



May 14, 2010

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
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(TSE Code : 8951)
Contact:
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**NIPPON BUILDING FUND INC.
ANNOUNCES QUARTERLY RESULTS
(Jan. 1 – Mar. 31, 2010)**

Nippon Building Fund Inc. (hereinafter “NBF”) hereby announces its financial results for the quarter commencing January 1, 2010 and ending March 31, 2010.

The results of this quarter mostly progressed in line with the forecasted management situation for the period ending June 30, 2010 announced as of February 12, 2010, and there is no change in the forecast of operating revenues, operating income, income before income taxes, net income or cash distribution per share for the said period from those earlier announced. An outline follows:

Description

1. Management Situation for this Quarter (in million yen)

	this quarter (January 1, 2010~ March 31, 2010)	same quarter of the previous year (January 1, 2009~ March 31, 2009)	increase/ decrease	forecast for the current period (January 1, 2010~ June 30, 2010)
Operating revenues	14,547	15,372	▲824	28,054
Operating income	6,544	7,294	▲750	11,787
Income before income taxes	5,117	6,057	▲940	8,834
Net income	5,117	6,057	▲940	8,834

* Cash distribution per share (forecast for the current period) ¥16,300

Results for this quarter consisted of operating revenues of ¥14,547 million, operating income of ¥6,544 million, income before income taxes of ¥5,117 million and net income of ¥5,117 million. The realization rate of this quarter’s operating revenues to those forecasted for the current period (¥28,054 million) is 51.9%, and for this quarter’s income before income taxes to those forecasted (¥8,834 million) is 57.9%,



stably progressing in line with the forecast.

This quarter's operating revenues, operating income, income before income taxes and net income decreased compared to those of the same quarter for the previous year due to the cancellation of leases by tenants during the previous period as well as rent level adjustments etc. NBF sold the NBF Ebisu-Minami Bldg. on March 5, 2010 and the NBF Hakata-Gion Bldg. on March 8, 2010, but such sales had little impact upon the results for this quarter.

2. Financial Position for this Quarter (in million yen)

	end of this quarter (As of March 31, 2010)	end of the previous period (As of December 31, 2009)	increase/ decrease
Total Assets	771,334	782,311	▲10,978
Tangible Fixed Assets	695,209	700,585	▲5,376
Total Liabilities	380,041	385,473	▲5,432
Total of Interest-Bearing Debt and Lease Deposits under Management by NBF (Note 1)	363,125	366,875 (Note 2)	▲3,750
Net Assets	391,293	396,838	▲5,545

(Note 1) total amount of interest-bearing debt of ¥333,625 million and lease deposits under management by NBF of ¥29,500 million.

(Note 2) total amount of interest-bearing debt of ¥337,875 million and lease deposits under management by NBF of ¥29,000 million.

As of the end of this quarter, total assets amounted to ¥771,334 million (decrease of ¥10,978 million compared to the end of the previous period) and net assets amounted to ¥391,292 million (decrease of ¥5,545 million compared to the end of the previous period). Further, tangible fixed assets amounted to ¥695,209 million (decrease of ¥5,376 million compared to the end of the previous period) partly due to sale of the NBF Ebisu-Minami Bldg. and the NBF Hakata-Gion Bldg. in March 2010.

As the result, the amount of debt as of the end of this quarter (the total amount of interest-bearing debt and lease deposits under management by NBF) was ¥363,125 million, with the loan to value ratio being 47.1%, an increase of 0.2 percentage points compared to the level as at the end of the previous period (46.9%). The amount of interest-bearing debt of ¥333,625 million consisted of short-term interest-bearing debt of ¥25,750 million (short-term borrowings of ¥16,000 million and long-term borrowings due within one year of ¥9,750 million) and long-term interest-bearing debt of ¥307,875 million (long-term borrowings of ¥237,875 million and NBF bonds of ¥70,000 million), with the long-term interest-bearing debt ratio (the ratio of long-term interest bearing debt to total interest-bearing debt) being 92.3%



NBF's rating summary as of May 14, 2010 is as follows:

Rating Agency	Rating Summary
Standard & Poor's Rating Services	Long-term Corporate: A+, Short-term Corporate: A -1, Outlook: Stable
Moody's Investors Service Inc.	Issuer Rating: A1, Outlook: Negative
Rating and Investment Information, Inc.	Issure Rating:AA, Outlook: Stable

