



NOMURA  
Office Fund

# NOMURA REAL ESTATE OFFICE FUND

## 16th Fiscal Period

(Ended October 31, 2011)

### Analyst Meeting Presentation Material



December 16, 2011



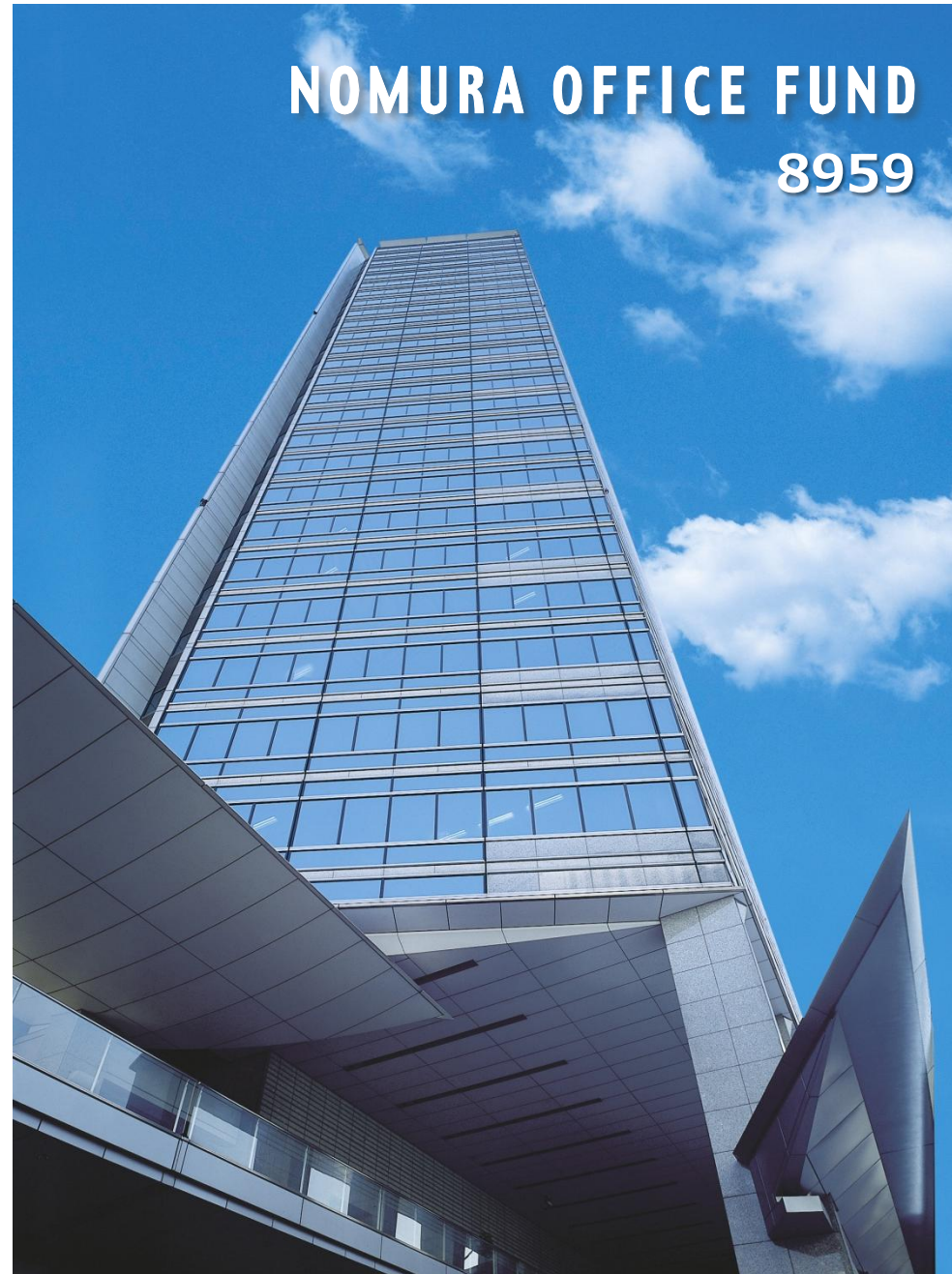
NOMURA REAL ESTATE OFFICE FUND



NOMURA REAL ESTATE ASSET MANAGEMENT

# NOMURA OFFICE FUND

## 8959



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# 1. Overview of Fund Management

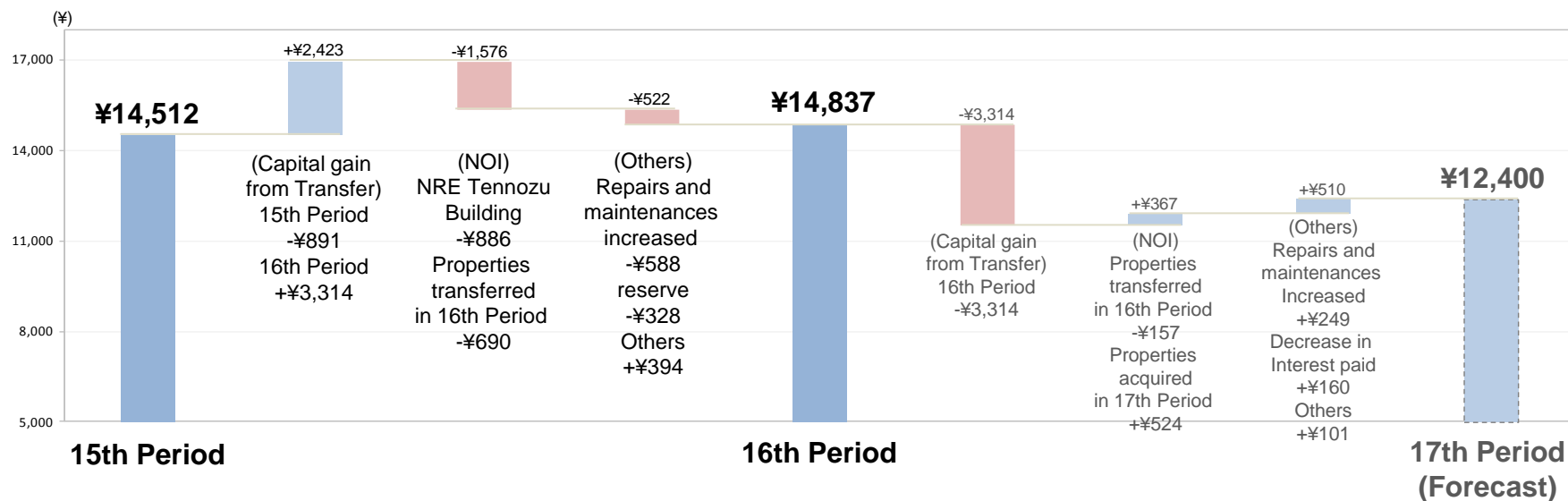
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# Highlights of the 16th Fiscal Period (May 1, 2011 ~ October 31, 2011)

## Performance of the 16th Period (181 business days)

	15th Period	16th Period (Comparison)	17th Period Forecasts (Comparison)
Operating Profits	¥13,117 million	¥13,637 million (+4.0%)	¥12,423 million (-8.9%)
Operating Revenues	¥6,144 million	¥6,219 million (+1.2%)	¥5,389 million (-13.3%)
Net Income	¥4,428 million	¥4,627 million (+4.5%)	¥3,783 million (-18.2%)
Cash Distribution per Unit	¥14,512 /unit	¥14,837 /unit (+2.2%)	¥12,400 /unit (-16.4)

## Difference in Cash Distribution



## Basic Policy : Maintenance and stabilization of cash distributions

### Cement its presence toward earnings stabilization

#### Efforts toward priority issues

##### Strengthen Portfolio by Promoting Property Replacement

- Transfer of NOF Toyo-cho Building
- Transfer of Central Kyobashi Building and Sunworld Yotsuya Building
- Determined acquisition of PMO Hatchobori and PMO Higashi-nihonbashi

##### Further Improvement in Occupancy

- Realized more move-ins than move-outs
- Improved in occupancy rates (15th Period :93.8%  
→ 16th Period 96.4%)

##### Leasing out of NRE Tennozu Building

- Completed transition to a multi-tenant building
- The occupancy rate reached 100% due to the lease agreement with Canon Marketing Japan, Inc. (16th period)

##### Strict Cost Management

- Further reduction in property management costs, appropriate management of repairs expenses
- Reduction in financing costs

# Topics (1) (Strengthen Portfolio by Promoting Replacement of Properties)

## Transfer ¥9.13 billion

- Average building age 19.1 years
- NOI 5.8%
- Decline in management efficiency



### NOF Toyo-cho Building

Completion : November 1989  
 Transfer Price: ¥5,805 million  
 Book Value : ¥4,781 million  
 NOI Return : 6.1% (Note1)  
 Transfer Date : May 10, 2011

(15th Period) Transferred 1/3 of Toyo-cho Building



### Central Kyobashi Building

Completion : September 1998  
 Transfer Price: ¥2,650 million  
 Book Value : ¥2,535 million  
 NOI Return : 5.2% (Note1)

Transfer Date : August 30, 2011



### Sunworld Yotsuya Building

Completion : November 1991  
 Transfer Price: ¥680 million  
 Book Value : ¥783 million  
 NOI Return : 5.6% (Note1)

Transfer Date : July 22, 2011

## Acquisition ¥7.7 billion

- Average building age 2 years
- NOI 5.0%
- Located in Tokyo Metropolitan area
- Better specification



### PMO Hatchobori

Completion : May 2009  
 Acquisition Price : ¥2,430 million  
 NOI Return : 5.0% (Note3)

Acquisition Date : Nov. 1, 2011  
 (17th Period)



### PMO Higashi-nihonbashi

Completion : October 2009  
 Acquisition Price : ¥1,480 million  
 NOI Return : 5.3% (Note 3)

Acquisition Date : Nov. 1, 2011  
 (17th Period)

### PMO Akihabara



Completion : January 2010  
 Acquisition Price: ¥3,790 million  
 NOI Return : 4.9% (Note 3)

Acquisition Date : Jan. 13, 2012  
 (17th Period)

**Continuing consideration  
of property replacement**

(Note 1) Calculated on a pro-rate basis of the 15th Period (Note 2) Basis date: 2011/11/1 (Note 3) Estimated NOI

# Topics (2) (Leasing out of NRE Tennozu Building / Further Improvement of Occupancy Rates)

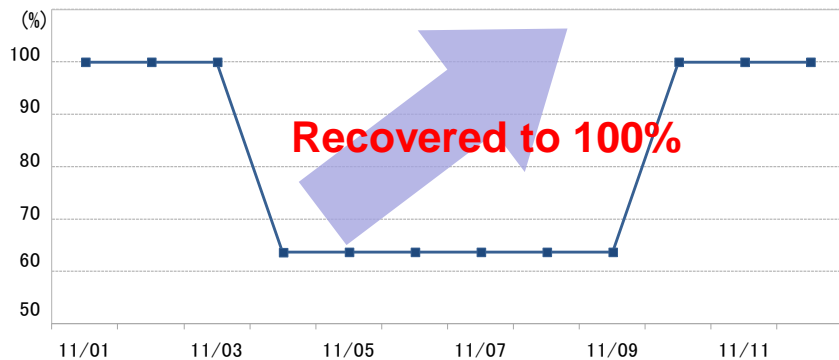
## Completion of the leasing out of NRE Tennozu Building

- Approximately 60 corporations (mainly major companies) have been to the property tour by utilizing the wide network of Nomura Real Estate Development Co., Ltd., a property management company
- Executed the lease agreement with a major tenant in July 2011 (5,378 tsubo)
- The occupancy rate recovered to 100% since October 2011

### <Summary of the tenant>

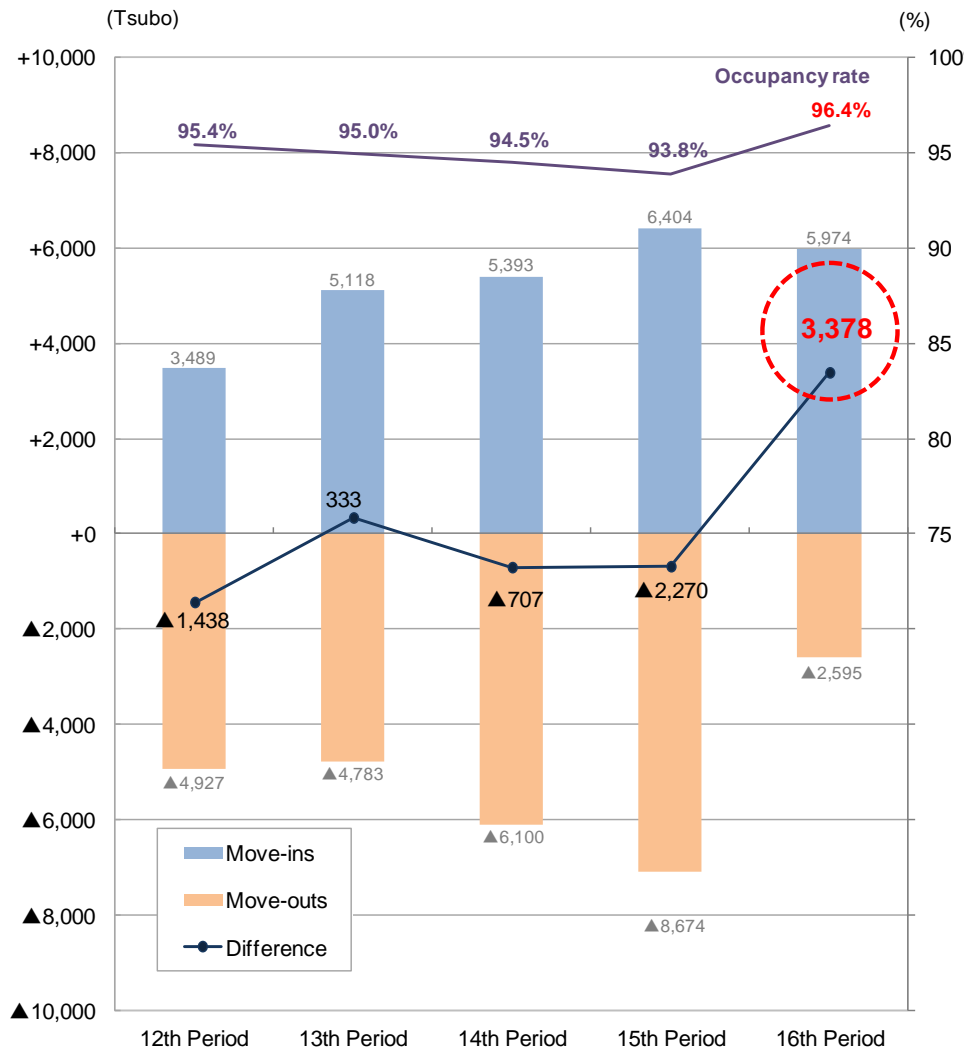
**Tenant Name : Canon Marketing Japan Inc.**  
**Leased Floor Space : 17,777㎡ (5,378 tsubo) (Note)**  
**Start of the lease period : October 31, 2011**

### Change in the occupancy rate



(Note) Including areas which belongs to the other compartmentalized ownership

## Accomplished more move-ins than move-outs





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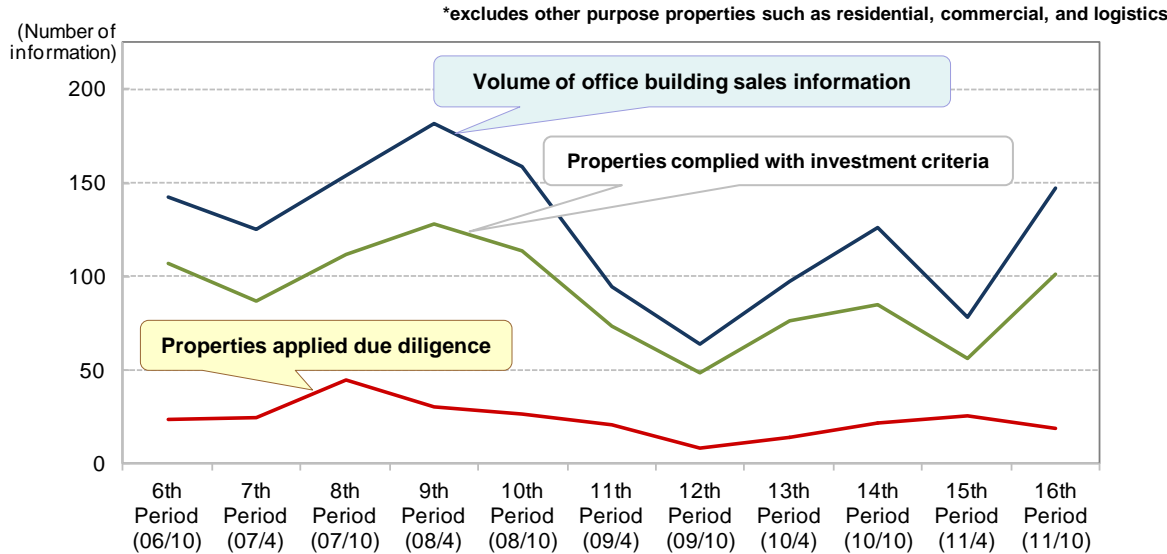
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## 2. Future Management Policies



# Real Estate Investment Market

## Changes in the volume of sales information in NOF



Recovered even though they decreased once right after the quake

Number of properties complied with investment criteria is still limited

### Current Condition

- Transactions of small- to-mid-sized buildings are active as appetites of buyers, such as wealthy families and corporations, for the investment in real estate have increased
- As difficulty in refinancing for private funds decreased, movements of rushed sales of their buildings haven't been seen
- Transactions of Large scaled buildings are limited except for the REITs' acquisition from their sponsors

