(English translation based on Japanese Original)

NTT Urban Development Corporation

Overview of Operating Performance during the Fiscal Year Ended March 31, 2012 and Forecast for the Fiscal Year Ending March 31, 2013

May 9, 2012

1. Highlights of Consolidated Results and Consolidated Results Forecast

Overview of Results for the Fiscal Year Ended March 31, 2012 and Results Forecast for the Fiscal Year Ending March 31, 2013

(Million yen)

Category	Year Ended March 31, 2012	Change: Year-on-year Year Ended March 31, 2011		Change: Result against forecast *		Forecast for Year Ending March 31, 2013	Change: Year-on-Year Year Ended March 31, 2012	
Operating revenue	136,842	(8,851)	(6.1%)	(7,157)	(5.0%)	155,000	18,157	13.3%
Operating expenses	111,477	(9,891)	(8.2%)	—	—	—	—	—
Operating income	25,365	1,040	4.3%	865	3.5%	26,000	634	2.5%
Non-operating income	2,321	(191)	(7.6%)	—	—	—	—	—
Non-operating expenses	8,457	174	2.1%	—	—	—	—	—
Ordinary income	19,229	674	3.6%	529	2.8%	19,800	570	3.0%
Extraordinary income	60	(160)	(72.8%)	—	—	—	—	—
Extraordinary loss	2,863	211	8.0%	—	—	—	—	—
Income before income taxes and minority interests	16,425	302	1.9%	—	—	—	—	—
Income taxes, etc.	(2,951)	(8,382)	(154.3%)	—	—	—	—	—
Income before minority interests	19,376	8,684	81.2%	—	—	—	—	—
Minority interests in income	3,790	2,406	173.8%	—	—	—	—	—
Net income	15,586	6,278	67.5%	286	1.9%	10,400	(5,186)	(33.3%)
Comprehensive income	18,209	7,551	70.9%					

＊Forecast for the year ended March 31, 2012 are announced on February 3, 2012.

2. Results and Results Forecast by Segment

Overview of Results for the Fiscal Year Ended March 31, 2012 and Results Forecast for the Fiscal Year Ending March 31, 2013 by Segment

(Million yen)

Category	Year Ended March 31, 2012	Change Year-on-year		Forecast for Year Ending March 31, 2013	Change Year-on-Year	
Operating revenue	**136,842**	**(8,851)**	**(6.1%)**	**155,000**	**18,157**	**13.3%**
Leasing	91,069	(1,538)	(1.7%)	93,200	2,130	2.3%
Residential Property Sales	28,484	(13,240)	(31.7%)	49,300	20,815	73.1%
Other	23,223	6,840	41.8%	17,800	(5,423)	(23.4%)
Operating income	**25,365**	**1,040**	**4.3%**	**26,000**	**634**	**2.5%**
Leasing	27,482	(1,743)	(6.0%)	27,600	117	0.4%
Residential Property Sales	1,374	841	158.0%	3,300	1,925	140.0%
Other	3,090	1,877	154.9%	1,800	(1,290)	(41.8%)

