



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 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: Nishi-Shinjuku Showa Building
- (3) Acquisition price: ¥8,800 million
- (4) Date of agreement: November 30, 2005 (date of execution of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: November 30, 2005 (scheduled date of closing of the transaction and delivery of the trust beneficial interest)
- (6) Seller: YK JOFI Nishi-Shinjuku (please refer to 4. “Seller Profile,” below)
- (7) Financing: Private fund, the issuance of the investment corporation bonds 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.

- The Property is located in the area of west of Shinjuku, called Nishi-Shinjuku, one of the largest commercial areas in Tokyo with great convenience and attracting visitors. The Nishi-Shinjuku is the area well known for skyscrapers with a high concentration of a wide range of business enterprises.
- The Property is located 3 minutes on foot from west exit of Shinjuku Station in the concentrated commercial area. It is located at a corner lot which enables high visibility. The facilities and equipments of the Property such as the floor-separated

air conditioning system, interior renovations in common areas, and machines related to sanitation and air controlled system have been updated. It is confirmed by the anti-earthquake test that, structurally, the building has the earthquake-resistance capacity equivalent to the “New Earthquake-resistance Standard”. Therefore, the Property has sufficient conditions to satisfy tenants’ needs for mid- to long-term.

- Based on above characteristics, long-term and stable needs from tenants are expected for office use as business sales hubs and also for retail use as stores that expect visitors, taking advantages of superiority in convenience and location.

3. Property Summary

Property Name		Nishi-Shinjuku Showa Building
Type of Asset		Trust beneficial interest
Trustee		The Chuo Mitsui Trust and Banking Company, Limited
Term of Trust Agreement		From March 15, 2002 to March 31, 2012
Location (Note 1)	Registry	1-13-16-5 Nishi-Shinjuku, Shinjuku-ku, Tokyo
	Street	1-13-12 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Access		3 minutes on foot from Shinjuku Station, JR Lines, Odakyu Line, Keio Line, Tokyo Metro Marunouchi Line, Toei Shinjuku Line and Toei Oedo Line
Completion Date (Note 1)		April 1982
Use		Office, retail
Structure (Note 1)		RC, B2/11F
Seismic Risk (PML) (Note 2)		13% (Shimizu Corporation's Engineering Report dated November 11, 2005)
Area (Note 1)	Land	1,101.49 sq. meters (Note 3)
	Building	5,858.26 sq. meters (Note 4)
Type of Ownership	Land	Co-ownership (Co-owned proportion of land : 8,425/10,000)
	Building	Compartmentalized ownership (Acquisition: part of B1, 1F, 2F, 5F, and whole area of 4F and 6-11F)
Building Coverage Ratio		100% (Note 5)
Floor-area Ratio		1,000%
Collateral		None
Property Management Company		Nomura Real Estate Development Co., Ltd. (Note 6)

Notes	<ul style="list-style-type: none">• The property management company, NRED, is a related party (“Related Party”) as defined under the Law Concerning Investment Trust and Investment Corporations (“Investment Trust Law”).• The administration agreement for the Property includes, in addition to certain provisions concerning the allocation of the repair , management and other expenses, certain restrictions on the transfer of the units including requirement of prior notice of transfer to be given by the unit owner intending to transfer a unit to the other unit owners of the Building and the transferring owner’s obligation to negotiate with such other unit owner, if any, who indicates interest to purchase the unit, prior to the other prospective purchasers.• The Property was designed and constructed in compliance with the former Building Standards Law Enforcement Order (the former Earthquake-Resistance Standards). According to the report on the evaluation of seismic capacity dated March 29, 1996 and prepared by MHS ARESCO, the Property has the earthquake-resistance capacity similar to the “New Earthquake-resistance Standard.”• With respect to some of the signboards of the Property, the inspections under the Building Standards Law has not been completed. The Fund will inspect the details immediately after the acquisition of the Property and take the countermeasures based on the results of such investigation.				
Acquisition Price	¥8,800 million				
Appraisal Value and Method	¥8,800 million (based on the capitalization approach, as of November 15 2005) (Appraiser: Appraisal Firm Asquare Ltd.)				
Estimated NOI (Note 7)	¥420 million				
Leasing Status (Estimation as of November 29, 2005)					
Total number of Tenants	20				
Total Rental Income	¥527 million (Rents for November 2005 × 12 on the contract basis)				
Occupancy Rate	100.0%				
Total Leased Floor Space	5,648.67 sq. meters				
Total Leasable Floor Space	5,648.67 sq. meters				
Occupancy Rates in the Past (Note 8)	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
	-	-	97.5%	81.9%	97.4%

(Notes)

1. Location and several other items
Location, Completion Date, 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. Area of Land
The land area shows the space of the entire property. The co-ownership share of the property site is 8,425/10,000. While this property is under Law concerning Condominium Ownership, the right to use the site has not been yet registered.
4. Area of Building
The total floor area shows the area of compartment unit held by the Fund (through the trustee).
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
Nomura Real Estate Development Co., Ltd is scheduled to be appointed.
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: 97.0%
(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	YK JOFI Nishi-Shinjuku
Head Office	1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Shinji Nakazawa, Director
Capital	¥3 million (As of November 29, 2005)
Principal Business	1. Acquisition, possession and disposition of trust beneficial interest 2. Acquisition, disposition, leasing and maintenance of real estate assets 3. Other miscellaneous businesses related above
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

(1) Acquisition of the Property

The acquisition of the property is not a transaction with a Related Party under the Investment Trust Law. However, as the related party of the Asset Management Company has been in a position to advise the seller in regard to the management and maintenance of the Property, 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) Property Management

The property management company, Nomura Real Estate Development 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 and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.

