

Nippon Building Fund, Inc. 1H 2024 (46th Period) Financial Summary

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Disclaimer	

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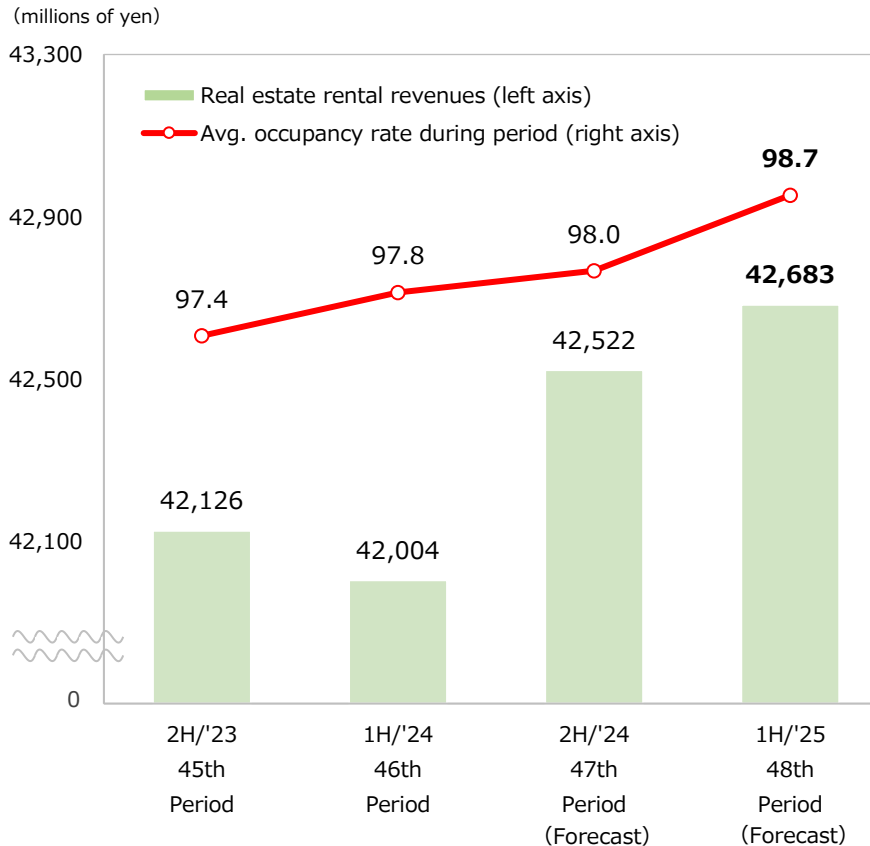
Financial Highlights



Key Points of Financial Forecasts

Occupancy rate

High level in the 98% range



Real estate rental revenues

Increase after bottoming out in 1H/'24

(%)

(yen)

100.0

10,800

99.0

10,600

98.0

10,400

97.0

10,200

96.0

10,000

95.0

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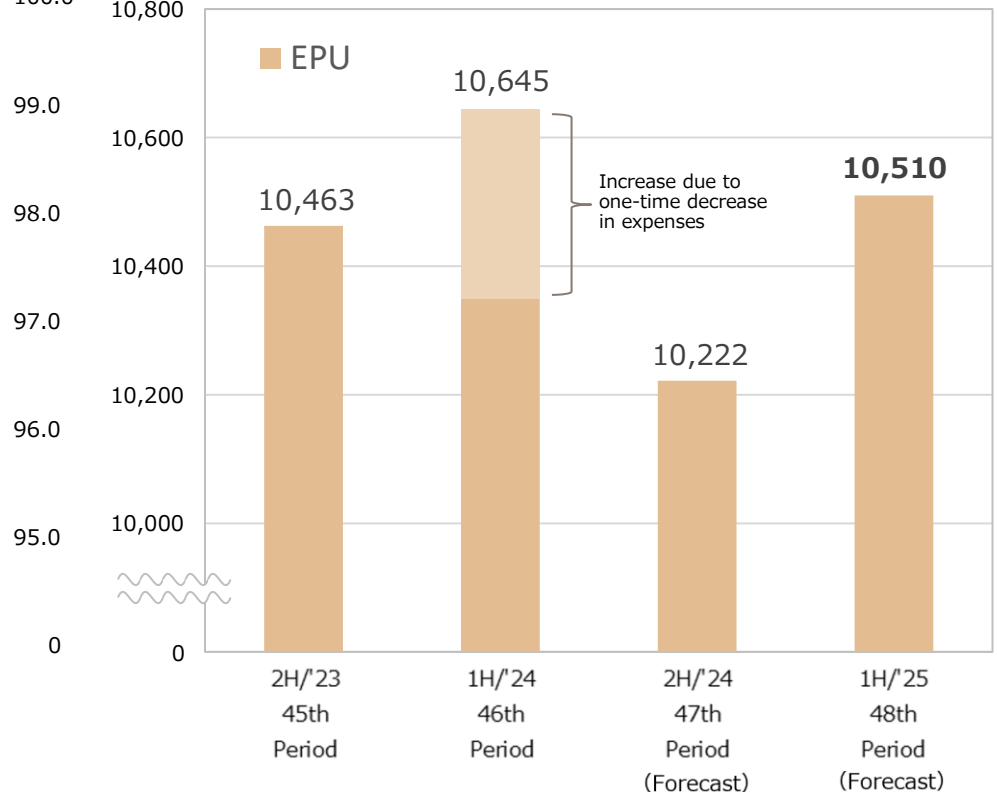
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EPU

