

Nippon Building Fund, Inc. 2H 2025 (49th Period) Financial Summary

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Disclaimer

1.

Financial Highlights



Key Points of Earnings Forecasts

Occupancy rate

Maintain high occupancy of above 98%

Real estate rental revenues

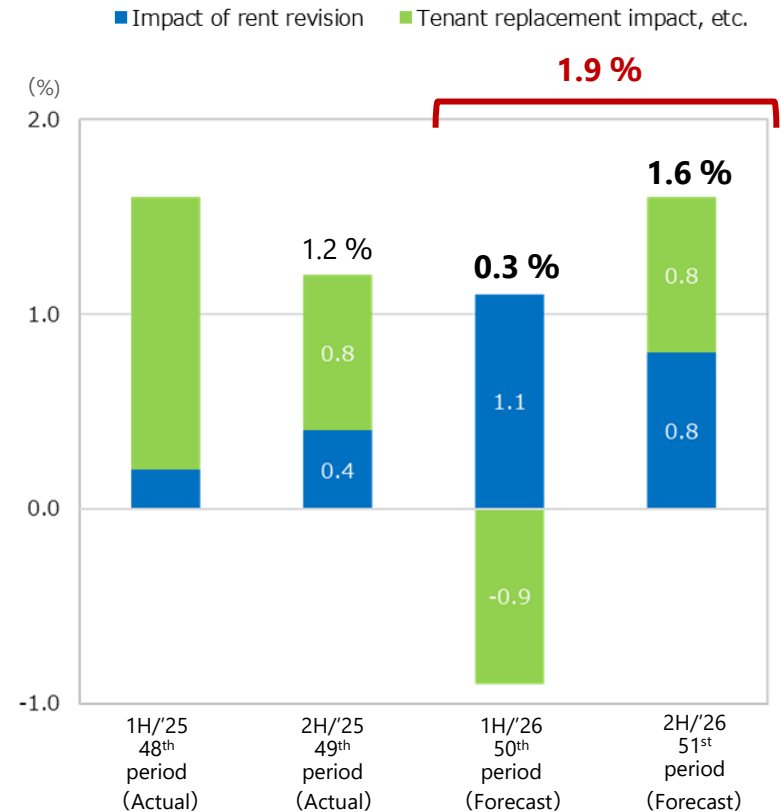
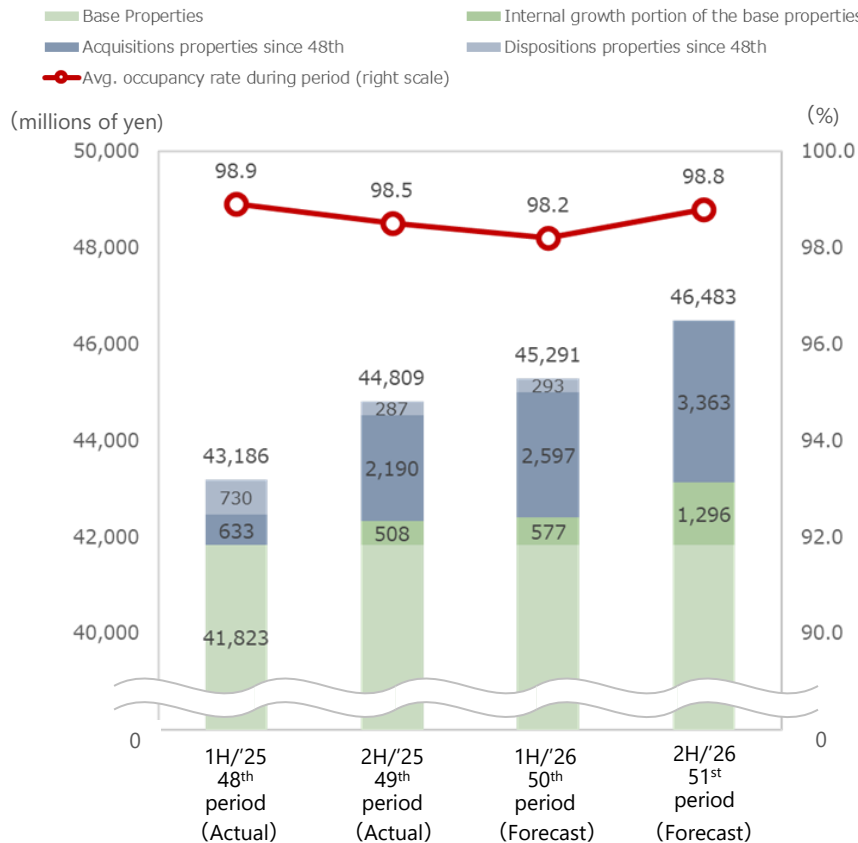
An increase of 1,673 million yen (3.7%)

