

Nippon Building Fund, Inc. 2H 2024 (47th Period) Financial Summary

1. Financial Highlights_____ **2**

2. Financial Results_____ **5**

3. Forecast_____ **10**

Disclaimer

1.

Financial Highlights



Key Points of Financial Forecasts

Occupancy rate

High level in the 98% range

Real estate rental revenues

An annual increase of 1,157 million yen (2.7%)

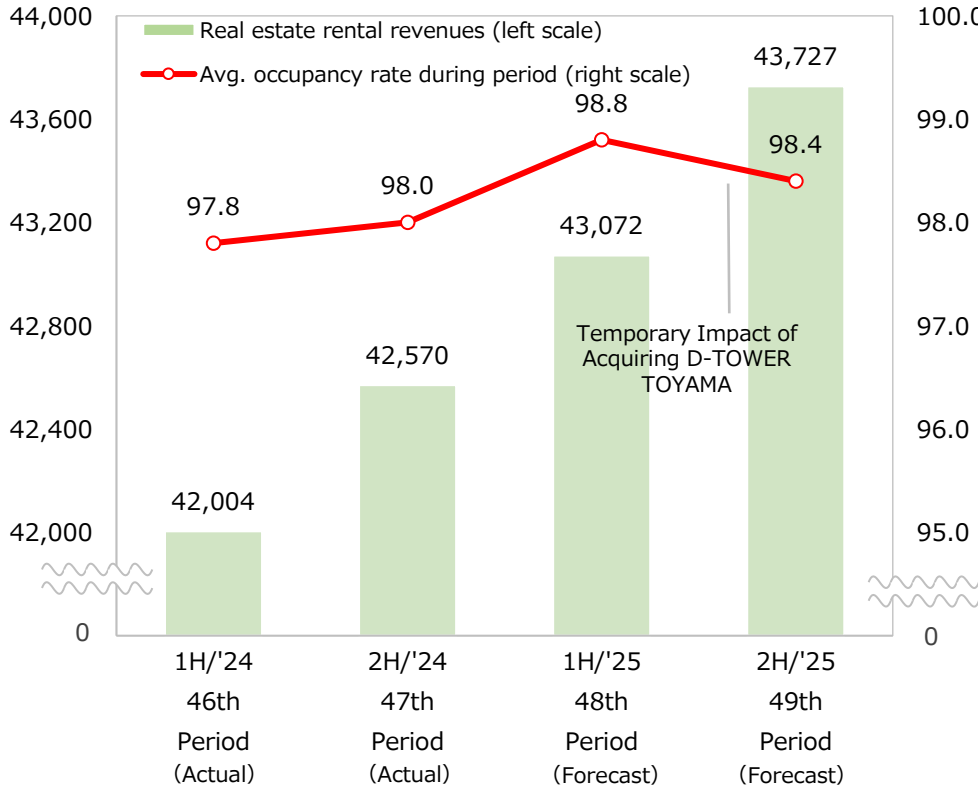
EPU

An annual increase of 43 yen (2.0%)

(47th ⇒ 49th)

(47th ⇒ 49th)

