(English translation based on Japanese original)

FACT BOOK
(for the Fiscal year ended March 31, 2015)

Contents

NTT Urban Development

May 12, 2015

1. Consolidated Financial Results and Forecast

Consolidated Statements of Income

(Million yen)

	FY 2010	FY 2011	FY 2012	FY 2013				FY 2014				FY2015
				1Q Jun. 2013	2Q Sep. 2013	3Q Dec. 2013	4Q Mar. 2014	1Q Jun. 2014	2Q Sep. 2014	3Q Dec. 2014	4Q Mar. 2015	Forecast
Operating revenue	145,693	136,842	163,168	40,350	82,011	130,289	189,186	36,272	74,379	101,251	152,052	168,000
Operating expenses	121,369	111,477	135,767	29,866	64,190	104,353	158,727	30,026	61,108	83,920	127,215	143,000
Operating income	24,324	25,365	27,401	10,483	17,820	25,935	30,458	6,245	13,270	17,330	24,836	25,000
Non-operating income	2,512	2,321	2,500	721	1,303	1,839	2,326	565	1,091	1,624	2,148	–
Non-operating expenses	8,282	8,457	7,885	1,962	4,486	6,254	7,919	1,593	3,219	4,982	6,590	–
Ordinary income	18,554	19,229	22,016	9,243	14,637	21,521	24,865	5,217	11,142	13,972	20,395	21,000
Extraordinary income	220	60	389	–	–	8,576	8,576	377	379	379	1,850	–
Extraordinary loss	2,652	2,863	3,436	43	255	1,015	13,103	43	491	632	3,375	–
Income before income taxes and minority interests	16,122	16,425	18,969	9,199	14,382	29,081	20,338	5,551	11,030	13,719	18,869	–
Income taxes	5,431	(2,951)	5,544	3,178	4,883	10,219	7,534	1,640	3,335	4,053	(620)	–
Income before minority interests	10,691	19,376	13,425	6,020	9,499	18,861	12,803	3,910	7,695	9,665	19,490	–
Minority interests in income	1,384	3,790	1,351	361	660	1,123	1,460	397	735	1,043	3,255	–
Net income	9,307	15,586	12,073	5,658	8,838	17,737	11,343	3,513	6,959	8,622	16,235	12,000

Consolidated Statements of Comprehensive Income

Income before minority interests	10,691	19,376	13,425	6,020	9,499	18,861	12,803	3,910	7,695	9,665	19,490	–
Other comprehensive income	(33)	(1,166)	3,062	(224)	944	1,592	3,470	(124)	409	1,792	4,180	–
Comprehensive income	10,658	18,209	16,487	5,796	10,444	20,454	16,274	3,786	8,104	11,458	23,671	–

Consolidated Balance Sheets

Total assets	910,492	928,537	941,050	943,202	932,457	955,355	985,507	978,412	977,256	1,029,705	1,033,220	—
Current assets	113,762	129,941	131,843	133,639	114,487	119,679	125,351	118,855	115,676	121,702	128,512	–
Non-current assets	796,729	798,595	809,207	809,563	817,970	835,675	860,155	859,556	861,580	908,003	904,708	–
Total liabilities	719,709	724,810	727,215	726,880	711,871	722,281	756,915	748,898	743,845	795,947	787,579	–
Current liabilities	104,822	88,727	177,439	163,578	89,117	92,702	101,021	105,266	117,821	135,533	98,874	–
Non-current liabilities	614,886	636,082	549,775	563,301	622,754	629,579	655,893	643,631	626,023	660,414	688,704	–
Total net assets	190,783	203,727	213,835	216,322	220,586	233,073	228,591	229,513	233,411	233,757	245,641	254,000

Consolidated Statements of Cash Flows

Net cash provided by (used in) operating activities	40,417	3,704	48,089	–	32,880	–	51,870	–	19,787	–	36,988	–
Net cash provided by (used in) investing activities	(28,257)	(23,033)	(39,885)	–	△24,580	–	(37,962)	–	(17,901)	–	(67,778)	–
Free cash flow	12,159	(19,329)	8,203	–	8,300	–	13,907	–	1,885	–	(30,789)	–
Net cash provided by (used in) financing activities	(14,641)	12,650	(6,660)	–	△2,441	–	(8,656)	–	(1,312)	–	31,777	–
Cash and cash equivalents at end of period	18,015	10,960	12,809	–	18,877	–	18,798	–	19,319	–	20,153	–

Major Financial Data

(Million yen)