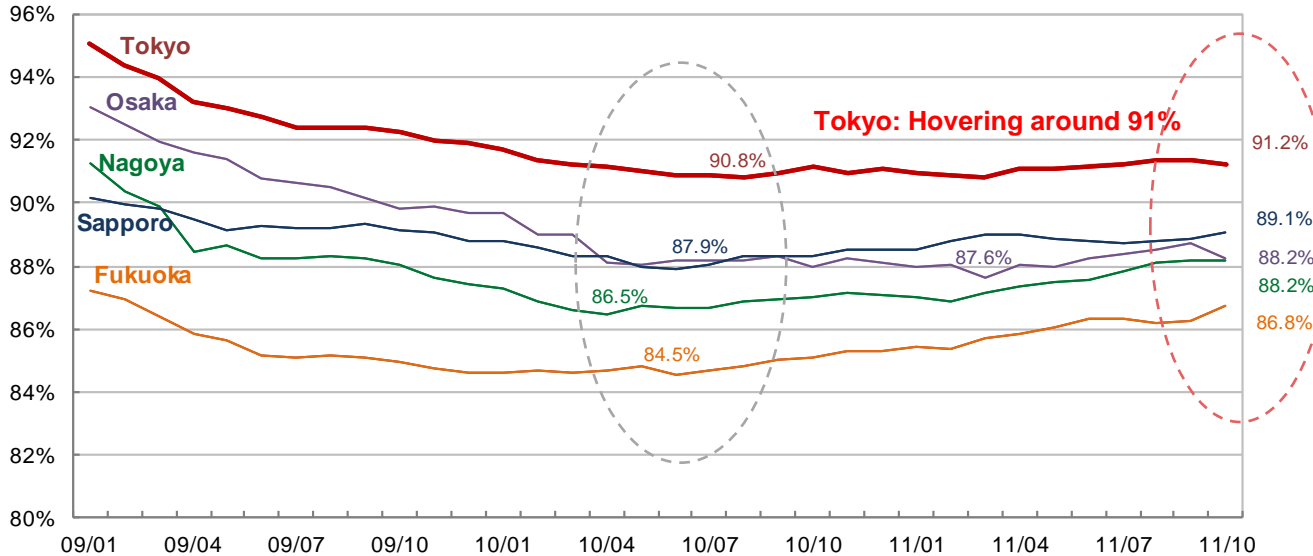
### Forecast

- Buyers' appetite for the investment in real estate will continue to be active
- Transactions of prime properties will remain limited
- Once the rent hit the bottom and it is confirmed, foreign investors' acquisition will be active

▶ **After the steadiness of economy confirmed, the real estate investment market will be brisk**

# Office Leasing Market

## Changes in average occupancy rates in the market



Since the middle of 2010, occupancy rates hit the bottom in major areas including Tokyo

### Current Condition

- Occupancy rates in both Tokyo metropolitan area and other regional areas are in an upward trend
- Tightened demand and supply gap of grade A buildings as positive movements increased such as floor expansion, improve in locations, etc.
- Though the leasing of new office buildings in Tokyo metropolitan goes well, there is a concern of secondary vacancies

Source: Miki Shoji Co., Ltd.

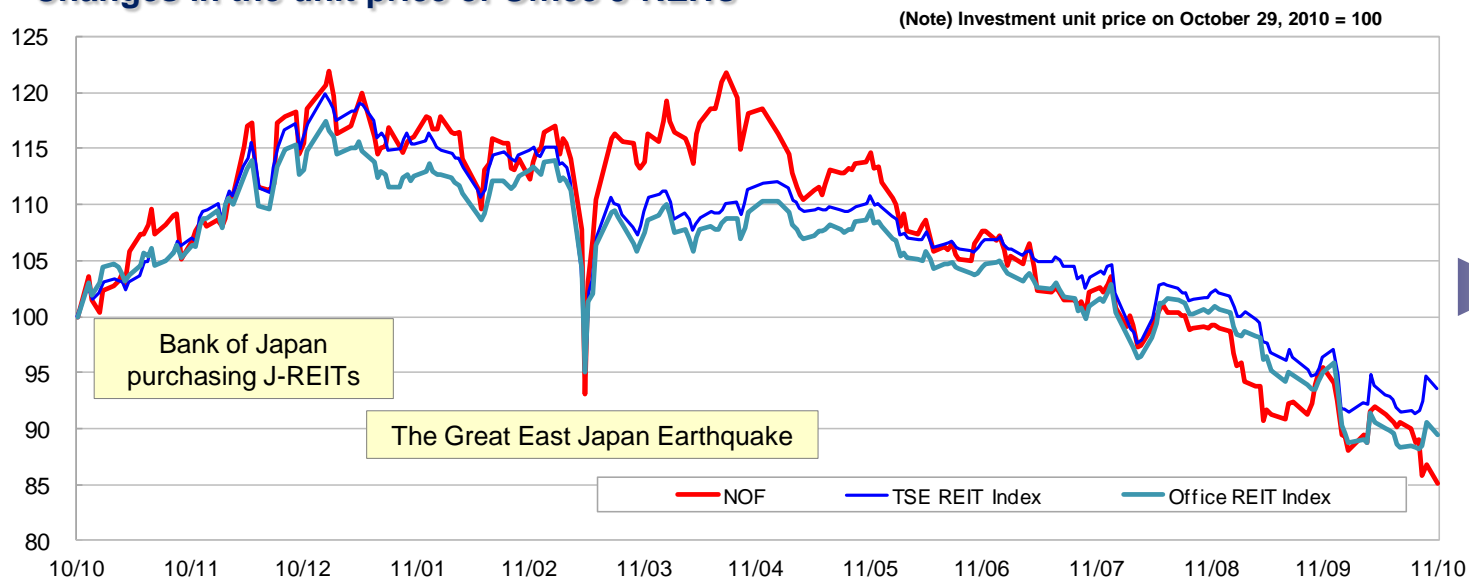
### Forecast

- Occupancy rates are on a flat / gradual upward trend
- New rents will move around the bottom, range of declining in existing rents will be reduced
- Gap among buildings will be widen as the way to select office buildings from a viewpoint of BCP such as presence or absence of aseismic capacity and emergency power source

**The rent of grade A buildings with high competitiveness will be on an upward trend after the late 2012**

# J-REIT Market

## Changes in the unit price of Office J-REITs



TSE REIT Index stays stagnant around the level of 800

### Current Condition

- Investment unit prices, which made an initial recovery after the quake, are at a low level since the European crisis
- While there are certain demands of public offerings, investors who take substantial units in the market are absent
- Some data about the buying and selling trend by investors show that “individual investors” and “foreign investors” shifted to buy

### Forecast

- Catalyst of recovery in the J-REIT market might be an apparent reversing in the office leasing market (≠occupancy rates)
- Lower prices are limited in view of the level of dividend yield

Anticipating recovery of a whole stock market toward the end of fiscal year, even J-REIT market has a little hope of recovery by itself

# Growth Strategies

## Replacement of Properties

- **Improvement in portfolio quality**  
Heavy Investment in properties located in Central Tokyo / newly built  
Improvement in profitability
- **Strengthening the sourcing activity**  
Acquisition of properties

## Internal Growth

- **Maintain high occupancy rates**  
Good relationship with existing tenants  
Minimize downtime and rent-free period
- **Pursuit of cost reduction**  
Optimize property management costs  
Implementation of well-planned renovations

## Finance/Capital Strategies

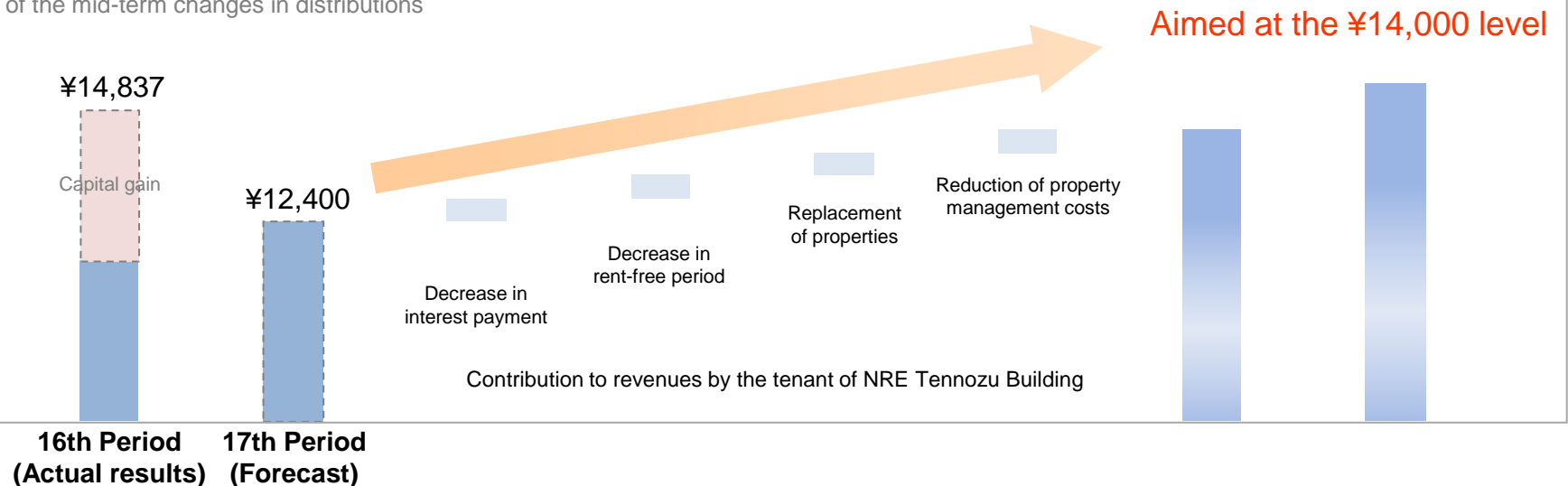
- **Keep stable financial operations**  
Steady refinancing  
Consideration of issuance of bonds
- **Improvement in brand assessments**  
Active Investor Relations

## Cooperation with NRE Group

Early restoration of the level of distributions

Expansion of asset size/back on a growth track

An image of the mid-term changes in distributions





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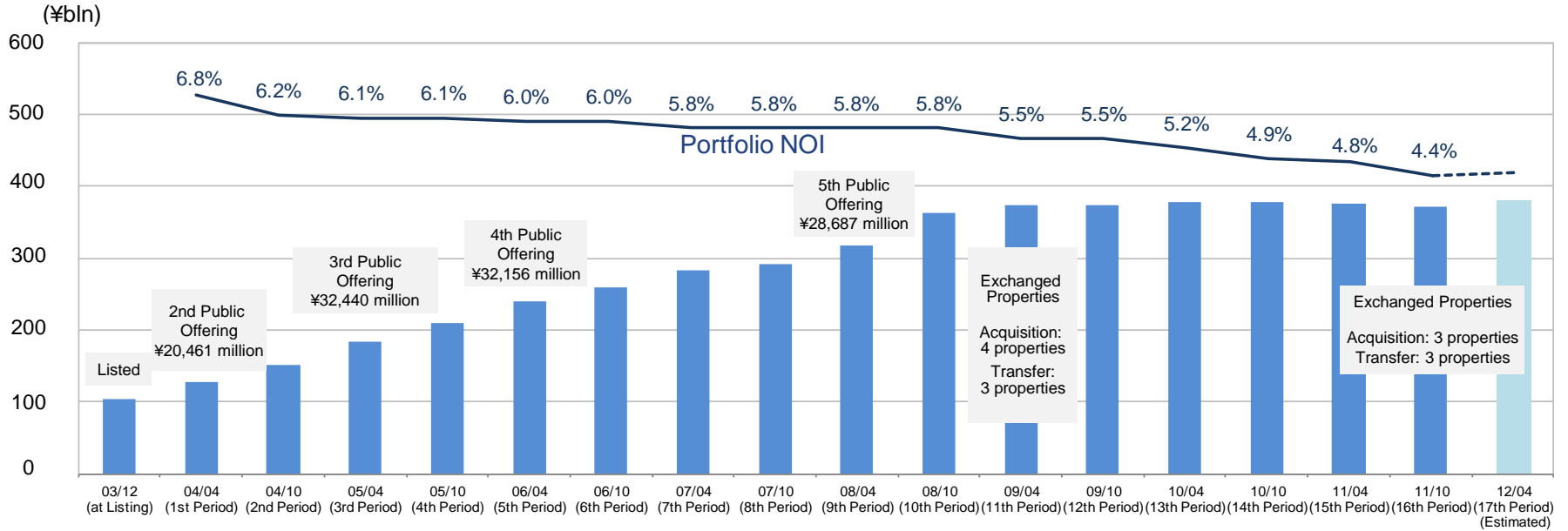
## 3. Management Results

### 16th Fiscal Period (October 2011)

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# Management Results

## Changes in Total Portfolio (by Acquisition Price)



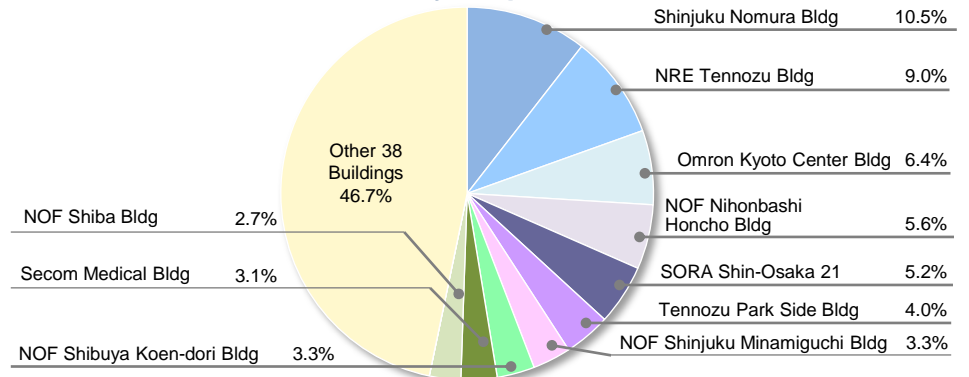
## Diversification of Portfolio by Properties

### ● Diversification of Portfolio by Area

Central Tokyo	<b>58.7 %</b>
Suburban Tokyo	<b>12.9 %</b>
Other Cities	<b>28.3 %</b>

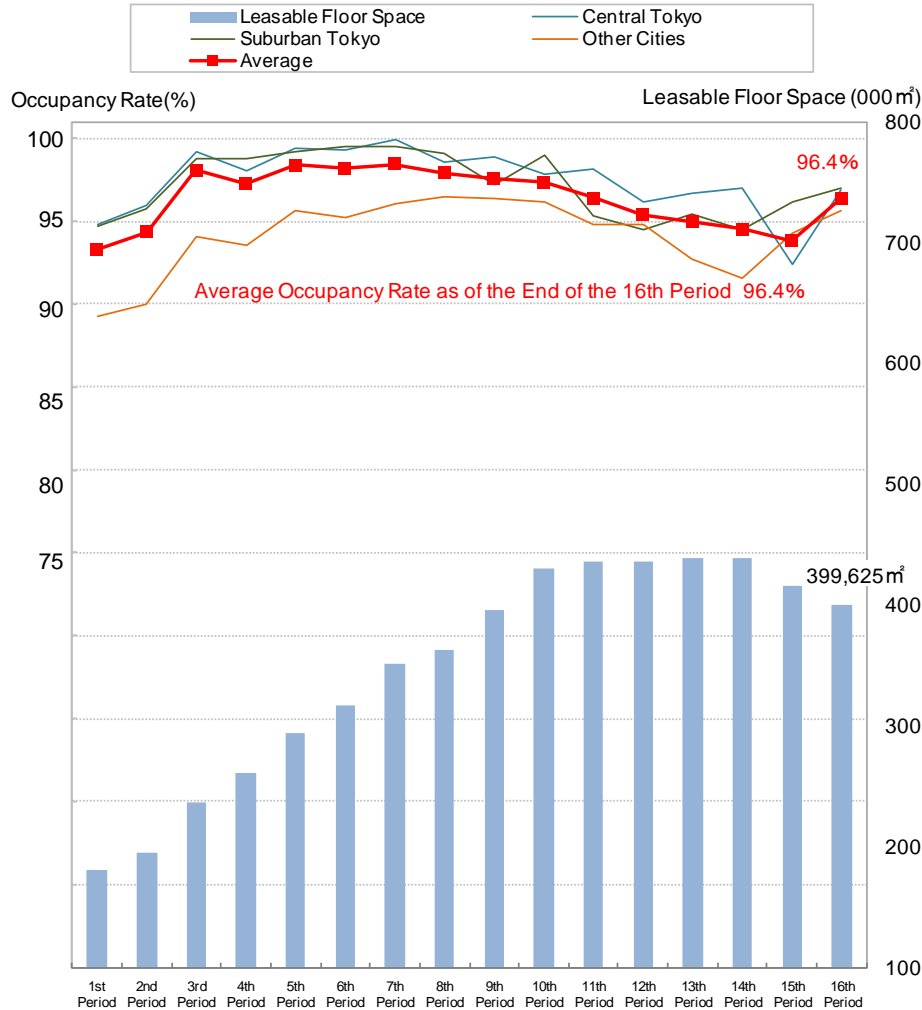
\*Based on Acquisition Price

### ● Diversification of Portfolio by Properties



# Status of Rent of Portfolio (1)

## Improvement of occupancy rates



## Changes in Average Rent Level (Note)

### Ratio of change between 15th and 16th periods

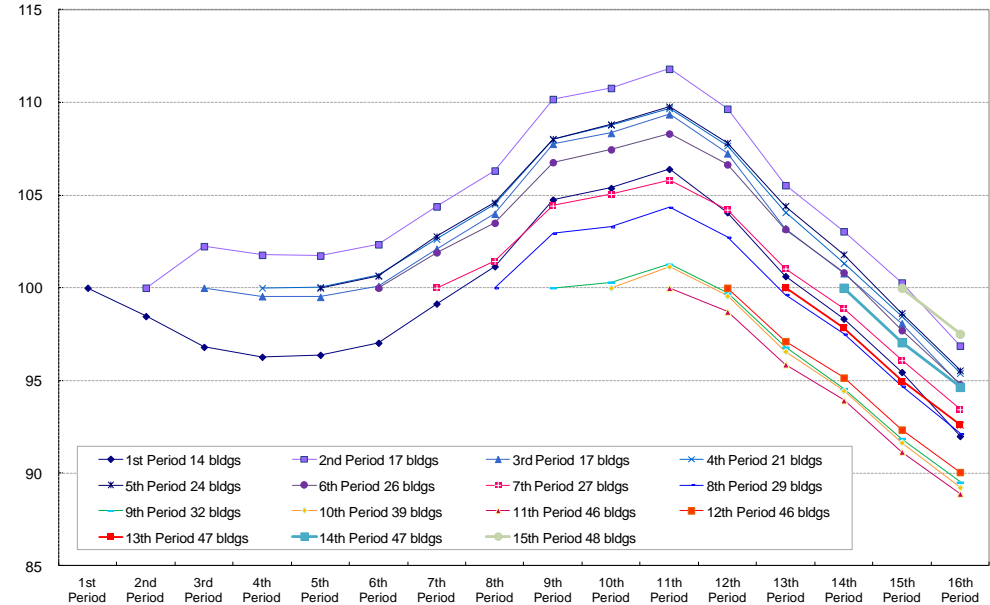
**Average for entire portfolio**  
(48 properties held at the 15th period-end)

**-2.7%**  
(the 15th period -2.9%)

(Note) Average Unit Rent: Average of monthly rent and common area charges prescribed in lease contract as of period-end.

