



NBF News Release

OFFICE BUILDING FUND OF JAPAN, INC. ANNOUNCES FIRST-HALF 2002 RESULTS

Tokyo, Japan August 20, 2002

Office Building Fund of Japan, Inc. (hereinafter "NBF", also referred to in Japan as "Nihon Building Fund toshi-hojin", TSE ticker code: 8951) today announced its financial results for the first-half 2002 (the 2nd fiscal period from January 1, 2002 to June 30, 2002). NBF reported total revenues of ¥11,259 million, income before income taxes of ¥4,493 million, net income of ¥4,492 million, and earnings per common share of ¥16,003.

As of June 30, 2002, NBF's total asset balance was ¥278,975 million and total shareholder's equity was ¥153,391 million, or ¥546,460 per common share. NBF's investment properties, net of accumulated depreciation, were ¥244,509 million, compared to ¥225,650 million at December 31, 2001.

First-half 2002 Highlights

Additional Acquired Properties:

During the 2nd period, NBF acquired two office properties: the Sun Mullion NBF Tower (location: Osaka; acquisition price: ¥10,500 million; type of ownership: fee simple; net rentable square meters: 14,210) and the Nakano-Sakaue Sunbright Twin (location: Nakano-Ku, Tokyo; acquisition price: ¥8,979 million, type of ownership: condominium interests of approximately 31.6%; net rentable square meters: 12,220). First-half 2002 results include the contributions from these additional properties acquired during the period.

NBF Portfolio Profile:

As of June 30, 2002, NBF owned or had beneficiary interests in 26 office properties containing approximately 303,000 rentable square meters of office space. As of June 30, 2002, NBF leased office space to 448 tenants engaged in a variety of businesses, compared to 411 tenants at the close of the preceding fiscal term. The occupancy rate for office

properties, meaning the ratio of leased area to rentable area, was approximately 97.4%, compared to 97.5% at the close of the preceding fiscal term.

Cash Dividends:

In accordance with the distribution policy prescribed in our Articles of Incorporation, we distributed almost 100% of unappropriated profit for the current term (¥16,003 per common share) to our shareholders. By distributing over 90% of taxable income for the period to our shareholders and complying with other organizational and operational requirements, NBF intends to be able to deduct its cash dividends of profit from its taxable income under Japanese tax regulations (Special Taxation Measures Law Article 67-15).

Debt Financing:

NBF obtained funding through interest-bearing debt utilizing mainly unsecured and non-guaranteed bank loans. NBF refinanced short-term loans to long-term and fixed-rate debt in order to hedge against risks related to interest rate hikes and to fix interest rates at current low levels. At the end of the period the ratio of interest-bearing debt to total assets was 36.0%, and the ratio of long-term debt to total interest-bearing debt was 66.7%.

Credit Ratings:

NBF obtained the following issuer credit ratings as a J-REIT, which we believe helped us to diversify sources of debt financing.

Rating Agency	Rating Date	Rating Summary
Standard & Poor's	May 1, 2002	Long-term: A, Short-term: A-1, Outlook: stable
Moody's	May 30, 2002	Rating: A3, Outlook: stable

Outline of Forecast for Second-half 2002

As required by the timely-disclosure requirements of the Tokyo Stock Exchange, we announced a forecast for 2nd-half 2002 (the 3rd fiscal period from July 1, 2002 to December 31, 2002) as a part of "Kessan-Tanshin". An outline of the forecast for 2nd-half 2002 is as follows:

Environment and Strategy:

The level of supply of new construction, large-scale office buildings in the Tokyo central business districts will be higher in 2003, which affects not only the office leasing market but also the activities of the tenants who are NBF's principal and potential customers. Based upon our estimation of the impact of such supply and the recovery of the market, we believe that there is a chance for NBF to expand its scale externally through further

acquisitions. It is also our basic strategy, due to the extreme concentration of economic activities in Tokyo, to achieve area diversification of the properties of NBF while securing the Tokyo central business districts as an important investment target. Moreover, our internal growth strategy, especially in a soft market, is to maintain relatively high occupancy rates by retaining existing tenants and to reduce rental costs.

