

December 10, 2018

To Whom it may concern:

NTT URBAN DEVELOPMENT CORPORATION  
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## **Announcement of Change in the Parent Company, the Largest and Major Shareholder, and the Major Shareholder**

NTT Urban Development Corporation (the “**Company**”) hereby announces that the change in the parent company, the largest and major shareholder, and the major shareholder of the Company will be occur on December 13, 2018 (scheduled) as follows.

### **1. Background of the Change**

The Company received from Nippon Telegraph and Telephone Corporation (“**NTT**”) a report today, that NTT resolved, at the meeting of the board of directors held today, to make a contribution in kind of all common shares of the Company (the “**Company Shares**”) (221,481,500 shares) which are owned by NTT to NTT-SH Corporation (“**NTT-SH**”), a wholly-owned subsidiary of NTT(the “**Contribution In Kind**”), and that the effective date of the Contribution In Kind will be scheduled on December 13, 2018.

As a result of the Contribution In Kind, NTT-SH will become a parent company and the largest and major shareholder of the Company, and NTT will no longer be the largest and major shareholder, and a major shareholder of the Company.

### **2. Overview of the Shareholder subject to the Change**

#### **(1) Overview of the shareholder who will no longer be the largest and major shareholder and a major shareholder of the Company**

(1) Name	Nippon Telegraph and Telephone Corporation
(2) Address	1-5-1 Otemachi, Chiyoda-ku, Tokyo
(3) Name and title of representative	Jun Sawada, President and Chief Executive Officer
(4) Description of business	Formulation of NTT Group's overall management strategy and promotion of basic R & D
(5) Capital stock (as of September 30, 2018)	JPY 937,950 million

#### **(2) Overview of the shareholder who will become a parent company and the largest and major shareholder of the Company**

(1) Name	NTT-SH Corporation
(2) Address	1-5-1 Otemachi, Chiyoda-ku, Tokyo

(3)	Name and title of representative	Katsumi Kuroda, President and Representative Director
(4)	Description of business	Holding and managing the Company Shares
(5)	Capital stock (as of December 10, 2018)	JPY 90,903 million (Note1)
(6)	Date of incorporation	August 29, 2007
(7)	Net Assets (as of March 15, 2018)	JPY 2,033,636
(8)	Total Assets (as of March 15, 2018)	JPY 2,103,636
(9)	Major shareholders and shareholding ratios	Nippon Telegraph and Telephone Corporation 100.00%
(10)	Relationship between the Company and the shareholder	
	Capital relationship	NTT-SH holds 91,854,482 shares of the Company Shares (Ownership Ratio (Note2) of 27.91% (rounded off to two decimal places, and hereinafter the same as long as no other treatment is provided for in the calculation of that ratio)) As of today, NTT, the wholly-owning parent company of NTT-SH, holds 221,481,500 shares of the Company Shares (Ownership Ratio of 67.30% ).
	Personal relationship	Not applicable. As of today, one director and one corporate auditor of the Company are concurrently employees of NTT, the wholly-owning parent company of NTT-SH.
	Business relationship	Not applicable. The Company leases offices to NTT, the wholly-owning parent company of NTT-SH. Transactions such as depositing and loaning of cash have been conducted with NTT Finance Corporation, whose parent company is NTT.

(Note1) According to the explanation of NTT, as a result of the Contribution In Kind, the capital stock of NTT-SH will increase from JPY 90,903 million to JPY 102,044 million as of December 13, 2018 (the effective date of the Contribution In Kind).

(Note2) "Ownership Ratio" means the ratio of the shares owned to the number of shares (329,119,879 shares) obtained by deducting the number of the Company's treasury shares owned by the Company as of September 30, 2018 (121 shares) from the total number of issued shares as of the same date set out in the 34th Second Quarterly Securities Report submitted by the Company on November 6, 2018 (the "Second Quarterly Securities Report of the Company") (329,120,000 shares).

### 3. Number and Ownership Ratio of Voting Rights Held by the Shareholder before and after the Change

#### (1) Nippon Telegraph and Telephone Corporation

	Attributes	Number of Voting Rights (Ownership Ratio of Voting Rights)			Major Shareholder Ranking
		Directly held	Indirectly held	Total	
Before the Change	The parent company and the largest and major shareholder	2,214,815 voting rights (67.30%)	918,544 voting rights (27.91%)	3,133,359 voting rights (95.20%)	First
After the Change	The parent company	-	3,133,359 voting rights (95.20%)	3,133,359 voting rights (95.20%)	-

(Note 1) “Ownership Ratio of Voting Rights” means the ratio to the number of voting rights (3,291,198 voting rights) pertaining to the shares (329,119,879 shares) obtained by deducting the number of the Company’s treasury shares owned by the Company as of September 30, 2018 (121 shares) from the total number of issued shares as of the same date set out in the Second Quarterly Securities Report of the Company (329,120,000 shares).

(Note 2) “Ownership Ratio of Voting Rights” is rounded off to two decimal places.

**(2) NTT-SH Corporation**

	Attributes	Number of Voting Rights (Ownership Ratio of Voting Rights)			Major Shareholder Ranking
		Directly held	Indirectly held	Total	
Before the Change	Major shareholder and the other affiliated company	918,544 voting rights (27.91%)	-	918,544 voting rights (27.91%)	Second
After the Change	The parent company and the largest and major shareholder	3,133,359 voting rights (95.20%)	-	3,133,359 voting rights (95.20%)	First

(Note 1) “Ownership Ratio of Voting Rights” means the ratio to the number of voting rights (3,291,198 voting rights) pertaining to the shares (329,119,879 shares) obtained by deducting the number of the Company’s treasury shares owned by the Company as of September 30, 2018 (121 shares) from the total number of issued shares as of the same date set out in the Second Quarterly Securities Report of the Company (329,120,000 shares).

(Note 2) “Ownership Ratio of Voting Rights” is rounded off to two decimal places.

**4. Change in Unlisted Parent Company subject to Disclosure**

As a result of the change above, the Company will have multiple parent companies, and among these parent companies, NTT is the parent company that has a major impact on the Company. Therefore, there is no Unlisted Parent Company subject to Disclosure.

**5. Future Prospects**

There is no change from the contents set out in the “Announcement of Opinion to Support the Tender Offer for Our Shares By NTT-SH Corporation, which is a Subsidiary of Our Parent Company, Nippon Telegraph and Telephone Corporation, and the Recommendation of the Tender thereto” announced by the Company as of October 15, 2018.

End