



NOMURA REAL ESTATE OFFICE FUND

**Financial Results of the Fifth Fiscal Period
(April 2006)**





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1. Overview of Fund Management

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Highlights of the Current Period

Performance of the Current Period (181 business days)

	Current Period	Comparison with Previous Period		Forecasts as of Dec 20, 2005	Comparison with Actual Results	
Operating Revenues	¥9,810 mln	+ ¥1,169 mln	+ 13.5%	¥9,718 mln	+ ¥91 mln	+ 0.9%
Operating Income	¥4,558 mln	+ ¥447 mln	+ 10.9%	¥4,435 mln	+ ¥123 mln	+ 2.8%
Net Income	¥3,596 mln	+ ¥112 mln	+ 3.2%	¥3,518 mln	+ ¥77 mln	+ 2.2%
Cash Distribution per Unit	¥15,638 / unit	+ ¥488 / unit	+ 3.2%	¥15,300 / unit	+ ¥338 / unit	+ 2.2%

Notable Activities (Nov 01, 2005 – Apr 30, 2006)

Investment Sector

- Nishi-Shinjuku Showa Bldg (¥8.8 bln)
- NOF Sendai Aoba-dori Bldg (¥3.2 bln)
- Osaka Chowa Bldg (¥12.9 bln)
- Hiroshima Chowa Bldg (¥2.1 bln)
- Crystal Park Bldg (¥3.7 bln)

⇒ End-of-Period Total Portfolio: ¥240.8 bln
(Increase from Previous Period: ¥ 30.7 bln)

Asset Management Sector

- Increase in renewal of contracts at higher rent
- Renovation of the basement shopping floor of Shinjuku Nomura Bldg

Financial Sector

- Public offering of Corporation Bonds (¥20 bln)
- Conversion to long-term fixed interest rate in debt financing
- Implementation of effective use of security deposits received from tenants

Forecasts of the Sixth Period (184 business days)

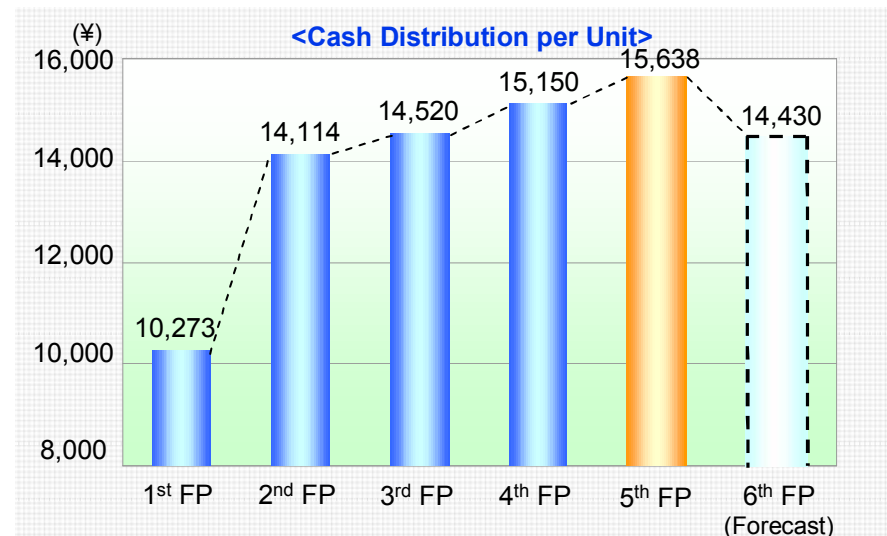
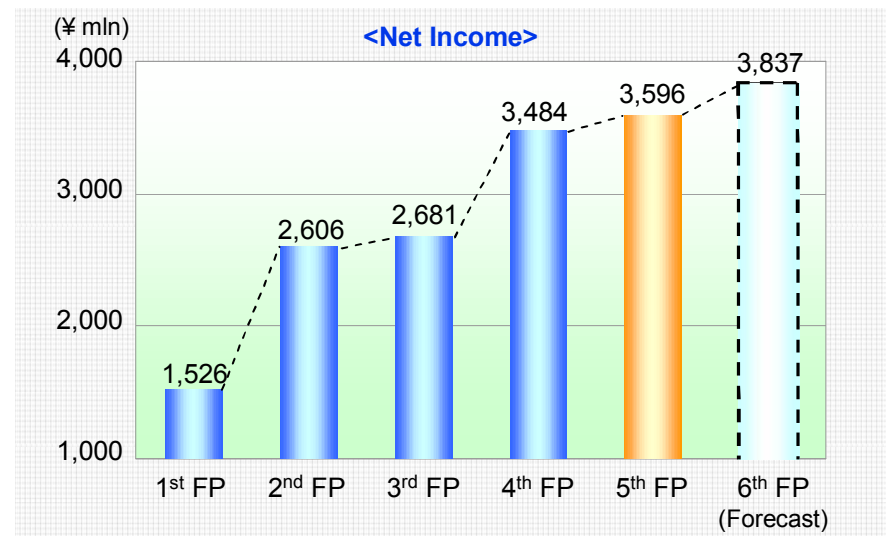
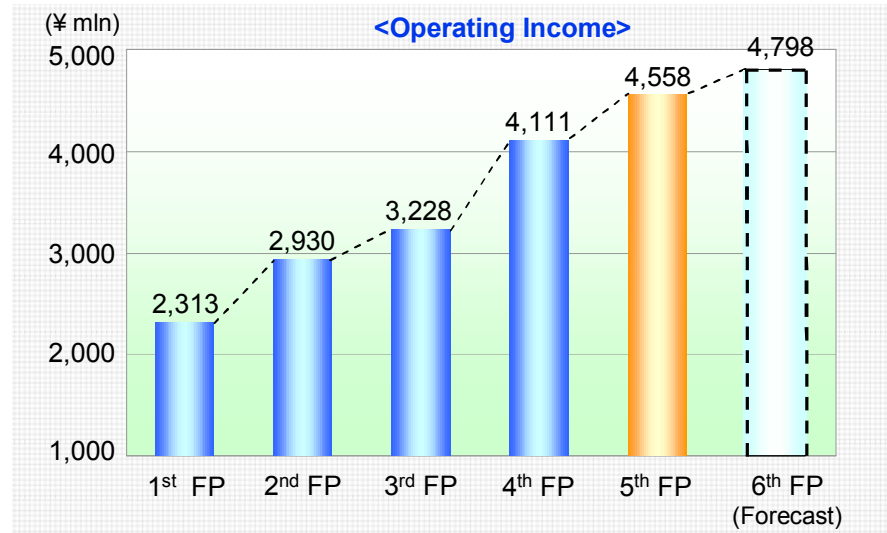
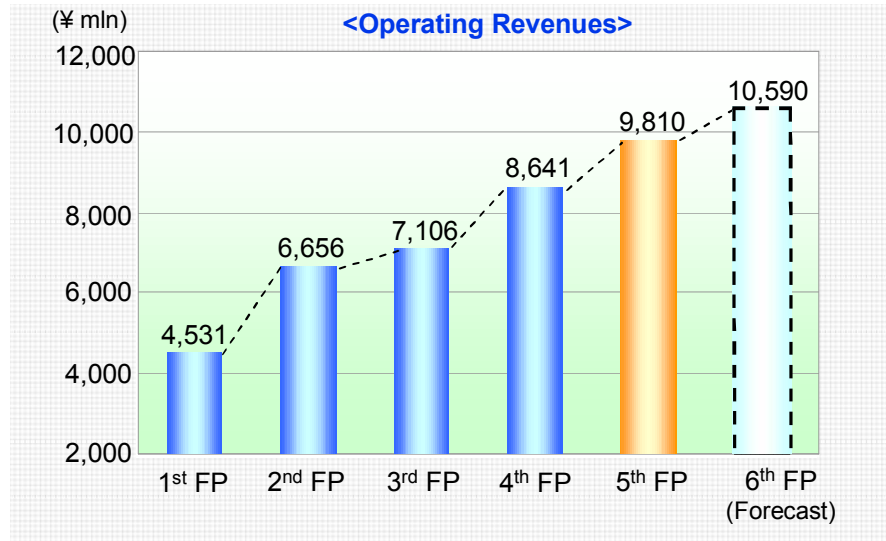
Operating Revenues	¥10,590 mln (+ ¥780 mln / +8.0%) *1
Operating Income	¥4,798 mln (+ ¥239 mln / +5.3%) *1
Net Income	¥3,837 mln (+ ¥240 mln / +6.7%) *1
Cash Distribution per Unit *2	¥14,430 / Unit (- ¥1,208 / -7.7%) *1

*1 Figures in brackets represent the difference from Fifth Fiscal Period.

*2 Number of Investment Units issued at the end of Sixth Fiscal Period: 265,903 units (+35,933 units compared with Fifth Fiscal Period)



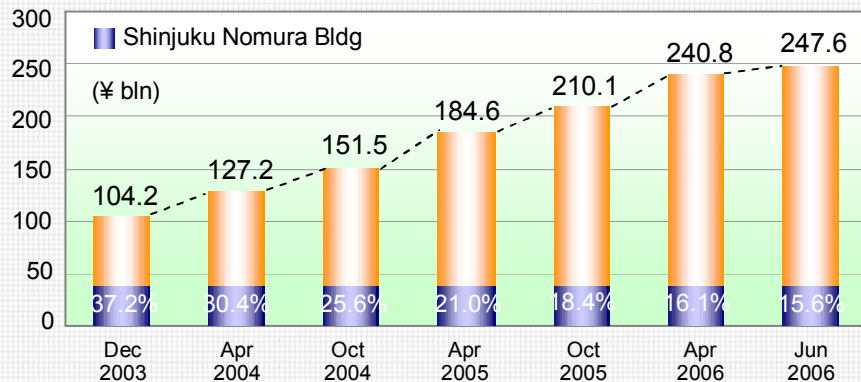
Growth of the Fund (1) - Changes in Performance





Growth of the Fund (1) - Changes in Fund Management

Changes in Total Portfolio (by Acquisition Price)



- Additional investment of ¥143.41 bln in 30 months after listing
- Constant increase in portfolio by ¥25 - ¥30 bln each period (¥50 - ¥60 bln yearly)

Changes in NOI Return of Portfolio

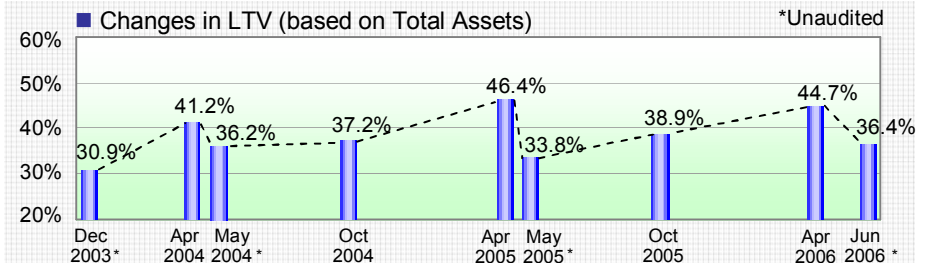
[Changes in NOI Return of Portfolio (%)]

	1st FP (Apr 2004)	2nd FP (Oct 2004)	3rd FP (Apr 2005)	4th FP (Oct 2005)	5th FP (Apr 2006)
NOI of Portfolio	7.2	6.2	6.1	6.1	5.9

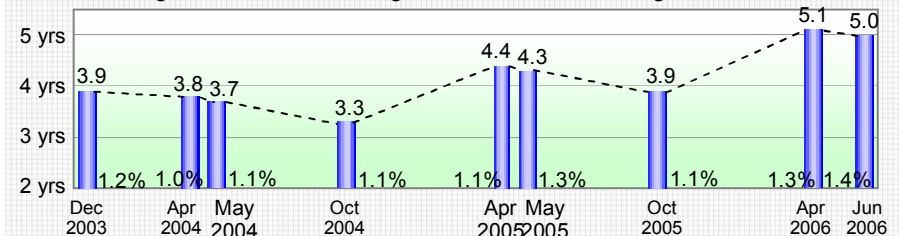
[Breakdown by the number of properties held at each Period-end (%)]

15 Properties for 1st FP	7.2	6.5	6.7	6.6	6.6
18 Properties for 2nd FP		6.2	6.3	6.4	6.3
19 Properties for 3rd FP			6.1	6.2	6.1
23 Properties for 4th FP				6.1	6.0
28 Properties for 5th FP					5.9

