(English translation based on Japanese Original)

NTT Urban Development Corporation

Overview of the Second Quarter of the Fiscal Year Ending March 31, 2013

November 5, 2012

1. Financial Highlights of the Six months of the Fiscal Year Ending March 31, 2013

Overview of Performance and Income

- **Operating revenue for the six months ended September 30, 2012 rose year on year. Operating income, ordinary income and net income increased year on year.**
- **Results were mostly on par with the forecasts.**

(Million yen)

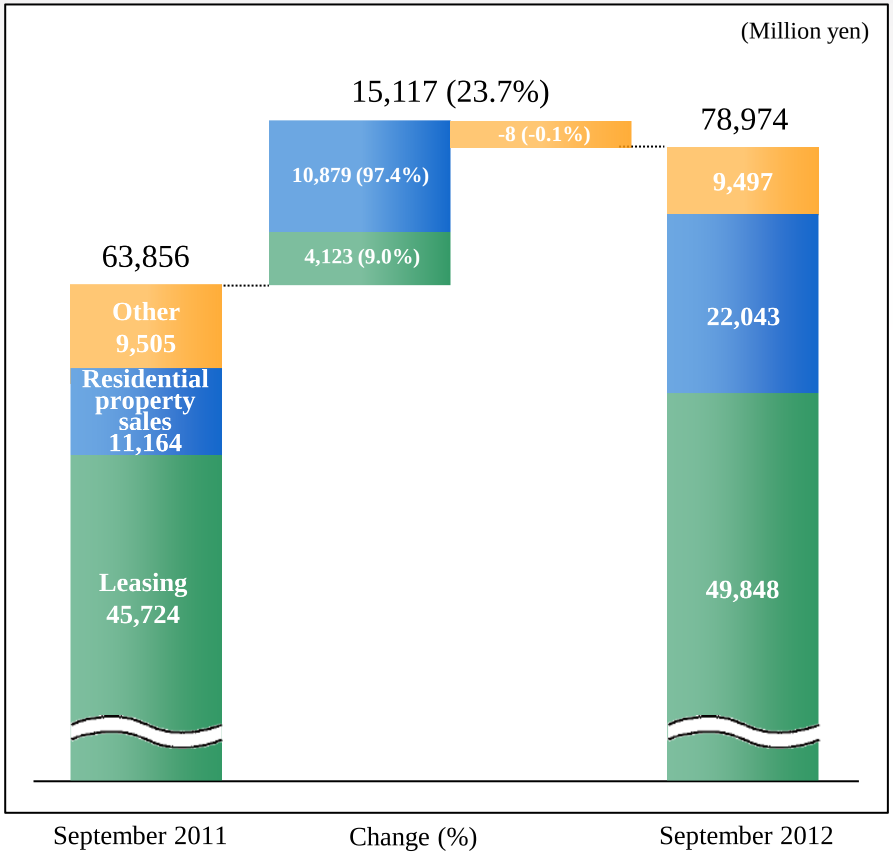
Category	(i) Six months ended September 30, 2012	(ii) Six months ended September 30, 2011	(i) - (ii) Change	(i) - (ii) Change (%)	Forecast for the Fiscal year ending March 31, 2013 (progress)	
Operating revenue	**78,974**	**63,856**	**15,117**	**23.7%**	**155,000**	**51.0%**
Operating expenses	60,983	50,631	10,351	20.4%	—	—
Operating income	**17,990**	**13,224**	**4,765**	**36.0%**	**26,000**	**69.2%**
Non-operating income	1,247	1,214	33	2.8%	—	—
Non-operating expenses	3,971	4,062	(90)	(2.2%)	—	—
Ordinary income	**15,267**	**10,376**	**4,890**	**47.1%**	**19,800**	**77.1%**
Extraordinary income	—	—	—	—	—	—
Extraordinary loss	352	940	(587)	(62.5%)	—	—
Income before income taxes and minority interests	14,914	9,435	5,478	58.1%	—	—
Income taxes	4,706	3,277	1,429	43.6%	—	—
Income before minority interests	10,207	6,158	4,408	65.7%	—	—
Minority interests in income	678	597	80	13.5%	—	—
Net income	**9,529**	**5,561**	**3,968**	**71.4%**	**10,400**	**91.6%**
Comprehensive income	10,342	5,666	4,675	82.5%		

Note: Forecasts are based on figures projected on May 9, 2012 during the announcement of results for the fiscal year ended March 2012.