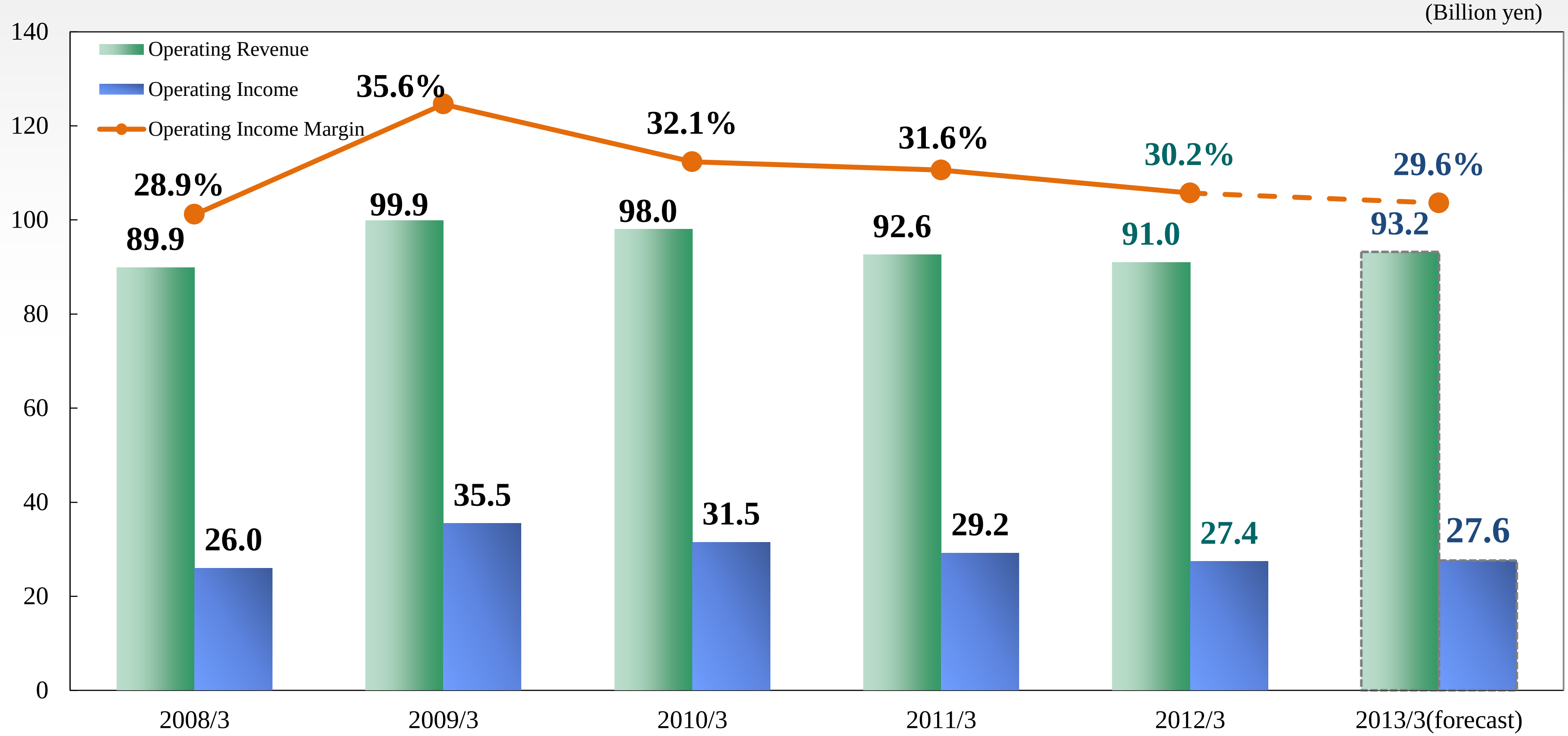
*1 Figures for segments in operating revenue are before the elimination of intersegment transactions.

Figures for segments in operating income are before the elimination of intersegment transactions and corporate overhead.

*2 Forecasts by segment for the fiscal year ended March 31, 2012 are not disclosed since the announcement of third quarter result.

