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For Immediate Release

REIT Issuer

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Notice Concerning Property Acquisition and Transfer

NTT UD REIT Investment Corporation (“NUD”) announces that NTT Urban Development Asset Management Corporation (“UDAM”), the asset management company of NUD, today decided on the acquisition of an office building and the transfer of an office building as described below (hereinafter referred to respectively as the “Acquisition” and the “Transfer” and collectively as the “Transactions”).

1. Overview of the Transactions

(1) Overview of the Acquisition

Property Name	Tokyo Opera City Building
Type of Asset for Acquisition	Real estate (Note 1)
Acquisition price	22,000 million yen (Note 2)
Seller	NTT Urban Development Corporation
Intermediary	None
Acquisition Decision Date	October 18, 2021
Conclusion Date	October 18, 2021
Planned Delivery Date	November 2, 2021
Payment Method	Lump-sum payment upon delivery
Financing for Acquisition	The proceeds from the issuance of new investment units resolved at the board of directors’ meeting of NUD held today (Note 3), borrowings (Note 4), and cash on hand will be used for the acquisition.

(Note 1) For details of the property, please refer to “3. Details of the Property for Acquisition” below. Through the Acquisition, NUD will acquire compartmentalized ownership of the exhibition hall on the 4th to 6th floors of the building, the offices on the 3rd basement to the 1st floors, the machine room, the co-ownership interest of compartmentalized ownership of the parking lot (182,484/1,000,000), co-ownership interest of compartmentalized ownership in the concert hall, museums, stores, and restaurants on the 3rd basement to 6th floors and the 53rd and 54th floors (23,823/100,000), and the co-ownership interest of compartmentalized ownership in the offices and dining rooms on the 7th to 52nd floors (20,707/100,000), and equipment and rights associated with these (including the site use rights based on the management rules, the rights related to the common areas provided by policies etc.), and a parcel of land (20-13 Nishi-Shinjuku 3-chome, Shinjuku Ward, Tokyo, the land area: 3,831.06 m²).

*As a result of the Acquisition, NUD will own 23.823% co-ownership interest in the entire building of Tokyo Opera City Building.

(Note 2) The acquisition price represents the transaction price before taxes, not including various expenses required for the acquisition of the property.

(Note 3) It refers to the proceeds from the primary offering of the new investment units to be issued. For details, please refer to the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.

(Note 4) We will announce the details of the borrowing when it is decided.

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(2) Overview of the Transfer

Property Name	Sphere Tower Tennozu
Type of Asset for Sale	Quasi co-ownership interest of beneficiary interest in real estate (67% ownership) (Note 1)
Sale Price	18,000 million yen (Note 2)
Book Value	15,491 million yen (as of April 30, 2021)
Gain on Sale (estimate)	2,228 million yen (Note 3)
Buyer	A domestic corporation (Note 4)
Intermediary	Yes (Note 5)
Transfer Decision Date	October 18, 2021
Conclusion Date	October 18, 2021
Planned Delivery Date	December 10, 2021
Payment Method	NUD will receive an amount equivalent to 10% of the sale price as a deposit by October 26, 2021, and will receive the remaining amount on the planned delivery date and deliver the property to the Buyer.
Use of Proceeds from Sale	The proceeds will be used to repay a borrowing, and the remainder will be cash reserves.

(Note 1) For details of the trust property, please refer to "4. Details of the Property for Sale" below.

(Note 2) The sale price represents the transaction price before taxes, not deducting various expenses required for the transfer of the property.

(Note 3) Gain on sale (estimate) has been calculated by deducting 15,771 million yen (a combined amount of the assumed book value as of the planned delivery date of the abovementioned property, taking into account the book value as of April 30, 2021, and capital expenditure and depreciation (estimate) up to the planned delivery date with expenses related to the Transfer (estimate)) from the sale price of 18,000 million yen. Furthermore, NUD plans to allocate the entire amount of the gain on sale (estimate) to the cash distributions for the fiscal period ending April 30, 2022 (the 39th fiscal period: November 1, 2021 – April 30, 2022) as under tax law recording the gain as reserve for reduction entry is not allowed.

(Note 4) The name of the domestic corporation is not disclosed as consent for disclosure of its name, etc. has not been obtained from said corporation

(Note 5) The intermediary of the Transfer does not fall under the category of interested party as stipulated in the Act on Investment Trusts and Investment Corporations (hereinafter, "Investment Trust Act") and the internal rules of UDAM.