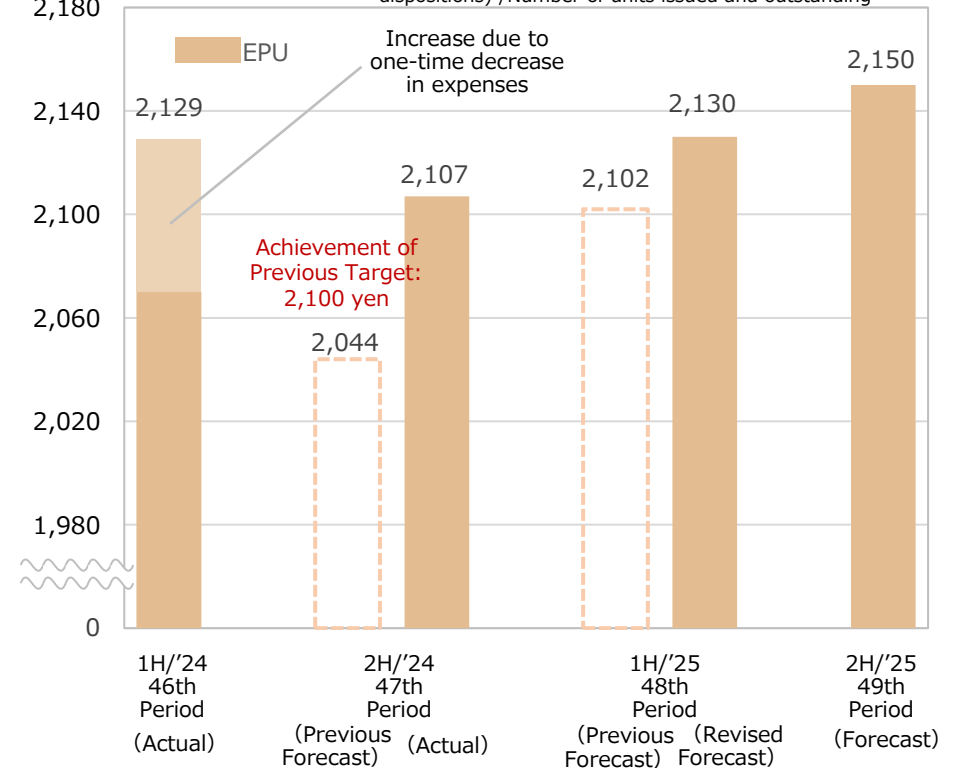
(millions of yen)



(%)

(yen)

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



* For comparison with other periods, the EPU for the fiscal period ended June 2024 is stated as an estimated value, assuming a 5-for-1 split of the investment units in June 2024.

* Hereafter, the ratios and building ages are rounded to the nearest whole number, and values below the stated figures are rounded down.

(as of December 31, 2024)

Asset	Total assets	Unrealized gains on appraisal value	Location	Occupancy rate (Average for the period)*1
	1,457.9 billion yen	346.6 billion yen	23 Wards of Tokyo: 83.7% Central 5 Wards of Tokyo: 57.1%	98.0%
Debt	LTV	Long-term fixed interest rate ratio	Average interest rate	Average maturity
	42.4%	88.2%	0.48%	4.82 years
Equity	Market cap	NAV per unit *2		
	1,041.0 billion yen	121,834 yen		

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

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

2.

Financial Results



2-1 2H/2024 (47th Period) Income Statement (P/L)

(millions of yen)

Course	1H/2024 (46th Period)	2H/2024 (47th Period)	PoP Change	
			Amount	Percentage
Total operating revenues	50,254	50,810	556	1.1%
Operating revenues	45,016	46,071	1,055	2.3%
Real estate rental revenues	42,004	42,570	566	1.3%
Other rental revenues	3,012	3,501	488	16.2%
Profits from dispositions	5,237	4,738	-498	-9.5%
Total operating expenses	25,610	26,741	1,131	4.4%
Operating expenses	23,373	24,591	1,218	5.2%
Rental expenses (excl. depreciation and amortization)	15,436	16,745	1,309	8.5%
Depreciation and amortization	7,937	7,846	-90	-1.1%
Asset management fees	1,847	1,852	5	0.3%
Selling, general and administrative expenses	389	297	-92	-23.7%
Operating income	24,643	24,068	-574	-2.3%
Net non-operating income and expenses	-1,298	-1,401	-103	8.0%
Non-operating income	1	7	5	-
Non-operating expenses	1,300	1,409	108	8.4%
Ordinary income	23,345	22,667	-678	-2.9%
Extraordinary income (loss)	-	-	-	-
Income before income taxes	23,345	22,667	-678	-2.9%
Income taxes	0	0	0	-
Net income	23,344	22,666	-678	-2.9%
Reserve(+) or reversal(-) for tax purpose reduction entry	1,092	1,727	634	-
Payment of distribution	22,252	20,939	-1,313	-5.9%
Distribution per unit (JPY) *	2,616	2,462	-154	-5.9%
Occupancy rate(Average for the Period)(%)	97.8	98.0	0.2pt	-
Units issued and outstanding at the period end (units)	1,700,991	8,504,955	6,803,964	-

