



For Translation Purposes Only

December 2, 2011

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.
Yoji Kurihara
President and Chief Executive Officer
Inquiries: Kenji Tsuga, Chief Investment Officer, NOF
TEL: +81-3-3365-0507

Notice Concerning Property Acquisition

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) announced today that it has determined the acquisition of real estate, as stated below.

1. Summary of the Asset to be Acquired (the “Property”)

- (1) Type of asset: Real Estate
 - (2) Property name: PMO Akihabara
 - (3) Acquisition price: ¥3,790 million (Note)
 - (4) Date of agreement: December 2, 2011 (date of agreement on purchase and sale of real estate)
 - (5) Scheduled date of acquisition: January 13, 2012 (date of delivery of real estate)
 - (6) Seller: Nomura Real Estate Development Co., Ltd. (“NRED”)
 - (7) Financing: Fund on hand
- (Note) Excluding property taxes, urban planning taxes, consumption taxes and local consumption taxes

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund’s policies as stipulated in its Articles of Incorporation. The Fund values the following factors.

- The Property, located near Akihabara Station which has been gaining a recognition as a business district due to the recent redevelopment, has an excellent access with multiple lines such as Akihabara Station on the JR Yamanote Line, the Sobu Line, the Keihin-Tohoku Line, the Tsukuba Express, and the Tokyo Metro Hibiya Line, and Iwamoto-cho Station on the Toei Shinjuku Line.
- The Property, completed in 2010, is an office building developed by NRED as part of its office building development named “PMO (PREMIUM MIDSIZE OFFICE).” In addition to the features such as a security gate on the ground floor and a video surveillance system which are equivalent to a large scale office buildings,

is has highly competitive characteristics such as a standard floor of approx. 430 square meters, the ceiling height of 2,800mm, the office automation floor of 100mm, and the daylighting from the glass curtain walls, etc. It also has a high quality appearance as it has the distinctive exterior appearance with white exterior walls which blends in with the scenery along the Kanda River.

- These features mentioned above enable the Property to meet the wide range of needs of tenants, especially those who put high priorities on its specifications and securities, as it is a highly competitive office building located near Akihabara Station.

3. Property Summary

PMO Akihabara

Property Name		PMO Akihabara				
Type of Asset		Real Estate				
Location (Note 1)	Registry	3-13-5 Iwamoto-cho, Chiyoda-ku, Tokyo				
	Street	3-11-6 Iwamoto-cho, Chiyoda-ku, Tokyo				
Access		3 minutes walk from Iwamoto-cho Station on the Toei Shinjuku Line 3 minutes walk from Akihabara Station on the Tokyo Metro Hibiya Line 6 minutes walk from Akihabara Station on the Tsukuba Express 7 minutes walk from Akihabara Station on the JR Lines				
Completion Date (Note 1)		January 29, 2010				
Use (Note 1)		Office and parking				
Structure (Note 1)		S, 8F				
Seismic Risk (PML) (Note 2)		12% (Shimizu Corporation’s Engineering Report as of November 9, 2011)				
Architect		Nomura Real Estate Development Co., Ltd., Yendo Associates, Inc.				
Structural Strength Calculator		Nomura Real Estate Development Co., Ltd., Goken Sekkei Jimusho, Inc.				
Constructor		Tokyu Construction Co., Ltd.				
Building Inspection Agency		UHEC				
Area (Note 1)	Land	730.46 m ² (220.96 tsubo)				
	Building	3,896.26 m ² (1,178.62 tsubo)				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Building Coverage Ratio		100% (Note 3)				
Floor Area Ratio		500%				
Collateral		None				
Property Management Company		Nomura Real Estate Development Co., Ltd. (Note 4)				
Notes		NRED, the property management company and the master lease company, is the related party (“Related Party”) according to the Law Concerning Investment Trusts and Investment Corporations (“Investment Trust Law”).				
Acquisition Price		¥3,790 million				
Appraisal Value and Method		¥3,790 million (Based on the capitalization approach as of November 1, 2011) (Appraiser: Japan Real Estate Institute)				
Estimated NOI (Note 5)		¥184 million				
Leasing Status (As of December 2, 2011) (Note 6)						
Total Number of Tenants		5				
Total Rental Income		¥209million				
Security Deposits		¥181million				
Occupancy Rate		100.0%				
Total Leased Floor Space		3,037.37 m ² (918.80 tsubo)				
Total Leasable Floor Space		3,037.37 m ² (918.80 tsubo)				
Occupancy Rates in the Past (Note 7)	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	
	—	—	—	0.0%	85.7%	

