

February 17, 2025

To All Concerned Parties

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NIPPON BUILDING FUND INC.
ANNOUNCES 47th PERIOD (SECOND-HALF 2024) RESULTS

1. Financial Results for the Fiscal Period Ended December 31, 2024
(from July 1, 2024 to December 31, 2024)

(Values are rounded down to the nearest million yen)

(1) Operating Results (Percentages indicate a rate of increase/decrease from the previous period)

Period ended	Total Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%
December 31, 2024	50,810	1.1	24,068	(2.3)	22,667	(2.9)	22,666	(2.9)
June 30, 2024	50,254	6.1	24,643	18.7	23,345	19.6	23,344	19.6

Period ended	Net Income per unit (Note)	Return on unitholders' equity	Ratio of Ordinary income to total assets	Ratio of Ordinary Income to Operating Revenues
	yen	%	%	%
December 31, 2024	2,665	3.2	1.6	44.6
June 30, 2024	2,744	3.3	1.7	46.5

(Note 1) Net Income per unit = Net Income ÷ Weighted average number of units issued and outstanding during the period.

(Note 2) The investment units were divided on a five-for-one basis with an effective date of October 1, 2024. Net Income per unit is calculated assuming that the investment units were divided at the beginning of the fiscal period ended June 2024.

(2) Distributions

Period ended	Distribution per unit (excluding distributions in excess of earnings)	Total amount of distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total of distributions in excess of earnings	Payout ratio	Ratio of distributions to net assets
	Yen	Yen in Millions	Yen	Yen in Millions	%	%
December 31, 2024	2,462	20,939	-	-	92.3	2.9
June 30, 2024	13,082	22,252	-	-	95.3	3.1

(Note 1) The investment units were divided on a five-for-one basis with an effective date of October 1, 2024.

(Note 2) The payout ratio is rounded down to the first decimal place.

(Note 3) Distribution per unit for the fiscal period ended June 30, 2024, is calculated by dividing the amount (¥22,252 million), which is arrived at by deducting provision of reserve for tax purpose reduction entry (¥1,635 million) from the sum of retained earnings (¥23,344 million) and reversal of reserve for tax purpose reduction entry (¥543 million), by the total number of investment units issued and outstanding. The difference between distribution per unit and net income per unit is due to this calculation.

* Net provision of reserve for tax purpose reduction entry is ¥1,092 million.

(Note 4) Distribution per unit for the fiscal period ended December 31, 2024, is calculated by dividing the amount (¥20,939 million), which is arrived at by deducting provision of reserve for tax purpose reduction entry (¥2,264 million) from the sum of retained earnings (¥22,666 million) and reversal of reserve for tax purpose reduction entry (¥537 million), by the total number of investment units issued and outstanding. The difference between distribution per unit and net income per unit is due to this calculation.

* Net provision of reserve for tax purpose reduction entry is ¥1,727 million.

(3) Financial Position

Period ended	Total Assets	Net Assets	Ratio of unitholders' equity to Total Assets	Net Assets per unit (Note)
	Yen in Millions	Yen in Millions	%	Yen
December 31, 2024	1,382,958	710,444	51.4	83,533
June 30, 2024	1,383,883	710,030	51.3	83,484

(Note) The investment units were divided on a five-for-one basis with an effective date of October 1, 2024. Net Income per unit is calculated assuming that the investment units were divided at the beginning of the fiscal period ended June 2024.

(4) Cash Flow

Period ended	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of period
	Yen in Millions	Yen in Millions	Yen in Millions	Yen in Millions
December 31, 2024	37,068	(6,494)	(22,849)	25,627
June 30, 2024	72,113	(47,935)	(25,159)	17,903

2. Forecasts for the 48th Fiscal Period(from January 1, 2025 to June 30, 2025) and 49th Fiscal Period (from July 1, 2025 to December 31, 2025)

(Percentages indicates rate of increase/decrease from the previous period)

Period ending	Total Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per unit (excluding distribution in excess of earnings)	Distributions in excess of earnings
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen	Yen
June 30, 2025	50,600	(0.4)	24,258	0.8	22,656	(0.0)	22,656	(0.0)	2,400	-
December 31, 2025	47,311	(6.5)	20,154	(16.9)	18,289	(19.3)	18,289	(19.3)	2,400	-

(Reference) Net income per unit (expected net income / expected weighted average number of units issued and outstanding during the period)

- The 48th Fiscal Period (from January 1, 2025 to June 30, 2025): ¥2,663
- The 49th Fiscal Period (from July 1, 2025 to December 31, 2025): ¥2,150

(Note1) Distribution per unit for the fiscal period ending June 30, 2025, is derived at by deducting provision of reserve for tax purpose reduction entry ¥2,242 million from expected Net Income and then dividing it by the total number of investment units issued and outstanding.

