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For Immediate Release

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

NTT UD REIT Investment Corporation (“NUD”) announces that it resolved at its board of directors’ meeting held today to issue new investment units and conduct a secondary offering of investment units as described below.

1. Issuance of New Investment Units Through Public Offering (Primary Offering)

(1) Total number of units to be issued	76,600 units
(2) Paid-in amount (issue amount)	To be determined (The decision will be made at the board of directors’ meeting to be held between October 26, 2023 (Thursday) and October 31, 2023 (Tuesday) (hereinafter, the “finalization date of the issue price and other matters”). “Paid-in amount (issue amount)” is the amount to be received by NUD from the underwriter (defined below) as the price per investment unit of NUD (hereinafter, “NUD’s investment unit(s)”).
(3) Total paid-in amount (total issue amount)	To be determined
(4) Issue price (offer price)	To be determined The issue price (offer price) shall, if the finalization date of the issue price and other matters is October 26, 2023 (Thursday) or October 27, 2023 (Friday), be determined based on the provisional terms obtained by multiplying the closing price of the regularly traded investment unit of NUD at Tokyo Stock Exchange, Inc. (hereinafter, “Tokyo Stock Exchange”) on the finalization date of the issue price and other matters (if there is no closing price on that day, the closing price on the most recent day) minus the expected distribution per unit of 3,150 yen for the fiscal period ending October 31, 2023, by 0.90 to 1.00 (rounded down to the nearest JPY 1), and, if the finalization date of the issue price and other matters is October 30, 2023 (Monday) or October 31, 2023 (Tuesday), be determined based on the provisional terms obtained by multiplying the closing price of the regularly traded investment unit of NUD at Tokyo Stock Exchange on the finalization date of the issue price and other matters (if there is no closing price on that day, the closing price on the most recent day minus the above expected distribution per unit, provided, however, that if the finalization date of the issue price and other matters is October 31, 2023 (Tuesday), in the case where there is no closing price on that day and there is a closing price on October 30, 2023 (Monday), it shall be the closing price on October 30, 2023 (Monday)) by 0.90 to 1.00 (rounded down to the nearest JPY 1) and taking into account the demand conditions, etc.
(5) Total issue price (total offer price)	To be determined
(6) Offering method	It will be a public offering with all of the investment units underwritten by a syndicate of underwriters, of which SMBC Nikko Securities Inc. and Nomura Securities Co., Ltd. will be the joint lead managers (hereinafter, the “Joint Lead Managers”). The other members of the syndicate of underwriters are Daiwa Securities Co. Ltd., Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (hereinafter referred to collectively with the Joint Lead Managers as the “Underwriters”).

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(7) Details of Underwriting Contract	The Underwriters shall pay NUD the amount equal to the total paid-in amount (issue amount) on the payment date entered in (11) below and the difference between the total issue price (offer price) and the total paid-in amount (issue amount) in the primary offering shall be the proceeds of the Underwriters. NUD shall not pay any underwriting commission to the Underwriters.
(8) Minimum number of units for subscription	One unit or more in multiples of one unit
(9) Subscription period	The following business day of the finalization date of the issue price and other matters
(10) Payment period of advances on subscription	From the business day following the finalization date of the issue price and other matters to the day two business days after the finalization date of the issue price and other matters
(11) Payment date	A business day during the period from November 1, 2023 (Wednesday) to November 7, 2023 (Tuesday), provided, however, that the date shall be four business days after the finalization date of the issue price and other matters.
(12) Delivery date	The business day following the payment date
(13) The issue price (offer price), paid-in amount (issue amount), and other matters necessary for issuing NUD's new investment units will be decided at a board of directors' meeting of NUD to be held in the future.	
(14) All of the matters in the above items are conditional on filing under the Financial Instruments and Exchange Act taking effect.	

