(English translation based on Japanese Original)

NTT Urban Development Corporation

Overview of the Third Quarter of the Fiscal Year Ending March 31, 2013

February 4, 2013

1. Financial Highlights of the Nine months of the Fiscal Year Ending March 31, 2013

Overview of Performance and Income

- Operating revenue for the nine months ended December 31, 2012 rose year on year. Operating income and ordinary income increased year on year. Net income declined, attributable to a ¥5.8 billion increase in net income in the same period of the previous fiscal year after posting the effect of lower corporate tax rates.
- Results were mostly in line with expectations.

(Million yen)

Category	(i) Nine months ended December 31, 2012	(ii) Nine months ended December 31, 2011	(i) - (ii) Change	(i) - (ii) Change (%)	Forecast for the Fiscal year ending March 31, 2013 (progress)	
Operating revenue	**108,677**	**95,572**	**13,104**	**13.7%**	**155,000**	**70.1%**
Operating expenses	84,809	75,335	9,474	12.6%	—	—
Operating income	**23,867**	**20,237**	**3,629**	**17.9%**	**26,000**	**91.8%**
Non-operating income	1,844	1,785	58	3.3%	—	—
Non-operating expenses	5,978	6,290	(312)	(5.0%)	—	—
Ordinary income	**19,733**	**15,732**	**4,000**	**25.4%**	**19,800**	**99.7%**
Extraordinary income	—	60	(60)	—	—	—
Extraordinary loss	1,262	1,493	(230)	(15.5%)	—	—
Income before income taxes and minority interests	18,470	14,299	4,171	29.2%	—	—
Income taxes	5,725	(3,488)	9,213	—	—	—
Income before minority interests	12,744	17,787	(5,042)	(28.3%)	—	—
Minority interests in income	1,044	3,511	(2,466)	(70.2%)	—	—
Net income	**11,699**	**14,275**	**(2,575)**	**(18.0%)**	**10,400**	**112.5%**
Comprehensive income	13,274	16,109	(2,835)	(17.6%)		

Note: Forecasts are based on figures projected on May 9, 2012 during the announcement of results for the fiscal year ended March 2012.

2. Performance by Segment (Operating Revenue and Operating Income)

Overview of Performance and Income by Segment

- In the leasing business, operating revenue increased ¥3.9 billion year on year and operating income rose ¥2.6 billion, with a fall of ¥0.6 billion in rent income from existing properties more than offset by income including rent income of ¥1.1 billion from new properties, and sales and penalty income of ¥4.0 billion from office buildings in London, United Kingdom.
- In the residential property sales business, operating revenue increased ¥10.5 billion year on year and operating income increased ¥1.4 billion, mainly reflecting an increase in the number of condominiums delivered from 246 to 413 year on year, a rise in the average sales price, and other factors.

(Million yen)

Category	(i) Nine months ended December 31, 2012	(ii) Nine months ended December 31, 2011	(i) - (ii)		Forecast for the Fiscal year ending March 31, 2013 (progress)	
			Change	Change (%)		
Operating revenue	**108,677**	**95,572**	**13,104**	**13.7%**	**155,000**	**70.1%**
Leasing	72,306	68,364	3,942	5.8%	93,200	77.6%
Residential Property Sales	25,803	15,282	10,520	68.8%	49,300	52.3%
Other	14,125	15,685	(1,560)	(9.9%)	17,800	79.4%
Operating income	**23,867**	**20,237**	**3,629**	**17.9%**	**26,000**	**91.8%**
Leasing	24,706	22,014	2,691	12.2%	27,600	89.5%
Residential Property Sales	2,299	852	1,446	169.7%	3,300	69.7%
Other	1,152	2,155	(1,003)	(46.6%)	1,800	64.0%
Operating income margin	**22.0%**	**21.2%**	**0.8**	**-**	**-**	**-**
Leasing	34.2%	32.2%	2.0	-	-	-
Residential Property Sales	8.9%	5.6%	3.3	-	-	-
Other	8.2%	13.7%	(5.5)	-	-	-