(Note2) Distribution per unit for the fiscal period ending December 31, 2025, is derived at by adding reversal of reserve for tax purpose reduction entry ¥2,122 million to expected net income and then dividing it by the total number of investment units issued and outstanding.

3. Others

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
- (ii) Changes in accounting policies due to reasons other than (i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Restatements : None

(2) Number of Investment Units Issued and Outstanding

(i) Number of investment units issued and outstanding at the end of the fiscal period including treasury units:

As of December 31, 2024	8,504,955 units
As of June 30, 2024	1,700,991 units

(ii) Number of treasury units at end of period:

As of December 31, 2024	None
As of June 30, 2024	None

(Note) The investment units were divided on a five-for-one basis with an effective date of October 1, 2024.

* This financial report has not undergone any audit performed by a certified public accountant or auditing firm.

* Special Consideration

The forward-looking statements concerning performance results in these materials are based on information currently available to NBF and certain assumptions which NBF believes are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, these forecasts are not intended to guarantee the amount of cash distribution.

NBF Portfolio Profile:

As of December 31, 2024, NBF owned or had beneficiary interests in 67 office properties with an aggregated acquisition value ¥1.4579 trillion and 1,193,084 rentable square meters of office space respectively.

NBF executes leasing activities carefully factoring in market trends from a medium- to long-term perspective. As a result of the activities, with in the period under review, NBF leased office space to 1,499 tenants (including sub leases), the occupancy rate as of the end of the period was 98.0% (including sub leases), and the average occupancy rate during the period was 98.0% (including sub leases).

Performance Results:

During the period under review, the Japanese economy continued to recover moderately, despite the impact of rising prices, supported by firm increases in capital investment by companies, consumer spending due to higher wages, and expanding inbound demand.

On the other hand, while The Bank of Japan raised its policy interest rate and revised its monetary policy, and interest rates were cut worldwide, the impact on the Japanese economy was limited.

In the office building rental market in Tokyo CBD, there was a further increase in momentum for expanding employee communication spaces and reviewing office space requirements in line with new hiring, and there was a continued increase in corporate office space needs, with companies continuing to expand their floor space within buildings and relocate to better locations, and demand continued to recover. The market vacancy rate in Tokyo CBD, which had been in the 5% range in the previous period, has dropped to the low 4% range.

With regard to the office building trading market, despite the impact of domestic and foreign monetary policies, institutional investors in Japan and overseas are highly motivated to acquire properties.

Demand from overseas investors remained strong, especially due to the difference in interest rates between Japan and other countries and the weak yen. The competitive property acquisition environment continues to be intense, as information on the sale of prime properties remains limited.

Even under this environment, NBF enhanced its quality of portfolio by disposition of "Tsukuba Mitsui Bldg." (trust beneficiary right; disposition price: ¥10,920 million) in September 2024, and acquisition of "Kowa Nishi-Shinbashi Bldg. B" (real property; acquisition price: ¥63 million (additional acquisition)) in October 2024.

The occupancy rate of the existing portfolio NBF own has recovered to the 98% range, and NBF is engaged in leasing activities from a medium- to long-term perspective that accurately takes market trends into account with the aim of achieving further internal growth. 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 remains stable.

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

Financing:

NBF has conducted its financial management in a conservative manner with the targeted interest-bearing debt to value ratio (ratio of interest-bearing debt to total value, hereinafter the LTV) being between 36% and 46%, with 56% set as the maximum.

As of the end of the period under review, NBF's LTV was 42.4% and its long-term fixed interest-bearing debt ratio was 88.2%.

The status of interest-bearing debt as of the end of the previous period and period under review is as follows.