2. Reason for the Transactions

The property to be acquired, Tokyo Opera City Building, is a cultural complex that includes facilities such as Tokyo Opera City Concert Hall, which is famous for hosting a wide variety of performances, and together with the adjacent New National Theatre, Tokyo, functions as an exceptional cultural center in Japan. It is built on land that includes the former site of the Yodobashi Telephone Station during the era of Nippon Telegraph and Telephone Public Corporation (currently NTT), and is a property with strong ties to the NTT Group, such as being adjacent to the head office building of Nippon Telegraph and Telephone East Corporation (hereinafter, "NTT East"). The Acquisition has been decided as stable profit can be expected given the property is directly connected to Hatsudai Station on the Keio (New) Line, which is the western gateway to the office area of Tokyo's five central wards and has good access to major stations in the city center such as JR Shinjuku Station, one of the leading terminal stations in Japan.

On the other hand, the property to be transferred, Sphere Tower Tennozu, is a large-scale office building located in the seaside office district "Tennozu Isle" in Shinagawa Ward, Tokyo. The Transfer was decided because NUD thought such terms as the Buyer, transfer timing, and the sale price, etc. are appropriate judging comprehensively from the viewpoint of building age and future repair costs increasing, the a possibility of future redevelopment by the sponsor, NTT Urban Development Co., Ltd. (hereinafter referred to as "NTT UD"), and the real estate market conditions from a medium- to long-term perspective and the future earnings forecast, etc.

Through the Transaction, NUD aims to improve profitability by expanding the asset size, improving the quality of the portfolio by acquiring large, high-grade buildings located in the Tokyo's five central wards, and strengthening cooperation with the sponsor NTT UD.

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3. Details of the Property for Acquisition

Property Name		Tokyo Opera City Building
Type of Specified Asset		Real estate
Location (Note 1)	Land	20-13 Nishi-Shinjuku 3-chome, Shinjuku Ward, Tokyo, and 21 other parcels
	Building	20-2 Nishi-Shinjuku 3-chome, Shinjuku Ward, Tokyo, and others <Residential address indication> 20-2 Nishi-Shinjuku 3-chome, Shinjuku Ward, Tokyo
Property Characteristics	Location, etc.	The property is located in the Nishi-Shinjuku area, which is one of Japan's leading office areas with skyscrapers centered around Shinjuku Central Park and the Tokyo Metropolitan Government Office. The Nishi-Shinjuku area is centered around JR Shinjuku Station, which is one of the leading terminal stations in Japan, and forms a triangular area connecting Tokyo Metropolitan Subway Nishi-Shinjuku Station and Hatsudai Station of the Keio (New) Line, which is the closest station to the property. While many large offices in the Nishi-Shinjuku area require walking to reach Shinjuku Station or Nishi-Shinjuku Station, this property is a rare office directly connected to the nearest station.
	Access	Directly connected to Hatsudai Station of the Keio (New) Line
	Property Characteristics, Etc.	This property consists of Building T, an office building with 54 floors above ground, 4 floors below ground and 2 floors in the tower, Building C, a commercial facility with 6 floors above ground, 3 floors below ground, and a large concert facility and small concert facility, and Building A, a commercial facility with 4 floors above ground, 3 floors below ground, and 1 floor in the tower. The property boasts the highest scale in the Nishi-Shinjuku area in terms of both total floor area and standard floor area. In addition, the property is excellent in terms of BCP as it is able to supply power with an emergency diesel generator (4,000 kVA), and is highly convenient as an office building with various restaurants and stores. The NTT InterCommunication Center, a cultural facility for arts and science and technology operated by NTT East, occupies the 4th to 6th floors of Building T, and the office floors from the 7th to 52nd floor are occupied by major insurance companies, pharmaceutical companies, health care companies, and staffing service companies, while the 53rd and 54th floors are lookout restaurants. In this way, tenants from various industries occupy the property.
Area (Note 1)	Land	18,262.35 m ²
	Building	232,996.81 m ²
Type of Ownership	Land	Ownership (1 parcel, 3,831.06 m ²) and a site use right based on a management rules (Note 1)
	Building	Co-ownership interest of compartmentalized ownership Building subject to acquisition The compartmentalized ownership of the exhibition hall on the 4th to 6th floors of the building, the offices on the 3rd basement to the 1st floors, the machine room, co-ownership interest of compartmentalized ownership of the parking lot (182,484/1,000,000), co-ownership interest in the concert hall, museums, stores, and restaurants on the 3rd basement to 6th floors and the 53rd and 54th floors (23,823/100,000), and co-ownership interest of compartmentalized ownership in the offices and dining rooms from the 7th to 52nd floors (20,707/100,000), and equipment and rights associated with these (including the rights related to the common areas provided by policies etc.). * As a result of the Acquisition, NUD will own 23.823% co-ownership interest in the entire building of Tokyo Opera City Building.
Use of Building		Office, store, concert hall, museum, exhibition hall
Structure of Building (Note 1)		Steel frame, steel-framed reinforced concrete, reinforced concrete with flat roof and galvanized steel plate roof, 54 floors with 4 basement floors.

