



For Translation Purposes Only

August 30, 2011

For Immediate Release

Nomura Real Estate Office Fund, Inc.
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(Securities Code: 8959)

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Notice Concerning Property Acquisition

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) announced today that it has determined the acquisition of real estate assets, as stated below.

1. Summary of Assets to be Acquired

(1) Type of Asset	Real Estate	Real Estate
(2) Property Name	PMO Hatchobori	PMO Higashi-nihonbashi
(3) Scheduled Acquisition Price (Note)	¥2,430 million	¥1,480 million
(4) Date of Agreement	August 30, 2011 (date of agreement on purchase and sale of real estate)	
(5) Scheduled Date of Acquisition	November 1, 2011 (date of delivery of real estate)	
(6) Seller	Nomura Real Estate Development Co., Ltd. (“NRED”)	
(7) Financing	Private fund	

(Note) Excluding property taxes, urban planning taxes, consumption taxes and local consumption taxes

2. Grounds

Nomura Office Fund will acquire above two Properties in accordance with the Fund's policies as stipulated in its Articles of Incorporation. The Fund values the following factors.

- The two Properties, both completed in 2009, are office buildings developed by NRED as part of its office building development named "PMO (PREMIUM MIDSIZE OFFICE)." Even the two Properties are midsize office buildings, they are high quality and high value-added office buildings equivalent to a large scale office building in aspects of the design (distinguishing exterior and entrance hall, etc.), the functionality (the restrooms and the common areas like an elegant hotel), and the security system (a security gate in front of elevators, securing each tenant's privacy, etc.). These factors enable the two Properties to meet the tenants' needs who focus on grades and securities of the building stably for mid- to long-term.

(1) PMO Hatchobori

- The Property is located in Hatchobori area, a highly accumulated office district next to Yaesu, Kyobashi, and Nihonbashi areas. It is considered that advantages of the geographical location make the Property highly competitive in the area as it faces a main street, Shin-Ohashi dori, and it has an excellent access, a 1 minute walk to Hatchobori Station on the JR Keiyo Line and the Tokyo Metro Hibiya Line.

(2) PMO Higashi-nihonbashi

- The Property, located in Higashi-nihonbashi, is located near either Higashi-nihonbashi Station on the Toei Asakusa Line, Bakuro-yokoyama Station on the Toei Shinjuku Line, and Bakurocho Station on the JR Sobu Line. The factor makes the Property highly competitive in aspects of the geographical location in the area.

In addition, acquisition of the two Properties is the following acquisition of the existing portfolio, PMO Nihonbashi Honcho, in the series of PMO. The Fund continues to work for expansion of the asset size and ensuring stable revenues while it strives to enhance the brand awareness and competitiveness of PMO through the continuing collaboration in terms of acquisition and management with NRED.

3. Property Summary

(1) PMO Hatchobori

Property Name		PMO Hatchobori
Type of Asset		Real Estate
Location (Note 1)	Registry	3-1-8 Hatchobori, Chuo-ku, Tokyo
	Street	3-22-13 Hatchobori, Chuo-ku, Tokyo
Access		1 minute walk from Hatchobori Station on the JR Keiyo Line and the Tokyo Metro Hibiya Line
Completion Date (Note 1)		May 22, 2009
Use (Note 1)		Office and parking
Structure (Note 1)		S/SRC, B1/9F
Seismic Risk (PML) (Note 2)		10% (Shimizu Corporation's Engineering Report as of August 11, 2011)
Architect		Nomura Real Estate Development Co., Ltd., Yendo Associates, Inc.
Structural Strength Calculator		Nomura Real Estate Development Co., Ltd., Goken Sekkei Jimusho, Inc.
Constructor		Hazama Corporation
Building Inspection Agency		UHEC

