

# Financial Results for the 1st Quarter of FY 2014

**NTT Urban Development**

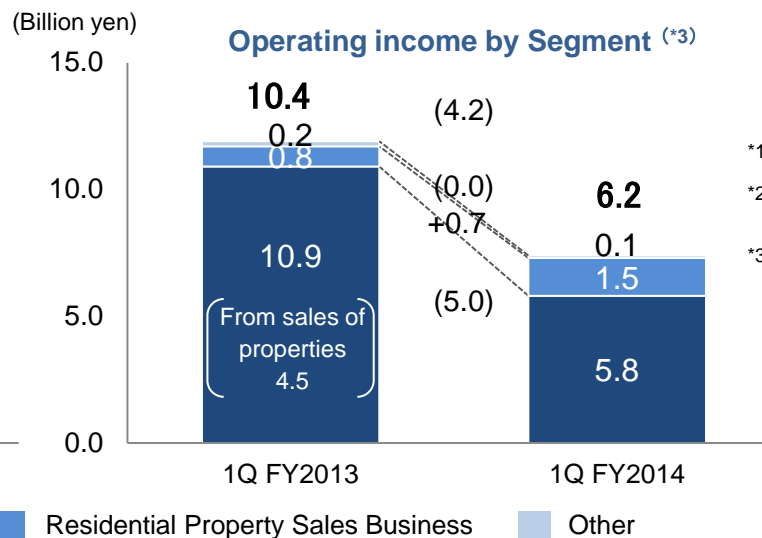
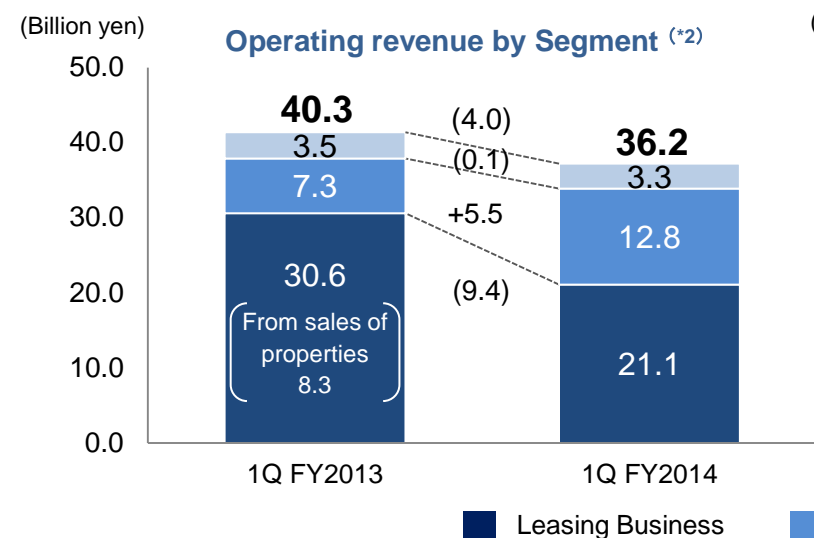
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August 4, 2014

