



August 1, 2008

To All Concerned Parties

Name of REIT Issuer:

Nippon Building Fund, Inc.
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(TSE Code : 8951)

Contact:

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**Notice Concerning Execution of “Letter of Agreement”
for Acquisition of Properties under Development as well as
Amendments to Operation and Management Service Entrustment Agreements**

Nippon Building Fund, Inc. (“NBF”) hereby provides notice that it decided, as of August 1, 2008, to enter into a “Letter of Agreement on Entrustment of Services Concerning Acquisition of Properties under Development” with Mitsui Fudosan Co., Ltd., which will contribute to the acquisition of excellent assets, and to amend certain operation and management service entrustment agreements with Mitsui Fudosan Co., Ltd. and others to further develop its internal growth and to ensure compliance with relevant laws and regulations.

Descriptions

1. Entering into a “Letter of Agreement on Entrustment of Services Concerning Acquisition of Properties under Development”

NBF has acquired excellent assets such as the NBF Platinum Tower, the NBF Toyosu Garden Front and so forth through commitments at an early stage of the development of those properties. In order to expand such opportunities and to reduce risks related to such development (risks obtaining licenses and permits, increasing in costs, delaying of the schedule, and completion of development etc.) as well as to smoothly establish systems for operation and management of properties, NBF has decided to enter into a “Letter of Agreement on Entrustment of Services Concerning Acquisition of Properties under Development” with Mitsui Fudosan Co., Ltd., which has a record of extensive achievements in large-scale, excellent development projects.

Services to be entrusted will consist of two types of services concerning development and one type of services concerning pre-operation services. Selection of, and fees for, various types of services will be separately decided through consultation taking into account the schemes, sizes, particulars and so forth of the properties under development.

1) General planning services concerning properties under development (if independently developed by NBF)

General planning services concerning development such as product planning, management of schedules and costs, as well as construction management.



2) Advisory services concerning product planning of properties under development (if independently developed by NBF, or committed to by NBF at an early stage of the development by a third party)

Advisory services concerning product planning of properties from the viewpoint of operation and management as well as tenant leasing.

3) Pre-operation services for properties under development (if independently developed by NBF, or committed to by NBF at an early stage of the development by a third party)
pre-operation services such as leasing management, establishment of operation and management systems etc. for properties under development.

2. Amendments to Service Entrustment Agreements

1) Certain amendments to Office Management Agreements

With the aim of the further improvement of NBF's internal growth, fees payable upon renewal of agreements will be established as an incentive to increase rental revenues.

(i) Such arrangements will be made with Mitsui Fudosan Co., Ltd.

(ii) In the event of an increase of rent upon renewal, the amount equivalent to one month's increase will be paid as fees.

* Office Management Agreements are agreements entered into between NBF and Mitsui Fudosan Co., Ltd.; the term "office management" means comprehensive operation and management of office properties as it is used by the Mitsui Fudosan group.

2) Change from "Agreements for Entrustment of Administrative Services" to "Agreements for Entrustment of Control and Coordination Services"

With respect to the ten (10) properties for which office management services have not already been entrusted (Note 1) due to the fact that Mitsui Fudosan Co., Ltd. is the master lessee thereof, "Agreements for Entrustment of Administrative Services" have been entered into between NBF and NBF Office Management Co., Ltd. ("NBFOM"). By renaming such "Agreements for Entrustment of Administrative Services" as "Agreements for Entrustment of Control and Coordination Services" and adding the following services, operation and management systems will be further enhanced.

(i) Such arrangements will be made with NBF Office Management Co., Ltd.

(ii) Services to be added:

- collecting and compiling information required by NBF in making decisions on operation of subject properties;
- collecting information required by NBF to confirm the status of disclosure and compliance etc. and coordinating relations with master lessees etc.; and
- monthly reporting of progress of operation and management situations.

(iii) Amendment of fees (for a total of 10 properties)

before (Agreements for Entrustment of Administrative Services): ¥56,028,000 per annum

after (Agreements for Entrustment of Control and Coordination Services):

¥63,000,000 per annum (¥6,300,000 per property)



3. Date of Execution and Effective Date (anticipated)

1) Letter of Agreement on Entrustment of Services Concerning Acquisition of Properties under Development

Executed and effective as of August 1, 2008

2) Effective date for amendments to Office Management Agreements (Note 2)

Executed as of August 1, 2008; effective as of October 1, 2008

3) Agreements for Entrustment of Control and Coordination Services

Executed as of August 1, 2008; effective as of October 1, 2008

Note 1: the ten (10) properties for which office management services have not already been entrusted Nakameguro GT Tower, NBF Ogawamachi Bldg., Nishi-Shinjuku Mitsui Bldg., Gate City Ohsaki, Toranomom Kotohira Tower, Shin-kawasaki Mitsui Bldg., Shinanobashi Mitsui Bldg., Yotsuya Medical Bldg., Parale Mitsui Bldg. and Sakaisuji Honmachi Center Bldg.

Note 2: With respect to four (4) properties (Shibuya Garden Front, Yokohama ST Bldg., Kowa Nishi-Shinbashi Bldg. B and Hiroshima Fukuromachi Bldg.) which are co-owned with other owners, the agreements and amendments are expected to be executed and become effective as soon as arrangements with other co-owners are completed.

Mitsui Fudosan Co., Ltd. and NBF Office Management Co., Ltd. (100% subsidiary of Mitsui Fudosan), the parties to the abovesaid arrangements, fall under the category of Interested Parties etc. of Nippon Building Fund Management Ltd. as defined in the Investment Trust Law.

End

This English language notice is a translation of the Japanese language notice dated August 1, 2008 and was prepared solely for the convenience of, and reference by, overseas investors. NBF makes no warranties as to its accuracy or completeness.