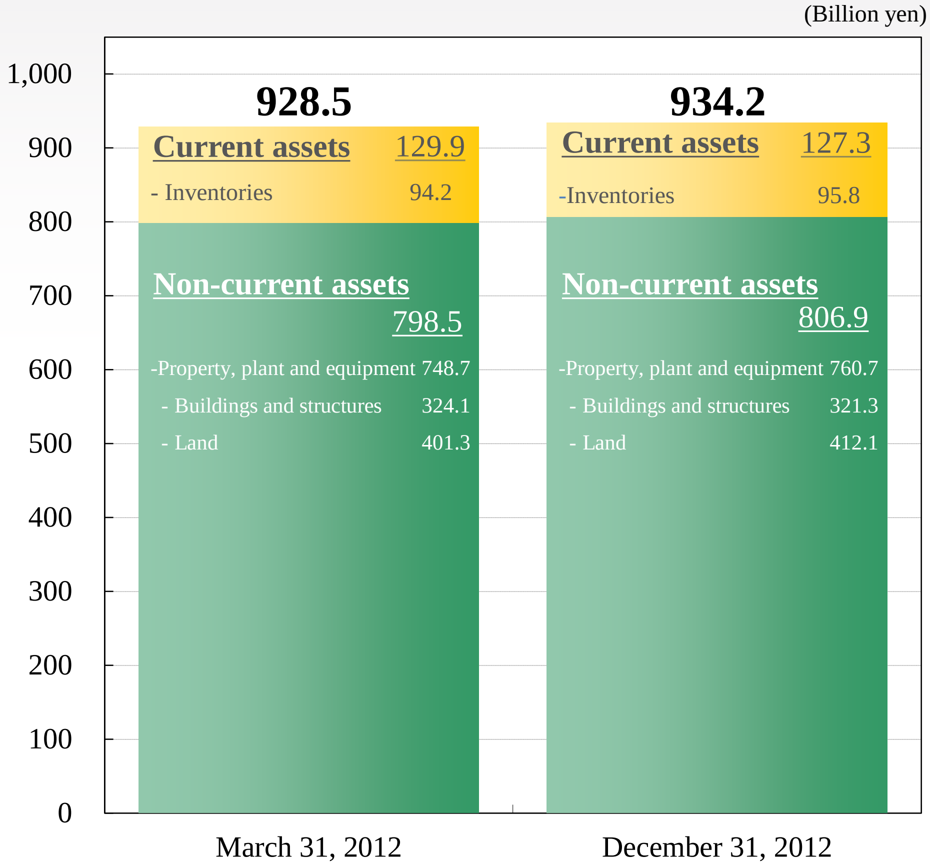
Note 1: Operating revenue: Before the elimination of intersegment transactions Operating income: Before the elimination of intersegment transactions and company-wide expenses

Note 2: Forecasts are based on figures projected on May 9, 2012 during the announcement of results for the fiscal year ended March 2012.

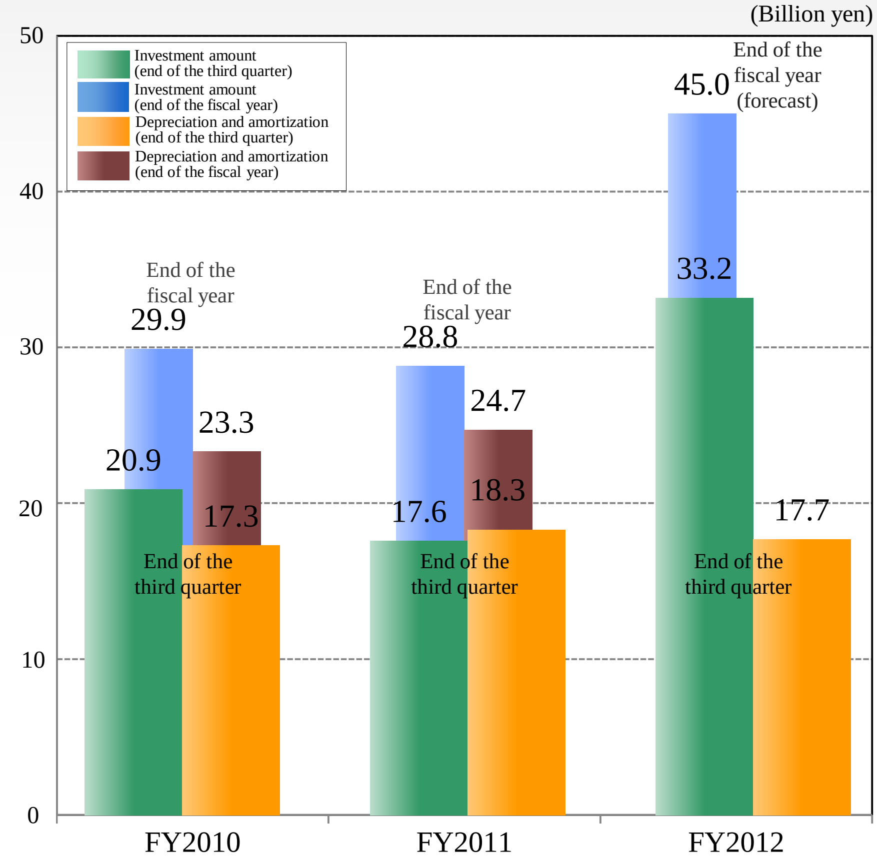
3. Balance Sheet (Total Assets and Investments)

