



August 17,2020

To All Concerned Parties

Name of REIT Issuer:
Nippon Building Fund, Inc.
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**NIPPON BUILDING FUND INC.
ANNOUNCES 38th PERIOD (FIRST-HALF 2020) RESULTS**

**1. Financial Results for the Fiscal Period Ended June 30, 2020
(from January 1, 2020 to June 30, 2020)**

(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	%
June 30,2020	38,591	(1.4)	16,760	(0.9)	15,513	(0.2)	15,512	(0.2)
December 31,2019	39,134	1.6	16,916	1.1	15,548	1.0	15,547	1.0

Period ended	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	yen	%	%	%
June 30,2020	10,986	2.9	1.5	40.2
December 31,2019	11,010	2.9	1.5	39.7

(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) Yen	Total Amount of Distributions (excluding distributions in excess of earnings) Yen in millions	Distributions in excess of earnings per unit Yen	Total of distributions in excess of earnings Yen in millions	Payout ratio %	Ratio of distributions to net assets %
June 30,2020	10,986	15,512	-	-	99.9	2.9
December 31,2019	11,011	15,547	-	-	100.0	2.9

(Note) The payout ratio is calculated by using the following formula. Value after one (1) decimal place is rounded down.

$$\text{Payout ratio} = \text{Total amount of distributions} \div \text{Net income} \times 100$$

(3) Financial Position

Period ended	Total assets Yen in millions	Net assets Yen in millions	Ratio of unitholders' equity to total assets %	Net assets per unit Yen
June 30,2020	1,044,475	541,940	51.9	383,810
December 31,2019	1,042,753	541,975	52.0	383,835

(4) Cash Flow

Period ended	Cash flow from operating activities Yen in millions	Cash flow from investing activities Yen in millions	Cash flow from financing activities Yen in millions	Cash and cash equivalents at the end of period Yen in millions
June 30,2020	23,059	(7,440)	(13,544)	17,482
December 31,2019	22,931	(7,707)	(17,160)	15,407



2. Forecasts for the 39th Fiscal Period (from July 1, 2020 to December 31, 2020) and the 40th Fiscal Period (from January 1, 2021 to June 30, 2021)

(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
December 31, 2020	41,732	8.1	17,828	6.4	16,604	7.0	16,604	7.0	11,000	-
June 30, 2021	40,506	(2.9)	17,294	(3.0)	16,071	(3.2)	16,071	(3.2)	11,000	-

(Reference) Expected net income per unit (expected net income ÷ expected number of units at the end of the period)

• The 39th Fiscal Period (from July 1, 2020 to December 31, 2020) : ¥11,759

• The 40th Fiscal Period (from January 1, 2021 to June 30, 2021) : ¥11,382

(Note1) Expected Distribution per unit for the fiscal period ending December 31, 2020 is arrived at by subtracting the provision of reserve for reduction entry (¥1,071 million) from expected net income and then dividing it by the total number of investment units issued and outstanding.

(Note2) Expected Distribution per unit for the fiscal period ending June 30, 2021 is arrived at by subtracting the provision of reserve for reduction entry (¥539 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 June 30, 2020	1,412,000 units
As of December 31, 2019	1,412,000 units
- (ii) Number of treasury units at end of period:

As of June 30, 2020	None
As of December 31, 2019	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 June 30, 2020, NBF owned or had beneficiary interests in 71 office properties containing approximately 1,082,105 rentable square meters of office space. As of June 30, 2020, NBF leased office space to 1,464 tenants (after taking sub-leases into account) engaged in a variety of businesses, compared to 1,472 tenants at the close of the preceding fiscal period. The occupancy rate as of the end of the period was 99.4% (after taking sub-leases into account), compared to 99.4% at the close of the preceding fiscal period.

Performance Results:

NBF is conducting asset management in accordance with its basic policy of “aim to achieve steady growth of its assets under management and to secure stable profits on a mid-to long-term basis.”

During the fiscal period under review, NBF additionally acquired ownership interest in “Osaki Bright Core - Bright Plaza” (real estate, acquisition price: ¥2.8 billion), a property it already owns, in March 2020.

