

February 15, 2024

To All Concerned Parties

Name of REIT Issuer:

Nippon Building Fund Inc.

Koichi Nishiyama, Executive Director

(TSE Code: 8951)

Contact:

Asset Management Company

Nippon Building Fund Management Ltd.

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NIPPON BUILDING FUND INC.
ANNOUNCES 45th PERIOD (SECOND-HALF 2023) RESULTS

1. Financial Results for the Fiscal Period Ended December 31, 2023
(from July 1, 2023 to December 31, 2023)

(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	Operating revenues		Operating income		Ordinary income		Net income	
	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%	Yen in Millions	%
December 31, 2023	47,349	0.7	20,767	0.6	19,513	0.9	19,513	0.9
June 30, 2023	47,030	(0.7)	20,640	(4.4)	19,336	(4.7)	19,335	(4.7)

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, 2023	11,471	2.8	1.4	41.2
June 30, 2023	11,367	2.7	1.4	41.1

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

(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, 2023	11,500	19,561	-	-	100.2	2.8
June 30, 2023	11,500	19,561	-	-	101.1	2.8

(Note 1) The payout ratio is rounded down to the first decimal place.

(Note 2) Distribution per unit for the fiscal period ended June 30, 2023, is calculated by dividing the amount (¥19,561 million), which is arrived at by deducting provision of reserve for advanced depreciation (¥1,912 million) from the sum of retained earnings (¥19,335 million) and reversal of reserve for advanced depreciation (¥2,138 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 reversal of reserve for advanced depreciation is ¥225 million.

(Note 3) Distribution per unit for the fiscal period ended December 31, 2023, is calculated by dividing the amount (¥19,561 million), which is arrived at by deducting provision of reserve for advanced depreciation (¥485 million) from the sum of retained earnings (¥19,513 million) and reversal of reserve for advanced depreciation (¥533 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 reversal of reserve for advanced depreciation is ¥48 million.

(3) Financial Position

Period ended	Total assets	Net assets	Ratio of unitholders' equity to total assets	Net assets per unit
	Yen in Millions	Yen in Millions	%	Yen
December 31, 2023	1,385,619	706,247	51.0	415,197
June 30, 2023	1,385,920	706,295	51.0	415,225

(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, 2023	36,486	(5,997)	(21,561)	18,884
June 30, 2023	47,357	(50,897)	(2,561)	9,956

2. Forecasts for the 46th Fiscal Period(from January 1, 2024 to June 30, 2024) and the 47th Fiscal Period(from July 1, 2024 to December 31, 2024)

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

Period ending	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, 2024	50,113	5.8	23,751	14.4	22,377	14.7	22,377	14.7	12,500	-
December 31, 2024	50,419	0.6	23,580	(0.7)	22,077	(1.3)	22,077	(1.3)	12,000	-

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

- The 46th Fiscal Period (from January 1, 2024 to June 30, 2024): ¥13,156
- The 47th Fiscal Period (from July 1, 2024 to December 31, 2024): ¥12,979

(Note1) Distribution per unit for the fiscal period ending June 30, 2024, is derived at by deducting provision of reserve for advanced depreciation ¥1,114 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, 2024, is derived at by deducting provision of reserve for advanced depreciation ¥1,663 million from 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, 2023	1,700,991 units
As of June 30, 2023	1,700,991 units

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

As of December 31, 2023	None
As of June 30, 2023	None

* 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 us and certain assumptions which we believe 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, 2023, NBF owned or had beneficiary interests in 69 office properties with an aggregated acquisition value ¥1.4656 trillion and 1,194,435 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 1,534 tenants (including sub leases), the occupancy rate as of the end of the period was 97.5% (including sub leases), and the average occupancy rate during the period was 97.4% (including sub leases).

Performance Results:

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

On the other hand, there was an impact of higher interest rates due to global monetary tightening and the Bank of Japan's more flexible YCC (Yield Curve Control) operations, but the impact in Japan was limited.