### Changes in average rent level

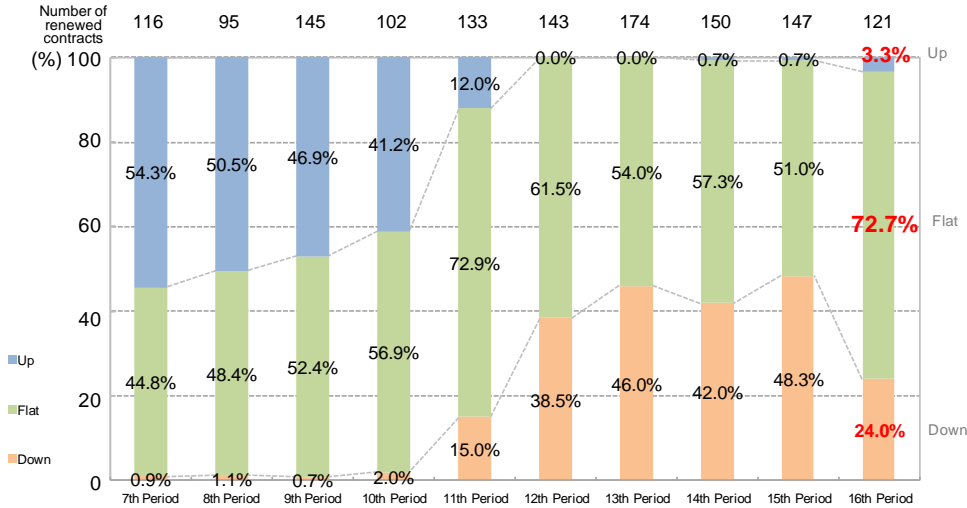
(Average initial rent for portfolio at period-end = 100)



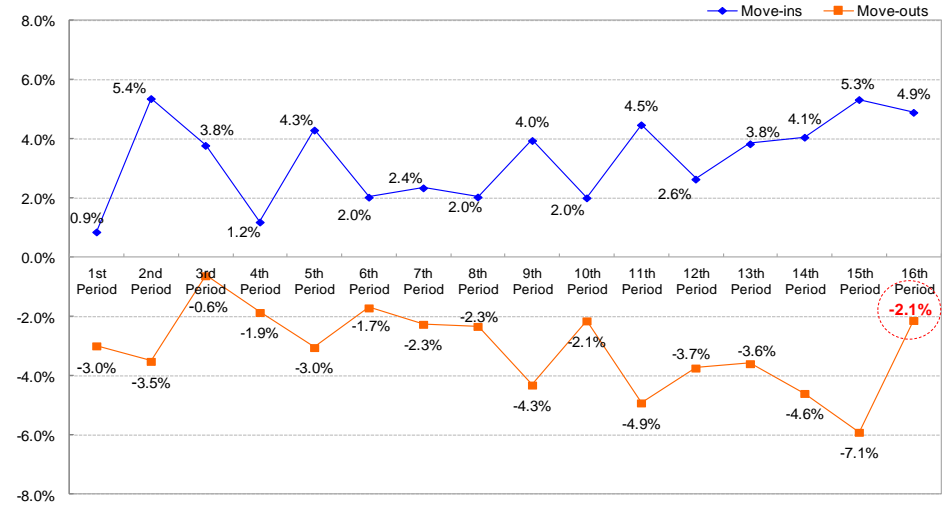
(Note) Transferred properties are excluded when calculating. NRE Tennozu Bldg is also excluded as its way in calculating the average unit rent has changed due to the conversion of the building to multi-tenanted during the 15th period.

# Status of Rent of Portfolio (2)

## Results of Contract Renewals (number of renewals)\*

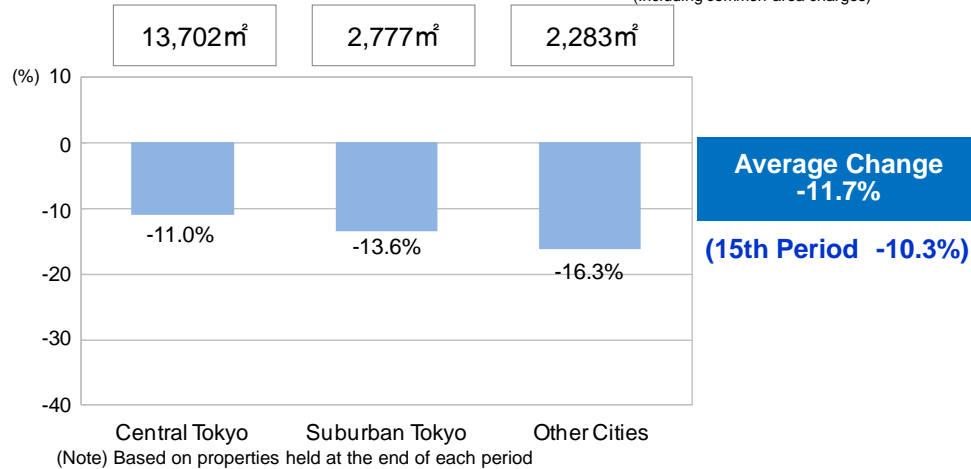


## Past Tenant Change Rate (Average of the Portfolio)



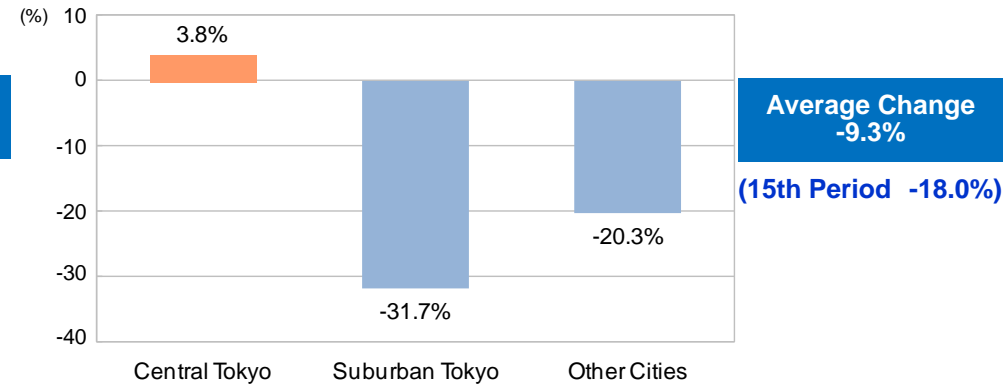
## Rent before and after Downward Revision

• Change = ((Rent of renewed contracts / rent of previous contracts) - 1) x 100  
(Including common area charges)



## Rent of Same Building before Move-out and after Move-in

• Change = ((Rent of move-in / rent of move-out) - 1) X100 (Including common area charges)





# Diversification of Tenants

## Top 10 Tenants (by Space)

	Tenant	Industry	Property	Expiry of contract	Leased space (m <sup>2</sup> )	Weight in portfolio (%)	Weight from previous period (%)
1	OMRON Corporation	Electronic Devices	OMRON Kyoto Center Bldg	Mar. 29, 2021	34,616.84	9.0	(8.9)
2	Japan Airlines Co., Ltd.	Airline	NRE Tennozu Bldg	Mar. 31, 2015	15,082.43	3.9	(3.9)
3	SECOM Co., Ltd.	Services	Secom Medical Bldg	Feb. 28, 2025	8,821.24	2.3	(2.3)
			NOF Sendai Aoba-dori Bldg	Dec. 31, 2012	755.69	0.2	(0.2)
4	JCB Co., Ltd.	Financing	JCB Sapporo Higashi Bldg	Feb. 07, 2018	9,062.04	2.4	(2.3)
5	Canon Marketing Japan Inc.	Wholesale	NRE Tennozu Bldg	(Note 1)	9,047.93	2.4	-
			Shinjuku Nomura Bldg	May 31, 2014	574.11	0.2	(0.2)
6	Nomura Facilities Co., Ltd.	Real Estate	NOF Utsunomiya Bldg	Dec. 31, 2011	1,140.85	0.3	(0.3)
			NRE Yotsubashi Bldg	Nov. 30, 2011	1,847.63	0.5	(0.5)
			NRE Hiroshima Bldg	Oct. 31, 2011	2,834.48	0.7	(0.7)
7	Nomura Real Estate Development Co., Ltd.	Real Estate	Shinjuku Nomura Bldg	Nov. 30, 2013	4,474.05	1.2	(1.2)
			NRE Yotsubashi Bldg	Nov. 30, 2013	1,266.19	0.3	(0.3)
8	KYORIN Holdings, Inc.	Wholesale	NOF Surugadai Plaza Bldg	Mar. 31, 2013	4,160.94	1.1	(1.1)
9	DAIDO Life Insurance Company	Insurance	NOF Nihonbashi Honcho Bldg	Nov. 30, 2012	3,172.50	0.8	(0.8)
			NRE Ueno Bldg	Mar. 31, 2012	807.64	0.2	(0.2)
10	SOMPO JAPAN INSURANCE INC.	Insurance	Shinjuku Nomura Bldg	May 31, 2013	3,636.96	1.0	(1.2)
			NRE Hiroshima Bldg	Apr. 30, 2013	283.02	0.1	(0.1)
Total					101,584.54	26.4	

(Note 1) Not disclosed due to compelling reasons.

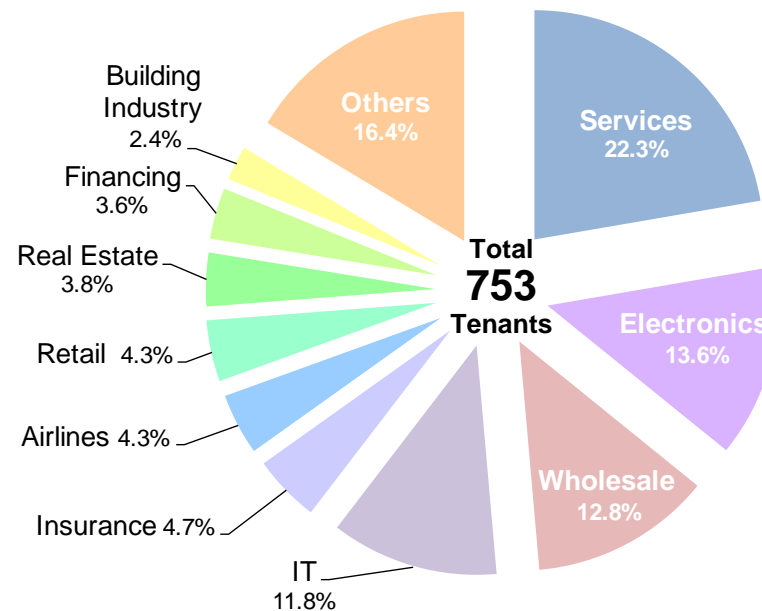
(Note 2) "Industry" stated in the above table is each end tenant's industry.

## Stable (Mid-to-Long Term) Contracts

**Mid-to-long term contracts expiring after three years from the end of the 16th period**

- Based on floor space : **22.5%**
- Based on contract rent : **20.0%**

## Diversification in Business (by Space)



# End-of-Period Appraisal Value

## Appraisal Values at 16th Period-End

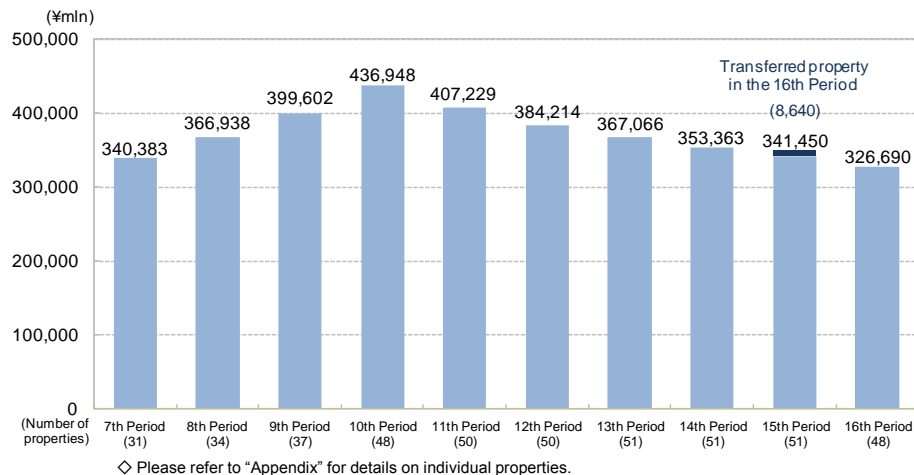
Total Appraisal Value	¥ mln	326,690
Total Book Value	¥ mln	362,390
Total Unrealized Gain/Loss	¥ mln	▲35,700
Unrealized Gain/Loss per Unit	¥	▲117,004

\* Unrealized gain/loss: Appraisal Value – Book Value

(For Reference) Net Asset per Unit

BPS (Based on Book Value)	¥	622,970
NAV (Based on Appraisal Value)	¥	505,966

## Changes in Appraisal Values



## Comparison with the Previous Period

- Comparison of 48 properties at the end of the 16th period

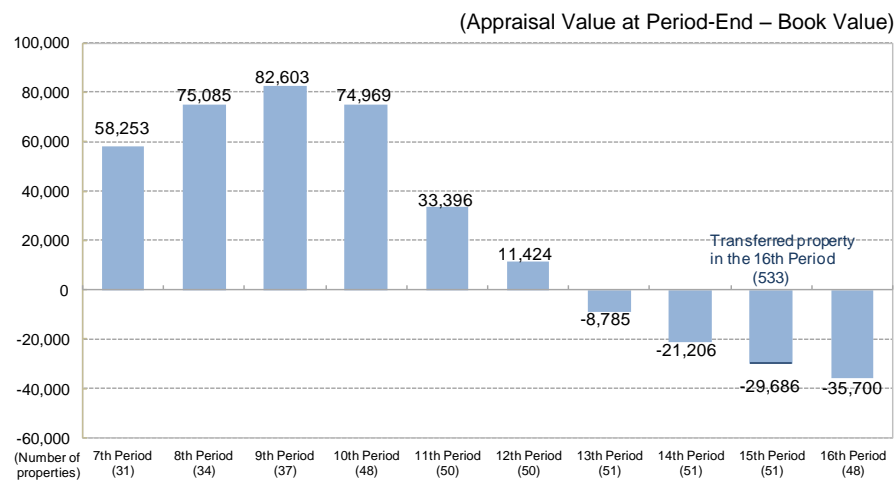
	15th Period End(¥mln)	16th Period End(¥mln)	Change
Appraisal Value	332,810	326,690	▲1.8%

(the 14th →the 15th : ▲2.6%)

- Change in appraisal values of each property

	Increase	Flat	Decrease	Total
the 16th period	13	4	31	48
(the 15th period)	(7)	(11)	(33)	(51)

## Changes in Unrealized Gains/Losses of Portfolio



# Financial Status (as of October 31, 2011)

## Status of Debts

Interest-bearing debt outstanding  
**¥184.6 billion**

Average Interest-rate  
**1.61 %**

Ratio of long-term debts  
**71.9 %**

Ratio of fixed-rate debts  
**89.0 %**  
\*Including interest-rate swap transactions

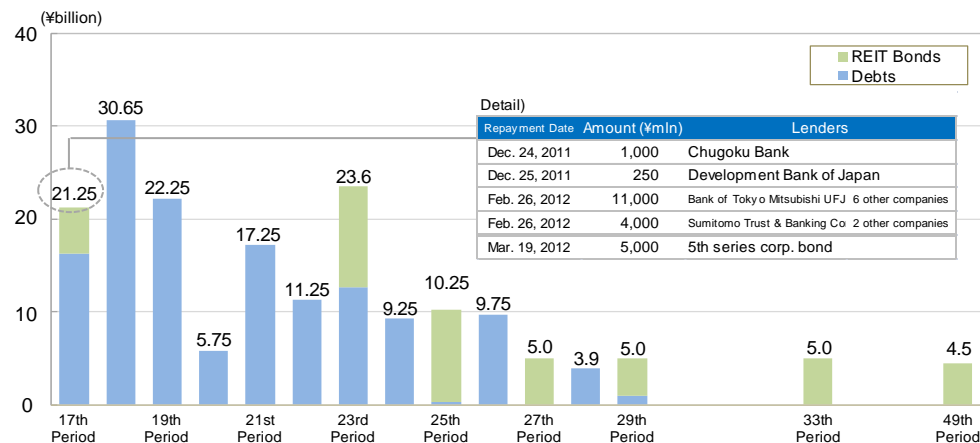
Average remaining duration  
**3.9 years**  
\*Fixed-rate long-term debts only