[Reference]

④ NOI from property leasing activities	29,580	29,326	-253	-0.9%
Operating income (excl. profits and losses from dispositions)	19,406	19,330	-76	-0.4%
Net income (excl. profits and losses from dispositions)	18,107	17,927	-179	-1.0%

Summary of PoP change

(millions of yen)

Total operating revenues	+556	
① Real estate rental revenues	+566	(+1.3%)
Replacement (properties acquired/disposed of)	+88	(+0.2%)
Existing properties	+477	(+1.1%)
Other rental revenues	+488	
Incidental income	+462	
Profits from dispositions	-498	
Total operating expenses	+1,131	
Operating expenses	+1,218	
Taxes and public dues	-92	
Repair expenses	+116	
Utilities	+356	
② Building management expenses	+937	
Operating income	-574	
Replacement (properties acquired/disposed of)	+18	
Existing properties	-181	
Profits from dispositions	-498	
Asset management fees and SG&A expenses	+86	
Net non-operating income and expenses	-103	
Non-operating expenses	+108	
③ Interest expense	+125	

* For comparison with other periods, the DPU for the fiscal period ended June 2024 is stated as an estimated value, assuming a 5-for-1 split of the investment units in June 2024.

2-2 2H/2024 (47th Period) Balance Sheet (B/S)

Assets

Course	1H/2024 (46th Period end)	2H/2024 (47th Period end)	PoP Change	
			Amount	Percentage
Current assets	19,201	26,837	7,635	39.8%
Cash and cash equivalents	17,903	25,627	7,723	43.1%
Other current assets	1,298	1,210	-88	-6.8%
Fixed assets	1,364,575	1,356,028	-8,546	-0.6%
Tangible fixed assets	1,321,677	1,312,668	-9,008	-0.7%
Intangible fixed assets	35,663	35,642	-21	-0.1%
Investments and other assets	7,234	7,718	483	6.7%
Deferred assets	105	91	-14	-13.3%
Total assets	1,383,883	1,382,958	-925	-0.1%

Liabilities and Net Assets

Course	1H/2024 (46th Period end)	2H/2024 (47th Period end)	PoP Change	
			Amount	Percentage
Current liabilities	43,701	71,985	28,283	64.7%
Short-term borrowings	5,000	5,000	-	-
Current portion of long-term borrowings	20,000	33,000	13,000	65.0%
Current portion of investment corporation bonds	5,000	20,000	15,000	300.0%
Other	13,701	13,985	283	2.1%
Fixed liabilities	630,150	600,528	-29,622	-4.7%
Investment corporation bonds	35,000	20,000	-15,000	-42.9%
Long-term borrowings	521,900	508,300	-13,600	-2.6%
Security deposits received	73,250	72,228	-1,022	-1.4%
(Interest-bearing debt)	(586,900)	(586,300)	(-600)	(-0.1%)
Total liabilities	673,852	672,513	-1,339	-0.2%
Net assets	710,030	710,444	413	0.1%
Unitholders' capital	673,047	673,047	-	-
Retained earnings	36,983	37,397	413	1.1%
Reserve for tax purpose reduction entry	13,638	14,730	1,092	8.0%
Undistributed earnings	23,344	22,666	-678	-2.9%
Total net assets	710,030	710,444	413	0.1%
Total liabilities and net assets	1,383,883	1,382,958	-925	-0.1%

Summary of PoP change

(millions of yen)