3. Issues of Unsecured NBF Bonds

NBF Bonds were issued through public offering on January 28, 2010 (the date of payment) in accordance with NBF's "General Resolution to Issue Domestic Unsecured Investment Corporation Bonds" adopted at a Board of Director's Meeting held on October 22, 2009 based on the following conditions:

No. 11 Unsecured Investment Corporation Bonds

Name	: Nippon Building Fund, Inc. No. 11 Unsecured Investment Corporation Bonds (with special pari passu conditions among specified NBF Bonds)
Total Issue Value	: Ten billion Japanese yen (¥10,000,000,000)
Amount Payable	: One hundred yen (¥100) per one hundred yen (¥100) of No.11 NBF Bonds
Redemption Price	: One hundred yen (¥100) per one hundred yen (¥100) of No.11 NBF Bonds
Interest Rate	: 1.23% per annum
Security/guarantee	: No secured mortgage or guarantee is applicable to, and no assets are specifically reserved as collateral for, No. 11 NBF Bonds.
Method and Date of Redemption	: The entire amount will be redeemed on January 28, 2015. No. 11 NBF Bonds may be repurchased and cancelled at any time after the date of payment unless specified to the contrary by the relevant transfer agent.
Interest Payment Dates	: January 28 and July 28 of each year
Use of Funds	: Repayment of borrowings etc.



4. Occupancy rates and total rentable area

		end of this quarter (As of March 31,2010)	end of the previous period (As of December 31,2009)
Occupancy rates as of the end of the quarter	Tokyo CBD's	96.4%	96.4%
	Other Greater Tokyo	96.2%	95.3%
	Other Cities	90.4%	90.5%
	Total	95.1%	94.8%
Total Rentable Area (m ²)		763,079	770,150

Occupancy rates were 96.4% in the Tokyo CBD's, 96.2% in the Other Greater Tokyo and 90.4% in the Other Cities as of the end of this quarter. The total occupancy rate was 95.1%, a 0.3% increase compared to that of the end of the previous period.

The total rentable area decreased due to sale of the NBF Ebisu-Minami Bldg. and the NBF Hakata-Gion Bldg. as mentioned above.

5. Forecast of the management situation of the current period.

There is no change in the forecast of operating revenues, operating income, income before income taxes, net income or cash distribution per share for the periods ending June 30, 2010 and December 31, 2010 from those announced on February 12, 2010.

End

This English language notice is a translation of the Japanese language notice dated May 14, 2010 and was prepared solely for the convenience of, and reference by, overseas investors. Neither NBF nor Nippon Building Fund Management Ltd. makes any warranties as to its accuracy or completeness.

This news release contains translations of selected information described in the Japanese Language Financial Release ("Hanki Gyoseki no Gaikyo") prepared under the timely-disclosure requirements of the Tokyo Stock Exchange dated May 14, 2010.

This news release has not been audited.

The forecasted figures of the management situation included in this document are based on the information available as of the date of this release and on assumptions as of the date of this release as to uncertain factors affecting our future operating results. Actual results may vary due to miscellaneous factors in the future.



<Reference Data>

Outline of the properties expected to be acquired following this quarter

The anticipated acquisition date and acquisition price of the following assets, a sale and purchase agreement for which was entered into on August 29, 2008, were revised on April 8, 2010:

:

Name of Building		NBF Ueno Bldg.	
Type of Specified Assets		Real estate	
Location		24-11, Higashi-Ueno 4-chome, Taito-ku, Tokyo	
Land	Area	2,405.22 m ² (total)	
	Zoning	Commercial district	
	Type of Ownership	Ownership (78.06% of joint ownership interests)	
Building	Structure	Steel frame and steel framed reinforced concrete structure, flat roof, 13 floors above ground and 2 floors below ground	
	Total floor space	15,467.77 m ² (entire building)	
	Type of Ownership	ownership (condominium interests)	
	Completion of building construction	January 5, 2010	
	Owned floors, floor area and use etc.	offices (floors 4~13)	10,184.40 m ²
	offices (1st floor)	145.30 m ²	(ownership ratio 100%)
	offices (lower level 1)	9.67 m ²	(ownership ratio 100%)
	total	10,339.37 m ²	
Acquisition date		January 31, 2011 (scheduled)	
Acquisition price		¥10,400,000,000 (expected)	
Trustee		—	
Building Management Company		Shimizu Corporation	
Remarks		(i) The type of ownership of the building portion of this property is condominium interests to which the administrative rules governing such condominium interests shall apply. The administrative rules provide that rights of first refusal be accorded to other owners of the condominium interests therein when transferring the same, prohibit demands for partition of the property and so forth. (ii) NBF must pay 20% of the purchase price to the seller in the event of termination of the sale and purchase agreement for the property due to any reason attributable to NBF.	

