

Nippon Building Fund Inc.

2022 Environmental Performance

Energy consumption

Item	Unit	2022	Assurance
Total energy consumption	(thousand kWh)	446,499	☑
Fuel consumption	(thousand kWh)	71,212	☑
Electricity consumption	(thousand kWh)	290,881	☑
Other heat consumption	(thousand kWh)	84,348	☑
Renewable energy self-consumption	(thousand kWh)	59	☑
Energy consumption intensity	(kWh/m ²)	180.6	
Non-fossil fuel certificate utilization	(thousand kWh)	13,975	

Greenhouse gas emissions

Item	Unit	2022	Assurance
CO ₂ emissions : before deduction of Non-fossil fuel certificate	(t-CO ₂)	157,713	☑
Scope1 emissions	(t-CO ₂)	4,819	☑
Scope2 emissions : before deduction of Non-fossil fuel certificate	(t-CO ₂)	20,942	☑
Scope2 Non-fossil fuel certificate utilization	(t-CO ₂)	5,285	☑
Scope2 emissions : after deduction of Non-fossil fuel certificate	(t-CO ₂)	15,658	☑
Scope3 (category13) emissions : before deduction of Non-fossil fuel certificate	(t-CO ₂)	131,952	☑
Scope3 Non-fossil fuel certificate utilization	(t-CO ₂)	944	☑
Scope3 (category13) emissions : after deduction of Non-fossil fuel certificate	(t-CO ₂)	131,008	☑
Total Scope2,3 Non-fossil fuel certificate utilization	(t-CO ₂)	6,228	☑
CO ₂ emissions : after deduction of Non-fossil fuel certificate	(t-CO ₂)	151,484	☑
CO ₂ emissions intensity	(kg-CO ₂ /m ²)	61.2	

Water consumption

Item	Unit	2022	Assurance
Total water consumption	(thousand m ³)	1,478	☑
Purchased water consumption	(thousand m ³)	1,305	☑
Other water consumption	(thousand m ³)	173	☑
Water consumption intensity	(m ³ /m ²)	0.53	

Waste emissions

Item	Unit	2022	Assurance
Total waste emissions	(t)	9,888	
General waste emissions	(t)	7,903	
Industrial waste emissions	(t)	1,985	☑
Ratio by method of waste disposal			
Landfilling	(%)	3.3	
Incineration	(%)	31.6	
Recycling	(%)	63.7	

The ☑ mark indicates that the data in 2022 has received the independent practitioner's assurance by Deloitte Tohmatsu Sustainability Co., Ltd.

Issue date: 2023/6/23

Notes on the above performance

1. Scope of data calculation

- In principle, all properties owned by Nippon Building Fund Inc. (NBF) during the period from January 1 to December 31, 2022 are covered. Except as follows, above data consists of total consumption/emissions from common-use areas and tenants' exclusive areas in each property and conversion to equity is not performed.
- NBF Shinagawa Tower partly owned by NBF is a part of the property including Shinagawa Grand Central Tower, but that is excluded from the calculation.
- Parale Mitsui Building consists of an administrative service wing partly owned by NBF, a residential wing, a retail stores wing and a parking wing, but the data is compiled for the entire building.
- Properties with exclusive ownership areas holding 25% or less than 25% (GranTokyo South Tower, Panasonic Tokyo Shiodome Bldg, Osaki Bright Tower, Toyosu Bayside Cross Tower) are calculated for equity held by NBF.
- Regarding gas consumption, some data such as amount of city gas consumption, contracted directly by tenants, which is difficult to calculate, is excluded.

2. Calculation period

Calculation period: January 1st through December 31st 2022

3. Calculation method

① Energy consumption

Energy consumption = Σ (consumption by energy type \times heating value conversion factor \times conversion rate for electricity)

Calculated by using the conversion factor based on the "Act on Rationalizing Energy Use"

Energy type: city gas, bunker A, diesel oil, Electricity, cool water, warm water, steam, other hot water

② Greenhouse gas emissions

Scope of greenhouse gas: Energy origin CO₂

Energy origin CO₂ emissions = Σ (energy consumption \times CO₂ emission factor)

The CO₂ emission factors for fuel and other heat are based on the "Greenhouse Gas Emission Calculation and Reporting Manual" published by Ministry of the Environment and Ministry of Economy, Trade and Industry.

※The definitions of Scope 1, 2, and 3 are as follows.

Scope 1: CO₂ emissions associated with the use of fuel (city gas, bunker A, diesel oil) in properties excluding tenant-managed properties ("owner-managed properties").

Scope 2: CO₂ emissions from the use of purchased electricity and heat (Electricity, cool water, warm water, steam, other hot water) in owner-managed properties. Emissions calculated based on tenants' energy consumption using the total floor area and tenants' exclusive area ("tenants' energy-derived CO₂ emissions") are excluded from the calculation.

Scope 3: CO₂ emissions from tenant energy consumption. For owner-managed properties, the

total floor area and exclusive area for tenants are used to calculate tenant energy-derived CO₂ emissions.

※Non-fossil fuel certificate

NBF has been sourcing its real CO₂-free electricity together with a non-fossil fuel certificate.

③ Water consumption

Total water consumption = Σ (Purchased water consumption^{*1} + Other water consumption^{*2})

*1 Purchased water consists of purchased clean water and industrial water among other things.

*2 Other water consists of water recycled inside the property, grand water, rainwater among other things.

④ Waste emissions

Total waste emissions = Σ (General waste emissions + Industrial waste emissions)

Based on the "Waste Management and Public Cleansing Act"

⑤ Intensity figures

Each intensity figure = Total consumption of each / Floor space

Floor space is the space confirmed when constructing.

The data was calculated from properties held by NBF. However, some portion of these properties like residential areas were excluded due to difficulties in collecting the data.

Intensity figures are corrected by annual average occupancy rate.

Corrected intensity figures = Non-Corrected Intensity Figures / Average vacancy rate [%]

Calculations of energy consumption intensity and CO₂ emission intensity are based on the energy consumption and CO₂ emissions that reflect the non-fossil fuel certificate utilization.

4. Some variance come from rounding off.

Independent Practitioner's Assurance Report

June 23, 2023

Mr. Koichi Nishiyama,
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Nippon Building Fund Inc.

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We have undertaken a limited assurance engagement of the environmental performance information indicated with for the year ended December 31, 2022 (the "Quantitative Environmental Information") included in the "Nippon Building Fund Inc. 2022 Environmental Performance" (the "Report") of Nippon Building Fund Inc. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Quantitative Environmental Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Quantitative Environmental Information included in the Report). CO₂ quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Quantitative Environmental Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and *the Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Quantitative Environmental Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.