



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 started below.

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

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Kawasaki Higashiguchi Sanshin Building
- (3) Acquisition price: ¥9,500 million
- (4) Date of agreement: June 30, 2005 (date of execution of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: June 30, 2005 (scheduled date of delivery of the trust beneficial interest)
- (6) Seller: The 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 and in order to enhance the property portfolio in the Tokyo suburban area. Especially, the Fund appreciates the following factors.

- The Property, located two minutes’ walk from JR Kawasaki Station and built on the site facing the front rotary of the station, is one of few office buildings of prime location in the area. It has an underground passage on the basement level directly connected to the station and it also has independent stairs connecting the second floor and front street. The Property has various facilities, which promote the advantage of its prime location of “station front building” and meets a wide variety of tenants’ needs.

- Kawasaki City, where the Property is located, is a government designated city with population of over 1.3 million, which has a good access to both Tokyo and Yokohama. In addition, JR Kawasaki Station, the largest station in the city, provides three rail lines: Tokaido Line, Keihin Tohoku Line, and Nambu Line. Thus, lots of office buildings and commercial facilities nearby the station exist in this highly concentrated commercial area.
- In recent years, the vicinity of the station is expected to grow and pull in more customers due to the existing concert hall “MUZA Kawasaki Symphony Hall” and development of huge commercial facilities in former Toshiba’s factory site.

### 3. Property Summary

Property Name		Kawasaki Higashiguchi Sanshin Building			
Type of Asset		Trust beneficial interest			
Trustee		The Chuo Mitsui Trust and Banking Company, Limited.			
Term of Trust Agreement		Ten years from June 30, 2005			
Location (Note 1)	Registry	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa			
	Street (Note 2)	3-1 Ekimae Honcho, Kawasaki-ku, Kawasaki City, Kanagawa			
Access		2 minutes on foot from Kawasaki Station, JR Line			
Completion Date (Note 1)		March 31, 1988			
Use		Office, retail			
Structure (Note 1)		S・SRC, B1/12F			
Seismic Risk (PML) (Note 3)		16% (Shimizu Corporation's Engineering Report dated June 21, 2005)			
Area (Note 1)	Land	1,275.70 sq. meters			
	Building (Note 4)	10,869.91 sq. meters			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Percentage of Interest	Land	100%			
	Building	100%			
Building Coverage Ratio (Note 5)		100%			
Floor-area Ratio		800%			
Collateral		None			
Property Management Company (Note 6)		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		¥9,500 million			
Appraisal Value and Method		¥9,570 million (based on the capitalization approach, as of June 15, 2005) (Appraiser: HIRO & REAS network, Inc.)			
Tenant Summary (As of June 29, 2005)					
Total number of Tenants		26			
Total Rental Income		¥558 million (Rents for June 2005 × 12 on the contract basis)			
Estimated NOI (Note 7)		¥525 million			
Occupancy Rate		100.0% (As of June 29, 2005)			
Total Leased Floor Space		8,284.03 sq. meters			
Total Leasable Floor Space		8,284.03 sq. meters			
Occupancy Rates in the Past (Note 8)	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
	-	-	92.6%	83.1%	100.0%

(Notes)

1. Location and several other items  
Location, Completion Date, Structure and Areas are based on the information in the real estate registry.
2. Street Address  
A street address has not been allocated to the property. Accordingly, the address used for mailing is provided.
3. 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.
4. Building Area  
The area is based on the registry of the property. This area is planned to be corrected after registration of additional space for the area of underground path by 52.70 m<sup>2</sup>.
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  
Xymax Corporation continues to manage the Property from the date of acquisition until July 31, 2005.  
Nomura Building Management Co., Ltd is scheduled to be appointed as the property management company on August 1, 2005.
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.  
(a) Occupancy rate: 100% (same as that as of the date of agreement)  
(b) Tax amounts: same as those imposed in 2005 tax year.
8. Occupancy rates in the past are based on the information provided by the seller.

#### 4. Seller Profile

Company Name	The 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 December 1, 2004)
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

June 30, 2005 (Scheduled)	Execution of the agreement on purchase and sale of the trust beneficial interest
June 30, 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	Kawasaki Higashiguchi Sanshin Building
Appraisal Value	¥9,570,000,000
Appraiser	HIRO & REAS network, Inc.
Appraisal Date	June 15, 2005

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	9,570,000,000	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	9,550,000,000	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	661,623,126	
Rental Income: (a)-(b)	583,665,892	
(a) Potential gross rental income	593,668,127	Assumed based on both the historical performance and market rent.
(b) Losses due to vacancies, etc.	10,002,235	Assumed based on both current and market occupancy rates.
Utilities costs	54,990,915	Assumed based on the historical performance, etc.
Other income	22,966,319	Income from advertising displays, etc.
(2) Total expenses	137,256,911	
Maintenance	36,105,204	Assumed based on the estimated amount
Management consignment fees	15,217,332	Assumed based on the estimated amount
Leasing expenses	2,097,084	Based on the assumed ratio of tenant change
Utilities costs	43,623,284	Assumed based on the historical performance, etc.
Insurance premium	1,534,000	Assumed based on the estimated amount
Taxes	36,713,047	Actual amount imposed in 2005 tax year
Other expenses	1,966,960	Assumed based on the road occupation fees and short-term repair costs, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	524,366,215	
(4) Capital Expenditure Reserve	27,855,000	Assumed interest rate being 2.0 % p.a.
(5) Net Cash Flow (NCF = (3)-(4))	496,511,215	Assumed based on the Engineering Report
(6) Capitalization rate	5.2%	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	9,570,000,000	
Discount rate	5.2%	
Terminal capitalization rate	5.5%	
Cost Approach Price	4,220,000,000	
Ratio of land	64.1 %	
Ratio of building	35.9%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located on the east side of JR Kawasaki Station where commercial buildings are highly concentrated. With a good visibility, it is very close to the station and connected directly to shopping arcade on underground level, which offers convenience for people. The Property has the relatively strong competitiveness in the area in terms of building and facility standard. The occupancy rate is currently high and is expected to be more stable in the future with impacts of the area redevelopment, which would increase potential for commercial needs.
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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
Tokyo central area (Notes 2)	Shinjuku Nomura Building	38,730	19.4	December 8, 2003
	JAL Building	33,080	16.6	March 18, 2005
	Itopia Nihonbashi Building	20,600	10.3	December 5, 2003
	Tennozu Park Side Building	14,800	7.4	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	6.0	September 28, 2004
	Isuzu Shiba Building	10,000	5.0	May 25, 2004
	Shinagawa NF Building	5,500	2.8	December 8, 2003
	Surugadai Plaza Building	5,150	2.6	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.5	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.1	June 25, 2004
		145,220	72.9	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.8	December 5, 2003
	Technoport Kamata B	6,430	3.2	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.7	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building (Note 3)	9,500	4.8	June 30, 2005
	Asahi Seimei Yokohama Nishiguchi Bldg	5,050	2.5	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.8	December 5, 2003
		35,420	17.8	
Other cities (Note 2)	Utsunomiya NF Building	2,970	1.5	December 5, 2003
	Nomura Real Estate Osaka Building	6,410	3.2	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	2.0	December 5, 2003
	Kobe Kaigan Building	3,280	1.6	December 5, 2003
	Nomura Real Estate Hiroshima Building	1,930	1.0	December 5, 2003
		18,530	9.3	
Total (21 properties)		199,170	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.
- Kawasaki Higashiguchi Sanshin Building is included in the above table assuming that the Fund has acquired it even though the scheduled acquisition is June 30, 2005.



Photo



Map

