



November 30, 2021

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:
Yukio Handa, General Manager
(TEL. +81-3-3516-3370)

Notice of Acquisition of Assets
(Yokohama ST Bldg.: 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 November 30, 2021 to acquire assets as follows:

Description

1. Outline of the Acquisition

Name of Assets	Yokohama ST Bldg. (Additional Acquisition: 15% co-ownership interest) *Yokohama ST Bldg. shall be referred to as "the Property," the portion to be acquired shall be referred to as "the Additionally Acquired Portion of the Property" hereinafter.
Assets to be Acquired	Trust beneficiary interest in real estate
Acquisition Price	3,220 million yen (Miscellaneous acquisition costs, adjusted amount of fixed assets tax and city-planning tax, etc. as well as consumption tax, etc. are excluded.)
Seller	TODA CORPORATION *Please refer to 4. Outline of seller below
Intermediary	None
Date of Contract	November 30, 2021
Date of Transfer	November 30, 2021
Acquisition Funds	Own funds
Payment Method	One time, lump-sum payment at the time of transfer

2. Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the Other Greater Tokyo in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation.

NBF already owns trust beneficiary interest comprised mainly of 75% co-ownership interest in the



Property (the Existing Trust Beneficiary Interest), and has steadily built a track record. NBFM considers this acquisition to be in line with NBF's policy of increasing the asset value and liquidity of the Property.

The Additionally Acquired Portion of the Property is trust beneficiary interest comprised mainly of 15% co-ownership interest in the Property. Combined with the Existing Trust Beneficiary Interest, NBF's owned trust beneficiary interest will be comprised mainly of 90% co-ownership interest in total after the acquisition.

3. Outline of Assets

Name of Assets	Yokohama ST Bldg. (Additional Acquisition: 15% co-ownership interest)
Type of Specified Assets	Trust beneficiary interest in real estate
Trustee	Sumitomo Mitsui Trust Bank, Ltd.
Term of Trust	Date of establishment of trust: November 30, 2021 Date of expiration of trust: March 31, 2031
Type of Ownership	Land: Co-ownership interest (15%) Building: Co-ownership interest (15%)
Location	(Description in Real Property Registry) Land: 11-4, 11-6, 11-16, 11-17, 11-18, 11-19, 11-20, Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa Building: 11-6, 11-16, 11-20, 11-4, 11-17, 11-18, 11-19, Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa (Street Address) 11-15, Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa
Use (primary use listed in Real Property Registry)	Offices, Parking and Stores
Square meters (Description in Real Property Registry)	Land: site area 6,348.45 m ² (entire site) Building: total floor space 42,568.77 m ² (entire building)
Structure (Description in Real Property Registry)	Steel frame and steel framed reinforced concrete structure, flat roof, 18 floors above ground and 2 floors below ground (Based on the description of the entire building)
Completion of Construction (Description in Real Property Registry)	October 31, 1987
Matters Related to Earthquake Resistance	Earthquake PML 1.7% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
Existence of Secured Interests (liens)	None
Appraisal Value (Date of Valuation)	¥3,220,000,000 (August 31, 2021)
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Description of Tenants	Tenancy situation of the Additionally Acquired Portion of the



	Property as of October 31, 2021 is as follows.
Total number of end tenants	99 companies
Total rental revenues	Approximately ¥256 million / year (based on the owned interests of the leasing space)
Lease deposit	Approximately ¥206 million (based on the owned interests of the leasing space)
Total rentable area	Approximately 4,017.32 m ² (based on the owned interests)
Total rented area	Approximately 3,999.91 m ² (based on the owned interests)
Occupancy Rate	99.5%
Other Special Matters	<p>(1) NBF currently owns the Existing Trust Beneficiary Interest (75% co-ownership interest), and will own trust beneficiary interest comprised of 90% co-ownership interest in total after acquiring the Additionally Acquired Portion of the Property (trust beneficiary interest comprised mainly of 15% co-ownership interest in the Property). Of the building of the Property, the portion co-owned by co-owners other than Sumitomo Mitsui Trust Bank, Ltd. (the “Existing Trustee”), the trustee of the Existing Trust Beneficiary Interest, is leased to the Existing Trustee, and the Existing Trustee subleases the entire building, including the portion co-owned by the Existing Trustee, to a sublessee.</p> <p>(2) The Property is a building under co-ownership and is subject to the agreement regarding the concerned co-ownership. The agreement stipulates that an offer of sale should be made to other co-owners prior to any other party; the owned portion may not be transferred to any third party, pledged, collateralized, etc. without the consent of other co-owners; demands for partition concerning co-ownership may not be made; and such.</p> <p>(3) At the Property, use of spray material containing asbestos which should be placed under supervision (inspection, recording, etc.) has been confirmed. However, it is in a stable condition and is not in a state to pose health hazards. The plan is to remove or seal off the material or take other measures in accordance with the situation going forward.</p>

