

January-June 2017 (32nd Period)

Investor Presentation

August 16, 2017

NBF
Nippon Building Fund

Nippon Building Fund Inc.
Nippon Building Management Ltd.

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Disclaimer

1.

Financial Highlights



1-1 Financial Highlights (1/3)

	Actual				Forecast	
	1H/2017 (32nd Period)				2H/2017 (33rd Period)	1H/2018 (34th Period) (Reference)
	PoP Change					
Total operating revenues	36,409 million yen	+560	+1.6%		36,604 million yen	36,120 million yen
Operating Income	15,113 million yen	+509	+3.5%		14,896 million yen	14,895 million yen
Operating income (excl. profits from dispositions)	14,893 million yen	+289	+2.0%		14,896 million yen	14,895 million yen
Net income	13,109 million yen	+589	+4.7%		13,005 million yen	13,103 million yen
Net income (excl. profits from dispositions)	12,889 million yen	+369	+2.9%		13,005 million yen	13,103 million yen
DPU (yen)	9,129	+262	+3.0%		9,210	9,280
	129 yen higher than February 2017 forecast of 9,000 yen					
Units issued and outstanding at the period end	1,412,000				1,412,000	1,412,000
Average Occupancy rate during the Period	98.7%	+0.5 pt			98.7%	97.1%

(As of June 30,2017)

Assets

Total assets

1,023.9 billion yen

Unrealized gain on appraisal value

189.3 billion yen

Location

23 wards of Tokyo: **79.4%**
Central 5 wards of Tokyo:
50.5%

Average Occupancy Rate during the Period Note 1

98.7%

Debt

LTV

41.5%

Long-term fixed- rate debt ratio

92.5%

Average interest rate

0.88%

Average maturity

5.15 years

Equity

Market cap

810.4 billion yen

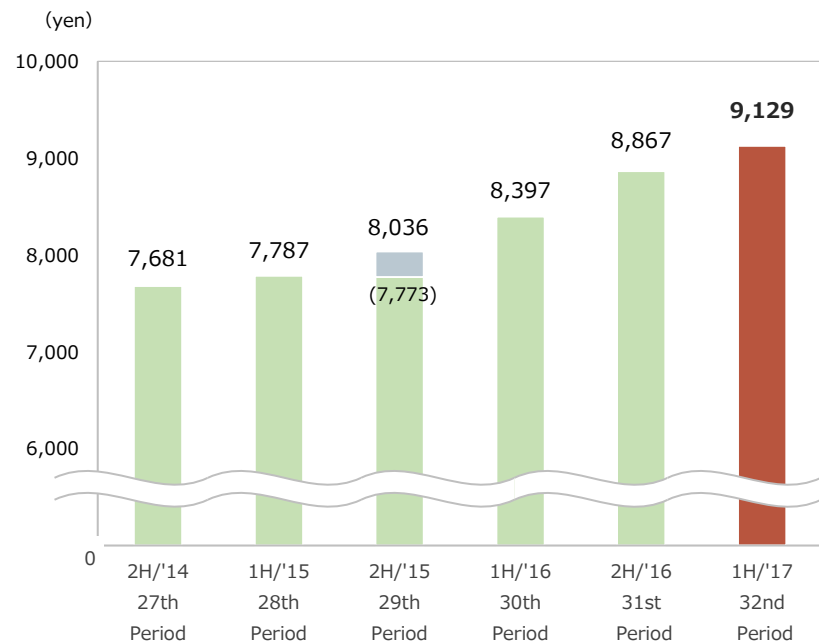
NAV per unit Note 2

505,308 yen

Note 1: Average occupancy rate during the period :weighted average of month-end occupancy rate on a floor space basis

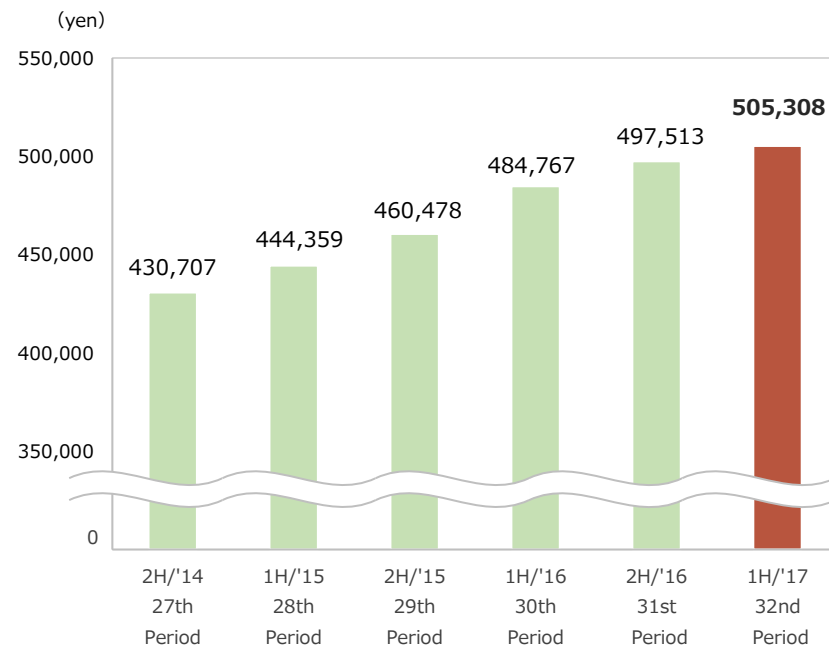
Note 2: NAV per unit : (Unitholders' capital at period end + Reserve for advanced depreciation in the next period (reserve - reversal) + Unrealized gain or loss on appraisal value at period end) ÷ Units issued and outstanding at period end

Distributions per Unit(DPU)



DPU include reversal of reserve for advanced depreciation.
Figures in parentheses are DPU excluding reversal of reserve for advanced depreciation.

NAV per Unit



NBF's basic policy is to pursue growth in unitholder value through mid-to-long-term stable growth of our DPU and increasing our NAV per unit.

2. Financial Results



Definition of Term

Fiscal period	Terms	Definitions	Property Name
1H 2017 (32nd Period) – Actual (Properties at period end: 74)	4 new properties	3 properties acquired (one property is an additional acquisition) during the period ended December 31, 2016 (31st period), and 1 property acquired (additional acquisition) during the period ended June 30, 2017 (32nd period).	Toyo-cho Center Bldg., Osaki Bright Core-Bright Plaza, Nishi-Shinjuku Mitsui Bldg. (additional acquisition), Kowa Nishi-Shinbashi Bldg. B (additional acquisition)
	1 property disposed of	1 property disposed of during the period ended June 30, 2017 (32nd Period)	Aqua Dojima East
	Existing 72 properties	72 properties excluding the 4 acquisitions (2 properties were additional acquisitions) above from the 74 properties owned as of June 30, 2017 (end of 32nd Period)	–
2H 2017 (33rd Period) – Forecast (Properties at period end: 74)	1 new property	1 properties acquired (additional acquisition) during the period ended June 30, 2017 (32nd period)	Kowa Nishi-Shinbashi Bldg. B (additional acquisition)
	1 property disposed of	1 property disposed of during the period ended June 30, 2017 (32nd Period)	Aqua Dojima East
	Existing 74 properties	74 properties excluding the 1 acquisition (additional acquisition) from the 74 properties planned to be owned as of December 31, 2017 (end of 33rd Period).	–

2-1 1H/2017 (32nd Period) Statement of Income

(million yen)

	2H/2016 (31st Period)	1H/2017 (32nd Period)	PoP Change	
			Amount	Percentage
Total operating revenues	35,849	36,409	560	1.6%
Operating revenues	35,849	36,189	340	0.9%
Rental revenues	32,570	33,129	559	1.7%
Other revenues related to property leasing	3,279	3,059	-219	-6.7%
Profits from dispositions	-	219	219	-
Total operating expenses	21,244	21,295	51	0.2%
Operating expenses	19,742	19,747	4	0.0%
Rental expenses(excl. depreciation and amortization)	12,573	12,499	-73	-0.6%
Depreciation and amortization	7,169	7,247	77	1.1%
Asset management fees	1,283	1,310	26	2.1%
Selling,general and administrative expenses	218	238	20	9.2%
Operating Income	14,604	15,113	509	3.5%
Net non-operating income and expenses	-2,082	-2,003	79	-
Non-operating income	4	3	-1	-
Non-operating expenses	2,086	2,006	-80	-3.9%
Ordinary income	12,521	13,110	589	4.7%
Extraordinary income(loss)	-	-	-	-
Income before income taxes	12,521	13,110	589	4.7%
Income taxes	1	0	-0	-
Net income	12,520	13,109	589	4.7%
Provision of reserve for advanced depreciation	-	219	219	-
Payment of dividends	12,520	12,890	369	3.0%
Distribution per unit(JPY)	8,867	9,129	262	3.0%
Average Occupancy rate during the Period(%)	98.2	98.7	0.5	-
Units issued and outstanding at period end	1,412,000	1,412,000	-	-
[Reference]				
NOI from property leasing activities	23,276	23,690	414	1.8%
Operating income (excl. profits from dispositions)	14,604	14,893	289	2.0%
Net income (excl. profits from dispositions)	12,520	12,889	369	2.9%

● Summary of PoP Change

(million yen)

Total operating revenues	+ 560
Rental revenues	+ 559
4 acquisitions, 1 disposition	+ 163
72 existing properties	+ 396
Other revenues related to property leasing	- 219
Incidental income (seasonal factors, etc.)	- 247
Profits from dispositions	+ 219
Total operating expenses:	+ 51
Rental expenses (excl. depreciation and amortization)	- 73
Utilities (seasonal factors, etc.)	- 152
Property taxes	+ 112
Repair and maintenance expenses	+ 76
Property management expenses	- 67
Non-operating income and expenses:	+ 79
Non-operating expenses	- 80
Interest expense	- 77

2-2 1H/2017 (32nd Period) Balance Sheet

Assets

	December 31,2016 (31st Period end)	June 30,2017 (32nd Period end)	(million yen)	
			PoP Change Amount	Percentage
Current assets	13,136	12,516	-620	-4.7%
Cash and cash equivalents	12,038	11,376	-661	-5.5%
Other current assets	1,097	1,139	41	3.8%
Fixed assets	1,017,224	1,011,278	-5,946	-0.6%
Tangible fixed assets	974,229	968,714	-5,514	-0.6%
Intangible fixed assets	35,964	35,944	-19	-0.1%
Investments and other assets	7,031	6,619	-412	-5.9%
Deferred assets	73	106	32	44.1%
Total assets	1,030,434	1,023,900	-6,533	-0.6%

Liabilities and Net Assets

	December 31,2016 (31st Period end)	June 30,2017 (32nd Period end)	(million yen)	
			PoP Change Amount	Percentage
Current liabilities	69,822	82,207	12,384	17.7%
Short-term debt	7,000	12,000	5,000	71.4%
Long-term debt due within one year	40,750	48,750	8,000	19.6%
Investment corporation bonds due within one year	10,000	10,000	-	-
Other current liabilities	12,072	11,457	-615	-5.1%
Long-term liabilities	424,198	404,690	-19,508	-4.6%
Investment corporation bonds	25,000	20,000	-5,000	-20.0%
Long-term debt	348,875	334,500	-14,375	-4.1%
Security deposits received	50,323	50,190	-133	-0.3%
(Interest-bearing debt)	(431,625)	(425,250)	(-6,375)	(-1.5%)
Total liabilities	494,021	486,898	-7,123	-1.4%
Net assets	536,413	537,002	589	0.1%
Unitholders'capital	519,124	519,124	-	-
Retained earnings	17,288	17,877	589	3.4%
Reserve for advanced depreciation	4,767	4,767	-	-
Undistributed earnings	12,521	13,110	589	4.7%
Total net assets	536,413	537,002	589	0.1%
Total liabilities and net assets	1,030,434	1,023,900	-6,533	-0.6%

Summary of PoP Change

	(million yen)
Total assets:	-6,533
Current assets	-620
Cash and cash equivalents	-661
Fixed assets	-5,946
1 acquisition (additional acquisition); 1 disposition	-1,499
Capital expenditures	+3,228
Depreciation and amortization	-7,247
Total liabilities:	-7,123
Interest-bearing debt	-6,375
Short-term debt	+5,000
Long-term debt	-6,375
Investment corporation bonds	-5,000
Total net assets:	+589
Retained earnings	+589
Undistributed earnings	+589

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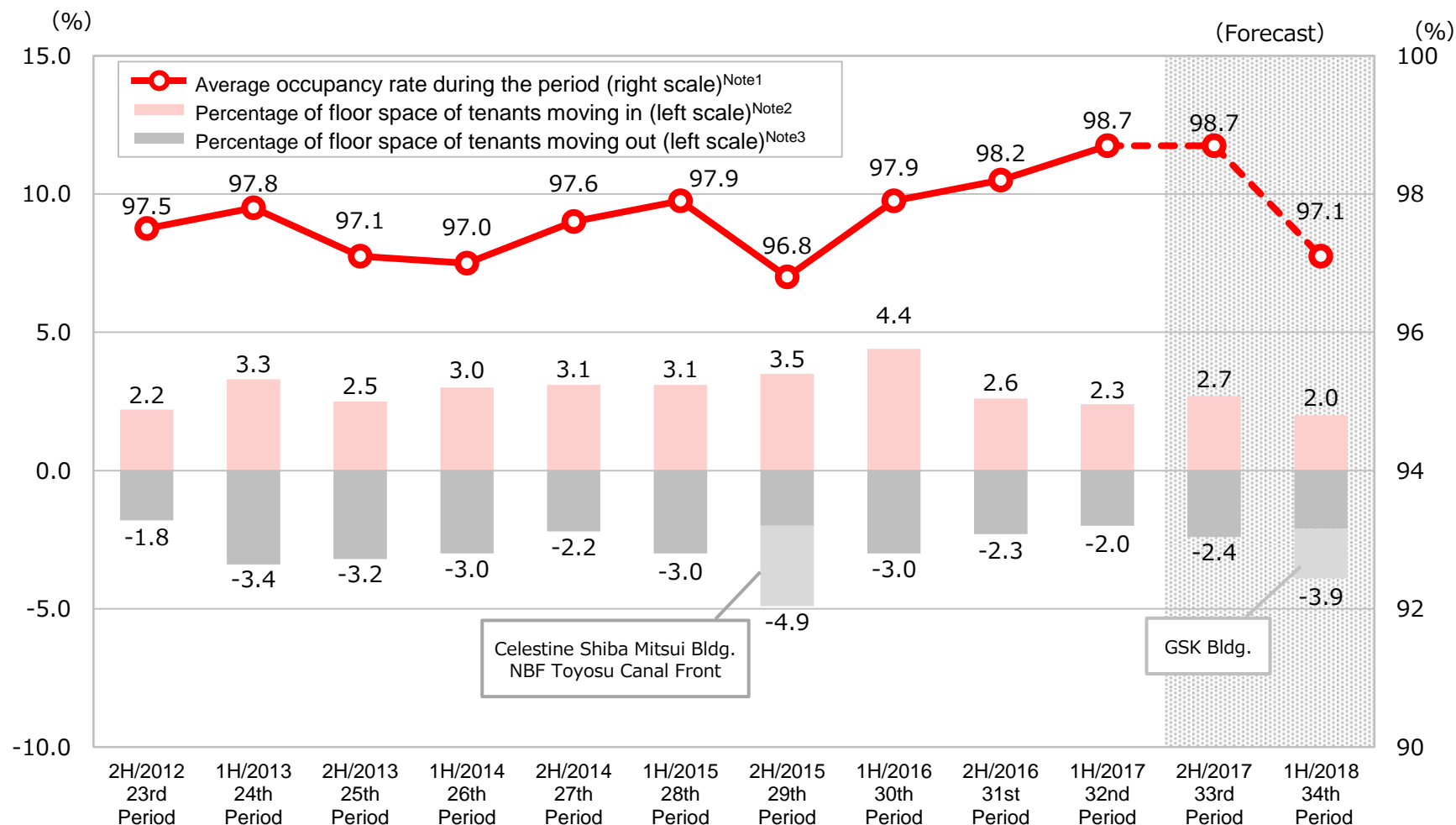
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Operating Results & Outlook



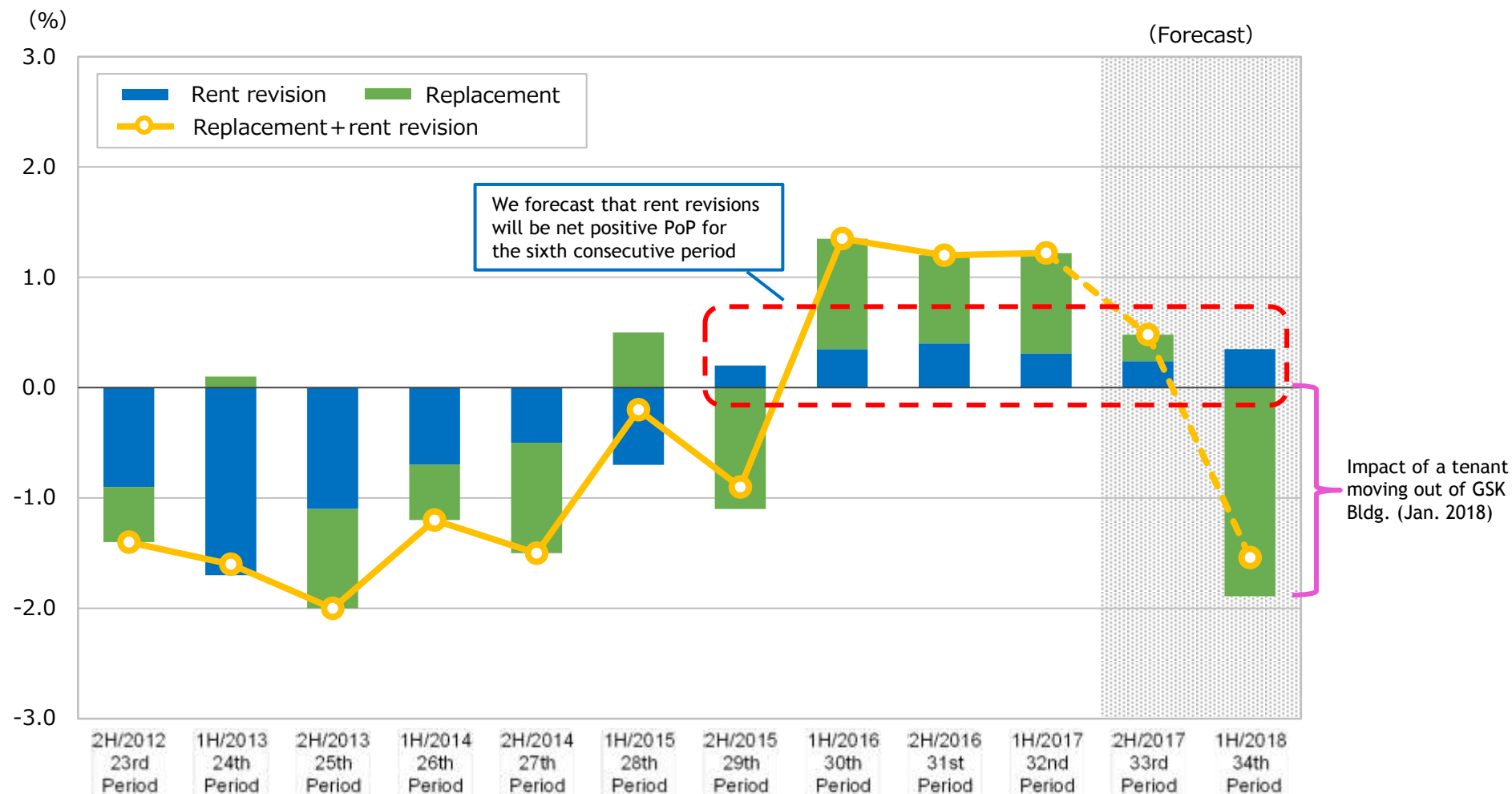
3-1 Internal Growth (1/2)

- Average occupancy rate during the period, the percentage of floor space of tenants moving in and out



3-1 Internal Growth (2/2)

● Breakdown of PoP Change in Rental Revenues



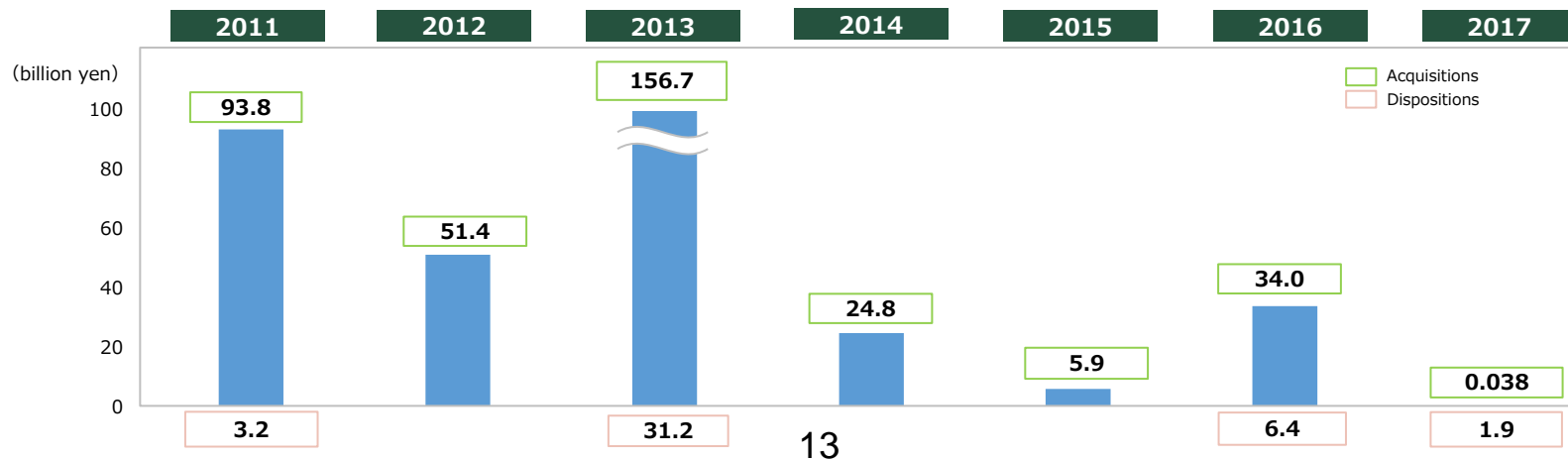
3-2 External Growth (1/2)

● Acquisitions & Dispositions

23 wards of Tokyo
 Other Greater Tokyo
 Other cities

	2015 (28th & 29th Period)	2016 (30th & 31st Period)			2017 (32nd Period)
Main Acquisitions	 NBF Kandasudacho Bldg. (Acquisition price: 5.9 billion yen)	 Ueno East Tower (Acquisition price: 21.6 billion yen)	 Osaki Bright Core-Bright Plaza (Acquisition price: 4.5 billion yen)	 Toyo-cho Center Bldg. (Acquisition price: 7.8 billion yen)	 Kowa Nishi-Shinbashi Bldg. B (Acquisition price: 0.038 billion yen)
Dispositions		 NBF Atsugi Bldg. (Disposition price: 2.7 billion yen)	 NBF Sendai Honcho Bldg. (Disposition price: 3.7 billion yen)		 Aqua Dojima East (Disposition price: 1.9 billion yen)

● Yearly Trends in Acquisitions & Dispositions



● Disposition Summary

Aqua Dojima East

(Approx. 23% Net Floor Area Ownership Ratio)



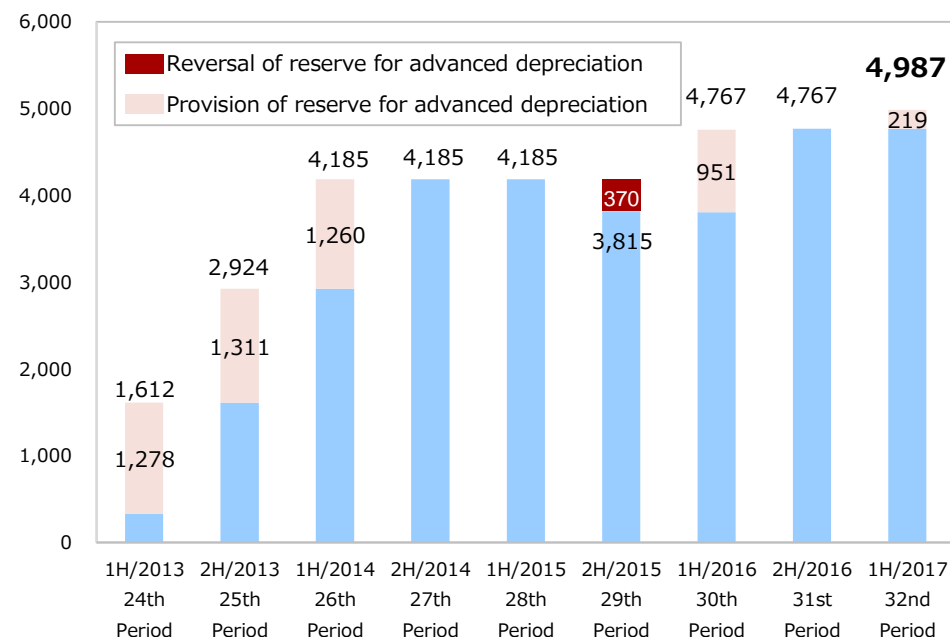
Location	Kita-ku, Osaka, Osaka Prefecture
Disposition date	March 31, 2017
Age ^{Note 1}	24 years
Total floor space	Approx. 24,726m ² (Approx. 7,479 tsubo) (entire building)
Appraisal value (as of December 31, 2016)	1,470 million yen
Disposition price	1,910 million yen
Book value and sales expenses	1,690 million yen
Gain on sale	219 million yen

Note 1: Age on disposition date

Provision to the reserve for advanced depreciation	219 million yen
Internal reserves ^{Note 2}	4,987 million yen (3,532 yen/unit)

● Internal Reserves ^{Note 2}

(million yen)



Note 2: Internal reserves: Amount at period end reflecting provisions to or reversal of reserve for advance depreciation in the following period.
This figure differs from the reserve for advance depreciation at period end as presented on the balance sheet.

