

About NTT Urban Development	01
Message from the President	03
Special Feature Historical and Cultural Preservation and Harmonious Relationships	07
Consolidated Financial Highlights	11
At a Glance	12
NTT Urban Development's Business	13
Corporate Governance	21
Corporate Officers	23
Messages from Independent Officers	24
CSR Management	25
Data Summary	27
Corporate Information	30

We will strive to achieve our "Medium-Term Vision 2018 - For Further Growth," and to raise corporate value over the medium- to long-term

On Assuming the Office of President

I am Hiroshi Nakagawa, the new President and Chief Executive Officer.

Thirty years have passed since NTT Urban Development was established in 1986 as a comprehensive urban development company of NTT Group. We have grown centered on office building development and the leasing business and have expanded our business domain into the retail, residential, and global businesses. In recent years, we have grown to where we address major themes such as urban development, in addition to the hotel business, residential businesses for the elderly and REITs.

I view my future role as that of ensuring that the seeds planted by my predecessors who built this company yield significant results, and there the importance of my position has a sobering effect on me. Based on the corporate slogan of "Integrity and Innovation," our approach to customers is to act with "integrity" and our approach to business is to create "innovation." I would like us to build a new 30 years as a company that society needs.

Progress of Medium-Term Management Plan

We have been promoting business based on "Medium-Term Vision 2018 -For Further Growth," its medium-term management plan. In fiscal 2018 (the fiscal year ending March 31, 2019), the final fiscal year, the plan aims for operating revenue of ¥200.0 billion and operating income of ¥30.0 billion.



Hiroshi Nakagawa
President and
Chief Executive Officer

Message from the President

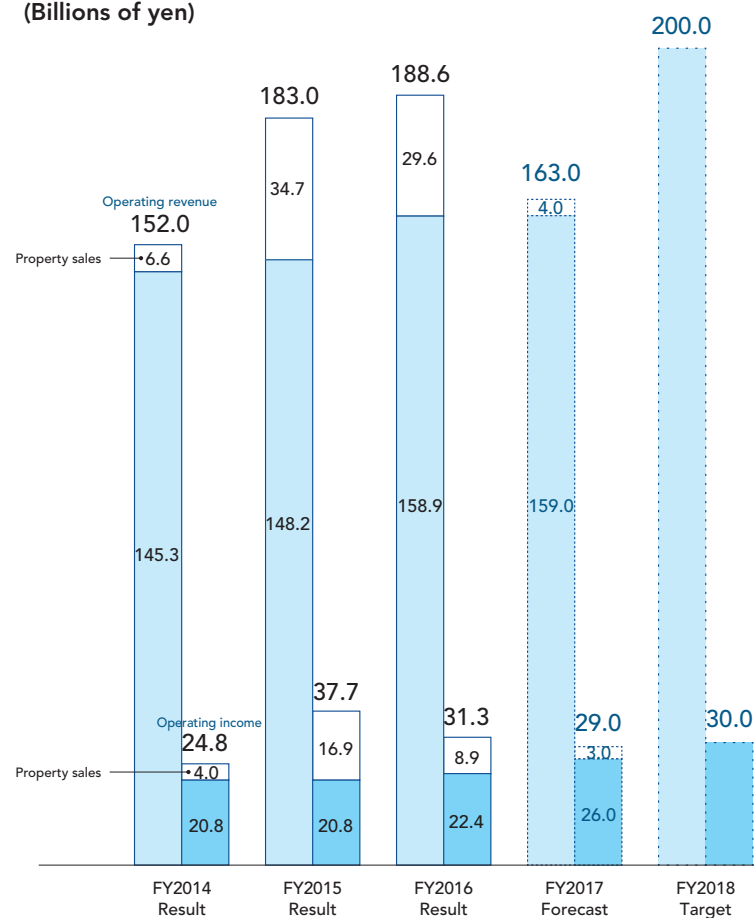
About NTT Urban Development	01
Message from the President	03
Special Feature Historical and Cultural Preservation and Harmonious Relationships	07
Consolidated Financial Highlights	11
At a Glance	12
NTT Urban Development's Business	13
Corporate Governance	21
Corporate Officers	23
Messages from Independent Officers	24
CSR Management	25
Data Summary	27
Corporate Information	30

