



September 30, 2022

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 (Acquisition of Toyosu Bayside Cross Tower)

Nippon Building Fund Management, Ltd. ("NBFM"), to which Nippon Building Fund, Inc. ("NBF") entrusts asset management services, hereby provides notice of its decision on September 30, 2022, to acquire assets as follows.

#### Description

#### 1. Outline of the Acquisition

Name of Assets to Be Acquired	Toyosu Bayside Cross Tower
Type of Specified Assets	Real estate
Acquisition Price	14,700 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	Mitsui Fudosan Co., Ltd. ("Mitsui Fudosan") (Please refer to 4. Outline of Seller below.)
Intermediary	None
Date of Contract	September 30, 2022
Date of Acquisition	November 1, 2022 (scheduled)
Acquisition Funds	Borrowings and cash on hand
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 23 wards of Tokyo in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation.

The property is a large-scale, mixed-use building completed in 2020 and redeveloped by Mitsui Fudosan, the sponsor of the project, together with the landowner and leaseholder. It features an office zone with cutting-edge functions, a retail zone with a wide variety of stores, a hotel that can accommodate both business customers and tourists, and an energy center.

As a landmark building in the Toyosu area, it is highly competitive thanks to its excellent visibility. The building is equipped with solar power generators, green walls, a green rooftop, and has fitted the site with



greenery. This is a state-of-the-art office building that takes environmental performance into consideration. It has also achieved a rank of "S" in its self-assessment in CASBEE for Real Estate.

(1) Location

The property is conveniently located in the Toyosu area, enjoying excellent access to major areas of Tokyo, including the Tokyo Station area, via the Tokyo Metro Yurakucho Line and Yurikamome Line, as well as adjacent Toyosu Park via the Toyosu Park Bridge and LaLaport Toyosu 1 via a pedestrian deck.

(2) Building facilities, etc.

The property is a relatively new building (only two years old) with high basic specifications, including a standard rental floor area of approximately 1,025 tsubo (3,077.84m<sup>2</sup>), a ceiling height of 2,800 mm, an OA floor of 150 mm, and an electrical capacity of 60VA/m<sup>2</sup>, etc. The building is equipped with a gas cogeneration system that can supply electricity and heat as long as city gas is supplied even during power outages. In addition, it has an emergency power generator that can be used for approximately 72 hours, providing a high level of BCP support. The property is highly competitive, with common facilities equipped with concentration booths, refreshment rooms, and rental conference rooms to enhance the productivity and efficiency of office workers on the 3rd floor, LaLaport Toyosu 3 from the 1st basement floor to the 4th floor above ground, and Mitsui Garden Hotel Toyosu Bayside Cross from the 33rd floor to the 36th floor.

(3) Outline of Assets

Name of Assets to Be Acquired	Toyosu Bayside Cross Tower
Type of Specified Assets	Real estate
Type of Ownership	Land: Ownership (*1) Building: Ownership (sectional ownership; offices on the 15th through 17th floors: 9,116.77 m <sup>2</sup> (exclusive area ratio: 8.55%)) (*2)
Location	(Description in Real Property Registry) Land: 15-12, Toyosu 2-chome, Koto-ku, Tokyo 15-13, Toyosu 2-chome, Koto-ku, Tokyo Building: 15-12, Toyosu 2-chome, Koto-ku, Tokyo (Street Address) 2-1 Toyosu 2-chome, Koto-ku, Tokyo
Use (Primary Use Listed in Real Property Registry)	Offices, stores, hotels, day nurseries, etc.
Square Meters (Description in Real Property Registry)	Land: Site area: 19,733.22 m <sup>2</sup> (entire site) Building: Total floor area: 178,504.10 m <sup>2</sup> (entire building)
Structure (Description in Real Property Registry)	Steel-framed and reinforced concrete structure with flat roof; 36 floors above ground and 2 floors below ground
Completion of Construction (Description in Real Property Registry)	March 31, 2020
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)	15,000 million yen (As of August 31, 2022)
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.