(Million in yen)

	Balance as of the end of the previous period	Balance as of the end of the period under review	Increase/decrease
Short-term borrowings	5,000	5,000	—
Long-term borrowings (Floating interest rate)	63,000	64,000	1,000
Long-term borrowings (Fixed interest rate)	478,900	477,300	(1,600)
Investment Corporation Bonds	40,000	40,000	—
Total interest-bearing debt	586,900	586,300	(600)

*The balance of green finance at the end of the period was ¥65,000 million.

Commitment lines:

NBF also established long-term commitment lines of 60 billion yen with financial institutions in order to stabilize its fund-raising capacity reducing refinancing risks.

Outline of the commitment lines

Maximum amount of borrowing	40 billion yen	20 billion yen
Expiration date	August 29, 2025	March 31, 2027
Collateral	Unsecured/non-guaranteed	Unsecured/non-guaranteed

Investment corporation bonds:

NBF submitted a shelf registration statement of investment corporation bonds (excluding short-term investment corporation bonds) in January 2025, and the outline is as follows. At the end of the period, the outstanding balance of the issuance limit was 200 billion yen.

Amount to be issued	200 billion yen
Scheduled period of issuance	from February 8, 2025 through February 7, 2027
Use of funds	acquisition of specified assets (within the meaning of Paragraph 1, Article 2 of the Act on Investment Trusts and Investment Corporations), repayment of loans, redemption of investment corporation bonds, refund of lease deposits, payment for renovations, working capital etc.

Credit Ratings:

NBF was awarded the following issuer credit ratings as a J-REIT (opinions of the respective credit rating agencies on NBF's creditability).

Credit Rating Agency	Rating Summary
JCR	Issuer Rating: AA+, Outlook: stable
R&I	Issuer Rating: AA, Outlook: stable
Standard & Poor's	Long-term: A+, Short-term: A-1, Outlook: stable

Sustainability Initiatives:

NBF is implementing the following ESG-conscious initiatives in accordance with the Group Environmental Policy and Social Contribution Activities Policy established by the Mitsui Fudosan Group. Regarding environmental initiatives, one of the main KPIs is to address climate-related issues (reduction of environmental impact), with the following numerical targets: 90% reduction of total GHG emissions (Scope 1+2+3) by 2050 (2021 baseline, certified by SBT as net zero target), 42% reduction of total GHG emissions (Scope 1+2) by 2030 (2021 baseline, SBT certification as near-term target), CO2 emissions intensity by 46% by 2030 (2013 baseline), water consumption intensity by 5% by 2030 (2019 baseline), and waste recycling rate of 65%. NBF is reducing our environmental impact by introducing renewable energy, promoting LED lighting, installing water-saving devices, and actively reducing waste, etc. As of the end of this fiscal period, 66% of our entire portfolio had been converted to LEDs.

With regard to social initiatives, in our relationship with local communities, NBF is conscious of contributing to community development and revitalizing local communities, etc. In addition, for tenants, NBF has set up a PDCA cycle to reflect various issues and improvements obtained from daily management and customer satisfaction surveys in our operations, and NBF sincerely strive to resolve and improve NBF is also working diligently to provide a safe, secure, and comfortable environment for our tenants.

With regard to governance initiatives, the Asset Manager considers thorough compliance to be one of our top management priorities, and regularly conducts training for all employees and directors on compliance with laws and regulations, and strive to improve individual and organizational capabilities.

NBF is actively working to obtain evaluations and certifications from external organizations, and in the GRESB Real Estate Evaluation, in which it continuously participates, NBF received a 5-star overall score (Highest rank) in 2024, and the acquisition rate of green building certification was 100% (based on total floor area, NBF Toranomon Bldg. (Building), which has already been sold as of the date of submission of this document, is excluded.) as of the end of the fiscal period.

The Asset Manager has endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in 2021 to promote disclosure of information on climate-related issues. Based on the four areas recommended in the TCFD recommendations (governance, strategy, risk management, and indicators and targets), NBF has analyzed the risks and opportunities of climate change impacting our business and finances, and disclosed this information on our website.

(Note) The green building certifications that NBF has obtained are DBJ Green Building Certification, CASBEE Building Evaluation Certification, and CASBEE Real Estate Evaluation Certification.

