



January 31, 2025

To All Concerned Parties

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Notice Concerning Revision of Forecasts of Operating Results for the Period ending June 30, 2025

Nippon Building Fund Inc. ("NBF") announced today its revised forecasts of operating results for the periods ending June 30, 2025 (January 1, 2025 – June 30, 2025) which were originally announced on August 15, 2024 ("Previous forecast"). Details as follows. ("Revised forecast")

Please note that there are no revisions to the forecasts of operating results and distributions per unit for the period ended December 31, 2024 (July 1, 2024 – December 31, 2024).

Description

1. Outline of the revision

	Operating revenues (Yen in millions)	Operating income (Yen in millions)	Ordinary Income (Yen in millions)	Net income (Yen in millions)	Distribution per unit (Yen) (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit (Yen)
Previous forecast (A)	45,640	19,485	17,880	17,880	2,400	0
Revised forecast (B)	50,600	24,258	22,656	22,656	2,400	0
Increase/decrease (B-A)	+4,960	+4,772	+4,776	+4,776	-	-
Percentage of increase/decrease	+10.9%	+24.5%	+26.7%	+26.7%	-	-

(Note 1) Assumes 8,504,955 issued and outstanding investment units as of June 30, 2025.

(Note 2) Assumes net income per unit of 2,663 yen* (Previous announcement assumed 2,102 yen).

* Net income per unit is calculated by dividing net income by weighted average number of investment units issued and outstanding during the period.

(Note 3) In Revised forecast, it is assumed that distribution per unit is calculated by deducting provision of reserve for reduction entry ¥2,242 million from the expected net income ¥22,656 million (In Previous forecast, it is assumed that distribution per unit is calculated by adding reversal of reserve for tax purpose reduction entry ¥2,531 million to expected net income ¥17,880 million).

(Note 4) Yen amounts shown above are rounded down to the nearest million yen. Percentages are rounded off to one decimal place.



2. Background to the Revision

NBF has revised its previous forecast in line with the acquisition and disposition of domestic real estate trust beneficiary rights as described in the "Notice of Acquisition and Disposition of Domestic Real Estate Trust Beneficiary Interests (Acquisition of Yokohama Mitsui Bldg. and Disposition of Shiba NBF Tower)" announced today.

Previous forecast includes the disposition of "Tsukuba Mitsui Bldg." announced on January 5, 2024 and "NBF Toranomon Bldg. (Building)" announced on July 12, 2024 as an assumption, while Revised forecast includes the acquisition of "Kowa Nishi-Shinbashi Bldg. B: Additional Acquisition" announced on October 31, 2024, and the acquisition of "Yokohama Mitsui Bldg." and disposition of "Shiba NBF Tower" announced today have been added as preconditions.

Revised forecast is calculated based on the assumptions stated in the [Reference] "Assumptions Underlying the Forecast of Operating Results and Distributions Per Unit for the Periods Ending June 30, 2025 (January 1, 2025 – June 30, 2025)". The forecasted figures above represent current calculations based on assumptions and conditions as of the date hereof. Our actual operating revenues, operating income, ordinary income, net income or distribution per unit may fluctuate significantly due to changes in circumstances, including future acquisitions or sales of properties or changes in the investment environment. These forecasts do not guarantee any future amounts of distributions.