4. Outline of Seller

1. Name	TODA CORPORATION
2. Location	7-1 Kyobashi 1-Chome, Chuo-ku, Tokyo, Japan
3. Name and Title of Representative	Otani Seisuke, President and Representative Director
4. Description of Business	1. Research, planning, design, management, and execution related to all aspects of architectural and civil engineering comprehensive engineering and consulting related thereto



	2. Research, planning, design, management, and execution related to local development, urban development, etc.; comprehensive engineering and consulting related thereto 3. Real estate sale and purchase, rental, intermediary services, management, and appraisal 4. renewable power generation business, etc
5. Capital	¥23,001 million (as of March 31, 2021)
6. Date of Establishment	July 10, 1936
7. Net Assets	¥312,533 million (as of March 31, 2021)
8. Total Assets	¥735,789 million (as of March 31, 2021)
9. Major unitholders and investment ratios	Daiichisyokusan (13.25%), NORTHERN TRUST CO. (AVFC) RESILCHESTER INTERNATIONAL INVESTORSINTERNATIONAL VALUE EQUITY TRUST (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch) (5.88%), The Master Trust Bank of Japan, Ltd. (trust account) (5.13%) (as of March 31, 2021)
10. Relations with NBF/NBFM	
Capital Relationship	None
Personnel Relationship	None
Business Relationship	None
Related parties	Does not fall under the category of related parties of NBF and NBFM.

5. Status of Owners etc. of the Properties

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. Future Outlook

There will be no change to the forecasted management situation during the period ending December 31, 2021 and June 30, 2022 as this acquisition will have little impact upon the management situation of NBF during such period.



7. Summary of Appraisal Report

Property Name	Yokohama ST Bldg. (Additional Acquisition)
Appraisal Value	¥3,220,000 thousand
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Valuation	August 31, 2021

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	3,220,000	
Appraisal value based on direct capitalization method	3,250,000	
(1) Operating Revenue ((i) - (ii))	260,144	
(i) Effective gross income	277,833	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.	17,689	Estimated based on a vacancy rate which is deemed stable on a mid- and-long-term basis
(2) Operating Expenses	92,709	
Building Maintenance Costs/ Property Management Fees (Note)	39,453	Estimated based on past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	22,005	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	1,955	Estimated based on the Engineering Report, etc
Leasing Expenses, etc.	1,997	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	20,550	Estimated based on a land/house collective ledger of fiscal 2021
Insurance Premiums	246	Estimated based on insurance documents etc.
Other Expenses	6,504	Estimated based on past results verified applying the level of other expenses for similar real properties
(3) Net Operating Income ((1)-(2))	167,435	
(4) Investment Income from Temporary Deposits	1,824	Estimated applying investment return of 1.0%
(5) Capital Expenditure	39,090	Estimated based on the Engineering Report, etc
(6) Net Income ((3)+(4)-(5))	130,169	
(7) Capitalization Rate	4.0%	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	3,200,000	
Discount Rate	4.1%	Estimated taking into account the risks deriving from regional/property-specific factors of the Property
Terminal Capitalization Rate	4.2%	Estimated by reflecting uncertainties of future outlook, etc. in capitalization rate
Integrated value based on cost method	3,330,000	
Proportion of land	89.5%	
Proportion of building	10.5%	

*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
---	------



(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 November 30, 2021 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>