Area (Note 1)	Land	386.70 m ² (116.98 tsubo)				
	Building	2,930.15 m ² (886.37 tsubo)				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Building Coverage Ratio		100% (Note 3)				
Floor Area Ratio		700%				
Collateral		None				
Property Management Company		Nomura Real Estate Development Co., Ltd. (Note 4)				
Notes		NRED, the property management company and the master lease company, is the related party (“Related Party”) according to the Law Concerning Investment Trusts and Investment Corporations (“Investment Trust Law”).				
Acquisition Price		¥2,430 million				
Appraisal Value and Method		¥2,430 million (Based on the capitalization approach as of August 1, 2011) (Appraiser: Japan Real Estate Institute)				
Estimated NOI (Note 5)		¥122 million				
Leasing Status (As of August 30, 2011) (Note 6)						
Total Number of Tenants		8				
Total Rental Income		¥154million				
Security Deposits		¥111million				
Occupancy Rate		100.0%				
Total Leased Floor Space		2,074.66 m ² (627.58 tsubo)				
Total Leasable Floor Space		2,074.66 m ² (627.58 tsubo)				
Occupancy Rates in the Past (Note 7)		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
		—	—	—	87.5%	87.5%

(Notes)

- Location (registry) and Several Other Items
“Location (registry)”, “Completion Date”, “Use”, “Structure” and “Area” are based on the information in the real estate registry.
- PML (Probable Maximum Loss)
PML shows the losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
- Building Coverage Ratio
The Property is located in the commercial area with the principle building coverage ratio of 80%. As the building is fire-resistant in a fire zone, an increased ratio of 100% applies.
- Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition.
- 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. It is not a forecast of the fiscal period ending April 30, 2012 or any other specific periods.
(a) Occupancy rate: 96.0%
(b) Tax amounts: same as those imposed in 2011 tax year for the land and estimated amounts for the building
- Leasing Status
The Fund intends to execute a master lease agreement with NRED at the same time of the acquisition for the purpose of subletting the Property to end tenants. In the form of the agreement, called “pass-through”, NRED, a master lessee would pay the whole rents from end tenants to the Fund according to the agreement. Each term in the above table is based on the following assumption:
Total Number of Tenants: Total number of end tenants as of today
Total Rental Income: The total of rents for end tenants in August 2011 (on the contract basis) *12
Each amount has been rounded down to the nearest 1 million.
Security Deposits: The total of Security Deposits, Compensation (on the contract basis) for end tenants
Each amount has been rounded down to the nearest 1 million.
Total Leased Floor Space: Total leased area of end tenants as of today
- Occupancy Rates
Occupancy Rates in the Past are based on the information from the seller.

The Notes mentioned above shall be applied to “PMO Higashi-nihonbashi” excluding Note 5.

(2) PMO Higashi-nihonbashi

Property Name		PMO Higashi-nihonbashi				
Type of Asset		Real Estate				
Location	Registry	2-30-5, Nihonbashi, Chuo-ku, Tokyo				
	Street	2-15-4, Nihonbashi, Chuo-ku, Tokyo				
Access		2 minute walk from Higashi-nihonbashi Station on the Toei Asakusa Line 2 minute walk from Bakurocho Station on the JR Sobu Line 4 minute walk from Bakuro-yokoyama Station on the Toei Shinjuku Line				
Completion Date		October 14, 2009				
Use		Office and parking				
Structure		S, 9F				
Seismic Risk (PML)		13% (Shimizu Corporation's Engineering Report as of August 11, 2011)				
Architect		Nomura Real Estate Development Co., Ltd., Yendo Associates, Inc.				
Structural Strength Calculator		Nomura Real Estate Development Co., Ltd., Goken Sekkei Jimusho, Inc.				
Constructor		Sato Kogyo Co., Ltd.				
Building Inspection Agency		UHEC				
Area	Land	343.16 m ² (103.81 tsubo)				
	Building	2,376.40 m ² (718.86 tsubo)				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Building Coverage Ratio		100%				
Floor Area Ratio		700%				
Collateral		None				
Property Management Company		Nomura Real Estate Development Co., Ltd.				
Notes		NRED, the property management company and the master lease company, is the related party ("Related Party") according to the Law Concerning Investment Trusts and Investment Corporations ("Investment Trust Law").				
Acquisition Price		¥1,480 million				
Appraisal Value and Method		¥1,480 million (Based on the capitalization approach as of August 1, 2011) (Appraiser: Japan Real Estate Institute)				
Estimated NOI (Note)		¥78 million				
Leasing Status (As of August 30, 2011)						
Total Number of Tenants		8				
Total Rental Income		¥84 million				
Security Deposits		¥83 million				
Occupancy Rate		100.0%				
Total Leased Floor Space		1,859.43 m ² (562.48 tsubo)				
Total Leasable Floor Space		1,859.43 m ² (562.48 tsubo)				
Occupancy Rates in the Past		March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
		—	—	—	25.0%	100.0%

