

December 16, 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.  
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Notice of Acquisition of Assets  
(Nishi-Shinjuku Mitsui Bldg.: Additional Acquisition)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on December 16, 2013 to acquire assets as follows:

Descriptions

1 Outline of the Acquisition

- 1) Acquired Assets: Real Property
- 2) Name of Assets: Nishi-Shinjuku Mitsui Bldg. ("the Property") (Additional Acquisition)
- 3) Acquisition Price: ¥135,000,000  
(provided, however, that miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax are not included in this amount.)
- 4) Date of Contract: December 16, 2013
- 5) Date of Transfer: December 16, 2013
- 6) Acquired From: Three (3) individuals  
\* details of the sellers are not disclosed due to the fact that the sellers are individuals.
- 7) Acquisition Funds: Existing capital
- 8) Intermediaries: None
- 9) Payment Method: Lump-sum payment at the time of transfer
- 10) Miscellaneous:

(i) Co-owners' *Kumiai* Portion

The portion from the 21st through 25th floors of the Property owned in the form of condominium interests is managed by the Nishi-Shinjuku 6-chome Co-owners' *Kumiai* (operated by Mitsui Fudosan Co., Ltd.) (hereinafter "the Co-owners' *Kumiai* Portion").

The portion subject to the current additional acquisition of the Property represents co-ownership interests in the Co-owners' *Kumiai* Portion.

(ii) Unitary Management

Rentable floors of the 3rd through 25th floors of the Property is unitarily managed by the owners of condominium interests through a master lease agreement with Mitsui Fudosan Co., Ltd. (rental revenues and rental costs are unitarily received and borne by such owners

regardless of the locations subject to such condominium interests).

The Co-owners' *Kumiai* Portion including the portion of the Property to be additionally acquired by NBF is subject to such unitary management.

## 2 Points of Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the Tokyo central business districts (CBDs) in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation.

NBF already owns certain condominium interests and co-ownership interests in condominium interests in the Property equivalent to approximately 85.46% (this figure represents the proportion of the total exclusively owned area of the office building), and has steadily achieved performance results. (The current additional acquisition represents approximately 0.6% resulting in total possession by NBF of approximately 86.06% of the Property (each figure represents a proportion of the total exclusively owned area of the office building).)

The asset management company considers such acquisition to be in line with NBF's policy of increasing the asset value and liquidity of the Property.

## 3 Outline of Assets

### 1) Type of Specified Assets

Real Property

### 2) Location

(Description in Real Property Registry)

Land: 24-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo

Building: 24-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo

(Street Address)

24-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo

### 3) Use (primary use listed in Real Property Registry)

Offices and retail stores

### 4) Type of Ownership

The Property is a building owned in the form of condominium interests which is a part of a complex including the adjacent Nishi-Shinjuku Parkside Tower ("residential building").

(i) Land: co-ownership interests

(ii) Building: co-ownership interests in condominium interests

### 5) Square meters (Description in Real Property Registry)

(i) Land: site area: 10,014.02m<sup>2</sup> (entire site, including office building and residential building).

The current acquisition portion is equivalent to approximately 0.54% of the total land use rights (which together with the previously owned portion represents approximately 77.51% of said total)

(ii) Building: total floor space: 84,634.02m<sup>2</sup> (entire building, including office building, residential building and common area).

The current acquisition of co-ownership interests is equivalent to approximately 2.85% of the total exclusively owned area of the 21st through 25th floors of the office building (8,006.38m<sup>2</sup>)(the Co-owners' *Kumiai* Portion; see 1. Outline of Acquisition, 10) Miscellaneous, above) (and approximately 0.60% of the exclusively owned area of

the office building; which together with the previously owned portion represents 86.06% of the total)

6) Structure (Description in Real Property Registry)

Steel frame and steel framed reinforced concrete structure, flat roof, 27 floors above ground and 2 floors below ground

7) Completion of Construction:(Description in Real Property Registry)

April 28, 1999

8) Design and Construction

Design: Nikken Sekkei Ltd

Construction: Consortium consisting of the Sato Kogyo and Mitsui Fudosan construction companies

9) Valuation

Valuation prepared by Daiwa Real Estate Appraisal Co., Ltd.

