

Capital and Business Alliance with Hiramatsu Inc.

-- First Venture to Deploy Small Luxe Hotels with Fine Restaurants (Auberges) --

NTT Urban Development Corporation (President and CEO: Sadao Maki; Head Office: Chiyoda-ku, Tokyo; hereinafter "NTT Urban Development") and Hiramatsu Inc. (President and CEO: Hirotooshi Hiramatsu; Head Office: Shibuya-ku, Tokyo; hereinafter "Hiramatsu") have concluded a joint agreement for a strategic capital and business alliance. Through this agreement, NTT Urban Development will acquire common stock of Hiramatsu.

1. Purpose of capital and business alliance

In its "Medium-Term Vision 2018", NTT Urban Development will strategically exert its efforts in the "hotel and resort business", which is positioned as a growing business fueled by the significant increase of tourists visiting Japan, and has established Hotel and Resort Business Department on October 1, 2015.

Hiramatsu will gather momentum in "The Hiramatsu Hotels & Resorts" business. Since its founding in 1982, Hiramatsu has singly opened frontiers from their core French and Italian restaurant businesses to new business domains such as wedding and hotel businesses that conform to the needs of the times for the purpose of raising their potential.

NTT Urban Development has broad development know-how and management capabilities cultivated in business, residential, and commercial properties, while Hiramatsu offers know-how in quality dining and comfortable spaces. We believe that this cooperative relationship will strengthen our progress in the hotel business and enable complementary exchange of various competencies between the two companies.

2. Content of business alliance

As the first joint project, we will start with Small Luxe Hotels with Fine Restaurants (Auberges) located mainly in resort districts with approximately 10 to 20 rooms. More specifically, the development will start in Kashikojima Island, Mie (scheduled to open July 2016) and the second in Atami, Shizuoka (September of the same year).

3. Content of capital alliance

NTT Urban Development is scheduled to acquire 1.5 million shares of common Hiramatsu stock owned by Hirotooshi Hiramatsu (approximately 3% of total number of issued shares) based on the agreement.

■ Kashikojima Island

<Image of property>



<Outline of property>

Address	Ugatae, Ago-cho, Shima-shi, Mie
Opening	July 2016 (planned)
Land area	14,256.50 m ²
Total floor space	1,401.55 m ²
Rooms	8 rooms (planned)



■ Atami

<Image of property>



<Overview of property>

Address	Sogayama, Atami-aza, Atami-shi, Shizuoka
Opening	September 2016 (planned)
Land area	11,079.84 m ²
Total floor space	1,822.41 m ²
Rooms	13 rooms (planned)

