



March 1, 2013

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
Tsutomu 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
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Notice of Acquisition of Assets
(Shibuya Garden Front & Shibuya Garden Front Annex: Additional Acquisition)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on March 1, 2013 to acquire assets as follows:

Descriptions

- 1 Outline of the Acquisition
 - 1) Acquired Assets: Real Property
 - 2) Name of Assets: Shibuya Garden Front and Shibuya Garden Front Annex (50% additional acquisition)
(hereinafter, the Shibuya Garden Front, together with the Shibuya Garden Front Annex, is called "the Property", and the portion subject to the current acquisition is called "the Additional Portion of the Property")
 - 3) Acquisition Price: ¥11,569,000,000
(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: March 1, 2013
 - 5) Date of Transfer: March 29, 2013 (anticipated)
 - 6) Acquired From: Sumitomo Life Insurance Company
(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 etc (※1), and existing capital plus loans etc.
※1 Please refer to our "Notice Concerning Issue of New Investment Shares and Secondary Offering of Investment Shares" published on January 7, 2013 [English Release Date: February 1, 2013]
 - 8) Intermediary: None
 - 9) Payment Method: Lump-sum payment at the time of transfer



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 Property is located in the new south exit area of the Shibuya station within a congregation of business headquarters and office buildings as well as hotels, which location has convenient access to transportation via several railways such as the "Shibuya" station of the JR Yamanote, Saikyo, and Shonan-Shinjuku lines, the Tokyu Toyoko and Denen-Toshi lines, the Ginza, Hanzomon and Fukutoshin lines of the Tokyo Metro, as well as the Keio Inokashira line. In the surrounding areas, in addition to the opening of the "Shibuya" station of the Tokyo Metro Fukutoshin line in June 2008 which has developed a new route from Shibuya to Ikebukuro through Shinjuku, mutual direct operations from Shibuya using the Tokyu Toyoko line are scheduled to commence on March 16, 2013, and further enhancement of convenience of transportation is expected.

2) Building and Facilities

The Property consists of a large-scale, 9 year old building completed in September 2003, which is highly competitive with high-spec functions such as a standard floor having an exclusive area of 331 tsubo (approximately 1,097m²), a ceiling height of 2,750mm, a 100mm sub-floor cavity for OA connection, as well as three zones per floor for independent air conditioning etc.

3) 100% ownership

After the delivery of the Additional Portion of the Property, together with prior ownership interests of 50%, NBF will have a 100% ownership interest in the Property which will increase the asset value and liquidity of the same.

3 Outline of Assets

1) Type of Specified Assets

Real Property

2) Location (Description in Real Property Registry)

Shibuya Garden Front

(i) Land: 26-ban 8, 26-ban 14, Shibuya 3-chome, Shibuya-ku, Tokyo

(ii) Building: 26-banchi 8, 26-banchi 9, 27-banchi 6, Shibuya 3-chome, Shibuya-ku, Tokyo
(Street Address) 25-18, Shibuya 3-chome, Shibuya-ku, Tokyo

Shibuya Garden Front Annex

(iii) Land: 23-ban 1, Shibuya 3-chome, Shibuya-ku, Tokyo

(iv) Building: 23-banchi 4, 23-banchi 1, 23-banchi 2, 23-banchi 3, Shibuya 3-chome, Shibuya-ku,
Tokyo

(Street Address) 26-3, Shibuya 3-chome, Shibuya-ku, Tokyo

3) Use (primary use listed in Real Property Registry)

Shibuya Garden Front: Offices

Shibuya Garden Front Annex: Retail stores



- 4) Type of Ownership
- (i) Land: co-ownership interests (50%) in 2)(i) and (iii) above respectively
(added to prior ownership interests, delivery of the Additional Portion of the Property will result in 100% fee ownership)
- (ii) Building:co-ownership interests (50%) in 2)(ii) and (iv) above respectively
(added to prior ownership interests, delivery of the Additional Portion of the Property will result in 100% fee ownership)
- 5) Square meters (Description in Real Property Registry)
- (i) Land: Site area 3,750.71m² (entire site)
- (ii) Building: Shibuya Garden Front: Total floor square meters 22,393.57m² (entire building)
Shibuya Garden Front Annex: Total floor square meters 256.97m² (entire building)
- 6) Structure (Description in Real Property Registry)
- Shibuya Garden Front: Steel frame and steel framed reinforced concrete structure, flat roof,
14 floors above ground and 1 floor below ground
- Shibuya Garden Front Annex: Steel framed, alloy-plated steel sheet roofing, one-story building
- 7) Completion of Construction (Description in Real Property Registry)
September 30, 2003
- 8) Design and Construction
- Design: Nikken Sekkei, Ltd
Construction: Obayashi Corporation
- 9) Valuation
- Valuation prepared by Tanizawa Sogo Appraisal Co., Ltd.
- Appraisal Value: ¥11,700,000,000
 - Date of Valuation: February 1, 2013
 - Summary of Valuation