<Attached Materials>

【Attached Material 1】 Top 10 Tenants by Leased Space

【Attached Material 2】 Summary of Portfolio as of May 14, 2010.



【Reference Material 1】 Top 10 Tenants by Leased Space

(As of March 31, 2010)

	Name	Building	Leased Space (m ²)	Percentage of Total Leased Space (%) *
1	Mitsui Fudosan Co., Ltd.	Nishi-Shinjuku Mitsui Bldg. Gate City Ohsaki Toranomom Kotohira Tower Nakameguro GT Tower Yotsuya Medical Bldg. NBF Ogawamachi Bldg. Shin-Kawasaki Mitsui Bldg. Parale Mitsui Bldg. Shinanobashi Mitsui Bldg.	169,912	23.4
2	IBM Japan, Ltd.	NBF Toyosu Canal Front Tsukuba Mitsui Bldg.	28,393	3.9
3	GlaxoSmithKline K.K	GSK Bldg. NBF Unix Bldg.	20,515	2.8
4	Hakuhodo DY Holdings Inc.	NBF Toyosu Garden Front	18,781	2.6
5	AXA Life Insurance Co.,Ltd.	NBF Platinum Tower NBF Minami-Aoyama Bldg. Tsukuba Mitsui Bldg.	18,419	2.5
6	Fuji Xerox Co.,Ltd.	Shinjuku Mitsui Bldg. No.2 Nakanosakaue Sunbright Twin	16,252	2.2
7	NS Solutions Corporation	Nippon Steel Bldg. No.2	15,333	2.1
8	Transcosmos Inc.	Shibuya Garden Front NBF Sapporo Minami Nijo Bldg. NBF Nagoya Hirokoji Bldg. NBF Kumamoto Bldg.	14,370	2.0
9	Nikkei Business Publications, Inc.	NBF Platinum Tower	9,189	1.3
10	The Resolution and Collection Corporation	Nakanosakaue Sunbright Twin NBF Nagoya Hirokoji Bldg.	8,569	1.2

* ratio of total leased area to total rentable area

The leased properties listed above with Mitsui Fudosan Co., Ltd. being the lessee are leased by NBF to Mitsui Fudosan Co., Ltd. which sub-leases the same to certain sub-lessees.



【Attached Material 2】 Summary of Portfolio as of May 14, 2010.

