



August 17, 2020

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
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Notice of Acquisition and Disposition of Assets
(Acquisition of Osaki Bright Tower and two other properties, and disposition of
NBF Shinkawa Bldg. (East Building and Residential Tower))

Nippon Building Fund Management, Ltd. ("NBFM"), to which Nippon Building Fund, Inc. ("NBF") entrusts asset management services, hereby provides notice of its decision on August 17, 2020 on acquisition and disposition of assets ("Transactions") as follows:

Description

1. Summary of Transactions

(1) Outline of Assets to be Acquired

Names of Acquired Assets; Date of Contract; Delivery (anticipated); Acquisition Price

Name of Assets	Date of Contract	Delibery (anticipated)	Seller	Acquisition Price (*1)
I .OSAKI BRIGHT TOWER	August 17, 2020	October 1, 2020	Mitsui Fudosan Co., Ltd . ("Mitsui Fudosan")	¥13,970,000,000
II .Nagoya Mitsui Main Building				¥13,050,000,000
III .Nagoya Mitsui New Building				¥13,200,000,000
Total				¥40,220,000,000

*1 Miscellaneous acquisition costs, adjusted amount of fixed assets tax and city-planning tax, as well as consumption tax etc. are excluded from this amount.



(2) Outline of Assets to be Disposed

Names of Disposed Assets; Date of Contract; Delivery (anticipated); Disposition Price

Name of Assets	Date of Contract	Delibery (anticipated)	Transferee	Disposition Price (*2)
IV.NBF Shinkawa Bldg. (East Building and Residential Tower) 50% co-ownership (*3)	August 17, 2020	December 25, 2020	Tosei Corporation	¥5,950, 000,000
V.NBF Shinkawa Bldg. (East Building and Residential Tower) 50% co-ownership (*3)		March 31, 2021		¥5,950,000,000
Total				¥11,900,000,000

*2 The adjusted amount of fixed assets tax and city-planning tax, as well as consumption tax etc. are excluded from this amount.

*3 Both deals will be transacted as the trust beneficiary rights.

Difference between the Disposal price and Book value(include the transaction cost)

	Book value and the transaction Cost (*4)	Difference between Disposition price and Book value(include the transaction cost) (*4)
IV.NBF Shinkawa Bldg. (East Building and Residential Tower) 50% co-ownership	approx. ¥4,595 million (forecast as of December 25, 2020)	approx. ¥1,354 million (forecast as of December 25, 2020)
V.NBF Shinkawa Bldg. (East Building and Residential Tower) 50% co-ownership	approx. ¥4,422 million (forecast as of March 31, 2021)	approx. ¥1,527 million (forecast as of March 31, 2021)
Total	approx. ¥9,018 million	approx. ¥2,881 million

*4 The above figures are for reference only and based on the value as of the transaction date, which may differ from the actual figures at the time of disposition.

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(3) Acquisition funds • Specific use of disposition funds; intermediary; method of settlement

(c) Acquisition funds, Specific use of disposition funds, intermediary, method of settlement			
	Acquisition funds (I , II , III) • Specific use of disposition funds (IV , V)	Intermediary	Method of settlement
I . OSAKI BRIGHT TOWER	Loans and cash on hand	None	Lump-sum payment at the time of delivery
II . Nagoya Mitsui Main Building			
III . Nagoya Mitsui New Building			
IV . NBF Shinkawa Bldg. (East Building and Residential Tower) 50% co-ownership	Repayment of interest-bearing debt	Sumitomo Mitsui Trust Bank,Limited (please refer to Section 6 herein below for a description of the intermediary) (*5)	
V . NBF Shinkawa Bldg. (East Building and Residential Tower) 50% co-ownership			

*5 The intermediaries' compensation for intermediation is not disclosed due to the fact that the intermediaries' consent to disclosure has not been obtained.

(4) Outline of forward commitment etc.

All of these acquisitions fall under the forward commitments, etc. (where payment and delivery shall be made one month or more following the date of each contract). NBF shall pay to the seller a penalty equivalent to 10% of the acquisition price in the event of the termination of a contract due to a breach of its contractual obligations.

Both dispositions fall under the forward commitments, etc. (where payment and delivery shall be made one month or more following the date of each contract). NBF shall pay to the transferee a penalty equivalent to 20% of the acquisition price in the event of the termination of a contract due to a breach of its contractual obligations.

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2. Reason for Acquisition and Outline of Assets to be Acquired

< I . Osaki Bright Tower >

1) Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the 23 wards of Tokyo in accordance with the asset management objectives and policies set forth in NBF's articles of incorporation. In performing the current acquisition, NBFM deemed the following points to be especially attractive.

(i) Location

The property offers high transport convenience, standing a 5-minute walk from Osaki Station on the JR Yamanote Line, Saikyo Line, Shonan Shinjuku Line, and Rinkai Line.

(ii) Building and Facilities, etc.

The property is relatively new (5 years old) and highly competitive with the latest specifications as an office building, such as a standard rentable floor area of approximately 589 tsubo, a ceiling height of 2,800 mm, LED lighting, emergency power generator (common area), individual air-conditioning system, etc.

