



December 18, 2020

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
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Notice Concerning Leasing to Tenants (New Lease)

Nippon Building Fund Inc. (“NBF”) and Nippon Building Fund Management Ltd. (“NBFM”), to which NBF entrusts asset management services, hereby provide notice of the decision on December 18, 2020 to lease Shinjuku Mitsui Building (the “Property”) to Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”) as announced in “Notice of Acquisition and Commencement of Lease of Domestic Assets” dated October 9, 2020, as follows:

Furthermore, the lessee is Mitsui Fudosan Co., Ltd., the major shareholder of NBFM (“Mitsui Fudosan”). Mitsui Fudosan is an interested party under Article 201 of the Investment Trust Act (“ITA”) as well as Article 123 of the Enforcement Order of the ITA. As such, NBFM has obtained necessary prior approval by the board of directors of NBF in connection with the lease of the Property subject to Article 201-2 of the ITA.

Description

1. Background to the Lease Contract

NBF and NBFM have decided to lease the Property to Mitsui Fudosan based on the decision that maintaining the relationship with the existing tenants and remaining under the operation of the Mitsui brand as has been since the completion would be beneficial for the management of the Property. All sections of the Property will be leased to Mitsui Fudosan, and Mitsui Fudosan will sub-lease the same spaces to its sub-lessees.

In addition, the subtenants meet the selection criteria described in NBF’s Annual Securities Report dated on September 29, 2020, which is referred to in the “Report regarding the operation system of the Real Estate Investment Trust Issuer” dated September 29, 2020.



2. Outline of Lease Contract

Name of the Tenant	Mitsui Fudosan Co., Ltd.
Name of Property	Shinjuku Mitsui Building
Leased Area (*1)	102,718.42 m ²
Ratio of Leased Area to the Leasable Area of the Property	100%
Ratio of Leased Area to the Total Leasable Area of NBF's Portfolio (*2)	8.5%
Rental Revenues (*3)	10,163 million / year
Lease Deposit (*3)	11,920 million
Date of Lease Contract	January 8, 2021 (scheduled)
Scheduled Start Date of Lease Term	January 8, 2021 (scheduled)
Contract Term	From January 8, 2021 to January 31, 2031 (scheduled)
Master Lease Type	Pass-through Type
Other Special Matters	None

*1 Leased Area is the area of the portion to be leased under the lease contract scheduled to be concluded with Mitsui Fudosan.

*2 Ratio of Leased Area to the Total Leasable Area of NBF's Portfolio is the ratio to the amount obtained by adding the leased area of the Property (102,718.42 m²) to the total leasable area of NBF as of October 31, 2020, and does not assume the ratio as of the date of delivery of the Property (scheduled for January 8, 2021).

*3 NBF will receive a certain amount of rent and lease deposit from the total amount Mitsui Fudosan will receive from sub-lessees. Rental revenues and lease deposit were calculated based on the rent roll as of November 27, 2020, obtained from Mitsui Fudosan, and may differ from the amount NBF receives from the lease.

3. Future Outlook

There will be no change to the forecasts of operating results for the periods ending December 31, 2020 and June 30, 2021 which were announced on October 9, 2020.

End

This English language notice is a translation of the Japanese language notice dated December 18, 2020 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.