

August 15, 2024

To All Concerned Parties

Name of REIT Issuer:
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NIPPON BUILDING FUND INC.
ANNOUNCES 46th PERIOD (FIRST-HALF 2024) RESULTS

1. Financial Results for the Fiscal Period Ended June 30, 2024
(from January 1, 2024 to June 30, 2024)

(Values are rounded down to the nearest million yen)

(1) Operating Results

(Percentages indicate a rate of increase/decrease from the previous period)

Period ended	Total Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%
June 30, 2024	50,254	6.1	24,643	18.7	23,345	19.6	23,344	19.6
December 31, 2023	47,349	0.7	20,767	0.6	19,513	0.9	19,513	0.9

Period ended	Net Income per unit (Note)	Return on unitholders' equity	Ratio of Ordinary income to total assets	Ratio of Ordinary Income to Operating Revenues
	yen	%	%	%
June 30, 2024	13,724	3.3	1.7	46.5
December 31, 2023	11,471	2.8	1.4	41.2

(Note) Net Income per unit = Net Income ÷ Weighted average number of units issued and outstanding during the period.

(2) Distributions

Period ended	Distribution per unit (excluding distributions in excess of earnings)	Total amount of distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total of distributions in excess of earnings	Payout ratio	Ratio of distributions to net assets
	Yen	Yen in Millions	Yen	Yen in Millions	%	%
June 30, 2024	13,082	22,252	-	-	95.3	3.1
December 31, 2023	11,500	19,561	-	-	100.2	2.8

(Note 1) The payout ratio is rounded down to the first decimal place.

(Note 2) Distribution per unit for the fiscal period ended December 31, 2023, is calculated by dividing the amount (¥19,561 million), which is arrived at by deducting provision of reserve for tax purpose reduction entry (¥485 million) from the sum of retained earnings (¥19,513 million) and reversal of reserve for tax purpose reduction entry (¥533 million), by the total number of investment units issued and outstanding. The difference between distribution per unit and net income per unit is due to this calculation.

*Net reversal of reserve for tax purpose reduction entry is ¥48 million.

(Note 3) Distribution per unit for the fiscal period ended June 30, 2024, is calculated by dividing the amount (¥22,252 million), which is arrived at by deducting provision of reserve for tax purpose reduction entry (¥1,635 million) from the sum of retained earnings (¥23,344 million) and reversal of reserve for tax purpose reduction entry (¥543 million), by the total number of investment units issued and outstanding. The difference between distribution per unit and net income per unit is due to this calculation.

* Net provision of reserve for tax purpose reduction entry is ¥1,092 million.

(3) Financial Position

Period ended	Total Assets	Net Assets	Ratio of unitholders' equity to Total Assets	Net Assets per unit
	Yen in Millions	Yen in Millions	%	Yen
June 30, 2024	1,383,883	710,030	51.3	417,421
December 31, 2023	1,385,619	706,247	51.0	415,197

(4) Cash Flow

Period ended	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of period
	Yen in Millions	Yen in Millions	Yen in Millions	Yen in Millions
June 30, 2024	72,113	(47,935)	(25,159)	17,903
December 31, 2023	36,486	(5,997)	(21,561)	18,884

2. Forecasts for the 47th Fiscal Period (from July 1, 2024 to December 31, 2024) and the 48th Fiscal Period (from January 1, 2025 to June 30, 2025)

(Percentages indicates rate of increase/decrease from the previous period)

Period ending	Total Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per unit (excluding distribution in excess of earnings)	Distributions in excess of earnings
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen	Yen
December 31, 2024	50,568	0.6	23,599	(4.2)	22,084	(5.4)	22,084	(5.4)	2,400	-
June 30, 2025	45,640	(9.7)	19,485	(17.4)	17,880	(19.0)	17,880	(19.0)	2,400	-

(Reference) Net income per unit (expected net income / expected weighted average number of units issued and outstanding during the period)

- The 47th Fiscal Period (from July 1, 2024 to December 31, 2024): ¥2,597
- The 48th Fiscal Period (from January 1, 2025 to June 30, 2025): ¥2,102

(Note1) At the board of directors' meeting held on August 15, 2024, it was determined to be divided a five-for-one basis with an effective date of October 1, 2024.