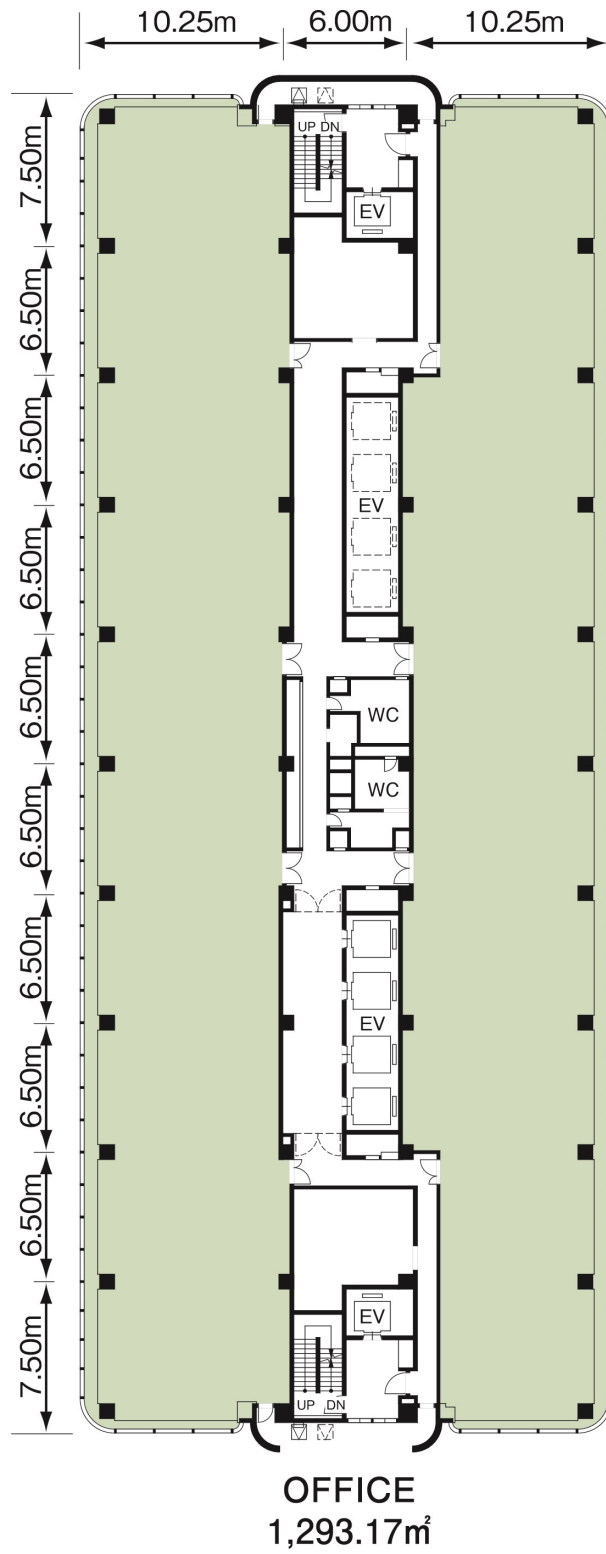
- 【Reference Material 1】 Exterior Appearance of the Property
- 【Reference Material 2】 Standard Floor Plan of the Property
- 【Reference Material 3】 Cross-sectional Drawing of the Property
- 【Reference Material 4】 Summary of Portfolio after the Transactions