# 1. Financial Highlights

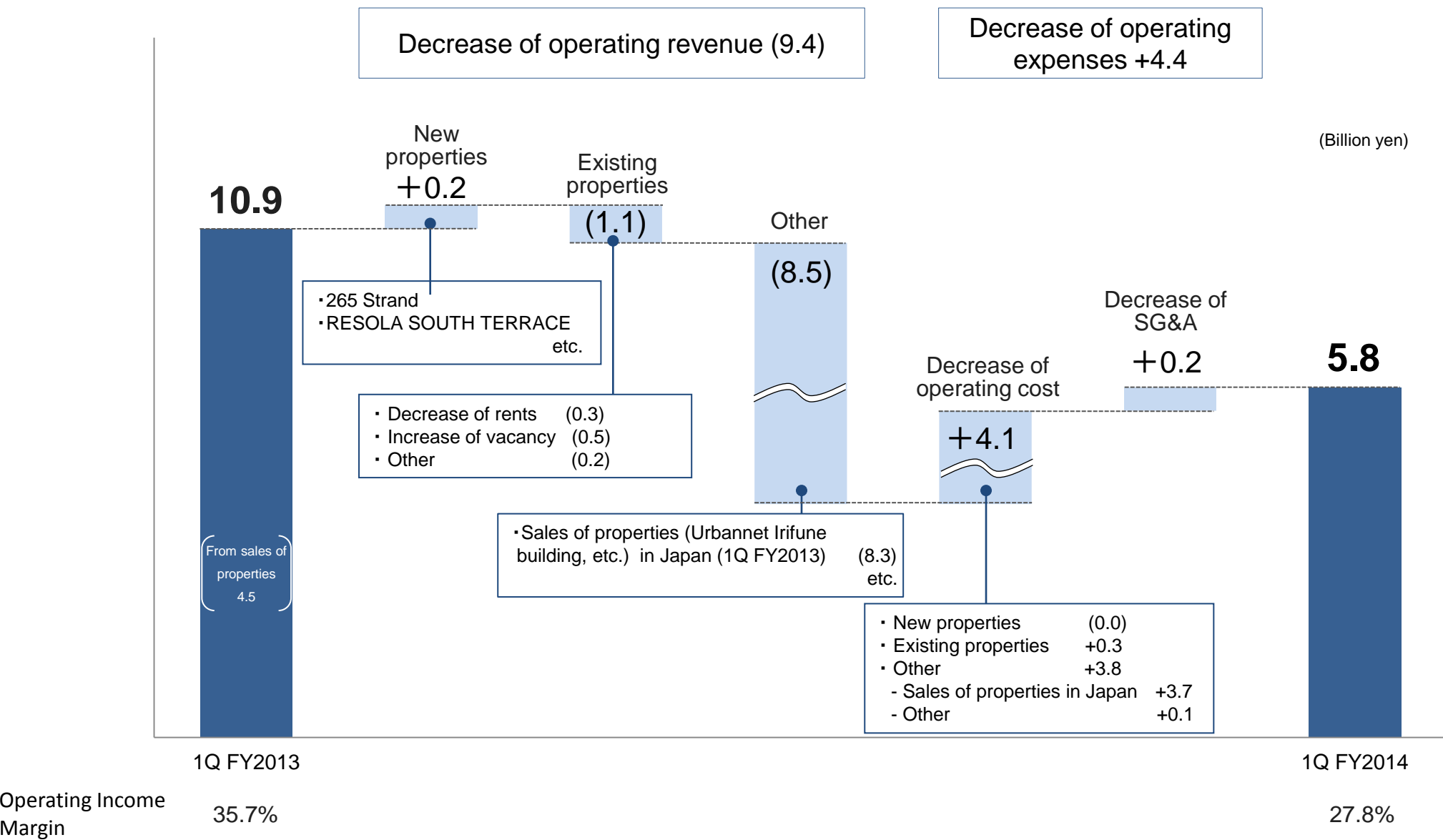
- Operating revenue and operating income declined compared with 1Q FY2013.
  - Leasing business: Both operating revenue and operating income decreased compared with 1Q FY2013, mainly because the sales of properties were posted in 1Q FY2013.
  - Residential property sales business: Both operating revenue and operating income increased compared with 1Q FY2013, primarily reflecting an increase in the number of condominiums delivered and in the average sales price.
- Financial results were almost in line with the forecasts.

Category	(i) 1Q FY2013	(ii) 1Q FY2014	(ii) - (i)		(Billion yen)	
			Change	Rate	(cf.) (iii) Forecasts for FY2014 <sup>(*)</sup>	Progress (ii) / (iii)
Operating revenue	40.3	36.2	(4.0)	(10.1%)	148.0	24.5%
Operating income	10.4	6.2	(4.2)	(40.4%)	20.0	31.2%
Ordinary income	9.2	5.2	(4.0)	(43.6%)	14.5	36.0%
Net income	5.6	3.5	(2.1)	(37.9%)	8.0	43.9%