(Note) 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 NOP” 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. It is not a forecast of the fiscal period ending April 30, 2012 or any other specific periods.

(a) Occupancy rate: 96%

(b) Tax amounts: same as those imposed in 2011 tax year for the land and estimated amounts for the building.

4. Seller Profile

Company Name	Nomura Real Estate Development Co., Ltd. (“NRED”)
Headquarters	1-26-2, Nishishinjuku, Shinjuku-ku, Tokyo
Representative	Hirohisa Suzuki, President
Principal Business	Real Estate Business
Capital	¥2,000 million (as of August 30, 2011)
Date of Incorporation	April 15, 1957
Relationship with the Fund and the Asset Management Company	
Capital relationship	NRED holds 5.01% of the Fund’s investment units as of April 30, 2011. NRED is an affiliated company of NREHD, which holds 100% ownership of Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), the Fund’s Asset Management Company, and therefore, is the “Related Party” under the Investment Trust Law.
Personnel relationships	The Asset Management Company’s employees are dispatched from the said company.
Business relationships	NRED is the property management company and the lessee of the Fund’s properties, etc., as of the end of the fiscal period ended April 30, 2011. NREAM concluded “Information Provision Agreement” with NRED.
Status of related parties	The said company is not considered a directly associating party of the Fund. However, as stated above, the said company is a Related Party of the Asset Management Company as it is a fellow subsidiary.

5. Status of Owners

(1) PMO Hatchobori

	Current Owner/Trustee of Beneficial Interest	Previous Owner/Trustee of Beneficial Interest
Company Name	Nomura Real Estate Development Co., Ltd.	-
Relationship with Related Parties	Refer to “4. Seller Profile”	-
Acquisition Ground	For development purposes	-
Acquisition Price (Including Other Expenses)	-	-
Time of Acquisition	-	-

(2) PMO Higashi-nihonbashi

	Current Owner/Trustee of Beneficial Interest	Previous Owner/Trustee of Beneficial Interest
Company Name	Nomura Real Estate Development Co., Ltd.	-
Relationship with Related Parties	Refer to “4. Seller Profile”	-
Acquisition Ground	For development purposes	-
Acquisition Price (Including Other Expenses)	-	-
Time of Acquisition	-	-

6. Transaction with Related Parties

(1) Acquisition of the two Properties

The acquisition of the two Properties is considered a transaction with a Related Party under the Investment Trust Law. To this end, 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) Transaction concerning Master Lease and Property Management Services for the two Properties

The property management company and the master lease company of the two Properties, NRED is a Related Party under the Investment Trust Law. Nomura Office Fund and the Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, leasing period, rents, etc., 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 Office Management Division in the Asset Management Company.

7. Brokerage Profile

No Brokerage agency was used during the transaction of the two acquired Properties.

8. Form of Payment, etc.

(1) Form of Payment

At the time of the turnover of the two Properties, the Fund plans a package payment of the whole acquisition price through private fund.

(2) Impact on the Fund's Financial Status in Case of Failure of the Forward Commitment, etc.

The agreement on purchase and sale of real estate concerning the two Properties (the "Agreement") falls into the Forward Commitment, etc., (Note) as set forth in the Comprehensive Guideline for Supervision of Financial Instruments Business Operators set by the Financial Services Agency. Details of the cancellation clauses are as follows:

- 1) In case there are any significant violations concerning the provisions of the Agreement by the seller or the purchaser (the party hereto, the "defaulting party"), the other party can urge the defaulting party to fulfill the obligation fixing a period of time. When the defaulting party does not correct the violations within that time limit, the other party may cancel the Agreement.
- 2) In case of the cancellation of the Agreement, the other party may make a claim for the penalty equivalent to 20% of the sales price to the defaulting party.
- 3) However, the preceding item shall not preclude the claim for damages exceeding the penalty of 20% of the sales price.

