



NTT都市開発
NTT Urban Development Co.



Overview of the Third Quarter of the Fiscal Year Ending March 31, 2012 and Revised forecast for the Fiscal year

February 3, 2012

1. Financial Highlights of the Third Quarter of the Fiscal Year Ending March 31, 2012 and Revised forecast for the Fiscal year

■ Overview of Performance and Income

- Consolidated operating revenue in the third quarter under review fell year on year. Operating income and ordinary income declined year on year. Net income rose ¥5.8 billion due to the effect of the decreased corporate tax rate.
- The forecast for net income was revised upward from ¥9.5 billion to ¥15.3 billion as a result of the decreased corporate tax rate.

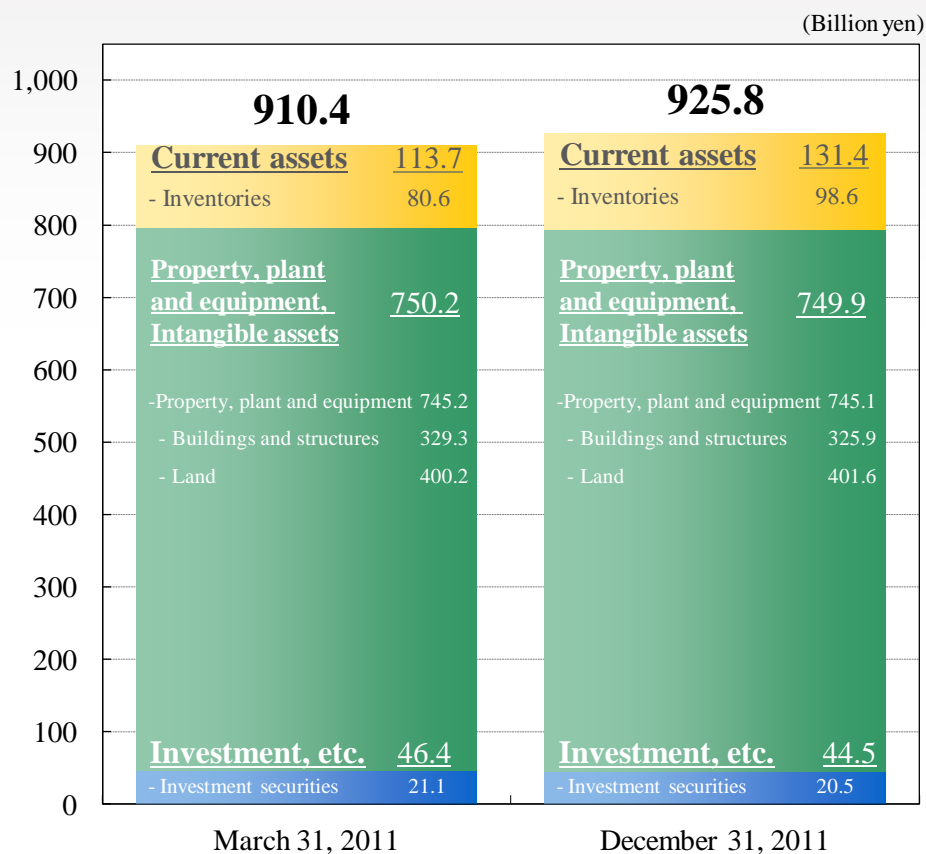
(Million yen)

Category	(i) Third Quarter Ended in Dec. 2011	(ii) Third Quarter Ended in Dec. 2010	(i) - (ii)		Revised forecast for the Fiscal year ending March 31, 2012 (progress)	
			Change	Change (%)		
Operating revenue	95,572	104,520	(8,947)	(8.6%)	144,000	66.4%
Operating expenses	75,335	83,283	(7,948)	(9.5%)	—	—
Operating income	20,237	21,236	(998)	(4.7%)	24,500	82.6%
Non-operating income	1,785	1,920	(134)	(7.0%)	—	—
Non-operating expenses	6,290	6,235	55	0.9%	—	—
Ordinary income	15,732	16,921	(1,188)	(7.0%)	18,700	84.1%
Extraordinary income	60	204	(144)	(70.7%)	—	—
Extraordinary loss	1,493	1,570	(77)	(4.9%)	—	—
Income before income taxes and minority interests	14,299	15,555	(1,256)	(8.1%)	—	—
Income taxes, etc.	(3,488)	5,370	(8,858)	—	—	—
Income before minority interests	17,787	10,185	7,602	74.6%	—	—
Minority interests in income	3,511	1,105	2,406	217.7%	—	—
Net income	14,275	9,079	5,195	57.2%	15,300	93.3%
Comprehensive income	16,109	10,282	5,826	56.7%		

