



For Translation Purposes Only

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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 real estate, as briefly explained below.

1. Summary of the Asset (the “Property”)

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Asahi Seimei Yokohama Nishiguchi Building
- (3) Acquisition price: ¥5,050 million
- (4) Date of agreement: April 1, 2005 (date of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: May 12, 2005 (scheduled date of delivery of the trust beneficial interest)
- (6) Seller: CREO Investment Second (please refer to 4. “Seller Profile,” below)
- (7) Financing: Fund collected by issuance of new investment units

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund’s policies as stipulated in its Articles of Incorporation and in order to enhance the property portfolio in the Tokyo suburban area. Especially, the Fund appreciates the following factors.

- (1) Location
Yokohama City where the Property is located has been developed as the hub city in Tokyo suburban area and has the function of trading, logistics, manufacturing of machinery and residential. It has now grown to the size in population of 3 and a half million. In addition to this, in recent years, IT and biotechnology industry has been accumulated.
Western side of Yokohama Station where the Property is located is the one of the most prosperous commercial areas where department stores, hotels and many office buildings

exist.

The Property is 5 minutes walk from Yokohama Station where 6 railways are connected and located in a well-regulated block of land, which enables good visibility of the building. As mentioned above, the Property satisfies not only ordinary business and commercial oriented tenants but also tenants who expect incoming visitors.

(2) Building condition

The building has the specification that satisfies various requests of tenants such as the average floor area of approximately 790 sq. meters, individually controllable air-conditioning system and floor shape, which could be divided into 8 parcels.

3. Property Summary

Property Name		Asahi Seimei Yokohama Nishiguchi Building				
Type of Asset		Trust beneficial interest				
Trustee		Mizuho Trust & Banking Co., Ltd.				
Term of Trust Agreement		October 31, 2014				
Location (Note 1)	Registry	11-3 and 11-35, Kitasaiwai 1 chome, Nishi-ku, Yokohama City, Kanagawa				
	Street	11-11, Kitasaiwai 1 chome, Nishi-ku, Yokohama City, Kanagawa				
Access		5 minutes on foot from Yokohama St., JR Line				
Completion Date (Note 1)		October 31, 1985				
Use		Office, car park				
Structure (Note 1)		SRC, B1/9F				
Seismic Risk (PML) (Note 2)		14% (Shimizu Corporation's Engineering Report dated March 15, 2005)				
Area (Note 1)	Land	1,502.94 sq. meters				
	Building	10,055.13 sq. meters				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Percentage of Interest	Land	100%				
	Building	100%				
Building Coverage Ratio (Note 3)		100%				
Floor-area Ratio (Note 4)		800%, 600%				
Collateral		None				
Property Management Company (Note 5)		Nomura Real Estate Development Co., Ltd. *Nomura Real Estate Development Co., Ltd. is the related company of the Asset Management company under the Investment and Trust Law				
Acquisition Price		¥5,050 million				
Appraisal Value and Method		¥5,050 million (based on the capitalization approach, as of March 15, 2005) (Appraiser: Chuo Real Estate Appraisal Co., Ltd.)				
Tenant Summary (As of April 1, 2005)						
Total number of Tenants		25				
Total Rental Income		¥485,281 thousand (Rents for April 2005 × 12 on the contract basis)				
Estimated NOI (Note 6)		¥357 million				
Occupancy Rate		95.9% (As of April 1, 2005)				
Total Leased Floor Space		6,535.45 sq. meters				
Total Leasable Floor Space		6,817.76sq. meters				
Occupancy Rates in the Past (Note 7)	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005	
	-	97.2%	100%	97.3%	94.5%	

(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 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. Floor-area Ratio
800% for the area within 35 meters from Yokohama Izumicho Line and 600% for the rest
 5. Property Management Company
Nomura Real Estate Development Co., Ltd is scheduled to be appointed.
 6. 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: 95.9% (same as that as of the date of agreement)
(b) Tax amounts: same as those imposed in 2004 tax year.
 7. Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	CREO Investment Second
Head Office	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Yasuo Ushiyama, Representative Director
Capital	¥3 million
Principal Business	Acquisition, liquidity and sale of the trust beneficial interest based on Trust Agreement
Relationship with Nomura Office Fund	The Seller is 100% owned by Nomura Real Estate Development Co., Ltd and is the related company of the Asset Management Company

5. Transaction with Related Parties

(1) Acquisition of the Property

The acquisition of the property is a transaction with a related party. Nomura Office Fund and 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 Property Management Services

The property management company for the Property, Nomura Real Estate Development Co., Ltd. is a related party.

