



February 17, 2025

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
Koichi Nishiyama, Executive Director
(TSE Code : 8951)
Contact:
Asset Management Company
Nippon Building Fund Management, Ltd.
Daisuke Yamashita, President and CEO
Person to Contact:
Yukio Handa, General Manager
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Notice of Acquisition of Asset (D-TOWER TOYAMA)

Nippon Building Fund Management Ltd. (“NBFM”), to which Nippon Building Fund Inc. (“NBF”) entrusts asset management services, hereby provide notice of the decision made on February 17, 2025 on the acquisition (hereinafter referred to as the "Acquisition") of asset, as follows.

Description

1. Outline of Asset to be Acquired

Name of Asset	D-TOWER TOYAMA
Acquisition Price	¥9,000,000,000 (Miscellaneous acquisition costs, adjusted amount of the property tax etc. as well as consumption tax, etc. are excluded.)
Seller	Domestic business corporation (Please refer to Section 4 hereinbelow for the outline of the seller of the Acquisition.)
Intermediary*	Sumitomo Mitsui Trust Bank, Limited (Please refer to Section 5 hereinbelow for the outline of the Intermediary of the Acquisition.)
Date of Contract	February 17, 2025
Date of Acquisition	June 30, 2025
Acquisition Funds	Loans and cash on hand
Method of Settlement	Lump-sum payment at the time of delivery

* NBF has not obtained consent from the intermediary to disclose the intermediary fee, so NBF has not disclosed the amount of the intermediary fee.



2. Reason for Acquisition

Based on the asset management policy stipulated in NBF's Articles of Incorporation, NBF has decided to proceed with the acquisition after comprehensively considering factors such as profitability and area diversification.

Although the occupancy rate of this property is 46.7%, NBF anticipates early lease-up due to its status as a prime property in a key regional city. NBF believes that once it achieves a stable occupancy rate, it will contribute to its earnings.

(1) Toyama Office Market

Toyama area is a region where manufacturing is thriving, and many manufacturers and trading companies have established their bases here. There has been virtually no new supply of office buildings for over 20 years, and considering construction costs and other factors, it is assumed that supply will remain limited in the future. Therefore, D-TOWER TOYAMA, being a newly constructed building in a prime location within the area, will be highly competitive.

(2) Location

This property is located just a 3-minute walk from JR Toyama Station, offering high transportation convenience both within and outside the area. JR Toyama Station is a major station on the Hokuriku Shinkansen line and serves as a hub connecting the Toyama Light Rail and the bus terminal. Additionally, in JR Toyama Station area, the extension of the Hokuriku Shinkansen and redevelopment of the surrounding area have led to the development of the station building, hotels, commercial facilities, and more.

(3) Building Facilities

The property boasts high basic specifications, including a standard floor area of approximately 550 tsubo, a ceiling height of 2,800 mm, an OA floor height of 100 mm, and an electrical capacity of 75 VA/m². It also features well-equipped common facilities such as lounges and rental conference rooms. Compared to other properties in the Toyama area, this property is expected to have a competitive advantage in tenant leasing.



(4) Details of Asset

Name of Asset	D-TOWER TOYAMA
Type of Specified Asset	Real Property
Type of Ownership	Land: ownership Building: ownership
Location	(Description in Real Property Registry) Land: 109-3 Ushijima-cho, Toyama-shi, Toyama Building: 109-3 Ushijima-cho, Toyama-shi, Toyama (Street Address) 9-5 Ushijima-cho, Toyama-shi, Toyama
Use (primary use listed in Real Property Registry)	Office, Retail store
Area (Description in Real Property Registry)	Land: site area 4,000.00 m ² Building: total floor area 14,161.11 m ²
Structure (Description in Real Property Registry)	Steel-framed structure with a flat roof, 7 stories high
Completion of Construction (Description in Real Property Registry)	February 29, 2024
Matters Related to Earthquake Resistance	Earthquake PML 0.9% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
Existence of Secured Interests	None
Appraisal Value (Date of Valuation)	9,240 million yen (January 1, 2025)
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Description of Tenants*	As of December 31, 2024
Total number of tenants	13
Total rental revenues	Approx. 274 million yen (annual / rental portion)
Lease deposit	Approx. 231 million yen (rental portion only)
Total rentable area	Approx. 10,964.85m ²
Total rented area	Approx. 5,121.68m ²
Occupancy Rate	46.7%
Other Special Matters	None in particular

* Based on the rent roll received from the seller (as of December 31, 2024, including lease agreements that have been concluded but have not yet commenced), the figures are calculated by rounding down to the nearest unit, and the ratio is displayed by rounding to the nearest whole number.