2. Performance by Segment (Operating Revenue and Operating Income)

- In the leasing business, operating revenue increased ¥4.1 billion year on year and operating income rose ¥3.3 billion, with a fall of ¥0.4 billion in rent income from existing properties more than offset by income including rent income of ¥0.8 billion from new properties, and sales and penalty income of ¥4.0 billion from office buildings in London, United Kingdom.
- In the residential property sales business, operating revenue increased ¥10.8 billion year on year and operating income increased ¥1.4 billion, mainly reflecting an increase in the number of condominiums delivered from 204 to 330 year on year, a rise in the average sales price, and other factors.

Operating Revenue



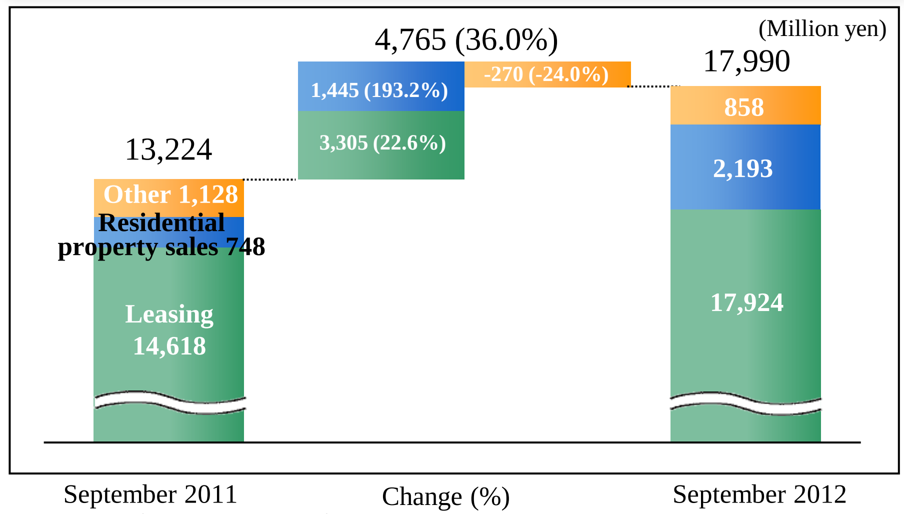
Note: Before the elimination of intersegment transactions

Operating Income Margin

	September 2011		September 2012
Leasing	32.0%	+4.0	36.0%
Residential property sales	6.7%	+3.3	10.0%
Other	11.9%	-2.9	9.0%
Total	20.7%	+2.1	22.8%