● Reserve for advanced depreciation

To be utilized for stable management and distributions in the future

● Financial Data

	2H/2016 (31st Period)	1H/2017 (32nd Period)	PoP Change
LTV	41.9%	*41.5%	-0.4pt
Long-Term Fixed-Rate Debt Ratio	94.0%	92.5%	-1.5pt
Average interest Rate	0.93%	0.88%	-0.05pt
Average Maturity (Long-Term Interest- Bearing Debt)	4.99 years	5.15 years	0.16 years

*Debt capacity of approx. 84billion yen within LTV of 46%

● Interest-Bearing Debt

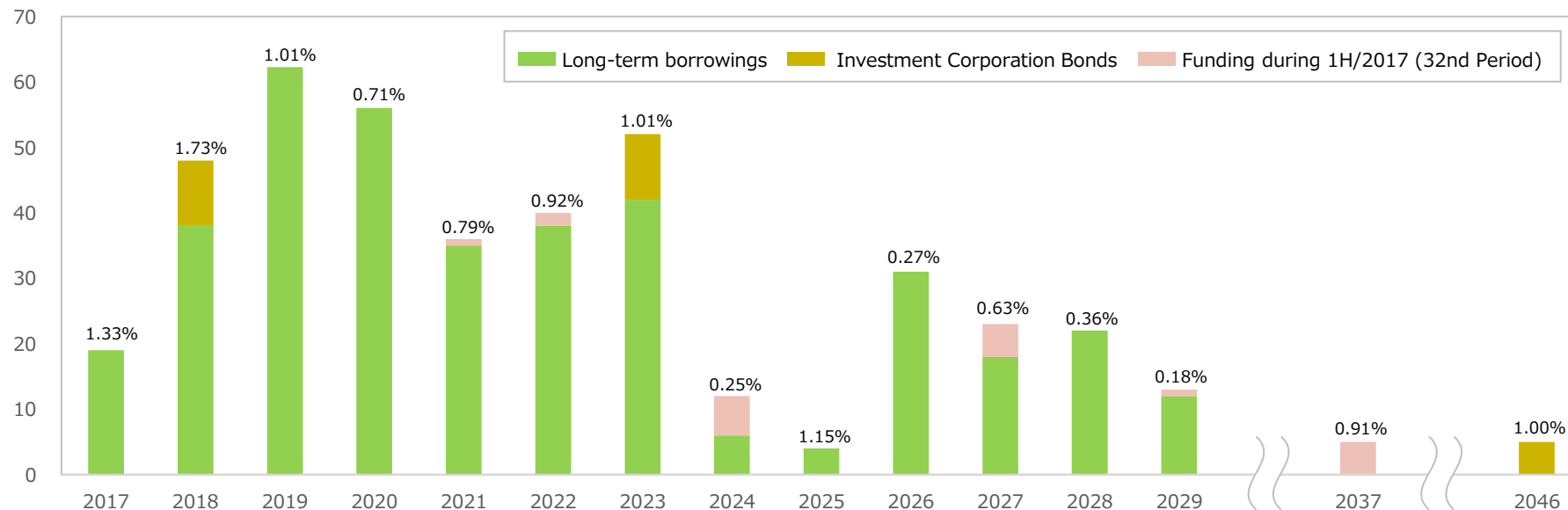
(million yen)

	2H/2016 (31st Period)	1H/2017 (32nd Period)	PoP Change
Short-Term Debt	7,000	12,000	5,000
Long-Term Debt (floating-rate)	19,000	20,000	1,000
Long-Term Debt (fixed-rate)	370,625	363,250	-7,375
Investment Corporation Bonds	35,000	30,000	-5,000
Total	431,625	425,250	-6,375

● Debt Maturity Diversification

(billion yen)

(As of June 30, 2017)



Note: Percentages are the average interest rate on interest-bearing debt due for repayment each year.

● New Funding and Repayment

1H/2017 (32nd Period) Long-Term Borrowings
& Investment Corporation Bonds

Repayment Overview	
Repayment total	¥31,000 million
Average interest rate	1.20%
Average maturity	6.9 years

New Funding Overview	
Repayment total	¥20,000 million
Average interest rate	0.43%
Average maturity	10.9 years

● Planned Repayment of Long-Term Debt & Investment Corporation Bonds

2H/2017 (33rd Period)

Repayment Overview	
Repayment total	¥19,000 million
Average interest rate	1.33%
Average maturity	8.9 years

We forecast that borrowing costs will decrease further.

1H/2018 (34th Period)

Repayment Overview	
Repayment total	¥39,000 million
Average interest rate	1.84%
Average maturity	10.8 years

● Long-Term Debt Procured in 1H/2017 (32nd Period)

• Long-term borrowings

Borrowing Date	Lender	Amount (million yen)	Term (years)	Fixed/Floating	Interest Rate
2017.1.10	The Yamaguchi Bank	1,000	12	Fixed	0.48%
2017.3.3	The Joyo Bank	1,000	10	Fixed	0.39%
2017.3.3	The Daishi Bank	2,000	7	Fixed	0.26%
2017.6.1	Shinkin Central Bank	3,000	10	Fixed	0.36%
2017.6.1	The Bank of Fukuoka	2,000	7	Fixed	0.24%
2017.6.1	Resona Bank	1,000	10	Floating	*0.11%
2017.6.30	Sumitomo Mitsui Banking Corporation	1,000	4	Fixed	0.15%
2017.6.30	The Bank of Fukuoka	2,000	5	Fixed	0.18%
2017.6.30	The Daishi Bank	2,000	7	Fixed	0.25%
Subtotal		15,000	8	-	0.27%

*Initial interest rate

• Investment Corporation Bonds

Issue Date	Lender	Amount (million yen)	Term (years)	Fixed/Floating	Interest Rate
2017.5.22	No. 15 Unsecured Bonds	5,000	20	Fixed	0.91%

● Credit Ratings

(As of June 30, 2017)

Credit Rating Agency	Credit Ratings	Remarks
JCR	Long-Term Issuer Rating: AA+	Outlook: Stable
R&I	Issuer rating: AA	Outlook: Stable
S&P	Long-Term Corporate Rating: A+ Short-Term Corporate Rating: A-1	Outlook: Stable

● Appraisal Value

	2H/2016 (31st Period)	1H/2017 (32nd Period)	PoP Change
Number of properties	75 properties	74 properties	-1 property
Appraisal value (period end)	1,188.8 billion yen	1,194.0 billion yen	5.2 billion yen
Book value (period end)	1,010.2 billion yen	1,004.6 billion yen	-5.5 billion yen
Unrealized gain	178.5 billion yen	189.3 billion yen	10.7 billion yen

● Changes by Properties (PoP)

Direct Return Cap Rate (Properties)

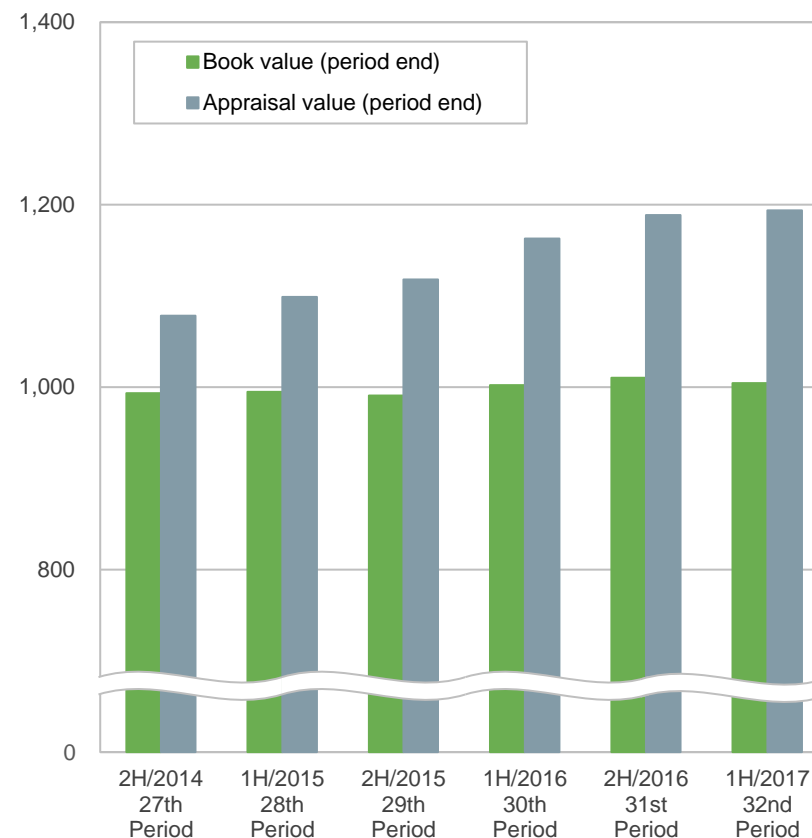
	2H/2016 (31st Period)	1H/2017 (32nd Period)
Down	75	73
Same	0	1
Up	0	0

Appraisal Value (Properties)

	2H/2016 (31st Period)	1H/2017 (32nd Period)
Up	62	52
Same	7	12
Down	6	10

● Appraisal Value & Book Value

(billion yen)



4 .

Forecast



4-1 2H/2017 (33rd Period) Forecast

(million yen)							
	1H/2017 (Actual) (32nd Period)	2H/2017 (Forecast) (33rd Period)	PoP Change		1H/2018 (Reference) (34th Period)	PoP Change	
			Amount	Percentage		Amount	Percentage
Total operating revenues	36,409	36,604	194	0.5%	36,120	-484	-1.3%
Operating revenues	36,189	36,604	414	1.1%	36,120	-484	-1.3%
Rental revenues	33,129	33,255	125	0.4%	32,742	-513	-1.5%
Other revenues related to property leasing	3,059	3,349	289	9.4%	3,378	29	0.9%
Profits from dispositions	219	-	-219	-	-	-	-
Total operating expenses	21,295	21,708	412	1.9%	21,225	-482	-2.2%
Operating expenses	19,747	20,161	414	2.1%	19,685	-476	-2.4%
Rental expenses(excl. depreciation and amortization)	12,499	12,956	456	3.7%	12,502	-454	-3.5%
Depreciation and amortization	7,247	7,204	-42	-0.6%	7,183	-21	-0.3%
Asset management fees	1,310	1,317	7	0.5%	1,308	-9	-0.7%
Selling, general and administrative expenses	238	229	-9	-4.0%	231	2	1.2%
Operating income	15,113	14,896	-217	-1.4%	14,895	-1	-0.0%
Net non-operating income and expenses	-2,003	-1,891	112	-	-1,791	100	-
Non-operating income	3	3	0	-	3	0	-
Non-operating expenses	2,006	1,894	-112	-5.6%	1,794	-100	-5.3%
Ordinary income	13,110	13,005	-105	-0.8%	13,103	98	0.8%
Extraordinary income(loss)	-	-	-	-	-	-	-
Income before infome taxes	13,110	13,005	-105	-0.8%	13,103	98	0.8%
Income taxes	0	0	0	-	0	-	-
Net income	13,109	13,005	-104	-0.8%	13,103	98	0.8%
Reversal of reserve for advanced depreciation	219	-	-219	-	-	-	-
Payment of dividends	12,890	13,004	114	0.9%	13,103	98	0.8%
Distribution per unit(JPY)	9,129	9,210	81	0.9%	9,280	70	0.8%
Average occupancy rate during the period(%)	98.7	98.7	0.0	-	97.1	-1.6	-
Units issued and outstanding at period end	1,412,000	1,412,000	-	-	1,412,000	-	-

[Reference]

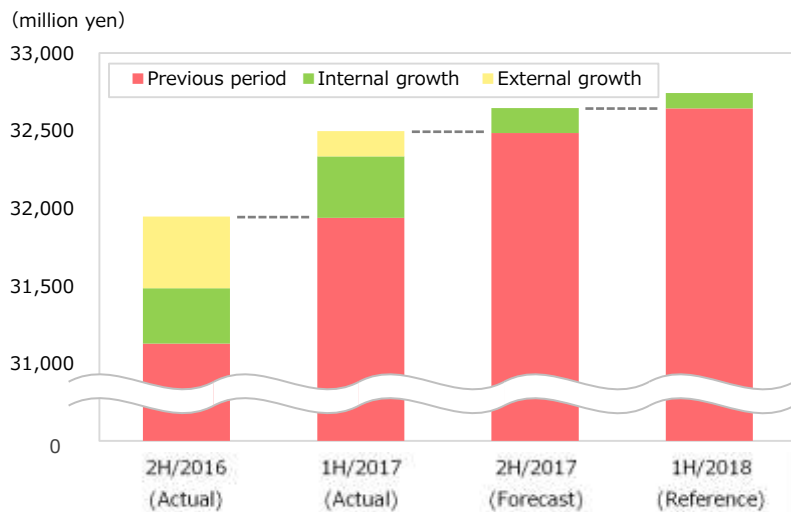
NOI from property leasing activities	23,690	23,648	-42	-0.2%	23,618	-29	-0.1%
Operating income (excl. profits from dispositions)	14,893	14,896	2	0.0%	14,895	-1	-0.0%
Net income (excl. profits from dispositions)	12,889	13,005	115	0.9%	13,103	98	0.8%

● Summary of PoP change for 2H/2017

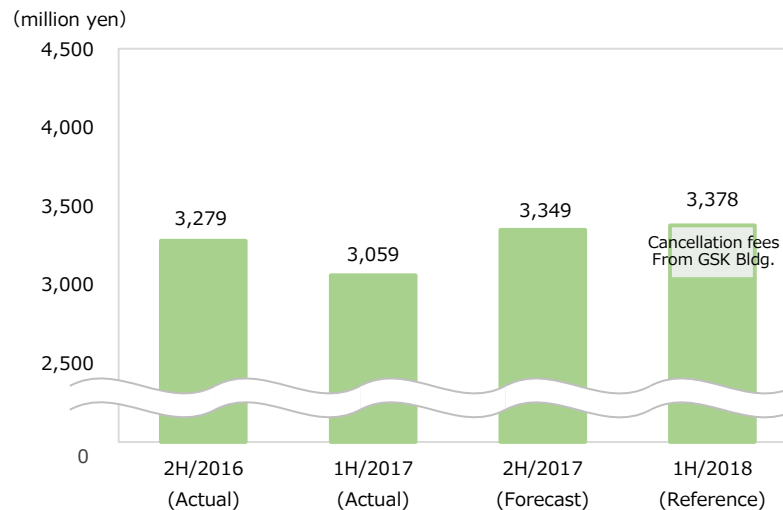
(million yen)	
Total operating revenues	+194
Rental revenues	+125
1 acquisition, 1 disposition	-35
74 existing properties	+160
Other revenues related to property leasing	+289
Incidental income (seasonal factors, etc.)	+314
Total operating expenses:	+412
Rental expenses (excl. depreciation and amortization)	+456
Utilities (seasonal factors, etc.)	+300
Property management expenses	+156
Commission fees	+94
Property taxes	-48
Non-operating income and expenses:	+112
Non-operating expenses	-112
Interest expense	-108

2H/2017 (33rd Period) forecast data and 1H/2018 (34th Period) reference data are based on current assumptions. Actual results may differ if conditions change. Also, distributions are not guaranteed.

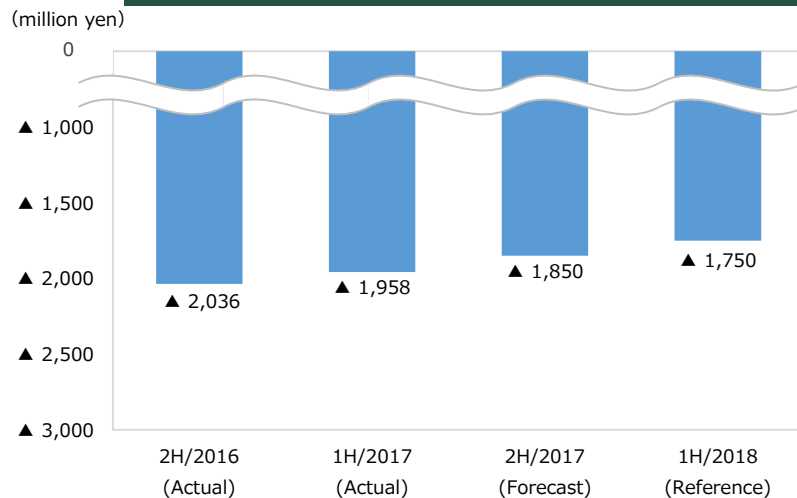
Rental revenues (excl. GSK Bldg.)



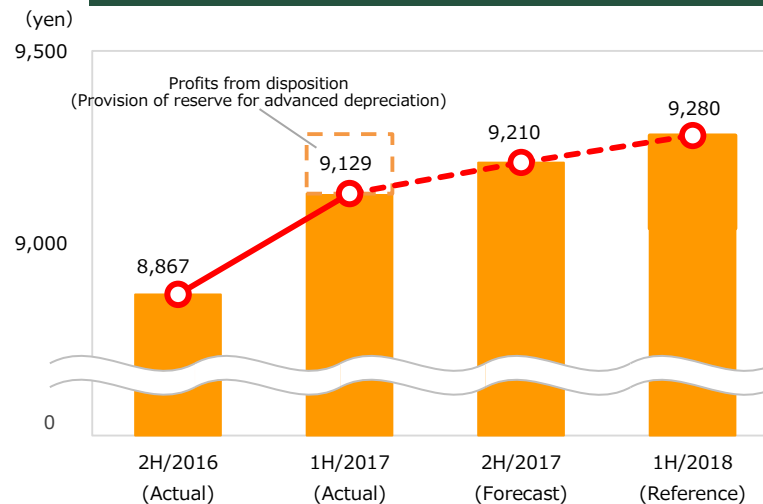
Other revenues related to property leasing



Interest expense



DPU



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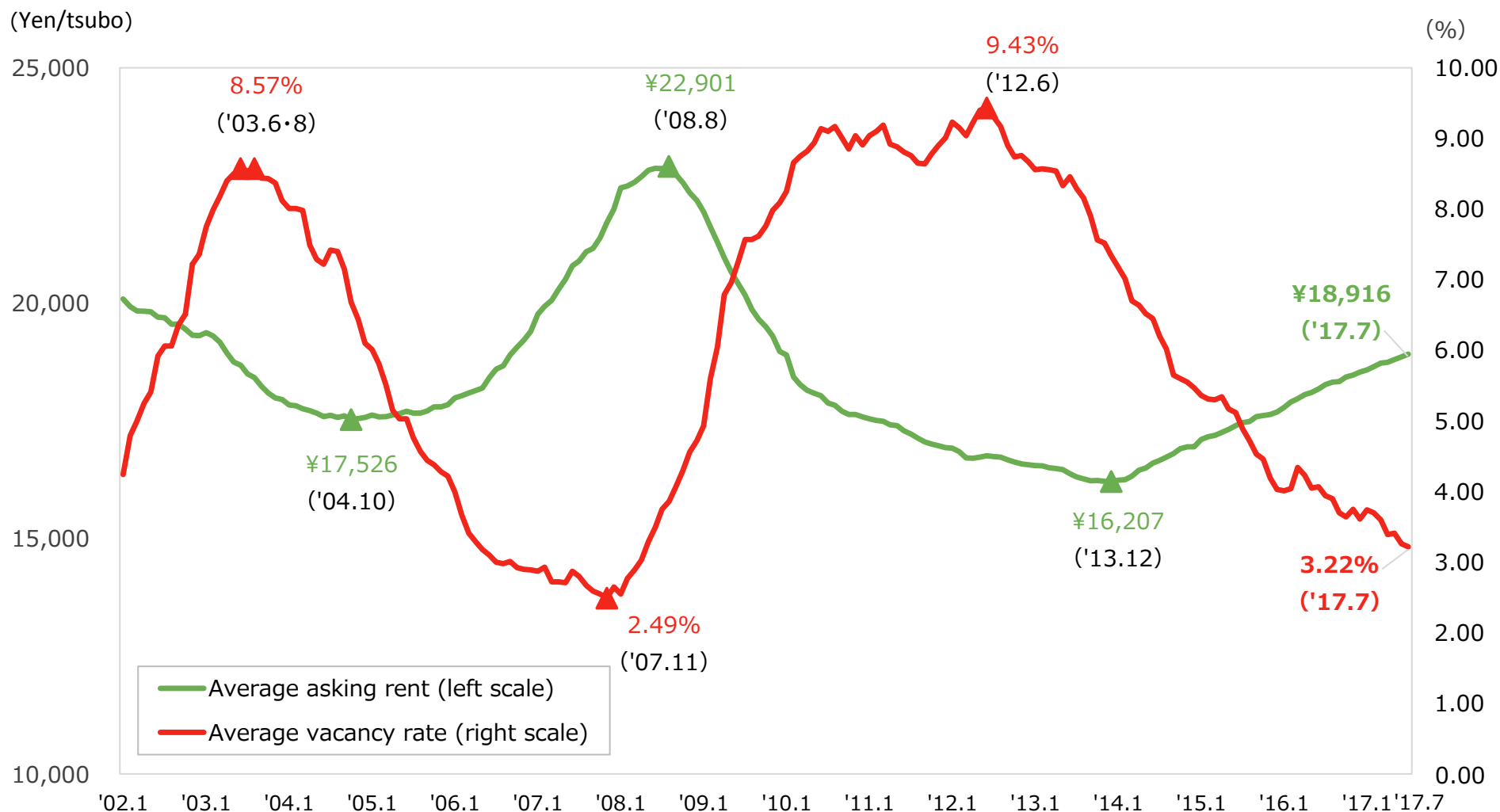
5.