(Note2) Distribution per unit for the fiscal period ending December 31, 2024, is derived at by deducting provision of reserve for tax purpose reduction entry ¥1,664 million from expected Net Income and then dividing it by the total number of investment units issued and outstanding.

(Note3) Distribution per unit for the fiscal period ending June 30, 2025, is derived at by adding reversal of reserve for tax purpose reduction entry ¥2,531 million to expected net income and then dividing it by the total number of investment units issued and outstanding.

3. Others

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
- (ii) Changes in accounting policies due to reasons other than (i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None

(2) Number of Investment Units Issued and Outstanding

(i) Number of investment units issued and outstanding at the end of the fiscal period including treasury units:

As of June 30, 2024	1,700,991 units
As of December 31, 2023	1,700,991 units

(ii) Number of treasury units at end of period:

As of June 30, 2024	None
As of December 31, 2023	None

* This financial report has not undergone any audit performed by a certified public accountant or auditing firm.

* Special Consideration

The forward-looking statements concerning performance results in these materials are based on information currently available to NBF and certain assumptions which NBF believes are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, these forecasts are not intended to guarantee the amount of cash distribution.

NBF Portfolio Profile:

As of June 30, 2024, NBF owned or had beneficiary interests in 68 office properties with an aggregated acquisition value ¥1.4667 trillion and 1,209,996 rentable square meters of office space respectively. NBF executes leasing activities carefully factoring in market trends from a medium- to long-term perspective. As a result of the activities, with in the period under review, NBF leased office space to 1,564 tenants (including sub leases), the occupancy rate as of the end of the period was 98.0% (including sub leases), and the average occupancy rate during the period was 97.8% (including sub leases).

Performance Results:

During the period under review, the Japanese economy continued to recover moderately, despite the impact of rising prices, with firm increases in capital investment by companies, a recovery in consumer spending due to higher wages and expanding inbound demand.

On the other hand, the Bank of Japan's removal of YCC (yield curve control), lifting of negative interest rates, and other monetary policy changes had limited impact on the Japanese economy due to higher interest rates.

In the office building rental market in Tokyo CBD, demand continued to recover as companies reassessed their office functions, with a recovery in attendance rates and further momentum to review office space requirements in line with new employment and continued promotion of positive relocations to increase floor space within buildings and improve locations. The market vacancy rate in Tokyo CBD, which had been in the 6% range in the previous period, has dropped to the low 5% range.

With regard to the office building trading market, despite the impact of domestic and foreign monetary policies, institutional investors in Japan and overseas are highly motivated to acquire properties.

Demand from overseas investors remained strong, especially due to the difference in interest rates between Japan and other countries and the weak yen. The competitive property acquisition environment continues to be intense, as information on the sale of prime properties remains limited.

Even under this environment, NBF enhanced its quality of portfolio in March 2024 by acquiring "Toyosu Bayside Cross Tower" (acquisition price: ¥43.8 billion (additional acquisition)), and disposition of "GranTokyo South Tower" (disposition price: ¥41.2 billion (part of sectional ownership)) and "Panasonic Tokyo Shiodome Bldg." (disposition price: ¥6.7 billion).

The occupancy rate of the existing portfolio NBF own has recovered to the upper 97% range, and NBF is engaged in leasing activities from a medium- to long-term perspective that accurately takes market trends into account with the aim of achieving further internal growth. With existing tenants, NBF strives to retain and improve rent levels, prevent cancellations based on the fundamental policy of maintaining favorable relationships and enhancing tenant satisfaction. As a result of these activities, occupancy rates and rental revenues remains stable.

In addition, NBF's pursuit to enhance competitiveness of its properties by implementing continuous cost reduction measures through timely renovations will continue.

Financing:

NBF has conducted its financial management in a conservative manner with the targeted interest-bearing debt to value ratio (ratio of interest-bearing debt to total value, hereinafter the LTV) being between 36% and 46%, with 56% set as the maximum.