- **Total assets were up ¥5.7 billion from the end of the previous fiscal year, to ¥934.2 billion which is almost at the same level.**
- **The amount of investments was ¥33.2 billion. The main investments were ¥10.6 billion in the Otemachi Financial City North Tower, ¥5.8 billion in the Grand Front Osaka, ¥5.7 billion in the 20 Finsbury Circus, ¥2.6 billion in the Urbannet Kanda Building, and ¥2.4 billion in the Upper-Level Section Redevelopment Project associated with the reconstruction of the Shibaura Water Reclamation Center.**

Total Assets



Investments

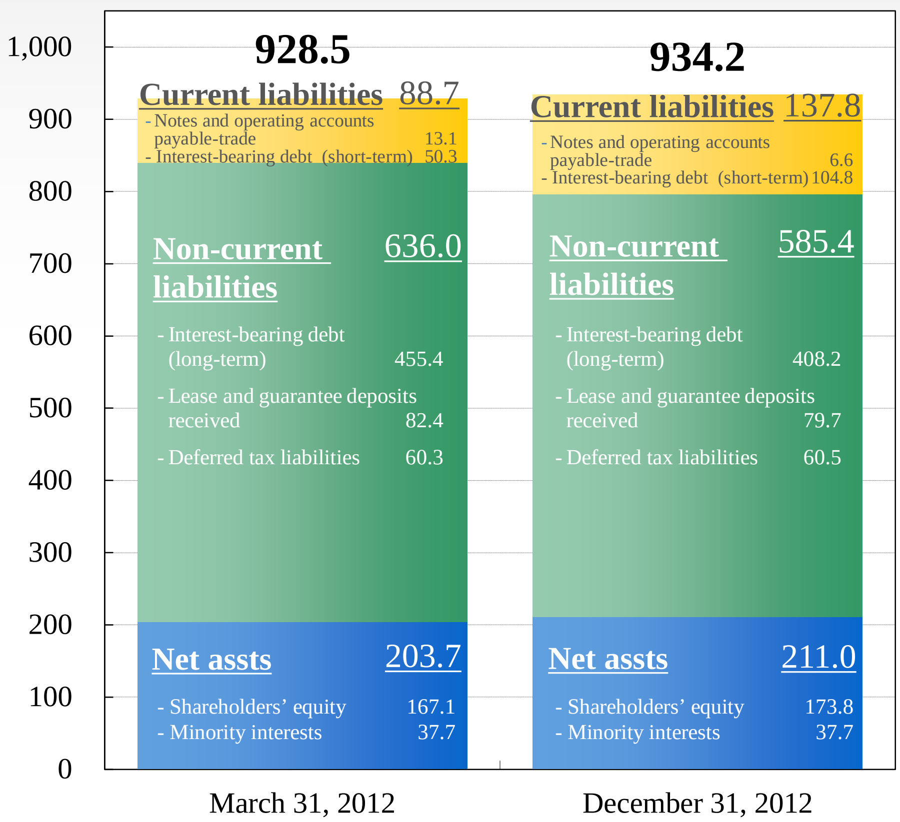


4. Balance Sheet (Liabilities, Net Assets and Interest-bearing Debt)

- Liabilities fell ¥1.5 billion from the end of the previous fiscal year, to ¥723.2 billion which is almost at the same level.
- Net assets rose ¥7.2 billion, primarily attributable to net income of ¥11.6 billion and dividends paid of ¥4.9 billion.
- Interest-bearing debt stood at ¥513.0 billion and net debt-to-equity ratio was 2.36.

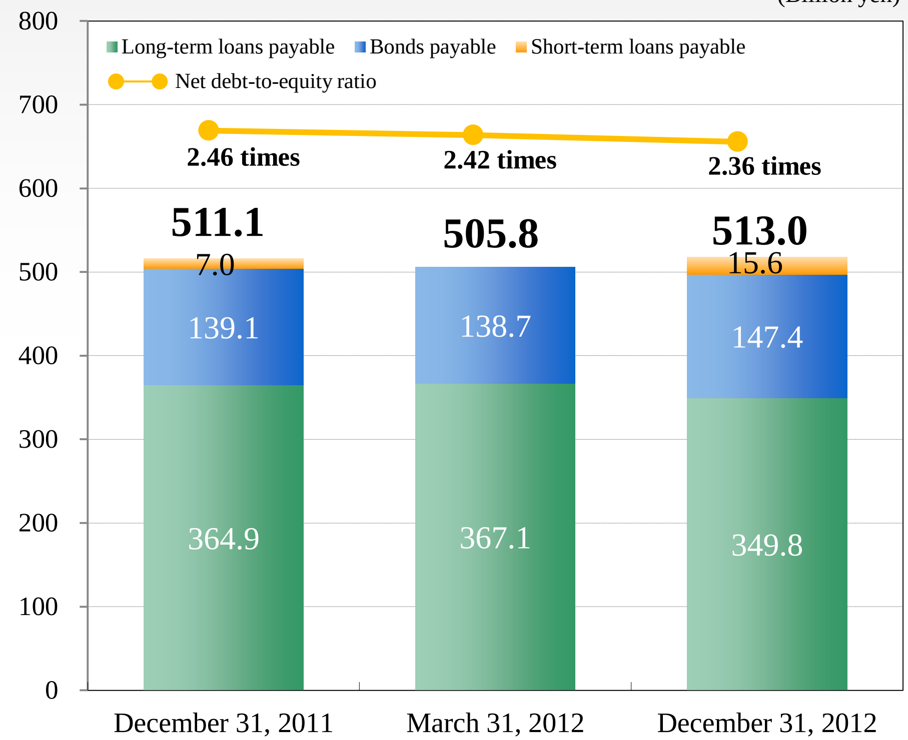
Liabilities and Net Assets

(Billion yen)