2. Secondary Offering of Investment Units (Over-allotment)

(1) Seller	SMBC Nikko Securities Inc.
(2) Number of units to be offered	3,800 units The number of units to be offered indicates the maximum number of units to be offered for the secondary offering through over-allotment. Depending on the demand and other factors, there may be cases when this number of units is reduced or the secondary offering through over-allotment itself is not conducted. The number of units to be offered shall be decided at a board of directors' meeting to be held on the finalization date of the issue price and other matters after considering demand conditions, etc.
(3) Offer price	To be determined (It will be decided at the board of directors' meeting to be held on the finalization date of the issue price and other matters. Furthermore, the offer price shall be the same as the issue price (offer price) in the primary offering.)
(4) Total offer price	To be determined
(5) Offering method	In connection with the primary offering, but separately from the primary offering, SMBC Nikko Securities Inc., the lead manager of the primary offering, shall conduct a secondary offering of a maximum of 3,800 NUD investment units which will be borrowed by SMBC Nikko Securities Inc. from NTT Urban Development Corporation (hereinafter, "NTTUD"), a unitholder of NUD, after considering demand conditions, etc. of the primary offering.
(6) Minimum number of units for subscription	One unit or more in multiples of one unit
(7) Subscription period	It shall be the same as the subscription period of the primary offering.
(8) Payment period of advances on subscription	It shall be the same as the payment period of advances on subscription for the primary offering.
(9) Delivery date	It shall be the same as the delivery date of the primary offering.
(10) The issuance of new investment units through secondary offering through over-allotment shall not be conducted if the primary offering is suspended.	
(11) The number of units to be offered, the offer price and other matters necessary for the offering of the investment units shall be decided at a board of directors' meeting of NUD to be held in the future.	
(12) All of the matters in the above items are conditional on filing under the Financial Instruments and Exchange Act taking effect.	

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3. Issuance of New Investment Units Through Third-Party Allotment

(1) Total number of units to be issued	3,800 units
(2) Paid-in amount (issue amount)	To be determined (It will be decided at the board of directors' meeting to be held on the finalization date of the issue price and other matters. In addition, the paid-in amount (issue amount) shall be the same as in the primary offering.)
(3) Total paid-in amount (total issue amount)	To be determined
(4) Allottee and number of units to be allotted	SMBC Nikko Securities Inc.: 3,800 units
(5) Minimum number of units for subscription	One unit or more in multiples of one unit
(6) Subscription period (subscription date)	On a business day during the period from November 27, 2023 (Monday) to December 4, 2023 (Monday), provided, however, that this shall be the business day following the thirtieth day (or the previous business day if the thirtieth day is not a business day) counting from the day following the close of the subscription period of the primary offering and the secondary offering through over-allotment.
(7) Payment date	From November 28, 2023 (Tuesday) to December 5, 2023 (Tuesday), provided, however, that this shall be the second business day following the thirtieth day (or the previous business day if the thirtieth day is not a business day) counting from the day following the close of the subscription period of the primary offering and the secondary offering through over-allotment.
(8)	Investment units shall not be issued in the case no subscription has been made by the third party during the subscription period (by the subscription date) entered in (6) above.
(9)	The issuance of new investment units through third-party allotment shall not be conducted if the primary offering is suspended.
(10)	The paid-in amount (issue amount) and other matters necessary for the issuance of the new investment units shall be decided at a board of directors' meeting of NUD to be held in the future.
(11)	All of the matters in the above items are conditional on filing under the Financial Instruments and Exchange Act taking effect.

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<Reference> Details of the Secondary Offering of Investment Units (Over-allotment)