As of the end of the period under review, NBF's LTV was 42.4% and its long-term fixed interest-bearing debt ratio was 88.4%.

The status of interest-bearing debt as of the end of the previous period and period under review is as follows.

(Million in yen)

	Balance as of the end of the previous period	Balance as of the end of the period under review	Increase/decrease
Short-term borrowings	5,000	5,000	—
Long-term borrowings (Floating interest rate)	51,000	63,000	12,000
Long-term borrowings (Fixed interest rate)	489,500	478,900	(10,600)
Investment Corporation Bonds	47,000	40,000	(7,000)
Total interest-bearing debt	592,500	586,900	(5,600)

*The balance of green finance at the end of the period was ¥65,000 million.

Commitment lines:

NBF also established long-term commitment lines of 60 billion yen with financial institutions in order to stabilize its fund-raising capacity reducing refinancing risks.

Outline of the commitment lines

Maximum amount of borrowing	40 billion yen	20 billion yen
Expiration date	August 29, 2025	March 31, 2027
Collateral	Unsecured/non-guaranteed	Unsecured/non-guaranteed

Investment corporation bonds:

NBF submitted a shelf registration statement of investment corporation bonds (excluding short-term investment corporation bonds) in January 2023, and the outline is as follows. At the end of the period, the outstanding balance of the issuance limit was 200 billion yen.

Amount to be issued	200 billion yen
Scheduled period of issuance	from February 8, 2023 through February 7, 2025
Use of funds	acquisition of specified assets (within the meaning of Paragraph 1, Article 2 of the Act on Investment Trusts and Investment Corporations), repayment of loans, redemption of investment corporation bonds, refund of lease deposits, payment for renovations, working capital etc.

Credit Ratings:

NBF was awarded the following issuer credit ratings as a J-REIT (opinions of the respective credit rating agencies on NBF's creditability).

Credit Rating Agency	Rating Summary
JCR	Issuer Rating: AA+, Outlook: stable
R&I	Issuer Rating: AA, Outlook: stable
Standard & Poor's	Long-term: A+, Short-term: A-1, Outlook: stable

Sustainability Initiatives:

NBF is implementing the following ESG-conscious initiatives in accordance with the Group Environmental Policy and Social Contribution Activities Policy established by the Mitsui Fudosan Group. Regarding environmental initiatives, one of the main KPIs is to address climate-related issues (reduction of environmental impact), with the following numerical targets: 90% reduction of total GHG emissions (Scope 1+2+3) by 2050 (2021 baseline, certified by SBT as net zero target), 42% reduction of total GHG emissions (Scope 1+2) by 2030 (2021 baseline, SBT certification as near-term target), CO2 emissions intensity by 46% by 2030 (2013 baseline), water consumption intensity by 5% by 2030 (2019 baseline), and waste recycling rate of 65%. NBF is reducing our environmental impact by introducing renewable energy, promoting LED lighting, installing water-saving devices, and actively reducing waste, etc. As of the end of this fiscal period, 63% of our entire portfolio had been converted to LEDs.

With regard to social initiatives, in our relationship with local communities, NBF is conscious of contributing to community development and revitalizing local communities, etc. In addition, for tenants, NBF has set up a PDCA cycle to reflect various issues and improvements obtained from daily management and customer satisfaction surveys in our operations, and NBF sincerely strive to resolve and improve NBF is also working diligently to provide a safe, secure, and comfortable environment for our tenants.

With regard to governance initiatives, NBF considers thorough compliance to be one of our top management priorities, and NBF regularly conducts training for all employees and directors on compliance with laws and regulations, and strive to improve individual and organizational capabilities.

NBF is actively working to obtain evaluations and certifications from external organizations, and in the GRESB Real Estate Evaluation, in which it continuously participates, NBF received a 4-star overall score (out of 5 levels) in 2023, and the acquisition rate of green building certification was 98.8% (based on total floor area) as of the end of the fiscal period. The acquisition rate of green building certification was 98.8% (based on total floor area) as of the end of the fiscal period.