LTV(Loan-to-Value)  
**46.1 %**

## Rating

Agencies	the Fund	Outlook
R&I	AA-	Stable
S&P	A-	Stable
Moody's	A2	Negative

## Diversification of Maturity



## Funding Capabilities (32 lenders)

Lender	Total Amount of Debt Remaining	Lender	Total Amount of Debt Remaining	Lender	Total Amount of Debt Remaining
Bank of Tokyo-Mitsubishi UFJ	21,400	Bank of Fukuoka	3,500	Hyakujushi Bank	1,500
Sumitomo Mitsui Banking Corp.	19,900	Norinchukin Bank	3,000	Yamanashi Chuo Bank	1,000
Development Bank of Japan	15,000	Taiyo Life Insurance	3,000	Chiba Bank	1,000
Mitsubishi UFJ Trust and Banking Corp.	11,050	Chuo Mitsui Trust and Banking	2,000	Keiyo Bank	1,000
Sumitomo Trust & Banking Corp.	9,900	Hachijuni Bank	2,000	Mitsui Life Insurance	1,000
Mizuho Corporate Bank	6,400	Daido Life Insurance	2,000	Mitsui Sumitomo Insurance	1,000
The Dai-ichi Life Insurance Company	5,000	Zenkyoren	2,000	Sompo Japan Insurance Inc.	1,000
Sumitomo Life Insurance Company	5,000	Mizuho Trust & Banking	2,000	The 77 Bank	1,000
Nomura Trust and Banking	4,000	Shinkin Central Bank	2,000	Resona Bank, Limited.	1,000
Chugoku Bank	4,000	Nishi-Nippon City Bank	2,000	Aozora Bank	500
Iyo Bank	3,500	Hiroshima Bank	1,500	<b>Total borrowings</b>	<b>140,150</b>

(Reference) Investment Corporation Bonds 44,500



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## 4 . Details of the Financial Results

# Income Statement

		15th Fiscal Period as of Apr. 30, 2011 (¥000) (%)		16th Fiscal Period as of Oct. 31, 2011 (¥000) (%)		
株 主 理 議	Operating Profits	Operating Revenues	13,117,939	100.0	13,637,076	100.0
		Rental Business Revenues	11,724,063	89.4	11,223,340	82.3
		Rental revenues	9,475,684	72.2	8,839,500	64.8
		Common area charges	2,248,378	17.1	2,383,840	17.5
		Other rental business revenues	1,121,976	8.6	1,296,836	9.5
		Monthly parking revenues	258,602	2.0	264,347	1.9
		Incidental income	792,174	6.0	945,232	6.9
		Other rental revenues	69,311	0.5	67,931	0.5
		Miscellaneous revenues	1,888	0.0	19,325	0.1
		Total Rental Business Revenues	12,846,039	97.9	12,520,177	91.8
		Profit on sale of real estate	271,900	2.1	1,116,899	8.2
		Operating Expenses	6,973,419	53.2	7,417,771	54.4
		Property management costs	1,353,220	10.3	1,401,146	10.3
		Taxes and duties	1,211,198	9.2	1,211,888	8.9
		Utility expenses	826,025	6.3	1,048,075	7.7
		Insurance expenses	23,669	0.2	22,869	0.2
		Repairs and maintenances	242,159	1.8	431,741	3.2
		Other expenses	224,063	1.7	262,128	1.9
		Depreciation	1,861,134	14.2	1,732,637	12.7
		Total Rental Business Expenses	5,741,472	43.8	6,110,487	44.8
Loss on sale of real estate	-	-	105,767	0.8		
Asset management fees	1,023,046	7.8	990,285	7.3		
Selling and administrative expenses	208,900	1.6	211,229	1.5		
Rental Profits	7,104,566	54.2	6,409,689	47.0		
Operating Profits	6,144,519	46.8	6,219,305	45.6		
Non-Operating Revenues	69,273	0.5	134,901	1.0		
Other non-operating revenues	69,273	0.5	134,901	1.0		
Non-Operating Expenses	1,710,091	13.0	1,726,137	12.7		
Interest expenses	1,135,711	8.7	1,097,074	8.0		
Interest expenses on bonds	429,882	3.3	429,978	3.2		
Amortization of bond issuance costs	12,126	0.1	13,224	0.1		
Loan arrangement fees	91,621	0.7	112,153	0.8		
Other non-operating expenses	40,749	0.3	73,706	0.5		
Operating Profits	▲ 1,640,817	▲ 12.5	▲ 1,591,236	▲ 11.7		
Current Profits	4,503,702	34.3	4,628,069	33.9		
Loss on disaster	74,468	0.6	-	-		
Extraordinary loss	74,468	0.6	-	-		
Income before income taxes	4,429,233	33.8	4,628,069	33.9		
Corporate, local and enterprise taxes	1,122	0.0	974	0.0		
Tax adjustment	▲ 11	0.0	7	0.0		
Net Income	4,428,122	33.8	4,627,087	33.9		
Retained earnings brought forward	4	0.0	181	0.0		
Retained earnings at end of period	4,428,126	33.8	4,627,269	33.9		

## Rental Business Revenues

- The 16th period started with the management of 51 properties; the Fund transferred the 66% of the quasi-co-ownership interest of NOF Toyocho Building, Sunworld Yotsuya Building and Central Kyobashi Building, during the period.
- Occupancy rate at the end of the 16th period was 96.4%, up 2.6% from 93.8% for the 15th period.

## Property management costs

Property management fees and building management fees increased due to the management of NRE Tennozu Building as a multi-tenant building has started.

## Repairs and Maintenances

- Repairs expenses ¥431 mln
- Capital expenditures ¥1,088 mln

### \*Significant capital expenditures

Shinjuku Nomura Building	Renovation of passenger elevator control system	¥253 mln
NRE Tennozu Building	Refurbishment for multi-tenant building	¥128 mln
NRE Yotsubashi Building	Renewal of the through the wall air-conditioning system	¥57 mln

## Rental Profits: ¥6,409 mln (▲ ¥694 mln from the previous period)

- Decrease in rental business revenues : ▲ ¥325 mln
- Increase in rental business expenses : ▲ ¥369 mln

Incidental Revenues	: Revenues received as utility charges, charges for usage of facility and signboard, etc.
Other Rental Revenues	: Hourly parking charges, etc.
Miscellaneous Revenues	: Ground rents, etc.
Other Expenses	: Trust fees, commissions, other maintenance fees, etc.
Selling and administrative	: Custodian, Administrative service, and auditing fees, expenses, etc.
Non-operating Revenues	: Penalties from tenants, insurances received, cost of restitution in integrum received from tenants
Non-operating Expenses	: Loss on disposal of fixed assets, cost of construction corresponding to the insurance

# Balance Sheet

## Assets

	15th Fiscal Period as of Apr. 30, 2010		16th Fiscal Period as of Oct. 31, 2011	
	(¥000)	(%)	(¥000)	(%)
<b>Current Assets</b>	<b>32,324,284</b>	<b>8.0</b>	<b>37,298,061</b>	<b>9.3</b>
Cash and cash equivalents	13,912,852	3.4	20,049,043	5.0
Cash and cash equivalents in trust	17,796,349	4.4	16,268,623	4.1
Other current assets	615,083	0.2	980,394	0.2
<b>Fixed Assets</b>	<b>371,613,778</b>	<b>92.0</b>	<b>362,975,034</b>	<b>90.7</b>
<b>Tangible assets</b>	<b>369,235,670</b>	<b>91.4</b>	<b>360,490,008</b>	<b>90.0</b>
Properties	82,633,772	20.5	82,355,403	20.6
Buildings	25,228,605	6.2	24,950,235	6.2
Lands	57,405,167	14.2	57,405,167	14.3
Properties in trust	286,553,431	70.9	278,094,209	69.5
Buildings	79,286,567	19.6	76,310,768	19.1
Lands	207,266,863	51.3	201,783,441	50.4
Other tangible assets	48,466	0.0	40,394	0.0
Other tangible assets	48,466	0.0	40,394	0.0
Intangible assets	1,902,997	0.5	1,902,733	0.5
Leaseholds	1,900,904	0.5	1,900,904	0.5
Trust and other intangible assets	2,093	0.0	1,829	0.0
Investments and other assets	475,109	0.1	582,292	0.1
Security deposits	410,850	0.1	410,850	0.1
Other Investments and other assets	64,259	0.0	171,442	0.0
Deferred Assets	131,127	0.0	117,903	0.0
Issuing cost of corporation bonds	131,127	0.0	117,903	0.0
<b>Total Assets</b>	<b>404,069,191</b>	<b>100.0</b>	<b>400,390,999</b>	<b>100.0</b>

### Cash and Cash Equivalents

	(¥ mln)
<b>Deposits in own name</b>	<b>20,049</b>
Equivalent to security deposits received	3,532
Equivalent to reserved capital expenditure	2,228
Others	14,288
<b>Deposits in trust</b>	<b>16,268</b>
Equivalent to security deposits received	10,467
Equivalent to reserved capital expenditures	324
Others	5,476

### Tangible Assets

	Acquisition price	Accumulated depreciation	Depreciation for current term	(¥ mln) End-of-term book value
Properties	383,236	22,746	(1,732)	360,490
Buildings in trust, etc.	95,784	19,474	(1,301)	76,310
Lands in trust	201,783	-	-	201,783
Buildings, etc.	28,222	3,272	(431)	24,950
Lands	57,405	-	-	57,405
Others	40	-	-	40

## Liabilities and Net Assets

	15th Fiscal Period as of Apr. 30, 2010		16th Fiscal Period as of Oct. 31, 2011	
	(¥000)	(%)	(¥000)	(%)
<b>Current Liabilities</b>	<b>50,833,405</b>	<b>12.6</b>	<b>57,444,909</b>	<b>14.3</b>
Trade accounts payable	618,269	0.2	1,028,305	0.3
Short-term debt	9,800,000	2.4	7,900,000	2.0
Bonds to be repaid within 1 year	5,000,000	1.2	5,000,000	1.2
Long-term debt to be repaid within 1 year	30,500,000	7.5	39,000,000	9.7
Other accounts payable	2,846,974	0.7	2,523,900	0.6
Rent received in advance	1,929,480	0.5	1,864,744	0.5
Other current liabilities	138,680	0.0	127,958	0.0
<b>Fixed Liabilities</b>	<b>163,352,211</b>	<b>40.4</b>	<b>152,863,374</b>	<b>38.2</b>
Corporation bonds	39,500,000	9.8	39,500,000	9.9
Long-term debt	103,100,000	25.5	93,250,000	23.3
Security deposits	3,881,014	1.0	3,882,474	1.0
Security deposits in trust	16,865,973	4.2	16,228,116	4.1
Other Fixed Liabilities	5,223	0.0	2,783	0.0
<b>Total Liabilities</b>	<b>214,185,617</b>	<b>53.0</b>	<b>210,308,283</b>	<b>52.5</b>
<b>Net Assets</b>	<b>189,883,573</b>	<b>47.0</b>	<b>190,082,716</b>	<b>47.5</b>
Unitholders' Equity	189,883,573	47.0	190,082,716	47.5
Unitholders' capital	185,455,446	45.9	185,455,446	46.3
Retained earnings	4,428,126	1.1	4,627,269	1.2
<b>Total Net Assets</b>	<b>189,883,573</b>	<b>47.0</b>	<b>190,082,716</b>	<b>47.5</b>
<b>Total Liabilities and Net Assets</b>	<b>404,069,191</b>	<b>100.0</b>	<b>400,390,999</b>	<b>100.0</b>

### Debts

<b>Balance of interest-bearing debts</b>	<b>¥184,650mln</b>
<b>Interest-bearing debt ratio</b>	$\frac{\text{S/T debts} + \text{L/T debts} + \text{REIT bonds}}{\text{Total assets}} = 46.1\%$
<b>Long-term interest-bearing debt ratio</b>	$\frac{\text{L/T debts} + \text{REIT bonds}}{\text{S/T debts} + \text{L/T debts} + \text{REIT bonds}} = 71.9\%$

# Cash Distribution

## Cash Distribution

Item		15th Fiscal Period from Nov. 1, 2010 to Apr. 30, 2011	16th Fiscal Period from May. 1, 2011 to Oct. 31, 2011
Retained Earnings	(¥000)	4,428,126	4,627,269
Cash Distribution	(¥000)	4,427,944	4,527,109
Cash Distribution per Unit	(¥)	14,512	14,837
Compression Reserve	(¥000)	—	100,000
Balance Carried Forward	(¥000)	181	159

### Cash Distribution

- Total outstanding number of units as of the end of the 16th period 305,123
- Distributed nearly all of retained earnings for the period after deduction of compression reserve\* (¥1,000 million)  
→ Cash distribution per unit ¥14,837

\*Applied special tax treatment under Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957) to the restitution expense of NRE Tennozu Building in the capital gain from the transfer of real estate. Also, we decided to accumulate compression reserves utilizing Article 66-2 of the Special Taxation Measures Law within the limit of taxable income in the period.

## Comparison with Forecasts

Item		Forecasts announced on Jun. 15, 2011	Actual Results		
			16th Fiscal Period	(amount)	(%)
Operating Revenues	(¥ mln)	13,699	13,637	▲ 62	▲ 0.5
Current Profits	(¥ mln)	4,465	4,628	163	3.7
Net Income	(¥ mln)	4,464	4,627	163	3.7
Cash Distribution per Unit	(¥)	14,630	14,837	207	1.4

### Difference between Actual Results and Forecasts

- Operating Revenues
  - Difference in rental business revenues : ▲¥63 mln
  - Difference in other rental business revenues : ▲¥108 mln
  - Difference in profit on sale of real estate : + ¥110 mln
- Current Profits
  - Difference in operating expenses : +¥224 mln
  - Difference in loss on sale of real estate : ▲¥105 mln
  - Difference in non-operating expenses : +¥101 mln

# 17th Fiscal Period (April 2012) Forecast

区分	16th Period	17th Period	Difference	
	(¥mln)	(¥mln)	(¥mln)	(%)
Rental business revenues	11,223	11,237	13	0.1
Other rental business revenues	1,296	1,185	▲111	▲8.6
<b>Total rental business revenues</b>	<b>12,520</b>	<b>12,423</b>	<b>▲97</b>	<b>▲0.8</b>
Profit on sale of real estate	1,116	-	▲1,116	▲100.0
<b>Operating Revenues</b>	<b>13,637</b>	<b>12,423</b>	<b>▲1,214</b>	<b>▲8.9</b>
Property management costs	1,401	1,392	▲8	▲0.6
Taxes and duties	1,211	1,186	▲25	▲2.1
Utility expenses	1,048	975	▲72	▲6.9
Insurance expenses	22	22	▲0	▲2.5
Repairs and maintenances	431	302	▲129	▲29.9
Other expenses	262	216	▲45	▲17.4
Depreciation	1,732	1,744	11	0.7
<b>Total rental business expenses</b>	<b>6,110</b>	<b>5,841</b>	<b>▲269</b>	<b>▲4.4</b>
Loss on sale of real estate	105	-	▲105	▲100.0
Asset management fees	990	997	6	0.7
Selling and administrative expenses	211	195	▲15	▲7.4
<b>Operating Expenses</b>	<b>7,417</b>	<b>7,033</b>	<b>▲384</b>	<b>▲5.2</b>
<b>Rental business profits</b>	<b>6,409</b>	<b>6,582</b>	<b>172</b>	<b>2.7</b>
<b>Operating Profits</b>	<b>6,219</b>	<b>5,389</b>	<b>▲829</b>	<b>▲13.3</b>
Non-operating revenues	134	6	▲128	▲95.6
Non-operating expenses	1,726	1,610	▲115	▲6.7
<b>Non-operating Profits</b>	<b>▲1,591</b>	<b>▲1,604</b>	<b>▲13</b>	<b>▲0.8</b>
<b>Current Profits</b>	<b>4,628</b>	<b>3,784</b>	<b>▲843</b>	<b>▲18.2</b>
Income before income taxes	4,628	3,784	▲843	▲18.2
Corporate, local and enterprise taxes	0	1	0	2.7
Tax adjustment	0	-	▲0	▲100.0
<b>Net Income</b>	<b>4,627</b>	<b>3,783</b>	<b>▲843</b>	<b>▲18.2</b>
Retained earnings brought forward	0	-	▲0	▲100.0
Retained earnings at end of period	4,627	3,783	▲843	▲18.2
<b>Outstanding units at period-end (unit)</b>	<b>305,123</b>	<b>305,123</b>	<b>0</b>	<b>0.0</b>
<b>Cash distribution per unit (¥)</b>	<b>14,837</b>	<b>12,400</b>	<b>▲2,437</b>	<b>▲16.4</b>

## Rental Business Revenues

Forecasts were made for the 17th period on the basis that the number of properties under management would include the acquisition of PMO Hatchobori, PMO Higashinonbashi, PMO Akihabara

## Taxes and Duties

Property taxes, urban planning taxes and other duties for the 17th period were estimated on the basis that 48 properties, which were held at the end of the 16th period, would be taxable for that period.

## Repairs and Maintenances

In addition to cost of repair of ¥302 mln there is capital expenditure of ¥1,151mln.

## Other Rental Business Revenues:

Revenues received as monthly parking charges, utility charges, charges for usage of facility, etc.

Other Expenses: Trust fees, commissions, other maintenance fees, etc.

## Selling and Administrative Expenses:

Custodian, administrative service, and auditing fees, etc.

