



NOMURA
Office Fund

For Translation Purposes Only

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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, as stated below.

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

- (1) Type of asset: Trust beneficial interest
- (2) Property name: EME Hakata Ekimae Building
- (3) Acquisition price: ¥6,750 million
- (4) Scheduled date of agreement: June 27, 2008 (date of agreement on purchase and sale of the trust beneficial interest)
- (5) Scheduled date of acquisition: June 27, 2008 (date of delivery of the trust beneficial interest)
- (6) Seller: GE Real Estate Corporation
- (7) Financing: Debt financing

2. Grounds

Nomura Office Fund will acquire the Property in accordance with the Fund’s policies as stipulated in its Articles of Incorporation. The Fund values the following factors.

- The Property is located close to Hakata Station, a main station of the Kyushu economic area, where lines such as the Sanyo Shinkansen, the JR Kagoshima Main Line/Hakata Minami Line and the Fukuoka Subway Kuko Line connect, and it is also located in an office area that, along with the Tenjin area, represents Fukuoka. Also, the said area, in spring 2011, is scheduled to launch the opening of the entire Kyushu Shinkansen Line and to complete the Shin Hakata Station Building, made up mainly of commercial facilities, with a prospect of further developing as a business and commercial center, can expect not only demands from general office space tenants, but also tenants looking for a location near the station for expectant visitors, etc.
- The Property, located on a corner lot of Kuko Dori, 1 minute from Hakata Station,

has excellent accessibility and high visibility from the station. The building has a total floor area of approximately 11,000 sq. meters and a standard floor area of approximately 650 sq. meters, and major renovations have been completed from 2005 to 2007, such as converting to individual air conditioning system or entrance/standard floor common area renewal works, etc. Thus, mid-to-long term stable demand is expected from tenants who seek the needs mentioned above.

3. Property Summary

Property Name		EME Hakata Ekimae Building
Type of Asset		Trust beneficial interest
Trustee		The Sumitomo Trust and Banking Co., Ltd. (Note 1)
Term of Trust Agreement		From May 22, 2002 to May 31, 2010
Location (Note 2)	Registry	1-536 Hakata Ekimae, Hakata-ku, Fukuoka City, Fukuoka
	Street	1-15-20 Hakata Ekimae, Hakata-ku, Fukuoka City, Fukuoka
Access		1 minute walk from Hakata Station on JR Lines(Sanyo Shinkansen, Kagoshima Main Line, Hakata Minami Line) and Fukuoka Municipal Subway Kuko Line.
Completion Date (Note 2)		July 15, 1983
Use (Note 2)		Office and retail
Structure (Note 2)		SRC, B2/11F
Seismic Risk (PML) (Note 3)		1% (Shimizu Corporation's Engineering Report as of June 17, 2008)
Architect		KUME Architect Office (currently KUME SEKKEI Co., Ltd.)
Structural Strength Calculator		KUME Architect Office (currently KUME SEKKEI Co., Ltd.)
Constructor		Kajima Corporation
Building Inspection Agency		Fukuoka City
Area (Note 2)	Land	1,440.61 sq. meters (435.78 tsubo)
	Building	10,961.34 sq. meters (3,315.80 tsubo)
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 4)
Floor Area Ratio		500%, 600%, 800% (Note 5)
Collateral		None
Property Management Company		XYMAX AXIS CORPORATION (Note 6)
Notes		Regarding the Property, although the completion inspection procedure according to the Building Standard Law have not yet completed, according to the Conformity Evaluation Report issued on May 26, 2008 by Sompo Japan Risk Management, Inc., the conformity of Construction Related Laws and Regulations at the time of construction have been confirmed. Also, regarding the expansion, etc., which completed June 2008, assuming there were no problems concerning the state of compliance before the expansion, the Fund has acquired the Building Permit set forth in the Building Standard Law, has completed the Completion Inspection, and according to Shimizu Corporation's Engineering Report issued on June 17, 2008, there are no problems concerning compliance.
Acquisition Price		¥6,750 million
Appraisal Value and Method		¥6,500 million (Based on the capitalization approach as of June 1, 2008) (Appraiser: Japan Real Estate Institute)
Estimated NOI (Note 7)		¥309 million
Leasing Status (As of June 26, 2008)		
Total number of Tenants		35
Total Rental Income		¥347 million (Note 8)
Security Deposits		¥259 million (Note 8)
Occupancy Rate		89.2%
Total Leased Floor Space		6,767.12 sq. meters (2,047.05 tsubo)

