reason, the total rental income of the Property is not disclosed.
- Estimated NOI

NOI means the “net operating income”, that is the gross income from the leasing operation less the total operation costs and expenses.

Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions.

(a) Occupancy rate: 100%

(b) Tax amounts: same as those imposed in the 2004 tax year.

10. Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	Global Building Co., Ltd.
Headquarters	4-11, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo
Representative	Hiroaki Okagawa, Representative Director
Capital	¥6,954 million
Principal Business	1. Lease, purchase and sale, maintenance and brokerage of Real Estate 2. Related Business
Relationship with Nomura Office Fund	None

5. Backgrounds for Acquisition

The determination for the acquisition of the Property is realized through cooperation and coalition with Nomura Real Estate Group Companies as follows:

(1) Provision of information related to the Property

The Fund will acquire the Property based on the information provided by Nomura Real Estate Development Co., Ltd., which received an intention to sell the Property from the seller.

(2) Simultaneous acquisition by the Fund and the Other Unit Owner

The Property matches the Fund’s investment policies in terms of its location, building condition and leasing terms with the tenant, and the Property is expected to contribute to ensuring stable earnings, as stated in 2. “Grounds” above. In consideration for the present composition of its portfolio and other factors, the Fund regarded it appropriate to acquire part of the Property (approximately 51%) rather than to acquire the whole Property and sought for an arrangement that another entity would purchase the rest of the Property simultaneously.

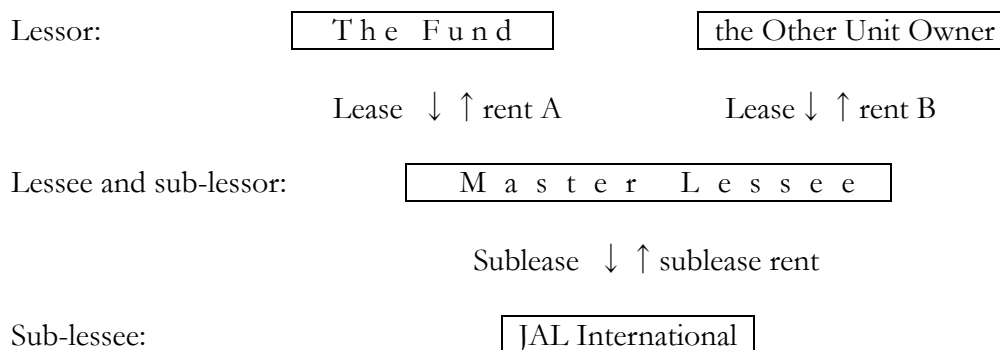
The rest portion of the Property will be purchased by a special purpose company (a special purpose vehicle whose sole business purpose is to hold the remaining portion of the Property), to which one of the Nomura Real Estate Group Companies will provide advisory service with regard to its asset management (hereinafter referred to as the “The Other Unit Owner”). As for the details, please refer to 8. “The Other Unit Owner.”

The Fund will continue to utilize the information network concerning real estate offered for purchase and the platforms of asset management business possessed by Nomura Real Estate Group Companies for the purpose of securing mid- and long-term stable earnings and steady portfolio growth.

6. Lease Summary

The Fund plans to enter into (through the trustee) a lease agreement with a lessee (hereinafter referred to as the “Master Lessee”) for a 10 year period on the date of acquisition, which shall not be terminated for the period. For the same period as the said lease agreement, the Master Lessee will sublease the whole Property belonging to both the Fund and the Other Unit Owner, to JAL International. The sublease agreement will be provided for no expected modification of the rent, and not to allow the termination within the contract period. The sub-lessee will use the Property as its headquarters (please refer to the chart below).

The Master Lessee will pay (through the trustee) to the Fund and the Other Unit Owner the amounts calculated by multiplying each ownership ratio and the sublease rent received from the sub-lessee (the amount of sublease rent will be equal to the sum of rent A and B).



(Note) From a legal point of view, the trustee is the lessor.

With regard to the Master Lessee, please refer to 7. “Transaction with Related Parties,” (2) “Transaction concerning the building lease of the Property”. With regard to the Other Unit Owner, please refer to 8. “The Other Unit Owner.”

7. Transaction with Related Parties

(1) Brokerage of the Property

The broker of the Property, Nomura Real Estate Development Co., Ltd. is a related party under the Investment Trust and Investment Corporation Law (hereinafter, the law is referred to as the “Investment Trust Law” and the related party is referred to as the “Related Party”). As to the accepting of the brokerage service, Nomura Office Fund and its asset management company determined the payment of the following brokerage fee and the other terms and conditions of the transaction, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the asset management company’s bylaws.

Brokerage fee: ¥992.4 million (equivalent to 3 % of the acquisition price, excluding consumption tax)

(2) Transaction concerning the building lease of the Property

The Master Lessee for the Property, Flag Ship Properties Y.K. (a special purpose vehicle whose sole business purpose is to lease the Property), is a 100 % owned subsidiary of Nomura Real Estate Development Co., Ltd., which means it is a Related Party. As to

the lease of the Property, Nomura Office Fund and its asset management company determined the terms and conditions of the lease, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the asset management company's bylaws.

8. The Other Unit Owner

The portions of the Property other than those acquired by the Fund will be purchased by the special purpose vehicle stated in 5. "Backgrounds for Acquisition," (2) "Simultaneous acquisition by the Fund and the Other Unit Owner" above.