Market Data



5-1 Trends in the Office Building Leasing Market (1/2)

● Market Rents for Office Buildings in Tokyo Business Districts* (Average Asking Rent & Average Vacancy Rate)



* Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku

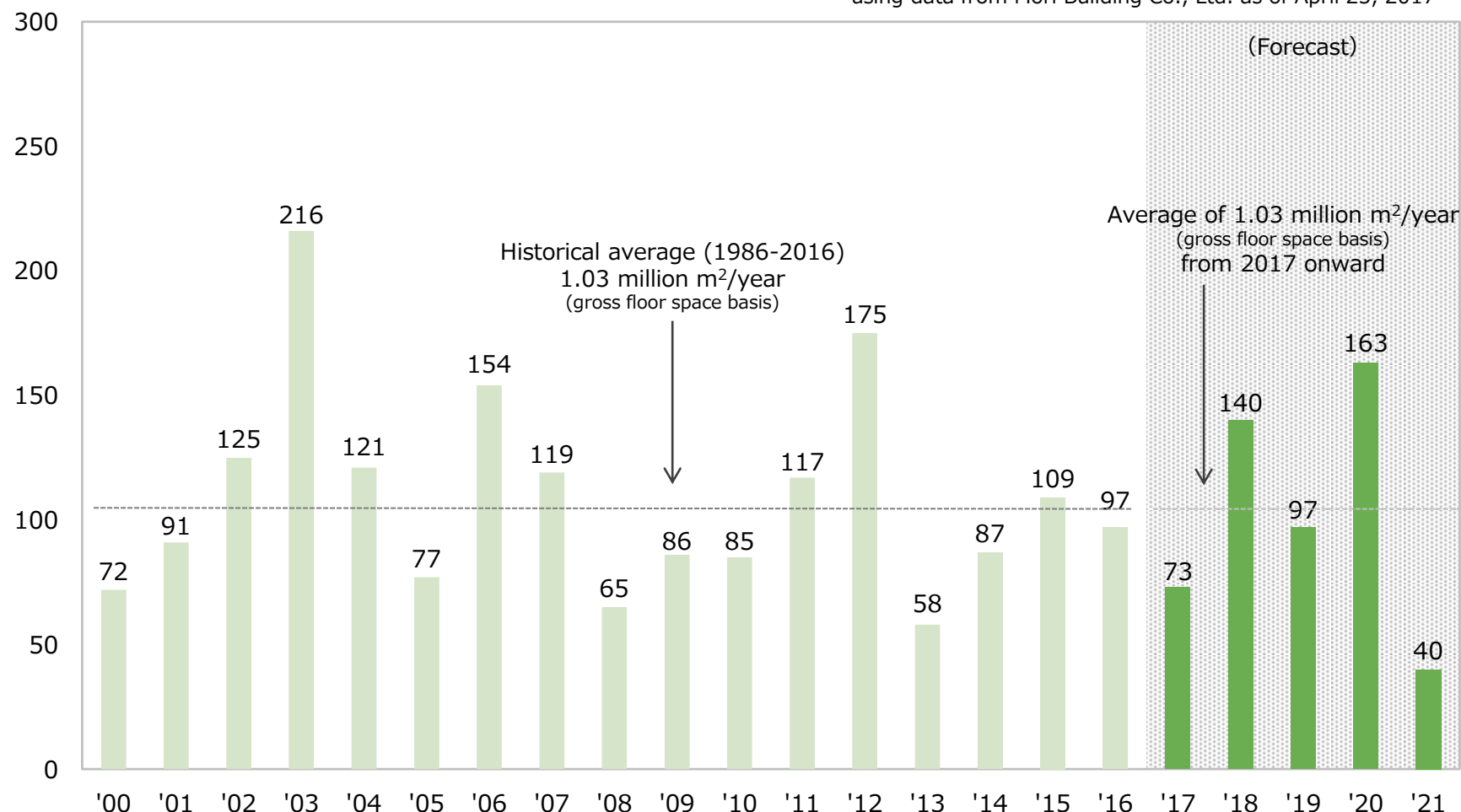
Source: Prepared by Nippon Building Fund Management using data from Miki Shoji Co., Ltd.

5-1 Trends in the Office Building Leasing Market (2/2)

● New Supply of Large-Scale Office Buildings* in the 23 Wards of Tokyo

(10 thousand m²)

Source: Prepared by Nippon Building Fund Management
using data from Mori Building Co., Ltd. as of April 25, 2017

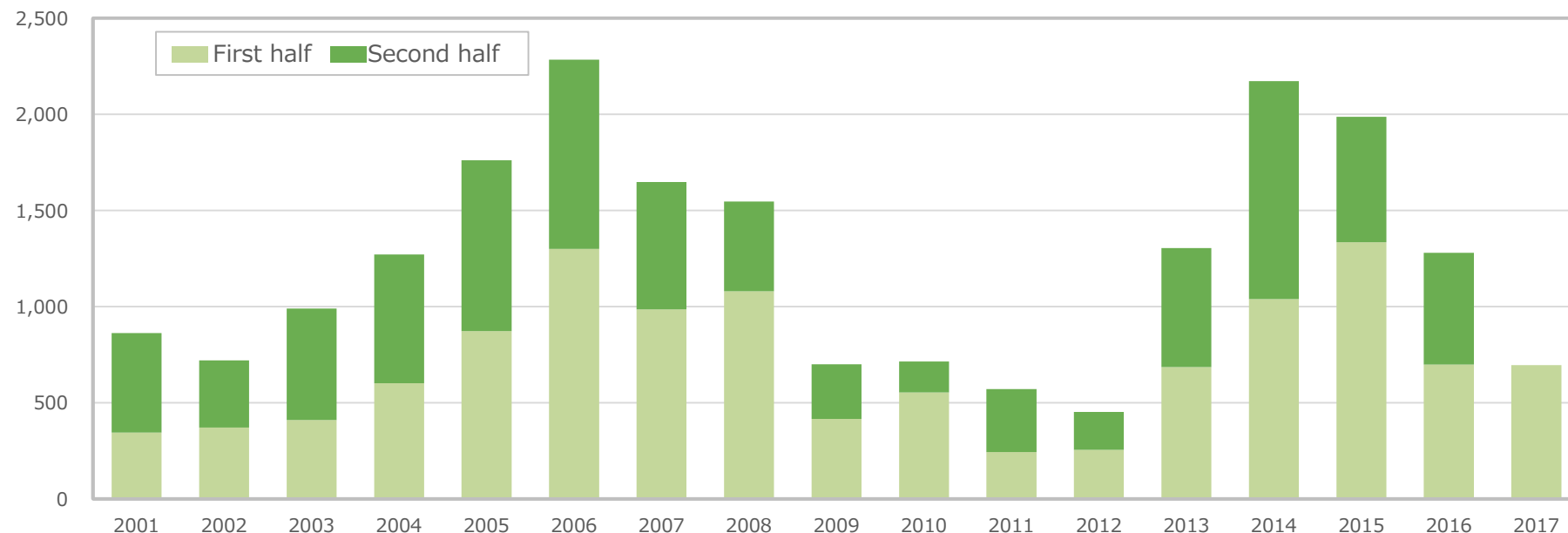


*Large-scale office buildings have at least 10,000m² of gross office space.

5-2 Trends in the Real Estate Trading Market

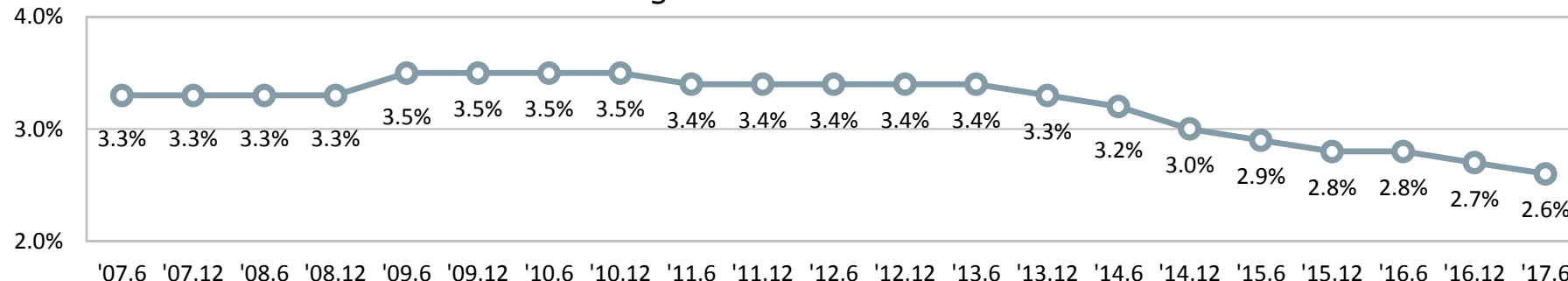
● Real estate trading value (office buildings)

(billion yen)



Source: Compiled by asset management company from data published by Japan Real Estate Institute

● Benchmark Yields^{Note 1} for Office Buildings in Prime Areas^{Note 2}

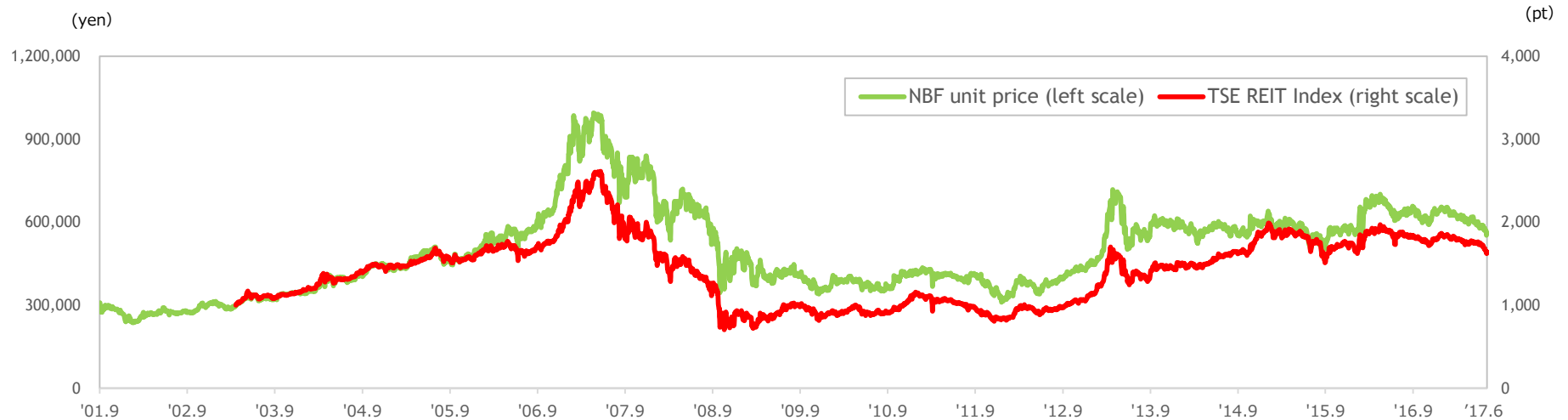


Note 1: Benchmark yield (net cash flow basis): Yield by application and region based on capitalization rates assessed by Japan Real Estate Institute.

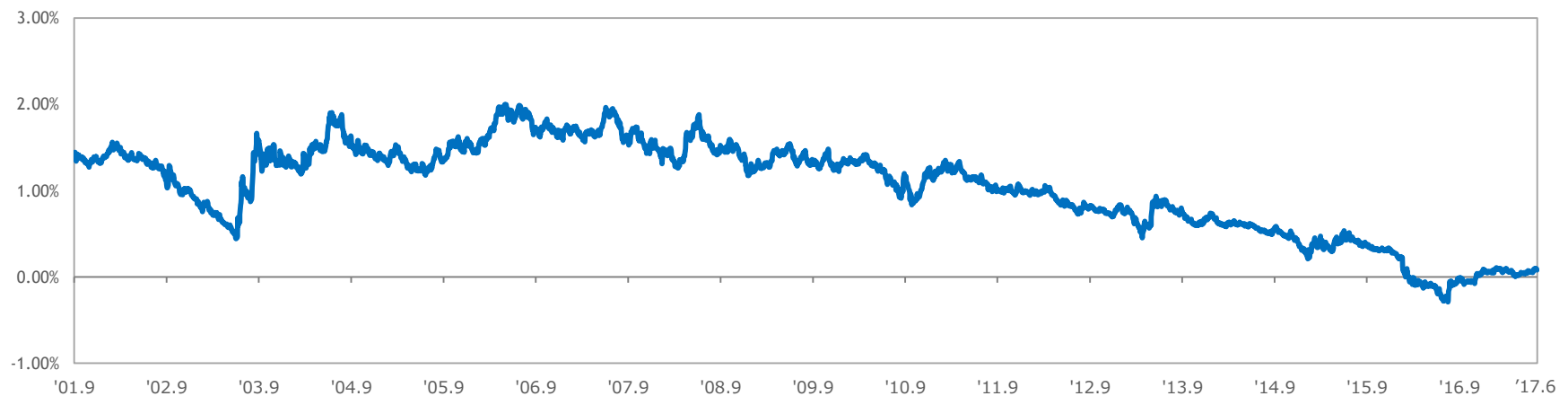
Note 2: Office buildings in prime areas: Properties in Marunouchi, Otemachi in Chiyoda-ku that are at least five years old with 20,000 tsubo or more and have standard floor space of 500 tsubo or more.

Source: Compiled by asset management company from data published by Japan Real Estate Institute

● NBF Unit Price & TSE REIT Index



● 10-Year Japanese Government Bond Yields



6.

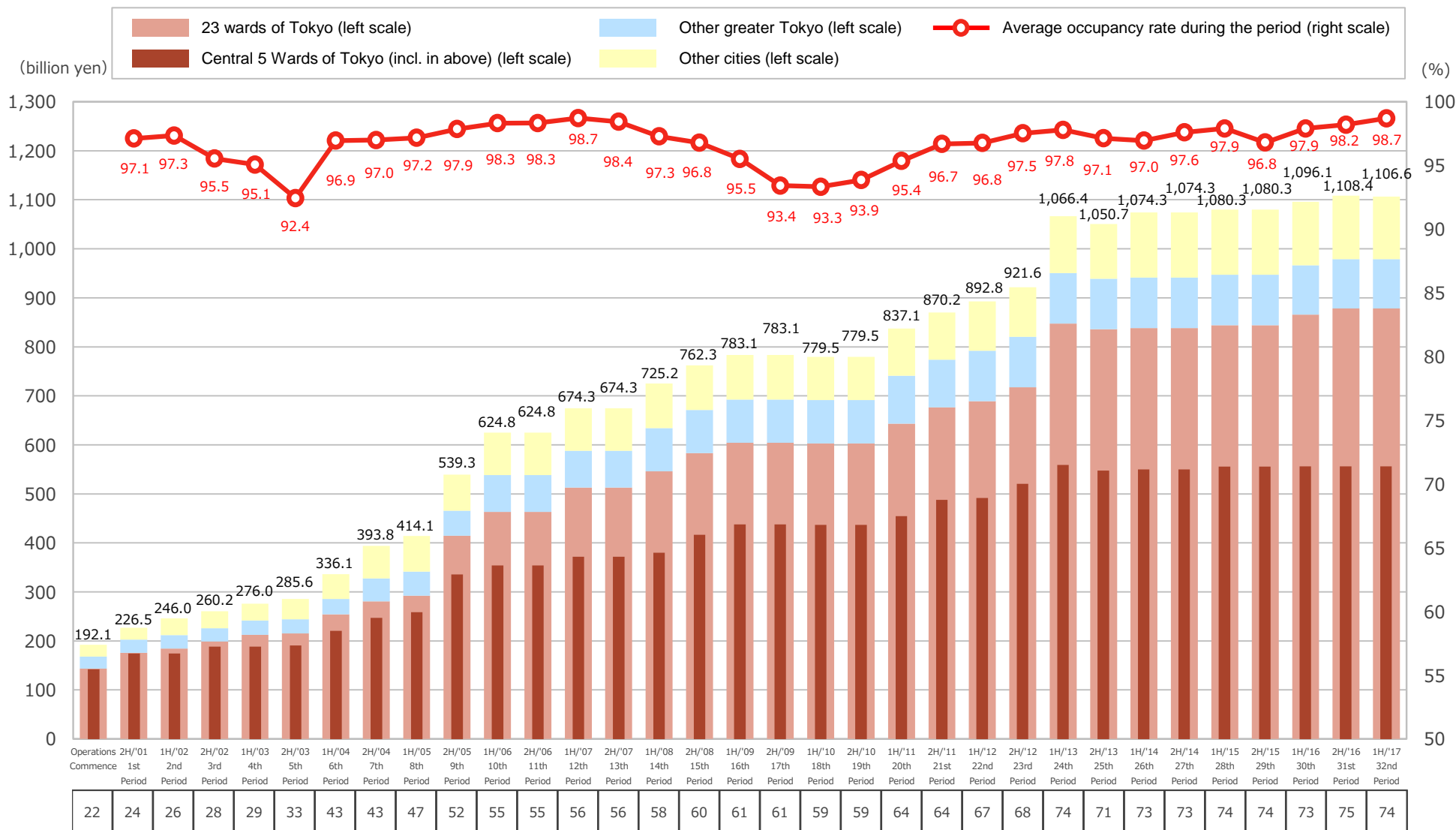
NBF's Competitive Advantages



- 6-1 J-REIT with the Longest Track Record
- 6-2 The Largest J-REIT in Size
- 6-3 A Portfolio Focused on Tokyo
- 6-4 Collaboration with Sponsor (Mitsui Fudosan Group)
 - Pipeline
 - Leasing
 - Property Management
- 6-5 Stable Financial Management

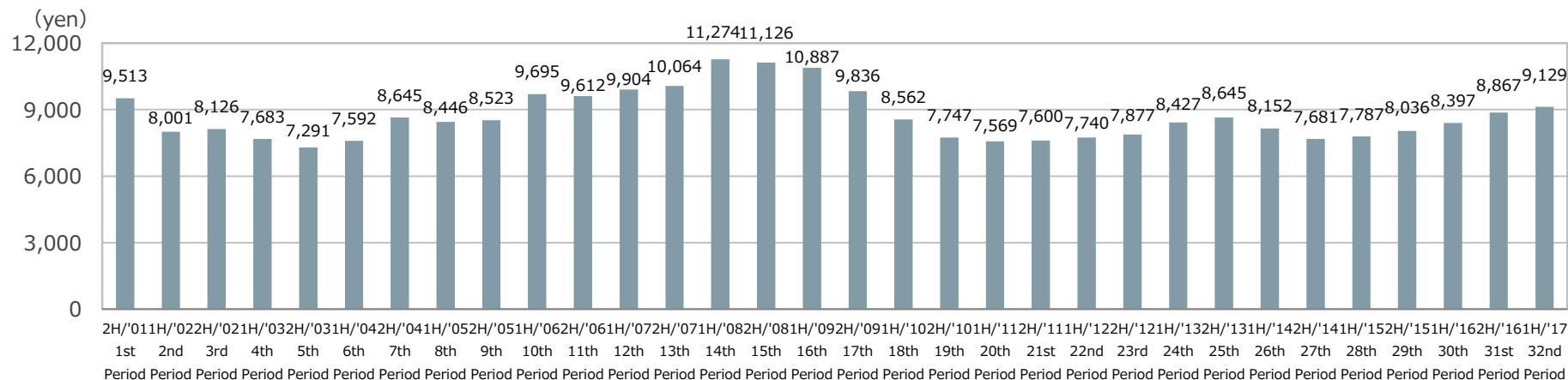
6-1 J-REIT with the Longest Track Record (1/2)

● Asset Scale (Total Acquisition Price) & Average Occupancy Rate during the Period

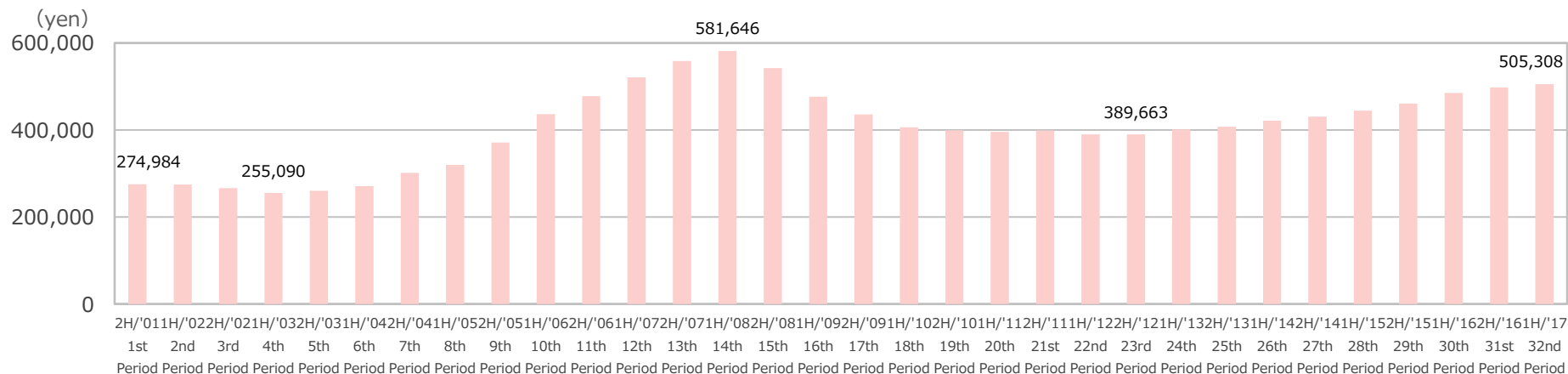


6-1 J-REIT with the Longest Track Record (2/2)

● Distributions per Unit (Note 1)



● NAV per Unit (Notes 1 and 2)

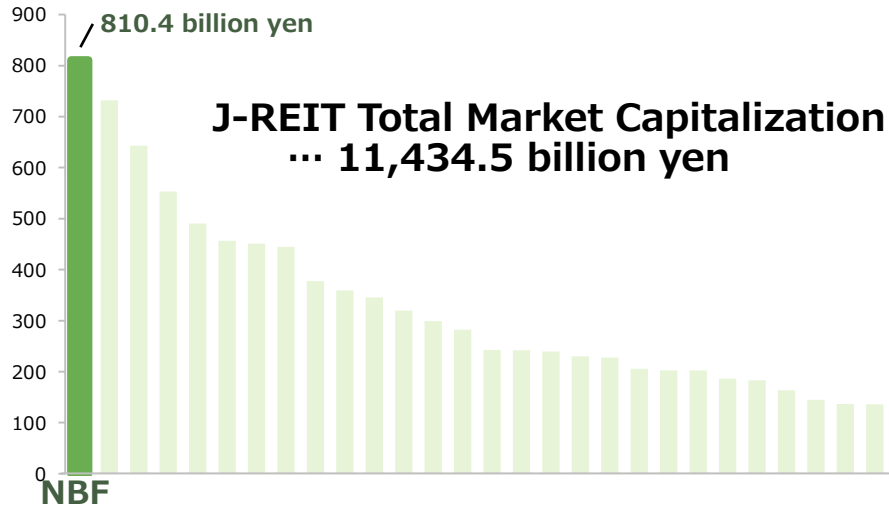


Note 1: Historical data for the 25th Period, the six months ended December 31, 2013, and before are adjusted for the two-for-one investment unit split. Figures are rounded down to the nearest yen.
 Note 2: NAV per unit = (Unitholders' capital at period end + Reserve for advanced depreciation in the next period (reserve - reversal) + Unrealized gain or loss on appraisal value at period end) ÷ Units issued and outstanding at period end