<p>Lease Details</p>	<p>Since NBF plans to lease all of the parcels to be acquired to Mitsui Fudosan, there will be only one lessee, Mitsui Fudosan. Mitsui Fudosan plans to sublease the same to sublessees. In addition, the 4th through 32nd floors of the building (including the 32nd floor outdoor terrace), including the parcels to be acquired (15th through 17th floors), are "centrally managed parcels" subject to the "Memorandum on Central Management" executed between each of the owners of sectional ownership and Mitsui Fudosan (rental income and rental expenses arising from the centrally managed parcels will be received and borne by each of the owners of sectional ownership according to the ratio of rights in such central management regardless of its own sectional ownership parcels). The percentage of the centrally managed right in the parcel subject to the acquisition is approximately 10.09%.</p> <p>The status regarding sublessees as of August 31, 2022, is as follows.</p> <table border="1" data-bbox="209 790 1425 981"> <tr> <td>Total Number of End Tenants</td> <td>3 (*3)</td> </tr> <tr> <td>Total Rental Revenues</td> <td>Approx. 830 million yen (annual amount, rental portion only) (*4)</td> </tr> <tr> <td>Lease Deposit</td> <td>Approx. 830 million yen (rental portion only) (*4)</td> </tr> <tr> <td>Total Leasable Area</td> <td>9,235.46 m<sup>2</sup> (subject to acquisition) (*5)</td> </tr> <tr> <td>Total Leased Area</td> <td>9,235.46 m<sup>2</sup> (subject to acquisition) (*5)</td> </tr> <tr> <td>Occupancy Rate</td> <td>100%</td> </tr> </table>	Total Number of End Tenants	3 (*3)	Total Rental Revenues	Approx. 830 million yen (annual amount, rental portion only) (*4)	Lease Deposit	Approx. 830 million yen (rental portion only) (*4)	Total Leasable Area	9,235.46 m <sup>2</sup> (subject to acquisition) (*5)	Total Leased Area	9,235.46 m <sup>2</sup> (subject to acquisition) (*5)	Occupancy Rate	100%
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Occupancy Rate	100%												
<p>Other Special Matters</p>	<ul style="list-style-type: none"> <li>• The property is developed together with several sites and buildings, including existing buildings such as the Toyosu Police Box and the subway entrance of the Tokyo Metro Yurakucho Line, as well as the adjacent SMBC Toyosu Building, etc. The building has been certified under the Building Standard Law of Japan for the Interconnected Building Design System (*6). The entire certified area is divided into multiple sites for each building, and the building coverage ratio restrictions and floor-area ratio relaxation, etc. are applied to each site according to their respective characteristics.</li> <li>The land at 15-13, Toyosu 2-chome, Koto-ku, Tokyo is co-owned.             <ul style="list-style-type: none"> <li>• The co-owners will enter into a co-ownership agreement upon acquisition of the property, and the co-owners will be subject to the agreement. The agreement will stipulate, among other things, the right of preferential negotiation of other co-owners in the event of transfer of co-ownership, restrictions on transfer and establishment of security, and prohibition of request for partition of the land in co-ownership.</li> <li>• The property is a building under sectional ownership and is subject to the basic agreement among the owners of sectional ownership and the management agreement concerning such sectional ownership. The basic agreement among the owners of sectional ownership provides for preferential negotiating rights for other owners of sectional ownership when transferring exclusive areas, etc., and the management agreement provides for prohibition of separate disposal of exclusive areas, rights to use the site, and co-ownership interests in common areas, etc.</li> <li>• The Toyosu Park Bridge (pedestrian bridge), which is a related asset of the property, is a so-called common area of the building complex and is subject to the complex management agreement concerning the common ownership of the complex. The complex management agreement stipulates the prohibition of separate disposal of the co-ownership interest in the Toyosu Park Bridge and the site of the property, etc.</li> </ul> </li> </ul>												