3. Operating Revenue and Income in Leasing Business

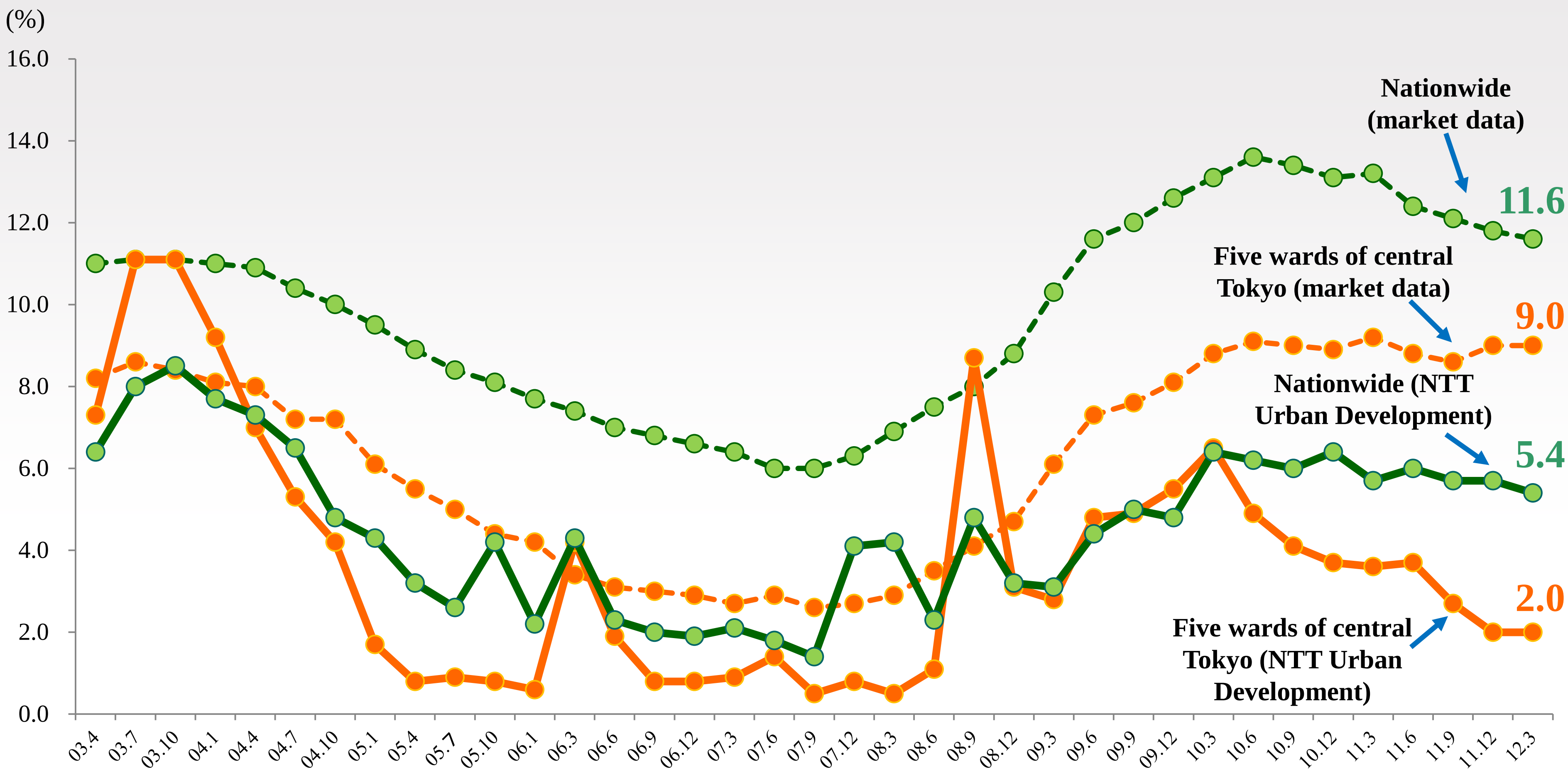
- Operating revenue fell ¥1.5 billion and operating income dropped ¥1.7 billion year on year in the fiscal year ended March 2012, primarily reflecting rent income from new properties and other factors (¥1.5 billion), and a decline in rent income from existing properties (¥2.9 billion).
- We forecast that operating revenue and operating income will increase ¥2.1 billion and ¥0.1 billion year on year in the fiscal year ending March 2013, with a decrease in rent income from existing properties and others more than offset by including an increase in rent income from new properties, sales of properties and penalty income.



