



January 22, 2010

To All Concerned Parties

Name of REIT Issuer:  
Nippon Building Fund, Inc.  
Sadafumi Abe, Executive Director  
(TSE Code : 8951)  
Contact:  
Asset Management Company  
Nippon Building Fund Management, Ltd.  
Koichi Nishiyama, President and CEO  
Person to Contact:  
Yasushi Akimoto, General Manager  
(TEL. +81-3-6259-8681)

## Notice Concerning Issue of Investment Corporation Bonds (NBF Bonds)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision today to issue its Investment Corporation Bonds ("NBF Bonds") as follows:

### Descriptions

#### 1. Summary of Investment Corporation Bonds

- (1) Name of Investment Corporation Bonds  
Nippon Building Fund, Inc. No.11 Unsecured Investment Corporation Bonds (hereinafter referred to as "No.11 NBF Bonds")  
(with special pari passu conditions among specified NBF Bonds)
- (2) Total Amount of No. 11 NBF Bonds to be Issued  
Ten billion Japanese yen (¥10,000,000,000)
- (3) Form of Certificates of No. 11 NBF Bonds to be Issued  
Under the applicable Act on Book-Entry Transfer of Company Bonds, Shares, etc., no bond certificates for No. 11 NBF Bonds will be issued.
- (4) Amount Payable  
One hundred yen (¥100) per one hundred yen (¥100) of No. 11 NBF Bonds
- (5) Redemption Price  
One hundred yen (¥100) per one hundred yen (¥100) of No. 11 NBF Bonds
- (6) Interest Rate  
1.23% per annum
- (7) Unit Price  
One hundred million yen (¥100,000,000)
- (8) Method of Offering  
Public offering
- (9) Date of Offering  
January 22, 2010 (Friday)
- (10) Date of Payment  
January 28, 2010 (Thursday)
- (11) Collateral  
No secured mortgage or guarantee is applicable to, and no assets are specifically reserved as collateral for, No. 11 NBF Bonds.
- (12) Method and Date of Redemption  
The entire amount will be redeemed on January 28, 2015.  
\* No. 11 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) Interest Payment Dates  
January 28 and July 28 of each year
- (14) Special Financial Conditions  
“Negative Pledge Clause” is applicable.
- (15) Ratings  
A1 (Moody’s Investors Service, Inc.)  
A+ (Standard & Poor’s Ratings Services)  
AA (Rating and Investment Information, Inc.)
- (16) Fiscal Agent, and Issuing and Paying Agent  
Chuo-Mitsui Trust and Banking Co., Ltd.
- (17) Underwriter  
Daiwa Securities Capital Markets Co., Ltd.
- (18) Use of Funds  
Repayment of borrowings etc.

**2. Reason for Issue**

For the purpose of increasing the ratio of long-term debt to interest-bearing debt through the issue of No. 11 NBF Bonds in order to mitigate risks of increases in interest rates and refinancing.

**3. Amount, Use and Expected Dates of Expenditure of Capital to be Procured**

- (1) Amount of capital to be procured (estimated amount net of costs and expenses)  
¥9,940,000,000
- (2) Specific use and expected dates of expenditure of capital to be procured  
Repayment of borrowings etc.

<Major Lenders>

Lender	Amount to be repaid	Date of repayment
Chuo-Mitsui Trust and Banking Co., Ltd.	¥8,000 million	January, 2010
Taiyo Life Insurance Company	¥1,000 million	February, 2010



**4. Situations of Borrowings etc. after Issue of No. 11 NBF Bonds**

(i) Amount of interest-bearing debt after the issue

(in million yen)

	before	after	increase/ (decrease)
Short-term borrowings	24,000	16,000	(8,000)
Long-term borrowings	243,875	242,875	(1,000)
(repayment due within one year)	12,750	11,750	(1,000)
Total borrowings	267,875	258,875	(9,000)
NBF Bonds	70,000	80,000	10,000
(redemption due within one year)	10,000	10,000	0
Total interest-bearing debt	337,875	338,875	1,000
Total long-term and interest-bearing debt	291,125	301,125	10,000

(Note 1) The amount of long-term and interest-bearing debt does not include the amount of long-term borrowings or NBF Bonds, repayment (redemption) of which is due within one year.

(ii) Ratio etc. of interest-bearing debt after the issue

	before	after	increase/ (decrease)
Ratio of interest-bearing debt	46.7%	46.7%	0
Ratio of long-term and interest-bearing debt	86.2%	88.9%	2.7

(Note 1) Calculation of the ratio of interest-bearing debt is based on the following formula for convenience, and the amount of interest-bearing debt includes the amount of outstanding NBF Bonds as well as borrowings.

Ratio of interest-bearing debt = interest-bearing debt / (interest-bearing debt + total investment amount) x 100

(Note 2) Ratio of long-term and interest-bearing debt = long term and interest-bearing debt / interest-bearing debt x 100

(Note 3) Ratios are calculated to the second decimal place with .04 and less rounded down and .05 and more rounded up.

**5. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information**

There is no change to the content of NBF's Financial Report filed as of September 29, 2009 with respect to the risks involved in repayment etc. due to the current issue of No. 11 NBF Bonds.

This English language notice is a translation of the Japanese language notice dated January 22, 2010 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.

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