The Other Unit Owner is not a Related Party, although Nomura Real Estate Investment Management Co., Ltd., a Related Company, provides advisory services to the Other Unit Owner concerning asset management.

The decision concerning the operation and management of the entire Property will be made by the management association (*kanri-kumiai*) and through conferences, both consisting of the Fund (through the trustee) and the Other Unit Owner (through the trustee). The Fund and the Other Unit Owner will establish the bylaws, including the unit owners' agreement (*kanri-kiyaku*), concerning the management of the Property after each acquisition. The bylaws will stipulate the right of first negotiation of each party in case of the assignment of the whole or a part of the compartment units of the other party, in addition to the expense allocation concerning repairs and management.

9. Schedule for Acquisition

December 1, 2004	Execution of the agreement on purchase and sale of the trust beneficial interests
March 18, 2005 (schedule)	Closing of the transaction and delivery of the trust beneficial interests

10. Forecasts of Financial Results for the Fiscal Period Ending April 30, 2005

The Fund plans to announce the forecast of financial results for the fiscal year ending April 30, 2005 (November 1, 2004 to April 30, 2005), incorporating the affect of the acquisition of the Property, upon the announcement of the results for the fiscal period ending October 31, 2004 (scheduled for December 21, 2004).

[Exhibits]

Exhibit 1	Appraisal Summary
Exhibit 2	Portfolio after the Acquisition of the Property
Exhibit 3	Property Photograph
Exhibit 4	Map
Exhibit 5	[Information Omitted]

Appraisal Summary

Property Name	JAL Building
Appraisal Value	¥30,940,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	November 15, 2004

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	60,800,000,000	In calculating, placed priority on the discounted cash flow approach and examined the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	60,900,000,000	Appraised by capitalizing the normalized net income
(1) Gross income	3,464,292,000	
Rental Income: (a)-(b)	3,464,292,000	
(a) Potential gross rental income	3,464,292,000	Assumed based on the expected lease condition
(b) Losses due to vacancies, etc.	0	Assumed to be nil because of the master lease
(2) Total expenses	373,594,882	
Maintenance	8,399,354	Assumed based on the historical performance, etc.
Property management fees	10,000,000	Based on the estimated fees
Taxes	345,127,178	Actual amount imposed in 2004 tax year
Insurance premium	10,068,350	Based on the estimated premium
(3) Net operating income from leasing business (NOI=(1)-(2))	3,090,697,118	
(4) Interest income from deposit	69,285,840	Assumed based on the interest rate of 2.0%
(5) Capital Expenditure Reserve	117,404,000	Assumed based on engineering report from Takenaka Co.
(6) Net Cash Flow (NCF = (3)-(4)-(5))	3,042,578,958	
(7) Capitalization rate	5.0%	Determined based on the location and the characteristics and variance in the net operating income and also considering the cap rates of the buildings located in the vicinity, etc.
Price calculated by the Discounted Cash Flow Approach	60,700,000,000	
Discount rate	4.0%	
Terminal capitalization rate	5.6%	
Cost Approach Price	31,100,000,000	
Ratio of land	47.9%	
Ratio of building	52.1%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located in the waterfront commercial area with the concentration of high-rise office buildings, hotels and commercial facilities. The Property has the upper level of competitiveness in the area with its equipment and quality. In addition, the stableness of 10 year lease with JAL International's headquarter is taken into account.
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Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition
Tokyo central area (Notes 2 and 3)	Shinjuku Nomura Building	38,730	21.0	December 8, 2003
	JAL Building	33,080	17.9	March 18, 2005
	Itopia Nihombashi Building	20,600	11.2	December 5, 2003
	Tennozu Park Side Building	14,800	8.0	February 27, 2004
	Seibu Shinkin Bank Shibuya Building	12,000	6.5	September 28, 2004
	Isuzu Shiba Building	10,000	5.4	May 25, 2004
	Shinagawa NF Building	5,500	3.0	December 8, 2003
	Surugadai Plaza Building	5,150	2.8	February 27, 200
	Kanda Iwamotocho Tosei Building	3,080	1.7	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.2	June 25, 2004
		112,140	78.7	
Vicinity of Tokyo (Note 2)	TT Landic Toyoko Building	7,550	4.1	December 5, 2003
	Technoport Kamata B	6,430	3.5	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.8	December 5, 2003
	Shin-Yokohama Nikko Building	3,600	1.9	December 5, 2003
		20,870	11.3	
Other cities (Note 2)	Utsunomiya NF Building	2,970	1.6	December 5, 2003
	Nomura Real Estate Osaka Building	6,410	3.5	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	2.1	December 5, 2003
	Kobe Kaigan Building	3,280	1.8	December 5, 2003
	Nomura Real Estate Hiroshima Building	1,930	1.0	December 5, 2003
		18,530	10.0	
Total (16 properties)		184,620	100.0	

(Notes)

- Percentages have been rounded to the nearest first decimal place. Accordingly, the total may not equal 100%.
 - Tokyo central area means Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shinagawa Ward and Shibuya Ward. Vicinity of Tokyo means Tokyo excluding the Tokyo central area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture.
 - Other cities mean other local cities located in the area other than the Tokyo central area and the vicinity of Tokyo.
- JAL Building is included in the above table assuming that the Fund has acquired it. The Property is scheduled to be acquired on March 18, 2005.

Photo





Map

