



For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Office Fund, Inc.
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(Securities Code: 8959)

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Notice Concerning Property Acquisition

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) announced today that it has executed the agreement on purchase and sale of real estate, as stated below.

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

- (1) Type of asset: Real estate
- (2) Property name: SORA Shin-Osaka 21
- (3) Acquisition price: ¥19,251 million
- (4) Scheduled date of agreement: March 28, 2008 (date of agreement on purchase and sale of real estate)
- (5) Scheduled date of acquisition: April 25, 2008 (date of delivery of real estate)
- (6) Seller: Land trust trustee The Sumitomo Trust & Banking Co., Ltd. (“the Seller”)(Note)
- (7) Financing: Private fund and debt financing

(Note) As the Seller owns the Property as the Land Trust Trustee with City of Osaka as the trustor, the Fund will acquire the ownership of the land and the building from the Seller.

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 is located in the concentrated office district adjacent to Shin-Osaka Station, one of the largest stations in the city, provides several rail lines: Tokaido and Sanyo Shinkansen, JR Tokaido Line, and Subway Midosuji Line. The Property is also a landmark building with 21 stories above ground, the building area of approximately 38,000 sq. meters, and the standard floor area of approximately 1,000 sq. meters.
- Shin-Osaka area where the Property located has a wide range of tenant needs: tenants who emphasize accessibility to Tokyo, tenants who seek for a property close to Osaka CBD with high standard, or housing construction companies with sales departments targeting at the residential areas like Senri and Esaka.

- The Property, completed in 1994, is structurally-characterized building with five-story atrium, 2,700 mm of ceiling height, the floor-separated air conditioning system, and large scale car-parking of 202 lots, etc., enable the Property to meet tenant needs stably for mid-to-long term.

3. Property Summary

Property Name		SORA Shin-Osaka 21			
Type of Asset		Real estate			
Location (Note 1)	Registry	2-1-17 Nishi-Miyahara, Yodogawa-ku, Osaka City			
	Street	2-1-3 Nishi-Miyahara, Yodogawa-ku, Osaka City			
Access		6 minutes walk from Shin-Osaka Station on the JR Line (Tokaido and Sanyo Shinkansen and Tokaido Line), Subway Midosuji Line.			
Completion Date (Note 1)		July 26, 1994			
Use (Note 1)		Office, retails, parking, gymnasium, and theater			
Structure (Note 1)		SRC, B2/21F			
Seismic Risk (PML) (Note 2)		9% (Shimizu Corporation's Engineering Report as of March 5, 2008)			
Architect		Showa Sekkei Ltd.			
Structural Strength Calculator		Showa Sekkei Ltd.			
Constructor		Fujita Corporation, The Zenitaka Corporation, and Haseko Corporation			
Building Inspection Agency		City of Osaka			
Area (Note 1)	Land	4,864 sq. meters			
	Building	38,252.92 sq. meters			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		100%(Note 3)			
Floor Area Ratio		671.3% (Note 4)			
Collateral		None			
Property Management Company		XYMAX AXIS Corporation (Note 5)			
Acquisition Price		¥19,251 million			
Appraisal Value and Method		¥18,600 million (Based on the capitalization approach as of March 1, 2008) (Appraiser: HIRO & REAS network, Inc.)			
Estimated NOI (Note 6)		¥812 million			
Leasing Status (As of March 28, 2008)					
Total number of Tenants		20			
Total Rental Income		¥1,036 million (Note 7)			
Security Deposits		¥726 million (Note 7)			
Occupancy Rate		93.8%			
Total Leased Floor Space		20,312.19 sq. meters			
Total Leasable Floor Space		21,653.31 sq. meters			
Occupancy Rates in the Past (Note 8)	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007
	99.2%	89.9%	94.3%	94.7%	94.4%

(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. 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
As the floor area ratio of the Property is normally 600%, it is increased to 671.3% in accordance with Article 59-2 and 86 of the Building Standard Law.
5. Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition.
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. It is not a forecast of the fiscal period ending April 30, 2008 or any other specific periods.
(a) Occupancy rate: 96.0%
(b) Tax amounts: same as those imposed in 2007 tax year.
7. Total Rental Income and Security Deposits
Total Rental Income: Rents for March 2008 on the contract basis *12
(including office rent, retail rent, and common area charges)
Security Deposits: Security Deposits + Compensation(on the contract basis)
Each amount has been rounded down to the nearest 1 million.
8. Occupancy Rates
Occupancy rates in the past are based on the information provided by the Seller.

4. Seller Profile

Company Name	The Sumitomo Trust & Banking Co., Ltd.
Head Office	4-5-33 Kitahama, Chuo-ku, Osaka City
Representative	Hitoshi Tsunekage
Capital	¥287.5 billion
Principal Shareholder	Japan Trustee Services Bank, Ltd. (trust account)
Principal Business	<ul style="list-style-type: none"> • the acceptance of deposits or installment savings, fund loan, bill discount, exchange trade, etc. • fiduciary services
Relationship with the Fund and /or the Fund's Asset Management Company	None

5. Transaction with Related Parties

None

6. Brokerage Profile

No Brokerage agent was used on the transaction of the Property.

7. Form of Payment

At the time of the turnover of the Property (scheduled on April 25, 2008), the Fund plans a package payment of the whole acquisition price, through private fund and debt financing.