2) Outline of Assets

Name of Assets	OSAKI BRIGHT TOWER
Type Of Specified Assets	Real Property
Type of Ownership	Land: ownership (site rights ratio approx.10.91%) Building: sectional ownership (office area in the 6th through 8th floor: 5,687.10 m ²) and sectional co-ownership 10.855% (total floor space (1,847.15 m ²) in the 1st through 3rd retail floors) (the proportion of the total exclusively owned area: approx.10.96%)
Location	(Description in Real Property Registry) Land: 565-1, Kita-Shinagawa 5-chome, Shinagawa-ku, Tokyo Building: 565-1, Kita-Shinagawa 5-chome, Shinagawa-ku, Tokyo (Street Address) 6-1, Kita-Shinagawa 5-chome, Shinagawa-ku, Tokyo
Use (primary use listed in Real Property Registry)	Offices and stores
Square meters (Description in Real Property Registry)	Land: site area: 7,813.22m ² (entire site) Building: total floor space: 89,234.27m ² (entire building)
Structure (Description in Real Property Registry)	Steel frame, steel framed reinforced concrete and reinforced concrete structure, flat roof, 31 floors above ground and 2 floors below ground
Completion of Construction (Description in Real Property Registry)	April 1, 2015



Matters Related to Earthquake Resistance	0.9% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
Existence of Secured Interests (liens)	None
Appraisal Value (Date of Valuation)	¥14,200,000,000 (June 30,2020)
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Description of Tenants	<p>Mitsui Fudosan will be the sole tenant as NBF is scheduled to lease the Acquired Portion of the Property to Mitsui Fudosan. Mitsui Fudosan will sub-lease the same spaces to its sub-lessees.</p> <p>Rentable floors of the 4th through 30th floors are unitarily managed by the owners of sectional ownership through a master lease agreement with Mitsui Fudosan (rental revenues and rental costs are unitarily received and borne by such owners regardless of the locations subject to such sectional ownership), and the proportion of operating rights in such unitary management scheme for the Acquired Portion of the Property is approximately 10.93%.</p> <p>The tenancy situation of the portion subject to leasing in the Acquired Portion of the Property as of July 31, 2020 is as follows.</p>
Total number of tenants	13companies (1general business company and 12retail stores)
Total rental revenues	Not disclosed as consent for disclosure has not been obtained from the lessee
Lease deposit	Not disclosed as consent for disclosure has not been obtained from the lessee
Total rented area	Approx. 6,070.22m ² (based on the owned interests)
Total rentable area	Approx. 6,070.22m ² (the same as above)
Occupancy Rate	100%
Other Special Matters	A soil survey was conducted on the site of the property in accordance with the Tokyo Metropolitan Environmental Security Ordinance, and while the soil was found to be contaminated, this contaminated soil has been excavated, removed, and backfilled with clean soil, and it has since been confirmed that the contaminated soil on the site has been properly excavated and removed.



< II . Nagoya Mitsui Main Building >

1) Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in regional cities in accordance with the asset management objectives and policies set forth in NBF's articles of incorporation. When performing the current acquisition, NBFM deemed the following points to be especially attractive.

(i) Location

The property offers high transport convenience, standing a 7-minute walk from JR Nagoya Station and a 4-minute walk from Kintetsu Nagoya Station, and redevelopment projects such as "Nagoya Mitsui Building North Building (scheduled to be completed in January 2021)" and "Meitetsu Nagoya Station Area Redevelopment" are also in progress in the neighborhood. Therefore, further development can be expected in the future.

(ii) Building and Facilities, Etc.

Although the property is 33 years old, renovation work, etc. has been conducted as needed, and it has sufficient specifications as an office building, such as a standard rentable floor area of approximately 293 tsubo, a ceiling height of 2,510 mm, individual air-conditioning system, emergency power generator (common area), etc. In addition, since the standard rentable floor can be divided into up to nine zones and satisfy various needs, the property is highly competitive also in terms of leasing.

2) Outline of Assets

Name of Assets	Nagoya Mitsui Main Building
Type of Specified Assets	Real Property
Type of Ownership	Land: ownership (70% co-ownership) Building: ownership (70% co-ownership)
Location	(Description in Real Property Registry) Land: 2401, 2402-1, 2409, 2411, 2412, 2413, 2414, 2415, 2416, Meieki-minami 1-chome, Nakamura-ku, Nagoya-city Building: 2401, 2402-1, 2409, 2413, 2414, 2415, 2416, Meieki-minami 1-chome, Nakamura-ku, Nagoya-city (Street Address) 24-30, Meieki-minami 1-chome, Nakamura-ku, Nagoya-city, Aichi
Use (primary use listed in Real Property Registry)	Offices and stores
Square meters (Description in Real Property Registry)	Land: site area: 3,526.16 m ² (entire site)(*6) Building: total floor space: 31,256.75 m ² (entire building)
Structure (Description in Real Property Registry)	Steel frame and steel reinforced concrete structure, flat roof, 18 floors above ground and 2 floors below ground
Completion of Construction (Description in Real Property Registry)	March 13, 1987
Matters Related to Earthquake Resistance	3.7% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
Existence of Secured Interests (liens)	None
Appraisal Value (Date of Valuation)	¥13,300,000,000 (June 30,2020)



Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Description of Tenants	<p>Mitsui Fudosan will be the sole tenant as NBF is scheduled to lease the Acquired Portion of the Property to Mitsui Fudosan. Mitsui Fudosan will sub-lease the same spaces to its sub-lessees.</p> <p>The tenancy situation of the portion subject to leasing in the Acquired Portion of the Property as of July 31, 2020 is as follows.</p>
Total number of tenants	66companies (59general business companies and 7retail stores)
Total rental revenues	Approx.¥902million (based on the material we received from Mitsui Fudosan)
Lease deposit	Approx.¥677million (deposited from Mitsui Fudosan)
Total rented area	12,781.55 m ² (based on the owned interests)
Total rentable area	13,063.56 m ² (based on the owned interests)
Occupancy Rate	97.8%
Other Special Matters	<p>Although the use of sprayed materials containing asbestos in the building was confirmed and such asbestos needs to be continuously inspected and reports thereof must be maintained, the condition thereof is stable and unlikely to harm human health, etc. NBF intends to implement removal or containment of such asbestos, etc. as appropriate.</p>

*6 By the date of the acquisition of the property, the subdivision and consolidation of a portion of the land pertaining to the property is scheduled, and it is also scheduled that this land will be acquired after such subdivision and consolidation. As such, the area is scheduled to change in accordance with the land survey conducted for such subdivision and consolidation.

