(English translation based on Japanese Original)

Overview of the First-half of the Fiscal Year Ending March 31, 2011

NTT Urban Development Corporation **Nov 8, 2010**

1. Financial Highlights of the First-half of the Fiscal Year Ending March 31, 2011

Overview of Performance and Income

- In the first half under review, net sales, operating income, ordinary income, and net income all rose from the year-ago level and were mostly on a par with the forecast.

(Million yen)

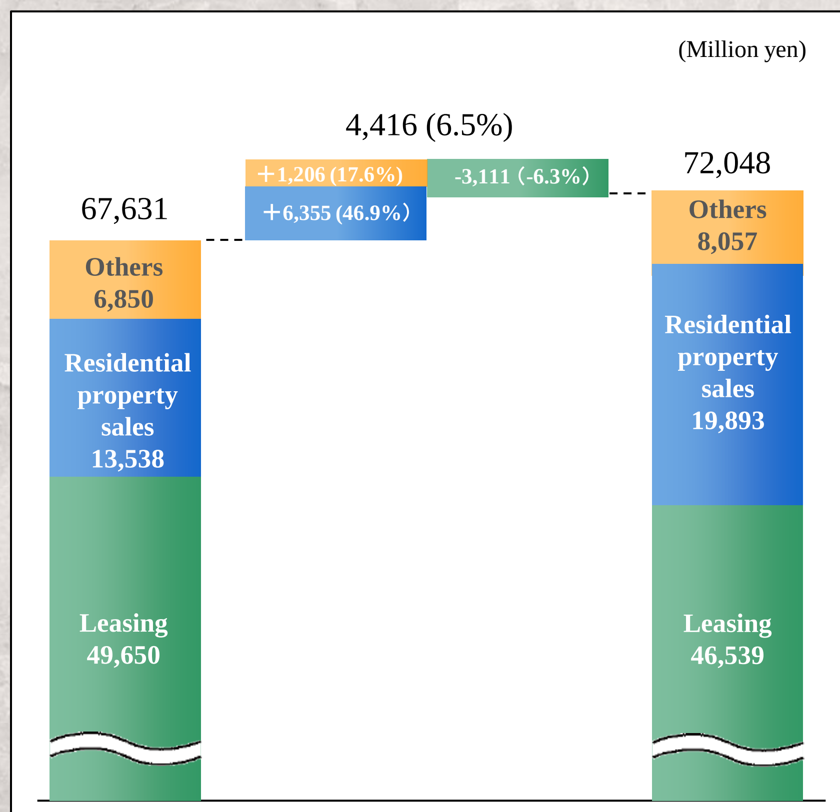
Category	(i) First-half Ended in Sep 2010	(ii) First-half Ended in Sep 2009	(i) - (ii) Change	(i) - (ii) Change (%)	Forecast for the First-half of the Fiscal year ending March 31, 2011 (achievement)		Forecast for the Fiscal year ending March 31, 2011 (progress)	
Net sales	72,048	67,631	4,416	6.5%	70,000	102.9%	141,000	51.1%
Operating expenses	57,662	63,766	(6,103)	(9.6%)	—	—	—	—
Operating income	14,385	3,865	10,519	272.2%	12,800	112.4%	24,000	59.9%
Non-Operating income	1,344	1,184	159	13.5%	—	—	—	—
Non-Operating expenses	4,169	4,288	(119)	(2.8%)	—	—	—	—
Ordinary income	11,560	761	10,798	—	9,800	118.0%	18,000	64.2%
Extraordinary income	204	50	154	306.5%	—	—	—	—
Extraordinary losses	1,406	442	963	217.9%	—	—	—	—
Corporate taxes, etc.	4,314	6,557	(2,243)	(34.2%)	—	—	—	—
Net income (loss)	6,045	(6,187)	12,232	—	5,500	109.9%	9,000	67.2%

Note: Forecasts are based on figures projected on May 12, 2010 during the announcement of results for the fiscal year ended March 2010

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

- In the leasing business, net sales declined ¥3.1 billion year on year, and operating income fell ¥1.2 billion, with rent income from new properties (¥1.3 billion) more than offset by a decline in rent income from existing properties (¥2.6 billion) and the effect of the sale of properties in the previous fiscal year (¥1.8 billion).
- In the residential property sales business, net sales rose ¥6.3 billion, and operating income increased ¥12.2 billion, reflecting an increase in the number of condominiums delivered to 320 from 243 in the previous fiscal year, the sale of land and other factors.

