



September,22, 2005

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
Sadafumi Abe, Executive Director
(Code Number: 8951)
Person to Contact:
Asset Management Company
Nippon Building Fund Management, Ltd.
Satoru Yamanaka, Chief Operating Officer
(TEL. 03-3281-8810)

Notice of Acquisition of Assets (IST Bldg.)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on August 29, 2005 to acquire assets as follows:

Description

1 Outline of the Acquisition (Anticipated)

- 1) Acquired Assets :Beneficiary interests in trust assets comprising mainly of real estate
- 2) Name of Acquired Assets :IST Bldg. ("the Property")
- 3) Acquisition Price :¥35,200,000,000
(provided, however, that miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax etc. are not included in this amount)
- 4) Date of Acquisition Contract :August 29, 2005
- 5) Date of Transfer :September 13, 2005
- 6) Acquired From :IST Development Yugen Kaisha
(please refer to Section 4 hereinbelow for a description of the seller)
- 7) Acquisition Funds : Funds procured through loans and issuance of new shares etc. (anticipated)

2 Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the cities surrounding Tokyo (the Other Greater Tokyo) in accordance with the asset management objectives and policies set forth in NBF's Articles of Incorporation. The Property is located in the Toyosu area, where a planned and integrated urban development project is currently



underway and further development is expected. The property has highly convenient access to a railway station as well as competitive specifications. The asset management company (NBFM) decided to acquire the Property as it believes that the Property will contribute to stable revenues of NBF's portfolio as one of the properties located in the Other Greater Tokyo. General information on the Property is as follows:

1) Location

The location is only five minutes walk from the Toyosu Station of the Yurakucho line of the Tokyo Metro, which is within 5 km (nine minutes by train) of Tokyo Station. More convenient access to the city center is expected due to expansion and improvement of Harumi Street and the No. 2 Loop Road. An extension project of the new coastal transportation system called "Yurikamome" connecting Ariake and Toyosu is in the planning stage (said extension is expected to commence operations by the end of 2005). In addition to the abovestated improvement of transportation, there are a number of industrial, commercial, residential and educational/cultural facilities which will be completed in 2006 and 2007, and at the same time infrastructure projects such as hydrophilic river bank protection work and reforestation are planned for the Toyosu area. For the reasons above, this area is expected to enjoy increased popularity, convenience and development of amenities.

2) Building and Facilities

The Property is a newly constructed, large-scale building completed in September 2004. As it was expressly planned and designed as a modern office building it has a favorably shaped, spacious standard floor area of approximately 3,580 m² with no pillars, a ceiling height of 2,800mm, a 100mm sub-floor cavity for connection of OA equipment, floor weight capacity of 500kg/m² (1,000kg/m² in certain areas), and a corridor width of 2,400mm. As for facilities, it has individual air conditioning systems (free cooling and heating packages) as well as maximum electric capacity of 50VA/m² (expandable). A large flat parking space for 120 vehicles is also provided, which is an additional highly competitive feature of the Property.

3) Tenants etc.

Multi-year lease contracts have been entered into with IBM Japan Ltd. and Autobacs Seven Co., Ltd. for approximately 80% and 20%, respectively, of the office area of the Property, which leases are expected to contribute to stable operation of the Property for the time being.



4) Others

With respect to the land under the Property, the trustee submitted a “notification of research concerning historical use of land” as of December 26, 2002 in accordance with the “Ordinance concerning Environment for Securing Health and Safety of Citizens of Tokyo (Environmental Security Ordinance)”. In response to the said notification, the metropolitan government issued a copy of the notification endorsed with a statement that “upon inspection of the results of the research, it is confirmed that the said research was conducted in accordance with the guidance of Tokyo concerning countermeasures against land pollution and that there is no threatened land pollution”. In connection with the current acquisition, NBF confirmed the methods of research and engineering as well as estimated costs thereof necessary for future reconstruction etc. with Engineering & Risk Services Corporation (“ERS”) as the current regulations with respect to substances to be investigated, analysis methods and reference levels are different from those as of the construction of the Property. NBF also confirmed with ERS that there is no threat of harm to human health etc. as long as the land is managed and used in the same manner as it is currently managed and used.