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< III.Nagoya Mitsui New Building >

1) Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in regional cities in accordance with the asset management objectives and policies set forth in NBF's articles of incorporation. When performing the current acquisition, NBFM deemed the following points to be especially attractive.

(i) Location

The property offers high transport convenience, standing a 7-minute walk from JR Nagoya Station and a 4-minute walk from Kintetsu Nagoya Station, and redevelopment projects such as "Nagoya Mitsui Building North Building (scheduled to be completed in January 2021)" and "Meitetsu Nagoya Station Area Redevelopment" are also in progress in the neighborhood. Therefore, further development can be expected in the future.

(ii) Building and Facilities, Etc.

The property is relatively new (9 years old) and has high specifications, such as a standard rentable floor area of approximately 271 tsubo, a ceiling height of 2,800 mm, low-e multi-layer glass, a power-receiving system with a high-voltage double circuit, etc. In addition, since the standard rentable floor can be divided into up to five zones and satisfy various needs, the property is highly competitive also in terms of leasing.

2) Outline of Assets

Name of Assets	Nagoya Mitsui New Building
Type of Specified Assets	Real Property
Type of Ownership	Land: ownership Building: ownership
Location	(Description in Real Property Registry) Land: 2410, 2409, Meieki-minami 1-chome, Nakamura-ku, Nagoya-city Building: 2401, 2409, Meieki-minami 1-chome, Nakamura-ku, Nagoya-city (Street Address) 24-20, Meieki-minami 1-chome, Nakamura-ku, Nagoya-city, Aichi
Use (primary use listed in Real Property Registry)	Offices
Square meters (Description in Real Property Registry)	(i) Land: site area: 1,699.19m ² (*7) (ii) Building: total floor space: 16,672.44m ²
Structure (Description in Real Property Registry)	Steel frame structure, flat roof, 14 floors above ground and 1 floor below ground
Completion of Construction (Description in Real Property Registry)	May 13, 2011
Matters Related to Earthquake Resistance	2.5% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
Existence of Secured Interests (liens)	None
Appraisal Value (Date of Valuation)	¥13,500,000,000 (June 30, 2020)



Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Description of Tenants	<p>Mitsui Fudosan will be the sole tenant as NBF is scheduled to lease the Acquired Portion of the Property to Mitsui Fudosan. Mitsui Fudosan will sub-lease the same spaces to its sub-lessees.</p> <p>The tenancy situation of the portion subject to leasing in the Acquired Portion of the Property as of July 31, 2020 is as follows.</p>
Total number of tenants	26 companies (25 general business companies and 1 retail store)
Total rental revenues	Approx. ¥794 million (based on the material we received from Mitsui Fudosan)
Lease deposit	Approx. ¥751 million (deposited from Mitsui Fudosan)
Total rented area	11,221.79 m ² (based on the owned interests)
Total rentable area	11,221.79 m ² (based on the owned interests)
Occupancy Rate	100%
Other Special Matters	None

*7 By the date of the acquisition of the property, the subdivision and consolidation of a portion of the land pertaining to the property is scheduled, and it is also scheduled that this land will be acquired after such subdivision and consolidation. As such, the area is scheduled to change in accordance with the land survey conducted for such subdivision and consolidation.

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3. Reason for Disposition and Outline of Assets to be Disposed

1) Reason for Disposition

As a result of comprehensive deliberation, the disposition is being undertaken in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation, considering the portfolio management with this transaction.

2) Outline of Assets to be Disposed

Name of Assets	NBF Shinkawa Bldg. (East Building and Residential Tower)	
Type of Specified Assets	Real Property (*8)	
Type of Ownership	Land: ownership Building: ownership	
Location	(Description in Real Property Registry) Land: 30-1, 30-6, 30-7, 30-10, 30-11, Shinkawa 2-chome, Chuo-ku Building: 30-6, 30-1, 30-7, Shinkawa 2-chome, Chuo-ku (Street Address) 31-1, 31-7, Shinkawa 2-chome, Chuo-ku, Tokyo	
Use (primary use listed in Real Property Registry)	Offices, apartments and garages	
Square meters (Description in Real Property Registry)	(i) Land: site area: 2,775.23m ² (ii) Building: total floor space: 17,586.10m ²	
Structure (Description in Real Property Registry)	Steel frame and steel framed reinforced concrete structure, flat roof, 15 floors above ground and 2 floors below ground	
Completion of Construction (Description in Real Property Registry)	November 30, 1989	
Acquisition date	December 25, 2002	
Acquisition price	¥8,189,837,139 (The above figure is for reference only and based on the appraisal value as of acquisition date, and may differ from the actual figure at the time of disposition.)	
Appraisal Value (Date of Valuation)	¥10,160,000,000 (June 30, 2020)	(breakdown) East Building : ¥9,310,000,000 Residential Tower : ¥850,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Description of Tenants	The tenancy situation of the portion subject to leasing in the Disposed Portion of the Property as of July 31, 2020 is as follows.	
Total number of tenants	2 companies (general business companies)	
Total rental revenues	Not disclosed as the rental revenue from a single tenant exceeds 90% of the total rental revenue.	
Lease deposit	Not disclosed as the lease and guarantee deposits from a single tenant exceeds 90% of the total lease and guarantee deposits.	
Total rented area	11,853.64 m ² (based on the owned interests)	
Total rentable area	11,853.64 m ² (based on the owned interests)	
Occupancy Rate	100%	
Other Special Matters	The disposition covers East Building and Residential Tower, while the West Building will continue to be owned by NBF.	

*8 This deal will be transacted as the trust beneficiary right.



