

August 14, 2013

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
Tsutomu Nishikawa, Executive Director
(TSE Code : 8951)
Contact:
Asset Management Company
Nippon Building Fund Management, Ltd.
Kenichi Tanaka, President and CEO
Person to Contact:
Toshihiko Mori, General Manager
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Notice of Disposition of Assets (portion of site area of GSK Bldg.)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on August 14, 2013 to dispose of assets as follows:

Description

1 Outline of Disposition

- 1) Assets to be disposed of : Designated Assets comprised of a portion of the site area of the property constituting trust assets related to trust beneficiary interests (as described in 3. below) (such disposed portion hereinafter called "the Disposed Assets").
- 2) Name of assets: GSK Bldg. (hereinafter "the Property"); note: only a portion of the site area of the Property is to be disposed of.
- 3) Disposition price: ¥3,084,546,446 *In addition, NBF will receive the payment of compensation for property transfer as described in 12) below.
- 4) Book value: ¥1,182,013,141
(prorated value of the Disposed Assets calculated for the portion of the site area based on the book value of the land of the Property as of June 30, 2013)
- 5) Difference between disposition price and book value: ¥1,902,533,305
(based on the disposition price and the book value of the Disposed Assets only, excluding miscellaneous costs and expenses to be actually incurred)
- 6) Date of contract: August 14, 2013
- 7) Date of delivery: January 10, 2014 (anticipated)
- 8) Transferee: Tokyo Metropolitan Government (please see "4. Outline of Transferee")
- 9) Intermediary: N/A



10) Method of settlement: Payment of the disposition price will be received by March 31, 2014
(anticipated)

11) Outline of forward commitment etc.:

The current disposition constitutes forward commitments etc. (e.g. payment and delivery are to be made after one month or longer following the date of contract).

12) Other: It is expected that NBF will receive from the Tokyo Metropolitan Government the payment of ¥104,694,356 as compensation for property transfer.

2 Reason for Disposition

The Disposed Assets became subject to the road-widening project of the “Arterial Street Loop No. 5-1 of Tokyo Urban Road City Planning Project”, which city planning was decided on March 26, 1946, and such project was approved for operation on March 5, 2003. Pursuant to the said decision of city planning and approval for the project, an agreement was reached between NBF and the Tokyo Metropolitan Government contemplating the acquisition of the relevant land, and NBF decided to dispose of the same.

3 Outline of Disposed Assets

1) Type of Specified Assets

Beneficiary interests in trust assets comprised mainly of real estate

2) Trustee

Sumitomo Mitsui Trust Bank Ltd.

3) Location (Description in Real Property Registry)

a portion of 6-1, 6-17, 6-18, 6-23, 6-26, 6-27, 6-30, 6-35, 6-36, 7-12, and 7-18, as well as 6-22, 6-28, 6-40, and 6-41, Sendagaya 4-chome, Shibuya-ku, Tokyo

4) Type of Ownership

land: fee simple ownership (100%)

5) Area (Description in Real Property Registry)

land: 664.31m² (actual measurement; approx. 12%) of the site area of 5,335.28m² (described in the real property registry)

6) Appraisal

Valuation by the Tanizawa Sogo Appraisal Co., Ltd.

• Appraisal value: ¥1,530,000,000

• Date of Valuation: July 31, 2013

* the above appraisal value represents the appraisal value of the Disposed Assets.

7) Existence of Secured Interests (Liens)

None

4 Outline of Transferee

1. Name	Tokyo Metropolitan Government
2. Relations with NBF/NBFM	
Capital Relationship	None
Personnel Relationship	None
Business Relationship	None
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.

5 Disposition Schedule

August 14, 2013: Decision of disposition, execution of a land sale and purchase contract and a property compensation agreement

January 10, 2014: Delivery (anticipated)

Payment of the disposition price will be received by March 31, 2014 (anticipated)

6 Others

1) Appraisal of the Property

Valuation by the Tanizawa Sogo Appraisal Co., Ltd.