3. Outline of Forward Commitment etc.

The Acquisition will be made pursuant to forward commitments (settlement/handover occurring one month after the execution of the contract). In case the sales contract is terminated due to a violation of contractual commitments by NBF, NBF shall be required to pay the seller 20% of the acquisition price.

4. Outline of the seller

NBF has not obtained consent from the seller to disclose their name and other details, so NBF has not included such information. Additionally, there are no capital, personal, or business relationships to be noted between NBF and the asset management company.

5. Outline of the Intermediary of the Acquisition

Name	Sumitomo Mitsui Trust Bank, Limited
Location	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Name and Title of Representative	Kazuya Oyama, President
Description of Business	Banking and trust services
Capital	¥ 342 billion (as of March 31, 2024)
Date of Establishment	July 28, 1925
Relations with NBF / NBFM	
Capital Relationship	Shareholder of NBFM (5% equity interest) owns 40,000 units of NBF
Personnel Relationship	Certain personnel seconded to NBFM.
Business Relationship	Falls under the category of asset custodian, unitholder registry administrator, special account administrative agent, etc. of NBF.
Related parties	Does not fall under the category of related parties of either NBF or NBFM.

6. Forecasts of Operating Results for the Periods ending June 30, 2025 and ending December 31, 2025

For the impact of the Acquisition on NBF's operating conditions for 1H 2025 and 2H 2025, please refer to the "NIPPON BUILDING FUND INC. ANNOUNCES 47th PERIOD (SECOND-HALF 2024) RESULTS" released today.

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7. Summary of Appraisal Reports

Property Name	D-TOWER TOYAMA
Appraisal Value	9,240 million yen
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Valuation	January 1, 2025

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	9,240,000	Estimated by the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	9,720,000	
(1) Operating Revenue ((i) - (ii))	635,386	
(i) Effective gross income	670,707	Estimated based on income consisting of rents, common area maintenance income, utility charges, facility income, etc. which are deemed stable on a mid-and-long-term basis
(ii) Losses from vacancy, etc.	35,322	Estimated based on a vacancy rate which is deemed stable on a mid-and-long-term basis
(2) Operating Expenses	185,248	
Building Maintenance Costs/ Property Management Fees (Note)	115,012	Estimated based on past result, details verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	9,193	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	3,480	Estimated based on the Engineering Report as well as the level of repair expenses for similar real properties
Leasing Expenses, etc.	5,498	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	40,333	Estimated based on actual taxes in fiscal 2024 etc.
Insurance Premiums	930	Estimated based on insurance rates etc.
Other Expenses	10,802	Other miscellaneous expenses and contingency funds are assessed based on past actual amounts and revenue examples.
(3) Net Operating Income ((1)-(2))	450,137	
(4) Investment Income from Temporary Deposits	5,023	Estimated applying investment return of 1.0%
(5) Capital Expenditure	8,120	Estimated based on the engineering report and the level of renewal costs of similar properties
(6) Net Income ((3)+(4)-(5))	447,040	
(7) Capitalization Rate	4.6%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g. location, building condition, rights, contractual terms etc. of the Property
Appraisal value based on DCF method	9,030,000	
Discount Rate	4.7%	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	4.8%	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	10,200,000	
Proportion of land	45.1%	
Proportion of building	54.9%	

*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 maintenance fees and PM fees for the part of the property in relation to the additional acquisition are combined, as the disclosure of each fee on a separate basis may impact the businesses of the anticipated providers of building management and PM operations, as well as impair efficient outsourcing by NBF and harm the interests of unitholders



<Attached Materials>

- 【Reference Material 1】 Surrounding Map
- 【Reference Material 2】 Exterior Appearance of the Property
- 【Reference Material 3】 Standard Floor Plan of the Property
- 【Reference Material 4】 Summary of Portfolio after the Acquisition



