



October, 24, 2005

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
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(Code Number: 8951)
Person to Contact:
Asset Management Company
Nippon Building Fund Management, Ltd.
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Notice of Acquisition of Assets
(Additional Acquisition of Condominium Interests in Sapporo L-Plaza)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on September 27, 2005 to acquire assets as follows:

Description

1 Outline of the Acquisition (Anticipated)

- 1) Acquired Assets: Real Estate
- 2) Name of Acquired Assets: Sapporo L-Plaza ("the Property")
- 3) Acquisition Price: ¥970,000,000
(provided, however, that miscellaneous acquisition costs, fixed assets tax, city-planning tax and consumption tax are not included in this amount)
- 4) Date of Acquisition Contract: September 28, 2005
- 5) Anticipated Date of Transfer: October 5, 2005
- 6) Acquired From: SK Create Co., Ltd.
(please refer to Section 4 hereinbelow for a description of the seller)
- 7) Acquisition Funds: Existing capital plus loans (anticipated)

2 Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing NBF's portfolio in the Other Cities 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) Increase in Value of Asset through Additional Acquisition

As NBF already owns certain condominium interests in the Property (ratio of right to use land: 247,302/1,000,000; ratio of the registered exclusively owned area to the entire building: approx. 36.66%), the current additional acquisition will result in possession by NBF of condominium interests in the Property representing the ratio of right to use land of 306,603/1,000,000 and the ratio of the registered exclusively owned area to the entire building of approximately 46.12%. Such acquisition is considered to be along with NBF's policies to increase the asset value and liquidity of the Property.

2) Location

The "Sapporo L-Plaza" is noteworthy based on the fact that it conveniently faces directly toward the square in front of the north exit of the Sapporo station, the largest terminal in Hokkaido, and also directly connects to the station by underpass. Such convenient access and the visibility of its 13-story exterior directly in front of the station are highly appreciated by the existing tenants of the building.

3) Building and Facilities

A standard floor has a rentable floor area of approximately 1,557 m², nicely shaped with no pillars and natural lighting from 4 directions which adds to the property's rarity value, and is very bright and spacious with a ceiling height of 2,700mm and 100mm sub-floor cavities for connection of OA equipment. Floor weight capacity is 500kg/m² on any part of any floor, each floor can be divided into a maximum of ten zones, and air conditioning can be switched on or off, and the temperature set, for each zone. Electric capacity on a standard floor is 30VA/m² for lighting and 50 VA/m² for OA equipment. Lavatories, a refreshments corner and smoking space with natural lighting are set up on each floor, with the aim of enhancing office environment amenities.

Mid to lower floors of the building are mainly used for common facilities such as the "Gender Equality Center", "Support Center for Civil Activities", "Environmental Plaza" and "Consumers Center", etc. operated by Sapporo City, and in addition contain medical treatment facilities, shops, restaurants and other convenient facilities for use by both tenants and the local community.

3 Outline of Assets to be Acquired

1) Location

28-ban, Kita 8-jo, Nishi 3-chome, Kita-ku, Sapporo, Hokkaido

2) Use

Offices, stores and multipurpose public facilities



- 3) Type of Ownership and Equity
 - (i) Land: Ownership (ratio of right to use land: 59,301/1,000,000)
 - (ii) Building: Ownership (condominium interests)

The portion currently being acquired by NBF will be 100% of the condominium interests in the 10th and 9th floors (respectively 1,532.17 m² and 714.26 m², both measured by the registered exclusively owned floor areas).
 - 4) Square meters
 - (i) Land: Total site area of the entire building: 4,937.44 m²
 - (ii) Building: Total floor space of the entire building (including common areas): 32,601.54 m²
 - 5) Structure: 13 floors above ground with 2 floors below ground
 - 6) Completion: March 7, 2003
 - 7) Price Investigation

Valuation prepared by Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Value: ¥932,000,000
Date of Valuation: September 1, 2005:
 - 8) Earthquake PML
1.5%

(obtained from the building condition investigation report prepared by Engineering & Risk Services Corporation)
 - 9) Existence of Secured Interests (Liens)

The existing secured interests will be extinguished prior to the date of sale and purchase.
 - 10) Tenancy, etc.
 - (i) Total number of lessees: one (1)
 - (ii) Total Rentable Square Meters: 2,337.878 m²
 - (iii) Total Leased Square Meters: 2,337.878 m²
 - (iv) Occupancy Rate: 100%
- 4 Outline of Seller
- 1) Name: SK Create Co., Ltd.
 - 2) Address: 38 - 1, Chuo-ku 1-chome, Nakano-ku, Tokyo
 - 3) Representative: Tetsuyuki Yuasa, President & Representative director
 - 4) Capital: ¥10 million
 - 5) Principal Business: Real property leasing
 - 6) Relationship with NBF: None



5 Transactions with Interested Parties etc.

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

September 27, 2005	Determination to make acquisition
September 28, 2005	Execution of Sale and Purchase Agreement of Real Property
October 5, 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 published as of September 22, 2005, as this acquisition will have little impact upon the management situation of NBF during such period.