(49th period actual to 51st period forecast)

Impact of rent revision

An increase of 878 million yen (1.9%)

(49th period actual to 51st period forecast)



* Base Properties : The properties held as of the end of June 2025, excluding Yokohama Mitsui Bldg., D-TOWER TOYAMA, Sumitomo Densetsu Bldg. and NBF Sapporo Minami Nijo Bldg.
 * Acquisitions properties since 48th : Yokohama Mitsui Bldg., D-TOWER TOYAMA, Frontier Musashikosugi N Bldg. and S Bldg., NBF CONNECT SAPPORO, Nihonbashi Honcho M-SQUARE and Toyosu Bayside Cross Tower (Additional Acquisition)
 * Dispositions properties since 48th : Shiba NBF Tower, Sumitomo Densetsu Bldg. and NBF Sapporo Minami Nijo Bldg.

2.

Financial Results



2-1 2H/2025 (49th Period) Income Statement (P/L)

(millions of yen)

Course	1H/2025 (48th Period)	2H/2025 (49th Period)	PoP Change	
			Amount	Percentage
Total operating revenues	51,218	48,547	-2,671	-5.2%
Operating revenues	46,371	48,547	2,175	4.7%
Real estate rental revenues	43,186	44,809	1,622	3.8%
Other rental revenues	3,184	3,737	553	17.4%
Profits from dispositions	4,847	-	-4,847	-
Total operating expenses	26,145	27,329	1,183	4.5%
Operating expenses	23,868	25,250	1,382	5.8%
Rental expenses (excl. depreciation and amortization)	16,198	17,397	1,198	7.4%
Depreciation and amortization	7,669	7,852	183	2.4%
Asset management fees	1,887	1,810	-76	-4.1%
Selling, general and administrative expenses	390	268	-121	-31.1%
Operating income	25,073	21,217	-3,855	-15.4%
Net non-operating income and expenses	-1,526	-1,916	-390	25.6%
Non-operating income	21	29	8	39.5%
Non-operating expenses	1,547	1,946	398	25.8%
Ordinary income	23,546	19,300	-4,246	-18.0%
Extraordinary income (loss)	-	-	-	-
Income before income taxes	23,546	19,300	-4,246	-18.0%
Income taxes	0	0	0	0.0%
Net income	23,545	19,299	-4,246	-18.0%
Reserve(+) or reversal(-) for tax purpose reduction entry	2,326	-1,927	-4,253	-
Payment of distribution	21,219	21,227	7	0.0%
Distribution per unit (JPY)	2,495	2,454	-41	-1.6%
Occupancy rate(Average for the Period)(%)	98.9	98.5	-0.4pt	-
Units issued and outstanding at the period end (units)	8,504,955	8,650,000	145,045	1.7%

【Reference】

NOI from property leasing activities	30,172	31,149	977	3.2%
Operating income (excl. profits and losses from dispositions)	20,225	21,217	992	4.9%
Net income (excl. profits and losses from dispositions)	18,698	19,299	601	3.2%