- (1) In connection with the primary offering, but separately from the primary offering, SMBC Nikko Securities Inc. (hereinafter, "SMBC Nikko Securities"), the lead manager of the primary offering, may conduct a secondary offering (over-allotment) of a maximum of 3,800 NUD investment units which will be borrowed by SMBC Nikko Securities from NTTUD, a unitholder of NUD (hereinafter, "Borrowed Investment Units"), after considering demand conditions, etc. There may be cases when the indicated number of units to be offered in the secondary offering through over-allotment, which is scheduled to be 3,800 units, is reduced or the secondary offering through over-allotment itself is not conducted depending on demand and other factors. In relation to the secondary offering through over-allotment, in order to have SMBC Nikko Securities acquire the required investment units for returning the Borrowed Investment Units, NUD made a resolution at its board of directors' meeting held on October 23, 2023 (Monday) to conduct issue 3,800 new investment units of NUD through third-party allotment with SMBC Nikko Securities as allottee (hereinafter, the "Third-Party Allotment") on a business day during the period from November 28, 2023 (Tuesday) to December 5, 2023 (Tuesday) (provided, however, that the payment date shall be the second business day following the thirtieth day counting from the day following the close of the subscription period of the primary offering and the secondary offering through over-allotment (or the previous business day if the thirtieth day is not a business day) (hereinafter, the "Third-Party Allotment Payment Date")).
- In addition, for the purpose of returning the Borrowed Investment Units, there may be cases when SMBC Nikko Securities may also purchase NUD investment units up to the number of units to be offered in the secondary offering through over-allotment at Tokyo Stock Exchange (hereinafter, the "Syndicated Cover Transaction") during the period from the day following the close of the subscription period for the primary offering and the secondary offering through over-allotment until two business days before the Third-Party Allotment Payment Date (hereinafter, the "Syndicated Cover Transaction Period"). All of the NUD investment units purchased by SMBC Nikko Securities through the Syndicated Cover Transaction will be used to return the Borrowed Investment Units. Furthermore, there may be cases when, even during the Syndicated Cover Transaction Period, SMBC Nikko Securities may not conduct the Syndicated Cover Transaction at all or complete the Syndicated Cover Transaction with the number of units that is smaller than the number of units to be offered in the secondary offering through over-allotment, at its own judgment.
- Moreover, SMBC Nikko Securities may engage in stabilizing transactions related to the primary offering and the secondary offering through over-allotment. The NUD investment units purchased through such stabilizing transactions may possibly be used, in whole or in part, to return the Borrowed Investment Units.
- SMBC Nikko Securities intends to accept the Third-Party Allotment and acquire the number of NUD investment units resulting from the number of investment units purchased through the Syndicated Cover Transaction and stabilizing transactions being reduced and used to return the Borrowed Investment Units from the number of investment units for the secondary offering through over-allotment. Consequently, there may be cases where no subscription is made for the investment units offered in the Third-Party Allotment, in whole or in part, the final number of investment units placed by the Third-Party Allotment may possibly decrease to that extent due to forfeiture, or such allotment itself may possibly not take place at all.
- Whether or not the secondary offering through over-allotment should be executed and the number of shares to be offered if the secondary offering through over-allotment is executed will be determined on the finalization date of the issue price and other matters. If the secondary offering through over-allotment is not executed, SMBC Nikko Securities will not borrow NUD investment units from NTT UD. Therefore, SMBC Nikko Securities will not accept the allotment in relation to the Third-Party Allotment and will not apply for it and, therefore, there will be no issuance of NUD investment units for the Third-Party Allotment all because of forfeiture. Furthermore, the Syndicated Cover Transaction at Tokyo Stock Exchange will not be conducted, either.
- (2) SMBC Nikko Securities will carry out the transaction described in (1) above in consultation with Nomura Securities Co., Ltd.

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4. Change in Total Number of Investment Units Issued and Outstanding as a Result of This Issuance

Total number of investment units issued and outstanding at present	1,401,635 units
Increase in number of investment units issued and outstanding due to issuance of new investment units for the primary offering	76,600 units
Total number of investment units issued and outstanding after issuance of new investment units for the primary offering	1,478,235 units
Increase in number of investment units due to issuance of new investment units for the Third-Party Allotment	3,800 units (note)
Total number of investment units issued and outstanding after issuance of new investment units for the Third-Party Allotment	1,482,035 units (note)

(Note) The figures represent the number of investment units when subscription is made by SMBC Nikko Securities for all the investment units offered in the Third-Party Allotment and they are issued.