3 Outline of Assets to be Acquired

1) Type of Specified Assets

Beneficiary interests in real estate held in trust

2) Trustee

The Sumitomo Trust & Banking Co., Ltd.

3) Address of the Property

6-52, Toyosu 5-chome, Koto-ku, Tokyo

4) Use

Offices and stores

5) Type of Ownership

100% ownership

6) Area

Land :total site area for a building : 14,335.60 m²

Building:total floor space of the building: 46,002.37 m²

7) Structure

11 floors above ground

8) Completion

September 7, 2004



9) Valuation

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

Appraisal Value :¥35,300,000,000

Date of Valuation: August 22, 2005

10) Earthquake PML

9.3% (obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)

11) Existence of Secured Interests (Liens)

None

The beneficiary interests in trust with respect to the Property are currently subject to the rights of pledge etc. Such rights will be extinguished prior to the transfer of the Property upon the seller's responsibility and at its cost.

12) Tenancy, etc.

(i) Tenants

The number of tenants who had entered into lease contracts as of May 10, 2005 was eight (8). (based on the material received from the seller)

(ii) Area

Total Rentable Square Meters: 36,763.78 m²

Total Leased Square Meters: 36,143.75 m²

(iii) Occupancy Rate:

The occupancy rate as of the end of July, 2005 (based on executed lease contracts) was 98.3%

4 Outline of Seller

1) Name : IST Development Yugen Kaisha

2) Address :11, Kanda-Jimbocho 1-chome, Chiyoda-ku, Tokyo
11th floor, Mitsui Seimei Jimbocho Bldg.

3) Representatives :Shigeru Sugimoto, Shin Kikuchi

4) Capital :¥3,000,000 (as of December 31, 2004)

5) Principal Business :Lease, management, possession and operation of real estate;
acquisition, possession and disposition of beneficiary interests in trust, etc.

6) Relationship with NBF:None



5 Transactions with Interested Parties etc.

1) Asset 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 Nippon Building Fund Management, Ltd. The same will apply to the current acquisition.

6 Acquisition Schedule

August 29, 2005	Determination to make acquisition
August 29, 2005	Execution of Agreement for Sale and Purchase of Beneficiary Trust Interests
September 13, 2005	Anticipated date of transfer

7 Forecasted Management Situation as at the close of December, 2005

There is no change to the forecasted management situation during the period ending December 31, 2005, as this acquisition will have little impact upon the management situation of NBF during such period.

End.

This English language notice is a translation of the Japanese language notice dated August 29, 2005 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
- <Reference Material 2> Photo of the Exterior of the Property
- <Reference Material 3> Summary of Portfolio after Acquisition of the Property



<Reference Material 1> Estimated Revenues and Expenses from the Property
(in million yen)

Revenues (including ancillary revenues)		2,288
Expenses (excluding depreciation)		633
	public imposts and taxes	156
	miscellaneous	477
expenses	management entrustment fees, costs of repair etc.	473
	insurance premiums	4
Property NOI (Net Operating Income)		1,655

(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. Revenues are premised on a basic annual occupancy rate of 100%.