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Construction Completion (Note 1)	July 1996				
Acquisition price	22,000 million yen				
Appraisal					
Appraiser	Japan Real Estate Institute				
Appraisal Value (Note 2)	23,100 million yen				
Survey Date	August 1, 2021				
Property Manager	Tokyo Opera City Building Co. Ltd.				
Collateral	None				
Tenant Details (Note 3)					
Total Number of Tenants	98				
Monthly Rent	Not disclosed				
Tenant Security Deposits	Not disclosed				
Total Leasable Space (Note 4)	26,521.27 m ²				
Total Leased Space (Note 4)	25,381.78 m ²				
Change in Occupancy Rate (Note 5)	July 2017	July 2018	July 2019	July 2020	July 2021
	99.8%	99.9%	100.0%	99.4%	95.7%
PML (Note 6)	9.0% <Preparer of evaluation report> Takenaka Corporation				
Other Special Notes	<ul style="list-style-type: none"> • The building is being developed as a specified district in conjunction with the adjacent New National Theatre, Tokyo, and has received a license to use the New National Theatre's unused floor space. When renewing the license period (expiring in 2052), the extension conditions and other necessary matters should be determined in consultation with the landowner. • Establishment of a liaison and coordination meeting as a decision-making body for the maintenance and operation of the entire block, the matters concerning the pre-approval of the liaison and coordination meeting regarding the transfer of ownership of land and the setting of collateral, and the matters concerning preferential negotiation rights of other owners, etc. are stipulated in the basic agreement and the management agreement, etc. among block owners. • This building is owned in sections and the matters concerning prior approval of the liaison and coordination meeting and the council concerning the transfer of the building ownership interest and the site, the matters concerning the preferential negotiation rights of other owners, etc. are stipulated in the agreement and management rules among the unit owners. • With regard to the lease agreement with the tenant of the exhibition space portion of the 4th through 6th floors of the building, where NUD will solely acquire compartmentalized ownership, prior approval of the tenants is required before transferring all or part of the compartmentalized ownership. • No right to use the site of the building under compartmentalized ownership has been established for the land of the property. The rights to the land are divided among the unit owners of each exclusive area of the 22 parcels. Among them, NUD will acquire one parcel of land. 				

(Note1) Each piece of information in "Location" (excluding residential indication), "Area," "Structure of Building" and "Construction Completion" is based on the information indicated in the certificate of registered matters. The "Area (Building)" is the total floor space of the entire building.

"Area (land)" is the total area of land subject to the property management rules. Among the 22 parcels in total (the total number of the parcels of the land subject to the property management rules for the property is stated), the 21 parcels other than 20-13 Nishi-Shinjuku 3-chome, Shinjuku Ward, Tokyo, that NUD will acquire are owned by other compartmentalized owners of the building.

(Note2) The price stated is equivalent to the co-ownership interest, etc. of the compartmentalized ownership of the land and buildings that NUD will acquire.

(Note3) "Tenant Details" indicate the figure as of July 31, 2021. As for "Monthly Rent" and "Tenant Security Deposits," the figures are not disclosed as no consent for disclosure has been obtained from the co-owners. NUD plans to enter into a pass-through master lease agreement with NTT UD for the portion of the exhibition hall on the 4th to 6th floors of the building for which NUD will solely acquire compartmentalized ownership. "Total Number of Tenants" includes the number of end tenants (sub-lessees) of the relevant exhibition space.