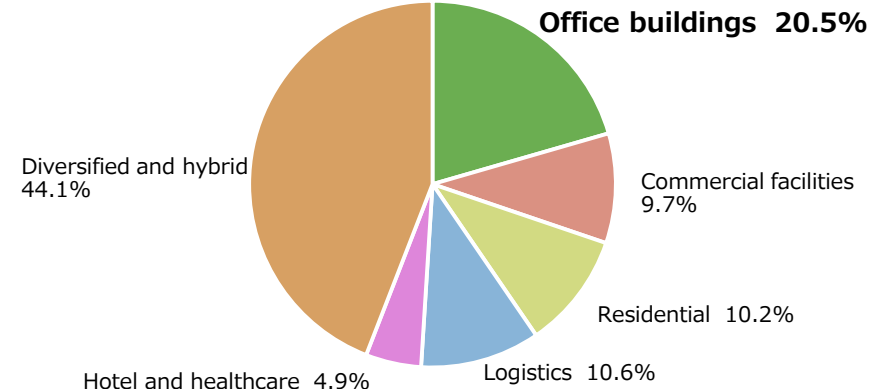
6-2 The Largest J-REIT in Size

● Market Capitalization

(billion yen)



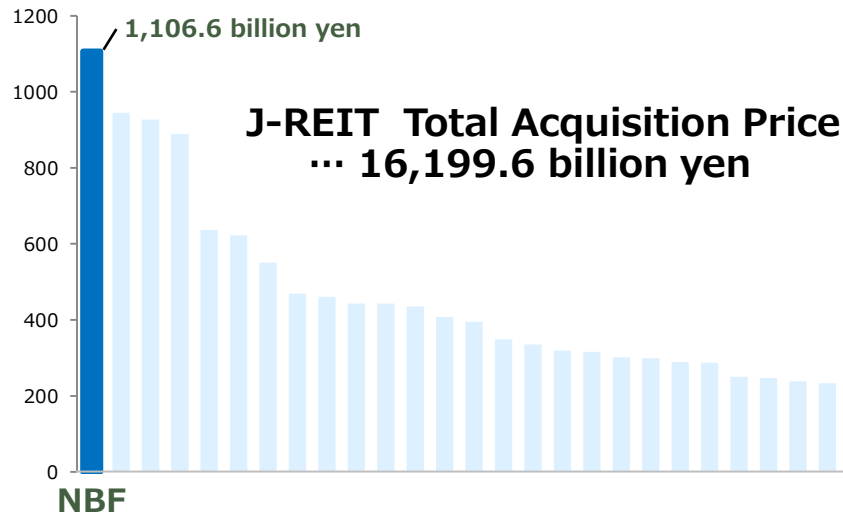
Ratio of J-REITs by Type (As of June 30, 2017)



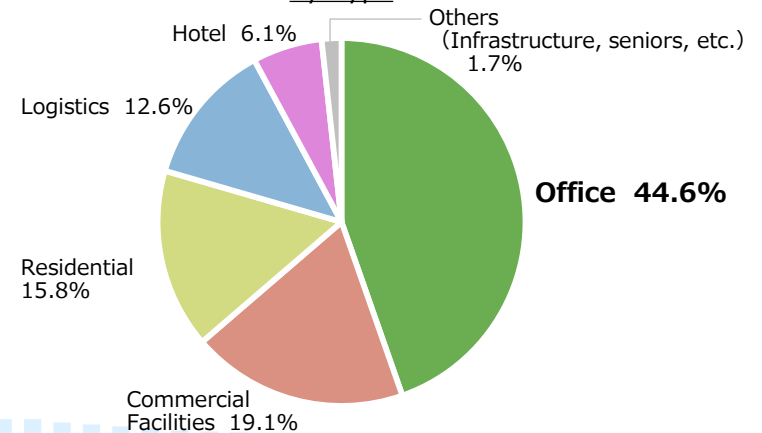
Source: Asset management companies compiled from QUICK Corp.

● Acquisition Price

(billion yen)



Ratio of Assets by Type

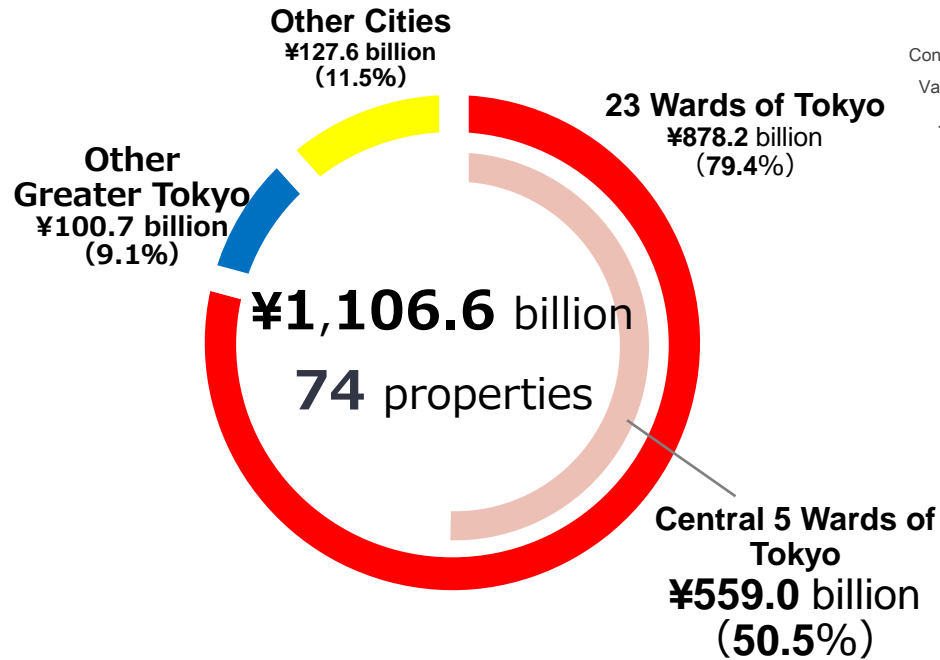


Source: Asset management companies compiled from publicly available information

6-3 A Portfolio Focused on Tokyo

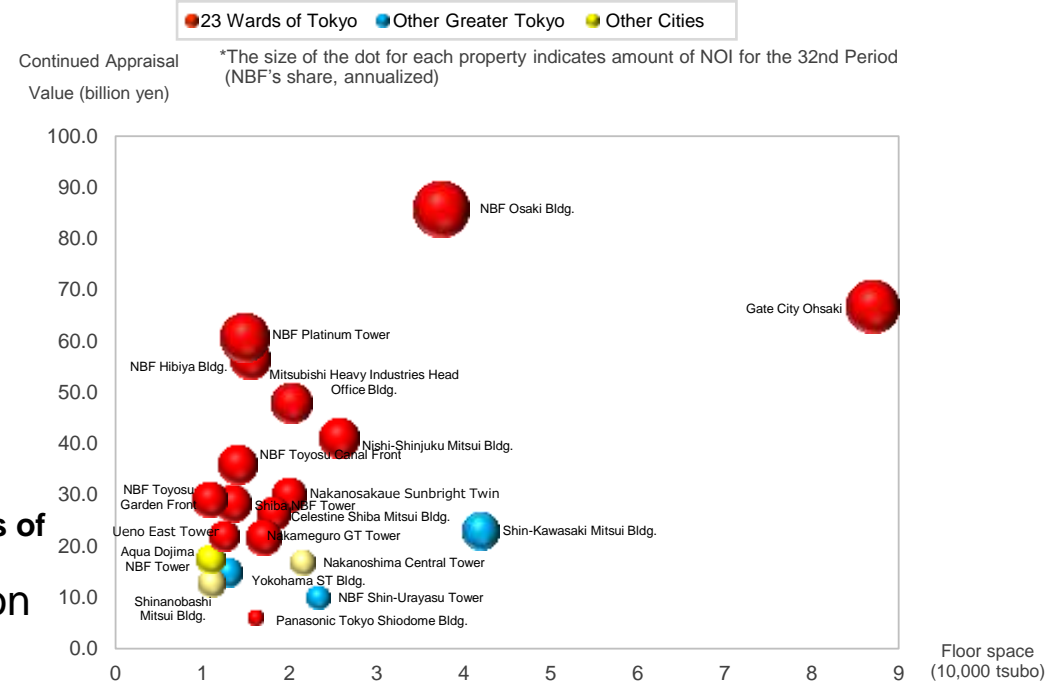
Investment Ratio by Area

(Acquisition price basis; as of June 30, 2017)



Continued Appraisal Value & Floor Space

(21 properties over 10,000 tsubo)



23 Wards of Tokyo

Central 5 Wards of Tokyo



NBF Hibiya Bldg.
(Chiyoda-ku, Tokyo)



Mitsubishi Heavy Industries Head Office Bldg.
(Minato-ku, Tokyo)



Nishi-Shinjuku Mitsui Bldg.
(Shinjuku-ku, Tokyo)



NBF Platinum Tower
(Minato-ku, Tokyo)



Gate City Ohsaki
(Shinagawa-ku, Tokyo)



NBF Osaki Bldg.
(Shinagawa-ku, Tokyo)

Other Greater Tokyo



Shin Kawasaki Mitsui Bldg.
(Kawasaki city, Kanagawa)



Yokohama ST Bldg.
(Yokohama city, Kanagawa)

Other Cities



Nakanoshima Central Tower
(Osaka city, Osaka)

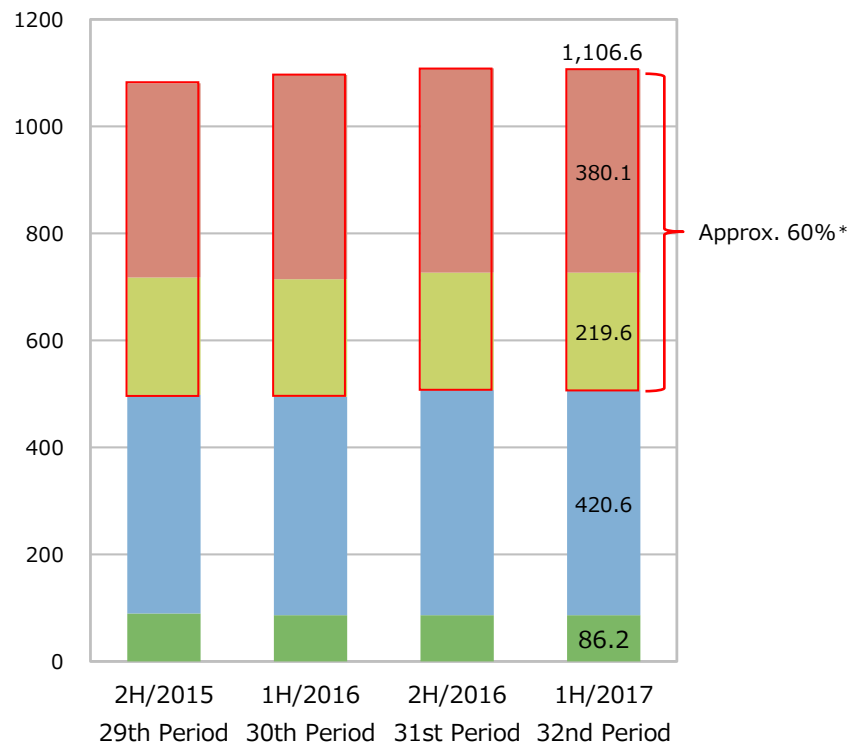


Sumitomo Mitsui Banking Nagoya Building
(Nagoya, Aichi Prefecture)

● Total Acquisitions by Seller

Since our IPO, we have acquired approximately 60% of our properties from the Mitsui Fudosan Group (acquisitions and brokerage).

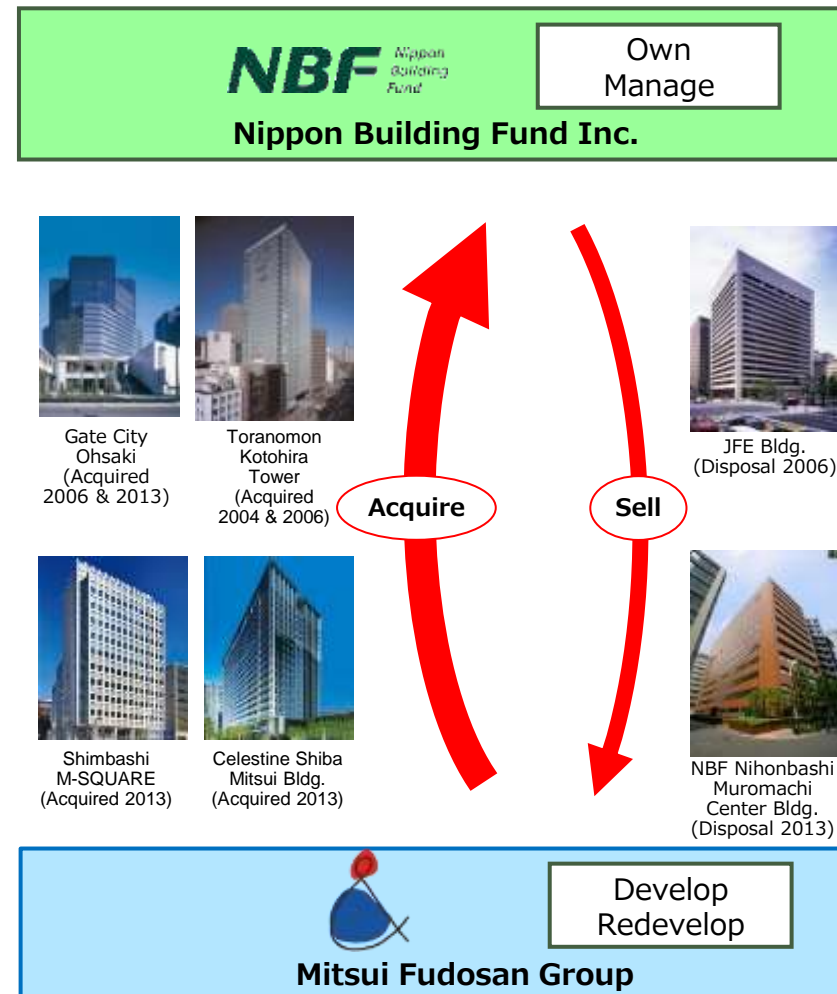
(billion yen)



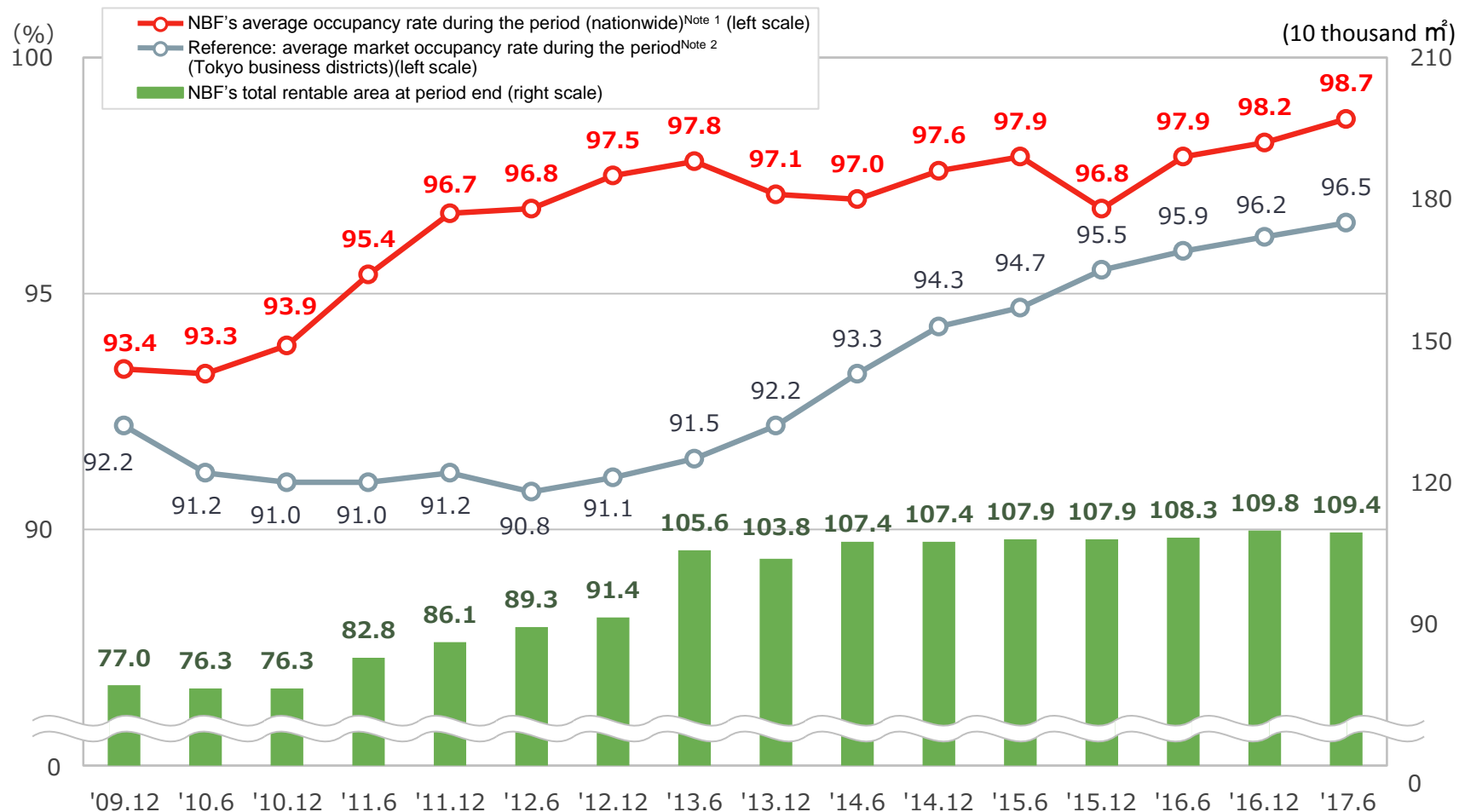
- Acquired from Mitsui Fudosan and funds that it manages
- Acquired through Mitsui Fudosan brokerage
- Acquired from other (external) sources
- Properties acquired when NBF began managing properties

*Ratio to total acquisitions since the IPO in September 2001

● Co-Existence Model with Mitsui Fudosan Group



● Average Occupancy Rate during the Period & Total Rentable Area

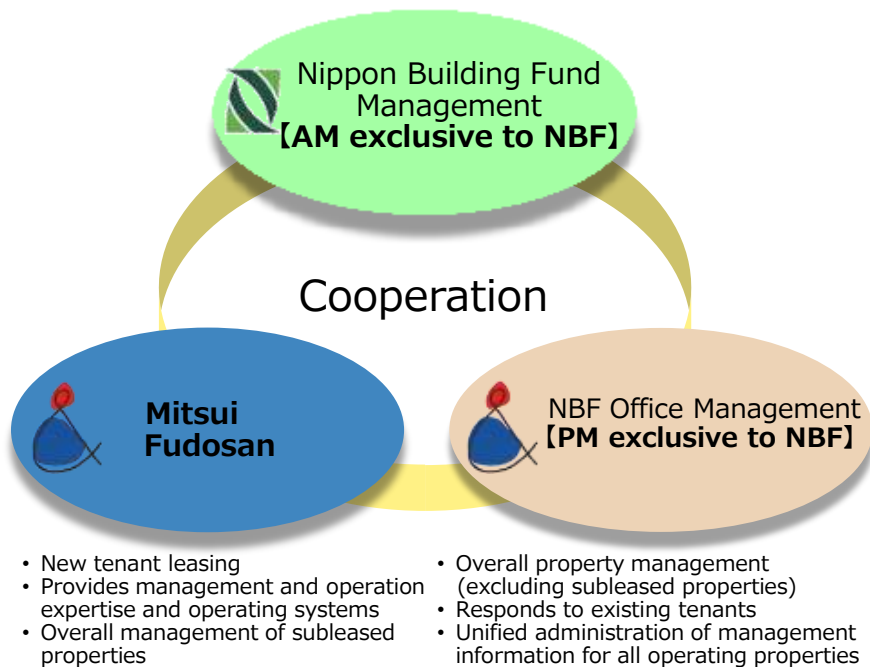


Note 1: NBF's average occupancy rate during the period – weighted average of month-end occupancy rate on a floor space basis

Note 2: Average market occupancy rate during the period – simple average of month-end occupancy rate (Prepared by Nippon Building Fund Management using data from Miki Shoji Co., Ltd.)

● Property Management Structure

- Formulate & execute management & operation plans
- Formulate & execute large-scale repair plans
- Approval for major issues



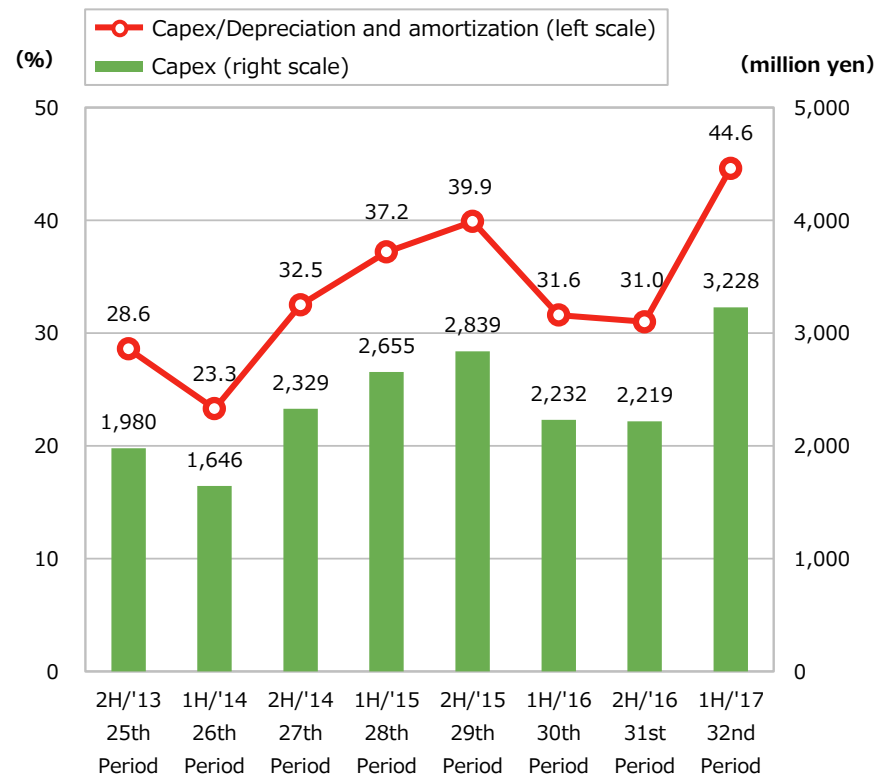
The three companies leverage their respective strengths and maintain and increase the competitiveness, occupancy rates and rents of portfolio properties through close cooperation.