5. Purpose and Reason for the Issuance

NUD has decided to issue new investment units primarily to expand the asset size of and diversify the risks in its portfolio, as well as reinforce the growth and stability of its cash distributions in the medium to long term by leveraging support from the sponsor and acquiring new specified assets (having the meaning indicated in Article 2-1 of the Act on Investment Trusts and Investment Corporations. The same applies hereinafter).

6. Electronic Delivery of Prospectus

Underwriters, etc. shall deliver prospectuses for primary offerings and secondary offerings through over-allotment, in principle, by electronic delivery rather than in writing (Note).

(Note) NUD refers to the provision of matters described in the prospectus by electromagnetic means as “electronic delivery of prospectus”. A prospectus provider shall be deemed to have delivered a prospectus if they provide the matters described in the prospectus by electromagnetic means after obtaining consent from the prospectus recipient (Article 27-30-9, Paragraph (1) of the Financial Instruments and Exchange Act and Article 32-2, Paragraph (1) of the Cabinet Office Order on Disclosure of Information on Regulated Securities (hereinafter, the “Regulated Disclosure Cabinet Office Order”). Investors may not choose to have prospectuses delivered in writing. In the case where the underwriter, etc. conducts electronic delivery of the prospectus, if such consent could not be obtained from the investor or such consent were withdrawn (Article 32-2, Paragraph (7) of Cabinet Office Order on Disclosure of Information on Regulated Securities), the underwriter, etc. is unable to deliver the prospectus electronically to the investor, and in the case of the primary offering and secondary offering through over-allotment, the investment units shall be sold only to investors that have given and not withdrawn their consent.

7. Amount of and Use of Funds to Be Raised and Schedule for Expenditure

(1) Amount of funds to be raised (Approximate net proceeds)

10,305,000,000 yen (maximum)

(Note) The amount stated is the sum of 9,818,000,000 yen in proceeds from the primary offering and the maximum of 487,000,000 yen in proceeds from the issuance of new investment units through the Third-Party Allotment. The above amount is an estimated amount calculated based on the closing price of the regularly traded investment unit of NUD at Tokyo Stock Exchange as of October 5, 2023 (Thursday).

(2) Specific use of funds to be raised and schedule for expenditure

The proceeds from the primary offering (9,818,000,000 yen) will be used to partially fund the acquisition of specified assets to be acquired by NUD as described in “Notice Concerning Property Acquisition” separately announced today. The maximum amount of proceeds (487,000,000 yen) for issuing new investment units through third-party allotment, which was resolved on the same date as the primary offering, will be set aside as cash on hands and be allocated to future acquisitions of specified assets, future expenditures for repairs, and repayment of borrowings, etc.

8. Designated Destination of Distribution

The Underwriters plan to sell up to 3,200 NUD investment units among the NUD investment units issued for the primary offering (However, if the amount obtained by multiplying the number of units to be sold by the issue price exceeds 480,000,000 yen, the number of units shall be the number obtained by dividing 480,000,000 yen by the issue price (fractions less than 1 unit shall be rounded down)) to NTT UD which is the purchaser designated by NUD.

9. Future Outlook

Please refer to “Notice Concerning Revision of Performance Forecast for the Fiscal Period Ending April 30, 2024 (the 43rd Fiscal Period) and Announcement of Performance Forecast for the Fiscal Period Ending October 31, 2024 (the 44th Fiscal Period)” separately announced today.

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10. Management Performance During the Past Three Fiscal Periods and Status of Equity Financing, Etc.

(1) Management performance during the past three fiscal periods

	39th Fiscal Period (Ended April 2022)	40th Fiscal Period (Ended October 2022)	41st Fiscal Period (Ended April 2023)
Net income per unit (yen) (Note 1)	4,055	2,787	3,572
Distribution per unit (yen)	4,054	2,787	3,216
Actual distribution payout ratio (%) (Note 2)	100.0	100.0	90.0
Net assets per unit (yen)	99,477	98,211	98,996

(Note 1) Net income per unit is calculated by dividing net income by the average number of days of respective periods

(Note 2) The distribution payout ratio is calculated by the following method.

