



February 28, 2013

To All Concerned Parties

Name of REIT Issuer:

Nippon Building Fund, Inc.  
Tutomu Nishikawa, Executive Director  
(TSE Code : 8951)

Contact:

Asset Management Company  
Nippon Building Fund Management, Ltd.  
Kenichi Tanaka, President and CEO  
Person to Contact:  
Yasushi Akimoto, CIO  
(TEL. +81-3-6259-8681)

### Notice of Acquisition of Assets (Sony City Osaki)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on February 28, 2013 to acquire assets as follows:

#### Descriptions

##### 1 Outline of the Acquisition

- 1) Acquired Assets: quasi co-ownership of beneficiary interests in trust assets comprised mainly of real estate  
※the Property will be placed in trust by the seller as of the delivery date thereof, and NBF, together with a certain institutional investor in Japan, will acquire the said trust beneficiary interests.  
(ratio of quasi co-ownership: 60% for NBF; 40% for the other institutional investor in Japan)
- 2) Name of Acquired Assets: Sony City Osaki (hereinafter, "the Property")
- 3) Acquisition Price: ¥66,660,000,000  
(provided, however, that miscellaneous acquisition costs, fixed asset tax, city-planning tax and consumption tax are not included in this amount)
- 4) Date of Contract: February 28, 2013
- 5) Delivery: February 28, 2013
- 6) Acquired From: Sony Corporation  
(please refer to Section 4. hereinbelow for a description of the seller)
- 7) Acquisition Funds: Funds procured by means of an issue of new investment shares (※1), and existing capital plus loans (※2) etc.  
※1 Please refer to our "Notice Concerning Issue of New Investment Shares and Secondary Offering of Investment Shares" published as of January 7, 2013 [English Release Date: February 1, 2013].  
※2 Please refer to our "Notice Concerning Borrowings of Capital" published as of February 26, 2013.
- 8) Intermediary: Mizuho Trust & Banking Co., Ltd. (please refer to Section 6 hereinbelow for a description of the intermediary)



※The intermediary's compensation for intermediation is not disclosed due to the fact that the intermediary's consent to disclosure has not been obtained.

9) Payment Method: Lump-sum payment at the time of delivery

## 2 Points of Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the Tokyo central business districts (CBDs) in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation.

In deciding to acquire the Property, the following points were especially attractive.

### 1) Location

The Osaki area where the Property is located is one of the subcenters of Tokyo which has recently been redeveloped in an expeditious manner upon being designated an urban district to be urgently improved under the Act on Special Measures Concerning Urban Renaissance and is becoming highly recognized as a business center where large enterprises maintain their offices.

As the Property is accessible in 2 minutes via pedestrian walkways to the "Osaki" station of the JR Yamanote, Saikyo, and Shonan-Shinjuku lines as well as the Rinkai line of the Tokyo Waterfront Area Rapid Transit system, which is the nearest station serving the Property, its location provides a high level of transportation convenience within its area.

### 2) Building and Facilities

The Property is a core building of the west exit district of the Osaki station, being a large-scale, tower-type building with a modern appearance and equipped with very characteristic evaporative cooling exterior called "BIO SKIN". With 25 floors above ground, its standard floor has a rentable floor area of approximately 906 tsubo (2,994m<sup>2</sup>), and a ceiling height of 3,000mm (additional 130mm sub-floor cavity for OA connection), providing the highest level of specifications as a very competitive office building in the center of Tokyo.

## 3 Outline of Assets

### 1) Type of Specified Assets

quasi co-ownership of beneficiary interests in trust assets comprised mainly of real estate

※ the Property will be placed in trust by the seller as of the delivery date thereof, and NBF, together with a certain institutional investor in Japan, will acquire the said trust beneficiary interests. (ratio of quasi co-ownership: 60% for NBF; 40% for the other institutional investor in Japan)

### 2) Trustee

Mizuho Trust & Banking Co., Ltd.