NOI	52.7	64.2	61.4	56.7	54.3	55.4

(Billion yen)

4. Vacancy Rates in Leasing Business



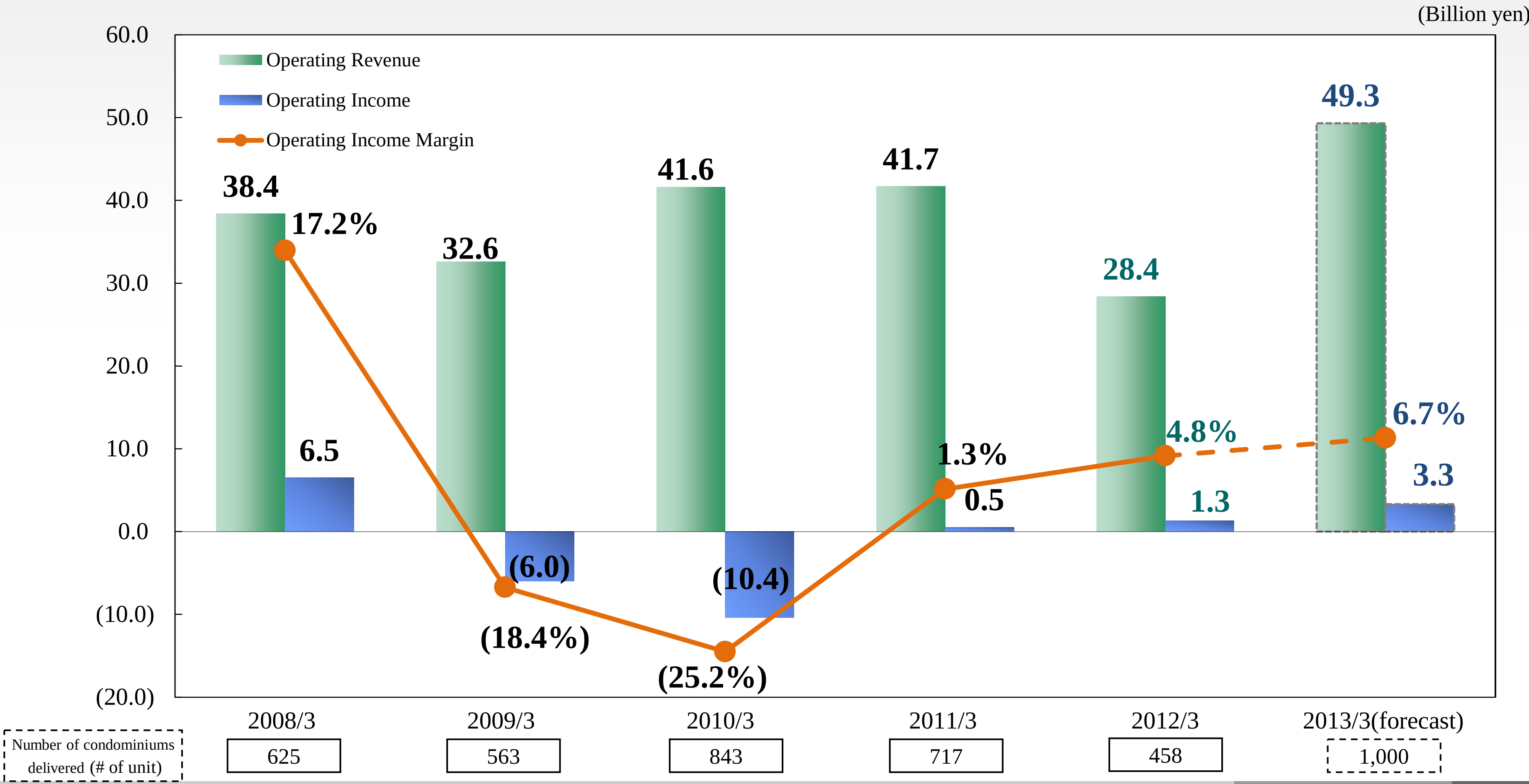
*1 Vacancy rates that historically were calculated on the first day of the following month are calculated on the final day of the current month, from March 2006.

*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.