● Strategic Additional Investment with Clear Objectives

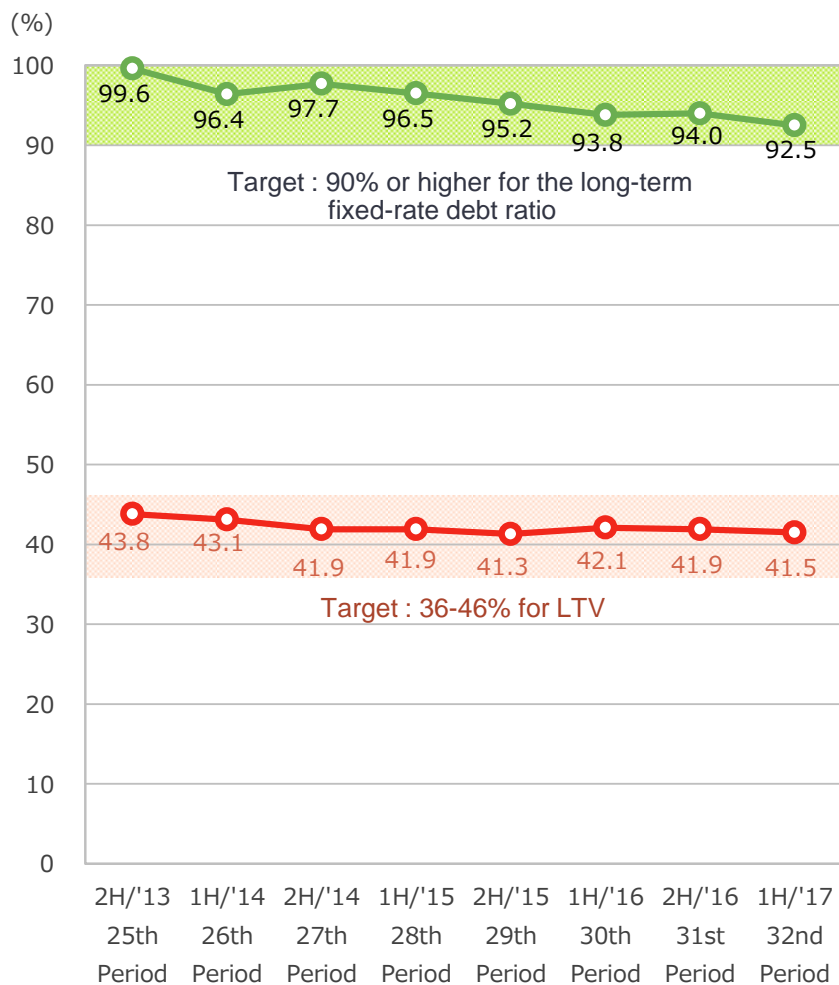
Set building grades based on the revenue performance and potential of each property

Formulate and execute investment plans according to building grade

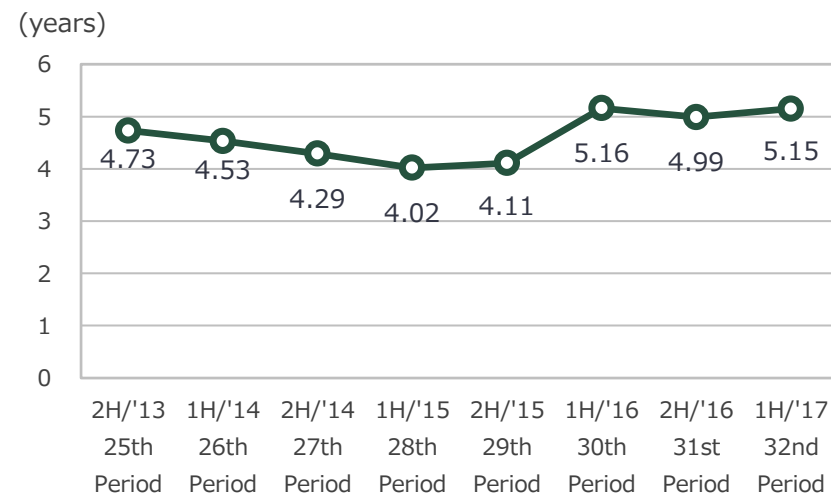
● Ratio of Capex to Depreciation and Amortization (Actual)



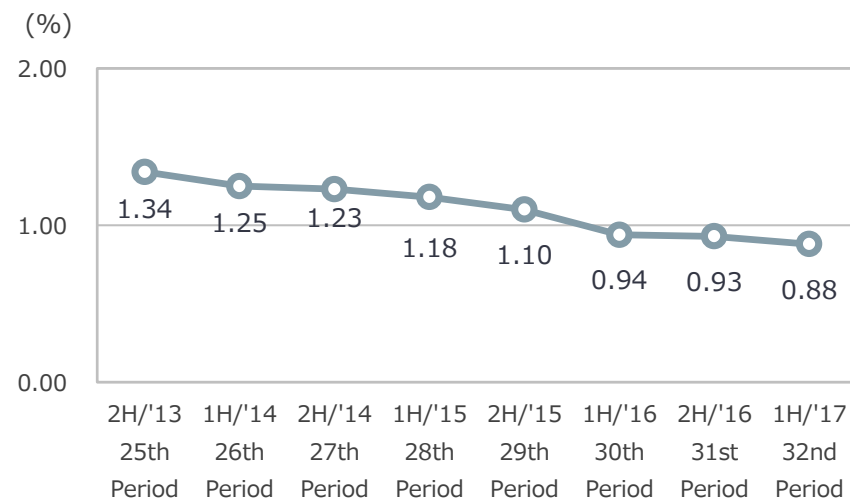
● LTV & Long-Term Fixed-Rate Debt Ratio



● Average Maturity (Long-Term Interest-Bearing Debt)



● Average Interest Cost on Debt



7.

Sustainability Initiatives



(Initiatives by NBF and NBFM)

Basic Policy

NBFM, in recognition of the importance of environmental considerations etc. for carrying out real property investment and management activities, strives to achieve asset management activities giving consideration to reduction of environmental load, enhancement of safety, security and comfort, as well as diversified affiliations and collaborations with various entities, in line with the "Group Environmental Policy" established by the Mitsui Fudosan Group.

Initiatives for Environmental Considerations

(1) Reduction of environmental load

- Promoting energy saving and reduction of CO² emissions
By promoting efficient use of energy in real property investment and management activities and pursuing introduction of energy-saving facilities etc., NBFM endeavors to reduce CO² emissions through energy saving.
- Preserving water environment and promoting resource saving and waste reduction

NBFM aims to preserve the water environment by initiatives for saving water and introduction of water-saving devices. NBFM also makes an effort to promote 3R (reduce, reuse and recycle) for resource saving and waste reduction.

(2) Enhancement of safety, security and comfort

- Enhancement of safety and security
NBFM promotes improvement of response times during emergencies and strengthens preparedness during normal times, and strives to implement disaster prevention and BCP measures in office buildings, the major assets for which it manages investments.
- Enhancement of comfort
NBFM aims to improve CS (customer satisfaction) of tenants of office buildings, the major assets for NBFM's management of investment, by enhancing the level of comfort.

Diversified Affiliations and Collaborations with Various Entities

(1) Coordination with outside related parties

To implement this Policy, NBFM strives to collaborate and cooperate with outside related parties such as property management companies, tenants and local communities etc.

(2) Training of officers and employees

NBFM aims to improve awareness of environmental considerations by training its officers and employees through continuous implementation of education and encouragement of activities relating thereto.

Information Disclosure to Related Parties such as Investors, and Utilization of Environmental Certification and Evaluation

NBFM endeavors to actively disclose this Policy and its compliance herewith etc. to related parties such as investors and tenants. In addition, NBFM will consider the use of environmental certification and evaluation to achieve goals based on this Policy.

GRESB

NBF received a Green Star, the highest rating, in the 2016 GRESB survey.



CASBEE

Property Name	Ranking
Gate City Ohsaki	S CASBEE - Existing Building

Tokyo Metropolitan Top-Level-Facility

Property Name	Category
Panasonic Tokyo Shiodome Bldg.	Top-Level Facility
Gate City Ohsaki	Semi-Top-Level Facility

DBJ Green Building

Property Name	Ranking
NBF Osaki Bldg.	
NBF Toyosu Canal Front	
NBF Toyosu Garden Front	
River City M-SQUARE	
NBF Kandasudacho Bldg.	
Nakanoshima Central Tower	
Hakata Gion M-SQUARE	

Disaster Prevention and BCP Measures

Enhancement work on emergency power generator oil tank

Enabling longer hours of emergency power supply



【Nakanoshima Central Tower】

Renewal and earthquake-resistance improvement of elevators

Seismic performance improvement by control mechanism renewal and various reinforcement measures



【Shinjuku Mitsui Bldg. No.2】

Energy Efficiency Measures

HVAC Upgrades

Energy performance improvement by upgrading to high-efficiency equipment



【NBF Utsunomiya Bldg.】

Cooperation with Stakeholders & Community Engagement Initiatives

Various Events, etc.

Working with various stakeholders

Lunchtime concert

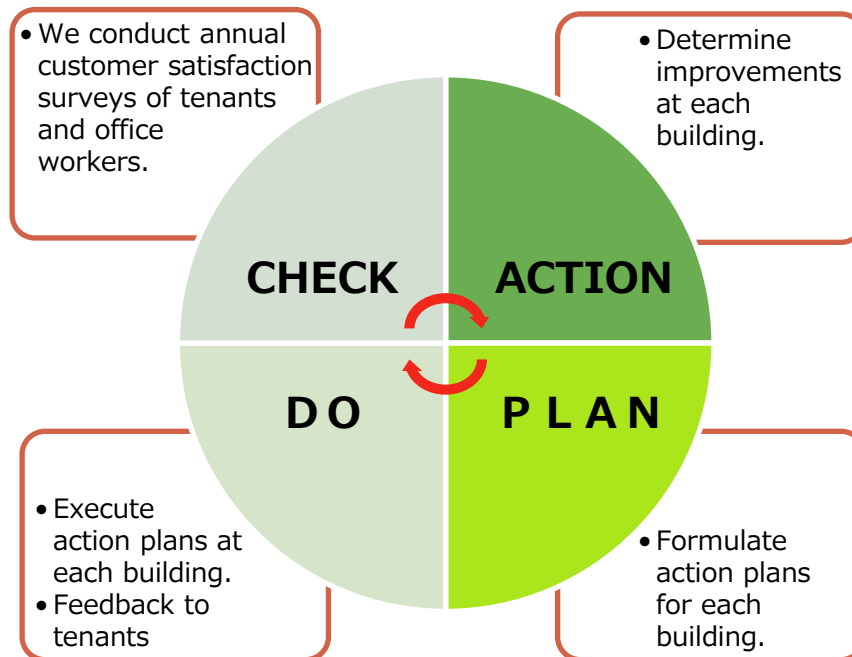


【NBF Toyosu Canal Front】

Training of Building Maintenance Companies

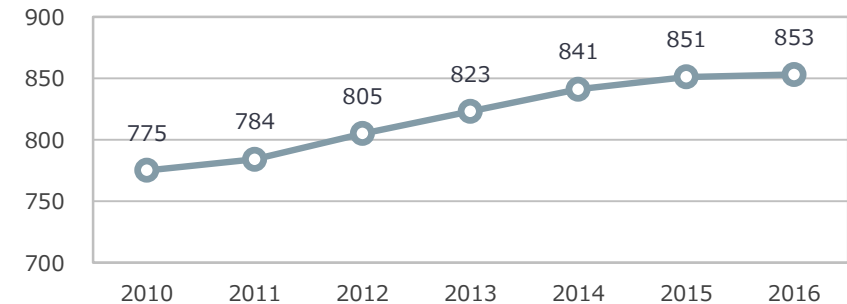


● Program to Raise Management & Operation Quality (PDCA cycle based on customer satisfaction surveys)

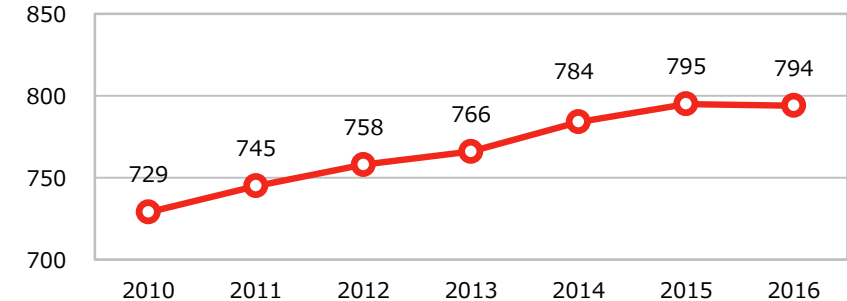


● Overall Customer Satisfaction Demonstrated by the Customer Satisfaction Survey*

• Tenant (General Affairs Manager) Survey (Points)



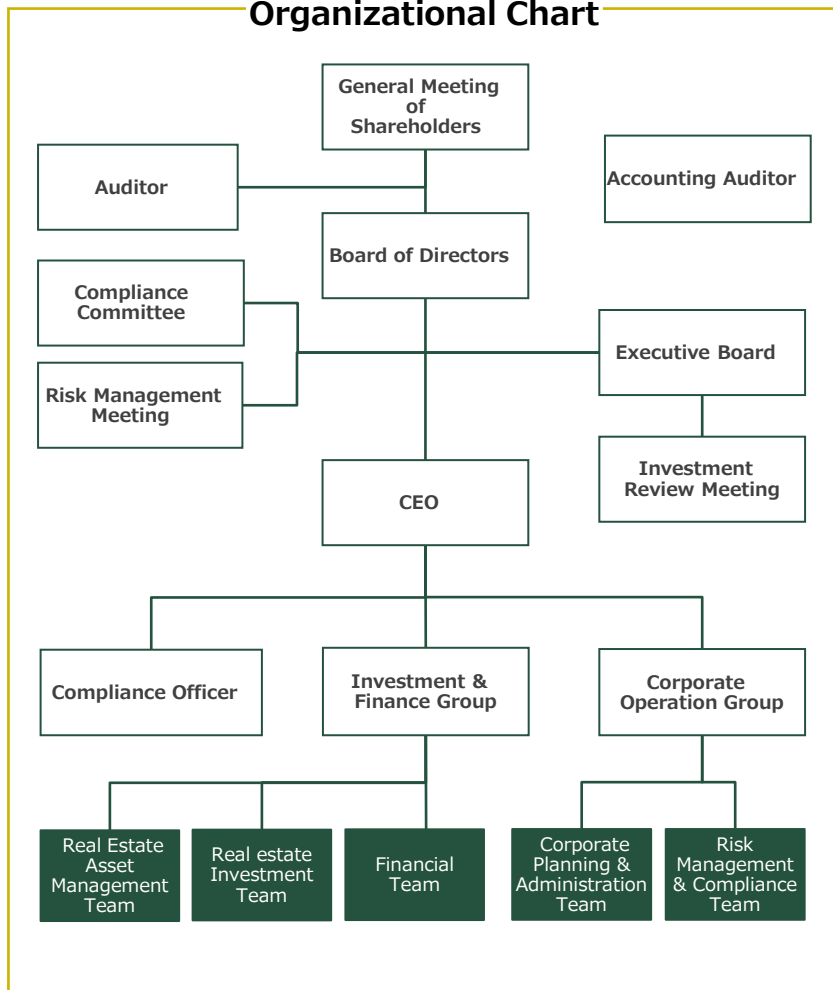
• Office Worker Survey (Points)



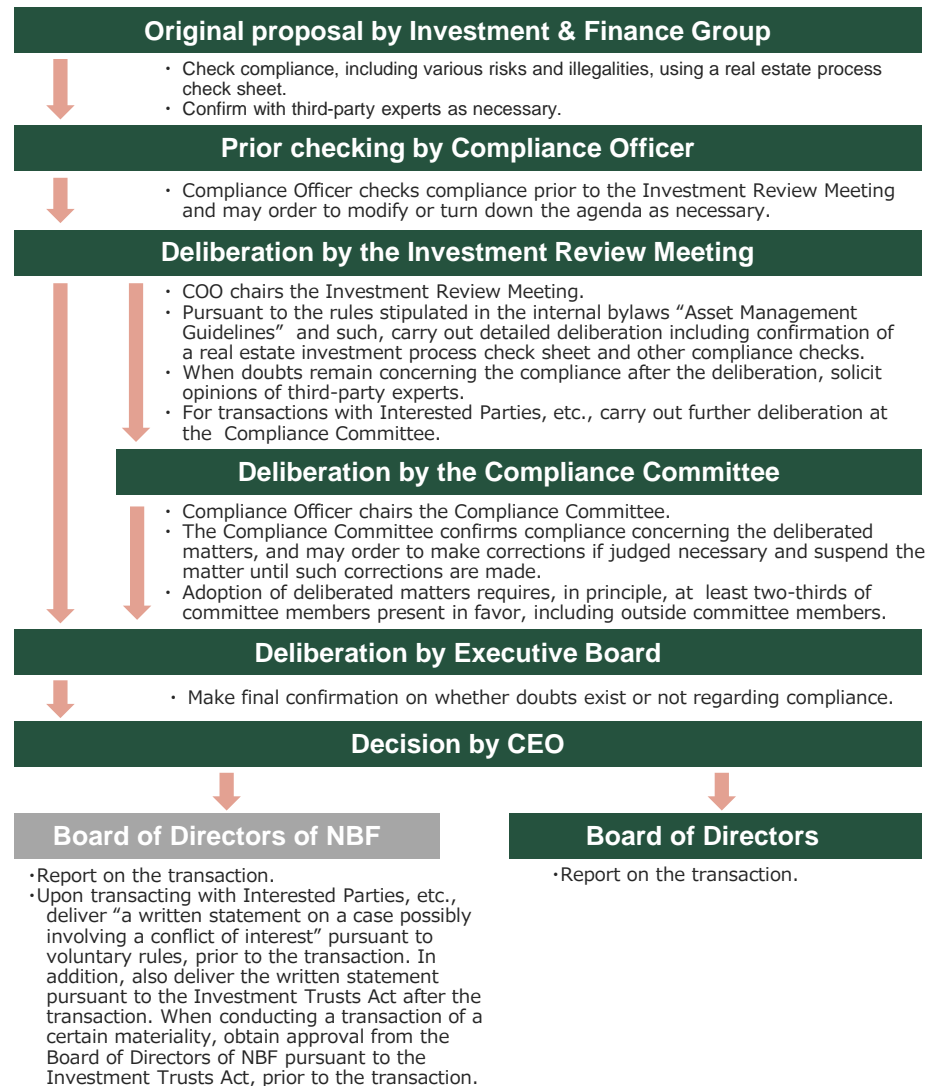
*Overview of Fiscal 2016 Customer Satisfaction Survey

Survey subjects:	Tenant survey at 56 buildings (excluding masterleased and other properties) Office Worker Survey at 55 buildings (excluding masterleased and other properties)
Number of responses:	860 tenant companies (response rate: 83%) 6,221 office workers (response rate: 80%)
Survey period:	April-May 2016
Survey scope:	overall management and operations including air conditioning, elevators, bathrooms, cleanliness, security and emergency preparedness
Evaluation method:	rank order survey with five quality options. Overall customer satisfaction calculated by tabulating the impact of each survey item (1,000 is a perfect score. 800 represents the score if all respondents select the second-highest quality ranking for every question.)

Organizational Chart



Flow chart for making decisions on acquisition and sale of assets under management at NBFM



8.

Appendix



1 Top 10 Tenants (Leased Floor Space Basis)

(As of June 30,2017)

Tenant Name	Leased Property	Leased Areas (㎡)	Ratio of Total Rentable Area (%)
1. Mitsui Fudosan Co., Ltd. ^(Note)	Gate City Ohsaki & 11 other properties	229,457	21.1
2. Sony Corporation	NBF Osaki Bldg.	74,425	6.8
3. Mitsubishi Heavy Industries, Ltd.	Mitsubishi Heavy Industries Head Office Bldg.	34,187	3.1
4. Transcosmos inc.	NBF Shibuya Garden Front & 3 other properties	24,938	2.3
5. Hakuholdo DY Holdings Inc.	NBF Toyosu Garden Front & 2 other properties	22,332	2.1
6. Glaxo SmithKline K.K.	GSK Bldg. & 3 other properties	21,176	1.9
7. AXA Life Insurance Co., Ltd.	NBF Platinum Tower & 3 other properties	18,273	1.7
8. NS Solutions Corporation	NBF Shinkawa Bldg.	15,302	1.4
9. Hitachi Urban Investment , Ltd.	Ueno East Tower & 4 other properties	15,044	1.4
10. American Family Life Assurance Company of Columbus	Chofu South Gate Bldg. & 2 other properties	14,483	1.3

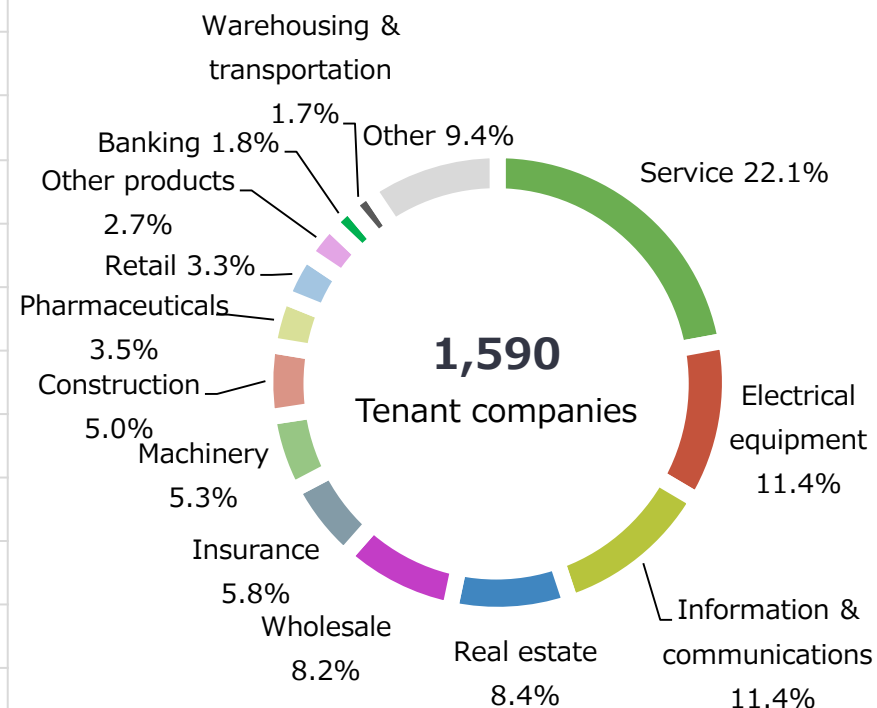
Note: Mitsui Fudosan Co., Ltd.

Mitsui Fudosan Co., Ltd. generally subleases the properties on the left that it leases from NBF, although it uses some of the floor space itself. Mitsui Fudosan pays rent to NBF after deducting a fixed percentage of the rent it receives from sublease tenants.

2 Tenants by Industry

(As of June 30, 2017)

Industry	Ratio of Leased Areas	Leased Property
1. Service	22.1%	Transcosmos inc., Hakuhodo DY Holdings Inc.
2. Electrical equipment	11.4%	Sony Corporation, NEC Corporation
3. Information & communications	11.4%	NS Solutions Corporation, Softbank Corp.
4. Real estate	8.4%	Hitachi Urban Investment, Ltd., Daiwa Property Co., Ltd.
5. Wholesale	8.2%	Autobacs Seven Company, Limited, ACE Co., Ltd.
6. Insurance	5.8%	AXA Life Insurance Co., Ltd., American Family Life Assurance Company of Columbus
7. Machinery	5.3%	Mitsubishi Heavy Industries, Ltd., Fuji Xerox Co., Ltd.
8. Construction	5.0%	Sumitomo Mitsui Construction Co., Ltd., Sumitomo Densetsu Co., Ltd.
9. Pharmaceuticals	3.5%	Glaxo SmithKline K.K., Mitsubishi Tanabe Pharma Corporation.
10. Retail	3.3%	Lawson, Inc., JIMOS Co., Ltd.
11. Other products	2.7%	Nikkei Business Publications, Inc., Tasaki & Co., Ltd.
12. Banking	1.8%	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
13. Warehousing & transportation	1.7%	Central Nippon Expressway Co., Ltd., Mitsui & Co. Global Logistics, Ltd.
14. Other	9.4%	-
Total	100.0%	-

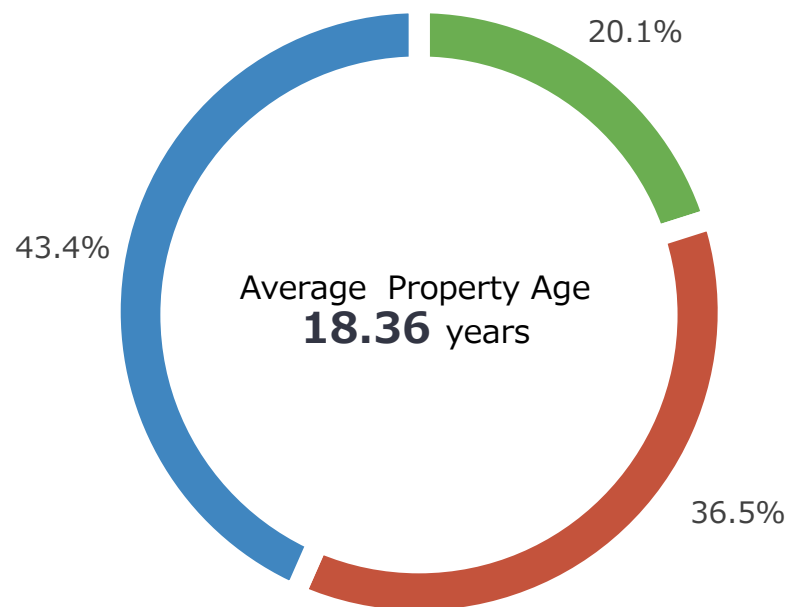


•The asset management company has classified the type of industry based on the industry classification codes of the Securities Identification Code Committee.