- 3) Address of the Property  
(Description in Real Property Registry)  
Land: 850-ban 1, Osaki 2-chome, Shinagawa-ku, Tokyo  
Building: 850-banchi 1, Osaki 2-chome, Shinagawa-ku, Tokyo  
(Street Address)  
10-1, Osaki 2-chome, Shinagawa-ku, Tokyo
- 4) Use (Description in Real Property Registry)  
Offices, parking and retail stores
- 5) Type of Ownership  
(i) Land: fee ownership (100%)  
(ii) Building: fee ownership (100%)
- 6) Area  
(i) Land: site area: 16,558.52m<sup>2</sup> (quasi co-ownership interests to be acquired by NBF: 60%)  
(ii) Building: total floor space of the building: 123,603.89 m<sup>2</sup> (quasi co-ownership interests to be acquired by NBF: 60%)
- 7) Structure (Description in Real Property Registry)  
Steel frame, steel framed reinforced concrete and steel reinforced concrete structure, flat roof, 25 floors above ground and 2 floors below ground
- 8) Completion (Description in Real Property Registry)  
February 24, 2011
- 9) Design and construction  
Design: Nikken Sekkei, Ltd., 1st Class Registered Architect Office  
Construction: Kajima Corporation Tokyo Construction Branch, Kandenko Co., Ltd., and Tonets Corporation
- 10) Valuation  
Valuation prepared by Daiwa Real Estate Appraisal Co., Ltd.  
Appraisal Value: ¥69,900,000,000  
Date of Valuation: February 1, 2013

Summary of Valuation

Item	Value
Profit price	¥69,900,000,000
Price based on direct capitalization method	¥72,000,000,000
Net revenue	¥3,041,196,000
Cap rate	4. 2%
Price based on DCF method	¥69,000,000,000
Discount rate	4. 0%
Terminal cap rate	4. 4%
Integration value	¥62,400,000,000
Percentage for land	65. 0%
Percentage for building	35. 0%



11) Earthquake PML

0.9% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)

12) Existence of Secured Interests (liens)

None.

13) Description of Tenants (Tenancy situation as of February 28, 2013)

The building of the Property is entirely leased to the seller (please refer to Section 4. hereinbelow for a description of the seller).

Total number and summary of lessees: one corporation (the seller)

Total rental revenues: not disclosed due to the fact that the lessee's consent to disclosure has not been obtained.

Total rentable area: 124,041.48m<sup>2</sup>  
(NBF's quasi co-ownership interests equivalent to 74,424.89m<sup>2</sup>)

Total leased area: 124,041.48m<sup>2</sup>  
(NBF's quasi co-ownership interests equivalent to 74,424.89m<sup>2</sup>)

Occupancy Rate: 100%

Total lease deposit: not disclosed due to the fact that the lessee's consent to disclosure has not been obtained.

4 Outline of Seller

1) Name	Sony Corporation
2) Location	7-1, Konan 1-chome, Minato-ku, Tokyo
3) Name and Title of Representative:	Kazuo Hirai, Representative Corporate Executive Officer
4) Description of Business	manufacture, sale and so forth of electronic/electric machinery and appliances
5) Capital	¥630,923,097,620 (as of xx xx, 2013)
6) Date of Establishment	May 17, 1946
7) Relations with NBF/NBFM	
Capital Relationship	None
Personnel	None
Business Relationship	None
Related parties	does not fall under the category of related parties of either NBF or NBFM.

5 Status of Owner etc.

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 its asset management company.



## 6 Summary of Intermediaries

1) Name	Mizuho Trust & Banking Co., Ltd.
2) Location	2-1, Yaesu 1-chome, Chuo-ku, Tokyo
3) Name and Title of Representative:	Takashi Nonaka, President & CEO
4) Description of Business	trust & banking business and other businesses (sale and purchase of trust beneficiary interests, brokerage of sale and purchase of real estate etc.)
5) Capital	¥247,300,000,000 (as of March 31, 2012)
6) Date of Establishment	May 9, 1925
7) Relations with NBF/NBFM	
Capital Relationship	None
Personnel	None
Business Relationship	None
Related parties	does not fall under the category of related parties of either NBF or NBFM.