4. Outline of Counterparties to Transactions (as of July 31, 2020)

(1) Mitsui Fudosan(Acquisition)

1. Name	Mitsui Fudosan Co.,Ltd.
2. Location	1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo
3. Name and Title of Representative	Masanobu Komoda, President and Chief Executive Officer
4. Description of Business	Real estate business etc.
5. Capital	¥339,897 million (as of July 22, 2020)
6. Date of Establishment	July 15, 1941
7. Net Assets	¥2,486,525million (as of March 31, 2020)
8. Total Assets	¥7,395,359million (as of March 31, 2020)
9. Major unitholders and investment ratios	The Master Trust Bank of Japan, Ltd. (trust account) (10.29%) (as of March 31,2020)
10. Relations with NBF/NBFM	
Capital Relationship	shareholder of NBFM (46% equity interest) owns 47,630 shares of NBF
Personnel Relationship	certain personnel seconded to NBFM
Business Relationship	contractor of office management services; provider of tenant attracting services; broker for real property sale and purchase etc.; lessee of real property owned by NBF etc.
Related parties	does not fall under the category of related parties of NBF; a parent of NBFM, falling under the category of its related parties.

(2) Tosei Corporation (Disposition)

1. Name	Tosei corporaton
2. Location	2-3, Toranomom 4-chome, Minato-ku, Tokyo
3. Name and Title of Representative	Seiichiro Yamaguchi, President and Chief Executive Officer
4. Description of Business	Revitalization Business, Development Buisness, Rental Business Fund and Consulting Business, Property management Buisness, Hotel Buisness
5. Capital	approx. ¥6,600 million (as of May 31, 2020)
6. Date of Establishment	February 2, 1950
7. Net Assets	approx. ¥56,661 million (as of May 31, 2020)
8. Total Assets	approx. ¥161,154 million (as of May 31, 2020)
9. Major unitholders and investment ratios	Seiichiro Yamaguchi(27.22%), Zeus Capital Limited(12.67%), KBL EPB S.A. 107704(7.94%), (as of May 31, 2020)
10. Relations with NBF/NBFM	
Capital Relationship	N/A
Personnel Relationship	N/A
Business Relationship	N/A
Related parties	Does not fall under the category of related parties of NBF and NBFM



5. Status of Owners etc. of the Properties

Name of Assets	Status of Owners etc. of the Properties		
		Previous Owner (seller)	Earlier Previous Owner
I. Osaki Bright Tower	Corporate Name/Name	Mitsui Fudosan Co., Ltd	Does not fall under the category of any specially interested parties
	Relationship with a specially interested party	falls under the category of Interested Parties etc. of NBFM	-
	History/Reason etc. for acquisition	acquired for the purpose of investment management	-
	Acquisition Price	not disclosed due to the fact that the Earlier Previous owner's consent to disclosure has not been obtained(*9)	-
	Date of Acquisition	November 29, 2019	-
II. Nagoya Mitsui Main Building	Corporate Name/Name	Mitsui Fudosan Co., Ltd	N/A
	Relationship with a specially interested party	falls under the category of Interested Parties etc. of NBFM	N/A
	History/Reason etc. for acquisition	new construction	N/A
	Acquisition Price	-	N/A
	Date of Acquisition	March 13, 1987	N/A
II. Nagoya Mitsui New Building	Corporate Name/Name	Mitsui Fudosan Co., Ltd	N/A
	Relationship with a specially interested party	falls under the category of Interested Parties etc. of NBFM	N/A
	History/Reason etc. for acquisition	new construction	N/A
	Acquisition Price	-	N/A
	Date of Acquisition	May 13, 2011	N/A

*9 The acquisition price of the previous owner is not disclosed as consent from the earlier previous owner has not been obtained. However, since Mitsui Fudosan Co., Ltd., the seller, falls under the category of interested parties, etc. of NBFM, NBFM has completed the necessary procedures in accordance with the internal rules such as the rules on transactions with interested parties, etc. upon the conclusion of the sale and purchase contract of the Property.

In addition, since this transaction deal with under the appraisal value (please refer to Section 8), we calculate this acquisition price is appropriate.



6. Summary of Intermediary

(1) Name	Sumitomo Mitsui Trust Bank, Limited
(2) Location	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Masaru Hashimoto, President
(4) Description of Business	Banking and trust services
(5) Capital	¥ 342.0 billion (as of March 31, 2020)
(6) Date of Establishment	July 28, 1925
(7) Relations with NBF/NBFM	
Capital Relationship	Shareholder of NBFM (5% equity interest); owns 8,000 units of NBF
Personnel	Certain personnel seconded to NBFM.
Business Relationship	Falls under the category of asset custodian, transfer agent, special account administrative agent, etc. of NBF.
Related parties	Does not fall under the category of related parties of either NBF or NBFM.

7. Forecasted Management Situation for the Period ending December 2020 and June 2021

For information on the impact of the Transactions upon NBF's management situation for the periods ending December 31, 2020 and June 30, 2021, please see the "NIPPON BUILDING FUND INC. ANNOUNCES 38th PERIOD (FIRST-HALF 2020) RESULTS" of the same date hereof.

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8. Summary of Appraisal Report

I. Osaki Bright Tower

Property Name	OSAKI BRIGHT TOWER
Appraisal Value	¥14,200,000 thousand
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Valuation	June 30, 2020

