(English translation based on Japanese Original)

NTT Urban Development Corporation

Overview of the Third Quarter of the Fiscal Year Ending March 31, 2012 and Revised forecast for the Fiscal year

February 3, 2012

1. Financial Highlights of the Third Quarter of the Fiscal Year Ending March 31, 2012 and Revised forecast for the Fiscal year

Overview of Performance and Income

- Consolidated operating revenue in the third quarter under review fell year on year. Operating income and ordinary income declined year on year. Net income rose ¥5.8 billion due to the effect of the decreased corporate tax rate.
- The forecast for net income was revised upward from ¥9.5 billion to ¥15.3 billion as a result of the decreased corporate tax rate.

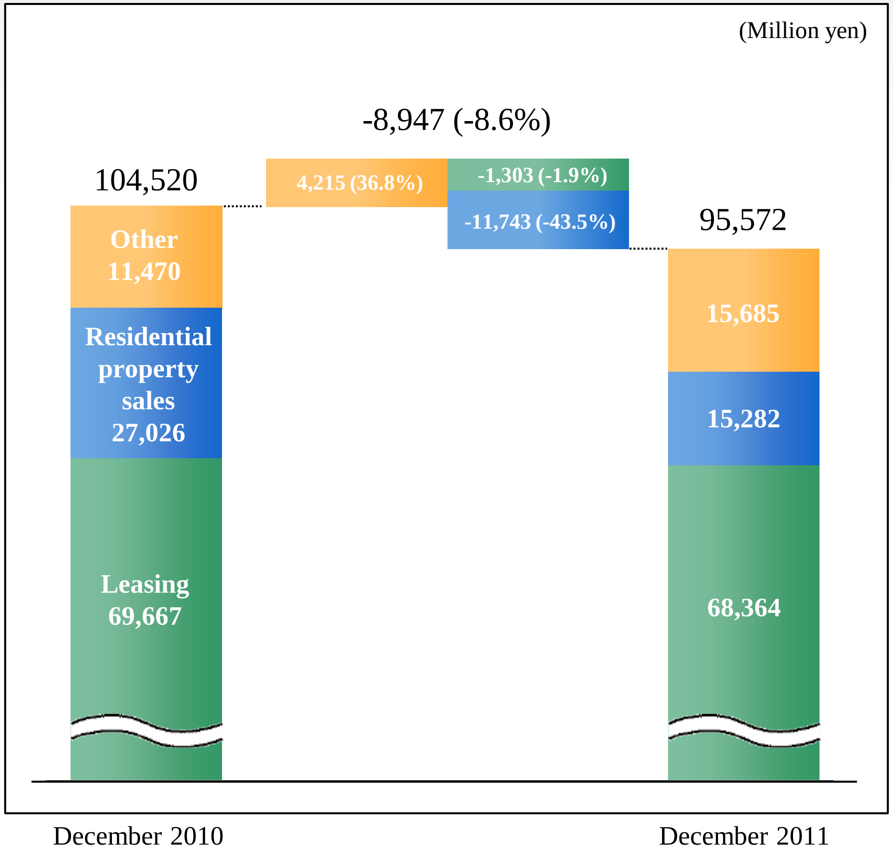
(Million yen)