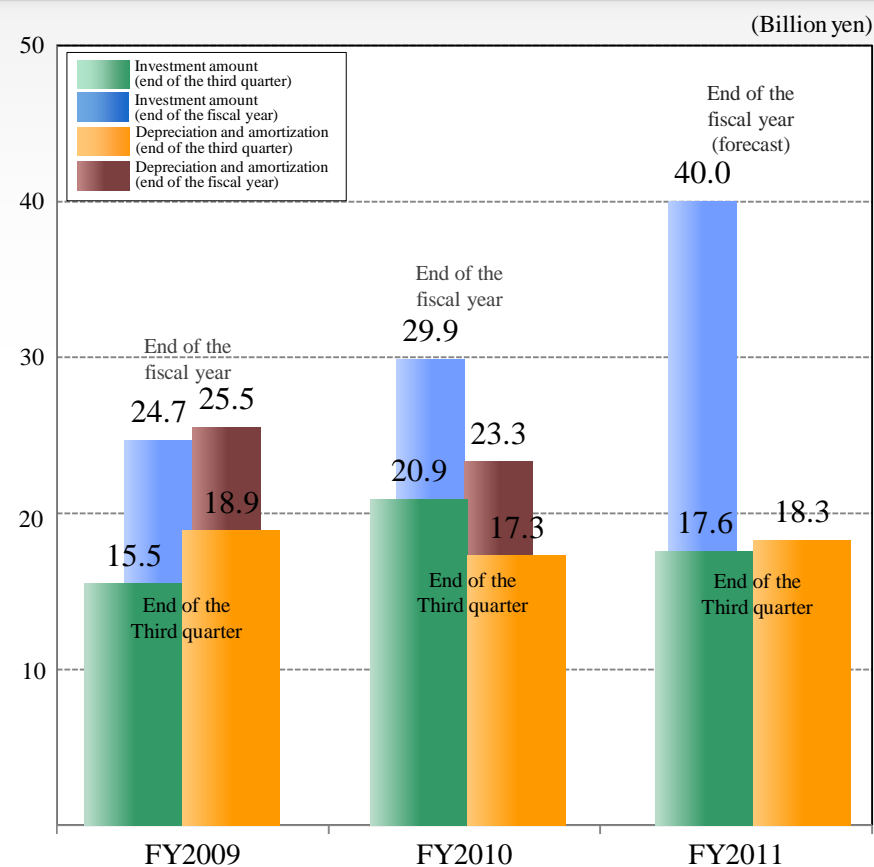
3. Balance Sheet (Total Assets and Investments)

- Total assets were up ¥15.3 billion from the end of the previous fiscal year, to ¥925.8 billion, reflecting an increase of ¥18 billion in inventories including the acquisition of second property in London, U.K. “1 King William Street”.
- The amount of investments was ¥17.6 billion, the investments include ¥4.6 billion in the Umekita (Osaka Station North District) Phase 1 Development Area Project, ¥2.6 billion in the Urbannet Tenjin Building, ¥1.9 billion in UD Nakasu Building, ¥1.3 billion in adjacent land in Minami Aoyama and ¥1.3 billion in Urbannet Uchihonmachi Building.