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- (Note4) "Total Leasable Area" and "Total Leased Area" are the total area calculated by multiplying the total leasable area or total leased area of the entire property by the ownership ratio of each compartmentalized ownership of real estate (building) that NUD will acquire.
- (Note5) Regarding "Changes in Occupancy Rate," the total leasable area and the total leased area are first calculated by multiplying the total leasable area and total leased area of the entire property by the ownership ratio of each compartmentalized ownership of real estate (building) that NUD will acquire, then dividing the total leased area by the total leasable area to obtain the value.
- (Note6) The PML, or probable maximum loss, refers to the probability of the maximum loss expected to result from an earthquake. Although there is no single precise definition of PML, PML here is based on the event of the maximum earthquake that can be expected to occur in the region where the subject building is located (probable maximum earthquake = PME: an earthquake of a size that has a 10% probability of occurring within 50 years = occurs once every 475 years) occurring and is represented by expressing the construction costs required to restore the post-PME building to its pre-PME state as a percentage of the total construction costs required to reconstruct the building (= replacement cost). The figure does not take into account the impact of the collapse of neighboring buildings or fire, water, and other damages. The PML value of the entire building is indicated.

4. Details of the Property for Sale

Property Name		Sphere Tower Tennozu				
Type of Specified Asset		Quasi co-ownership interest of beneficiary interest in a real estate trust (67% ownership)				
Name of Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Agreement Term		From March 31, 2003 to June 30, 2027				
Location (Note 1)	Land	2-1 Higashi-shinagawa 2-chome, Shinagawa Ward, Tokyo, and 11 other parcels				
	Building	(1) 2-1 Higashi-shinagawa 2-chome, Shinagawa Ward, Tokyo, and others (2) 2-19 Higashi-shinagawa 2-chome, Shinagawa Ward, Tokyo, and others (Residential indication) 2-8 Higashi-shinagawa 2-chome, Shinagawa Ward, Tokyo				
Area (Note 1)	Land	6,106.11 m ²				
	Building	(1) 43,477.68 m ² (2) 3,674.04 m ²				
Type of Ownership	Land*	Fee simple ownership				
	Building*	(1) Fee simple ownership (2) Co-ownership interest (Share of ownership: 3,444/10,000)				
	*	NUD owns quasi co-ownership interest of 67/100 of the trust beneficiary interest in the abovementioned land and buildings.				
Use of Building (Note 1)		(1) Offices, stores, parking lots (2) Machine room (heating and cooling facility for the region)				
Structure of Building (Note 1)		(1) Steel-framed, reinforced concrete and steel-framed reinforced concrete structure with a flat roof, 27 floors above ground and 2 floors below ground. (2) Reinforced concrete structure with flat roof, 4 floors below ground.				
Construction Completion (Note 1)		(1) April 1993 (2) June 1991				
Sale Price		18,000 million yen				
Book Value		15,491 million yen (as of April 30, 2021)				
Gain on Sale (estimate)		2,228 million yen				
Appraisal						
Appraiser		Aoyama Realty Advisors Inc.				
Appraisal Value (Note 2)		17,600 million yen				
Survey Date		September 30, 2021				
Tenant Details (Note 3)						
Total Number of Tenants		23				
Monthly Rent (Note 4)		82 million yen				
Tenant Security Deposits (Note 4)		613 million yen				
Total Leasable Space (Note 4)		17,909.32 m ²				
Total Leased Space (Note 4)		17,733.45 m ²				
Change in Occupancy Rate		July 2017	July 2018	July 2019	July 2020	July 2021
		88.1%	94.9%	100.0%	99.6%	99.0%

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- (Note1) Each piece of information in “Location”(excluding residential indication), “Area,” “Use of Building,” “Structure of Building” and “Construction Completion” is described based on the information indicated in the certificate of registered matters. The area of the land is the area of the entire site, and the area of the building is the total floor space of the entire building.
- (Note2) The price equivalent to the quasi co-ownership interest (67%) of beneficiary interest in trust that NUD owns is indicated.
- (Note3) “Tenant Details” indicate the figure as of July 31, 2021.
- (Note4) The figures for “Monthly Rent,” “Deposits/Guarantee,” “Total Leasable Floor Space” and “Total Leased Floor Space” are the figures for the entire property multiplied by the rate of quasi co-ownership interest (67%) in the trust beneficiary interest that NUD owns.