The Asset Manager has endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in 2021 to promote disclosure of information on climate-related issues. Based on the four areas recommended in the TCFD recommendations (governance, strategy, risk management, and indicators and targets), NBF has analyzed the risks and opportunities of climate change impacting our business and finances, and disclosed this information on our website.

(Note) The green building certifications that NBF has obtained are DBJ Green Building Certification, CASBEE Building Evaluation Certification, and CASBEE Real Estate Evaluation Certification.

Overview of Performance and Distribution:

As the result of above operations, NBF's performance results during the period under review consisted of total operating revenues of ¥50,254 million (a increase of ¥2,904 million, or 6.1%, compared with the previous period), operating revenues excluding profits from dispositions of ¥45,016 million (a decrease

of ¥618 million, or 1.4%, compared with the previous period), operating income from leasing activities of ¥21,643 million (a increase of ¥509 million, or 2.4%, compared with the previous period), operating income of ¥24,643 million (a increase of ¥3,876 million, or 18.7% compared with the previous period), ordinary income of ¥23,345 million (a increase of ¥3,831 million, or 19.6%, compared with the previous period), and net income of ¥23,344 (a increase of ¥3,831 million, or 19.6%, compared with the previous period).

In accordance with the distribution policy prescribed in its Articles of Incorporation, NBF determined to distribute ¥22,252 million, the entire amount arrived at by deducting provision of reserve for tax purpose reduction entry (¥1,635 million) from the sum of retained earnings (¥23,344 million) and reversal of reserve for tax purpose reduction entry (¥543 million), so that it will be able to deduct the maximum amount of cash distribution of profit from its taxable income through the application of preferential tax measures to investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) (Net provision of reserve for tax purpose reduction entry is ¥1,092 million). As a result, the distribution per unit was ¥13,082 (a increase of ¥1,582, or 13.8%, compared with the previous period).

NBF's Management Policy and Issues to Be Dealt with for the Future:

NBF expects the Japanese economy to continue its gradual recovery, partly due to rising wages, increasing inbound demand, and the government's fiscal policy, but the impact of the Bank of Japan's monetary policy on the J-REIT market needs to be closely monitored.

In the office building rental market, although the impact of the start of leasing activities for the large supply of office buildings scheduled in 2025 will continue to require close monitoring, demand is expected to be firm as companies re-recognize office functions, and office buildings, especially those in highly competitive locations, are expected to be valued more highly.

In the office building trading market, although rising interest rates and other market trends require close monitoring, the demand to acquire properties by domestic and foreign investors remains high, and information on sales of prime properties is limited, so the environment for property acquisitions is expected to remain severe.

In this environment, NBF aims to achieve steady growth of assets under management and secure stable income from a medium- to long-term perspective, and will conduct proper management based on the following management policy.

(a) Investment Policies for Acquisition

Fierce competition to acquire quality assets remain yet increasing domestic interest rates casts concern over the economy. With this in mind, NBF will focus its attention to acquire properties that contribute to the entire portfolio in the mid-to-long term, which will to further enhance its portfolio quality.

NBF will also make prudent investment decisions, taking into full consideration the status of its financial management as well as keeping an eye on changes in economic circumstances and trends in the real estate markets, and the financial markets.

In addition, NBF will implement asset replacement as needed by taking into consideration growth potential, stability, scale, location and portfolio composition of each property, while taking into account the progress of new property acquisitions and their impact on the overall portfolio's profit and loss.

This time, the building portion of the NBF Toranomom Bldg. (“Building”) was transferred to its sponsor, Mitsui Fudosan Co., Ltd.

Meanwhile, by conclusion of general fixed-term leasehold contract with Mitsui Fudosan Co., Ltd. for the land, Mitsui Fudosan Co., Ltd. bears the development risk, and NBF has obtained preferential negotiation rights for the acquisition of the building after the redevelopment, thereby achieving external growth and other measures to expand its portfolio.

