



For Translation Purposes Only

February 25, 2010

For Immediate Release

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

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**Notice of the Filing of the Notification Concerning the Incorporation of the Open-Ended
Unlisted Investment Corporation by the Asset Management Company, the Filing of the
Notification Concerning the Changes in Contents and Methods of Business
and of Personnel Change**

Nomura Real Estate Office Fund, Inc. (“NOF”) hereby provides notice as follows of the resolution made at the meeting of the board of directors, which was held today, of Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), the asset management company to which NOF entrusts the management of its assets. NREAM resolved (a) to file a notification concerning the incorporation of an investment corporation (“REIT”) with the Director General of the Kanto Local Finance Bureau pursuant to Article 69 of the Act Concerning Investment Trusts and Investment Corporations (the “Investment Trust Act”), (b) to file a notification concerning the changes in contents and methods of business with the Commissioner of the Financial Services Agency pursuant to Article 31, Paragraph 3 of the Financial Instruments and Exchange Act and Article 21 of the Cabinet Office Ordinance concerning Financial Instruments Business, etc., and (c) to effect a personnel change concerning the important employee in connection therewith.

1. Background

The REIT market in Japan has expanded, since the establishment of the REIT market in 2001 and currently as many as forty* REITs are listed. Nevertheless, following the global disruption and stagnation in the financial market, which has been standing since the year before last, it is conceivable that it has become necessary to provide REIT market with new investment instruments, in order to cope with the various types of attitude of the investors.

Under such environment, NREAM has decided to incorporate the Nomura Real Estate Private REIT, Inc. (“NPR”) as a comprehensive-type and unlisted open-ended REIT for the purpose of providing the REIT market with a different type of REIT instrument that has been never seen before. For NPR, NREAM will utilize to the utmost extent, the achievement and know-how and the provider network, which have been accumulated through both (i) the asset management, by NREAM itself, of the two publicly listed REITs which have different types of target investment assets, and (ii) the management, for more than a decade, by Nomura Real Estate Group (which is

the sponsor of NREAM), of the private funds.

*As of February 23, 2010

2. Features of NPR and Influence and Effects of the Incorporation of NPR

NPR is a comprehensive-type, unlisted, open-ended REIT, which is expected to have the following features:

- (i) It is an open-ended REIT, having a provision in its Articles of Incorporation that the investment units shall be refunded upon request from investors, and is not expected to list the investment units on securities exchanges.
- (ii) It seeks, by way of private placement, the equity financing from such investors that aim for a long-term stable revenue (income return) and it is expected to adopt the financial policies in order to keep a relatively low Loan-to-Value (the “LTV”) ratio.
- (iii) It diversifies investment into various types of real property, including offices, residential facilities, commercial facilities, and logistical facilities (Comprehensive-type).
- (iv) It solicits subscription of investment units exclusively from qualified institutional investors as set forth in the Financial Instruments and Exchange Act.

As stated above, NPR is expected to have the features which are different from those of the existing publicly listed REITs, and we believe that through the management of NPR, in addition to NOF and Nomura Real Estate Residential Fund, Inc. (“NRF”), to which NREAM is already providing the asset management services, the following synergy effect will be achieved.

(i) Collecting More Information on Properties

We believe that through the management of the three (3) REITs with different features, i.e., the publicly listed REITs (NOF for offices and NRF for residential facilities) and the unlisted REIT (NPR a comprehensive-type), the presence of NREAM will be enhanced in the real estate market and it will be able to collect more information on properties from a wider range of sellers than before.

(ii) More Investment Opportunities through Joint Investment and Others

Through the joint investment in bulk sale offers including several properties with different purposes or joint investment in the properties of large investment value, the number of investment opportunities of the REITs is expected to be mutually increased and a risk sharing effect is expected.

(iii) Improvement of Management Capability of the Asset Management Company

Through providing the management services to the multiple REITs which have different investment targets and features, NREAM’s management capability is expected to improve through expansion of human resources and accumulation of management know-how, from which the management capability of NREAM originates.

