(Japanese Original and English Translation)

Overview of Operating Performance during the Fiscal Year Ended March 31, 2010 and Forecast for the Year Ending March 31, 2011

NTT Urban Development Corporation May 12, 2010

1. Highlights of Consolidated Results and Consolidated Results Forecast

Overview of Results for the Fiscal Year Ended March 31, 2010 and Results Forecast for Year Ending March 31, 2011

(Million yen)

Category	Year Ended March 31, 2010	Change				Forecast for Year Ending March 31, 2011	Change	
		Year-on-year		Result against forecast *			Year-on-Year	
Net sales	**149,224**	**4,947**	**3.4%**	**(775)**	**(0.5%)**	**141,000**	**(8,224)**	**(5.5%)**
Operating expenses	133,095	14,062	11.8%	–	–	–	–	–
Operating income	**16,129**	**(9,114)**	**(36.1%)**	**1,629**	**11.2%**	**24,000**	**7,870**	**48.8%**
Non-Operating income	2,564	190	8.0%	–	–	–	–	–
Non-Operating expenses	8,477	364	4.5%	–	–	–	–	–
Ordinary Income	**10,215**	**(9,288)**	**(47.6%)**	**2,215**	**27.7%**	**18,000**	**7,784**	**76.2%**
Extraordinary income	17,628	5,590	46.4%	–	–	–	–	–
Extraordinary losses	6,025	1,877	45.3%	–	–	–	–	–
Corporate taxes, etc.	15,702	4,298	37.7%	–	–	–	–	–
Net income	**6,116**	**(9,873)**	**(61.7%)**	**1,116**	**22.3%**	**9,000**	**2,883**	**47.1%**

* Forecasts for the year ended March 31, 2010 are based on figures projected on November 5, 2009.

2. Results and Results Forecast by Segment

Overview of Results for the Fiscal Year Ended March 31, 2010 and Results Forecast for Year Ending March 31, 2011 by Segment

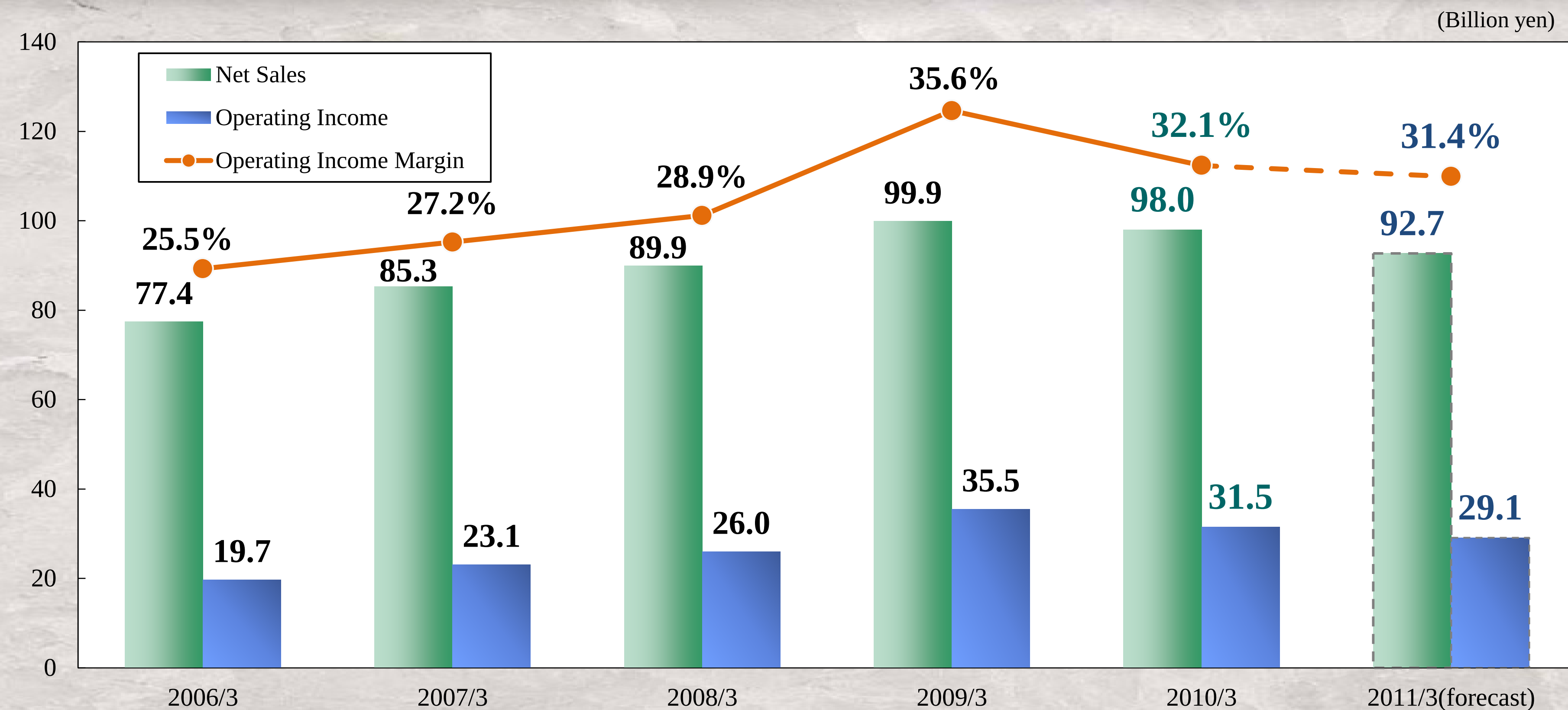
(Million yen)