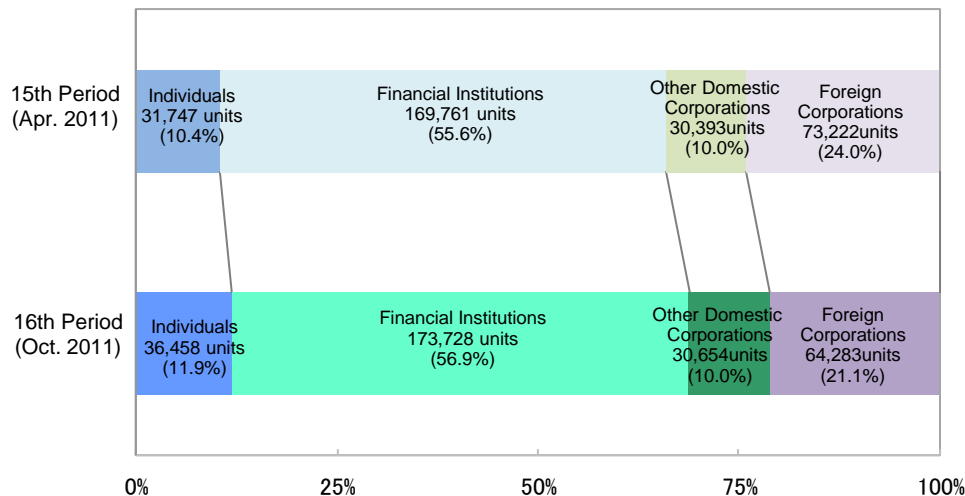
## Non-operating Expenses:

Interest costs, Interest expenses on bonds, amortization of bond issuance costs, etc.

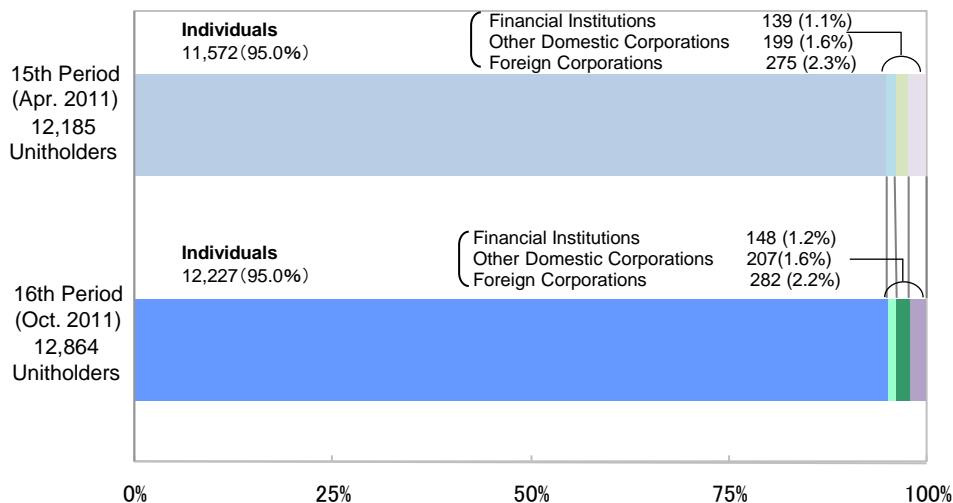


# Unitholders

## Number of Investment Units



## Number of Unitholders



## Breakdown of Financial Institutions

	15th Period		16th Period	
	Units	Ratio	Units	Ratio
Banks	35,786	11.73%	37,260	12.21%
Trust Banks	109,641	35.93%	114,395	37.49%
Life Insurance Companies	6,632	2.17%	5,598	1.83%
Non-Life Insurance Companies	3,673	1.20%	3,763	1.23%
Other Financial Institutions	14,029	4.60%	12,712	4.17%
<b>Total</b>	<b>169,761</b>	<b>55.64%</b>	<b>173,728</b>	<b>56.94%</b>

## Top 10 Unitholders

	Unitholders	Unit	Ratio
1	Japan Trustee Services Bank, Ltd.	58,112	19.05%
2	The Nomura Trust and Banking Co., Ltd.	23,038	7.55%
3	Trust & Custody Services Bank, Ltd.	17,909	5.87%
4	Nomura Real Estate Development Co., Ltd.	15,287	5.01%
5	The Master Trust Bank of Japan, Ltd.	9,249	3.03%
6	Nomura Bank (Luxembourg) S.A.	8,118	2.66%
7	The Senshu Ikeda Bank, Ltd.	7,606	2.49%
8	Kawasaki Gakuen	7,000	2.29%
9	American Life Insurance Company	3,700	1.21%
10	The Hachijuni Bank, Ltd.	3,680	1.21%
	<b>Total</b>	<b>153,699</b>	<b>50.37%</b>

(The ratio of Top 10 Unitholders for the 15th Period: 49.43%)



NOMURA  
Office Fund

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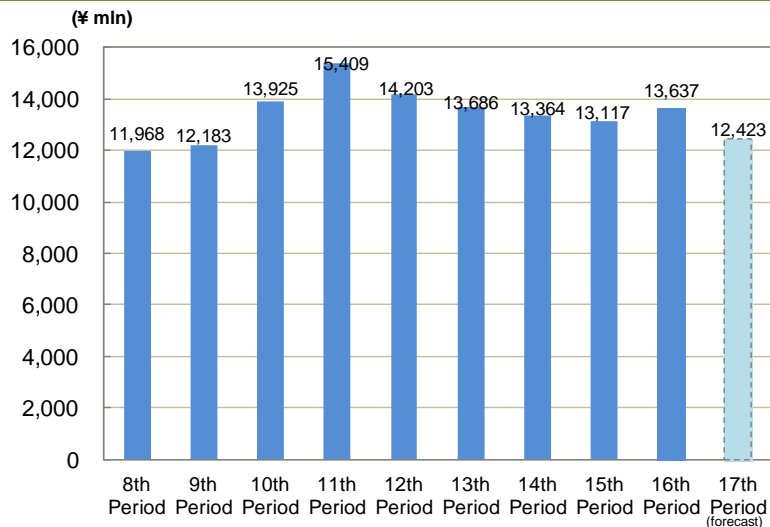
# Appendix

# Fund Summary

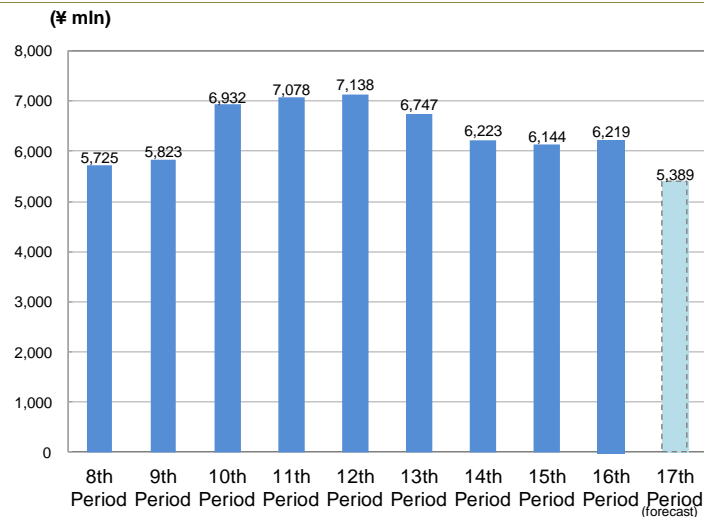
		7th Period April 2007	8th Period October 2007	9th Period April 2008	10th Period October 2008	11th Period April 2009	12th Period October 2009	13th Period April 2010	14th Period October 2010	15th Period April 2011	16th Period October 2011
Total Assets	¥ mln	315,402	326,711	353,730	401,684	409,353	408,312	410,127	407,703	404,069	400,390
Interest-bearing Liabilities	¥ mln	130,000	140,000	165,700	182,100	188,730	188,730	191,980	191,230	187,900	184,650
LTV (Based on Total Assets)	%	41.2	42.9	46.8	45.3	46.1	46.2	46.8	46.9	46.5	46.1
Unitholders' Capital	¥ mln	156,767	156,767	156,767	185,455	185,455	185,455	185,455	185,455	185,455	185,455
Outstanding Units Issued	unit	265,903	265,903	265,903	305,123	305,123	305,123	305,123	305,123	305,123	305,123
Net Assets	¥ mln	161,221	161,272	161,267	190,711	190,847	190,793	190,490	189,934	189,883	190,082
Net Assets per Unit	¥	606,315	606,510	606,488	625,031	625,478	625,301	624,306	622,486	622,318	622,970
End-of-Period Closing Unit Price	¥	1,490,000	1,160,000	826,000	551,000	509,000	565,000	531,000	494,500	584,000	421,000
Market Capitalization	¥ mln	396,195	308,447	219,635	168,122	155,307	172,394	162,020	150,883	178,191	128,456
Operating Revenues	¥ mln	11,090	11,968	12,183	13,925	15,409	14,203	13,686	13,364	13,117	13,637
Operating Profits	¥ mln	5,137	5,725	5,823	6,932	7,078	7,138	6,747	6,223	6,144	6,219
Net Income	¥ mln	4,466	4,486	4,499	5,255	5,392	5,338	5,034	4,479	4,428	4,627
Total Cash Distribution	¥ mln	4,453	4,498	4,499	5,255	5,392	5,338	5,034	4,479	4,427	4,527
Cash Distribution per Unit	¥	16,750	16,918	16,923	17,225	17,673	17,496	16,500	14,681	14,512	14,837
Total Portfolio (Based on Acquisitio	¥ mln	282,840	292,409	317,440	362,248	374,557	374,557	378,607	378,607	376,115	367,729
Number of Properties		31	34	37	46	50	50	51	51	51	48
Leasable Space	m <sup>2</sup>	350,712.00	362,733.62	395,330.99	430,487.81	436,094.41	435,901.82	439,139.15	438,918.56	415,936.86	399,625.36
Number of Tenants		517	533	583	676	661	666	686	704	746	753
Occupancy Rate	%	98.5	97.9	97.6	97.3	96.4	95.4	95.0	94.5	93.8	96.4
Return on Assets (ROA)	%	1.5	1.4	1.3	1.4	1.3	1.3	1.2	1.1	1.1	1.2
(annualized)	%	3.0	2.8	2.7	2.7	2.7	2.6	2.5	2.2	2.2	2.3
Return on Equity (ROE)	%	2.8	2.8	2.8	2.8	2.8	2.8	2.6	2.4	2.3	2.4
(annualized)	%	5.6	5.5	5.6	5.6	5.7	5.5	5.3	4.7	4.7	4.8
Capital-Asset Ratio	%	51.1	49.4	45.6	47.5	46.6	46.7	46.4	46.6	47.0	47.5
Debt-Service Coverage Ratio (DSCR)	x	7.88	6.49	6.22	6.06	5.53	5.45	5.33	4.94	4.85	4.51
End-of-Period Total Book Value	¥ mln	282,130	291,853	316,999	361,979	373,833	372,790	375,851	374,569	371,136	362,390
End-of-Period Total Appraisal Valu	¥ mln	340,383	366,938	399,602	436,948	407,229	384,214	367,066	353,363	341,450	326,690
Total Latent Profit and Loss	¥ mln	58,252	75,084	82,602	74,968	33,395	11,423	-8,785	-21,206	-29,686	-35,700
Latent Profit and Loss per Unit	¥	219,075	282,374	310,649	245,700	109,450	37,439	-28,793	-69,502	-97,293	-117,004
Net Asset Value per Unit (Based on )	¥	825,390	888,884	917,138	870,731	734,929	662,740	595,513	552,983	525,024	505,966
NOI	¥ mln	7,763	8,286	8,572	9,927	10,226	10,278	9,884	9,357	8,965	8,142
Rate of NOI (p.a.)	%	5.7	5.8	5.7	5.7	5.5	5.5	5.3	4.9	4.8	4.5
Depreciation	¥ mln	1,478	1,518	1,601	1,793	1,862	1,835	1,865	1,876	1,861	1,732
Capital Expenditures	¥ mln	757	1,252	1,346	1,552	1,376	779	692	597	750	1,088
FFO	¥ mln	5,985	6,039	6,134	7,087	7,167	7,180	6,908	6,363	6,029	5,362
FFO per Unit	¥	22,509	22,714	23,069	23,228	23,488	23,534	22,640	20,855	19,761	17,573

# Changes in Performance

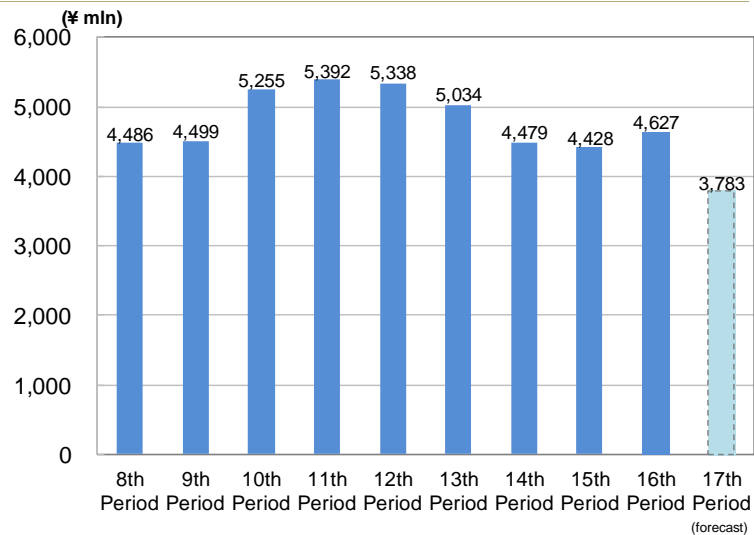
## Operating Revenues



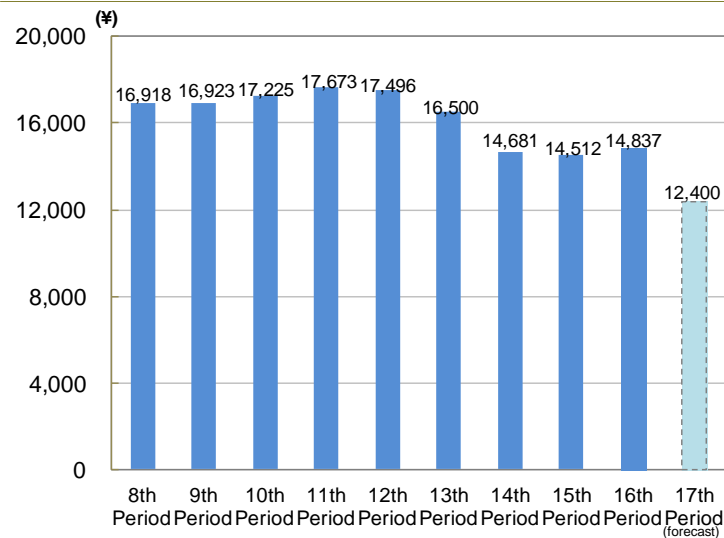
## Operating Profits



## Net Income



## Distribution per Unit



# List of Properties 1 (Central Tokyo)

Property Name	Location	Completion	Floors (Ground)	Total Floor Space (m <sup>2</sup> ) (Note 1, 2)	Leasable Space (m <sup>2</sup> )	Occupancy Rate (Note 3)	# of Tenants	Standard Floor Space (m <sup>2</sup> )	Air Conditioning	Room Height	PML (Note 4)	Acquisition Date	Acquisition Price
Shinjuku Nomura Bldg	Nishi-Shinjuku, Shinjuku-ku	1978. 5	50	117,258.88 (Entire building)	31,500.89	94.7%	95	1,262.37	Each 1/4 floor	2,600	5%	2003. 12	38,730
NRE Tennozu Bldg	Higashi-Shinagawa, Shinagawa-ku	1996. 6	26	①81,421.13 ②25,260.48	25,127.12	100.0%	6	2,214.55	Each 1/6 floor	2,700	6%	2005. 3	33,080
NOF Nihonbashi Honcho Bldg	Nihonbashi Honcho, Chuo-ku (Extension 1968.4)	1961. 4	8	29,430.67	19,157.05	96.6%	14	2,615.23	Each span	2,650	14%	2003. 12	20,600
Tennozu Park Side Bldg	Higashi-Shinagawa, Shinagawa-ku	1995. 1	21	①43,893.46 ②17,587.30	18,051.60	97.2%	15	1,331.14	Each 1/4 floor	2,650	6%	2004. 2	14,800
NOF Shinjuku Minamiguchi Bldg	Yoyogi, Shibuya-ku	1974. 4	8	9,044.04	6,706.46	100.0%	14	856.30	Each span	2,420	13%	2008. 6	12,300
NOF Shibuya Koen-dori Bldg	Udakawa-cho, Shibuya-ku	1987. 9	8	5,358.55	3,420.16	100.0%	3	442.38	Each span	2,500	12%	2004. 9	12,000
Secom Medical Bldg	Nibancho, Chiyoda-ku	2005. 2	7	8,683.73	8,821.24	100.0%	1	980.00	Each span	2,500 -2,700	4%	2006. 9	11,500
NOF Shiba Bldg	Shiba, Minato-ku	1991. 3	7	11,425.20	8,165.10	84.6%	7	1,260.41	Each span	2,600	14%	2004. 5	10,000
Nishi-Shinjuku Showa Bldg	Nishi-Shinjuku, Shinjuku-ku	1982. 4	11	①10,902.22 ②5,858.26	5,670.84	97.1%	19	585.99	Each span	2,500	13%	2005. 11	8,800
NRE Shibuya Dogenzaka Bldg	Dogenzaka, Shibuya-ku	1999. 3	9	4,463.86	3,436.67	88.4%	7	399.37	Each 1/4 floor	2,600	12%	2008. 9	7,660
NOF Tameike Bldg	Akasaka, Minato-ku	1959. 8	9	6,478.50	4,715.20	95.6%	11	519.06	Each span	2,500	17%	2005. 9	7,400
Iwamoto-cho Toyo Bldg	Iwamoto-cho, Chiyoda-ku	1993. 6	9	5,367.28	4,117.26	100.0%	7	481.17	Each floor	2,575	13%	2008. 6	6,020
NOF Shinagawa Konan Bldg	Higashi-Shinagawa, Shinagawa-ku	1987. 11	8	10,077.02	7,667.55	94.0%	5	928.29	Each floor	2,600	11%	2003.12	5,500
NOF Surugadai Plaza Bldg	Kanda Surugadai, Chiyoda-ku	1997. 4	8	5,782.27	4,160.94	100.0%	1	626.33	Each 1/2 floor	2,700	6%	2004. 2	5,150
PMO Nihonbashi Honcho	Nihonbashi Honcho, Chuo-ku	2008. 6	9	3,507.37	2,450.06	100.0%	7	306.36	Each 1/9 floor	2,700	13%	2008. 11	5,000
NRE Higashi-nihonbashi Bldg	Higashi-nihonbashi, Chuo-ku	1990. 9	9	6,741.42	4,554.98	100.0%	6	558.67	Each floor	2,600	10%	2009. 1	4,060
Hatchobori NF Bldg	Hatchobori, Chuo-ku	1990.10	9	①3,799.40 ②3,036.14	2,854.83	100.0%	7	388.87	Each 1/2 floor	2,600	12%	2007. 8	3,160
NOF Kanda Iwamoto-cho Bldg	Iwamoto-cho, Chiyoda-ku	1988. 7	9	4,698.97	4,076.38	100.0%	8	480.07	Each floor	2,550	14%	2004. 2	3,080
NOF Takanawa Bldg	Higashi Gotanda, Shinagawa-ku	1993. 4	8	4,764.00	3,361.48	100.0%	16	453.98	Each 1/4 floor	2,600	14%	2009. 2	3,010
NOF Minami Shinjuku Bldg	Sendagaya, Shibuya-ku	1986. 3	8	3,160.05	2,464.71	100.0%	4	327.66	Each floor	2,500	12%	2004. 6	2,280
Central Shintomicho Bldg	Minato, Chuo-ku (Extension 1992.7)	1990. 3	8	2,777.61	2,465.86	100.0%	6	322.74	Each 1/3 floor	2,500	15%	2008. 6	1,750
Subtotal (21 properties)						172,946.38	96.9%	259					215,880

