



January 28, 2015

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 Acquisition of Assets (KANDASUDACHO i-Mark Bldg.)

Nippon Building Fund Management, Ltd. ("NBFM"), to which Nippon Building Fund, Inc. ("NBF") entrusts asset management services, hereby provides notice of its decision on January 28, 2015 to acquire assets as follows:

Descriptions

1 Outline of the Acquisition

- 1) Acquired Assets : Real Property
- 2) Name of Assets : KANDASUDACHO i-Mark Bldg. ("the Property")
- 3) Acquisition Price : ¥5,960,000,000
(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 28, 2015
- 5) Date of Transfer : June 30, 2015 (expected)
- 6) Acquired From : Shimizu Corporation
(please refer to Section 4. hereinbelow for a description of the seller)
- 7) Acquisition Funds : Existing capital plus loans etc.
- 8) Intermediary : None
- 9) Payment Method : Lump-sum payment at the time of transfer
- 10) Outline of forward commitment etc.:
It is agreed that in the event of the termination of the said contract due to a breach by NBF (purchaser) of its contractual obligations, NBF must pay to the relevant seller a penalty equivalent to 20% of the acquisition price.

2 Points of Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the Tokyo central business districts (CBD's) 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 Kanda area where the Property exists is located on the north side of the Otemachi district which is a representative Japanese business area, has excellent access to central Tokyo, and has traditionally been very popular for operating sites of mid and small-size businesses.

The Property faces the Yasukuni Street, and the location provides for highly convenient transportation access via several railways and stations such as the JR-line "Kanda" station and "Akihabara" station.

2) Building and Facilities

The Property has square-block-type exterior wall structures on the south side, made of precast concrete (PC) material, which gives a "dignified" impression. In addition to standard functions such as a standard floor's rentable floor area of approximately 528m², a ceiling height of 2,800mm, OA sub-floor, independent air conditioning etc., it is a highly competitive property as an office building with up-to-date specifications such as high quakeproof performance due to pillars made of CFT (concrete filled steel tube) and vibration control dampers, soundproof double sashes, outlets directly connected to emergency generators and so forth.

3 Outline of Assets

1) Type of Specified Assets

Real Property

2) Location (Description in Real Property Registry)

Land : 3-1, Kandasudacho 2-chome, Chiyoda-ku, Tokyo

Building : 3-1, Kandasudacho 2-chome, Chiyoda-ku, Tokyo

3) Use (Description in Real Property Registry)

Offices

4) Type of Ownership

(i) Land : 100% ownership

(ii) Building: 100% ownership

5) Square meters (Description in Real Property Registry)

(i) Land : site area : 730.71m²

(ii) Building: total floor space of the building : 5,930.20 m²

6) Structure (Description in Real Property Registry)

Steel framed structure, flat roof, 9 floors above ground

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

July 30, 2013

8) Design and Construction

Design : Shimizu Corporation

Construction: Shimizu Corporation

9) Earthquake PML

3.7% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)

10) Existence of Secured Interests (liens)

None.

11) Description of Tenants (Tenancy as of January 28, 2015)

- Total number and summary of lessees: 8 companies (6 general business companies, 1 financial institution and 1 store)
- Total rental revenues: approx. ¥325,000,000/year
- Total rentable area: approx. 4,470.39 m²
- Total leased area: approx. 3,939.22 m²
- Occupancy Rate: approx. 88.1%
- Total lease deposit amount: approx. ¥273,000,000

4 Outline of Seller

1) Name	Shimizu Corporation
2) Location	16-1, Kyobashi 2-chome, Chuo-ku, Tokyo
3) Name and Title of Representative:	Yoichi Miyamoto, President and Representative Director
4) Description of Business	general contractor of construction and engineering etc. (general construction business)
5) Capital	¥74,365million (as of 31 March, 2014)
6) Date of Establishment	August 24, 1937
7) Net Assets	¥312,367million
8) Total Assets	¥1,287,900million
9) Major shareholoder and shareholding ratio	SHIMIZU & CO., LTD.(7.63%), The Master Trust Bank of Japan, Ltd.(Trust Account)(5.38%), The SHIMIZU FOUNDATION(4.83%)
10) 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 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

January 28, 2015 : Determination to make acquisition, execution of a real property sale and purchase contract

June 30, 2015 : Delivery (anticipated)

7 Forecasted Management Situation as at the close of June, 2015.

There is no change to the forecasted management situation during the period ending June 30, 2015 as the current acquisition will have no impact upon the management situation of NBF during such period.