On the other hand, NREAM will promote its system for providing asset management services to the third investment corporation, and will strive to prevent conflicts of interests between the REITs, and will be careful to avoid damage to the interests of NOF and NRF. (See “6. System for the

Prevention of Conflicts of Interests”)

3. Outline of the Notification Concerning the Incorporation of the Investment Corporation

- (1) Summary of the Notification:
Incorporation of “Nomura Real Estate Private REIT, Inc.”
- (2) Date of Filing:
February 25, 2010
- (3) Scheduled Date of Incorporation:
March 2, 2010
- (4) Scheduled Date of Registration:
Early April 2010
- (5) Major Investment Targets:
NPR plans to invest mainly in real estate-related assets or assets backed by real estate (including surface rights and leasehold rights of real estate) used primarily for offices, residential facilities, logistical facilities or commercial facilities.
- (6) Investment Areas:
The planned investment areas are limited to Japan, primarily the three major metropolitan areas, as well as in other major cities, including government-designated cities. When investing in the real estate-related assets, NPR plans area diversification of the properties to be acquired in order to secure stable cash flows through mitigating the risk of earthquakes and the risks associated with changes in the local economies and rental markets and others.

4. Notification Concerning the Changes in Contents and Methods of Business

- (1) Details of the Changes:
 - (i) Establishment of the Private REIT Management Division

In addition to the Office Management Division engaging in asset management for NOF, which invests mainly in offices, and the Residence Management Division engaging in management for NRF, which invests mainly in residential facilities, NREAM will establish the Private REIT Management Division to engage in asset management for NPR, the comprehensive-type open-ended REIT that invests in various types of real estate. For the purpose of avoiding damage to interests of respective REITs, to which NREAM provides the asset management services, NREAM will clearly separate the investment decision making division for each REIT.
 - (ii) Establishment of Business Operating System for the Refund of the Investment Units of NPR

In accepting the entrustment of asset management services from NPR, an open-ended REIT, NREAM will establish the business operating system to secure the appropriateness of the refund and valuation of the investment units, and the fairness of the amount.

- (iii) Establishment of the System for the Prevention of Conflicts of Interests between NPR and other REITs to which NREAM Provides the Asset Management Services

When NREAM obtains property information on an office or a residential facility, (a) the compliance officer shall determine, based on the previously established rule, the Management Division having the priority for considering acquisition of the property; and (b) if the Management Division with the first priority declines the acquisition, the Management Division with the second priority will have an opportunity to consider the acquisition. When the Management Division with the first priority declines the acquisition and the Management Division with the second priority continues with its consideration of the acquisition, a prior approval of the Investment Committee of the Management Division that declined the acquisition with respect to the reason for declining is required, and when the Management Division with the second priority decides to acquire the property, a report of the reason for declining, etc. to the board of directors of the investment corporation, the asset management of which is entrusted by the Management Division with the first priority, is required.

As for the organization chart of NREAM after the amendment, see Exhibit.

- (2) Date of Filing:
February 25, 2010

5. Personnel Change (as of February 25, 2010)

In connection with the amendment of organization as described in the preceding section, “**4. Notification Concerning the Changes in Contents and Methods of Business,**” the following person will be elected as the General Manager who controls the business of the Private REIT Management Division.

Job Title	Name
General Manager, Private REIT Management Division	Seiji Nakamura

The above personnel change will be reported, as a change in important employees, to the Commissioner of the Financial Services Agency, pursuant to the relevant provision of the Financial Instruments and Exchange Act. Also, such personnel change will be reported, as a change in important employees, to the Minister of Land, Infrastructure, Transport and Tourism pursuant to the requirements imposed upon the acquisition of discretionary real estate brokerage licenses.

6. System for the Prevention of Conflicts of Interests

It is possible that NPR, a comprehensive-type REIT investing in various types of properties, including offices, and NOF, investing mainly in offices, will compete with each other for opportunities to acquire properties.

However, NOF is a publicly listed REIT that mainly seeks equity financing, by way of public offerings in the capital markets, and debt financing based on the assumed flexible control of LTV. On the other hand, NPR, as an unlisted REIT, will seek equity financing by way of private placements, mainly with qualified institutional investors, and seek debt financing as long as it may constantly maintain lower LTV. Since their financing characteristics, financial strategies and level of investment returns desired by their investors differ, NREAM expects that, even if the type of target properties overlaps, actual competition between NOF and NPR to acquire the same properties will rarely happen.

Additionally, as for any property possibly subject to competition for acquisition, NREAM will prevent the arbitrary allocation of the property information by adopting the “rotation rule” below for the consideration of the acquisition.

<Outline of the Rotation Rule>

When NREAM obtains information on the property, it will rotate the order of priority to offer the opportunity for the consideration based on the “completion year,” which is an objective and definitive factor:

- If the completion year for the target property is an even number, NOF shall have priority in considering whether to acquire the property; and
- If the completion year of the target property is an uneven number, NPR shall have priority in considering whether to acquire the property.