EPU

Increase after bottoming out in 2H/'24

* EPU :
Net income (excl. profits and losses from dispositions)
/Number of units issued and outstanding



1-1 Financial Highlights (2/4)

	Actual			Forecast	
	1H/2024 (46th Period)			2H/2024 (47th Period)	1H/2025 (48th Period)
	PoP change				
Total operating revenue	50,254 million yen	+2,904 million yen	+6.1%	50,568 million yen	45,640 million yen
Operating income	24,643 million yen	+3,876 million yen	+18.7%	23,599 million yen	19,485 million yen
Operating income (excl. profits (losses) from disposition)	19,406 million yen	+354 million yen	+1.9%	18,903 million yen	19,483 million yen
Net income	23,344 million yen	+3,831 million yen	+19.6%	22,084 million yen	17,880 million yen
Net income (excl. profits (losses) from disposition)	18,107 million yen	+308 million yen	+1.7%	17,388 million yen	17,878 million yen
DPU	13,082 yen	+1,582 yen	+13.8%	2,400 yen	2,400 yen
DPU : Forecast (Announced February 2024) ¥12,500 +¥582					
Number of investment units issued and outstanding	1,700,991 units		-	8,504,955 units	8,504,955 units
Occupancy rate (Average for the period)	97.8%		+0.4pt	98.0%	98.7%

*Distribution per unit and number of units issued and outstanding for the 47th and 48th fiscal periods are after the Split.

(as of June 30, 2024)

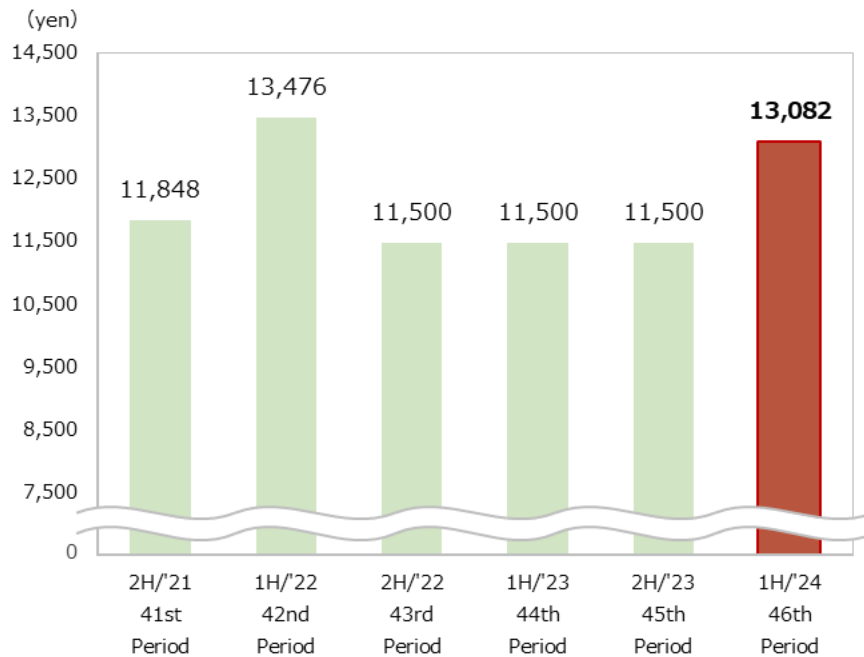
Asset	Total assets	Unrealized gains on appraisal value	Location	Occupancy rate (Average for the period)*1
	1,466.7 billion yen	345.6 billion yen	23 Wards of Tokyo: 83.2% Central 5 Wards of Tokyo: 56.8%	97.8%
Debt	LTV	Long-term fixed interest rate ratio	Average interest rate	Average maturity
	42.4%	88.4%	0.45%	5.30 years
Equity	Market cap	NAV per unit *2		
	957.6 billion yen	607,556 yen		

*1 Occupancy rate is the weighted average of the occupancy rate at the end of each month on an area basis.