Note: Before the elimination of intersegment transactions and corporate overhead

Operating Income

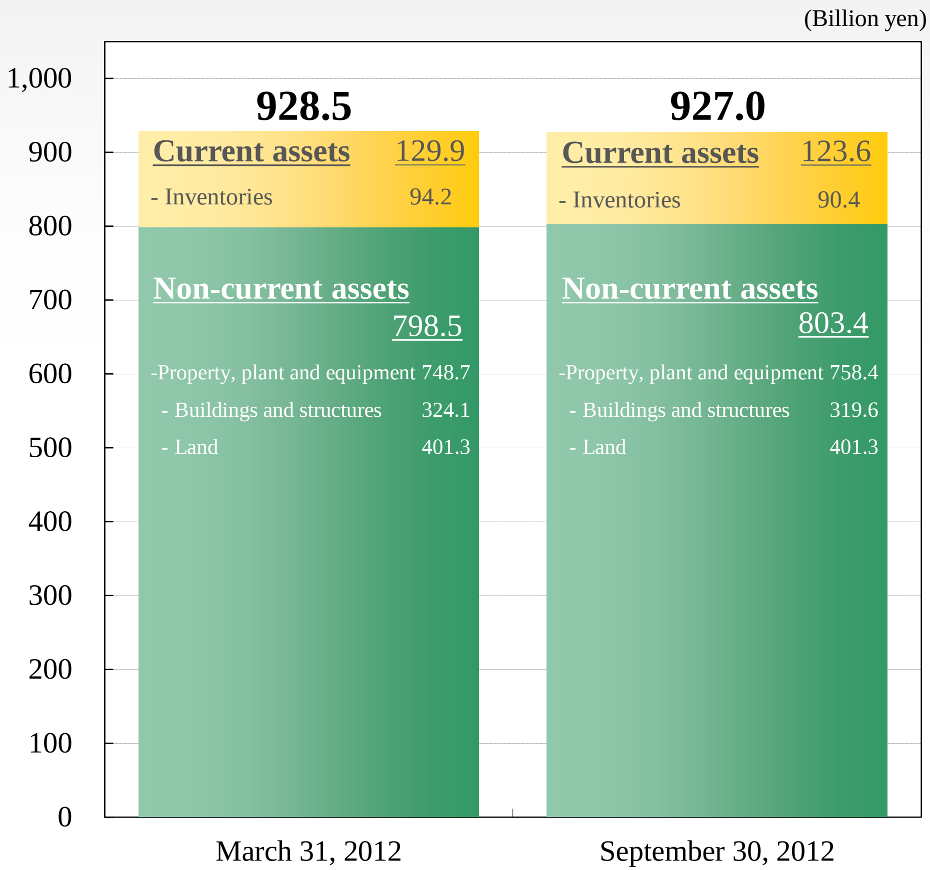


Note: Before the elimination of intersegment transactions and corporate overhead

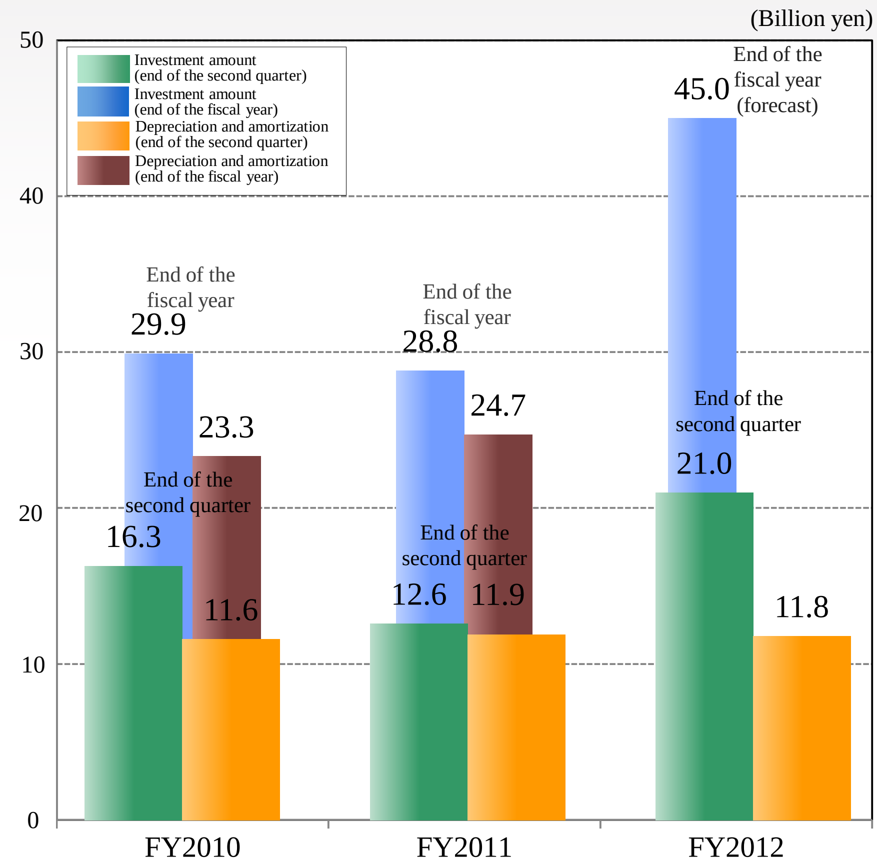
3. Balance Sheet (Total Assets and Investments)