## 7 Acquisition Schedule

February 28, 2013 : Decision of acquisition; execution of a sale and purchase agreement concerning trust beneficiary interests; delivery

## 8 Forecasted Management Situation as at the close of June 2013 and December 2013

For information on the impact of the acquisition of the Property upon NBF's management situation during the periods ending June 30, 2013 and December 31, 2013, please see the "Notice Concerning Revision of Forecasted Management Situation and Forecasted Cash Distribution Per Share for the Periods ending June 30, 2013 and December 31, 2013" of the same date hereof.

## 9 Aggregate amount of acquisition prices reaches one trillion yen

As the result of the current acquisition of the Property, NBF's total managed assets now comprise 72 properties, and the aggregate amount of the acquisition prices has reached ¥1,041.1 billion. Focusing on furthering shareholder value and expanding its scale, NBF will continue to vigorously invest in excellent properties which can contribute on a mid- and long-term basis to the growth of its portfolio.

End

This English language notice is a translation of the Japanese language notice dated February 28, 2013 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】 Estimated Revenues and Expenses from the Property to be Acquired
- 【Reference Material 2】 Exterior Appearance of the Property
- 【Reference Material 3】 Standard Floor Plan of the Property
- 【Reference Material 4】 Summary of Portfolio after Acquisition of the Property



<Attached Materials>

【Reference Material 1】 Estimated Revenues and Expenses from the Property to be Acquired

- 1) Property NOI (Net Operating Income): ¥2,867 million
- 2) The above figures represent annualized revenues and expenses based on assumptions made as of this date after exclusion of extraordinary factors for the year of acquisition, and revenues are premised on an occupancy rate of 100% (and are not estimated figures for the following fiscal year).