8 Summary of Appraisal Report

Property Name	KANDASUDACHO i-Mark Bldg.
Appraisal Value	¥7,300,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Valuation	December 31, 2014

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	7,300,000	estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	7,610,000	
(1) Operating Revenue ((i) - (ii))	395,830	
(i) Effective gross income	412,793	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.	16,963	estimated based on a vacancy rate which is deemed stable on a mid- and long-term basis
(2) Operating Expenses	95,580	
Building Maintenance Costs/ Property Management Fees (Note)	27,045	estimated based on past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	30,832	estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	5,735	estimated based on the Engineering Report as well as the level of repair expenses for similar real properties
Leasing Expenses, etc.	3,064	estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	27,823	estimated based on actual taxes in 2014
Insurance Premiums	780	estimated based on insurance rates etc. for similar real properties
Other Expenses	300	estimated based on actual past results
(3) Net Operating Income ((1)-(2))	300,250	
(4) Investment Income from Temporary Deposits	6,095	estimated applying investment return of 2.0%
(5) Capital Expenditure	2,067	estimated based on the Engineering Report as well as the level of renewal expenses for similar real properties
(6) Net Income ((3)+(4)-(5))	304,278	
(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	7,160,000	
Discount Rate	3.8%	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	4.2%	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	4,940,000	
Proportion of land	56.4%	
Proportion of building	43.6%	

※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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(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 unitholders.

End

This English language notice is a translation of the Japanese language notice dated January 28, 2015 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.