• Appraisal Value: ¥224,000,000

• Date of Valuation: November 30, 2013

• Summary of Valuation

Item	Value
Profit price	¥224,000,000
Price based on direct capitalization method	¥242,000,000
Net revenue	¥13,075,000
Cap rate	5.4%
Price based on DCF method	¥216,000,000
Discount rate	5.0%
Terminal cap rate	5.6%
Integration value	¥218,000,000
Percentage for land	76.6%
Percentage for building	23.4%

10) Earthquake PML

1.8% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)

11) Existence of Secured Interests (liens)

None.

12) Description of Tenants (Tenancy as of October 31, 2013)

The Co-owners' *Kumiai* Portion including the portion of the Property to be additionally acquired by NBF has been leased in its entirety by the Nishi-Shinjuku 6-chome Co-owners' *Kumiai* to Mitsui Fudosan Co., Ltd. which is the sole tenant of the portion to be acquired. Mitsui Fudosan Co., Ltd. sub-leases the same to its sub-lessees.

In addition, the portion to be acquired is subject to unitary management (see 1. Outline of Acquisition, 10) Miscellaneous, above) and the proportion of its operating rights in such unitary management scheme is approximately 0.63% of the total.

Tenancy situation of the portion subject to unitary management (and subject to the current additional acquisition) as of October 31, 2013 is as follows (based on materials received from Mitsui Fudosan Co., Ltd.)



- Total number and summary of sub-lessees: 22 companies (20 general business companies, 2 individuals)
- Total rental revenues: approx. ¥14,426,000/year  
(rental revenues received by NBF from Mitsui Fudosan Co., Ltd.)
- Total rentable area: approx. 232.41 m<sup>2</sup>  
(the entire unitary managed area of 36,702.02 m<sup>2</sup> x 0.63% (proportion of NBF's operating rights))
- Total leased area: approx. 229.82 m<sup>2</sup>  
(the entire unitary managed area of 36,291.79 m<sup>2</sup> x 0.63% (proportion of NBF's operating rights))
- Occupancy Rate: 98.9%
- Total lease deposit amount: approx. ¥14,307,000

#### 4 Outline of Sellers

Details of the sellers are not disclosed due to the fact that the sellers are individuals.

#### 5 Status of Owners etc. of the Property

The current acquisition of the Property is not an acquisition from a party which falls under the category of any specially-interested party of NBF or its asset management company.

#### 6 Acquisition Schedule

December 16, 2013: Determination to make acquisition; execution of a sale and purchase agreement; and delivery

#### 7 Forecasted Management Situation as at the close of December, 2013

There will be no change to the forecasted management situation during the periods ending December 31, 2013 and June 30, 2014 as this acquisition will have little impact upon the management situation of NBF during such periods.

End

This English language notice is a translation of the Japanese language notice dated December 16, 2013 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.

#### <Attached Materials>

- 【Reference Material 1】 Estimated Revenues and Expenses from the Property to be Acquired
- 【Reference Material 2】 Exterior Appearance of the Property
- 【Reference Material 3】 Standard Floor Plan of the Property
- 【Reference Material 4】 Cross-sectional drawing of the Property
- 【Reference Material 5】 Summary of Portfolio after Acquisition of the Property

【Reference Material 1】 Estimated Revenues and Expenses from the Property to be Acquired

- 1) Property NOI (Net Operating Income): ¥8,042,000
- 2) The above figures represent annualized revenues and expenses based on assumptions made as of this date after exclusion of extraordinary factors for the year of acquisition, and revenues are premised on an occupancy rate of 97.0% (and are not estimated figures for the following fiscal year).