5. Operating Revenue and Income in Residential Property Sales Business

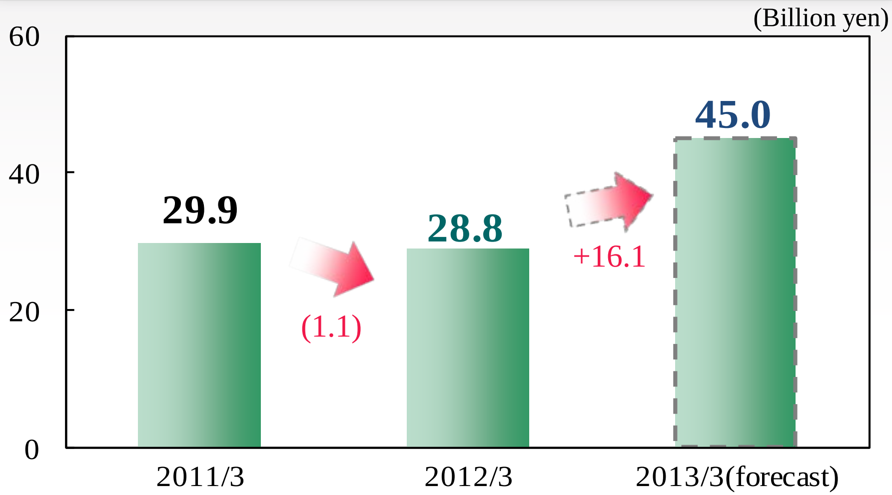
- Operating revenue decreased ¥13.2 billion year on year, reflecting a fall in the number of condominiums delivered from 717 in previous fiscal year to 458 in fiscal year under review as well as factors including decreases of building lots sales. Operating income increased ¥0.8 billion year on year, mainly because of improvement of operating margin in condominium business.
- We forecast that operating revenue and operating income will increase ¥20.8 billion and ¥1.9 billion year on year in the fiscal year ending March 2013, given a rise in the number of condominiums delivered to 1,000, up from 458 in the fiscal year under review.



6. Investments and Interest-Bearing Debt

- **The Company invested ¥28.8 billion in total in the fiscal year ended March 2012, including ¥7.2 billion in Grand Front Osaka, ¥2.6 billion in Urbannet Tenjin Building, ¥1.9 billion in UD Nakasu Building.**
  We expect the investments will be ¥45.0 billion in the fiscal year ending March 2013.
- **Interest-bearing debt stood at ¥505.8 billion, up ¥18.0 billion year on year, and the net debt-to-equity ratio improved to 2.42.**
  We expect the net debt-to-equity ratio will further improve in the fiscal year ending March 2013.
- **The market value of rental properties was ¥1,155.4 billion, including ¥411.5 billion from unrealized gains at the end of March 2012.**

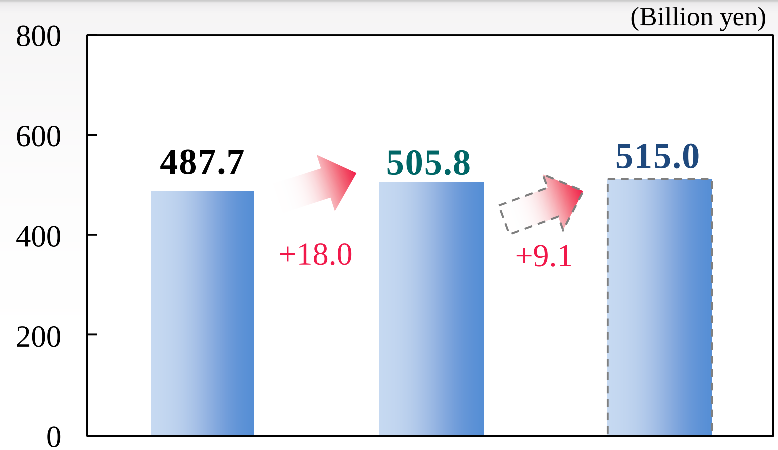
Changes in investments



>> Major investments in fiscal year ended March 2012
- Grand Front Osaka
- Urbannet Tenjin Building
- UD Nakasu Building
- Urbannet Kanda Building
- Otemachi Financial City North Tower

>> Major investments in fiscal year ending March 2013
- Otemachi Financial City North Tower
- Grand Front Osaka
- Shibaura Water Reclamation Center Upper-Level Section Redevelopment Project
- Urbannet Kanda Building

Changes in interest-bearing debt



	2011/3/31	2012/3/31	2013/3/31(forecast)
Net debt-to -equity ratio	2.45times	2.42times	2.39times