【Reference Material 1】 Exterior Appearance of the Property



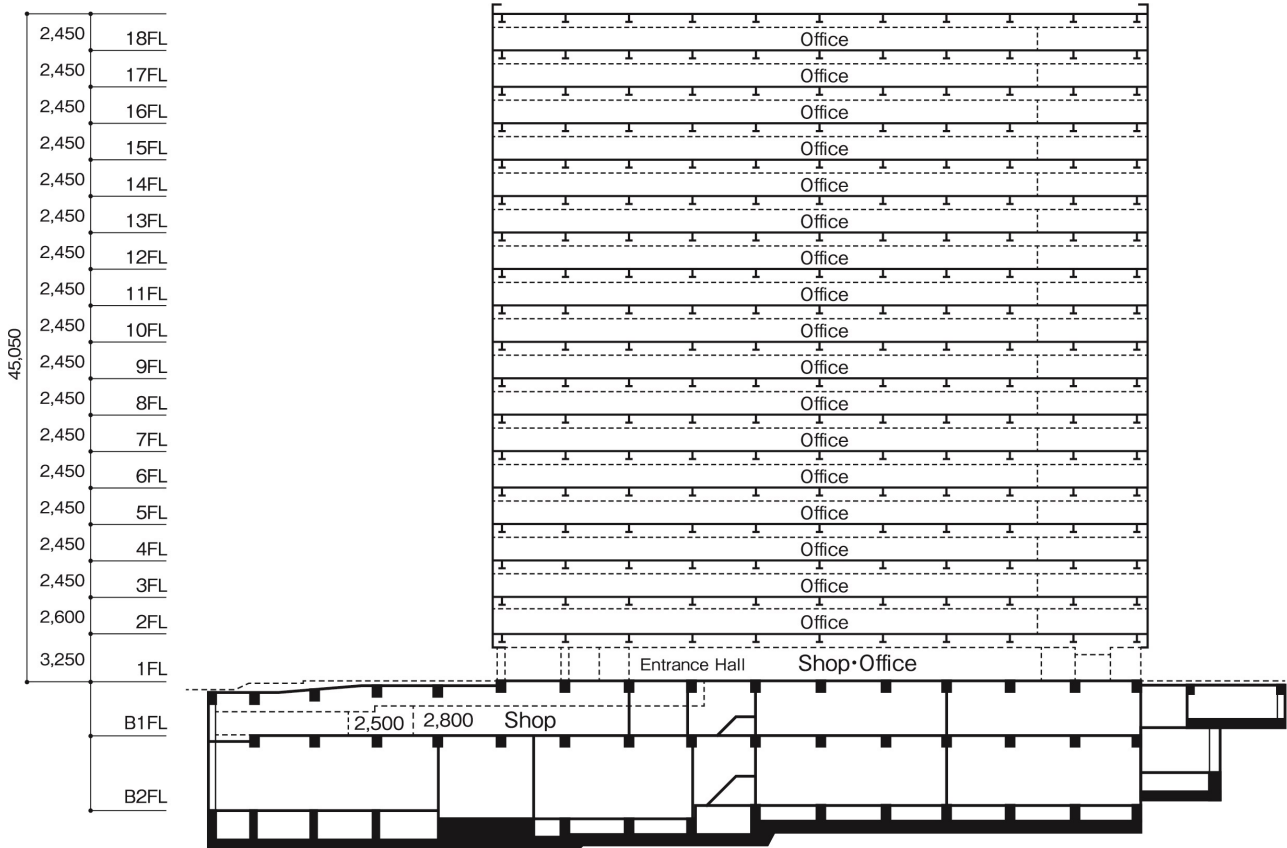


【Reference Material 2】 Standard Floor Plan of the Property





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



NBF has the existing trust beneficiary rights(75% of the co-ownership interests) and, after acquiring additional trust beneficiary interests in the trust property that mainly consists of 15% of the co-ownership interests, will own 90% of the trust beneficiary rights.

