



For Translation Purposes Only

August 9, 2007

For Immediate Release

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

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Tatsuo Inoue, President and Chief Executive Officer
Inquiries: Atsushi Ogata, Director
Office Management Division
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 (the “Property”)

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Hatchobori NF Building
- (3) Acquisition price: ¥3,160 million
- (4) Scheduled date of agreement: August 10, 2007 (date of agreement on purchase and sale of the trust beneficial interest)
- (5) Scheduled date of acquisition: August 10, 2007 (date of delivery of the trust beneficial interest)
- (6) Seller: CREO Investment (refer to “4. Seller Profile” below)
- (7) Financing: Private fund and debt financing

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 Hatchobori area is a highly accumulated office area next to Yaesu, Kyobashi and Nihonbashi areas. The Property faces a main street, Shin-Ohashi dori, and it has a convenient access to Hatchobori Station (1 minute walk from the Tokyo Metro Hibiya Line and 3 minutes walk from JR Keio Line). It is considered that advantages of the geographical location make the Property highly competitive in the area.
- As for the building, it has great features that can meet tenants’ needs such as a relatively new building age (completed in 1990), a standard floor area of over 300 square meters, an individual air-conditioning system, a floor weight capacity of 500 kilograms per square meter, etc., in addition to its characteristic exterior of a “curtain wall” design.

3. Property Summary

Property Name		Hatchobori NF Building			
Type of Asset		Trust beneficial interest			
Trustee		The Chuo Mitsui Trust and Banking Company, Limited			
Term of Trust Agreement		From September 1, 2004 to August 9, 2017			
Location (Note 1)	Registry	2-6-2 Hatchobori, Chuo-ku, Tokyo			
	Street	2-21-6 Hatchobori, Chuo-ku, Tokyo			
Access		1 minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line and 3 minutes walk from Hatchobori Station on the JR Line.			
Completion Date (Note 1)		October 16, 1990			
Use (Note 1)		Office, retails, storage, parking and residence			
Structure (Note 1)		SRC, B1/9F			
Seismic Risk (PML) (Note 2)		12% (Shimizu Corporation's Engineering Report as of July 17, 2007)			
Architect		Y. Yamada Architect and Associates			
Structural Strength Calculator		Sumitomo Construction Co., Ltd. (Currently Sumitomo Mitsui Construction Co., Ltd.) (Note 3)			
Constructor		Sumitomo Construction Co., Ltd. (Currently Sumitomo Mitsui Construction Co., Ltd.)			
Building Inspection Agency		Tokyo Metropolitan Government			
Area (Note 1)	Land (Note 4)	(a) 85.11 sq. meters			
		(b) 420.24 sq. meters			
	Building	Area of the entire building: 3,799.40 sq. meters			
		Exclusively owned area of the building: 3,205.86 sq. meters			
Exclusively owned area held by the Fund: 3,036.14 sq. meters					
Type of Ownership	Land	Ownership (Partly co-ownership) (Portion of the ownership: (a) 100%, (b) 39,364 / 42,024)			
	Building	Compartmentalized ownership (Acquisition area: B1, F1 to F8 and part of F9)			
Building Coverage Ratio		100% (Note 5)			
Floor Area Ratio		700%			
Collateral		None			
Property Management Company		Nomura Real Estate Development Co., Ltd. (Note 6)			
Notes		• Nomura Real Estate Development Co., Ltd., a property management company, is a related party ("Related Party") of the Fund's Asset Management Company under the Investment and Trust Law. • According to the Building Management Rules, an unit owner shall first offer the unit to other unit owners when the owner intends to sell its unit.			
Acquisition Price		¥3,160 million			
Appraisal Value and Method		¥3,160 million (Based on the capitalization approach as of June 30, 2007) (Appraiser: Tanizawa Sogo Appraisal Co., Ltd.)			
Estimated NOI (Note 7)		¥144 million			
Leasing Status (As of August 9, 2007)					
Total number of Tenants		8			
Total Rental Income		¥184 million (Note 8)			
Security Deposits		¥132 million (Note 8)			
Occupancy Rate		100.0%			
Total Leased Floor Space		2,854.83 sq. meters (Note 9)			
Total Leasable Floor Space		2,854.83 sq. meters (Note 9)			
Occupancy Rates in the Past (Note 10)	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007
	85.0%	100.0%	63.7%	86.4%	100.0%

(Notes)

1. Location and Several Other Items

Location (registry), Completion Date, Use, Structure and Areas are based on the information in the real estate registry.