This English language notice is a translation of the Japanese language notice dated September 27, 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 Exterior Appearance 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)		123
Expenses (excluding depreciation)		53
	public imposts and taxes	8
	miscellaneous	45
	expenses	
	management entrustment fees, costs of repair etc.	45
	insurance premiums	0
Property NOI (Net Operating Income)		70

(Premises upon which Estimated Revenues and Expenses are based)

1. The above figures represent annualized revenues and expenses from the portion of the Property currently being acquired after exclusion of extraordinary factors for the year of acquisition (not the forecasted figures for the coming period), corresponding to the equity acquired by NBF.
2. Revenues are premised on a basic annual occupancy rate of 100%.

<Reference Material 2>

Exterior Appearance 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	13.34%	70.0%
	Yamato Seimei Bldg.(Note 1)	63,500,000	10.89%	
	NBF Platinum Tower (Note 2)	27,600,000	4.73%	
	Shiba NBF Tower	24,900,000	4.27%	
	Nihonbashi Muromachi Center Bldg.	25,300,000	4.34%	
	Nakameguro GT Tower (Note 3)	24,600,000	4.22%	
	Shinjuku Mitsui Bldg. No.2	16,900,000	2.90%	
	GSK Bldg.	18,300,000	3.14%	
	NBF Toranomom Bldg.	14,800,000	2.54%	
	Kowa Nishi-Shinbashi Bldg. B	14,200,000	2.43%	
	Nippon Steel Bldg. No.2	13,310,000	2.28%	
	NBF Alliance	9,770,000	1.68%	
	Yotsuya Medical Bldg.	8,800,000	1.51%	
	Shibuya Garden Front	10,500,000	1.80%	
	NBF Shiba Koen Bldg.	7,030,000	1.21%	
	NBF Takanawa Bldg.	7,350,000	1.26%	
	Akasaka Sanno Square	6,430,000	1.10%	
	Toranomon Kotohira Tower	6,160,000	1.06%	
	Sumitomo Densetsu Bldg.	5,270,000	0.90%	
	NBF Higashi-Ginza Square	5,690,000	0.98%	
	NBF Ogawamachi Bldg.(Note 4)	4,940,000	0.85%	
	NBF Ikebukuro Tower	4,900,000	0.84%	
	NBF Ikebukuro City Bldg.	4,620,000	0.79%	
NBF Sudacho Verde Bldg.	2,460,000	0.42%		
Nishi-Shinjuku Mitsui Bldg.	1,740,000	0.30%		
NBF Ebisu Minami Bldg.	1,150,000	0.20%		
Other Greater Tokyo	IST Bldg.	35,200,000	6.04%	17.0%
	Nakanosakaue Sunbright Twin	9,900,000	1.70%	
	Yokohama ST Bldg.	15,300,000	2.62%	
	NBF Atsugi Bldg.	2,410,000	0.41%	
	Tsukuba Mitsui Bldg.	9,110,000	1.56%	
	NBF Utsunomiya Bldg.	2,520,000	0.43%	
	S-ino Omiya North Wing	17,800,000	3.05%	
	Daido Life Omiya Bldg.	2,250,000	0.39%	
	NBF Urawa Bldg.(Note 4)	2,000,000	0.34%	
	NBF Matsudo Bldg.	2,590,000	0.44%	
Other Cities	Sapporo L-Plaza (Note 5)	4,530,000	0.78%	13.1%
	NBF Sapporo Minami Nijo Bldg.	1,630,000	0.28%	
	NBF Sendai Honcho Bldg.	3,840,000	0.66%	
	NBF Unix Bldg.	4,730,000	0.81%	
	NBF Niigata Telecom Bldg.	4,440,000	0.76%	
	NBF Nagoya Hirokoji Bldg.	5,570,000	0.95%	
	Aqua Dojima NBF Tower	18,500,000	3.17%	
	Sun Mullion NBF Tower	9,880,000	1.69%	
	Sakaisuji-Honmachi Center Bldg.	6,570,000	1.13%	
	NBF Sakai-Higashi Bldg.	2,420,000	0.41%	
	NBF Tanimachi Bldg.	2,040,000	0.35%	
	Aqua Dojima East	2,010,000	0.34%	
	Otemae Center Bldg.	2,010,000	0.34%	
	NBF Shijo Karasuma Bldg.	1,650,000	0.28%	
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.50%	
	Hiroshima Fukuromachi Bldg.	874,000	0.15%	
NBF Hakata Gion Bldg.	2,530,000	0.43%		
Total		583,254,000	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, 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 respective sale and purchase contracts as of the dates of the decision to acquire such properties.

(Note 1) Expected to be acquired on October 20, 2005.

(Note 2) 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 seller, the price may be increased to a maximum of ¥31,000,000,000 by the transfer date in accordance with certain rules.

(Note 3) The book value of Nakameguro TG Tower represents the total price of the already owned portion (¥14,800,000,000) and the additional acquisition (¥9,800,000,000) published concurrently with the current additional acquisition of Sapporo L-Plaza.

(Note 4) Expected to be acquired on September 30, 2005.

(Note 5) Expected to be acquired on October 5, 2005; provided, however, that the book value of Sapporo L-Plaza represents the total price of the already owned portion (¥3,560,000,000) and the current additional acquisition (¥970,000,000).