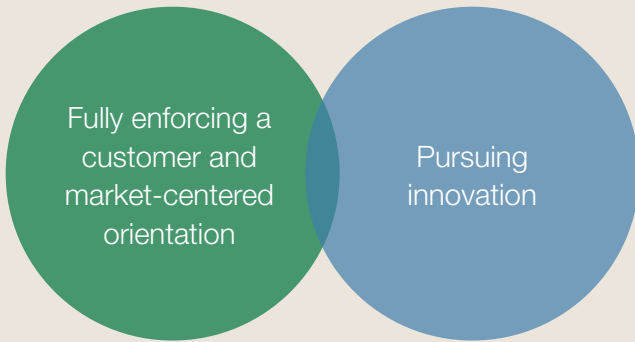


Medium-Term Vision 2018

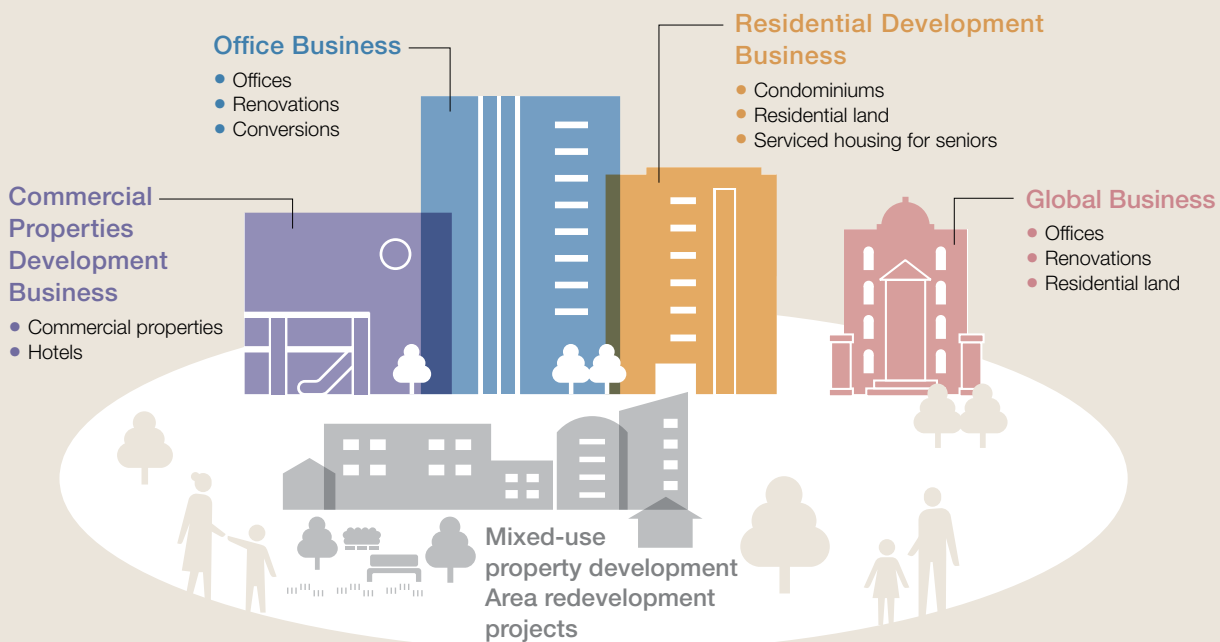
—For Further Growth—



In November 2014, we revised the strategies of each business to reflect changes in market conditions, including the ongoing rush to develop new A-class buildings, particularly in downtown areas; rising land and property prices mainly in the Tokyo metropolitan area; and increasing construction costs. We will continue to reform business management based on the basic strategies set out in Medium-Term Vision 2018: *fully enforcing a customer and market-centered orientation and pursuing innovation.*

With Integrity, through Innovation

— connecting cities and people



Revisions of Business Strategies

Office Business

- Shift from emphasis on “build-and-own” to “build-and-sell” approach
- Expand the range of development projects by collaborating with other companies (enhance collaboration, such as rebuilding properties owned by Kenedix, Inc., and J-REIT, etc.)
- Strengthen corporate real estate (CRE) proposals in various fields to NTT Group companies
- Participate in area redevelopment projects
- Start feasibility studies for development of assets currently in use for tentative purposes
- Launch private-placement REITs, scheduled in year ending March 31, 2016, to utilize as a potential buyer of our developed property; expand the amount of assets under management (AUM) to generate management fees
- Strategic renewal, such as business continuity plan (BCP) of flagship buildings

Residential Development Business

- Shift away from delivery-oriented strategy to profit-oriented strategies and maintain level of supply at about 1,300 units per year
(Before revision: Year ending March 31, 2016–1,600 units; Year ending March 31, 2019–2,000 units)
- Place greater weight on developing higher-value units, such as high-grade condominiums for sale and mixed-use development
- Collaborate with NTT Group to develop serviced housing for seniors
- Enter new business areas, such as conversion of office buildings to residential use

Commercial Properties Development Business

- Undertake hotel projects in Kyoto and Osaka areas targeting primarily tourists from overseas
- Launch mixed-use (such as retail and residential use) property development projects in central Tokyo

Global Business

- Increase profits from global business to about 10% of total profits by year ending March 31, 2019
- Accumulate practical experience in progressive property management and real estate overseas
- Diversify portfolio by investing in major cities overseas

Financial Targets

	Year ended March 31, 2015 (result)	Years ending March 31, 2016–2018	Year ending March 31, 2019
Operating revenue	¥152.0 billion	About ¥160.0 – ¥190.0 billion	¥200.0 billion
Operating income	¥24.8 billion	About ¥25.0 – ¥26.0 billion	¥30.0 billion

Note: Operating revenue and operating income above include revenue and income from asset sales.