Data Related to Total Assets		FY 2010	FY 2011	FY 2012	FY 2013				FY 2014				FY2015
					1Q Jun. 2013	2Q Sep. 2013	3Q Dec. 2013	4Q Mar. 2014	1Q Jun. 2014	2Q Sep. 2014	3Q Dec. 2014	4Q Mar. 2015	Forecast
Total assets		910,492	928,537	941,050	943,202	932,457	955,355	985,507	978,412	977,256	1,029,705	1,033,220	1,016,000
Return on assets (ROA)	%	2.9	3.0	3.1	–	–	–	3.4	–	–	–	2.6	approx. 2.6
Inventories		80,613	94,206	87,684	84,407	79,852	79,382	78,497		79,889	86,817	93,571	–
Inventories of residential property sales		77,913	85,222	72,278	72,008	65,651	65,787	56,560	52,851	51,201	57,205	58,997	–
Investments		29,925	28,807	46,856	6,748	20,135	50,865	62,778	7,560	14,340	64,268	79,979	55,000
(Restated) Capital expenditure		25,682	28,793	46,390	6,747	20,134	50,864	61,495	7,515	14,295	63,979	79,268	52,000

Data Related to Shareholders' equity

Shareholders' equity		155,534	166,012	176,221	178,695	183,047	189,961	185,616	186,517	190,496	190,910	200,910	208,000
Shareholders' equity ratio	%	17.1	17.9	18.7	18.9	19.6	19.9	18.8	19.1	19.5	18.5	19.4	approx. 20.5
Return on equity (ROE)	%	6.1	9.7	7.1	–	–	–	6.3	–	–	–	8.4	approx. 6.0
Net income per share*	Yen	28.28	47.36	36.68	17.19	26.85	53.89	34.46	10.67	21.15	26.20	49.33	approx. 37
(Full-year) Dividend per share*	Yen	12.00	14.00	16.00	–	–	–	16.00	–	–	–	16.00	16.00
(Full-year) Dividend		3,949	4,607	5,265	–	–	–	5,265	–	–	–	5,265	5,265
Dividend payout ratio	%	42.4	29.6	43.6	–	–	–	46.4	–	–	–	32.4	approx. 43
Dividend on equity (DOE)	%	2.6	2.9	3.1	–	–	–	2.9	–	–	–	2.7	approx. 2.6

Data Related to Interest-bearing Debt

Interest-bearing debt		487,780	505,805	505,993	520,928	507,819	518,367	507,253	516,911	509,274	559,268	547,189	529,000
Net interest-bearing debt		467,992	493,034	491,373	492,564	488,831	494,277	488,345	497,395	489,844	537,607	526,925	509,000
Net interest-bearing debt / EBITDA	X	9.8	9.8	9.6	–	–	–	8.9	–	–	–	10.9	approx. 10.5
Net D/E ratio	X	2.45	2.42	2.30	2.28	2.22	2.12	2.14	2.17	2.10	2.30	2.15	approx. 2.0
Interest coverage ratio	X	5.1	0.5	6.2	–	8.7	–	7.3	–	6.3	–	5.8	–
EBITDA interest coverage ratio	X	6.0	6.3	6.7	8.8	7.9	8.1	7.8	7.7	7.9	7.3	7.7	–
Ordinary income interest coverage ratio	X	2.3	2.4	2.9	4.9	3.8	3.9	3.5	3.3	3.5	2.9	3.2	–

・ Return on assets (ROA) = (Operating income + Equity in earnings of affiliates + Amortization of negative goodwill) / { (Total assets at the end of the previous fiscal year + Total assets at the end of the fiscal year under review) / 2 } ×100

・ Shareholders' equity = Net assets - Subscription rights to shares - Minority interests

・ Shareholders' equity ratio = Shareholders' equity / Total assets at the end of the fiscal year under review ×100

・ Return on equity (ROE) = Net income / { (Shareholders' equity at the end of the previous fiscal year + Shareholders' equity at the end of the fiscal year under review) / 2 } ×100

・ Net income per share = Net income / Number of issued and outstanding shares

・ Dividend payout ratio = (Full-year) Dividend per share / Net income per share

・ Dividend on equity (DOE) = (Full-year) Dividend / { (Shareholders' equity at the end of the previous fiscal year + Shareholders' equity at the end of the fiscal year under review) / 2 } ×100

・ Net interest-bearing debt = Interest-bearing debt - Cash and deposits - Short-term (less than 3 months) investments included in other current assets

・ EBITDA = Operating income + Depreciation and amortization

・ Net D/E ratio = Net interest-bearing debt / Net assets

・ Interest coverage ratio = Net cash provided by (used in) operating activities / Interest expenses paid (on the basis of net cash provided by (used in) operating activities)

・ EBITDA interest coverage ratio = EBITDA / Interest expenses

・ Ordinary income interest coverage ratio = Ordinary income / Interest expenses

* Net income per share and (Full-year) Dividend per share take into account the effect of the 100-for-one stock split implemented with October 1, 2013 as the effect date.