## List of Properties 2 (Suburban Tokyo)

Property Name	Location	Completion	Floors (Ground)	Total Floor Space (㎡) (Note 1, 2)	Leasable Space (㎡)	Occupancy Rate (Note 3)	# of Tenants	Standard Floor Space (㎡)	Air Conditioning	Room Height	PML (Note 4)	Acquisition Date	Acquisition Price
NRE Ueno Bldg	Higashi-Ueno, Taito-Ku	1990. 3	10	7,117.78	4,869.81	100.0%	10	481.06	Each floor	2,440	12%	2009. 1	7,830
NOF Technoport Kamata Center Bldg	Minami-Kamata, Ota-ku	1990. 9	11	21,516.54 (Exclusively owned area)	13,652.45	92.7%	12	1,148.45	Each span	2,650	10%	2003. 12	6,416
Toho Edogawabashi Bldg	Sekiguchi, Bunkyo-ku	1993. 3	9	3,405.76	2,058.97	100.0%	7	235.47	Each floor	2,580	14%	2008. 3	2,080
Toshin Meguro Bldg	Shimo-Meguro, Meguro-ku	1989. 9	9	1,595.27	1,610.07	100.0%	1	140.39	Each floor	2,550	14%	2008. 6	1,340
Crystal Park Bldg	Gotenyama, Musashino City	1991. 10	11	①6,462.19 ②3,868.36	3,900.85	98.6%	12	193.93-590.35	Each floor	2,500	14%	2006. 2	3,700
NOF Kichijoji Honcho Bldg	Kichijoji Honcho, Musashino City	1987. 10	8	2,664.83	1,936.40	90.2%	6	269.37	Each floor	2,500	14%	2009. 1	1,800
Faret Tachikawa Center Square	Akebono-cho, Tachikawa City	1994. 12	12	①33,706.03 ②6,865.80	6,851.48	97.3%	17	1,099.32	Each 1/4 floor	2,600	10%	2003. 12	3,290
NOF Kawasaki Higashiguchi Bldg	Kawasaki-ku, Kawasaki City	1988. 3	12	10,932.69	8,266.67	98.6%	29	684.62	Each 1/3 floor	2,550	16%	2005. 6	9,500
NOF Yokohama Nishiguchi Bldg	Nishi-ku, Yokohama City	1985. 10	9	10,055.13	6,817.76	100.0%	32	794.75	Each 1/8 floor	2,500	14%	2005. 5	5,050
NOF Shin-Yokohama Bldg	Kohoku-ku, Yokohama City	1990. 10	9	11,149.99	8,074.83	100.0%	10	940.84	Each span	2,500	17%	2003. 12	3,600
Yokohama Odori Koen Bldg	Naka-ku, Yokohama City	1989. 3	11	6,445.72	4,234.19	92.4%	16	418.39	Each 1/3 floor	2,600	19%	2007. 9	2,993
Subtotal (11 properties)						62,273.48	97.0%	152					47,599

## List of Properties 3 (Other Cities)

Property Name	Location	Completion	Floors (Ground)	Total Floor Space (m) (Note 1, 2)	Leasable Space (m)	Occupancy Rate (Note 3)	# of Tenants	Standard Floor Space (m)	Air Conditioning	Room Height	PML (Note 4)	Acquisition Date	Acquisition Price
Sapporo North Plaza	Chuo-ku, Sapporo City	1981. 8	12	18,842.51	13,601.62	96.5%	43	1,105.75	Each floor Auxiliary	2,580	1%	2006. 6	6,820
NRE Sapporo Bldg	Kita-ku, Sapporo City	2008. 7	10	9,603.81	6,559.34	100.0%	6	697.83	Each 1/3 floor	2,800	1%	2008. 11	5,300
JCB Sapporo Higashi Bldg	Chuo-ku, Sapporo City	1966. 10	7	9,062.04	9,062.04	100.0%	1	796.31	Each span	2,600	2%	2008. 2	3,700
NOF Sendai Aoba-dori Bldg	Aoba-ku, Sendai City	1968. 7	11	12,977.45	6,043.28	83.6%	28	802.79	Each span	2,480	8%	2005. 11	3,200
NOF Utsunomiya Bldg	Baba-dori, Utsunomiya City	1999. 12	10	10,479.63	5,887.39	88.6%	23	664.68	Each span	2,700	5%	2003. 12	2,970
NOF Nagoya Fushimi Bldg	Naka-ku, Nagoya City	2009. 8	11	4,954.83	3,282.90	89.9%	16	316.30	Each 1/3 floor	2,700	8%	2009. 12	4,050
NOF Nagoya Yanagibashi Bldg	Nakamura-ku, Nagoya City	1991. 3	12	7,363.25	4,655.74	92.6%	14	405.96	Each 1/2 floor	2,460	14%	2005. 9	3,550
Omron Kyoto Center Bldg	Simogyo-ku, Kyoto City	2000. 7	11	34,616.84	34,616.84	100.0%	1	2,035.94	Each 1/16 floor	2,600	9%	2007. 3	23,700
SORA Shin-Osaka 21	Yodogawa-ku, Osaka City	1994. 7	21	38,252.92	21,298.26	94.7%	32	1,008.28	Each 1/4 floor	2,700	9%	2008. 4	19,251
NRE Osaka Bldg	Chuo-ku, Osaka City	1983. 12	12	23,522.82	16,977.79	99.2%	24	1,336.52	Each floor Auxiliary	2,500	19%	2003. 12	6,410
NRE Nishi-Umeda Bldg	Kita-ku, Osaka City	1993. 6	12	8,036.71	5,213.02	95.4%	15	435.04	Each span	2,580	13%	2008. 9	5,660
NRE Yotsubashi Bldg	Nishi-ku, Osaka City	1991. 11	15	16,845.87	11,558.68	97.5%	20	797.35	Each floor Auxiliary	2,650	13%	2003. 12	3,940
NOF Kobe Kaigan Bldg	Chuo-ku, Kobe City	1998. 2	16	10,292.93	6,425.16	86.4%	34	528.43	Each span	2,600	7%	2003. 12	3,280
NRE Hiroshima Bldg	Naka-ku, Hiroshima City	1976. 7	9	11,950.37	7,901.40	86.1%	17	1,047.54	Each floor Auxiliary	2,450	11%	2003. 12	1,930
NOF Hakata Ekimae Bldg	Hakata-ku, Fukuoka City	1983. 7	11	10,961.34	7,504.28	93.0%	46	675.70	Each span	2,500	1%	2008. 6	6,750
NOF Tenjin-Minami Bldg	Chuo-ku, Fukuoka City	2008. 2	10	4,603.61	3,817.76	96.9%	22	411.49	Each 1/3 floor	2,750	1%	2009. 3	3,739
Subtotal (16 properties)						164,405.50	95.6%	342					104,250
Total (48 properties)						399,625.36	96.4%	753			6.8%		367,729

(Note 1) Total floor space is taken from the registry book.

(Note 2) Total floor space of the properties owned in compartment, except for NOF Technoport Kamata Center Bldg, is expressed as ①entire building, and ②portion owned by NOF.

(Note 3) Each Occupancy Rate indicates as of October 31, 2011.

(Note 4) Rate of PML (Probable Maximum Loss) for each building was calculated by Shimizu Corporation. 7.0% at the bottom field is for the entire portfolio.

# Earnings by Properties

Property Name	Shinjuku Nomura Bldg	NRE Tennozu Bldg *	NOF Nhonbashi Honcho Bldg	Tennozu Park Side Bldg	NOF Shinjuku Minamiguchi Bldg	NOF Shibuya Koen-dori Bldg	Secom Medical Bldg *	NOF Shiba Bldg	Nishi-Shinjuku Show a Bldg	NRE Shibuya Dogenzaka Bldg	NOF Tameike Toyo Bldg	Wamoto-cho Toyo Bldg	NOF Shinagawa Konan Bldg
Number of business days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days
Rental business revenues	1,624,370		749,269	629,206	304,772	332,608		286,589	287,857	162,269	204,686	122,766	216,285
Rental revenues *incl. common charges	1,476,121		719,894	536,348	280,551	307,252		258,799	257,087	149,302	188,125	108,214	195,122
Other revenues	148,248		29,375	92,857	24,220	25,355		27,790	30,769	12,966	16,560	14,551	21,163
Rental business expenses	816,338		253,955	347,586	106,343	83,057		99,400	113,835	57,200	91,643	62,340	81,177
Property management costs	190,349		61,536	143,668	14,637	14,306		17,597	41,703	11,531	15,958	9,729	18,891
Taxes and duties	188,750		43,133	54,317	23,536	27,856		24,569	33,799	15,841	18,712	11,819	16,745
Utility expenses	185,479		40,135	25,369	17,673	10,083		17,915	22,233	8,410	18,986	9,445	16,359
Insurance expenses	2,603		1,052	149	361	270		456	737	217	247	253	407
Repairs and maintenances	52,268		14,648	15,539	15,065	6,167		7,540	872	1,169	17,259	8,406	4,233
Other expenses	41,205		6,168	10,486	21,694	1,644		5,079	3,631	414	6,479	3,475	1,344
Depreciation	155,680	151,963	87,279	98,056	13,374	22,728	45,089	26,241	10,858	19,614	13,998	19,209	23,196
Rental Profits	808,031	127,315	495,314	281,620	198,428	249,550	176,860	187,188	174,021	105,068	113,042	60,425	135,107
Net Operating Income (NOI)	963,712	279,279	582,593	379,676	211,803	272,279	221,949	213,430	184,880	124,683	127,041	79,635	158,303

Property Name	NOF Surugadai Plaza Bldg *	PMO Nhonbashi Honcho	NRE Hgashi-nhonbashi Bldg	Hatchobori NF Bldg	NOF Kanda Wamoto-cho Bldg	NOF Takawan a Bldg	Central Kyobashi Bldg	NOF Mnami Shinjuku Bldg	Central Shintomicho Bldg	Sunworld Yotsuya Bldg *	NRE Ueno Bldg	NOF Toyo-cho Bldg *	NOF Technoport Kamata Center Bldg
Number of business days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	121 Days	184 Days	184 Days	82 Days	184 Days	9 Days	184 Days
Rental business revenues		115,758	143,684	89,531	140,839	111,531	53,105	93,299	54,496	224,244			345,916
Rental revenues *incl. common charges		108,736	134,031	79,052	127,711	97,828	48,577	80,492	42,870	201,403			306,392
Other revenues		7,021	9,652	10,478	13,127	13,703	4,527	12,807	11,626	22,840			39,524
Rental business expenses		53,016	66,419	38,519	45,635	47,634	23,504	37,526	24,213	86,539			197,165
Property management costs		8,564	17,814	11,481	7,495	10,538	3,341	7,600	5,014	19,458			50,522
Taxes and duties		7,557	10,506	7,816	9,486	8,559	10,090	10,208	4,305	15,948			37,145
Utility expenses		6,092	8,746	7,536	7,624	7,984	2,552	6,500	4,652	14,751			36,171
Insurance expenses		184	301	23	193	210	65	134	122	324			731
Repairs and maintenances		4,724	4,485	520	6,882	4,158	2,505	4,515	2,939	10,128			11,862
Other expenses			296	336	1,854	865	420	571	1,717	897			9,039
Depreciation	30,510	25,595	24,228	9,287	13,086	15,763	4,378	6,849	6,280	1,122	24,994	4,233	51,693
Rental Profits	175,732	62,741	77,265	51,011	95,204	63,897	29,600	55,773	30,282	4,131	137,705	4,637	148,750
Net Operating Income (NOI)	206,242	88,337	101,493	60,298	108,291	79,660	33,978	62,622	36,563	5,254	162,699	8,870	200,443

Property Name	Toho Edogaw abashi	Toshin Meguro Bldg *	Crystal Park Bldg	NOF Kichijoji Honcho Bldg	Faret Tachikawa Center Square	NOF Kawasaki Hgashiguchi Bldg	NOF Yokohama Nishiguchi Bldg	NOF Shin-Yokohama Bldg	Yokohama Odori Koen Bldg	Sapporo North Plaza	NRE Sapporo Bldg	JCB Sapporo Hgashi Bldg	NOF Sendai Aoba-dori Bldg
Number of business days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days
Rental business revenues	62,598		102,366	70,212	218,250	310,855	228,841	164,299	92,051	325,854	204,228		123,464
Rental revenues *incl. common charges	51,556		92,392	63,887	200,004	273,613	199,850	148,300	75,424	280,799	180,153		101,863
Other revenues	11,042		9,974	6,324	18,246	37,242	28,991	15,999	16,627	45,055	24,075		21,600
Rental business expenses	27,874		48,777	27,236	96,175	124,357	87,783	87,486	68,129	170,232	102,658		87,182
Property management costs	6,111		19,070	5,170	32,232	22,199	20,941	19,628	12,499	35,453	14,734		20,796
Taxes and duties	6,488		10,091	5,230	16,901	21,077	21,768	17,434	7,392	34,055	18,090		18,666
Utility expenses	6,205		7,140	3,882	28,142	26,337	16,009	15,291	15,150	35,770	17,402		13,574
Insurance expenses	127		116	122	445	457	409	390	221	741	386		424
Repairs and maintenances	1,329		597	1,349	84	18,904	11,248	11,928	18,262	5,863	1,543		13,904
Other expenses	560		3,053	2,033	5,237	3,075	2,256	2,153	516	7,648	1,761		2,862
Depreciation	7,052	3,626	8,707	9,446	13,133	32,305	15,150	20,660	14,085	50,700	48,741	19,944	16,953
Rental Profits	34,724	31,974	53,589	42,976	122,075	186,497	141,057	76,812	23,922	155,622	101,569	79,665	36,282
Net Operating Income (NOI)	41,776	35,600	62,297	52,423	135,208	218,803	156,207	97,472	38,007	206,322	150,310	99,609	53,235

Property Name	NOF Utsunomiya Bldg	NOF Nagoya Fushim Bldg	NOF Nagoya Yanagibashi Bldg	Orron Kyoto Center Bldg *	SORA Shin-Osaka 21	NRE Osaka Bldg	NRE Nishi-Umeda Bldg	NRE Yotsubashi Bldg	NOF Kobe Kaigan Bldg *	NRE Hiroshima Bldg	NOF Hakata Ekimae Bldg	NOF Tenjin-Minami Bldg	Total 51 Properties
Number of business days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	184 Days	
Rental business revenues	155,007	65,863	112,864		565,897	390,056	141,086	291,987	158,783	176,597	178,966	80,297	12,520,177
Rental revenues *incl. common charges	127,215	55,662	98,430		450,268	321,001	123,170	258,072	126,884	157,669	152,314	66,934	11,223,340
Other revenues	27,791	10,200	14,433		115,628	69,054	17,916	33,914	31,898	18,927	26,652	13,362	1,296,836
Rental business expenses	106,470	51,409	64,701		351,206	211,362	97,898	146,779	104,913	88,317	86,761	47,582	6,110,487
Property management costs	22,387	8,038	11,289		65,136	60,026	15,240	40,765	22,656	23,416	17,943	8,799	1,401,146
Taxes and duties	13,710	9,576	13,368		66,045	43,008	15,922	30,754	16,131	19,810	15,441	9,520	1,211,888
Utility expenses	15,617	6,876	12,969		66,656	57,063	13,785	30,402	22,988	15,048	20,556	7,895	1,048,075
Insurance expenses	409	182	270		1,530	876	337	611	548	421	467	177	22,869
Repairs and maintenances	12,010	193	5,284		15,341	8,684	5,890	17,845	2,574	3,075	2,213	233	431,741
Other expenses	3,521	696	675		7,824	7,331	23,816	2,321	4,867	1,498	2,513	1,210	262,128
Depreciation	38,813	25,845	20,842	163,719	128,671	34,370	22,905	24,079	35,145	25,047	27,626	19,745	1,732,637
Rental Profits	48,536	14,454	48,163	314,205	214,690	178,693	43,188	145,207	53,869	88,280	92,205	32,715	6,409,689
Net Operating Income (NOI)	87,349	40,300	69,006	477,924	343,361	213,063	66,094	169,286	89,015	113,327	119,831	52,460	8,142,327

(Note 1) Detailed figures, excluding NOI, Depreciation and Rental Profits, are not disclosed due to compelling reasons.