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	14,200,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	14,800,000	
(1) Operating Revenue ((i) - (ii))	686,969	
(i) Effective gross income	707,173	Estimated based on income consisting of rents, common area charges, utility charges, dividend income etc. which are deemed stable on a mid-and-long-term basis
(ii) Losses from vacancy, etc.	20,204	Estimated based on a vacancy rate which is deemed stable on a mid- and-long-term basis
(2) Operating Expenses	187,348	
Building Maintenance Costs/ Property Management Fees	108,305	Estimated based on past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	30,849	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	0	Included in Building Maintenance Costs
Leasing Expenses, etc.	5,444	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	42,068	Estimated based on actual taxes in fiscal 2020 etc.
Insurance Premiums	683	Estimated based on insurance rates etc. for similar real properties
Other Expenses	0	-
(3) Net Operating Income ((1)-(2))	499,621	
(4) Investment Income from Temporary Deposits	5,443	Estimated applying investment return of 1.0%
(5) Capital Expenditure	32,952	Estimated based on the extraordinary repair expenses, apartment complex management fee, reserves for apartment complex repairs and cash dividend which is transferred to the Capital Expenditure
(6) Net Income ((3)+(4)-(5))	472,112	
(7) Capitalization Rate	3.2%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g. location, building condition, rights, contractual terms etc. of the Property
Appraisal value based on DCF method	13,900,000	
Discount Rate	3.0%	Estimated based on comparison with examples of transactions for similar real properties as well as returns on financial assets adjusted by individual characteristics of the Property
Terminal Capitalization Rate	3.4%	Estimated taking into consideration the characteristics of net income adopted in determining the capitalization rate as well as future uncertainty, liquidity and marketability etc.
Integrated value based on cost method	12,900,000	
Proportion of land	76.1%	
Proportion of building	23.9%	
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*Amounts less than one thousand yen are rounded to the nearest thousand.

Matters specifically considered in adjustment of estimated amounts and determination of appraisal value	None.
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II. Nagoya Mitsui Main Building

Property Name	Nagoya Mitsui Main Building
Appraisal Value	¥13,300,000 thousand
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Valuation	June 30, 2020

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	13,300,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	13,700,000	on the basis that 70% co-ownership interest
(1) Operating Revenue ((i) - (ii))	1,547,657	
(i) Effective gross income	1,596,686	Estimated based on income consisting of rents, common area charges, utility charges, parking rents etc. which are deemed stable on a mid-and-long-term basis
(ii) Losses from vacancy, etc.	49,029	Estimated based on a vacancy rate which is deemed stable on a mid- and-long-term basis
(2) Operating Expenses	620,767	
Building Maintenance Costs/ Property Management Fees	292,233	Estimated based on the expected contract and past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	74,092	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	12,805	Estimated based on the Engineering Report as well as the level of repair expenses for similar real properties
Leasing Expenses, etc.	10,020	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	216,263	Estimated based on actual taxes in fiscal 2020 and approximate price of buildings
Insurance Premiums	1,884	Estimated based on insurance rates etc. for similar real properties
Other Expenses	13,470	Estimated based on the level of expenses for similar real properties
(3) Net Operating Income ((1)-(2))	926,890	
(4) Investment Income from Temporary Deposits	11,695	Estimated applying investment return of 1.0%
(5) Capital Expenditure	113,582	Estimated based on the Engineering Report as well as the level of renewal expenses for similar real properties
(6) Net Income ((3)+(4)-(5))	825,003	
(7) Capitalization Rate	4.2%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g. location, building condition, rights, contractual terms etc. of the Property
Appraisal value based on DCF method	13,100,000	on the basis that 70% co-ownership interest
Discount Rate	3.9%	Estimated based on comparison with examples of transactions for similar real properties as well as returns on financial assets adjusted by individual characteristics of the Property
Terminal Capitalization Rate	4.3%	Estimated taking into consideration the characteristics of net income adopted in determining the capitalization rate as well as future uncertainty, liquidity and marketability etc.
Integrated value based on cost method	25,600,000	on the basis that 70% co-ownership interest
Proportion of land	96.7%	
Proportion of building	3.3%	
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*Amounts less than one thousand yen are rounded to the nearest thousand.

Matters specifically considered in adjustment of estimated amounts and determination of appraisal value	None.
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III. Nagoya Mitsui New Building

Property Name	Nagoya Mitsui New Building
Appraisal Value	¥13,500,000 thousand
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Valuation	June 30, 2020

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	13,500,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	14,100,000	
(1) Operating Revenue ((i) - (ii))	984,031	
(i) Effective gross income	1,015,677	Estimated based on income consisting of rents, common area charges, utility charges etc. which are deemed stable on a mid-and-long-term basis
(ii) Losses from vacancy, etc.	31,647	Estimated based on a vacancy rate which is deemed stable on a mid- and-long-term basis
(2) Operating Expenses	422,423	
Building Maintenance Costs/ Property Management Fees	189,407	Estimated based on the expected contract or past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	81,470	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	8,291	Estimated based on the average of the last 12 years renewal expenses on the Engineering Report
Leasing Expenses, etc.	7,954	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	117,882	Estimated based on actual taxes in fiscal 2020 and approximate price of buildings
Insurance Premiums	1,192	Estimated based on insurance rates etc. for similar real properties
Other Expenses	16,290	Estimated based on the level of expenses for similar real properties
(3) Net Operating Income ((1)-(2))	561,608	
(4) Investment Income from Temporary Deposits	9,184	Estimated applying investment return of 1.0%
(5) Capital Expenditure	48,322	Estimated based on the average of the last 12 years renewal expenses on the Engineering Report
(6) Net Income ((3)+(4)-(5))	522,470	
(7) Capitalization Rate	3.7%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g. location, building condition, rights, contractual terms etc. of the Property
Appraisal value based on DCF method	13,300,000	
Discount Rate	3.5%	Estimated based on comparison with examples of transactions for similar real properties as well as returns on financial assets adjusted by individual characteristics of the Property
Terminal Capitalization Rate	3.9%	Estimated taking into consideration the characteristics of net income adopted in determining the capitalization rate as well as future uncertainty, liquidity and marketability etc.
Integrated value based on cost method	20,100,000	
Proportion of land	79.3%	
Proportion of building	20.7%	

*Amounts less than one thousand yen are rounded to the nearest thousand.