Changes in Debt Financing – Fixture at Long Term



■ Changes in Duration of Long-Term Debts and Average Rate





Summary of the Fund

Time of Cut-off		1st FP Apr 2004	2nd FP Oct 2004	3rd FP Apr 2005	4th FP Oct 2005	5th FP Apr 2006
Total Assets	¥mIn	147,946	173,545	208,003	239,067	268,559
Interest-bearing Liabilities	¥mIn	61,000	64,500	96,500	93,000	120,000
LTV (Total Assets basis)	%	41.2	37.2	46.4	38.9	44.7
Unitholders' Capital	¥mIn	71,706	92,168	92,168	124,610	124,610
Outstanding Units Issued	Unit	148,600	184,650	184,650	229,970	229,970
Net Assets	¥mIn	73,233	94,774	94,849	128,094	128,206
Net Assets per Unit	¥	492,820	513,266	513,672	557,004	557,492
Closing Price of Units	¥	645,000	767,000	758,000	782,000	998,000
Aggregate Market Value	¥mIn	95,847	141,626	139,964	179,836	229,510
Operating Revenues	¥mIn	4,531	6,656	7,106	8,641	9,810
Operating Income	¥mIn	2,313	2,930	3,228	4,111	4,558
Net Income	¥mIn	1,526	2,606	2,681	3,484	3,596
Total Cash Distribution	¥mIn	1,526	2,606	2,681	3,484	3,596
Cash Distribution per Unit	¥	10,273	14,114	14,520	15,150	15,638
Total Portfolio (Acquisition Price)	¥mIn	127,260	151,540	184,620	210,120	240,820
Number of Properties		15	18	19	23	28
Leasable Space	m ²	180,793.50	194,673.65	236,904.67	261,428.50	293,464.10
Number of Tenants		264	277	287	357	467
Occupancy Rate	%	93.3	94.4	98.1	97.3	98.4
NOI on Lease	¥mIn	3,350	4,451	4,970	6,125	6,952
Rate of NOI on Lease (p.a.)	%	7.2	6.2	6.1	6.1	5.9
Depreciation	¥mIn	666	949	1,023	1,229	1,399
Capital Expenditures	¥mIn	22	511	484	1,016	934
FFO	¥mIn	2,193	3,555	3,719	4,727	5,034
FFO per Unit	¥	14,757	19,255	20,142	20,559	21,889



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2. Future Management Policies

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Analysis of the Market

Real Estate Investment Market

- Difficult situations for new acquisition – declining Cap Rate – continues.
- Information about pre-launch development projects increases.

➡ Pricing power based on management know-how will become more important.

Office Leasing Market

- Tokyo Central Area : Office rents clearly continue to go up due to shortage of supply.
- Other areas : Conditions continue to improve – agreed to raise rent in some cases.

➡ These conditions are favorable to enhance profitability of portfolio.

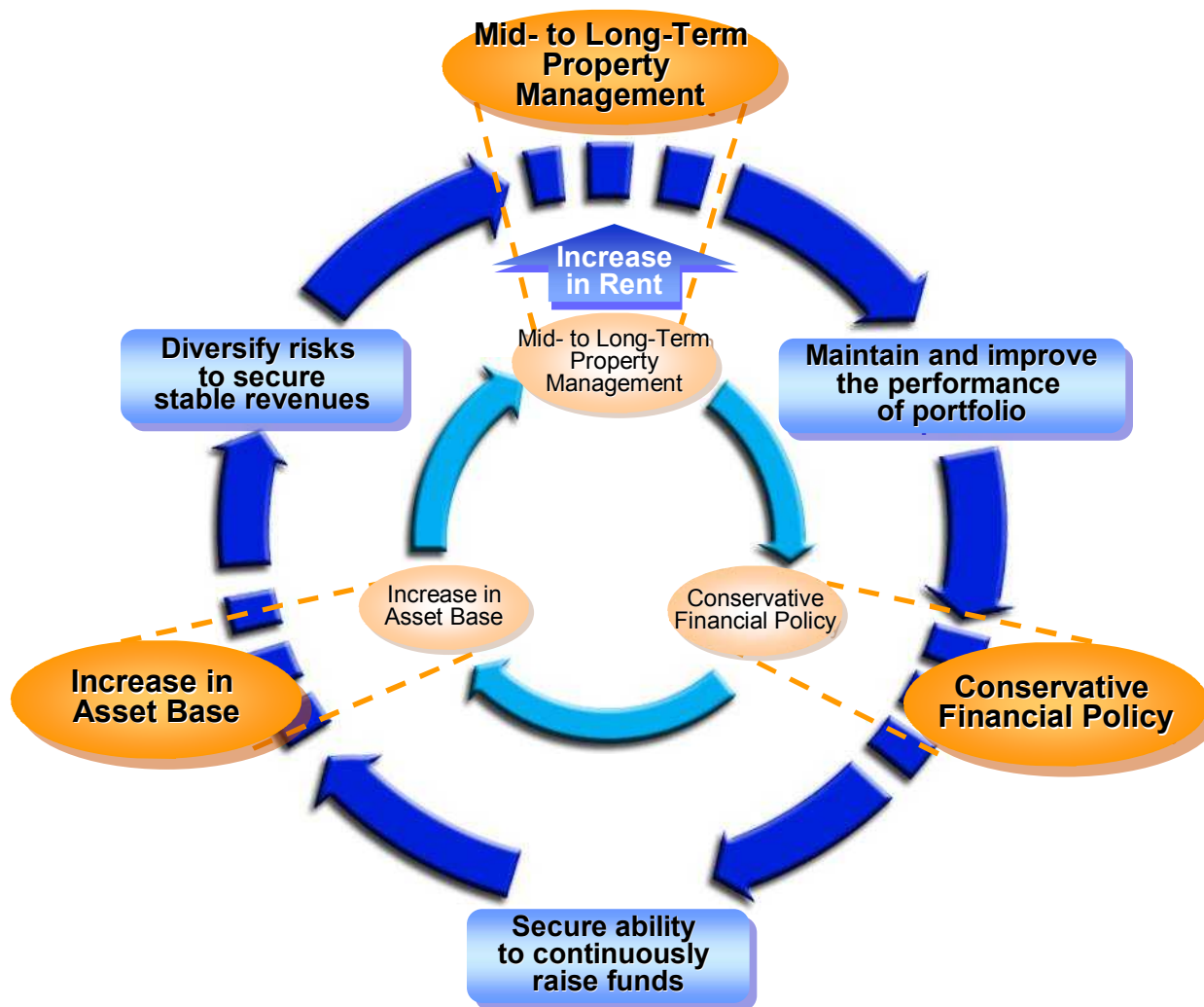
J-REIT Market

- Market continues to enlarge – more listings and larger aggregate market value.
- Investors become more rigorous to growth potential and risk management.

➡ Further bipolarization – more stringent selection of funds – will develop.



Future Growth Strategies



1. Maintain and improve the performance of portfolio.

- Enhance earning power by increase in rent.
- Enhance competitiveness by renovation.



2. Secure ability to continuously raise funds.

- Strengthen financial base by equity finance.
- Stick to conservative financial policy to keep up credit.
- Maintain credibility – upgrade rating.



3. Increase in Asset Base

- Explore development projects.
- Enhance collaboration with sponsors.



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3. Financial Results

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Income Statement

Item		4th FP		5th FP		
		May 1, 2005 - Oct 31, 2005		Nov 1, 2005 - Apr 30, 2006		
		(¥000)	%	(¥000)	%	
Current Profit and Loss	Operating Profit and Loss	Rental business revenues	7,709,467	89.2	8,815,222	89.9
		Rental revenues	6,138,529	71.0	7,027,837	71.7
		Common service charges	1,570,938	18.2	1,787,384	18.2
		Other rental business revenues	931,881	10.8	995,303	10.1
		Monthly parking revenues	156,428	1.8	189,348	1.9
		Incidental revenues	707,782	8.2	734,285	7.5
		Other rental revenues	67,581	0.8	69,505	0.7
		Miscellaneous revenues	89	0.0	2,164	0.0
		Total rental business revenues	8,641,349	100.0	9,810,526	100.0
		Rental business expenses	3,745,324	43.3	4,257,491	43.4
Property management fees	833,441	9.6	981,358	10.0		
Taxes and duties	614,908	7.1	666,061	6.8		
Utility expenses	711,509	8.2	726,301	7.4		
Insurance expenses	21,809	0.3	22,318	0.2		
Repairs and maintenances	213,371	2.5	302,896	3.1		
Other expenses	121,243	1.4	159,138	1.6		
Depreciation	1,229,041	14.2	1,399,417	14.3		
Total rental business expenses	3,745,324	43.3	4,257,491	43.4		
Profits from rental business	4,896,024	56.7	5,553,034	56.6		
Asset management fees	629,689	7.3	851,350	8.7		
Selling and administrative expenses	155,182	1.8	142,982	1.5		
Operating profit and loss	4,111,152	47.6	4,558,701	46.5		
Current Profit and Loss	Non-operating Profit and Loss	Non-operating revenues	9,451	0.1	9,789	0.1
		Non-operating expenses	635,530	7.4	971,391	9.9
		Interest expenses	412,438	4.8	482,883	4.9
		Interest expenses on bonds	108,000	1.2	244,722	2.5
		Amortization of bond issuance costs	14,855	0.2	38,429	0.4
		Loan arrangement fees	48,784	0.6	101,660	1.0
		Investment unit issuance costs	42,769	0.5	-	-
		Other non-operating expenses	8,682	0.1	103,696	1.1
		Non-operating profit and loss	▲ 626,078	▲ 7.3	▲ 961,602	▲ 9.8
		Current profit	3,485,074	40.3	3,597,098	36.7
Net income before tax	3,485,074	40.3	3,597,098	36.7		
Corporate, local and enterprise taxes	1,008	0.0	926	0.0		
Tax adjustment	1	0.0	4	0.0		
Net income	3,484,064	40.3	3,596,167	36.7		
Balance brought forward	107	0.0	126	0.0		
Retained earnings	3,484,171	40.3	3,596,294	36.7		

Rental business revenues

The total number of properties in the portfolio has become 28 as a result of new acquisition of five properties during the Current Period. They are: Nishi-Shinjuku Showa Bldg, NOF Sendai Aoba-dori Bldg (Sendai Chowa Bldg), Osaka Chowa Bldg, Hiroshima Chowa Bldg and Crystal Park Bldg.

Occupancy rate at the end of the fifth period was 98.4%, up 1.1% from 97.3% at the end of the fourth period.

Taxes and duties

Property taxes, urban planning taxes and other duties for the current period were charged on the basis of 24 properties out of 28, which were held at the end of the fifth period.

Repairs and maintenances

In addition to cost of repair of ¥302 million, there was capital expenditure of ¥934 million, of which ¥257 million was an initial reserve.

Rental profits:

¥5,553 mln (up ¥657 mln from the previous period)

Additional revenues from the newly acquired 5 properties: ¥541 million
Increase in revenues from the existing 23 properties: ¥115 million

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.
Operating expenses	: Administrative service, custodian, and auditing fees, etc.
Non-operating expenses	: Cost of restitution in integrum, etc.