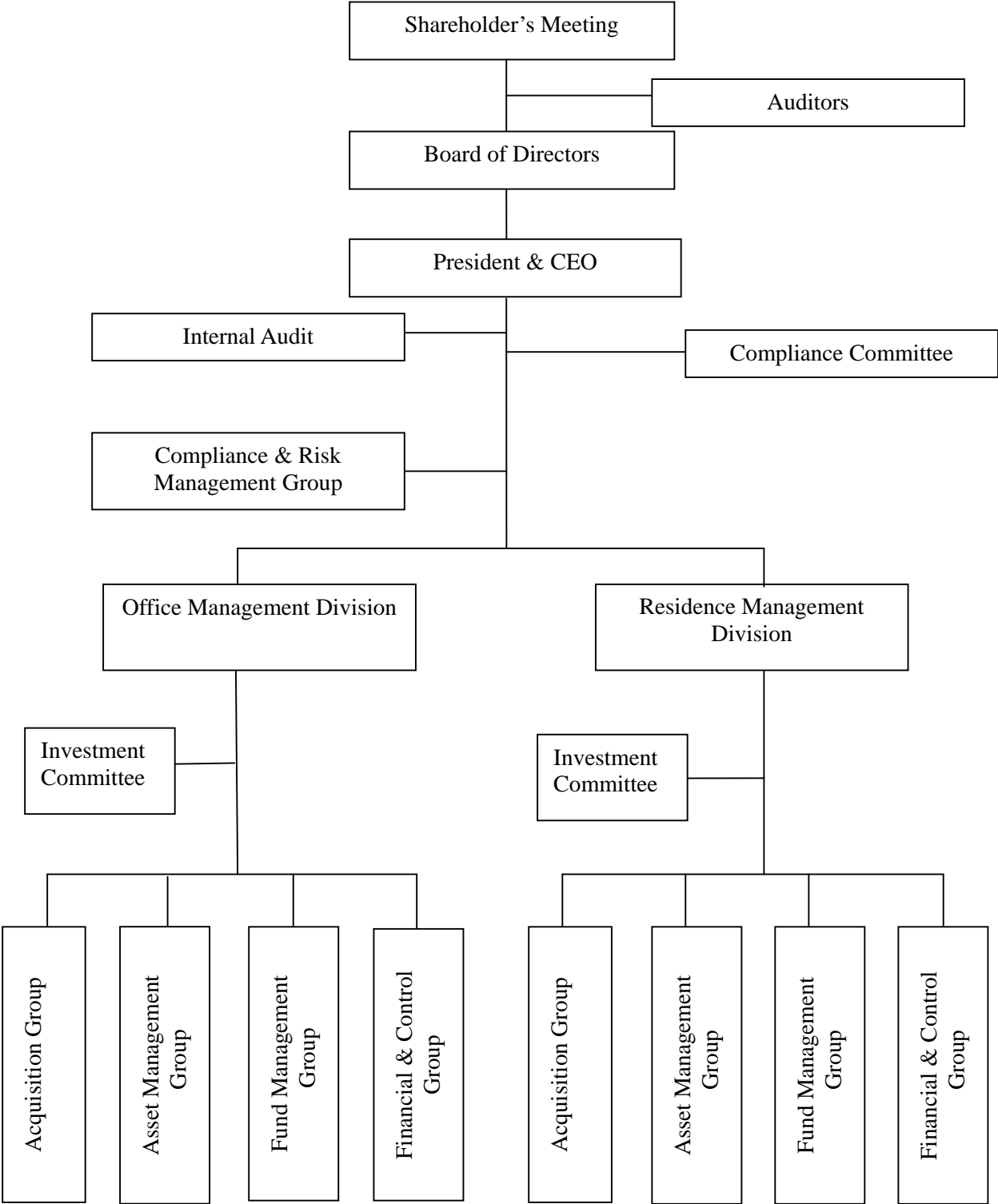
(Note) Under the memorandum regarding the handling of real estate sales information, executed between NREAM and Nomura Real Estate Investment Management Co., Ltd. (“NREIM”), NREIM shall provide NREAM with information relating to the sale of properties that meet the certain criteria prior to, or at the same time, the information is disseminated to third parties, unless the seller specifically requests otherwise or there is some similar reason. NREAM shall treat NOF as the purchaser candidate with first priority for a certain period of time after the information is disclosed. Consequently, with respect to the property information provided in accordance with the memorandum, NOF will consider the acquisition of that property prior to NPR for the particular period prescribed in the memorandum, regardless of the above rotation rule.

