



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”) 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: Kojimachi Millennium Garden
The Property is comprised of Kojimachi Millennium Garden Office Tower (Office section) and Kojimachi Millennium Garden Court (Residence section).
 - (3) Acquisition price: ¥26,500 million (Note)
 - (4) Date of agreement: March 25, 2014 (date of agreement on purchase and sale of real estate)
 - (5) Scheduled date of acquisition: March 28, 2014 (date of delivery of real estate)
 - (6) Seller: Mori Trust Co., Ltd.
 - (7) Financing: Debt financing
- (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 boasts excellent transportation convenience to Tokyo’s major business and commercial areas as it is located within a three-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line, a five-minute walk from Yotsuya Station on the JR Chuo Line, Sobu Line, Tokyo Metro Marunouchi Line and Namboku Line.
- Kojimachi area where the Property stands meets the needs of foreign companies who favor a quiet and relaxed atmosphere for offices. In addition, since the area is adjacent to Kasumigaseki and Nagatacho where government offices concentrate, there is a strong demand for offices from extra-government organizations, law firms and accounting firms as well, thus continuous tenants demand can be expected. Furthermore, the backland is one of the leading prime residential areas in Tokyo, adding stable demand as

a residential area with both a quiet living environment and convenience.

- The office section has 21 stories above ground and is regarded as a landmark in the area featuring a massive appearance with granite exterior walls. It also has a spacious atrium in the entrance hall and approximately 286 tsubo standard floor plates for leasing spaces that are regular-shaped with no columns enabling flexible layouts and efficient use.
- The residential section is a quality product with consideration given to the area characteristics and needs of tenants such as having a spacious Japanese garden on its premise and a marble entrance hall, and offering residential units with one- to three-bedrooms.

(Note) The sections to be acquired include residential section. However, since the main use of the property is office, the Fund has decided to acquire the property in accordance with the Fund's policies as stipulated in the Articles of Incorporation.

3. Property Summary

Property Name		Kojimachi Millennium Garden
Type of Asset		Real Estate
Location (Note 1)	Registry	4-4-30 Kojimachi, Chiyoda-ku, Tokyo
	Street	4-4-30 Kojimachi, Chiyoda-ku, Tokyo (Note 2)
Access		3 minutes walk from Kojimachi Station on the Tokyo Metro Yurakuchō Line 5 minutes walk from Yotsuya Station on the JR Line and both Tokyo Metro Marunouchi and Namboku Lines.
Completion Date (Note 1)		May 29, 2000
Use (Note 1)		Office and residence
Structure (Note 1)		S/RC/SRC, B4/21F
Seismic Risk (PML) (Note 3)		6% (Shimizu Corporation's Engineering Report as of March 6, 2014)
Architect		Kajima Corporation
Structural Strength Calculator		Kajima Corporation
Constructor		Kajima Corporation, and 5 others
Building Inspection Agency		Tokyo Metropolitan
Area (Note 1)	Land	(a)5,882.54m ² (b)95.83m ² (c)387.43m ² (Note 4)
	Building	Area of the entire building 55,353.00 m ² (16,744.28 tsubo)
		Exclusively owned area held by the Fund 16,050.53 m ² (4,855.28 tsubo)
Type of Ownership	Land	Co-Ownership ((a) and (b)) (Note 4)
	Building	Compartmentalized ownership(Office section)(Acquisition : whole area of 2-8F, 11-16F) Compartmentalized ownership(Residence section)(Acquisition : whole area of 2-7F, 11F, 13F, 17F, and part of 15F)
Building Coverage Ratio		100% • 70% (Note 5)
Floor Area Ratio		800% • 400% (Note 6)
Collateral		None
Property Management Company (Note 7)		Nomura Building Management Co., Ltd. ("NMB")(Office section) Nomura Living Support Co., Ltd. ("NLS")(Residence section)
Notes		<ul style="list-style-type: none"> • NBM and NLS, the property management company is the related party ("Related Party") according to the Law Concerning Investment Trusts and Investment Corporations ("Investment Trust Law"). • The management rules of the Property include regulations on transfer such as confirming other compartmental owners' wish for acquisition in case one of compartmental owners intends to transfer part of/whole exclusive ownership interest that the owner owns.
Acquisition Price		¥26,500 million
Appraisal Value and Method		¥26,700 million (Based on the capitalization approach as of January 31, 2014) (Appraiser: Japan Real Estate Institute)
Appraisal NOI (Note 8)		¥1,171 million
Leasing Status (As of March 25, 2014) (Note 9)		
Total Number of Tenants		2 (Office section : 1, Residence section: 1)