In the office building rental market in Tokyo CBD, demand continued to recover as companies reassessed their office functions, with a recovery in attendance rates and further momentum to review office space requirements in line with new employment and continued promotion of positive relocations to increase floor space within buildings and improve locations. The market vacancy rate in Tokyo CBD remained in the 6% range and trended downward, despite concerns about a large supply of office space in 2023.

With regard to the office building trading market, the market remained firm despite the impact of domestic and foreign monetary policies. The competitive environment for property acquisitions continued, as information on sales of prime properties remained limited.

Even under this environment, NBF enhanced its quality of portfolio by acquiring "Nishi-Shinjuku Mitsui Bldg." (real property; acquisition price: ¥121 million (additional acquisition)) in September 2023, and the exchange of the "Yodoyabashi Flex Tower" (trust beneficiary right; acquisition price: ¥9.8 billion) and "NBF Ueno Bldg." (real property; disposition price: ¥9.9 billion), and disposition of "NBF Shibakouen Bldg." (real property; disposition price: ¥8.5 billion) in November 2023.

The occupancy rate of the existing portfolio has recovered in the 97% range, the cruising occupancy rate. NBF executes leasing activities from a medium- to long-term perspective that accurately takes account of market trends with a view to further improvement of the occupancy rate. 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 42.8% and its long-term fixed interest-bearing debt ratio was 90.5%.

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

(Values are million 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)	51,000	51,000	—
Long-term borrowings (Fixed interest rate)	491,500	489,500	(2,000)
Investment Corporation Bonds	47,000	47,000	—
Total interest-bearing debt	594,500	592,500	(2,000)

*The balance of green finance at the end of the period was ¥63,000 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, 2026
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 2023, 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, 2023 through February 7, 2025
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

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 ¥47,349 million (a increase of ¥318 million, or 0.7%, compared with the previous period), excluding profits from dispositions, real estate rental revenues of ¥45,635 million (a increase of ¥486 million, or 1.1%, compared with the previous period), operating income from leasing activities of ¥21,133 million (a increase of ¥263 million, or 1.3%, compared with the previous period), operating income of ¥20,767 million (a increase of ¥126 million, or 0.6% compared with the previous period), ordinary income of ¥19,513 million (a increase of ¥177 million, or 0.9%, compared with the previous period), and net income of ¥19,513 (a increase of ¥177 million, or 0.9%, compared with the previous period).

In accordance with the distribution policy prescribed in its Articles of Incorporation, NBF decided to distribute ¥19,561 million, the entire amount arrived at by deducting provision of reserve for advanced depreciation (¥485 million) from the sum of retained earnings (¥19,513 million) and reversal of reserve for advanced depreciation (¥533 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 reversal of reserve for advanced depreciation is ¥48 million). As a result, the distribution per unit was ¥11,500 (same as 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. Although it is not optimistic because of geopolitical risks abroad in the Middle East, the slowdown in overseas economies, rising prices in Japan and the removal of the YCC and the lifting of the negative interest rate policy by the Bank of Japan, but also rising wages and inbound demand are expected to increase.

In the office building rental market, although the impact of the start of leasing activities for the large supply of office buildings scheduled in 2025 will continue to require close monitoring, demand is expected to be firm as companies re-recognize office functions, and office buildings, especially those in highly competitive locations, are expected to be valued more highly.

In the office building trading market, the demand to acquire properties by foreign and domestic investors remains high, contributing to a tight market with low cap rates. Coupled with the limited numbers of quality assets to be placed on the market, acquisition opportunities continue to be challenging.

NBF, in recognition of the importance of ESG for carrying out real estate investment and management activities, strives to achieve asset management activities giving consideration to reduction of environmental footprint, improving security, safety, comfort, diversified collaboration and cooperation with various stakeholders, in line with "The Group Environmental Policy" and "Policy for Social Contribution Initiatives" established by the Mitsui Fudosan Group.

(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 environmental performance of each property, while contrasting new acquisitions/dispositions with the composition of the entire portfolio.

