



For Translation Purposes Only

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**For Immediate Release**

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**Notice Concerning Revision of Forecasts of Financial Results for the Fiscal Period Ending April 30, 2006 and Forecasts of Financial Results for the Fiscal Period Ending October 31, 2006**

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) announced today that it has revised its forecasts of the financial results for the fifth fiscal period (November 1, 2005 to April 30, 2006), which had been released on December 20, 2005. The Fund also announced its forecasts of the financial results for the sixth fiscal period (May 1, 2006 to October 31, 2006). The revised forecasts are summarized as follows.

**1. Revised Forecasts of Financial Results for the Fifth Fiscal Period Ending April 30, 2006**

	Operating Revenues (Millions of Yen)	Current Profits (Millions of Yen)	Net Income (Millions of Yen)	Cash Distributions per Unit (Yen)	Distributions in Excess of Net Income per Unit (Yen)
Previous Forecasts (A)	9,718	3,519	3,518	15,300	—
Revised Forecasts (B)	9,785	3,526	3,525	15,330	—
Amount of Increase/Decrease (B-A)	66	6	6	30	—
Ratio of Increase/Decrease	0.7%	0.2%	0.2%	0.2%	—

Note: This document is a public announcement regarding the forecasts of the financial results for the fiscal periods ending April 30, 2006 and October 31, 2006 and has not been prepared as an inducement or invitation for investment. We caution readers to refer to the Fund’s Offering Circular for the Issue of New Investment Units and Secondary Offering and the Notices of Amendments thereto and to undertake investment decisions at their own examination and responsibility.

### **[Related Information]**

Number of investment units outstanding as of April 30, 2006: 229,970 units (No change from the number in the previous notice)

### **2. Forecasts of Financial Results for the Sixth Fiscal Period Ending October 31, 2006**

	Operating Revenues (Millions of Yen)	Current Profits (Millions of Yen)	Net Income (Millions of Yen)	Cash Distributions per Unit (Yen)	Distributions in Excess of Net Income per Unit (Yen)
Forecasts for the period ending Oct. 2006	10,586	3,762	3,760	14,110	—

### **[Related Information]**

Expected number of investment units outstanding as of October 31, 2006: 266,510 units

### **[Notes]**

1. The actual operating revenues, current profits, net income and cash distributions per unit of the fifth fiscal period ending April 30, 2006 may vary from the forecasts identified above. Nomura Office Fund does not guarantee the cash distribution amount identified above.
2. The forecasts and revised forecasts presented in this document are calculated as of today based on the assumptions as set forth in the Exhibit. The actual operating revenues, current profits, net income and cash distributions per unit of the sixth fiscal period ending October 31, 2006 may vary due to the acquisition and sale of properties, if any, changes in the real estate market and other factors affecting the Fund. Nomura Office Fund does not guarantee the cash distributions amount identified above.
3. Nomura Office Fund may further revise the forecasts if the Fund expects a large variance from the above forecasts.
4. Amounts less than a million yen are rounded off.
5. Percentages are rounded off to one decimal place.

### **3. Reason for Announcements**

At the Board of Directors meeting of Nomura Office Fund held today, it was resolved that the Fund would issue additional investment units for the purpose of further acquisition of specified assets and financing for repayment of debts. Accordingly, the Fund announces the forecasts of financial results for the Fiscal Period ending October 31, 2006 and revises, as of today, the forecasts for the Period ending April 31, 2006 to reflect the change in situation.