Balance Sheet

Assets

Item	4th Fiscal Period		5th Fiscal Period	
	as of Oct 31, 2005		as of Apr 30, 2006	
	(¥000)	(%)	(¥000)	(%)
Current Assets	26,983,355	11.3%	26,092,423	9.7%
Cash and cash equivalents	8,025,078	3.4%	8,074,521	3.0%
Cash and cash equivalents in trust	18,691,492	7.8%	17,512,598	6.5%
Other current assets	266,784	0.1%	505,302	0.2%
Fixed Assets	212,024,494	88.7%	242,304,198	90.2%
Tangible assets	211,566,878	88.5%	241,901,061	90.1%
Properties	-	-	3,741,462	1.4%
Buildings	-	-	1,134,195	0.4%
Lands	-	-	2,607,266	1.0%
Properties in trust	211,317,493	88.4%	238,152,308	88.7%
Buildings	64,217,051	26.9%	69,056,085	25.7%
Lands	147,100,441	61.5%	169,096,222	63.0%
Other tangible assets	249,385	0.1%	7,290	0.0%
Other tangible assets	249,385	0.1%	7,290	0.0%
Intangible assets	1,989	0.0%	2,001	0.0%
Trust and other intangible assets	1,989	0.0%	2,001	0.0%
Investments and other assets	455,626	0.2%	401,136	0.1%
Security deposits	210,780	0.1%	211,230	0.1%
Investments and other assets	244,846	0.1%	189,906	0.1%
Deferred Assets	59,905	0.0%	162,436	0.1%
Issuing cost of corporation bond	59,905	0.0%	162,436	0.1%
Total assets	239,067,755	100.0%	268,559,058	100.0%

Cash and cash equivalents (¥ mln)

Deposits in own name	8,074
Equivalent to security deposits received	1,318
Equivalent to reserved capital expenditures	3,073
Others	3,683

Deposits in trust	17,512
Equivalent to security deposits received	11,704
Equivalent to reserved capital expenditures	161
Others	5,647

Tangible assets (¥ mln)

Acquisition price Accumulated depreciation Depreciation for current term End-of-term book value

Properties	247,160	5,267	(1,399)	241,893
Buildings in trust	74,312	5,256	(1,388)	69,056
Lands in trust	169,096	-	-	169,096
Buildings	1,145	11	(11)	1,134
Lands	2,607	-	-	2,607

Liabilities

Item	4th Fiscal Period		5th Fiscal Period	
	as of Oct 31, 2005		as of Apr 30, 2006	
	(¥000)	(%)	(¥000)	(%)
Current liabilities	31,387,836	13.1%	35,067,420	13.1%
Accounts payable on trade	529,401	0.2%	511,875	0.2%
Short-term debts	21,000,000	8.8%	16,000,000	6.0%
Long-term debts due for repayment within one year	7,500,000	3.1%	15,500,000	5.8%
Other accounts payable	917,177	0.4%	1,350,681	0.5%
Advance receipts	1,439,845	0.6%	1,643,280	0.6%
Other current liabilities	1,411	0.0%	61,583	0.0%
Fixed liabilities	79,585,533	33.3%	105,285,130	39.2%
Corporation bonds	10,000,000	4.2%	30,000,000	11.2%
Long-term debts	54,500,000	22.8%	58,500,000	21.8%
Security deposits	-	-	166,548	0.1%
Security deposits in trust	14,849,571	6.2%	16,436,835	6.1%
Other fixed liabilities	235,961	0.1%	181,746	0.1%
Total liabilities	110,973,370	46.4%	140,352,551	52.3%
Unitholders Capital				
Unitholders capital	124,610,212	52.1%	124,610,212	46.4%
Retained earnings	3,484,171	1.5%	3,596,294	1.3%
Total unitholders capital	128,094,384	53.6%	128,206,507	47.7%
Total liabilities and unitholders capital	239,067,755	100.0%	268,559,058	100.0%

Debts

Balance of interest-bearing debts (¥ mln) 120,000

Interest-bearing debts ratio $\frac{\text{S/T debts} + \text{L/T debts} + \text{Corp bonds}}{\text{Total assets}}$ 44.7%

Long-term interest-bearing debt ratio $\frac{\text{L/T debts} + \text{Corp bonds}}{\text{Total debts}}$ 73.8%



Cash Distribution

Cash Distribution

Item		4th Fiscal Period	5th Fiscal Period
		May 1, 2005 - Oct 31, 2005	Nov 1, 2005 - Apr 30, 2006
Retained earnings	(¥000)	3,484,171	3,596,294
Cash distribution	(¥000)	3,484,045	3,596,270
Cash distribution per unit	(¥)	15,150	15,638
Balance carried forward	(¥000)	126	23

• Cash Distribution

The total outstanding number of units as of the period-end was 229,970, for which we paid out almost the entire amount of retained earnings for the period, resulting in the cash distribution per unit being ¥15,638.

Comparison with Forecasts

Item		Forecasts announced on Dec 20, 2005	Actual results for the 5th Fiscal Period	Difference (amount)	Difference (%)
Operating revenues	(¥mln)	9,718	9,810	91	0.9
Current profits	(¥mln)	3,519	3,597	77	2.2
Net income	(¥mln)	3,518	3,596	77	2.2
Cash distribution per unit	(¥)	15,300	15,638	338	2.2

• Difference between forecasts and actual results

• Operating revenues

Incremental revenues brought by Crystal Park Bldg: ¥41 million

Incremental revenues brought by the other 27 bldgs: ¥50 million



Financial Indices

Comparison through the Five Fiscal Periods

Indices		1st FP	2nd FP	3rd FP	4th FP	5th FP
Return on assets (ROA)	(%)	1.1	1.6	1.4	1.5	1.4
(annualized)	(%)	2.8	3.1	2.8	3.1	2.9
Return on equity (ROE)	(%)	2.1	2.8	2.8	2.7	2.8
(annualized)	(%)	5.2	5.6	5.7	5.4	5.7
Capital-asset ratio	(%)	49.5	54.6	45.6	53.6	47.7
Loan to value ratio (LTV ^①)	(%)	41.2	37.2	46.4	38.9	44.7
Loan to value ratio (LTV ^②)	(%)	48.0	42.6	51.5	42.4	46.0
Debt service coverage ratio (DSCR)	(x)	11.45	11.05	9.95	10.08	7.92
Net operating income (NOI)	(¥ mln)	3,350	4,451	4,970	6,125	6,952
Funds from operation (FFO)	(¥ mln)	2,193	3,555	3,719	4,727	5,034

Definition of indices

ROA = Current profits / Average total assets
 Number of days used for annualization are as follows.
 1st FP: 148 days, 2nd FP: 184 days, 3rd FP: 181 days
 4th FP: 184 days, 5th FP: 181 days

ROE = Net income / Average unitholders equity
 Number of days used for annualization are as follows.
 1st FP: 148 days, 2nd FP: 184 days, 3rd FP: 181 days
 4th FP: 184 days, 5th FP: 181 days

Capital-asset ratio = Unitholders equity / Total assets

LTV^① = Total interest-bearing debts / Total assets

LTV^② = Total interest-bearing debts / Total appraisal value of property

DSCR = Net income before interest / Interest expenses

NOI = Rental business revenues – Rental business expenses
 + Depreciation

FFO = Net income + Depreciation
 + Amortization of issuing cost of corporation bonds



Cash Flow Statement

Item	4th Fiscal Period	5th Fiscal Period
	May 1, 2005 – Oct 31, 2005	Nov 1, 2005 – Apr 30, 2006
	(¥000)	(¥000)
I. Cash flows from operating activities		
Income before taxes	3,485,074	3,597,098
Depreciation	1,229,069	1,399,445
Amortization of long-term prepaid expenses	725	725
Amortization of corporation bond issuance costs	14,855	38,429
Interest income	▲ 130	▲ 138
Interest expenses	520,438	727,605
Change in rental receivables	▲ 22,150	▲ 22,812
Change in consumption tax refundable	395,661	▲ 51,349
Change in trade accounts payable	211,017	▲ 17,526
Change in other accounts payable	15,543	138,097
Change in rent received in advance	157,601	203,434
Change in security deposits received	1,281	18,241
Others	13,900	▲ 122,428
Subtotal	6,022,886	5,908,821
Interest received	130	138
Interest paid	▲ 514,602	▲ 548,029
Taxes and duties	▲ 1,043	▲ 1,009
Net cash provided by operating activities	5,507,370	5,359,920
II. Cash flow of Investment Activities		
Purchase of tangible assets	-	▲ 3,752,510
Purchase of tangible assets in trust	▲ 27,286,701	▲ 27,867,046
Purchase of intangible assets	-	▲ 105
Security deposits received	-	166,548
Security deposits in trust paid	▲ 561,173	▲ 478,226
Security deposits in trust received	1,630,814	2,062,794
Security deposits paid	▲ 200,000	▲ 450
Net cash used in investment activities	▲ 26,417,060	▲ 29,868,995
III. Cash flow of Financing Activities		
Proceeds from short-term debt	19,000,000	18,000,000
Repayment of short-term debt	▲ 22,500,000	▲ 23,000,000
Proceeds from long-term debt	-	19,500,000
Repayment of long-term debt	-	▲ 7,500,000
Proceeds from corporation bonds	-	20,000,000
Issuance cost of corporation bonds	-	▲ 140,026
Proceeds from investment units	32,441,732	-
Cash distribution to unitholders	▲ 2,683,024	▲ 3,480,349
Net cash provided by financing activities	26,258,708	23,379,623
IV. Change in cash and cash equivalents	5,349,018	▲ 1,129,450
V. Starting balance of cash and cash equivalents	21,367,552	26,716,571
VI. Ending balance of cash and cash equivalents	26,716,571	25,587,120



Debt Financing

End of 5th FP (Apr 2006)

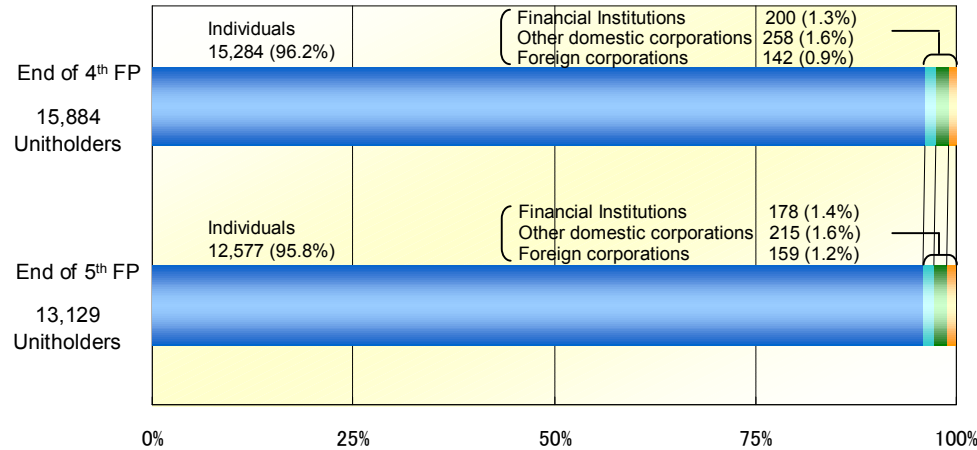
	Source	Amt (¥ bln)	Type of interest	Interest rate (p. a.)	Date of repayment	Description
Short-term debts (including long-term debts due for repayment within one year)	14 finan insti	16.0	Floating	0.39000% (From Nov 29, 2005 to May 29, 2006)	May 29, 2006	Unsecured/ Unguaranteed
	9 finan insti	12.5	Fixed (Note 1)	1.14500% (Weighted average after interest rate swap)	Dec 8, 2006	
	2 finan insti	3.0	Fixed	1.04500%	Dec 8, 2006	
Total short-term debts	17 finan insti	31.5	—	—	—	—
Long-term debts	1 finan insti	2.0	Floating	0.66455% (From Mar 1, 2006 to Aug 28, 2006)	Aug 28, 2007	Unsecured/ Unguaranteed
	6 finan insti	8.5	Fixed (Note 3)	1.00625% (Weighted average after interest rate swap)	Dec 8, 2007	
	5 finan insti	7.5	Fixed (Note 2)	1.22500% (Weighted average after interest rate swap)	Feb 26, 2008	
	1 finan insti	3.0	Fixed	1.05250%	Feb 26, 2008	
	4 finan insti	4.0	Floating	0.51455% (From Feb 28, 2006 to Aug 28, 2006)	Aug 26, 2008	
	5 finan insti	8.0	Fixed (Note 1)	1.66750% (Weighted average after interest rate swap)	Dec 8, 2008	
	4 finan insti	5.0	Fixed	1.51625%	Dec 8, 2008	
	2 finan insti	2.0	Fixed (Note 4)	1.19000% (Weighted average after interest rate swap)	Feb 26, 2009	
	1 finan insti	3.0	Fixed (Note 2)	1.77500% (Weighted average after interest rate swap)	Feb 26, 2010	
	1 finan insti	1.0	Fixed	1.50625%	Feb 26, 2010	
	5 finan insti	7.5	Fixed (Note 4)	1.68000% (Weighted average after interest rate swap)	Feb 26, 2011	
	5 finan insti	5.0	Fixed	1.43750%	Aug 26, 2012	
	1 finan insti	1.0	Fixed	1.53625%	Aug 26, 2012	
	1 finan insti	1.0	Fixed	1.75250%	Feb 26, 2013	
Total long-term debts	24 finan insti	58.5	—	—	—	—
Total debts	25 finan insti	90.0	—	—	—	—
1st series corp bond	Private placement	5.0	Fixed	1.85%	Mar 16, 2015	Unsecured/ Unguaranteed
2nd series corp bond	Private placement	5.0	Fixed	2.47%	Mar 16, 2020	
3rd series corp bond	Public offering	10.0	Fixed	1.19%	Nov 29, 2010	
4th series corp bond	Public offering	10.0	Fixed	2.05%	Nov 30, 2015	
Total corporation bond	—	30.0	—	—	—	—
Grand total	25 finan insti	120.0	—	—	—	—

(Note 1) Fixed by interest rate swap from Dec 8, 2003
 (Note 2) Fixed by interest rate swap from May 27, 2004
 (Note 3) Fixed by interest rate swap from Dec 8, 2004
 (Note 4) Fixed by interest rate swap from Feb 27, 2006

