

May 16, 2018

To All Concerned Parties

Name of REIT Issuer:

Nippon Building Fund, Inc.

Yoshiki Kageyama, 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

(TEL. +81-3-6259-8681)

Notice Concerning Issuance of Investment Corporation Bonds

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on May 16, 2018 to issue investment corporation bonds as follows:

Description

1. Summary of Investment Corporation Bonds

(1) Name of Investment Corporation Bonds

- ① Nippon Building Fund, Inc. No.16 Unsecured Investment Corporation Bonds
(hereinafter referred to as "No.16 NBF Bonds")
(with special pari passu conditions among specified NBF Bonds)
- ② Nippon Building Fund, Inc. No.17 Unsecured Investment Corporation Bonds
(hereinafter referred to as "No.17 NBF Bonds")
(with special pari passu conditions among specified NBF Bonds)

(2) Total Amount of Bonds to be Issued

- ① 5 billion yen
- ② 5 billion yen

(3) Form of Certificates of No.16 and No.17 NBF Bonds to be Issued

Under the applicable Act on Book-Entry Transfer of Corporate Bonds and Shares, no bond certificates for No.16 and No.17 NBF 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

- ① 0.220% per annum
- ② 0.888% per annum

(7) Denomination Price

100 million yen

(8) Method of Offering

Public offering

(9) Date of Subscription

May 16, 2018



- (10) Date of Payment
May 23, 2018
- (11) Collateral
No secured mortgage or guarantee is applicable to, and no assets are specifically reserved as collateral for No.16 and No.17 NBF Bonds.
- (12) Method and Date of Redemption
 - ① The total amount of No.16 NBF Bonds will be redeemed on May 23, 2025 (or the immediately preceding business day if such day is a bank holiday in Japan).
* No.16 NBF Bonds may be repurchased and cancelled at any time after the date of payment unless specified to the contrary by the relevant transfer agent.
 - ② The total amount of No.17 NBF Bonds will be redeemed on May 21, 2038 (or the immediately preceding business day if such day is a bank holiday in Japan).
* No.17 NBF 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
May 23 and November 23 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
Daiwa Securities Co., Ltd.

2. Reason for the Issuance

To mitigate risks of interest-rate increase and refinancing by increasing the ratio of long-term fixed interest rates for interest-bearing debt through the issuance of No.16 and No.17 NBF Bonds.

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

- (1) Amount of capital to be procured (estimated net proceeds)
9,900 million yen
- (2) Specific use and expected date of expenditure of proceeds
Procured funds are scheduled to be used to fund partial repayment of borrowings due in May and June 2018 and partial redemption of No. 3 Unsecured Investment Corporation Bonds maturing on June 12, 2018.

4. Status of Borrowings etc. after Issuance of No.16 and No.17 NBF Bonds

(Unit: million yen)

	Before Financing	After Financing	Increase / Decrease
Short-term borrowings	0	0	0
Long-term borrowings (Floating interest rate)	20,000	20,000	0
Long-term borrowings (Fixed interest rate)	374,500	374,500	0
Bonds	30,000	40,000	10,000
Total	424,500	434,500	10,000

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 March 29, 2018 with respect to the risks involved in repayment etc. due to the current Issuance of No. 16 and No.17 NBF Bonds.

End

This English language notice is a translation of the Japanese language notice dated May 16, 2018 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.