- Total assets were down ¥1.4 billion from the end of the previous fiscal year, to ¥927.0 billion which is almost at the same level.
- The amount of investments was ¥21.0 billion. The main investments were ¥9.6 billion in the Otemachi Financial City North Tower, ¥4.3 billion in the Grand Front Osaka, and ¥2.6 billion in the Urbannet Kanda Building.

Total Assets



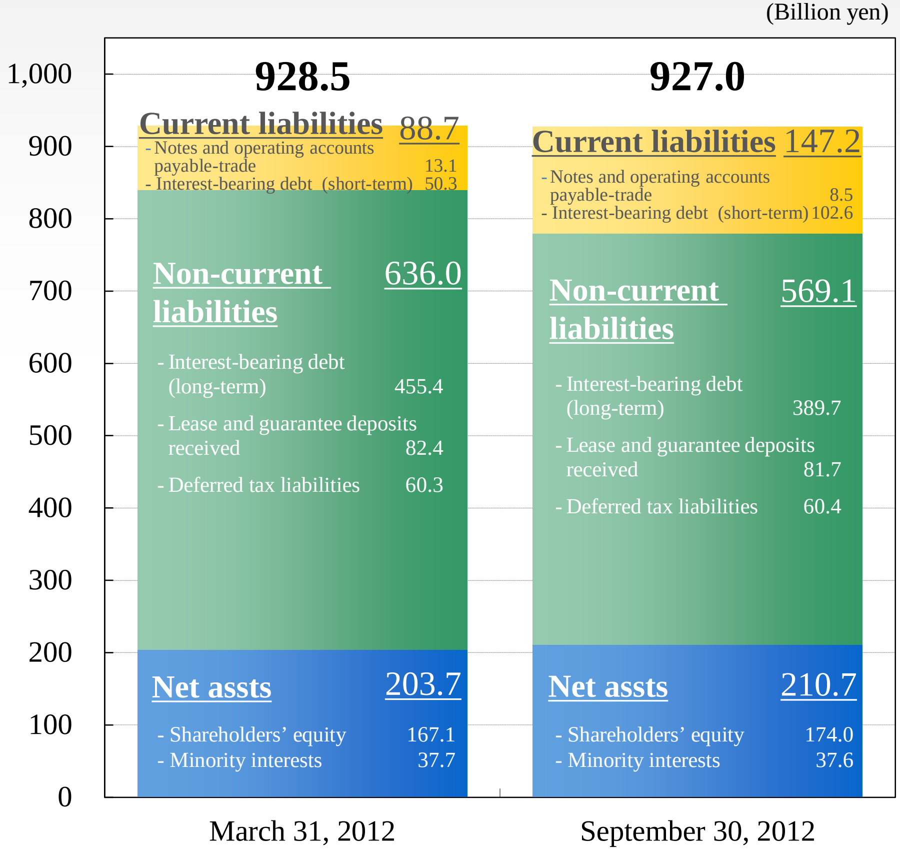
Investments



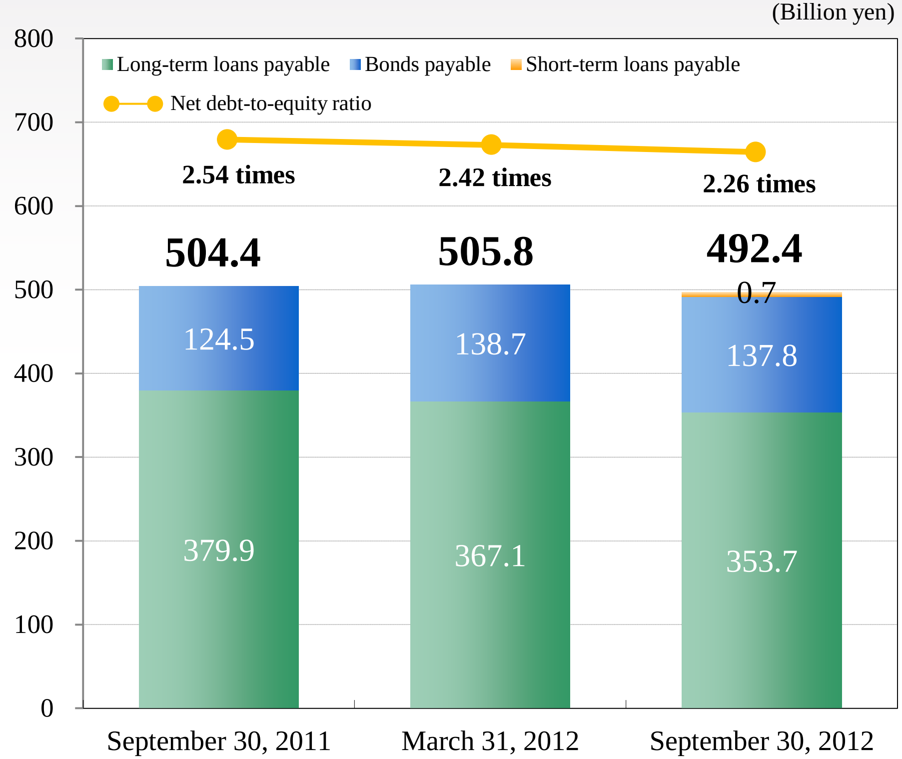
4. Balance Sheet
(Liabilities, Net Assets and Interest-bearing Debt)

- Liabilities fell ¥8.4 billion from the end of the previous fiscal year, to ¥716.3 billion, mainly reflecting a decrease of ¥13.3 billion in interest-bearing debt.
- Net assets rose ¥7.0 billion, primarily attributable to net income of ¥9.5 billion and dividends paid of ¥2.6 billion.
- Interest-bearing debt stood at ¥492.4 billion and net debt-to-equity ratio was 2.26.