Summary of PoP change

(millions of yen)

Total operating revenues	-2,671	
① Real estate rental revenues	+1,622	(+3.8%)
Replacement (acquisitions/dispositions)	+1,107	(+2.6%)
Existing properties	+515	(+1.2%)
Other rental revenues	+553	
Ancillary revenues	+540	
Profits from dispositions	-4,847	
Total operating expenses	+1,183	
② Operating expenses	+1,382	
Utilities	+490	
Taxes and public dues	-51	
Building management expenses	+656	
Repair expenses	-70	
Depreciation and amortization	+183	
Operating income	-3,855	
Replacement (acquisitions/dispositions)	+785	
Existing properties	+8	
Profits from dispositions	-4,847	
Asset management fees and SG&A expenses	+198	
Net non-operating income and expenses	-390	
Non-operating expenses	+398	
③ Interest expense	+351	

2-2 2H/2025 (49th Period) Balance Sheet (B/S)

(millions of yen)

Course	1H/2025 (48th Period end)	2H/2025 (49th Period end)	PoP Change	
			Amount	Percentage
Current assets	14,732	29,690	14,957	101.5%
Cash and cash equivalents	12,932	28,514	15,582	120.5%
Other current assets	1,799	1,175	-624	-34.7%
Fixed assets	1,377,951	1,419,070	41,118	3.0%
Tangible fixed assets	1,351,495	1,392,236	40,740	3.0%
Intangible fixed assets	18,871	18,865	-5	0.0%
Investments and other assets	7,584	7,968	383	5.1%
Deferred assets	78	70	-7	-9.8%
Total assets	1,392,761	1,448,831	56,069	4.0%

Liabilities and Net Assets

Course	1H/2025 (48th Period end)	2H/2025 (49th Period end)	PoP Change	
			Amount	Percentage
Current liabilities	105,848	84,317	-21,530	-20.3%
Short-term borrowings	5,000	-	-5,000	-100.0%
Current portion of long-term borrowings	69,100	64,100	-5,000	-7.2%
Current portion of investment corporation bonds	20,000	5,000	-15,000	-75.0%
Other	11,748	15,217	3,469	29.5%
Fixed liabilities	573,862	635,331	61,468	10.7%
Investment corporation bonds	15,000	15,000	-	-
Long-term borrowings	484,900	543,900	59,000	12.2%
Security deposits received	73,962	76,431	2,468	3.3%
(Interest-bearing debt)	(594,000)	(628,000)	(34,000)	(5.7%)
Total liabilities	679,710	719,649	39,938	5.9%
Net assets	713,051	729,181	16,130	2.3%
Unitholders' capital	673,047	691,097	18,050	2.7%
Retained earnings	40,004	38,084	-1,920	-4.8%
Reserve for tax purpose reduction entry	16,458	18,784	2,326	14.1%
Undistributed earnings	23,545	19,299	-4,246	-18.0%
Total net assets	713,051	729,181	16,130	2.3%
Total liabilities and net assets	1,392,761	1,448,831	56,069	4.0%

Summary of PoP change

(millions of yen)

Assets	+56,069
Current assets	+14,957
Cash and cash equivalents	+15,582
Fixed assets	+41,118
2 acquisitions	+43,598
CAPEX	+4,987
Accumulated depreciation, etc.	-7,852
Others	+385
Liabilities	+39,938
Interest-bearing debt	+34,000
Short-term borrowings	-5,000
Long-term borrowings	+54,000
Investment corporation bonds	-15,000
Total net assets	+16,130
Unitholders' capital	+18,050
Retained earnings	-1,920
Reserve for tax purpose reduction entry	+2,326
Undistributed earnings	-4,246

Maintain solid financial strategy

● Financial Data

Item	June 30, 2025 (48th Period end)	December 31, 2025 (49th Period end)	PoP Change
LTV	42.6%	43.3%	0.7pt
Long-term fixed interest rate ratio	86.9%	83.9%	-3.0pt
Average interest rate	0.52%	0.67%	0.15pt
Average Remaining Maturity (Long-term interest-bearing debt)	4.58years	5.03years	0.45years

