



December 20, 2007

To All Concerned Parties

Name of REIT Issuer:

Nippon Building Fund, Inc.  
Sadafumi Abe, Executive Director  
(TSE Code : 8951)

Contact:

Asset Management Company  
Nippon Building Fund Management, Ltd.  
Koichi Nishiyama, President and CEO  
Person to Contact:  
Retsu Togashi, General Manager  
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### Notice of Acquisition of Asset (Morimo Bldg.)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on December 20, 2007 to acquire assets as follows:

#### Descriptions

##### 1 Outline of the Acquisition (Anticipated)

- 1) Acquired Assets: Real Property
- 2) Name of Acquired Assets: Morimo Bldg. (hereinafter, "the Property")
- 3) Acquisition Price: ¥8,000,000,000  
(provided, however, that miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax are not included in this amount)
- 4) Date of Contract: December 20, 2007
- 5) Date of Transfer: January 9, 2008 (anticipated)
- 6) Acquired From: Kei Wai Property Co., Ltd.  
(please refer to Section 4 hereinbelow for a description of the seller)
- 7) Acquisition Funds: Existing capital plus loans etc. (anticipated)
- 8) 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 Shibuya area, being one of the most notable areas of central Tokyo, contains an accumulation highly refined businesses as well as a high demand for office space. The



“Shibuya” station is a major hub where numerous lines including JR, private railways and subways cross, and the construction of a new station along the Tokyo Metro No. 13 line is also scheduled which will provide further convenient access from various directions.

## 2) Building and Facilities

The Property faces the so-called “Hachimanzaka”, a gently sloping street running from the new south exit of the “Shibuya” station toward the Aoyama district, in the relatively calm environment for a commercial conurbation district. The Property’s design includes a granite-based exterior, which matches its surroundings. It has highly competitive specifications such as a standard floor dimension of approximately 725 m<sup>2</sup> (219 tsubo) for the exclusive use of tenants, a ceiling height of 2,650mm and electrical capacity of 75VA/°E.

## 3 Outline of Assets to be Acquired

### 1) Type of Specified Assets

Real Property

### 2) Location

(Description in Real Property Registry)

Land: (lot numbers) 3 ban 2, 3, 16, 17, 18, 19, Shibuya 3-chome, Shibuya-ku, Tokyo

Building: 3 banchi 2, Shibuya 3-chome, Shibuya-ku, Tokyo

(Street Address)

3-5, Shibuya 3-chome, Shibuya-ku, Tokyo

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

Offices

### 4) Type of Ownership

(i) land: ownership (100%)

(ii) building: ownership (100%)

### 5) Square meters (Description in Real Property Registry)

(i) land: site area for the building: 1,418.21 m<sup>2</sup>

(ii) total floor space of the building: 7,615.76 m<sup>2</sup>

### 6) Structure (Description in Real Property Registry)

Steel framed reinforced concrete structure, flat roof, 8 floors above ground and 2 floors below ground

### 7) Completion (Description in Real Property Registry)

January 31, 1992

### 8) Design and Construction

Design: Nihon Sekkei, Inc.

Construction: Takenaka Corporation, Penta-Ocean Construction Co., Ltd.



9) Valuation

Valuation prepared by Daiwa Real Estate Appraisal Co., Ltd.

Appraisal Value: ¥8,010,000,000

Date of Valuation: December 1, 2007

10) Earthquake PML

4.4% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)

11) Existence of Secured Interests (Liens)

none

12) Description of Tenants

The tenancy situation as of December 1, 2007 is as follows:

(based on materials received from the seller):

Total number of lessees: five (5) companies

Total rentable area: 4,992.98 m<sup>2</sup>

Total leased area: 4,992.98 m<sup>2</sup>

Occupancy Rate: 100%

4 Outline of Seller

1) Name: Kei Wai Property Co., Ltd.

2) Address: 1-20, Nihonbashi-Muromachi 3-chome, Chuo-ku, Tokyo

3) Representative: Hiroshi Tanaka

4) Capital: ¥20 million (as of December 1, 2007)

5) Principal Business: sale and purchase, lease, management and operation of real property

6) Principal Shareholder: Mitsui Fudosan Co., Ltd. (As of December 1, 2007)

7) Relationship with NBF: The seller is a consolidated subsidiary of Mitsui Fudosan Co., Ltd., an interested party etc. of Asset Management Company. Therefore, the seller falls under the category of Interested Parties etc. (Mitsui Fudosan Co., Ltd. acquired all shares of the seller on October 25, 2006.)