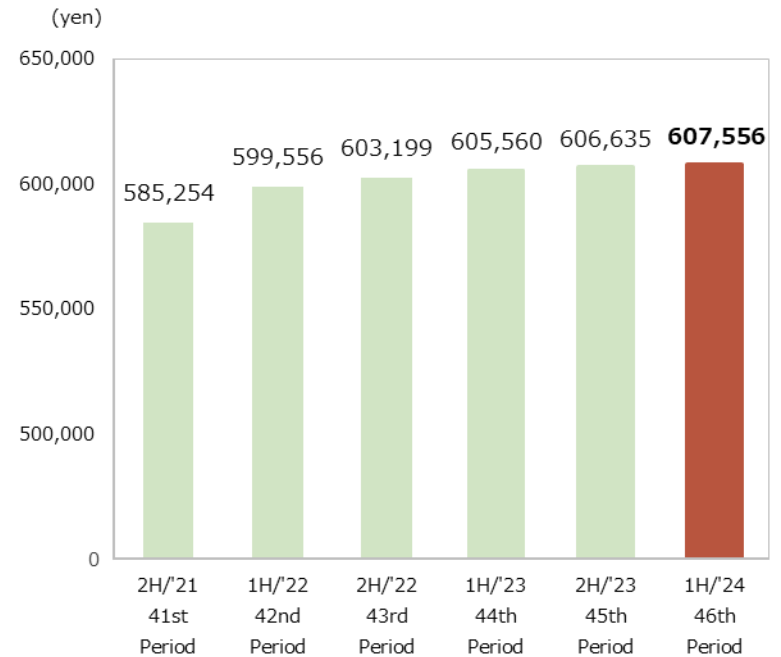
*2 (Unitholders' capital at the end of period + reserve for reduction entry at the end of period + reserve for reduction entry for next period (reserve amount - reversal amount) + unrealized gains on appraisal at the end of period) / number of investment units issued and outstanding at the end of period

Through stable growth of DPU over the medium to long term and an increase in NAV per unit, we aim to increase unitholder value.

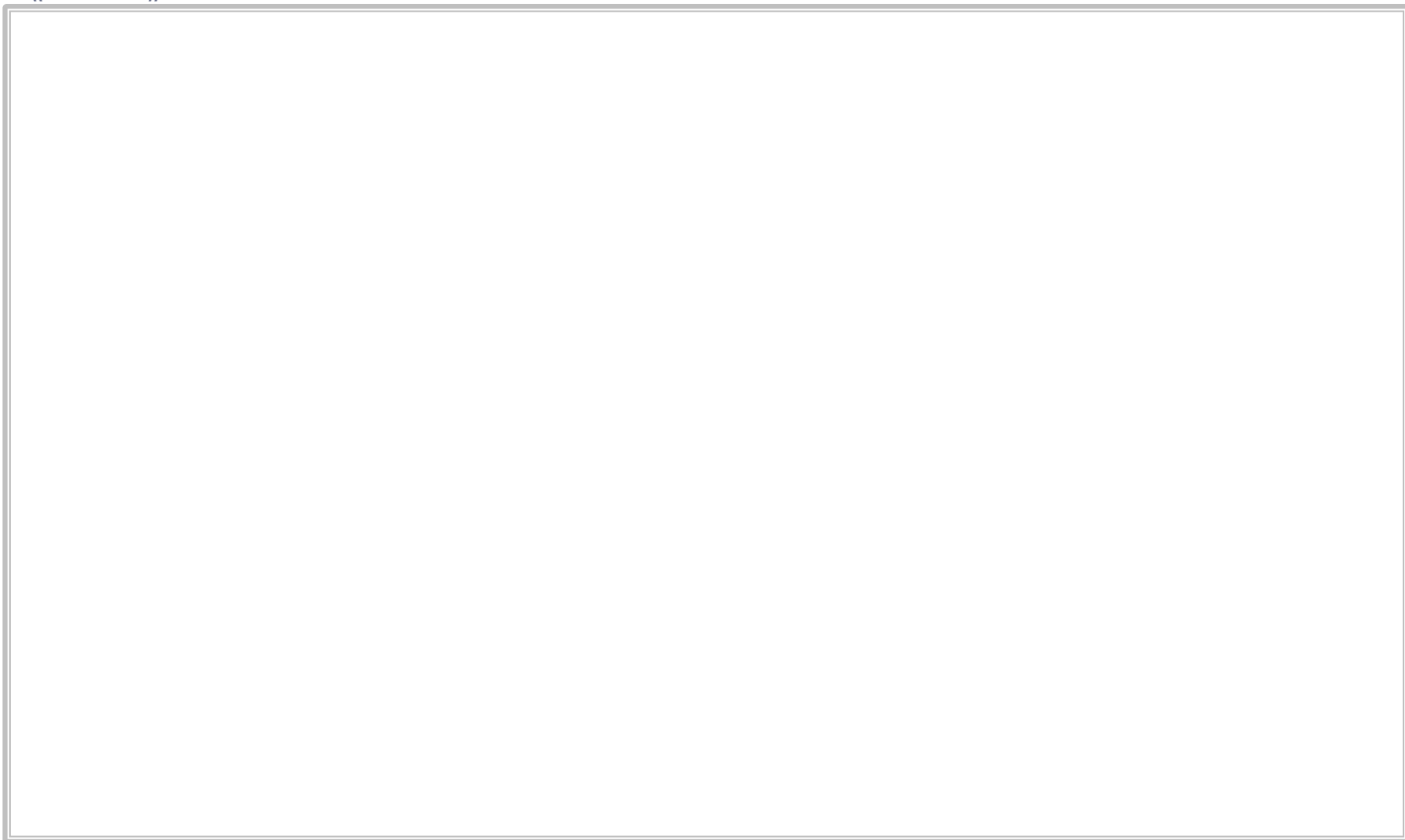
Distributions per Unit (DPU)