(b) Management Policies for Existing Properties

NBF intends to continuously increase rental revenues by carefully monitoring trends in the office building rental market and responding flexibly to the changes in the environment. NBF will maintain and improve occupancy rates through flexible responses based on accurate consideration of market trends in new leasing and maintain close relationships with its existing tenants for customer satisfaction, in order to maintain and increase rent levels while mitigating lease cancellations. As for capital investments in existing buildings, NBF will strive to curb increases in building management costs and energy costs while appropriately and effectively implementing renovation work, environmental response work, and other work that contributes to maintaining and improving the competitiveness of the building as a rental building.

(c) Financial Strategies, Etc.

Regarding financing through debt financing, interest rates are expected to rise in the future, and the financial market is entering an adjustment phase. NBF will continue to use long-term, fixed-rate financing as in the past from the viewpoint of long-term asset management, stability in financing, and response to future interest rate rises, but will endeavor to reduce interest payments by flexibly utilizing financing period and long-term floating-rate borrowings. In addition, from the viewpoint of maintaining a diverse funding base, NBF will also issue investment corporation bonds while keeping a close eye on the financial market. The targeted LTV, being between 36% and 46%, will be maintained for the time being, with 56% as the maximum. NBF will continue to conduct its financial management with the targeted long-term fixed interest-bearing debt ratio for the time being of over 80%. In light of the launch of the Small Investment Tax Exemption Scheme (New NISA), NBF has determined to reduce the amount per unit of investment units, with a record date of September 30, 2024, in order to create an environment in which investors can more easily invest and to further expand its investor base and investment units. NBF determined to be divided a five-for-one basis with a record date of September 30, 2024. In addition, NBF will conduct IR activities based on its policy to proactively conduct accurate, fair and timely disclosure from the viewpoint of appropriately disclosing information and securing transparency.

Significant Subsequent Events:

(a) NBF resolved adopted at its Board of Directors meeting held on August 15, 2024 to split its investment units ("the Split") as follows.

(1) Purpose of the Split

Based on the introduction of the new Nippon Individual Savings Account ("New NISA") starting from January 2024, NBF will implement the Split, aiming to create a more accessible investment environment for investors by lowering the amount per investment unit, thereby expanding investors base and improving the liquidity of our investment units.

(2) Method of the Split

As of September 30, 2024 as the record date, each of the investment units owned by the unitholders who are registered or recorded in the latest register of unitholders will be divided on a five-for-one basis.

(3) Number of investment units to be increased through the Split

- (i) number of issued and outstanding investment units before the Split : 1,700,991 units
- (ii) number of investment units to be increased through the Split : 6,803,964 units
- (iii) number of issued and outstanding investment units following the Split : 8,504,955 units
- (iv) total number of issuable investment units following the Split: 20,000,000 units

(4) Schedule of the Split

- (i) date of public announcement of record date : September 13, 2024 (anticipated)
- (ii) record date : September 30, 2024
- (iii) effective date : October 1, 2024

(5) Effect on per unit information

The per unit information, assuming the split had taken place at the beginning of the current fiscal period, is as follows

- (i) Net Assets per unit: 83,484 yen
- (ii) Net Income per unit : 2,744 yen

(Reference information)

(a) On January 5, 2024, NBF entered into a sale and purchase agreement for the transfer of the following asset, which is scheduled to be transferred on September 30, 2024.

The agreement for the asset to be transferred falls under the category of forward commitments, etc. (where settlement and delivery shall be made one month or more following the date of contract). NBF shall pay to the buyer a penalty equivalent to disposition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		Tsukuba Mitsui Bldg.
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address) 6-1, Takezono 1-chome, Tsukuba, Ibaraki
Land	Area (Description in Real Property Registry)	Site area 6,280.82 m ²
	Land Use Zones	Commercial zone
	Type of Ownership	100% ownership
Building	Structure (Description in Real Property Registry)	Steel-framed structure with flat roof; 19 floors above ground and 2 floors below ground
	Area (Description in Real Property Registry)	Total floor space 26,266.10 m ²
	Type of Ownership	100% ownership
	Completion of Construction (Description in Real Property Registry)	March 14, 1990
	Use (Primary use listed in Real Property Registry)	Office, retail store, parking
Date of Disposition (planned)		September 30, 2024
Disposition Price (planned)		¥10.9 billion
Trustee		Sumitomo Mitsui Trust Bank, Limited
Property manager		TOKYO BISO KOGYO CORPORATION

(b) On July 12, 2024, NBF entered into a sale and purchase agreement for the disposition of the following asset, which is scheduled to be disposed on January 6, 2025.

