

## Supplementary Material on the Press Release Announced on February 29, 2024

“Notice Concerning Property Acquisition”



**February 29, 2024**



NTT Urban Development  
Asset Management

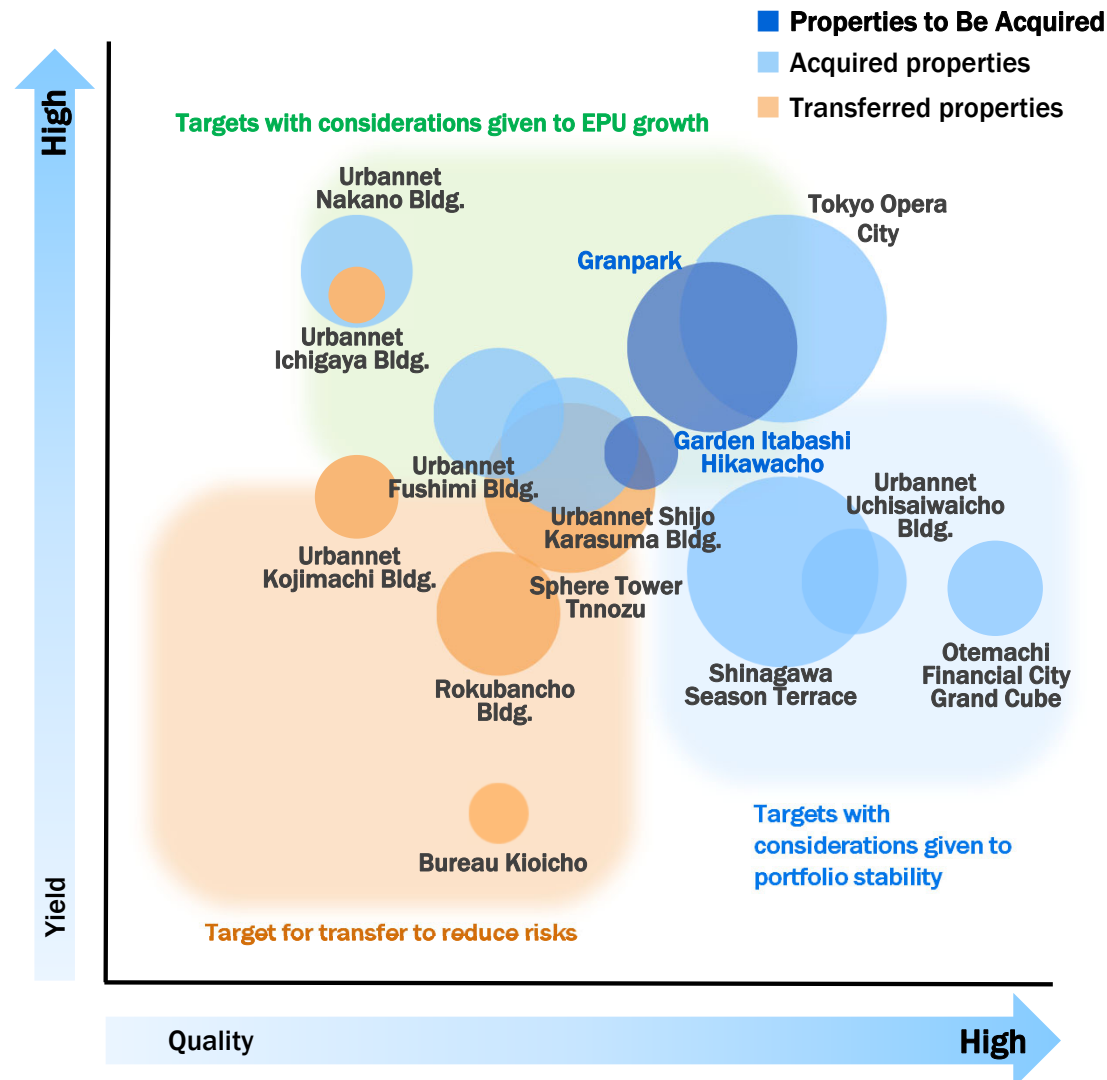
# Overview of Properties to Be Acquired

- Using leverage, make an additional acquisition under favorable conditions of equity interest in the large-scale multiple use building, currently under stable operation, from sponsor NTT Urban Development Corporation.
- Acquire equity interest in excellent redeveloped residence held by NTT Group and build new scheme through internal Group collaboration.