*Debt capacity up to LTV46.0% Approx. 70 billion yen

*Appraisal LTV : 34.6%

*LTV (forecast) after PO in January 2026 : 43.2%

● Interest-bearing debt

(millions of yen)

Item	June 30, 2025 (48th Period end)	December 31, 2025 (49th Period end)	PoP Change
Short-term debt	5,000	-	-5,000
Long-term debt (floating rate)	73,000	101,000	28,000
Long-term debt (fixed interest rate)	481,000	507,000	26,000
Investment corporation bonds	35,000	20,000	-15,000
Total amount	594,000	628,000	34,000
Green Finance	86,000	117,000	31,000

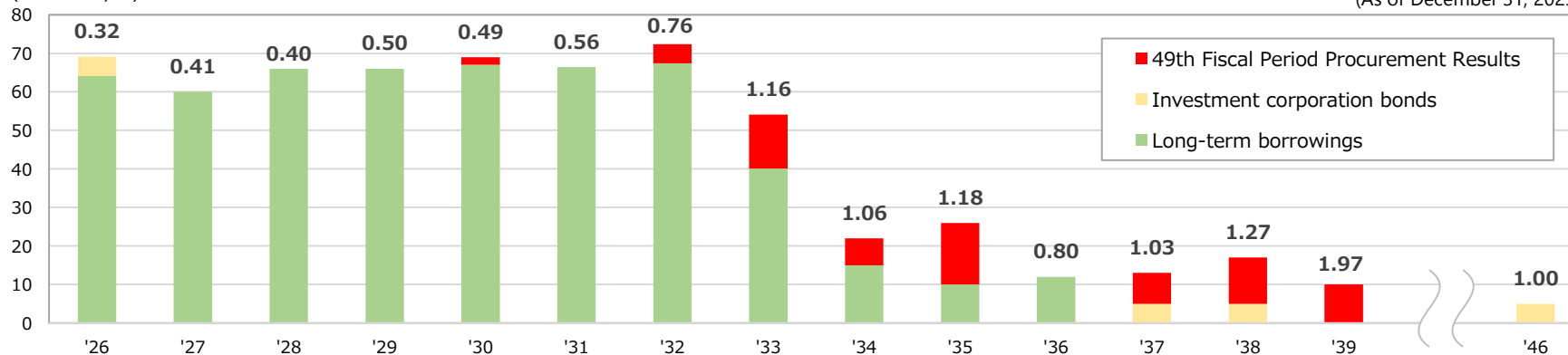
● Rating Status

JCR AA+	R&I AA	S&P A+
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(As of December 31, 2025)

● Diversification of repayment dates

(billions of yen)



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

● Long-term borrowings in 2H/2025 (49th Period)

(millions of yen)

Date of borrowing	Lender	Amount of money	Period	Fixed/ Floating	Interest rates
2025/7/1	Mizuho Bank, Ltd.*1	10,000	14.0 years	Fixed	1.974%
	Mizuho Trust & Banking Co., Ltd.	5,000	13.0 years		1.868%
	Sumitomo Mitsui Banking Corporation*1	4,000	10.0 years		1.542%
	SBI Shinsei Bank, Limited*1	1,000			
	The Yamaguchi Bank, Ltd.*1	1,000			
	Sumitomo Mitsui Trust Bank, Limited*1	4,000			9.0 years
	The Keiyo Bank, Ltd.*1	1,000	8.0 years		1.307%
	THE NISHI-NIPPON CITY BANK, LTD. *1	1,000	7.0 years		1.221%
	THE IYO BANK, LTD.*2	2,000	10.0 years	0.803%	
	The Bank of Iwate, Ltd.*3	1,000		0.892%	
	The Hokuriku Bank, Ltd.*3	2,000	8.0 years	Floating	0.868%
	The Gunma Bank, Ltd.*1*3	1,000			
	The Chiba Bank, Ltd.*2	3,000	7.0 years	0.743%	
	Daishi Hokuetsu Bank, Ltd.*1*3	1,000		0.856%	

