



June 14, 2019

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.  
Yoshiyuki Tanabe, President and CEO  
Person to Contact:  
Yasushi Yamashita, General Manager  
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**Notice of Acquisition of Domestic Assets  
(Nakanosakaue Sunbright Twin: Additional Acquisition)**

Nippon Building Fund Management, Ltd. ("NBFM"), to which Nippon Building Fund, Inc. ("NBF") entrusts asset management services, hereby provides notice of its decision on June 14, 2019 to acquire assets as follows:

Description

1. Outline of the Acquisition

Name of Assets	Nakanosakaue Sunbright Twin (Additional Acquisition) *Nakanosakaue Sunbright Twin ("the Property") is composed of the buildings "Nakanosakaue Sunbright Twin" ("Twin Building") and "Nakanosakaue Sunbright Annex," and sectional ownership in the Twin Building will be acquired at this time. The portion to be acquired shall be referred to as "the Additionally Acquired Portion of the Property" and the portion already owned by NBF shall be referred to as "the Existing Interests" hereinafter.
Acquisition Price	¥480,000,000 (Miscellaneous acquisition costs, adjusted amount of fixed assets tax and city-planning tax, etc. as well as consumption tax, etc. are excluded.)
Seller	An individual *Details of the seller are not disclosed due to the fact that the seller is an individual and consent for disclosure was not obtained from the seller.
Intermediary	None
Date of Contract	June 14, 2019
Date of Transfer	June 14, 2019



2. Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the 23 wards of Tokyo in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation. NBF already owns the equivalent of approximately 81.0% in Twin Building, and has steadily achieved performance results. (The Additionally Acquired Portion of the Property represents approximately 1.5% of Twin Building, resulting in total ownership by NBF of approximately 82.5% (each figure represents NFA ownership ratio.)

NBFM considers this acquisition to be in line with NBF's policy of increasing the asset value and liquidity of the property.

(\*NFA= Net Floor Area)

3. Outline of Assets (details of only Twin Building are indicated unless otherwise indicated)

Name of Assets	Nakanosakaue Sunbright Twin (Additional Acquisition)
Type of Specified Assets	Real Property
Type of Ownership (the Additionally Acquired Portion of the Property)	Land :Right to site (approximately 1.4%) (approximately 77.6% when including the Existing Interests (approximately 76.2%)) Building :Sectional ownership of a portion of the 22nd floor (approximately 1.5%. Approximately 82.5% when including the Existing Interests (approximately 81.0%).) Each figure represents NFA ownership ratio of the Twin Building.
Location	(Description in Real Property Registry) Land : 3001-ban, Honcho 2-chome, Nakano-ku, Tokyo Building : 3001-banchi, Honcho 2-chome, Nakano-ku, Tokyo (Street Address) 46-1, Honcho 2-chome, Nakano-ku, Tokyo
Use (primary use listed in Real Property Registry)	Offices
Square meters (Description in Real Property Registry)	Land : Site area 10,331.90m <sup>2</sup> (entire site) Building : Total floor space 63,396.95m <sup>2</sup> (entire Twin Building)
Structure (Description in Real Property Registry)	Steel frame, steel framed reinforced concrete and steel reinforced concrete structure, flat roof, 30 floors above ground and 2 floors below ground
Completion of Construction (Description in Real Property Registry)	September 30, 1996
Matters Related to Earthquake Resistance	Earthquake PML 1.3% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
Existence of Secured Interests (liens)	None.



Appraisal Value ( Date of Valuation )	¥590,000,000 (June 1, 2019 )
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Description of Tenants	As of May 31,2019 (the additionally acquired portion of the property)
Total number of tenants	1 company (1 general business company)
Total rental revenues	Not disclosed as consent for disclosure has not been obtained from the lessees
Lease deposit	Not disclosed as consent for disclosure has not been obtained from the lessees
Total rented area	Approx. 573.61 m <sup>2</sup>
Total rentable area	Approx. 573.61 m <sup>2</sup>
Occupancy Rate	100%
Other Special Matters	None.

4. Outline of Seller

Details of the seller are not disclosed due to the fact that the seller is an individual and consent for disclosure was not obtained from the seller.

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 NBFM.

6. Payment method, etc.

Lump-sum payment at the time of transfer

7. Future Outlook

There will be no change to the forecasted management situation during the periods ending June 30, 2019 and December 31, 2019 as this acquisition will have little impact upon the management situation of NBF during such periods.