NBF has endeavored to expand stable revenues from its rental business with respect to its existing portfolio by reinforcing measures for maintaining occupancy rates and increasing rents upon renewal of contracts through appropriate and flexible leasing activities with a good understanding of market trends and strengthened relationship with tenants. In addition, NBF has also put forth efforts to reduce costs by properly allocating the timing and cost of renovation/construction while striving to enhance competitiveness of properties by carrying out strategic and rightly-focused additional investments.

NBF also promotes ESG (environment, social and governance) initiatives and received “Green Star,” the highest rating in the GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment, and “5-Star,” the top rating in the GRESB Score ranking conducted in 2019. In addition, it also received “A,” the top rating in the GRESB Public Disclosure Level evaluation scheme.

Debt 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% at the maximum.

During the fiscal period under review, total long-term borrowings of ¥33.0 billion became due for repayment. NBF procured a total of ¥35.0 billion through long-term borrowings as funds for repayment of the above.

It has also established long-term commitment lines in order to provide stable sources of funding thereby flexibly procuring necessary funds and reducing risks of refinancing etc.

As the result of these activities, as of the end of the current period NBF’s LTV was 41.7% and its long-term fixed interest-bearing debt ratio (ratio of “long-term fixed interest-bearing debt” procured at



fixed rates with over-one-year repayment/redemption periods as of the time of loan agreements/issuances of bonds each such time representing the actual procurement of funds to “total interest-bearing debt.”; hereinafter the same) was 93.6%.

The status of interest-bearing debt as of the end of the previous and current periods is as follows.

(Values are million yen)

	Balance as of the end of the previous period	Balance as of the end of the current period	Increase/decrease
Short-term borrowings	-	-	-
Long-term borrowings (Floating interest rate)	28,000	28,000	-
Long-term borrowings (Fixed interest rate)	368,500	370,500	2,000
Investment Corporation Bonds	37,000	37,000	-
Total interest-bearing debt	433,500	435,500	2,000

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-explained operations, NBF's performance results during the current period consisted of operating revenues of ¥38,591 million (a decrease of ¥543 million, or 1.4%, compared to the previous period), operating income from leasing activities of ¥18,424 million (a decrease of ¥169 million, or 0.9%, compared to the previous period), operating income after asset management, custody and agent fees etc. of ¥16,760 million (a decrease of ¥155 million, or 0.9% compared to the previous period), ordinary income of ¥15,513 million (a decrease of ¥34 million, or 0.2%, compared to the previous period), and net income of ¥15,512 million (a decrease of ¥34 million, or 0.2%, compared to the previous period).

In accordance with the distribution policy prescribed in its Articles of Incorporation, NBF decided to distribute ¥15,512 million, the full amount arrived at by excluding from undistributed earnings



fractions of distribution per unit of less than ¥1, so as 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). As a result, the distribution per unit was ¥10,986 (a decrease of ¥25, or 0.2% compared to the previous period).

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

The Japanese economy is expected to turn toward recovery as the level of economic activities is gradually raised, with attention being paid to a second wave of the novel coronavirus (COVID-19). On the other hand, it is necessary to heed trends in bearish consumer sentiment in addition to the impact of the infectious disease to which an end remains unpredictable across the globe, the outlook of the Chinese economy, and trends in the U.S.-China trade conflict.

As for the office building rental market, delays in movements for relocation and conclusion of contracts as well as increases in vacancy rates associated with the downsizing of offices due to the deterioration of corporate performance are anticipated.

In the office building trading market, severe competition for acquisition of properties is expected to continue as the appetite for property acquisition of domestic and international investors for remains high and information on sales of prime properties is limited.

Under such environment, NBF conducts asset management with the aim of achieving sustainable growth in portfolio value and stable profits on a mid-term and long-term basis in accordance with the following management policies:

(a) Investment Policies for Acquisition

NBF will strive to acquire properties that contribute to the entire portfolio in the medium to long term and aim to further enhance its portfolio based on the favorable condition of the financing environment in the financial market, while severe competition for property acquisition continues.