Total Leasable Floor Space	7,585.43 sq. meters (2,294.59 tsubo)				
Occupancy Rates in the Past (Note 9)	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007
	86.2%	82.0%	84.4%	86.5%	91.6%

(Notes)

1. Trustee
The Property's Trustee was originally scheduled to be NikkoCiti Trust and Banking Corporation on May 22, 2002, but the Trustee has been changed to The Sumitomo Trust and Banking Co., Ltd. as of July 8, 2005.
2. Location and Several Other Items
Location (registry), Completion Date, Use, Structure and Areas are based on the information in the real estate registry.
3. 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.
4. 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.
5. Floor Area Ratio
The basic floor-area ratio, for the area within 30 meters from the boundary line of the southeast street is 800%, for the area further 30 meters from the boundary line of the southeast street and within 30 meters from the center line of the southeast street is 600%, and for the other areas are 500% with the weighted average of such increased ratios based on the spaces of the areas.
6. Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition.
7. 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 October 31, 2008 or any other specific periods.
(a) Occupancy rate: 94.6% (Office: 95.0%, Retail (1F): 98.0%, Retail (B1): 85.0%)
(b) Tax amounts: same as those imposed in 2008 tax year.
8. Total Rental Income and Security Deposits
Total Rental Income: Rents for June 2008 (on the contract basis) *12
(Including office rent, retail rent, and common area charges)
Security Deposits: Security Deposits + Compensation (on the contract basis)
Each amount has been rounded down to the nearest 1 million.
9. Occupancy Rates
Occupancy rates in the past are based on the information provided by the Seller.

4. Seller Profile

Company Name	GE Real Estate Corporation
Head Office	1-12-32 Akasaka, Minato-ku, Tokyo
Representative	Tomoyuki Yoshida, President
Capital	¥21,241,000,000
Principal Shareholder	GE Japan Holdings (100%)
Principal Business	1. Acquisition, owning, leasing, management and usage of real estates 2. Purchase/sale, brokerage, and appraisal of real estate 3. Loan business 4. Investment advisory and representation business 5. Secondary type financial instruments & exchange business, etc.
Relationship with the Fund and/or the Fund's Asset Management Company	None

5. Transaction with Related Parties

None

6. Brokerage Profile

No Brokerage agent was used on the transaction of the Property.

7. Form of Payment

At the time of the turnover of the Property (scheduled on June 27, 2008), the Fund plans a package payment of the whole acquisition price, through debt financing.

8. Schedule for Acquisition

June 27, 2008 (scheduled)	Execution of the agreement on purchase and sale of the trust beneficial interest
June 27, 2008 (scheduled)	Closing of the transaction and delivery of the trust beneficial interest

9. Forecasts of Financial Results

Forecasts of the financial results on the fiscal period ending October 31, 2008 have not been changed due to the slight effect by the acquisition of the Property.

【Exhibits】

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

Appraisal Summary

Property Name	EME Hakata Ekimae Building
Appraisal Value	¥6,500,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	June 1, 2008

(yen)

Item	Amount or percentage	Grounds
Capitalization approach price	6,500,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account.
Price calculated by the direct capitalization approach	6,610,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	448,678,000	
(a) Gross rental income	475,107,000	Assumed based on the rent standard, which is deemed stable for mid-to-long term.
(b) Losses due to vacancies, etc.	26,429,000	Assumed based on the stable mid-to-long term occupancy rates
(2) Operating expenses	111,989,000	
Maintenance	29,661,000	Assumed based on the maintenance costs and the estimated amount of a similar building of the Property
Utilities costs	32,000,000	Assumed based on the previous period and occupancy rates of the leased premises
Repair costs	7,579,000	Assumed based on the previous period and average annual repair and maintenance costs of the Engineering Report
Property management fees	9,525,000	Assumed based on the scheduled revision of maintenance fees and the estimated amount of a similar building
Advertisement for leasing, etc.	2,728,000	Assumed based on the annual average of the perceived turnover period of the lessee
Taxes	29,207,000	Actual amount imposed in 2008 tax year
Insurance premium	1,039,000	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	250,000	Assumed based on communication expenses, etc.
(3) Net operating income from leasing business (NOI=(1)-(2))	336,689,000	
(4) Profit through management of temporary deposits, etc.	6,163,000	Assumed interest rate 2.0% p.a.
(5) Capital Expenditure Reserve	32,351,000	Assumed based on the age of the building and the average annual renewal expenses of the Engineering Report with the assumption that accumulating each period
(6) Net Cash Flow (NCF = (3)+(4)-(5))	310,501,000	
(7) Capitalization rate	4.7%	Assumed based on the Property's geographical, building, and contract conditions comprehensively
Price calculated by the Discounted Cash Flow Approach	6,380,000,000	
Discount rate	4.5%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	4.9%	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	6,360,000,000	
Ratio of land	72.1%	
Ratio of building	27.9%	