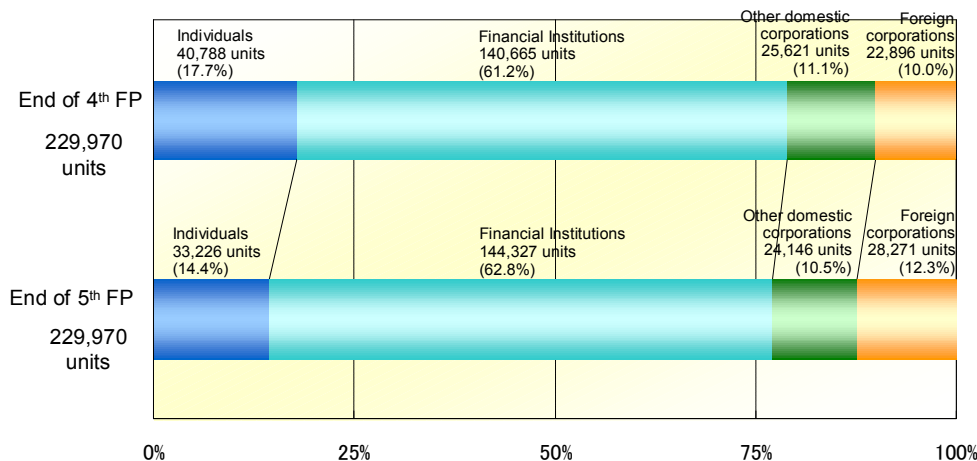


Unitholders

Number of Unitholders



Number of Investment Units



Breakdown of Financial Institutions

	4th Fiscal Period		5th Fiscal Period	
	Units	Ratio	Units	Ratio
Banks	53,388	23.2%	51,576	22.4%
Trust Banks	51,691	22.5%	58,958	25.6%
Life companies	9,917	4.3%	10,197	4.4%
Non-life companies	4,488	2.0%	5,516	2.4%
Other financial institutions	21,181	9.2%	18,080	7.9%
Total	140,665	61.2%	144,327	62.8%

Top 10 Unitholders

	Unitholders	Units	Ratio
1	Japan Trustee Services Bank	22,621	9.8%
2	NikkoCiti Trust and Banking Corporation	14,348	6.2%
3	Nomura Real Estate Development	11,500	5.0%
4	The Master Trust Bank of Japan	10,199	4.4%
5	Trust & Custody Services Bank	8,546	3.7%
6	Kawasaki Gakuen (School Corporation)	6,000	2.6%
7	The Gibraltar Life Insurance	5,011	2.2%
8	American Life Insurance Company GAL	4,138	1.8%
9	National Mutual Insurance Federation of Agricultural Cooperatives	3,993	1.7%
10	The Senshu Bank	3,900	1.7%
	Total	90,256	39.2%

(The ratio of Top 10 Unitholders for the previous term: 36.0%)



Forecasts of the Sixth Fiscal Period

Item	5th FP	6th FP (forecasts)	Comparison	
	(¥mln)	(¥mln)	(¥mln)	(%)
Rental business revenues	8,815	9,475	660	7.5
Other rental business revenues	995	1,114	119	12.0
Total rental business revenues	9,810	10,590	780	8.0
Outsourcing expenses	981	1,136	154	15.8
Taxes and duties	666	884	218	32.7
Utility expenses	726	882	155	21.5
Insurance expenses	22	22	0	0.9
Repairs and maintenances	302	340	37	12.3
Other expenses	159	115	▲43	▲27.2
Depreciation	1,399	1,458	58	4.2
Total rental business expenses	4,257	4,839	581	13.7
Profits from rental business	5,553	5,751	198	3.6
Asset Management fees	851	763	▲88	▲10.3
Operating expenses	142	189	46	32.7
Operating profit and loss	4,558	4,798	239	5.3
Non-operating revenues	9	—	▲9	▲100.0
Non-operating expenses	971	960	▲10	▲1.1
Non-operating profit and loss	▲961	▲960	1	▲0.1
Current profit	3,597	3,838	240	6.7
Net income before taxes	3,597	3,838	240	6.7
Corporate, local and enterprise taxes	0	1	0	8.0
Tax adjustment	0	0	0	0.0
Net income	3,596	3,837	240	6.7
Balance brought forward	0	0	—	—
Retained earnings	3,596	3,837	—	—
Outstanding units at period-end	229,970	265,903	35,933	15.6
Cash distribution per unit (¥)	15,638	14,430	▲1,208	▲7.7

Rental revenues

Forecasts were made on the basis of managing 29 properties in total: 28 existing properties plus Sapporo North Plaza acquired on June 1, 2006.

Taxes and duties

Property taxes, urban planning taxes and other duties for the sixth fiscal period were estimated on the basis of 27 properties out of 29, which are held at and acquired after the end of the fifth period.

Other rental business revenues:
Other expenses:

Revenues received as hourly parking charges utility charges, charges for usage of facility, etc.
Trust fees, commissions, other maintenance fees, etc.

Operating expenses:

Administrative service, custodian, and auditing fees, etc.

Non-operating expenses:

Interests on debts, cost of issuance of units, etc.



NOMURA
Office Fund

4. Fund Management Results



NOMURA REAL ESTATE OFFICE FUND



Results of Investment Sector

Investment Environments

- Sale by financial institutions and business corporations has decreased
- Properties held by private funds have increased
- Decrease in cap rate has spread to regional cities
- Information about pre-launch development projects (land) has increased



- Amount of information about properties has decreased
- Quality of properties has bipolarized

<Number of information brought to us>

Time of information brought	2005		2006				Total 5th FP	Total 4th FP
	Nov	Dec	Jan	Feb	Mar	Apr		
Number of information	179	93	87	114	98	116	687	934

Considered	88
------------	----

Under consideration	12
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Major Results

Five new investments were made to properties at premier locations

Continued growth, due to the group network of NRE, has been achieved

Geographical diversification of portfolio has further undergone



- Multiple-channel information network based on trust
- Information-sensitive group system
- Decision making based on investment experience and financial strength



Properties Acquired during the Current Period (1)

NOF Sendai Aoba-dori Bldg

Location Ichiban-cho, Aoba-ku, Sendai

Floor space 12,977.45m² (3,925.67 tsubo)

Type of Ownership Land: Ownership
Bldg: Ownership

Acquisition Price ¥3,200 mln

Date of acquisition Nov 30, 2005

【Features】

- In the heart of premier office area of the city
- Tenant companies are recognized nationwide

【Policy】

- Renovate to draw out the potential of location
- Leasing reflecting market conditions and improvement of current CS → Greater revenues



Osaka Chowa Bldg

Location Kawaramachi, Chuo-ku, Osaka

Floor space 21,007.98m² (6,354.91 tsubo)

Type of Ownership Land: Ownership
Bldg: Ownership

Acquisition Price ¥12,900 mln

Date of acquisition Nov 30, 2005

【Features】

- Located on Midosuji Avenue of central Osaka
- Air conditioning system and OA floor renewed

【Policy】

- Maintain current occupancy rate
- Increase in rent of existing tenants along with market recovery



Hiroshima Chowa Bldg

Location Tatemachi, Naka-ku, Hiroshima

Floor space 8,206.91m² (2,482.59 tsubo)

Type of Ownership Land: Ownership
Bldg: Ownership

Acquisition Price ¥2,100 mln

Date of acquisition Nov 30, 2005

【Features】

- In the heart of business/commercial area
- Capable of smaller compartments

【Policy】

- Improve occupancy rate by strategic leasing → Greater revenues
- Implementation of changes in property management (eg. change of opening hour) → Improved CS





Properties Acquired during the Current Period (2)

Nishi-Shinjuku Showa Bldg

Location Nishi-Shinjuku, Shinjuku-ku, Tokyo

Floor space 10,902.22m² (3,297.92 tsubo)*1
5,858.26m² (1,772.12 tsubo)*2

Type of Ownership Land: Co-ownership
Bldg: Compart. ownership

Acquisition Price ¥8,800 mln

Date of acquisition Nov 30, 2005

【Feature】

- Highly concentrated business area in the west of Shinjuku Station
- Great convenience and tenants to attract customers

【Policy】

- Emphasize locational convenience
- Timely marketing and revision of rent on market recovery



Crystal Park Bldg

Location Gotenyama, Musashino, Tokyo

Floor space 6,462.19m²(1,954.81 tsubo)*1
3,868.36m²(1,170.17 tsubo)*2

Type of Ownership Land: Co-ownership
Bldg: Compart. ownership

Acquisition Price ¥3,700 mln

Date of acquisition Feb 28, 2006

【Feature】

- 2-minutes walk from Kichijoji Station, a center of western Tokyo
- Local community-based tenants

【 Policy 】

- Maintain current occupancy rate
- Increase of current rents



Sapporo North Plaza

(To be acquired in the 6th FP)

Location Kita Ichijo Nishi, Chuo-ku, Sapporo

Floor space 18,842.51m² (5,699.85 tsubo)

Type of Ownership Land: Ownership
Bldg: Ownership

Acquisition Price ¥6,820 mln

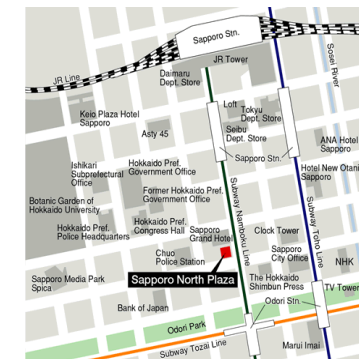
Date of acquisition Jun 1, 2006

【Feature】

- In the heart of business/commercial area
- Access from underpass expected in 2010

【 Policy 】

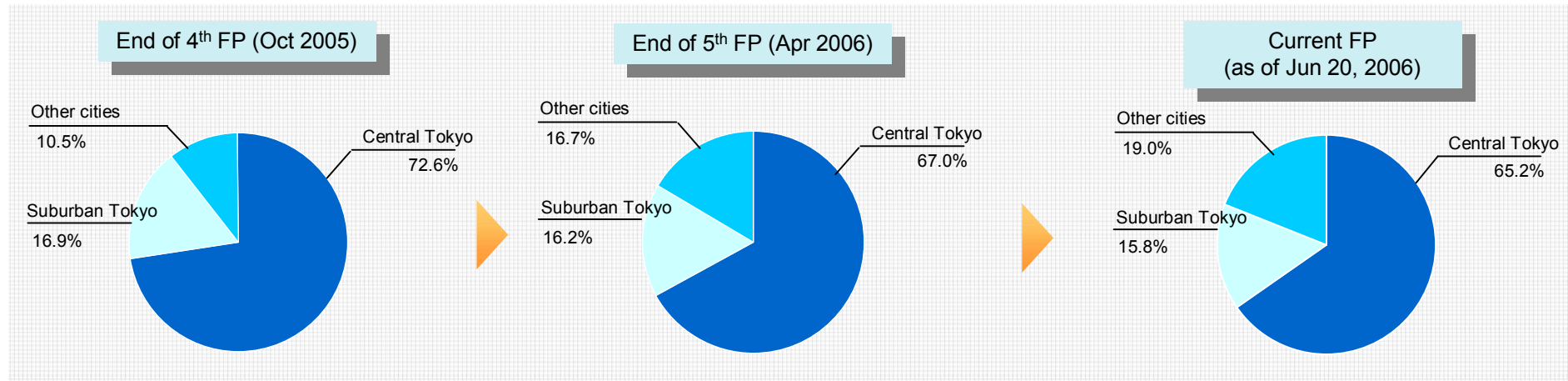
- Higher occupancy rate based on advantageous location → Greater revenues
- Improve further convenience in future → More stable management base



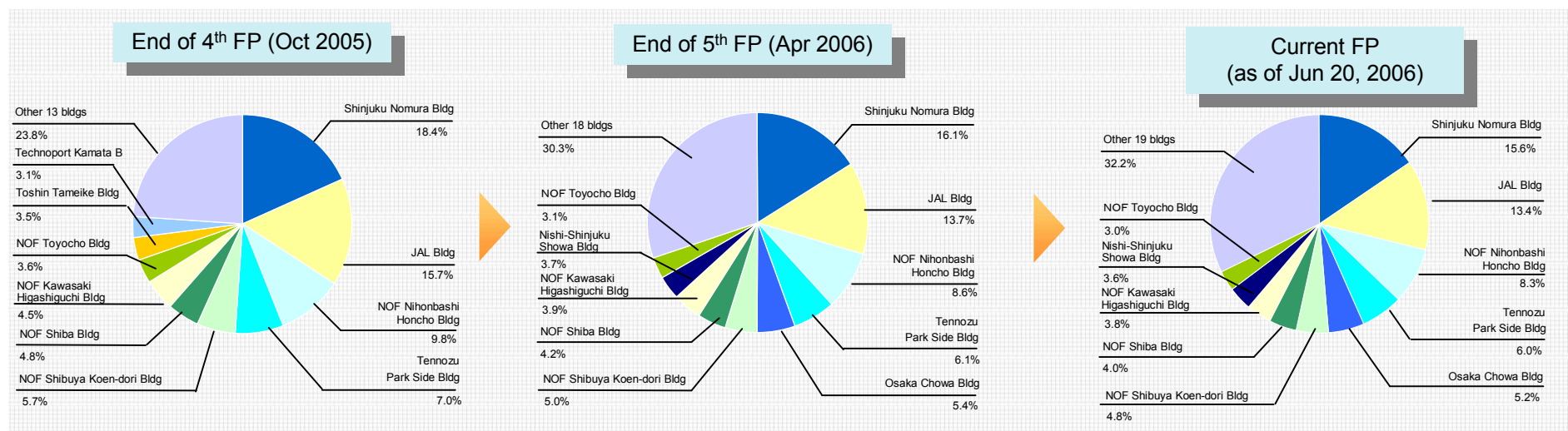


Diversification of Portfolio (1) "Assets"