Assets	-925
Current assets	+7,635
Cash and cash equivalents	+7,723
Fixed assets	-8,546
1 property acquired	+65
1 property disposed	-6,058
CAPEX	+4,782
Depreciation and amortization, etc.	-7,846
Others	+509
Liabilities	-1,339
Interest-bearing debt	-600
Long-term borrowings	-600
Total net assets	+413
Retained earnings	+413
Reserve for tax purpose reduction entry	+1,092
Undistributed earnings	-678

Maintain solid financial strategy

● Finance Data

Item	June 30, 2024 (46th Period end)	December 31, 2024 (47th Period end)	PoP Change
LTV	42.4%	42.4%	-
Long-term fixed interest rate ratio	88.4%	88.2%	-0.2pt
Average interest rate	0.45%	0.48%	+0.03pt
Average Remaining Maturity (Long-term interest-bearing debt)	5.30years	4.82years	-0.48years

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

*Appraisal LTV : 33.9%

*LTV after acquisition of D-TOWER TOYAMA (June 30, 2025) (Forecast) : 43.1%

● 47th period Long-term loans payable

(millions of yen)

Date of borrowing	Lender	Amount of money	Period	Fixed/Floating	Interest rates
2024/10/11	The Yamanashi Chuo Bank, Ltd.	1,000	8.0 years	Floating*1	0.526%
2024/11/27	MUFG Bank, LTD.	5,400	1.2 years	Fixed	0.625%
Total amount		6,400	2.2 years	-	0.610%

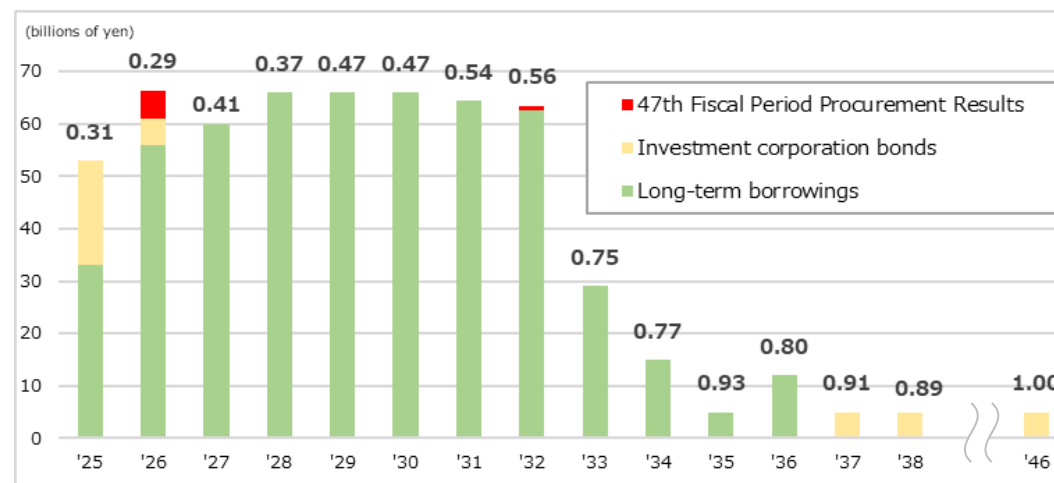
*1 Base interest rate: JBA 3-month Japanese Yen TIBOR (The interest rate at the beginning of the loan is shown)

● Rating Status

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

● Diversification of repayment dates

(As of December 31, 2024)



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

● Interest-bearing debt

(millions of yen)

Item	June 30, 2024 (46th Period end)	December 31, 2024 (47th Period end)	PoP Change
Short-term debt	5,000	5,000	-
Long-term debt (floating rate)	63,000	64,000	+1,000
Long-term debt (fixed interest rate)	478,900	477,300	-1,600
Investment corporation bonds	40,000	40,000	-
Total amount	586,900	586,300	-600
Green Finance	65,000	65,000	-