(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 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 undertake engineering work by upgrading and adding new equipment and improvements on environmental compatibility that contributes to overall building competitiveness in the marketplace.

(c) Financial Strategies, Etc.

As the removal of YCC and the lifting of the negative interest rate policy are also expected, the financial market has been in an adjustment phase. Regarding financing through debt financing, NBF will continue to focus on traditional, long-term, fixed-interest financing with a view toward long-term asset management and the stability of fund procurement. At the same time, it plans to continue to issue NBF bonds from the viewpoint of maintaining diverse channels for fund procurement while keeping an eye on the financial market. The targeted LTV, being between 36% and 46%, will be maintained for the time being, with 56% as the maximum. NBF will continue to conduct its financial management with the targeted long-term fixed interest-bearing debt ratio for the time being 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 5, 2024, NBF entered into a sale and purchase agreement for the acquisition of the following asset, which is scheduled to be acquired on March 29, 2024.
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 buyer 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		Toyosu Bayside Cross Tower (Additional Acquisition)
Type of Specified Asset		Real property
Location		(Street Address) 2-1 Toyosu 2-chome, Koto-ku, Tokyo
Land	Area (Description in Real Property Registry)	Site area 19,733.22 m ² (entire site)
	Land Use Zones	Category 1 residential zone, Industrial zone
	Type of Ownership	Ownership (26.17% of the site rights at 15-12, Toyosu 2-chome, Kotoku, Tokyo and 26.17% co-ownership interest at 15-13, Toyosu 2-chome, Koto-ku, Tokyo)
Building	Structure (Description in Real Property Registry)	Steel-framed and reinforced concrete structure with flat roof; 36 floors above ground and 2 floors below ground
	Area (Description in Real Property Registry)	Total floor area 178,504.10 m ² (entire building)
	Type of Ownership	Sectional ownership
	Completion of Construction (Description in Real Property Registry)	March 31, 2020
	Floors to be owned, Use (Primary use listed in Real Property Registry)	Exclusive area ratio: approx. 26.72% Office space in the part of the 14th floor, the 24th-28th and 31st floors: 21,607.59 m ² (exclusive area ratio: approx. 20.28%) Retail space on the B1 - 4th floors: 6,859.68 m ² (exclusive area ratio: approx. 6.44%) (approx. 47.69% together with existing holdings) (Note1)
Date of acquisition (planned)		March 29, 2024
Acquisition Price (planned)		¥43.8 billion
Trustee		—
Property manager		Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”)
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 acquired portion of the property, the 4th-32nd floors of the building (including the outdoor terrace on the 32nd floor), including the acquired portion of office space on the part of the 14th floor, the 24th - 28th and 31st floor, are the “Unitary Management Portion” subject to a “Memorandum for Unitary Management” conducted between each of the sectional owners and Mitsui Fudosan, and rental revenues from and rental costs for the Unitary Management Portion are received and borne by the sectional owners according to the

ratio of rights in such unitary management, regardless of the area they own. The proportion of its operating rights for the acquired portion of the property is approximately 23.92% (or approximately 48.66% with adding the existing interest in the property (approximately 24.74%)). (Note2)

- The acquired portion of the office space on the part of the 14th floor, the 24th - 28th and 31st floor will be included in the leases by modifying the existing master lease agreement. The acquired portion of the retail space on the B1F - 4th floors is leased to a master lessee under a fixed-rent master lease agreement.
- The property is developed together with several sites and buildings, including existing buildings such as the Toyosu Police Box and the subway entrance of the Tokyo Metro Yurakucho Line, etc., as well as the adjacent SMBC Toyosu Building, etc. The building has been certified under the Building Standard Law of Japan for the Interconnected Building Design System (Note3). The entire certified area is divided into multiple sites for each building, and the building coverage ratio restrictions and floor-area ratio relaxation, etc. are applied to each site according to their respective characteristics.
- The land at 15-13, Toyosu 2-chome, Koto-ku, Tokyo is coowned. The co-owners are subject to the co-ownership agreement on acquisition of the property. The agreement stipulates the right of preferential negotiation of other coowners in the event of transfer of co-ownership, restrictions on transfer and establishment of security, prohibition of request for partition of the land in co-ownership, and other matters.
- 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 provides for preferential negotiating rights for other owners of sectional ownership when transferring exclusive areas, and the management agreement provides for prohibition of separate disposal of exclusive areas, rights to use the site, and co-ownership interests in common areas, etc.
- The Toyosu Park Bridge (pedestrian bridge), which is a related asset of the property, is a so-called common area of the complex, etc. and is subject to the complex management agreement concerning the common ownership of the complex. The complex management agreement stipulates the prohibition of separate disposal of the co-ownership interest in the Toyosu Park Bridge and the site of the property, etc.
- NBF has confirmed with Engineering Risk and Service Corporation that the site includes a former factory site, part of which contains soil contaminated by arsenic, and that there is an area requiring notification at the time of change