Prior to disposition

Appraisal value: ¥20,500,000,000

Date of Valuation: June 30, 2013

Following disposition

Appraisal value: ¥20,100,000,000

Date of Valuation: July 31, 2013

The above figures of appraisal value represent those of the appraisal value of the entire land and building of the Property.

The appraisal value prior to the disposition represents the value including the portion of the Disposed Assets, and the appraisal value following the disposition represents the value excluding such portion.

2) Disqualified Existing Building

Following the current disposition, the building of the Property will become a disqualified existing building due to exceeding the stipulated maximum floor-area ratio. Therefore, there is a possibility that, in the event of expansion or reconstruction of the building in the future, a building of the same size as the current building may not be constructed.

3) Retained Profits

A certain portion of the profits from the current disposition will be internally retained by NBF. For more details, please see "NIPPON BUILDING FUND INC. ANNOUNCES 24th PERIOD (FIRST-HALF 2013) RESULTS" released as of today.

7 Forecasted Management Situation as at the Close of December 2013 and June 2014

For information concerning the impact on NBF's management situation as at the close of December 2013 and June 2014, please see "NIPPON BUILDING FUND INC. ANNOUNCES 24th PERIOD (FIRST-HALF 2013) RESULTS" released as of today.

End

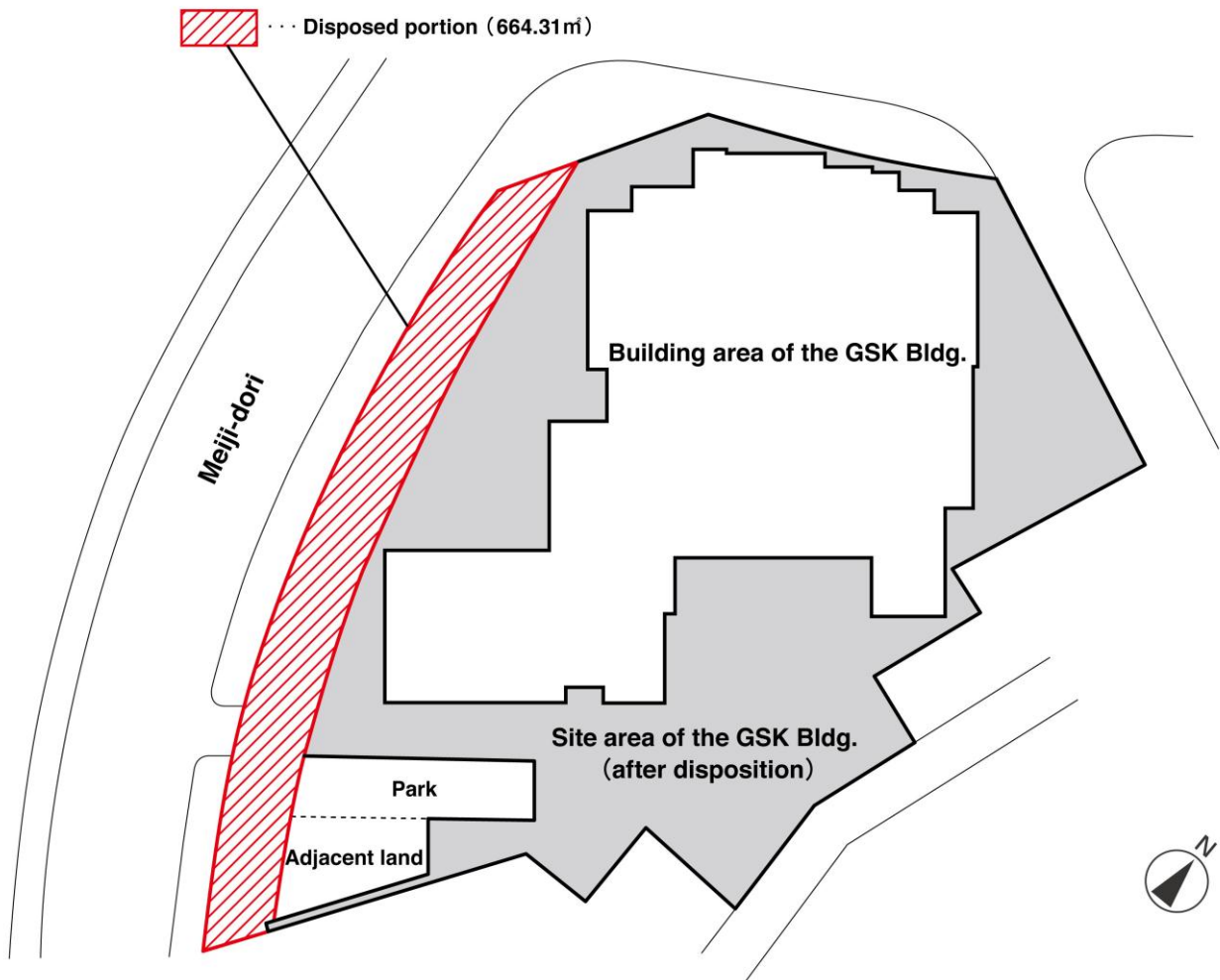
This English language notice is a translation of the Japanese language notice dated August 14, 2013 and was prepared solely for the convenience of, and reference by, overseas investors. Neither NBF nor NBFM makes any warranties as to its accuracy or completeness.