5 Status of Owners etc. of the Property

Status of Owners etc. of the Property	Preceding Owner/Trust Beneficiary	Prior to the Preceding Owner/Trust Beneficiary
Corporate Name/Name	Kei Wai Property Co., Ltd.	none
Relationship with a specially interested party	consolidated subsidiary of Mitsui Fudosan Co., Ltd., an Interested Party etc. of the asset management company	
History/Reason etc.	Newly constructed in March, 1992	
Acquisition Price (including miscellaneous costs)		
Date of Acquisition	March 16, 1992 (New registration of ownership of building)	

6 Transactions with Interested Parties etc.

1) Seller:

While the seller is an interested party etc. of Asset Management Company. and the current transaction falls under the category of Interested Parties Transactions as defined in the Investment Trust Law, NBF conducts fair transactions in compliance with the Financial Instruments and Exchange Law, the Investment Trust Law, NBF's Articles of Incorporation, as well as standards for acquisition with respect to transaction price and other terms and conditions etc.

NBF was informed by the asset management company in advance of the current transaction at a Board of Directors' Meeting in accordance with its internal rules.

2) Building Lease Agreements

One of the tenants of the Property is Mitsuihome Co., Ltd., an interested party etc. of Asset Management Company. NBF is expected to succeed to the lease (tenant agreement) between the seller and Mitsuihome upon the transfer of the Property.

3) Operation and Management

For real estate etc. acquired by NBF, "Office Management Business" including profit management, operation and management of real estate etc. is in principle entrusted to Mitsui



Fudosan Co., Ltd., one of the interested parties of Asset Management Company. The same will apply to the current acquisition.

7 Acquisition Schedule

December 20, 2007	Determination to make acquisition
December 20, 2007	Execution of a sale and purchase agreement
January 9, 2008	Delivery (anticipated)

8 Forecasted Management Situation as at the close of December, 2007

There is no change to the forecasted management situation during the period ending December 31, 2007 as this acquisition will have little impact upon the management situation of NBF during such period.

9 Name of Property

The name of the Property will be changed to the "NBF Shibuya East" after the delivery of the Property.

10 Other

NBF is requiring the seller to perform certain construction work concerning asset preservation of the land and structures on the Property as a condition of the purchase, and NBF will confirm the completion of such construction prior to accepting delivery.

End

This English language notice is a translation of the Japanese language notice dated December 20, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NBF makes no 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

(in millions of yen)

Revenues (including ancillary revenues)		429
Expenses (excluding depreciation)		137
	Public imposts and taxes	34
	Miscellaneous expenses	103
	Management entrustment fees, costs of repair etc.	102
	Insurance premiums etc.	1
Property NOI (Net Operating Income)		292

(Premises upon which Estimated Revenues and Expenses are based)