Diversification by Location (Based on Acquisition Price)



Diversification by Property (Top 10 Named Based on Acquisition Price)





Diversification of Portfolio (2) "Tenants"

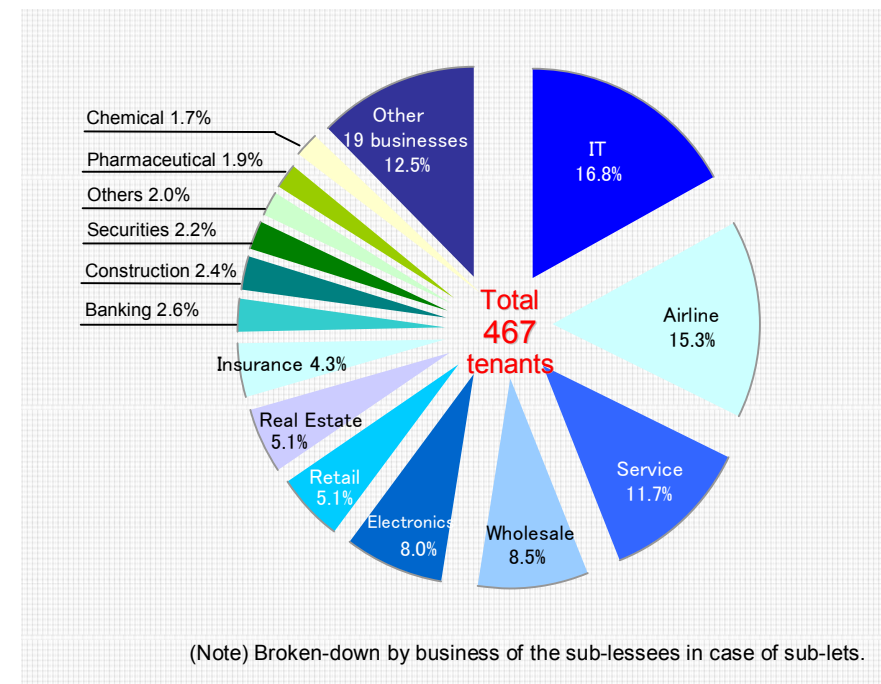
Top 10 Tenants (by Space)

End of 5th FP (Apr 2006)

Tenant	Business	Building	Expiry of contract	Leased space (m ²)	Weight in portfolio (%)	Weight for previous term (%)	
1	Flagship Properties Inc.	Real Estate	JAL Bldg	2015.3.31	42,084.11	14.6	16.5
2	XYMAX Corporation	Real Estate	NOF Toyochō Bldg	2009.11.30	18,218.17	6.3	7.2
3	Fujitsu Ltd.	Electronics	Technoport Kamata B Ridge	2007.3.31	3,699.38	1.3	1.5
			Faret Tachikawa Center Square	2007.12.31	501.35	0.2	0.2
			NOF Shin-yokohama Bldg	2006.9.30	6,547.74	2.3	2.6
			Nomura Osaka Bldg	2006.12.31	809.15	0.3	0.3
4	Nomura Facilities Co., Ltd.	Real Estate	Shinjuku Nomura Bldg	2008.5.31	1,206.55	0.4	0.5
			NOF Utsunomiya Bldg	2007.12.31	1,072.69	0.4	0.4
			Nomura Yotsubashi Bldg	2007.11.30	1,847.63	0.6	-
			Nomura Hiroshima Bldg	2007.3.31	2,834.48	1.0	1.1
5	Nomura Real Estate Development Co., Ltd.	Real Estate	Shinjuku Nomura Bldg	2013.11.30	3,590.75	1.2	1.4
			Nomura Osaka Bldg	2013.11.30	345.37	0.1	0.1
			Nomura Yotsubashi Bldg	2013.11.30	1,266.19	0.4	0.5
6	Fuji Xerox Office Supply Co., Ltd.	Wholesale	Sunugadai Plaza Bldg	2007.4.30	4,160.94	1.4	1.6
7	Ito-Yokado Co., Ltd.	Retail	Technoport Kamata B Ridge	2007.10.31	3,652.38	1.3	1.4
8	Corporate Software Ltd.	IT	Tennozu Park Side Bldg	2007.2.28	3,598.83	1.2	1.4
9	Shinsei Bank Ltd.	Bank	Osaka Chōwa Bldg	2010.1.31	2,774.75	1.0	-
			Hiroshima Chōwa Bldg	2010.1.31	647.01	0.2	-
10	Daiken Corporation	Other	NOF Nihonbashi Honcho Bldg	2007.2.14	3,221.93	1.1	1.3
Total					102,079.40	35.4	

Diversification in Business (by Space)

End of 5th FP (Apr 2006)



Medium-Term Contracts

Medium-term contracts expiring after three years from now:

End of 5th FP (Apr 2006) 25.3% (based on floor space)
21.0% (based on contract rent)

Results of Asset Management Sector

Increase in profitability of portfolio

Enhance competitiveness by renovation

Increase in appraisal value at the end of the fiscal period



Increase in earning power of portfolio that produces stable revenues



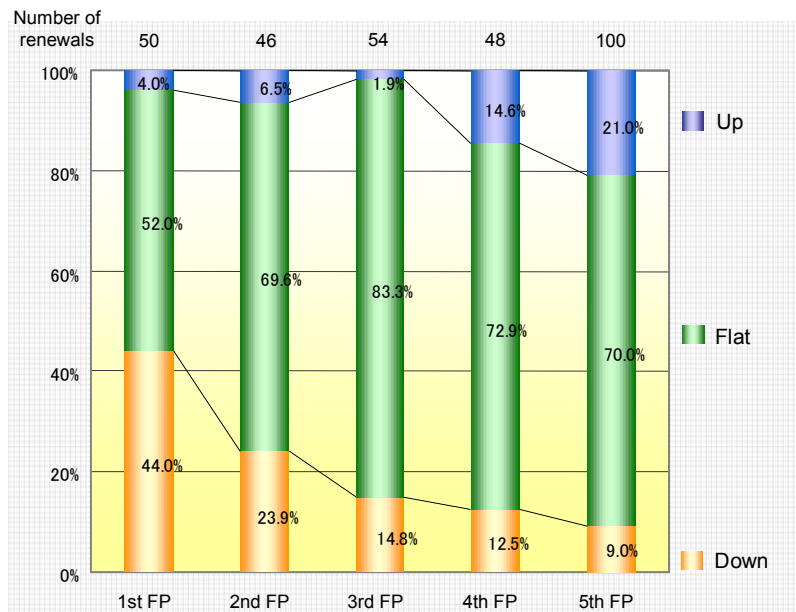
Increase in Earning Power of Portfolio

Effects of Move-ins and Move-outs on Rent

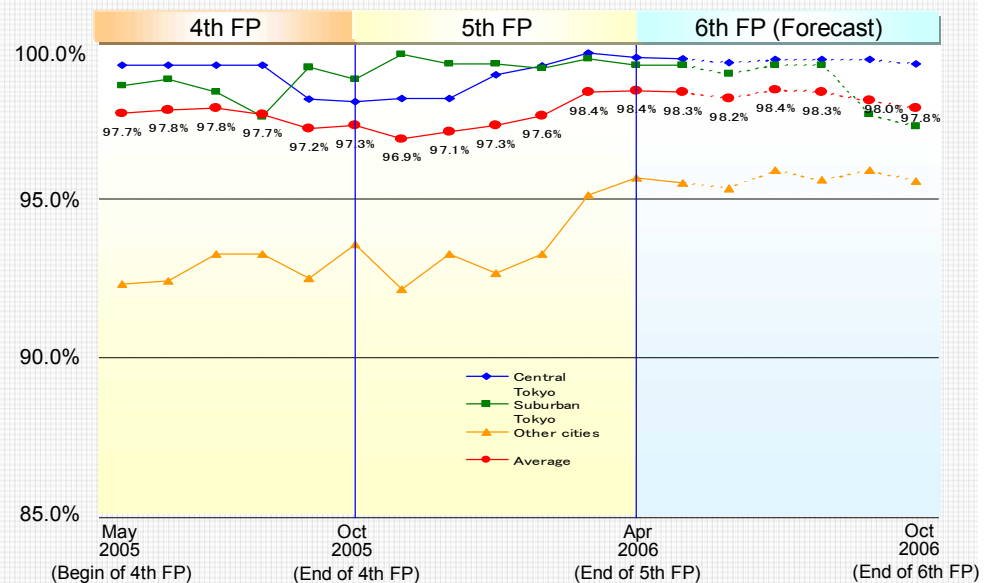
- Changes in revenue caused by “comers” and “leavers” (defined as the average rent of move-ins and move-outs respectively).

- Increase (comers > leavers) ⇒ 6 cases (Shinjuku Nomura Bldg, Nishi-Shinjuku Showa Bldg, NOF Kawasaki Higashiguchi Bldg, Asahi Seimei Yokohama Nishiguchi Bldg, Yanagibashi Sanshin Bldg, Osaka Chowa Bldg)
- No change (comers = leavers) ⇒ 2 cases (Toshin Tameike Bldg, NOF Utsunomiya Bldg)
- Decrease (comers < leavers) ⇒ 3 cases (Nomura Osaka Bldg, Hiroshima Chowa Bldg, Faret Tachikawa Center Square)

Changes in Rent of Renewed Tenants



Stable Occupancy Rate





Enhancing Competitiveness of Property by Renovation

Large-Scale Renovation at the Basement Shopping Floor of Shinjuku Nomura Bldg

- Purpose of renovation

Competitive differentiation made on Shinjuku Nomura Bldg from the other skyscrapers in Nishi-Shinjuku area

Satisfaction of tenants leads to stronger revenue base



Stairways/escalators enabled direct access to the basement shopping floor from the crossing busy streets.

A glass-roofed apertural area, new showpiece of the building, allowed high visibility of shops on the basement floor.

Former banking floor was completely refurbished. This space, now added by an inner terrace and turned into a food court with various new food shops, is a popular spot for many office workers to have lunch in a pleasing ambience.