(Note) The forward commitment, etc., refers to postdated sale agreements where the conclusion and delivery of the property is scheduled over one month ahead of the contract date, and other similar agreements.

9. Forecasts of Financial Results

No change would be made in forecasts of the financial results on the fiscal period ending October 31, 2011 as the acquisition of Properties is scheduled on the fiscal period ending April 30, 2012.

*<Nomura Real Estate Office Fund, Inc> URL: <http://www.nre-of.co.jp/english/>

【Exhibits】

Exhibit 1	Appraisal Summary (1)&(2)
Exhibit 2	Portfolio after Acquisition of the Two Properties
Exhibit 3	Property Photo (1)&(2)
Exhibit 4	Property Map (1)&(2)

Appraisal Summary

Property Name	PMO Hatchobori
Appraisal Value	¥2,430,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 1, 2011

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	2,430,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	2,460,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	162,315,000	
(a) Gross rental income	170,113,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	7,798,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	43,310,000	
Maintenance	11,758,000	Assumed based on the estimated amount.
Utilities costs	11,500,000	Assumed based on the estimated performance, etc.
Repair costs	1,250,000	Assumed based on the Engineering
Property management fees	4,058,000	Assumed based on the estimated amount.
Advertisement for leasing, etc.	1,289,000	Assumed based on the estimated amount
Taxes	13,107,000	Assumed based on the actual amount imposed in 2011 tax year for the land, the estimated amount for the building.
Insurance premium	264,000	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	84,000	Assumed base on expenses on the neighborhood association
(3) Net operating income from leasing business (NOI=(1)-(2))	119,005,000	
(4) Profit through management of temporary deposits, etc.	2,241,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	3,060,000	Assumed based on the Engineering.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	118,186,000	
(7) Capitalization rate	4.8%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	2,400,000,000	
Discount rate	4.6%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	5.0%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	2,330,000,000	
Ratio of land	55.8%	
Ratio of building	44.2%	

Appraisal Summary

Property Name	PMO Higashi-nihonbashi
Appraisal Value	¥1,480,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 1, 2011

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	1,480,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	1,500,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	110,130,000	
(a) Gross rental income	115,045,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	4,915,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	33,079,000	
Maintenance	9,645,000	Assumed based on the estimated amount.
Utilities costs	8,200,000	Assumed based on the estimated performance, etc.
Repair costs	984,000	Assumed based on the Engineering
Property management fees	2,753,000	Assumed based on the estimated amount.
Advertisement for leasing, etc.	870,000	Assumed based on the estimated amount.
Taxes	10,419,000	Assumed based on actual amount imposed in 2011 tax year for the land, the replacement cost for the building.
Insurance premium	208,000	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	0	No relevant expenses
(3) Net operating income from leasing business (NOI=(1)-(2))	77,051,000	
(4) Profit through management of temporary deposits, etc.	1,700,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	2,420,000	Assumed based on the Engineering.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	76,331,000	
(7) Capitalization rate	5.1%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	1,460,000,000	
Discount rate	4.9%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	5.3%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	1,400,000,000	
Ratio of land	40.1%	
Ratio of building	59.9%	