<Reference Material 2> Photo of the Exterior of the Property





<Reference Material 3> Summary of Portfolio after Acquisition of the Property

Area	Name of Building	Book Value (Yen in thousands)	Percentage	Percentage of each area
Tokyo CBDs	JFE Bldg.	77,800,000	15.29%	65.8%
	NBF Platinum Tower (Note 1)	27,600,000	5.42%	
	Shiba NBF Tower	24,900,000	4.89%	
	Nihonbashi Muromachi Center Bldg.	25,300,000	4.97%	
	Shinjuku Mitsui Bldg. No.2	16,900,000	3.32%	
	GSK Bldg.	18,300,000	3.60%	
	Nakameguro GT Tower	14,800,000	2.91%	
	NBF Toranomon Bldg.	14,800,000	2.91%	
	Kowa Nishi-Shinbashi Bldg. B	14,200,000	2.79%	
	Nippon Steel Bldg. No.2	13,310,000	2.62%	
	NBF Alliance	9,770,000	1.92%	
	Yotsuya Medical Bldg.(Note 2)	8,800,000	1.73%	
	Shibuya Garden Front	10,500,000	2.06%	
	NBF Shiba Koen Bldg.	7,030,000	1.38%	
	NBF Takanawa Bldg.	7,350,000	1.44%	
	Akasaka Sanno Square	6,430,000	1.26%	
	Toranomon Kotohira Tower	6,160,000	1.21%	
	Sumitomo Densetsu Bldg.	5,270,000	1.04%	
	NBF Higashi-Ginza Square	5,690,000	1.12%	
	Ogawamachi Mitsui Bldg.(Note 3)	4,940,000	0.97%	
NBF Ikebukuro Tower	4,900,000	0.96%		
NBF Ikebukuro City Bldg.	4,620,000	0.91%		
NBF Sudacho Verde Bldg.	2,460,000	0.48%		
Nishi-Shinjuku Mitsui Bldg.	1,740,000	0.34%		
NBF Ebisu Minami Bldg.	1,150,000	0.23%		
Other Greater Tokyo	IST Bldg.(Note 4)	35,200,000	6.92%	19.5%
	Nakanosakaue Sunbright Twin	9,900,000	1.95%	
	Yokohama ST Bldg.	15,300,000	3.01%	
	NBF Atsugi Bldg.	2,410,000	0.47%	
	Tsukuba Mitsui Bldg.	9,110,000	1.79%	
	NBF Utsunomiya Bldg.	2,520,000	0.50%	
	S-ino Omiya North Wing	17,800,000	3.50%	
	Daido Life Omiya Bldg.	2,250,000	0.44%	
	Urawa Mitsui Bldg.(Note 3)	2,000,000	0.39%	
NBF Matsudo Bldg.	2,590,000	0.51%		
Other Cities	Sapporo L-Plaza	3,560,000	0.70%	14.8%
	NBF Sapporo Minami Nijo Bldg.	1,630,000	0.32%	
	NBF Sendai Honcho Bldg.	3,840,000	0.75%	
	NBF Unix Bldg.	4,730,000	0.93%	
	NBF Niigata Telecom Bldg.	4,440,000	0.87%	
	NBF Nagoya Hirokoji Bldg.	5,570,000	1.09%	
	Aqua Dojima NBF Tower	18,500,000	3.63%	
	Sun Mullion NBF Tower	9,880,000	1.94%	
	Sakaisuji-Honmachi Center Bldg.	6,570,000	1.29%	
	NBF Sakai-Higashi Bldg.	2,420,000	0.48%	
	NBF Tanimachi Bldg.	2,040,000	0.40%	
	Aqua Dojima East	2,010,000	0.39%	
	Otemae Center Bldg.	2,010,000	0.39%	
	NBF Shijo Karasuma Bldg.	1,650,000	0.32%	
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.58%	
Hiroshima Fukuromachi Bldg.	874,000	0.17%		
NBF Hakata Gion Bldg.	2,530,000	0.50%		
Total		508,984,000	100.00%	100.00%

The "Book Value" figures in the above table are in principle the appraisal value disclosed as of the end of June 2005 (the appraisal value of real estate with date of valuation being June 30, 2005); provided, however, that for properties acquired (or to be acquired) after July 2005, prices are acquisition prices (excluding miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax) as stated in the respective sale and purchase contracts as of the dates of the decisions to acquire such properties.

- (Note 1) Expected to be acquired on March 31, 2006; provided, however, that in the event that profitability is improved as the result of tenants attracted by the sellers, the price may be increased to a maximum of ¥31,000,000,000 by the transfer date in accordance with certain rules.
- (Note 2) Expected to be acquired on August 31, 2005.
- (Note 3) Expected to be acquired on September 30, 2005.
- (Note 4) Expected to be acquired on September 13, 2005.