Overview of Performance and Distribution:

As the result of above operations, NBF's performance results during the period under review consisted of total operating revenues of ¥50,810 million (a increase of ¥556 million, or 1.1%, compared with the previous period), operating revenues excluding profits from disposition of ¥46,071 million (a increase of

¥1,055 million, or 2.3%, compared with the previous period), operating income from leasing activities of ¥21,480 million (a decrease of ¥163 million, or 0.8%, compared with the previous period), operating income of ¥24,068 million (a decrease of ¥574 million, or 2.3% compared with the previous period), ordinary income of ¥22,667 million (a decrease of ¥678 million, or 2.9%, compared with the previous period), and net income of ¥22,666 (a decrease of ¥678 million, or 2.9%, compared with the previous period).

In accordance with the distribution policy prescribed in its Articles of Incorporation, NBF determined to distribute ¥20,939 million, the entire amount arrived at by deducting provision of reserve for tax purpose reduction entry (¥2,264 million) from the sum of retained earnings (¥22,666 million) and reversal of reserve for tax purpose reduction entry (¥537 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) (Net provision of reserve for tax purpose reduction entry is ¥1,727 million). As a result, the distribution per unit was ¥2,462 (a decrease of ¥154, or 5.9%, compared with the previous period).

(Note) NBF has conducted a five-for-one split of its investment units with an effective date of October 1, 2024.

The increase/decrease amount and rate compared to the previous period are calculated assuming that the investment unit split was conducted at the beginning of the previous period.

NBF's Management Policy and Issues to Be Dealt with for the Future:

NBF expects the Japanese economy to continue its gradual recovery, partly due to rising wages and increasing inbound demand, but the impact of the Bank of Japan's monetary policy and and fluctuations in domestic and overseas financial markets on the J-REIT market needs to be closely monitored.

In the office building rental market, although the impact of the leasing activities for the supply of office buildings scheduled after 2025 will continue to require close monitoring, demand is expected to be firm as the expansion of corporate office needs, and office buildings, especially those in highly competitive locations, are expected to be valued more highly.

In the office building trading market, although rising interest rates and other market trends require close monitoring, the demand to acquire properties by domestic and foreign investors remains high, and information on sales of prime properties is limited, so the environment for property acquisitions is expected to remain severe.

In this environment, NBF aims to achieve steady growth of assets under management and secure stable income from a medium- to long-term perspective, and will conduct proper management based on the following management policy.

(a) Investment Policies for Acquisition

Fierce competition to acquire quality assets remain yet increasing domestic interest rates casts concern over the economy. With this in mind, NBF will focus its attention to acquire properties that contribute to the entire portfolio in the mid-to-long term, which will to further enhance its portfolio quality.

NBF will also make prudent investment decisions, taking into full consideration the status of its financial management as well as keeping an eye on changes in economic circumstances and trends in the real estate markets, and the financial markets.

In addition, NBF will implement asset replacement as needed by taking into consideration growth potential, stability, scale, location and portfolio composition of each property, while taking into

account the progress of new property acquisitions and their impact on the overall portfolio's profit and loss.

(b) Management Policies for Existing Properties

NBF intends to continuously increase rental revenues by carefully monitoring trends in the office building rental market and responding flexibly to the changes in the environment. NBF will improve the conditions of recruitment and maintain a high occupancy rates at the same time through flexible responses based on accurate consideration of market trends in new leasing. NBF will maintain close relationships with its existing tenants for customer satisfaction, in order to maintain and increase rent levels while mitigating lease cancellations. As for capital investments in existing buildings, NBF will strive to curb increases in building management costs and energy costs while appropriately and effectively implementing renovation work, environmental response work, and other work that contributes to maintaining and improving the competitiveness of the building as a rental building.

(c) Financial Strategies, Etc.

Regarding financing through debt financing, interest rates are expected to rise in the future, and the financial market is entering an adjustment phase. NBF will continue to use long-term, fixed-rate financing as in the past from the viewpoint of long-term asset management, stability in financing, and response to future interest rate rises, but will endeavor to reduce interest payments by flexibly utilizing financing period and long-term floating-rate borrowings. In addition, from the viewpoint of maintaining a diverse funding base, NBF will also issue investment corporation bonds while keeping a close eye on the financial market. The targeted LTV, being between 36% and 46%, will be maintained, with 56% as the maximum. NBF will continue to conduct its financial management with the targeted long-term fixed interest-bearing debt ratio of over 80%. In addition, NBF will conduct IR activities based on its policy to proactively conduct accurate, fair and timely disclosure from the viewpoint of appropriately disclosing information and securing transparency.