The agreement for the asset to be disposed falls under the category of forward commitments, etc. (where settlement and delivery shall be made one month or more following the date of contract). NBF shall pay to the buyer a penalty equivalent to 10% of the disposition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		NBF Toranomom Bldg. (Building)
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address) 6-21, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo
Building	Structure (Description in Real Property Registry)	Steel frame reinforced concrete structure, flat roof, 9 floors above ground and 5 floors below ground
	Area (Description in Real Property Registry)	18,082.47 m ²
	Type of Ownership	100% ownership
	Completion of Construction (Description in Real Property Registry)	April 17, 1963 Extension on April 25, 1971
	Use (primary use listed in Real Property Registry)	Office, warehouse, and night duty room
Date of Disposition (planned)		January 6, 2025
Disposition Price (planned)		¥860 million
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Property manager		Mitsui Fudosan Facilities Co.,Ltd.

Outline of Forecasts for the 47th and the 48th Periods

In view of rent trends of the office building rental market, NBF announced its forecasts for the 47th fiscal period commencing July 1, 2024, and ending December 31, 2024, and for the 48th fiscal period commencing January 1, 2025, and ending June 30, 2025.

Performance Forecasts:

The forecast for the 47th fiscal period is as follows:

Total operating revenues:	¥50,568 million
Operating income:	¥23,599 million
Ordinary income:	¥22,084 million
Net income:	¥22,084 million
Cash distribution per unit:	¥2,400

The forecast for the 48th fiscal period is as follows:

Total operating revenues:	¥45,640 million
Operating income:	¥19,485 million
Ordinary income:	¥17,880 million
Net income:	¥17,880 million
Cash distribution per unit:	¥2,400

(Note) The above-forecasted figures are calculated based on certain conditions as of the date of such calculation, and the actual amount of net income or cash distribution may change subject to changes of circumstances. Furthermore, these forecasts are not intended to guarantee the amount of cash distribution.

Assumptions underlying the Forecasts of Operating Results for the Periods Ending December 31, 2024 (July 1, 2024 – December 31, 2024) and June 30, 2025 (January 1, 2025 – June 30, 2025)