Move-Ins and Move-Outs

- Space occupied by move-ins and vacated by move-outs

Move-ins 3,731 tsubo (12,334m²) : about 4.3% of weighted average of total floor space

Move-outs 2,639 tsubo (8,726m²) : about 3.0% of weighted average of total floor space

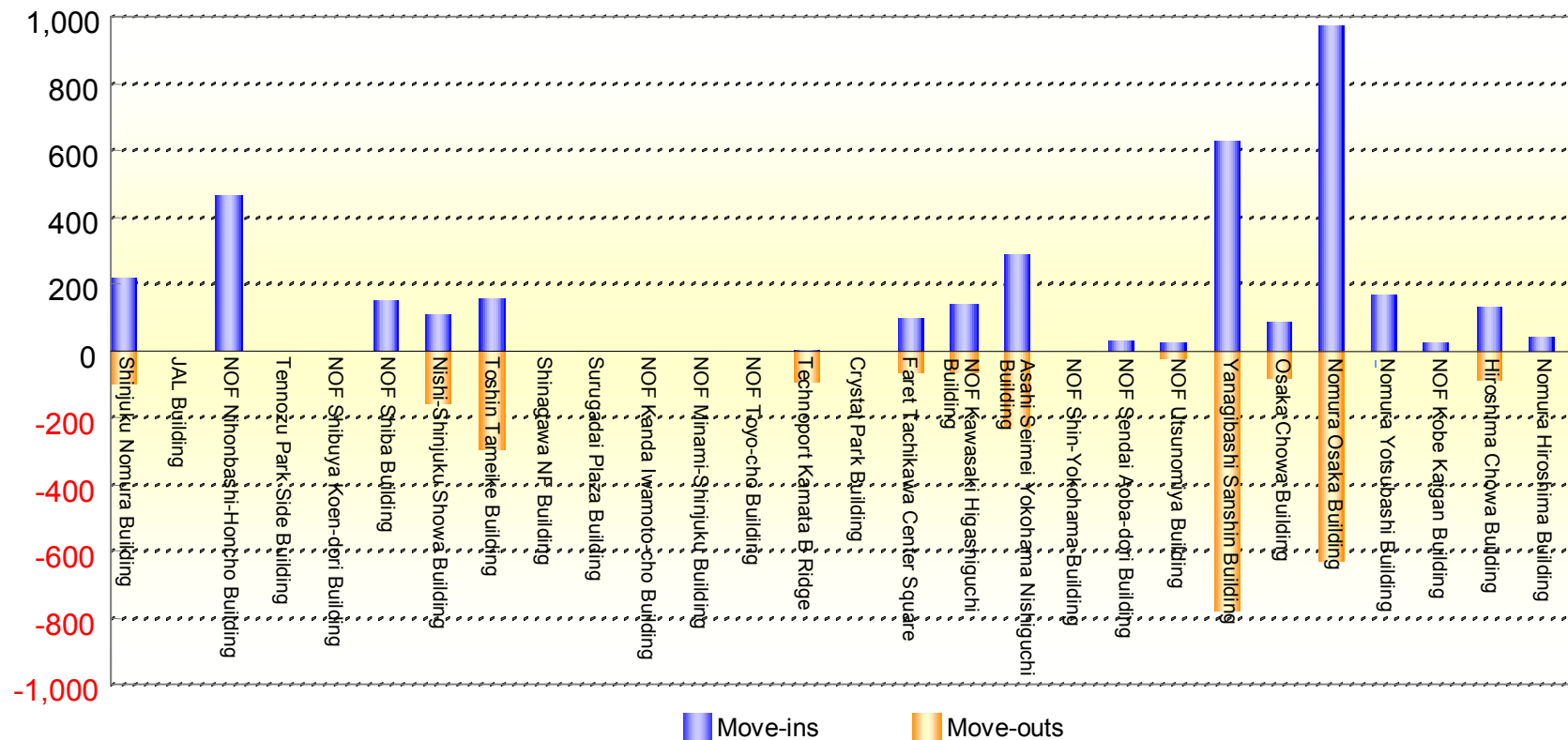
⇒ Change 1,091 tsubo (3,607m²) : More move-ins than move-outs

- Change in occupancy rate

End of 4th FP (23 bldgs): 98.8%, +1.5% from previous term

End of 5th FP (28 bldgs): 98.4%, +1.1% from previous term

(tsubo)





End-of-Period Appraisal Value

	Building	Acquisition price	Book value at end of 5th FP	Appraisal value at end of 5th FP	Appraisal value at end of 4th FP	Difference from previous term	
		(¥ mln)	(¥ mln)	(¥ mln)	(¥ mln)	(¥ mln)	Change
Central Tokyo	Shinjuku Nomura Bldg	38,730	39,201	48,000	41,000	7,000	17.1%
	JAL Bldg	33,080	33,945	30,940	30,940	-	-
	NOF Nihonbashi Honcho Bldg	20,600	20,558	22,200	21,400	800	3.7%
	Tennozu Park Side Bldg	14,800	14,223	16,900	16,200	700	4.3%
	NOF Shibuya Koen Dori Bldg	12,000	12,595	13,900	14,000	-100	-0.7%
	NOF Shiba Bldg	10,000	10,211	10,300	10,300	-	-
	Nishi-Shinjuku Showa Bldg	8,800	8,803	9,110	* 8,800	310	3.5%
	Toshin Tameike Bldg	7,400	7,635	7,510	7,400	110	1.5%
	Shinagawa NF Bldg	5,500	5,375	5,960	5,740	220	3.8%
	Surugadai Plaza Bldg	5,150	5,208	5,430	5,410	20	0.4%
	NOF Kanda Iwamoto-cho Bldg	3,080	3,061	3,430	3,340	90	2.7%
	NOF Minami-Shinjuku Bldg	2,280	2,285	2,460	2,410	50	2.1%
	Total Central Tokyo	161,420	163,104	176,140	166,940	9,200	5.5%
Suburban Tokyo	NOF Toyo-cho Bldg	7,550	7,245	7,950	7,950	-	-
	Technoport Kamata B Ridge	6,430	6,322	6,870	6,870	-	-
	Crystal Park Bldg	3,700	3,741	3,800	* 3,770	30	0.8%
	Faret Tachikawa Center Square	3,290	3,152	4,050	3,900	150	3.8%
	NOF Kawasaki Higashiguchi Bldg	9,500	9,726	9,680	9,590	90	0.9%
	Asahi Seimei Yokohama Nishiguchi Bldg	5,050	5,095	5,580	5,560	20	0.4%
	NOF Shin-Yokohama Bldg	3,600	3,491	3,790	3,680	110	3.0%
	Total Suburban Tokyo	39,120	38,774	41,720	41,320	400	1.0%
Other Cities	NOF Sendai Aoba Dori Bldg	3,200	3,184	3,220	* 3,200	20	0.6%
	NOF Utsunomiya Bldg	2,970	2,807	3,210	3,190	20	0.6%
	Yanagibashi Sanshin Bldg	3,550	3,638	3,580	3,560	20	0.6%
	Osaka Chowa Bldg	12,900	12,860	13,100	* 12,900	200	1.6%
	Nomura Osaka Bldg	6,410	6,378	7,700	6,950	750	10.8%
	Nomura Yotsubashi Bldg	3,940	3,799	4,950	4,600	350	7.6%
	NOF Kobe Kaigan Bldg	3,280	3,129	3,320	3,310	10	0.3%
	Hiroshima Chowa Bldg	2,100	2,088	2,100	* 2,100	-	-
	Nomura Hiroshima Bldg	1,930	2,134	2,080	2,080	-	-
	Total Other Cities	40,280	40,021	43,260	41,890	1,370	3.3%
Grand total	240,820	241,901	261,120	250,150	10,970	4.4%	

(A)

(B)

Difference between appraisal value and book value

¥19,219 mln

(¥83,572 / unit)

* For these buildings acquired during the 5th FP, appraisal value is that of the time of acquisition.



Results of Financial Sector

Yields of 10-year Government Bonds



Well-balanced Debt Management to Achieve:

- Control of proper LTV level
- Longer periods and fixing of interest rates
- Diversification of duration (4 - 5 years on average)
- Variety of methods to raise funds
- Effective use of security deposits received, etc.

Major Achievements

Issuance of ¥20 billion corporation bonds

Conversion of floating interest rates to long-term fixed interest rates

Implementation of effective use of security deposits received



Securing ability to raise funds that enable sustainable growth into future



Public Offering of Corporation Bonds and Investment Units

Public Offering of Corporation Bonds

3rd and 4th Series Corporation Bonds

Name	Nomura Real Estate Office Fund, Inc. Third Series Uninsured Investment Corporation Bonds. (Ranking <i>Pari Passu</i> among the Specified Investment Corporation Bonds)	Nomura Real Estate Office Fund, Inc. Fourth Series Uninsured Investment Corporation Bonds. (Ranking <i>Pari Passu</i> among the Specified Investment Corporation Bonds)
Total amount	¥10 billion	¥10 billion
Issuing date	Nov 28, 2005	Nov 28, 2005
Maturity date	Nov 29, 2010 (5-year bond)	Nov 30, 2015 (10-year bond)
Security / Guarantee	Unsecured/unguaranteed	Unsecured/unguaranteed
Interest rate	1.19% p.a.	2.05% p.a.
Use of funds	Acquisition of 4 properties* on Nov 30, 2005, relevant costs, and repayment of borrowings.	

* Nishi-Shinjuku Showa Bldg, NOF Sendai Aoba Dori Bldg, Osaka Chowa Bldg, Hiroshima Chowa Bldg

Shelf Registration

- Date of filing Sep 29, 2005
- Limit of issuance ¥100 billion
- Period to issue Oct 7, 2005 – Oct 6, 2007
- Use of funds Acquisition of specified assets, repayment of borrowings, redemption of corporation bonds, repayment of security deposits, repair and renovation, operating capital

Additional Issuance of Investment Units (for info)

Outline of new issue

- Number of units (Public Offering) 34,800
- Number of units (Third Party Allotment) 1,133
- Offer Price ¥926,100 / unit
- Total amount raised ¥32,156 mln
- Dates of payment May 25, 2006 (PO)
Jun 23, 2006 (TPA)

Status after new issue

- Total number of units issued 265,903
- Total amount of investment ¥156,767 mln

Changes in LTV



Funds raised by PO were used to acquire a property at ¥6.82 bln, and to repay ¥16 bln of borrowing.



Overview of Financial Status

Financial Status as at the end of 5th FP (Apr 30, 2006)

- LTV (on a basis of total assets)

End of 5th fiscal period 44.7%
(+5.8% from previous term)

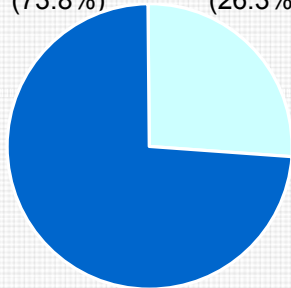
Continuation of conservative management

- Status of debts

ST vs. LT Debts

Long-term*
¥88.5 bln
(73.8%)

Shot-term
¥31.5 bln
(26.3%)

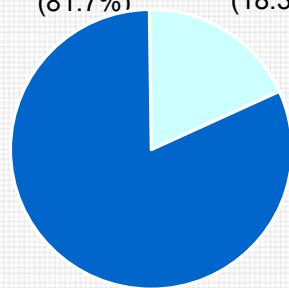


*Including Corporation Bonds

Floating vs. Fixed Rates

Fixed rate*
¥98.0 bln
(81.7%)

Floating rate
¥22.0 bln
(18.3%)



*Including Interest Rate Swaps

- Average remaining duration of long-term fixed debts (including Corporation Bonds)

5.1 years Previous term: 3.9 years

- Weighted average of interest rate of all the debts

1.29% Previous term: 1.13%

- List of lenders (Total 25 financial institutions)

(¥ bln)

Lender	Total amount of debt remaining	Lender	Total amount of debt remaining
Bank of Tokyo-Mitsubishi UFJ	15.0	Mizuho Corporate Bank	2.0
Sumitomo Mitsui Banking Corp.	7.5	Yamanashi Chuo Bank	2.0
Mitsubishi UFJ Trust and Banking	6.0	Chugoku Bank	2.0
Sumitomo Trust & Banking Corp.	6.0	Bank of Fukuoka	2.0
Norinchukin Bank	5.0	Aozora Bank	2.0
Dai-Ichi Mutual Life Insurance	5.0	Taiyo Life Insurance	2.0
Nomura Trust and Banking	5.0	Daido Life Insurance	2.0
Chuo Mitsui Trust and Banking	4.0	Zen-Kyo-Ren	2.0
Mitsui Life insurance	4.0	Development Bank of Japan	2.0
Iyo Bank	3.5	Keiyo Bank	1.0
Chiba Bank	3.0	Meiji Yasuda Life Insurance	1.0
Hachijuni Bank	2.5	Mitsui Sumitomo Insurance	1.0
Hiroshima Bank	2.5		
		Total borrowings	90.0
		Corporation Bonds	30.0

Post-Balance Sheet Financial Status

Financial Status as of June 23, 2006

- LTV (on a basis of total assets)

As of June 23, 2006 36.4% (unaudited)
(-8.3% from end of 5th FP for the following reasons)

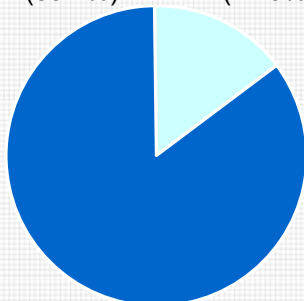
- New public offering
- Acquisition of Sapporo North Plaza at ¥6.82 billion
- Repayment of borrowings for ¥16 billion

- Status of debts

- ST vs. LT Debts

Long-term*
¥88.5 bln
(85.1%)

Short-term
¥15.5 bln
(14.9%)

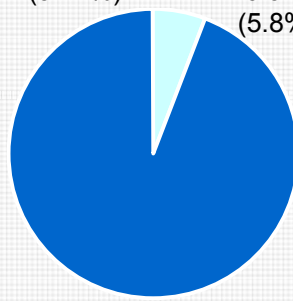


*Including Corporation Bonds

- Floating vs. Fixed Rates

Fixed rate*
¥98.0 bln
(94.2%)

Floating rate
¥6.0 bln
(5.8%)