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

In addition, NBF will implement asset replacement as needed by taking into consideration growth potential, stability, scale, location, composition of entire portfolio, etc. of each property based on the market environment while also reviewing the progress of acquisition of new properties and impact on gain and loss of its entire portfolio.

(b) Management Policies for Existing Properties

NBF intends to increase rental revenues by keeping an eye on trends in the office building rental market and responding flexibly to the market environment. For existing tenants, it continues to



maintain good relations with them through its basic policy of improving the level of tenant satisfaction whereby it intends to maintain and improve the level of current rents, as well as to avoid contract cancellations.

As for capital investments in existing buildings, NBF will undertake appropriate and effective engineering work such as renovating facilities, improving their environmental compatibility (including compliance with environmental restrictions related to cutting CO2 emissions) or constructing new improvements, all of which will contribute to the maintenance and enhancement of their competitiveness as rental buildings.

(c) Financial Strategies etc.

With respect to fund procurement 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 with a view toward strengthening its financial base while keeping an eye on the market environment.

For the following period, the targeted LTV, being between 36% and 46%, will be maintained for the time being, with 56% at the maximum. NBF will continue to conduct its financial management with the targeted long-term interest-bearing debt ratio for the time being of over 90%.

In addition, NBF will conduct IR activities based on its policy to proactively and globally conduct accurate, fair and timely disclosure from the viewpoint of appropriately disclosing information and securing transparency.



Significant Subsequent Events:

(a) NBF concluded sale and purchase agreements regarding acquisition of the following assets on August 17, 2020, and delivery is scheduled for October 1, 2020. The concerned sale and purchase agreements constitute forward commitments, etc. stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency. An overview of the properties as of the date of the conclusion of the agreements is as follows.

Name of Property		Osaki Bright Tower
Type of Specified Asset		Real Property
Location (Street Address)		6-1, Kita-Shinagawa 5-chome, Shinagawa-ku, Tokyo
Land	Area	7,813.22 m ² (entire site)
	Zoning	Quasi-industrial district
	Type of Ownership	Ownership (site rights ratio approximately 10.91%)
Building	Structure	Steel-frame, steel-framed reinforced concrete and reinforced concrete structure, flat roof, 31 floors above ground and 2 floors below ground
	Total Floor Space	89,234.27 m ² (entire building)
	Type of Ownership	Ownership (sectional ownership and sectional co-ownership)
	Completion of Construction	April 1, 2015
	Owned Floors, Floor Area, Use, Etc.	Sectional ownership (office area in the 6th through 8th floor: 5,687.10 m ²) and sectional co-ownership 10.855% (total floor space (1,847.15 m ²) in the 1st through 3rd retail floors). Ownership ratio (the proportion of the total exclusively owned area) approximately 10.96%
Scheduled Date of Acquisition		October 1, 2020
Scheduled Acquisition Price		¥13,970,000,000
Trustee		-
Building Management Company		Mitsui Fudosan Co., Ltd.
Special Notations	(i) NBF is scheduled to lease the property to Mitsui Fudosan Co., Ltd. and Mitsui Fudosan Co., Ltd. is scheduled to sublease it to sublessees. In addition, the 4th through the 30th floors of the building of the property are the "Unitary Management Portion" subject to a "Memorandum for Unitary Management" entered into by each of the owners of sectional ownership, and rental revenues from and rental costs for the Unitary Management Portion are received and borne by the owners of sectional ownership according to the ratio of rights in such unitary management.	
	(ii) The property is a building under sectional ownership and co-ownership, and is subject to regulations, agreements, etc. regarding the concerned sectional ownership and co-ownership. Furthermore, a regulation regarding the concerned sectional ownership stipulates that the preferential negotiation rights must be granted to other owners of sectional ownership when sectional ownership interests are to be transferred as well as prohibition of disposing exclusive area and site area separately, while an agreement regarding the concerned co-ownership stipulates that the preferential negotiation rights must be granted to other owners of co-ownership when co-ownership interests are to be transferred as well as prohibition of splitting the co-ownership.	
	(iii) As to some sections of the property, there is a stipulation regarding the preferential negotiation rights of the tenants, in the event of a sale of the sectional ownership of the sections, under the agreement with the tenants concerning the sections. The preferential negotiation rights of the tenants take precedence over the preferential negotiation rights stipulated in the regulation regarding sectional ownership described in (ii).	
	(iv) A soil survey was conducted on the site of the property in accordance with the Tokyo Metropolitan Environmental Security Ordinance, and while the soil was found to be contaminated, this contaminated soil has been excavated, removed, and backfilled with clean soil, and it has since been confirmed that the contaminated soil on the site has been properly excavated and removed.	