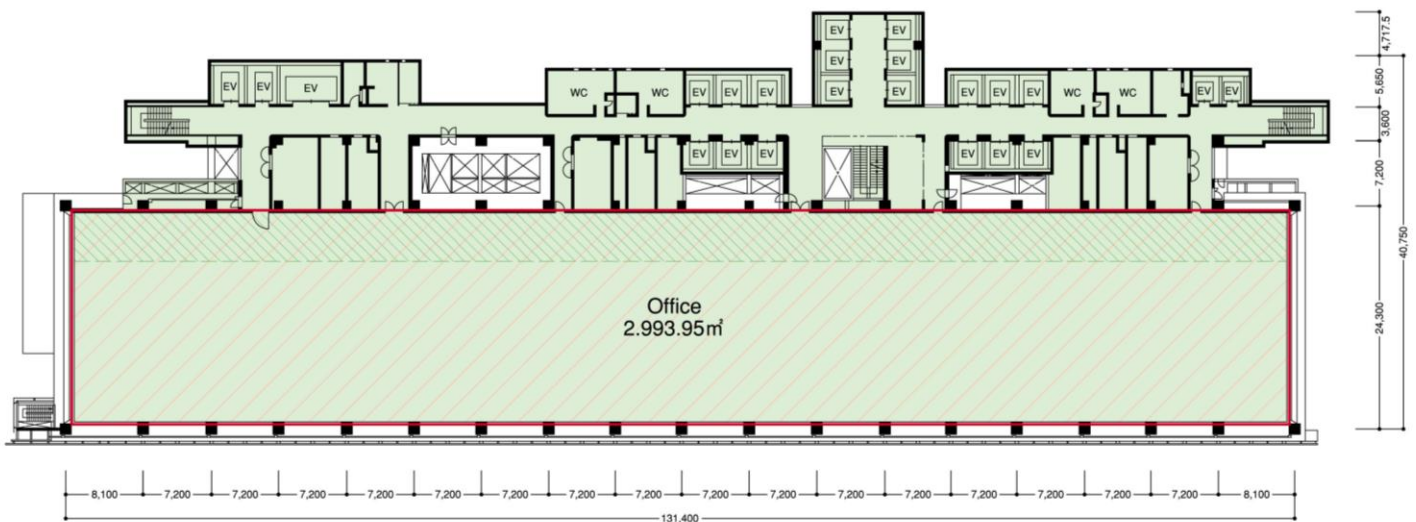
【Reference Material 2】

Exterior Appearance of the Property



【Reference Material 3】

Standard Floor Plan of the Property







## 【Reference Material 4】 Summary of Portfolio after Acquisition of the Property

Area	Name of Building	Acquisition Price (¥ in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (¥ in thousands) (Note 2)
Tokyo CBDs	Sony City Osaka (Note 3)	66,660,000	6.40%	68.3%	69,900,000
	NBF Hibiya Bldg.	63,500,000	6.10%		54,600,000
	Gate City Ohsaki	41,731,060	4.01%		39,100,000
	Gate City Ohsaki (Additional Acquisition) (Note 4)	15,550,000	1.49%		15,600,000
	Nishi-Shinjuku Mitsui Bldg.	45,010,448	4.32%		42,900,000
	Mitsubishi Heavy Industries Head Office Bldg.	36,300,000	3.49%		40,400,000
	Shiba NBF Tower	32,000,000	3.07%		25,800,000
	NBF Platinum Tower	31,000,000	2.98%		52,300,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.98%		17,000,000
	NBF COMODIO Shiodome	28,800,000	2.77%		31,300,000
	Toranomon Kotohira Tower	24,543,000	2.36%		30,700,000
	Nakameguro GT Tower	23,856,000	2.29%		18,800,000
	Celestine Shiba Mitsui Bldg. (Note 5)	22,500,000	2.16%		22,500,000
	Mitsuiseimei Ochanomizu Bldg.	20,840,000	2.00%		12,300,000
	NBF Ginza Street Bldg.	17,000,000	1.63%		14,500,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.56%		14,900,000
	GSK Bldg.	15,616,000	1.50%		21,300,000
	River City M-SQUARE	13,350,000	1.28%		14,000,000
	NBF Toranomon Bldg.	13,337,000	1.28%		16,200,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.27%		15,500,000
	NBF Shinkawa Bldg.	12,614,118	1.21%		13,540,000
	NBF Nihonbashi Muromachi Center Bldg. (Note 6)	11,972,500	1.15%		12,700,000
	Shinbashi M-SQUARE (Note 7)	11,900,000	1.14%		11,900,000
	NBF Alliance	9,126,000	0.88%		10,300,000
	Yotsuya Medical Bldg.	8,800,000	0.85%		7,720,000
	Shibuya Garden Front	8,700,000	0.84%		11,700,000
	Higashi Gotanda Square	8,350,000	0.80%		8,440,000
	NBF Shibuya East	8,000,000	0.77%		6,490,000
	NBF Shibakouen Bldg.	6,770,000	0.65%		8,190,000
	NBF Takanawa Bldg.	6,667,200	0.64%		7,460,000
	NBF Akasaka Sanno Square	6,250,000	0.60%		6,400,000
NBF Shibakouen Daimon Street Bldg.	6,100,000	0.59%	4,320,000		
Sumitomo Densetsu Bldg.	5,365,000	0.52%	5,050,000		
NBF Higashi-Ginza Square	5,200,000	0.50%	6,990,000		
NBF Ogawamachi Bldg.	4,940,000	0.47%	5,540,000		
Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.47%	4,700,000		
NBF Ikebukuro Tower	4,695,000	0.45%	4,990,000		
NBF Ikebukuro City Bldg.	4,428,000	0.43%	4,940,000		
Ryukakusan Bldg.	4,050,000	0.39%	4,130,000		
Other Greater Tokyo	Nakanosakaue Sunbright Twin	40,750,488	3.91%	20.6%	30,300,000
	NBF Toyosu Canal Front	35,200,000	3.38%		35,700,000
	NBF Toyosu Garden Front	25,018,000	2.40%		28,000,000
	NBF Ueno Bldg.	10,400,000	1.00%		8,430,000
	Chofu South Gate Bldg.	9,320,000	0.90%		9,300,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.48%		20,700,000