Total Rental Income	- (Office section: -, Residence section : ¥183 million)				
Security Deposits	- (Office section : -, Residence section : ¥ 39 million)				
Occupancy Rate	96.4% (Office section : 100.0%, Residence section : 87.3%)				
Total Leased Floor Space	15,787.90m ² (Office section : 11,678.05 m ² , Residence section : 4,109.85 m ²)				
Total Leasable Floor Space	16,384.19m ² (Office section : 11,678.05 m ² , Residence section : 4,706.14 m ²)				
Occupancy Rates in the Past (Note 7)	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
Total	-	-	89.7%	91.6%	96.9%
Office section	-	-	100.0%	100.0%	100.0%
Residence section	-	-	64.2%	70.8%	89.3%

(Notes)

- Location (registry) and Several Other Items
“Location (registry)”, “Completion Date”, “Use”, “Structure” and “Area” are based on the information in the real estate registry.
- The “Location (street)” of the Property has not been allocated
- 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 (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
- Land area and type of ownership
The total land area of the building is 6,269.97 m² which is the total of (a) and (c) (This includes the area of 31.61 m² which is considered as road as stipulated in Paragraph 2 of Article 42 of the Building Standard Law). (b) is a private road (which is considered as road as stipulated in Paragraph 2 of Article 42 of the Building Standard Law) not included in the total land area.
Out of these, the Fund will acquire (a) and (b) only. (a) is the land area which is co-owned with other compartmental owners of the Property building (The Fund’s co-ownership ratio to be acquired is two-thirds), (b) is the land area of part of/all other compartmental owners of the Property building (The Fund’s co-ownership ratio to be acquired is one-sixth), (c) is the land area which is owned by other compartmental owners of the Property building (Not subject to the Fund’s acquisition). Although the building of the Property meets requirement of the law concerning the compartmentalized ownership, etc. the right of site registry is not completed.
- Building Coverage Ratio
In principle, the building coverage ratio for the part of the Property which belongs to the area which is within 30m from the south-side front road (Shinjuku-dori Street) boundary or in the commercial area over 30m from the said road is 80%, and for the other area which belongs to a Category 2 residential district is 60%. However, as the building is fire-resistant in a fire zone, increased ratios of 100% and 70% apply respectively. Applied building coverage ratios are applied with the weighted average of such increased ratios based on the spaces of the areas.
- Floor Area Ratio
The floor-area ratio for the area within 30m from the south-side front road (Shinjuku-dori Street) boundary is 800% and for the area over 30m is 400% in principle, and these areas should follow the weighted average of ratios based on the spaces of the areas. However, an increased ratio of 761.45% applies as stipulated in Paragraph 2 of Article 59 of the Building Standard Law.
- Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition. Nomura Building Management Co., Ltd. and Nomura Living Support Co., Ltd. are scheduled to merge as of April 1, 2014 and change the name to Nomura Real Estate Partners Co., Ltd.
- Appraisal NOI
This is the annual NOI (operating revenue – operating expenses) indicated in the real estate appraisal report on the value of January 31, 2014.
- Leasing Status
Total Number of Tenants: Total number of end tenants as of today (Office section)
Total Number of Tenants: Total number of master lease tenants as of today (Residence section)
Total Rental Income: The total of rents for end tenants in February 2014 (on the contract basis) x 12
Each amount has been rounded down to the nearest 1 million. Rental Income for the entire and office section is not disclosed due to unavoidable circumstances.
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. Security Deposits for the entire and

office section is not disclosed due to unavoidable circumstances
Total Leased Floor Space: Total leased area of end tenants as of today

10. Occupancy Rates

Occupancy Rates in the Past are based on the information from the seller. Occupancy rates before March 31 2010 is not indicated as the information is not provided by the seller.