(Full-year) Dividend per share is total amount of interim dividend per share and year-end dividend per share.

2. Segment Information

Outline

(Million yen)

	FY 2010	FY 2011	FY 2012	FY 2013				FY 2014				FY2015
				1Q Jun. 2013	2Q Sep. 2013	3Q Dec. 2013	4Q Mar. 2014	1Q Jun. 2014	2Q Sep. 2014	3Q Dec. 2014	4Q Mar. 2015	Forecast
Operating revenue	145,693	136,842	163,168	40,350	82,011	130,289	189,186	36,272	74,379	101,251	152,052	168,000
Leasing	92,608	91,069	94,509	30,617	53,339	75,275	96,595	21,151	43,613	64,676	91,739	108,000
Residential property sales	41,725	28,484	54,939	7,380	22,476	45,542	79,537	12,883	25,074	27,813	46,626	47,000
Other	16,383	23,223	18,930	3,531	8,679	13,201	18,532	3,340	8,031	12,361	18,825	19,000
Eliminations	(5,022)	(5,934)	(5,209)	(1,179)	△2,484	(3,729)	(5,478)	(1,103)	(2,340)	(3,600)	(5,140)	(6,000)
Operating income	24,324	25,365	27,401	10,483	17,820	25,935	30,458	6,245	13,270	17,330	24,836	25,000
Leasing	29,226	27,482	29,216	10,945	17,157	23,375	27,189	5,883	12,028	17,022	23,566	26,000
Residential property sales	533	1,374	2,914	816	2,808	5,797	8,222	1,520	3,160	3,083	4,405	4,000
Other	1,212	3,090	1,580	203	772	1,203	1,729	186	634	1,006	2,485	2,000
Eliminations / Corporate	(6,647)	(6,583)	(6,310)	(1,482)	△2,918	(4,440)	(6,682)	(1,344)	(2,551)	(3,781)	(5,620)	(7,000)
Operating income margin %	16.7	18.5	16.8	26.0	21.7	19.9	16.1	17.2	17.8	17.1	16.3	14.9
Leasing %	31.6	30.2	30.9	35.7	32.2	31.1	28.1	27.8	27.6	26.3	25.7	24.1
Residential property sales %	1.3	4.8	5.3	11.1	12.5	12.7	10.3	11.8	12.6	11.1	9.4	8.5
Other %	7.4	13.3	8.3	5.8	8.9	9.1	9.3	5.6	7.9	8.1	13.2	10.5
Assets	910,492	928,537	941,050	–	–	–	985,507	–	–	–	1,033,220	1,016,000
Leasing	805,609	816,254	841,527	–	–	–	898,408	–	–	–	954,681	–
Residential property sales	85,726	90,959	88,306	–	–	–	74,258	–	–	–	64,530	–
Other	9,814	21,251	11,099	–	–	–	12,079	–	–	–	12,519	–
Eliminations / Corporate	9,342	71	116	–	–	–	761	–	–	–	1,489	–
Depreciation and amortization	23,388	24,765	23,766	–	–	–	24,566	–	–	–	23,474	24,000
Leasing	22,725	23,664	22,751	–	–	–	23,560	–	–	–	22,695	–
Residential property sales	4	6	5	–	–	–	5	–	–	–	7	–
Other	67	78	52	–	–	–	61	–	–	–	68	–
Eliminations / Corporate	590	1,015	957	–	–	–	938	–	–	–	702	–
Capex	25,682	28,793	46,390	–	–	–	61,495	–	–	–	77,583	–
Leasing	23,520	28,325	46,136	–	–	–	61,255	–	–	–	76,589	–
Residential property sales	0	5	3	–	–	–	13	–	–	–	31	–
Other	38	40	160	–	–	–	85	–	–	–	76	–
Eliminations / Corporate	2,122	421	90	–	–	–	140	–	–	–	885	–

Leasing

(Million yen)