However, as mentioned above, since NREAM expects that competition to acquire the same property rarely happens between NOF and NPR, NREAM assumes that the rotation rule will have only a limited impact on NOF’s opportunities to acquire property.

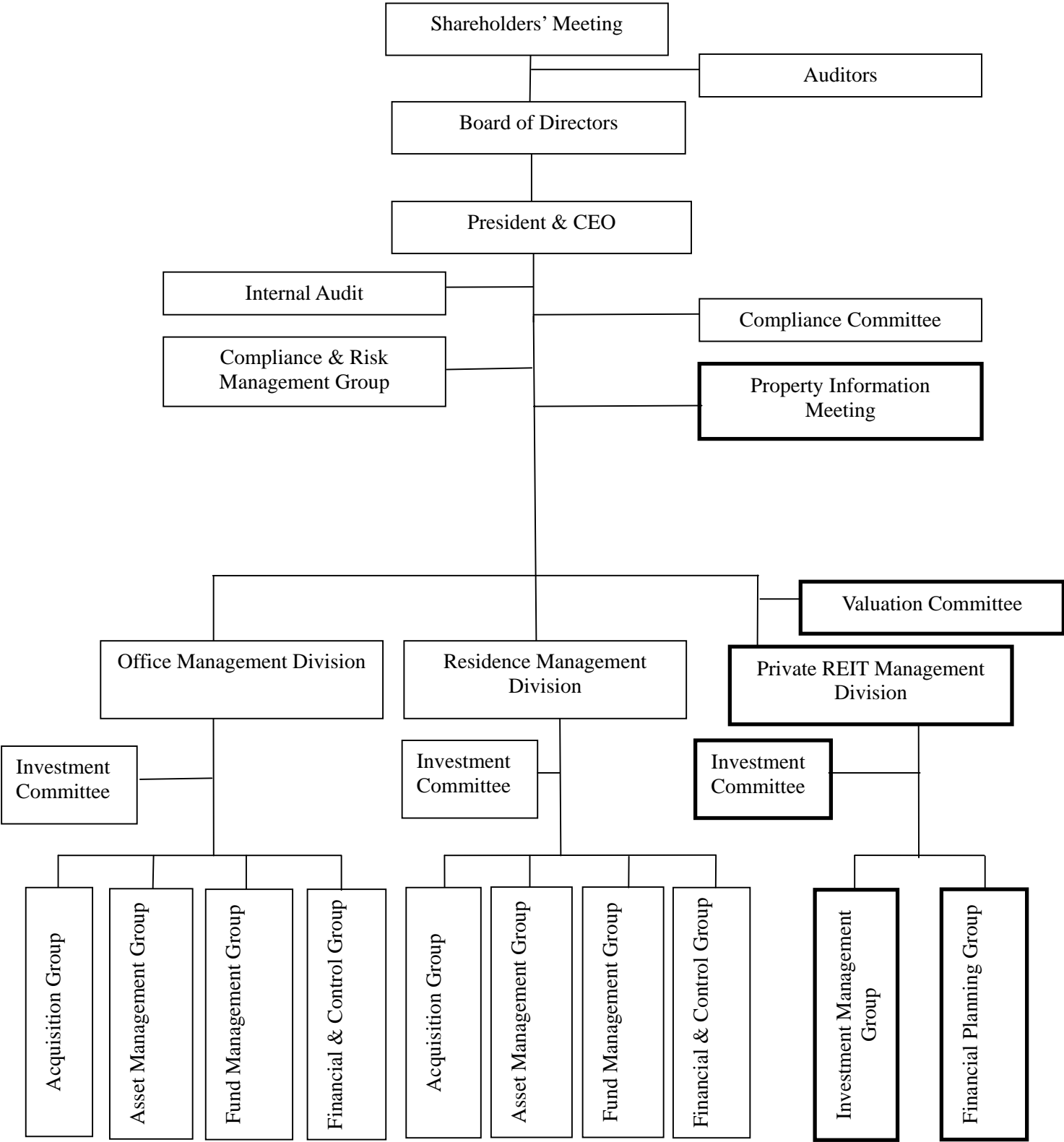
NREAM believes that its acceptance of the entrustment of asset management services from NPR, the third REIT, will contribute to the interests of NOF’s unitholders, as well as further development of the REIT market by providing the market with a new type of the REIT product.

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

(Exhibit)
(Organization chart before amendment (current structure) and after amendment)
[Before Amendment (Current Structure)]



[After Amendment]



... Newly established