(Notes)

1. Location (registry) and Several Other Items
“Location (registry)”, “Completion Date”, “Use”, “Structure” and “Area” are based on the information in the real estate registry.
2. PML (Probable Maximum Loss)
PML shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
3. 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.
4. Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition.
5. 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. It is not a forecast of the fiscal period ending April 30, 2012 or any other specific periods.
(a) Occupancy rate: 96.0%
(b) Tax amounts: same as those imposed in 2011 tax year for the land and estimated amounts for the building
6. Leasing Status
The Fund intends to execute a master lease agreement with NRED at the same time of the acquisition for the purpose of subletting the Property to end tenants. In the form of the agreement, called “pass-through”, NRED, a master lessee would pay the whole rents from end tenants to the Fund according to the agreement. Each term in the above table is based on the following assumption:
Total Number of Tenants: Total number of end tenants as of today
Total Rental Income: The total of rents for end tenants in December 2011 (on the contract basis) x 12
Each amount has been rounded down to the nearest 1 million.
Security Deposits: The total of Security Deposits, Compensation (on the contract basis) for end tenants
Each amount has been rounded down to the nearest 1 million.
Total Leased Floor Space: Total leased area of end tenants as of today
7. Occupancy Rates
Occupancy Rates in the Past are based on the information from the seller.

4. Seller Profile

Company Name	Nomura Real Estate Development Co., Ltd.
Headquarters	1-26-2, Nishishinjuku, Shinjuku-ku, Tokyo
Representative	Hirohisa Suzuki, President
Principal Business	Real Estate Business
Capital	¥2,000 million (as of December 2, 2011)
Date of Incorporation	April 15, 1957
Relationship with the Fund and the Asset Management Company	
Capital relationship	NRED holds 5.01% of the Fund's investment units as of April 30, 2011. NRED is an affiliated company of NREHD, which holds 100% ownership of Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), the Fund's Asset Management Company, and therefore, is the “Related Party” under the Investment Trust Law.
Personnel relationships	The Asset Management Company's employees are dispatched from the said company.
Business relationships	NRED is the property management company and the lessee of the Fund's properties, etc., as of the end of the fiscal period ended April 30, 2011. NREAM concluded “Information Provision Agreement” with NRED.
Status of related parties	The said company is not considered a directly associating party of the Fund. However, as stated above, the said company is a Related Party of the Asset Management Company as it is a fellow subsidiary.

5. Status of Owners

PMO Akihabara

	Current Owner/Trustee of Beneficial Interest	Previous Owner/Trustee of Beneficial Interest
Company Name	Nomura Real Estate Development Co., Ltd.	-
Relationship with Related Parties	Refer to “4. Seller Profile”	-
Acquisition Ground	For development purposes	-
Acquisition Price (Including Other Expenses)	-	-
Time of Acquisition	-	-

6. Transaction with Related Parties

(1) Acquisition of the Property

The acquisition of the Property is considered a transaction with a Related Party under the Investment Trust Law. To this end, the Asset Management Company determined the acquisition and the terms and conditions of the transaction, including the price, 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 and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.