Category	(i) Third Quarter Ended in Dec. 2011	(ii) Third Quarter Ended in Dec. 2010	(i) - (ii) Change	(i) - (ii) Change (%)	Revised forecast for the Fiscal year ending March 31, 2012 (progress)	
Operating revenue	95,572	104,520	(8,947)	(8.6%)	144,000	66.4%
Operating expenses	75,335	83,283	(7,948)	(9.5%)	—	—
Operating income	20,237	21,236	(998)	(4.7%)	24,500	82.6%
Non-operating income	1,785	1,920	(134)	(7.0%)	—	—
Non-operating expenses	6,290	6,235	55	0.9%	—	—
Ordinary income	15,732	16,921	(1,188)	(7.0%)	18,700	84.1%
Extraordinary income	60	204	(144)	(70.7%)	—	—
Extraordinary loss	1,493	1,570	(77)	(4.9%)	—	—
Income before income taxes and minority interests	14,299	15,555	(1,256)	(8.1%)	—	—
Income taxes, etc.	(3,488)	5,370	(8,858)	—	—	—
Income before minority interests	17,787	10,185	7,602	74.6%	—	—
Minority interests in income	3,511	1,105	2,406	217.7%	—	—
Net income	14,275	9,079	5,195	57.2%	15,300	93.3%
Comprehensive income	16,109	10,282	5,826	56.7%		

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

- **In the leasing business, operating revenue decreased ¥1.3 billion year on year and operating income decreased ¥0.9 billion, due primarily to income including rent income of ¥0.9 billion from new properties and a fall of ¥2.1 billion in rent income from pre-existing properties.**
- **In the residential property sales business, operating revenue decreased ¥11.7 billion year on year and operating income decreased ¥1.2 billion, reflecting a fall in the number of condominiums delivered from 428 in the third quarter of the previous fiscal year to 246 as well as factors including decreases of the sales of lands and a condominium building posted in the third quarter of the previous fiscal year.**

Operating Revenue



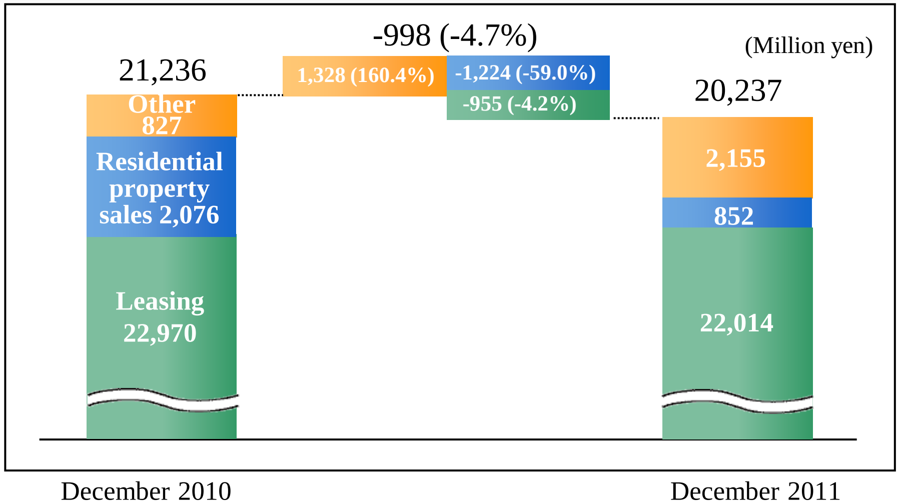
Note: Before the elimination of intersegment transactions

Operating Income Margin

	December 2010		December 2011
Leasing	33.0%	-0.8	32.2%
Residential property sales	7.7%	-2.1	5.6%
Other	7.2%	+6.5	13.7%
Total	20.3%	+0.9	21.2%