Matters specifically considered in adjustment of estimated amounts and determination of appraisal value	None.
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IV. NBF Shinkawa Bldg. (East Building and Residential Tower)

Property Name	NBF Shinkawa Bldg. (East Building)
Appraisal Value	¥9,310,000 thousand
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Date of Valuation	June 30, 2020

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	9,310,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	9,600,000	
(1) Operating Revenue ((i) - (ii))	725,229	
(i) Effective gross income	777,921	Estimated based on income consisting of rents, common area charges, utility charges, parking rents etc. which are deemed stable on a mid-and-long-term basis
(ii) Losses from vacancy, etc.	52,691	"Estimated based on a vacancy rate which is deemed stable on a mid- and long-term basis"
(2) Operating Expenses	275,710	
Building Maintenance Costs/ Property Management Fees (Note)	128,791	Estimated based on the contract and past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	69,956	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	8,640	Estimated based on the Engineering Report as well as the level of repair expenses for similar real properties
Leasing Expenses, etc.	6,113	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	47,800	Estimated based on actual taxes in fiscal 2020 and approximate price of buildings
Insurance Premiums	631	Estimated based on the past results the level of expenses for similar real properties
Other Expenses	13,779	Estimated based on the past results the level of expenses for similar real properties
(3) Net Operating Income ((1)-(2))	449,519	
(4) Investment Income from Temporary Deposits	5,593	Estimated applying investment return of 1.0%
(5) Capital Expenditure	43,200	Estimated based on the Engineering Report as well as the level of renewal expenses for similar real properties
(6) Net Income ((3)+(4)-(5))	411,912	
(7) Capitalization Rate	4.0%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g. location, improvements, rights, contractual terms etc. of the Property
Appraisal value based on DCF method	9,190,000	
Discount Rate	3.7%	Estimated based on comparison with examples of transactions for similar real properties as well as returns on financial assets adjusted by individual characteristics of the Property
Terminal Capitalization Rate	4.1%	Estimated taking into consideration the characteristics of net income adopted in determining the capitalization rate as well as future uncertainty, liquidity and marketability etc.
Integrated value based on cost method	9,160,000	
Proportion of land	78.9%	
Proportion of building	21.1%	

*Amounts less than one thousand yen are rounded to the nearest thousand.

Matters specifically considered in adjustment of estimated amounts and determination of appraisal value	Considering the expected refurbishment costs
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Property Name	NBF Shinkawa Bldg. (Residential Tower)
Appraisal Value	¥850,000 thousand
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Date of Valuation	June 30, 2020

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	850,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	870,000	
(1) Operating Revenue ((i) - (ii))	79,426	
(i) Effective gross income	83,430	Estimated based on income consisting of rents, common area charges, utility charges, parking rents etc. which are deemed stable on a mid-and-long-term basis
(ii) Losses from vacancy, etc.	4,004	Estimated based on a vacancy rate which is deemed stable on a mid- and-long-term basis
(2) Operating Expenses	23,648	
Building Maintenance Costs/ Property Management Fees (Note)	7,382	Estimated based on the contract and past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	1,444	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	3,256	Estimated based on the Engineering Report as well as the level of repair and restoration expenses for similar real properties
Leasing Expenses, etc.	1,668	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	7,801	Estimated based on actual taxes in fiscal 2020 and approximate price of buildings
Insurance Premiums	111	Estimated based on insurance materials etc.
Other Expenses	1,986	Estimated based on the past results the level of expenses for similar real properties
(3) Net Operating Income ((1)-(2))	55,778	
(4) Investment Income from Temporary Deposits	127	Estimated applying investment return of 1.0%
(5) Capital Expenditure	8,450	Estimated based on the Engineering Report as well as the level of renewal expenses for similar real properties
(6) Net Income ((3)+(4)-(5))	47,455	
(7) Capitalization Rate	4.5%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g. location, building condition, rights, contractual terms etc. of the Property
Appraisal value based on DCF method	840,000	
Discount Rate	4.2%	Estimated based on comparison with examples of transactions for similar real properties as well as returns on financial assets adjusted by individual characteristics of the Property
Terminal Capitalization Rate	4.6%	Estimated taking into consideration the characteristics of net income adopted in determining the capitalization rate as well as future uncertainty, liquidity and marketability etc.
Integrated value based on cost method	910,000	
Proportion of land	79.3%	
Proportion of building	20.7%	

*Amounts less than one thousand yen are rounded to the nearest thousand.

Matters specifically considered in adjustment of estimated amounts and determination of appraisal value	Considering the expected refurbishment costs
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* East Building and Residential Tower were appraised as one asset.



(Note) The reason for indicating Building Maintenance Costs / Property Management Fees as a total amount is because separately disclosing the levels of maintenance costs and property management fees of the Property may have an impact on other transactions of the expected providers of building maintenance services and property management services respectively, and may hinder the provision of efficient services to NBF which may result in risks of damaging the interest of NBF's unit holders.

End

This English language notice is a translation of the Japanese language notice dated August 17, 2020 and was prepared solely for the convenience of, and reference by, overseas investors. Neither NBF nor NBFM makes any warranties as to its accuracy or completeness.



<Attached Materials>

【Reference Material 1】 Exterior Appearance and Standard Floor Plan etc. of the 3 Properties to be Acquired

- I. Osaki Bright Core
- II. Nagoya Mitsui Main Building
- III. Nagoya Mitsui New Building

【Reference Material 2】 Summary of Portfolio after the Transactions

【Reference Material 1】 Exterior Appearance and Standard Floor Plan etc. of the 3 Properties to be Acquired

