We create harmony.

Overview of the Third Quarter of the Fiscal Year Ending March 31, 2009 (FY 2008)

NTT Urban Development Corporation **Feb. 2, 2009**

1. Financial Highlights of the Third Quarter of the Fiscal Year Ending March 31, 2009

Overview of Performance and Income

- **In the third quarter of the fiscal year under review, consolidated net sales and operating income rose from the year-ago level.**
- **Ordinary income and net income also increased from the year-ago level.**

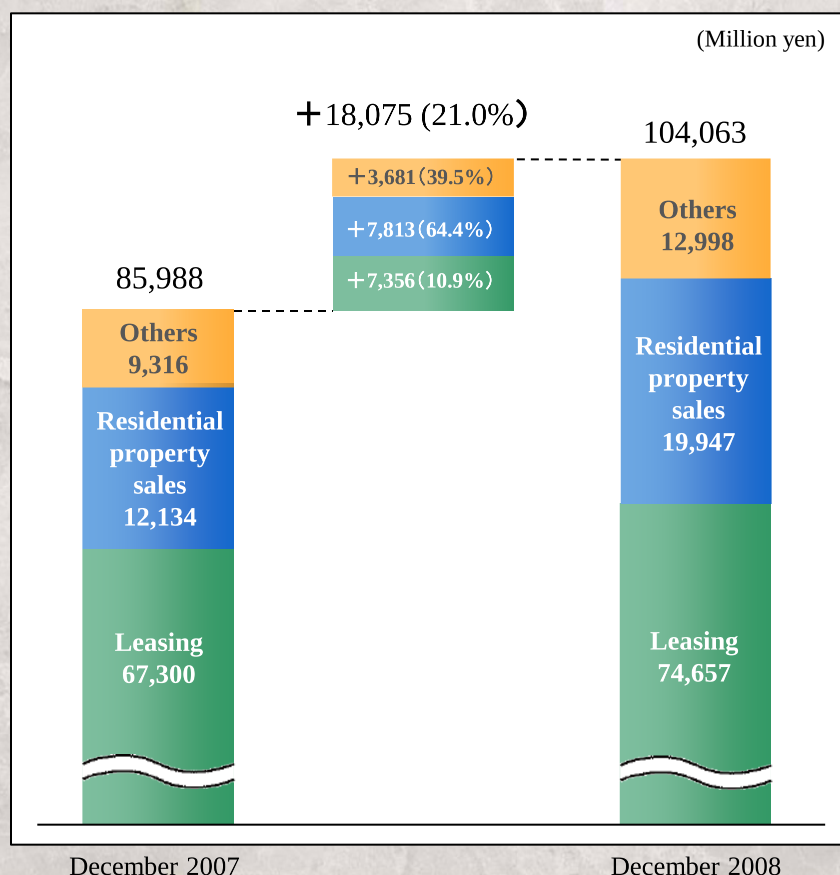
(Million yen)

Category	(i) Third Quarter Ended in December 2008	(ii) Third Quarter Ended in December 2007	(i) – (ii) Change	(i) – (ii) Change (%)
Net sales	**104,063**	**85,988**	**18,075**	**21.0%**
Operating expense	77,788	67,932	9,855	14.5%
Operating income	**26,275**	**18,055**	**8,219**	**45.5%**
Non-operating income	1,816	1,951	(134)	(6.9%)
Non-operating expense	6,058	3,923	2,134	54.4%
Ordinary income	**22,032**	**16,082**	**5,950**	**37.0%**
Extraordinary income	2,082	740	1,341	181.0%
Extraordinary losses	2,883	1,024	1,858	181.5%
Corporate taxes, etc.	8,773	6,519	2,253	34.6%
Net income	**12,458**	**9,279**	**3,178**	**34.3%**

2. Performance by Segment (Net Sales and Operating Income)

- In the leasing business segment, net sales and operating income rose ¥7.3 billion and ¥7.4 billion respectively, as a result of the Company making UDX Tokutei Mokuteki Kaisha (Special Purpose Company) its consolidated subsidiary, acquiring rents from buildings newly acquired and increasing the rents for existing buildings.
- In the residential property sales business segment, net sales and operating income grew ¥7.8 billion and ¥0.7 billion, respectively, as a result of increased deliveries of condominiums.

