

For Translation Purposes Only

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For Immediate Release

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Notice Concerning Revision of Forecasts of Financial Results for the Fiscal Periods Ending April 30, 2004 and October 31, 2004

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) announced today that it has revised its forecasts of the financial results for the first fiscal period (August 7, 2003 to April 30, 2004) and for the second fiscal period (May 1, 2004 to October 31, 2004), which had been released on December 4, 2003. The revised forecasts are summarized as follows.

1. Revised Forecasts of Financial Results for the First Fiscal Period Ending April 30, 2004

	Operating Revenues (Millions of Yen)	Net Income (Millions of Yen)	Cash Distributions per Unit (Yen)	Distributions in Excess of Net Income per Unit (Yen)
Previous Forecasts (A)	4,031	1,377	9,269	—
Revised Forecasts (B)	4,513	1,507	10,145	—
Amount of Increase/Decrease (B-A)	482	130	876	—
Ratio of Increase/Decrease	11.9 %	9.4 %	9.4 %	—

Note: This document is a public announcement regarding the forecasts of the financial results for the fiscal periods ending April 30, 2004 and October 31, 2004 and has not been prepared as an inducement or invitation for investment. We caution readers to refer to the Fund’s Offering Circular for the Issue of New Investment Units and Secondary Offering and the Notices of Amendments thereto and to undertake investment decisions at their own examination and responsibility.

[Related Information]

Expected number of investment units outstanding as of April 30, 2004: 148,600 units (No change from the number in the previous notice)

2. Revised Forecasts of Financial Results for the Fiscal Periods Ending October 31, 2004

	Operating Revenues (Millions of Yen)	Net Income (Millions of Yen)	Cash Distributions per Unit (Yen)	Distributions in Excess of Net Income per Unit (Yen)
Previous Forecasts (A)	5,259	1,884	12,683	—
Revised Forecasts (B)	6,538	2,361	12,789	—
Amount of Increase/Decrease (B-A)	1,279	476	106	—
Ratio of Increase/Decrease	24.3 %	25.3 %	0.8 %	—

[Related Information]

Expected number of investment units outstanding as of October 31, 2004: 184,650 units

[Notes]

1. The revised forecasts presented in this document are calculated as of today based on the assumptions as set forth in the Exhibit. The actual operating revenues, net income and cash distribution per unit may vary due to the acquisition and sale of properties, if any, changes in the real estate market and other factors affecting the Fund. Nomura Office Fund does not guarantee the cash distribution amount identified above.
2. Nomura Office Fund may further revise the forecasts if the Fund expects a large variance from the above forecasts.
3. Nomura Office Fund plans to acquire the real estate beneficial interest in Isuzu Shiba Building. In revising the forecasts, the Fund assumes that it acquires the beneficial interest on May 25, 2004.
4. Amounts less than a million yen under “Operating Revenues” and “Net Income” and amounts less than one yen under “Cash Distributions per Unit” are rounded off.

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3. Reason for Revision

At the Board of Directors meeting of Nomura Office Fund held on April 19, 2004, it was resolved that the Fund would issue additional investment units for the purpose of further acquisition of specified assets and financing for repayment of debts. Accordingly, the Fund revises, as of today, the forecasts of financial results to reflect the change in situation.

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[Exhibit]

Assumptions for Revision of Forecasts of Financial Results for the Fiscal Periods Ending April 30, 2004 and October 31, 2004

