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NBF News Release

NIPPON BUILDING FUND INC. ANNOUNCES 5 TH PERIOD (SECOND-HALF 2003) RESULTS

Tokyo, Japan February 10, 2004

Koichi Nishiyama,

Executive Director of NBF, President & CEO of NBFM

Nippon Building Fund Inc. (formerly: "Office Building Fund of Japan, Inc." .The current name was adapted on March 14, 2003, hereinafter "NBF", and also referred to in Japan as "*Nihon Building Fund toshi-hojin*", TSE ticker code: 8951) today announced its financial results for the Second-half 2003 (the 5th fiscal period, commencing July 1, 2003 and ending December 31, 2003).

NBF reported total revenues of ¥12,453 million, income before income taxes of ¥4,094 million, net income of ¥4,093 million, and total cash distribution per share and distribution of accumulated earnings per share of ¥14,582.

As of December 31, 2003, NBF's total asset balance was ¥314,362 million and total shareholder's equity was ¥152,992 million, or ¥545,038 per common share. The total book value (net of accumulated depreciation) of NBF's investment properties, was ¥282,379 million, compared to ¥272,419 million at June 30, 2003.

Second-half 2003 Highlights

Additional Acquired Properties:

NBF acquired 5 office properties during the 5th fiscal period:

Naka-Meguro GT Tower (location: Meguro-ku, Tokyo; acquisition price: ¥293 million; type of ownership: 15.6% co-ownership interest in condominium interests in the 6th and 7th above ground floors (representing an approximately 1.3% ownership interest in the entire building);(as NBF already owned condominium interests in the 1st and 2nd below ground floors and the 14th through 25th above ground floors which collectively represent approximately 59.2%, NBF currently owns an approximately 60.5% interest in the entire

building; net rentable area of the building owned by NBF: 13,924 square meters (based on a simplified calculation taking into account the above ownership interests.)

NBF Hiroshima Tatemachi Bldg. (location: Hiroshima, Hiroshima; acquisition price: ¥2,930 million; type of ownership: fee simple (100%); total net rentable area of the building: 5,693 square meters.)

Sapporo L Plaza (location: Sapporo, Hokkaido; acquisition price: ¥3,195 million; type of ownership: condominium interests of approximately 34.3% interest in the entire building; net rentable area of the building owned by NBF: 8,461 square meters)

Hiroshima Fukuromachi Bldg. (location: Hiroshima, Hiroshima; acquisition price: ¥835 million; type of ownership: 12.5% co-ownership interest in condominium interests in the 3rd through 13th above ground floors; net rentable area of the building owned by NBF: 1,310 square meters (based on a simplified calculation taking into account the above ownership interests.)

Sudacho Verde Bldg. (location: Chiyoda-ku, Tokyo; acquisition price: ¥2,380 million; type of ownership: fee simple (100%); total net rentable area of the building: 2,971 square meters.)

NBF Portfolio Profile:

As of December 31, 2003, NBF owned or had beneficiary interests in 33 office properties containing approximately 358,940 rentable square meters of office space. As of December 31, 2003, NBF leased office space to 511 tenants engaged in a variety of businesses, compared to 446 tenants at the close of the preceding fiscal period. The average occupancy rate for office properties, meaning the ratio of leased area to rentable area, was approximately 92.3%, compared to 94.8% at the close of the preceding fiscal period.

Cash Dividends:

In accordance with the distribution policy prescribed in our Articles of Incorporation, NBF is scheduled to distribute almost 100% of retained earnings for the current period (¥14,582 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 43.3%, and the ratio of long-term debt to total interest-bearing debt was 69.8%.

Credit Ratings:

NBF was awarded the following issuer credit ratings as a JREIT, which we believe facilitate our efforts 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
	January 29, 2003	2nd unsecured domestic straight bonds: A
	May 30, 2003	3rd unsecured domestic straight bonds: A
Moody's	May 30, 2002	Rating: A3, Outlook: stable
	January 29, 2003	2nd unsecured domestic straight bonds: A3
	May 30, 2003	3rd unsecured domestic straight bonds: A3

(Note) On January 26, 2004, Moody's changed NBF's A3 Rating outlook to positive from stable.

Outline of Forecast for First-Half 2004

As required by the timely-disclosure requirements of the Tokyo Stock Exchange, we announced a forecast for first-half 2004 (the 6th fiscal period, commencing January 1, 2004 and ending June 30, 2004) as a part of "Kessan-Tanshin". With regard to the conditions of the forecast, please refer to the original "Kessan-Tanshin" released on February 10, 2004. An outline of the forecast for first-half 2004 is as follows:

Performance Forecast:

For first-half 2004, based on operating activities of 34 office properties including Shibuya Garden Front which will be acquired in the 6th period, NBF forecasts total revenues of ¥12,011 million, net income of ¥3,817million, and cash distribution of ¥13,600 per share.