Portfolio after Acquisition of the two Properties

Area	Property Name	Acquisition Price (Scheduled) (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
Tokyo Central Area (Note 2)	Shinjuku Nomura Building	38,730	10.4	December 8, 2003
	NRE Tennozu Building	33,080	8.9	March 18, 2005
	NOF Nihonbashi Honcho Building	20,600	5.5	December 5, 2003
	Tennozu Park Side Building	14,800	4.0	February 27, 2004
	NOF Shinjuku Minamiguchi Building	12,300	3.3	June 25, 2008
	NOF Shibuya Koen-dori Building	12,000	3.2	September 28, 2004
	Secom Medical Building	11,500	3.1	September 1, 2006
	NOF Shiba Building	10,000	2.7	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	2.4	November 30, 2005
	NRE Shibuya Dogenzaka Building	7,660	2.1	September 26, 2008
	NOF Tameike Building	7,400	2.0	September 29, 2005
	Iwamoto-cho Toyo Building	6,020	1.6	June 25, 2008
	NOF Shinagawa Konan Building	5,500	1.5	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.4	February 27, 2004
	PMO Nihonbashi Honcho	5,000	1.3	November 5, 2008
	NRE Higashi-nihonbashi Building	4,060	1.1	January 14, 2009
	Hatchobori NF Building	3,160	0.9	August 10, 2007
	NOF Kanda Iwamoto-cho Building	3,080	0.8	February 26, 2004
	NOF Takanawa Building	3,010	0.8	February 27, 2009
	PMO Hatchobori	2,430	0.7	November 1, 2011
	NOF Minami Shinjuku Building	2,280	0.6	June 25, 2004
	Central Shintomicho Building	1,750	0.5	June 25, 2008
	PMO Higashi-nihonbashi	1,480	0.4	November 1, 2011
	Total of Tokyo Central Area (23 properties)	219,790	59.1	
Suburban Tokyo (Note 2)	NRE Ueno Building	7,830	2.1	January 14, 2009
	NOF Technoport Kamata Center Building	6,416	1.7	December 5, 2003
	Toho Edogawabashi Building	2,080	0.6	March 28, 2008
	Toshin Meguro Building	1,340	0.4	June 25, 2008
	Crystal Park Building	3,700	1.0	February 28, 2006
	NOF Kichijoji Honcho Building	1,800	0.5	January 14, 2009
	Farlet Tachikawa Center Square	3,290	0.9	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	2.6	June 30, 2005
	NOF Yokohama Nishiguchi Building	5,050	1.4	May 12, 2005
	NOF Shin-Yokohama Building	3,600	1.0	December 5, 2003
	Yokohama Odori Koen Building	2,993	0.8	September 28, 2007
	Total of Suburban Tokyo (11 properties)	47,599	12.8	
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	1.8	June 1, 2006
	NRE Sapporo Building	5,300	1.4	November 5, 2008
	JCB Sapporo Higashi Building	3,700	1.0	February 8, 2008
	NOF Sendai Aoba-dori Building	3,200	0.9	November 30, 2005
	NOF Utsunomiya Building	2,970	0.8	December 5, 2003
	NOF Nagoya Fushimi Building	4,050	1.1	December 25, 2009
	NOF Nagoya Yanagibashi Building	3,550	1.0	September 29, 2005
	Omron Kyoto Center Building	23,700	6.4	March 20, 2007
	SORA Shin-Osaka 21	19,251	5.2	April 25, 2008
	NRE Osaka Building	6,410	1.7	December 5, 2003
	NRE Nishi-Umeda Building	5,660	1.5	September 26, 2008
	NRE Yotsubashi Building	3,940	1.1	December 5, 2003
	NOF Kobe Kaigan Building	3,280	0.9	December 5, 2003
	NRE Hiroshima Building	1,930	0.5	December 5, 2003
	NOF Hakata Ekimae Building	6,750	1.8	June 27, 2008
	NOF Tenjin-Minami Building	3,739	1.0	March 27, 2009
	Total of Other Regional Cities (16 properties)	104,250	28.1	
Subtotal (50 properties)		371,639	100.0	

(Notes)

1. "Percentage to total" refers to the ratio of each asset based on (scheduled) acquisition price to the entire portfolio (including scheduled acquisition). Percentages have been rounded to the nearest first decimal place. Therefore, the total may not equal to 100%.
2. Tokyo Central Area refers to Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shinagawa-ku and Shibuya-ku.
Suburban Tokyo refers to other areas of metropolitan Tokyo and the surrounding three prefectures, which are Kanagawa-ken, Saitama-ken and Chiba-ken.
Other Regional Cities refers to the major regional cities in the areas other than the Tokyo Central Area and the Suburban Tokyo.