(millions of yen)

Date of borrowing	Lender	Amount of money	Period	Fixed/ Floating	Interest rates
2025/7/31	Mizuho Bank, Ltd.*2	5,000	12.0 years		0.843%
	Mizuho Bank, Ltd.*1*2	3,000			
2025/11/27	Sumitomo Mitsui Banking Corporation*2	3,000	10.0 years	Floating	0.803%
	THE NISHI-NIPPON CITY BANK, LTD.*1*3	1,000			
	The Fukui Bank, Ltd.*1*3	1,000			
	The Hokuriku Bank, Ltd.*3	1,000			
	THE KAGOSHIMA BANK, LTD.*3	1,000	5.0 years		0.867%
	SBI Shinsei Bank, Limited*1	1,000			
	The Juroku Bank, Ltd.*1	1,000	10.0 years	Fixed	1.950%
2025/11/28	Mizuho Bank, Ltd.*2	7,000	13.0 years	Floating	0.863%
2025/12/30	Sumitomo Mitsui Trust Bank, Limited	10,000	8.0 years	Fixed	1.952%
	Shinkin Central Bank*3	3,000	9.0 years	Floating	1.170%
Total / Ave.	-	74,000	10.4 years	-	1.356%

*1 Green Loan

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

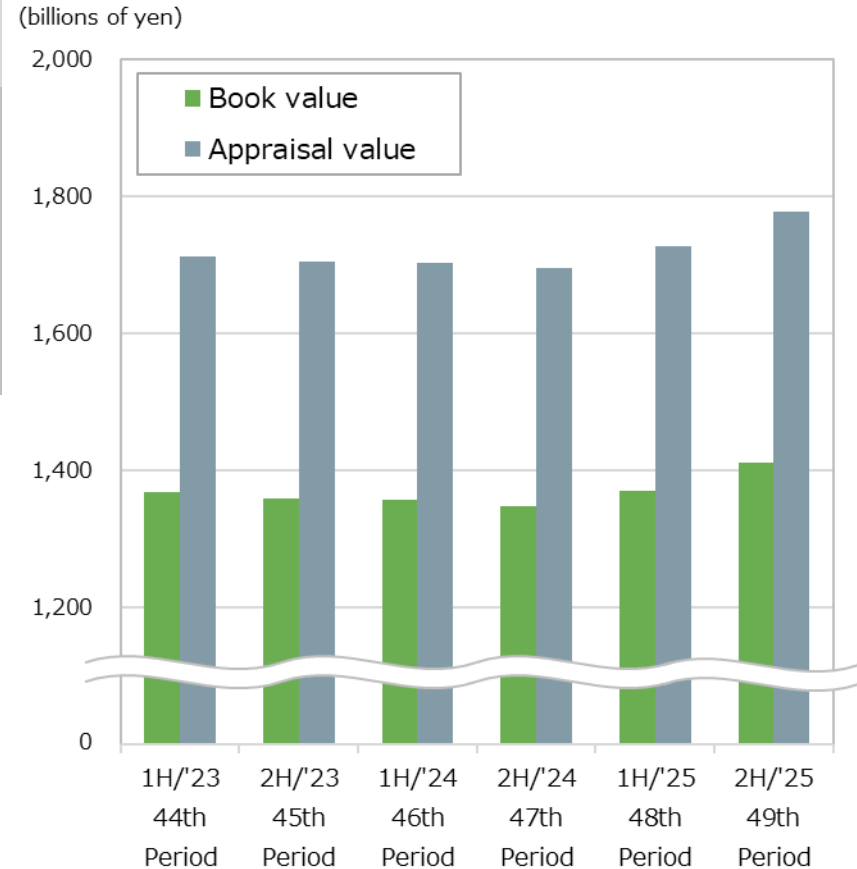
*3 Base interest rate: JBA 3-month Japanese Yen TIBOR (The interest rate at the beginning of the loan is shown)