Net Sales

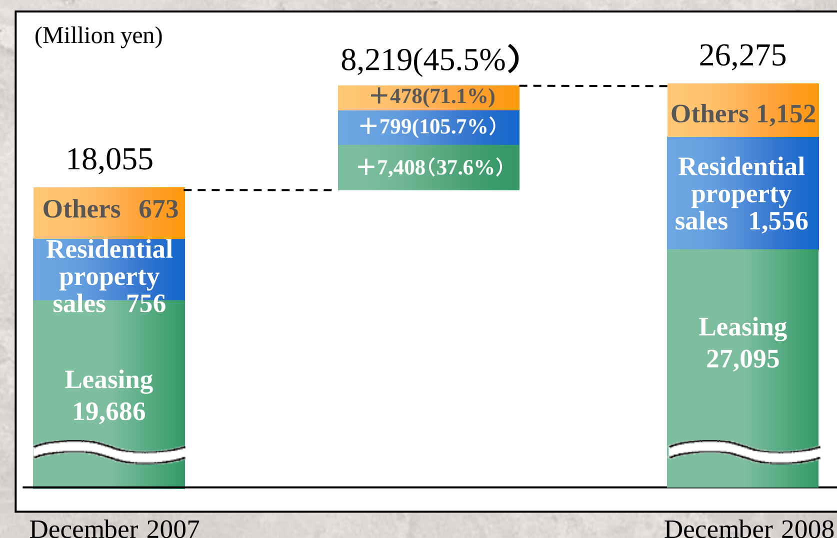


Note: Before the elimination of intra-segment transfers

Operating Income Margin

	December 2007		December 2008
Leasing	29.3%	+7.0	36.3%
Residential property sales	6.2%	+1.6	7.8%
Others	7.2%	+1.7	8.9%
Total	21.0%	+4.2	25.2%