4. Seller Profile

Company Name	Mori Trust Co., Ltd.
Headquarters	2-3-17, Toranomom, Minato-ku, Tokyo
Representative	Akira Mori, President and CEO
Principal Business	Real estate development, hotel management and investment business
Capital	¥10,000 million (as of March 31, 2013)
Date of Incorporation	June 10, 1970
Relationship with the Fund and the Asset Management Company	
Capital relationship	There is no capital involvement between the said company and the Fund or asset management company. There is also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Personnel relationships	There is no personnel involvement between the said company and the Fund or asset management company. There is also no personnel involvement between related parties of the said company and related parties of the Fund or asset management company.
Business relationships	There is no transaction between the said company and the Fund or asset management company. There is also no transaction between related parties of the said company and related parties of the Fund or asset management company.
Status of Related Parties	The said company is not considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trust Law.

5. Status of Owners

This transaction is not with Seller is specific Related Parties of the Fund and the Asset Management Company.

6. Brokerage Profile

Out of two brokerage companies engaged in the acquisition of the Property, one has not consented to information disclosure. Thus the information on the company is not disclosed. The Fund and the Asset Management Company have no capital, personnel or business relationships to describe with the said undisclosed company as of today, and the said undisclosed company does not fall under being a Related Party of the Fund or Asset Management Company.

Details of the brokerage company that consented to information disclosure are as follows.

Company Name	Nomura Real Estate Development Co., Ltd.
Headquarters	1-26-2, Nishishinjuku, Shinjuku-ku, Tokyo
Representative	Kamezo Nakai, President
Principal Business	Real Estate Business
Capital	¥2,000 million (as of April 1, 2013)
Date of Incorporation	April 15, 1957
Relationship with the Fund and the Asset Management Company	
Capital relationship	NRED holds 4.10% of the Fund's investment units as of October 31, 2013. 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. 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.
Commission	¥295,060 thousand

7. Transaction with Related Parties

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

The scheduled property management company of the office section of the Property, Nomura Building Management Co., Ltd, and the scheduled property management company and the scheduled master lease company of the residential section of the Property, Nomura Living Support Co., Ltd., are Related Parties 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.

(2) Transactions concerning acquisition of the Property

Nomura Real Estate Development Co., Ltd., one of the brokerage companies of the Property, is a Related Party under the Investment Trust Law as stated above. To this end, Nomura Office Fund and the Asset Management Company determined the entrustment of the brokerage and the terms and conditions including fee payment concerning the acquisition of the Property, 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.

8. Form of Payment, etc.

At the time of the turnover of the Property, the Fund plans a package payment of the whole acquisition price with the borrowed fund.

9. Forecasts of Financial Results

As the impact of the acquisition of the Property on the financial results for the fiscal period ending April 30, 2014 (from November 1, 2013 to April 30, 2014) is minimal, there is no change to the forecasts of the financial results. Forecasts of financial results of the Fund for the fiscal period ending October 31, 2014 (from May 1, 2014 to October 31, 2014) including the acquisition of the Property are scheduled to be announced in early May 2014 after reviewing the financial results of the entire portfolio.

【Exhibits】

Exhibit 1	Appraisal Summary
Exhibit 2	Portfolio after Acquisition of the Property
Exhibit 3	Photos of the Property
Exhibit 4	Maps of the Property

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

Appraisal Summary

Property Name	Kojimachi Millennium Garden
Appraisal Value	¥26,700,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	January 31, 2014

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	26,700,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	27,000,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	1,502,944,000	
(a) Gross rental income	1,521,141,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	18,197,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	331,113,000	
Maintenance	113,000,000	Assumed based on the estimated amount.
Utilities costs	16,000,000	Assumed based on the estimated performance, etc.
Repair costs	32,575,000	Assumed based on the Engineering As for the residential section, recovery costs to the original status associated with tenant replacement are recorded.
Property management fees	10,108,000	Assumed based on the estimated amount.
Advertisement for leasing, etc.	6,969,000	Assumed based on the estimated amount
Taxes	148,970,000	Assumed based on the actual amount imposed in 2013 tax year for the land, the estimated amount for the building.
Insurance premium	3,463,000	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	28,000	Assumed based on expenses on the neighborhood association
(3) Net operating income from leasing business (NOI=(1)-(2))	1,171,831,000	
(4) Profit through management of temporary deposits, etc.	36,427,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	74,570,000	Assumed based on the Engineering.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	1,133,688,000	
(7) Capitalization rate	4.2%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	26,300,000,000	
Discount rate	3.9%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	4.4%	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	26,300,000,000	
Ratio of land	73.8%	
Ratio of building	26.2%	