Significant Subsequent Events:

(a) On January 31, 2025, NBF entered into a sale and purchase agreement for the acquisition of the following asset, which is scheduled to be acquired on March 31, 2025.

The agreement for the asset to be acquired falls under the category of forward commitments, etc. (where settlement and delivery shall be made one month or more following the date of contract). NBF shall pay to the seller a penalty equivalent to 10% of the acquisition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		Yokohama Mitsui Bldg.
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address) 1-2, Takashima 1-chome, Yokohama-shi, Kanagawa
Land	Area (Description in Real Property Registry)	Site area 7,798.99 m ² (entire site)
	Land Use Zones	Commercial zone
	Type of Ownership	Ownership (site rights ratio: approximately 73.29%)
Building	Structure (Description in Real Property Registry)	Steel-framed, steel-reinforced concrete and reinforced concrete structure with flat roof; 30 floors above ground and 2 floors below ground
	Area (Description in Real Property Registry)	89,203.55 m ² (entire building)
	Type of Ownership	Office space: Trust beneficiary rights targeting a 76.0% co-ownership interest in 49,643.52 m ² on the 3rd floor and 5th to 30th floors Retail space: Trust beneficiary rights targeting a 76.0% co-ownership interest in 845.98 m ² on the 1st floor Parking lot: Trust beneficiary rights targeting a 76.0% co-ownership interest in 2,397.16 m ² on the B2F to B1F Exclusive area ratio: approx. 73.37%
	Completion of Construction (Description in Real Property Registry)	February 29, 2012
	Use (Primary use listed in Real Property Registry)	Office, Museum, Retail store (entire floor area)
Date of Acquisition (planned)		March 31, 2025
Acquisition Price (planned)		¥ 43,190 million
Trustee		Sumitomo Mitsui Trust Bank, Limited
Property manager		Mitsui Fudosan Co., Ltd.
Other Special Matters		<ul style="list-style-type: none"> • Mitsui Fudosan will be the sole tenant as NBF plans to lease the acquired portion of the property to Mitsui Fudosan. Mitsui Fudosan plans to sublease it to sublessees. • The property is a building under sectional ownership and is subject to the basic agreement among the owners of sectional ownership and the management agreement concerning such sectional ownership. The basic agreement among the owners of sectional ownership stipulates the preemptive purchase rights of other co-owners in the event

	<p>of transferring shared ownership or trust beneficiary rights pertaining to shared ownership, as well as the prohibition of partition claims related to shared ownership. The management agreement stipulate the prohibition of the separate disposal of exclusive use areas, land use rights, and common areas.</p> <ul style="list-style-type: none"> This property is a shared interest in sectional ownership, and NBF is expected to be subject to agreements concerning the shared property with other co-owners. The agreement stipulate the preemptive purchase rights of other co-owners in the event of transferring shared ownership 5 or trust beneficiary rights pertaining to shared ownership, as well as the prohibition of partition claims related to shared ownership.
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(b) On January 31, 2025, NBF entered into a sale and purchase agreement for the disposition of the following asset, which is scheduled to be disposed on March 27, 2025.

The agreement for the asset to be transferred falls under the category of forward commitments, etc. (where settlement and delivery shall be made one month or more following the date of contract). NBF shall pay to the buyer a penalty equivalent to 20% of the disposition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		Shiba NBF Tower
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address) 1-30, Shiba Daimon 1-chome, Minato-ku, Tokyo
Land	Area (Description in Real Property Registry)	Site area 6,471.72 m ²
	Land Use Zones	Commercial zone
	Type of Ownership	Leasehold 6,071.66 m ² Ownership 400.06 m ²
Building	Structure (Description in Real Property Registry)	Steel-framed and steel-reinforced concrete with flat roof; 18 floors above ground and 3 floors below ground
	Area (Description in Real Property Registry)	44,437.17 m ²
	Type of Ownership	Ownership 100%
	Completion of Construction (Description in Real Property Registry)	October 1, 1986
	Use (Primary use listed in Real Property Registry)	Offices, Warehouse, Electrical Room, Mechanical Room, Workshop
Date of Disposition (planned)		March 27, 2025
Disposition Price (planned)		¥ 32,100 million
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Property manager		Mitsui Fudosan Facilities Co.,Ltd.