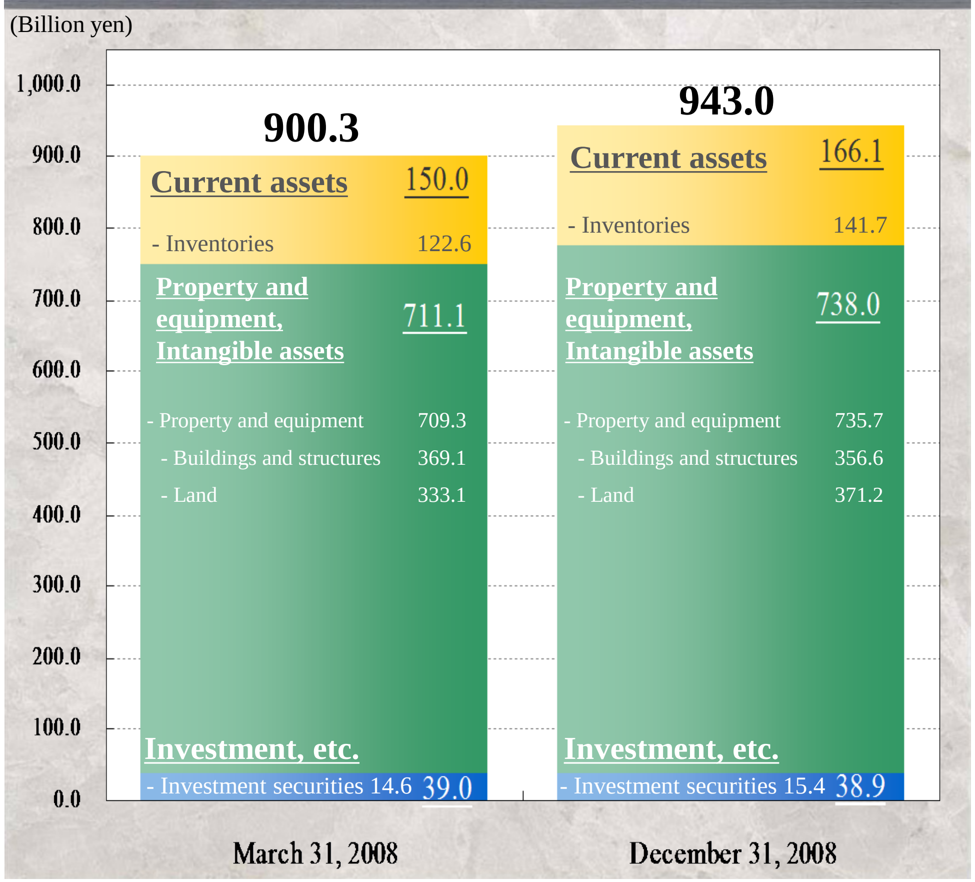
Operating Income



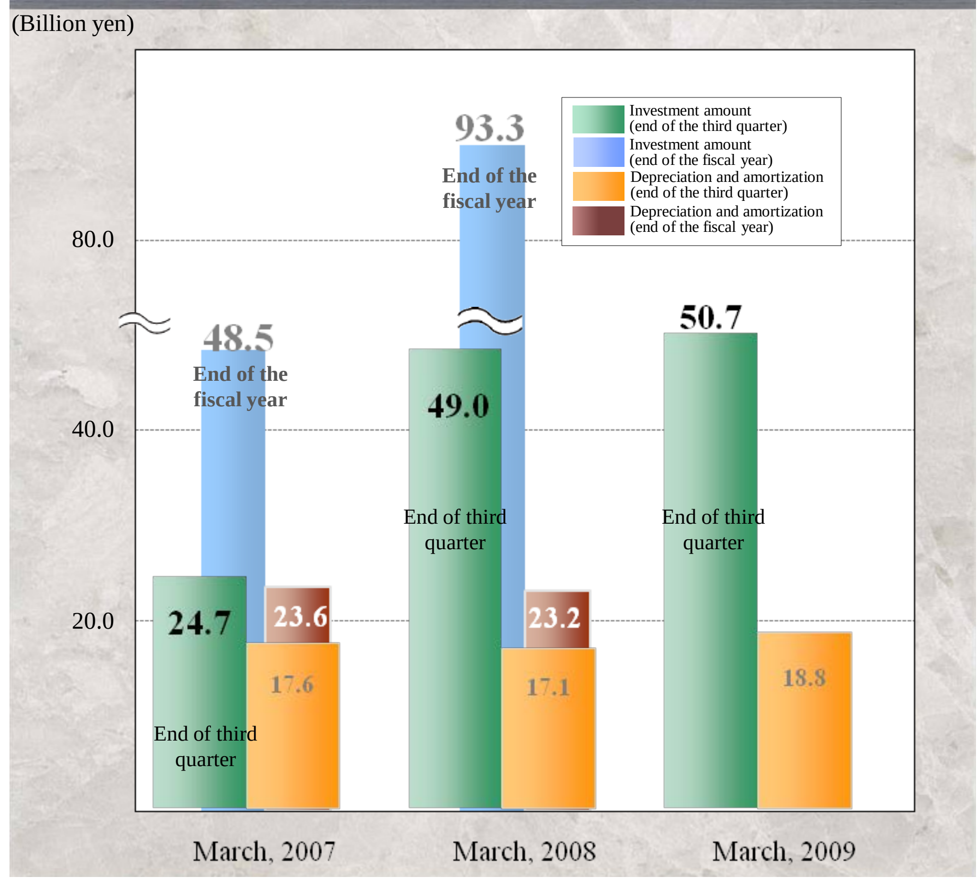
3. Balance Sheet (Total assets and investments)

- Total assets rose ¥42.7 billion from the end of the previous fiscal year to ¥943.0 billion, primarily reflecting an increase in inventories of ¥19.0 billion and an increase in land of ¥38.0 billion.
- Major investments in the third quarter under review included the acquisition of “Tradepia Yodoyabashi” and the “Chiyoda-ku Uchikanda Project.”