Liabilities and Net Assets



Interest-bearing Debt



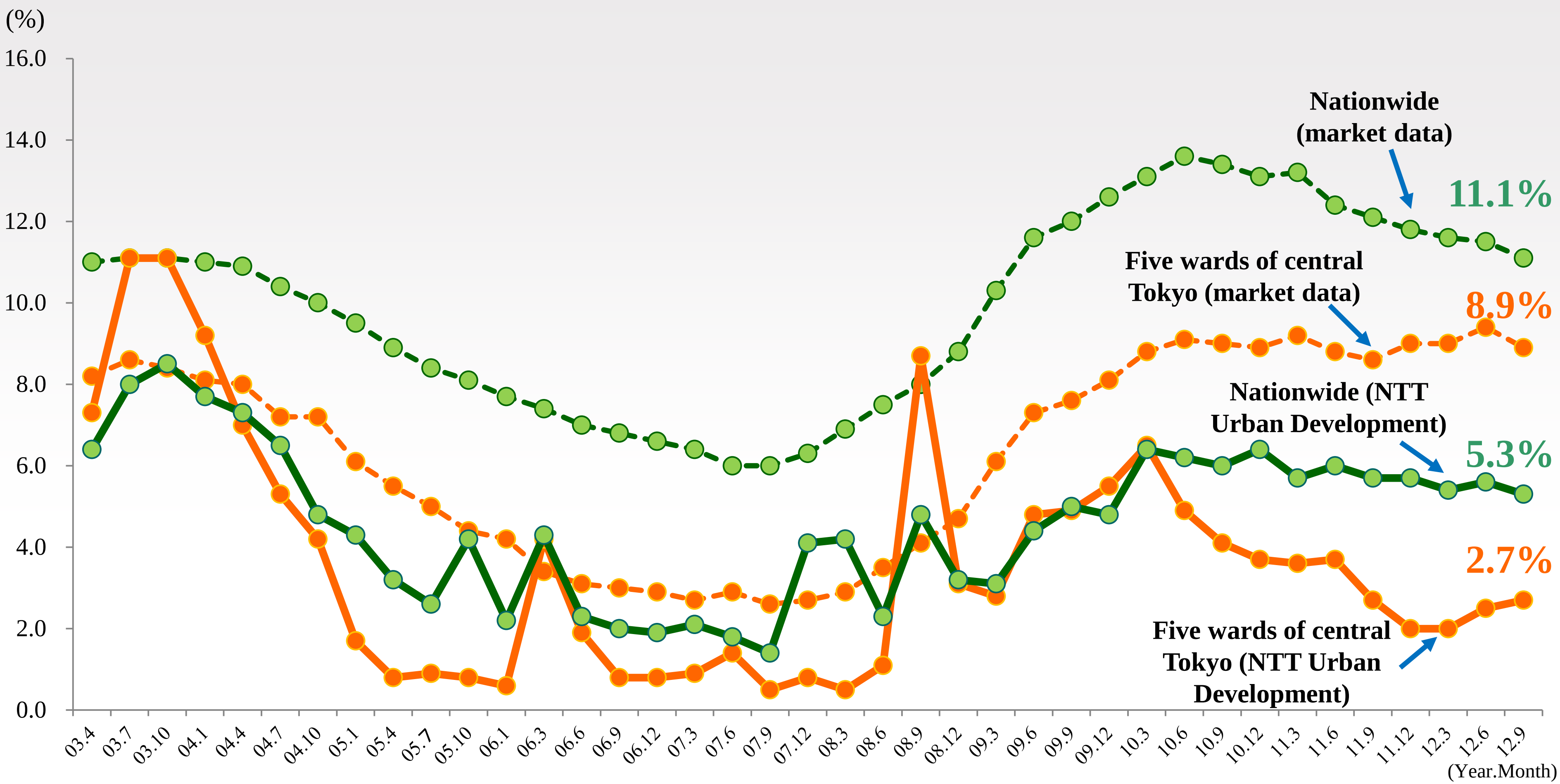
Note 1: Bonds payable include "Current portion of bonds".
Note 2: Long-term loans payable include "Current portion of long-term loans payable" .
Note 3: Net debt-to-equity ratio = (interest-bearing debt – cash and cash equivalents – time deposits whose deposit terms exceed three months) / net assets

5. Cash Flows

（Billion yen）

Items	(i) Six months ended September 30, 2012	(ii) Six months ended September 30, 2011	Year-on-Year Change
Net cash provided by (used in) operating activities	**44.6**	**(7.3)**	**51.9**
(Restated) Income before income taxes and minority interests	14.9	9.4	5.4
(Restated) Depreciation and amortization	11.8	11.9	(0.1)
(Restated) Decrease (increase) in notes and accounts receivable-trade	11.6	(3.8)	15.4
(Restated) Decrease (increase) in inventories	4.0	(17.1)	21.2
Decrease in notes and accounts payable-trade	(4.6)	(1.6)	(2.9)
(Restated) Interest expenses paid	(3.9)	(3.9)	(0.0)
(Restated) Income taxes paid	(0.5)	(5.4)	4.8
Net cash used in investing activities	**(24.9)**	**(13.6)**	**(11.2)**
(Restated) Purchase of property, plant and equipment	(24.3)	(13.1)	(11.2)
Free cash flow	19.6	(20.9)	40.6
Net cash provided by (used in) financing activities	**(16.7)**	**14.0**	**(30.8)**
(Restated) Net increase (decrease) in borrowings	(13.3)	16.6	(30.0)
(Restated) Cash dividends paid	(2.6)	(1.9)	(0.6)
Cash and cash equivalents at beginning of period	**10.9**	**18.0**	**(7.0)**
Cash and cash equivalents at end of period	**13.8**	**11.0**	**2.7**

