



For Translation Purposes Only

September 30, 2010

**For Immediate Release**

Nomura Real Estate Office Fund, Inc.  
Yuichi Maruko, Executive Director  
(Securities Code: 8959)

Asset management Company:  
Nomura Real Estate Asset Management Co., Ltd.  
Atsushi Ogata,  
President and Chief Executive Officer

Inquiries:  
Hirotaka Furugori,  
General Manager, Office Management Division  
TEL: +81-3-3365-0507

**Notice Concerning the Conclusion of a Revised Agreement Regarding Consigned  
Property Management and Name Change of the Property**

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) announced today that the Fund decided to enter into an agreement concerning amendments, etc. of the Property Management Agreement (the “Agreement”) with Nomura Real Estate Development Co., Ltd., etc. in respect of JAL Building (the “Property”) which is a property of the Fund. Moreover, the Fund also announced that it has decided to change the name of the Property.

**1. Background of the Conclusion of the Agreement**

The Property is currently leased to Flagship Properties YK (the “Current Master Lessee”) and the entire Property, as a whole, is sublet to Japan Airlines International Co., Ltd. (the “Tenant”) by the Current Master Lessee. However, due to the partial vacation of property scheduled to take place on March 31, 2011, the Property is planned to become a multi-tenanted building so as to cause the Property to be leased to multiple tenants as of April 1, 2011.

Therefore, as a result of giving consideration to the amendments of details concerning the operation and management of the building associated with the conversion of the Property into a multi-tenanted building and the actions for promoting prompt and smooth tenant leasing services, the Fund has decided to make amendments and add additional details pertaining to property management services (the “PM services”) that the Fund has entrusted to Nomura Real Estate Development Co., Ltd. (Note) as of October 1, 2010. Moreover, the Fund has decided to establish the master lessee form which make Nomura Real Estate Development Co., Ltd. the master lessee, etc. as of April 1, 2011.

As a result, the Fund will establish a property management system that will make fullest possible use of Nomura Real Estate Development Co., Ltd.’s know-how of building management, tenant information, leasing network, etc., and aims at an early lease-up and mid- to long-term stable management of the Property for the conversion of the Property into a multi-tenanted building.

For matters related to the partial vacation of the Tenant, see “Notice Concerning Amendment to the Lease Agreement between a Major Tenant and its Sub-lessee” released on June 30, 2010.

(Note) Nomura Real Estate Development Co., Ltd. is a 100%-owned subsidiary of Nomura Real Estate Holdings, Inc., which holds 100% ownership of the Fund’s Asset Management Company, and, therefore, is the “Related Party” under the Law Concerning Investment Trust and Investment Companies. The Asset Management Company determined the terms and conditions of the Agreement and such was duly authorized by the Compliance Committee and Investment Committee of the Office Management Division in the Asset Management Company pursuant to the internal regulations.

## **2. Major Changes from the Current Agreement**

### **(1) Amendments to be made as of October 1, 2010**

Addition of details with respect to the operation and management of the building and the leasing management services in preparation of converting the Property into a multi-tenanted building.

- Additional operation details to be entrusted:

The operation and management of the building, including consultations regarding restoration work and preparation of an operation and management plan for the building, etc. in relation to the partial termination of the lease of the Tenant, and leasing management services, such as marketing and sales promotions for attraction of new tenants, the establishment of leasing plans, etc.

### **(2) Amendments to be made as of April 1, 2011**

Addition of the master lease-typed PM services associated with conversion of the Property into a multi-tenanted building and Nomura Real Estate Development Co., Ltd. becoming the Master Lessee.

- Delegation of the right to sublease to Nomura Real Estate Development Co., Ltd.

Leasing management services and tenant relations services (subleasing subject to the acceptance by the Fund)

- Amendments concerning the PM services

Addition of services of management for leasing contracts, management for repair work, etc. and facility manager supervisor, and strengthening of services of the leasing management, etc.