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## 8. Summary of Appraisal Report

Property Name	Nakanosakaue Sunbright Twin (Additional Acquisition)
Appraisal Value	¥590,000 thousand
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Valuation	June 1, 2019

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	590,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	608,000	
(1) Operating Revenue ((i) - (ii))	44,289	
(i) Effective gross income	45,601	Estimated based on income consisting of rents, common area charges, utility charges, etc. which are deemed stable on a mid- and-long-term basis
(ii) Losses from vacancy, etc.	1,312	Estimated based on a vacancy rate which is deemed stable on a mid- and-long-term basis
(2) Operating Expenses	16,064	
Building Maintenance Costs/ Property Management Fees (Note)	9,025	Estimated based on past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	1,770	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	305	Estimated based on the Engineering Report as well as the level of repair expenses for similar real properties
Leasing Expenses, etc.	269	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	4,463	Estimated based on actual taxes in fiscal 2018
Insurance Premiums	232	Estimated based on insurance rates etc. for similar real properties
Other Expenses	0	-
(3) Net Operating Income ((1)-(2))	28,225	
(4) Investment Income from Temporary Deposits	323	Estimated applying investment return of 1.0%
(5) Capital Expenditure	4,846	Estimated based on the Engineering Report as well as the level of renewal expenses for similar real properties
(6) Net Income ((3)+(4)-(5))	23,703	
(7) Capitalization Rate	3.9%	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	582,000	
Discount Rate	3.5%	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	4.1%	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	669,000	
Proportion of land	81.1%	
Proportion of building	18.9%	

\*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 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 Additionally Acquired Portion 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 June 14, 2019 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>

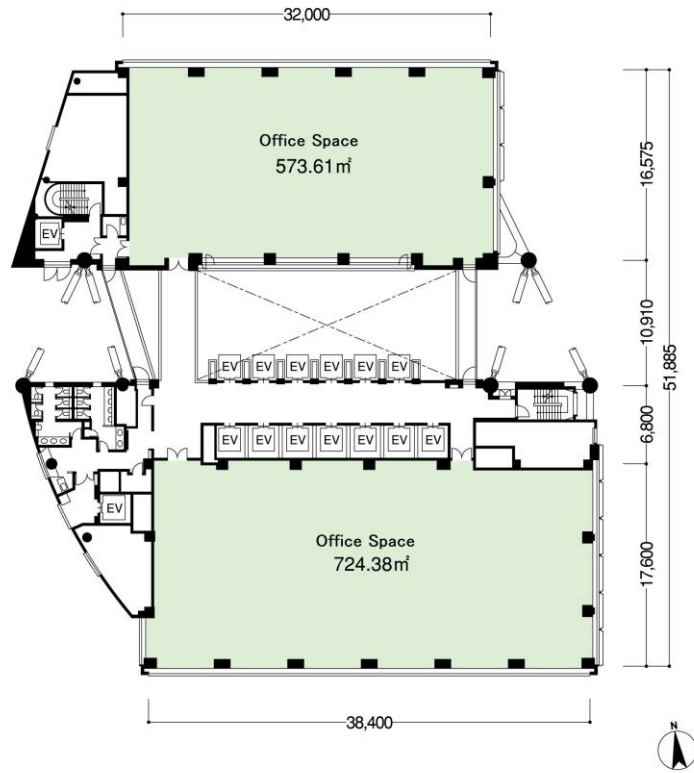
- 【Reference Material 1】 Exterior Appearance of the Property (Twin Building)
- 【Reference Material 2】 Standard Floor Plan of the Property (Twin Building)
- 【Reference Material 3】 Cross-sectional Drawing of the Property
- 【Reference Material 4】 Summary of Portfolio after Acquisition of the Property

【Reference Material 1】 Exterior Appearance of the Property (Twin Building)