【Reference Material 1】 Surrounding Map

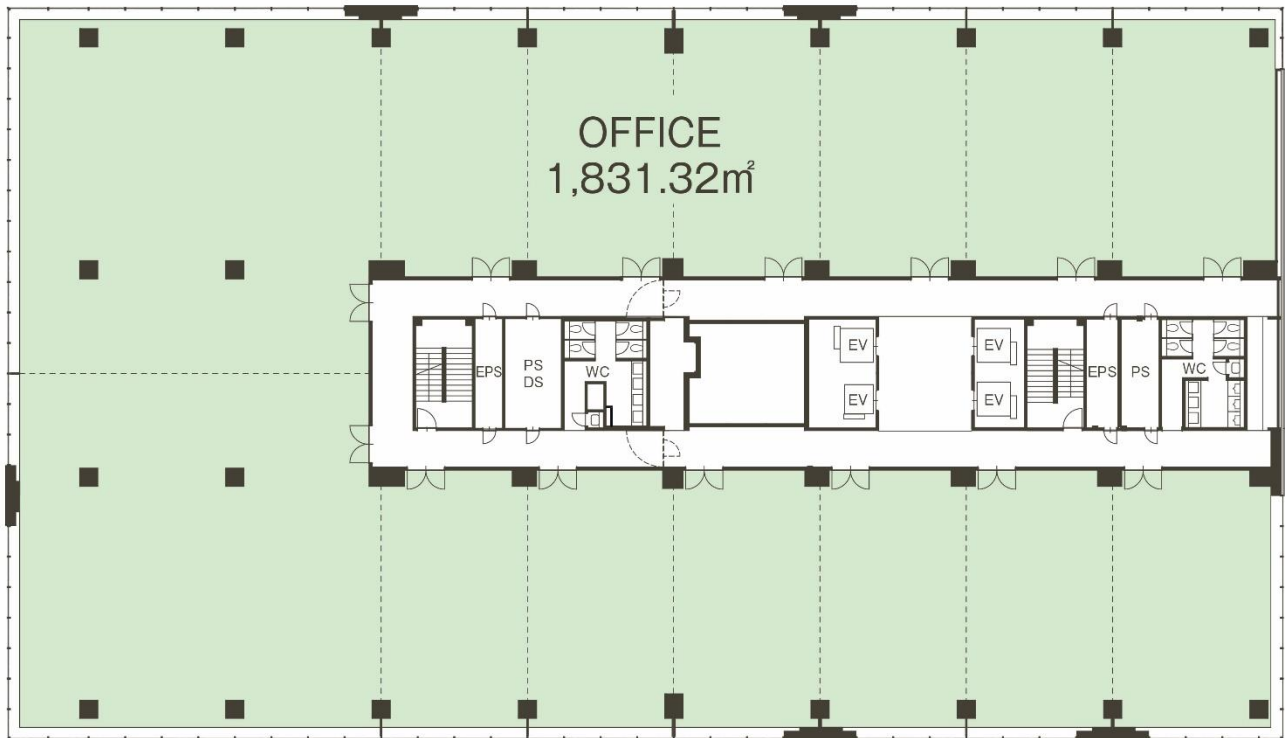


【Reference Material 2】 Exterior Appearance of the Property





【Reference Material 3】 Standard Floor Plan of the Property



【Reference Material 4】 Summary of Portfolio after the Acquisition

Area	Property Name	Acquisition Price (\ in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (\ in thousands) (Note 2)
Central 5 Wards	Shinjuku Mitsui Bldg.	170,000,000	11.5%	54.1%	182,000,000
	IIDABASHI GRAND BLOOM	138,909,102	9.4%		154,000,000
	Roppongi T-CUBE	62,800,000	4.3%		62,800,000
	Nishi-Shinjuku Mitsui Bldg.	45,392,204	3.1%		45,900,000
	Celestine Shiba Mitsui Bldg.	42,000,000	2.8%		47,100,000
	NBF Shinagawa Tower	36,300,000	2.5%		47,900,000
	NBF Platinum Tower	31,000,000	2.1%		63,100,000
	NBF COMODIO Shiodome	28,800,000	2.0%		35,500,000
	G-BASE TAMACHI	28,200,000	1.9%		28,800,000
	Toranomon Kotohira Tower	24,543,000	1.7%		33,500,000
	NBF Shibuya Garden Front	20,269,000	1.4%		37,100,000
	NBF Ginza Street Bldg.	17,000,000	1.2%		19,100,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.1%		19,800,000
	Kowa Nishi-Shinbashi Bldg. B	13,536,200	0.9%		13,500,000
	River City M-SQUARE	13,350,000	0.9%		13,700,000
	Shinbashi M-SQUARE	11,900,000	0.8%		14,300,000
	NBF Toranomon Bldg. (Land with leasehold interest) (Note 3)	11,416,000	0.8%		17,573,000
	GranTokyo South Tower	9,398,168	0.6%		9,610,000
	NBF ALLIANCE	9,126,000	0.6%		13,600,000
	Yotsuya Medical Bldg.	8,800,000	0.6%		7,970,000
	NBF Shibuya East	8,000,000	0.5%		10,200,000
	NBF Takanawa Bldg.	6,667,200	0.5%		7,770,000
	NBF Akasaka Sanno Square	6,250,000	0.4%		7,550,000
	NBF Kandasudacho Bldg.	5,960,000	0.4%		8,670,000
	NBF Ogawamachi Bldg.	5,420,000	0.4%		6,880,000
	Sumitomo Densetsu Bldg.	5,365,000	0.4%		5,320,000
	NBF Higashi-Ginza Square	5,200,000	0.4%		8,200,000
	Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.3%		5,560,000
NBF Hatchobori Terrace	4,528,349	0.3%	5,430,000		
Ryukakusan Bldg.	4,050,000	0.3%	4,950,000		
Jingumae M-SQUARE	3,700,000	0.3%	4,320,000		
23 Wards of Tokyo	Toyosu Bayside Cross Tower	80,100,000	5.4%	80.4%	80,900,000
	NBF Osaki Bldg.	66,660,000	4.5%		86,100,000
	Gate City Ohsaki	57,281,060	3.9%		71,600,000
	NBF Toyosu Canal Front	35,200,000	2.4%		38,400,000
	Ueno East Tower	35,000,000	2.4%		39,400,000
	NBF Toyosu Garden Front	25,018,000	1.7%		30,000,000
	Osaki Bright Core - Bright Plaza	24,380,000	1.7%		25,600,000
	Nakameguro GT Tower	23,856,000	1.6%		20,900,000
	Osaki Bright Tower	13,970,000	0.9%		14,700,000
	NBF Ikebukuro East	8,630,000	0.6%		13,600,000
	Higashi Gotanda Square	8,350,000	0.6%		8,920,000
	NBF Ikebukuro Tower	4,695,000	0.3%		5,770,000
	NBF Ikebukuro City Bldg.	4,428,000	0.3%		5,770,000



