

Performance Results:

NBF has conducted asset management in accordance with its basic policy of “aim to achieve steady growth of assets under management and secure stable profits on a mid- to long-term basis.”

Even under this challenging environment, NBF enhanced its portfolio by acquiring "Nakanoshima Mitsui Bldg" (real property; acquisition price: 44.0 billion yen) and "IIDABASHI GRAND BLOOM" (real property; acquisition price: 36.1 billion yen (additional acquisition)), in March 2022, and disposed "Sun Mullion NBF Tower" (trust beneficiary interest, disposition price: 14.4 billion yen), in January 2022.

Regarding the existing portfolio, NBF executes market-appropriate, flexible, and timely leasing activities carefully factoring in market trends in order to maximize the level of occupancy rates, which is still in an adjustment phase. 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 remain stable.

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

Furthermore, in order to promote ESG initiatives, a dedicated department has been newly established at the asset management company. Therein, new numerical targets have been set to reduce environmental footprint and promoting initiatives to achieve these goals.

Overview of Performance and Distribution:

As the result of above operations, NBF's performance results during the period under review consisted of operating revenues of ¥52,215 million (an increase of ¥1,880 million, or 3.7%, compared with the previous period), operating income from leasing activities of ¥22,027 million (an decrease of ¥410 million, or 1.8%, compared with the previous period), operating income after asset management, custody and agent fees, etc. of ¥26,806 million (an increase of ¥3,802 million, or 16.5% compared with the previous period), ordinary income of ¥25,440 million (an increase of ¥3,712 million, or 17.1%, compared with the previous period), and net income of ¥25,439 million (an increase of ¥3,712 million, or 17.1%, compared with the previous period). In accordance with the distribution policy prescribed in its Articles of Incorporation, NBF decided to distribute ¥22,922 million, the entire amount arrived at by deducting provision of reserve for advanced depreciation (¥2,517 million) from the sum of retained earnings (¥25,439 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). As a result, the distribution per unit was ¥13,476 (an increase of ¥1,628, or 13.7% compared with the previous period).