

January 30, 2014

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:
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Notice of Acquisition of Assets
(Sakaisuji-Honmachi Center Bldg. : Additional Acquisition)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on January 30, 2014 to acquire assets as follows:

Descriptions

1 Outline of the Acquisition

- 1) Acquired Assets: Beneficiary interests in trust assets comprised mainly of real estate
- 2) Name of Assets: Sakaisuji-Honmachi Center Bldg. (Additional Acquisition) (hereinafter, the Sakaisuji-Honmachi Center Bldg. is called "the Property", and the portion to be acquired this time is called "the Additionally Acquired Portion of the Property")
- 3) Acquisition Price: ¥6,200,000,000
(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: January 30, 2014
- 5) Date of Transfer: January 30, 2014
- 6) Acquired From: S. J. Office Select G.K.
(please refer to Section 4. hereinbelow for a description of the seller)
- 7) Acquisition Funds: Existing capital plus loans (※1) etc.
※1 Please refer to our "Notice Concerning Debt Financing" published as of January 28, 2014.
- 8) Intermediaries: None
- 9) Payment Method: Lump-sum payment at the time of transfer

10) Miscellaneous:

NBF currently owns certain condominium interests and co-ownership interests in condominium interests (portion of applicable share in the common use area: 46.6%; hereinafter the "Existing Interests"). At the time of this acquisition, the Existing Interests will be incorporated into the trust of the Additionally Acquired Portion of the Property, and NBF will own beneficial interests in trust comprised mainly of the entire Property (fee ownership).

2 Points of Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the Other Cities in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation.

When making the current acquisition, NBFM deemed the following points to be especially attractive.

1) Location

The Honmachi area where the Property is located has accumulated office buildings as one of the representative business centers in Osaka City for a long time.

The Property has convenient access, a minute's walk to the "Sakaisuji-Honmachi" station of the Osaka municipal subway "Sakaisuji" and "Chuo" lines, and 5 minutes walk to the "Honmachi" station of the "Midosuji" line, providing highly convenient transportation access. It is also highly visible at the intersection of Sakaisuji and Honmachi-dori.

2) Building and Facilities

The Property characterized by a subdued exterior color tone, and spacious office floor area of approximately 470 tsubo (1,561m²) / floor, which floor plan is also suitable for dividing into smaller zones. Having a ceiling height of 2,600mm, and equipped with appropriate standard specifications, the Property is sufficiently competitive among office buildings in the area.

3) 100% ownership

Pursuant to the current acquisition together with the Existing Interests, NBF will own the entire Property. As the result, the asset value and liquidity of the Property is expected to be enhanced.

3 Outline of Assets

1) Type of Specified Assets

Beneficiary interests in trust assets comprised mainly of real estate

2) Trustee

Sumitomo Mitsui Trust Bank, Ltd.

3) Term of Trust

Date of establishment of trust: November 30, 2005

Date of expiration of trust: January 31, 2024.

- 4) Address of the Property
(Description in Real Property Registry)
Land: 41-1, 43-1, 44-3, 63-2, 63-3, Honmachi 2-chome, Chuo-ku, Osaka
22-1, 22-3, 22-4, 22-5, 22-6, 79-2, 82, Azuchimachi 2-chome, Chuo-ku, Osaka
Building: 38-1, 41-1, 43-1, 63-3, Honmachi 2-chome, Chuo-ku, Osaka
21, 22-1, 22-3, 22-4, 22-5, 22-6, 79-2, 82, Azuchimachi 2-chome, Chuo-ku, Osaka
(Street Address)
1-6, Honmachi 2-chome, Chuo-ku, Osaka
- 5) Use (Description in Real Property Registry)
Offices and retail stores
- 6) Type of Ownership
(i) Land: fee ownership (100%)
(* the land of the Property is owned in portions comprising the Additionally Acquired Portion of the Property and the Existing Interests.)
(ii) Building: condominium interests in the 1st floor, a part of the 2nd floor, a part of the 16th floor, and co-ownership interests of condominium interests in the 2nd through 15th floors:
4,461/10,000
- 7) Square meters (Description in Real Property Registry)
(i) Land: site area: 3,645.74m² (the entire Property)
of which the Additionally Acquired Portion of the Property is 1,949.21m²
(ii) Building: total floor space: 32,989.71m² (the entire Property)
portion of applicable share in the common use area pertaining to the Additionally Acquired Portion of the Property is 53.4%
- 8) Structure (Description in Real Property Registry)
Steel frame and steel framed reinforced concrete structure, flat roof, 16 floors above ground and 1 floor below ground
- 9) Completion of Construction (Description in Real Property Registry)
May 22, 1991
- 10) Design and Construction
Design: Yasui Architects & Engineers, Inc.
Construction: a consortium consisting of Kajima Corporation, Takenaka Corporation, Obayashi Corporation, Taisei Corporation, Hazama Corporation and Yamadagumi, Inc.