Name of Property		Nagoya Mitsui Main Building
Type of Specified Asset		Real Property
Location (Street Address)		24-30, Meieki-Minami 1-chome, Nakamura-ku, Nagoya-shi, Aichi
Land	Area	3,526.16 m ² (entire site)
	Zoning	Commercial district
	Type of Ownership	Ownership (70% co-ownership)
Building	Structure	Steel-framed reinforced concrete structure, flat roof, 18 floors above ground and 2 floors below ground
	Total Floor Space	31,256.75 m ² (entire building)
	Type of Ownership	Ownership (70% co-ownership)
	Completion of Construction	March 13, 1987
	Use	Offices and stores
Scheduled Date of Acquisition		October 1, 2020
Scheduled Acquisition Price		¥13,050,000,000
Trustee		-
Building Management Company		Mitsui Fudosan Co., Ltd.
Special Notations		(i) NBF is scheduled to lease the property to Mitsui Fudosan Co., Ltd. and Mitsui Fudosan Co., Ltd. is scheduled to sublease it to sublessees.
		(ii) The property is a building scheduled to be under co-ownership as of the date of acquisition by NBF, and is scheduled to be subject to an agreement regarding the concerned co-ownership interest.
		(iii) Nagoya Mitsui New Building, which stands adjacent to the property, is constructed on a unitary site in application for building certification. (Nagoya Mitsui New Building is constructed as an expansion of the property.) Regarding the property and Nagoya Mitsui New Building, NBF is scheduled to conclude an agreement between owners with Mitsui Fudosan Co., Ltd. which has ownership or co-ownership of the two properties. By the date of the acquisition of the property, the subdivision and consolidation of a portion of the land pertaining to the property is scheduled, and it is also scheduled that this land will be acquired after such subdivision and consolidation. As such, the area is scheduled to change in accordance with the land survey conducted for such subdivision and consolidation.
		(iv) Although the use of sprayed materials containing asbestos in the building was confirmed and such asbestos needs to be continuously inspected and reports thereof must be maintained, the condition thereof is stable and unlikely to harm human health, etc. NBF intends to implement removal or containment of such asbestos, etc. as appropriate.
		(v) An underground crossing has been constructed at the Sasajima Intersection on the northwest side of the property at the expense of the seller, etc., and is available for public use. NBF is scheduled to take over the rights, and obligations of maintaining and managing said underground crossing from the seller.

Name of Property		Nagoya Mitsui New Building
Type of Specified Asset		Real Property
Location (Street Address)		24-20, Meieki-Minami 1-chome, Nakamura-ku, Nagoya-shi, Aichi
Land	Area	1,699.19 m ²
	Zoning	Commercial district
	Type of Ownership	100% ownership
Building	Structure	Steel-frame structure, flat roof, 14 floors above ground and 1 floor below ground
	Total Floor Space	16,672.44 m ²
	Type of Ownership	100% ownership
	Completion of Construction	May 13, 2011
Use		Offices
Scheduled Date of Acquisition		October 1, 2020
Scheduled Acquisition Price		¥13,200,000,000
Trustee		-
Building Management Company		Mitsui Fudosan Co., Ltd.
Special Notations		(i) NBF is scheduled to lease the property to Mitsui Fudosan Co., Ltd. and Mitsui Fudosan Co., Ltd. is scheduled to sublease it to sublessees.
		(ii) Nagoya Mitsui Main Building, which stands adjacent to the property, is constructed on a unitary site in application for building certification. (The property is constructed as an expansion of Nagoya Mitsui Main Building.) Regarding the property and Nagoya Mitsui Main Building, NBF is scheduled to conclude an agreement between owners with Mitsui Fudosan Co., Ltd. which has ownership or co-ownership of the two properties. By the date of the acquisition of the property, the subdivision of a portion of the land pertaining to the property is scheduled, and it is also scheduled that this land will be acquired after such subdivision. As such, the area is scheduled to change in accordance with the land survey conducted for such subdivision.