5. Seller Profile

(As of October 18, 2021)

Company Name	NTT Urban Development Corporation
Head Office Address	14-1 Sotokanda 4-chome, Chiyoda Ward, Tokyo
Representative	Hiroshi Tsujigami, President and CEO
Paid-in Capital	48,760 million yen (as of March 31, 2021)
Net Assets	205,338 million yen (as of March 31, 2021)
Total Assets	996,603 million yen (as of March 31, 2021)
Major Shareholder and Shareholding Ratio	NTT Urban Solutions, Inc. (Shareholding ratio: 100%)
Established Date	January 21, 1986
Principal Business	<ul style="list-style-type: none"> (1) Acquisition, development, sales and management of real estate (2) Real estate leasing, brokerage (3) Building design, construction, construction supervising and their commissioning (4) Sale and lease of office equipment, communications equipment, fixtures and fittings, and interior furnishings for office buildings and residences (5) Construction and sale of residences (6) Information gathering and management, research and consulting related to civil engineering, construction and real estate (7) Fee-based homes for the elderly business, and home care service business and preventive long-term care service business pursuant to the Long-Term Care Insurance Act
Relationship between the Seller and NUD/UDAM	
Capital Relationship	The Buyer holds 3.3% (43,500 units) of the total number of investment units issued and outstanding of NUD. The Seller is UDAM’s parent company, holding 100.0% (4,000 shares) of its total shares outstanding, and falls under the category of interested party, etc. as stipulated in the Investment Trust Act.
Personnel Relationship	The Seller is one of the companies from which officers and employees of UDAM have been dispatched.
Business Relationship	The Seller falls under the category of lessee of properties owned by NUD. In addition, UDAM has executed an Agreement on Information Provision with the Seller.
Related Parties	The Seller does not fall under the category of related parties of NUD. As stated above, the Seller is the parent company of UDAM and falls under the category of related parties of UDAM.

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6. Status of Previous Owner

The former owner of the co-ownership interest, etc. of the compartmentalized ownership of the land and building of Tokyo Opera City Building, the property to be acquired, falls under the category of an interested party, etc. of NUD as defined in the Investment Trust Act. Therefore, the status of the previous owners, etc. is herein stated.

	Previous owner, etc.	Former owner before the previous owner, etc.
Company name	NTT Urban Development Corporation	Other than special interested parties
Relationship with special interested parties	Please refer to "5. Seller Profile" above.	—
Background, reason, etc. of the transaction	Purpose of the development	—
Acquisition price (including other expenses)	— (Note 1)	—
Timing of acquisition	(Land) July 14, 1993 (Note 2) (Building) July 31, 1996 (Completion of construction)	— —

(Note 1) This information is omitted because the previous owner held the property for more than one year.

(Note 2) On September 30, 1999, the land conversion related to the Tokyo Opera City Land Readjustment Project was executed.

7. Overview of Buyer

The name, etc. of the buyer are not disclosed because no consent to disclosure has been obtained from the domestic corporation to which NUD will transfer the property.

As of today, there are no capital, personal, or business relationships between the Buyer and NUD/UDAM. In addition, the Buyer is not a related party of NUD or UDAM.

8. Transactions with Interested Party, Etc.

The following transactions with interested parties, etc. related to the Transaction have been resolved by the Compliance Committee, which includes outside experts, in accordance with "Policy on Transactions with Interest Parties" of the internal rules of UDAM.

(1) Acquisition of Tokyo Opera City Building from NTT UD

(2) Master lease agreement with NTT UD as the lessee of the property to be acquired

(3) Consignment of property management services to Tokyo Opera City Building Co., Ltd. (Note) at the property to be acquired

(Note) It is an affiliated company of NTT UD and falls under the category of interested parties, etc. stipulated in the Investment Trust Act.

9. Matters Concerning Forward Commitment, Etc.

The Transfer falls under the category of "forward commitments, etc. by investment corporations" (Note) as stipulated in the "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, Etc." established by the Financial Services Agency.

There are provisions regarding penalties such that if NUD or the Buyer violates a serious contractual obligation with respect to the contract concluded for the transfer of the assets, the other party may terminate the sale contract and claim 10% of the sale price as a penalty.

(Note) The term "forward commitments, etc." refers to future-dated sales contracts, where the settlement and delivery of the property will take place more than one month after the contract is concluded, and other similar contracts.

10. Future Outlook

There is no change in the performance forecast for the fiscal period ending October 31, 2021 (the 38th fiscal period) published in "Financial Report for the Fiscal Period Ended April 30, 2021" dated June 17, 2021. For the details of the revision of the performance forecast in the fiscal period ending April 30, 2022 (the 39th fiscal period) based on the Transaction and the performance forecast for the fiscal period ending October 31, 2022 (the 40th fiscal period), please refer to "Notice Concerning Revision of Performance Forecast for the Fiscal Period Ending April 30, 2022 (the 39th Fiscal Period) and Announcement of Performance Forecast for the Fiscal Period Ending October 31, 2022 (the 40th Fiscal Period)" separately announced today.