Net Sales



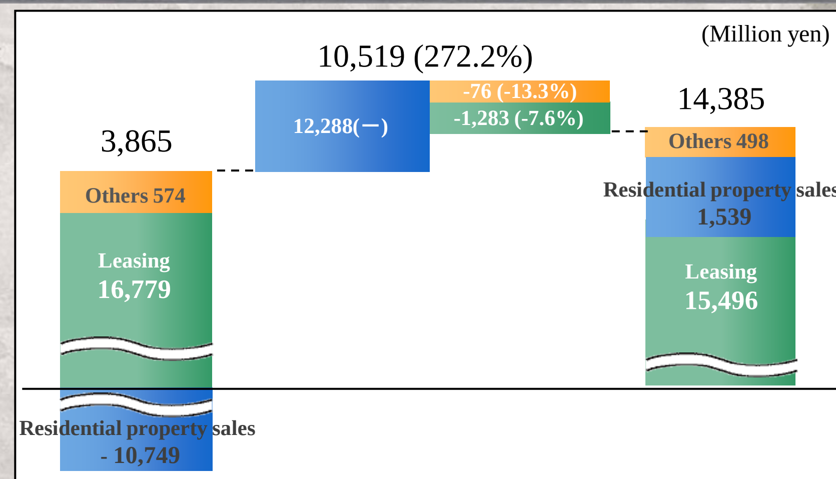
Note: Before the elimination of intersegment transactions

Operating Income Margin

	September 2009		September 2010
Leasing	33.8%	-0.5	33.3%
Residential property sales	-79.4%	+87.1	7.7%
Other	8.4%	-2.2	6.2%
Total	5.7%	+14.3	20.0%