Category	Year Ended March 31, 2010	Change				Forecast for Year Ending March 31, 2011	Change	
		Year-on-year		Result against forecast [*2]			Year-on-Year	
Net sales[*1]	**149,224**	**4,947**	**3.4%**	**(775)**	**(0.5%)**	**141,000**	**(8,224)**	**(5.5%)**
Leasing	98,092	(1,835)	(1.8%)	(607)	(0.6%)	92,700	(5,392)	(5.5%)
Residential Property Sales	41,643	8,955	27.4%	(156)	(0.4%)	38,700	(2,943)	(7.1%)
Others	14,553	(2,071)	(12.5%)	153	1.1%	15,000	446	3.1%
Operating income[*1]	**16,129**	**(9,114)**	**(36.1%)**	**1,629**	**11.2%**	**24,000**	**7,870**	**48.8%**
Leasing	31,521	(4,038)	(11.4%)	1,321	4.4%	29,100	(2,421)	(7.7%)
Residential Property Sales	(10,498)	(4,480)	(-)	(698)	(-)	500	1,0998	(-)
Others	1,358	(141)	(9.4%)	558	69.8%	1,100	(258)	(19.0%)

*1 Figures for segments in Net sales are before the elimination of intra-segment transfers.
Figures for segments in Operating income are before the elimination of intersegment transactions and corporate overhead.
*2 Forecasts for the year ended March 31, 2010 are based on figures projected on November 5, 2009.