■ Total Assets



■ Investments

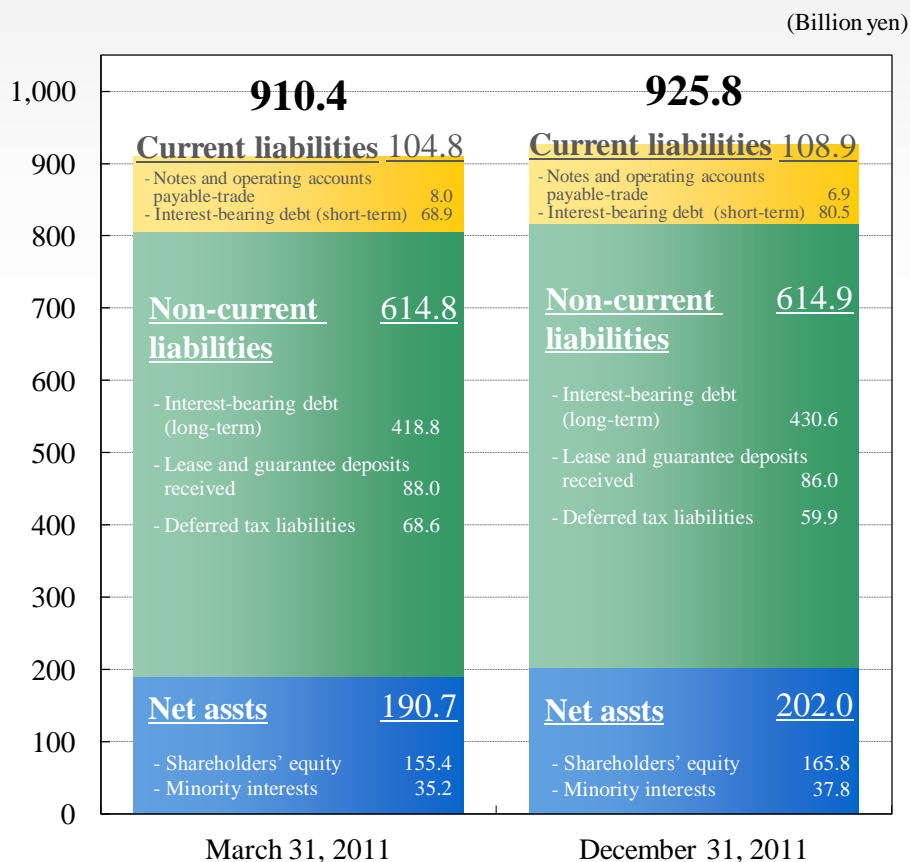


4. Balance Sheet

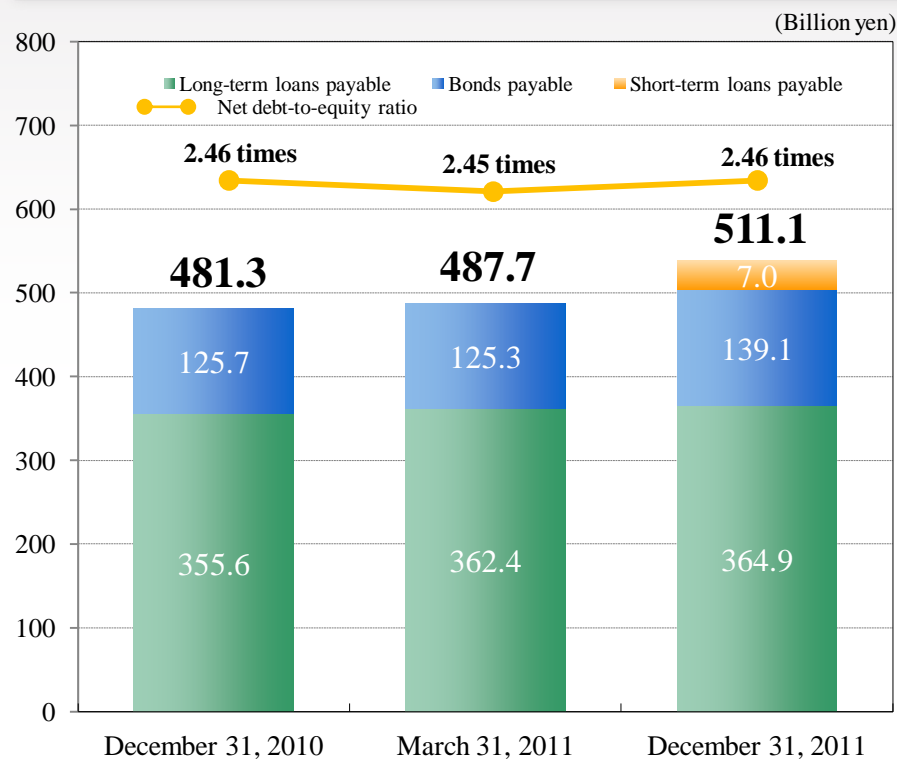
(Liabilities, Net Assets and Consolidated Interest-bearing Debt)

- Liabilities rose ¥4.1 billion from the end of the previous fiscal year, to ¥723.8 billion, mainly reflecting an increase of ¥13.7 billion in bonds and a decrease of ¥8.7 billion in deferred tax liabilities.
- Net assets rose ¥11.2 billion, primarily attributable to net income of ¥14.2 billion and dividends paid of ¥3.9 billion.
- Interest-bearing debt stood at ¥511.1 billion and net debt-to-equity ratio was 2.46.