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**[Exhibit]****Assumptions for Forecasts of Financial Results for the Sixth Fiscal Period Ending October 31, 2006**

Item	Assumptions
Period	<ul style="list-style-type: none"><li>• Sixth fiscal period: May 1, 2006 through October 31, 2006</li></ul>
Investment Portfolio	<ul style="list-style-type: none"><li>• The Fund assumed that it will acquire the trust beneficial interest concerning Sapporo North Plaza (the “Newly Acquired Property”) on June 1, 2006 in addition to the 28 properties held by it as of today’s date, and that the investment portfolio will remain unchanged thereafter up to the end of the sixth fiscal period (October 31, 2006).</li><li>• In practice, the investment portfolio is subject to potential change.</li></ul>
Operating Revenues	<ul style="list-style-type: none"><li>• The forecast of operating revenues is made by taking into consideration the operating revenues from the Newly Acquired Property, as well as the operating revenues from 28 properties held by the Fund as of today’s date.</li></ul>
Operating Expenses	<ul style="list-style-type: none"><li>• In general, the fixed asset taxes and urban planning taxes imposed on the properties in the tax year including the date of transaction are distributed to the seller and the purchaser on a daily pro-rata basis and settled at the time of acquisition, and such taxes are deemed as the acquisition costs but not included in the expenses. Taxes relating to the 27 properties acquired previous to Jan 1, 2006, of the 29 properties including Newly Acquired Property and properties held by the Fund as of April 30, 2006, are calculated as expenses.</li><li>• As for the repair and maintenance, the Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.) estimated the required amounts for the respective properties for each of the fiscal periods based on the medium- and long-term repair plans. However, it is possible that the actual repair expenses for the fiscal period may differ significantly from the estimates since (i) an unforeseeable event might cause serious damage to a building requiring emergent repair expenditure, (ii) amounts might vary year by year, and (iii) certain types of repair expenses are not required every year.</li><li>• Rental income after deducting the leasing business expenses (including depreciation) is estimated at ¥5,684 million. Depreciation expenses are estimated at ¥1,478 million.</li><li>• The operating expenses other than the leasing business expenses (including asset custody fees and general administration fees) are estimated at ¥955 million.</li></ul>
Non-Operating Expenses	<ul style="list-style-type: none"><li>• The Fund estimates ¥70 million of non-operating expenses for the sixth fiscal period, which is required for the issue of additional investment units resolved at the meeting of Board of Directors held today. Other non-operating expenses including interest payable are estimated at ¥779 million.</li></ul>
Debt Financing	<ul style="list-style-type: none"><li>• The amount of the Fund’s loan debts outstanding as of today’s date is ¥120.0 billion (¥16.0 billion of short-term debts, ¥15.5 billion of long-term debts to be repaid within a year, ¥58.5 billion of long-term debts and ¥30.0 billion of corporate bonds).</li><li>• The Fund assumes that it will repay ¥16.0 billion of the short-term debts and ¥6.0 billion of the long-term debts from the proceeds from the issue of additional investment units subject to the contemplated primary offering, and that, thereafter, there will be no changes in debt amounts and the interest rates up to and including the end of the sixth fiscal period, i.e., October 31, 2006; provided, however, that the Fund may not repay the above amount of debts depending upon the issue price of the investment units to be issued additionally.</li></ul>

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Investment Units	<ul style="list-style-type: none"> <li>The Fund assumes that the number of investment units outstanding would be 266,510 units, which is obtained by adding to the number of units as of today (229,970 units), (i) the number of units to be issued based upon the Board of Directors resolution made today (34,800 units), and (ii) the maximum number of units to be issued by way of the third-party allotment in connection with the secondary offering (over-allotments) (1,740 units).</li> </ul>
Cash Distributions per Unit	<ul style="list-style-type: none"> <li>Cash distributions per unit are calculated according to the Fund's distribution policy outlined in its Articles of Incorporation.</li> <li>Cash distributions per unit may vary due to various factors, including the changes in rent income caused by the tenant replacements and unforeseen repairs.</li> </ul>
Distributions in Excess of Net Income per Unit	<ul style="list-style-type: none"> <li>The Fund does not currently plan any distributions in excess of net income per unit.</li> </ul>
Others	<ul style="list-style-type: none"> <li>The Fund assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and Investment Trusts Association regulations, which affect the above forecasts.</li> <li>The Fund assumes that there will be no material changes in general economic conditions and real estate markets.</li> </ul>

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