<Attached Materials>

【Reference Material 1】 Sketch Map of the Disposed Assets

【Reference Material 2】 Summary of Portfolio following the Current Disposition

【Reference Material 1】 Sketch Map of the Disposed Assets





【Reference Material 2】 Summary of Portfolio following the Current Disposition

Area	Name of Building	Acquisition Price (¥ in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (¥ in thousands) (Note 2)
Tokyo CBDs	NBF Osaka Bldg.	66,660,000	6.33%	68.6%	71,100,000
	NBF Hibiya Bldg.	63,500,000	6.03%		54,600,000
	Gate City Ohsaki	57,281,060	5.44%		56,000,000
	Nishi-Shinjuku Mitsui Bldg.	45,010,448	4.27%		41,600,000
	Mitsubishi Heavy Industries Head Office Bldg.	36,300,000	3.45%		41,300,000
	Shiba NBF Tower	32,000,000	3.04%		26,300,000
	NBF Platinum Tower	31,000,000	2.94%		53,400,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.94%		16,900,000
	NBF COMODIO Shiodome	28,800,000	2.73%		31,400,000
	Toranomon Kotohira Tower	24,543,000	2.33%		30,500,000
	Nakameguro GT Tower	23,856,000	2.26%		19,100,000
	Celestine Shiba Mitsui Bldg.	22,500,000	2.14%		22,900,000
	Mitsuseimei Ochanomizu Bldg.	20,840,000	1.98%		12,300,000
	NBF Ginza Street Bldg.	17,000,000	1.61%		14,500,000
	Shibuya Garden Front	20,269,000	1.92%		25,100,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.55%		15,500,000
	GSK Bldg. (Note 3)	14,434,070	1.37%		20,100,000
	River City M-SQUARE	13,350,000	1.27%		14,300,000
	NBF Toranomon Bldg.	13,337,000	1.27%		15,700,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.25%		13,900,000
	NBF Shinkawa Bldg.	12,614,118	1.20%		13,820,000
	NBF Nihonbashi Muromachi Center Bldg. (Note 4)	-	-		-
	Shinbashi M-SQUARE	11,900,000	1.13%		12,200,000
	NBF Alliance	9,126,000	0.87%		10,500,000
	Yotsuya Medical Bldg.	8,800,000	0.84%		7,700,000
	Ikebukuro East	8,630,000	0.82%		8,970,000
	Higashi Gotanda Square	8,350,000	0.79%		8,480,000
	NBF Shibuya East	8,000,000	0.76%		6,500,000
	NBF Shibakouen Bldg.	6,770,000	0.64%		7,810,000
	NBF Takawawa Bldg.	6,667,200	0.63%		7,270,000
	NBF Akasaka Sanno Square	6,250,000	0.59%		6,400,000
	NBF Shibakouen Daimon Street Bldg.	6,100,000	0.58%		4,180,000
	Sumitomo Densetsu Bldg.	5,365,000	0.51%		5,160,000
	NBF Higashi-Ginza Square	5,200,000	0.49%		6,920,000
	Panasonic Tokyo Shiodome Bldg.	5,075,000	0.48%		5,160,000
	NBF Ogawamachi Bldg.	4,940,000	0.47%		5,530,000
	Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.46%		4,810,000
	NBF Ikebukuro Tower	4,695,000	0.45%		5,040,000
	NBF Ikebukuro City Bldg.	4,428,000	0.42%		4,920,000
	Ryukakusan Bldg.	4,050,000	0.38%		4,210,000
Other Greater Tokyo	Nakanosakaue Sunbright Twin	40,750,488	3.87%	20.4%	30,100,000
	NBF Toyosu Canal Front	35,200,000	3.34%		36,100,000
	NBF Toyosu Garden Front	25,018,000	2.38%		28,300,000
	NBF Ueno Bldg.	10,400,000	0.99%		8,620,000