	Yokohama ST Bldg.	13,529,300	1.30%		13,300,000
	Parale Mitsui Bldg.	3,800,000	0.36%		3,540,000
	NBF Atsugi Bldg.	2,300,000	0.22%		2,110,000
	Tsukuba Mitsui Bldg.	8,875,500	0.85%		7,040,000
	NBF Utsunomiya Bldg.	2,435,000	0.23%		2,120,000
	S-ino Omiya North Wing	16,816,345	1.62%		17,900,000
	NBF Urawa Bldg.	2,000,000	0.19%		1,780,000
	NBF Shin-Urayasu Tower	15,700,000	1.51%		11,500,000
	NBF Matsudo Bldg.	2,455,000	0.24%		2,060,000
Other Cities	Sapporo L-Plaza	4,404,405	0.42%	11.1%	6,610,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.18%		1,290,000
	NBF Sendai Honcho Bldg.	3,566,000	0.34%		2,990,000
	NBF Unix Bldg.	4,028,900	0.39%		3,210,000
	NBF Niigata Telecom Bldg.	3,957,500	0.38%		2,800,000
	Sumitomo Mitsui Banking Nagoya Bldg. (Note 7)	14,900,000	1.43%		14,900,000
	NBF Nagoya Hirokoi Bldg.	7,232,000	0.69%		7,230,000
	Aqua Dojima NBF Tower	17,810,000	1.71%		18,200,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.38%		13,400,000
	Sun Mullion NBF Tower	10,500,000	1.01%		7,350,000
	Sakaisui-Honmachi Center Bldg.	6,500,000	0.62%		6,170,000
	NBF Sakai-Higashi Bldg.	2,227,200	0.21%		1,540,000
	Aqua Dojima East	1,914,000	0.18%		1,770,000
	NBF Shijo Karasuma Bldg.	1,627,000	0.16%		1,190,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.28%		2,420,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.21%		2,310,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.32%		3,460,000
	Hakata Gion M-SQUARE	8,000,000	0.77%		8,210,000
NBF Kumamoto Bldg.	4,500,000	0.43%	3,710,000		
<b>Total</b>		<b>1,041,185,666</b>	<b>100%</b>	<b>100%</b>	<b>1,017,640,000</b>

(Note 1) "Acquisition Price" represents in principle the price for which NBF acquired the property. The "Acquisition Price" for property to be acquired in the future represents the sale and purchase price set forth in the relevant sale and purchase contract etc.

(Note 2) The "Value (Real Estate Appraisal Value)" figures in the above table are in principle the appraisal values disclosed as of the end of December 2012 (real estate appraisal value with date of valuation being December 31, 2012).

(Note 3) The date of valuation for the "value (real estate appraisal value)" is February 1, 2013.

(Note 4) Expected to be acquired on March 22, 2013. The date of valuation for the "value (real estate appraisal value)" is December 1, 2012.

(Note 5) Expected to be acquired on May 31, 2013. The date of valuation for the "value (real estate appraisal value)" is December 1, 2012.

(Note 6) Expected to be sold on May 31, 2013. The date of valuation for the "value (real estate appraisal value)" is December 1, 2012. The acquisition price represents 50% of the initial acquisition price.

(Note 7) The date of valuation for the "value (real estate appraisal value)" is December 1, 2012.