	of shape 6 based on the Soil Contamination Countermeasures Act, and that the site has been properly managed in accordance with the act.
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- (Note1) The asset to be acquired includes the co-ownership interests (approximately 29.10%) in the overall common areas, etc. (including ancillary facilities, etc.) pertaining to the building and the co-ownership interests (approximately 20.90%) of the common areas of the complex, etc. The co-ownership interests in the overall common area, etc. (including ancillary facilities, etc.) pertaining to the office area are approximately 20.18%; the complex common area, etc. are approximately 14.50%. The co-ownership interests in the overall common area, etc. (including ancillary facilities, etc.) pertaining to the retail area are approximately 8.91%; the complex common area, etc. are approximately 6.40%.
- (Note2) The Unitary Management Portion covers the 4th to 32nd floors of the building (excluding the retail space on the 4th floor and including the outdoor terrace on the 32nd floor)
- (Note3) This is a system in which building regulations are applied to buildings constructed within a land area consisting of multiple sites, based on a rational design that assumes the existence of existing buildings, by deeming the multiple buildings to be located on the same site, as long as they are approved by the specified administrative agency.

(b) On January 5, 2024, NBF entered into a sale and purchase agreement for the transfer of the following asset, which is scheduled to be transferred on September 30, 2024. 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 seller a penalty equivalent to disposition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		Tsukuba Mitsui Bldg.
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address) 6-1, Takezono 1-chome, Tsukuba, Ibaraki
Land	Area (Description in Real Property Registry)	Site area 6,280.82 m ²
	Land Use Zones	Commercial zone
	Type of Ownership	100% ownership
Building	Structure (Description in Real Property Registry)	Steel-framed structure with flat roof; 19 floors above ground and 2 floors below ground
	Area (Description in Real Property Registry)	Total floor space 26,266.10 m ²
	Type of Ownership	100% ownership
	Completion of Construction (Description in Real Property Registry)	March 14, 1990
	Use (Primary use listed in Real Property Registry)	Office, retail store, parking
Date of Disposition (planned)		September 30, 2024
Disposition Price (planned)		¥10.9 billion
Trustee		Sumitomo Mitsui Trust Bank, Limited
Property manager		TOKYO BISO KOGYO CORPORATION

(c) On January 31, 2024, NBF entered into a sale and purchase agreement for the transfer of the following asset, which is scheduled to be transferred on March 28, 2024.

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 seller 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		GranTokyo South Tower (part of sectional ownership)
Type of Specified Asset		Real property
Location		(Street Address) 9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Land	Area (Description in Real Property Registry)	Site area 20,778.29 m ² (entire site)
	Land Use Zones	Commercial zone
	Type of Ownership	Approximately 40.94% of the co-ownership interest of ownership (1,800.85 m ²) Approximately 4.18% of the quasi co-ownership of leasehold (20,778.29 m ²)
Building	Structure (Description in Real Property Registry)	Steel frame and steel framed reinforced concrete structure, flat roof, 42 floors above ground and 4 floors below ground
	Area (Description in Real Property Registry)	Total floor space 137,662.87 m ² (entire building of GranTokyo South Tower)
	Type of Ownership	Sectional ownership
	Completion of Construction (Description in Real Property Registry)	October 10, 2007
	Floors to be transferred, Use (Primary use listed in Real Property Registry)	Office and storage, 6th–9th floors (approximately 80.0%): 8,682.72 m ² (Exclusive area ratio: approximately 10.66%)
Date of Disposition (planned)		March 28, 2024
Disposition Price(planned)		¥ 41.2 billion
Trustee		—
Property manager		JR East Building Co., Ltd.