*Including Interest Rate Swaps

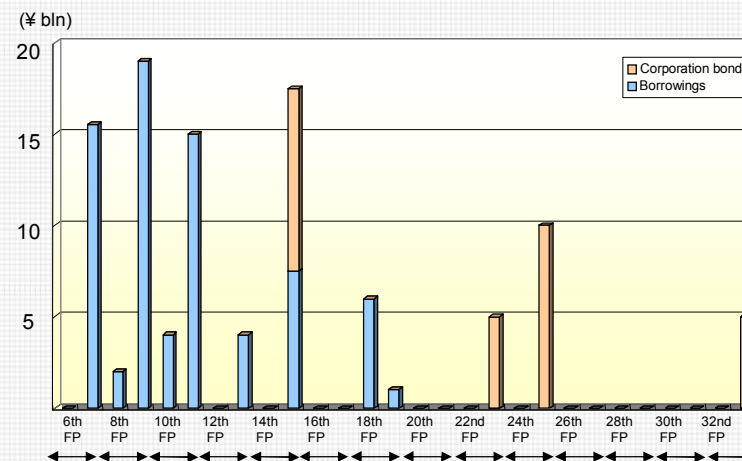
- Average remaining duration of long-term fixed debts (including Corporation Bonds)

→ 5.0 years

- Weighted average of interest rate of all the debts

→ 1.43%

- Diversification of maturity





NOMURA
Office Fund



Appendix

NOMURA REAL ESTATE OFFICE FUND



List of Property

End of 5th FP (Apr 2006)

Property	Location	Completion	Floors (Ground)	Total floor space (Note 1, 2)	Leasable space (㎡)	Leased space (㎡)	Occupancy rate	Number of tenants	Standard floor space (㎡)	Air conditioning	Room height (mm)	PML (Note 3)	Acquisition date	Acquisition price (¥ mln)	
Central Tokyo	Shinjuku Nomura Bldg	Nishi-Shinjuku, Shinjuku-ku	1978. 5	50	117,258.88 (Entire building)	31,589.26	31,347.29	99.2%	86	1,262.37	Each 1/4 floor	2,600	5%	2003.12	38,730
	JAL Bldg	Higashi-Shinagawa, Shinagawa-ku	1996. 6	26	①81,421.13 ②25,260.48	42,084.11	42,084.11	100.0%	1	2,214.55	Each 1/6 floor	2,700	6%	2005. 3	33,080
	NOF Nihonbashi Honcho Bldg	Nihonbashi Honcho, Chuo-ku	1961. 4 (Extension 1988.4)	8	29,430.67	19,233.28	19,233.28	100.0%	13	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	18,051.61	18,051.61	100.0%	14	1,331.14	Each 1/4 floor	2,650	6%	2004. 2	14,800
	NOF Shibuya Koen-dori Bldg	Udakawa-cho, Shibuya-ku	1987. 9	8	5,358.55	3,420.16	3,420.16	100.0%	3	442.38	Each span	2,500	12%	2004. 9	12,000
	NOF Shiba Bldg	Shiba, Minato-ku	1991. 3	7	11,425.20	8,165.10	8,165.10	100.0%	10	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	5,659.96	5,466.42	96.6%	18	585.99	Each span	2,500	13%	2005.11	8,800
	Toshin Tameike Bldg	Akasaka, Minato-ku	1959. 8	9	6,478.50	4,715.20	4,275.52	90.7%	12	519.06	Each span	2,500	17%	2005. 9	7,400
	Shinagawa NF Bldg	Higashi-Shinagawa, Shinagawa-ku	1987.11	8	10,077.02	7,850.99	7,850.99	100.0%	5	928.29	Each floor	2,600	11%	2003.12	5,500
	Surugadai Plaza Bldg	Kanda Surugadai, Chiyoda-ku	1997. 4	8	5,782.27	4,160.94	4,160.94	100.0%	1	626.33	Each 1/2 floor	2,700	6%	2004. 2	5,150
Suburban Tokyo	NOF Kanda Iwamoto-cho Bldg	Iwamoto-cho, Chiyoda-ku	1988. 7	9	4,698.97	4,076.38	4,076.38	100.0%	8	480.07	Each floor	2,550	14%	2004. 2	3,080
	NOF Minami-Shinjuku Bldg	Sendagaya, Shibuya-ku	1986. 3	8	3,160.05	2,464.71	2,464.71	100.0%	5	327.66	Each floor	2,500	12%	2004. 6	2,280
	NOF Toyo-cho Bldg	Shinsuna, Koto-ku	1989.11	7	18,051.08	18,218.17	18,218.17	100.0%	1	1,986.46	Each span	2,550	14%	2003.12	7,550
	Technoport Kamata B Ridge	Minami-Kamata, Ota-ku	1990. 9	11	21,516.54 (Entire ridge)	13,683.46	13,370.32	97.7%	13	1,148.45	Each span	2,650	10%	2003.12	6,430
	Crystal Park Bldg	Gotenyama, Musashino City	1991.10	11	①6,462.19 ②3,868.36	3,900.85	3,900.85	100.0%	11	193.93~ 590.35	Each floor	2,500	14%	2006. 2	3,700
	Faret Tachikawa Center Square	Akebono-cho, Tachikawa City	1994.12	12	①33,706.03 ②6,865.80	6,853.38	6,624.10	96.7%	15	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	8,284.03	8,284.03	100.0%	27	684.62	Each 1/3 floor	2,550	16%	2005. 6	9,500
	Asahi Seimei Yokohama Nishiguchi Bldg	Nishi-ku, Yokohama City	1985.10	9	10,055.13	6,817.76	6,817.76	100.0%	29	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	8,074.83	100.0%	3	940.84	Each span	2,500	17%	2003.12	3,600
	NOF Sendai Aoba-dori Bldg	Aoba-ku, Sendai City	1968. 7	11	12,977.45	6,165.70	5,839.34	94.7%	27	802.79	Each span	2,480	8%	2005.11	3,200
Other Cities	NOF Utsunomiya Bldg	Baba-dori, Utsunomiya City	1999.12	10	10,479.63	5,887.40	5,819.24	98.8%	26	664.68	Each span	2,700	5%	2003.12	2,970
	Yanagibashi Sanshin Bldg	Nakamura-ku, Nagoya City	1991. 3	12	7,363.25	4,655.74	3,552.04	76.3%	9	405.96	Each 1/2 floor	2,460	14%	2005. 9	3,550
	Osaka Chowa Bldg	Chuo-ku, Osaka City	1974. 4	10	21,007.98	12,240.88	12,100.35	98.9%	16	1,234.14	Each 1/4 floor	2,600	13%	2005.11	12,900
	Nomura Osaka Bldg	Chuo-ku, Osaka City	1983.12	12	23,522.82	16,977.79	16,977.79	100.0%	29	1,336.52	Each floor Auxiliary	2,500	19%	2003.12	6,410
	Nomura Yotsubashi Bldg	Nishi-ku, Osaka City	1991.11	15	16,845.87	11,558.68	11,558.68	100.0%	18	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	6,427.01	5,712.31	88.9%	28	528.43	Each span	2,600	7%	2003.12	3,280
	Hiroshima Chowa Bldg	Naka-ku, Hiroshima City	1966.11	12	8,206.91	4,334.75	3,531.00	81.5%	23	515.17	Each span	2,450	13%	2005.11	2,100
	Nomura Hiroshima Bldg	Naka-ku, Hiroshima City	1976. 7	9	11,950.37	7,911.97	7,770.46	98.2%	16	1,047.54	Each floor Auxiliary	2,450	11%	2003.12	1,930
	Total					293,464.10	288,747.78	98.4%	467				7.6%		240,820

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

(Note 2) Total floor space of the properties owned in compartment, except Technoport Kamata B Ridge, is expressed as ① entire building, and ② portion owned by the Fund.

(Note 3) Rate of PML (Probable Maximum Loss) for each building was calculated by Shimizu Construction. 7.6% at the bottom field is for the entire portfolio.



Earnings by Property

(¥ 000)

Item	Shinjuku Nomura Bldg.	JAL Bldg.*	NOF Nihonbashi Honcho Bldg.	Tennozu Park Side Bldg.	NOF Shibuya Koen-dori Bldg.	NOF Shiba Bldg.	Nishi-Shinjuku Showa Bldg.	Toshin Tameike Bldg.	Shinagawa NF Bldg.	Surugadai Plaza Bldg.*
Number of business days	181	181	181	181	181	181	152	181	181	181
Rental business revenues	1,745,048		784,738	774,704	366,201	326,011	240,556	180,165	257,636	
Rental revenues (incl. common area charges)	1,557,102		743,091	658,233	337,942	289,334	218,479	167,143	224,131	
Other revenues	187,945		41,647	116,470	28,259	36,676	22,077	13,022	33,505	
Rental business expenses	871,895		274,717	404,588	84,151	120,485	73,030	64,362	113,107	
Property management fees	203,293		67,662	136,801	17,665	20,328	30,405	14,372	21,682	
Taxes and duties	187,661		37,418	55,820	23,679	24,875	—	15	16,243	
Utility expenses	186,328		50,155	32,689	11,256	21,087	13,266	15,589	21,978	
Insurance expenses	3,444		1,454	1,634	296	604	678	338	567	
Repair and Maintenance	58,460		11,311	14,757	3,025	4,125	5,750	5,329	18,866	
Other expenses	50,292		5,894	3,581	1,511	2,172	4,515	9,478	2,635	
Depreciation	182,413	145,158	100,819	159,303	26,716	47,290	18,414	19,240	31,134	30,377
Rental Profits	873,152	718,049	510,020	370,116	282,050	205,526	167,526	115,803	144,528	121,722
Net Operating Income (NOI)	1,055,565	863,208	610,840	529,419	308,767	252,816	185,940	135,043	175,662	152,099

Item	NOF Kanda Iwamoto-cho Bldg.	NOF Minami Shinjuku Bldg.	NOF Toyo-cho Bldg.*	Technoport Kamata B Ridge	Crystal Park Bldg.	Faret Tachikawa Center Square	NOF Kawasaki Higashiguchi Bldg.	Asahi Seimei Yokohama Nishiguchi Bldg.	NOF Shin-Yokohama Bldg.*	NOF Sendai Aoba-dori Bldg.
Number of business days	181	181	181	181	62	181	181	181	181	152
Rental business revenues	148,090	102,158		438,534	41,204	224,305	315,729	228,243		139,545
Rental revenues (incl. common area charges)	132,498	88,111		379,393	37,468	205,164	274,241	202,520		117,107
Other revenues	15,591	14,046		59,141	3,735	19,141	41,487	25,722		22,437
Rental business expenses	47,930	37,608		243,646	24,001	118,829	129,358	79,450		71,332
Property management fees	11,534	8,163		53,025	10,278	34,851	22,550	23,821		20,620
Taxes and duties	9,604	8,148		37,383	—	14,607	9,270	9,092		8,781
Utility expenses	7,839	7,412		46,498	2,139	30,662	22,987	16,365		13,547
Insurance expenses	258	185		1,075	105	530	610	547		477
Repair and Maintenance	2,111	3,174		32,377	430	473	3,831	2,843		2,659
Other expenses	782	1,668		6,160	—	6,337	7,191	3,267		1,417
Depreciation	15,798	8,856	73,363	67,125	11,047	31,366	62,915	23,512	41,471	23,827
Rental Profits	100,159	64,549	171,505	194,888	17,203	105,475	186,371	148,793	85,384	68,212
Net Operating Income (NOI)	115,958	73,405	244,868	262,013	28,251	136,842	249,286	172,305	126,856	92,040

Item	NOF Utsunomiya Bldg.	Yanagibashi Sanshin Bldg.	Osaka Chowa Bldg.	Nomura Osaka Bldg.	Nomura Yotsubashi Bldg.	NOF Kobe Kaigan Bldg.	Hiroshima Chowa Bldg.	Nomura Hiroshima Bldg.	Total 28 bldgs
Number of business days	181	181	152	181	181	181	152	181	
Rental business revenues	172,451	108,118	400,738	456,151	313,955	184,622	87,666	209,919	9,810,526
Rental revenues (incl. common area charges)	140,914	97,070	347,581	387,907	278,734	153,808	73,593	186,703	8,815,222
Other revenues	31,537	11,047	53,156	68,244	35,221	30,813	14,072	23,215	995,303
Rental business expenses	111,928	72,976	152,971	244,313	197,761	109,735	47,005	94,846	4,257,398
Property management fees	24,322	11,945	32,956	62,154	45,704	24,933	13,198	27,060	981,358
Taxes and duties	16,106	6,110	25,643	42,031	30,883	17,003	5,664	19,085	666,061
Utility expenses	18,517	10,585	26,713	50,203	30,530	21,811	10,248	18,544	726,301
Insurance expenses	629	380	818	1,247	857	755	288	596	22,318
Repair and Maintenance	9,362	5,003	5,385	24,145	45,438	6,743	3,782	13,566	302,896
Other expenses	3,301	7,335	3,690	13,840	2,291	3,896	4,186	2,857	159,138
Depreciation	39,687	31,615	57,762	50,690	42,055	34,590	9,635	13,134	1,399,324
Rental Profits	60,523	35,142	247,766	211,838	116,194	74,887	40,661	115,072	5,553,127
Net Operating Income (NOI)	100,211	66,757	305,529	262,528	158,250	109,478	50,296	128,207	6,952,451

* Detailed figures are not disclosed due to compelling reasons. However, they are included in "Total 28 bldgs".



