



For Translation Purposes Only

May 8, 2006

For Immediate Release

Nomura Real Estate Office Fund, Inc.
8-5-1 Nishi Shinjuku, Shinjuku-ku, Tokyo
Isamu Okada
Representative and Executive Director
(Securities Code: 8959)

Inquiries:
Nomura Real Estate Asset Management Co., Ltd.
Atsushi Ogata
Director, Office Management Division
TEL: +81-3-3365-0507

Notice Concerning Property Acquisition

Nomura Real Estate Office Fund, Inc. (“Nomura Office Fund” or the “Fund”) today announced that it has determined, and agreed on with the seller, the acquisition of real estate, as briefly explained below.

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

- (1) Type of asset: Trust beneficial interest
- (2) Property name: Sapporo North Plaza
- (3) Acquisition price: ¥6,820 million
- (4) Date of agreement: May 8, 2006 (date of the agreement on purchase and sale of trust beneficial interest)
- (5) Scheduled date of acquisition: June 1, 2006 (scheduled date of delivery of the trust beneficial interest)
- (6) Seller: YK JOFI Sapporo-Chuo (please refer to 4. “Seller Profile,” below)
- (7) Financing: Fund collected by issuance of new investment units

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund’s policies as stipulated in its Articles of Incorporation and in order to enhance the property portfolio in the local city area. Especially, the Fund appreciates the following factors.

- The property faces Sapporo-ekimae Street in the central area of business and commerce activities of Sapporo, where public institutions, such as Hokkaido Pref. Government Office and Sapporo City Office, major corporations and financial institutions, many department stores and retail stores are located. In addition, the property enables good visibility of the building since it is located on the corner

Note: This document is a public announcement regarding acquisition of the property, 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.

where Kita-ichijo Street crosses.

- The property has a good access on foot to Sapporo station (JR Lines) and multiple station of Sapporo municipal subway Line (Sapporo station, Odori station). In addition, on B1 level, the property is scheduled to be connected to the underpass which connects Sapporo station (JR Lines) and Odori Park, by 2010 (decision made in advance based on City Planning Law). Therefore, further enhancement in scarcity in location could be expected in the future.
- The total floor area of the building is approximately 18,800 sq. meters and the typical floor area is large enough to have approximately 1,100 sq. meters. In addition to the size of floor area, shape of floor has flexibility to be divided into small parcels upon potential tenants' requirements.
- As stated above, stable needs from various tenants are expected for branch offices of nationwide corporations as well as tenants who expect incoming visitors such as companies in service sectors.

3. Property Summary

Property Name		Sapporo North Plaza
Type of Asset		Trust beneficial interest
Trustee		Mizuho Trust & Banking Co., Ltd.
Term of Trust Agreement		February 10, 2000 to May 31, 2015
Location (Note 1)	Registry	2-2-2, Kitaichijo-Nishi 4 chome, Chuo-Ku, Sapporo City, Hokkaido
	Street	2-2, Kitaichijo-Nishi 4 chome, Chuo-Ku, Sapporo City, Hokkaido (Note 2)
Access		4 minutes on foot from Sapporo Stn. of JR Line, 2 minute on foot from Odori Stn. of Shiei Namboku Line and Shiei Tozai Line
Completion Date (Note 1)		August 17, 1981
Use		Office, retail, car park
Structure (Note 1)		SRC, B2/12F
Architect		Kume Sekkei Co., Ltd.
Structural Strength Calculator		Kume Sekkei Co., Ltd.
Constructor		Kajima Corporation
Seismic Risk (PML) (Note 3)		2% (Shimizu Corporation's Engineering Report dated February 10, 2006)
Area (Note 1)	Land	2,363.79 sq. meters
	Building	18,842.51 sq. meters (Note 4)
Type of Ownership	Land	Ownership
	Building	Ownership
Percentage of Interest	Land	100%
	Building	100%
Building Coverage Ratio		100% (Note 5)
Floor-area Ratio		800%
Collateral		None
Property Management Company		The Dai-Ichi Building Co., Ltd. (Note 6)

Note: This document is a public announcement regarding acquisition of the property, 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.