3. Sales and Income in Leasing Business

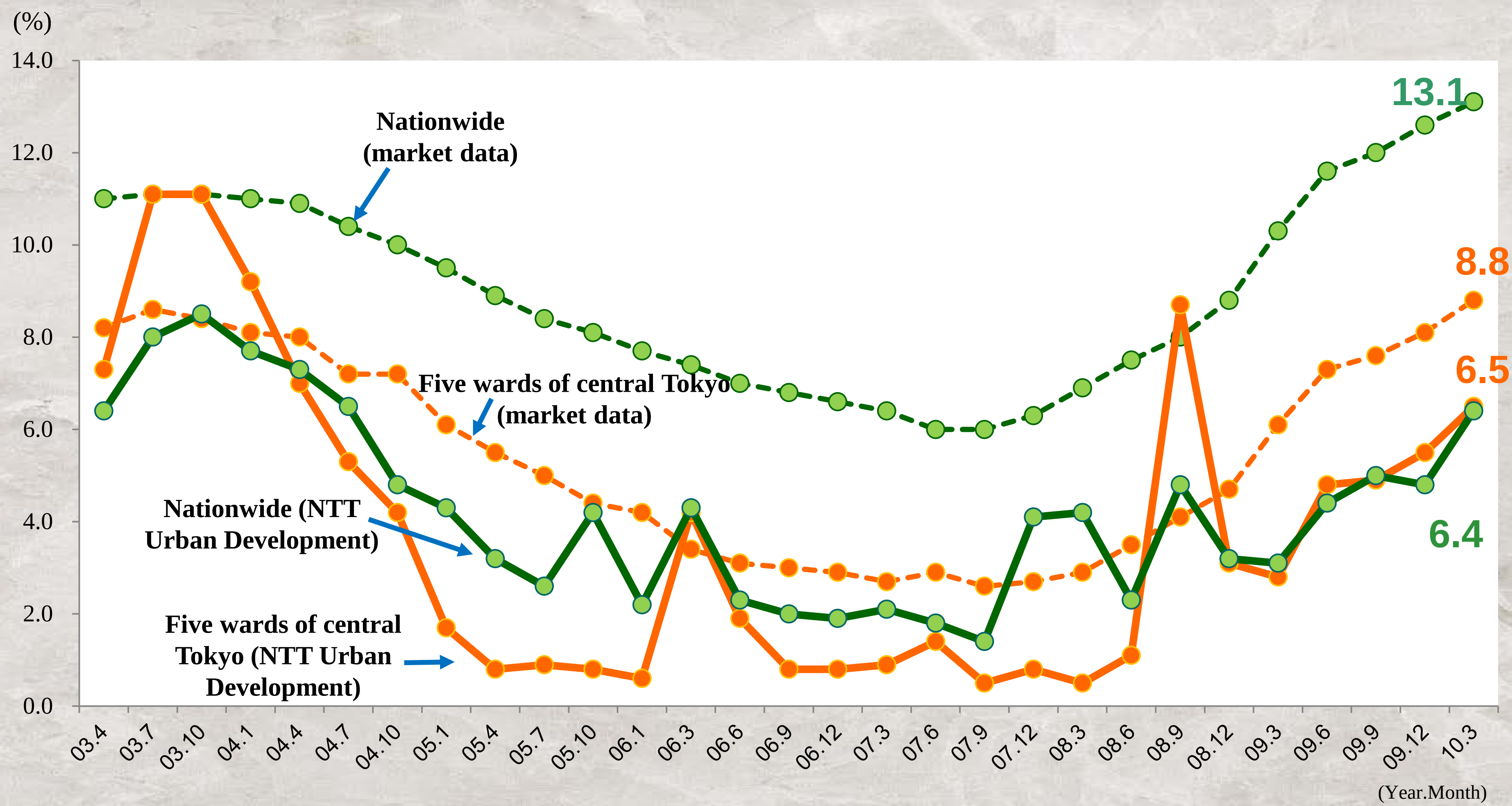
- Net sales fell ¥1.8 billion and operating income dropped ¥4.0 billion year on year in the fiscal year ended March 2010 with an increase in sales from new properties including Otemachi 1-Chome Urban Area Redevelopment (first-phase) (up ¥3.1billion), more than offset by a fall in revenues from existing properties due to the effect of an increase in vacancies (down ¥2.9 billion) and the adverse effect of the sale of assets in the previous fiscal year (down ¥1.9 billion).
- We forecast that net sales and income will fall ¥5.3 billion and ¥2.4 billion year on year in the fiscal year ending March 2011, attributable to a decrease in sales from existing properties and the effect of the sale of assets.



NOI (Billion yen)	2006/3	2007/3	2008/3	2009/3	2010/3	2011/3(forecast)
	47.2	50.5	52.7	64.2	61.4	57.2

* Figures are presented on a consolidated basis, starting in fiscal 2006.