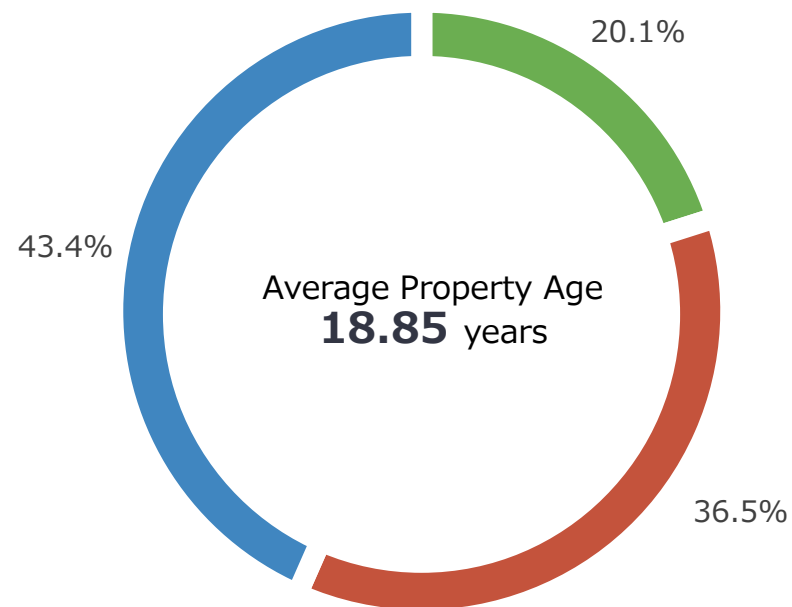
•Industry classification includes sublease tenants.



2H/2016
(31st Period)

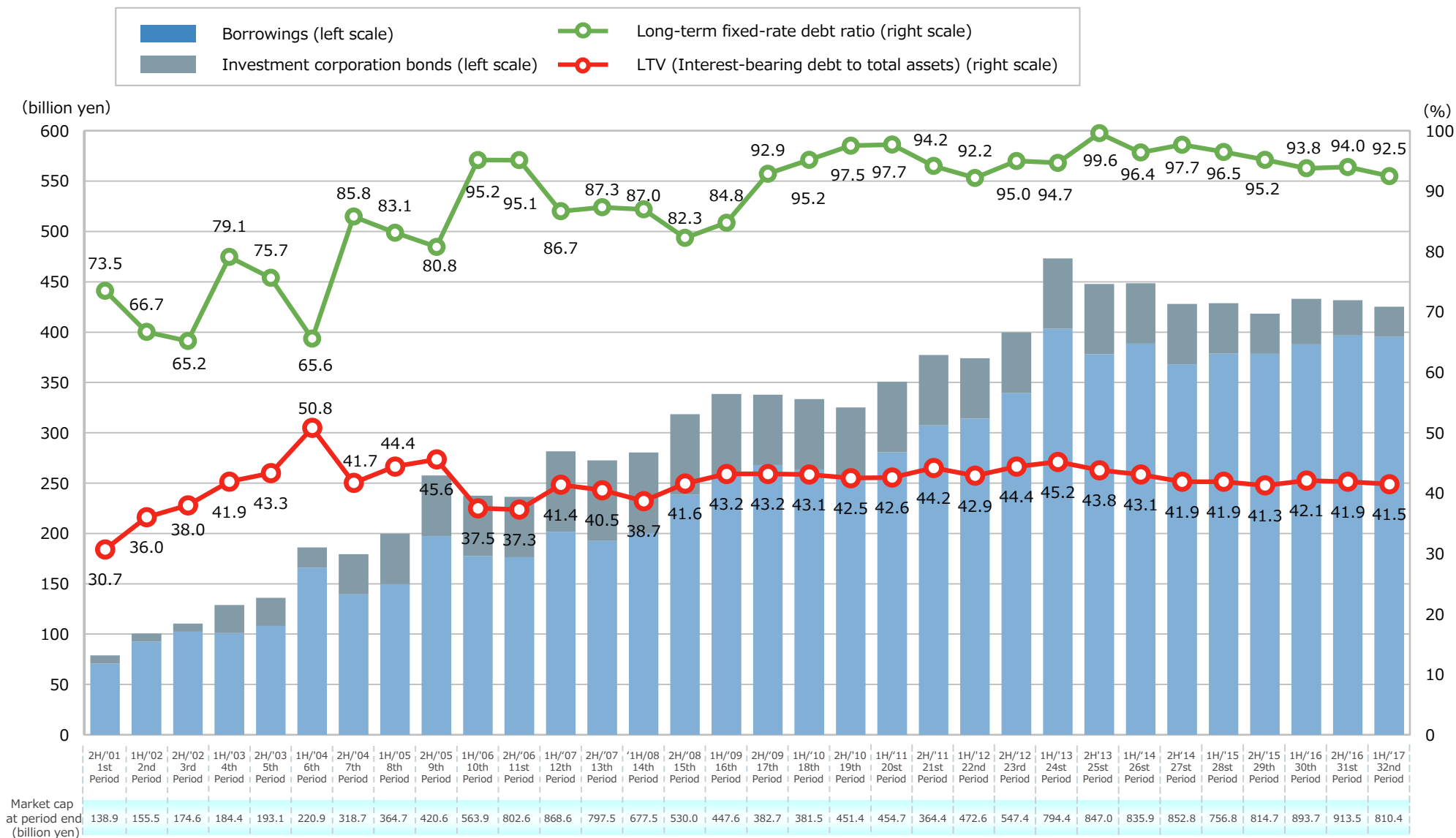


1H/2017
(32nd Period)



- Under 10 years
- Over 10 years but under 20 years
- 20 years or older

5 Financial Management



6 Lenders & Borrowings

(million yen)					
	Lender	2H/2016 31st Period End	1H/2017 32nd Period End	Repayment Method	Other
Short-Term Borrowings	Sumitomo Mitsui Trust Bank, Ltd.	-	4,000	Lump sum repayment on due date	Unsecured, unguaranteed, ranked pari passu
	Shinkin Central Bank	4,000	3,000		
	Resona Bank, Ltd.	1,000	2,000		
	Mizuho Bank, Ltd.	-	2,000		
	The Yamanashi Chuo Bank, Ltd.	1,000	1,000		
	Shinsei Bank, Ltd.	1,000	-		
	Subtotal	7,000	12,000		
Long-Term Borrowings (contract basis)	Development Bank of Japan Inc. ^(Note 1)	82,625	82,250	Lump sum repayment on due date	Unsecured, unguaranteed, ranked pari passu
	Mitsubishi UFJ Trust and Banking Corporation	55,000	55,000		
	Sumitomo Mitsui Trust Bank, Ltd.	39,000	39,000		
	Sumitomo Mitsui Banking Corporation	37,000	37,000		
	Mizuho Bank, Ltd.	27,000	25,000		
	Sumitomo Life Insurance Company	25,000	25,000		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	26,000	22,000		
	Mizuho Trust & Banking Co., Ltd.	14,000	14,000		
	Mitsui Life Insurance Company Ltd.	12,000	12,000		
	Shinkin Central Bank	11,000	11,000		
	The Bank of Fukuoka, Ltd.	10,000	10,000		
	Nippon Life Insurance Company	7,000	7,000		
	The Norinchukin Bank	5,000	5,000		
	The Daishi Bank, Ltd.	5,000	5,000		
	Resona Bank, Ltd.	4,000	4,000		
	Taiyo Life Insurance Company	4,000	4,000		
	Daido Life Insurance Company	4,000	4,000		
	The Hachijuni Bank, Ltd.	3,000	3,000		
	The Chugoku Bank, Ltd.	3,000	3,000		
	The Iyo Bank, Ltd.	3,000	3,000		
	The Yamaguchi Bank, Ltd.	3,000	3,000		
	Meiji Yasuda Life Insurance Company	3,000	3,000		
	The Joyo Bank, Ltd.	2,000	2,000		
	The 77 Bank, Ltd.	2,000	2,000		
	The Gunma Bank, Ltd.	1,000	1,000		
	Shinsei Bank, Ltd.	1,000	1,000		
	The Hiroshima Bank, Ltd.	1,000	1,000		
	Subtotal	389,625	383,250		
	Total	396,625	395,250		

(28 companies) (28 companies)

Note: Initial loans of 5,000 million yen (April 28, 2009) and 10,000 million yen (August 31, 2009) from the Development Bank of Japan Inc. are repayable in installments.

7 Overview of Unit Ownership

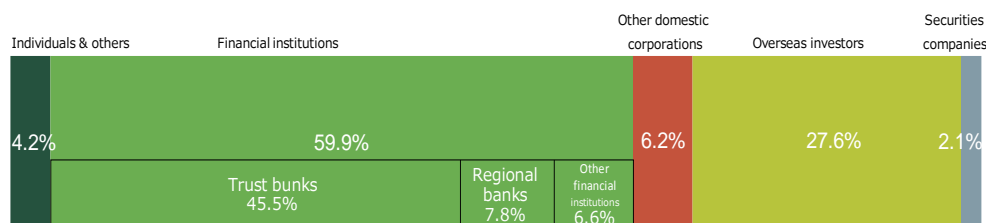
[Ownership by Unitholder]

Unitholder Category	Dec. 31, 2016 (31st Period end)		Jun. 30, 2017 (32nd Period end)		PoP Change	
	Units	%	Units	%	Units	%
Individuals & others	58,809	4.2	60,882	4.3	2,073	0.1
Financial institutions	846,284	59.9	841,952	59.6	-4,332	-0.3
City banks	-	-	-	-	-	-
Regional banks	110,487	7.8	105,210	7.5	-5,277	-0.4
Trust banks	641,912	45.5	635,268	45.0	-6,644	-0.5
Life insurance companies	57,493	4.1	56,909	4.0	-584	-0.0
Non-life insurance companies	7,721	0.5	7,295	0.5	-426	-0.0
Credit unions	15,438	1.1	17,092	1.2	1,654	0.1
Other financial institutions	13,233	0.9	20,178	1.4	6,945	0.5
Other domestic corporations	87,518	6.2	87,809	6.2	291	0.0
Overseas investors	389,863	27.6	394,639	27.9	4,776	0.3
Securities companies	29,526	2.1	26,718	1.9	-2,808	-0.2
Total	1,412,000	100.0	1,412,000	100.0	-	-

[Number of Unitholders by Type]

Unitholder Category	Dec. 31, 2016 (31st Period end)		Jun. 30, 2017 (32nd Period end)		PoP Change	
	Units	%	Units	%	Units	%
Individuals & others	12,754	92.4	12,959	92.3	205	-0.0
Financial institutions	198	1.4	205	1.5	7	0.0
City banks	-	-	-	-	-	-
Regional banks	64	0.5	61	0.4	-3	-0.0
Trust banks	21	0.2	22	0.2	1	0.0
Life insurance companies	10	0.1	10	0.1	-	-0.0
Non-life insurance companies	8	0.1	6	0.0	-2	-0.0
Credit unions	57	0.4	60	0.4	3	0.0
Other financial institutions	38	0.3	46	0.3	8	0.1
Other domestic corporations	347	2.5	349	2.5	2	-0.0
Overseas investors	491	3.6	506	3.6	15	0.0
Securities companies	20	0.1	20	0.1	-	-0.0
Total	13,810	100.0	14,039	100.0	229	-

[Dec. 31, 2016 (31st Period end)]



[Jun. 30, 2017 (32nd Period end)]



[Top 10 Unitholders]

Unitholder Name	Dec. 31, 2016 (31st Period end)		Jun. 30, 2017 (32nd Period end)	
	Units Held	%	Units Held	%
Japan Trustee Services Bank, Ltd.	285,646	20.2	294,957	20.9
Trust & Custody Services Bank, Ltd.	132,821	9.4	127,650	9.0
The Master Trust Bank of Japan, Ltd.	140,871	10.0	127,114	9.0
The Nomura Trust and Banking Co., Ltd.	51,873	3.7	54,387	3.9
Mitsui Fudosan Co., Ltd.	47,630	3.4	47,630	3.4
STATE STREET BANK WEST CLIENT - TREATY505234	26,879	1.9	26,685	1.9
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT505233	24,486	1.7	26,492	1.9
Sumitomo Life Insurance Company	24,512	1.7	24,512	1.7
STATE STREET BANK AND TRUST COMPANY 505012	16,722	1.2	23,532	1.7
STATE STREET BANK AND TRUST COMPANY 505223	18,040	1.3	21,340	1.5

8 Historical Summary of Main Management Indicators and Other Data

		1H/2015	2H/2015	1H/2016	2H/2016	1H/2017
		28th Period	29th Period	30th Period	31st Period	32nd Period
Operating revenues	(million yen)	34,593	34,640	35,671	35,849	36,409
Leasing revenues	(million yen)	34,593	34,640	34,719	35,849	36,189
Profits from dispositions	(million yen)	-	-	951	-	219
NOI from leasing activities ²	(million yen)	22,167	22,014	22,638	23,276	23,690
Income before income taxes	(million yen)	10,996	10,978	12,808	12,521	13,110
Net income	(million yen)	10,995	10,977	12,808	12,520	13,109
FFO ³	(million yen)	18,140	18,087	18,930	19,690	20,137
AFFO ⁴	(million yen)	15,484	15,248	16,698	17,470	16,908
Depreciation and amortization	(million yen)	7,145	7,110	7,074	7,169	7,247
Profits/loss from dispositions	(million yen)	-	-	-	-	-
Capital expenditures	(million yen)	2,655	2,839	2,232	2,219	3,228
Total assets	(million yen)	1,022,385	1,012,708	1,029,045	1,030,434	1,023,900
Interest-bearing debt	(million yen)	428,750	418,375	433,000	431,625	425,250
Net assets	(million yen)	534,306	534,287	535,749	536,413	537,002
Payment of dividends	(million yen)	10,995	11,346	11,856	12,520	12,890
Units issued and outstanding (period end)	(Units)	1,412,000	1,412,000	1,412,000	1,412,000	1,412,000
Net assets per unit	(JPY)	378,403	378,390	379,425	379,896	380,313
Distributions per unit	(JPY)	7,787	8,036	8,397	8,867	9,129
FFO per unit ⁵	(JPY)	12,847	12,809	13,407	13,944	14,261
NAV per unit ⁶	(JPY)	444,359	460,478	484,767	497,513	505,308
ROA ¹	(%)	1.08 (2.15)	1.08 (2.16)	1.25 (2.51)	1.22 (2.43)	1.28 (2.55)
ROE ¹	(%)	2.06 (4.12)	2.05 (4.11)	2.39 (4.79)	2.34 (4.67)	2.44 (4.89)
LTV (ratio of interest-bearing debt to total assets)	(%)	41.9	41.3	42.1	41.9	41.5
DSCR ⁷	(Times)	8.2	8.4	9.8	10.7	11.3
Payout ratio	(%)	99.9	103.3	92.5	99.9	98.3
Operating days in the period	(Days)	181	184	182	184	181
Investment properties (period end)	(Properties)	74	74	73	75	74
Number of tenants (period end)	(Properties)	1,579	1,595	1,583	1,614	1,590
Total rentable area (period end)	(㎡)	1,079,185	1,079,164	1,083,893	1,098,022	1,094,812
Average occupancy rate during the period	(%)	97.9	96.8	97.9	98.2	98.7

Note 1: Figures in parentheses are annualized from monthly data.

Note 2: NOI from property leasing activities does not include such items as gain or loss on sale of investment properties.

Note 3: FFO = Net income + Depreciation and amortization - Gain or loss on sale of investment properties

Note 4: AFFO = FFO - Capital expenditures

Note 5: FFO per unit = FFO/Weighted average number of units issued and outstanding during the period

Note 6: NAV per unit = (Unitholders' capital at period end + Reserve for advanced depreciation in the next period (reserve - reversal) + Unrealized gain or loss on appraisal value at period end) ÷ Units issued and outstanding at period end

Note 7: DSCR = (Operating income - Gain or loss on sale of investment properties + Depreciation and amortization)/Interest expense

9 Property Portfolio Overview (1/2) – 23 Wards of Tokyo

● 23 Wards of Tokyo

Property Name	Total Rentable Area (㎡)	Total Leased Area (㎡) (incl. subleases)	Occupancy Rate at End of Period (%)	Total Number of Tenants	PML (%)
NBF Hibiya Bldg.	27,572	27,471	99.6	93	1.6
Nishi-Shinjuku Mitsui Bldg.	33,458	33,330	99.6	46	1.9
Mitsubishi Heavy Industries Head Office Bldg.	35,641	35,121	98.5	10	1.7
Shiba NBF Tower	24,730	24,730	100.0	31	2.3
NBF Platinum Tower	33,503	33,503	100.0	7	1.6
NBF Minami-Aoyama Bldg.	9,631	9,521	98.9	11	4.7
NBF COMODIO Shiodome	20,538	19,978	97.3	17	7.3
Toranomon Kotohira Tower	16,848	15,341	91.1	23	1.6
Celestine Shiba Mitsui Bldg.	16,915	16,915	100.0	10	1.9
NBF Ochanomizu Bldg.	6,627	6,627	100.0	6	5.8
NBF Shibuya Garden Front	16,516	16,516	100.0	1	3.4
NBF Ginza Street Bldg.	3,440	3,440	100.0	1	8.2
Shinjuku Mitsui Bldg. No.2	14,828	14,090	95.0	46	1.7
GSK Bldg.	20,426	20,426	100.0	1	0.8
River City M-SQUARE	16,261	16,261	100.0	7	4.0
NBF Toranomon Bldg.	10,067	10,028	99.6	13	8.4
Kowa Nishi-Shinbashi Bldg. B	10,173	10,173	100.0	20	2.0
NBF Shinkawa Bldg.	17,307	17,185	99.3	35	3.5
Shinbashi M-SQUARE	5,392	5,169	95.9	6	2.6
NBF ALLIANCE	4,033	4,033	100.0	7	7.3
Yotsuya Medical Bldg.	7,481	7,349	98.2	39	5.6
NBF Shibuya East	4,999	4,999	100.0	4	4.4
NBF Shibakouen Bldg.	7,084	6,981	98.6	16	5.9
NBF Takanawa Bldg.	10,450	10,450	100.0	15	5.3
NBF Akasaka Sanno Square	5,258	5,258	100.0	6	9.9

Property Name	Total Rentable Area (㎡)	Total Leased Area (㎡) (incl. subleases)	Occupancy Rate at End of Period (%)	Total Number of Tenants	PML (%)
NBF Shibakouen Daimon Street Bldg.	3,432	3,432	100.0	8	2.8
NBF Kandasudacho Bldg.	4,470	4,470	100.0	9	3.7
Sumitomo Densetsu Bldg.	5,991	5,991	100.0	1	5.2
NBF Higashi-Ginza Square	4,871	4,871	100.0	6	3.1
Panasonic Tokyo Shiodome Bldg.	4,577	4,577	100.0	1	1.6
NBF Ogawamachi Bldg.	4,805	4,805	100.0	16	4.2
Nihonbashi Kabuto-cho M-SQUARE	3,298	3,137	95.1	1	6.4
Ryukakusan Bldg.	5,332	5,332	100.0	12	4.4
Jingumae M-SQUARE	7,232	7,232	100.0	8	3.5
NBF Osaki Bldg.	74,425	74,425	100.0	1	0.9
Gate City Ohsaki	41,881	40,413	96.5	78	1.5
Nakanosakaue Sunbright Twin	31,959	31,959	100.0	20	1.4
NBF Toyosu Canal Front	36,661	36,661	100.0	14	4.2
NBF Toyosu Garden Front	28,299	28,299	100.0	4	3.5
Nakameguro GT Tower	21,423	21,369	99.8	18	1.2
Ueno East Tower	17,227	17,227	100.0	2	1.8
NBF Ueno Bldg.	8,504	8,504	100.0	6	1.9
NBF Ikebukuro East	11,073	11,073	100.0	21	2.8
Higashi Gotanda Square	6,166	6,166	100.0	14	2.0
Toyo-cho Center Bldg.	11,294	11,294	100.0	1	5.6
NBF Ikebukuro Tower	5,631	5,631	100.0	18	3.9
Osaki Bright Core - Bright Plaza	2,784	2,784	100.0	20	2.2
NBF Ikebukuro City Bldg.	5,127	5,127	100.0	9	9.9
23 wards of Tokyo (48 properties)	725,640	719,673	99.2	759	-

● Other Greater Tokyo

Property Name	Total Rentable Area (㎡)	Total Leased Area (㎡) (incl. subleases)	Occupancy Rate at End of Period (%)	Total Number of Tenants	PML (%)
Chofu South Gate Bldg.	13,762	13,762	100.0	1	4.3
Shin-Kawasaki Mitsui Bldg.	39,837	38,798	97.4	22	2.2
Yokohama ST Bldg.	20,046	19,912	99.3	92	1.7
Parale Mitsui Bldg.	12,545	12,181	97.1	32	2.8
Tsukuba Mitsui Bldg.	16,832	16,697	99.2	63	0.5
NBF Utsunomiya Bldg.	6,160	5,848	94.9	40	0.5
S-ino Omiya North Wing	20,698	20,698	100.0	43	1.9
NBF Urawa Bldg.	3,455	3,455	100.0	12	10.2
NBF Shin-Urayasu Tower	22,760	21,488	94.4	52	2.6
NBF Matsudo Bldg.	4,770	4,690	98.3	25	7.8
Other greater Tokyo (10 properties)	160,864	157,529	97.9	382	-

● Other Cities

Property Name	Total Rentable Area (㎡)	Total Leased Area (㎡) (incl. subleases)	Occupancy Rate at End of Period (%)	Total Number of Tenants	PML (%)
Sapporo L-Plaza	11,396	11,396	100.0	13	0.3
NBF Sapporo Minami Nijo Bldg.	5,351	5,351	100.0	3	1.0
NBF Unix Bldg.	13,355	13,355	100.0	55	2.7
NBF Niigata Telecom Bldg.	10,193	9,830	96.4	33	4.9
Sumitomo Mitsui Banking Nagoya Bldg.	17,658	16,981	96.2	11	3.9
NBF Nagoya Hirokoji Bldg.	9,876	9,637	97.6	22	7.1
Aqua Dojima NBF Tower	21,917	21,339	97.4	44	3.8
Nakanoshima Central Tower	17,330	16,789	96.9	27	3.2
Shinanobashi Mitsui Bldg.	25,314	24,281	95.9	63	5.3
Sakaisuji-Honmachi Center Bldg.	23,230	23,230	100.0	50	3.8
Sun Mullion NBF Tower	14,954	14,954	100.0	30	1.8
NBF Hiroshima Tatemachi Bldg.	5,567	5,567	100.0	30	4.3
Hiroshima Fukuromachi Bldg.	3,927	3,885	98.9	12	3.5
NBF Matsuyama Nichigin-mae Bldg.	5,983	5,983	100.0	22	4.0
Hakata Gion M-SQUARE	14,328	14,328	100.0	18	under 0.1
NBF Kumamoto Bldg.	7,931	7,931	100.0	16	3.0
Other Cities (16 Properties)	208,308	204,837	98.3	449	-
Total (74 properties)	1,094,812	1,082,040	98.8	1,590	1.5