Performance Forecast:

For 2nd-half 2002, based on operating activities of 26 office properties only, NBF forecasts operating revenues of ¥11,653 million, net income of ¥4,272 million, and cash dividends of ¥15,220 per common share.

New Acquisition:

On August 20, 2002, NBF announced that it will acquire condominium interest of 59.2% of Naka-Meguro GT Tower (Office Tower) from Mitsui Fudosan Co., Ltd. for ¥13,763 million in February 2003. Net rentable area of this property is 13,569 square meters (Total net rentable area of the Office Tower: 22,830 square meters) and its current occupancy rate is 100%.

About NBF

NBF is one of the leading Japanese real estate investment corporations which was formed on March 16, 2001 as an investment corporation under the Investment Trust Law of Japan. NBF is a fully integrated, self-administered, and externally managed real estate investment company. Registration of NBF with the Kanto Local Finance Bureau of the Ministry of Finance was completed on May 10, 2001 and acquisition of office properties commenced on May 23, 2001.

As of September 10, 2001, NBF had raised approximately ¥50 billion through an initial public offering of its common shares, which are listed on the J-REIT section of the Tokyo Stock Exchange.

Office Building Fund Management Japan, Ltd. ("NBFM"), NBF's asset management company, is engaged in acquiring, owning, managing, leasing, and renovating office properties. Mitsui Fudosan Co., Ltd. currently owns 43% of NBFM, Sumitomo Life Insurance Company holds a 35% stake and 22% is owned by others.

Investor Relations

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This news release contains translations of selected information described in the Financial Release (“*Kessan Tanshin*”) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and the Performance Information Report for the period from January 1, 2002 to June 30, 2002, of Office Building Fund of Japan, Inc. prepared pursuant to the Investment Trust Law of Japan.

This English language document was prepared solely for the convenience of and reference by overseas investors and neither corresponds to the original Japanese documents nor is it intended to constitute a disclosure document. The Japanese language Financial Release and the Financial Statements and the Performance Information Report for the aforementioned period should always be referred to as originals of this document.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financials statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English statements contained herein, the original Japanese documents will always govern the meaning and interpretation. None of Office Building Fund of Japan, Inc., Office Building Fund Management Japan, Ltd. or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of English translations or the selection of the portions(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by Office Building Fund of Japan, Inc., Office Building Fund Management Japan, Ltd. or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

The financial statements of Office Building Fund of Japan, Inc. have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP) which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

Many provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions. **These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the office market, interest rate fluctuations, competition with our office properties, and the impact of changing regulations or taxation. NBF does not intend, and is under no obligation to, update any particular forward-looking statement included in this document. The forward-looking statements contained in this press release speak only as of the date of release, August 20, 2002, and NBF does not undertake to revise those forward-looking statements to reflect events after the date of this release.**

First-half 2002 Financial Highlights

The following table sets forth selected financial and operating information on a historical basis for Office Building Fund of Japan, Inc.

SELECTED FINANCIAL RESULTS(1) (Yen in million, except for per share data)

	Office Building Fund of Japan, Inc	
	2002	2001
	1st-Half	(2)
Operating Data:		
Operating Revenue:		
Rental	¥ 10,427	¥ 11,555
Other rental	832	1,006
Total Revenue	11,259	12,561
Operating Expenses:		
Property operating, taxes and others	3,676	3,567
Depreciation and amortization	1,947	2,170
Asset management fees and other expense	629	658
Total operating expenses	6,252	6,395
Interest income	12	2
Interest expenses	(527)	(570)
Other expenses	-	(256)
Income before income taxes	4,493	5,342
Current and deferred income taxes	(1)	(1)
Net income	¥ 4,492	¥ 5,341
Earnings per share of common share (Yen):		
Net income	¥ 16,003	¥ 22,271
Weighted average number of shares outstanding	280,700	239,087
Per share data:		
Cash dividend (Yen)	¥ 16,003	¥ 19,026
Balance Sheet Data:		
Current assets	¥ 33,368	¥ 30,806
Investment properties, net of accumulated depreciation	244,509	225,650
Other assets	1,098	391
Total assets	¥ 278,975	¥ 256,847
Short-term loans	33,450	20,900
Other current liabilities	3,459	3,026
Long-term debts	67,000	58,000
Tenant security deposits	21,654	20,666
Other liabilities	21	15
Total liabilities	125,584	102,607
Common shares, non-par value	148,899	148,899
Retained earnings	4,492	5,341
Total Shareholders' Equity	153,391	154,240
Total Liabilities and Shareholders' Equity	278,975	256,847
Cash Flow Data:		
Cash flow provided by operating activities	¥ 9,467	¥ 7,407
Cash flow used for investing activities	(20,479)	(207,505)
Cash flow provided by financial activities	16,227	227,765
Cash and cash equivalents	32,882	27,667
Other Supplement Data:		
Number of investment properties	26	24
Number of tenants	448	411
Net rentable square meter at end of the period	303,485	277,054
Occupancy rate at end of the period	97.4 %	97.5 %
Property net operating income (3)	¥ 7,583	¥ 8,993