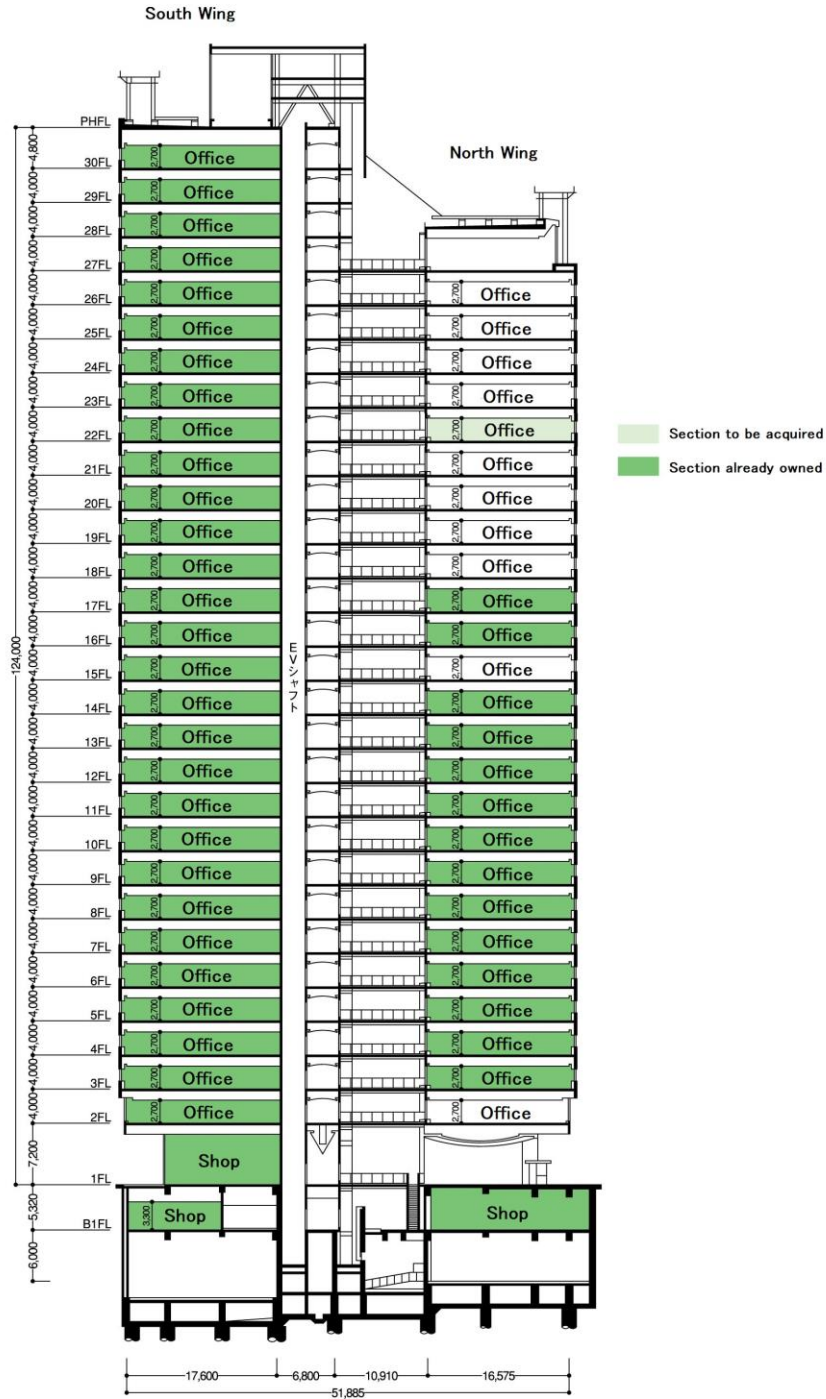
【Reference Material 2】 Standard Floor Plan of the Property (Twin Building)