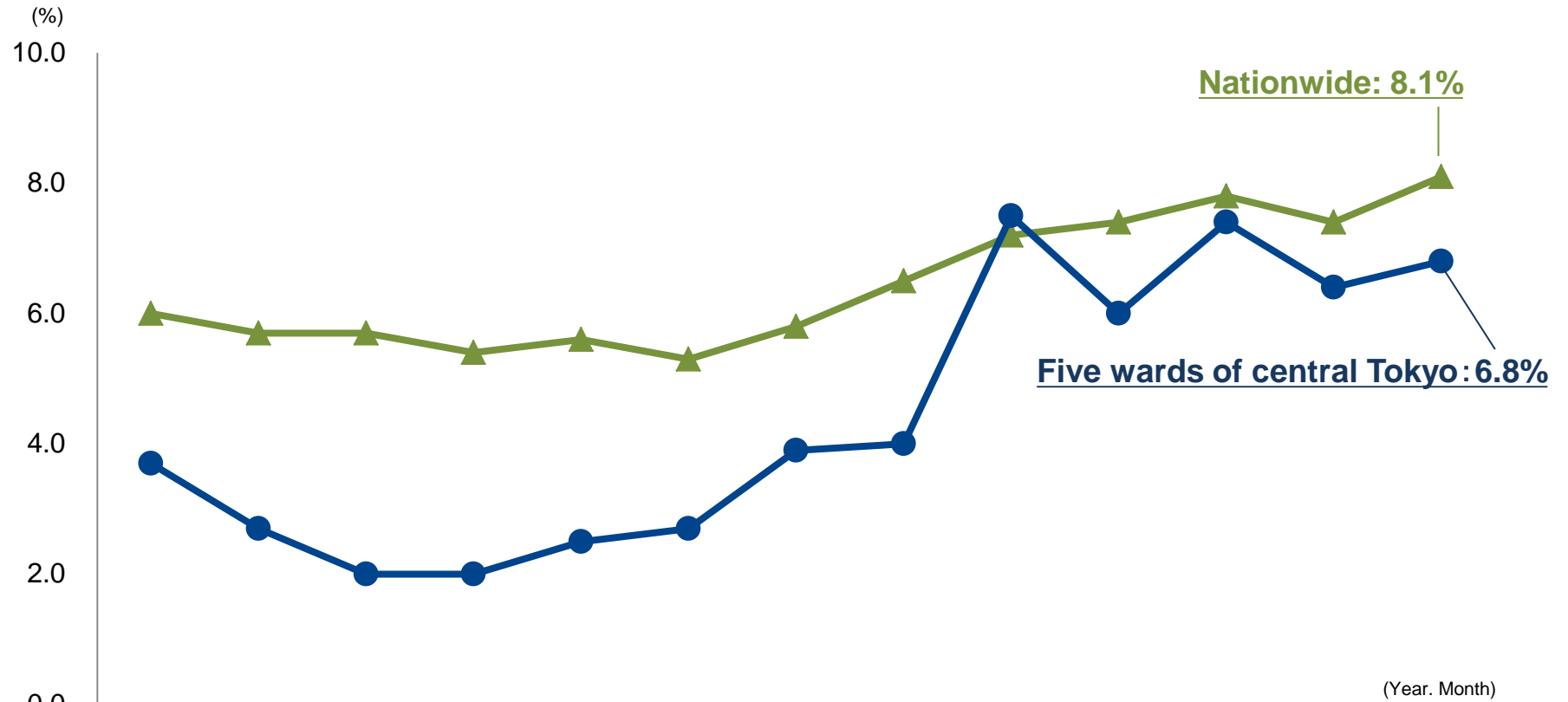
- \*1 Based on figures projected on May 9, 2014
- \*2 Includes internal revenues and transfer of funds duplicated in more than one segment
- \*3 After the elimination of inter-segment internal revenues or company-wide expenses

# 2. Leasing Business : Operating Income



# 3. Vacancy Rate

■ Vacancy rate of the five wards of central Tokyo and nationwide was 6.8% and 8.1% at the end of June 2014.