NAV per Unit



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Financial Results



2-1 1H/2024 (46th Period) Income Statement (P/L)

(millions of yen)

Course	2H/2023 (45th Period)	1H/2024 (46th Period)	PoP Change	
			Amount	Percentage
Total operating revenues	47,349	50,254	2,904	6.1%
Operating revenues	45,635	45,016	-618	-1.4%
Real estate lease revenues	42,126	42,004	-122	-0.3%
Other lease revenues	3,508	3,012	-496	-14.1%
Profits from dispositions	1,714	5,237	3,522	-
Total operating expenses	26,582	25,610	-972	-3.7%
Operating expenses	24,501	23,373	-1,128	-4.6%
Lease expenses (excl. depreciation and amortization)	16,528	15,436	-1,092	-6.6%
Depreciation and amortization	7,973	7,937	-35	-0.5%
Asset management fees	1,744	1,847	103	5.9%
Selling, general and administrative expenses	336	389	52	15.7%
Operating income	20,767	24,643	3,876	18.7%
Net non-operating income and expenses	-1,253	-1,298	-45	3.6%
Non-operating income	4	1	-2	-
Non-operating expenses	1,258	1,300	42	3.4%
Ordinary income	19,513	23,345	3,831	19.6%
Extraordinary income (loss)	-	-	-	-
Income before income taxes	19,513	23,345	3,831	19.6%
Income taxes	0	0	0	-
Net income	19,513	23,344	3,831	19.6%
Reserve(+) or reversal(-) for tax purpose reduction entry	-48	1,092	1,140	-
Payment of distribution	19,561	22,252	2,690	13.8%
Distribution per unit (JPY)	11,500	13,082	1,582	13.8%
Occupancy rate(Average for the Period)(%)	97.4	97.8	0.4	-
Units issued and outstanding at the period end	1,700,991	1,700,991	-	-

【Reference】

NOI from property leasing activities	29,106	29,580	473	1.6%
Operating income (excl. profits and losses from dispositions)	19,052	19,406	354	1.9%
Net income (excl. profits and losses from dispositions)	17,798	18,107	308	1.7%

Summary of PoP change

(millions of yen)

Total operating revenues	+2,904
Real estate rental revenues	-122
Replacement (properties acquired/disposed of)	-24
Existing properties	-98
Other rental revenues	-496
Cancellation charge	-99
Incidental income	-422
Profits from dispositions	+3,522
Total operating expenses	-972
Operating expenses	-1,128
Taxes and public dues	+229
Repair expense	-329
Utilities	-384
Building management expenses	-470
Operating income	+3,876
Replacement (properties acquired/disposed of)	+23
Existing properties	+486
Profits from dispositions	+3,522
Asset management fees and SG&A expenses	-155
Net non-operating income and expenses	-45
Non-operating expenses	+42
Interest expense	+28

Assets (millions of yen)

Course	2H/2023	1H/2024	PoP Change	
	(45th Period end)	(46th Period end)	Amount	Percentage
Current assets	19,785	19,201	-584	-3.0%
Cash and cash equivalents	18,884	17,903	-981	-5.2%
Other current assets	901	1,298	397	44.1%
Fixed assets	1,365,713	1,364,575	-1,137	-0.1%
Tangible fixed assets	1,322,929	1,321,677	-1,251	-0.1%
Intangible fixed assets	35,677	35,663	-13	-0.0%
Investments and other assets	7,106	7,234	128	1.8%
Deferred assets	120	105	-14	-12.1%
Total assets	1,385,619	1,383,883	-1,736	-0.1%

Liabilities and Net Assets

Course	2H/2023	1H/2024	PoP Change	
	(45th Period end)	(46th Period end)	Amount	Percentage
Current liabilities	70,805	43,701	-27,103	-38.3%
Short-term borrowings	5,000	5,000	-	-
Current portion of long-term borrowings	44,000	20,000	-24,000	-54.5%
Current portion of investment corporation bonds	7,000	5,000	-2,000	-28.6%
Other	14,805	13,701	-1,103	-7.5%
Fixed liabilities	608,566	630,150	21,584	3.5%
Investment corporation bonds	40,000	35,000	-5,000	-12.5%
Long-term borrowings	496,500	521,900	25,400	5.1%
Security deposits received	72,066	73,250	1,184	1.6%
(Interest-bearing debt)	(592,500)	(586,900)	(-5,600)	(-0.9%)
Total liabilities	679,372	673,852	-5,519	-0.8%
Net assets	706,247	710,030	3,783	0.5%
Unitholders' capital	673,047	673,047	-	-
Retained earnings	33,200	36,983	3,783	11.4%
Reserve for tax purpose reduction entry	13,687	13,638	-48	-0.4%
Undistributed earnings	19,513	23,344	3,831	19.6%
Total net assets	706,247	710,030	3,783	0.5%
Total liabilities and net assets	1,385,619	1,383,883	-1,736	-0.1%