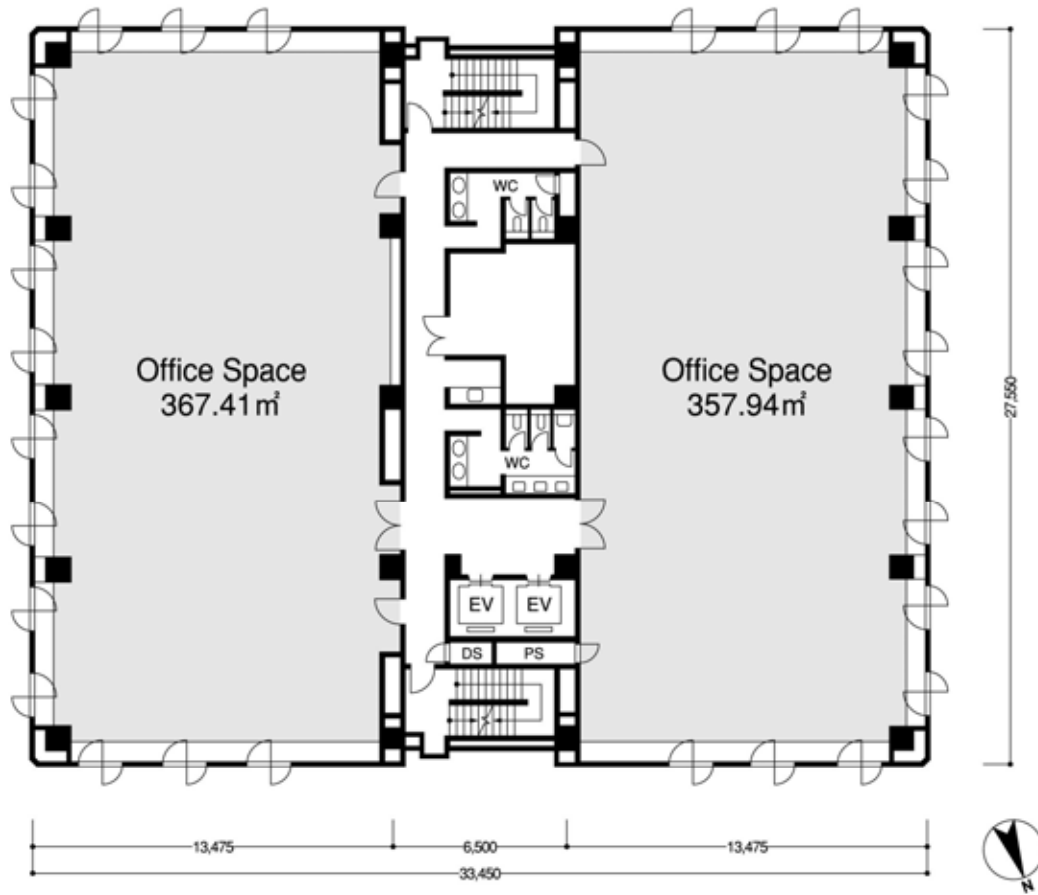
1. The above figures represent annualized revenues and expenses after exclusion of extraordinary factors for the year of acquisition (and are not estimated figures for the following fiscal year).
2. The occupancy rate is expected to be 100% as of the date of delivery.