2. 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 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. Structural Strength Calculator
Although Sumitomo Construction Co., Ltd. completed a structure strength calculation under the operating agreement with the primary architect, Y. Yamada Architect and Associates, the record of the calculation does not exist. NTT Facilities, Inc. re-calculated the strength at the timing of this acquisition and reported that it is considered that the building was constructed with a proper aseismic capacity in accordance with the Building Standard Law.
4. Area of land and type of ownership
A total of (a) and (b) is the entire land area. The (a) is 100% ownership and (b) is the co-ownership (6 parcels of the land in which a portion of the Fund's co-ownership is 39,364 over 42,024). The building of the Property needs to meet requirements of the law concerning the compartmentalized ownership, etc., but the registry of land has not been completed yet.
5. 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.
6. Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition.
7. 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 October 31, 2007 or any other specific periods.
(a) Occupancy rate: 95.0%
(b) Tax amounts: same as those imposed in 2007 tax year.
8. Total Rental Income and Security Deposits
Total Rental Income is the amount of monthly rental income in August 2007 (a total of rents and common area charges in offices and retails) multiplied by 12 (the amount of less than a million yen is truncated). Security Deposits are the total amount of deposits/compensation etc. (the amount of less than a million yen is truncated) as provided by the lease agreement.
9. Total Leased Floor Space and Total Leasable Floor Space
Total Leased Floor Space and Total Leasable Floor Space are based on the lease agreement.
10. Occupancy Rates
Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	CREO Investment
Head Office	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Yasuo Ushiyama
Capital	¥3 million (as of August 9, 2007)
Principal Shareholder	Nomura Real Estate Development Co., Ltd. (100% Ownership)
Principal Business	1. Acquisition, liquidity and disposition of the trust beneficial interest 2. Purchase, sale, lease and management of real estate 3. Other miscellaneous businesses related above
Relationship with the Fund and /or the Fund's Asset Management Company	The seller is an affiliated company 100% owned by Nomura Real Estate Development, Co., Ltd., and therefore, is the "Related Party" under the Investment Trust Law.

5. Status of Owners

<Traded areas of the Property in the past
(exclusively owned areas and corresponding floor sections) >

- Section A: 2,787.12 square meters (B1, part of F1, F2 to F8)
- Section B: 249.02 square meters (part of F1, part of F9)

	Current Owner/Trustee of the Beneficial Interest	Previous Owner/Trustee of the Beneficial Interest	Prior to Previous Owner/Trustee of the Beneficial Interest
Company Name	A and B: Creo Investment	A: Property Investors International	A: Other than related parties
		B: Other than related parties	-
Relationship with Related Parties	A and B: An affiliated company of a related party, etc. of the Fund's Asset Management Company	A: A SPC which a related party, etc. of the Fund's Asset Management Company is the asset manager and the advisor on the property management.	-
Acquisition Ground	A and B: For investment management purposes	A: For investment management purposes	-
Acquisition Price (Including Other Expenses)	A: - (Note 1) B: - (Note 1)	A: - (Note 1)	-
Time of Acquisition (Note 2)	A: September 2004 B: February 2005	A: November 1997	-

(Notes)

1. Acquisition price is omitted because the owned period is more than one year.
2. Section A of the Property was acquired by Property Investors International in November 1997 and then by Creo Investment in September 2004. As for Section B of the Property, Creo Investment acquired it from a third party, a non-related party, in February 2005.

6. Transaction with Related Parties

(a) 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 Office Management Division in the Asset Management Company.

(b) Appointment of the Property Management

The property management company, Nomura Real Estate Development Co. Ltd., is a Related Party under the Investment Trust Law. Therefore, the Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, 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 during the transaction of the Property.

8. Form of Payment

At the time of the turnover of the Property (scheduled on August 10, 2007), the Fund plans a package payment of the whole acquisition price, through private funds and debt financing.

9. Schedule for Acquisition

August 10, 2007	Execution of the agreement on purchase and sale of the trust beneficial interest
August 10, 2007	Closing of the transaction and delivery of the trust beneficial interest

10. Forecasts of Financial Results

Forecasts of the financial results on the fiscal period ending October 31, 2007 have not been changed due to the slight effect by the acquisition of the Property.