6. 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.

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

Restructuring the business base

◎ Strengthening development expertise

- ✓ Advancing new construction of the "Upper-Level Section Redevelopment Project associated with the reconstruction of the Shibaura Water Reclamation Center", an office and commercial building with an excellent ecological performance (to be completed in February 2015)
- ✓ Completed construction of "Urbannet Kanda Building", which has adopted a seismic damper structure, in front of Kanda Station, offering outstanding convenience (July 2012)
- ✓ Completed construction of "Otemachi Financial City North Tower", the second phase of the Otemachi Linked-Form Redevelopment Project (October 2012)
- ✓ Embarking on work for the reconstruction of "Nihombashi Asahi-Seimei-Kan"
- ✓ Plan to acquire and reconstruct "Toshin Building" in the Hibiya area (to be acquired in 2013)
- ✓ Advancing new construction of "Grand Front Osaka" in front of Osaka Station (to be completed in March 2013)

◎ Enhancing profitability

- ✓ Strengthening leasing activities at new and existing buildings in the leasing business
- ✓ Improving the operating margin, increasing residential property sales, and acquiring carefully selected condominium sites in the residential property sales business

◎ Providing the NTT Group with CRE solutions

- ✓ Plan to acquire a property owned by the NTT Group in the Ginza area in Chuo-ku, Tokyo and reconstruct it
- ✓ Promoting development projects on land owned by the NTT Group under a fixed-term leasehold scheme (Osaka, Sapporo, etc.)

Pursuing growth in consideration of financial soundness

- ✓ Actively developing overseas business
  - Sold "103 Mount Street", the first property in London, after increasing the value (February 2012)
  - Wholly redesigning "1 King William Street", the second property in London (to commence in 2013)
  - Acquired "20 Finsbury Circus", a third property in London situated in an excellent location in the City area (September 2012)

Establishing managerial platform for growth

- ✓ Carefully managing total investment amount and improving the net D/E ratio
- ✓ Strengthening the business foundations by enhancing management transparency and internal control and establishing the CSR management base (efforts to reduce the environmental burden), etc.
- ✓ Promoting shareholder-oriented management

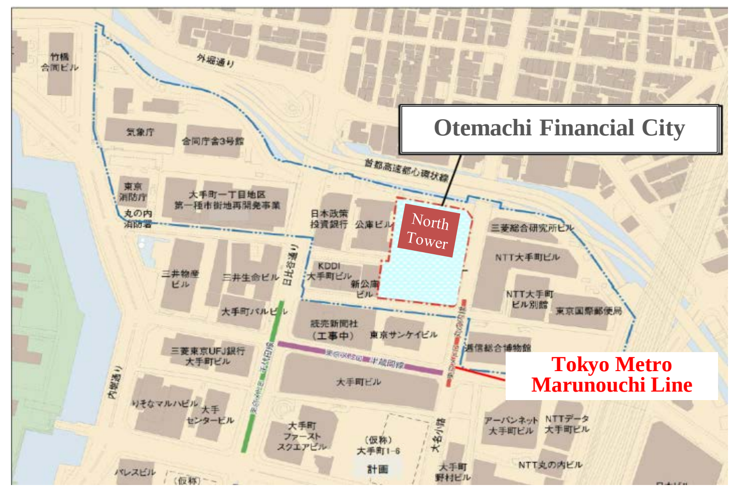
(Reference) Otemachi Financial City North Tower