11) Valuation

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

- Appraisal Value: ¥6,530,000,000
- Date of Valuation: January 1, 2014
- Summary of Valuation

Item	Value
Profit price	¥6,530,000,000
Price based on direct capitalization method	¥6,710,000,000
Net revenue	¥342,242,000
Cap rate	5.1%
Price based on DCF method	¥6,450,000,000
Discount rate	4.9%
Terminal cap rate	5.3%
Integration value	¥6,830,000,000
Percentage for land	67.0%
Percentage for building	33.0%

12) Earthquake PML

3.8% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)

13) Existence of Secured Interests (liens)

None.

14) Description of Tenants (Tenancy as of January 15, 2014)

- Total number and summary of lessees: 49 companies (42 general business companies, 4 financial institutions, 2 shops and 1 individual)
- Total rental revenues: approx. ¥528,000,000/year
- Total rentable area: approx. 11,791.02 m² (co-owned area is converted into the interests in the Additionally Acquired Portion of the Property)
- Total leased area: approx. 10,117.37 m² (co-owned area is converted into the interests in the Additionally Acquired Portion of the Property)
- Occupancy Rate: approx. 85.8%
- Total lease deposit: approx. ¥396,000,000

4 Outline of Sellers

1) Name	S. J. Office Select G.K.
2) Location	Nihonbashi 1-Chome Building, 4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
3) Name and Title of Representative:	Representative Member: T.S. Property II (general incorporated association) Executive Officer: Akira Sugai
4) Description of Business	(i) acquisition, possession and disposition of real property trust beneficiary interests; (ii) sale and purchase, leasing, ownership, management and utilization of real property (iii) any business incidental to the above businesses
5) Capital	¥3,000,000 (as of December 31, 2013)
6) Date of Establishment	January 18, 2011
7) Relations with NBF/NBFM	
Capital Relationship	None
Personnel	None
Business Relationship	None
Related parties	does not fall under the category of related parties of either NBF or NBFM.

5 Status of Owners etc. of the Property

The current acquisition 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

January 30, 2014 : Decision of acquisition; execution of a sale and purchase agreement concerning trust beneficiary interests; delivery

7 Forecasted Management Situation as at the close of June, 2014

There is no change to the forecasted management situation during the period ending June 30, 2014 as the current acquisition will have little impact upon the management situation of NBF during such period.

End

This English language notice is a translation of the Japanese language notice dated January 30, 2014 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 Additionally Acquired Portion of the Property
- 【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 Additionally Acquired Portion of the Property

- 1) Property NOI (Net Operating Income): ¥347,000,000
- 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 93.0% (and are not estimated figures for the following fiscal year).