(Reference)

On March 15, 2023, NBF entered into a sale and purchase agreement for the transfer of the following asset, which is scheduled to be transferred on March 29, 2024.

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 seller a penalty equivalent to 10% of the disposition price in the event of the termination of a contract due to a breach of its contractual obligations.

Name of Asset		Panasonic Tokyo Shiodome Building
Type of Specified Asset		Beneficiary interest in trust
Location		(Street Address)5-1, Higashi-Shinbashi 1-chome, Minato-ku, Tokyo
Land	Area (Description in Real Property Registry)	Site area 19,708.36 m ² (entire site)
	Land Use Zones	Commercial zone
	Type of Ownership	10% quasi co-ownership of trust beneficiary interests in co-ownership interests (2,014/10,000) (equivalent to approximately 2.01% of the entire site area)
Building	Structure (Description in Real Property Registry)	Steel frame, steel framed reinforced concrete structure with a flat roof; 43 floors above ground and 4 floors below ground (This is a representation of the entire building; the Panasonic Tokyo Shiodome Building is a steel frame structure with 4 floors below ground and 24 floors above ground)
	Area (Description in Real Property Registry)	Total floor space 263,035.06 m ² (entire building)
	Type of Ownership	10% quasi co-ownership of trust beneficiary interests in the trust assets of the Building (the Building is a sectional building comprising one building with the adjacent Shiodome City Center, and the sectional ownership interests (ratio of interests in common areas) is 2,014/10,000) (equivalent to approximately 2.01% of the total floor area (of the entire building))
	Completion of Construction (Description in Real Property Registry)	January 9, 2003
	Use (Primary use listed in Real Property Registry)	Office, Retail Store (use of Panasonic Tokyo Shiodome Building)
Date of Disposition (planned)		March 29, 2024
Disposition Price(planned)		¥ 6.7 billion
Trustee		Sumitomo Mitsui Trust Bank, Limited
Property manager		Panasonic Facilities Co., Ltd.

Outline of Forecasts for the 46th and the 47th Periods

In view of rent trends of the office building rental market, NBF announced its forecasts for the 46th fiscal period commencing January 1, 2024, and ending June 30, 2024, and for the 47th fiscal period commencing July 1, 2024, and ending December 31, 2024.

Performance Forecasts:

The forecast for the 46th fiscal period is as follows:

Operating revenues:	¥50,113 million
Operating income:	¥23,751 million
Ordinary income:	¥22,377 million
Net income:	¥22,377 million
Cash distribution per unit:	¥12,500

The forecast for the 47th fiscal period is as follows:

Operating revenues:	¥50,419 million
Operating income:	¥23,580 million
Ordinary income:	¥22,077 million
Net income:	¥22,077 million
Cash distribution per unit:	¥12,000

(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, 2024 (January 1, 2024 –June 30, 2024) and December 31, 2024 (July 1, 2024 –December 31, 2024)