Continuing appraisal value was flat

Continuing appraisal value

Item	June 30, 2024 (46th Period end)	December 31, 2024 (47th Period end)	PoP Change
Number of properties	68 properties	67 properties	-1 property
Continuing appraisal value	1,702.8 billion yen	1,695.0 billion yen	-7.8 billion yen
Book value	1,357.2 billion yen	1,348.3 billion yen	-8.9 billion yen
Unrealized gain	345.6 billion yen	346.6 billion yen	+1.0 billion yen

Changes by property (compared to the previous period)

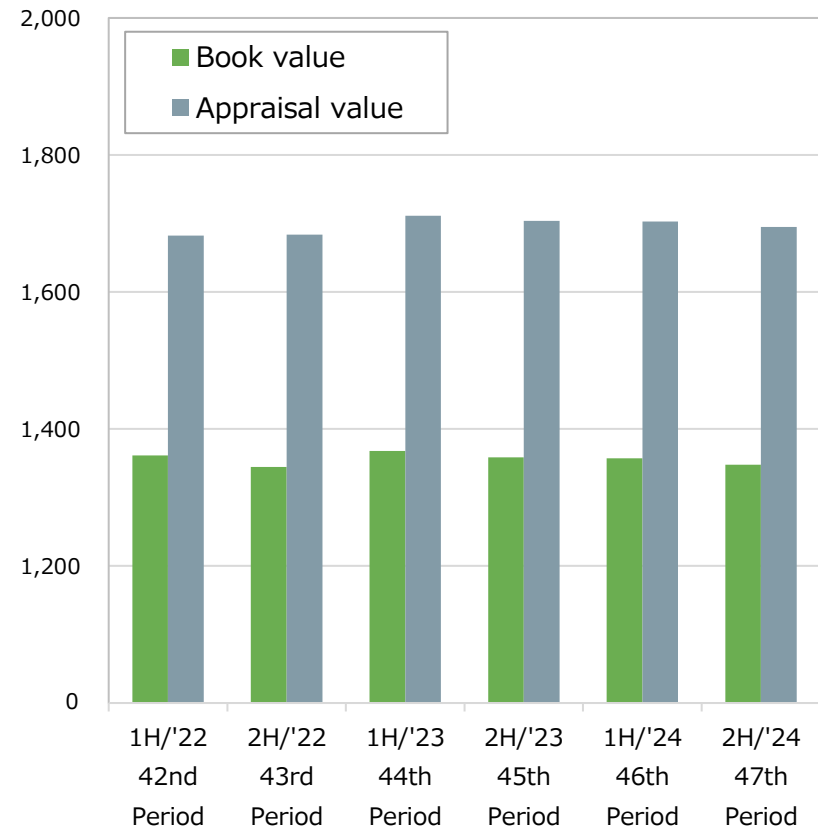
Capitalization rate (Number of property) Appraisal value (Number of property)

Item	June 30, 2024 (46th Period end)	December 31, 2024 (47th Period end)	Item	June 30, 2024 (46th Period end)	December 31, 2024 (47th Period end)
Decrease	16	17	Increase	24	28
Same	50	49	Same	32	24
Increase	1	0	Decrease	12	15

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

Changes in appraisal value and book value

(billions of yen)



3.