## <Properties to Be Acquired on March 2024>

	Granpark (approx. 16.6% ownership interest) *1	Garden Itabashi Hikawacho (approx. 48.1% ownership interest) *1
Property Name		
Location	Minato Ward, Tokyo	Itabashi Ward, Tokyo
Seller	NTT Urban Development	NTT FACILITIES
Use of Building	Office, Residence and Retail	Residence
Planned Acquisition Date	March 14, 2024	March 22, 2024
Planned Acquisition Price	14,850 million yen	2,820 million yen
Appraisal value	16,200 million yen	2,930 million yen
Appraisal NOI/year	672 million yen	116 million yen
Appraisal NOI Yield*2	4.5%	4.1%

## <Status of Recent Property Replacements\*3>



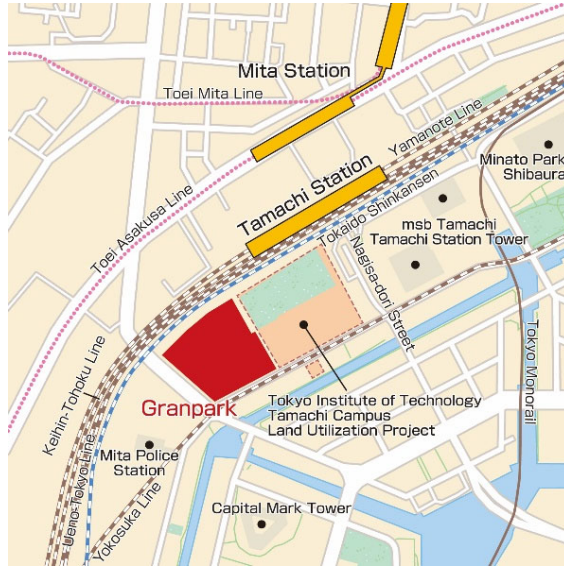
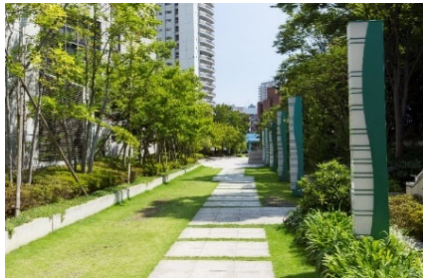
\*1 An effective ownership is indicated. Regarding Granpark, when combined with the effective ownership already held, it will result in an effective ownership of approximately 29.6%.

\*2 The appraisal NOI yield is calculated by dividing appraisal NOI/year by the planned acquisition price.

\*3 "Yield" refers to the NOI yield calculated based on the most recent operating conditions and "Quality" is calculated by points in consideration of location, size, and building age. The size of the bubble also represents the size of the asset (acquisition price).

# Details of Properties to Be Acquired

## <Granpark>



Land area	16,449.37 m <sup>2</sup>	Completed	August 1996
Total floor area	160,042.88 m <sup>2</sup>	Structure	Steel-framed, steel-framed reinforced concrete and reinforced concrete structures with a flat-top, zinc-coated steel sheets roof, 34 stories and 4 basement floors
Standard floor area	approx. 620 tsubo	Occupancy rate	98.4% (as of December 31, 2023)

### Property Characteristics

- The property is a real estate complex that fuses office, residential and commercial facilities with a moist environment, where approximately 60% of the site is green space.
- Granpark Tower (Office building), the central building, has 34 floors above ground and standard floor area of approximately 620 tsubo (2,000m<sup>2</sup>). It offers office space that can cater to high level business needs. The Heights building has 28 floors above ground with a total of 172 leased residences. The Plaza building comprises a combination of five small and large conference venues, restaurants and stores.
- A redevelopment project participated in by the sponsor is in progress on an adjacent site, with future value increase expected for the area.

## <Garden Itabashi Hikawacho>



Land area	2,905.96 m <sup>2</sup>	Completed	March 2008
Total floor area	10,934.46 m <sup>2</sup>	Structure	Reinforced concrete structure with a flat-topped roof, 14 stories and 1 basement floor
Total apartment units	279 units	Occupancy rate	96.9% (as of December 31, 2023)