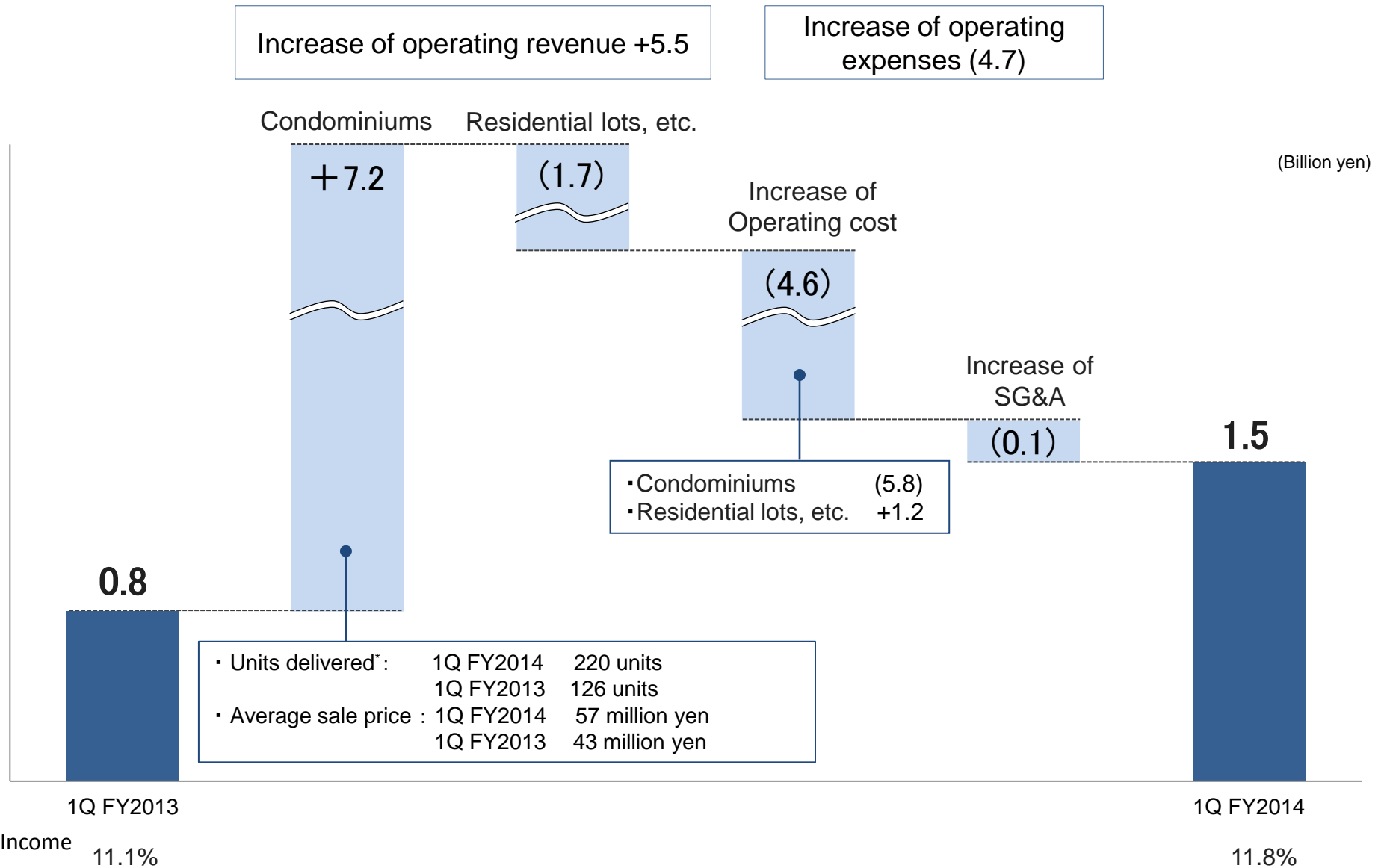


	11.6	11.9	11.12	12.3	12.6	12.9	12.12	13.3	13.6	13.9	13.12	14.3	14.6
◆ Nationwide	6.0	5.7	5.7	5.4	5.6	5.3	5.8	6.5	7.2	7.4	7.8	7.4	8.1
● Five wards of central Tokyo	3.7	2.7	2.0	2.0	2.5	2.7	3.9	4.0	7.5	6.0	7.4	6.4	6.8

(cf.) Market :Five wards of central Tokyo*	8.8	8.6	9.0	9.0	9.4	8.9	8.7	8.6	8.5	7.9	7.3	6.7	6.5
	8.8	8.6	9.0	9.0	9.4	8.9	8.7	8.6	8.5	7.9	7.3	6.7	6.5

\* Source : Miki Shoji (Standard floor space of researched properties is more than 100 tsubo (approx. 330m<sup>2</sup>).)

