



Moody's Investors Service

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Moody's assigns Prime-1 to NOF CP Program

Program amount rated is JPY 30 billion

Tokyo, April 21, 2008 -- Moody's Investors Service has assigned a Prime-1 short-term rating to the Nomura Real Estate Office Fund (NOF) for its JPY 30 billion commercial paper (CP) program. Moody's also affirmed the company's A2 issuer rating and unsecured long-term debt ratings.

This CP program will be used to finance property acquisitions/real estate renovations, refund rent deposits, provide bridge financing until the issuance of equities/bonds, or refinance short-term bonds.

The short-term rating of Prime-1 is based primarily on NOF's A2 long-term rating, sufficient liquidity (including a commitment line set up for NOF's short-term financing needs), and the company's conservative financial policy.

As of end-March 2008, the size of the portfolio has grown to approximately JPY 300 billion (based on purchase price), making the company one of the top-tier J-REITs. NOF has steadily expanded its portfolio, which generates sustainable cash flow, while maintaining a high NOI yield from its external growth.

From a financial perspective, NOF has conservatively controlled leverage through a number of public offerings. NOF has business relationship with 28 financial institutions, which enables it to diversify its debt repayment dates (for both long-term borrowings and bonds) and hedge refinancing risks. In addition, as of end-March 2008, NOF had committed lines totaling JPY 20 billion provided by Bank of Tokyo-Mitsubishi UFJ and several other financial institutions. The unused commitment line, which is at least equivalent to – if not greater than – the CP program's actual issuance amount, will be maintained to ensure adequate liquidity for the outstanding CP.

Nomura Real Estate Office Fund, Inc. is a J-REIT, which was listed in December 2003, and focuses on investing in and managing office buildings. Its operating revenues totaled about JPY 12 billion for the fiscal term ended October 2007.

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