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11. Overview of Appraisal Report

(1) Tokyo Opera City Building (property to be acquired)

Property Name	Tokyo Opera City Building
Appraisal Value	23,100 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Survey Date	August 1, 2021

Appraisal Item	Appraisal Value (million yen) (Note 1)	Remarks, Etc.
The value estimated by income approach	23,100	Estimated by associating the value estimated by direct capitalization method and value estimated by DCF method
Value estimated by direct capitalization method [[5]+[6]]	23,100	
Operating Revenues	Not disclosed (Note 2)	
(a) Rental revenue		
(b) Common service charges		
(c) Rental revenue including common service charges [(a) + (b)]		
(d) Utilities		
(e) Parking and bicycle parking fees		
(f) Other income		
[1] Latent Gross Revenues [(c) + (d) + (e) + (f)]		
(g) Losses due to vacancies, etc.		
(h) Bad debt loss		
[2] Operating Revenues [[1]-(g)-(h)]		
Operating Expenses	Not disclosed (Note 2)	
(i) Maintenance		
(j) Utilities		
(k) Repair costs		
(l) Property management fee		
(m) Advertisement for leasing, etc.		
(n) Tax and public dues		
(o) Insurance		
(p) Other expenses		
[3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]		
[4] Net Operating Income [[2]-[3]]	1,186	
(q) Profit through management of temporary deposits, etc.	15	Assessed the number of months of stable security deposits over the medium to long term based on the current lease conditions and the number of months of security deposits at the time of new contracts, and assessed the profit through management of temporary deposit, etc., by multiplying said number by the occupancy rate and the investment yield.
(r) Capital expenditures	322	Based on the assumption that expenditures expected to be incurred in the future should be accumulated on an average basis every fiscal period, we made an assessment while taking into account the level of capital expenditures in similar properties, the age of the building, the medium- to long-term repair plan, and the annual average amount of repair and renewal costs in the engineering report.
[5] Net Cash Flow [[4]+(q)-(r)]	879	
[6] Capitalization Rate	3.8%	Estimated based on the standard yield for each district set by Japan Real Estate Institute, taking into account the spread attributable to the location conditions, building conditions, etc. of the target property, and the future uncertainties and transaction yields related to similar real estate.
Value estimated by discounted cash flow (DCF) method	23,100	
Discount rate	3.4%	
Terminal capitalization rate	4.1%	
Value estimated by cost approach	26,400	
Land ratio	72.9%	
Building ratio	27.1%	

Other matters noted by the appraiser in conducting appraisal	None
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(Note 1) The price stated is equivalent to the co-ownership interest, etc. of the compartmentalized ownership of the land and building of the real estate that NUD will acquire.

(Note 2) It is not disclosed because the consent from the co-owners, etc., has not been obtained for the disclosure of operating revenue, etc., and the actual values are referred to for information in the appraisal and that UDAM judges that the disclosure may have an adverse effect on competition and may eventually harm investors' interests.

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(2) Sphere Tower Tennozu (property to be transferred)

Property Name	Sphere Tower Tennozu
Appraisal Value	17,600 million yen
Appraiser	Aoyama Realty Advisors Inc.
Survey Date	September 30, 2021