# 4. Residential Business : Operating Income

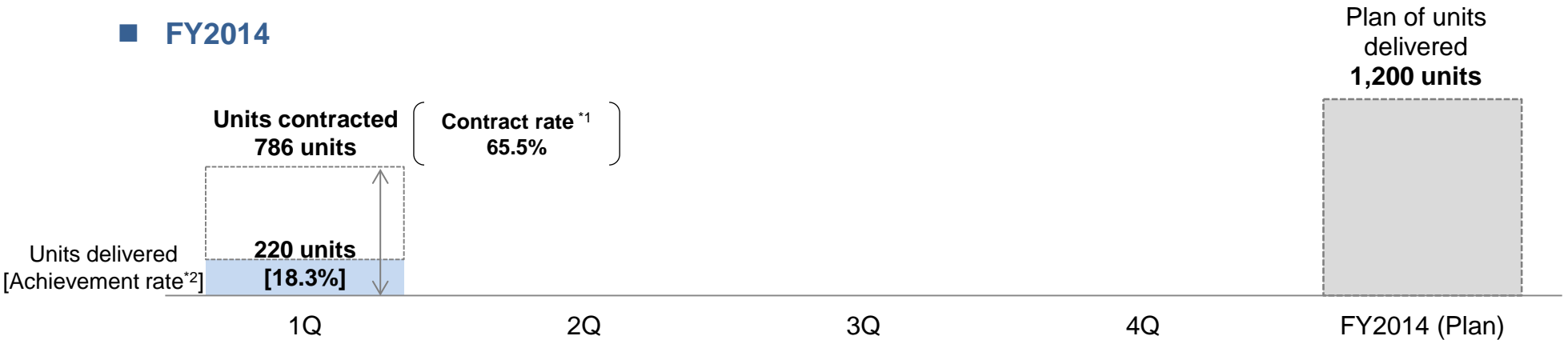


\* For joint projects, the number of units corresponds to the Company's share in the projects (rounded down to the nearest units)

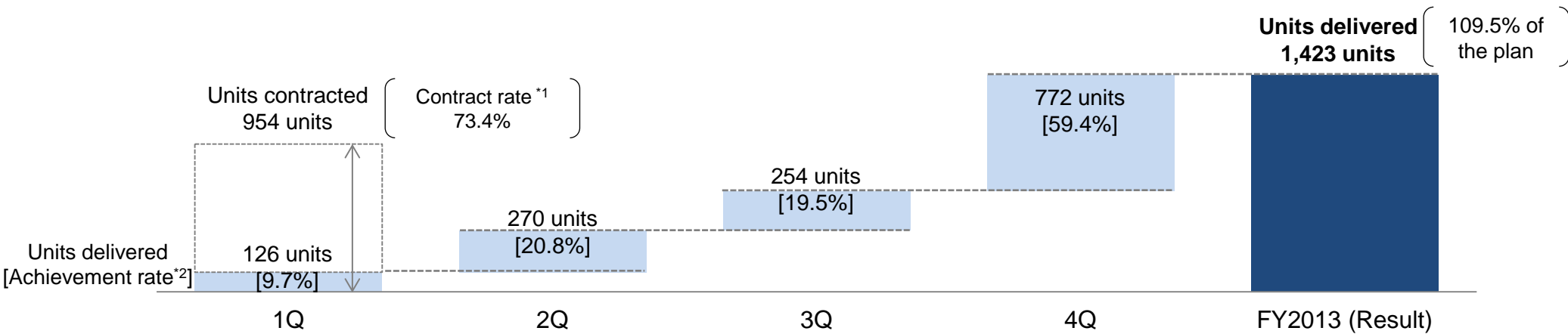
# 5. Condominium Units Delivered

- The number of units delivered increased compared with 1Q FY2013, to 220.
- The number of units contracted was 786, i.e., 65.5% of the plan (1,200 units) for FY 2014.