	Chofu South Gate Bldg.	9,320,000	0.88%		9,410,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.45%		20,100,000
	Yokohama ST Bldg.	13,529,300	1.28%		13,700,000
	Parale Mitsui Bldg.	3,800,000	0.36%		3,530,000
	NBF Atsugi Bldg.	2,300,000	0.22%		2,100,000
	Tsukuba Mitsui Bldg.	8,875,500	0.84%		7,110,000
	NBF Utsunomiya Bldg.	2,435,000	0.23%		2,150,000
	S-ino Omiya North Wing	16,816,345	1.60%		18,200,000
	NBF Urawa Bldg.	2,000,000	0.19%		1,780,000
	NBF Shin-Urayasu Tower	15,700,000	1.49%		11,000,000
	NBF Matsudo Bldg.	2,455,000	0.23%		2,110,000
Other Cities	Sapporo L-Plaza	4,404,405	0.42%	11.0%	6,750,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.18%		1,310,000
	NBF Sendai Honcho Bldg.	3,566,000	0.34%		3,060,000
	NBF Unix Bldg.	4,028,900	0.38%		3,320,000
	NBF Niigata Telecom Bldg.	3,957,500	0.38%		2,810,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.41%		15,200,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.69%		7,130,000
	Aqua Dojima NBF Tower	17,810,000	1.69%		17,700,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.37%		13,600,000
	Sun Mullion NBF Tower	10,500,000	1.00%		7,230,000
	Sakaisuji-Honmachi Center Bldg.	6,500,000	0.62%		5,950,000
	NBF Sakai-Higashi Bldg.	2,227,200	0.21%		1,560,000
	Aqua Dojima East	1,914,000	0.18%		1,700,000
	NBF Shijo Karasuma Bldg.	1,627,000	0.15%		1,210,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.28%		2,290,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.21%		2,340,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.31%		3,430,000
	Hakata Gion M-SQUARE	8,000,000	0.76%		8,490,000
	NBF Kumamoto Bldg.	4,500,000	0.43%		3,710,000
Total		1,053,305,236	100%	100%	1,035,180,000

(Note 1) "Acquisition Price" represents in principle the price for which NBF acquired the property. The "Acquisition Price" for property to be acquired in the future represents the sale and purchase price set forth in the relevant sale and purchase contract etc.

(Note 2) The "Value (Real Estate Appraisal Value)" figures in the above table are in principle the appraisal values disclosed as of the end of June 2013 (real estate appraisal value with date of valuation being June 30, 2013).

(Note 3) A portion of the site of the "GSK Bldg." will be transferred to the Tokyo Metropolitan Government as of January 10, 2014.

The acquisition price thereof represents the original acquisition price less the price relevant to said portion of the site (¥1,181 million; prorated price calculated for the portion of the site area based on the original acquisition price).

The "Value (Real Estate Appraisal Value)" thereof indicates the price as of July 31, 2013, premised upon the said disposition actually occurring in the future.

(Note 4) The "NBF Nihonbashi Muromachi Center Bldg. (50% quasi co-ownership)" was disposed of as of August 14, 2013.