(b) NBF concluded sale and purchase agreements regarding disposition of the following assets on August 17, 2020, and delivery is scheduled for December 25, 2020 and March 31, 2021. The concerned sale and purchase agreements constitute forward commitments, etc. stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency. An overview of the properties as of the date of the conclusion of the agreements is as follows.

Name of Property		NBF Shinkawa Bldg. (East Building and Residential Tower)
Type of Specified Asset		Real Property
Location (Street Address)		31-1, 31-7, Shinkawa 2-chome, Chuo-ku, Tokyo
Land	Area	2,775.23 m ²
	Zoning	Commercial district
	Type of Ownership	100% ownership
Building	Structure	Steel-frame and steel-framed reinforced concrete structure, flat roof, 15 floors above ground and 2 floors below ground
	Total Floor Space	17,586.10 m ²
	Type of Ownership	100% ownership
	Completion of Construction	November 30, 1989
	Use	Offices, apartments and garages
Scheduled Date of Disposition		(i) December 25, 2020 (ii) March 31, 2021
Scheduled Disposition Price		(i) ¥5,950,000,000 (ii) ¥5,950,000,000
Trustee		-
Building Management Company		Kowa Real Estate Facilities Co., Ltd.
Special Notations		(i) Upon the disposition, 50% of the co-ownership interest in the property will be transferred on the same date as each planned delivery date, and the beneficiary interests in trust will be transferred. (ii) The disposition covers East Building and Residential Tower, while the West Building will continue to be owned by NBF.

(c) NBF decided to issue investment corporation bonds through public offering on August 7, 2020, under the following conditions based on the "Comprehensive Resolution for the Issuance of Domestic Unsecured Investment Corporation Bonds" determined at the board of directors' meeting held on July 27, 2020, and its payment was completed on August 14, 2020.

No. 19 Unsecured Investment Corporation Bonds

Name: Nippon Building Fund, Inc. No. 19 Unsecured Investment Corporation Bonds

(with special pari passu conditions among specified NBF Bonds)

Total Amount of Bonds to Be Issued: 15.0 billion yen

Issue Price: 100 yen per 100 yen of each bond

Redemption Price: 100 yen per 100 yen of each bond

Interest Rate: 0.180% per annum

Collateral: No secured mortgage or guarantee is applicable to, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.

Method and Date of Redemption: The total amount of No.19 NBF Bonds will be redeemed on August 14, 2025. No.19 NBF Bonds may be repurchased and cancelled at any time after the date of payment unless specified to the contrary by the relevant transfer agent.

Date of Interest Payment: February 14 and August 14 of each year



Use of Proceeds: Procured funds will be used to repay interest-bearing debt, as well as for our working capital. The remaining amount, if any, will be kept at hand, and may be used in the future as part of the funding to acquire Specified Assets (“tokutei shisan”, as stipulated in Article 2 (1) of the Act on Investment Trusts and Investment Corporations).