## FY2014



## FY2013



\*1 Contract rate = units contracted / plan of units delivered

\*2 Achievement rate = units delivered / plan of units delivered

\*3 For joint projects, the number of units corresponded to the Company's share in the project (rounded down to the nearest units)

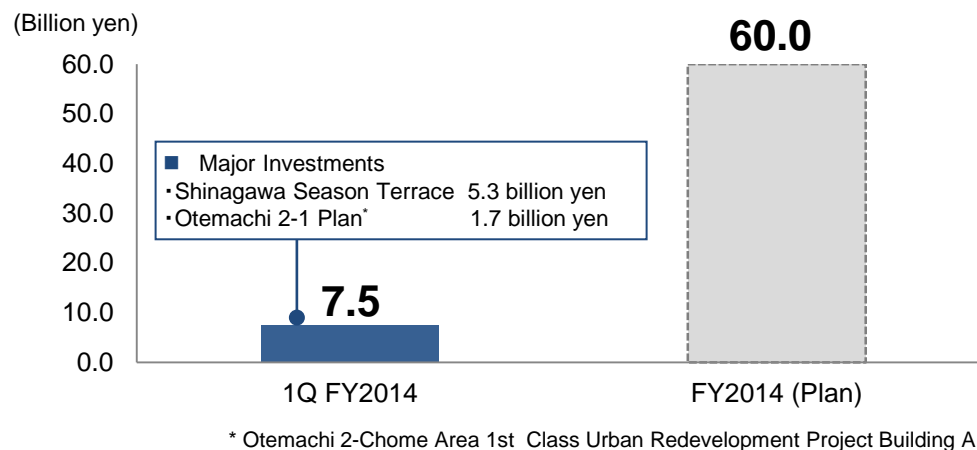
# 6. Total Assets

- Total assets decreased 7.0 billion yen to 978.4 billion yen, mainly due to the sales of condominiums and the decrease in operating accounts receivable (through the receipt of proceeds for condominiums sold) in spite of an increase of inventories through acquisitions of properties.
- Investments in 1Q FY 2014 amounted to 7.5 billion yen. Major investments were Shinagawa Season Terrace and Otemachi 2-1 Plan\*.

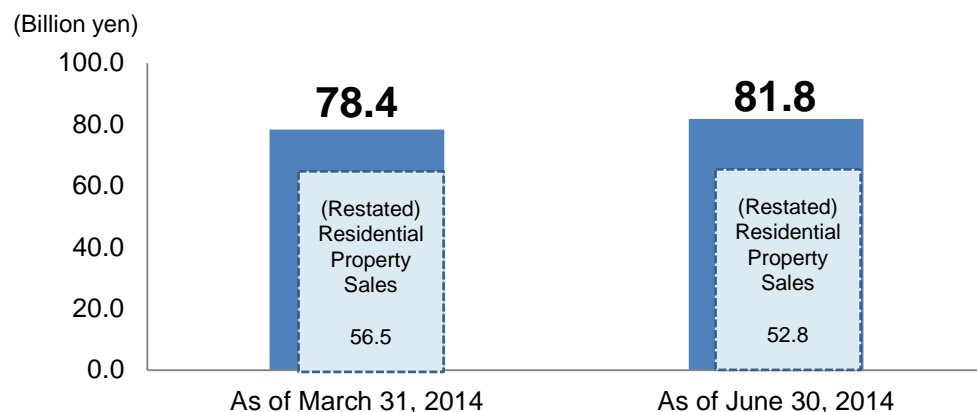
## ■ Total Assets

Category	As of June 30, 2014	(Billion yen)	
		Change	Rate
Total assets	<b>978.4</b>	<b>(7.0)</b>	<b>(0.7%)</b>
Current assets	<b>118.8</b>	<b>(6.4)</b>	<b>(5.2%)</b>
Cash and deposits	<b>18.9</b>	<b>0.6</b>	<b>3.4%</b>
Inventories	<b>81.8</b>	<b>3.3</b>	<b>4.2%</b>
Other current assets	<b>18.0</b>	<b>(10.4)</b>	<b>(36.6%)</b>
(Restated) Operating accounts receivable	<b>6.7</b>	<b>(11.2)</b>	<b>(62.5%)</b>
Non-current assets	<b>859.5</b>	<b>(0.5)</b>	<b>(0.1%)</b>
Property, plant and equipment	<b>810.5</b>	<b>(0.4)</b>	<b>(0.1%)</b>
Intangible assets	<b>5.1</b>	<b>(0.2)</b>	<b>(4.5%)</b>
Investments and other assets	<b>43.8</b>	<b>0.1</b>	<b>0.3%</b>

## ■ Investments



## ■ Inventories



# 7. Liabilities and Net Assets

- Total liabilities decreased 8.0 billion yen to 748.8 billion, mainly due to a decrease of other current liabilities associated with the payments of condominiums construction costs, in spite of an increase of interest-bearing debt through the acquisition of properties.
- Net assets rose 0.9 billion yen to 229.5 billion yen from the previous fiscal year, primarily reflecting an increase in shareholders' equity.