(Note 2) NOF Toyo-cho Bldg, Sunworld Yotsuya Bldg, and Central Kyobashi Bldg were transferred during the 16th period. Numbers in the table are as of the date before the transfer.



# Changes in NOI/ Period Status with change

## Changes in NOI Return of Portfolio(note)

[Changes in NOI Return of Portfolio (%)]

	Apr. 2004	Oct. 2004	Apr. 2005	Oct. 2005	Apr. 2006	Oct. 2006	Apr. 2007	Oct. 2007	Apr. 2008	Oct. 2008	Apr. 2009	Oct. 2009	Apr. 2010	Oct. 2010	Apr. 2011	Oct. 2011
NOI of Portfolio	6.8	6.2	6.1	6.2	5.7	6.0	5.8	5.8	5.8	5.8	5.5	5.5	5.2	4.9	4.8	4.4

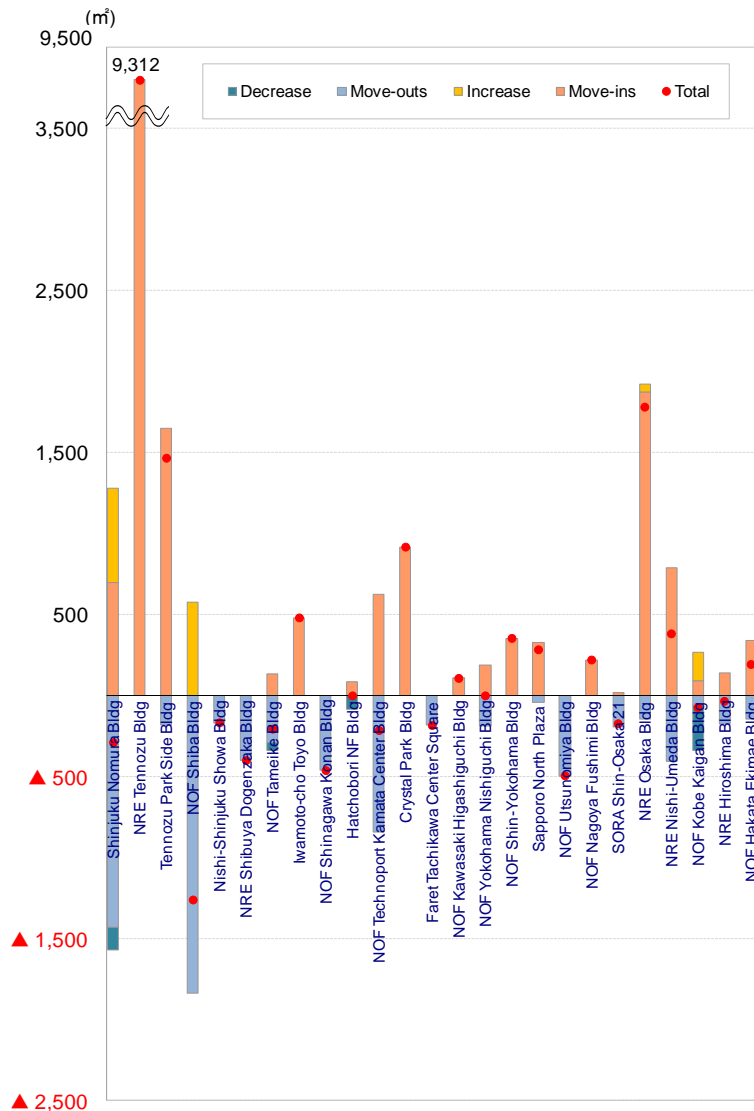
[Breakdown by the number of properties held at each Period-end (%)]

14 for 1st Period	6.8	6.6	6.7	6.6	6.6	7.1	7.0	7.1	7.2	7.5	7.2	7.2	6.9	6.3	6.4	5.8
17 for 2nd Period		6.2	6.3	6.4	6.3	6.8	6.7	6.8	6.8	7.1	6.9	6.9	6.6	6.0	6.1	5.6
18 for 3rd Period			6.1	6.2	6.1	6.4	6.3	6.4	6.4	6.6	6.5	6.5	6.2	5.7	5.6	4.9
22 for 4th Period				6.2	6.0	6.2	6.1	6.2	6.3	6.5	6.3	6.3	6.1	5.5	5.5	4.8
25 for 5th Period					5.7	6.1	6.0	6.1	6.2	6.4	6.2	6.2	5.9	5.4	5.4	4.7
27 for 6th Period						6.0	6.0	6.0	6.1	6.3	6.1	6.1	5.8	5.3	5.3	4.7
28 for 7th Period							5.8	5.9	5.9	6.1	5.9	5.9	5.7	5.2	5.2	4.7
30 for 8th Period								5.8	5.9	6.0	5.9	5.9	5.7	5.2	5.2	4.6
33 for 9th Period									5.8	5.9	5.7	5.7	5.5	5.1	5.0	4.6
40 for 10th Period										5.8	5.6	5.5	5.3	5.0	4.9	4.4
47 for 11th Period											5.5	5.5	5.3	4.9	4.8	4.4
47 for 12th Period												5.5	5.3	4.9	4.8	4.4
48 for 13th Period													5.2	4.9	4.8	4.4
48 for 14th Period														4.9	4.8	4.4
48 for 15th Period															4.8	4.4
48 for 16th Period																4.4

- Main factors for change in NOI between 15th and 16th periods
  - Decrease in rent/common area charge (rent decrease from tenant turnover / lease renewals) : ¥500 million (-4.3% from previous period)
  - Increase in repairs expenses : ¥189 million (+78.0% from previous period)
  - Increase in property management costs : ¥47 million (+3.4% from previous period)

(Note) The profit from transferred properties during the 16th period is excluded when calculating.

## 16th Period Status (Refers Only to Buildings with change)



# List of End-of-Period Appraisal Value

Property Name	Acquisition Price (¥ mln)	Book Value at 16th Period (¥ mln)	Appraisal Value at 16th Period End (¥ mln)	Appraisal Value (¥ mln)	Difference between	
					(¥ mln)	Change
Shinjuku Nomura Bldg	38,730	39,605	45,500	46,900	▲1,400	▲3.0%
NRE tennozu Bldg	33,080	32,610	22,200	23,300	▲1,100	▲4.7%
NOF Nihonbashi Honcho Bldg	20,600	20,577	21,900	22,900	▲1,000	▲4.4%
Tennozu Park Side Bldg	14,800	12,647	16,200	16,700	▲500	▲3.0%
NOF Shinjuku Minamiguchi Bldg	12,300	12,373	9,560	9,720	▲160	▲1.6%
NOF Shibuya Koen-dori Bldg	12,000	12,575	11,800	11,600	200	1.7%
Secom Medical Bldg	11,500	11,104	10,700	10,400	300	2.9%
NOF Shiba Bldg	10,000	10,027	8,560	8,980	▲420	▲4.7%
Nishi-Shinjuku Showa Bldg	8,800	8,699	8,050	8,190	▲140	▲1.7%
NRE Shibuya Dogenzaka Bldg	7,660	7,592	5,960	5,960	-	-
NOF Tameike Bldg	7,400	7,545	6,580	6,710	▲130	▲1.9%
Iwamoto-cho Toyo Bldg	6,020	5,915	4,250	4,190	60	1.4%
NOF Shinagawa Konan Bldg	5,500	5,367	5,270	5,460	▲190	▲3.5%
NOF Surugadai Plaza Bldg	5,150	4,910	6,350	6,390	▲40	▲0.6%
PMO Nihonbashi Honcho	5,000	4,870	4,260	4,300	▲40	▲0.9%
NRE Higashi-nihonbashi Bldg	4,060	4,048	3,480	3,350	130	3.9%
Hatchobori NF Bldg	3,160	3,159	2,590	2,590	-	-
NOF Kanda Iwamoto-cho Bldg	3,080	3,072	3,960	3,750	210	5.6%
NOF Takanawa Bldg	3,010	3,030	2,590	2,530	60	2.4%
NOF Minami Shinjuku Bldg	2,280	2,293	2,220	2,300	▲80	▲3.5%
Central Shintomicho Bldg	1,750	1,763	1,430	1,390	40	2.9%
<b>Total Central Tokyo</b>	<b>215,880</b>	<b>213,793</b>	<b>203,410</b>	<b>207,610</b>	<b>▲4,200</b>	<b>▲2.0%</b>
NRE Ueno Bldg	7,830	7,798	6,510	6,520	▲10	▲0.2%
NOF Technoport Kamata Center Bldg	6,416	6,485	6,430	6,680	▲250	▲3.7%
Toho Edogawabashi Bldg	2,080	2,057	1,430	1,400	30	2.1%
Toshin Meguro Bldg	1,340	1,328	1,210	1,170	40	3.4%
Crystal Park Bldg	3,700	3,585	3,190	3,270	▲80	▲2.4%
NOF Kichijoji Honcho Bldg	1,800	1,802	1,640	1,600	40	2.5%
Faret Tachikawa Center Square	3,290	2,896	3,960	4,120	▲160	▲3.9%
NOF Kawasaki Higashiguchi Bldg	9,500	9,368	8,360	8,360	-	-
NOF Yokohama Nishiguchi Bldg	5,050	4,990	4,970	5,150	▲180	▲3.5%
NOF Shin-Yokohama Bldg	3,600	3,309	2,830	2,990	▲160	▲5.4%
Yokohama Odori Koen Bldg	2,993	2,917	1,930	1,950	▲20	▲1.0%
<b>Total Suburban Tokyo</b>	<b>47,599</b>	<b>46,539</b>	<b>42,460</b>	<b>43,210</b>	<b>▲750</b>	<b>▲1.7%</b>

Property Name	Acquisition Price (¥ mln)	Book Value at 16th Period (¥ mln)	Appraisal Value at 16th Period End (¥ mln)	Appraisal Value (¥ mln)	Difference between	
					(¥ mln)	Change
Sapporo North Plaza	6,820	7,652	5,590	5,650	▲60	▲1.1%
NRE Sapporo Bldg	5,300	5,053	4,680	4,580	100	2.2%
JCB Sapporo Higashi Bldg	3,700	3,616	3,220	3,220	-	-
NOF Sendai Aoba-dori Bldg	3,200	3,147	2,070	2,080	▲10	▲0.5%
NOF Utsunomiya Bldg	2,970	2,394	2,500	2,460	40	1.6%
NOF Nagoya Fushimi Bldg	4,050	4,138	2,300	2,250	50	2.2%
NOF Nagoya Yanagibashi Bldg	3,550	3,628	2,420	2,600	▲180	▲6.9%
Omron Kyoto Center Bldg	23,700	22,309	19,100	19,200	▲100	▲0.5%
SORA Shin-Osaka 21	19,251	18,759	13,000	13,100	▲100	▲0.8%
NRE Osaka Bldg	6,410	6,290	7,050	7,140	▲90	▲1.3%
NRE Nishi-Umeda Bldg	5,660	5,682	3,240	3,560	▲320	▲9.0%
NRE Yotsubashi Bldg	3,940	3,715	4,240	4,350	▲110	▲2.5%
NOF Kobe Kaigan Bldg	3,280	2,806	2,430	2,530	▲100	▲4.0%
NRE Hiroshima Bldg	1,930	2,582	2,340	2,540	▲200	▲7.9%
NOF Hakata Ekimae Bldg	6,750	6,602	4,380	4,420	▲40	▲0.9%
NOF Tenjin-Minami Bldg	3,739	3,677	2,260	2,310	▲50	▲2.2%
<b>Total Other Cities</b>	<b>104,250</b>	<b>102,057</b>	<b>80,820</b>	<b>81,990</b>	<b>▲1,170</b>	<b>▲1.4%</b>
<b>Grand Total</b>	<b>367,729</b>	<b>362,390</b>	<b>326,690</b>	<b>332,810</b>	<b>▲6,120</b>	<b>▲1.8%</b>

(A) (B)

Difference between Book Value and Appraisal Value - ¥35,700 mln (-¥117,004 / unit)

## Comparison with the previous period

	14th Period⇒ 15th Period	15th Period⇒ 16th Period
<b>Increase</b>	<b>7</b>	<b>13</b>
<b>±0</b>	<b>11</b>	<b>4</b>
<b>Decrease</b>	<b>33</b>	<b>31</b>

# Status of Debts

Repayment Period	Lenders	Amount	Type of Interest	Interest Rate (p.a.)	Repayment Date	Short-term/Long-term		
17th Period	1 financial institution	¥1,000million	Floating	0.73643%	Dec. 24, 2011	Short-term debt (Including current portion of long-term debt)		
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	7 financial institutions	¥11,000million	Fixed (Note1)	1.89764%	Feb. 26, 2012			
	3 financial institutions	¥4,000million	Floating	0.78643%	Feb. 26, 2012			
	4 financial institutions	¥12,000million	Fixed (Note1)	1.39575%	Jun. 24, 2012			
18th Period	2 financial institutions	¥1,400million	Floating	0.73643%	Jun. 24, 2012		¥49,600million	
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	5 financial institutions	¥5,000million	Fixed	1.43750%	Aug. 26, 2012			
	1 financial institution	¥1,000million	Fixed	1.53625%	Aug. 26, 2012			
	2 financial institutions	¥1,500million	Floating	0.73643%	Aug. 26, 2012			
19th Period	5 financial institutions	¥7,500million	Fixed (Note1)	1.46000%	Aug. 26, 2012	Long-term debt		
	2 financial institutions	¥2,000million	Fixed (Note1)	1.61150%	Sep. 25, 2012			
	4 financial institutions	¥10,000million	Fixed (Note1)	1.51175%	Nov. 04, 2012			
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	3 financial institutions	¥5,000million	Fixed (Note1)	1.87200%	Dec. 27, 2012			
20th Period	1 financial institution	¥1,000million	Fixed	1.75250%	Feb. 26, 2013		¥93,250million	
	1 financial institution	¥2,000million	Fixed	1.99250%	Feb. 26, 2013			
	2 financial institutions	¥4,000million	Floating	1.14071%	Feb. 26, 2013			
	1 financial institution	¥2,000million	Fixed (Note1)	1.14050%	Jun. 24, 2013			
	1 financial institution	¥1,000million	Floating	0.88643%	Jun. 24, 2013			
21st Period	1 financial institution	¥250million	Fixed	1.97000%	(Note2)	Long-term debt		
	1 financial institution	¥2,500million	Fixed (Note1)	0.98550%	Aug. 26, 2013			
	4 financial institutions	¥7,500million	Fixed (Note1)	1.68680%	Dec. 08, 2013			
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	4 financial institutions	¥5,500million	Floating	0.99071%	Feb. 26, 2014			
22nd Period	3 financial institutions	¥4,000million	Fixed	1.98000%	Mar. 19, 2014		¥93,250million	
	3 financial institutions	¥3,000million	Fixed (Note1)	0.91900%	Jun. 10, 2014			
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	4 financial institutions	¥6,000million	Fixed (Note1)	0.83875%	Aug. 26, 2014			
	2 financial institutions	¥2,000million	Floating	0.83643%	Aug. 26, 2014			
23rd Period	5 financial institutions	¥6,350million	Fixed (Note1)	1.55800%	Dec. 24, 2014	Investment Corporation Bonds		
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	1 financial institution	¥3,000million	Fixed	1.91875%	Feb. 26, 2015			
	1 financial institution	¥3,000million	Fixed (Note1)	1.69300%	Feb. 26, 2015			
	3 financial institutions	¥8,000million	Fixed	2.31750%	Jun. 24, 2015			
24th Period	1 financial institution	¥250million	Fixed	1.97000%	(Note2)		¥44,500million	
	1 financial institution	¥1,000million	Fixed	1.31125%	Aug. 26, 2015			
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	1 financial institution	¥250million	Fixed	1.97000%	(Note2)			
	3 financial institutions	¥3,000million	Fixed (Note1)	1.10100%	Aug. 26, 2016			
28th Period	2 financial institutions	¥3,900million	Fixed (Note1)	1.43500%	Jun. 10, 2017	Investment Corporation Bonds		
29th Period	1 financial institution	¥1,000million	Fixed (Note1)	1.84650%	Feb. 26, 2018			
Total debt	32 financial institutions	¥140,150million	-	-	-			
17th Period	Public offering	¥5,000million	Fixed	1.61%	Mar. 19, 2012			Investment Corporation Bonds
23th Period	Public offering	¥6,000million	Fixed	0.94%	Nov. 26, 2014			
	Private placement	¥5,000million	Fixed	1.85%	Mar. 16, 2015			
25th Period	Public offering	¥10,000million	Fixed	2.05%	Nov. 30, 2015		¥44,500million	
27th Period	Public offering	¥5,000million	Fixed	2.21%	Mar. 17, 2017			
29th Period	Public offering	¥4,000million	Fixed	1.52%	Nov. 24, 2017			
33th Period	Private placement	¥5,000million	Fixed	2.47%	Mar. 16, 2020			
49th Period	Public offering	¥4,500million	Fixed	2.90%	Mar. 17, 2028			
Total bonds	-	¥44,500million	-	-	-			
Grand total	32 financial institutions	¥184,650million	-	-	-			

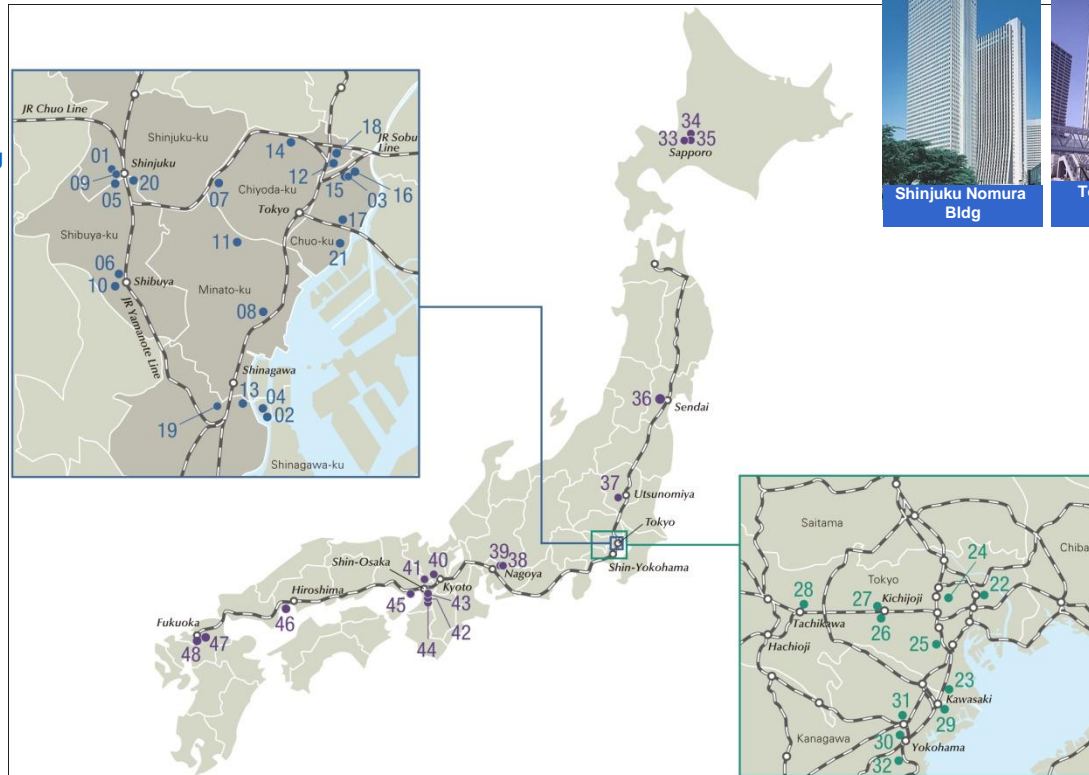
(Note 1) Converted the interest rate from floating-rate to fixed-rate in order to hedge risks of interest rate fluctuations by the interest-rate swap agreement.