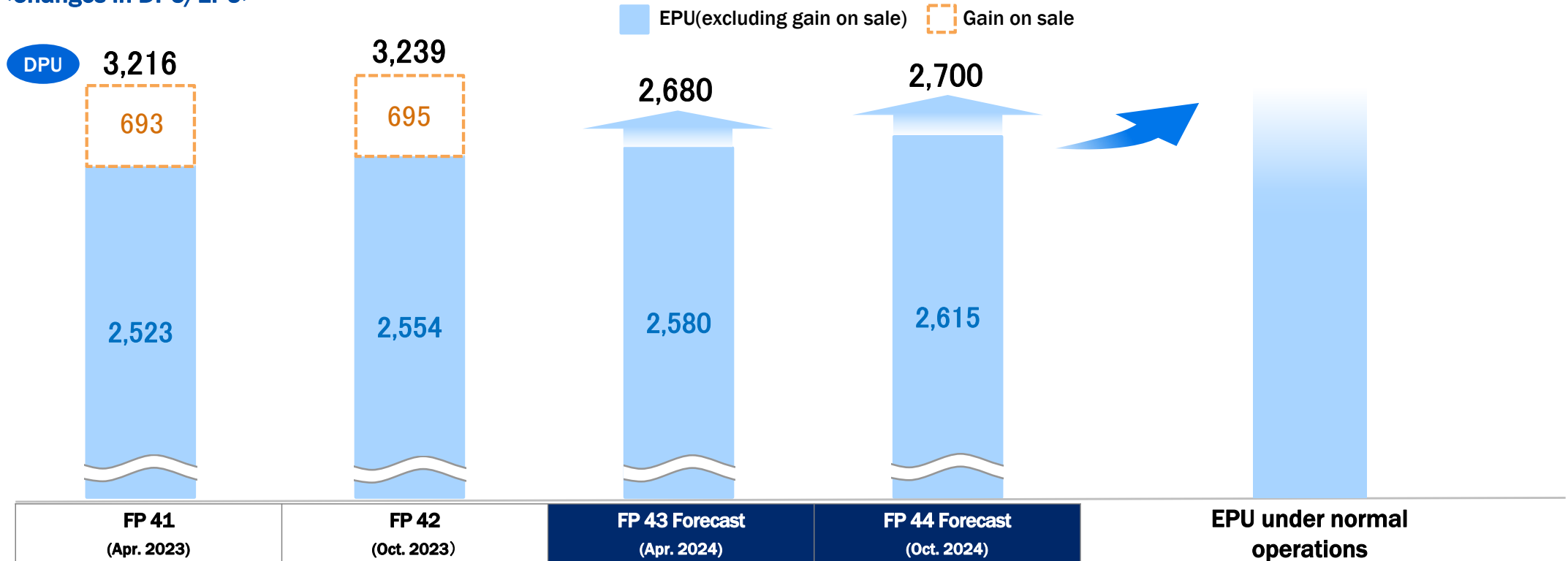
### Property Characteristics

- The property is convenient being located a four-minute walk to Itabashi-Kuyakushomae Station, which can directly access Otemachi Station, where there is accumulation of many offices, and nearby is an area of many shopping streets.
- The property aims to separate the buildings into a high-rise building with a view for singles and a low-rise building opening north-south for families, with a full-range of incidental equipment and high levels of security, utilizing the merits of scale with a large lounge space fully-equipped with Wi-Fi, a car sharing service, and 24-hour a day garbage area, etc.

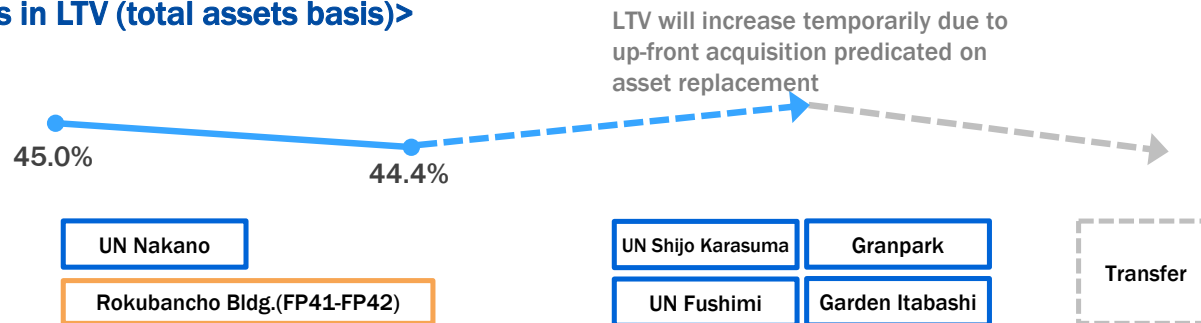
# Effect of Property Acquisition and Initiatives Going Forward

- This acquisition of two buildings in addition to the Urbannet Shijo Karasuma Building and Urbannet Fushimi Building acquired at the start of FP 43 will drive significant growth in EPU.
- From FP 44 onward, we will aggressively sell properties whose holding risk has increased, controlling LTV while increasing portfolio quality and aiming to create a structure that, when combined with internal growth, can maintain stable EPU of ¥2,700 under normal operations.

## <Changes in DPU/EPU>



## <Changes in LTV (total assets basis)>



## Policy on future initiatives for EPU growth

- Continue cash management and risk control through property replacement in light of the current financial market environment
- For transfer, focus on properties for which leasing risks have increased and properties that are expected to generate lower yields due to higher maintenance and repair and other costs
- Internal growth through strengthening leasing and cost controls on repair expenses, etc.

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