4. Vacancy Rates in Leasing Business



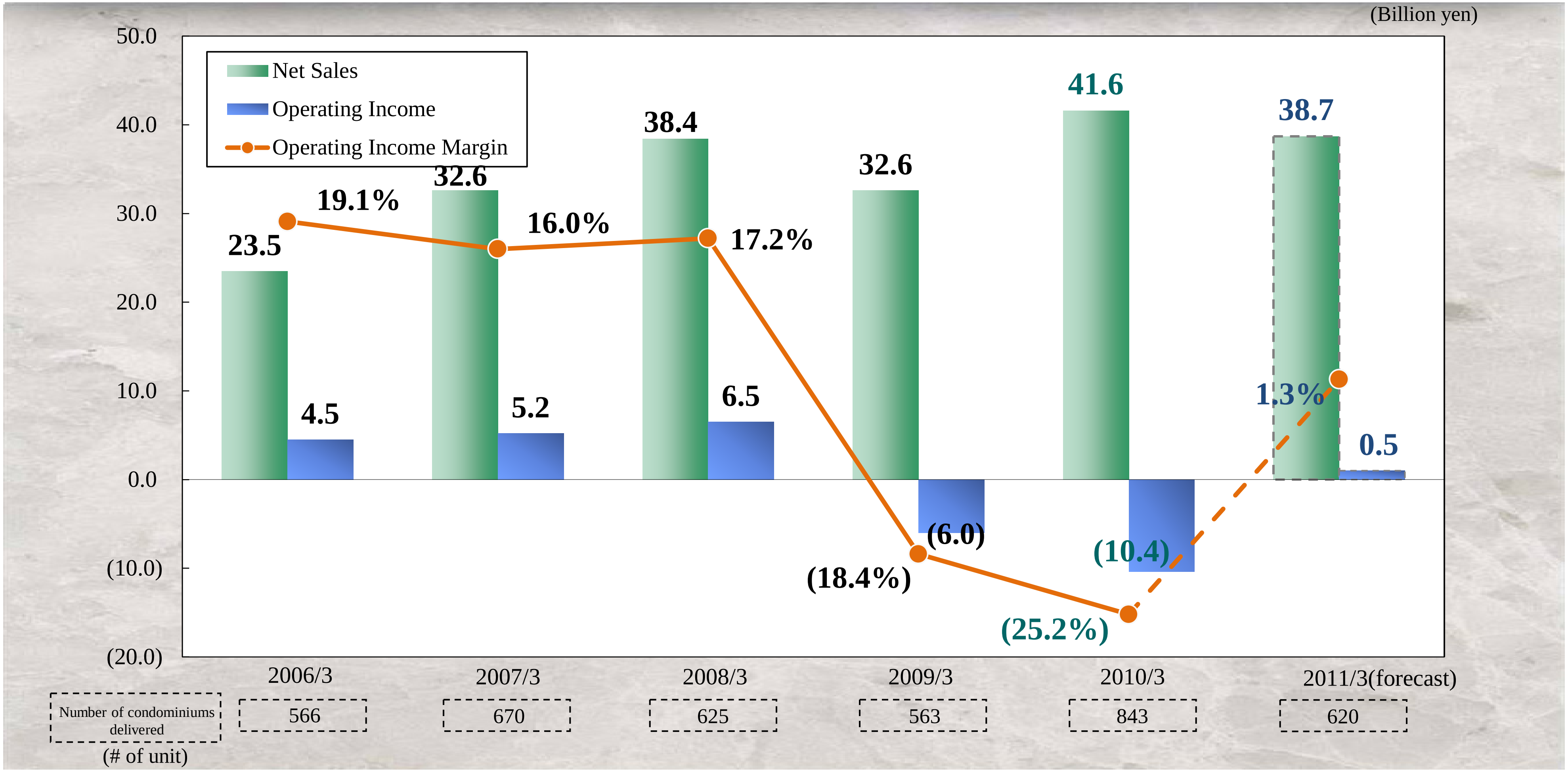
*1 Vacancy rates that historically were calculated on the first day of the following month are now calculated on the final day of the current month, as of March 2006.

*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.

5. Sales and Income in Residential Property Sales Business

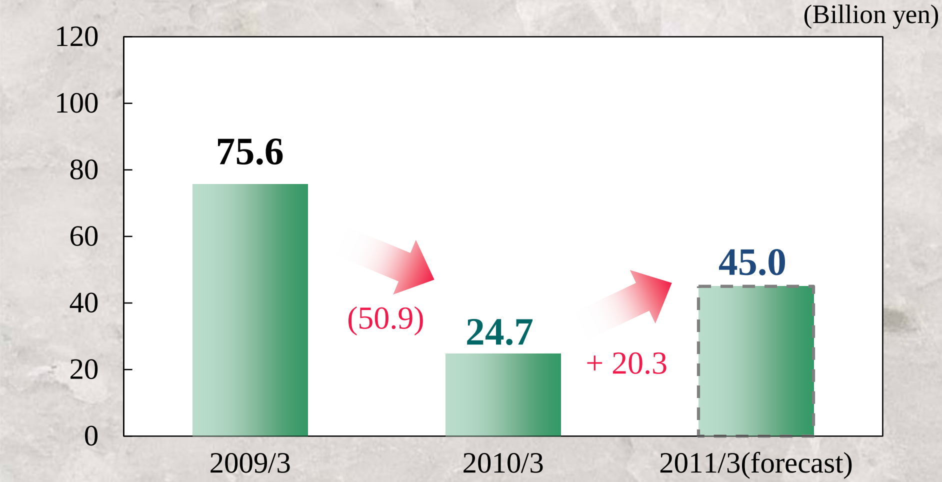
- **Net sales increased ¥8.9 billion year on year in the fiscal year ended March 2010, reflecting a rise in the number of condominium units delivered (to 843 from 563). However, an operating loss of ¥10.4 billion was posted, attributable primarily to a loss on revaluation of inventories of ¥12.7 billion.**
- **We forecast a decline of ¥2.9 billion in net sales due to a fall in the number of condominiums unit for delivery, from 843 to 620. However we are determined to move into the black in the fiscal year ending March 2011.**