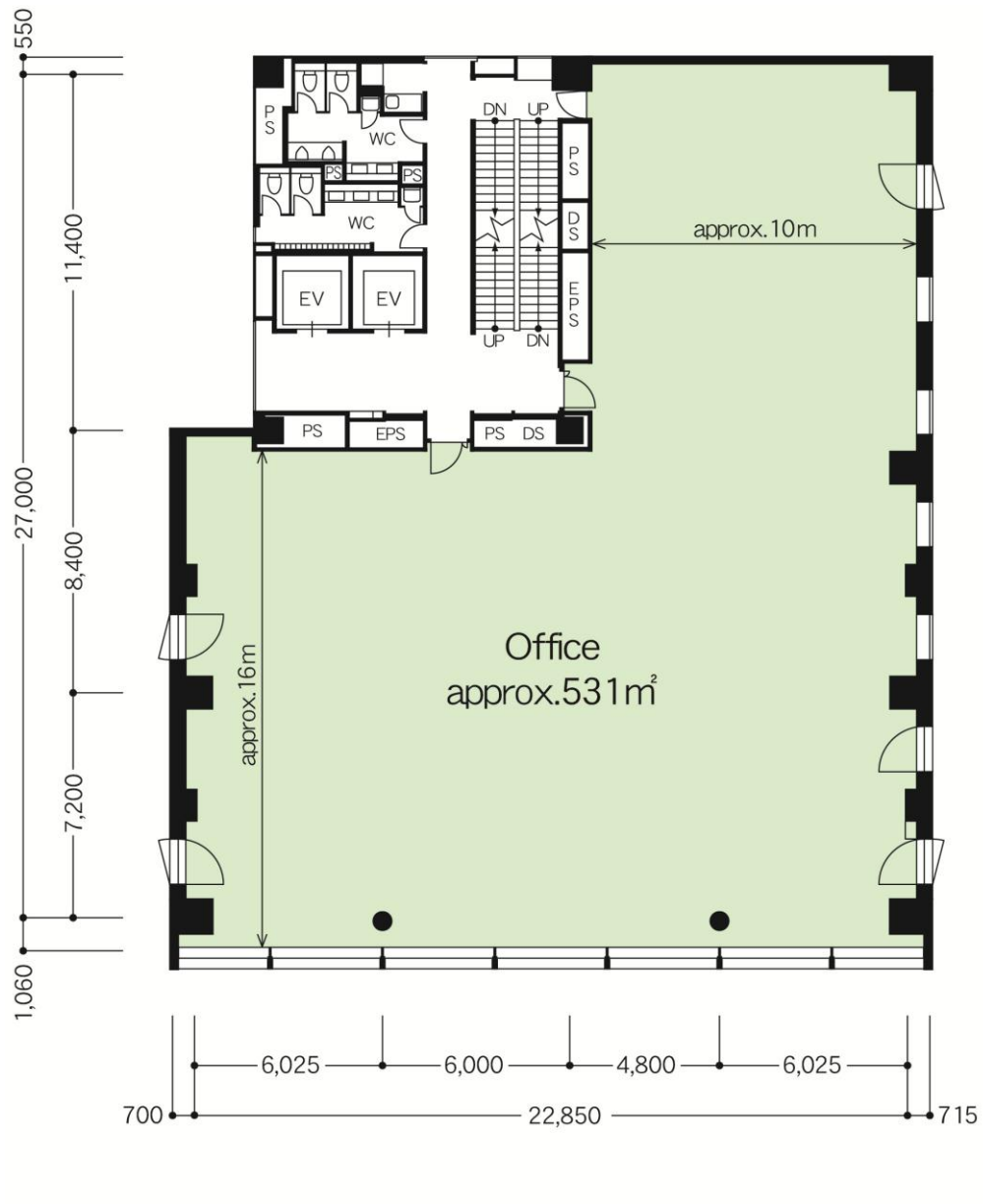
<Attached Materials>

- 【Reference Material 1】 Exterior Appearance of the Property
- 【Reference Material 2】 Standard Floor Plan of the Property
- 【Reference Material 3】 Summary of Portfolio after Acquisition of the Property