- \*1 The acquisition targets 94,136/1,000,000 of site rights at 15-12, Toyosu 2-chome, Koto-ku, Tokyo, and 94,136/1,000,000 of co-ownership interests at 15-13, Toyosu 2-chome, Koto-ku, Tokyo.
- \*2 The acquisition includes co-ownership interests (approx. 8.51%) in the entire common areas, etc. (including ancillary facilities, etc.) that are incidental to the building. This includes the co-ownership interests (approx. 6.11%), etc. of the common areas of the complex etc.
- \*3 The total number of end-tenants is the total number of tenants occupying the parcels subject to acquisition and the centrally managed parcels other than the parcels subject to acquisition.
- \*4 Gross rental income and security deposits and guarantees are calculated based on the rent roll received from Mitsui Fudosan (as of August 31, 2022) multiplied by the percentage of the unitary management rights, and are different from the amounts that NBF will receive after delivery.
- \*5 Total leasable area and total leased area are calculated based on the rent roll received from Mitsui Fudosan (as of August 31, 2022), multiplied by the central management ratio, and differ from the floor area that NBF will lease after delivery. Figures are rounded down to two decimal places.
- \*6 This is a system in which building regulations are applied to buildings constructed within a land area consisting of multiple sites, based on a rational design that assumes the existence of existing buildings, by deeming the multiple buildings to be located on the same site, as long as they are approved by the specified administrative agency.

### 3. Overview of Forward Commitments

The purchase agreement for the assets to be acquired falls under the forward commitments, etc. (where payment and delivery shall be made one month or more following the date of each contract). NBF shall pay to the seller a penalty equivalent to 10% of the acquisition price in the event of the termination of a contract due to a breach of its contractual obligations.



#### 4. Outline of Seller

Name	Mitsui Fudosan Co., Ltd.
Location	1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo
Name and Title of Representative	Masanobu Komoda, President and Chief Executive Officer
Description of Business	Real estate business, etc.
Capital	340,552 million yen (as of July 28, 2022)
Date of Establishment	July 15, 1941
Net Assets	2,885,829 million yen (as of June 30, 2022)
Total Assets	8,377,013 million yen (as of June 30, 2022)
Major Unitholders and Investment Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) (18.87%), Custody Bank of Japan, Ltd. (Trust Account) (7.60%) (as of March 31, 2022)
Relationship with NBF/NBFM	
Capital Relationship	Shareholder of NBFM (46% equity interest) Owns 57,630 shares of NBF
Personnel Relationship	Certain personnel seconded to NBFM
Business Relationship	Contractor of office management services; provider of tenant-attracting services; broker for real property sale and purchase etc.; tenant of real property owned by NBF, etc.
Related Parties	Does not fall under the category of related parties of NBF; a parent of NBFM, falling under the category of its related parties.

#### 5. Status of Owners of the Property

Name of Assets to Be Acquired	Status of Owners of the Property		
		Previous Owner (Seller)	Earlier Previous Owner
Toyosu Bayside Cross Tower	Corporate Name	Mitsui Fudosan Co. Ltd.	N/A
	Relationship with a Specially Interested Parties	Interested Party of the Asset Management Company.	N/A
	Background/Reason for Acquisition	Newly Constructed	N/A
	Acquisition Price	-	N/A
	Date of Acquisition	March 31, 2020	N/A



6. Forecasts of Operating Results for the Periods Ending December 31, 2022 and June 30, 2023

There will be no change to the forecast during the period ending December 31, 2022 and June 30, 2023 as this acquisition will have little impact upon the management situation of NBF during such period.

Forecasts of current period performance (as announced on August 15, 2022) and actual results for the previous period

	Total operating revenue	Operating income	Ordinary income	Net income	Distributions per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
1H 2022 (42nd period) -Actual	52,215	26,806	25,440	25,439	13,476	-
2H 2022 (43rd period) -Forecast	47,326	21,442	20,071	20,071	11,500	-
1H 2023 (44th period) -Forecast	44,532	18,439	17,057	17,057	11,500	-

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## 7. Summary of Appraisal Report

Property Name	Toyosu Bayside Cross Tower
Appraisal Value	¥15,000,000 thousand
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Valuation	August 31, 2022