Outline of Forecasts for the 39th and the 40th Periods

In view of rent trends of the office building rental market, NBF announced its forecasts for the 39th fiscal period commencing July 1, 2020 and ending December 31, 2020 and for the 40th fiscal period commencing January 1, 2021 and ending June 30, 2021 as a part of “Kessan-Tanshin”. With regard to the conditions of the forecasts, please refer to the original “Kessan-Tanshin” released on August 17, 2020. An outline of the forecasts for the 39th and the 40th periods is as follows:

Performance Forecasts:

The forecast for the 39th period is as follows:

Operating revenues:	¥41,732 million
Net income:	¥16,604 million
Cash distribution per unit:	¥11,000

The forecast for the 40th period is as follows:

Operating revenues:	¥40,506 million
Net income:	¥16,071 million
Cash distribution per unit:	¥11,000

(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.



NIPPON BUILDING FUND INC.

Balance Sheets

As of June 30, 2020 and December 31, 2019

	As of June 30, 2020	As of December 31, 2019
(Yen in millions)		
Assets		
Current Assets:		
Cash and cash equivalents	¥ 17,482	¥ 15,407
Tenant receivables	311	736
Prepaid expenses	794	796
Other current assets	130	117
Total current assets	18,718	17,058
Investment Properties:		
Land including trust accounts	704,921	702,886
Buildings and improvements including trust accounts	446,742	441,312
Other tangible assets	14,949	15,130
Less: accumulated depreciation	(184,629)	(177,490)
Leasehold rights in trust accounts and other intangible assets	35,825	35,845
Total investment properties, net	1,017,809	1,017,684
Long-term Prepaid Expenses	10	13
Other Assets	7,935	7,996
Total Assets	¥1,044,475	¥1,042,753
Liabilities		
Current Liabilities:		
Long-term debt due within one year	¥ 50,000	¥ 56,000
Accounts payable	6,525	6,387
Rents received in advance	4,843	4,915
Accrued expenses and other liabilities	1,673	1,815
Total current liabilities	63,041	69,118
Long-term Debt	385,500	377,500
Tenant Security Deposits Including Trust Accounts	53,861	54,049
Other Liabilities	131	110
Total Liabilities	502,535	500,778
Net Assets		
Unitholders' Equity		
Unitholders' capital	519,124	519,124
Units authorized: 4,000,000 units		
Units issued and outstanding: 1,412,000 units		
Retained earnings	22,815	22,850
Total Net Assets	541,940	541,975
Total Liabilities and Net Assets	¥1,044,475	¥1,042,753



NIPPON BUILDING FUND INC.
Statements of Income

For the six months ended June 30, 2020 and December 31, 2019

	For the six months ended June 30, 2020	For the six months ended December 31, 2019
(Yen in millions)		
Operating Revenues and Expenses		
Operating Revenues:		
Rental	¥35,890	¥35,272
Other revenues related to property leasing	2,700	3,861
Total Operating Revenues	38,591	39,134
Operating Expenses:		
Property management fees	5,406	5,592
Real estate taxes	3,579	3,446
Repairs and maintenance	1,184	1,032
Insurance	33	33
Other rental expenses	2,795	3,213
Depreciation and amortization	7,167	7,221
Asset management fees	1,444	1,459
Other operating expenses	219	218
Total Operating Expenses	21,830	22,217
Operating Income	16,760	16,916
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	0	0
Property tax refund and interest on tax refund	6	0
Other non-operating revenues	6	1
Non-Operating Expenses:		
Interest expense	(1,217)	(1,312)
Amortization of bond issuance costs	(10)	(10)
Other non-operating expenses	(32)	(46)
Ordinary Income	15,513	15,548
Income before Income Taxes	15,513	15,548
Current and deferred income taxes	(1)	(0)
Net Income	¥ 15,512	¥ 15,547



NIPPON BUILDING FUND INC.
Distribution for the Current Period

	For the six months ended June 30, 2020	For the six months ended December 31, 2019
	(Yen in thousands, except per unit amounts)	
Retained earnings	¥15,513,000	¥15,548,031
Undistributed earnings	768	499
Reserve for advanced depreciation	—	—
Total cash distribution	15,512,232	15,547,532
(Cash distribution per unit)	10,986	11,011
Distribution of accumulated earnings	15,512,232	15,547,532
(Distribution of accumulated earnings per unit)	10,986	11,011
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”). “Kessan-Tanshin” 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.