Market value of rental properties (End of March 2012)	¥1,155.4 billion (Book value: ¥743.9 billion; unrealized gains: ¥411.5 billion)
Net debt-to-equity ratio based on the market value	1.05times

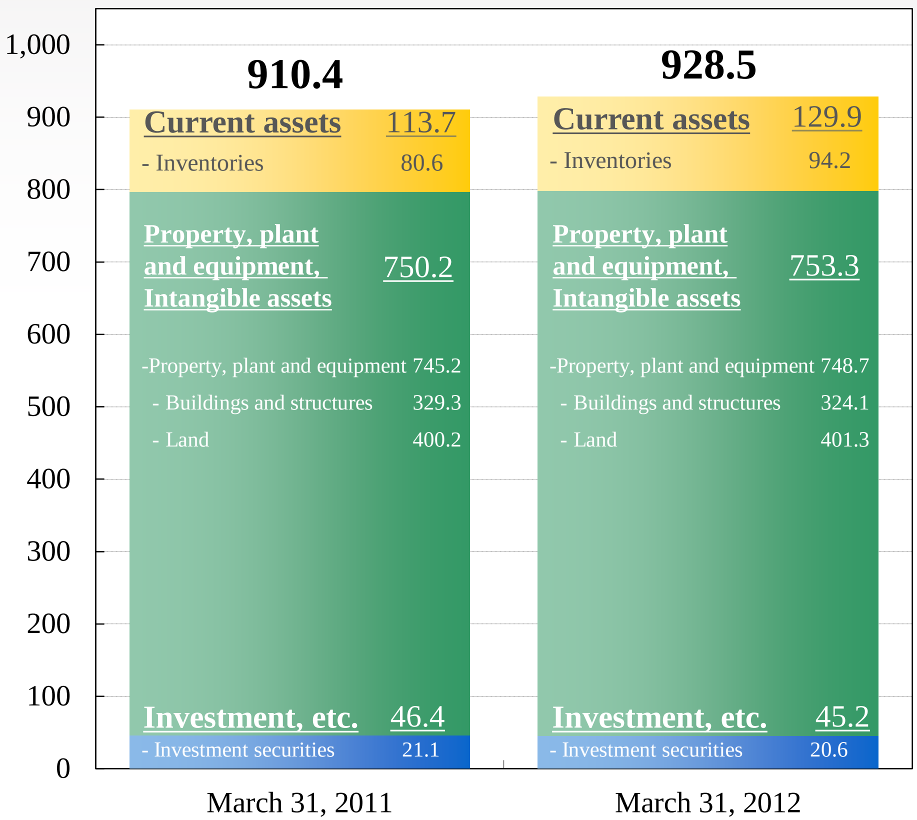
* Net debt-to-equity ratio = (Interest-bearing debt – cash and cash equivalents – time deposits whose deposit terms exceed three months) / Net assets
In calculating the net debt-to-equity ratio based on the market value, unrealized gains (after tax) are included in net assets. (Using an effective corporate tax rate of 35.6% which is calculated on a basis of reduced corporate tax rate.)

7. Balance Sheet (Total Assets, Liabilities and Net Assets)

- **Total assets were up ¥18.0 billion from the end of the previous fiscal year, to ¥928.5 billion, primarily reflecting an increase of ¥13.5 billion in inventories.**
- **Liabilities rose ¥5.1 billion from the end of the previous fiscal year, to ¥724.8 billion, mainly reflecting an increase of ¥18.0 billion in interest-bearing debt, a decrease of ¥8.3 billion in deferred tax liabilities.**
- **Net assets rose ¥12.9 billion from the end of the previous fiscal year, to ¥203.7 billion, primarily attributable to net income of ¥15.5 billion and dividends paid of ¥3.9 billion.**