(c) On February 17, 2025, NBF entered into a sale and purchase agreement for the acquisition of the following asset, which is scheduled to be acquired on June 30, 2025.

The agreement for the asset to be acquired falls under the category of forward commitments, etc. (where settlement and delivery shall be made one month or more following the date of contract). NBF shall pay to the seller a penalty equivalent to 20% of the acquisition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		D-TOWER TOYAMA
Type of Specified Asset		Real Property
Location		(Street Address) 9-5 Ushijima-cho, Toyama-shi, Toyama
Land	Area (Description in Real Property Registry)	site area 4,000.00 m ²
	Land Use Zones	Commercial zone
	Type of Ownership	Ownership
Building	Structure (Description in Real Property Registry)	Steel-framed structure with a flat roof, 7 stories high
	Area (Description in Real Property Registry)	Building: total floor area 14,161.11 m ² (entire building)
	Type of Ownership	Ownership
	Completion of Construction (Description in Real Property Registry)	February 29, 2024
	Use (Primary use listed in Real Property Registry)	Office, Retail store
Date of Acquisition (planned)		June 30, 2025
Acquisition Price (planned)		¥ 9,000 million
Trustee		-
Property manager		Daiwa House Property Mgt. CO.,LTD

(d) On July 12, 2024, NBF entered into a sale and purchase agreement for the disposition of the following asset, which was disposed on January 6, 2025.

Name of Asset		NBF Toranomom Bldg. (Building)
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address) 6-21, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo
Building	Structure (Description in Real Property Registry)	Steel frame reinforced concrete structure, flat roof, 9 floors above ground and 5 floors below ground
	Area (Description in Real Property Registry)	18,082.47 m ²
	Type of Ownership	Ownership100%
	Completion of Construction (Description in Real Property Registry)	April 17, 1963 Extension on April 25, 1971
	Use (primary use listed in Real Property Registry)	Office, warehouse, and night duty room
Date of Disposition (planned)		January 6, 2025
Disposition Price (planned)		¥860 million
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Property manager		Mitsui Fudosan Facilities Co.,Ltd.

Outline of Forecasts for the 48th and the 49th Periods

In view of rent trends of the office building rental market, NBF announced its forecasts for the 48th fiscal period commencing January 1, 2025, and ending June 30, 2025, and for the 49th fiscal period commencing July 1, 2025, and ending December 31, 2025.

Performance Forecasts:

The forecast for the 48th fiscal period is as follows:

Total operating revenues:	¥50,600 million
Operating income:	¥24,258 million
Ordinary income:	¥22,656 million
Net income:	¥22,656 million
Cash distribution per unit:	¥2,400

The forecast for the 49th fiscal period is as follows:

Total operating revenues:	¥47,311 million
Operating income:	¥20,154 million
Ordinary income:	¥18,289 million
Net income:	¥18,289 million
Cash distribution per unit:	¥2,400

(Note) The above-forecasted figures are calculated based on certain conditions as of the date of such calculation, and the actual amount of net income or cash distribution may change subject to changes of circumstances. Furthermore, these forecasts are not intended to guarantee the amount of cash distribution.

Assumptions underlying the Forecasts of Operating Results for the Periods Ending June 30, 2025 (January 1, 2025 –June 30, 2025) and December 31, 2025 (July 1, 2025 – December 31, 2025)