6. Schedule for acquisition

April 1, 2005	Execution of the agreement on purchase and sale of the trust beneficial interest
May 12, 2005 (Scheduled)	Closing of the transaction and delivery of the trust beneficial interest

7. Forecasts of Financial Results for the Fiscal Period Ending October 31, 2005

For forecasts of financial results of the Fund for the fiscal period ending October 31, 2005 (May 1, 2005 to October 31, 2005), incorporating the affect of acquisition of the Property, please refer the press release of today's date "Notice Concerning the Revision of Forecasts of Financial Results for the Fiscal Period ending April 30, 2005 and Forecasts of Financial Results for the Fiscal Period ending October 31, 2005".

【Exhibits】

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

Appraisal Summary

Property Name	Asahi Seimei Yokohama Nishiguchi Building		
Appraisal Value	¥5,050,000,000		
Appraiser	Chuo Real Estate Appraisal Co., LTD.		
Appraisal Date	March 15, 2005		
(yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		5, 050,000,000	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		5,050,000,000	
(1) Gross income		458,742,000	
Rental Income: (a)-(b)		419,329,000	
(a) Potential gross rental income		441,771,000	Assumed based on the rent standard, which is deemed stable for long-medium term.
(b) Losses due to vacancies, etc.		22,442,000	Assumed based on the competitiveness of the Property, etc.
Utilities costs		34,645,000	Assumed based on the historical performance, etc.
Other income		4,768,000	Income from machine charges, etc.
(2) Total expenses		122,833,000	
Maintenance		32,996,000	Assumed based on the historical performance, etc.
Utilities cost		35,413,000	Assumed based on the historical performance, etc.
PM fee		11,856,000	Assumed based on the standard rate
Taxes		38,223,000	Actual amount imposed in 2004 tax year
Insurance premium		1,998,000	Assumed based on the standard premium
Leasing expenses		2,351,000	
Other expenses		46,000	Neighborhood association fee
(3) Net operating income from leasing business (NOI=(1)-(2))		335,859,000	
(4) Interest from security deposit		6,692,000	Assumed interest rate being 2.0 % p.a.
(5) Capital Expenditure Reserve		26,307,000	Assumed based on the Engineering Report prepared by the Shimizu Corporation, etc.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		316,244,000	
(7) Capitalization rate		6.2%	Based on the standard investment cap rate of the market and the location and the characteristics of the Property.
Price calculated by the Discounted Cash Flow Approach		5,052,000,000	
Discount rate		5.9%	Assumed based on the risk premium of the market and the Property
Terminal capitalization rate		6.7%	
Cost Approach Price		3,599,000,000	
Ratio of land		72.2%	
Ratio of building		27.8%	

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	20.4	December 8, 2003
	JAL Building	33,080	17.4	March 18, 2005
	Itopia Nihonbashi Building	20,600	10.9	December 5, 2003
	Tennozu Park Side Building	14,800	7.8	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	6.3	September 28, 2004
	Isuzu Shiba Building	10,000	5.3	May 25, 2004
	Shinagawa NF Building	5,500	4.0	December 8, 2003
	Surugadai Plaza Building	5,150	2.9	February 27, 200
	Kanda Iwamotocho Tosei Building	3,080	1.6	February 26, 2004
	Seiwa Shinjuku building	2,280	1.2	June 25, 2004
		145,220	76.6	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	4.0	December 5, 2003
	Technoport Kamata B	6,430	3.4	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.7	December 5, 2003
	Asahi Seimei Yokohama Nishiguchi Bldg	5,050	2.7	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.9	December 5, 2003
		25,920	13.7	
Other cities (Note 2)	Utsunomiya NF Building	2,970	1.6	December 5, 2003
	Nomura Real Estate Osaka Building	6,410	3.4	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	2.1	December 5, 2003
	Kobe Kaigan Building	3,280	1.7	December 5, 2003
	Nomura Real Estate Hiroshima Building	1,930	1.0	December 5, 2003
		18,530	9.8	
Total (20 properties)		189,670	100.0	

(Notes)

- Percentages have been rounded to the nearest first decimal place. Accordingly, the total may not equal to 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.
- Asahi Seimei Yokohama Nishiguchi Building is included in the above table assuming that the Fund has acquired it. The purchase and sales agreement concerning the Property has been executed on April 1, 2005 and the property is scheduled to be acquired on May 12, 2005.

Photo



Map