In fiscal 2016 (the fiscal year ended March 31, 2017), as in the previous fiscal year, we achieved our target with ¥31.3 billion in operating income. However, this figure includes temporary gains from property sales due to portfolio diversification, but if we exclude property sales, the amount comes to ¥22.4 billion. In fiscal 2017 (the fiscal year ending March 31, 2018), operating income is expected to increase to ¥26.0 billion and we anticipate a further increase in fiscal 2018 (the fiscal year ending March 31, 2019).

In the Offices/Retail Business, because of the anticipated large supply of office buildings prior to the Tokyo Olympics, we will strengthen our relations with tenants, maintain stable business operations, and provide offices that accommodate new work styles such as shared offices. In the Residential Business, we carry out product planning from the customer's perspective based on lifestyles and demographics, and seek further growth through the expansion of residential businesses for the elderly, the renovation business, and residential rentals business. In the Global Business, we have properly assessed the business environment, especially in the United Kingdom and the United States, and have a record of accomplishment. We will continue to develop the global business while rigorously managing risk, incorporate the growth potential of overseas markets as revenue sources, and diversify our portfolio.

To sustain growth, we will invest in development including the Otemachi 2-1 Project, the Shimbashi 1-chome Project, the Kyoto's Shinpukan Redevelopment Project, and the Hyatt Regency Seragaki Island Okinawa.

**Medium-Term Management Plan
Results and Schedule
(Billions of yen)**



About NTT Urban Development	01
Message from the President	03
Special Feature Historical and Cultural Preservation and Harmonious Relationships	07
Consolidated Financial Highlights	11
At a Glance	12
NTT Urban Development's Business	13
Corporate Governance	21
Corporate Officers	23
Messages from Independent Officers	24
CSR Management	25
Data Summary	27
Corporate Information	30

Cooperation with the Local Community

NTT Urban Development is a comprehensive urban development company within NTT Group that has grown together with local communities all over Japan. We have respected the history and culture of local communities and have studied together with the government and communities the building of attractive towns from a long-term perspective.

For example, in Kyoto, we are pursuing development projects that contribute to raising local appeal and community revitalization while harmonizing with the city's marked historical and cultural panorama. These include the Shinpukan Redevelopment Project, a hotel/retail mixed-use development that makes use of a historic telephone switching station building of the Taisho-era, and the



Kiyomizu Elementary School Conversion Project to convert a historic building into a hotel. In the Harajuku Station Project in Tokyo, we will contribute to the area's development by raising the value of the area in front of Harajuku Station through redevelopment.

Seeking to Raise Corporate Value over the Medium- to Long-Term

One of our roles in NTT Group is to promote Corporate Real Estate (CRE). We seek to redevelop and reuse real estate owned by NTT Group including office buildings and residences and retail facilities, improve real estate convenience, raise its value, and ultimately increase the area's value.

As a comprehensive urban development company of NTT Group, we sincerely look to our stakeholders including customers, shareholders and investors, local communities, and partner companies, as we pursue domestic and overseas business expansion and service improvement, and raise corporate value over the medium- to long-term, and contribute to society, while engaging in urban and community development from a medium and long-term perspective.

We ask for your continued support.

Message from the President

- About NTT Urban Development 01
- Message from the President 03
- Special Feature Historical and Cultural Preservation and Harmonious Relationships 07
- Consolidated Financial Highlights 11
- At a Glance 12
- NTT Urban Development's Business 13
- Corporate Governance 21
- Corporate Officers 23
- Messages from Independent Officers 24
- CSR Management 25
- Data Summary 27
- Corporate Information 30