Note: Before the elimination of intersegment transactions and corporate overhead

Operating Income

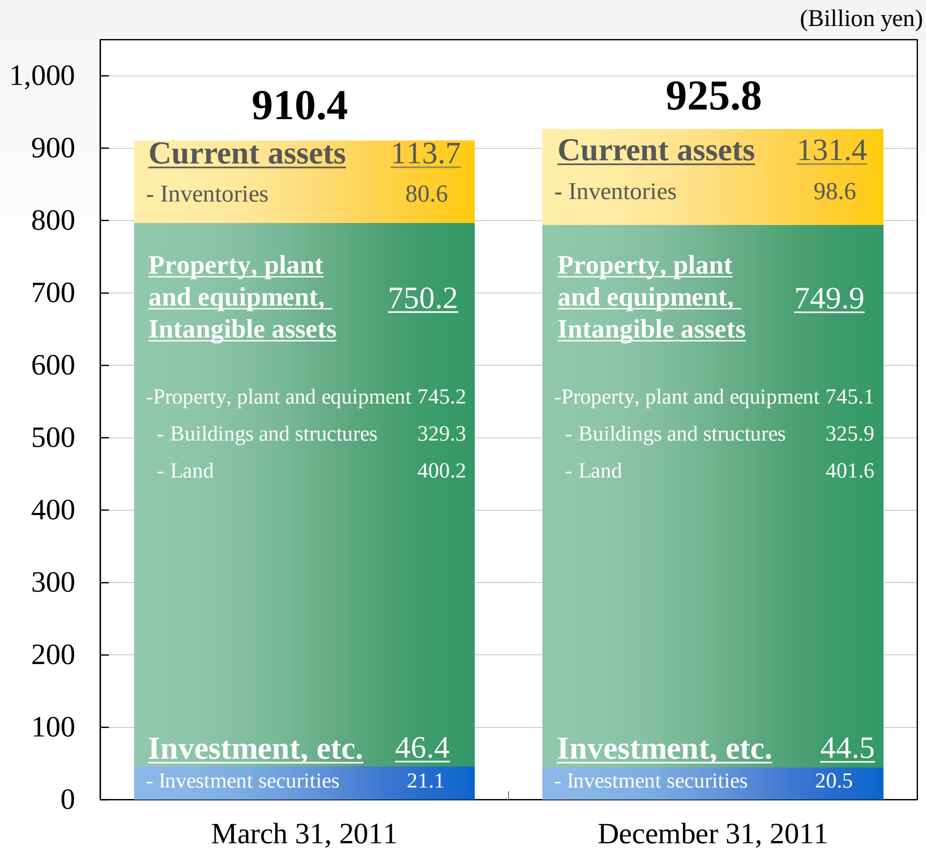


Note: Before the elimination of intersegment transactions and corporate overhead

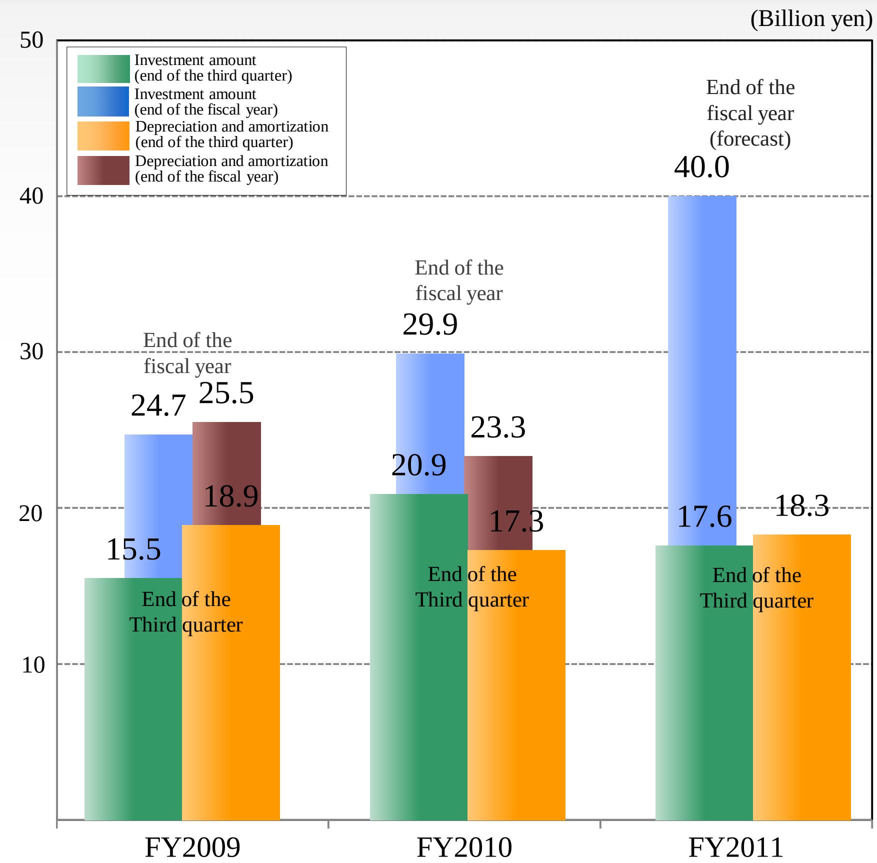
3. Balance Sheet (Total Assets and Investments)