【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 (Yen in thousands) (Note 1)	Percentage	Percentage of each area	Value (Real Estate Appraisal Value) (Yen in thousands) (Note 2)
Tokyo CBDs	Yamato Seimei Bldg.	63,500,000	9.02%	63.2%	68,300,000
	Nishi-Shinjuku Mitsui Bldg.	44,903,393	6.38%		53,500,000
	Shiba NBF Tower	32,000,000	4.54%		36,500,000
	NBF Platinum Tower	31,000,000	4.40%		54,600,000
	Gate City Ohsaki	30,100,000	4.27%		34,400,000
	Toranomon Kotohira Tower	24,543,000	3.49%		34,700,000
	NBF Nihonbashi Murohachi Center Bldg.	23,945,000	3.40%		32,000,000
	Nakameguro GT Tower	23,856,000	3.39%		29,800,000
	NBF Ginza Street Bldg.	17,000,000	2.41%		16,500,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	2.31%		23,000,000
	GSK Bldg.	15,616,000	2.22%		20,200,000
	NBF Toranomon Bldg.	13,337,000	1.89%		19,700,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.88%		18,500,000
	Nippon Steel Bldg. No.2	12,614,118	1.79%		15,210,000
	NBF Alliance	9,126,000	1.30%		11,600,000
	Yotsuya Medical Bldg.	8,800,000	1.25%		9,170,000
	Shibuya Garden Front	8,700,000	1.24%		16,150,000
	Morimo Building (Note 3)	8,000,000	1.14%		8,000,000
	NBF Shiba Koen Bldg.	6,770,000	0.96%		8,350,000
	NBF Takanawa Bldg.	6,667,200	0.95%		8,420,000
	NBF Akasaka Sanno Square	6,250,000	0.89%		8,160,000
	Sumitomo Densetsu Bldg.	5,365,000	0.76%		6,460,000
	NBF Higashi-Ginza Square	5,200,000	0.74%		7,560,000
	NBF Ogawamachi Bldg.	4,940,000	0.70%		6,060,000
	NBF Ikebukuro Tower	4,695,000	0.67%		6,220,000
	NBF Ikebukuro City Bldg.	4,428,000	0.63%		5,610,000
NBF Sudacho Verde Bldg.	3,280,000	0.47%	4,140,000		
NBF Ebisu Minami Bldg.	1,000,000	0.14%	1,450,000		
Other Greater Tokyo	Nakanosakaue Sunbright Twin	40,594,201	5.76%	24.2%	39,300,000
	IST Bldg.	35,200,000	5.00%		20,000,000
	NBF Toyosu Garden Front (Note 4)	20,000,000	2.84%		37,800,000
	Shin-Kawasaki Mitsui Bldg.	20,300,000	2.88%		20,500,000
	Yokohama ST Bldg.	13,529,300	1.92%		22,200,000
	Parale Mitsui Bldg.	3,800,000	0.54%		4,470,000
	NBF Atsugi Bldg.	2,300,000	0.33%		2,520,000
	Tsukuba Mitsui Bldg.	8,875,500	1.26%		9,690,000
	NBF Utsunomiya Bldg.	2,435,000	0.35%		2,790,000
	S-ino Omiya North Wing	16,816,345	2.39%		22,000,000
	Daido Life Omiya Bldg.	2,361,000	0.34%		2,560,000
	NBF Urawa Bldg.	2,000,000	0.28%		2,100,000
	NBF Matsudo Bldg.	2,455,000	0.35%		2,750,000
Other Cities	Sapporo L-Plaza	4,404,405	0.63%	12.6%	6,170,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.27%		1,770,000
	NBF Sendai Honcho Bldg.	3,566,000	0.51%		4,380,000
	NBF Unix Bldg.	4,028,900	0.57%		4,630,000
	NBF Niigata Telecom Bldg.	3,957,500	0.56%		4,490,000
	NBF Nagoya Hirokoji Bldg. (Note 5)	7,232,000	1.03%		8,176,000
	Aqua Dojima NBF Tower	17,810,000	2.53%		24,200,000
	Shinanobashi Mitsui Bldg.	14,400,000	2.04%		15,300,000
	Sun Mullion NBF Tower	10,500,000	1.49%		10,700,000
	Sakaisuji-Honmachi Center Bldg.	6,500,000	0.92%		7,430,000
	NBF Sakai-Higashi Bldg.	2,227,200	0.32%		2,430,000
	NBF Tanimachi Bldg.	1,944,000	0.28%		2,190,000
	Aqua Dojima East	1,914,000	0.27%		2,370,000
	NBF Shijo Karasuma Bldg.	1,627,000	0.23%		1,810,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.42%		3,290,000
	Hiroshima Fukuromachi Bldg.	835,000	0.12%		917,000
NBF Hakata Gion Bldg.	2,629,000	0.37%	2,790,000		
<b>Total</b>		<b>704,179,764</b>	<b>100.00%</b>	<b>100.00%</b>	<b>855,983,000</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. at the time of the decision to acquire such property (excluding miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax).

(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 June 2007 (the appraisal value of real estate with date of valuation being June 30, 2007); provided, however, that for properties that were acquired (or are to be acquired) after July 2007, prices are acquisition prices (excluding miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax) as stated in their respective sale and purchase contracts etc. as of the dates of the decision to acquire such properties.

(Note 3) Expected to be acquired on January 9, 2008.

(Note 4) Expected to be acquired on March 31, 2008; provided, however, that in the event that profitability is improved as the result of tenants attracted by the seller, the acquisition price will be determined within the range of ¥16,200 million and ¥25,100 million by the transfer date in accordance with certain rules. In this table, the "Acquisition Price" and the "Value (Real Estate Appraisal Value)" are both set at ¥20,000 million for convenience. This property was completed on September 7, 2007, and it was decided that the tentative name "Toyosu 5-chome Bldg." would be changed to the "NBF Toyosu Garden Front".

(Note 5) The expanded portion is expected to be acquired in March, 2008; provided, however, that the "Acquisition Price" represents the total price of the portion already owned (¥5,406,000,000) and the expansion (¥1,826,000,000). Similarly, the "Value (Real Estate Appraisal Value)" represents the total value of the portion already owned (¥6,350,000,000) and the expansion (¥1,826,000,000).