Item	Breakdown (in thousands of yen)	Remarks
Appraisal value based on income method	15,000,000	Estimated by combining the appraisal values under the DCF method and the direct capitalization method
Appraisal value based on direct capitalization method	15,300,000	
(1) Operating Revenue ((i) - (ii))	831,917	
(i) Effective gross income	856,558	Estimated based on income consisting of rents, common area charges, utility charges, facility charges etc. which are deemed stable on a mid- and-long-term basis
(ii) Losses from vacancy, etc.	24,641	Estimated based on a vacancy rate which is deemed stable on a mid-and-long-term basis
(2) Operating Expenses	316,130	
Building Maintenance Costs/ Property Management Fees	195,726	Estimated based on past results verified applying the level of maintenance costs/property management fees for similar real properties
Utilities Expenses	35,201	Estimated based on past results verified applying the level of utilities expenses for similar real properties
Repair Expenses	8,107	Estimated based on the Engineering Report as well as the level of repair expenses for similar real properties
Leasing Expenses, etc.	6,639	Estimated based on the assumed turnover rate and the level of leasing expenses for similar real properties
Taxes & Public Duties	69,105	Estimated based on actual taxes in fiscal 2022 etc.
Insurance Premiums	1,351	Estimated based on insurance rates etc. for similar properties
Other Expenses	0	-
(3) Net Operating Income ((1)-(2))	515,787	
(4) Investment Income from Temporary Deposits	7,569	Estimated applying investment return of 1.0%
(5) Capital Expenditure	18,917	Estimated based on the Engineering Report as well as the level of capital expenditure for similar real properties
(6) Net Income ((3)+(4)-(5))	504,439	
(7) Capitalization Rate	3.3%	Estimated taking into consideration examples of transactions for similar real properties, as well as conditions e.g., location, building condition, rights, contractual terms etc. of the property
Appraisal value based on DCF method	14,900,000	
Discount Rate	3.1%	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	3.5%	Estimated taking into consideration the characteristics of net income adopted in determining the capitalization rate as well as future uncertainty, liquidity and marketability
Integrated value based on cost method	14,400,000	
Proportion of land	71.9%	
Proportion of building	28.1%	

\*Amounts of 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 Property may have an impact on other transactions of the respective expected providers of building maintenance services and property management services and may hinder the provision of efficient services to NBF, which may result in risk of damaging the interest of NBF's unitholders.



This English-language notice is a translation of the Japanese-language notice dated September 30, 2022, 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] Fifteenth Floor Plan of the Property
- [Reference Material 3] Cross-sectional Drawing of the Property
- [Reference Material 4] Summary of Portfolio after Acquisition of the Property