Forecast



Course	2H/2024 (Actual) (47th Period)	1H/2025 (Forecast) (48th Period)	PoP Change		2H/2025 (Forecast) (49th Period)	PoP Change		(millions of yen)		
			Amount	Percentage		Amount	Percentage	48th	49th	Annual increase
Total operating revenues	50,810	50,600	-210	-0.4%	47,311	-3,288	-6.5%			
Operating revenues	46,071	46,063	-8	0.0%	47,311	1,247	2.7%			
Real estate rental revenues	42,570	43,072	501	1.2%	43,727	655	1.5%			
Other rental revenues	3,501	2,991	-509	-14.6%	3,584	592	19.8%			
Profits from dispositions	4,738	4,536	-201	-4.3%	-	-4,536	-			
Total operating expenses	26,741	26,342	-399	-1.5%	27,157	815	3.1%			
Operating expenses	24,591	24,101	-490	-2.0%	25,127	1,026	4.3%			
Rental expenses (excl. depreciation and amortization)	16,745	16,445	-300	-1.8%	17,506	1,061	6.5%			
Depreciation and amortization	7,846	7,655	-190	-2.4%	7,621	-34	-0.4%			
Asset management fees	1,852	1,852	0	0.0%	1,748	-103	-5.6%			
Selling, general and administrative expenses	297	388	91	30.9%	280	-108	-27.8%			
Operating income	24,068	24,258	189	0.8%	20,154	-4,103	-16.9%			
Net non-operating income and expenses	-1,401	-1,602	-200	14.3%	-1,865	-263	16.4%			
Non-operating income	7	2	-5	-	2	-	-			
Non-operating expenses	1,409	1,604	194	13.8%	1,867	263	16.4%			
Ordinary income	22,667	22,656	-10	0.0%	18,289	-4,366	-19.3%			
Extraordinary income (loss)	-	-	-	-	-	-	-			
Income before income taxes	22,667	22,656	-10	0.0%	18,289	-4,366	-19.3%			
Income taxes	0	0	0	-	0	-	-			
Net income	22,666	22,656	-9	0.0%	18,289	-4,366	-19.3%			
Reserve(+) or reversal(-) for tax purpose reduction entry	1,727	2,242	515	-	-2,122	-4,365	-			
Payment of dividends	20,939	20,411	-527	-2.5%	20,411	-	-			
Distribution per unit (yen)	2,462	2,400	-62	-2.5%	2,400	-	-			
Average occupancy rate during the Period(%)	98.0	98.8	0.8pt	-	98.4	-0.4pt	-			
Units issued and outstanding at the period end (units)	8,504,955	8,504,955	-	-	8,504,955	-	-			

【 Reference 】

NOI from property leasing activities	29,326	29,618	+292	1.0%	29,805	+186	0.6%
Operating income (excluding profits and losses from dispositions)	19,330	19,721	+391	2.0%	20,154	+432	2.2%
Net income (excluding profits and losses from dispositions)	17,927	18,119	+192	1.1%	18,289	+169	0.9%