Liabilities and Net Assets



Consolidated Interest-bearing Debt

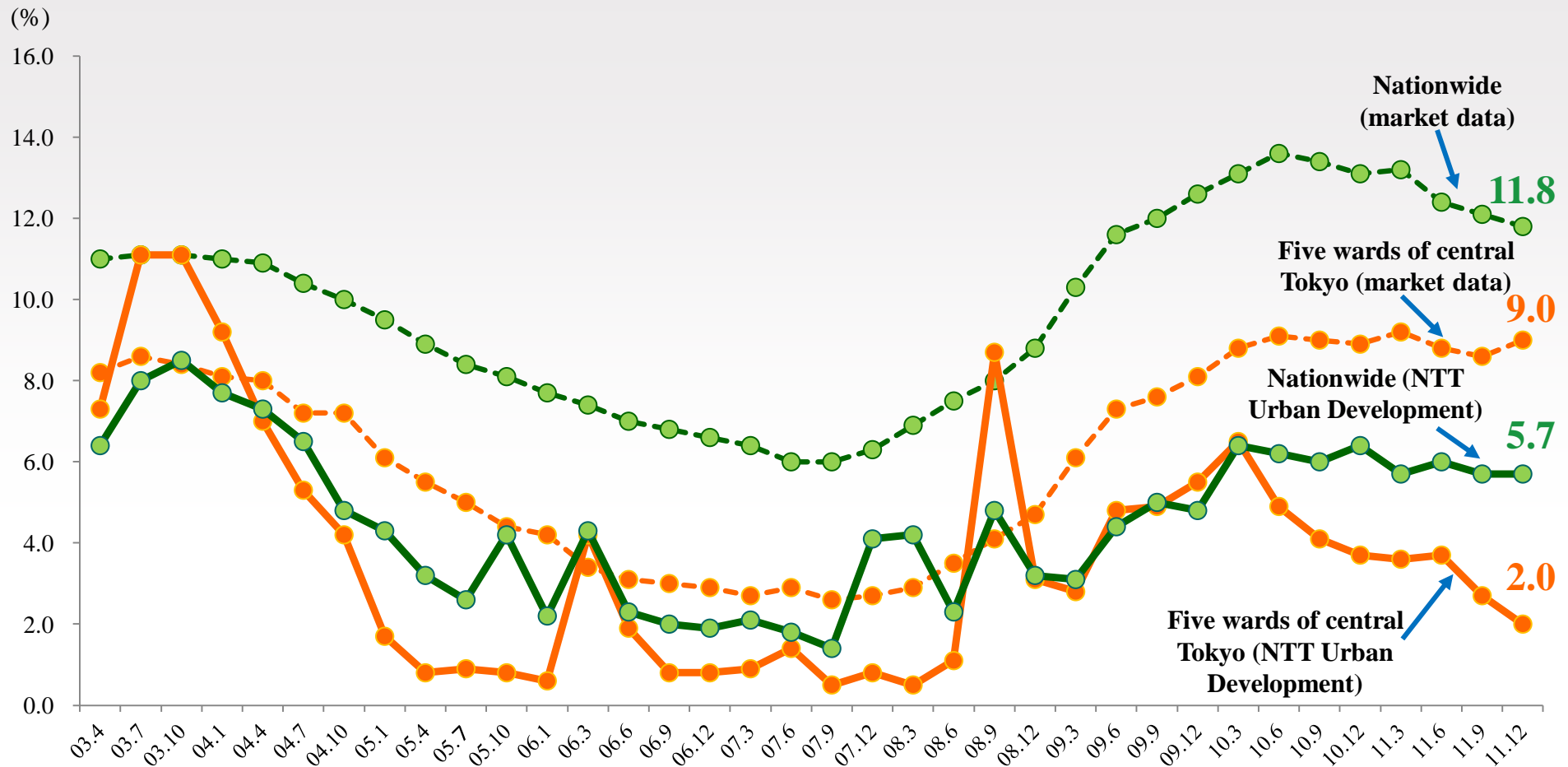


Note 1: Bonds payable include "Current portion of bonds".