Item	Assumptions									
Assets owned	<ul style="list-style-type: none"> NBF's portfolio of 68 properties as of June 30, 2024, adjusted for the following dispositions, resulting in 67 properties for the period ending December 31, 2024 and June 30, 2025. <table border="1" data-bbox="432 421 1433 616"> <thead> <tr> <th data-bbox="432 421 874 488">Dispositions (scheduled)</th> <th data-bbox="874 421 1193 488">Disposition Price (scheduled)</th> <th data-bbox="1193 421 1433 488">Date (scheduled)</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 488 874 555">Tsukuba Mitsui Bldg.</td> <td data-bbox="874 488 1193 555">10,920 million yen</td> <td data-bbox="1193 488 1433 555">September 30, 2024</td> </tr> <tr> <td data-bbox="432 555 874 616">NBF Toranomom Bldg. (Building)</td> <td data-bbox="874 555 1193 616">860 million yen</td> <td data-bbox="1193 555 1433 616">January 6, 2025</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The forecasted total interim average occupancy rate*1 of the total portfolio is 98.0% for the period ending December 31, 2024 and 98.7% for the period ending June 30, 2025. *1 The weighted average (by floor area) of the occupancy rates at the end of each month. The figures in this table may change due to changes in portfolio assets or other factors. 	Dispositions (scheduled)	Disposition Price (scheduled)	Date (scheduled)	Tsukuba Mitsui Bldg.	10,920 million yen	September 30, 2024	NBF Toranomom Bldg. (Building)	860 million yen	January 6, 2025
Dispositions (scheduled)	Disposition Price (scheduled)	Date (scheduled)								
Tsukuba Mitsui Bldg.	10,920 million yen	September 30, 2024								
NBF Toranomom Bldg. (Building)	860 million yen	January 6, 2025								
Number of issued and outstanding investment units	<ul style="list-style-type: none"> The total number of investment units issued and outstanding as of the date of this document is 1,700,991 units, plus 6,803,964 units, which is the number of investment units to be increased by being divided a five-for-one basis scheduled to take effect on October 1, 2024, for a total number of 8,504,955 units. 									
Interest-bearing liabilities	<ul style="list-style-type: none"> In the fiscal period ending December 31, 2024 and June 30, 2025, short-term borrowings of 5 billion yen, long-term borrowings of 14 billion yen, and investment corporation bonds of 5 billion yen will become due for repayment, and it is assumed that funds for the repayment of such interest-bearing liabilities will be procured through borrowings, etc. 									
Total Operating Revenues	<ul style="list-style-type: none"> NBF is assumed to record 4,695 million yen in gain on sale of "Tsukuba Mitsui Bldg." in the period ending December 31, 2024, included in total operating revenues, and 1 million yen in gain on sale of "NBF Toranomom Bldg. (Building)" in the period ending June 30, 2025, (see "Distribution per Unit" below as well). 									
Operating Expenses	<ul style="list-style-type: none"> In the event that fixed assets taxes and city planning taxes with respect to the properties acquired are prorated and settled between NBF and the former property owner based on the number of days owned until the closing date, such settlement amounts will not be included in expenses as they are included in the relevant acquisition price. Accordingly, the settlement amounts consisting of fixed assets taxes and city planning taxes with respect to "Toyosu Bayside Cross Tower (Additional Acquisition)" acquired on March 29, 2024 are not included in expenses for the periods ending December 31, 2024, but will be included in expenses for the period ending June 30, 2025 and thereafter. The amount of real estate taxes with respect to the above property for the period ending June 30, 2025 is expected to be 101 million yen (for the six-month period). Real estate taxes are expected to be 4,665 million yen for the period ending December 31, 2024 and 4,923 million yen for the period ending June 30, 2025. Depreciation and amortization are expected to be 7,862 million yen for the period ending December 31, 2024 and 7,857 million yen for the period ending June 30, 2025. Repairs and maintenance are expected to be 1,147 million yen for the period ending December 31, 2024 and 1,200 million yen for the period ending June 30, 2025. Assumptions regarding outsourcing costs are made by taking past results into consideration. 									
Non-operating Expenses	<ul style="list-style-type: none"> Non-operating expenses (interest expenses, interest payments on investment corporation bonds, etc.) are assumed to be 1,517 million yen for the period ending December 31, 2024 and 1,607 million yen for the period ending June 30, 2025. 									

Item	Assumptions
Distribution per Unit	<ul style="list-style-type: none"> • In the period ending December 31, 2024, 1,664 million yen is assumed to be held as reserve for retained earnings (tax purpose reduction entry) from the anticipated gain of 4,695 million yen from the disposition of “Tsukuba Mitsui Bldg.”. • In the period ending June 30, 2025, reversal of reserve for tax purpose reduction entry 2,531 million yen is to be assumed to be occurred. • The actual amount of distribution per unit may vary due to changes in rental revenue as a result of tenant changes, changes in properties, interest rates, or issuance of new investment units. • Actual amounts transferred from and to as reserves (reserves for reduction entry) may change.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> • NBF currently has no plans to make distributions in excess of earnings (distributions in excess of earnings per unit).
Others	<ul style="list-style-type: none"> • The above estimates are based on the premise that there will be no amendments of laws or regulations, taxation systems, accounting standards, rules of Tokyo Stock Exchange, rules of The Investment Trusts Association, Japan or otherwise which would impact such estimates. • The above estimates are also premised on the absence of unexpected substantial changes in general economic trends or real estate market conditions.

NIPPON BUILDING FUND INC.