Summary of PoP change

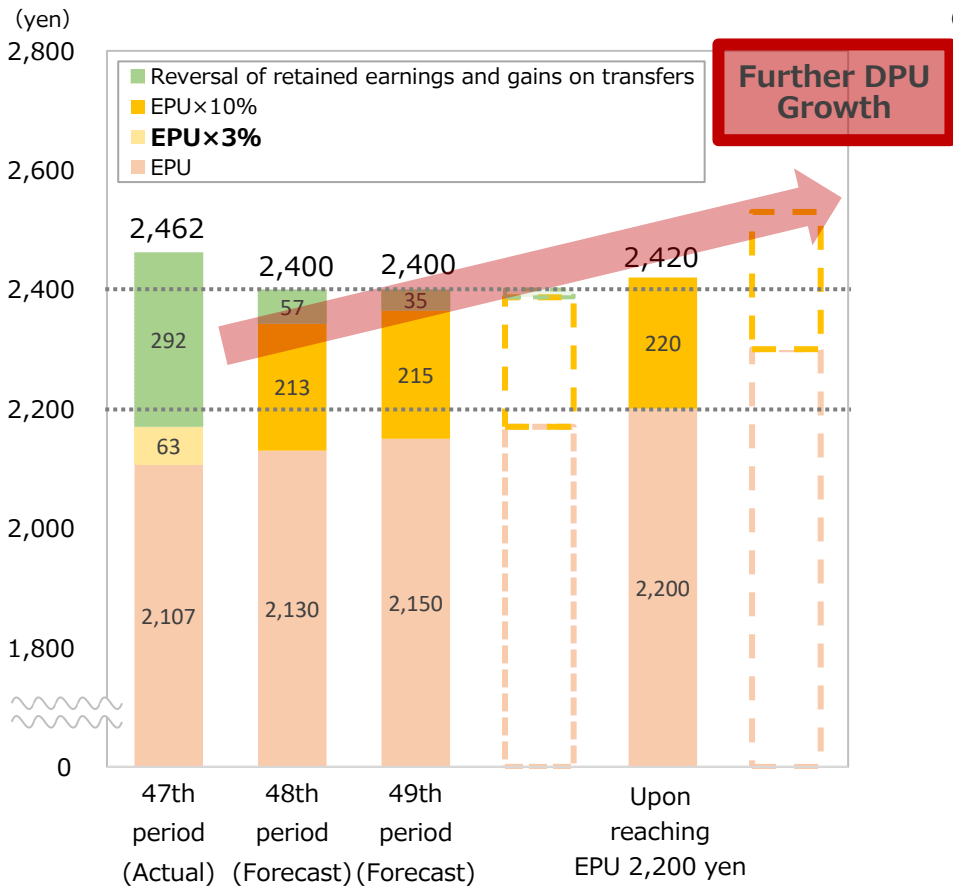
	(millions of yen)		
	48th	49th	Annual increase
Total operating revenues	-210	-3,288	
Real estate rental revenues	+501	+655	(+2.7%)
Replacement (properties acquired/disposed of)	-51	+301	(+0.6%)
Existing Properties	+552	+353	(+2.1%)
Other rental revenues	-509	+592	
Ancillary revenues	-489	+524	
Profits from dispositions	-201	-4,536	
Total operating expenses	-399	+815	
Operating expenses	-490	+1,026	
Utilities	-348	+473	
Taxes and public dues	+194	+8	
Repair expenses	-48	+154	
Building management expenses	-135	+467	
Operating income	+189	-4,103	
Replacement (properties acquired/disposed of)	+365	+304	
Existing Properties	+117	-83	
Profits from dispositions	-201	-4,536	
Asset management fees and SG&A expenses	-91	+211	
Net non-operating income and expenses	-200	-263	
Non-operating expenses	+194	+263	
Interest expense	+184	+250	

The forecast figures for the period ending June 30, 2025 (48th period) and December 31, 2025 (49th 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.