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. 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. (Year.Month)

*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.

(Reference) Residential Land Sales Business in Australia

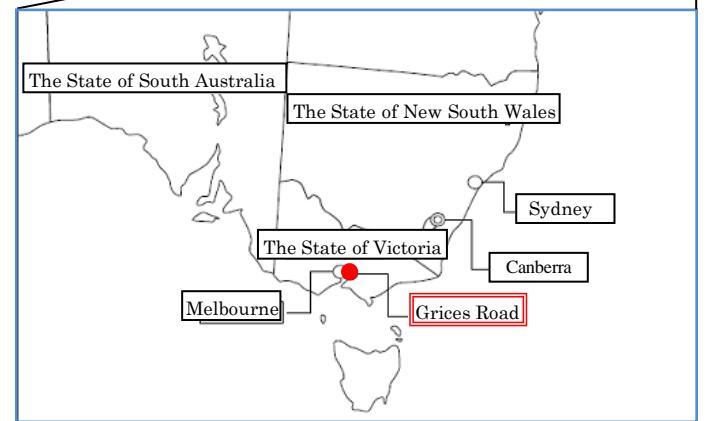
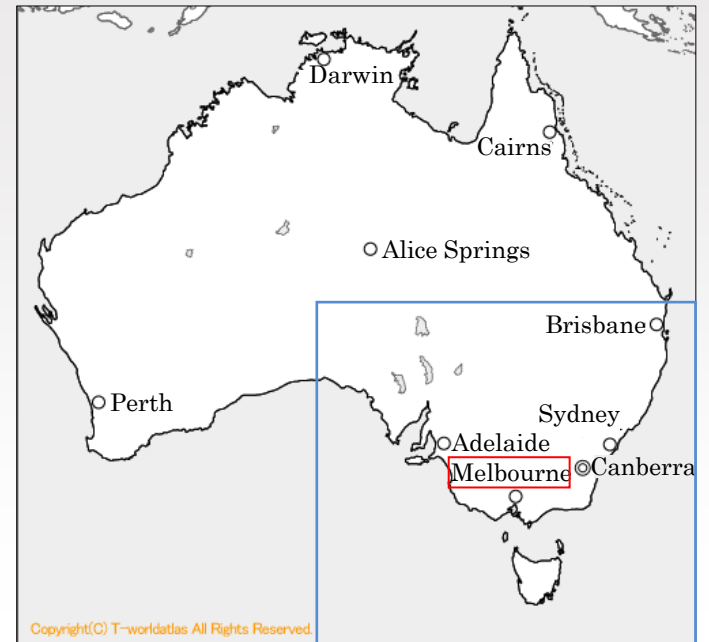
Project Overview

We commenced a residential land sales business in the suburbs of Melbourne, Australia, as part of its initiatives to promote its international operations. Australia is a promising country given that the real estate market is relatively developed and that solid economic growth is expected even though it is a developed country.

Melbourne is a popular city that was selected as the world's most livable city in the Global Liveability Ranking of the Economist Intelligence Unit in August 2011. The area is a popular and it was the first to be developed in the Melbourne area. The future outlook for the property is also sound.

Overview of the development plan

Address	: 335 Grices Road, Clyde North, Victoria, 3978
Total area	: 40.57 hectare (405,700 m ²)
Total number of lots for sales	: 367 lots (planned)
Location	: Approx. 45km south east of Melbourne; 45 minutes by car
Business income (Plan)	: Approx. 7.0 billion yen (of which approx. ¥3.5 billion is for the NTTUD)
Schedule	: Commencement of sales in 2012 Planned completion of the business in 2016



Disclaimer

Plans, strategies, opinions and other statements by and for the Company presented in this document, excluding historical facts, are forward-looking statements about its operating performance in the future. As such, they contain risks and uncertainties. The contents stated above are based on the assumptions and opinions of the Company using information available at the time of writing. Changes in the environment and other factors may cause actual results to differ substantially from these forecasts.

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