6. Investments and Interest-Bearing Debt

- **The Company invested ¥24.7 billion in the fiscal year ended March 2010, including ¥2.3 billion for Otemachi 1-Chome Urban Area Redevelopment Project (second-phase) and ¥1.8 billion for Shijo-Karasuma Building (tentative name). We expect the investments will be ¥45.0 billion in the fiscal year ending March 2011.**
- **Interest-bearing debt stood at ¥496.6 billion, down ¥24.3 billion year on year, reflecting the effect of asset replacement. The net debt-to-equity ratio improved to 2.55. We expect the net debt-to-equity ratio will improve in the fiscal year ending March 2011, reflecting a recovery in income and the control of total investments.**
- **The market value of rental properties was ¥1,208.6 billion, including ¥470.7 billion from unrealized gains at the end of March 2010.**

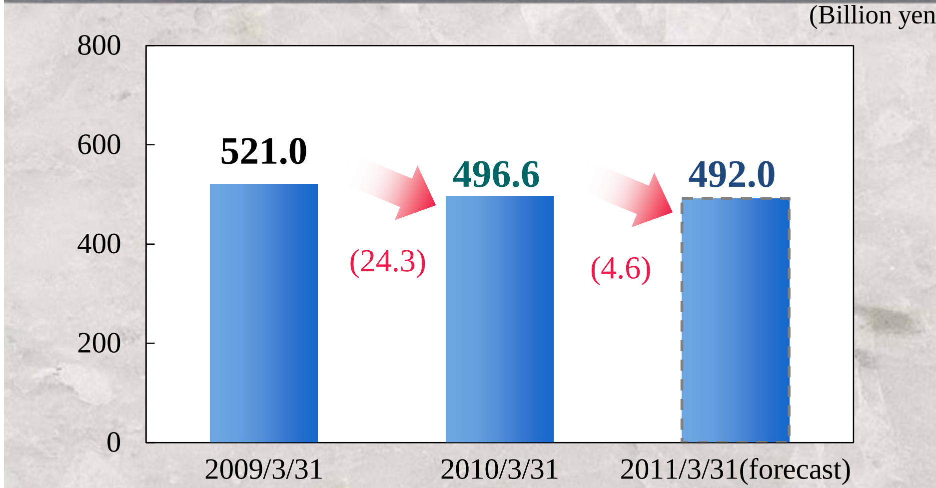
Changes in investments



>> Major investments in fiscal year ended March 2010
- Otemachi 1-Chome No. 2 Urban Area Redevelopment Project Type 1
- Shijo-Karasuma Building (tentative name)
- Urban Ace Kitahama Annex
- Development of Site at Taishibashi
- Office Building in London, UK

>> Major investments in fiscal year ending March 2011
- Osaka Station North District Phase 1 Development Area Project
- Shijo-Karasuma Building (tentative name)
- Uchihonmachi Project
- Shibaura Water Reclamation Center Upper-Level Section Redevelopment Project

Changes in interest-bearing debt



	2009/3/31	2010/3/31	2011/3/31(forecast)
Debt-to -equity ratio	2.78times	2.55times	2.50times