Investment and Land Acquisition

(Year ended March 31, 2015, to year ending March 31, 2019)

- Investment*: Set the investment target for the five-year period from year ended March 31, 2015, to year ending March 31, 2019, at around ¥360.0 billion
* Including land-bank investment for “build-and-sell” model
- Condominium land acquisition: Plan to spend about ¥20.0 billion per year to acquire land for condo development

Acceleration of Capital Cycle

- Plan to sell assets totaling ¥150.0–200.0 billion in the five-year period starting year ended March 31, 2015, to J-REITs, private-placement funds, and others and use as a part of the proceeds for investment

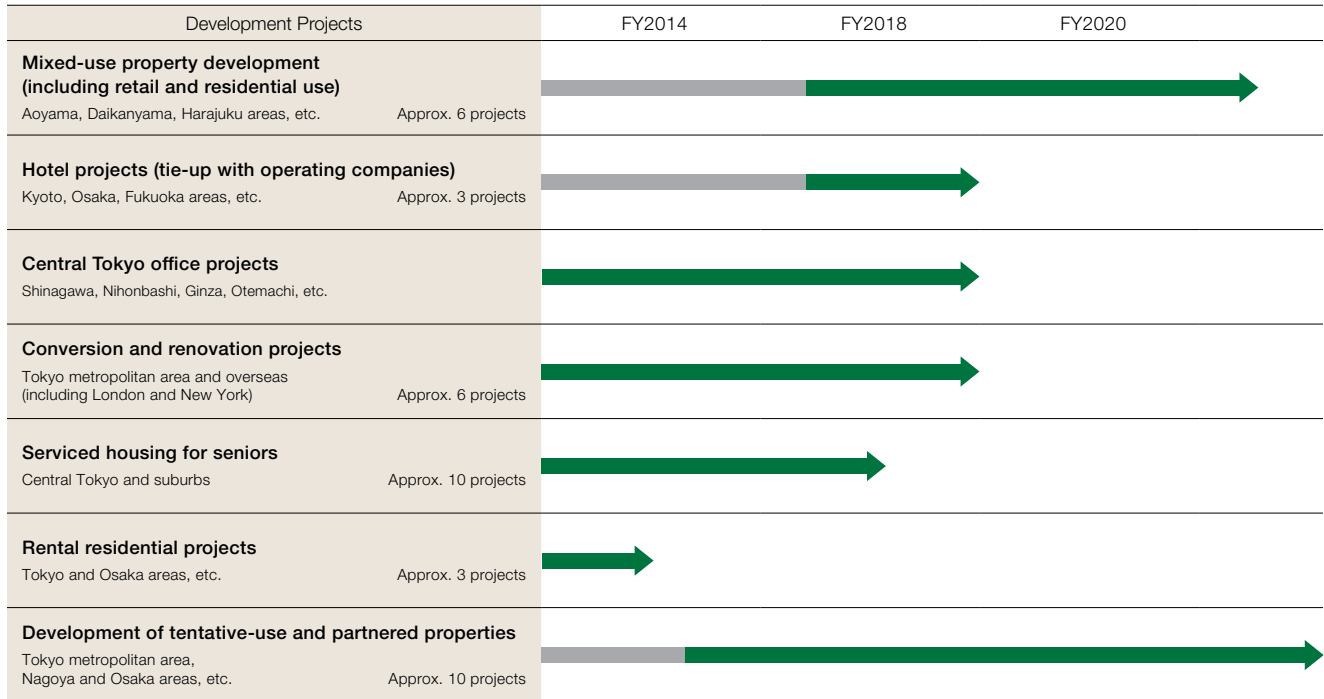
Control of Interest-Bearing Debt

- Maintain interest-bearing debt at the end of year ending March 31, 2019, at the current level of about ¥500.0 billion

Manage businesses with focus on key indicators (ROE, ROA, Net debt/equity ratio, Net interest-bearing debt to EBITDA ratio, etc.)

Development Pipeline

Study phase Construction phase



Note: The above projects are subject to change.



Urbannet Nihonbashi 2-chome Building

Location: Chuo-ku, Tokyo
 Footprint: 1,687 m²
 Floor space: 14,795 m²
 Size: 10 floors aboveground, 1 belowground
 Primary use: Offices
 Timeline: Construction commenced June 2014, completion in December 2015 (scheduled)



Urbannet Ginza 1-chome Building

Location: Chuo-ku, Tokyo
 Footprint: 1,737 m²
 Floor space: 11,720 m²
 Size: 8 floors aboveground, 1 belowground
 Primary use: Offices
 Timeline: Construction commenced November 2014, completion in February 2016 (scheduled)



Otemachi 2-chome Area 1st Class Urban Redevelopment Project, Building A

Location: Chiyoda-ku, Tokyo
 Footprint: About 19,900 m² (both buildings A and B)
 Floor space: Building A, approx. 202,000 m² (NTT UD share: approx. 35,000 m²*)
 Size: Building A, 35 floors aboveground, 3 belowground
 Primary use: Offices and commercial
 Timeline: Construction commenced May 2015, completion in July 2018 (scheduled)

* Including co-owned area



Universal City Station Project

Location: Konohana-ku, Osaka
 Footprint: 2,639 m²
 Floor space: 20,808 m²
 Size: 17 floors aboveground, 1 belowground
 Primary use: Commercial (hotel, bridal center)
 Timeline: Construction commences October 2015 (scheduled), completion in June 2017 (scheduled)