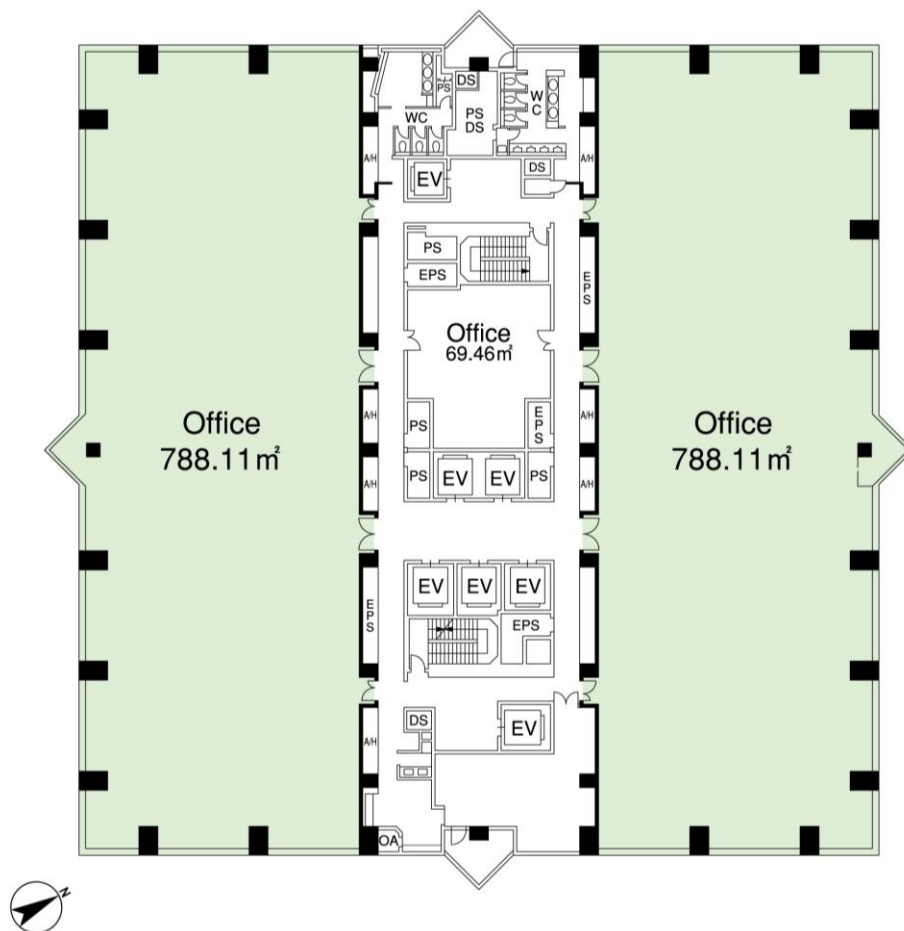
【Reference Material 2】 Exterior Appearance of the Property