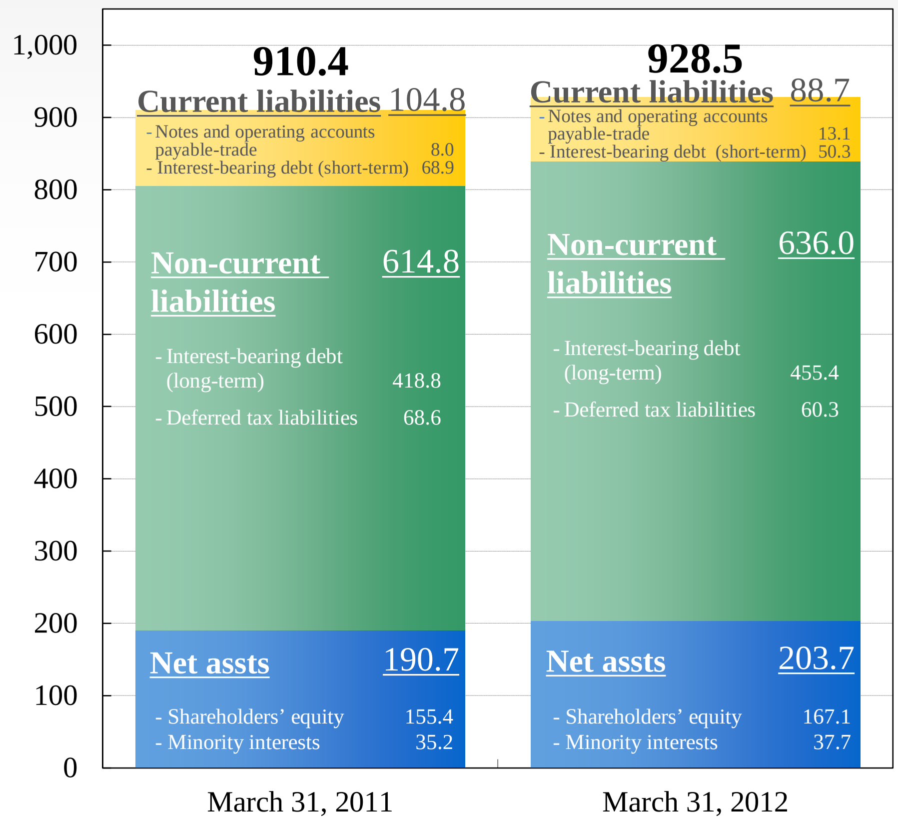
Total Assets

(Billion yen)



Liabilities and Net Assets

(Billion yen)



8. Cash Flows

（Billion yen）

Items	Year Ended March 31, 2012	Year Ended March 31,2011	Year-on-Year Change
Net cash provided by (used in) operating activities	**3.7**	**40.4**	**36.7**
(Restated) Income before income taxes and minority interests	16.4	16.1	0.3
(Restated) Depreciation and amortization	24.7	23.3	1.3
(Restated) Loss on retirement of non-current assets	2.3	1.0	1.2
(Restated) (Increase) decrease in inventories	(14.3)	1.9	(16.2)
(Restated) (Increase) decrease in notes and accounts receivable-trade	(9.0)	8.1	(17.1)
(Restated) Income taxes paid	(9.2)	(2.9)	(6.3)
Net cash provided by (used in) investing activities	**(23.0)**	**(28.2)**	**5.2**
(Restated) Purchases of property, plant and equipment	(24.3)	(24.5)	0.2
(Restated) Proceeds from sales of property, plant and equipment	0.6	1.4	(0.7)
(Restated) Proceeds from repayment of investment securities	1.0	0.6	0.3
Free cash flow	**(19.3)**	**12.1**	**(31.4)**
Net cash provided by (used in) financing activities	**12.6**	**(14.6)**	**27.2**
(Restated) Net increase (decrease) in borrowings	18.0	(8.9)	26.9
(Restated) Cash dividends paid	(3.9)	(3.9)	0
Cash and cash equivalents at the beginning of the year	**18.0**	**20.5**	**(2.4)**
Cash and cash equivalents at the end of year	**10.9**	**18.0**	**(7.0)**