Item	Value
Profit price	¥11,700,000,000
Price based on direct capitalization method	¥11,900,000,000
Net revenue	¥512,224,000
Cap rate	4.3%
Price based on DCF method	¥11,600,000,000
Discount rate	4.5%
Terminal cap rate	4.6%
Integration value	¥7,850,000,000
Percentage for land	73.9%
Percentage for building	26.1%

- 10) Earthquake PML
3.4% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
- 11) Existence of Secured Interests (liens)
None.



12) Description of Tenants (Tenancy as of January 31, 2013)

- Total number and summary of lessees: one company (general business company)
- Total rental revenues: not disclosed due to the fact that the lessee's consent to disclosure has not been obtained.
- Total rentable area: 8,258.03 m² (total rentable area of the entire building of the Property (16,516.06m²)x50%)
- Total leased area: 8,258.03 m² (total rentable area of the entire building of the Property (16,516.06m²)x 50%)
- Occupancy Rate: 100%
- Total lease deposit amount: not disclosed due to the fact that the lessee's consent to disclosure has not been obtained.

4 Outline of Seller

(1) Name	Sumitomo Life Insurance Company
(2) Location	4-35, Shiromi 1-chome, Chuo-ku, Osaka City, Osaka Prefecture
(3) Name and Title of Representative:	Yoshio Sato, President and CEO
(4) Description of Business	Life insurance business
(5) Capital	¥639,000 million ("funds (including the reserve for redemption of funds)" as of December 31, 2012)
(6) Date of Establishment	May 11, 1907
(7) Relations with NBF/NBFM	
Capital Relationship	shareholder of NBFM (35% equity interest); owns 12,256 shares of NBF.
Personnel	certain personnel seconded to NBFM.
Business Relationship	lender, lessee of real property owned by NBF etc.
Related parties	does not fall under the category of related parties of NBF; is an affiliated company of NBFM, falling under the category of its related parties.

5 Status of Owners etc. of the Property

Name of Assets	Status of Owners etc. of the Property		
		previous owner (seller)	earlier previous owner
Shibuya Garden Front and Shibuya Garden Front Annex	Corporate Name/Name	Sumitomo Life Insurance Company	N/A
	Relationship with a specially interested party	falls under the category of Interested Parties etc. under NBFM's internal rules	
	History/Reason etc. for acquisition	new construction	
	Acquisition Price	—	
	Date of Acquisition	November 12, 2003 (new construction)	



6 Acquisition Schedule

March 1, 2013: Determination to make acquisition; execution of a sale and purchase agreement

March 29, 2013: Delivery (anticipated)

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

There will be no change to 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” announced as of February 28, 2013 as this acquisition will have little impact upon the management situation of NBF during such periods referred to therein.

End

This English language notice is a translation of the Japanese language notice dated March 1, 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