Continuing appraisal value has been flat

Continuing appraisal value

Item	June 30, 2025 (48th Period end)	December 31, 2025 (49th Period end)	PoP Change
Number of properties	68 properties	70 properties	2 properties
Continuing appraisal value	1,726.0 billion yen	1,778.1 billion yen	52.1 billion yen
Book value	1,370.3 billion yen	1,411.1 billion yen	40.8 billion yen
Unrealized gain	355.7 billion yen	367.0 billion yen	11.3 billion yen

Changes in appraisal value and book value



Changes by property (compared to the previous period)

Capitalization rate		(Number of property)		Appraisal value		(Number of property)		
Item	June 30, 2025 (48th Period end)	December 31, 2025 (49th Period end)	Item	June 30, 2025 (48th Period end)	December 31, 2025 (49th Period end)	Item	June 30, 2025 (48th Period end)	December 31, 2025 (49th Period end)
Decrease	24	8	Increase	38	36	Same	19	32
Same	43	61	Decrease	11	2			
Increase	0	0						

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

3.

Forecast / EPU·DPU Growth



Course	(millions of yen)							
	2H/2025 (Actual) (49th Period)	1H/2026 (Forecast) (50th Period)	PoP Change		2H/2026 (Forecast) (51st Period)	PoP Change		
			Amount	Percentage		Amount	Percentage	
Total operating revenues	48,547	53,924	5,377	11.1%	50,639	-3,284	-6.1%	
Operating revenues	48,547	48,812	265	0.5%	50,421	1,609	3.3%	
Real estate rental revenues	44,809	45,291	482	1.1%	46,483	1,191	2.6%	
Other rental revenues	3,737	3,520	-217	-5.8%	3,938	418	11.9%	
Profits from dispositions	-	5,112	5,112	-	217	-4,894	-	
Total operating expenses	27,329	27,447	117	0.4%	27,921	473	1.7%	
Operating expenses	25,250	25,152	-97	-0.4%	25,753	600	2.4%	
Rental expenses (excl. depreciation and amortization)	17,397	17,190	-206	-1.2%	17,822	631	3.7%	
Depreciation and amortization	7,852	7,961	108	1.4%	7,930	-31	-0.4%	
Asset management fees	1,810	1,964	153	8.5%	1,877	-86	-4.4%	
Selling, general and administrative expenses	268	330	61	22.8%	290	-40	-12.1%	
Operating income	21,217	26,476	5,259	24.8%	22,718	-3,758	-14.2%	
Net non-operating income and expenses	-1,916	-2,412	-495	25.9%	-2,755	-342	14.2%	
Non-operating income	29	20	-9	-33.2%	40	20	-	
Non-operating expenses	1,946	2,432	485	25.0%	2,795	362	14.9%	
Ordinary income	19,300	24,064	4,763	24.7%	19,963	-4,100	-17.0%	
Extraordinary income (loss)	-	-	-	-	-	-	-	
Income before income taxes	19,300	24,064	4,763	24.7%	19,963	-4,100	-17.0%	
Income taxes	0	0	0	-	0	-	-	
Net income	19,299	24,064	4,764	24.7%	19,963	-4,100	-17.0%	
Reserve(+) or reversal(-) for tax purpose reduction entry	-1,927	2,379	4,306	-	-1,765	-4,144	-	
Payment of dividends	21,227	21,684	457	2.2%	21,728	44	0.2%	
Distribution per unit (yen)	2,454	2,460	6	0.2%	2,465	5	0.2%	
Average occupancy rate during the Period(%)	98.5	98.2	-0.3pt	-	98.8	0.6pt	-	
Units issued and outstanding at the period end (units)	8,650,000	8,815,000	165,000	1.9%	8,815,000	-	-	