Total Assets



Investments

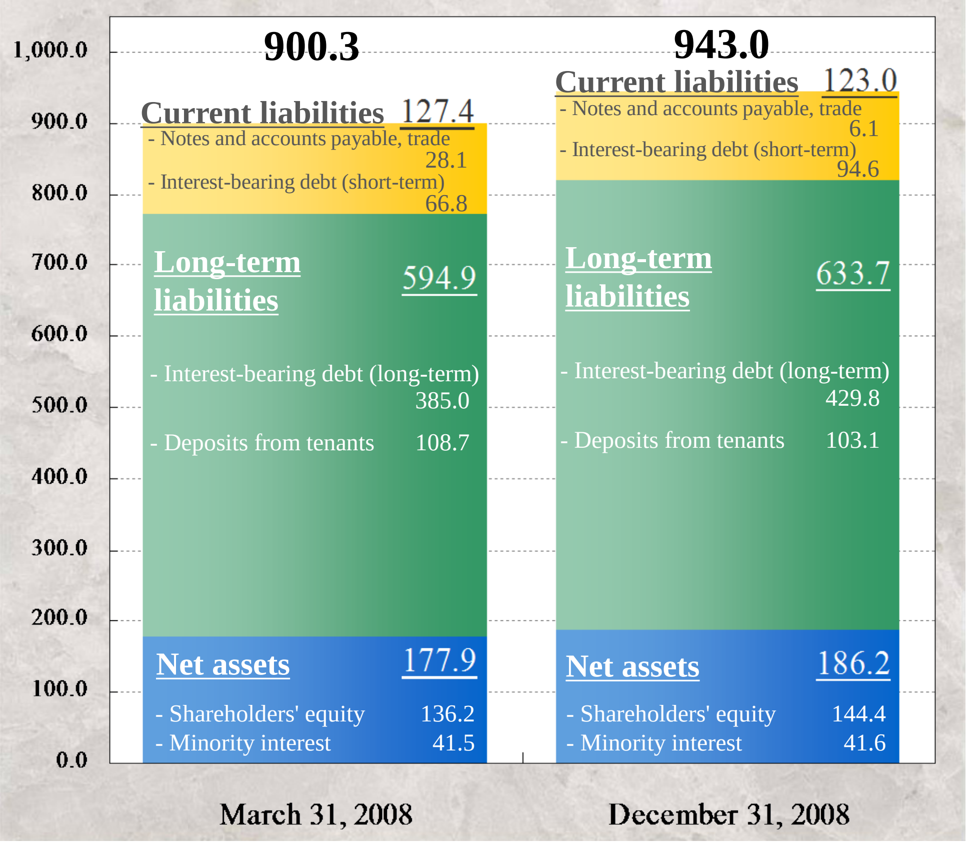


4. Balance Sheet
(Liabilities, net assets, and consolidated interest-bearing debt)

- **Liabilities rose ¥34.4 billion to ¥756.8 billion, mainly reflecting a rise of ¥72.5 billion in interest-bearing debt, and a fall of ¥21.9 billion in accounts payable-trade.**
- **Net assets rose ¥8.2 billion. Major factors behind the increase were net quarterly income of ¥12.4 billion and dividends paid ¥4.2 billion.**
- **Consolidated interest-bearing debt increased ¥72.5 billion to ¥524.4 billion, resulting in a Net debt-to-equity ratio of 2.74.**