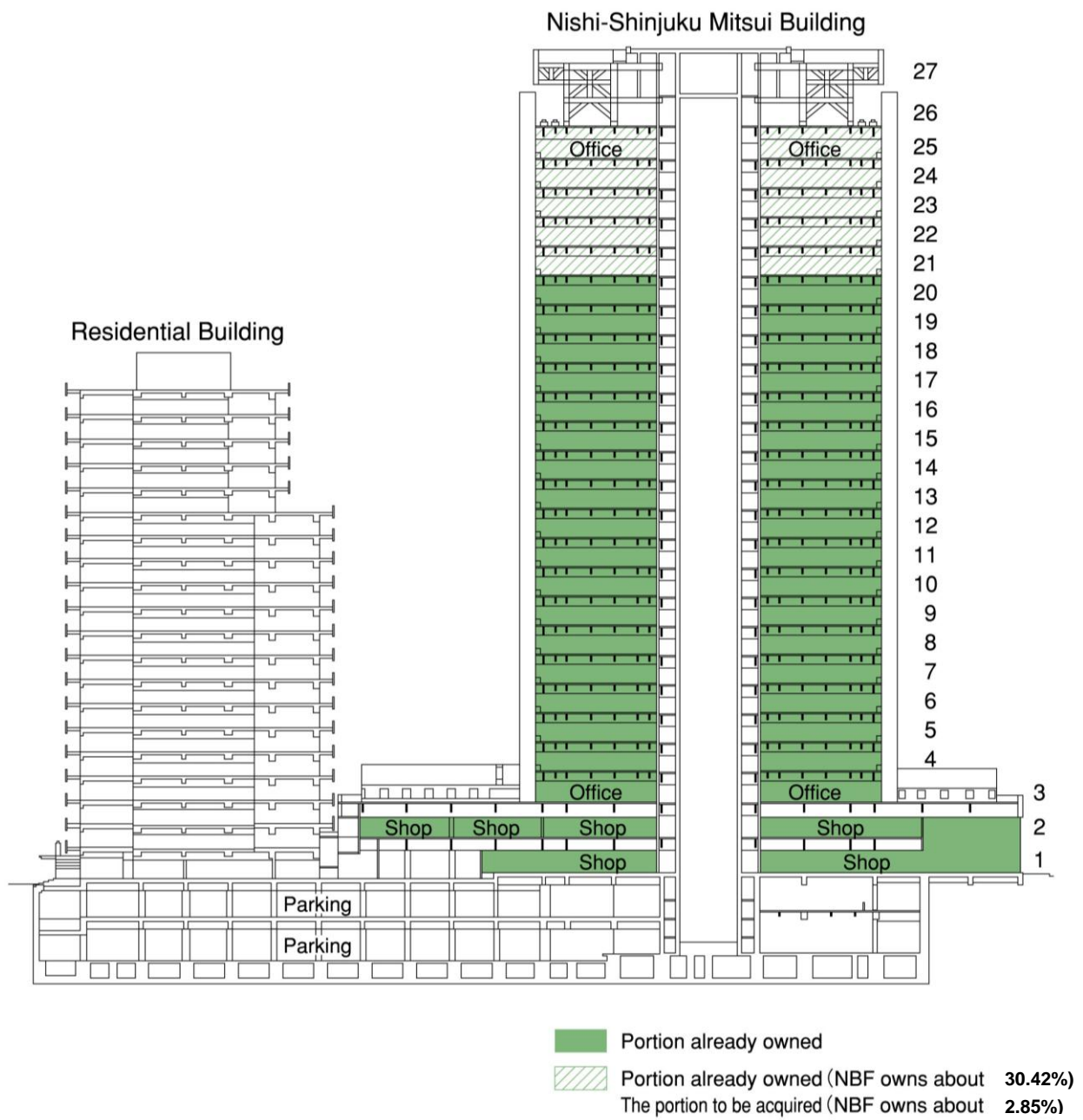




【Reference Material 3】 Standard Floor Plan of the Property



【Reference Material 4】 Cross-sectional drawing of the Property







# 【Reference Material 5】 Summary of Portfolio after Acquisition of the Property

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 Osaki Bldg.	66,660,000	6.35%	68.9%	71,100,000
	NBF Hibiya Bldg.	63,500,000	6.05%		54,600,000
	Gate City Ohsaki	57,281,060	5.46%		56,000,000
	Nishi-Shinjuku Mitsui Bldg.	45,010,448	4.29%		41,600,000
	Nishi-Shinjuku Mitsui Bldg. (Additional Acquisiton) (Note 3)	135,000	0.01%		224,000
	Mitsubishi Heavy Industries Head Office Bldg.	36,300,000	3.46%		41,300,000
	Shiba NBF Tower	32,000,000	3.05%		26,300,000
	NBF Platinum Tower	31,000,000	2.95%		53,400,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.95%		16,900,000
	NBF COMODIO Shiodome	28,800,000	2.74%		31,400,000
	Toranomon Kotohira Tower	24,543,000	2.34%		30,500,000
	Nakameguro GT Tower	23,856,000	2.27%		19,100,000
	Celestine Shiba Mitsui Bldg.	22,500,000	2.14%		22,900,000
	Mitsuseimei Ochanomizu Bldg.	20,840,000	1.99%		12,300,000
	NBF Ginza Street Bldg.	17,000,000	1.62%		14,500,000
	NBF Shibuya Garden Front	20,269,000	1.93%		25,100,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.55%		15,500,000
	GSK Bldg. (Note 4)	14,434,070	1.38%		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	1.26%		13,900,000
	NBF Shinkawa Bldg.	12,614,118	1.20%		13,820,000
	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	0.80%		8,480,000
	NBF Shibuya East	8,000,000	0.76%		6,500,000
	NBF Shibakouen Bldg.	6,770,000	0.65%		7,810,000
	NBF Takanawa Bldg.	6,667,200	0.64%		7,270,000
	NBF Akasaka Sanno Square	6,250,000	0.60%		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	0.50%		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	0.39%		4,210,000
Other Greater Tokyo	Nakanosakaue Sunbright Twin	40,750,488	3.88%	20.4%	30,100,000
	NBF Toyosu Canal Front	35,200,000	3.35%		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	0.89%		9,410,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.46%		20,100,000
	Yokohama ST Bldg.	13,529,300	1.29%		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	0.85%		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	1.50%		11,000,000
	NBF Matsudo Bldg.	2,455,000	0.23%		2,110,000
Other Cities	Sapporo L-Plaza	4,404,405	0.42%	10.7%	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	1.42%		15,200,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.69%		7,130,000
	Aqua Dojima NBF Tower	17,810,000	1.70%		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
	Aqua Dojima East	1,914,000	0.18%		1,700,000
	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	0.32%		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		1,049,586,036	100%	100%	1,032,634,000

(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) The date of valuation for the "value (real estate appraisal value)" is November 30, 2013.

(Note 4) 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.