Item	Assumptions																		
Assets owned	<ul style="list-style-type: none"> • NBF’s portfolio of 69 properties as of December 31, 2023, adjusted for the following acquisition and dispositions, resulting in 68 properties for the period ending June 30, 2024 and 67 properties for the period ending December 31, 2024. <table border="1" data-bbox="432 450 1434 595"> <thead> <tr> <th data-bbox="432 450 882 521">Acquisition (scheduled)</th> <th data-bbox="882 450 1193 521">Acquisition Price (scheduled)</th> <th data-bbox="1193 450 1434 521">Date (scheduled)</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 521 882 595">Toyosu Bayside Cross Tower (Additional Acquisition)</td> <td data-bbox="882 521 1193 595">43,800 million yen</td> <td data-bbox="1193 521 1434 595">March 29, 2024</td> </tr> </tbody> </table> <table border="1" data-bbox="432 629 1434 891"> <thead> <tr> <th data-bbox="432 629 882 696">Dispositions (scheduled)</th> <th data-bbox="882 629 1193 696">Disposition Price (scheduled)</th> <th data-bbox="1193 629 1434 696">Date (scheduled)</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 696 882 763">GranTokyo South Tower (part of sectional ownership)</td> <td data-bbox="882 696 1193 763">41,200 million yen</td> <td data-bbox="1193 696 1434 763">March 28, 2024</td> </tr> <tr> <td data-bbox="432 763 882 831">Panasonic Tokyo Shiodome Bldg.</td> <td data-bbox="882 763 1193 831">6,700 million yen</td> <td data-bbox="1193 763 1434 831">March 29, 2024</td> </tr> <tr> <td data-bbox="432 831 882 891">Tsukuba Mitsui Bldg.</td> <td data-bbox="882 831 1193 891">10,920 million yen</td> <td data-bbox="1193 831 1434 891">September 30, 2024</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The forecasted total interim average occupancy rate*1 of the total portfolio is 97.7% for the period ending June 30, 2024 and 97.8% for the period ending December 31, 2024. *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. 	Acquisition (scheduled)	Acquisition Price (scheduled)	Date (scheduled)	Toyosu Bayside Cross Tower (Additional Acquisition)	43,800 million yen	March 29, 2024	Dispositions (scheduled)	Disposition Price (scheduled)	Date (scheduled)	GranTokyo South Tower (part of sectional ownership)	41,200 million yen	March 28, 2024	Panasonic Tokyo Shiodome Bldg.	6,700 million yen	March 29, 2024	Tsukuba Mitsui Bldg.	10,920 million yen	September 30, 2024
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Tsukuba Mitsui Bldg.	10,920 million yen	September 30, 2024																	
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 (1,700,991 units) will not change until December 31, 2024. 																		
Interest-bearing liabilities	<ul style="list-style-type: none"> • In the fiscal period ending June 30, 2024 and December 31, 2024, short-term borrowings of 5 billion yen , long-term borrowings of 44 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. 																		
Operating Revenues	<ul style="list-style-type: none"> • NBF is assumed to record 5,089 million yen in gain on sale of “Panasonic Tokyo Shiodome Bldg.” and “GranTokyo South Tower (part of sectional ownership)” in the period ending June 30, 2024, included in operating revenues, and 4,688 million yen in gain on sale of “Tsukuba Mitsui Bldg.” in the period ending December 31, 2024, (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 “Toyosu Bayside Cross Tower (Additional Acquisition)” to be acquired after January 1, 2024 will not be included in expenses for the periods ending June 30, 2024 and December 31, 2024, but will be included in expenses for the period ending June 30, 2025 and thereafter. The amount of real estate taxes with respect to the above property for the period ending June 30, 2025 is expected to be 101 million yen (for the six-month period). • Real estate taxes are expected to be 4,731 million yen for the period ending June 30, 2024 and 4,677 million yen for the period ending December 31, 2024. • Depreciation and amortization are expected to be 7,873 million yen for the period ending June 30, 2024 and 7,871 million yen for the period ending December 31, 2024. • Repairs and maintenance are expected to be 1,000 million yen for the period ending June 30, 2024 and 1,000 million yen for the period ending December 31, 2024. • Assumptions regarding outsourcing costs are made by taking past results into consideration. 																		