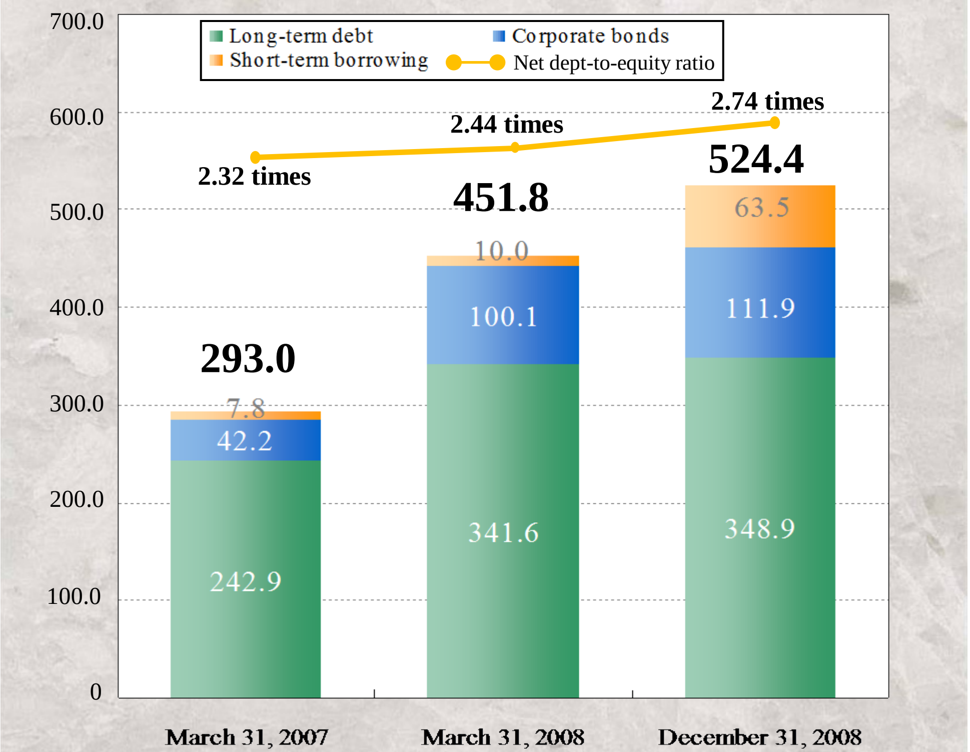
Liabilities and Net Assets

(Billion yen)