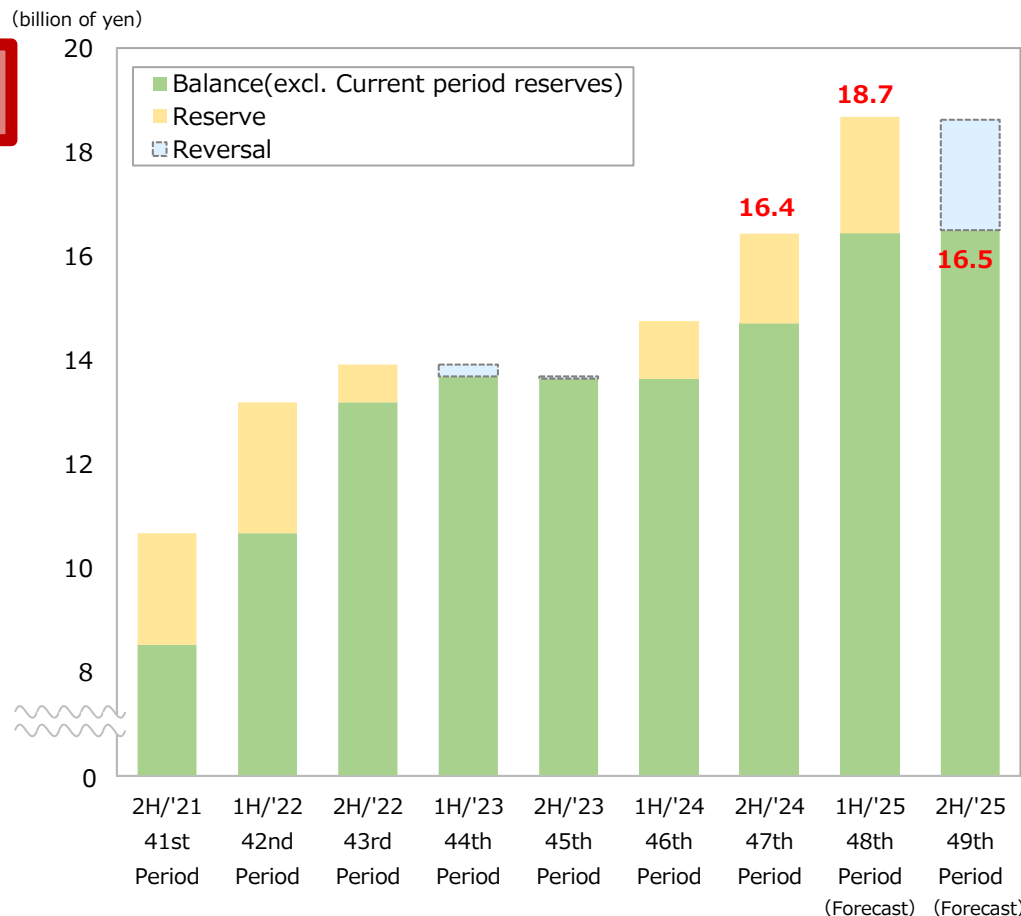
Policy Change to Distribute 110% of EPU

With planned property replacement, or utilization of Retained earnings, it is possible to continuously distribute additional 10%
 Aim to quickly surpass the target of "EPU 2,200 yen and DPU over 2,400 yen," move to the next stage of further DPU expansion

DPU Growth Target



Retained earnings



*Provision of retained earnings of 2,242 million yen is assumed to occur in the fiscal period 1H 2025, resulting in a balance of 18.7 billion yen, The reversal of retained earnings is assumed to be 2,122 million yen in the fiscal period 2H 2025, leaving a balance of 16.5 billion yen.

This English language notice is a translation of the Japanese language Investor Presentation dated February 17, 2025 and was prepared solely for the convenience of, and reference by, overseas investors.

Neither NBF nor Nippon Building Fund Management, Ltd. makes any warranties as to its accuracy or completeness.

These materials are intended to provide information and are not a solicitation or recommendation to purchase securities or financial instruments or engage in transactions of any kind. Please consult with a securities company regarding the purchase of NBF units or investment corporation bonds. The information provided in these materials does not constitute the disclosure or asset management reports required under the Financial Instruments and Exchange Act or laws relevant to investment trusts or investment corporations.

Nippon Building Fund Inc. and Nippon Building Fund Management Ltd. have exercised due care in providing these materials but do not guarantee the accuracy, validity, or completeness of information, whether created by Nippon Building Fund Inc., Nippon Building Fund Management Ltd., or third parties.

This document contains forward-looking statements and information that are not historical or current facts. Forward-looking statements and information are assumptions and judgments based on information available to Nippon Building Fund Inc. and Nippon Building Fund Management Ltd. when preparing this document or as of the date otherwise stated. Forward-looking statements and information are premised on the Nippon Building Fund Inc.'s investment plan, applicable laws and regulations, market environment, interest rate environment, operating realities and the other facts as of the document date, and do not reflect or take into consideration subsequent change. These statements and information involve known and unknown risks, uncertainties and assumptions. Our future performance could materially differ from those set out in these forward-looking statements.

The content of these materials is subject to change without notice. Nippon Building Fund Inc. and Nippon Building Fund Management Ltd. do not undertake and will not undertake to release revisions of forward-looking statements to reflect future events or circumstances or of any other statements or information contained herein.

Duplication or use for other purposes of these materials without the prior consent of Nippon Building Fund Inc. and Nippon Building Fund Management Ltd. is prohibited.