【Exhibits】

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

Appraisal Summary

Property Name	Hatchobori NF Building
Appraisal Value	¥3,160,000,000
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	June 30, 2007

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	3,160,000,000	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	3,270,000,000	
(1) Gross income	218,426,149	
Rental Income: (a)-(b)	154,613,914	
(a) Potential gross rental income	162,751,488	Assumed based on the market rent, etc.
(b) Losses due to vacancies, etc.	8,137,574	Assumed based on the competitiveness of the Property, etc.
Common benefit expenses income (common benefit expenses, utilities costs)	55,292,957	Assumed based on the historical performance, etc.
Interest from security deposits	3,119,278	Assumed interest rate being 2.0% p.a.
Interest from, and depreciation of the key moneys	0	
Other income	5,400,000	Income from parking lots.
(2) Total expenses	46,960,547	
maintenance	13,081,049	Based on the information provided by the client
Utilities cost	15,262,541	Assumed based on the historical performance, etc.
Management fees	4,306,137	Based on the information provided by the client
Taxes	13,899,600	Actual amount imposed in 2007 tax year
Insurance premium	411,220	Based on the information provided by the client
Other expenses	0	Assumed based on the historical performance, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	171,465,602	
(4) Capital Expenditure Reserve	11,760,000	Assumed based on the Engineering Report prepared by the Shimizu Corporation, etc.
(5) Leasing expenses	2,739,650	Assumed replacement of 10.0% of the total tenants every year
(6) Net Cash Flow (NCF = (3)-(4)-(5))	156,965,952	
(7) Capitalization rate	4.8%	Determined based on the cap rates of the buildings located nearby. In addition, the factors of location and the characteristics of the Property, etc. are taken into consideration.
Price calculated by the Discounted Cash Flow Approach	3,110,000,000	
Discount rate	4.8%	Determined based on individual risks of the real estate.
Terminal capitalization rate	5.1%	Determined based on a capitalization rate and also considering prospective unpredictable factors.
Cost Approach Price	2,170,000,000	
Ratio of land	75.1%	
Ratio of building	24.9%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property has many advantages in location, i.e. very close to the Hatchobori Station and the building faces on the major street, Shin-Ohashi dori. The building is above standards in the standard floor space, the ceiling height and the floor weight capacity. These factors are taken into consideration to conclude that the Property has medium to high level of competitiveness among buildings in the surrounding area.
--	--

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 (Notes 2)	Shinjuku Nomura Building	38,730	13.5	December 8, 2003
	JAL Building	33,080	11.6	March 18, 2005
	NOF Nihonbashi Honcho Building	20,600	7.2	December 5, 2003
	Tennozu Park Side Building	14,800	5.2	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	4.2	September 28, 2004
	Secom Medical Building	11,500	4.0	September 1, 2006
	NOF Shiba Building	10,000	3.5	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	3.1	November 30, 2005
	NOF Tameike Building	7,400	2.6	September 29, 2005
	NOF Shinagawa Konan Building	5,500	1.9	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.8	February 27, 2004
	Hatchobori NF Building (Note 3)	3,160	1.1	August 10, 2007
	NOF Kanda Iwamoto-cho Building	3,080	1.1	February 26, 2004
	NOF Minami Shinjuku Building	2,280	0.8	June 25, 2004
	Total of Tokyo Central Area (14 properties)	176,080	61.6	
Suburban Tokyo (Note 2)	NOF Toyo-cho Building	7,550	2.6	December 5, 2003
	NOF Technoport Kamata Center Building	6,430	2.2	December 5, 2003
	Crystal Park Building	3,700	1.3	February 28, 2006
	Farlet Tachikawa Center Square	3,290	1.2	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	3.3	June 30, 2005
	NOF Yokohama Nishiguchi Building	5,050	1.8	May 12, 2005
	NOF Shin-Yokohama Building	3,600	1.3	December 5, 2003
	Total of Suburban Tokyo (7 properties)	39,120	13.7	
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	2.4	June 1, 2006
	NOF Sendai Aoba-dori Building	3,200	1.1	November 30, 2005
	NOF Utsunomiya Building	2,970	1.0	December 5, 2003
	NOF Nagoya Yanagibashi Building	3,550	1.2	September 29, 2005
	Omron Kyoto Center Building	23,700	8.3	March 20, 2007
	NOF Midosuji Building	12,900	4.5	November 30, 2005
	Nomura Osaka Building	6,410	2.2	December 5, 2003
	Nomura Yotsubashi Building	3,940	1.4	December 5, 2003
	NOF Kobe Kaigan Building	3,280	1.1	December 5, 2003
	Hiroshima Tatemachi NOF Building	2,100	0.7	November 30, 2005
	Nomura Hiroshima Building	1,930	0.7	December 5, 2003
	Total of Other Regional Cities (11 properties)	70,800	24.8	
Total (32 properties)		286,000	100.0	

(Notes)

- Percentages have been rounded to the nearest first decimal place. Therefore, the total may not equal to 100%.
- 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.
- “Hatchobori NF Building” is included in the above table assuming that the Fund has acquired it. The purchase and sales agreement concerning the Property is scheduled to be executed and acquired on August 10, 2007.

Photo



Map