Note: Before the elimination of intersegment transactions and corporate overhead

Operating Income

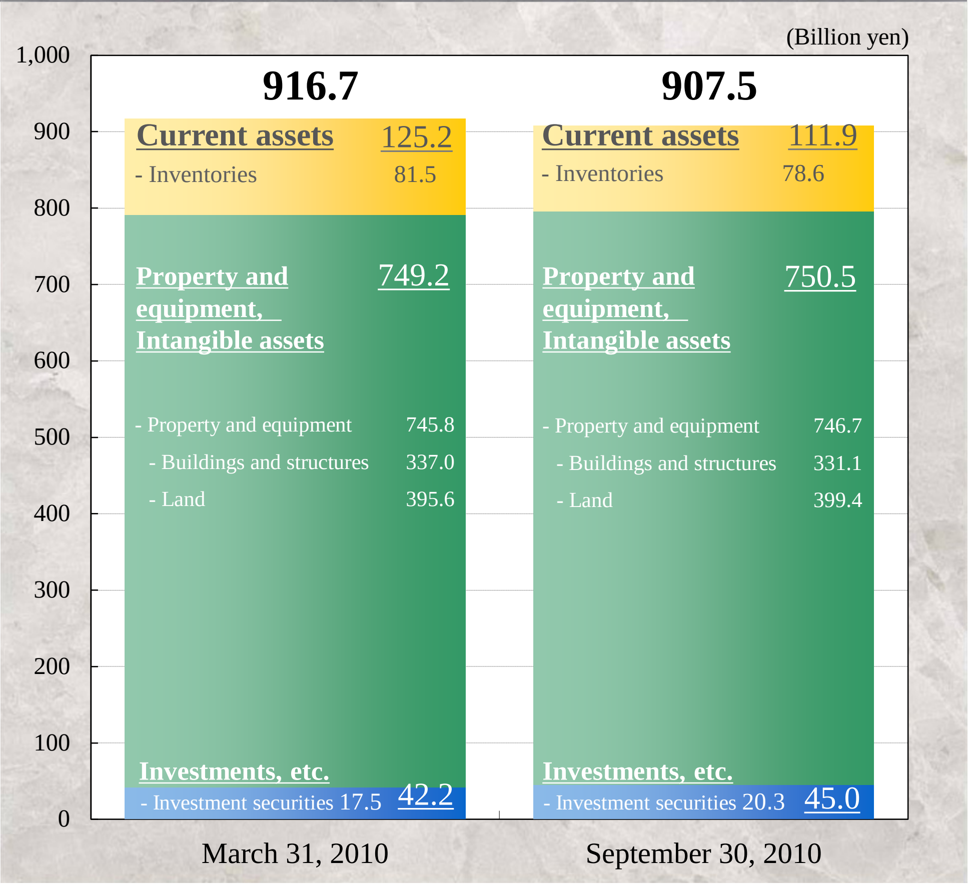


Note: Before the elimination of intersegment transactions and corporate overhead

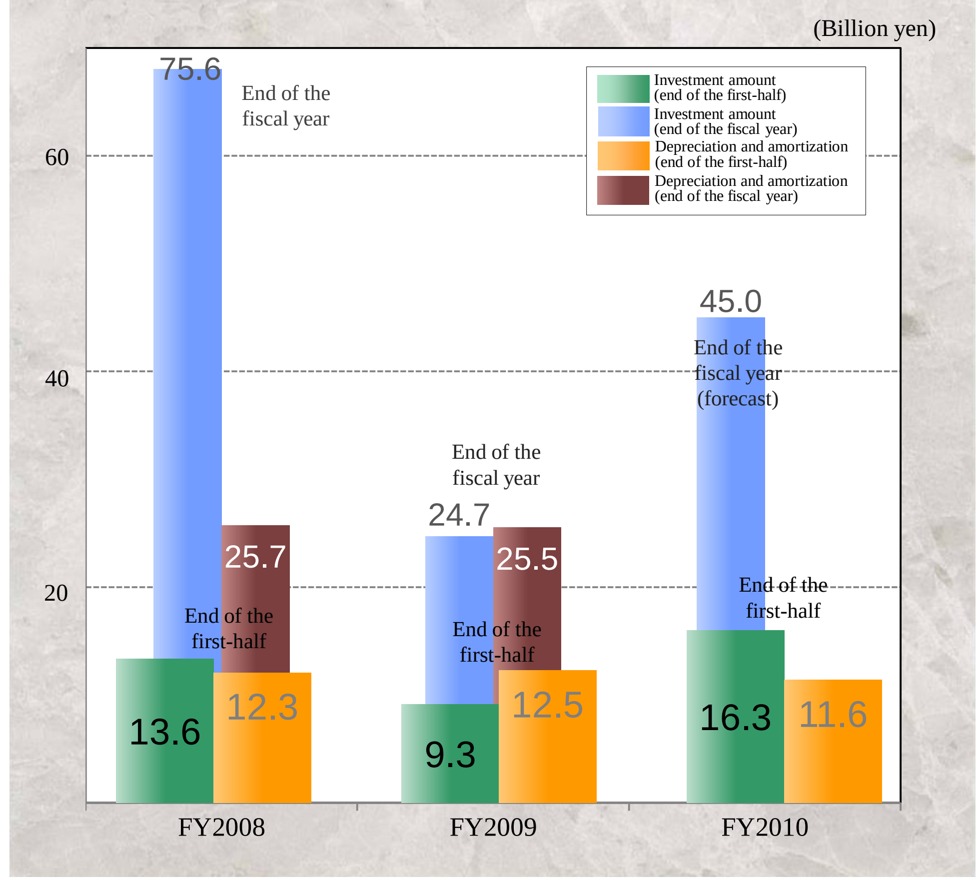
3. Balance Sheet (Total assets and investments)

- Total assets stood at ¥907.5 billion, a decline of ¥9.1 billion from the end of the previous fiscal year.
- Investments rose ¥6.9 billion from a year ago to ¥16.3 billion. Major investments included ¥3.3 billion in the Sumitomo Corporation Nagoya Building, ¥2.4 billion in the Urbannet Shijo-Karasuma Building, and ¥3.1 billion in Premier Investment Corporation.