Distribution per unit / Net income per unit x 100

In addition, figures have been rounded down to the first decimal place.

However, for the 39th fiscal period, it is calculated using the following formula:

Total distribution / Net income x 100

(2) Status of recent investment unit price

① Status during the past three fiscal periods

	39th Fiscal Period (Ended April 2022)	40th Fiscal Period (Ended October 2022)	41st Fiscal Period (Ended April 2023)
Opening price (yen)	151,000	150,600	146,900
Highest price (yen)	161,900	154,100	148,100
Lowest price (yen)	143,000	141,200	128,900
Closing price (yen)	150,100	145,600	131,100

(Note) The opening, highest and lowest prices represent comparisons of the closing prices of respective trading days during the respective fiscal periods.

② Status during the past six months

	May 2023	June	July	August	September	October
Opening price (yen)	130,200	130,300	135,400	135,600	139,500	138,400
Highest price (yen)	133,000	134,900	137,300	138,600	141,100	139,600
Lowest price (yen)	128,500	130,000	133,000	134,100	137,800	134,200
Closing price (yen)	129,100	134,900	134,900	138,600	138,100	134,600

(Note 1) The investment unit price for October 2023 is the price as of October 20, 2023 (Friday).

(Note 2) The opening, highest and lowest prices represent comparisons of the closing prices of respective trading days during the respective months.

③ Investment unit price on the business day immediately preceding the date of resolution of issuance.

	October 20, 2023
Opening price (yen)	136,900
Highest price (yen)	137,100
Lowest price (yen)	134,600
Closing price (yen)	134,600

(3) Status of equity financing during the past three fiscal periods

① Capital increase through public offering

Issuance date	November 1, 2021
Amount of funds raised	11,701,185,600 yen
Paid-in amount (issue amount)	145,176 yen
Total number of investment units issued and outstanding at the time of offering	1,316,995 units
Number of investment units to be issued through the offering	80,600 units
Total number of investment units issued and outstanding after the offering	1,397,595 units
Initial use of funds at the time of issuance	Allocation to a portion of funds to acquire specified assets
Schedule for expenditure at the time of issuance	From November 2021 onward
Current status of appropriation	The full amount was used for the above schedule for expenditure.

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② Capital increase through third-party allotment

Issuance date	November 29, 2021
Amount of funds raised	586,511,040 yen
Paid-in amount (issue amount)	145,176 yen
Total number of investment units issued and outstanding at the time of offering	1,397,595 units
Number of investment units to be issued through the offering	4,040 units
Total number of investment units issued and outstanding after the offering	1,401,635 units
Allottee	SMBC Nikko Securities Inc.
Initial use of funds at the time of issuance	Allocation to a portion of funds for repayment of borrowings
Schedule for expenditure at the time of issuance	From December 2021 onward
Current status of appropriation	The full amount was used for the above schedule for expenditure.

11. Restrictions on Sale of Investment Units, Additional Issuance, Etc.

- (1) NUD plans to require that, upon the primary offering, NTT UD will not sell the NUD investment units it already holds before the primary offering or conduct other disposition (except for lending NUD investment units for the secondary offering through over-allotment and other arrangements) for a period of 180 days from the delivery and settlement date following the finalization date of the issue price and other matters of the primary offering, without prior written consent from the Joint Lead Managers.
In the event of the foregoing, the Joint Lead Managers will have the authority to cancel such restrictions in whole or in part, or to shorten the period of such restrictions, at their own discretion.
- (2) Upon the primary offering, NUD agrees with the Joint Lead Managers not to issue any new NUD investment units or take any similar action (however, this excludes the issuance of new investment units through the Third-Party Allotment or split of investment units) without prior written consent of the Joint Lead Managers for a period of 90 days from the finalization date of the issue price and other matters of the primary offering to the delivery and settlement date.
In the event of the foregoing, the Joint Lead Managers have the authority to cancel such restrictions in whole or in part, or to shorten the period of such restrictions, at their own discretion.

* NUD's website is <https://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.

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