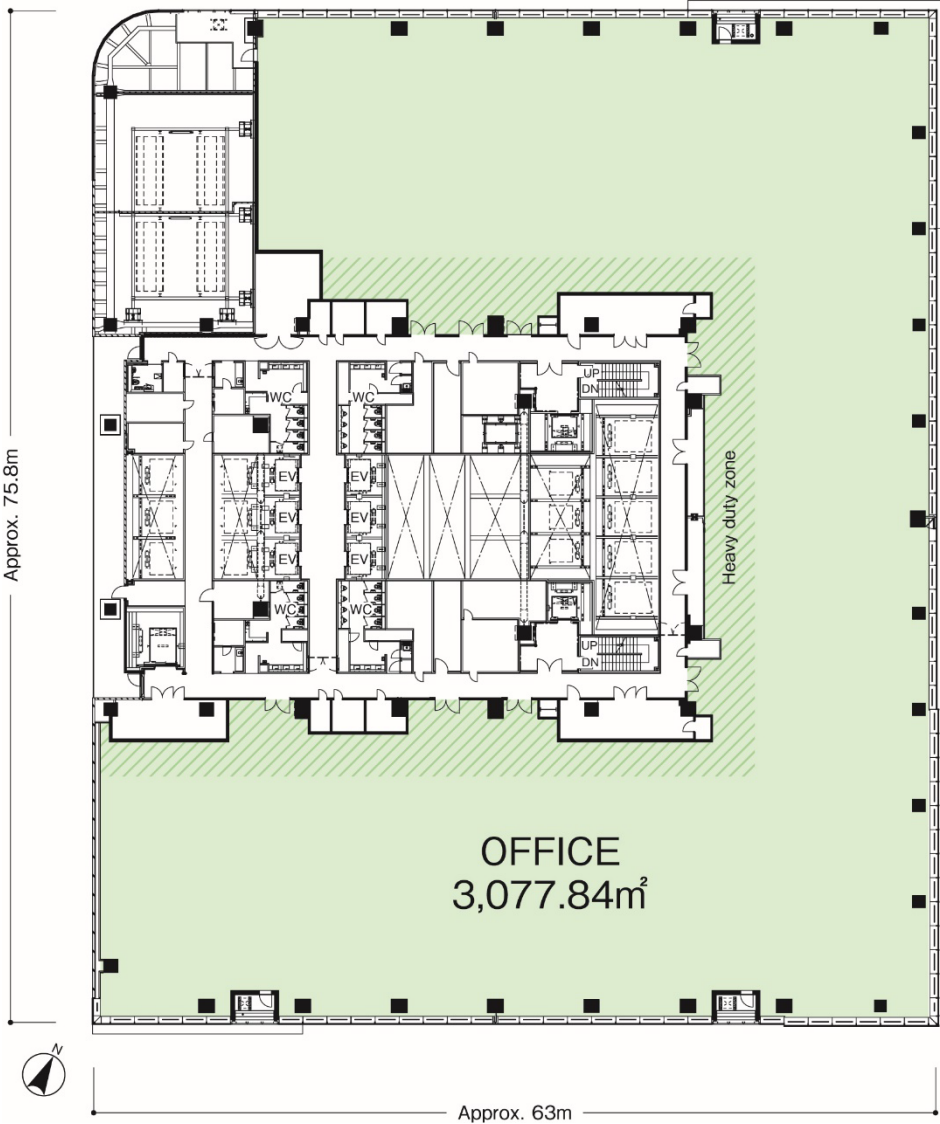


[Reference Material 1] Exterior Appearance of the Property



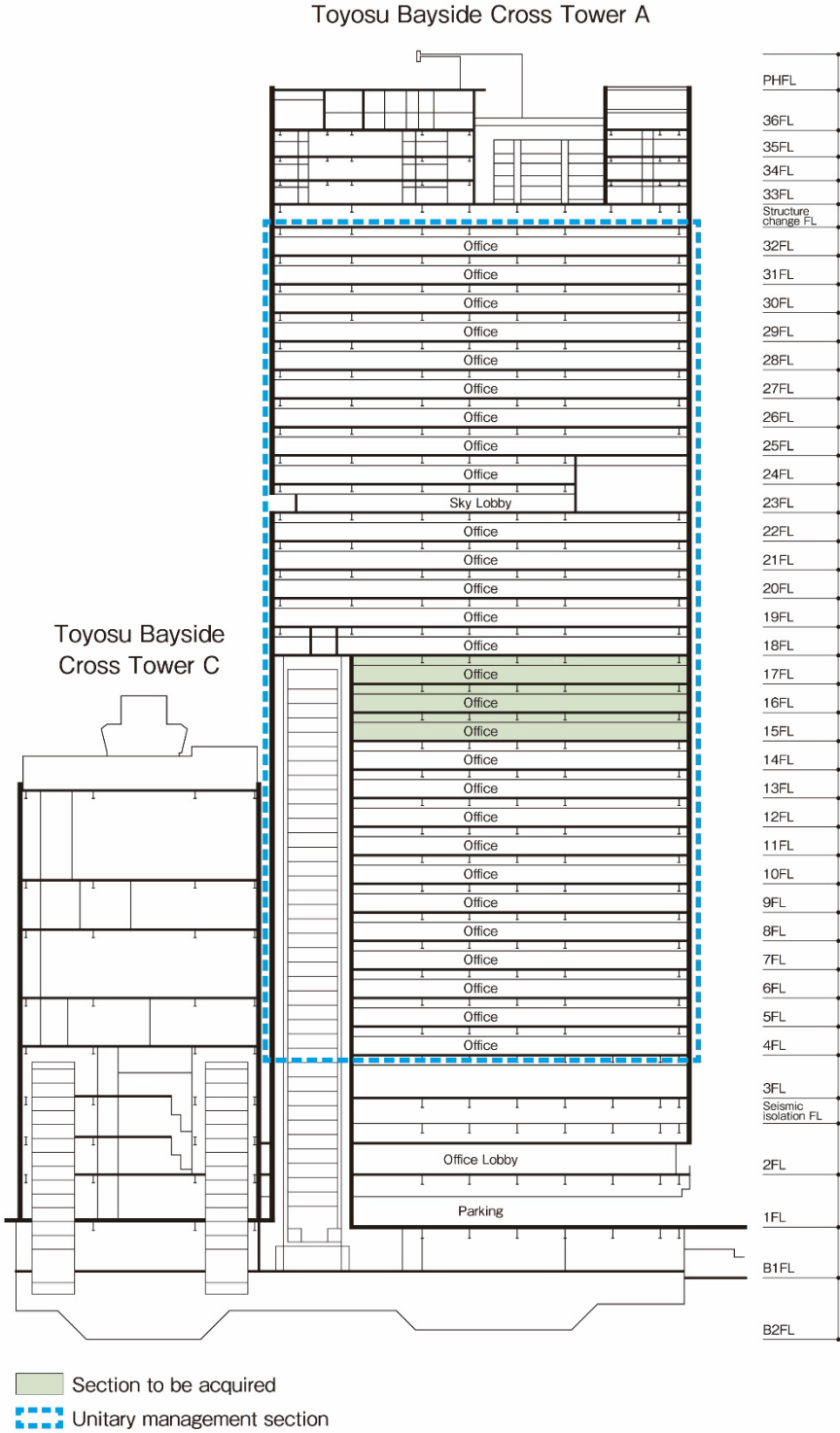


[Reference Material 2] Fifteenth Floor Plan of the Property





[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	Shinjuku Mitsui Bldg.	170,000,000	11.7%	59.0%	177,000,000
	IIDABASHI GRAND BLOOM	113,509,102	7.8%		125,000,000
	Roppongi T-CUBE	62,800,000	4.3%		62,400,000
	GranTokyo South Tower	47,000,000	3.2%		48,900,000
	Nishi-Shinjuku Mitsui Bldg.	45,271,040	3.1%		45,000,000
	Celestine Shiba Mitsui Bldg.	42,000,000	2.9%		51,900,000
	NBF Shinagawa Tower	36,300,000	2.5%		49,500,000
	Shiba NBF Tower	32,000,000	2.2%		29,300,000
	NBF Platinum Tower	31,000,000	2.1%		63,600,000
	NBF COMODIO Shiodome	28,800,000	2.0%		36,600,000
	G-BASE TAMACHI	28,200,000	1.9%		29,500,000
	Toranomon Kotohira Tower	24,543,000	1.7%		35,900,000
	NBF Shibuya Garden Front	20,269,000	1.4%		33,200,000
	NBF Ginza Street Bldg.	17,000,000	1.2%		18,600,000
	Shinjuku Mitsui Bldg. No 2	16,285,400	1.1%		20,700,000
	Kowa Nishi-Shinbashi Bldg. B	13,473,200	0.9%		14,700,000
	River City M-SQUARE	13,350,000	0.9%		13,800,000
	NBF Toranomon Bldg.	13,337,000	0.9%		17,900,000
	Shinbashi M-SQUARE	11,900,000	0.8%		14,800,000
	NBF ALLIANCE	9,126,000	0.6%		12,900,000
	Yotsuya Medical Bldg.	8,800,000	0.6%		7,980,000