(Note 2) Repay ¥250 million of principal at each Repayment Date until December 25, 2015, and repay ¥6,750 million on December 25, 2016, the last repayment date.

# Map of Properties (as of October 31, 2011)

## Central Tokyo

- 01 Shinjuku Nomura Bldg
- 02 NRE Tennozu Bldg
- 03 NOF Nihonbashi Honcho Bldg
- 04 Tennozu Park Side Bldg
- 05 NOF Shinjuku Minamiguchi Bldg
- 06 NOF Shibuya Koen-dori Bldg
- 07 Secom Medical Bldg
- 08 NOF Shiba Bldg
- 09 Nishi-Shinjuku Showa Bldg
- 10 NRE Shibuya Dogenzaka Bldg
- 11 NOF Tameike Bldg
- 12 Iwamoto-cho Toyo Bldg
- 13 NOF Shinagawa Konan Bldg
- 14 NOF Surugadai Plaza Bldg
- 15 PMO Nihonbashi Honcho
- 16 NRE Higashi-nihonbashi Bldg
- 17 Hatchobori NF Bldg
- 18 NOF Kanda Iwamoto-cho Bldg
- 19 NOF Takanawa Bldg
- 20 NOF Minami Shinjuku Bldg
- 21 Central Shintomicho Bldg



## Suburban Tokyo

- 22 NRE Ueno Bldg
- 23 NOF Technoport Kamata Center Bldg
- 24 Toho Edogawabashi Bldg
- 25 Toshin Meguro Bldg
- 26 Crystal Park Bldg
- 27 NOF Kichijoji Honcho Bldg
- 28 Faret Tachikawa Center Square
- 29 NOF Kawasaki Higashiguchi Bldg
- 30 NOF Yokohama Nishiguchi Bldg
- 31 NOF Shin-Yokohama Bldg
- 32 Yokohama Odori Koen Bldg

## Other Cities

- 33 Sapporo North Plaza
- 34 NRE Sapporo Bldg
- 35 JCB Sapporo Higashi Bldg
- 36 NOF Sendai Aoba-dori Bldg
- 37 NOF Utsunomiya Bldg
- 38 NOF Nagoya Fushimi Bldg
- 39 NOF Nagoya Yanagibashi Bldg
- 40 Omron Kyoto Center Bldg
- 41 SORA Shin-Osaka 21
- 42 NRE Osaka Bldg
- 43 NRE Nishi-Umeda Bldg
- 44 NRE Yotsubashi Bldg
- 45 NOF Kobe Kaigan Bldg
- 46 NRE Hiroshima Bldg
- 47 NOF Hakata Ekimae Bldg
- 48 NOF Tenjin-Minami Bldg



Shinjuku Nomura Bldg



Tennozu Park Side Bldg



NOF Shibuya Koen-dori Bldg



Secom Medical Bldg



NOF Shiba Bldg



PMO Nihonbashi Honcho



Faret Tachikawa Center Square



NRE Sapporo Bldg




























SORA Shin-Osaka 21



NOF Kobe Kaigan Bldg

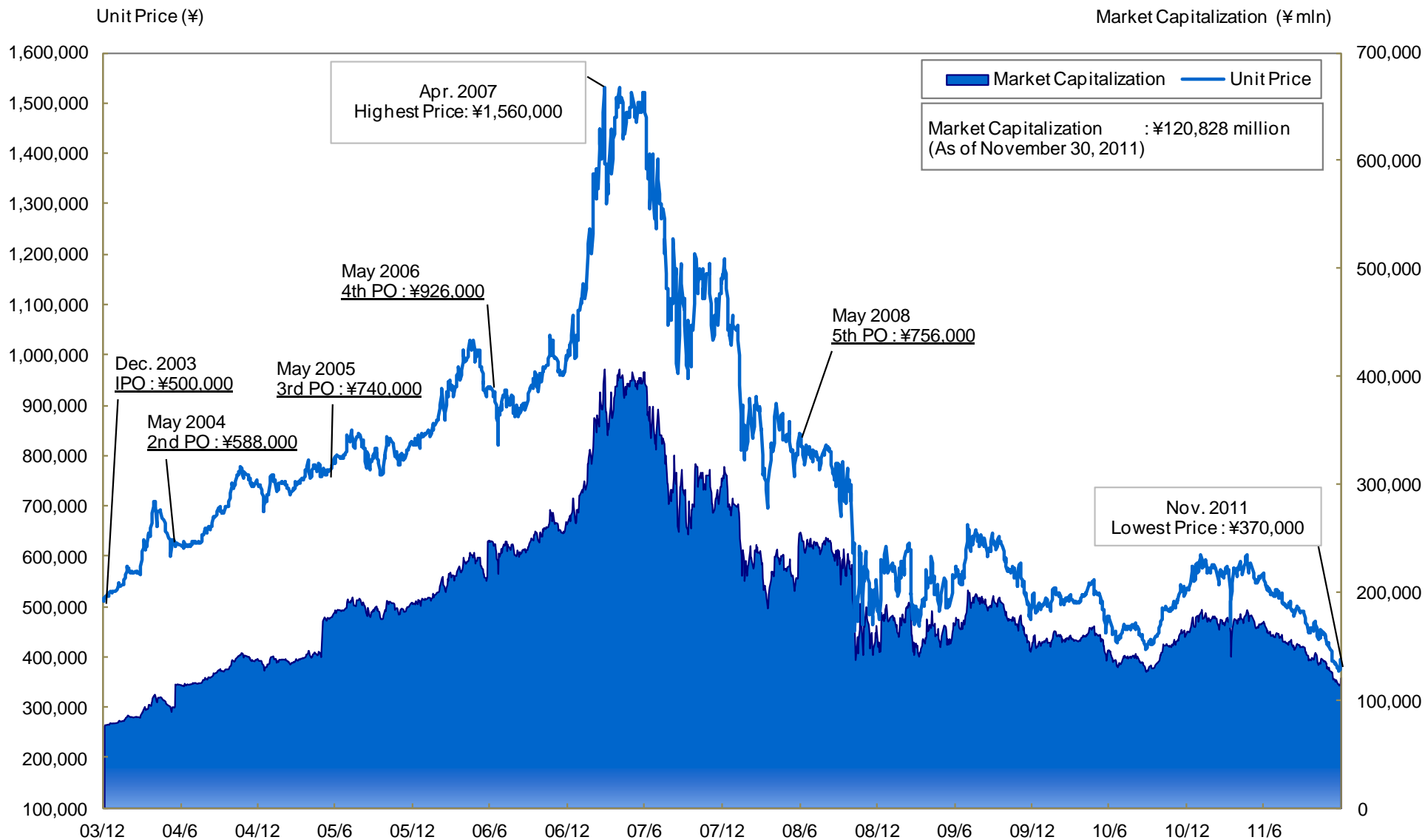
# Acquisition Channel of Properties (as of October 31, 2011)

Acquisition Channel	Key Properties Acquired at Listing	Key Properties Acquired after Listing	
<p>Originally owned by or developed by Nomura Real Estate Group Companies</p>	 Shinjuku Nomura Bldg  Faret Tachikawa Center Square  NRE Yotsubashi Bldg  NRE Osaka Bldg	 Tennozu Park Side Bldg  Secom Medical Bldg  Omron Kyoto Center Bldg  NRE Nishi-Umeda Bldg  PMO Nihonbashi Honcho  NRE Sapporo Bldg	<p>➔ <b>16 Properties</b> Cumulative Acquisition Price: ¥144.6 billion</p>
<p>• Information from or • Intermediation * by Nomura Real Estate Group Companies</p>	 NOF Nihonbashi Honcho Bldg  NOF Shinagawa Konan Bldg  NOF Shin-Yokohama Bldg  NOF Kobe Kaigan Bldg	 NRE Tennozu Bldg*  NOF Minami Shinjuku Bldg  Nishi-Shinjuku Showa Bldg  Sapporo North Plaza  NOF Yokohama Nishiguchi Bldg  NOF Sendai Aoba-dori Bldg  NOF Shinjuku Minamiguchi Bldg  Hatchobori NF Bldg	<p>➔ <b>18 Properties</b> Cumulative Acquisition Price: ¥129.2 billion</p>
<p>Information from sources outside Nomura Real Estate Group</p>		 NOF Shiba Bldg  NOF Shibuya Koen-dori Bldg  NOF Kawasaki Higashiguchi Bldg  SORA Shin-Osaka 21	<p>➔ <b>14 Properties</b> Cumulative Acquisition Price: ¥93.8 billion</p>

# Cash Flow Statement

	15th Fiscal Period Nov. 1, 2010 - Apr. 30, 2011 (¥000)	16th Fiscal Period May. 1, 2011 - Oct. 31, 2011 (¥000)
<b>I. Cash Flow of Operating Activities</b>		
Income before income taxes	4,429,233	4,628,069
Depreciation	1,861,398	1,732,901
Amortization of long-term prepaid expenses	7,002	7,185
Amortization of corporate bond issuance costs	12,126	13,224
Change in loss reserve due to disaster (▲decrease)	48,335	▲ 46,795
Interest income	▲ 3,499	▲ 3,369
Interest expenses	1,565,085	1,527,053
Loss on disposal of tangible assets	147	764
Change in rental receivables (▲increase)	51,860	▲ 362,512
Change in trade accounts payable (▲decrease)	▲ 89,801	410,035
Change in other accounts payable (▲decrease)	740,899	▲ 558,230
Change in tax receivable (▲decrease)	4,875	49,276
Change in rent received in advance (▲decrease)	▲ 156,171	▲ 64,736
Change in security deposits received (▲decrease)	5,150	37,087
Decrease in sales of tangible fixed assets in trust	2,322,399	8,101,016
Others	▲ 148,768	▲ 117,175
<b>Subtotal</b>	10,650,275	15,353,793
Interest received	3,499	3,369
Interest paid	▲ 1,614,362	▲ 1,566,498
Taxes and duties (▲paid)	▲ 341	▲ 1,048
<b>Net cash provided by operating activities</b>	<b>9,039,071</b>	<b>13,789,616</b>
<b>II. Cash Flow of Investing Activities</b>		
Proceeds from withdrawal of time deposits	1,300,000	-
Purchase of tangible assets	▲ 40,500	▲ 82,405
Purchase of tangible assets in trust	▲ 474,618	▲ 783,342
Tenants' security deposits paid	▲ 167,799	▲ 72,899
Security deposits received	192,344	74,359
Security deposits in trust paid	▲ 1,670,744	▲ 1,346,801
Security deposits in trust received	652,880	708,944
<b>Net cash used in investing activities</b>	<b>▲ 208,437</b>	<b>▲ 1,502,143</b>
<b>III. Cash Flow of Financing Activities</b>		
Proceeds from short-term debt	5,000,000	2,900,000
Repayment of short-term debt	▲ 5,580,000	▲ 4,800,000
Proceeds from long-term debt	7,500,000	17,900,000
Repayment of long-term debt	▲ 10,250,000	▲ 19,250,000
Proceeds from the issuance of investment corporation bonds	10,000,000	-
Redemption of investment corporation bonds	▲ 10,000,000	-
Issuing cost of investment corporation bonds	▲ 66,361	-
Cash distribution to unitholders	▲ 4,478,546	▲ 4,429,007
<b>Net cash provided by financing activities</b>	<b>▲ 7,874,908</b>	<b>▲ 7,679,007</b>
<b>IV. Change in Cash and Cash Equivalent (▲decrease)</b>	<b>955,724</b>	<b>4,608,465</b>
<b>V. Starting Balance of Cash and Cash Equivalent</b>	<b>30,753,476</b>	<b>31,709,201</b>
<b>VI. Ending Balance of Cash and Cash Equivalent</b>	<b>31,709,201</b>	<b>36,317,666</b>

# Unit Price and Market Capitalization (Dec. 4, 2003 – Nov. 30, 2011)



# Summary of Asset Management Company

## Company Profile

**Name** Nomura Real Estate Asset Management Co., Ltd.

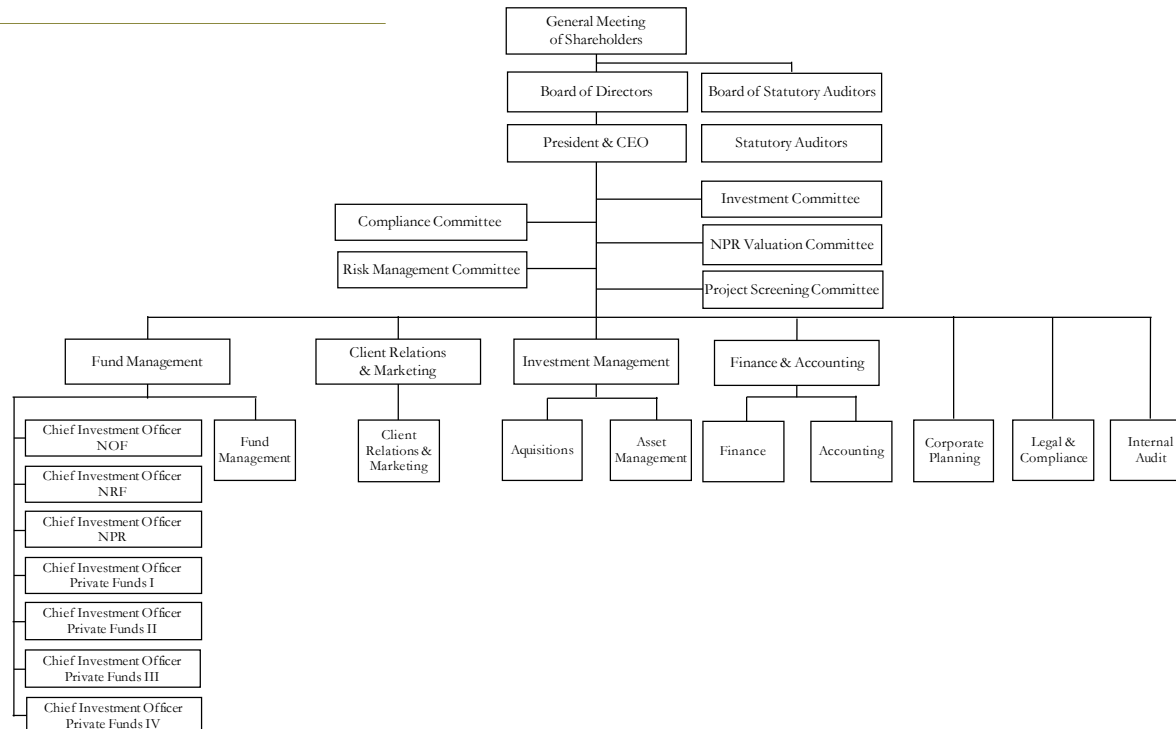
**Capital** ¥300 million  
(Nomura Real Estate Holdings, Inc. (100%))

### Description of Business

Investment management business, Type II financial instruments business, Investment advisory and agency business, Building lots and buildings transaction business, and Moneylending business

## Structure

\*as of October 31, 2011





Below is a message announced jointly with the asset management company at the time of listing on December 4, 2003.



NOMURA  
Office Fund

We, at Nomura Real Estate Office Fund Inc., believe that listing of Real Estate Investment Trust (REIT) serves to form a base on which the nation can build their financial resources. The long-term investment capital will contribute to stabilization of not only the real estate market, but also the Japanese economy as a whole.

Many investors wish stable investment more than anything else. Responding to such needs of asset building, we have set our investment policy as being “stable over mid- to long-term”.

Wishing to make a contribution to the nation’s economic growth in any way, we are determined to continue doing the best of our ability in our function to combine the private financial resources directly with the real estates.

AN INVESTOR ORIENTED COMPANY  
respecting the trust and expectation of the investors

**Nomura Real Estate Office Fund, Inc.**

(TSE code: 8959)

<http://www.nre-of.jp/english/>

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Fund Manager: Nomura Real Estate Asset Management Co., Ltd.

 NOMURA REAL ESTATE ASSET MANAGEMENT



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The forward-looking statements with respect to the future financial results contained in this document should not be construed as a guarantee of the actual performance in the future.

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