New Acquisitions after the end of the 5th Fiscal Period

On December 11, 2003, NBF announced that it would acquire an interest in the Shibuya Garden Front for ¥8,700 million on February 2, 2004. This property is a 14-story high quality office building located in Shibuya-ku in the Tokyo Central Business District. Total net rentable area of this property is 16,516 square meters and its occupancy rate will be 100% as of the date of acquisition. As the result of this acquisition, NBF and Sumitomo Life Insurance Company shall jointly (50-50) own this property.

NBF also announced on September 29, 2003 that it would acquire a 26-story high quality office building (currently under construction) located in the area of the Shirokane 1-chome East Area Redevelopment Project in Minato-ku in the Tokyo Central Business District on March 31, 2006 following its completion for ¥27,600 million (which price may be adjusted upward to a maximum of ¥31,000 million depending on the seller's success in attracting

tenants and improving current estimated profits). This building is scheduled to be completed in November, 2005 and its total rentable area is anticipated to be 33,396 square meters.

About NBF

NBF is one of the leading Japanese real estate investment corporations which was formed on March 16, 2001 as the first investment corporation under the Investment Trust Law of Japan. NBF is an 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.

Nippon Building Fund Management Ltd. (formerly: Office Building Fund Management Japan, Ltd. (hereinafter "NBFM")), NBF's asset management company, is engaged in acquiring, owning, managing, leasing, and renovating office properties on behalf of NBF. Mitsui Fudosan Co., Ltd. currently owns 43% of NBFM, Sumitomo Life Insurance Company holds a 35% stake and 22% is owned by others. As of December 31, 2003, NBFM was solely engaged in asset management for NBF.

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 July 1, 2003 to December 31, 2003, of Nippon Building Fund 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 Nippon Building Fund Inc., Nippon Building Fund Management 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 Nippon Building Fund Inc., Nippon Building Fund Management Ltd. or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

The financial statements of Nippon Building Fund 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 space 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, February 10, 2004, and NBF does not undertake to revise those forward-looking statements to reflect events occurring after the date of this release.

5th Period(Second-half 2003) Financial Highlights

The following table sets forth selected financial and operating information on a historical basis for Nippon Building Fund Inc.

NIPPON BUILDING FUND INC. SELECTED FINANCIAL HIGHLIGHTS(Note1) (Yen in millions, except for per share data)

	5th Period 2003 2nd-Half	4th Period 2003 1st-Half	3rd Period 2002 2nd-Half	2nd Period 2002 1st-Half	1st Period 2001 (Note2)
Operating Data:					
Revenues:					
Rental	¥ 10,476	¥ 11,111	¥ 10,366	¥ 10,427	¥ 11,555
Other s	1,977	1,128	1,480	832	1,006
Total Revenue s	12.453	12.239	11.846	11.259	12.561
Operating Expenses:					
Property operating, taxes and others	4.489	4.182	3.959	3.676	3.567
Depreciation and amortization	2,403	2,366	2,072	1,947	2,170
Asset management fees and other expenses	572	647	625	629	658
Total operating expenses	7.464	7.195	6.656	6.252	6.395
Interest income	1	0	1	12	2
Interest expense	(809)	(706)	(591)	(527)	(570)
Other expenses	(87)	(24)	(37)	-	(256)
Income before income taxes	4.094	4.314	4.563	4.493	5.342
Current and deferred income taxes	(1)	(1)	(1)	(1)	(1)
Net income	¥ 4,093	¥ 4,313	¥ 4,562	¥ 4,492	¥ 5,341
Distribution of accumulated earnings per share (Yen):	¥ 14.582	¥ 15.367	¥ 16.253	¥ 16.003	¥ 22.271
Weighted average number of common shares outstanding	280,700	280,700	280,700	280,700	239,087
Total cash distribution per share(Yen)	¥ 14.582	¥ 15.367	¥ 16.253	¥ 16.003	¥ 19.026
Balance Sheets Data:					
Assets					
Current assets	¥ 30,753	¥ 33,890	¥ 32,164	¥ 33,368	¥ 30,806
Investment properties, net of accumulated depreciation	282,333	272,541	257,428	244,509	225,650
Other assets	1,276	1,257	1,133	1,098	391
Total assets	¥ 314,362	¥ 307,688	¥ 290,725	¥ 278,975	¥ 256,847
Liabilities					
Short-term loans	41.150	34.950	38.450	33.450	20.900
Other current liabilities	6.458	4.127	3.937	3.459	3.026
Long-term debts	95,000	94,000	72,000	67,000	58,000
Tenant security deposits	18.730	21.369	22.852	21.654	20.666
Other liabilities	32	29	25	21	15
Total liabilities	161.370	154.475	137.264	125.584	102.607
Shareholders' Equity					
Common shares	148.899	148.899	148.899	148.899	148.899
Retained earnings	4,093	4,314	4,562	4,492	5,341
Total Shareholders' Equity	152,992	153,213	153,461	153,391	154,240
Total Liabilities and Shareholders' Equity	314,362	307,688	290,725	278,975	256,847
Cash Flow Data:					
Cash flow provided by operating activities	¥ 9,018	¥ 6,766	¥ 7,298	¥ 9,467	¥ 7,407
Cash flow used for investing activities	(14,936)	(18,986)	(13,838)	(20,479)	(207,505)
Cash flow provided by financial activities	2,888	13,814	5,512	16,227	227,765
Cash and cash equivalents	30,418	33,448	31,854	32,882	27,667
Other Supplement Data:					
Number of investment properties	33	29	28	26	24
Number of tenants	511	446	441	448	411
Total rentable square meters of office properties	358,940	340,497	322,344	303,485	277,054
Occupancy rate of office properties	92.3	94.8 %	95.0 %	97.4 %	97.5 %
Property net operating income (Note3)	¥ 7,964	¥ 8,057	¥ 7,886	¥ 7,583	¥ 8,993
FFO(Funds From Operation) per share	¥ 23.141	¥ 23.794	¥ 23.635	¥ 22.938	¥ 40.857