Item	Assumptions																								
Assets owned	<ul style="list-style-type: none"> • NBF’s portfolio of 67 properties as of December 31, 2024, adjusted for the following acquisitions and dispositions, resulting in 68 properties for the fiscal period ending June 30, 2025 and December 31, 2025. <table border="1" data-bbox="432 450 1433 714" style="margin-left: 40px;"> <thead> <tr> <th>Acquisitions (scheduled)</th> <th>Acquisition Price (scheduled)</th> <th>Date (scheduled)</th> </tr> </thead> <tbody> <tr> <td>Yokohama Mitsui Bldg.</td> <td>43,190 million yen</td> <td>March 31, 2025</td> </tr> <tr> <td>D-TOWER TOYAMA</td> <td>9,000 million yen</td> <td>June 30, 2025</td> </tr> <tr> <td>Total</td> <td>52,190 million yen</td> <td>—</td> </tr> </tbody> </table> <table border="1" data-bbox="432 752 1433 1016" style="margin-left: 40px;"> <thead> <tr> <th>Dispositions (scheduled)</th> <th>Disposition Price (scheduled)</th> <th>Date (scheduled)</th> </tr> </thead> <tbody> <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>32,960 million yen</td> <td>—</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The forecasted total interim average occupancy rate*1 of the total portfolio is 98.8% for the fiscal period ending June 30, 2025 and 98.4% for the period ending December 31, 2025. <li style="padding-left: 20px;">*1 The weighted average (by floor area) of the occupancy rates at the end of each month. • The figures in this table may change due to changes in portfolio assets or other factors. 	Acquisitions (scheduled)	Acquisition Price (scheduled)	Date (scheduled)	Yokohama Mitsui Bldg.	43,190 million yen	March 31, 2025	D-TOWER TOYAMA	9,000 million yen	June 30, 2025	Total	52,190 million yen	—	Dispositions (scheduled)	Disposition Price (scheduled)	Date (scheduled)	NBF Toranomom Bldg. (Building)	860 million yen	January 6, 2025	Shiba NBF Tower	32,100 million yen	March 27, 2025	Total	32,960 million yen	—
	Acquisitions (scheduled)	Acquisition Price (scheduled)	Date (scheduled)																						
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Total	52,190 million yen	—																							
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Shiba NBF Tower	32,100 million yen	March 27, 2025																							
Total	32,960 million yen	—																							
Number of issued and outstanding investment units	<ul style="list-style-type: none"> • Based on the current number of 8,504,955 units as of the date of this document. 																								
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 will be appropriated for the remaining amount of acquisition funds. Additionally, the "D-TOWER TOYAMA" (anticipated acquisition price: 9,000 million yen) is expected to be acquired on June 30, 2025, and borrowings will be appropriated for this acquisition. • In the fiscal period ending June 30, 2025 and December 31, 2025, short-term borrowings of 5 billion yen , long-term borrowings of 30 billion yen, and investment corporation bonds of 20 billion yen will become due for repayment, and it is assumed that funds for the repayment of such interest-bearing liabilities will be procured through borrowings, etc. 																								
Total Operating Revenues	<ul style="list-style-type: none"> • NBF is assumed to record 4,536 million yen in gain on sale of "NBF Toranomom Bldg. (Building)" and "Shiba NBF Tower" in the fiscal period ending June 30, 2025, included in total operating revenues. (see "Distribution per Unit" below as well). 																								

Item	Assumptions
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.” and “D-TOWER TOYAMA” are not included in expenses for the periods ending June 30, 2025 and December 31, 2025, but will be included in expenses for the fiscal period ending June 30, 2026 and thereafter. The amount of real estate taxes with respect to the above property for the fiscal period ending June 30, 2026 is expected to be 140 million yen (for the six-month period). • Real estate taxes are expected to be 4,868 million yen for the fiscal period ending June 30, 2025 and 4,876 million yen for the fiscal period ending December 31, 2025. • Depreciation and amortization are expected to be 7,655 million yen for the fiscal period ending June 30, 2025 and 7,621 million yen for the fiscal period ending December 31, 2025. • Repairs and maintenance are expected to be 1,083 million yen for the fiscal period ending June 30, 2025 and 1,237 million yen for the fiscal period ending December 31, 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 fiscal period ending June 30, 2025 and 1,867 million yen for the fiscal period ending December 31, 2025.
Distribution per Unit	<ul style="list-style-type: none"> • In the fiscal period ending June 30, 2025, 2,242 million yen is assumed to be held as reserve for retained earnings (tax purpose reduction entry) from the anticipated gain of 1 million yen from the disposition of “NBF Toranomon Bldg. (Building)” and 4,535 million yen from the disposition of “Shiba NBF Tower” • In the fiscal period ending December 31, 2025, reversal of reserve for tax purpose reduction entry 2,122 million yen is to be assumed to be occurred. • 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 reserves (reserves for reduction entry) may change. • Based on the new distribution policy, NBF plans to continuously distribute 110% of the net income per unit (excluding gains and losses from the sale of real estate, etc.) through systematic property replacement or the utilization of internal reserves. Additionally, NBF anticipates the occurrence of voluntary reserve fund withdrawals.
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.