Notes	<ul style="list-style-type: none">• The city plan to construct a pedestrian subway under the prefectural road through the east side of the Property has been decided. It is planned that the Property will be directly connected to the pedestrian subway on the first basement floor.• The Property was designed and constructed in compliance with the former Building Standard Law Enforcement Order (the former Earthquake-Resistance Standards). The Fund plans to conduct an earthquake retrofitting works immediately after the acquisition of the Property. The PML of the Property is valued as 2% according to the report on the evaluation of seismic risk of building dated February 10, 2006 by Shimizu Corporation.• According to the report on asbestos investigation dated March 31, 2006 by Takenaka Corporation, air-borne asbestos is used in some parts of the building. The report confirms that the parts with asbestos are not damaged and that the results of environment measurement pose no problem. Works to remove or seal in the asbestos has been commenced at the seller's cost.				
Acquisition Price	¥6,820 million				
Appraisal Value and Method	¥6,820 million (based on the capitalization approach, as of March 10, 2006) (Appraiser: Chuo Real Estate Appraisal Co., Ltd.)				
Estimated NOI (Note 7)	¥461 million				
Leasing Status (As of May 8, 2006)					
Total number of Tenants	44				
Total Rental Income	¥591 million (Rents for May 2006 × 12 on the contract basis)				
Occupancy Rate	87.1%				
Total Leased Floor Space	12,008.60 sq. meters				
Total Leasable Floor Space	13,779.43 sq. meters				
Occupancy Rates in the Past (Note 8)	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006
	-	84.8%	84.2%	71.5%	87.1%

(Notes)

- Location and several other items
Location (registry), Completion Date, Structure and Areas are based on the information in the real estate registry.
- Street Address
A street address has not been allocated to the Property. Accordingly, the address used for mailing is provided.
- 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.
- Area of Building
Area of Building includes 110.55 sq. meters of the attached building (car park).
- 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
The Dai-Ichi Building Co., Ltd. is scheduled to be appointed.
- Estimated NOI
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.
Estimated NOI shows the forecast amount for one year without considering the special factors affecting the year of the acquisition and is calculated based on the following assumptions.
(a) Occupancy rate: 91.94% (office: 90%, retail of 1F: 100%, retail of B1-B3F: 95%)
(b) Tax amounts: same as those imposed in 2005 tax year.
- Occupancy rates in the past are based on the information provided by the seller.

Note: This document is a public announcement regarding acquisition of the property, 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.

4. Seller Profile

Company Name	YK JOFI Sapporo-Chuo
Head Office	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Shinji Nakazawa
Capital	¥3 million
Principal Business	1. Acquisition, liquidity and sale of the trust beneficial interest based on Trust Agreement. 2. Leasing, buying and selling, and management of real estate 3. Other miscellaneous businesses related above
Relationship with Nomura Office Fund	None

5. Transaction with Related Parties

The acquisition of the property is not a transaction with a Related Party under the Law Concerning Investment Trust and Investment Corporations (“Investment Trust Law”). However, as the related party (“Related Party”) of the Asset Management Company has been in a position to advise the seller in regard to the management and maintenance of the Property, Nomura Office Fund and the Asset Management Company determined the acquisition and the terms and conditions of the transaction, including the price, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company’s bylaws and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.

6. Schedule for acquisition

May 8, 2006	Execution of the agreement on purchase and sale of the trust beneficial interest
June 1, 2006 (Scheduled)	Closing of the transaction and delivery of the trust beneficial interest

7. Forecasts of Financial Results

For forecasts of financial results of the Fund for the fiscal period ending October 31, 2006 (May 1, 2006 to October 31, 2006), incorporating the affect of acquisition of the Property, please refer the press release of today’s date “Notice Concerning the Revision of Forecasts of Financial Results for the Fiscal Period ending April 30, 2006 and Forecasts of Financial Results for the Fiscal Period ending October 31, 2006”.

【Exhibits】

Exhibit 1	Appraisal Summary
Exhibit 2	Portfolio after the Acquisition
Exhibit 3	Property Photo
Exhibit 4	Map

Note: This document is a public announcement regarding acquisition of the property, 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.

Appraisal Summary

Property Name	Sapporo North Plaza
Appraisal Value	¥6,820,000,000
Appraiser	Chuo Real Estate Appraisal Co., LTD.
Appraisal Date	March 10, 2006