Total Assets



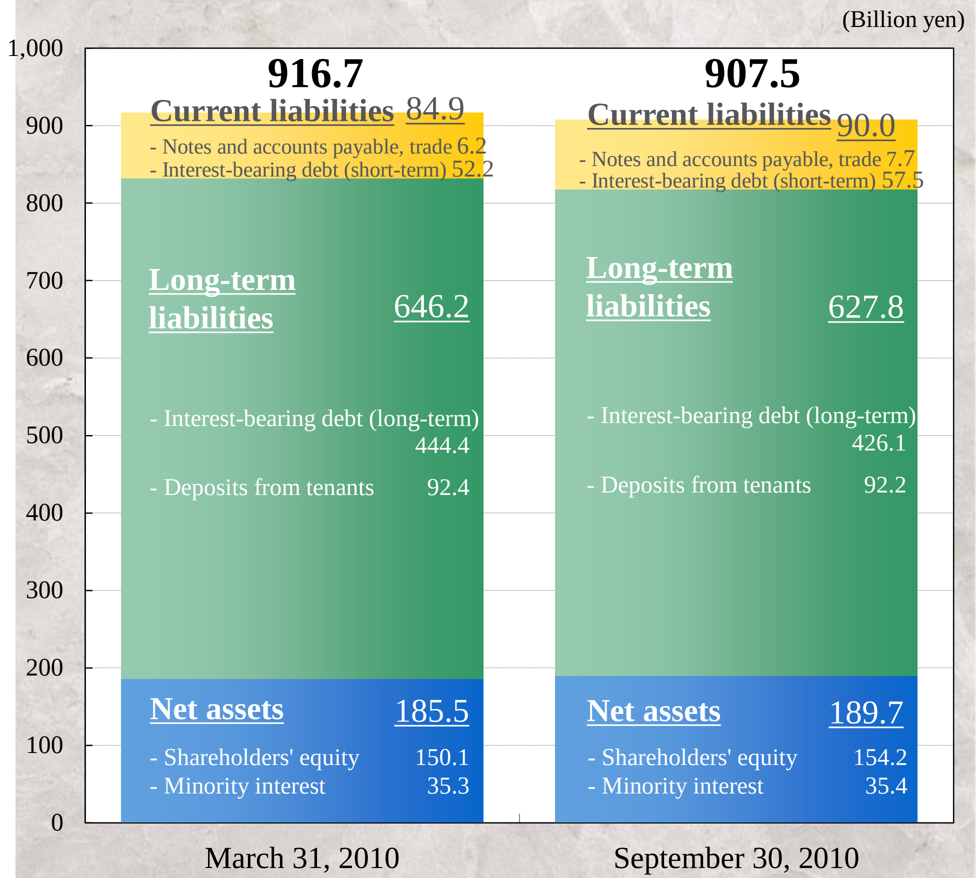
Investments



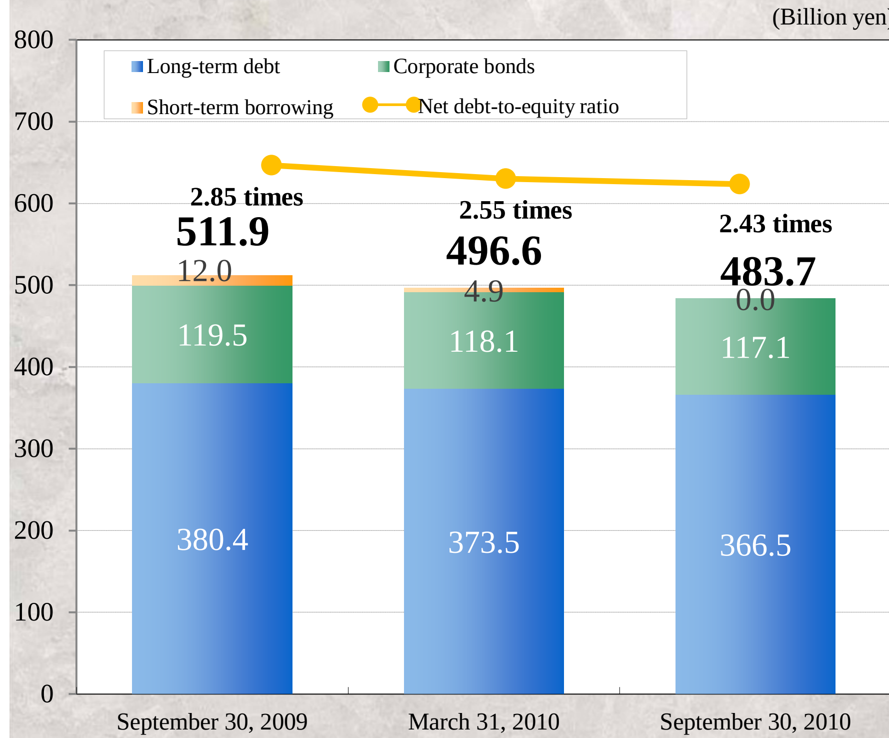
4. Balance Sheet (Liabilities, net assets, and consolidated interest-bearing debt)

