



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 stated below.

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

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Yanagibashi Sanshin Building
- (3) Acquisition price: ¥3,550 million
- (4) Date of agreement: September 29, 2005 (date of execution of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: September 29, 2005 (scheduled date of delivery of the trust beneficial interest)
- (6) Seller: Developer Sanshin Co., Ltd. (please 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. Especially, the Fund appreciates the following factors.

- Meieki district where the Property is located is the best-known business district in Nagoya City. Within the district, extensive office redevelopment projects are underway and further office accumulation by major national companies and their related companies could be expected.
- The Property has superiority in location such as 7 minutes’ walk from Nagoya Station and the site facing a main street called Hirokoji-Dori. It also enjoys high visibility with unique appearance of the glass curtain wall. Based on these features, the Fund considers that the Property would attract not only ordinary office tenant needs but also needs from visitor-oriented office tenants.

3. Property Summary

Property Name		Yanagibashi Sanshin Building				
Type of Asset		Trust beneficial interest				
Trustee		The Chuo Mitsui Trust and Banking Company, Limited				
Term of Trust Agreement		From September 29, 2005 to September 30, 2015				
Location (Note 1)	Registry	1-1617-3 Meieki Minami, Nakamura-ku, Nagoya City, Aichi Prefecture				
	Street	1-16-28 Meieki Minami, Nakamura-ku, Nagoya City, Aichi Prefecture				
Access		7 minutes on foot from Nagoya Station of JR Lines, Higashiyama Subway Line and Sakura-dori Subway Line				
Completion Date (Note 1)		March 18, 1991				
Use		Office				
Structure (Note 1)		F, B2/12F				
Seismic Risk (PML) (Note 2)		14% (Shimizu Corporation's Engineering Report dated August 25, 2005)				
Area (Note 1)	Land	934.20 sq. meters				
	Building	7,363.25 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		800%				
Collateral		None				
Property Management Company (Note 4)		Nomura Building Management Co., Ltd. * Nomura Building Management Co., Ltd. is the related company of the Asset Management Company under the Investment and Trust Law				
Acquisition Price		¥3,550 million				
Appraisal Value and Method		¥3,560 million (based on the capitalization approach, as of September 1, 2005) (Appraiser: HIRO & REAS network, Inc.)				
Estimated NOI (Note 5)		¥185 million				
Leasing Status (Estimation as of September 29, 2005) (Note 6)						
Total number of Tenants		6				
Total Rental Income		¥216 million (Rents for September 2005 × 12 on the contract basis)				
Occupancy Rate		87.1%				
Total Leased Floor Space		4,056.99 sq. meters				
Total Leasable Floor Space		4,655.74 sq. meters				
Occupancy Rates in the Past (Note 7)		March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
		-	-	97.9%	99.1%	100.0%

(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.
- 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.
- Property Management Company
Nomura Building Management Co., Ltd. is scheduled to be appointed.
- 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 estimated 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%
(b) Tax amounts: same as those imposed in 2005 tax year.

6. Leasing Status
Estimated status based on the information acquired by today and as of September 29, 2005.
7. Occupancy rates in the past are based on the information provided by the seller.

4. Seller Profile

Company Name	Developer Sanshin Co., Ltd.
Head Office	3-4-4, Nihonbashi Muromachi, Chuo-ku, Tokyo
Representative	Isamu Ando, President & Representative Director
Capital	¥541 million (As of May 31, 2005)
Principal Business	Real Estate
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

The property management company, Nomura Building Management Co. Ltd., is a Related Party under the Investment Trust Law. Nomura Office Fund and its 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.

6. Schedule for acquisition

September 29, 2005 (Scheduled)	Execution of the agreement on purchase and sale of the trust beneficial interest
September 29, 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

Forecasts of financial results of the Fund for the fiscal period ending October 31, 2005 (May 1, 2005 to October 31, 2005) have not been changed due to the small effect of 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	Yanagibashi Sanshin Building
Appraisal Value	¥3,560,000,000
Appraiser	HIRO & REAS network, Inc.
Appraisal Date	September 1, 2005

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	3,560,000,000	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	3,600,000,000	Calculated by DCF method using net cash flow for the 2nd year (Note: Long-term repair costs are the average of 10 years of estimation)
(1) Gross income	297,473,777	
Rental Income: (a)-(b)	273,198,428	
(a) Potential gross rental income	280,921,224	Assumed based on both the historical performance and market rent.
(b) Losses due to vacancies, etc.	7,722,796	Assumed based on both current and market occupancy rates.
Utilities costs	24,155,349	Assumed based on the historical performance, etc.
Other income	120,000	Income from antennas, etc.
(2) Total expenses	83,699,838	
Maintenance	19,833,900	Assumed based on the estimated amount
Management consignment fees	5,739,687	Assumed based on the estimated amount
Leasing expenses	1,416,635	Based on the assumed ratio of tenant change
Utilities costs	29,918,112	Assumed based on the historical performance, etc.
Insurance premium	836,710	Assumed based on the estimated amount
Taxes	24,754,794	Actual amount imposed in 2005 tax year
Other expenses	1,200,000	Assumed based on minor repair costs, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	213,773,939	
(4) Capital Expenditure Reserve	33,580,900	Assumed based on the Engineering Report
(5) Net Cash Flow (NCF = (3)-(4))	180,193,039	
(6) Capitalization rate	5.0%	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	3,560,000,000	
Discount rate	5.0%	
Terminal capitalization rate	5.3%	
Cost Approach Price	3,100,000,000	
Ratio of land	55.2%	
Ratio of building	44.8%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located in Meieki district, which is the major business and commercial district in Nagoya City. Historically, there have been many retail stores in this area and still is busy area with lots of people. In addition, the number of large-scale redevelopments is in process and it is expected to bring the further economical growth, which enforces steady needs for office buildings and retail stores. Thus, it is expected to maintain good performance in occupancy rates. The appraised price is calculated based on above characteristics.
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Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
Tokyo central area (Notes 2)	Shinjuku Nomura Building	38,730	18.4	December 8, 2003
	JAL Building	33,080	15.7	March 18, 2005
	Itopia Nihonbashi Building	20,600	9.8	December 5, 2003
	Tennozu Park Side Building	14,800	7.0	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	5.7	September 28, 2004
	Isuzu Shiba Building	10,000	4.8	May 25, 2004
	Toshin Tameike Building (Note 3)	7,400	3.5	September 29, 2005
	Shinagawa NF Building	5,500	2.6	December 8, 2003
	Surugadai Plaza Building	5,150	2.5	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.5	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.1	June 25, 2004
		152,620	72.6	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.6	December 5, 2003
	Technoport Kamata B	6,430	3.1	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.6	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building	9,500	4.5	June 30, 2005
	Asahi Seimei Yokohama Nishiguchi Bldg	5,050	2.4	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.7	December 5, 2003
		35,420	16.9	
Other cities (Note 2)	Utsunomiya NF Building	2,970	1.4	December 5, 2003
	Yanagibashi Sanshin Building (Note 3)	3,550	1.7	September 29, 2005
	Nomura Real Estate Osaka Building	6,410	3.1	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	1.9	December 5, 2003
	Kobe Kaigan Building	3,280	1.6	December 5, 2003
	Nomura Real Estate Hiroshima Building	1,930	0.9	December 5, 2003
		22,080	10.5	
Total (23 properties)		210,120	100.0	

(Notes)

- Percentages have been rounded off to one 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.
Toshin Tameike Building and Yanagibashi Sanshin Building are included in the above table assuming that the Fund has acquired them even though the scheduled acquisition is September 29, 2005.

Photo



Map