Item	Assumptions
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 1,377 million yen for the period ending June 30, 2024 and 1,507 million yen for the period ending December 31, 2024.
Distribution per Unit	<ul style="list-style-type: none"> • 1,114 million yen is assumed to be held as reserve for retained earnings (advanced depreciation) from the anticipated gain of 1,969 million yen from the disposition of “Panasonic Tokyo Shiodome Bldg.” in the period ending June 30, 2024. • 1,663 million yen is assumed to be held as reserve for retained earnings (advanced depreciation) from the anticipated gain of 4,688 million yen from the disposition of “Tsukuba Mitsui Bldg.” in the period ending December 31, 2024. • 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.
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, 2023 and As of June 30, 2023

	As of December 31, 2023	As of June 30, 2023
	(Yen in millions)	
Assets		
Current Assets:		
Cash and cash equivalents	¥18,884	¥9,956
Tenant receivables	266	333
Prepaid expenses	371	456
Other current assets	263	175
Total current assets	19,785	10,922
Investment Properties:		
Land including trust accounts	1,031,812	1,034,059
Buildings and improvements including trust accounts	473,098	477,154
Other tangible assets	17,052	16,866
Less: accumulated depreciation	(199,035)	(195,717)
Leasehold rights in trust accounts and other intangible assets	35,677	35,692
Total investment properties, net	1,358,606	1,368,055
Long-term Prepaid Expenses	5	5
Other Assets	7,221	6,937
Total Assets	¥1,385,619	¥1,385,920
Liabilities		
Current Liabilities:		
Short-term loans	¥5,000	¥5,000
Long-term debt due within one year	51,000	47,000
Accounts payable	8,278	7,416
Rents received in advance	4,336	4,360
Accrued expenses and other liabilities	2,190	1,017
Total current liabilities	70,805	64,794
Long-term debt	536,500	542,500
Tenant Security Deposits Including Trust Accounts	71,942	72,202
Other Liabilities	124	127
Total Liabilities	679,372	679,625
Net Assets		
Unitholders' Equity		
Unitholders' capital	673,047	673,047
Units authorized: 4,000,000 units		
Units issued and outstanding: 1,700,991 units		
Retained earnings	33,200	33,248
Total Net Assets	706,247	706,295
Total Liabilities and Net Assets	¥1,385,619	¥1,385,920

NIPPON BUILDING FUND INC.

Statements of Income

For the six months ended December 31, 2023 and June 30, 2023

	For the six months ended December 31, 2023	For the six months ended June 30, 2023
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(Yen in millions)

Operating Revenues and Expenses		
Operating Revenues:		
Rental	¥42,126	¥41,895
Other revenues related to property leasing	3,508	3,253
Gains on sales of investment properties	1,714	1,882
Total Operating Revenues	47,349	47,030
Operating Expenses:		
Property management fees	6,678	6,164
Real estate taxes	4,536	4,587
Repairs and maintenance	1,344	1,189
Insurance	43	43
Other rental expenses	3,925	4,419
Depreciation and amortization	7,973	7,873
Asset management fees	1,744	1,726
Other operating expenses	336	384
Total Operating Expenses	26,582	26,390
Operating Income	20,767	20,640
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	0	0
Property tax refund and interest on tax refund	0	—
Other non-operating revenues	4	5
Non-Operating Expenses:		
Interest expense	(1,210)	(1,251)
Amortization of bond issuance costs	(17)	(20)
Other non-operating expenses	(29)	(37)
Ordinary Income	19,513	19,336
Income before Income Taxes	19,513	19,336
Current and deferred income taxes	0	0
Net Income	¥19,513	¥19,335

NIPPON BUILDING FUND INC.
Distribution for the Period Under Review

	For the six months ended December 31, 2023	For the six months ended June 30, 2023
	(Yen)	
Retained earnings	¥19,513,116,231	¥19,335,863,530
Undistributed earnings	—	—
Reserve for advanced depreciation	485,676,503	1,912,612,717
Reversal of reserve for advanced depreciation	533,956,772	2,138,145,687
Total cash distribution	19,561,396,500	19,561,396,500
(Cash distribution per unit)	11,500	11,500
Distribution of accumulated earnings	19,561,396,500	19,561,396,500
(Distribution of accumulated earnings per unit)	11,500	11,500
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.