- Total assets were up ¥15.3 billion from the end of the previous fiscal year, to ¥925.8 billion, reflecting an increase of ¥18 billion in inventories including the acquisition of second property in London, U.K. "1 King William Street".
- The amount of investments was ¥17.6 billion, the investments include ¥4.6 billion in the Umekita (Osaka Station North District) Phase 1 Development Area Project, ¥2.6 billion in the Urbannet Tenjin Building, ¥1.9 billion in UD Nakasu Building, ¥1.3 billion in adjacent land in Minami Aoyama and ¥1.3 billion in Urbannet Uchihonmachi Building.

Total Assets



Investments

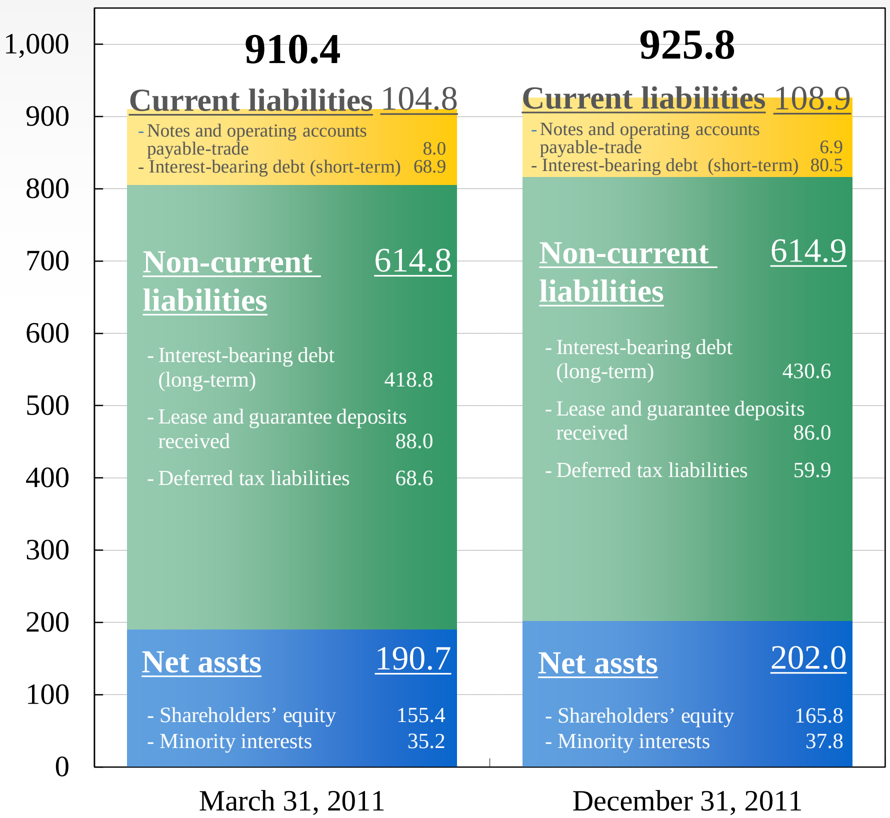


4. Balance Sheet
(Liabilities, Net Assets and Consolidated Interest-bearing Debt)

- Liabilities rose ¥4.1 billion from the end of the previous fiscal year, to ¥723.8 billion, mainly reflecting an increase of ¥13.7 billion in bonds and a decrease of ¥8.7 billion in deferred tax liabilities.
- Net assets rose ¥11.2 billion, primarily attributable to net income of ¥14.2 billion and dividends paid of ¥3.9 billion.
- Interest-bearing debt stood at ¥511.1 billion and net debt-to-equity ratio was 2.46.