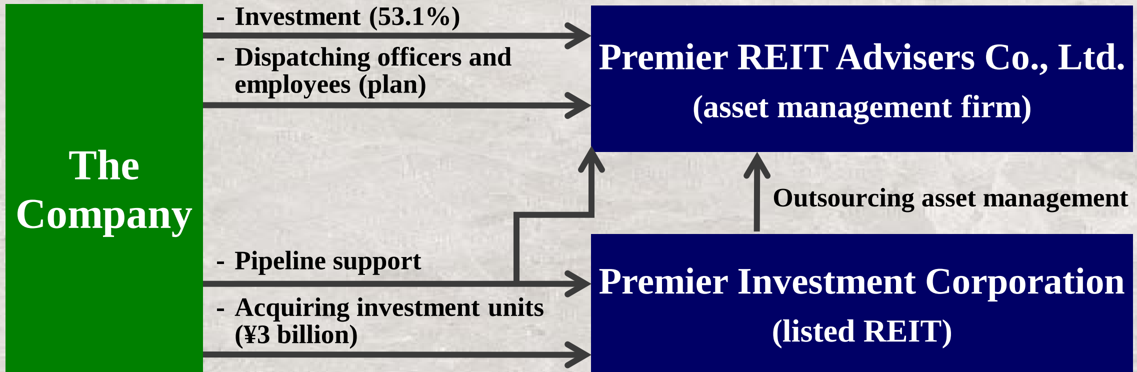
Market value of rental properties (End of March 2010)	¥1,208.6 billion (Book value: ¥737.8 billion; unrealized gains: ¥470.7 billion)
Net debt-to-equity ratio based on the market value	1.02times

* 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.

7. Entering the REIT Business

■ **Acquires a majority of the issued shares in Premier REIT Advisers, the asset management firm of Premier Investment Corporation, and enters the asset management business of REITs in earnest.**

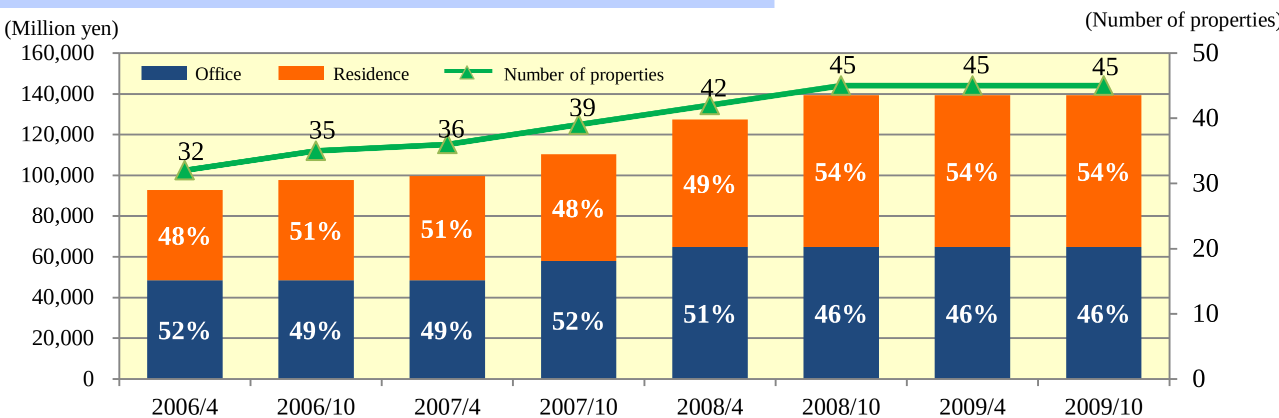
- **Diversify possible exits in the sales business**
- **Expand AM fees**
- **Promote growth in peripheral businesses (PM and BM)**



- **Achieve external growth through the pipeline**
- **Grow internally by using the Company's experience and know-how**
- **Strengthen the financial basis**

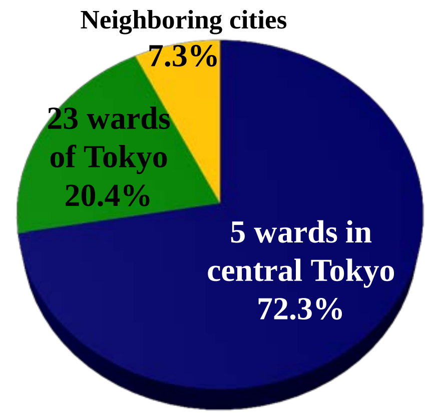
Mixture of residences and offices

Trends of assets under management
(total acquisition prices) and the number of properties