【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	Shinjuku Mitsui Bldg.	170,000,000	12.4%	59.8%	173,000,000
	IIDABASHI GRAND BLOOM	77,600,000	5.7%		84,900,000
	Roppongi T-CUBE	62,800,000	4.6%		63,600,000
	GranTokyo South Tower	47,000,000	3.4%		48,500,000
	Nishi-Shinjuku Mitsui Bldg.	45,271,040	3.3%		44,900,000
	Celestine Shiba Mitsui Bldg.	42,000,000	3.1%		51,900,000
	NBF Shinagawa Tower	36,300,000	2.6%		49,400,000
	Shiba NBF Tower	32,000,000	2.3%		29,300,000
	NBF Platinum Tower	31,000,000	2.3%		63,600,000
	NBF COMODIO Shiodome	28,800,000	2.1%		36,600,000
	G-BASE TAMACHI	28,200,000	2.1%		28,800,000
	Toranomon Kotohira Tower	24,543,000	1.8%		35,800,000
	NBF Shibuya Garden Front	20,269,000	1.5%		33,000,000
	NBF Ginza Street Bldg.	17,000,000	1.2%		17,900,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	1.2%		20,700,000
	Kowa Nishi-Shinbashi Bldg. B	13,473,200	1.0%		15,200,000
	River City M-SQUARE	13,350,000	1.0%		13,900,000
	NBF Toranomon Bldg.	13,337,000	1.0%		17,900,000
	Shinbashi M-SQUARE	11,900,000	0.9%		14,900,000
	NBF ALLIANCE	9,126,000	0.7%		12,900,000
	Yotsuya Medical Bldg.	8,800,000	0.6%		7,970,000
	NBF Shibuya East	8,000,000	0.6%		9,190,000
	NBF Shibakouen Bldg.	6,770,000	0.5%		8,490,000
	NBF Takanawa Bldg.	6,667,200	0.5%		7,590,000
	NBF Akasaka Sanno Square	6,250,000	0.5%		7,360,000
	NBF Kandasudacho Bldg.	5,960,000	0.4%		8,740,000
NBF Ogawamachi Bldg.	5,420,000	0.4%	7,000,000		
Sumitomo Densetsu Bldg.	5,365,000	0.4%	6,030,000		
NBF Higashi-Ginza Square	5,200,000	0.4%	8,270,000		
Panasonic Tokyo Shiodome Bldg.	5,075,000	0.4%	5,980,000		
Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.4%	5,420,000		
NBF Hatchobori Terrace	4,528,349	0.3%	5,930,000		
Ryukakusan Bldg.	4,050,000	0.3%	4,820,000		
Jingumae M-SQUARE	3,700,000	0.3%	4,970,000		
23 Wards of Tokyo	NBF Osaki Bldg.	66,660,000	4.9%	83.6%	84,100,000
	Gate City Ohsaki	57,281,060	4.2%		71,100,000
	NBF Toyosu Canal Front	35,200,000	2.6%		38,600,000
	Ueno East Tower	35,000,000	2.6%		38,500,000
	NBF Toyosu Garden Front	25,018,000	1.8%		29,800,000
	Osaki Bright Core - Bright Plaza	24,380,000	1.8%		25,500,000
	Nakameguro GT Tower	23,856,000	1.7%		23,000,000
	OSAKI BRIGHT TOWER	13,970,000	1.0%		14,200,000
	NBF Ueno Bldg.	10,400,000	0.8%		9,840,000
	NBF Ikebukuro East	8,630,000	0.6%		13,500,000
	Higashi Gotanda Square	8,350,000	0.6%		8,620,000
	Toyo-cho Center Bldg.	7,800,000	0.6%		8,810,000
	NBF Ikebukuro Tower	4,695,000	0.3%		5,760,000
	NBF Ikebukuro City Bldg.	4,428,000	0.3%		5,890,000



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	0.7%	6.3%	9,950,000
	Shin-Kawasaki Mitsui Bldg.	25,820,000	1.9%		23,300,000
	Yokohama ST Bldg.	13,529,300	1.0%		17,100,000
	Yokohama ST Bldg. (Additional Acquisition) (Note 3)	3,220,000	0.2%		3,220,000
	Parale Mitsui Bldg.	3,800,000	0.3%		4,790,000
	Tsukuba Mitsui Bldg.	8,875,500	0.6%		8,490,000
	S-ino Omiya North Wing	16,816,345	1.2%		22,600,000
	NBF Urawa Bldg.	2,000,000	0.1%		2,210,000
	NBF Matsudo Bldg.	2,455,000	0.2%		2,520,000
Other Cities	Sapporo L-Plaza	4,404,405	0.3%	10.2%	7,890,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.1%		1,490,000
	NBF Niigata Telecom Bldg.	3,957,500	0.3%		2,750,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.1%		16,700,000
	Nagoya Mitsui New Building	13,200,000	1.0%		13,600,000
	Nagoya Mitsui Main Building	13,050,000	1.0%		13,400,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.5%		6,790,000
	Aqua Dojima NBF Tower	17,810,000	1.3%		20,500,000
	Nakanoshima Central Tower	14,900,000	1.1%		18,900,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.0%		13,800,000
	Sakaisuji-Honmachi Center Bldg.	12,700,000	0.9%		14,300,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.2%		2,530,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.2%		2,340,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.2%		3,830,000
	Hakata Gion M-SQUARE	8,000,000	0.6%		12,100,000
NBF Kumamoto Bldg.	4,500,000	0.3%	4,090,000		
Total		1,371,773,600	100.0%	100%	1,580,870,000

(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 the end of 1H/21 (as of June 30, 2021.)

(Note 3) The "Appraisal Value" of "Yokohama ST Bldg. (Additional Acquisition)" is as of August 31, 2021.

(Note 4) "Sun Mullion NBF Tower" will be disposed as of January 31, 2022.