NIPPON BUILDING FUND INC.

Balance Sheets

As of December 31, 2024 and As of June 30, 2024

	As of December 31, 2024	As of June 30, 2024
(Yen in millions)		
Assets		
Current Assets:		
Cash and cash equivalents	¥25,627	¥17,903
Tenant receivables	283	336
Prepaid expenses	342	337
Other current assets	583	624
Total current assets	26,837	19,201
Investment Properties:		
Land including trust accounts	1,021,667	1,024,380
Buildings and improvements including trust accounts	480,283	485,240
Other tangible assets	17,805	17,893
Less: accumulated depreciation	(207,089)	(205,837)
Leasehold rights in trust accounts and other intangible assets	35,642	35,663
Total investment properties, net	1,348,310	1,357,340
Long-term Prepaid Expenses	7	7
Other Assets	7,803	7,333
Total Assets	¥1,382,958	¥1,383,883
Liabilities		
Current Liabilities:		
Short-term loans	¥5,000	¥5,000
Long-term debt due within one year	53,000	25,000
Accounts payable	7,146	8,496
Rents received in advance	4,160	4,314
Accrued expenses and other liabilities	2,678	891
Total current liabilities	71,985	43,701
Long-term debt	528,300	556,900
Tenant Security Deposits Including Trust Accounts	72,177	73,167
Other Liabilities	50	83
Total Liabilities	672,513	673,852
Net Assets		
Unitholders' Equity		
Unitholders' capital	673,047	673,047
Units authorized: 20,000,000 units		
Units issued and outstanding: 8,504,955 units		
Retained earnings	37,397	36,983
Total Net Assets	710,444	710,030
Total Liabilities and Net Assets	¥1,382,958	¥1,383,883

NIPPON BUILDING FUND INC.

Statements of Income

For the six months ended December 31, 2024 and June 30, 2024

	For the six months ended December 31, 2024	For the six months ended June 30, 2024
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(Yen in millions)

Operating Revenues and Expenses		
Operating Revenues:		
Rental	¥42,570	¥42,004
Other revenues related to property leasing	3,501	3,012
Gains on sales of investment properties	4,738	5,237
Total Operating Revenues	50,810	50,254
Operating Expenses:		
Property management fees	7,091	6,154
Real estate taxes	4,673	4,766
Repairs and maintenance	1,131	1,014
Insurance	42	42
Other rental expenses	3,806	3,458
Depreciation and amortization	7,846	7,937
Asset management fees	1,852	1,847
Other operating expenses	297	389
Total Operating Expenses	26,741	25,610
Operating Income	24,068	24,643
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	1	0
Property tax refund and interest on tax refund	0	—
Other non-operating revenues	5	1
Non-Operating Expenses:		
Interest expense	(1,365)	(1,239)
Amortization of bond issuance costs	(14)	(14)
Other non-operating expenses	(29)	(46)
Ordinary Income	22,667	23,345
Income before Income Taxes	22,667	23,345
Current and deferred income taxes	0	0
Net Income	¥22,666	¥23,344

NIPPON BUILDING FUND INC.
Distribution for the Period Under Review

	For the six months ended December 31, 2024	For the six months ended June 30, 2024
	(Yen)	
Retained earnings	¥22,666,339,601	¥23,344,619,772
Undistributed earnings	—	—
Reserve for tax purpose reduction entry	2,264,967,855	1,635,477,731
Reversal of reserve for tax purpose reduction entry	537,827,464	543,222,221
Total cash distribution	20,939,199,210	22,252,364,262
(Cash distribution per unit)	2,462	13,082
Distribution of accumulated earnings	20,939,199,210	22,252,364,262
(Distribution of accumulated earnings per unit)	2,462	13,082
Cash distribution in excess of accumulated earnings	—	—
(Per unit)	—	—

Disclaimer

This news release contains translations of selected information described in the Japanese original document (“Kessan-Tanshin (earnings summary)”). “Kessan-Tanshin (earnings summary)” has been prepared in accordance with Japanese accounting standards and Japanese laws.

Figures have been rounded down to eliminate amounts of less than one million yen.

Please note that this English translation of the Japanese original document is provided solely for informational purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.