Area	Property Name	Acquisition Price (\ in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (\ in thousands) (Note 2)
Other Greater Tokyo	Chofu South Gate Bldg.	9,320,000	0.6%	6.4%	9,630,000
	Yokohama Mitsui Bldg. (Note 5)	43,190,000	2.9%		44,200,000
	Yokohama ST Bldg.	16,749,300	1.1%		23,400,000
	Parale Mitsui Bldg.	3,800,000	0.3%		4,950,000
	S-ino Omiya North Wing	16,816,345	1.1%		23,500,000
	NBF Urawa Bldg.	2,000,000	0.1%		2,170,000
	NBF Matsudo Bldg.	2,455,000	0.2%		2,510,000
Other Cities	Sapporo L-Plaza	4,404,405	0.3%	13.2%	8,940,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.1%		1,700,000
	D-TOWER TOYAMA (Note 6)	9,000,000	0.6%		9,240,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.0%		16,800,000
	Nagoya Mitsui New Bldg.	13,200,000	0.9%		14,700,000
	Nagoya Mitsui Main Bldg.	13,050,000	0.9%		14,300,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.5%		6,670,000
	Nakanoshima Mitsui Bldg.	44,000,000	3.0%		47,800,000
	Aqua Dojima NBF Tower	17,810,000	1.2%		21,300,000
	Nakanoshima Central Tower	14,900,000	1.0%		19,700,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.0%		14,000,000
	Sakaisuji-Honmachi Center Bldg.	12,700,000	0.9%		15,800,000
	Yodoyabashi Flex Tower	9,833,000	0.7%		10,400,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.2%		2,350,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.2%		3,950,000
	Hakata Gion M-SQUARE	8,000,000	0.5%		13,200,000
NBF Kumamoto Bldg.	4,500,000	0.3%	4,550,000		
Total		1,476,239,034	100%	100%	1,719,123,000

(Note 1) "Acquisition Price" represents the price for which NBF acquired the property in principle. As for the property to be acquired, the figure represents the purchase and sale price set forth in the relevant purchase and sale contract, etc. at the time of the decision to acquire the property (excluding miscellaneous acquisition costs, fixed assets tax, etc.).

(Note 2) "Value (Real Estate Appraisal Value)" represents the appraisal value as of the end of 2H/24 (as of December 31, 2024.).

(Note 3) The "Acquisition Price" of the "NBF Toranomom Bldg. (Land with leasehold interest)" is the land acquisition price at the time of acquisition of the property. The "Value (Real Estate Appraisal Value)" is the appraisal value of the entire property less the appraisal value of the building portion as of May 31, 2024.

(Note 4) "Shiba NBF Tower" will be disposed as of March 27, 2025.

(Note 5) "Yokohama Mitsui Bldg." will be acquired as of March 31, 2025.

(Note 6) "D-TOWER TOYAMA" will be acquired as of June 30, 2025. The "Appraisal Value" is as of January 1, 2025.