【Reference Material 1】 Exterior Appearance of the Property



【Reference Material 2】 Standard Floor Plan of the Property





【Reference Material 3】 Summary of Portfolio after Acquisition of the Property

Area	Property Name	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	6.2%	78.1%	74,700,000
	NBF Hibiya Bldg.	63,500,000	5.9%		53,300,000
	Gate City Ohsaki	57,281,060	5.3%		59,300,000
	Nishi-Shinjuku Mitsui Bldg.	45,145,448	4.2%		41,700,000
	Nakanosakaue Sunbriht Twin	40,750,488	3.8%		30,100,000
	Mitsubishi Heavy Industries Head Office Bldg.	36,300,000	3.4%		43,500,000
	NBF Toyosu Canal Front	35,200,000	3.3%		35,500,000
	Shiba NBF Tower	32,000,000	3.0%		26,900,000
	NBF Platinum Tower	31,000,000	2.9%		55,600,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.9%		17,000,000
	NBF COMODIO Shiodome	28,800,000	2.7%		30,600,000
	NBF Toyosu Garden Front	25,018,000	2.3%		27,900,000
	Toranomon Kotohira Tower	24,543,000	2.3%		31,200,000
	Nakameguro GT Tower	23,856,000	2.2%		19,900,000
	Celestine Shiba Mitsui Bldg.	22,500,000	2.1%		23,400,000
	NBF Ochanomizu Bldg.	20,840,000	1.9%		12,000,000
	NBF Ginza Street Bldg.	20,269,000	1.9%		25,900,000
	NBF Shibuya Garden Front	17,000,000	1.6%		14,900,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.5%		15,900,000
	GSK Bldg.	14,434,070	1.3%		17,800,000
	River City M-SQUARE	13,350,000	1.2%		14,800,000
	NBF Toranomon Bldg.	13,337,000	1.2%		16,000,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.2%		13,700,000
	NBF Shinkawa Bldg.	12,614,118	1.2%		13,420,000
	Shinbashi M-SQUARE	11,900,000	1.1%		12,600,000
	NBF Ueno Bldg.	10,400,000	1.0%		8,460,000
	NBF ALLIANCE	9,126,000	0.8%		11,100,000
	Yotsuya Medical Bldg.	8,800,000	0.8%		7,390,000
	NBF Ikebukuro East	8,630,000	0.8%		9,210,000
	Higashi Gotanda Square	8,350,000	0.8%		8,060,000
	NBF Shibuya East	8,000,000	0.7%		6,090,000
	NBF Shibakouen Bldg.	6,770,000	0.6%		7,570,000
	NBF Takanawa Bldg.	6,667,200	0.6%		6,990,000
	NBF Akasaka Sanno Square	6,250,000	0.6%		6,410,000
	NBF Shibakouen Daimon Street Bldg.	6,100,000	0.6%		4,180,000
	KANDASUDACHO i-Mark Bldg. (Note3)	5,960,000	0.6%		7,300,000
	Sumitomo Densetsu Bldg.	5,365,000	0.5%		5,370,000
	NBF Higashi-Ginza Square	5,200,000	0.5%		7,100,000
	Panasonic Tokyo Shiodome Bldg.	5,075,000	0.5%		5,440,000
	NBF Ogawamachi Bldg.	4,940,000	0.5%		5,410,000
	Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.4%		5,030,000
	NBF Ikebukuro Tower	4,695,000	0.4%		5,100,000
	NBF Ikebukuro City Bldg.	4,428,000	0.4%		4,760,000
	Ryukakusan Bldg.	4,050,000	0.4%		4,220,000
	Jingumae M-SQUARE	3,700,000	0.3%		3,700,000
Other Greater Tokyo	Chofu South Gate Bldg.	9,320,000	0.9%	9.5%	9,650,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.4%		20,800,000
	Yokohama ST Bldg.	13,529,300	1.3%		14,100,000
	Parale Mitsui Bldg.	3,800,000	0.4%		3,610,000
	NBF Atsugi Bldg.	2,300,000	0.2%		2,080,000
	Tsukuba Mitsui Bldg.	8,875,500	0.8%		7,210,000
	NBF Utsunomiya Bldg.	2,435,000	0.2%		2,210,000
	S-ino Omiya North Wing	16,816,345	1.6%		19,000,000
	NBF Urawa Bldg.	2,000,000	0.2%		1,840,000
	NBF Shin-Urayasu Tower	15,700,000	1.5%		10,700,000
Other Cities	NBF Matsudo Bldg.	2,455,000	0.2%	12.3%	2,160,000
	Sapporo L-Plaza	4,404,405	0.4%		6,810,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.2%		1,290,000
	NBF Sendai Honcho Bldg.	3,566,000	0.3%		2,830,000
	NBF Unix Bldg.	4,028,900	0.4%		3,370,000
	NBF Niigata Telecom Bldg.	3,957,500	0.4%		2,910,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.4%		15,600,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.7%		6,920,000
	Aqua Dojima NBF Tower	17,810,000	1.6%		16,500,000
	Nakanoshima Central Tower	14,900,000	1.4%		15,500,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.3%		13,800,000
	Sakaisuji-Honmachi Center Bldg.	12,700,000	1.2%		12,300,000
	Sun Mullion NBF Tower	10,500,000	1.0%		7,040,000
	Aqua Dojima East	1,914,000	0.2%		1,400,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.3%		2,310,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.2%		2,220,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.3%		3,490,000
	Hakata Gion M-SQUARE	8,000,000	0.7%		8,740,000
	NBF Kumamoto Bldg.	4,500,000	0.4%		3,760,000
		1,080,346,036	100%	100%	1,076,660,000

(Note 1) "Acquisition Price" represents in principle the price for which NBF acquired the property. The acquisition price for the property to be acquired in 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 such 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, 2014.

(Note 3) Scheduled to be acquired as of June 30, 2015. "Value (Real Estate Appraisal Value)" shown above is as of December 31, 2014.