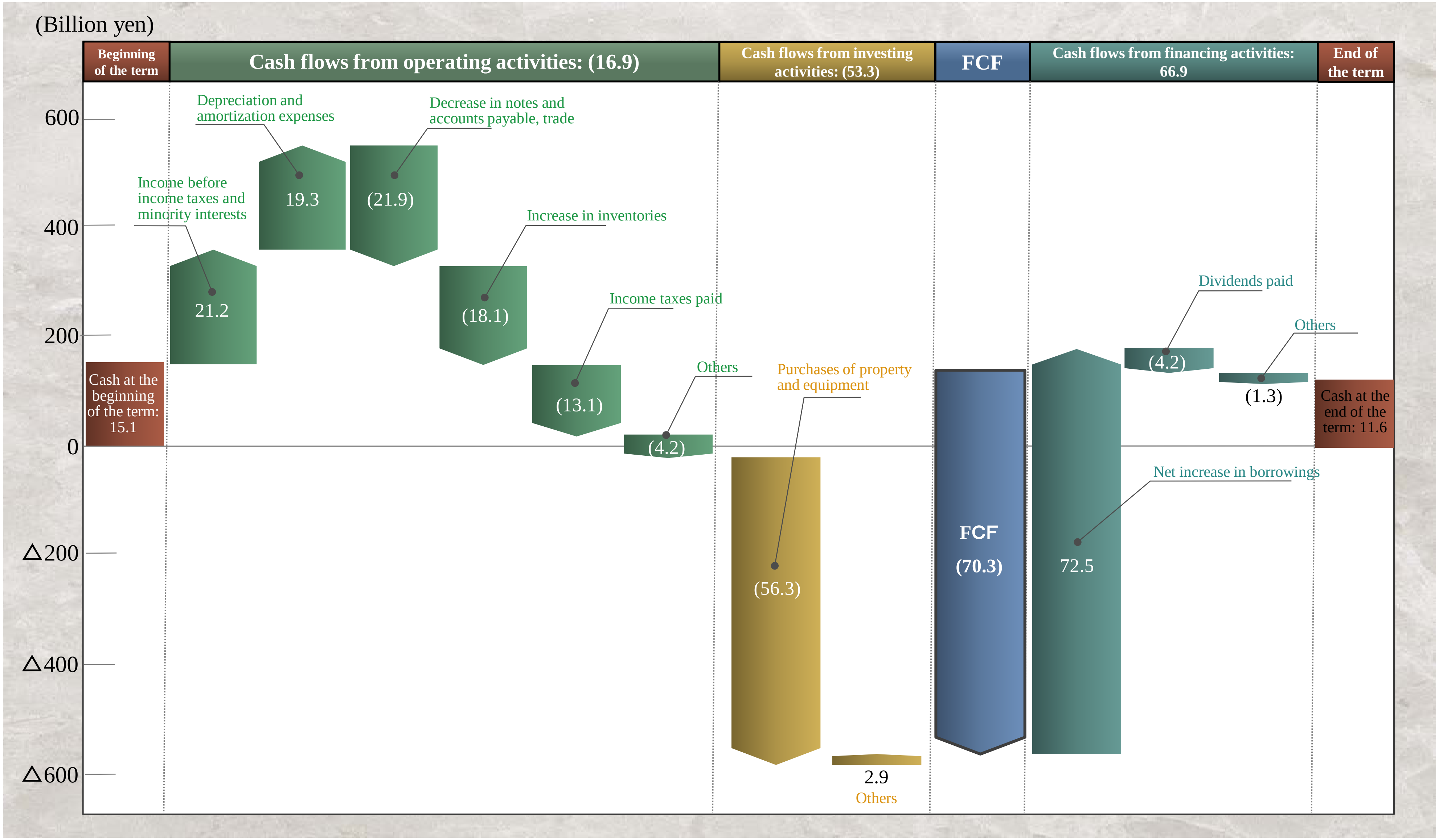
Consolidated Interest-bearing Debt

(Billion yen)