9. Efforts to Achieve the Medium-Term Management Plan 2012

■Restructuring the business base

◎Bolstering development capability

- New construction in Upper-Level Section Redevelopment Project associated with the reconstruction of the Shibaura Water Reclamation Center. This business and commercial building will be constructed as an ecological model building of Japan's highest standards. (to be completed in February 2015)
- New construction in the second-phase of the Otemachi Redevelopment Project, “Otemachi Financial City North Tower”. (to be completed in September 2012)
- New construction of Urbannet Kanda Building, in a location highly convenient for offices in front of the west exit of Kanda Station. (to be completed in July 2012)
- New construction in Umekita (Osaka Station North District) Phase 1 Development Area Project, “Grand Front Osaka”. (to be completed in March 2013)
- New construction of commercial building “Imaizumi 1-chome building (tentative name)”. (to be completed in Spring, 2013)

◎Enhancing profitability

- Improvement of the vacancy rate for office buildings in the five wards of central Tokyo by strengthening leasing activities for new and existing buildings in the leasing business
- Improvement of operating margin in the residential property sales business and acquisition of carefully selected sites for condominiums, especially in large urban areas, notably Tokyo and Osaka.

◎Cooperating with the NTT Group

- Completion of Urbannet Tenjin Building, a commercial and office complex leasing the site of NTT Tenjin Building for a fixed period, in Chuo-ku, Fukuoka (in August 2011), and the opening of the commercial zone RESOLA TENJIN (in September 2011)

■Pursuing growth in consideration of financial soundness

- Acquisition of 1 King William Street, an office building in the City of London, home to many UK banks and the stock exchange (in June 2011)
- Commencing a residential land sales business in the suburbs of Melbourne, Australia (Commencement of sales in 2012. Planned completion of the business in 2016.)
- Developing a commercial facility, “Kyoto Kiyomizu Project (tentative name) ” in Higashiyama-ku, Kyoto, which will be operated as a wedding restaurant.

■Establishing managerial platform for growth

- Comprehensive management of the total investment amount and improvement of the net debt-to-equity ratio
- Bolstering of business foundations by enhancing management transparency and internal control and establishing the CSR management base (efforts to reduce the burden on the environment)
- As part of shareholder-oriented management, the Company plans to increase annual dividends to 1,400 yen per share from the fiscal year ended March 2012.

(Reference) Urbannet Kanda Building

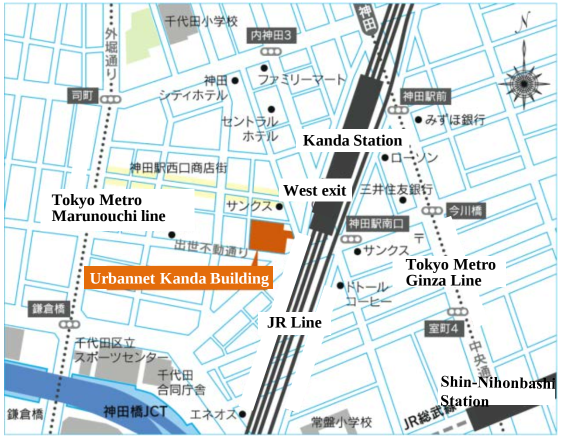
Project Overview

It contrast to the surrounding Otemachi, Marunouchi, Nihonbashi, and Akihabara districts, Kanda has an atmosphere very much reminiscent of traditional downtown Tokyo.

In this atmosphere, an office building featuring advanced, secure, and safe functions is about to be completed as a building that will represent the future of the area.

The 19-story building with open space surrounded by trees and flowers and a walkway, enabling you to feel the seasons, will draw attention in the streets near the west exit of Kanda station, where there are few high-rise buildings or green spaces. We aspire to make Urbannet Kanda Building a new landmark and symbol of the streets, considering its connection to the community and to tradition.

Location:	3-6-2 Uchikanda Chiyoda-ku, Tokyo
Site area:	1,854.67m^2
Total floor space:	14,693.03m^2
Height:	Approx. 85.7m
Building scale:	19 stories, one basement
Main Use:	Office, conference room and restaurants
Schedule:	Commencement July 2010 Completion due July 2012 (Schedule)



Disclaimer

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