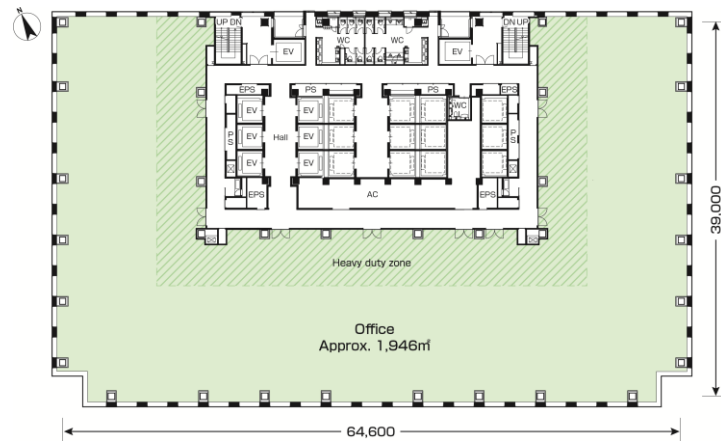
I. Osaki Bright Tower

Exterior Appearance of the Property

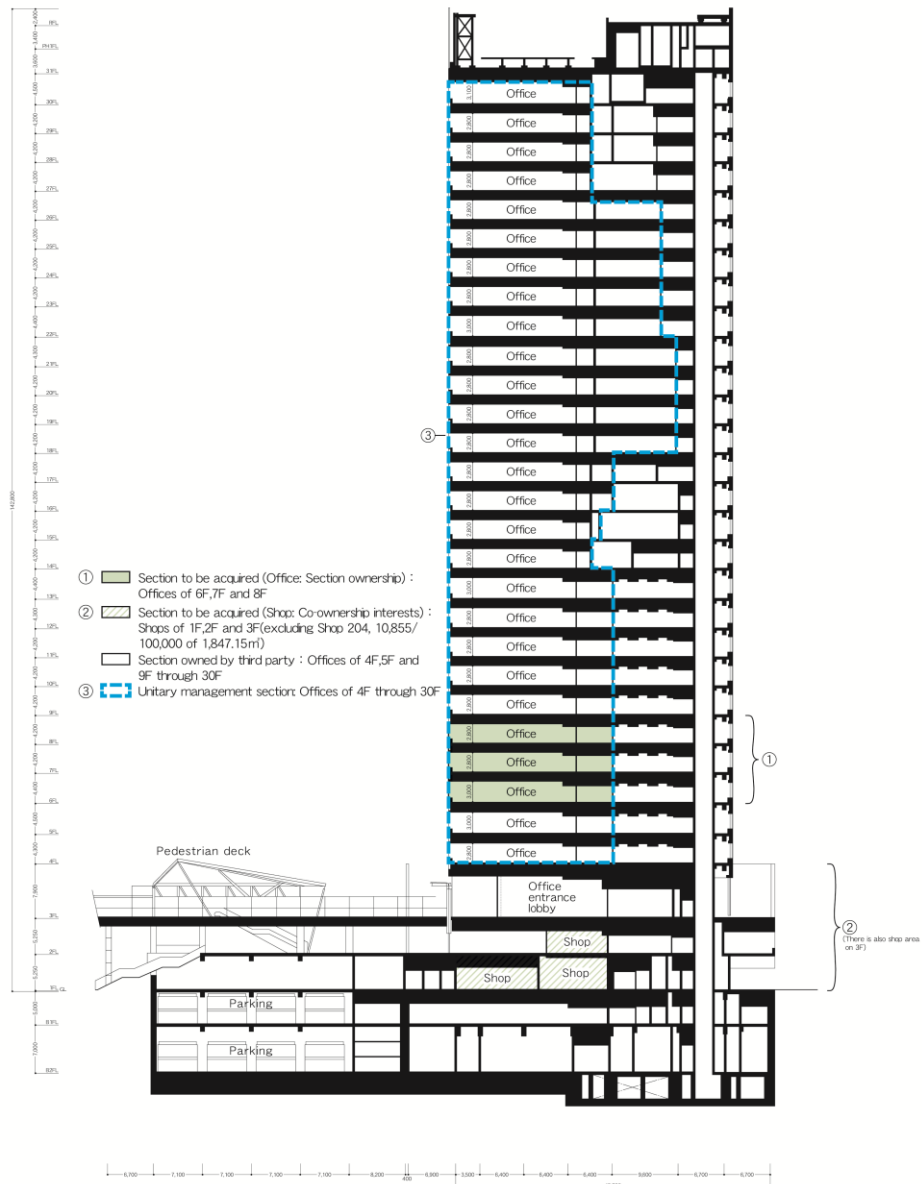




Standard Floor Plan



Cross-sectional Drawing



II. Nagoya Mitsui Main Building

Exterior Appearance



Office
Approx. 969m²

Dimensions: 24.650m (width), 59.800m (length).
Internal dimensions: 11.950m, 12.700m, 7.500m, 52.300m.

Rooms and Features: WC, W.C., Hail, AC machine room, EPS, EV, DS, UP, DN, Balcony.

Architectural floor plan of the 12th floor of the National Stadium. The plan shows a large central hall (EV Hall and etc.) and a series of smaller rooms (Office) along the right side. The hall is divided into sections by columns. The rooms are labeled 'Office' and have dimensions. The hall is labeled 'EV Hall and etc.' and has dimensions. The plan also shows a staircase and a small room labeled 'Shop' at the bottom right. The overall dimensions of the floor are 78,600 by 12,800.