8. Schedule for Acquisition

March 28, 2008	Execution of the agreement on purchase and sale of the real estate
April 25, 2008	Closing of the transaction and delivery of the real estate

9. Forecasts of Financial Results

Forecasts of the financial results on the fiscal period ending April 30, 2008 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	SORA Shin-Osaka 21
Appraisal Value	¥18,600,000,000
Appraiser	HIRO & REAS network, Inc.
Appraisal Date	March 1, 2008

(yen)		
Item	Amount or percentage	Grounds
Capitalization approach price	18,600,000,000	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	18,600,000,000	Calculated by DCF method using net cash flow for the 1 st to 11 th year
(1) Operating income (a)-(b)	1,333,141,035	
(a) Gross rental income	1,372,262,409	Assumed based on both the historical performance and market rent
(b) Losses due to vacancies, etc.	39,121,374	Assumed based on both current occupancy rates and market vacancy rates
(2) Operating expenses	458,150,834	
Maintenance	128,412,545	Assumed based on the estimated amount
Utilities costs	148,384,000	Assumed based on the historical performance
Repair costs	37,945,417	Assumed based on the Engineering Report made by Shimizu Corporation
Property management fees	16,346,538	Assumed based on the estimated amount
Advertisement for leasing, etc.	5,898,021	Assumed based on general level of prices
Radio Wave Interference Measures cost	5,321,959	Assumed based on the estimated amount
Taxes	111,680,834	Actual amount imposed in 2007 tax year
Insurance premium	4,161,520	Assumed based on the estimated amount.
(3) Net operating income from leasing business (NOI=(1)-(2))	874,990,201	
(4) Profit through management of temporary deposits, etc.	8,137,857	Assumed based on deposit interest rates, etc.
(5) Capital Expenditure Reserve	83,602,667	Assumed based on the Engineering Report made by Shimizu Corporation
(6) Net Cash Flow (NCF = (3)+(4)-(5))	799,525,391	
(7) Capitalization rate	4.3%	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	18,600,000,000	
Discount rate	4.3%	
Terminal capitalization rate	4.5%	
Cost Approach Price	14,800,000,000	
Ratio of land	64.8%	
Ratio of building	35.2%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	<p>The Property is located in the commercial district with many high-rise office buildings attached with retail stores alongside the primary route within walking distance to Shin-Osaka station which has several lines including Shinkansen. The Property is the landmark building with 21 stories above ground, the building area of approximately 38,000 sq. meters, and the standard floor area of approximately 1,000 sq. meters. Shin-Osaka where the Property is located has various advantages for those tenants who seek for a) convenient accessibility to Tokyo, b) high-spec building within close distance from Osaka CBD and c) companies with sales divisions targeting large population in adjacent residential towns. The building meets these demands tenants with its high quality building specifications such as building completed in 1994, ceiling height of 2,700mm, individually controllable air conditioning, large parking space of 202 lots, etc. The land has superb use efficiency and is high-potential as store or office location because of its shape. Thus, it could be concluded that the Property enjoys stable lease demand in the region with deserved competitiveness. These factors are taken into consideration.</p>
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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	12.2	December 8, 2003
	JAL Building	33,080	10.4	March 18, 2005
	NOF Nihonbashi Honcho Building	20,600	6.5	December 5, 2003
	Tennozu Park Side Building	14,800	4.7	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	3.8	September 28, 2004
	Secom Medical Building	11,500	3.6	September 1, 2006
	NOF Shiba Building	10,000	3.2	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	2.8	November 30, 2005
	NOF Tameike Building	7,400	2.3	September 29, 2005
	NOF Shinagawa Konan Building	5,500	1.7	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.6	February 27, 2004
	Hatchobori NF Building	3,160	1.0	August 10, 2007
	NOF Kanda Iwamoto-cho Building	3,080	1.0	February 26, 2004
	NOF Minami Shinjuku Building	2,280	0.7	June 25, 2004
	Total of Tokyo Central Area (14 properties)	176,080	55.5	
Suburban Tokyo (Note 2)	NOF Toyo-cho Building	7,550	2.4	December 5, 2003
	NOF Technoport Kamata Center Building	6,416	2.0	December 5, 2003
	Toho Edogawabashi Building	2,080	0.7	March 28, 2008
	Crystal Park Building	3,700	1.2	February 28, 2006
	Farlet Tachikawa Center Square	3,290	1.0	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	3.0	June 30, 2005
	NOF Yokohama Nishiguchi Building	5,050	1.6	May 12, 2005
	NOF Shin-Yokohama Building	3,600	1.1	December 5, 2003
	Yokohama Odori Koen Building	2,993	0.9	September 28, 2007
	Total of Suburban Tokyo (9 properties)	44,179	13.9	
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	2.1	June 1, 2006
	JCB Sapporo Higashi Building	3,700	1.2	February 8, 2008
	Kita-Sanjo Building	3,430	1.1	September 28, 2007
	NOF Sendai Aoba-dori Building	3,200	1.0	November 30, 2005
	NOF Utsunomiya Building	2,970	0.9	December 5, 2003
	NOF Nagoya Yanagibashi Building	3,550	1.1	September 29, 2005
	Omron Kyoto Center Building	23,700	7.5	March 20, 2007
	SORA Shin-Osaka 21 (Note 3)	19,251	6.1	April 25, 2008
	NOF Midosuji Building	12,900	4.1	November 30, 2005
	Nomura Osaka Building	6,410	2.0	December 5, 2003
	Nomura Yotsubashi Building	3,940	1.2	December 5, 2003
	NOF Kobe Kaigan Building	3,280	1.0	December 5, 2003
	Hiroshima Tatemachi NOF Building	2,100	0.7	November 30, 2005
	Nomura Hiroshima Building	1,930	0.6	December 5, 2003
	Total of Other Regional Cities (14 properties)	97,181	30.6	
Total (37 properties)		317,440	100.0	

(Notes)

1. 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.
3. “SORA Shin-Osaka 21” 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 March 28, 2008 and scheduled to be acquired on April 25, 2008.

Photo



Map