Item	Assumptions
Periods	<ul style="list-style-type: none"> • First fiscal period: August 7, 2003 through April 30, 2004 • Second fiscal period: May 1, 2004 through October 31, 2004
Investment Portfolio	<ul style="list-style-type: none"> • With respect to the assets (the trust beneficial interests in 12 real estate properties), which the Fund had intended to acquire when the Fund had filed an application for listing of its investment units on the Tokyo Stock Exchange, the Fund acquired 10 properties on December 5, 2003 and 2 properties on December 8, 2003. Also, the Fund acquired 1 property on February 26, 2004 and 2 properties on February 27, 2004, all of which are the beneficial interests in real estate trusts. Consequently, the assets held by the Fund as of April 19, 2004 are 15 properties, all of which are the beneficial interests in real estate trusts. • In making the forecasts of financial results for the first fiscal period, the Fund assumes that the investment portfolio consisting of 15 properties held by the Fund as of April 19, 2004, will remain unchanged up to the end of the first fiscal period (April 30, 2004). Accordingly, the period in actual operation during the first fiscal period is assumed as 44148 days. • As for the second fiscal period, the Fund assumed that it will acquire the trust beneficial interest concerning Isuzu Shiba Building (the “Newly Acquired Property”) on May 25, 2004 in addition to the 15 properties held by it as of April 19, 2004, and that the investment portfolio will remain unchanged thereafter up to the end of the second fiscal period (October 31, 2004). • In practice, the investment portfolio is subject to potential change.
Operating Revenues	<ul style="list-style-type: none"> • The forecast of operating revenues for the first fiscal period is based upon the operating revenues from 15 properties held by the Fund as of April 19, 2004. • The forecast of operating revenues for the second fiscal period is made by taking into consideration the operating revenues from the Newly Acquired Property, as well as the operating revenues from 15 properties held by the Fund as of April 19, 2004.
Operating Expenses	<ul style="list-style-type: none"> • In general, the fixed asset taxes and urban planning taxes imposed on the properties in the tax year including the date of transaction are distributed to the seller and the purchaser on a daily pro-rata basis and settled at the time of acquisition, and such taxes are deemed as the acquisition costs but not included in the expenses. The Fund will book approximately ¥202 million of taxes relating to the 15 properties held by the Fund as of April 19, 2004 and ¥32 million of taxes relating to the Newly Acquired Property, as the acquisition costs. • As for the repair and maintenance, the Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.) estimated the required amounts for the respective properties for each of the fiscal periods based on the medium- and long-term repair plans. However, it is possible that the actual repair expenses for the fiscal periods may differ significantly from the estimates since (i) an unforeseeable event might cause serious damage to a building requiring emergent repair expenditure, (ii) amounts might vary year by year, and (iii) certain types of repair expenses are not required every year. • Rental income after deducting the leasing business expenses (including depreciation) is estimated at ¥2,644 million for the first fiscal period and at ¥3,435 million for the second fiscal period. Depreciation expenses for the

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	<p>first and second fiscal periods are estimated at ¥666 million and ¥953 million, respectively.</p> <ul style="list-style-type: none"> The operating expenses other than the leasing business expenses (including asset custody fees and general administration fees) are estimated at ¥344 million for the first fiscal period and at ¥635 million for the second fiscal period.
Non-Operating Expenses	<ul style="list-style-type: none"> As for the non-operating expenses, the Fund estimates ¥251 million is required for the listing and public offering of the Fund's investment units in December, 2003, ¥222 million as expenses is required for debt financing and ¥100 million of initial expenses, all of which are occasional expenses for the first fiscal period. The Fund also estimates ¥80 million of non-operating expenses for the second fiscal period, which is required for the issue of additional investment units resolved at the meeting of Board of Directors held on April 19, 2004. Other non-operating expenses including interest payable for the first and second fiscal periods are estimated at ¥217 million and ¥357 million, respectively.
Debt Financing	<ul style="list-style-type: none"> The amount of the Fund's loan debts outstanding as of April 19, 2004 is ¥61.0 billion (¥10.5 billion of short-term debts and ¥50.5 billion of long-term debts). The Fund assumes that there will be no changes in debt amounts and the interest rates up to and including the end of the first fiscal period, i.e., April 30, 2004. As for the second fiscal period, the Fund assumes that it will repay ¥8.5 billion of the short-term debts from the proceeds from the issue of additional investment units subject to the contemplated primary offering, and that, thereafter, there will be no changes in debt amounts and the interest rates up to and including the end of the second fiscal period, i.e., October 31, 2004; provided, however, that the Fund may not repay the above amount of debts depending upon the issue price of the investment units to be issued additionally.
Investment Units	<ul style="list-style-type: none"> As for the number of investment units outstanding as of the end of the first fiscal period (April 30, 2004), the Fund assumes that there is no change from 148,600 units, which is the number as of April 19, 2004. As of the end of the second fiscal period (October 31, 2004), the Fund assumes that the number of investment units outstanding would be 184,650 units, which is obtained by adding to the number of units as of April 19, 2004 (148,600 units), (i) the number of units to be issued based upon the Board of Directors resolution made on April 19, 2004 (35,000 units), and (ii) the maximum number of units to be issued by way of the third-party allotment in connection with the secondary offering (over-allotments) (1,050 units).
Cash Distributions per Unit	<ul style="list-style-type: none"> Cash distributions per unit are calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. Cash distributions per unit may vary due to various factors, including the changes in rent income caused by the tenant replacements and unforeseen repairs.
Distributions in Excess of Net Income per Unit	<ul style="list-style-type: none"> The Fund does not currently plan any distributions in excess of net income per unit.
Others	<ul style="list-style-type: none"> The Fund assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and Investment Trusts Association regulations, which affect the above forecasts. The Fund assumes that there will be no material changes in general economic conditions and real estate markets.

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