End



【Reference】

Assumptions Underlying the Forecast of Operating Results and Distributions Per Unit for the Periods Ending 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 acquisitions and dispositions, resulting in 67 properties for the period ending June 30, 2025.															
	<table><tr><th>Acquisitions (scheduled)</th><th>Acquisition Price (scheduled)</th><th>Date (scheduled)</th></tr><tr><td>Kowa Nishi-Shinbashi Bldg. B (Additional Acquisition)</td><td>63 million yen</td><td>October 31, 2024</td></tr><tr><td>Yokohama Mitsui Bldg.</td><td>43,190 million yen</td><td>March 31, 2025</td></tr><tr><td>Total</td><td>43,253 million yen</td><td>—</td></tr></table>	Acquisitions (scheduled)	Acquisition Price (scheduled)	Date (scheduled)	Kowa Nishi-Shinbashi Bldg. B (Additional Acquisition)	63 million yen	October 31, 2024	Yokohama Mitsui Bldg.	43,190 million yen	March 31, 2025	Total	43,253 million yen	—			
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	Yokohama Mitsui Bldg.	43,190 million yen	March 31, 2025													
	Total	43,253 million yen	—													
	<table><tr><th>Dispositions (scheduled)</th><th>Disposition Price (scheduled)</th><th>Date (scheduled)</th></tr><tr><td>Tsukuba Mitsui Bldg.</td><td>10,920 million yen</td><td>September 30, 2024</td></tr><tr><td>NBF Toranomom Bldg. (Building)</td><td>860 million yen</td><td>January 6, 2025</td></tr><tr><td>Shiba NBF Tower</td><td>32,100 million yen</td><td>March 27, 2025</td></tr><tr><td>Total</td><td>43,880 million yen</td><td>—</td></tr></table>	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	Shiba NBF Tower	32,100 million yen	March 27, 2025	Total	43,880 million yen	—
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	Shiba NBF Tower	32,100 million yen	March 27, 2025													
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	<ul style="list-style-type: none">The forecasted total interim average occupancy rate* of the total portfolio is 98.8% for the period ending June 30, 2025															
<ul style="list-style-type: none"><ul style="list-style-type: none">* The weighted average (by floor area) of the occupancy rates at the end of each month.																
<ul style="list-style-type: none">The figures in this table may change due to changes in portfolio assets or other factors.																
Number of issued and outstanding investment units	<ul style="list-style-type: none">It is assumed that the number of investment units currently issued and outstanding (8,504,955 units) will not change until June 30, 2025.															
Interest-bearing liabilities	<ul style="list-style-type: none">"NBF Toranomom Bldg. (Building)" (disposition price: 860 million yen) was disposed of on January 6, 2025, "Shiba NBF Tower" (anticipated disposition price: 32,100 million yen) is expected to be disposed of on March 27, 2025. The proceeds from the disposition are expected to be used to fund as part of "Yokohama Mitsui Bldg." (anticipated acquisition price: 43,190 million yen) and net proceeds obtained by borrowings and cash on-hand will be appropriated for the remaining amount of acquisition funds.In the fiscal period ending June 30, 2025, short-term borrowings of 5 billion yen and long-term borrowings of 10 billion yen, and investment corporation bonds of 5 billion yen will become due for repayment in the future, and it is assumed that funds for the repayment of such interest-bearing liabilities will be procured through borrowings, etc.															
Operating Revenues	<ul style="list-style-type: none">NBF is assumed to record 4,536 million yen, profit in dispositions of "NBF Toranomom Bldg. (Building)" and "Shiba NBF Tower" in the period ending June 30, 2025, each included in operating revenues (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 "Yokohama Mitsui Bldg." to be acquired after January 1, 2025 will not be included in expenses for the periods ending June 30, 2025 and December 31, 2025, but will be included in expenses for the period ending June 30, 2026 and thereafter. The amount of real estate taxes with respect to the above property for the period ending															



	<p>June 30, 2026 is expected to be 121 million yen (for the six-month period).</p> <ul style="list-style-type: none"> • Property taxes are expected to be 4,868 million yen for the period ending June 30, 2025. • Depreciation is expected to be 7,655 million yen for the period ending June 30, 2025. • Repairs and maintenance are expected to be 1,083 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 1,604 million yen for the period ending June 30, 2025.
Distribution per Unit	<ul style="list-style-type: none"> • It is assumed that 1 million yen of the profit in disposition of "NBF Toranomon Bldg. (Building)" and 2,242 million yen of the 4,535 million yen profit in disposition of "Shiba NBF Tower" will be transferred to the reserve for reduction entry in the period ending June 30, 2025. In the period ending June 30, • 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 retained earnings (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.