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	NBF Hibiya Bldg.	63,500,000	8.04%	63.6%	60,000,000
	Nishi-Shinjuku Mitsui Bldg.	44,903,393	5.68%		49,400,000
	Shiba NBF Tower	32,000,000	4.05%		29,100,000
	NBF Platinum Tower	31,000,000	3.92%		52,500,000
	NBF Minami-Aoyama Bldg.	31,000,000	3.92%		20,500,000
	Gate City Ohsaki	30,100,000	3.81%		30,900,000
	Toranomon Kotohira Tower	24,543,000	3.11%		31,300,000
	NBF Nihonbashi Muromachi Center Bldg.	23,945,000	3.03%		28,100,000
	Nakameguro GT Tower	23,856,000	3.02%		25,600,000
	Mitsuseimei Ochanomizu Bldg.	20,840,000	2.64%		15,100,000
	NBF Ginza Street Bldg.	17,000,000	2.15%		14,500,000
	Shinjuku Mitsui Bldg. No.2	16,285,400	2.06%		16,700,000
	GSK Bldg.	15,616,000	1.98%		22,900,000
	NBF Toranomon Bldg.	13,337,000	1.69%		16,600,000
	Kowa Nishi-Shinbashi Bldg. B	13,217,000	1.67%		18,100,000
	Nippon Steel Bldg. No.2	12,614,118	1.60%		14,010,000
	NBF Alliance	9,126,000	1.16%		10,400,000
	Yotsuya Medical Bldg.	8,800,000	1.11%		7,600,000
	Shibuya Garden Front	8,700,000	1.10%		13,900,000
	NBF Shibuya East	8,000,000	1.01%		6,900,000
	NBF Shibakouen Bldg.	6,770,000	0.86%		8,350,000
	NBF Takanawa Bldg.	6,667,200	0.84%		7,260,000
	NBF Akasaka Sanno Square	6,250,000	0.79%		7,420,000
	NBF Shibakouen Daimon Street Bldg.	6,100,000	0.77%		5,280,000
	Sumitomo Densetsu Bldg.	5,365,000	0.68%		6,200,000
	NBF Higashi-Ginza Square	5,200,000	0.66%		7,330,000
	NBF Ogawamachi Bldg.	4,940,000	0.63%		5,690,000
	NBF Ikebukuro Tower	4,695,000	0.59%		5,120,000
NBF Ikebukuro City Bldg.	4,428,000	0.56%	4,970,000		
NBF Sudacho Verde Bldg.	3,280,000	0.42%	3,390,000		
Other Greater Tokyo	Nakanosakaue Sunbright Twin	40,750,488	5.16%	25.3%	33,000,000
	NBF Toyosu Canal Front	35,200,000	4.46%		36,900,000
	NBF Toyosu Garden Front	25,018,000	3.17%		30,400,000
	NBF Ueno Bldg. (Note 3)	10,400,000	1.32%		8,590,000
	Shin-Kawasaki Mitsui Bldg.	20,300,000	2.57%		16,700,000
	Yokohama ST Bldg.	13,529,300	1.71%		16,300,000
	Parale Mitsui Bldg.	3,800,000	0.48%		3,780,000
	NBF Atsugi Bldg.	2,300,000	0.29%		2,110,000
	Tsukuba Mitsui Bldg.	8,875,500	1.12%		7,940,000
	NBF Utsunomiya Bldg.	2,435,000	0.31%		2,260,000
	S-ino Omiya North Wing	16,816,345	2.13%		20,100,000
	NBF Urawa Bldg.	2,000,000	0.25%		2,130,000
	NBF Shin-Urayasu Tower	15,700,000	1.99%		11,600,000
	NBF Matsudo Bldg.	2,455,000	0.31%		2,270,000
Other Cities	Sapporo L-Plaza	4,404,405	0.56%	11.2%	6,390,000
	NBF Sapporo Minami Nijo Bldg.	1,870,300	0.24%		1,590,000
	NBF Sendai Honcho Bldg.	3,566,000	0.45%		3,290,000
	NBF Unix Bldg.	4,028,900	0.51%		3,420,000
	NBF Niigata Telecom Bldg.	3,957,500	0.50%		3,120,000
	NBF Nagoya Hirokoji Bldg.	7,232,000	0.92%		7,970,000
	Aqua Dojima NBF Tower	17,810,000	2.25%		20,200,000
	Shinanobashi Mitsui Bldg.	14,400,000	1.82%		13,700,000
	Sun Mullion NBF Tower	10,500,000	1.33%		8,830,000
	Sakaisuji-Honmachi Center Bldg.	6,500,000	0.82%		7,150,000
	NBF Sakai-Higashi Bldg.	2,227,200	0.28%		1,740,000
	Aqua Dojima East	1,914,000	0.24%		2,020,000
	NBF Shijo Karasuma Bldg.	1,627,000	0.21%		1,390,000
	NBF Hiroshima Tatemachi Bldg.	2,930,000	0.37%		2,800,000
	Hiroshima Fukuromachi Bldg.	835,000	0.11%		816,000
	NBF Kumamoto Bldg.	4,500,000	0.57%		3,690,000
Total		789,960,050	100.00%	100.00%	827,316,000

(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.

(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 December 2009 (real estate appraisal value with date of valuation being December 31, 2009).

(Note 3) Expected to be acquired on January 31, 2011. The date of valuation for the "value (real estate appraisal value)" is April 1, 2010.