Specializing in Tokyo economic area

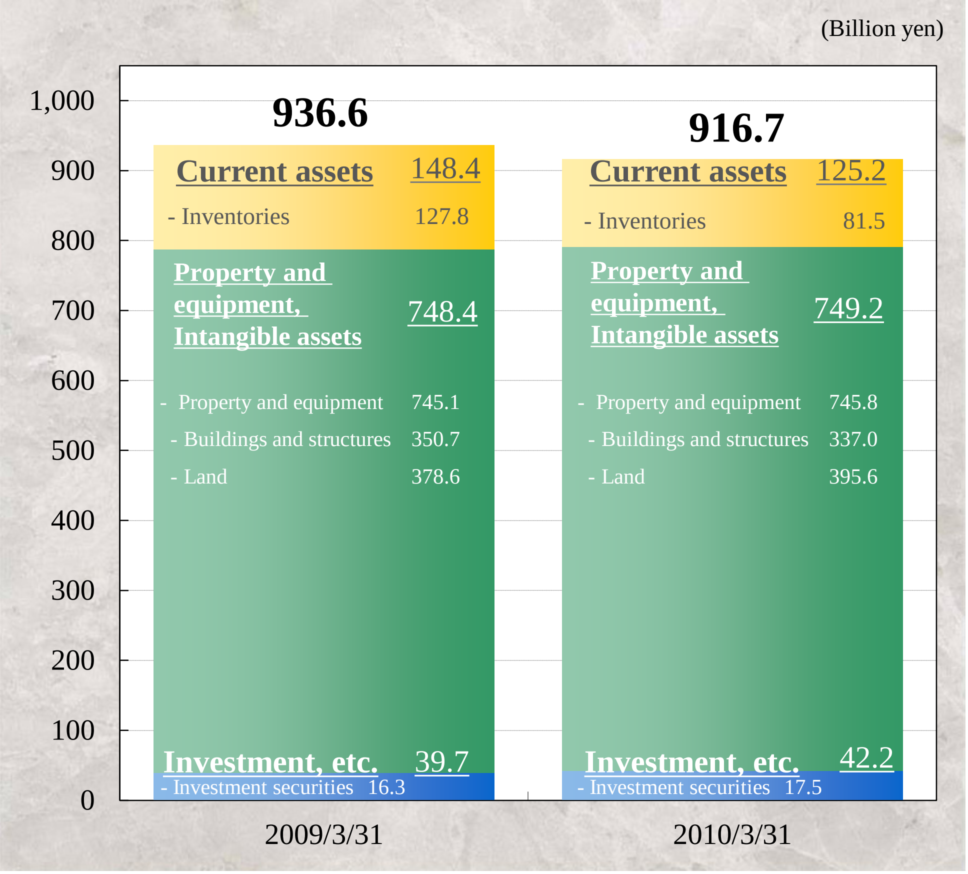
Breakdown of investments by area



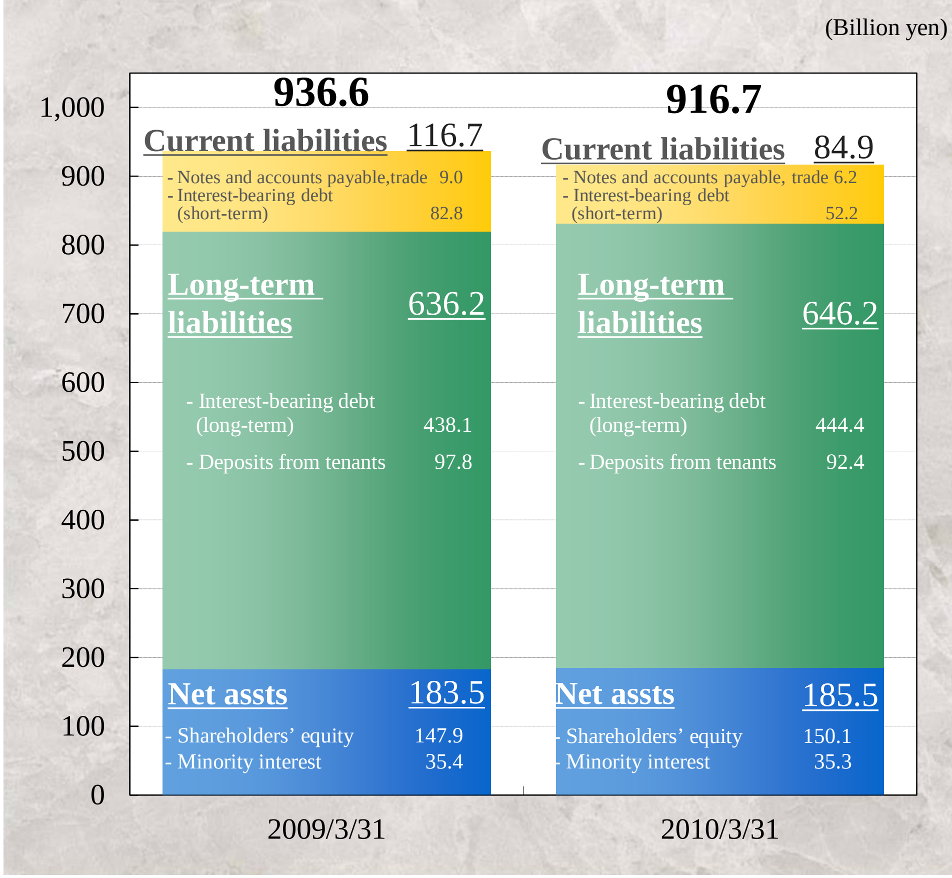
(Reference) Balance Sheet

- Total assets were down ¥19.9 billion from the end of the previous fiscal year, to ¥916.7 billion, primarily because of a fall in inventories due to the posting of a revaluation loss.
- Liabilities fell ¥21.8 billion from the end of the previous fiscal year, to ¥731.1 billion, mainly reflecting a decrease of ¥24.3 billion in interest-bearing debt.
- Net assets rose ¥1.9 billion year on year, mainly reflecting net income of ¥6.1 billion and dividend payments of ¥3.9 billion.

Total Assets



Liabilities and Net Assets



(Reference) Cash Flows

(Billion yen)

Items	Year Ended March 31, 2010	Year Ended March 31,2009	Year-on-Year Change
Cash flows from operating activities	**35.1**	**(12.0)**	**47.2**
(Restated) Income before income taxes and minority interests	21.8	27.3	(5.5)
(Restated) Depreciation and amortization expenses	25.5	25.7	(0.2)
(Restated) Gain on sale of fixed assets	(17.6)	(12.0)	(5.5)
(Restated) (Increase) decrease in inventories	25.2	(12.8)	38.0
(Restated) (Increase) decrease in notes and accounts receivable, trade	(9.2)	0.8	(10.0)
(Restated) Income taxes paid	(4.2)	(13.3)	9.1
Cash flows from investing activities	**6.6**	**(57.3)**	**64.0**
(Restated) Purchases of property and equipment	(22.2)	(66.2)	43.9
(Restated) Proceeds from sales of property and equipment	30.6	19.6	11.0
Free cash flow	**41.8**	**(69.4)**	**111.3**