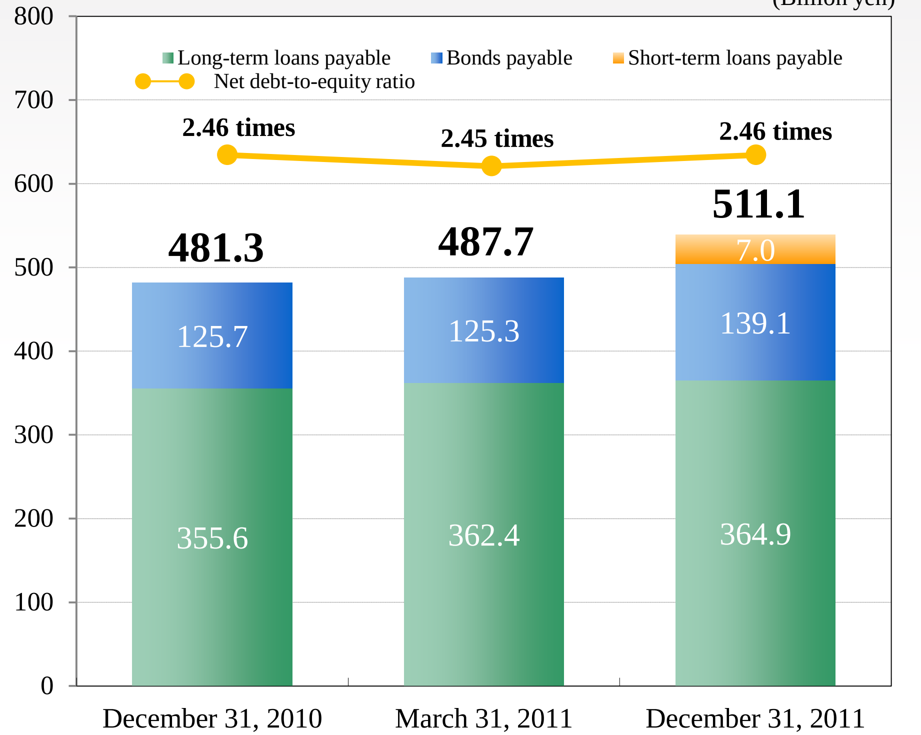
Liabilities and Net Assets

(Billion yen)