Summary of PoP change

(millions of yen)

Assets	-1,736
Current assets	-584
Cash and cash equivalents	-981
Fixed assets	-1,137
1 property acquired	+44,168
2 properties disposed	-42,662
CAPEX	+4,962
Depreciation and amortization, etc.	-7,937
Others	+331
Liabilities	-5,519
Interest-bearing debt	-5,600
Long-term borrowings	+1,400
Investment corporation bonds	-7,000
Total net assets	+3,783
Retained earnings	+3,783
Undistributed earnings	+3,831

Maintain solid financial strategy

Finance Data

Item	December 31, 2023 (45th Period end)	June 30, 2024 (46th Period end)	PoP Change
LTV	42.8%	42.4%	-0.4pt
Long-term fixed interest rate ratio	90.5%	88.4%	-2.1pt
Average interest rate	0.40%	0.45%	+0.05pt
Average remaining life (Long-term interest-bearing debt)	5.23years	5.30years	+0.07years

*Debt capacity up to LTV46.0% Approx. 92 billion yen

Interest-bearing debt

(millions of yen)

Item	December 31, 2023 (45th Period end)	June 30, 2024 (46th Period end)	PoP Change
Short-term debt	5,000	5,000	-
Long-term debt (floating rate)	51,000	63,000	+12,000
Long-term debt (fixed interest rate)	489,500	478,900	-10,600
Investment corporation bonds	47,000	40,000	-7,000
Total amount	592,500	586,900	-5,600
Green Finance	63,000	65,000	+2,000

46th period Long-term loans payable

(millions of yen)

Date of borrowing	Lender	Amount of money	Period	Fixed/ Floating	Interest rates
2024/1/25	Sumitomo Mitsui Trust Bank, Limited	2,000	5.0 years	Fixed	0.583%
		3,000	6.0 years		0.688%
2024/3/1	Daishi Hokuetsu Bank, Ltd.	2,000	7.0 years	Fixed	0.837%
2024/3/28	TAIJU LIFE INSURANCE COMPANY LIMITED Green Loan	2,000	12.0 years		1.277%
2024/3/29	Shinkin Central Bank	4,000	10.0 years	Floating*1	0.340%
2024/4/26	Sumitomo Mitsui Banking Corporation	3,000	5.0 years	Fixed	0.741%
		3,000	7.0 years		0.934%
2024/5/30	Development Bank of Japan Inc.	5,400	7.0 years		1.009%
2024/5/31	Sumitomo Mitsui Trust Bank, Limited	3,000	8.0 years	Floating*2	0.326%
		7,000	9.0 years		0.344%
	THE BANK OF FUKUOKA., LTD.	2,000	10.0 years		0.362%
2024/6/28	Daishi Hokuetsu Bank, Ltd.	2,000	5.0 years	Fixed	0.775%
Total amount	-	38,400	7.7 years	-	0.650%

*1 Base interest rate: JBA 3-month Japanese Yen TIBOR (The interest rate at the beginning of the loan is shown)

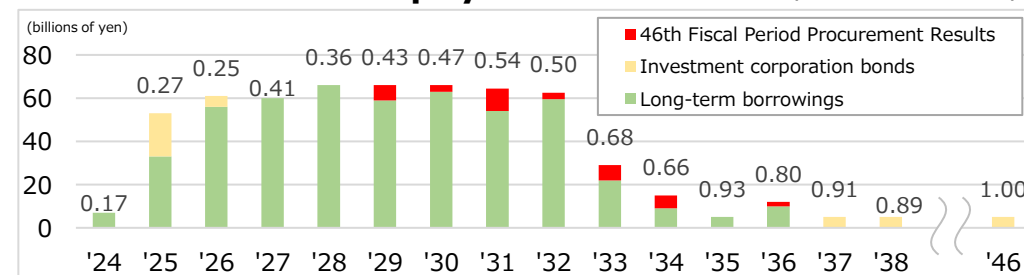
*2 Base interest rate: JBA 1-month Japanese Yen TIBOR (The interest rate at the beginning of the loan is shown)

Rating Status

JCR	R&I	S&P
AA+	AA	A+

Diversification of repayment dates

(As of June 30, 2024)



*The figures at the top of the graph are average interest rates (unit: %)