Cash flows from financing activities	**(30.0)**	**63.0**	**(93.1)**
(Restated) Net increase (decrease) in borrowings	(24.4)	69.1	(93.5)
(Restated) Dividend payments	(3.9)	(4.2)	0.3
Cash and cash equivalents at the end of year	**20.5**	**8.6**	**11.8**

(Reference) Major Management Indicators

Indicator	Year Ended March 31, 2010	Year Ended March 31, 2009
NOI	¥61,480 million	¥64,277 million
Return on equity ratio (ROE)	4.1%	11.2%
Payout ratio	64.6%	24.7%
Dividend on equity ratio (DOE)	2.6%	2.8%
Net worth ratio	16.4%	15.8%
Net debt-to-equity ratio	2.55 times	2.78 times

Notes 1: All of the above management indicators are on a consolidated basis.

2: Calculation formulas of the management indicators are as follows:

NOI = Real estate leasing income - Real estate leasing cost + Real estate depreciation and amortization (including long-term prepaid expenses)

Return on equity ratio = Net income / ((Net worth at the end of the previous fiscal year + Net worth at the end of the fiscal year under review) / 2)

Payout ratio = (Annual) dividends paid per share / Net income per share

Dividend on equity ratio = (Annual) dividends paid / ((Net worth at the end of the previous fiscal year + Net worth at the end of the fiscal year under review) / 2)

Net worth ratio = Net worth / Total assets

Net debt-to-equity ratio ＝(Interest-bearing debt - cash and cash equivalents – time deposits whose deposit terms exceed three months) / Net assets

Net worth = Net assets - Share options - Minority interests

Disclaimer

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