Map of Property

Central Tokyo



- 01 _ Shinjuku Nomura Bldg
- 02 _ JAL Bldg
- 03 _ NOF Nihonbashi-Honcho Bldg
- 04 _ Tennozu Park Side Bldg
- 05 _ NOF Shibuya Koen-dori Bldg
- 06 _ NOF Shiba Bldg
- 07 _ Nishi-Shinjuku Showa Bldg
- 08 _ Toshin Tameike Bldg
- 09 _ Shinagawa NF Bldg
- 10 _ Surugadai Plaza Bldg
- 11 _ NOF Kanda Iwamoto-cho Bldg
- 12 _ NOF Minami-Shinjuku Bldg

Other cities

- 20 _ Sapporo North Plaza
- 21 _ NOF Sendai Aoba-dori Bldg
- 22 _ NOF Utsunomiya Bldg
- 23 _ Yanagibashi Sanshin Bldg
- 24 _ Osaka Chowa Bldg
- 25 _ Nomura Osaka Bldg
- 26 _ Nomura Yotsubashi Bldg
- 27 _ NOF Kobe Kaigan Bldg
- 28 _ Hiroshima Chowa Bldg
- 29 _ Nomura Hiroshima Bldg

- Tokyo Central Area**
Central 6 Wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shinagawa-ku, Shibuya-ku
- Vicinity of Tokyo**
Tokyo (other than Tokyo Central Area), Kanagawa, Saitama, Chiba
- Other Cities**

Suburban Tokyo

- NOF Toyo-cho Bldg _ 13
- Technoport Kamata B Ridge _ 14
- Crystal Park Bldg _ 15
- Faret Tachikawa Center Square _ 16
- NOF Kawasaki Higashiguchi Bldg _ 17
- Asahi Seimei Yokohama Nishiguchi Bldg _ 18
- NOF Shin-Yokohama Bldg _ 19

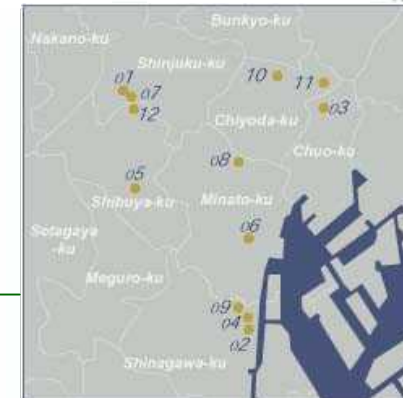





Photo of Property (29 properties as of Jun 21, 2006)





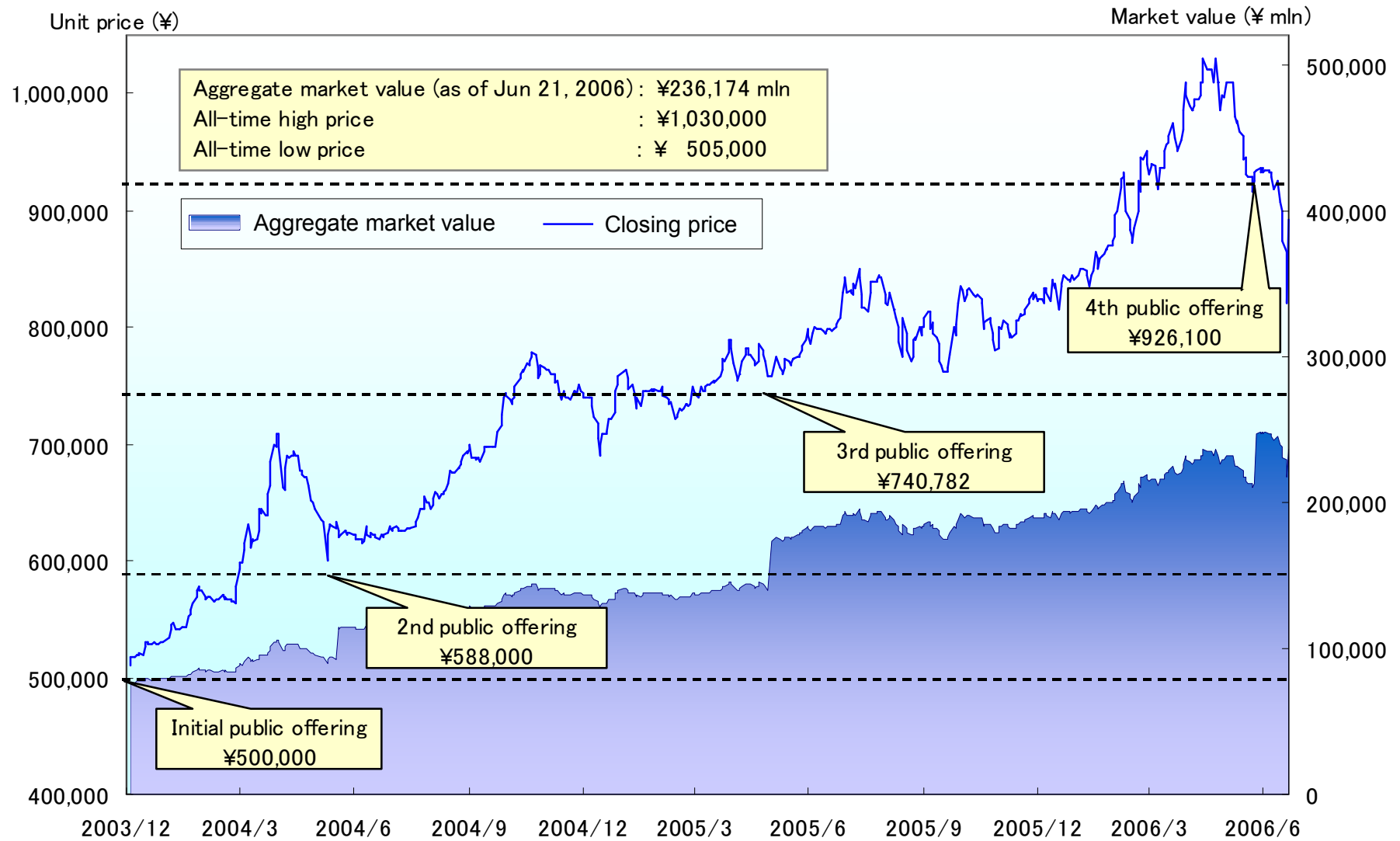
NOMURA
Office Fund

Acquisition Channel of Property

Acquisition channel	Acquired at the time of inception	During 1st and 3rd FP	During 4th FP	During 5th FP	During 6th FP
<p>Originally owned by Nomura Real Estate Development</p>	 Shinjuku Nomura Bldg  Faret Tachikawa Center Square  Nomura Osaka Bldg  Nomura Yotsubashi Bldg  Nomura Hiroshima Bldg	 Tennozu Park Side Bldg			
<p>• Information from or • Intermediation * by Nomura Real Estate group companies</p>	 NOF Nihonbashi Honcho Bldg  Shinagawa NF Bldg  NOF Toyo-cho Bldg  Technoport Kamata B Ridge  NOF Shin-Yokohama Bldg  NOF Utsunomiya Bldg  NOF Kobe Kaigan Bldg	 NOF Kanda Iwamoto-cho Bldg  NOF Minami-Shinjuku Bldg  JAL Bldg *	 Asahi Seimei Yokohama Nishiguchi Bldg	 Nishi-Shinjuku Showa Bldg  NOF Sendai Aoba-dori Bldg  Osaka Chowa Bldg  Hiroshima Chowa Bldg	 Sapporo North Plaza
<p>Information from sources outside Nomura Real Estate group</p>		 Surugadai Plaza Bldg  NOF Shibuya Koen-dori Bldg  NOF Shiba Bldg	 Toshin Tameike Bldg  Yanagibashi Sanshin Bldg  NOF Kawasaki Higashiguchi Bldg	 Crystal Park Bldg	

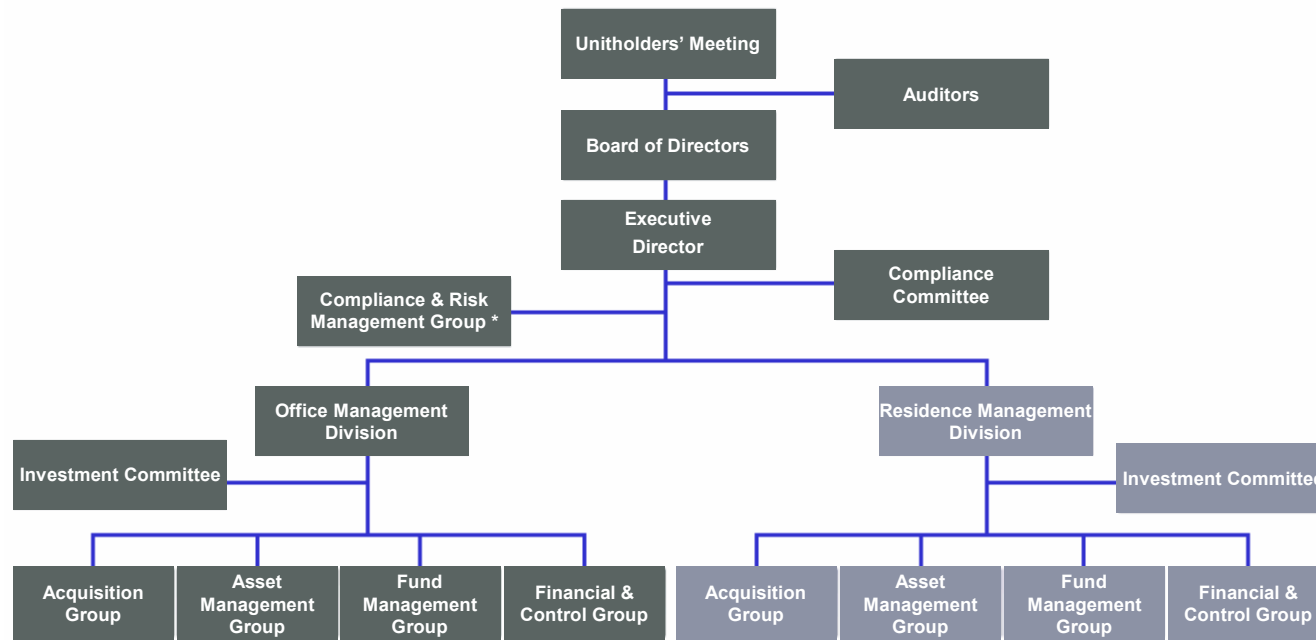


Unit Price and Aggregate Market Value (Dec 4, 2003 – Jun 21, 2006)





Structure of the Asset Management Company



(Responsibilities) (Responsibilities) (Responsibilities) (Responsibilities)

■ Businesses relevant to due diligence and acquisition of properties to be invested.

■ Businesses relevant to management, maintenance and sale of properties in the portfolio.

■ Businesses relevant to management of portfolio, disclosure of information (IR).

■ Fund raising.
■ Accounting, taxes and liability management of NREOF.
■ Accounting, taxes and administration of NREAM.

(Note)
Responsibilities of Groups under Residence Management Division are omitted because these groups are not engaged in management of the investment assets of the portfolio.

*Compliance & Risk Management Group (Responsibilities)

■ Businesses relevant to compliance and risk management.
■ Internal audit.

Outline

[Registered Trade Name]
Nomura Real Estate Asset Management Co., Ltd.

[Date of Incorporation]
January 24, 2003

[Paid-up Capital]
¥300,000,000





[Shareholder]
Nomura Real Estate Holdings Co., Ltd. (100%)

[Number of Employees]
50 (including Directors)

[Description of Business]
Asset management of investment corporation

- ◆ License for asset management of investment corporation: Prime Minister No. 28
- ◆ License for discretionary proxy in realty trading: Minister of Land, Infrastructure and Transportation No. 18
- ◆ License for real estate trading: Governor of Tokyo No. (1) 81679

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



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>

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

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