(2) Transaction concerning Master Lease and Property Management Services for the Property

The property management company and the master lease company of the Property, NRED is a Related Party under the Investment Trust Law. Nomura Office Fund and the Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, leasing period, rents, etc., 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 and duly authorized by the Compliance Committee and Investment Committee of the Office Management Division in the Asset Management Company.

7. Brokerage Profile

No Brokerage agency was used for the transaction.

8. Form of Payment, etc.

(1) Form of Payment

At the time of the turnover of the Property, the Fund plans a package payment of the whole acquisition price through fund on hand.

(2) Impact on the Fund’s Financial Status in Case of Failure of the Forward Commitment, etc.

The agreement on purchase and sale of real estate concerning the Property (the “Agreement”) falls into the Forward Commitment, etc., (Note) as set forth in the Comprehensive Guideline for Supervision of Financial Instruments Business Operators set

by the Financial Services Agency (revised in September 2011). Details of the cancellation clauses are as follows:

- 1) In case there are any significant violations concerning the provisions of the Agreement by the seller or the purchaser (the party hereto, the "defaulting party"), the other party can urge the defaulting party to fulfill the obligation fixing a period of time. When the defaulting party does not correct the violations within that time limit, the other party may cancel the Agreement.
- 2) In case of the cancellation of the Agreement, the other party may make a claim for the penalty equivalent to 20% of the sales price to the defaulting party.
- 3) However, the preceding item shall not preclude the claim for damages exceeding the penalty of 20% of the sales price.

(Note) The forward commitment, etc., refers to postdated sale agreements where the conclusion and delivery of the property is scheduled over one month ahead of the contract date, and other similar agreements.

9. Forecasts of Financial Results

Forecasts of financial results of the Fund for the fiscal period ending April 30, 2012 (November 1, 2011 to April 30, 2012) including the acquisition of the Property in the portfolio are scheduled to be announced on December 15, 2011 in the financial statement for the fiscal period ended on October 31, 2011.

【Exhibits】

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

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

Appraisal Summary

Property Name	PMO Akihabara
Appraisal Value	¥3,790,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	November 1, 2011

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	3,790,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	3,840,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	230,998,000	
(a) Gross rental income	241,463,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	10,465,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	50,805,000	
Maintenance	13,047,000	Assumed based on the estimated amount.
Utilities costs	12,000,000	Assumed based on the estimated performance, etc.
Repair costs	1,240,000	Assumed based on the Engineering
Property management fees	5,775,000	Assumed based on the estimated amount.
Advertisement for leasing, etc.	1,886,000	Assumed based on the estimated amount
Taxes	16,450,000	Assumed based on the actual amount imposed in 2011 tax year for the land, the estimated amount for the building.
Insurance premium	267,000	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	140,000	Assumed based on expenses on the neighborhood association
(3) Net operating income from leasing business (NOI=(1)-(2))	180,193,000	
(4) Profit through management of temporary deposits, etc.	3,392,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	3,030,000	Assumed based on the Engineering.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	180,555,000	
(7) Capitalization rate	4.7%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	3,730,000,000	
Discount rate	4.5%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	4.9%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	3,160,000,000	
Ratio of land	60.5%	
Ratio of building	39.5%	

Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (Scheduled) (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
Tokyo Central Area (Note 2)	Shinjuku Nomura Building	38,730	10.3	December 8, 2003
	NRE Tennozu Building	33,080	8.8	March 18, 2005
	NOF Nihonbashi Honcho Building	20,600	5.5	December 5, 2003
	Tennozu Park Side Building	14,800	3.9	February 27, 2004
	NOF Shinjuku Minamiguchi Building	12,300	3.3	June 25, 2008
	NOF Shibuya Koen-dori Building	12,000	3.2	September 28, 2004
	Secom Medical Building	11,500	3.1	September 1, 2006
	NOF Shiba Building	10,000	2.7	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	2.3	November 30, 2005
	NRE Shibuya Dogenzaka Building	7,660	2.0	September 26, 2008
	NOF Tameike Building	7,400	2.0	September 29, 2005
	Iwamoto-cho Toyo Building	6,020	1.6	June 25, 2008
	NOF Shinagawa Konan Building	5,500	1.5	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.4	February 27, 2004
	PMO Nihonbashi Honcho	5,000	1.3	November 5, 2008
	NRE Higashi-nihonbashi Building	4,060	1.1	January 14, 2009
	PMO Akihabara	3,790	1.0	January 13, 2012
	Hatchobori NF Building	3,160	0.8	August 10, 2007
	NOF Kanda Iwamoto-cho Building	3,080	0.8	February 26, 2004
	NOF Takanawa Building	3,010	0.8	February 27, 2009
	PMO Hatchobori	2,430	0.6	November 1, 2011
	NOF Minami Shinjuku Building	2,280	0.6	June 25, 2004
	Central Shintomicho Building	1,750	0.5	June 25, 2008
	PMO Higashi-nihonbashi	1,480	0.4	November 1, 2011
	Total of Tokyo Central Area (24 properties)	223,580	59.6	
Suburban Tokyo (Note 2)	NRE Ueno Building	7,830	2.1	January 14, 2009
	NOF Technoport Kamata Center Building	6,416	1.7	December 5, 2003
	Toho Edogawabashi Building	2,080	0.6	March 28, 2008
	Toshin Meguro Building	1,340	0.4	June 25, 2008
	Crystal Park Building	3,700	1.0	February 28, 2006
	NOF Kichijoji Honcho Building	1,800	0.5	January 14, 2009
	Farlet Tachikawa Center Square	3,290	0.9	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	2.5	June 30, 2005
	NOF Yokohama Nishiguchi Building	5,050	1.3	May 12, 2005
	NOF Shin-Yokohama Building	3,600	1.0	December 5, 2003
	Yokohama Odori Koen Building	2,993	0.8	September 28, 2007
	Total of Suburban Tokyo (11 properties)	47,599	12.7	
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	1.8	June 1, 2006
	NRE Sapporo Building	5,300	1.4	November 5, 2008
	JCB Sapporo Higashi Building	3,700	1.0	February 8, 2008
	NOF Sendai Aoba-dori Building	3,200	0.9	November 30, 2005
	NOF Utsunomiya Building	2,970	0.8	December 5, 2003
	NOF Nagoya Fushimi Building	4,050	1.1	December 25, 2009
	NOF Nagoya Yanagibashi Building	3,550	0.9	September 29, 2005
	Omron Kyoto Center Building	23,700	6.3	March 20, 2007
	SORA Shin-Osaka 21	19,251	5.1	April 25, 2008
	NRE Osaka Building	6,410	1.7	December 5, 2003
	NRE Nishi-Umeda Building	5,660	1.5	September 26, 2008
	NRE Yotsubashi Building	3,940	1.0	December 5, 2003
	NOF Kobe Kaigan Building	3,280	0.9	December 5, 2003
	NRE Hiroshima Building	1,930	0.5	December 5, 2003
	NOF Hakata Ekimae Building	6,750	1.8	June 27, 2008
	NOF Tenjin-Minami Building	3,739	1.0	March 27, 2009
	Total of Other Regional Cities (16 properties)	104,250	27.8	
Subtotal (51 properties)		375,429	100.0	

(Notes)

1. "Percentage to total" refers to the ratio of each asset based on (scheduled) acquisition price to the entire portfolio (including scheduled acquisition). Percentages have been rounded to the nearest first decimal place. Therefore, the total may not equal to 100%.
2. Tokyo Central Area refers to Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shinagawa-ku and Shibuya-ku.
Suburban Tokyo refers to other areas of metropolitan Tokyo and the surrounding three prefectures, which are Kanagawa-ken, Saitama-ken and Chiba-ken.
Other Regional Cities refers to the major regional cities in the areas other than the Tokyo Central Area and the Suburban Tokyo.

Photo of PMO Akihabara



Map of PMO Akihabara

