



# NEWS RELEASE

No.2005-C-734

Nov 11, 2005

## Nomura Real Estate Office Fund Shelf Reg: R&I Assign A+

Rating and Investment Information, Inc. (R&I), has assigned the following rating.

ISSUER: Nomura Real Estate Office Fund, Inc. (Sec. Code: 8959)  
Long-term Issue Rating  
Preliminary Rating for the Shelf Registration scheme

### R&I RATING: A+

#### **RATIONALE:**

Listed in December 2003, Nomura Real Estate Office Fund, Inc. (NOF) is a real estate investment trust (REIT) with Nomura Real Estate Development Co., Ltd. as the principal shareholder. As of the end of October 2005, assets held by the trust included 23 buildings valued at 210.1 billion yen (on an acquisition value basis). NOF specializes in investment in office buildings.

NOF invests chiefly in high quality large office buildings and, thanks to satisfactory growth (increase in the scale of the funds), there has been steady progress in the diversification of its portfolio. The asset management company has superior administration and management expertise which underpins the value of the properties. Moreover, NOF has a very conservative financial strategy as demonstrated by the low level of its target debt ratio. The strong support of the Nomura Real Estate Group can also be expected in both the acquisition of properties and their management.

In May 2005, NOF undertook a capital increase of 30 billion yen plus, lowering its debt to under 40%. The trust subsequently acquired four additional buildings, including the Toshin Tameike Building and the Kawasaki Higashiguchi Sanshin Building, at 25.5 billion yen but the debt is currently being maintained at a low level of between 40 to 45%.

Funds raised from this issue are expected to be appropriated to repayment of existing short-term loans.

#### **R&I RATINGS:**

ISSUER: Nomura Real Estate Office Fund, Inc. (Sec. Code: 8959)  
Long-term Issue Rating  
Preliminary Rating for the Shelf Registration scheme

ISSUE: Bonds to be Rated: Corporate Bonds  
Issue Amount: Yen 100,000 million (Shelf Amount)  
Issue Period: Two years from Oct 07, 2005

R&I RATING: A+

The following ratings have been assigned to bonds to be issued under the shelf registration scheme rated above:

LONG-TERM ISSUE RATING:	Issue Date	Redemption	Issue Amount (mn)
Unsec. Str. Bonds No. 3	Nov 28, 2005	Nov 29, 2010	Yen 10,000
Unsec. Str. Bonds No. 4	Nov 28, 2005	Nov 30, 2015	Yen 10,000

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Ratings are statements of R&I's opinion shown in certain symbols regarding an Issuer's general capacity (credit quality) to repay its financial obligation and individual debts (bonds and loans, etc.) and it is not a statement of recommendations to buy, hold, or sell any securities. Information has been obtained by R&I from sources believed to be reliable, however, its accuracy, adequacy, or completeness is not guaranteed. Therefore, R&I is not responsible for any errors or omissions or the result obtained from the use of the rating. As a general rule, R&I provides the rating services for a rating fee paid by the Issuer.

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Notes/Financial covenants:

1) negative pledge clause, which covers other unsecured domestic bonds the firm issued or may issue in the future

R&I RATING: A+

ISSUER RATING: A+

RATING OUTLOOK: Positive

Issuer Rating is an R&I's opinion regarding an issuer's overall capacity to repay its entire financial obligation, and it will be assigned to all issuers. The rating of individual obligations (i.e. bonds and loans etc.) includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than Issuer Rating.