Items considered for the adjustment of the results of derivations and determination of the appraised value	The Property, retail/office building with excellent location, is located within the Hakata Station area, plays a part of the central controls of Kyushu area, is scheduled to launch the opening of the entire Kyushu Shinkansen line and to complete the Shin Hakata Station Building in 2011. The Property, 25 year-old building, has features such as a standard floor area of approximately 650 sq. meters, and as major renovations, such as air conditioning system construction and common facilities renewal have been conducted in recent years. These factors are taken into consideration.
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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	11.1	December 8, 2003
	JAL Building	33,080	9.5	March 18, 2005
	NOF Nihonbashi Honcho Building	20,600	5.9	December 5, 2003
	Tennozu Park Side Building	14,800	4.2	February 27, 2004
	Shinjuku Sanshin Building	12,300	3.5	June 25, 2008
	NOF Shibuya Koen-dori Building	12,000	3.4	September 28, 2004
	Secom Medical Building	11,500	3.3	September 1, 2006
	NOF Shiba Building	10,000	2.9	May 25, 2004
	Nishi-Shinjuku Showa Building	8,800	2.5	November 30, 2005
	NOF Tameike Building	7,400	2.1	September 29, 2005
	Iwamoto-cho Toyo Building	6,020	1.7	June 25, 2008
	NOF Shinagawa Konan Building	5,500	1.6	December 8, 2003
	NOF Surugadai Plaza Building	5,150	1.5	February 27, 2004
	Hatchobori NF Building	3,160	0.9	August 10, 2007
	NOF Kanda Iwamoto-cho Building	3,080	0.9	February 26, 2004
	Central Kyobashi Building	2,550	0.7	June 25, 2008
	NOF Minami Shinjuku Building	2,280	0.7	June 25, 2004
	Central Shintomicho Building	1,750	0.5	June 25, 2008
	Sunworld Yotsuya Building	778	0.2	June 25, 2008
Total of Tokyo Central Area (19 properties)	199,478	57.2		
Suburban Tokyo (Note 2)	NOF Toyo-cho Building	7,550	2.2	December 5, 2003
	NOF Technoport Kamata Center Building	6,416	1.8	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	1.1	February 28, 2006
	Farlet Tachikawa Center Square	3,290	0.9	December 5, 2003
	NOF Kawasaki Higashiguchi Building	9,500	2.7	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	0.9	September 28, 2007
Total of Suburban Tokyo (10 properties)	45,519	13.0		
Other Regional Cities (Note 2)	Sapporo North Plaza	6,820	2.0	June 1, 2006
	JCB Sapporo Higashi Building	3,700	1.1	February 8, 2008
	Kita-Sanjo Building	3,430	1.0	September 28, 2007
	NOF Sendai Aoba-dori Building	3,200	0.9	November 30, 2005
	NOF Utsunomiya Building	2,970	0.9	December 5, 2003
	NOF Nagoya Yanagibashi Building	3,550	1.0	September 29, 2005
	Omron Kyoto Center Building	23,700	6.8	March 20, 2007
	SORA Shin-Osaka 21	19,251	5.5	April 25, 2008
	NOF Midosuji Building	12,900	3.7	November 30, 2005
	Nomura Osaka Building	6,410	1.8	December 5, 2003
	Nomura Yotsubashi Building	3,940	1.1	December 5, 2003
	NOF Kobe Kaigan Building	3,280	0.9	December 5, 2003
	Hiroshima Tatemachi NOF Building	2,100	0.6	November 30, 2005
	Nomura Hiroshima Building	1,930	0.6	December 5, 2003
	EME Hakata Ekimae Building (Note 3)	6,750	1.9	June 27, 2008
Total of Other Regional Cities (15 properties)	103,931	29.8		
Total (44 properties)		348,928	100.0	

(Notes)

- Percentages have been rounded to the nearest first decimal place. Therefore, the total may not equal to 100%.
- 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.
- The Property is included in the above table assuming that the Fund has acquired it. The purchase and sales agreement concerning the Property is scheduled to be executed and acquired on June 27, 2008.
- “NOF Tenjin-Minami Building (Scheduled acquisition price: ¥3,950~¥4,100 million)”, which the Fund announced in the “Notice Concerning Property Acquisition”, released on April 18, 2008, the execution of the agreement on purchase and sale of real estate, is not included in the above table as the Fund has not yet acquired it.

Photo



Map