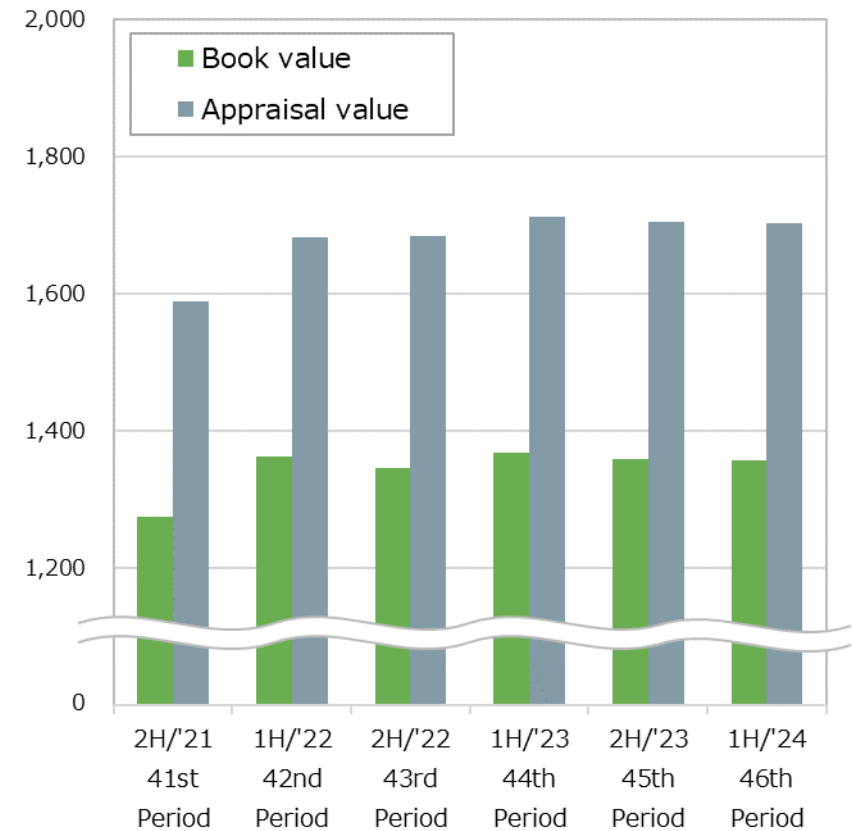
Continuing appraisal value was flat

Continuing appraisal value

Item	December 31, 2023 (45th Period end)	June 30, 2024 (46th Period end)	PoP Change
Number of properties	69 properties	68 properties	-1 property
Continuing appraisal value	1,703.6 billion yen	1,702.8 billion yen	-0.8 billion yen
Book value	1,358.4 billion yen	1,357.2 billion yen	-1.2 billion yen
Unrealized gain	345.1 billion yen	345.6 billion yen	+0.5 billion yen

Changes in appraisal value and book value

(billions of yen)



Changes by property (compared to the previous period)

Capitalization rate (number of property)

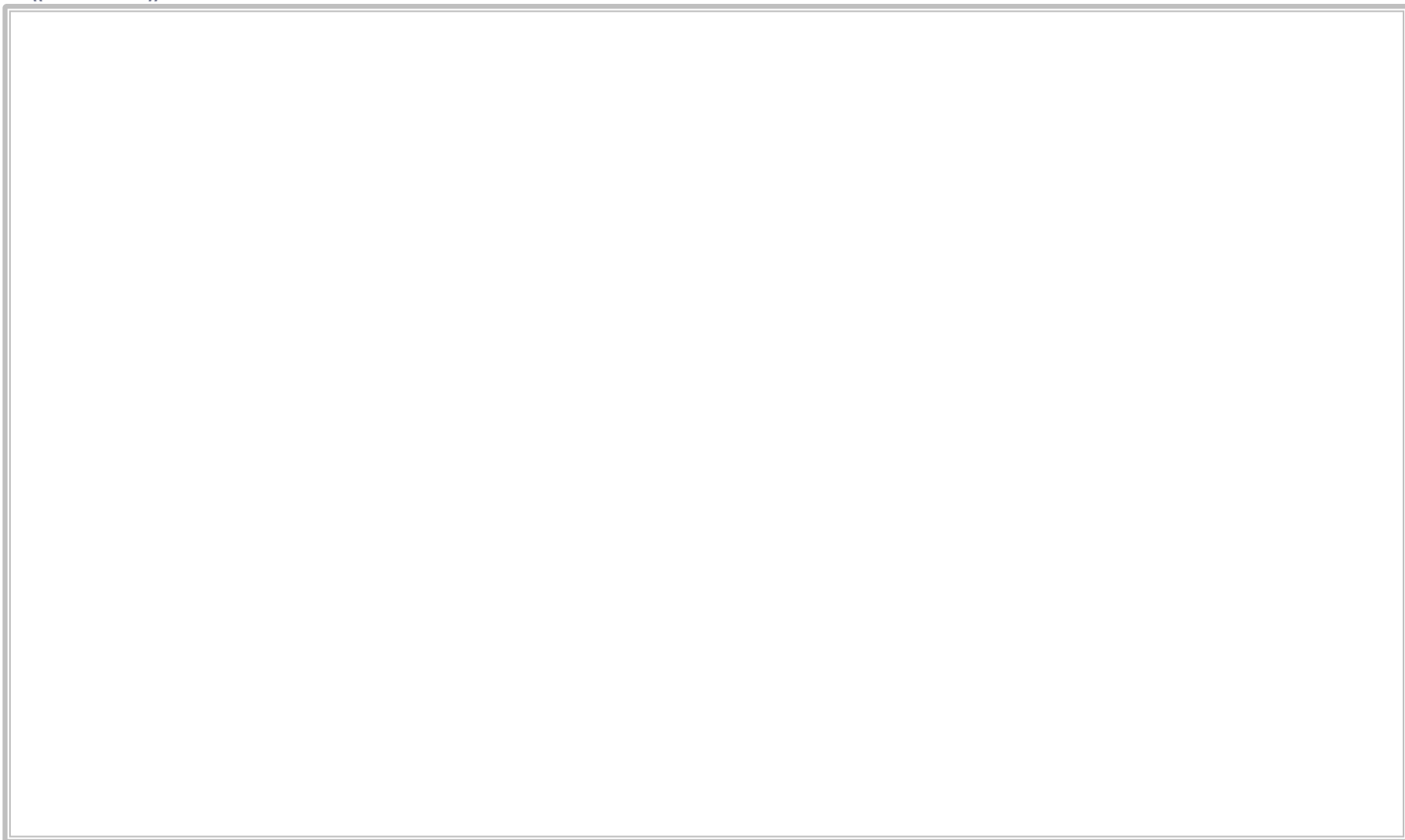
Item	December 31, 2023 (45th Period end)	June 30, 2024 (46th Period end)
Decrease	41	16
Same	28	50
Increase	0	1

