



March 4, 2005

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
Toshihiko Fukase, 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 (Akasaka Sanno Square)

Nippon Building Fund, Inc. ("NBF") hereby provides notice of its decision on February 24, 2005 to acquire assets as follows:

Description

1. Outline of the Acquisition

- 1) Acquired Assets: Beneficiary interests in trust assets comprised mainly of real estate
- 2) Name of Acquired Assets: Akasaka Sanno Square (hereinafter referred to as "the Property")
- 3) Acquisition Price: ¥6,250,000,000
(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: February 24, 2005
- 5) Date of Transfer (anticipated): February 24, 2005
- 6) Acquired From: Takumi Investment Third, Ltd.
(please refer to Section 5. hereinbelow for a description of the seller)
- 7) Acquisition Funds: Existing capital plus loans (anticipated)
- 8) Broker: Mitsui Fudosan Co., Ltd.
brokerage fees: ¥62,500,000 (excluding consumption tax, etc.)

2. Reason for Acquisition

The acquisition is being undertaken with the intention of enhancing the 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



this property, the following points were especially attractive.

1) Location

The Akasaka 2-chome area where the Property is located is known as an especially strong business and commercial district within the Tokyo CBDs and is also very close to the heart of national politics. The Property enjoys ready access to the “Tameike Sanno” station of the Ginza and Nanboku lines (a minute's walk) as well as the “Kokkai-Gijido-mae” station of the Chiyoda and Marunouchi lines (three minutes' walk) of the Tokyo Metro system. Furthermore, the Property faces the Tameike intersection (a cross-point of the Sotobori-Dori and the Roppongi-Dori) providing it with excellent visibility.

2) Building and Facilities

The exterior of the Property projects a high-class image with glass walls matching the spacious facade as well as the recently renovated entrance and elevator halls. Each rental floor offers in excess of 700 square meters with no pillars, can be divided into fifteen zones with independent air conditioning, and is equipped with a 60mm sub-floor cavity for connection of OA equipment. Each floor also has 50VA/m² electric capacity and a card key security system providing a comfortable and safe office environment.

3. Background of Acquisition

Takumi Investment Third, Ltd., the seller, is as described below, an investment vehicle for the “Mitsui Gemstone Fund I” which is a real estate fund capitalized through private offerings and managed by Mitsui Fudosan Co., Ltd. which provides asset management services for it and also holds an indirect investment in its equity.

NBF has been considering the acquisition of the Property pursuant to an introduction by Mitsui Fudosan Co., Ltd. acting as broker. The occupancy rate of the Property was very low at the time of acquisition by the seller. However, due to subsequent leasing activities by the seller, the occupancy rate is currently near 100%. Against this background, an agreement on the terms and conditions of acquisition was reached and NBF decided to acquire the Property. NBF intends to receive similar acquisition opportunities through collaboration with Mitsui Fudosan Co., Ltd. in the future.

4. Outline of Assets to be Acquired

1) Type of Specified Assets

Beneficiary interests in real estate held in trust

2) Trustee

UFJ Trust Bank Limited

3) Location



- 2-12, Akasaka 2-chome, Minato-ku, Tokyo
- 4) Intended Use
Office
 - 5) Type of Ownership
100% ownership
 - 6) Area
land: site area for the building: 926.63.m²
total floor space of the building: 7,427.94 m²
 - 7) Structure
Above ground: 8 floors; below ground: 1 floor
 - 8) Completion of Construction
September 7, 1989
 - 9) Valuation
Valuation prepared by Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Value: ¥6,320,000,000
Date of Valuation: February 1, 2005
 - 10) Earthquake PML
11.8 % (obtained from the building condition investigation report prepared by
Engineering & Risk Services Corporation)
 - 11) Description of Tenants
Tenants
The number of tenants as of February 24, 2005 is five (5).
Area
Total Rentable Square Meters: 5,257.54 m²
Total Leased Square Meters: 4,328.76 m²
Occupancy Rate:
The occupancy rate as of February 24, 2005 was 82.3% based on existing lease
contracts; provided, however, that applications to move into the vacant space have
already been received.
 - 12) Existence of Secured Interests (Liens)
None

5. Outline of Seller

- 1) Name : Takumi Investment Third, Ltd.
- 2) Address : 2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo
- 3) Representative : Akira Sugai



- 4) Capital : ¥3,000,000 (as of December 31, 2004)
- 5) Principal Business : Lease, management, possession and operation etc. of real estate
- 6) Others : Takumi Investment Third, Ltd. is a wholly-owned subsidiary of a Cayman Islands corporation. As of this date, the acquisition funds for the beneficiary interests in the Property held in trust have been procured through *tokumei-kumiai's* investment (100%) from MGS Garnet, Ltd. ("MGS") as well as by means of loans from financial institutions. MGS is a wholly-owned subsidiary of a Cayman Islands corporation, and receives, as an investment vehicle for the aforementioned "Mitsui Gemstone Fund I", said *tokumei-kumiai's* investments from Mitsui Fudosan Co., Ltd. as well as from other major pension funds and major institutional investors, etc.

6. Transactions with Interested Parties etc.

1) Asset Management Services etc. for Seller

The current acquisition of beneficiary interests in trust does not fall under the category of Related Parties Transactions as defined in the Law concerning Investment Trusts and Investment Corporations of Japan. However, Takumi Investment Third, Ltd., the seller, entrusts its asset management business to Mitsui Fudosan Co., Ltd., being one of the related parties of Nippon Building Fund Management, Ltd., and its decisions are based on advice provided by Mitsui Fudosan Co., Ltd. Further, as mentioned above, Mitsui Fudosan Co., Ltd. is one of the investors who makes *tokumei-kumiai*-type investments in MGS, and is entrusted with fund management services for the "Mitsui Gemstone Fund I".

