

## **Supplementary Material on the Press Releases Announced on February 24, 2023**



**“Notice Concerning Property Acquisition and Transfer” and  
“Notice Concerning Revision of Performance Forecast for the  
Fiscal Periods Ending April 2023 (the 41st Fiscal Period) and  
Ending October 2023 (the 42nd Fiscal Period)”**

**February 24, 2023**



**NTT Urban Development**  
Asset Management

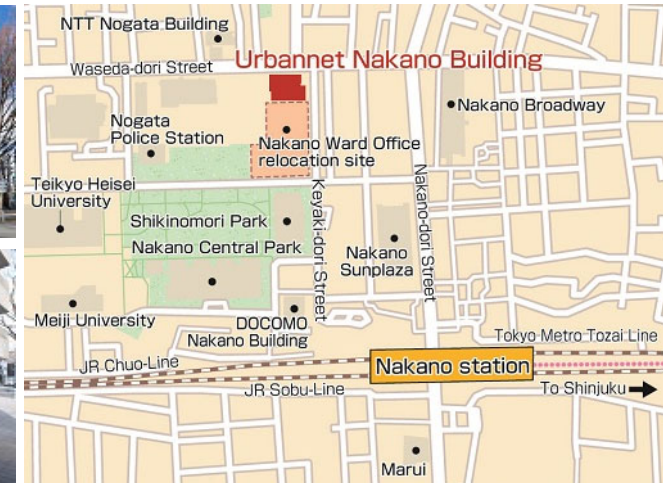
# Overview of Property Replacement

- Utilizing sponsor support from NTT Urban Development, replace Rokubancho Building, whose profitability is expected to deteriorate significantly due to the move-out of the sole tenant, with Urbannet Nakano Building, which has enjoyed stable operations. The Transactions secure stable revenue and expand acquisition capacity.

## Overview of Office Property Replacement

	Property to be acquired	Property to be transferred
Property name	<b>Urbannet Nakano Building</b> 	<b>Rokubancho Building</b> 
Location	Nakano Ward, Tokyo	Chiyoda Ward, Tokyo
Seller/buyer	<b>NTT Urban Development</b>	<b>NTT Urban Development</b>
Planned acquisition/transfer date	March 14, 2023	First: April 7, 2023 Second: May 26, 2023
Planned acquisition/transfer price	6,400 million yen	10,500 million yen First: 5,250 million yen Second: 5,250 million yen
Appraisal value	6,520 million yen	10,500 million yen
Gain on sale (estimated)	-	2,946 million yen
NOI/year*1	298 million yen	445 million yen
NOI yield*2	4.7%	Book value basis: 5.9% Appraisal value basis: 4.2%

## Overview of Urbannet Nakano Building



Land area	2,812.61 m <sup>2</sup>	Completed	October 1988
Total floor area	9,268.73 m <sup>2</sup>	Structure	Reinforced concrete structure Six stories with flat roof
Standard floor area	approx. 440 tsubo (approx. 1,450 m <sup>2</sup> )	Occupancy rate	100.0% (as of December 31, 2022)

### Location Characteristics

- The area around the north side of Nakano Station, where the property is located, is located close to central Tokyo while also being home to an urban planning park of approximately 21,000 m<sup>2</sup> (Shikimori Park), making it an area that combines cutting-edge facilities with lush greenery and nature. Large-scale redevelopment is planned in the surrounding area, offering potential for further business concentration.
- The property has good visibility facing Waseda-dori street, and with plans to relocate Nakano Ward Office to an adjacent site in 2024, the location is expected to gain greater convenience.

\*1 The NOI of the property to be acquired is the appraisal NOI, and the NOI of the property to be transferred is the annualized actual NOI for FP 40.

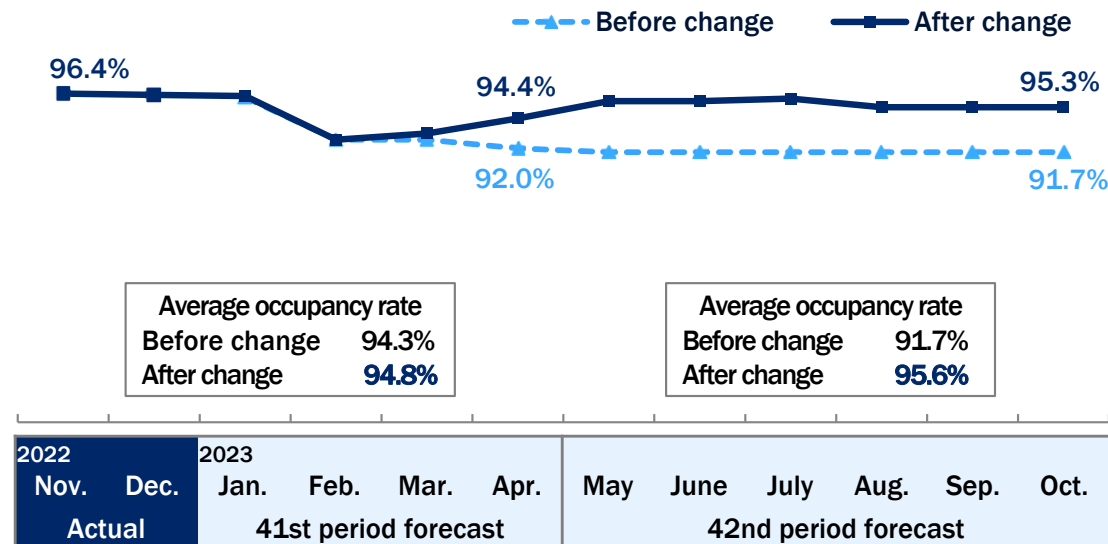
\*2 NOI yield is calculated as follows. For the property to be acquired: Appraisal NOI (annual) ÷ planned acquisition price; for the property to be transferred (book value basis): Actual NOI (annualized) ÷ book value as of the end of FP 40; for the property to be transferred (appraisal value basis): Actual NOI (annualized) ÷ appraisal value