Appraisal value (number of property)

Item	December 31, 2023 (45th Period end)	June 30, 2024 (46th Period end)
Increase	10	24
Same	46	32
Decrease	13	12

* NBF Toranomon Bldg. is excluded because the direct capitalization method is not applied.

《MEMO》



3.

Forecast



3-1 2H/2024 (47th Period), 1H/2025 (48th Period)Forecasts

Course	1H/2024 (Actual) (46th Period)	2H/2024 (Forecast) (47th Period)	PoP Change		1H/2025 (Forecast) (48th Period)	PoP Change	
			Amount	Percentage		Amount	Percentage
Total operating revenues	50,254	50,568	314	0.6%	45,640	-4,928	-9.7%
Operating revenues	45,016	45,872	855	1.9%	45,638	-233	-0.5%
Real estate lease revenues	42,004	42,522	517	1.2%	42,683	161	0.4%
Other lease revenues	3,012	3,350	337	11.2%	2,955	-394	-11.8%
Profits from dispositions	5,237	4,695	-541	-10.3%	1	-4,694	-
Total operating expenses	25,610	26,969	1,358	5.3%	26,155	-814	-3.0%
Operating expenses	23,373	24,833	1,459	6.2%	24,161	-671	-2.7%
Rental expenses (excl. depreciation and amortization)	15,436	16,970	1,534	9.9%	16,304	-666	-3.9%
Depreciation and amortization	7,937	7,862	-74	-0.9%	7,857	-5	-0.1%
Asset management fees	1,847	1,829	-17	-1.0%	1,693	-135	-7.4%
Selling, general and administrative expenses	389	306	-83	-21.4%	299	-6	-2.1%
Operating income	24,643	23,599	-1,044	-4.2%	19,485	-4,113	-17.4%
Net non-operating income and expenses	-1,298	-1,515	-216	16.7%	-1,605	-89	5.9%
Non-operating income	1	2	0	-	2	-	-
Non-operating expenses	1,300	1,517	216	16.7%	1,607	89	5.9%
Ordinary income	23,345	22,084	-1,261	-5.4%	17,880	-4,203	-19.0%
Extraordinary income (loss)	-	-	-	-	-	-	-
Income before income taxes	23,345	22,084	-1,261	-5.4%	17,880	-4,203	-19.0%
Income taxes	0	0	0	-	0	-	-
Net income	23,344	22,084	-1,260	-5.4%	17,880	-4,203	-19.0%
Provision of reserve(+) and reversal for Advanced depreciation(-)	1,092	1,664	572	-	-2,531	-4,196	-
Payment of dividends	22,252	20,411	-1,840	-8.3%	20,411	-	-
Distribution per unit (yen)	13,082	2,400	-	-	2,400	-	-
Average occupancy rate during the Period(%)	97.8	98.0	0.2	-	98.7	0.7	-
Units issued and outstanding at period end	1,700,991	8,504,955	-	-	8,504,955	-	-

【 Reference 】

NOI from property leasing activities	29,580	28,902	-678	-2.3%	29,334	432	1.5%
Operating income (excluding profits and losses from dispositions)	19,406	18,903	-503	-2.6%	19,483	580	3.1%
Net income (excluding profits and losses from dispositions)	18,107	17,388	-719	-4.0%	17,878	490	2.8%