Appraisal Item	Appraisal Value (million yen) (Note)	Remarks, Etc.	
The value estimated by income approach	17,600	Estimated by associating the value estimated by direct capitalization method and value estimated by DCF method	
Value estimated by direct capitalization method [5]÷[6]	17,800		
Operating Revenues	(a) Rental revenue	1,324	Recorded in reference to the vacancy rate of similar buildings, the loss caused by a stable vacancy rate over the medium to long term, and the operating/utilization status of similar facilities.
	(b) Common service charges	151	
	(c) Rental revenue including common service charges [(a) + (b)]	1,476	
	(d) Utilities	280	Estimated in reference to the utility revenues of similar buildings.
	(e) Parking and bicycle parking fees	52	Estimated in reference to the usage fees of similar facilities based on the adopted materials.
	(f) Other income	44	Recorded income from the warehouse rent, signboard income, etc. as other income
	[1] Latent Gross Revenues [(c) + (d) + (e) + (f)]	1,852	
	(g) Losses due to vacancies, etc.	105	Recorded in reference to the vacancy rate of similar buildings, the loss caused by a stable vacancy rate over the medium to long term, and the operating/utilization status of similar facilities.
	(h) Bad debt loss	-	Not recorded because the creditworthiness of tenants is considered to be high and also because it is secured by security deposits.
	[2] Operating Revenues [(1)-(g)-(h)]	1,746	
Operating Expenses	(i) Maintenance	172	Estimated in reference to the maintenance costs of similar buildings based on the adopted materials.
	(j) Utilities	330	Estimated in reference to the utility costs of similar buildings based on the adopted materials.
	(k) Repair costs	37	Estimated and recorded based on the adopted materials.
	(l) Property management fee	17	Recorded in reference to the property management fee of similar buildings.
	(m) Advertisement for leasing, etc.	13	Recorded by assessing the stable tenant solicitation fees, etc. from a medium- to long-term perspective, referring to the brokerage and advertising fees related to leasing of similar buildings based on the adopted materials.
	(n) Tax and public dues	182	Estimated and recorded based on the adopted materials.
	(o) Insurance	3	Recorded in reference to the non-life insurance premiums of similar buildings based on the adopted materials.
	(p) Other expenses	8	Estimated and recorded based on the adopted materials.
[3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]	765		
[4] Net Operating Income [(2)-[3]]	981		
(q) Profit through management of temporary deposits, etc.	10	Recorded based on assessment by multiplying the amount of the tenant security deposits by the yield that takes into account the asset management characteristics.	
	(r) Capital expenditures	87	Estimated and recorded based on the adopted materials.
[5] Net Cash Flow [(4)+(q)-(r)]	905		
[6] Capitalization Rate	3.4%	Estimated based on the yield at low investment risk and taking into account the spread attributable to the location conditions, building conditions, etc. of the property which is not a wholly owned property but co-ownership interest.	
Value estimated by discounted cash flow (DCF) method	17,300		
Discount rate	3.1%		
Terminal capitalization rate	3.6%		
Value estimated by cost approach	16,400		
Land ratio	80.2%		
Building ratio	19.8%		

Other matters noted by the appraiser in conducting appraisal

None

(Note) The price equivalent to the quasi co-ownership interest of beneficiary interest in trust that NUD plans to sell is indicated.

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[Attachment]

[Reference Material 1] Outside View of the Property to Be Acquired and Location Map

[Reference Material 2] Table of Portfolio Following the Transactions

* NUD's website is <http://www.nud-reit.co.jp/en/>

** Neither NUD nor NTT Urban Development Asset Management Corporation makes any assurance or warranty with respect to the completeness or accuracy of this English translation. For more complete and accurate information, please refer to the original announcement in Japanese.

[Reference Material 1] Outside View of the Property to Be Acquired and Location Map

Tokyo Opera City Building



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Reference Material 2) Table of Portfolio Following the Transactions