【 Reference 】

NOI from property leasing activities	31,149	31,621	471	1.5%	32,599	978	3.1%
Operating income (excluding profits and losses from dispositions)	21,217	21,364	147	0.7%	22,500	1,136	5.3%
Net income (excluding profits and losses from dispositions)	19,299	18,952	-347	-1.8%	19,745	793	4.2%

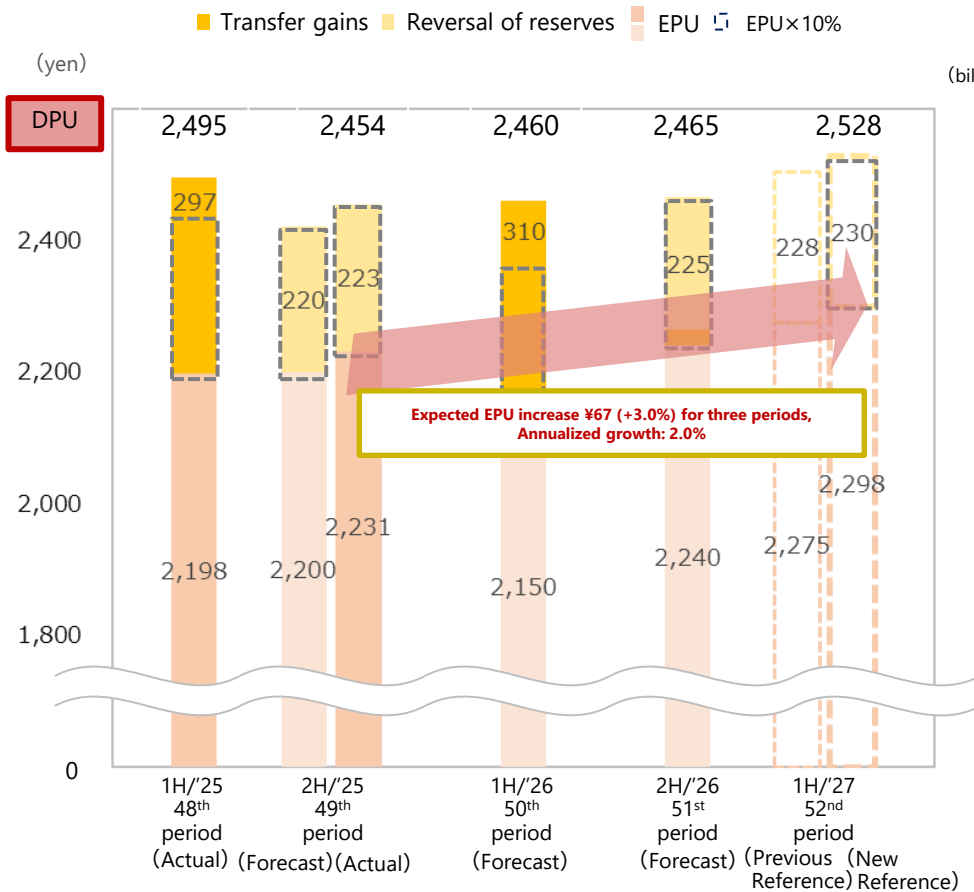
Summary of PoP change

	(millions of yen)		Annual increase
	50th	51st	
Total operating revenues	+5,377	-3,284	
Real estate rental revenues	+482	+1,191	(+3.7%)
Replacement (acquisitions/dispositions)	+364	+458	(+1.8%)
Existing Properties	+117	+733	(+1.9%)
Other rental revenues	-217	+418	
Ancillary revenues	-236	+429	
Profits from dispositions	+5,112	-4,894	
Total operating expenses	+117	+473	
Operating expenses	-97	+600	
Utilities	-278	+301	
Taxes and public dues	+330	-90	
Building management expenses	-202	+325	
Repair expenses	+56	+30	
Depreciation and amortization	+108	-31	
Operating income	+5,259	-3,758	
Replacement (properties acquired/disposed of)	+259	+496	
Existing Properties	+102	+512	
Profits from dispositions	+5,112	-4,894	
Asset management fees and SG&A expenses	-215	+126	
Net non-operating income and expenses	-495	-342	
Non-operating expenses	+485	+362	
Interest expense	+487	+413	