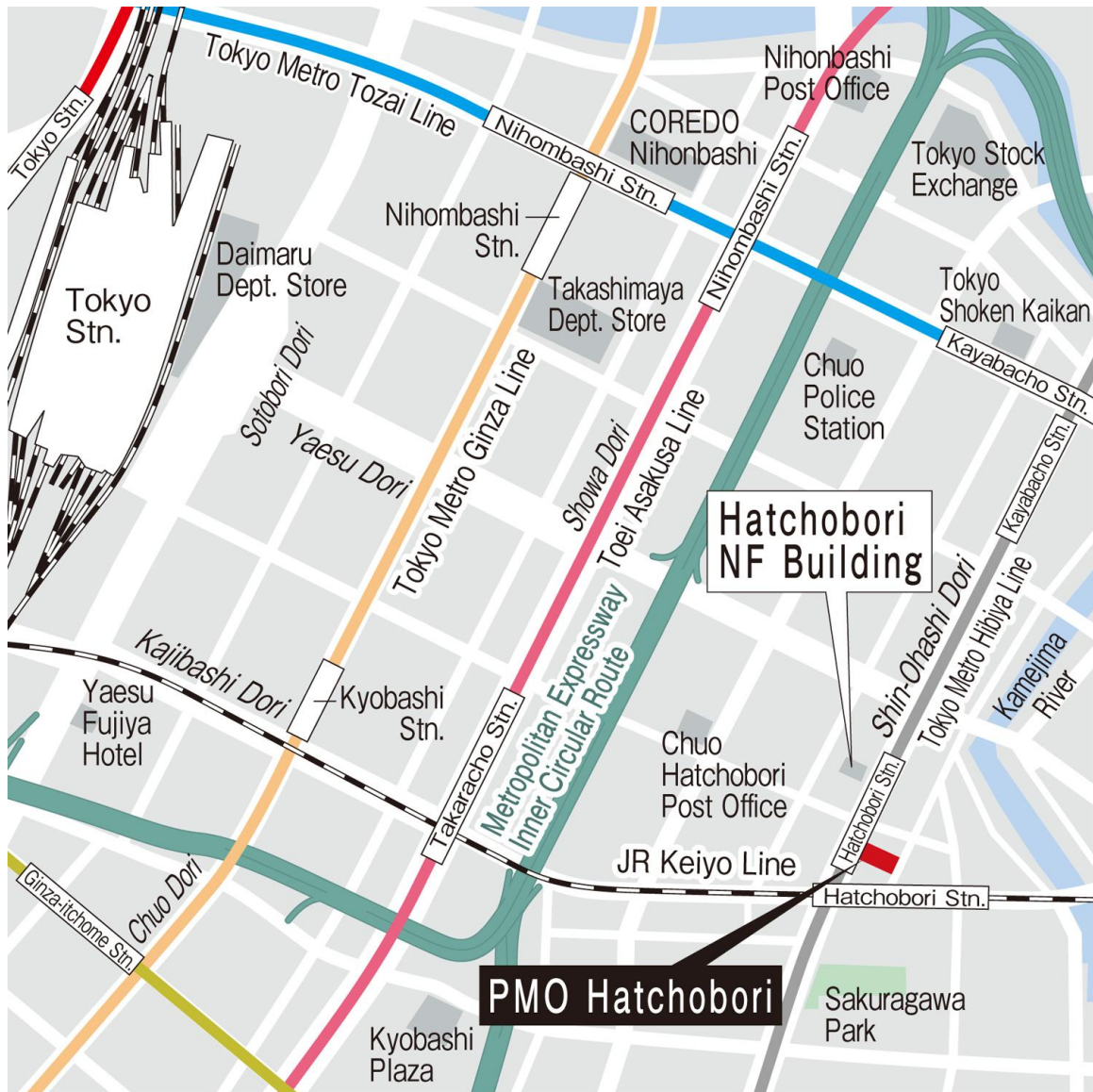
Photo of PMO Hatchobori



Photo of PMO Higashi-nihonbashi



Map of PMO Hatchobori



Map of PMO Higashi-nihonbashi