- (1) The selected financial data has been derived from the historical financial statements of Nippon Building Fund Inc. based on generally accepted accounting principles in Japan (Japanese GAAP) and audited by Azsa & Co.(formerly:"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 December 31, 2003 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
JFE Bldg.	Tokyo	72,528	65,280	1	100.0
Shiba NBF Tower	Tokyo	33,688	24,912	6	27.2
Shinjuku Mitsui Bldg. No.2	Tokyo	15,865	14,946	30	99.3
GSK Bldg.	Tokyo	14,938	20,407	1	100.0
Naka-Meguro GT Tower (Note1)	Tokyo	14,063	13,924	1	100.0
Kowa Nishi Shinbashi Bldg. B	Tokyo	12,800	10,088	2	100.0
Nippon Steel Bldg. No2	Tokyo	12,743	17,339	2	100.0
Nihonbashi Muromachi Center Bldg.	Tokyo	9,865	8,041	9	100.0
Takanawa 1-chome Bldg.	Tokyo	6,437	10,473	3	90.4
Sumitomo Densetsu Bldg. (Note2)	Tokyo	5,267	5,978	1	100.0
Shinjuku Yochomachi Bldg.	Tokyo	2,262	5,155	5	100.0
Sudacho Verde Bldg.	Tokyo	2,457	2,971	7	99.7
Nishi-Shinjuku Mitsui Bldg.	Tokyo	1,677	1,576	1	100.0
Nakano-Sakaue Sunbright Twin	Tokyo	9,069	12,220	1	100.0
Yokohama ST Bldg.	Kanagawa	13,187	20,089	76	94.1
Tsukuba Mitsui Bldg.	Ibaraki	8,480	16,863	61	93.2
Daido Life Omiya Bldg.	Saitama	2,275	3,604	9	95.6
Matsudo City Bldg.	Chiba	2,516	4,772	22	80.5
Inage Kaigan Bldg.	Chiba	1,857	5,878	13	81.6
Sapporo L Plaza	Hokkaido	3,313	8,461	11	100.0
Sapporo Minami Nijo Bldg.	Hokkaido	1,787	5,376	8	97.9
Sendai Daido Life Bldg (Note3)	Miyagi	3,428	7,510	7	99.8
Unix Bldg.	Fukushima	3,719	13,479	59	97.6
Niigata Telecom Bldg.	Niigata	3,816	10,221	32	94.7
Hamamatsu City Bldg.	Shizuoka	1,308	5,085	26	99.5
Sun Mullion NBF Tower	Osaka	10,298	13,974	27	97.8
Sakai Higashi Center Bldg.	Osaka	2,147	5,332	16	95.6
Otemae Center Bldg.	Osaka	1,766	5,532	7	97.6
Kyomachibori Center Bldg.	Osaka	852	3,110	13	87.9
Shijo Karasuma Minami Bldg.	Kyoto	1,516	3,925	14	89.7
NBF Hiroshima Tatemachi Bldg. (Note4)	Hiroshima	3,078	5,693	19	84.6
Hiroshima Fukuromachi Bldg.	Hiroshima	847	1,310	15	97.8
Hakata Gion 21 Bldg.	Fukuoka	2,530	5,416	6	92.2
Total		282,379	358,940	511	92.3

(1) Includes the additional interest acquired this second period

(2) Effective July 1, 2003, the name of this building changed (formerly: Mita City Bldg.)

(3) Effective February 1, 2004, the name of this building changed to NBF Sendai Honcho Bldg.

(4) Effective September 30, 2003, the name of this building changed (formerly: Daiwa-Hiroshima Building)