		FY 2010	FY 2011	FY 2012	FY 2013				FY 2014				FY2015
					1Q Jun. 2013	2Q Sep. 2013	3Q Dec. 2013	4Q Mar. 2014	1Q Jun. 2014	2Q Sep. 2014	3Q Dec. 2014	4Q Mar. 2015	Forecast
Operating revenue		92,608	91,069	94,509	30,617	53,339	75,275	96,595	21,151	43,613	64,676	91,739	108,000
Office / Commercial		85,807	84,713	88,621	28,990	50,173	70,744	90,833	20,022	40,208	60,144	80,083	–
Residential / Other		6,800	6,356	5,887	1,627	3,166	4,531	5,762	1,129	3,405	4,532	11,656	–
Rentable area (Office / Commercial)	㎡	1,149,628	1,168,526	1,199,215	1,206,439	1,209,397	1,195,219	1,193,561	1,201,001	1,203,491	1,179,597	1,248,926	–
Nationwide vacancy rate	%	5.7	5.4	6.5	7.2	7.4	7.8	7.4	8.1	8.3	6.7	* 10.9	–
Five wards of central Tokyo	%	3.6	2.0	4.0	7.5	6.0	7.4	6.4	6.8	5.9	2.9	* 14.7	–
NOI		56,722	54,318	56,397	–	–	–	56,109	–	–	–	51,599	55,000
Five wards of central Tokyo		31,305	29,907	29,121	–	–	–	29,869	–	–	–	22,829	–
Tokyo metropolitan area (except five wards of central Tokyo)		4,289	4,153	4,059	–	–	–	3,940	–	–	–	4,116	–
Other regions		21,128	20,257	23,216	–	–	–	22,300	–	–	–	24,652	–
NOI (excluding the effects of property sales, etc.)		56,722	54,318	53,499	–	–	–	51,489	–	–	–	47,509	49,000
Five wards of central Tokyo		31,305	29,907	29,121	–	–	–	25,617	–	–	–	22,829	–
Tokyo metropolitan area (except five wards of central Tokyo)		4,289	4,153	4,059	–	–	–	3,940	–	–	–	3,292	–
Other regions		21,128	20,257	20,318	–	–	–	21,932	–	–	–	21,387	–
Fair value of rental properties		1,180,817	1,155,467	1,159,902	–	–	–	1,210,052	–	–	–	1,327,642	–
Book value of rental properties		737,113	743,939	758,300	–	–	–	805,911	–	–	–	845,486	–

・ NOI = operating revenues from leasing business - operating cost for leasing business + depreciation and amortization expense for the leasing business (including long-term prepaid expenses)

・ Five wards of central Tokyo are Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku and Shinjuku-ku.

・ Tokyo metropolitan area (except five wards of central Tokyo) is Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

・ Properties of which leases were suspended for future redevelopment, etc. are excluded from the calculation of vacancy rates since the rate of Decemeber 2014.

* The vacancy rates excluding Shinagawa Season Terrace (completed Feburuary 2015) are 1.7% in five wards of central Tokyo and 6.2% nationwide.

Residential Property Sales

(Million yen)

		FY 2010	FY 2011	FY 2012	FY 2013				FY 2014				FY2015
					1Q Jun. 2013	2Q Sep. 2013	3Q Dec. 2013	4Q Mar. 2014	1Q Jun. 2014	2Q Sep. 2014	3Q Dec. 2014	4Q Mar. 2015	Forecast
Operating revenue		41,725	28,484	54,939	7,380	22,476	45,542	79,537	12,883	25,074	27,813	46,626	47,000
Condominiums													
Operating revenue		31,627	22,392	47,372	5,512	20,444	42,871	75,486	12,785	24,558	27,023	45,405	–
Tokyo metropolitan area		22,948	16,330	27,979	4,330	14,804	33,152	54,073	7,788	17,241	18,741	24,368	–
Other regions		8,678	6,062	19,392	1,181	5,640	9,719	21,413	4,997	7,316	8,281	21,036	–
Units delivered	Units	717	458	1,052	126	396	651	1,423	220	528	586	1,080	1,100
Tokyo metropolitan area	Units	463	351	564	98	300	444	876	80	328	363	503	–
Other regions	Units	253	107	488	28	95	206	547	140	199	223	576	–
Completed in inventories	Units	91	99	207	146	72	68	207	121	187	161	219	–
Residential Lots, etc.													
Operating revenue		7,785	4,099	6,618	1,868	2,031	2,671	4,050	97	515	790	1,220	–
Units / Lots delivered	Units / Lots	326	48	63	10	15	51	136	5	31	45	71	–
Completed in inventories	Units / Lots	27	14	37	87	88	66	33	42	33	40	19	–
Other													
Operating revenue		2,312	1,993	948	–	–	–	–	–	–	–	–	–
Units / Lots delivered	Units / Lots	1	1	1	–	–	–	–	–	–	–	–	–

・ Tokyo metropolitan area is Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma and Tochigi prefectures.

・ For joint projects, units / lots delivered and completed in inventories are corresponding to the Company's share in the project. It is rounded down to the nearest unit / lot.