	NBF Shibuya East	8,000,000	0.6%		9,960,000
	NBF Shibakouen Bldg.	6,770,000	0.5%		8,450,000
	NBF Takanawa Bldg.	6,667,200	0.5%		7,570,000
	NBF Akasaka Sanno Square	6,250,000	0.4%		7,410,000
	NBF Kandasudacho Bldg.	5,960,000	0.4%		8,700,000
	NBF Ogawamachi Bldg.	5,420,000	0.4%		6,950,000
	Sumitomo Densetsu Bldg.	5,365,000	0.4%		6,030,000
NBF Higashi-Ginza Square	5,200,000	0.4%	8,390,000		
Panasonic Tokyo Shiodome Bldg.	5,075,000	0.3%	5,980,000		
Nihonbashi Kabuto-cho M-SQUARE	4,850,000	0.3%	5,580,000		
NBF Hatchobon Terrace	4,528,349	0.3%	5,710,000		
Ryukakusan Bldg.	4,050,000	0.3%	4,910,000		
Jingumae M-SQUARE	3,700,000	0.3%	5,050,000		
23 Wards of Tokyo	NBF Osaki Bldg.	66,660,000	4.6%	81.9%	85,900,000
	Gate City Ohsaki	57,281,060	3.9%		71,300,000
	NBF Toyosu Canal Front	35,200,000	2.4%		38,600,000
	Ueno East Tower	35,000,000	2.4%		39,400,000
	NBF Toyosu Garden Front	25,018,000	1.7%		29,700,000
	Osaki Bright Core - Bright Plaza	24,380,000	1.7%		25,600,000
	Nakameguro GT Tower	24,380,000	1.7%		25,600,000
	Toyosu Bayside Cross Tower (Note 3)	14,700,000	1.0%		15,000,000
	OSAKI BRIGHT TOWER	13,970,000	1.0%		14,500,000
	NBF Ueno Bldg.	10,400,000	0.7%		9,840,000
	NBF Ikebukuro East	8,630,000	0.6%		13,500,000
	Higashi Gotanda Square	8,350,000	0.6%		8,640,000
	NBF Ikebukuro Tower	4,695,000	0.3%		5,760,000
	NBF Ikebukuro City Bldg.	4,428,000	0.3%		5,950,000