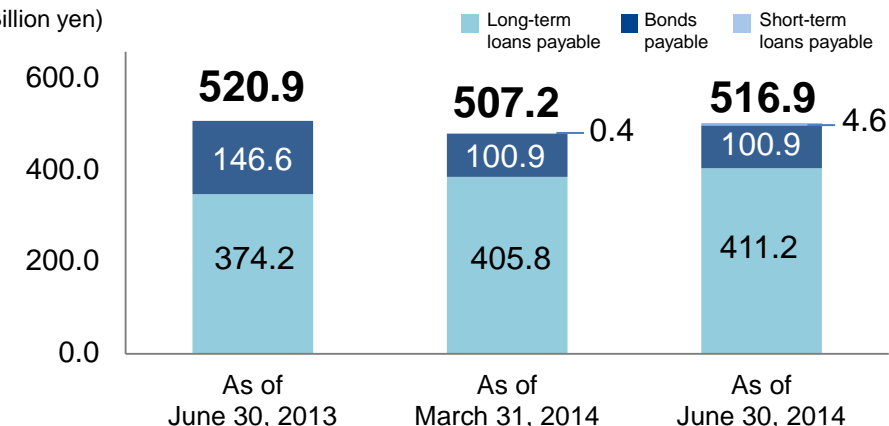
## ■ Liabilities and Net Assets

(Billion yen)

Category	As of June 30, 2014	From March 31, 2014	
		Change	Rate
Total liabilities	<b>748.8</b>	<b>(8.0)</b>	<b>(1.1%)</b>
Current liabilities	<b>105.2</b>	<b>4.2</b>	<b>4.2%</b>
Interest-bearing debt (short-term)	<b>79.0</b>	<b>21.1</b>	<b>36.5%</b>
Other current liabilities	<b>26.2</b>	<b>(16.9)</b>	<b>(39.2%)</b>
Non-current liabilities	<b>643.6</b>	<b>(12.2)</b>	<b>(1.9%)</b>
Interest-bearing debt (long-term)	<b>437.8</b>	<b>(11.4)</b>	<b>(2.6%)</b>
Other non-current liabilities	<b>205.7</b>	<b>(0.7)</b>	<b>(0.4%)</b>
Net Assets	<b>229.5</b>	<b>0.9</b>	<b>0.4%</b>
Shareholders' equity	<b>181.0</b>	<b>1.0</b>	<b>0.6%</b>
Minority interests	<b>42.9</b>	<b>0.0</b>	<b>0.1%</b>
Other net assets	<b>5.4</b>	<b>(0.1)</b>	<b>(2.2%)</b>

## ■ Interest-bearing debt

(Billion yen)



	(Billion yen)		
Net interest-bearing debt*	492.5	488.3	497.3
(Restated) Non-Consolidated	440.0	427.2	438.8
(Restated) UDX	55.0	48.9	48.2
(Restated) UD Europe	2.2	15.5	15.0

\* Net interest-bearing debt = Interest-bearing debt – [ Cash and deposit + Short-term (less than 3 months) investments included in other current assets ] (cf. Page 11)

## ■ Reference

	As of March 31, 2014	As of June 30, 2014
Average interest rate	1.24%	1.22%
Maturities of debt	5.13 years	5.27 years



# Appendices

# Overview

(Million yen)