# Effects of Property Replacement and Revision of Performance Forecast NTT UD REIT Investment Corporation

## Effects of Property Replacement

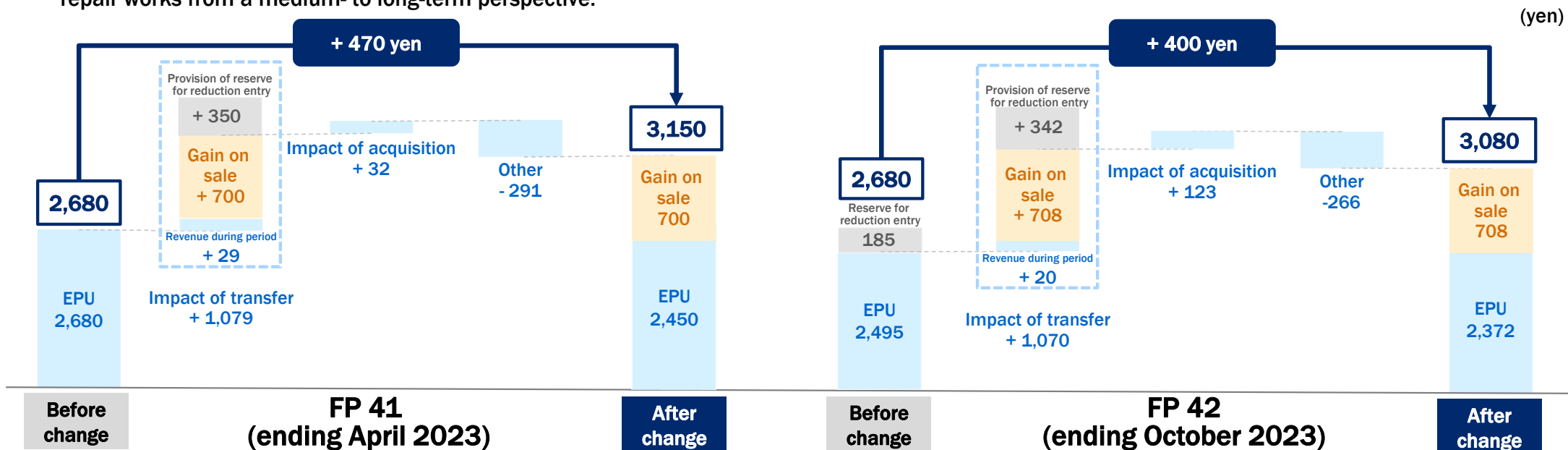
Improved office occupancy rate	FP 41 end + 2.4% FP 42 end + 3.6%
Improved profitability	FP 42 NOI + 223 million yen*1
Made unrealized gains visible	Gain on sale 2,946 million yen
Improved DPU stability	Balance of reserve for reduction entry After FP 42 appropriation of earnings 2,081 million yen (per unit: 1,485 yen)

## Change in Office Occupancy Rate



## Forecast Distribution per Unit

- DPU increases significantly in both FP 41 and FP 42 due to the effect of property replacement. Until FP 42, we plan to use the gain on sale to focus on repair works from a medium- to long-term perspective.



\*1 The amount indicates the difference between NOI of the property to be transferred in the FP 42 performance forecast before revision and NOI of the property to be acquired in the revised FP 42 performance forecast after revision.

This material contains information described in “Notice Concerning Property Acquisition and Transfer” and “Notice Concerning Revision of Performance Forecast for the Fiscal Periods Ending April 2023 (the 41st Fiscal Period) and Ending October 2023 (the 42nd Fiscal Period)” announced on February 24, 2023, by NUD in accordance with the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and related information. The information provided in this material does not constitute disclosure documents or management reports that are required by the Financial Instruments and Exchange Act or Investment Trusts and Investment Corporations Act or any related ministerial, government or cabinet ordinances, or sought by the listing regulations of the Tokyo Stock Exchange. In addition, this material is not intended for the purpose of offering or soliciting investment. When purchasing NUD’s investment units, please do so based on your own judgment and responsibility after carefully reading the prospectus prepared by NUD as well as other written documents. In addition, any information on NUD’s website (the “Website”), where these materials are posted, or any information on the Website or any links to the Website or information on these links is not intended as an offer, solicitation, or recommendation to buy or sell any specific product of NUD’s.

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