

March 16, 2021

To All Concerned Parties

Name of REIT Issuer:

Nippon Building Fund, Inc.

Koichi Nishiyama, Executive Director

(TSE Code : 8951)

Contact:

Asset Management Company

Nippon Building Fund Management, Ltd.

Yoshiyuki Tanabe, President and CEO

Person to Contact:

Yasushi Yamashita, General Manager

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

As Nippon Building Fund, Inc. ("NBF") released "Submission of Amended Shelf Registration Statement for Issuance of Green Bonds" on February 15, 2021, NBF has been considering issuing green bonds. Today NBF hereby provides notice of its decision to issue its inaugural green bonds as follows:

Description

1. Summary of Investment Corporation Bonds

(1) Name of Investment Corporation Bonds

Nippon Building Fund, Inc. No.20 Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds) (Green Bonds) (hereinafter referred to as "Green Bonds")

(2) Total Amount of Bonds to be Issued

5 billion yen

(3) Form of Certificates of Green Bonds to be Issued

Under the applicable Act on Book-Entry Transfer of Corporate Bonds and Shares, no bond certificates for the Green Bonds will be issued.

(4) Issue Price

100 yen per 100 yen of each bond

(5) Redemption Price

100 yen per 100 yen of each bond

(6) Interest Rate

0.150% per annum

(7) Denomination Price

100 million yen

(8) Method of Offering

Public offering

(9) Date of Subscription

March 16, 2021

(10) Date of Payment

March 22, 2021



(11) Collateral

No secured mortgage or guarantee is applicable to, and no assets are specifically reserved as collateral for the Green Bonds.

(12) Method and Date of Redemption

The total amount of the Green Bonds will be redeemed on March 19, 2026 (or the immediately preceding business day if such day is a bank holiday in Japan).

* The Green Bonds may be repurchased and cancelled at any time after the date of payment unless specified to the contrary by the relevant transfer agent.

(13) Date of Interest Payment

March 22 and September 22 of each year (or the immediately preceding business day if such day is a bank holiday in Japan).

(14) Financial Covenant

"Negative pledge clause" is applicable.

(15) Ratings

AA+ (Japan Credit Rating Agency, Ltd.)

(16) Book-entry transfer institution

Japan Securities Depository Center, Incorporated

(17) Fiscal, Issuing and Paying Agent

Sumitomo Mitsui Trust Bank, Limited

(18) Underwriter

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for the Issuance

NBF has decided to issue the Green Bonds based on its belief that such will further promote its sustainability efforts and to expand its investor base and create a stronger fundraising basis by stimulating demand from bond investors who have strong interest in ESG.

In addition, the Green Bonds will be issued in line with the Green Finance Framework (Note 1) for which a second-party opinion obtained from Sustainalytics.

(Note 1) For details, please refer to "Submission of Amended Shelf Registration Statement for Issuance of Green Bonds" released on February 15, 2021 and the second-party opinion of Sustainalytics (URL below).

<https://www.sustainalytics.com/sustainable-finance/wp-content/uploads/2021/02/Nippon-Building-Fund-Inc.-Green-Finance-Second-Party-Opinion.pdf>

3. Amount, Use and Expected Date of Expenditure of Proceeds

(1) Amount of capital to be procured (estimated net proceeds)

4,970 million yen

(2) Specific use and expected date of expenditure of proceeds

The funds procured through the issuance of the Green Bonds will be allocated to a portion of the funds for repayment of the short-term borrowings borrowed on September 30, 2020, including subsequent refinancing, as funds for the acquisition of Osaki Bright Tower, Nagoya Mitsui Main Building, and Nagoya Mitsui New Building on October 1, 2020.

Osaki Bright Tower, Nagoya Mitsui Main Building, and Nagoya Mitsui New Building are the Eligible Green Projects aligned with the Eligibility Criteria defined in "Submission of Amended Shelf Registration Statement for Issuance of Green Bonds" released on February 15, 2021.

4. Status of Borrowings etc. after Issuance of the Green Bonds

(Unit: million yen)

	Before Financing	After Financing	Increase / Decrease
Short-term borrowings	10,000	10,000	0
Long-term borrowings (Floating interest rate)	27,000	27,000	0
Long-term borrowings (Fixed interest rate)	471,500	471,500	0
Bonds	52,000	57,000	5,000
Total	560,500	565,500	5,000

5. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

There is no change to the content of “Investment Risks” of the Securities Report submitted on September 29, 2020 with respect to the risks involved in repayment etc. due to the current Issuance of the Green Bonds.

End

This English language notice is a translation of the Japanese language notice dated March 16, 2021 and was prepared solely for the convenience of, and reference by, overseas investors. Neither NBF nor Nippon Building Fund Management, Ltd. makes any warranties as to its accuracy or completeness.