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	0.6%	5.9%	9,950,000
	Shin-Kawasaki Mitsui Bldg.	16,749,300	1.8%		23,300,000
	Yokohama ST Bldg.	16,749,300	1.2%		21,200,000
	Parale Mitsui Bldg.	3,800,000	0.3%		4,860,000
	Tsukuba Mitsui Bldg.	8,875,500	0.6%		8,850,000
	S-ino Omiya North Wing	16,816,345	1.2%		24,000,000
	NBF Urawa Bldg.	2,000,000	0.1%		2,220,000
	NBF Matsudo Bldg.	2,455,000	0.2%		2,520,000
Other Cities	Sapporo L-Plaza	4,404,405	0.3%	12.2%	8,080,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.1%		1,590,000
	Sumitomo Mitsui Banking Nagoya Bldg.	14,900,000	1.0%		16,800,000
	Nagoya Mitsui New Bldg.	13,200,000	0.9%		13,900,000
	Nagoya Mitsui Main Bldg.	13,050,000	0.9%		14,000,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.5%		6,750,000
	Nakanoshima Mitsui Bldg.	44,000,000	3.0%		47,600,000
	Aqua Dojima NBF Tower	17,810,000	1.2%		20,500,000
	Nakanoshima Central Tower	14,900,000	1.0%		19,200,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.0%		13,800,000
	Sakaisuji-Honmachi Center Bldg.	12,700,000	0.9%		14,700,000
	Hiroshima Fukuromachi Bldg.	2,215,000	0.2%		2,340,000
	NBF Matsuyama Nichigin-mae Bldg.	3,310,000	0.2%		3,890,000
	Hakata Gion M-SQUARE	8,000,000	0.6%		12,300,000
NBF Kumamoto Bldg.	4,500,000	0.3%	4,100,000		
Total		1,451,695,202	100.0%	100%	1,683,210,000

(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'22 (as of June 30, 2022.)

(Note 3) "Toyosu Bayside Cross Tower" will be acquired as of November 1, 2022.

The "Appraisal Value" of "Toyosu Bayside Cross Tower" is as of August 31, 2022.