10 Appraisal Value (1/3) – 23 Wards of Tokyo

● 23 Wards of Tokyo

Property Name	Acquisition Price (million yen)	1H/2017 32nd Period End					2H/2016 31st Period End				Unrealized gain(loss) (2) - (1) (million yen)	PoP change in appraisal value (2) - (3) (million yen)	
		(1) Book value at period end (million yen)	(2) Appraisal Value (million yen)	Direct Return Method	DCF Method		(3) Appraisal Value (million yen)	Direct Return Method	DCF Method				
					CR	DR			TCR	CR	DR		TCR
NBF Hibiya Bldg.	63,500	63,757	56,600	3.2%	2.8%	3.3%	56,600	3.3%	2.9%	3.4%	-7,157	-	
Nishi-Shinjuku Mitsui Bldg.	45,213	33,381	41,300	3.6%	3.2%	3.8%	40,900	3.7%	3.3%	3.9%	7,918	400	
Mitsubishi Heavy Industries Head Office Bldg.	36,300	35,685	48,000	3.2%	3.0%	3.4%	47,800	3.3%	3.1%	3.5%	12,314	200	
Shiba NBF Tower	32,000	27,140	28,400	3.5%	3.7%	3.7%	29,700	3.6%	3.8%	3.8%	1,259	-1,300	
NBF Platinum Tower	31,000	26,314	60,800	3.5%	3.7%	3.6%	60,100	3.6%	3.8%	3.7%	34,485	700	
NBF Minami-Aoyama Bldg.	31,000	31,490	19,100	3.2%	2.9%	3.4%	19,100	3.3%	3.0%	3.5%	-12,390	-	
NBF COMODIO Shiodome	28,800	27,764	33,700	3.5%	3.3%	3.7%	33,700	3.6%	3.4%	3.8%	5,935	-	
Toranomon Kotohira Tower	24,543	18,449	35,000	3.3%	3.2%	3.8%	34,800	3.4%	3.3%	3.9%	16,550	200	
Celestine Shiba Mitsui Bldg.	22,500	22,222	26,400	3.6%	3.4%	3.8%	26,000	3.7%	3.5%	3.9%	4,177	400	
NBF Ochanomizu Bldg.	20,840	19,997	13,800	3.3%	3.1%	3.5%	13,600	3.4%	3.2%	3.6%	-6,197	200	
NBF Shibuya Garden Front	20,269	18,779	31,300	3.2%	3.4%	3.4%	30,600	3.3%	3.5%	3.5%	12,520	700	
NBF Ginza Street Bldg.	17,000	17,520	16,900	3.1%	2.8%	3.2%	16,800	3.2%	2.9%	3.3%	-620	100	
Shinjuku Mitsui Bldg. No.2	16,285	15,770	18,500	3.6%	3.7%	3.7%	18,200	3.7%	3.8%	3.8%	2,729	300	
GSK Bldg.	14,434	11,535	14,500	3.9%	4.0%	4.1%	16,600	4.0%	4.1%	4.2%	2,964	-2,100	
River City M-SQUARE	13,350	12,113	16,300	3.9%	3.8%	4.1%	16,300	4.0%	3.9%	4.2%	4,186	-	
NBF Toranomon Bldg.	13,337	13,090	17,000	3.3%	3.1%	3.5%	16,900	3.4%	3.2%	3.6%	3,909	100	
Kowa Nishi-Shinbashi Bldg. B ^{Note 1}	13,303	11,076	14,500	3.4%	3.5%	3.5%	14,552	3.5%	3.6%	3.6%	3,423	-52	
NBF Shinkawa Bldg. ^{Note 2}	(West Building)			4.1%	4.0%	4.3%		4.2%	4.1%	4.4%			
	(East Building)	12,614	11,705	14,700	4.2%	4.0%	4.4%	14,240	4.3%	4.1%	4.5%	2,994	460
	(Residential Tower)				4.7%	4.5%	4.9%		4.8%	4.6%	5.0%		
Shinbashi M-SQUARE	11,900	11,647	14,800	3.2%	3.0%	3.4%	14,600	3.3%	3.1%	3.5%	3,152	200	
NBF ALLIANCE	9,126	9,320	12,500	3.2%	3.0%	3.4%	12,400	3.3%	3.1%	3.5%	3,179	100	
Yotsuya Medical Bldg.	8,800	7,686	7,600	4.0%	3.8%	4.2%	7,400	4.1%	3.9%	4.3%	-86	200	
NBF Shibuya East	8,000	8,073	7,150	3.5%	3.3%	3.7%	7,150	3.6%	3.4%	3.8%	-923	-	
NBF Shibakouen Bldg.	6,770	6,114	8,150	3.9%	3.7%	4.1%	8,030	4.0%	3.8%	4.2%	2,035	120	
NBF Takanawa Bldg.	6,667	6,303	7,190	4.3%	4.5%	4.5%	7,010	4.4%	4.6%	4.6%	886	180	

10 Appraisal Value (2/3) – 23 Wards of Tokyo

Property Name	Acquisition Price (million yen)	1H/2017 32nd Period End					2H/2016 31st Period End				Unrealized gain(loss) (2) - (1) (million yen)	PoP change in appraisal value (2) - (3) (million yen)
		(1) Book value at period end (million yen)	(2) Appraisal Value (million yen)	Direct Return Method	DCF Method		(3) Appraisal Value (million yen)	Direct Return Method	DCF Method			
					CR	DR			TCR	CR		
NBF Akasaka Sanno Square	6,250	6,266	6,550	3.4%	3.1%	3.6%	6,540	3.5%	3.2%	3.7%	283	10
NBF Shibakouen Daimon Street Bldg.	6,100	6,205	4,400	3.7%	3.5%	3.9%	4,380	3.8%	3.6%	4.0%	-1,805	20
NBF Kandasudacho Bldg.	5,960	5,848	8,090	3.5%	3.3%	3.7%	7,850	3.6%	3.4%	3.8%	2,241	240
Sumitomo Densetsu Bldg.	5,365	4,719	5,710	4.0%	4.2%	4.2%	5,890	4.1%	4.3%	4.3%	990	-180
NBF Higashi-Ginza Square	5,200	4,392	7,810	3.7%	3.5%	3.9%	7,630	3.8%	3.6%	4.0%	3,417	180
Panasonic Tokyo Shiodome Bldg.	5,075	4,953	6,120	3.3%	3.1%	3.5%	6,120	3.4%	3.2%	3.6%	1,166	-
NBF Ogawamachi Bldg.	4,940	5,068	5,880	3.6%	3.4%	3.8%	5,740	3.7%	3.5%	3.9%	811	140
Nihonbashi Kabuto-cho M-SQUARE	4,850	4,526	5,560	3.5%	3.3%	3.7%	5,460	3.6%	3.4%	3.8%	1,033	100
Ryukakusan Bldg.	4,050	4,344	4,870	4.0%	3.8%	4.2%	4,760	4.1%	3.9%	4.3%	525	110
Jingumae M-SQUARE ^{Note 3}	3,700	3,339	3,980	3.6%	3.4%	3.9%	4,110	3.7%	3.5%	4.0%	640	-130
NBF Osaki Bldg.	66,660	65,791	85,900	3.3%	3.1%	3.5%	84,200	3.4%	3.2%	3.6%	20,108	1,700
Gate City Ohsaki	57,281	48,996	66,900	3.4%	3.2%	3.6%	66,100	3.5%	3.3%	3.7%	17,903	800
Nakanosakaue Sunbright Twin	40,750	36,320	30,000	3.8%	3.4%	4.0%	32,000	3.9%	3.5%	4.1%	-6,320	-2,000
NBF Toyosu Canal Front	35,200	29,372	36,000	3.9%	3.7%	4.1%	35,000	4.0%	3.8%	4.2%	6,627	1,000
NBF Toyosu Garden Front	25,018	22,665	29,100	4.0%	3.8%	4.2%	28,600	4.1%	3.9%	4.3%	6,434	500
Nakameguro GT Tower	23,856	17,348	21,800	3.7%	3.8%	3.9%	21,700	3.8%	3.9%	4.0%	4,451	100
Ueno East Tower	21,600	21,564	22,100	3.8%	3.6%	4.0%	22,100	3.9%	3.7%	4.1%	535	-
NBF Ueno Bldg.	10,400	9,236	9,290	3.8%	3.6%	4.0%	9,120	3.9%	3.7%	4.1%	53	170
NBF Ikebukuro East	8,630	9,055	10,700	4.2%	4.0%	4.4%	10,500	4.3%	4.1%	4.5%	1,644	200
Higashi Gotanda Square	8,350	7,712	8,300	3.6%	3.4%	3.8%	8,210	3.7%	3.5%	3.9%	587	90
Toyo-cho Center Bldg.	7,800	8,124	8,460	4.0%	3.8%	4.2%	8,330	4.1%	3.9%	4.3%	335	130
NBF Ikebukuro Tower	4,695	4,224	5,720	4.1%	3.9%	4.3%	5,610	4.2%	4.0%	4.4%	1,495	110
Osaki Bright Core - Bright Plaza	4,500	4,522	4,800	3.3%	3.1%	3.5%	4,800	3.4%	3.2%	3.6%	277	-
NBF Ikebukuro City Bldg.	4,428	4,097	5,420	4.0%	3.8%	4.2%	5,330	4.1%	3.9%	4.3%	1,322	90
23 Wards of Tokyo (48 properties)	878,211	805,636	967,650	-	-	-	963,162	-	-	-	162,013	4,488

Note 1: Appraisal value of the Kowa Nishi-Shinbashi Bldg. B as of the end of the 31st Period is the sum of the appraisal values of NBF's existing and the additional acquisition. The appraisal value of the additional acquisition is as of April 1, 2017, when NBF decided to add to its ownership of the property. In addition, the figures in the CR, DR and TCR columns are from the appraisal report for the existing interest.

Note 2: The NBF Shinkawa Building consists of the West Building, East Building and Residential Tower. Acquisition price, book value at period end and appraisal value are totals for the entire property. In addition, the CR, DR and TCR columns present data for the West Building, East Building and Residential Tower.

Note 3: NBF subleases the land for Jingumae M-SQUARE. Therefore, data in the CR column are discount rates for direct capitalization using the inwood method. Data in the DR column are discount rates for years one through ten. Data in the TCR column are resale discount rates (from year 11 to contract expiration).

● Other Greater Tokyo / Other Cities

Property Name	Acquisition Price (million yen)	1H/2017 32nd Period End					2H/2016 31st Period End				Unrealized gain(loss) (2) - (1) (million yen)	PoP change in appraisal value (2) - (3) (million yen)
		(1) Book value at period end (million yen)	(2) Appraisal Value (million yen)	Direct Return Method	DCF Method		(3) Appraisal Value (million yen)	Direct Return Method	DCF Method			
				CR	DR	TCR		CR	DR	TCR		
Chofu South Gate Bldg.	9,320	8,170	10,300	4.8%	4.6%	5.0%	10,100	4.9%	4.7%	5.1%	2,129	200
Shin-Kawasaki Mitsui Bldg.	25,820	22,112	23,100	4.8%	4.6%	5.0%	22,900	4.9%	4.7%	5.1%	987	200
Yokohama ST Bldg.	13,529	12,726	15,000	4.1%	4.2%	4.3%	15,400	4.2%	4.3%	4.4%	2,273	-400
Parale Mitsui Bldg.	3,800	3,131	3,830	4.6%	4.4%	4.8%	3,810	4.7%	4.5%	4.9%	698	20
Tsukuba Mitsui Bldg.	8,875	7,365	8,260	5.3%	5.1%	5.5%	7,650	5.4%	5.2%	5.6%	894	610
NBF Utsunomiya Bldg.	2,435	2,227	2,100	5.6%	5.4%	5.8%	2,100	5.7%	5.5%	5.9%	-127	-
S-ino Omiya North Wing	16,816	13,584	20,500	4.5%	4.6%	4.7%	19,900	4.6%	4.7%	4.8%	6,915	600
NBF Urawa Bldg.	2,000	1,806	2,360	4.8%	4.6%	5.0%	2,220	4.9%	4.7%	5.1%	553	140
NBF Shin-Urayasu Tower	15,700	15,611	10,100	4.4%	4.2%	4.6%	9,980	4.5%	4.3%	4.7%	-5,511	120
NBF Matsudo Bldg.	2,455	2,254	2,420	4.9%	4.9%	5.1%	2,350	5.0%	5.0%	5.2%	165	70
Other greater Tokyo (10 properties)	100,751	88,990	97,970	-	-	-	96,410	-	-	-	8,979	1,560
Sapporo L-Plaza	4,404	3,148	7,110	4.8%	4.9%	5.0%	7,050	4.9%	5.0%	5.1%	3,961	60
NBF Sapporo Minami Nijo Bldg.	1,870	1,582	1,470	5.3%	5.1%	5.4%	1,350	5.4%	5.2%	5.5%	-112	120
NBF Unix Bldg.	4,028	2,840	3,350	5.9%	5.9%	6.1%	3,420	6.0%	6.0%	6.2%	509	-70
NBF Niigata Telecom Bldg.	3,957	3,424	2,690	5.7%	5.5%	5.9%	3,010	5.8%	5.6%	6.0%	-734	-320
Sumitomo Mitsui Banking Nagoya Bldg.	14,900	14,483	16,500	4.3%	4.1%	4.5%	16,400	4.4%	4.2%	4.6%	2,016	100
NBF Nagoya Hirokoji Bldg.	7,232	6,274	7,310	4.3%	4.1%	4.5%	7,300	4.4%	4.2%	4.6%	1,035	10
Aqua Dojima NBF Tower	17,810	15,909	17,600	3.9%	3.7%	4.1%	17,600	4.0%	3.8%	4.2%	1,690	-
Nakanoshima Central Tower	14,900	14,436	16,900	3.9%	4.0%	4.1%	16,800	4.0%	4.1%	4.2%	2,463	100
Shinanobashi Mitsui Bldg.	14,400	10,421	12,900	4.8%	4.6%	5.0%	12,900	4.9%	4.7%	5.1%	2,478	-
Sakaisuji-Honmachi Center Bldg.	12,700	12,085	13,500	4.3%	4.1%	4.5%	13,300	4.4%	4.2%	4.6%	1,414	200
Sun Mullion NBF Tower	10,500	7,138	6,280	4.7%	4.8%	4.9%	6,890	4.8%	4.9%	5.0%	-858	-610
NBF Hiroshima Tatemachi Bldg.	2,930	2,643	2,490	5.4%	5.5%	5.6%	2,490	5.5%	5.6%	5.7%	-153	-
Hiroshima Fukuromachi Bldg.	2,215	1,833	2,370	5.3%	5.4%	5.5%	2,340	5.4%	5.5%	5.6%	536	30
NBF Matsuyama Nichigin-mae Bldg.	3,310	3,069	3,760	5.7%	5.6%	5.9%	3,690	5.8%	5.7%	6.0%	690	70
Hakata Gion M-SQUARE	8,000	6,898	10,300	4.8%	4.7%	5.0%	9,380	4.9%	4.8%	5.1%	3,401	920
NBF Kumamoto Bldg.	4,500	3,870	3,920	5.9%	5.8%	6.1%	3,910	5.9%	5.8%	6.1%	49	10
Other Cities (16 Properties)	127,658	110,060	128,450	-	-	-	127,830	-	-	-	18,389	620
Total (74 properties)	1,106,620	1,004,686	1,194,070	-	-	-	1,187,402	-	-	-	189,383	6,668

(A) Difference between appraisal value and book value (B)-(A)
 (B) **189,383 million yen**
 (134,124 yen / per Unit)

● 23 Wards of Tokyo

(million yen)

	NBF Hibiya Bldg.	Nishi-Shinjuku Mitsui Bldg.	Mitsubishi Heavy Industries Head Office Bldg.	Shiba NBF Tower	NBF Platinum Tower	NBF Minami-Aoyama Bldg.	NBF COMODIO Shiodome	Toranomon Kotohira Tower	Celestine Shiba Mitsui Bldg.	NBF Ochanomizu Bldg.	NBF Shibuya Garden Front	NBF Ginza Street Bldg.	Shinjuku Mitsui Bldg. No. 2	GSK Bldg.	River City M-SQUARE	NBF Toranomon Bldg.	Kowa Nishi-Shinbashi Bldg. B	NBF Shinkawa Bldg.
Operating revenues	1,381	1,079		989	1,476	474	774	812	741	280			544		613	463		
Rental revenues	1,265	1,047		936	1,396	439	709	776	706	255			501		577	420		
Other revenues	116	32		52	79	35	64	35	35	25			43		36	43		
Operating expenses	796	552		650	624	254	341	475	331	175			353		316	203		
Property taxes	309	135		55	86	85	57	36	70	21			68		53	70		
Expenses:	338	206		315	288	118	161	284	154	51			136		138	94		
Water, lighting and heating expenses	97	-		50	83	29	39	44	49	16			30		33	20		
Building maintenance costs	135	149		96	109	39	54	93	95	19			61		73	35		
Office management fees	61	3		45	72	21	38	3	3	13			25		28	21		
Repair expenses	35	51		27	9	22	18	3	5	0			10		1	14		
Rental expenses	-	-		87	-	-	-	138	-	-			-		-	-		
Trust fees	1	-		0	0	-	0	-	-	-			1		-	0		
Insurance	1	0		1	1	0	0	0	1	0			0		0	0		
Other expenses	4	1		6	11	3	9	0	0	1			7		1	1		
Depreciation and amortization	148	210		278	249	50	122	154	106	103			148		124	38		
Leasing income	585	527	590	339	851	220	433	337	410	104	442	261	191	341	297	260	208	144
Net operating income	733	737	754	617	1,101	271	555	491	516	207	553	266	339	454	421	298	270	322

	Shinbashi M-SQUARE	NBF ALLIANCE	Yotsuya Medical Bldg.	NBF Shibuya East	NBF Shibakouen Bldg.	NBF Takanawa Bldg.	NBF Akasaka Sanno Square	NBF Shibakouen Daimon Street Bldg.	NBF Kandasudacho Bldg.	Sumitomo Densetsu Bldg.	NBF Higashi-Ginza Square	Panasonic Tokyo Shiodome Bldg.	NBF Ogawamachi Bldg.	Nihonbashi Kabuto-cho M-SQUARE	Ryukakusan Bldg.	Jingumae M-SQUARE	NBF Osaki Bldg.	Gate City Ohsaki
Operating revenues	348	281	293	202	256	221	184	112	195		205		162		183	359		1,967
Rental revenues	331	263	262	187	208	195	164	94	182		184		156		168	335		1,726
Other revenues	16	17	31	15	47	25	20	17	12		20		5		14	23		240
Operating expenses	139	87	175	87	119	185	101	59	98		95		82		98	286		953
Property taxes	33	26	24	17	24	24	32	11	14		16		20		20	13		171
Expenses:	52	40	90	40	52	112	44	28	30		48		35		44	204		493
Water, lighting and heating expenses	11	10	15	10	16	19	11	7	8		12		-		14	14		103
Building maintenance costs	17	13	28	14	17	20	14	14	11		19		29		19	19		309
Office management fees	17	14	3	10	12	10	8	5	9		9		3		8	13		3
Repair expenses	0	0	41	2	4	60	4	0	-		4		1		1	0		65
Rental expenses	-	-	-	-	-	-	4	-	-		-		-		-	149		-
Trust fees	-	0	0	-	-	1	0	0	-		0		-		-	-		-
Insurance	0	0	0	0	0	0	0	0	0		0		0		0	0		0
Other expenses	5	0	1	2	1	0	0	0	0		1		1		0	5		12
Depreciation and amortization	54	20	60	29	43	48	24	18	53		31		26		33	69		287
Leasing income	208	193	117	114	136	35	82	53	97	85	109	79	80	70	84	73	976	1,014
Net operating income	262	213	178	144	179	83	107	71	150	122	140	110	106	102	117	142	1,416	1,301

● 23 Wards of Tokyo

(million yen)

	Nakanosakaue Sunbright Twin	NBF Toyosu Canal Front	NBF Toyosu Garden Front	Nakameguro GT Tower	Ueno East Tower	NBF Ueno Bldg.	NBF Ikebukuro East	Higashi Gotanda Square	Toyo-cho Center Bldg.	NBF Ikebukuro Tower	Osaki Bright Core - Bright Plaza	NBF Ikebukuro City Bldg.	Total of 23 Wards of Tokyo (48 properties)
Operating revenues	972	1,009	790	871		272	389	216		161	127	169	26,404
Rental revenues	922	887	713	774		248	361	211		145	116	151	24,468
Other revenues	49	122	77	97		23	28	4		16	11	17	1,936
Operating expenses	623	563	378	571		200	174	132		97	63	78	13,721
Property taxes	125	72	54	92		21	23	22		14	11	14	2,612
Expenses:	305	233	177	221		70	88	37		42	16	40	6,001
Water, lighting and heating expenses	47	89	73	59		20	25	-		9	4	11	1,434
Building maintenance costs	187	84	60	144		35	36	30		18	7	14	2,481
Office management fees	41	47	37	3		12	19	3		7	3	8	988
Repair expenses	21	4	2	12		0	4	3		2	-	2	502
Rental expenses	-	-	-	-		-	-	-		-	-	-	409
Trust fees	2	0	-	-		-	-	-		0	-	0	22
Insurance	0	1	0	0		0	0	0		0	0	0	24
Other expenses	3	4	2	0		1	2	0		3	0	2	138
Depreciation and amortization	193	257	146	257		107	61	72		40	35	23	5,106
Leasing income	348	445	412	299	252	72	215	83	172	64	63	90	12,683
Net operating income	541	703	558	557	416	179	277	155	209	104	99	114	17,790

● Other Greater Tokyo

(million yen)

	Chofu South Gate Bldg.	Shin-Kawasaki Mitsui Bldg.	Yokohama ST Bldg.	Parale Mitsui Bldg.	Tsukuba Mitsui Bldg.	NBF Utsunomiya Bldg.	S-ino Omiya North Wing	NBF Urawa Bldg.	NBF Shin-Urayasu Tower	NBF Matsudo Bldg.	Total of Greater Tokyo
Operating revenues		1,111	630	266	444	137	743	101	501	120	4,469
Rental revenues		1,012	573	253	404	115	666	85	423	104	4,029
Other revenues		98	57	12	39	22	77	15	77	16	440
Operating expenses		658	411	177	328	79	401	44	366	65	2,786
Property taxes		89	54	27	27	8	48	6	41	7	337
Expenses:		353	197	117	145	41	208	21	213	32	1,450
Water, lighting and heating expenses		103	54	41	46	13	46	7	66	9	422
Building maintenance costs		135	66	58	47	17	54	8	92	15	548
Office management fees		59	34	3	20	6	37	5	21	5	213
Repair expenses		52	31	5	23	2	61	0	29	0	217
Rental expenses		-	0	-	-	-	-	-	-	0	0
Trust fees		-	1	-	1	-	-	-	-	-	2
Insurance		1	0	0	0	0	0	0	0	0	5
Other expenses		0	8	8	5	1	6	0	3	1	38
Depreciation and amortization		214	160	32	155	28	144	16	110	24	998
Leasing income	157	453	218	88	116	58	342	56	134	55	1,682
Net operating income	268	667	379	121	271	87	487	72	245	80	2,681

11 Revenue by Property (3/3) – Other Cities

● Other Cities

	Sapporo L-Plaza	NBF Sapporo Minami Nijo Bldg.	NBF Unix Bldg.	NBF Niigata Telecom Bldg.	Sumitomo Mitsui Banking Nagoya Bldg.	NBF Nagoya Hirokoji Bldg.	Aqua Dojima NBF Tower	Nakanoshima Central Tower	Shinanobashi Mitsui Bldg.	Sakaisuji-Honmachi Center Bldg.	Sun Mullion NBF Tower	NBF Hiroshima Tatemachi Bldg.	Hiroshima Fukuromachi Bldg.	NBF Matsuyama Nichigin-mae Bldg.	Hakata Gion M-SQUARE	NBF Kumamoto Bldg.	Aqua Dojima East (Note1)	Total of Other Cities (17 properties)	Total
Operating revenues	317	101	271	189	644	250	608	492	544	543	323	132	100	168	400	180	45	5,315	36,189
Rental revenues	259	86	232	168	562	222	527	428	484	474	281	114	92	149	351	160	35	4,631	33,129
Other revenues	57	14	38	21	81	28	80	63	60	69	42	18	8	19	49	19	10	683	3,059
Operating expenses	156	74	148	115	417	127	403	338	299	303	248	87	58	90	222	114	33	3,239	19,747
Property taxes	18	11	20	18	61	25	73	54	55	61	34	13	7	8	23	10	5	504	3,455
Expenses:	85	43	88	60	260	52	155	146	139	163	123	43	24	40	96	46	20	1,592	9,044
Water, lighting and heating expenses	33	13	32	21	39	19	58	37	49	43	34	11	7	11	37	12	6	469	2,327
Building maintenance costs	35	15	38	25	61	19	60	57	77	75	43	15	8	19	35	19	9	618	3,648
Office management fees	14	4	12	8	30	11	27	22	3	24	14	6	4	8	20	8	1	224	1,426
Repair expenses	0	6	1	2	125	0	2	17	7	12	21	9	2	0	0	-	1	212	933
Rental expenses	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	409
Trust fees	-	0	0	1	0	-	0	-	-	0	0	-	-	-	-	-	0	5	30
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	38
Other expenses	0	2	2	1	1	1	5	11	0	6	9	0	0	0	2	5	0	53	230
Depreciation and amortization	52	19	40	35	95	48	174	137	104	77	89	30	26	41	102	56	7	1,142	7,247
Leasing income	161	27	122	74	226	123	204	153	245	240	75	45	41	77	178	65	12	2,076	16,442
Net operating income	213	47	163	110	322	172	378	290	349	318	165	75	67	119	280	122	20	3,218	23,690

Note 1: Data for Aqua Dojima East are actual through March 31, 2017.