Balance Sheets

As of June 30, 2024 and As of December 31, 2023

	As of June 30, 2024	As of December 31, 2023
(Yen in millions)		
Assets		
Current Assets:		
Cash and cash equivalents	¥17,903	¥18,884
Tenant receivables	336	266
Prepaid expenses	337	371
Other current assets	624	263
Total current assets	19,201	19,785
Investment Properties:		
Land including trust accounts	1,024,380	1,031,812
Buildings and improvements including trust accounts	485,240	473,098
Other tangible assets	17,893	17,052
Less: accumulated depreciation	(205,837)	(199,035)
Leasehold rights in trust accounts and other intangible assets	35,663	35,677
Total investment properties, net	1,357,340	1,358,606
Long-term Prepaid Expenses	7	5
Other Assets	7,333	7,221
Total Assets	¥1,383,883	¥1,385,619
Liabilities		
Current Liabilities:		
Short-term loans	¥5,000	¥5,000
Long-term debt due within one year	25,000	51,000
Accounts payable	8,496	8,278
Rents received in advance	4,314	4,336
Accrued expenses and other liabilities	891	2,190
Total current liabilities	43,701	70,805
Long-term debt	556,900	536,500
Tenant Security Deposits Including Trust Accounts	73,167	71,942
Other Liabilities	83	124
Total Liabilities	673,852	679,372
Net Assets		
Unitholders' Equity		
Unitholders' capital	673,047	673,047
Units authorized: 4,000,000 units		
Units issued and outstanding: 1,700,991 units		
Retained earnings	36,983	33,200
Total Net Assets	710,030	706,247
Total Liabilities and Net Assets	¥1,383,883	¥1,385,619

NIPPON BUILDING FUND INC.

Statements of Income

For the six months ended June 30, 2024 and December 31, 2023

For the six months
ended June 30,
2024

For the six months
ended December 31,
2023

(Yen in millions)

Operating Revenues and Expenses

Operating Revenues:

Rental	¥42,004	¥42,126
Other revenues related to property leasing	3,012	3,508
Gains on sales of investment properties	5,237	1,714
Total Operating Revenues	50,254	47,349

Operating Expenses:

Property management fees	6,154	6,678
Real estate taxes	4,766	4,536
Repairs and maintenance	1,014	1,344
Insurance	42	43
Other rental expenses	3,458	3,925
Depreciation and amortization	7,937	7,973
Asset management fees	1,847	1,744
Other operating expenses	389	336
Total Operating Expenses	25,610	26,582
Operating Income	24,643	20,767

Non-Operating Revenues and Expenses

Non-Operating Revenues:

Interest income	0	0
Property tax refund and interest on tax refund	—	0
Other non-operating revenues	1	4

Non-Operating Expenses:

Interest expense	(1,239)	(1,210)
Amortization of bond issuance costs	(14)	(17)
Other non-operating expenses	(46)	(29)

Ordinary Income	23,345	19,513
Income before Income Taxes	23,345	19,513
Current and deferred income taxes	0	0
Net Income	¥23,344	¥19,513

NIPPON BUILDING FUND INC.
Distribution for the Period Under Review

	For the six months ended June 30, 2024	For the six months ended December 31, 2023
	(Yen)	
Retained earnings	¥23,344,619,772	¥19,513,116,231
Undistributed earnings	—	—
Reserve for tax purpose reduction entry	1,635,477,731	485,676,503
Reversal of reserve for tax purpose reduction entry	543,222,221	533,956,772
Total cash distribution	22,252,364,262	19,561,396,500
(Cash distribution per unit)	13,082	11,500
Distribution of accumulated earnings	22,252,364,262	19,561,396,500
(Distribution of accumulated earnings per unit)	13,082	11,500
Cash distribution in excess of accumulated earnings	—	—
(Per unit)	—	—

Disclaimer

This news release contains translations of selected information described in the Japanese original document (“Kessan-Tanshin (earnings summary)”). “Kessan-Tanshin (earnings summary)” has been prepared in accordance with Japanese accounting standards and Japanese laws.

Figures have been rounded down to eliminate amounts of less than one million yen.

Please note that this English translation of the Japanese original document is provided solely for informational purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.