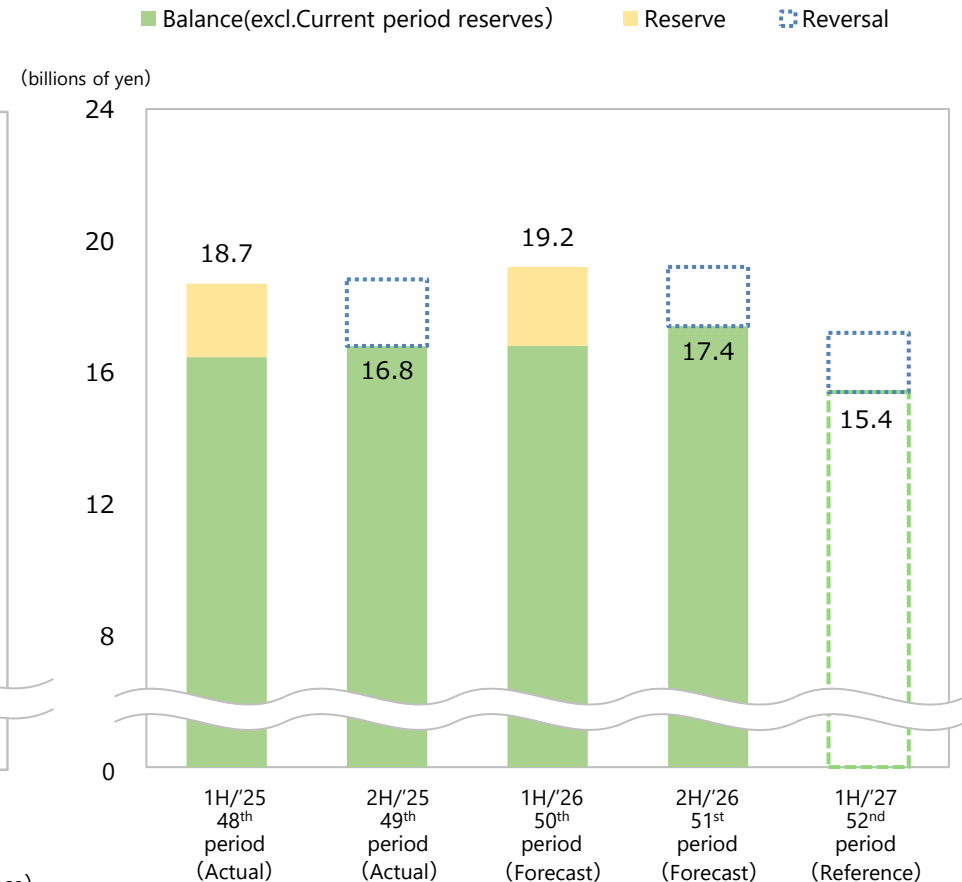
The forecast figures for the period ending June 30, 2026 (50th period) and December 31, 2026 (51st period) are the current figures calculated based on certain assumptions, and the actual figures may vary due to changes in circumstances. The amounts of distributions is not guaranteed.

NBF seeks to accelerate both internal and external growth, with target on further EPU and DPU growth
Achieve sustainable growth of DPU, utilizing transfer gains from strategic asset replacements and retained earnings

● Changes in EPU and DPU



● Retained earnings



* "EPU" refers to net income (excluding profits from dispositions) per unit.

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