Project Overview

Construction of “Otemachi Financial City”, the second phase of the Otemachi Linked-Form Redevelopment Project, was completed in October 2012.
Otemachi Financial City consists of two buildings: “Otemachi Financial City North Tower” and “Otemachi Financial City South Tower”. Japan Finance Corporation participated in the project as a land owner and leaseholder, and will transfer its head office function into “Otemachi Financial City North Tower”. The specified builders, etc. including the Company, acquired and are operating the building as leasehold space.

Construction Overview

Location :	9-4 & 5, Otemachi 1-Chome Chiyoda Tokyo
Site area :	Approx. 14,100m^2 (Sum of North Tower and South Tower)
Total floor space :	Approx. 110,000m^2
Height :	Approx. 154m
Building scale :	31 stories and 4 basement
Use :	Office, retail and parking etc.
Schedule :	Commencement: April 2010 Completion: October 2012



(Reference) 20 Finsbury Circus

Project Overview

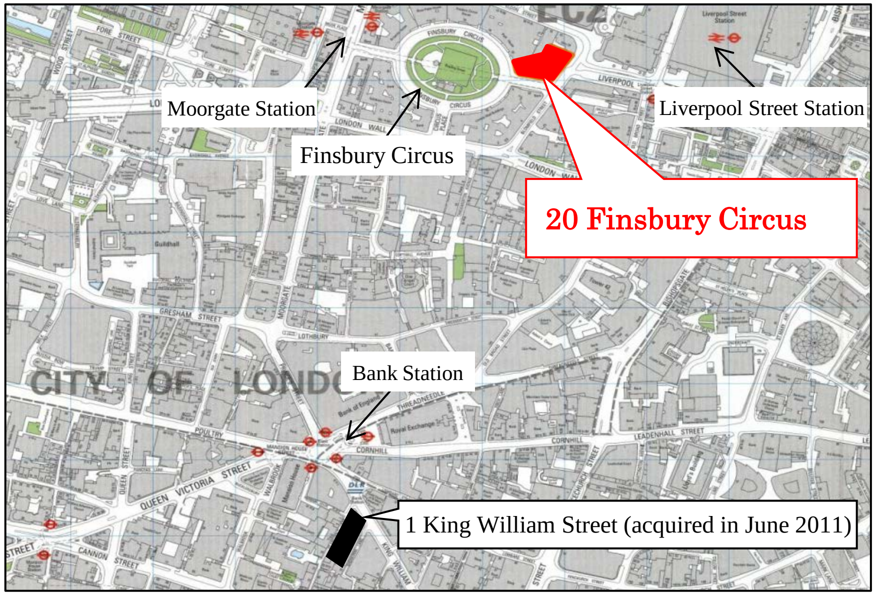
In September 2012, we acquired "20 Finsbury Circus", an office building in London, United Kingdom.

The building is located in the City area which is home to many banks and insurance firms. The building enjoys an outstanding location next to the largest park in the City, and offers convenient transportation access with the nearby Liverpool Street Station. The area is also an attractive commercial district.

In addition, the building will be directly adjacent to a new station on the new Crossrail transportation system, which will cross London from east to west when the system opens for service in 2018.

Construction Overview

Location:	20 Finsbury Circus, London EC2, U.K.
Leased floor area	86,427 sqf (approx. 8,029 m^2)
Building scale:	7 stories and 1 basement
Use:	Office and retail
Acquisition Value	GBP 42.9 million (equivalent to approx. 5.36 billion yen) * Converted at the exchange rate of 125 yen per GBP
Seller	City of London Corporation



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

[Cover photograph]
Akihabara UDX: Forward Stroke, Otemachi First Square: Nacasa & Partners, Urbannet Otemachi Building: Kokyu Miwa Architectural Photography