Use	Area	No.	Property Name	Acquisition Date	Acquisition Price (million yen) (Note)	Share	
Office Buildings	5 Central Wards of Tokyo	A01	Landic Shimbashi Building	Sep 11, 2002	6,341	2.4%	
		A02	Landic Shimbashi 2 Building	Sep 11, 2002	7,045	2.6%	
		A03	Premier Dogenzaka Building	Sep 10, 2002	1,727	0.6%	
		A04	KN Shibuya No.3	Sep 11, 2002	5,348	2.0%	
		A05	Takadanobaba Center Building	Sep 11, 2002	5,118	1.9%	
		A06	Rokubancho Building	Mar 26, 2004	7,860	2.9%	
		A10	Urbannet Mita Building	Nov 18, 2011	10,300	3.9%	
		A11	Urbannet Azabu Building	Nov 18, 2011	5,000	1.9%	
		A15	Granpark	Nov 8, 2013	11,490	4.3%	
		A17	Otemachi Financial City Grand Cube	Jun 12, 2020	4,680	1.8%	
		A18	Shinagawa Season Terrace	Dec 21, 2020 Mar 30, 2021	18,720	7.0%	
	A19	Tokyo Opera City Building	Nov 2, 2021 (scheduled)	22,000	8.2%		
	Other 18 Wards of Tokyo	B02	Premier Toyocho Building	May 18, 2007	4,310	1.6%	
		B03	Ueno TH Building	Mar 27, 2008	4,380	1.6%	
		B04	Gotanda NT Building	Mar 27, 2008	4,100	1.5%	
		B05	Ueno Tosei Building	Nov 18, 2011	5,900	2.2%	
		B06	Urbannet Ikebukuro Building	Jan 22, 2015	13,600	5.1%	
		B07	Urbannet Omori Building	Jan 22, 2015	4,800	1.8%	
		B09	Uebannet Gotanda NN Building	Apr 5, 2019	5,250	2.0%	
	Urban Areas Surrounding Tokyo	C01	Premier Yokohama Nishiguchi Building	Sep 11, 2002	3,558	1.3%	
		C02	The Kanagawa Science Park R&D Building	Sep 11, 2002	6,556	2.5%	
	Major Regional Cities	G02	NTT CRED Okayama Building	May 15, 2015	3,600	1.3%	
		G03	Urbannet Shizuoka Ote-machi Building	Feb 19, 2016	1,628	0.6%	
		G04	Urbannet Shizuoka Building	Feb 19, 2016	1,119	0.4%	
		G05	Urban Ace Higobashi Building	Dec 20, 2016	4,600	1.7%	
	Subtotal		25 properties			169,030	63.3%
	Residential Properties	5 Central Wards of Tokyo	D01	Park Axis Yotsuya Stage	Sep 11, 2002	5,208	2.0%
D02			Park Axis Meiji-Jingumae	Sep 11, 2002	2,604	1.0%	
D04			Cabin Arena Akasaka	Apr 4, 2003	1,330	0.5%	
D05			Cabin Arena Minami-Aoyama	Sep 1, 2003	1,070	0.4%	
D08			Roppongi Green Terrace	Nov 18, 2003	4,678	1.8%	
D09			Premier Stage Shibakoen II	Nov 18, 2003	2,181	0.8%	
D11			Langue Tower Kyobashi	Dec 22, 2003	927	0.3%	
D12			Premier Stage MitaKeidaimae	Nov 30, 2004	1,580	0.6%	
D13			Premier Rosso	Jan 14, 2005	1,662	0.6%	
D14			Premier Blanc Yoyogikouen	Jul 15, 2005	2,330	0.9%	
D15			Premier Stage Uchikanda	Sep 20, 2005	1,723	0.6%	
D16			Premier Stage Ichigayakawadacho	Jul 21, 2005	1,460	0.5%	
D17			Walk Akasaka	Jun 1, 2005	2,043	0.8%	
D18			Premier Stage Shibakoen	Oct 13, 2006	1,585	0.6%	
D19			MEW	Jul 31, 2006	1,556	0.6%	
D20			Shibaura Island Air Tower	Dec 3, 2007	7,590	2.8%	
D21			Storia Akasaka	May 22, 2008	3,930	1.5%	
D22			Renai Shinjuku-Gyoen Tower	May 22, 2008	6,500	2.4%	
D23			Shibaura Island Bloom Tower	Dec 9, 2010	5,500	2.1%	
D24			Questcourt Harajuku	Nov 18, 2011	4,500	1.7%	
D25			Urban Court Ichigaya	Nov 8, 2013	1,385	0.5%	
D26			Premier Stage Azabu-Juban	Mar 1, 2018	1,420	0.5%	
D27			Premier Stage Sasazuka	Mar 1, 2018	1,080	0.4%	

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Use	Area	No.	Property Name	Acquisition Date	Acquisition Price (million yen) (Note)	Share
Residential Properties	Other 18 Wards of Tokyo	E01	Premier Stage Osaki	Nov 18, 2003	1,072	0.4%
		E02	Premier Garden Hongo	Apr 1, 2004	975	0.4%
		E03	Premier Grande Magome	Jun 1, 2005	1,560	0.6%
		E04	Premier Nozze Yutenji	Mar 28, 2006	1,525	0.6%
		E05	Premier Stage Yushima	Sep 1, 2006	1,803	0.7%
		E06	Premier Stage Komagome	Feb 9, 2007	1,830	0.7%
		E07	Premier Stage Otsuka	Jun 18, 2007	1,310	0.5%
		E08	Premier Stage Honjo-Azumabashi	Nov 30, 2007	2,640	1.0%
		E09	Premier Stage Ryogoku	Jun 30, 2008	1,496	0.6%
Subtotal		32 properties			78,054	29.2%
Others		Z01	UDX Special Purpose Company Preferred Securities (Akihabara UDX)	Dec 8, 2010	19,940	7.5%
				Nov 8, 2013		
Subtotal		1 properties			19,940	7.5%
Total		58 properties			267,024	100.0%

(Note) "Acquisition Price" represents the transaction price before taxes, not including various expenses required for the acquisition of the relevant properties.

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