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

1) Property NOI (Net Operating Income): ¥498 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 97.0% (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	6.28%	68.9%	69,900,000
	NBF Hibiya Bldg.	63,500,000	5.98%		54,600,000
	Gate City Ohsaki	41,731,060	3.93%		39,100,000
	Gate City Ohsaki (Additional Acquisition) (Note 4)	15,550,000	1.47%		15,600,000
	Nishi-Shinjuku Mitsui Bldg.	45,010,448	4.24%		42,900,000
	Mitsubishi Heavy Industries Head Office Bldg.	36,300,000	3.42%		40,400,000
	Shiba NBF Tower	32,000,000	3.01%		25,800,000
	NBF Platinum Tower	31,000,000	2.92%		52,300,000
	NBF Minami-Aoyama Bldg.	31,000,000	2.92%		17,000,000
	NBF COMODIO Shiodome	28,800,000	2.71%		31,300,000
	Toranomon Kotohira Tower	24,543,000	2.31%		30,700,000
	Nakameguro GT Tower	23,856,000	2.25%		18,800,000
	Celestine Shiba Mitsui Bldg. (Note 5)	22,500,000	2.12%		22,500,000
	Mitsuseimei Ochanomizu Bldg.	20,840,000	1.96%		12,300,000
	NBF Ginza Street Bldg.	17,000,000	1.60%		14,500,000
	Shibuya Garden Front	8,700,000	0.82%		11,700,000
	Shibuya Garden Front (Additional Acquisition) (Note 6)	11,569,000	1.09%		11,700,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.53%		14,900,000
	GSK Bldg.	15,616,000	1.47%		21,300,000
	River City M-SQUARE	13,350,000	1.26%		14,000,000
	NBF Toranomon Bldg.	13,337,000	1.26%		16,200,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.25%		15,500,000
	NBF Shinkawa Bldg.	12,614,118	1.19%		13,540,000
	NBF Nihonbashi Muromachi Center Bldg. (Note 7)	11,972,500	1.13%		12,700,000
	Shinbashi M-SQUARE (Note 9)	11,900,000	1.12%		11,900,000
	NBF Alliance	9,126,000	0.86%		10,300,000
	Yotsuya Medical Bldg.	8,800,000	0.83%		7,720,000
	Ikebukuro East (Note 9)	8,630,000	0.81%		8,850,000
	Higashi Gotanda Square	8,350,000	0.79%		8,440,000
	NBF Shibuya East	8,000,000	0.75%		6,490,000
	NBF Shibakouen Bldg.	6,770,000	0.64%		8,190,000
	NBF Takanawa Bldg.	6,667,200	0.63%		7,460,000
	NBF Akasaka Sanno Square	6,250,000	0.59%		6,400,000
NBF Shibakouen Daimon Street Bldg.	6,100,000	0.57%	4,320,000		
Sumitomo Densetsu Bldg.	5,365,000	0.51%	5,050,000		
NBF Higashi-Ginza Square	5,200,000	0.49%	6,990,000		
NBF Ogawamachi Bldg.	4,940,000	0.47%	5,540,000		
Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.46%	4,700,000		
NBF Ikebukuro Tower	4,695,000	0.44%	4,990,000		
NBF Ikebukuro City Bldg.	4,428,000	0.42%	4,940,000		
Ryukakusan Bldg.	4,050,000	0.38%	4,130,000		
Other Greater Tokyo	Nakanosakaue Sunbright Twin	40,750,488	3.84%	20.2%	30,300,000
	NBF Toyosu Canal Front	35,200,000	3.32%		35,700,000
	NBF Toyosu Garden Front	25,018,000	2.36%		28,000,000
	NBF Ueno Bldg.	10,400,000	0.98%		8,430,000
	Chofu South Gate Bldg.	9,320,000	0.88%		9,300,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	2.43%		20,700,000
	Yokohama ST Bldg.	13,529,300	1.27%		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	0.84%		7,040,000
	NBF Utsunomiya Bldg.	2,435,000	0.23%		2,120,000
	S-ino Omiya North Wing	16,816,345	1.58%		17,900,000
	NBF Urawa Bldg.	2,000,000	0.19%		1,780,000
	NBF Shin-Urayasu Tower	15,700,000	1.48%		11,500,000
NBF Matsudo Bldg.	2,455,000	0.23%	2,060,000		
Other Cities	Sapporo L-Plaza	4,404,405	0.41%	10.9%	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	0.38%		3,210,000
	NBF Niigata Telecom Bldg.	3,957,500	0.37%		2,800,000
	Sumitomo Mitsui Banking Nagoya Bldg. (Note 8)	14,900,000	1.40%		14,900,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.68%		7,230,000
	Aqua Dojima NBF Tower	17,810,000	1.68%		18,200,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.36%		13,400,000
	Sun Mullion NBF Tower	10,500,000	0.99%		7,350,000
	Sakaisuji-Honmachi Center Bldg.	6,500,000	0.61%		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	0.15%		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	0.31%		3,460,000
Hakata Gion M-SQUARE	8,000,000	0.75%	8,210,000		
NBF Kumamoto Bldg.	4,500,000	0.42%	3,710,000		
Total		1,061,384,666	100%	100%	1,038,190,000

(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 acquired on March 29, 2013. The date of valuation for the "value (real estate appraisal value)" is February 1, 2013.

(Note 7) 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 8) The date of valuation for the "value (real estate appraisal value)" is December 1, 2012.

(Note 9) Expected to be acquired on March 25, 2013. The date of valuation for the "value (real estate appraisal value)" is February 1, 2013.