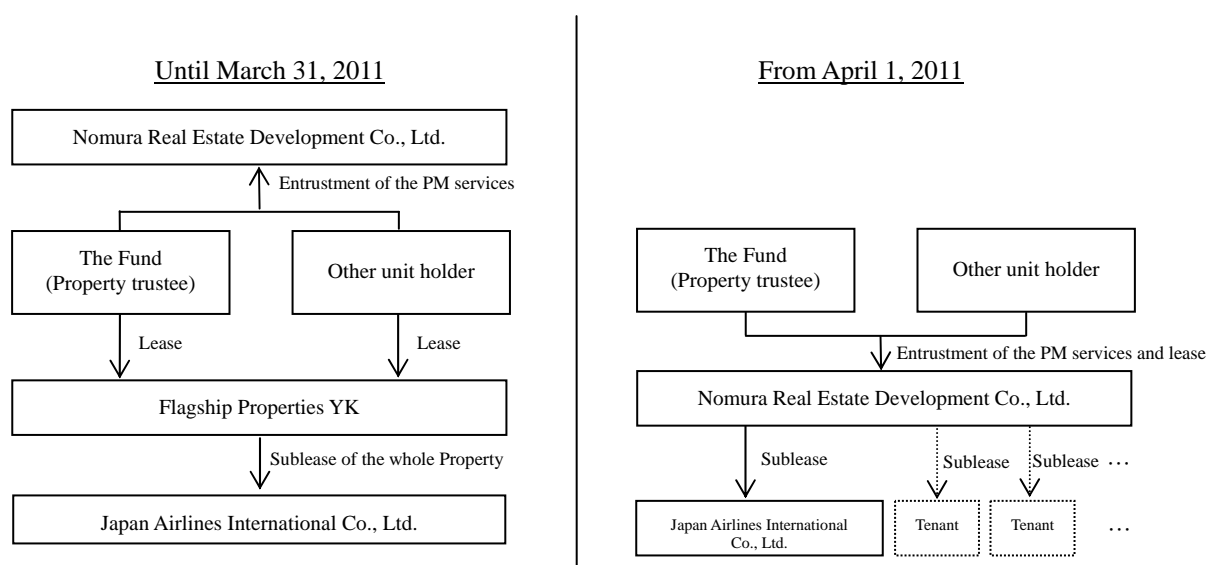
## **3. Structure of the Lease**

The Fund entered into a lease agreement with the Current Master Lessee through the property trustee. The Current Master Lessee leases the compartment units belonging to the other unit owner of the Property (Note 1) from such owner and then subleases the whole Property to the Tenant. As rent to the Current Master Lessee for the lease, the Fund receives, through the property trustee, the amount calculated by multiplying the rent payable by the Tenant to the Current Master Lessee by the ratio (5,089,619/10,000,000) of the Fund’s share in the Property’s common use areas, which areas belong to the Fund through the property trustee (Note 2) (Note 3).

As of April 1, 2011, Nomura Real Estate Development Co., Ltd. will lease the unit belonging to the other unit owner of the Property in addition to the unit owned by the Fund. From that date forward, the entire Property will be leased to Nomura Real Estate Development Co., Ltd. Through the property trustee, the Fund will, from April 1, 2011, and forward, continue to receive the rent in the amount calculated by multiplying the aggregate rent payable from sub-lessees, including the Tenant, to Nomura Real Estate Development Co., Ltd. by the above-mentioned

ratio of the Fund's share in the common use areas.

- (Note 1) The only other unit owner of the Property is the trustee of a trust, the beneficiary of which is a special purpose company that has entrusted Nomura Real Estate Investment Management Co., Ltd., a wholly owned subsidiary of Nomura Real Estate Holdings, Inc., with a discretionary investment service for its assets.
- (Note 2) The Fund and the above special purpose company entered into an agreement concerning the trust beneficial interests in the Property and its site respectively owned by the parties. Such agreement provides that all income and losses arising from the Property and its site shall belong to, or be borne by, the respective beneficiaries according to their co-ownership ratios of the common use areas of the Property.
- (Note 3) This lease is structured as a “pass-through type” master lease, where the aggregate amount of the rent received by the Fund and the other unit holder of the Property from the master lessee is the same amount as the rent received by the said master lessee from the end tenant.



#### 4. Leasing Status

The Property has an advantage in leasing to tenants because of its excellent accessibility to Haneda Airport, which is expected to become increasingly important as a hub airport by its further expansion and internationalization, and because of the Property's high specifications in the Tennozu area. With respect to the floors that will be partially vacated by the Tenant on March 31, 2011, the Fund is already under consultation and negotiation with several prospective tenants as of the date of this press release.

In cooperation with Nomura Real Estate Development Co., Ltd., the Fund intends to engage in promotion activities to attract tenants in order to minimize the impact of the partial vacation by the Tenant.

## 5. Name Change of the Property

Since the Property is scheduled to become a multi-tenanted building on April 1, 2011, it has been decided that the name of the Property will be changed to “NRE Tennozu Building,” with the goals of changing its image and acquiring widespread appeal in the leasing market as a property leased by Nomura Real Estate Development Co., Ltd.

### (1) Change of Property Name

Current Name	New Name
JAL Building	NRE Tennozu Building

### (2) Date of Change

October 1, 2010

## 6. Forecast of Financial Results

This matter has no impact on, and no changes have been made to, the forecast of the Fund’s financial results for the fiscal period ending October 2010 (from May 1, 2010 to October 31, 2010).

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