2) 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 related parties of Nippon Building Fund Management, Ltd. The same will apply to the current acquisition.

7. Acquisition Schedule

- | | |
|-------------------|--|
| February 24, 2005 | Determination to make acquisition |
| February 24, 2005 | Execution of sale and purchase agreement of beneficiary interests in trust |
| February 24, 2005 | Date of transfer |



8. Forecasted Management Situation as at the close of June, 2005

There is no change in the forecasted management situation during the period ending June 30, 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 February 24, 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>

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|----------------------|--|
| Reference Material 1 | Estimated Revenues and Expenses from the Property to be Acquired |
| 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 to be Acquired

(in million yen)

| | | |
|---|---|-----|
| Revenues (including ancillary revenues) | | 469 |
| Expenses (excluding depreciation) | | 156 |
| | public imposts and taxes | 66 |
| | miscellaneous | 90 |
| | expenses | |
| | management entrustment fees, costs of repair etc. | 88 |
| | insurance premiums, trust fees etc. | 2 |
| Property NOI (Net Operating Income) | | 313 |

(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 (not the forecasted figures for the coming period).
2. Revenues are premised on an occupancy rate of 97% for the base year.

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. | 75,700,000 | 17.30% | 71.2% |
| | NBF Platinum Tower (Note 1) | 27,600,000 | 6.31% | |
| | Shiba NBF Tower | 24,800,000 | 5.67% | |
| | Nihonbashi Muromachi Center Bldg. | 24,320,000 | 5.56% | |
| | Shinjuku Mitsui Bldg. No.2 | 16,500,000 | 3.77% | |
| | GSK Bldg. | 17,800,000 | 4.07% | |
| | Nakameguro GT Tower | 14,300,000 | 3.27% | |
| | Daiya Toranomom Bldg. | 13,800,000 | 3.15% | |
| | Kowa Nishi-Shinbashi Bldg. B | 13,600,000 | 3.11% | |
| | Nippon Steel Bldg. No.2 | 13,100,000 | 2.99% | |
| | Alliance | 9,490,000 | 2.17% | |
| | Shibuya Garden Front | 9,550,000 | 2.18% | |
| | Shiba A Bldg. | 6,810,000 | 1.56% | |
| | NBF Takanawa Bldg. | 7,140,000 | 1.63% | |
| | Akasaka Sanno Square | 6,250,000 | 1.43% | |
| | Toranomon Kotohira Tower | 6,090,000 | 1.39% | |
| | Sumitomo Densetsu Bldg. | 5,160,000 | 1.18% | |
| | NBF Higashi-Ginza Square (Note 2) | 4,800,000 | 1.10% | |
| | Daiya Ikebukuro Bldg. | 4,850,000 | 1.11% | |
| | Ikebukuro TG Homest Bldg. | 4,570,000 | 1.04% | |
| NBF Sudacho Verde Bldg. | 2,410,000 | 0.55% | | |
| Nishi-Shinjuku Mitsui Bldg. | 1,690,000 | 0.39% | | |
| Ebisu CS Bldg. | 1,050,000 | 0.24% | | |
| Other Greater Tokyo | Nakanosakaue Sunbright Twin | 9,590,000 | 2.19% | 13.2% |
| | Yokohama ST Bldg. | 14,500,000 | 3.31% | |
| | NBF Atsugi Bldg. | 2,350,000 | 0.54% | |
| | Tsukuba Mitsui Bldg. | 8,890,000 | 2.03% | |
| | S-ino Omiya North Wing | 17,800,000 | 4.07% | |
| | Daido Life Omiya Bldg. | 2,240,000 | 0.51% | |
| | NBF Matsudo Bldg. | 2,590,000 | 0.59% | |
| Other Cities | Sapporo L-Plaza | 3,520,000 | 0.80% | 15.6% |
| | NBF Sapporo Minami Niijo Bldg. | 1,730,000 | 0.40% | |
| | NBF Sendai Honcho Bldg. | 3,810,000 | 0.87% | |
| | NBF Unix Bldg. | 4,840,000 | 1.11% | |
| | NBF Niigata Telecom Bldg. | 4,340,000 | 0.99% | |
| | Hirokoji Toei Bldg. | 5,440,000 | 1.24% | |
| | Aqua Dojima Daiwa Dojima Bldg. | 18,400,000 | 4.21% | |
| | Sun Mullion NBF Tower | 9,820,000 | 2.24% | |
| | NBF Sakai-Higashi Bldg. | 2,350,000 | 0.54% | |
| | Tanimachi Kowa Bldg. | 2,030,000 | 0.46% | |
| | Aqua Dojima East | 2,010,000 | 0.46% | |
| | Otemae Center Bldg. | 1,960,000 | 0.45% | |
| | NBF Shijo Karasuma Bldg. | 1,560,000 | 0.36% | |
| | NBF Hiroshima Tatemachi Bldg. | 3,000,000 | 0.69% | |
| Hiroshima Fukuromachi Bldg. | 867,000 | 0.20% | | |
| NBF Hakata Gion Bldg. | 2,450,000 | 0.56% | | |
| Total | | 437,467,000 | 100.00% | 100.00% |

The "Book Value" figures in the above table are in principle the appraisal value disclosed as of the end of December 2004 (the appraisal value of real estate with date of valuation being December 31, 2004); provided, however, that for properties acquired (or to be acquired) after January 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 March 28, 2005; 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 ¥5,200,000,000 by the transfer date in accordance with certain rules.