Category	(i) 1Q FY2013	(ii) 1Q FY2014	(ii) - (i)		(cf.) (iii) Forecasts for FY2014 <sup>(*)</sup>	
			Change	Rate		Progress (ii) / (iii)
Operating revenue	40,350	36,272	(4,078)	(10.1%)	148,000	24.5%
Operating expenses	29,866	30,026	160	0.5%	128,000	23.5%
Operating income	10,483	6,245	(4,238)	(40.4%)	20,000	31.2%
Non-operating income	721	565	(155)	(21.6%)		
Non-operating expenses	1,962	1,593	(368)	(18.8%)		
Ordinary income	9,243	5,217	(4,025)	(43.6%)	14,500	36.0%
Extraordinary income	—	377	377	—		
Extraordinary loss	43	43	(0)	(0.2%)		
Income before income taxes and minority interests	9,199	5,551	(3,647)	(39.7%)		
Income taxes	3,178	1,640	(1,537)	(48.4%)		
Income before minority interests	6,020	3,910	(2,110)	(35.0%)		
Minority interests in income	361	397	35	9.8%		
Net income	5,658	3,513	(2,145)	(37.9%)	8,000	43.9%
Comprehensive income	5,796	3,786	(2,009)	(34.7%)		

(\*) Based on figures projected on May 9, 2014.

# Results by Segment

(Million yen)

Category		(i) 1Q FY2013	(ii) 1Q FY2014	(ii) - (i)		(cf.) (iii) Forecasts for FY2014 <sup>(*)</sup>	
				Change	Rate		Progress (ii) / (iii)
Leasing	Operating revenue	30,617	21,151	(9,466)	(30.9%)	85,300	24.8%
	Operating income	10,945	5,883	(5,062)	(46.3%)	20,100	29.3%
	Operating income margin	35.7%	27.8%	(7.9)	—	23.6%	—
Residential Property Sales	Operating revenue	7,380	12,883	5,502	74.6%	50,500	25.5%
	Operating income	816	1,520	704	86.3%	4,200	36.2%
	Operating income margin	11.1%	11.8%	0.7	—	8.3%	—
Other	Operating revenue	3,531	3,340	(190)	(5.4%)	16,800	19.9%
	Operating income	203	186	(17)	(8.7%)	1,700	10.9%
	Operating income margin	5.8%	5.6%	(0.2)	—	10.1%	—

(\*) Based on figures projected on May 9, 2014.

# Balance Sheets

(Million yen)

Category	(i) As of June 30, 2013	(ii) As of June 30, 2014	(ii) - (i)	
			Change	Rate
<b>Total current assets</b>	<b>985,507</b>	<b>978,412</b>	<b>(7,094)</b>	<b>(0.7%)</b>
Current assets	125,351	118,855	(6,495)	(5.2%)
Cash and deposits	18,313	18,942	628	3.4%
(Restated) Time deposits whose deposit terms exceed 3 months	110	110	—	—
Inventories	78,497	81,827	3,329	4.2%
Other currents assets	28,539	18,085	(10,454)	(36.6%)
(Restated) Operating accounts receivable	18,058	6,776	(11,282)	(62.5%)
(Restated) Short-term (less than 3 months) investments included in other current assets	595	573	(21)	(3.7%)
Non-current assets	860,155	859,556	(599)	(0.1%)
Property, plant and equipment	811,035	810,556	(478)	(0.1%)
Intangible assets	5,427	5,184	(243)	(4.5%)
Investments and other assets	43,692	43,815	123	0.3%
<b>Total liabilities</b>	<b>756,915</b>	<b>748,898</b>	<b>(8,017)</b>	<b>(1.1%)</b>
Currents liabilities	101,021	105,266	4,244	4.2%
Interest-bearing debt (short-term)	57,886	79,037	21,151	36.5%
Other current liabilities	43,135	26,228	(16,907)	(39.2%)
Non-current liabilities	655,893	643,631	(12,261)	(1.9%)
Interest-bearing debt (long-term)	449,367	437,873	(11,494)	(2.6%)
Other non-current liabilities	206,525	205,758	(767)	(0.4%)
<b>Net Assets</b>	<b>228,591</b>	<b>229,513</b>	<b>922</b>	<b>0.4%</b>
Shareholders' equity	180,020	181,044	1,024	0.6%
Total accumulated comprehensive income	5,596	5,472	(124)	(2.2%)
Minority interests	42,975	42,996	21	0.1%
<b>Total liabilities and net assets</b>	<b>985,507</b>	<b>978,412</b>	<b>(7,094)</b>	<b>(0.7%)</b>

• Net interest-bearing debt = Interest-bearing debt – [ Cash and deposit + Short-term (less than 3 months) investments included in other current assets ] (cf. Page 7)

# Disclaimer

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