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III. Nagoya Mitsui New Building

Exterior Appearance





Standard Floor Plan





【Reference Material 2】 Summary of Portfolio after the Transactions

Area	Property Name	Acquisition Price (\ in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (\ in thousands) (Note 2)
Central 5 Wards	Roppongi T-CUBE	62,800,000	5.4%	49.5%	63,600,000
	Nishi-Shinjuku Mitsui Bldg.	45,271,040	3.9%		45,400,000
	Celestine Shiba Mitsui Bldg.	42,000,000	3.6%		51,700,000
	NBF Shinagawa Tower	36,300,000	3.1%		49,400,000
	Shiba NBF Tower	32,000,000	2.7%		29,600,000
	NBF Platinum Tower	31,000,000	2.7%		63,700,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.7%		20,300,000
	NBF COMODIO Shiodome	28,800,000	2.5%		36,100,000
	G-BASE TAMACHI	28,200,000	2.4%		28,300,000
	Toranomon Kotohira Tower	24,543,000	2.1%		35,800,000
	NBF Ochanomizu Bldg.	20,840,000	1.8%		14,300,000
	NBF Shibuya Garden Front	20,269,000	1.7%		34,000,000
	NBF Ginza Street Bldg.	17,000,000	1.5%		17,500,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.4%		20,200,000
	River City M-SQUARE	13,350,000	1.1%		15,200,000
	NBF Toranomon Bldg.	13,337,000	1.1%		14,000,000
	Kowa Nishi-Shinbashi Bldg. B	13,473,200	1.2%		17,900,000
	NBF Shinkawa Bldg.(Note 3)	4,424,281	0.4%		5,690,000
	Shinbashi M-SQUARE	11,900,000	1.0%		15,300,000
	NBF ALLIANCE	9,126,000	0.8%		12,300,000
	Yotsuya Medical Bldg.	8,800,000	0.8%		7,970,000
	NBF Shibuya East	8,000,000	0.7%		8,240,000
	NBF Shibakouen Bldg.	6,770,000	0.6%		8,490,000
	NBF Takanawa Bldg.	6,667,200	0.6%		7,610,000
	NBF Akasaka Sanno Square	6,250,000	0.5%		7,360,000
	NBF Kandasudacho Bldg.	5,960,000	0.5%		8,730,000
	Sumitomo Densetsu Bldg.	5,365,000	0.5%		6,070,000
	NBF Higashi-Ginza Square	5,200,000	0.4%		8,340,000
	Panasonic Tokyo Shiodome Bldg.	5,075,000	0.4%		5,990,000
	NBF Ogawamachi Bldg.	4,940,000	0.4%		6,320,000
	Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.4%		5,420,000
	Ryukakusan Bldg.	4,050,000	0.3%		5,010,000
	Jingumae M-SQUARE	3,700,000	0.3%		4,840,000
23 Wards of Tokyo	NBF Osaki Bldg.	66,660,000	5.7%	79.7%	86,600,000
	Gate City Ohsaki	57,281,060	4.9%		70,800,000
	Nakanosakaue Sunbright Twin	41,230,488	3.5%		31,400,000
	NBF Toyosu Canal Front	35,200,000	3.0%		38,600,000
	NBF Toyosu Garden Front	25,018,000	2.1%		29,800,000
	Osaki Bright Core - Bright Plaza	24,380,000	2.1%		25,000,000
	Nakameguro GT Tower	23,856,000	2.0%		23,000,000
	Ueno East Tower	21,600,000	1.8%		22,600,000
	OSAKI BRIGHT TOWER(Note 4)	13,970,000	1.2%		14,200,000
	NBF Ueno Bldg.	10,400,000	0.9%		9,830,000
	NBF Ikebukuro East	8,630,000	0.7%		13,500,000
	Higashi Gotanda Square	8,350,000	0.7%		8,600,000
	Toyo-cho Center Bldg.	7,800,000	0.7%		8,790,000
	NBF Ikebukuro Tower	4,695,000	0.4%		5,740,000
	NBF Ikebukuro City Bldg.	4,428,000	0.4%		5,890,000



Area	Property Name	Acquisition Price (\ in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (\ in thousands) (Note 2)
Other Greater Tokyo	Chofu South Gate Bldg.	9,320,000	0.8%	7.1%	9,970,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.2%		23,700,000
	Yokohama ST Bldg.	13,529,300	1.2%		17,100,000
	Parale Mitsui Bldg.	3,800,000	0.3%		4,580,000
	Tsukuba Mitsui Bldg.	8,875,500	0.8%		8,760,000
	S-ino Omiya North Wing	16,816,345	1.4%		22,500,000
	NBF Urawa Bldg.	2,000,000	0.2%		2,160,000
	NBF Matsudo Bldg.	2,455,000	0.2%		2,520,000
Other Cities	Sapporo L-Plaza	4,404,405	0.4%	13.2%	7,840,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.2%		1,540,000
	NBF Unix Bldg.	4,028,900	0.3%		3,410,000
	NBF Niigata Telecom Bldg.	3,957,500	0.3%		2,750,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.3%		16,700,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.6%		6,790,000
	Nagoya Mitsui Main Building.(Note 4)	13,050,000	1.1%		13,300,000
	Nagoya Mitsui New Building.(Note 4)	13,200,000	1.1%		13,500,000
	Aqua Dojima NBF Tower	17,810,000	1.5%		19,800,000
	Nakanoshima Central Tower	14,900,000	1.3%		18,900,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.2%		13,400,000
	Sakaisuji-Honmachi Center Bldg.	12,700,000	1.1%		14,400,000
	Sun Mullion NBF Tower	10,500,000	0.9%		6,800,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.3%		2,530,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.2%		2,540,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.3%		3,830,000
	Hakata Gion M-SQUARE	8,000,000	0.7%		11,700,000
	NBF Kumamoto Bldg.	4,500,000	0.4%		4,040,000
Total		1,167,568,920	100%	100%	1,330,090,000

(Note 1) "Acquisition Price" represents in principle the price for which NBF acquired the property. As for the property to be acquired, the future represents the sale and purchase price set forth in the relevant sale and purchase contract etc. at the time of the decision to acquire the said property (excluding miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax etc.).

(Note 2) "Value (Real Estate Appraisal Value)" represents the appraisal value as of June 30, 2020.

(Note 3) "NBF Shinkawa Bldg.(East Building and Residential Tower) will be disposed 50% per disposition date (December 25, 2020 and March 31, 2021). Furthermore, "Acquisition Price" shown as West building.

(Note 4) "OSAKI BRIGHTTOWER.", "Nagoya Mitsui Main Building.", "Nagoya Mitsui New Building." will be acquired as of October 1, 2020.