- Liabilities declined ¥13.3 billion from the end of the previous fiscal year to ¥717.8 billion, primarily reflecting a reduction in interest-bearing debt of ¥12.9 billion.
- Net assets rose ¥4.1 billion, primarily attributable to net income of ¥6.0 billion and dividends paid of ¥1.9 billion.
- Consolidated interest-bearing debt decreased ¥12.9 billion, to ¥483.7 billion. The net debt-to-equity ratio was 2.43.

Liabilities and Net Assets



Consolidated Interest-bearing Debt



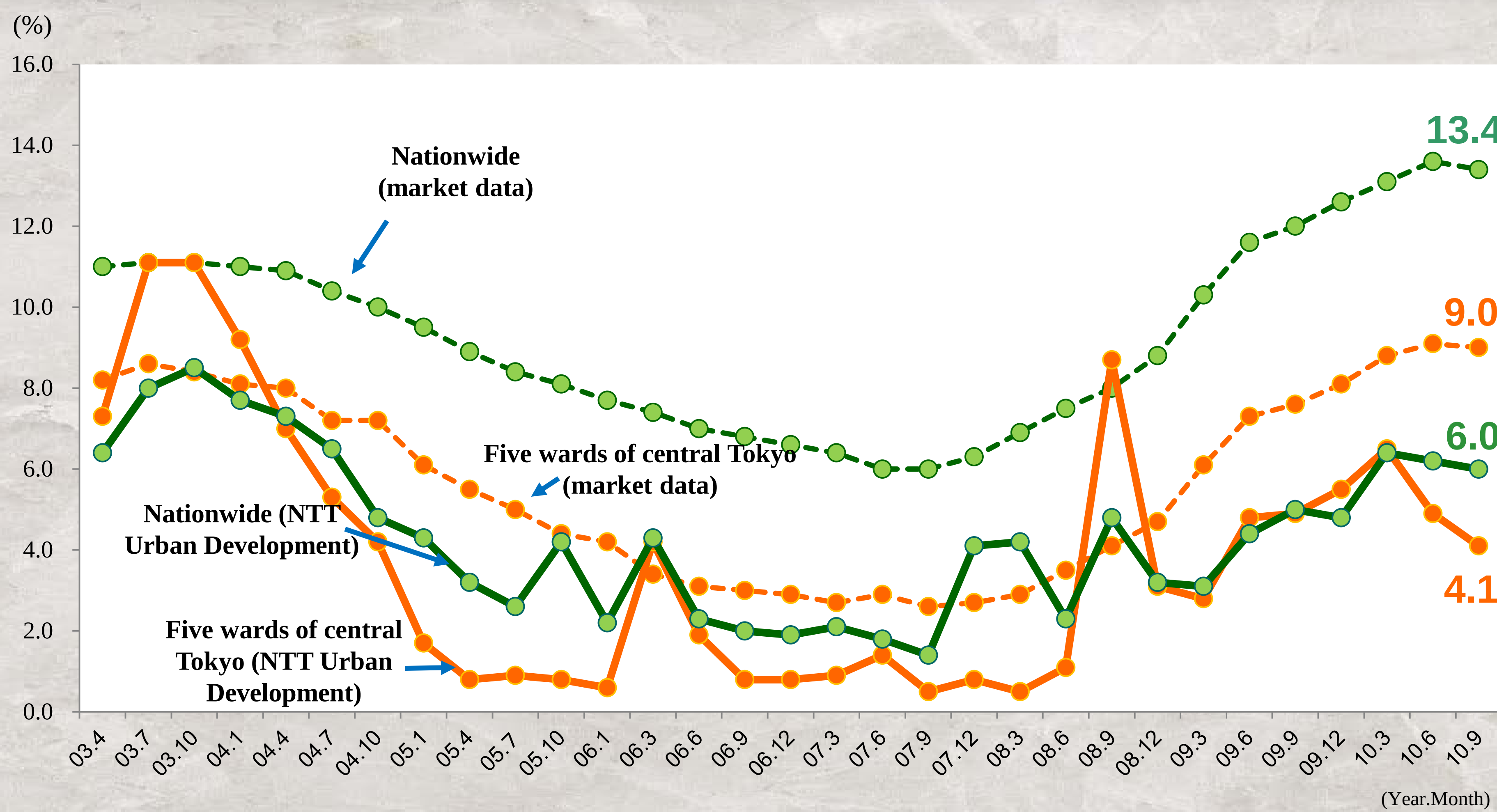
Note 1: Short-term borrowings include commercial paper.
Note 2: Corporate bonds include "Corporate bonds (must redeem within one year)".
Note 3: Long-term debt include "Current portion of long-term debt (payment within one year)" .
Note 4: Net debt-to-equity ratio = (interest-bearing debt – cash and cash equivalents – time deposits whose deposit terms exceed three months) / net assets