Exhibit 2
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	9.5	December 8, 2003
	NRE Tennozu Building	33,080	8.1	March 18, 2005
	Kojimachi Millennium Garden	26,500	6.5	March 28, 2014
	NOF Nihonbashi Honcho Building	20,600	5.0	December 5, 2003
	Tennozu Park Side Building	14,800	3.6	February 27, 2004
	NOF Shinjuku Minamiguchi Building	12,300	3.0	June 25, 2008
	NOF Shibuya Koen-dori Building	12,000	2.9	September 28, 2004
	Secom Medical Building	11,500	2.8	September 1, 2006
	NOF Shiba Building	10,000	2.4	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	2.1	November 30, 2005
	NRE Shibuya Dogenzaka Building	7,660	1.9	September 26, 2008
	NOF Tameike Building	7,400	1.8	September 29, 2005
	Iwamoto-cho Toyo Building	6,020	1.5	June 25, 2008
	NOF Shinagawa Konan Building	5,500	1.3	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.3	February 27, 2004
	PMO Nihonbashi Honcho	5,000	1.2	November 5, 2008
	Otemachi Tatemono Gotanda Building	4,100	1.0	July 5, 2013
	NRE Higashi-nihonbashi Building	4,060	1.0	January 14, 2009
	PMO Akihabara	3,790	0.9	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	0.7	February 27, 2009
	PMO Hatchobori	2,430	0.6	November 1, 2011
	NOF Minami Shinjuku Building	2,280	0.6	June 25, 2004
	PMO Nihonbashi Odenmachi	2,080	0.5	July 5, 2013
	Central Shintomicho Building	1,750	0.4	June 25, 2008
	PMO Higashi-nihonbashi	1,480	0.4	November 1, 2011
	Total of Tokyo Central Area (26 properties)	229,760	62.6	
Suburban Tokyo (Note 2)	NRE Ueno Building	7,830	1.9	January 14, 2009
	NOF Technoport Kamata Center Building	6,416	1.6	December 5, 2003
	NF Hongo Building	4,700	1.1	July 5, 2013
	Toho Edogawabashi Building	2,080	0.5	March 28, 2008
	Toshin Meguro Building	1,340	0.3	June 25, 2008
	Crystal Park Building	3,700	0.9	February 28, 2006
	NOF Kichijoji Honcho Building	1,800	0.4	January 14, 2009
	Farlet Tachikawa Center Square	3,290	0.8	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	2.3	June 30, 2005
	NOF Yokohama Nishiguchi Building	5,050	1.2	May 12, 2005
	NOF Shin-Yokohama Building	3,600	0.9	December 5, 2003
	Yokohama Odori Koen Building	2,993	0.7	September 28, 2007
	Total of Suburban Tokyo (12 properties)	47,599	12.8	
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	1.7	June 1, 2006
	NRE Sapporo Building	5,300	1.3	November 5, 2008
	JCB Sapporo Higashi Building	3,700	0.9	February 8, 2008
	NOF Sendai Aoba-dori Building	3,200	0.8	November 30, 2005
	NOF Utsunomiya Building	2,970	0.7	December 5, 2003
	NOF Nagoya Fushimi Building	4,050	1.0	December 25, 2009
	NOF Nagoya Yanagibashi Building	3,550	0.9	September 29, 2005
	Omron Kyoto Center Building	23,700	5.8	March 20, 2007
	SORA Shin-Osaka 21	19,251	4.7	April 25, 2008
	NRE Osaka Building	6,410	1.6	December 5, 2003
	NRE Nishi-Umeda Building	5,660	1.4	September 26, 2008
	NRE Yotsubashi Building	3,940	1.0	December 5, 2003
	NRE Hiroshima Building	1,930	0.5	December 5, 2003
	NOF Hakata Ekimae Building	6,750	1.6	June 27, 2008
	NOF Tenjin-Minami Building	3,739	0.9	March 27, 2009
	Total of Other Regional Cities (15 properties)	100,970	24.7	
Subtotal (53 properties)		383,029	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 Kojimachi Millennium Garden