Summary of PoP change

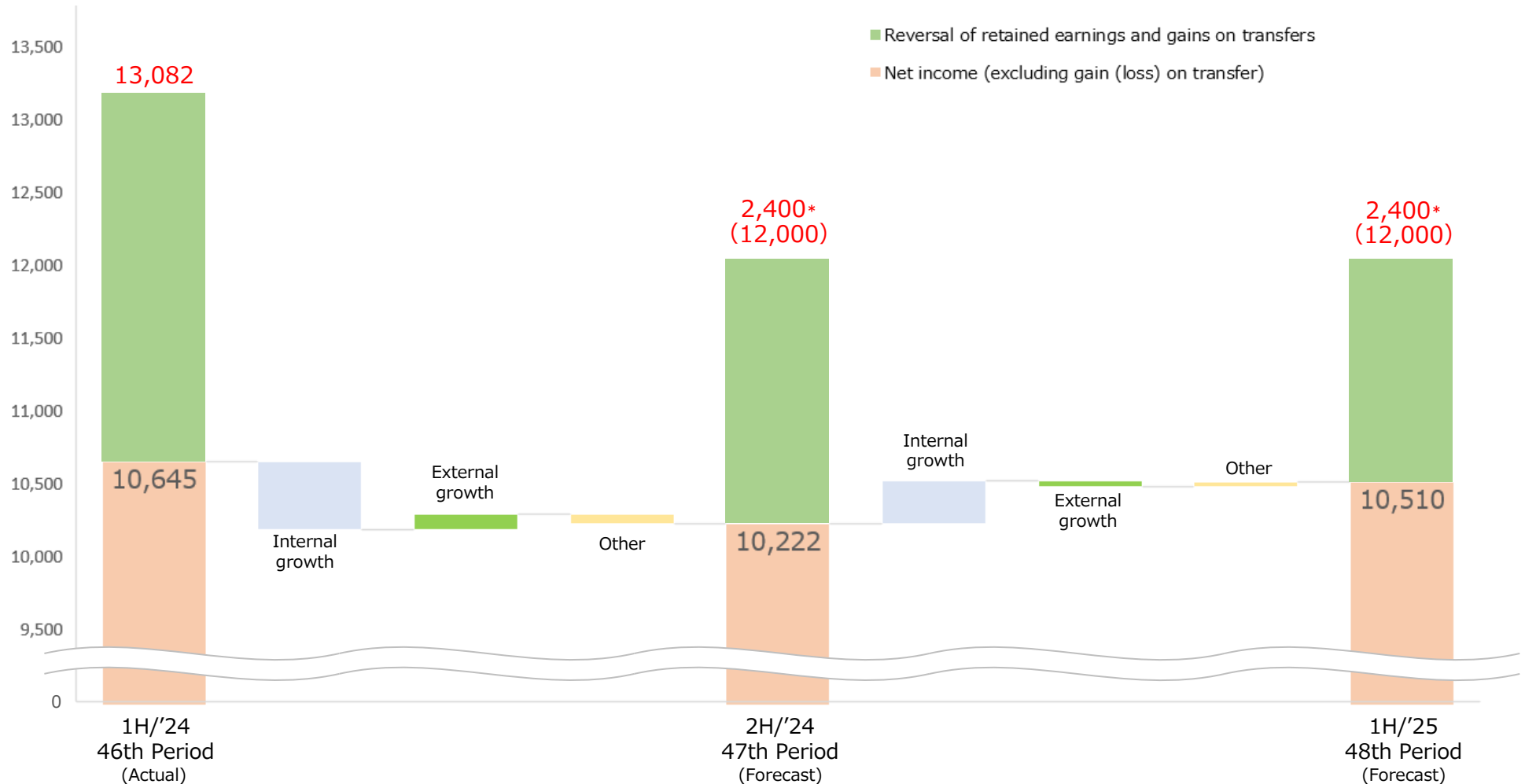
	(millions of yen)	
	47th period	48th period
Total operating revenues	+314	-4,928
Real estate rental revenues	+517	+161
Replacement (properties acquired/disposed of)	+73	-202
Existing Properties	+444	+363
Other rental revenues	+337	-394
Cancellation charge	+5	+0
Ancillary revenues	+380	-393
Profits from dispositions	-541	-4,694
Total operating expenses	+1,358	-814
Operating expenses	+1,459	-671
Utilities	+551	-535
Taxes and public dues	-100	+257
Repair expenses	+132	+53
Building management expenses	+764	-372
Operating income	-1,044	-4,113
Replacement (properties acquired/disposed of)	+137	-64
Existing Properties	-741	+502
Profits from dispositions	-541	-4,694
Asset management fees and SG&A expenses	100	142
Net non-operating income and expenses	-216	-89
Non-operating expenses	+216	+89
Interest expense	+210	+100

The forecast figures for the period ending December 31, 2024 (47th period) and the period ending June 30, 2025 (48th period) are the current figures calculated based on certain assumptions, and the actual figures may vary from these figures due to changes in circumstances. The amount of distributions is not guaranteed. Distribution per unit and number of units issued and outstanding for the 47th and 48th fiscal periods are after the Split.

DPU

Aiming for stable growth in DPU by utilizing retained earnings and gains from dispositions

(Yen per unit)



*The bar graphs of DPU for 2H 2024 and 1H 2025 show approximate figures assuming that the Split is not made, for comparison with 1H 2024.

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