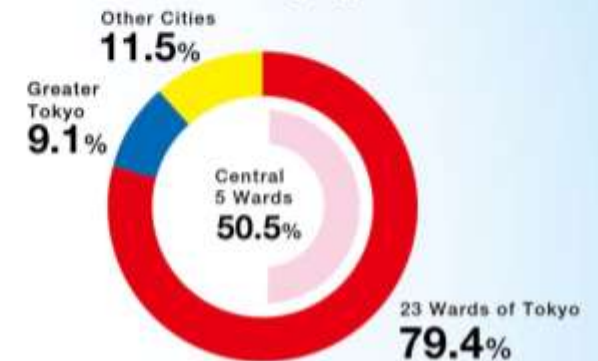


23 Wards of Tokyo

48 Properties
¥878.2 billion

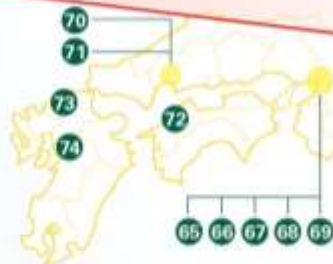
Acquisition Price (Total)

74 Properties
¥1,106.6 billion
Investment by Region



Other Cities

16 Properties
¥127.6 billion



Other Greater Tokyo

10 Properties **¥100.7** billion



13 Properties (1/4) – 23 Wards of Tokyo

1 NBF Hibiya Bldg.  Location 1-7, Ichikawaicho 1-chome, Chiyoda-ku, Tokyo Site Area 5,006.30sq Floor area of building 10,047.51sq Structure 64/29F Completion Jan. 30, 1984	2 NBF Platinum Tower  Location 17-3, Shinkawa 1-chome, Minato-ku, Tokyo Site Area 4,373.93sq Floor area of building 46,702.85sq Structure 60/29F Completion Nov. 27, 2006	3 Celestine Shiba Mitsui Bldg.  Location 23-1, Shiba 2-chome, Minato-ku, Tokyo Site Area 7,679.90sq Floor area of building 58,918.71sq Structure 60/17F Completion Apr. 1, 2002	4 Shinjuku Mitsui Bldg. No.2  Location 2-11, Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo Site Area 3,993.64sq Floor area of building 27,886.56sq Structure 64/18F Completion Oct. 1, 1983	5 Kowa Nishi-Shinjuku Bldg. B  Location 14-1, Nishi-Shinjuku 2-chome, Minato-ku, Tokyo Site Area 2,448.45sq Floor area of building 21,100.42sq Structure 60/18F Completion Aug. 28, 1984
6 Nishi-Shinjuku Mitsui Bldg.  Location 24-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo Site Area 15,014.02sq Floor area of building 84,034.02sq Structure 60/27F Completion Apr. 28, 1990	7 NBF Minami-Aoyama Bldg.  Location 1-31, Minami-Aoyama 3-chome, Minato-ku, Tokyo Site Area 3,272.74sq Floor area of building 18,720.55sq Structure 60/11F Completion Jan. 31, 1985	8 NBF Ochanomizu Bldg.  Location 9-11, 31, 32, 34, 35, 36, Rinsenbongai 2-chome, Chiyoda-ku, Tokyo Site Area 1,767.94sq Floor area of building 9,258.35sq Structure 61/11F Completion Mar. 26, 2004	9 GSK Bldg.  Location 9-15, Sendagaya 4-chome, Shinjuku-ku, Tokyo Site Area 4,870.96sq Floor area of building 26,127.86sq Structure 64/18F Completion Nov. 28, 1981 Expansion Dec. 1, 1982	10 NBF Shinjuku Bldg.  Location 31-1, 31-2, 33-15, Shinjuku 2-chome, Chuo-ku, Tokyo Site Area 4,267.81sq Floor area of building 21,008.75sq Structure East and Main New River Building 60/15F, West Building 61/10F Completion Nov. 30, 1989
11 Mitsubishi Heavy Industries Head Office Bldg.  Location 16-5, Rinsen 2-chome, Minato-ku, Tokyo Site Area 25,476.14sq Floor area of building 222,348.25sq Structure 60/33F Completion Apr. 1, 2000	12 NBF COMODIO Shiodome  Location 14-1, Higashi-Shinjuku 2-chome, Minato-ku, Tokyo Site Area 3,862.61sq Floor area of building 39,786.14sq Structure 61/18F Completion Jul. 10, 2008	13 NBF Shibuya Garden Front  Location 23-18, 26-3, Shibuya 3-chome, Shibuya-ku, Tokyo Site Area 5,746.71sq Floor area of building NBF Shibuya Garden Front: 22,268.02sq, NBF Shibuya Garden Front Annex: 258.07sq Structure NBF Shibuya Garden Front 61/14F, NBF Shibuya Garden Front Annex: 1F Completion Sep. 30, 2000	14 River City M-SQUARE  Location 1-6, Totsuka 2-chome, Chuo-ku, Tokyo Site Area 4,909.71sq Floor area of building 26,428.23sq Structure 61/6F Completion Jan. 15, 2014	15 Shibashi M-SQUARE  Location 13-6, Shibashi 1-chome, Minato-ku, Tokyo Site Area 600.30sq Floor area of building 7,250.01sq Structure 61/11F Completion Oct. 31, 2011
16 Shiba NBF Tower  Location 1-36, Shiba Daimon 1-chome, Minato-ku, Tokyo Site Area 9,471.22sq Floor area of building 44,437.17sq Structure 60/18F Completion Oct. 1, 1988	17 Toranomon Kotshira Tower  Location 2-8, Toranomon 1-chome, Minato-ku, Tokyo Site Area 2,291.42sq Floor area of building 29,333.27sq Structure 60/24F Completion Nov. 13, 2004	18 NBF Ginza Street Bldg.  Location 7-5, Ginza 5-chome, Chuo-ku, Tokyo Site Area 425.00sq Floor area of building 3,400.79sq Structure 61/10F Completion Apr. 12, 1980 Expansion Sep. 30, 1987	19 NBF Toranomon Bldg.  Location 6-21, Nishi-Shinjuku 1-chome, Minato-ku, Tokyo Site Area 1,804.45sq Floor area of building 10,092.47sq Structure 65/5F Completion Apr. 17, 1980 Expansion Apr. 25, 1971	20 NBF Alliance  Location 3-1, Minami-Aoyama 5-chome, Minato-ku, Tokyo Site Area 1,675.27sq Floor area of building 6,214.73sq Structure 61/6F Completion Jan. 25, 1989

13 Properties (2/4) – 23 Wards of Tokyo

21 Yatsuya Medical Bldg.  Location: 25, Daimoncho, Shinjuku-ku, Tokyo Site Area: 2,002.40sqm Floor area of building: 6,722.23sqm Structure: B1/11F Completion: May 20, 2004	22 NBF Akasaka Sanno Square  Location: 2-12, Waseike 2-chome, Minato-ku, Tokyo Site Area: 10,616.03sqm Floor area of building: 7,427.04sqm Structure: B1/6F Completion: Sep. 7, 1999	23 NBF Higashi-Ginza Square  Location: 13-14, Tsukiji 1-chome, Chuo-ku, Tokyo Site Area: 940.05sqm Floor area of building: 7,152.58sqm Structure: B1/6F Completion: Feb. 28, 2005	24 Ryukakusan Bldg.  Location: 5-12, Higashi-Kanda 2-chome, Chiyoda-ku, Tokyo Site Area: 1,545.09sqm Floor area of building: 10,073.75sqm Structure: B1/6F Completion: Nov. 30, 1991	25 Nakannakaue Sunbright Twin  Location: 40-1, 4, Honcho 2-chome, Nakano-ku, Tokyo Site Area: 10,331.30sqm Floor area of building: Sunbright Twin: 63,200.85sqm, Sunbright Annex: 2,483.04sqm Structure: Sunbright Twin: B2/50F, Sunbright Annex: B1/5F Completion: Sep. 30, 1999
26 NBF Shibuya East  Location: 3-5, Shibuya 3-chome, Shibuya-ku, Tokyo Site Area: 1,619.21sqm Floor area of building: 7,615.75sqm Structure: B2/6F Completion: Jan. 31, 1992	27 NBF Shibakouen Daimon Street Bldg.  Location: 8-12, Shibakouen 1-chome, Minato-ku, Tokyo Site Area: 733.12sqm out of 636.45sqm Floor area of building: 5,260.75sqm Structure: B1/6F Completion: Mar. 26, 1991	28 Panasonic Tokyo Shiodome Bldg.  Location: 5-1, Higashi-Shiodome 1-chome, Minato-ku, Tokyo Site Area: 19,708.30sqm Floor area of building: 263,035.05sqm Structure: B4/43F Completion: Jan. 9, 2003	29 Jingumae M-SQUARE  Location: 4-16, Jingumae 1-chome, Shibuya-ku, Tokyo Site Area: 2,543.25sqm Floor area of building: 10,125.45sqm Structure: B1/12F Completion: Feb. 27, 2009	30 NBF Toyosu Canal Front  Location: 6-52, Togiwa 5-chome, Koto-ku, Tokyo Site Area: 14,335.69sqm Floor area of building: 40,932.37sqm Structure: 11F Completion: Sep. 7, 2004
31 NBF Shibakouen Bldg.  Location: 2-15, Shiba 3-chome, Minato-ku, Tokyo Site Area: 1,655.50sqm Floor area of building: 11,661.60sqm Structure: B2/12F Completion: Aug. 17, 1990	32 NBF Kandasudacho Bldg.  Location: 3-1, Kandasudacho 2-chome, Chiyoda-ku, Tokyo Site Area: 738.71sqm Floor area of building: 5,500.20sqm Structure: 8F Completion: Jul. 30, 2013	33 NBF Ogawamachi Bldg.  Location: 3-1, Kanda-Ogawamachi 1-chome, Chiyoda-ku, Tokyo Site Area: 1,114.85sqm Floor area of building: 6,380.22sqm Structure: B1/10F Completion: Oct. 27, 1996	34 NBF Osaki Bldg.  Location: 10-1, Osaki 2-chome, Shinagawa-ku, Tokyo Site Area: 16,558.52sqm Floor area of building: 123,602.95sqm Structure: B2/25F Completion: Feb. 24, 2011	35 NBF Toyosu Garden Front  Location: 6-15, Toyosu 5-chome, Koto-ku, Tokyo Site Area: 12,551.33sqm Floor area of building: 35,621.33sqm Structure: 8F Completion: Sep. 7, 2007
36 NBF Takanawa Bldg.  Location: 3-13, Takanawa 1-chome, Minato-ku, Tokyo Site Area: 2,619.77sqm Floor area of building: 12,847.50sqm Structure: 8F Completion: Nov. 26, 1987	37 Sumitomo Densetsu Bldg.  Location: 12-15, Mita 3-chome, Minato-ku, Tokyo Site Area: 1,450.85sqm Floor area of building: 9,185.13sqm Structure: B1/12F Completion: Jan. 27, 1991	38 Nihonbashi Kabuto-cho M-SQUARE  Location: 1-4, Nihonbashi-Kabutocho, Chuo-ku, Tokyo Site Area: 889.20sqm Floor area of building: 5,852.67sqm Structure: B1/10F Completion: Jan. 15, 2009	39 Gate City Ohsaki  Location: 11-1, 2, 3, Ohsaki 1-chome, Shinagawa-ku, Tokyo Site Area: 42,536.21sqm Floor area of building: 297,346.75sqm Structure: B4/24F Completion: Jan. 6, 1999	40 Nakameguro GT Tower  Location: 1-1, Kami-Meguro 2-chome, Meguro-ku, Tokyo Site Area: 6,971.15sqm Floor area of building: 56,171.33sqm Structure: B3/25F Completion: Mar. 25, 2000

13 Properties (3/4) – 23 Wards of Tokyo & Other Greater Tokyo

Ueno East Tower  Location: 10-1, Higashi-Ueno 2-chome, Taito-ku, Tokyo Site Area: 3,508.73m ² Floor area of building: 41,156.95m ² Structure: RC/SP Completion: Dec. 7, 2015	Toyo-cho Center Bldg.  Location: 3-2, Toyo 2-chome, Koto-ku, Tokyo Site Area: 5,700.14m ² Floor area of building: 10,033.95m ² Structure: B1/5F Completion: Mar. 18, 1994	Chofu South Gate Bldg.  Location: 48-26, Higashi-cho, 2-chome, Chofu, Tokyo Site Area: 3,400.82m ² Floor area of building: 22,788.71m ² Structure: B1/11F Completion: Oct. 26, 2007	Tsukuba Mitsui Bldg.  Location: 6-1, Tsukuba 1-chome, Tsukuba, Ibaraki Site Area: 6,286.82m ² Floor area of building: 26,268.11m ² Structure: RC/15F Completion: Mar. 14, 1990	NBF Shin-Urayasu Tower  Location: 5-2, Mitani 1-chome, Urayasu, Chiba Site Area: 15,675.88m ² Floor area of building: 76,767.24m ² Structure: RC/30F Completion: Oct. 17, 1990 Expansion: Oct. 31, 2008
NBF Ueno Bldg.  Location: 24-11, Higashi-Ueno 4-chome, Taito-ku, Tokyo Site Area: 2,405.22m ² Floor area of building: 15,467.77m ² Structure: RC/13F Completion: Jan. 5, 2010	NBF Ikebukuro Tower  Location: 33-6, Higashi-Arakawa 1-chome, Toshima-ku, Tokyo Site Area: 994.00m ² Floor area of building: 7,081.80m ² Structure: 12F Completion: Apr. 6, 1993	Shin-Kawasaki Mitsui Bldg.  Location: 1-2, Kashiwaide 1-chome, Sakae-ku, Kawasaki, Kanagawa Site Area: 10,478.07m ² Floor area of building: 136,485.89m ² Structure: RC/22F Completion: May 22, 1988	NBF Utsunomiya Bldg.  Location: 1-7, Higashi-Utsunomiya 3-chome, Utsunomiya, Tochigi Site Area: 2,074.16m ² Floor area of building: 8,775.07m ² Structure: 9F Completion: Jan. 5, 1990	NBF Matsudo Bldg.  Location: 15-4, Han-cho, Matsudo, Chiba Site Area: 1,064.25m ² Floor area of building: 6,386.17m ² Structure: 8F Completion: Aug. 6, 1992
NBF Ikebukuro East  Location: 4-3, Higashi-Arakawa 2-chome, Toshima-ku, Tokyo Site Area: 2,037.10m ² Floor area of building: 15,727.15m ² Structure: B1/14F Completion: Feb. 16, 1993	Osaki Bright Core - Bright Plaza  Location: Bright Core: 5-15, Kita-Shinagawa 5-chome, Shinagawa-ku, Tokyo Bright Plaza: 4-1, Kita-Shinagawa 5-chome, Shinagawa-ku, Tokyo Site Area: Bright Core: 9,811.01m ² Bright Plaza: 9,711.34m ² Floor area of building: Bright Core: 47,525.11m ² Bright Plaza: 4,954.84m ² Structure: Bright Core: RC/20F Bright Plaza: 1F Completion: Apr. 1, 2016	Yokohama ST Bldg.  Location: 11-15, Kikasaide 1-chome, Nishi-ku, Yokohama, Kanagawa Site Area: 6,348.45m ² Floor area of building: 43,665.77m ² Structure: RC/18F Completion: Oct. 31, 1997	S-ino Omiya North Wing  Location: 10-16, Sakuragi-cho 1-chome, Omiya-ku, Saitama, Saitama Site Area: Office building: 3,083.00m ² , Administrative building: 2,366.04m ² Floor area of building: Office building: 30,217.21m ² , Administrative building: 285.73m ² Structure: Office building: B1/20F, Administrative building: RC/2F Completion: Feb. 20, 2004	
Higashi Gotanda Square  Location: 10-2, Higashi-Gotanda 2-chome, Shinagawa-ku, Tokyo Site Area: 2,768.02m ² Floor area of building: 27,564.04m ² Structure: RC/14F Completion: Apr. 30, 2009	NBF Ikebukuro City Bldg.  Location: 17-8, Higashi-Arakawa 1-chome, Toshima-ku, Tokyo Site Area: 957.54m ² Floor area of building: 6,747.21m ² Structure: B1/9F Completion: Feb. 26, 1993	Perale Mitsui Bldg.  Location: 8, Higashicho, Kawasaki-ku, Kawasaki, Kanagawa Site Area: 5,873.29m ² Floor area of building: 50,834.87m ² Structure: B1/22F Completion: Oct. 16, 1993	NBF Urawa Bldg.  Location: 2-5, Higashi-Tokanoguchi, Urawa-ku, Saitama, Saitama Site Area: 1,005.16m ² Floor area of building: 5,060.72m ² Structure: B1/9F Completion: Jan. 20, 1990	

13 Properties (4/4) – Other Cities

Sapporo L-Plaza  Location 28, Kita-Hochjo Nishi 3-chome, Sapporo, Hokkaido Site Area 4,937.44㎡ Floor area of building 32,691.54㎡ Structure B2/13F Completion Mar. 7, 2003	Sumitomo Mitsui Banking Nagoya Bldg.  Location 18-19, Nishiku 2-chome, Naka-ku, Nagoya, Aichi Site Area 3,181.60㎡ Floor area of building 27,661.93㎡ Structure B2/16F Completion Apr. 27, 2001	Shinanobashi Mitsui Bldg.  Location 11-7, Shudohomemachi 1-chome, Nishi-ku, Osaka, Osaka Site Area 4,298.29㎡ Floor area of building 36,301.54㎡ Structure B2/12F Completion Sep. 26, 1992	Hiroshima Fukuomachi Bldg.  Location 5-25, Fukuomachi, Naka-ku, Hiroshima, Hiroshima Site Area 2,098.20㎡ Floor area of building 18,411.08㎡ Structure 14F Completion Jan. 30, 2002
NBF Sapporo Minami Nijo Bldg.  Location 19-1, Minami Nijo Nishi 2-chome, Chuo-ku, Sapporo, Hokkaido Site Area 870.42㎡ Floor area of building 6,143.78㎡ Structure B2/9F Completion Nov. 26, 1996	NBF Nagoya Hirokoji Bldg.  Location 3-5, Sakae 2-chome, Naka-ku, Nagoya, Aichi Site Area 1,662.78㎡ Floor area of building 14,589.78㎡ Structure B2/9F Completion Oct. 25, 2000 <i>Expansion: Mar. 17, 2008</i>	Sakaisuji-Honmachi Center Bldg.  Location 1-6, Honmachi 2-chome, Chuo-ku, Osaka, Osaka Site Area 3,645.74㎡ Floor area of building 32,899.77㎡ Structure B1/16F Completion May 22, 1981	NBF Matsuyama Nichigin-mae Bldg.  Location 9-5, Sanbanchi 4-chome, Matsuyama, Ehime Site Area 1,128.16㎡ Floor area of building 8,286.62㎡ Structure B2/12F Completion Mar. 11, 2000
NBF Unix Bldg.  Location 6-6, Sakae-cho, Fukuoka-shi, Fukuoka Site Area 3,112.75㎡ Floor area of building 23,420.13㎡ Structure B2/11F Completion Sep. 30, 1994	Aqua Dojima NBF Tower <i>(The right wing is Aqua Dojima Tower)</i>  Location 4-16, Oginohara 1-chome, Kita-ku, Osaka, Osaka Site Area 3,531.33㎡ Floor area of building 26,912.93㎡ Structure B2/10F Completion Apr. 21, 1983 (East Side), Nov. 1, 1990 (West Side), Dec. 2, 1996 (Parking)	Sun Mallion NBF Tower  Location 9-12, Minami-Honmachi 2-chome, Chuo-ku, Osaka, Osaka Site Area 2,190.30㎡ Floor area of building 23,755.80㎡ Structure B2/22F Completion Jan. 30, 1996	Hakata Gion M-SQUARE  Location 2-1, Tenjinmachi, Hakata-ku, Fukuoka, Fukuoka Site Area 3,384.06㎡ Floor area of building 18,678.54㎡ Structure 19F Completion Jun. 25, 2000
NBF Niigata Telecom Bldg.  Location 4-27, Dantai 4-chome, Chuo-ku, Niigata, Niigata Site Area 2,395.83㎡ Floor area of building 14,146.77㎡ Structure 10F Completion May 11, 1998	Nakanoshima Central Tower  Location 2-7, Nakanoshima 2-chome, Kita-ku, Osaka, Osaka Site Area 5,534.15㎡ Floor area of building 70,775.52㎡ Structure B2/28F Completion August 2, 2005	NBF Hiroshima Tatemachi Bldg.  Location 2-27, Tatemachi, Naka-ku, Hiroshima, Hiroshima Site Area 1,813.25㎡ Floor area of building 8,936.87㎡ Structure B1/12F Completion Nov. 2, 1991	NBF Kumamoto Bldg.  Location 2-25, Karahirocho, Chuo-ku, Kumamoto, Kumamoto Site Area 1,775.52㎡ Floor area of building 9,766.12㎡ Structure 19F Completion Feb. 18, 2000

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