6. Schedule for acquisition

November 30, 2005 (Scheduled)	Execution of the agreement on purchase and sale of the trust beneficial interest
November 30, 2005 (Scheduled)	Closing of the transaction and delivery of the trust beneficial interest

7. Forecasts of Financial Results

Forecasts of financial results of the Fund for the fiscal period ending April 30, 2006 (November 1, 2005 to April 30, 2006) including the acquisition of the Property and 3 other new properties in the portfolio are scheduled to be reported on December 20, 2005 in the financial statement 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	Nishi-Shinjuku Showa Building
Appraisal Value	¥8,800,000,000
Appraiser	Appraisal Firm Asquare Ltd.
Appraisal Date	November 15, 2005

Item	Amount (yen) or percentage (%)	Grounds
Capitalization approach price	8,822,000,000	In assessing appraisal approach, placed equal priorities on both the discounted cash flow approach and direct capitalization approach. In calculating appraisal value, placed priority on the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	8,846,303,000	
(1) Gross income	583,417,330	
Rental income	525,759,149	
Potential gross rental income	542,019,741	Assumed based on both the current performance and market rent
Losses due to vacancies, etc.	16,260,592	Assumed based on both current and market vacancy rates
Other income	57,658,181	Income from parking and utilities, etc.
(2) Total expenses	158,794,785	
Maintenance	19,186,000	Assumed based on the Engineering Report
Property management fees	13,241,865	Assumed based on the estimated amount
Capital expenditure	33,062,061	Assumed based on the estimated amount
Taxes	57,127,877	Actual amount imposed in property tax payment notices
Insurance premium	1,343,508	Assumed based on the estimated amount
Utilities costs	32,585,171	Assumed based on the historical performance, etc.
Other expenses	2,248,303	Assumed based on the historical performance, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	424,622,545	
(4) Capitalization rate	4.8%	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	8,797,329,000	
Discount rate	5.0%	
Terminal capitalization rate	4.9%	
Cost approach price	7,286,000,000	
Ratio of land	88.3%	
Ratio of building	11.7%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located in Nishi-Shinjuku Area, a concentrated area with great convenience. Office buildings and commercial enterprises, such as large-scale retail stores and restaurants, are located and it is very busy with lots of people in the area. Therefore, stable demands for office and retail use are expected. Appraisal value was determined based on the 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	16.3	December 8, 2003
	JAL Building	33,080	14.0	March 18, 2005
	Itopia Nihonbashi Building	20,600	8.7	December 5, 2003
	Tennozu Park Side Building	14,800	6.2	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	5.1	September 28, 2004
	Isuzu Shiba Building	10,000	4.2	May 25, 2004
	Nishi-Shinjuku Showa Building (Note 3)	8,800	3.7	November 30, 2005
	Toshin Tameike Building	7,400	3.1	September 29, 2005
	Shinagawa NF Building	5,500	2.3	December 8, 2003
	Surugadai Plaza Building	5,150	2.2	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.3	February 26, 2004
	Seiwa Shinjuku Building	2,280	1.0	June 25, 2004
		161,420	68.1	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.2	December 5, 2003
	Technoport Kamata B	6,430	2.7	December 5, 2003
	Farlet Tachikawa Center Square	3,290	1.4	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building	9,500	4.0	June 30, 2005
	Asahi Seimei Yokohama Nishiguchi Building	5,050	2.1	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.5	December 5, 2003
		35,420	14.9	
Other cities (Note 2)	Sendai Chowa Building (Note 3)	3,200	1.3	November 30, 2005
	Utsunomiya NF Building	2,970	1.3	December 5, 2003
	Yanagibashi Sanshin Building	3,550	1.5	September 29, 2005
	Osaka Chowa Building (Note 3)	12,900	5.4	November 30, 2005
	Nomura Real Estate Osaka Building	6,410	2.7	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	1.7	December 5, 2003
	Kobe Kaigan Building	3,280	1.4	December 5, 2003
	Hiroshima Chowa Building (Note 3)	2,100	0.9	November 30, 2005
	Nomura Real Estate Hiroshima Building	1,930	0.8	December 5, 2003
		40,280	17.0	
Total (27 properties)		237,120	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.
- Nishi-Shinjuku Showa Building (the Property), Sendai Chowa Building, Osaka Chowa Building and Hiroshima Chowa Building are included in the above table assuming that the Fund has acquired the 4 new properties even though the scheduled date of closing transaction, delivery of the trust beneficial interest and acquisition is November 30, 2005.

Photo



Map