・ "Other" are the sale of a condominium (apartment building) and others.

＜Reference＞

Development Projects

Name	Resola South Terrace	Trad Mejiro	Shinagawa Season Terrace	Urbannet Nihonbashi 2-Chome Building	Urbannet Ginza 1-Chome Building	Otemachi 2-Chome Area 1st Class Urban Redevelopment Project Building A	Universal City Station Project (tentative name)
Location	1-22-17 Imaizumi Chuo-ku, Fukuoka-shi, Fukuoka	2-39-1 Mejiro Toshima-ku, Tokyo	1-2-70 Konan Minato-ku, Tokyo	2-1-7 Nihonbashi Chuo-ku, Tokyo (lot number)	1-219-2 Ginza Chuo-ku, Tokyo (lot number)	Otemachi 2-Chome, Chiyoda-ku, Tokyo	6-417 Shimaya Konohana-ku, Osaka-shi, Osaka (lot number)
Company's share	100%	100%	Non-disclosure (Tokyo Metropolitan Government and four private companies participate in the joint project.)	100%	100%	Non-disclosure (The company participates in the joint project as a joint developer.)	100%
Site area	1,064㎡	1,676㎡	49,547㎡ (in total)	1,687㎡	1,737㎡	Approx. 19,900㎡ (Building A and B in total)	2,638㎡
Commencement	April 2012	April 2013	February 2012	June 2014	November 2014	May 2015 (schedule)	October 2015 (schedule)
Completion	Main part: April 2013 Entire building: August 2013	October 2014	February 2015	December 2015 (schedule)	February 2016 (schedule)	July 2018 (schedule)	June 2017 (schedule)
Total floor space	6,184㎡	7,575㎡	202,716㎡ (in total)	14,795㎡	11,720㎡	Approx. 202,000㎡ (Building A in total) 〔Approx. 35,000㎡ (owned by the Company)*1〕	20,808㎡
Structure	Steel structure	Above: Steel structure Below: Steel-reinforced concrete structure; Partially steel structure	Steel structure; Partially reinforced concrete structure	Steel structure; Partially steel-reinforced concrete structure	Steel structure; Partially steel-reinforced concrete structure	Steel structure; Partially steel-reinforced concrete structure	Steel structure; Partially steel-reinforced concrete structure
Building scale	9 floors above ground	4 floors above ground and 2 below	32 floors above ground and 1 below	10 floors above ground and 1 below	8 floors above ground and 1 below	35 floors above ground and 3 below (Building A)	17 floors above ground and 1 below
Main use	Commercial	Commercial	Office and commercial	Office	Office	Office and commercial	Commercial
Company's investment amount	Non-disclosure	Non-disclosure	38,189 million yen	19,705 million yen (schedule)	Non-disclosure	57,485million yen (schedule)	10,799 million yen (schedule)

*1 Including co-owned part

Overseas Properties (Redevelopment Project)

Name	1 King William Street	119 West 25th Street
Location	1 King William Street, London EC4, U.K.	119 West 25th Street, New York, NY, USA
Company's share	100%	Non-disclosure
Date of acquisition	June 2011	December 2013
Leased floor space	Approx. 99,265sqf (approx. 9,222㎡) *2	Approx. 137,000sqf (approx. 12,700㎡) *2
Building scale	8 floors above ground and 1 below *2	11 floors above ground and 1 below
Main use	Office	Office and commercial
Acquisition cost	GBP 67 million (approx. 8,900 million yen) *Converted at the exchange rate of 132 yen per GBP (at the time of acquisition)	Non-disclosure
Commencement of redevelopment	August 2014	July 2014
Completion due of redevelopment	August 2016 (schedule)	April 2016 (schedule)

*2 The number above is after redevelopment.

Overseas Properties (Acquisition)

Name	265 Strand	141 Tremont Street	27 School Street
Location	265 Strand, London WC2R 1BH, U.K.	141 Tremont Street, Boston, MA, USA	27 School Street, Boston, MA, USA
Company's share	100%	Non-disclosure	Non-disclosure
Date of acquisition	April 2013	January 2015	January 2015
Leased floor space	75,883sqf (approx. 7,049㎡)	68,645sqf (approx. 6,377㎡)	62,427sqf (approx. 5,799㎡)
Building scale	8 floors above ground and 1 below	13 floors above ground	6 floors above ground and 1 below
Main use	Office	Office	Office and commercial
Acquisition cost	GBP 77 million (approx. 11,550 million yen) *Converted at the exchange rate of 150 yen per GBP (at the time of acquisition)	Non-disclosure	Non-disclosure