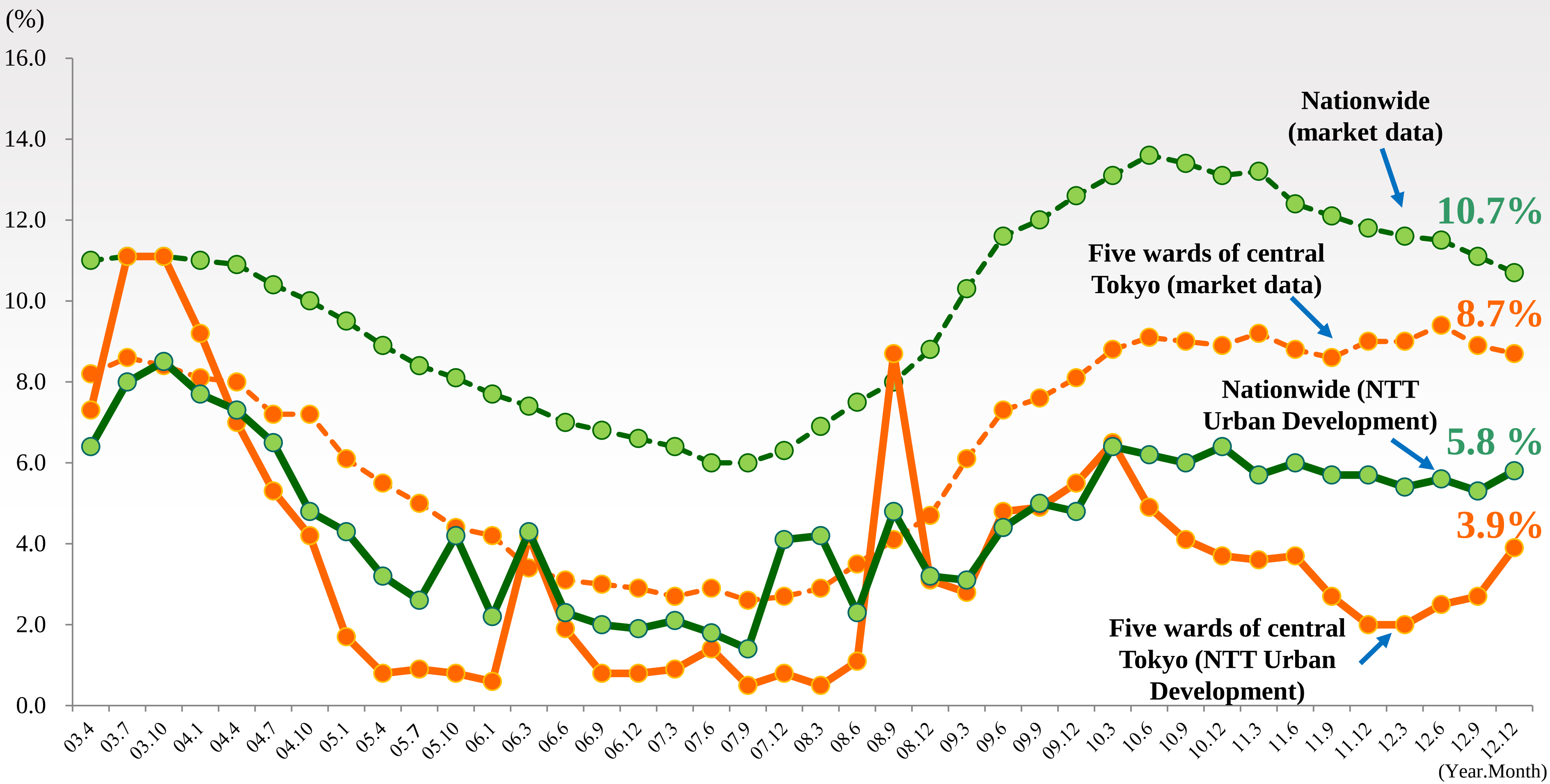
Interest-bearing Debt

(Billion yen)



Note 1: Bonds payable include "Current portion of bonds".
Note 2: Long-term loans payable include "Current portion of long-term loans payable" .
Note 3: Net debt-to-equity ratio = (interest-bearing debt – cash and cash equivalents – time deposits whose deposit terms exceed three months) / net assets

5. Vacancy Rates in Leasing Business



*1 Vacancy rates that historically were calculated on the first day of the following month are calculated on the final day of the current month, from March 2006.

*2 Figures have been changed and presented on a consolidated basis from March 2007.

*3 Market data in Five wards of central Tokyo was announced by Miki Shoji. Vacancy rate for the entire market nationwide is a simple average of vacancy rates (calculated by NTT Urban Development) for Tokyo, Yokohama, Osaka, Nagoya, Fukuoka, Sendai and Sapporo announced by Miki Shoji. Vacancy rate in Sendai area as of March 31, 2011 was calculated by using the data as of February 28, 2011.

Disclaimer

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Unless otherwise noted, this document is prepared in compliance with accounting policies generally accepted in Japan.

[Cover photograph]
Akihabara UDX: Forward Stroke, Otemachi First Square: Nacasa & Partners, Urbannet Otemachi Building: Kokyu Miwa Architectural Photography