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	6,820,000,000	In calculating, placed priority on the discounted cash flow approach and examined the result by the direct capitalization approach.
Price calculated by the direct capitalization approach	6,950,000,000	
(1) Gross income	736,003,000	
Rental Income: (a)-(b)	653,605,000	
(a) Potential gross rental income	725,393,000	Assumed based on the rent standard, which is deemed stable for long-medium term.
(b) Losses due to vacancies, etc.	71,788,000	Assumed based on the competitiveness of the Property, etc.
Utilities costs	70,131,000	Assumed based on the historical performance, etc.
Other income	12,267,000	Income from charges of advertising display, pay car park etc.
(2) Total expenses	240,847,000	
Maintenance	61,782,000	Assumed based on the historical performance, etc.
Utilities cost	90,537,000	Assumed based on the historical performance, etc.
AM + PM fee	18,837,000	AM: Assumed based on the standard rate. PM: Assumed based on the scheduled execution of agreement.
Taxes	62,531,000	Assumed based on the historical performance
Insurance premium	2,100,000	Assumed based on the historical performance
Leasing expenses	5,060,000	
Other expenses	0	
(3) Net operating income from leasing business (NOI=(1)-(2))	495,156,000	
(4) Interest from security deposit	7,986,000	Assumed interest rate being 2.0 % p.a.
(5) Capital Expenditure Reserve	107,013,000	Assumed based on the Engineering Report prepared by the Takenaka Corporation, etc.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	396,129,000	
(7) Capitalization rate	5.7%	Based on the standard investment cap rate of the market and the location and the characteristics of the Property.
Price calculated by the Discounted Cash Flow Approach	6,820,000,000	
Discount rate	5.5%	Assumed based on the risk premium of the market and the Property.
Terminal capitalization rate	6.3%	
Cost Approach Price	5,760,000,000	
Ratio of land	69.4%	
Ratio of building	30.6%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property is located on Sapporo-ekimae street near Sapporo station and Odori station in the center of the prime business district in Sapporo city. The area around the Property attracts strong demands from tenants as office and retail, for the area is flourishing with large-scale office buildings, hotel, retail stores. In addition, the property is scheduled to be connected to underpass. Therefore, in calculating appraisal value, determination on the stability of revenue in the mid-and-long-term is taken in account.
--	--

Note: This document is a public announcement regarding acquisition of the property, 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.

Portfolio after Acquisition of the Property

Area	Property Name	Acquisition Price (Scheduled) (million yen)	Percentage to total (%) (Note 1)	Date of Acquisition (Scheduled)
Tokyo central area (Notes 2)	Shinjuku Nomura Building	38,730	15.6	December 8, 2003
	JAL Building	33,080	13.4	March 18, 2005
	Itopia Nihonbashi Building	20,600	8.3	December 5, 2003
	Tennozu Park Side Building	14,800	6.0	February 27, 2004
	NOF Shibuya Koen-dori Building	12,000	4.8	September 28, 2004
	Isuzu Shiba Building	10,000	4.0	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	3.6	November 30, 2005
	Toshin Tameike Building	7,400	3.0	September 29, 2005
	Shinagawa NF Building	5,500	2.2	December 8, 2003
	Surugadai Plaza Building	5,150	2.1	February 27, 2004
	Kanda Iwamotocho Tosei Building	3,080	1.2	February 26, 2004
	Seiwa Shinjuku Building	2,280	0.9	June 25, 2004
	Total of Tokyo central area (12 properties)	161,420	65.2	
Vicinity of Tokyo (Note 2)	TT Landic Toyochō Building	7,550	3.0	December 5, 2003
	Technoport Kamata B	6,430	2.6	December 5, 2003
	Crystal Park Building	3,700	1.5	February 28, 2006
	Farlet Tachikawa Center Square	3,290	1.3	December 5, 2003
	Kawasaki Higashiguchi Sanshin Building	9,500	3.8	June 30, 2005
	Asahi Seimei Yokohama Nishiguchi Building	5,050	2.0	May 12, 2005
	Shin-Yokohama Nikko Building	3,600	1.5	December 5, 2003
	Total of Vicinity of Tokyo (7 properties)	39,120	15.8	
Other cities (Note 2)	Sapporo North Plaza (Note 3)	6,820	2.8	June 1, 2006
	Sendai Chowa Building	3,200	1.3	November 30, 2005
	Utsunomiya NF Building	2,970	1.2	December 5, 2003
	Yanagibashi Sanshin Building	3,550	1.4	September 29, 2005
	Osaka Chowa Building	12,900	5.2	November 30, 2005
	Nomura Real Estate Osaka Building	6,410	2.6	December 5, 2003
	Nomura Real Estate Yotsubashi Building	3,940	1.6	December 5, 2003
	Kobe Kaigan Building	3,280	1.3	December 5, 2003
	Hiroshima Chowa Building	2,100	0.8	November 30, 2005
	Nomura Real Estate Hiroshima Building	1,930	0.8	December 5, 2003
	Total of Other cities (10 properties)	47,100	19.0	
Total (29 properties)		247,640	100.0	

(Notes)

- Percentages have been rounded to the nearest first decimal place. Accordingly, the total may not equal to 100%.
- Tokyo central area means Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shinagawa Ward and Shibuya Ward. Vicinity of Tokyo means Tokyo excluding the Tokyo central area, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture. Other cities mean other local cities located in the area other than the Tokyo central area and the vicinity of Tokyo.
- "Sapporo North Plaza" is included in the above table assuming that the Fund has acquired it. The purchase and sales agreement concerning the Property has been executed on May 8, 2006 and the property is scheduled to be acquired on June 1, 2006.