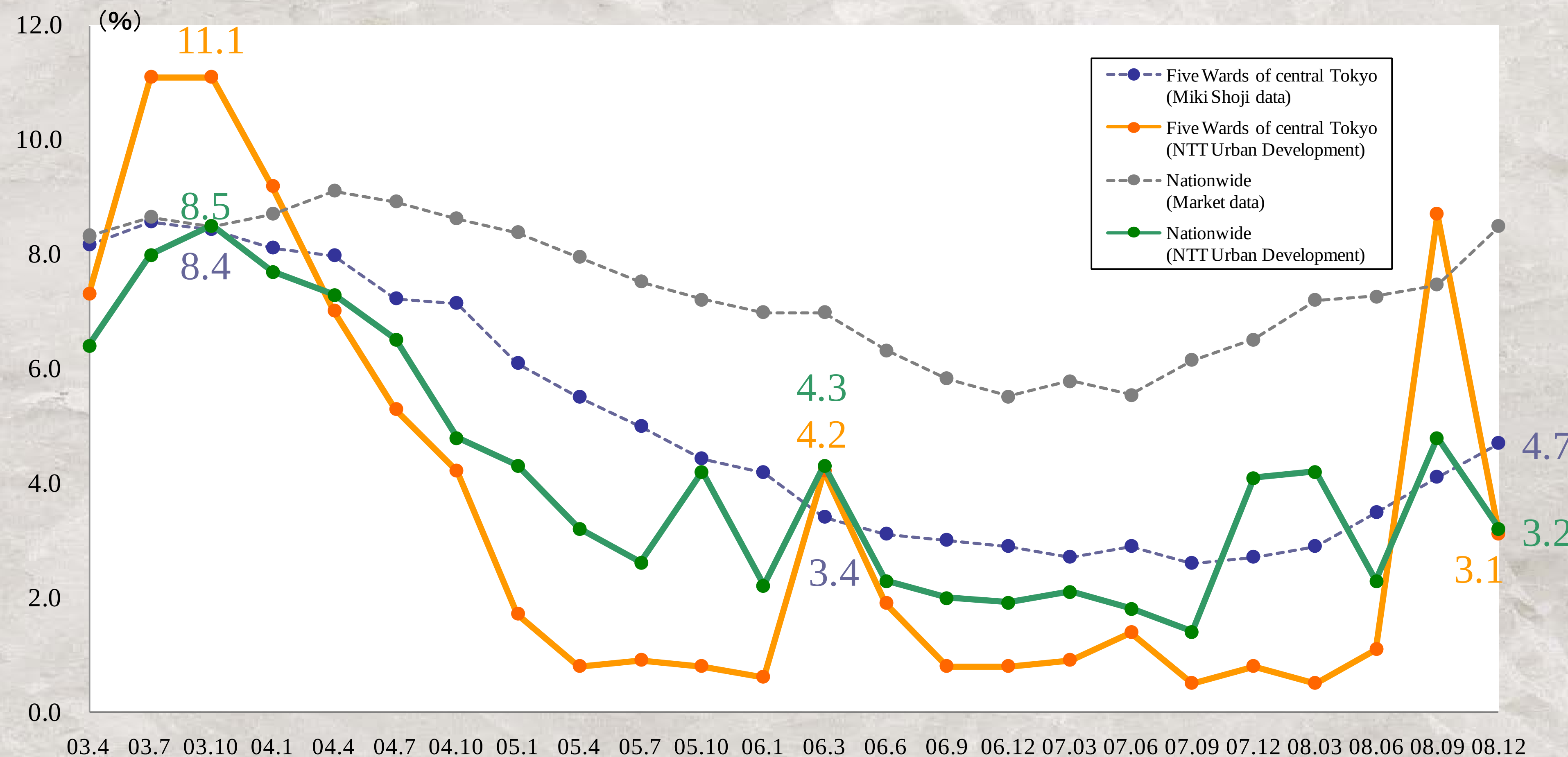
Note 1: Short-term borrowings include commercial paper.
Note 2: Corporate bonds include "corporate bonds scheduled for redemption within one year."
Note 3: Net debt-to-equity ratio = (interest-bearing debt – cash and cash equivalents – time deposits whose deposit term exceeds three months) / net assets

5. Cash Flows



(Billion yen)
Beginning of the term
Cash flows from operating activities: (16.9)
Cash flows from investing activities: (53.3)
FCF
Cash flows from financing activities: 66.9
End of the term
600
400
200
0
△200
△400
△600
Cash at the beginning of the term: 15.1
Income before income taxes and minority interests
21.2
Depreciation and amortization expenses
19.3
Decrease in notes and accounts payable, trade
(21.9)
Increase in inventories
(18.1)
Income taxes paid
(13.1)
Others
(4.2)
Purchases of property and equipment
(56.3)
2.9
Others
FCF
(70.3)
Net increase in borrowings
72.5
Dividends paid
(4.2)
Others
(1.3)
Cash at the end of the term: 11.6

6. Vacancy Rates



*1: The Company's vacancy rates that historically were calculated on the first day of the following month are now calculated on the final day of the current month, as of June 2006.

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

*3: The vacancy rate rise in September 2008 came on the back of the evacuation of a large-lot tenant from Granpark Tower (Minato-ku, Tokyo). The Company's vacancy rate in the five wards of central Tokyo was 1.6% against its nationwide vacancy rate of 2.3%, taking into consideration any areas in vacated sites that were already under contract.

*4: Nationwide vacancy rates (Market data) were calculated by computing the simple average of the vacancy rates in Tokyo, Yokohama, Osaka, Nagoya, Fukuoka, Sendai, and Sapporo that were announced by Miki Shoji.