【Reference Material 3】 Cross-sectional Drawing of the Property





**【Reference Material 4】 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)
Central 5 Wards	Roppongi T-CUBE	62,800,000	5.6%	51.8%	63,500,000
	Nishi-Shinjuku Mitsui Bldg.	45,213,698	4.0%		42,400,000
	Celestine Shiba Mitsui Bldg.	42,000,000	3.7%		48,700,000
	NBF Shinagawa Tower	36,300,000	3.2%		48,700,000
	Shiba NBF Tower	32,000,000	2.8%		29,000,000
	NBF Platinum Tower	31,000,000	2.7%		62,500,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.7%		20,000,000
	NBF COMODIO Shiodome	28,800,000	2.6%		34,900,000
	G-BASE TAMACHI (Note 3)	28,200,000	2.5%		28,200,000
	Toranomon Kotohira Tower	24,543,000	2.2%		36,100,000
	NBF Ochanomizu Bldg.	20,840,000	1.8%		14,200,000
	NBF Ginza Street Bldg.	20,269,000	1.8%		33,200,000
	NBF Shibuya Garden Front	17,000,000	1.5%		18,500,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.4%		19,600,000
	River City M-SQUARE	13,350,000	1.2%		16,100,000
	NBF Toranomon Bldg.	13,337,000	1.2%		17,100,000
	Kowa Nishi-Shinbashi Bldg. B	13,303,200	1.2%		14,700,000
	NBF Shinkawa Bldg.	12,614,118	1.1%		14,950,000
	Shinbashi M-SQUARE	11,900,000	1.1%		15,500,000
	NBF ALLIANCE	9,126,000	0.8%		12,800,000
	Yotsuya Medical Bldg.	8,800,000	0.8%		7,710,000
	NBF Shibuya East	8,000,000	0.7%		7,370,000
	NBF Shibakouen Bldg.	6,770,000	0.6%		8,480,000
	NBF Takanawa Bldg.	6,667,200	0.6%		7,450,000
	NBF Akasaka Sanno Square	6,250,000	0.6%		6,870,000
	NBF Kandasudacho Bldg.	5,960,000	0.5%		8,350,000
	Sumitomo Densetsu Bldg.	5,365,000	0.5%		5,900,000
	NBF Higashi-Ginza Square	5,200,000	0.5%		8,030,000
	Panasonic Tokyo Shiodome Bldg.	5,075,000	0.4%		6,320,000
	NBF Ogawamachi Bldg.	4,940,000	0.4%		6,090,000
	Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.4%		5,650,000
	Ryukakusan Bldg.	4,050,000	0.4%		5,000,000
	Jingumae M-SQUARE	3,700,000	0.3%		4,030,000
23 Wards	NBF Osaki Bldg.	66,660,000	5.9%	81.4%	88,300,000
	Gate City Ohsaki	57,281,060	5.1%		67,600,000
	Nakanosakaue Sunbright Twin	40,750,488	3.6%		31,100,000
	Nakanosakaue Sunbright Twin(Additional Acquisition)(Note 4)	480,000	0.0%		590,000
	NBF Toyosu Canal Front	35,200,000	3.1%		37,600,000
	NBF Toyosu Garden Front	25,018,000	2.2%		29,100,000
	Nakameguro GT Tower	23,856,000	2.1%		22,100,000
	Ueno East Tower	21,600,000	1.9%		22,500,000
	Osaki Bright Core - Bright Plaza	14,280,000	1.3%		14,700,000
	Osaki Bright Core - Bright Plaza (Additional Acquisition) (Note 5)	4,200,000	0.4%		4,200,000
	NBF Ueno Bldg.	10,400,000	0.9%		9,490,000
	NBF Ikebukuro East	8,630,000	0.8%		12,000,000
	Higashi Gotanda Square	8,350,000	0.7%		8,470,000
	Toyo-cho Center Bldg.	7,800,000	0.7%		8,720,000
	NBF Ikebukuro Tower	4,695,000	0.4%		5,630,000
	NBF Ikebukuro City Bldg.	4,428,000	0.4%		5,360,000
Other Greater Tokyo	Chofu South Gate Bldg.	9,320,000	0.8%	7.3%	10,300,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.3%		23,600,000
	Yokohama ST Bldg.	13,529,300	1.2%		16,100,000
	Parale Mitsui Bldg.	3,800,000	0.3%		3,960,000
	Tsukuba Mitsui Bldg.	8,875,500	0.8%		8,680,000
	S-ino Omiya North Wing	16,816,345	1.5%		21,700,000
	NBF Urawa Bldg.	2,000,000	0.2%		2,510,000
	NBF Matsudo Bldg.	2,455,000	0.2%		2,480,000
Other Cities	Sapporo L-Plaza	4,404,405	0.4%	11.3%	7,340,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.2%		1,470,000
	NBF Unix Bldg.	4,028,900	0.4%		3,370,000
	NBF Niigata Telecom Bldg.	3,957,500	0.4%		2,740,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.3%		16,800,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.6%		6,900,000
	Agua Dojima NBF Tower	17,810,000	1.6%		17,300,000
	Nakanoshima Central Tower	14,900,000	1.3%		18,400,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.3%		13,200,000
	Sakaisuji-Honmachi Center Bldg.	12,700,000	1.1%		13,900,000
	Sun Mullion NBF Tower	10,500,000	0.9%		6,510,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.3%		2,500,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.2%		2,490,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.3%		3,830,000
	Hakata Gion M-SQUARE	8,000,000	0.7%		10,900,000
NBF Kumamoto Bldg.	4,500,000	0.4%	3,930,000		
<b>Total</b>		<b>1,129,411,416</b>	<b>100%</b>	<b>100%</b>	<b>1,266,270,000</b>

(Note 1) "Acquisition Price" represents in principle the price for which NBF acquired the property. As for the property to be acquired, 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 the said 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 December 31, 2018.

(Note 3) The "Value (Real Estate Appraisal Value)" of "G-BASE TAMACHI" shown above is as of January 31, 2019.

(Note 4) The "Value (Real Estate Appraisal Value)" of "Nakanosakaue Sunbright Twin(Additional Acquisition)" shown above is as of June 1, 2019.

(Note 5) The "Value (Real Estate Appraisal Value)" of "Osaki Bright Core - Bright Plaza(Additional Acquisition)" shown above is as of January 31, 2019.