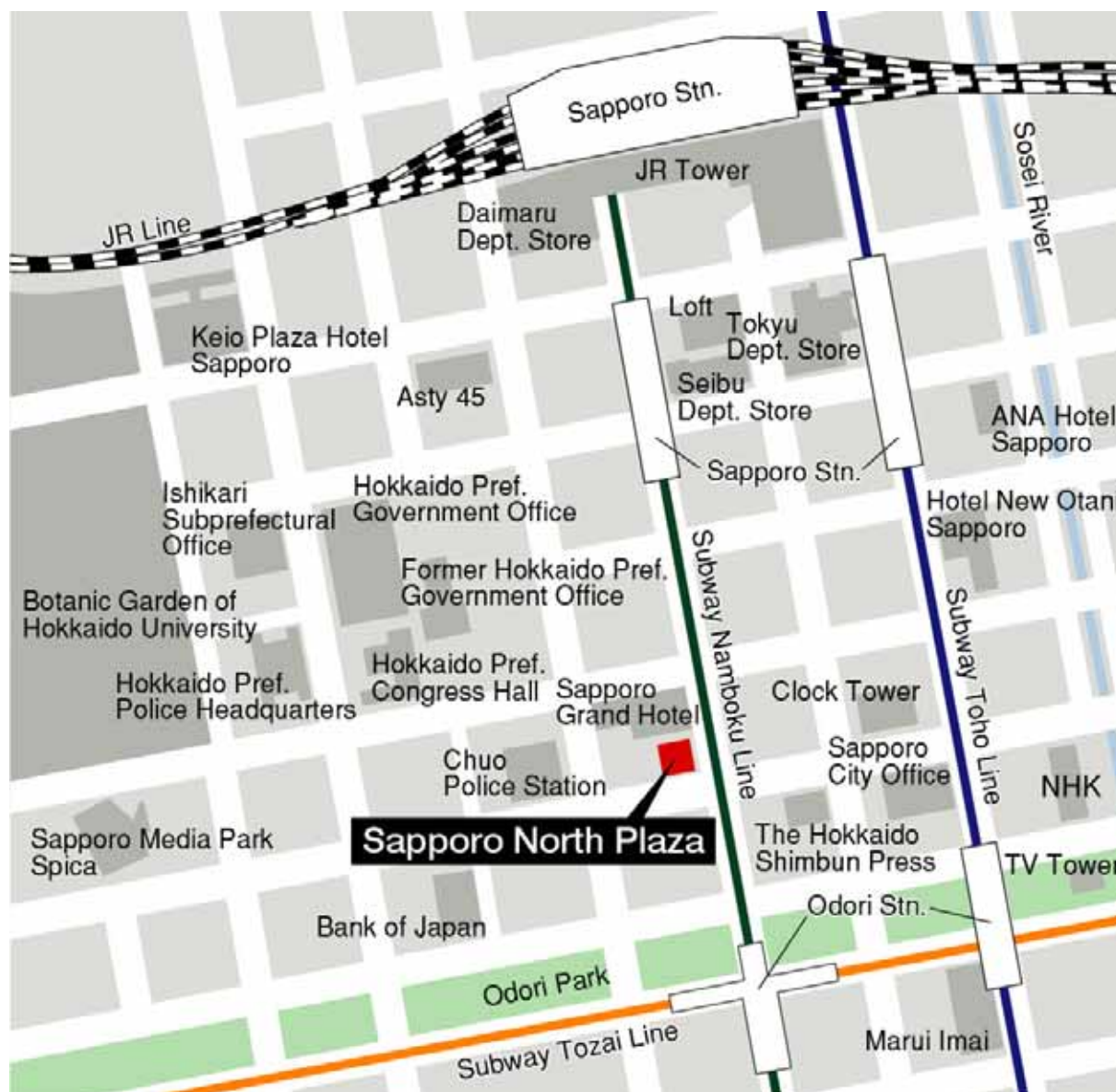
Note: This document is a public announcement regarding acquisition of the property, and has not been prepared as an inducement or invitation for investment. We caution readers to refer to the Fund's Offering Circular for the Issue of New Investment Units and Secondary Offering and the Notices of Amendments thereto and to undertake investment decisions at their own examination and responsibility.

Photo



Note: This document is a public announcement regarding acquisition of the property, 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.

Map



Note: This document is a public announcement regarding acquisition of the property, 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.