- (1) The selected financial data has been derived from the historical financial statements of Office Building Fund of Japan, Inc. based on generally accepted accounting principles in Japan (Japanese GAAP) and audited by Asahi & Co., independent auditors.
- (2) Although NBF's first fiscal period technically commenced on May 16, 2001 when NBF was established, and ended on December 31, 2001, NBF began its business operations as registered real estate investment corporation on May 23, 2001. Therefore, its practical operating period was from May 23, 2001 to December 31, 2001.
- (3) Property net operating income is defined as rental revenues, including common area charges, parking charges and other income less property operating expenses, including real estate taxes, insurance, repairs and maintenance and other property operating expenses

Office Properties Selected Data

The following table sets forth selected information as of June 30, 2002 relating to the office properties in which we have invested.

Name of Building	Location	Book value (Yen in millions)	Net rentable square meters	Number of tenants	Occupancy rate
NKK Headquarters' Bldg.	Tokyo	73,425	65,280	1	100.0
Shiba NBF Tower	Tokyo	32,094	24,560	2	99.4
Shinjuku Mitsui Bldg. No.2	Tokyo	16,116	14,946	28	98.9
GSK Bldg.	Tokyo	15,332	20,407	1	100.0
Kowa Nishi Shinbashi Bldg. B	Tokyo	13,033	10,088	2	100.0
Nihonbashi Muromachi Center Bldg.	Tokyo	9,896	8,041	8	100.0
Takanawa 1-chome Bldg.	Tokyo	6,567	10,473	4	100.0
Mita City Bldg.	Tokyo	5,229	6,002	1	100.0
Shinjuku Yochomachi Bldg.	Tokyo	2,310	5,177	4	100.0
Subtotal		174,005	164,974	51	99.8
Nakano-Sakaue Sunbright Twin	Tokyo	9,403	12,220	1	100.0
Yokohama ST Bldg.	Yokohama	13,519	20,064	75	99.0
Tsukuba Mitsui Bldg.	Ibaragi	6,625	12,649	57	80.5
Daido Life Omiya Bldg.	Saitama	2,325	3,604	8	97.8
Matsudo City Bldg.	Chiba	2,567	4,771	24	90.7
Inage Kaigan Bldg.	Chiba	1,907	5,881	13	80.1
Subtotal		36,348	59,189	178	92.6
Sapporo Minami Nijo Bldg.	Hokkaido	1,831	5,376	7	97.9
Sendai Daido Life Bldg.	Miyagi	3,508	7,510	7	99.8
Unix Bldg.	Fukushima	3,892	13,478	58	95.8
Niigata Telecom Bldg.	Niigata	3,903	10,257	34	96.4
Hamamatsu City Bldg.	Shizuoka	1,348	5,152	24	81.0
Sun Mullion NBF Tower	Osaka	10,781	14,210	29	95.1
Sakai Higashi Center Bldg.	Osaka	2,206	5,360	16	100.0
Otemae Center Bldg.	Osaka	1,801	5,532	7	100.0
Kyomachibori Center Bldg.	Osaka	765	3,112	13	82.6
Shijo Karasuma Minami Bldg.	Kyoto	1,589	3,918	17	100.0
Hakata Gion 21 Bldg.	Fukuoka	2,594	5,417	7	100.0
Subtotal		34,222	79,322	219	95.9
Total		244,575	303,485	448	97.4