5. Cash Flows

(Billion yen)

Items	First-half Ended in Sep 2010	First-half Ended in Sep 2009	Year-on-Year Change
Cash flows from operating activities	**32.8**	**23.7**	**9.0**
(Restated) Income before income taxes and minority interests	10.3	0.3	9.9
(Restated) Depreciation and amortization expenses	11.6	12.5	(0.9)
(Restated) Decrease in notes and accounts receivable, trade	8.8	0.3	8.4
(Restated) Decrease in inventories	2.9	14.1	(11.2)
(Restated) Increase (Decrease) in notes and accounts payable, trade	1.5	(2.6)	4.2
(Restated) Income taxes paid	(0.8)	(0.8)	(0.0)
Cash flows from investing activities	**(18.1)**	**(10.3)**	**(7.7)**
(Restated) Purchases of property and equipment	(15.0)	(10.8)	(4.1)
(Restated) Proceeds from sales of property and equipment	1.2	0.8	0.4
(Restated) Purchase of investment securities	(3.1)	—	(3.1)
Free cash flow	**14.7**	**13.4**	**1.3**
Cash flows from financing activities	**(15.7)**	**(11.9)**	**(3.7)**
(Restated) Net increase (Decrease) in borrowings	(12.9)	(9.1)	(3.8)
(Restated) Dividend payments	(1.9)	(1.9)	0.0
Cash and cash equivalents at the beginning of the term	**20.5**	**8.6**	**11.8**
Cash and cash equivalents at the end of the term	**19.5**	**10.1**	**(9.3)**

6. Vacancy Rates



*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.

7. Initiatives for Implementing Medium-Term Management Plan 2012

Restructuring the business base

◎Strengthen development expertise

- Start construction in Otemachi 1-chome Urban Area Redevelopment Project (second-phase; to be completed in September 2012) after the completion of the Otemachi 1-chome Urban Area Redevelopment Project (first-phase)
- Start construction of the Urbannet Kanda Building (to be completed in April 2012) that will be conveniently used as offices as a new landmark in front of the west exit of Kanda Station
- Start construction in the Osaka Station North District Phase 1 Development Area Project (to be completed in March 2013) in Kita-ku, Osaka
- Start construction of a hotel (to be completed in September 2011; the whole building to be leased to single tenant) in Nakasu 4-chome, Hakata-ku, Fukuoka

◎Enhance profitability

- Strengthen the operation system in the leasing business and improve the vacancy rate especially in the five wards of central Tokyo
- Promote contracts and deliveries in the residential property sales business and provide housing to meet the diversified needs of customers including the needs for housing for senior citizens
- Acquire more carefully selected sites for condominiums in large city areas including the Tokyo, Nagoya, and Osaka areas

◎Collaborate with NTT Group Companies

- Lease the site of the NTT Tenjin Building for a fixed period and start construction of a commercial and office complex (to be competed in August 2011)

Pursuing growth in consideration of financial soundness

- Entered into the asset management business of REIT by acquiring more than half of the issued shares in Premier REIT Advisors Co., Ltd., the asset management company for Premier Investment Corporation
- Complete the Urbannet Shijo-Karasuma Building, a commercial and office complex directly connected to the station that will draw more people into the Karasuma area in Kyoto (October 2010)

Establishing managerial platform for growth

- Manage total investment thoroughly and improve the net debt-to-equity ratio
- Strengthen the business foundations by increasing management transparency and internal control and establish a CSR management base (with steps to reduce the burden on the environment)

Disclaimer

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