【Reference Material 2】

Exterior Appearance of the Property

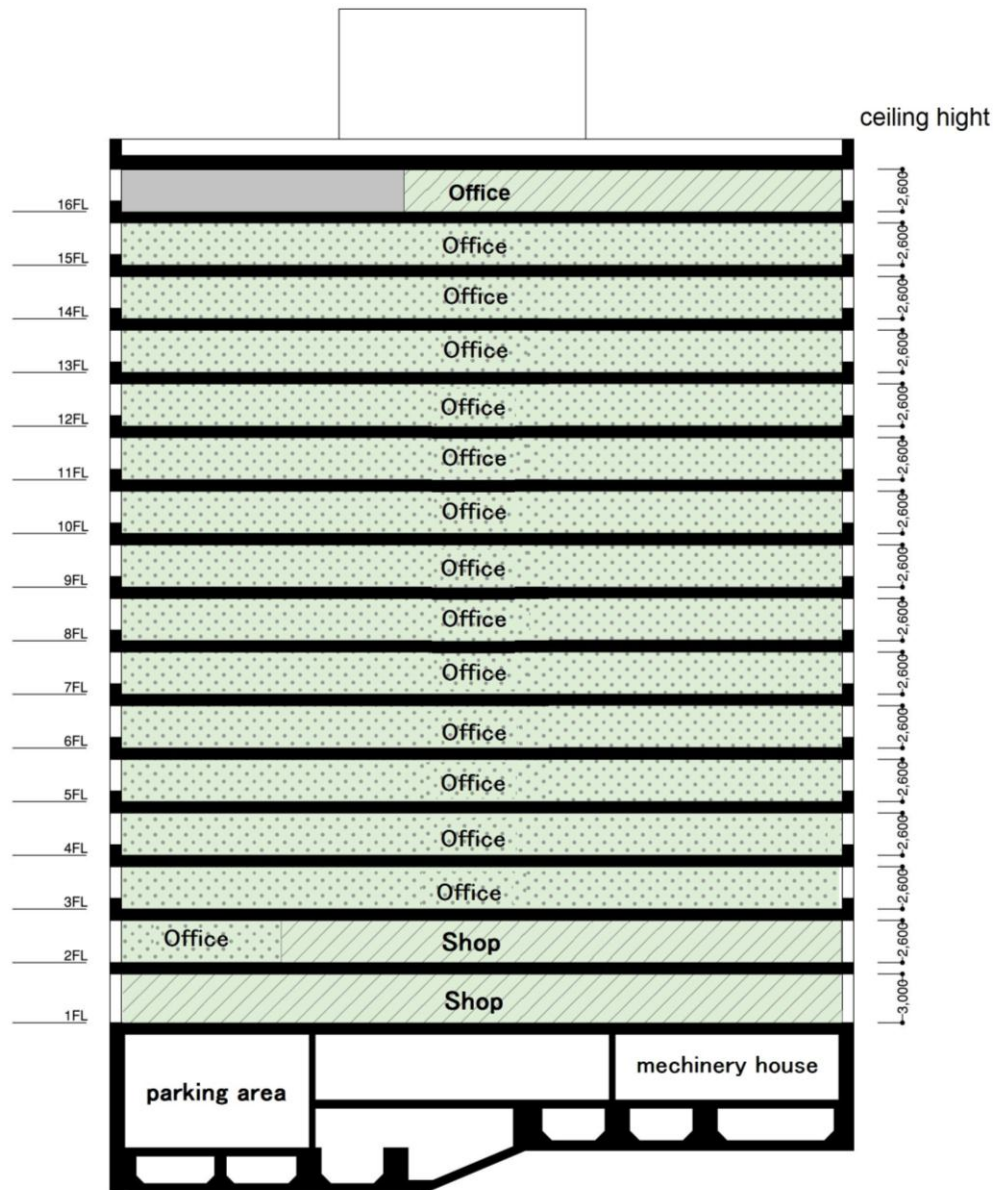





【Reference Material 3】

Standard Floor Plan of the Property



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



-  Co-owned portion of the Additionally Acquired Portion and Existing Interests of the Property (co-ownership of condominium interests: (additional acquisition = 44.61%, Existing Interests = 55.39%))
-  condominium interests in the Additionally Acquired Portion of the Property (fee ownership)
-  condominium interests in the Existing Interests of the Property (fee ownership)



【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	6.31%	68.5%	71,100,000
	NBF Hibiya Bldg.	63,500,000	6.01%		54,600,000
	Gate City Ohsaki	57,281,060	5.43%		56,000,000
	Nishi-Shinjuku Mitsui Bldg.	45,010,448	4.26%		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	3.44%		41,300,000
	Shiba NBF Tower	32,000,000	3.03%		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	2.32%		30,500,000
	Nakameguro GT Tower	23,856,000	2.26%		19,100,000
	Celestine Shiba Mitsui Bldg.	22,500,000	2.13%		22,900,000
	Mitsuseimei Ochanomizu Bldg.	20,840,000	1.97%		12,300,000
	NBF Ginza Street Bldg.	17,000,000	1.61%		14,500,000
	NBF Shibuya Garden Front	20,269,000	1.92%		25,100,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.54%		15,500,000
	GSK Bldg. (Note 4)	14,434,070	1.37%		20,100,000
	River City M-SQUARE	13,350,000	1.26%		14,300,000
	NBF Toranomon Bldg.	13,337,000	1.26%		15,700,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.25%		13,900,000
	NBF Shinkawa Bldg.	12,614,118	1.19%		13,820,000
	Shinbashi M-SQUARE	11,900,000	1.13%		12,200,000
	NBF Alliance	9,126,000	0.86%		10,500,000
	Yotsuya Medical Bldg.	8,800,000	0.83%		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 Takanawa 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	0.44%		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	3.86%	20.3%	30,100,000
	NBF Toyosu Canal Front	35,200,000	3.33%		36,100,000
	NBF Toyosu Garden Front	25,018,000	2.37%		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	1.59%		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%	11.2%	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	0.37%		2,810,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.41%		15,200,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.68%		7,130,000
	Aqua Dojima NBF Tower	17,810,000	1.69%		17,700,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.36%		13,600,000
	Sun Mullion NBF Tower	10,500,000	0.99%		7,230,000
	Sakaisuji-Honmachi Center Bldg.	6,500,000	0.62%		5,950,000
	Sakaisuji-Honmachi Center Bldg. (Additional Acquisiton) (Note 5)	6,200,000	0.59%		6,530,000
	Aqua Dojima East	1,914,000	0.18%		1,700,000
	NBF Hiroshima Tememachi 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		1,055,786,036	100%	100%	1,039,164,000

(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." was 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.

(Note 5) The date of valuation for the "value (real estate appraisal value)" is January 1, 2014.