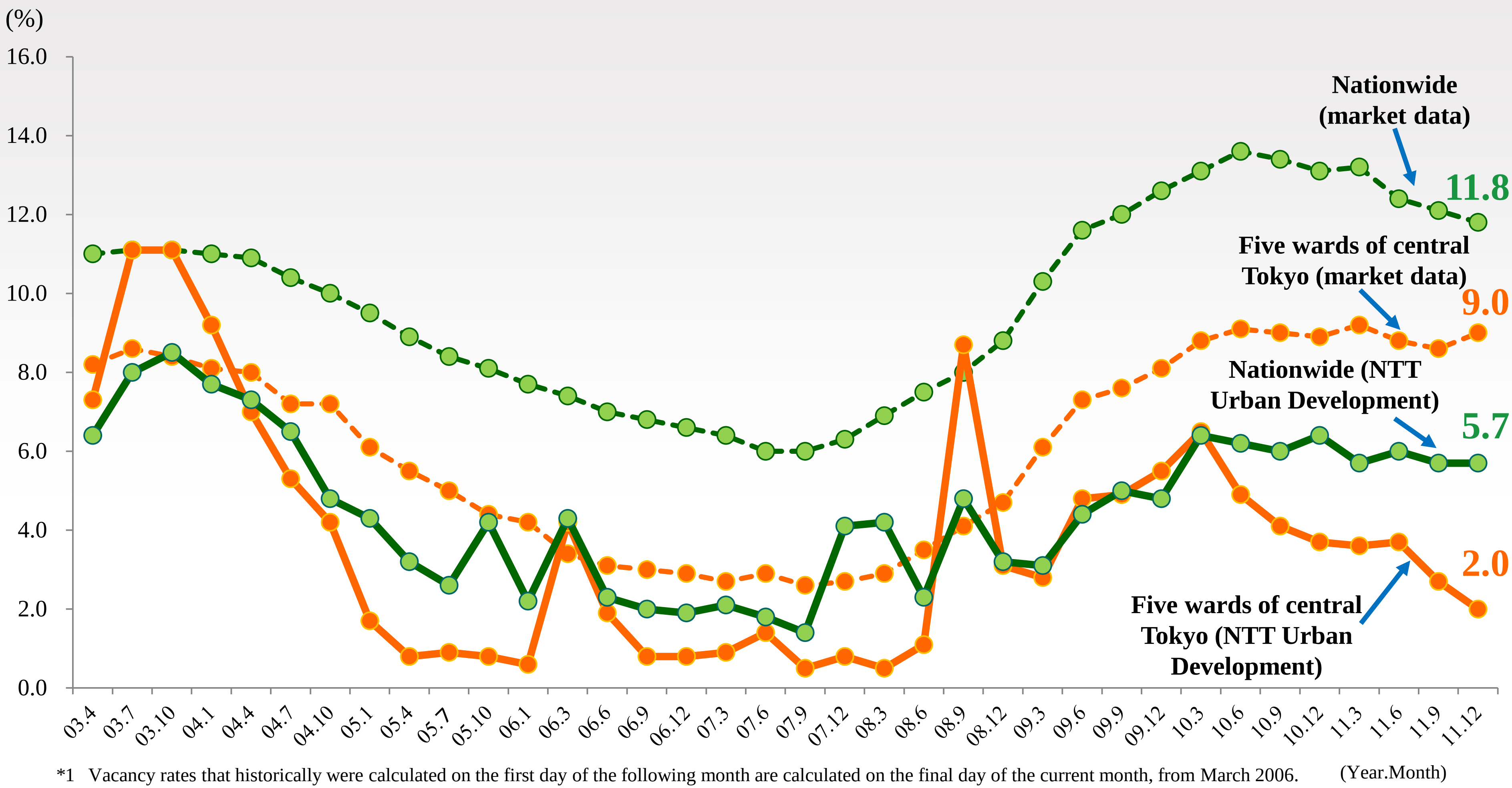
Consolidated Interest-bearing Debt

(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.

(Reference) Residential Land Sales Business in Australia

Project Overview

We commenced a residential land sales business in the suburbs of Melbourne, Australia, as part of its initiatives to promote its international operations.
Australia is a promising country given that the real estate market is relatively developed and that solid economic growth is expected even though it is a developed country.
Melbourne is a popular city that was selected as the world's most livable city in the Global Liveability Ranking of the Economist Intelligence Unit in August 2011. The area is a popular and it was the first to be developed in the Melbourne area. The future outlook for the property is also sound.

Overview of the development plan

Address	: 335 Grices Road, Clyde North, Victoria, 3978
Total area	: 40.57 hectare (405,700 m^2)
Total number of lots for sales	: 367 lots (planned)
Location	: Approx. 45km south east of Melbourne; 45 minutes by car
Business income (Plan)	: Approx.7.0 billion yen
	(of which approx. ¥3.5 billion is for the NTTUD)
Schedule	: Commencement of sales in 2012
	Planned completion of the business in 2016

Disclaimer

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