

For Translation Purposes Only

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For Immediate Release

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## Notice Concerning Sale of Trust Beneficiary Interest of Domestic Real Estate Property (Kawasaki Toshiba Building)

United Urban Investment Corporation (“United Urban”) hereby announces that Marubeni REIT Advisors Co., Ltd. (“MRA”), the asset management company to which United Urban entrusts asset management services, decided to sell a property today as set forth below.

### 1. Overview of the Disposition

United Urban is going to sell the trust beneficial interest of the following real estate (the “Asset to be Sold”).

Property Number	Type of Use (Note 1)	Property Name	Location	Book Value (As of Feb. 29, 2024)	Scheduled Sale Price (Note 2)	Difference between Book Value and Scheduled Sale Price (Note 3)	Date of Sale (Scheduled)
B7	Office Buildings (R&D)	Kawasaki Toshiba Building	Kawasaki, Kanagawa	¥17,832 million	¥19,000 million	+¥1,167 million	June 28, 2024

(Notes)

1. “Type of Use” determined by United Urban is shown. As for words shown in parentheses, of the types indicated on the real estate register, the primary type is shown.
2. “Scheduled Sale Price” is exclusive of disposition costs, property taxes, city planning taxes and consumption taxes and other costs (Figures are rounded down to the nearest unit. The same applies hereinafter).
3. “Difference between Book Value and Scheduled Sale Price” shows an indicative amount calculated by using the book value as of February 29, 2024 and it is different from the actual gains or losses. For details of the gains or losses, please refer to “9. Outlook of Operation” below.

### 2. Reason for the Sale

United Urban has been working to improve the quality and profitability of its portfolio through property replacement by considering cash flow stability and prospects of each property.

The Asset to be Sold is a large office building completed in 1987 in Kawasaki City, Kanagawa Prefecture. Since the acquisition, it has been kept in a stable operation for longer periods of time as a single-tenant office building let to an affiliate of Toshiba Corporation (the “Current Tenant”). United Urban received a cancellation notice dated May 31, 2023 that the Current Tenant will leave as of June 1, 2024 (Note).

The office market around the Asset to be Sold has not been performing well. And given the size of floor space (net leasable area: 36,142m<sup>2</sup>), it is assumed to take a substantial period of time to search tenants and to require a certain level of rental discount compared to market rents for its lease-up. In addition, there are concerns on lower profitability associated with capital investments related to a large-scale renovation work for multi-tenancy as well

as increases in building maintenance and management expenses such as building management fees, utilities costs, and repair costs.

United Urban received a favorable intension to purchase the Asset to be Sold from a buyer at a level exceeding the appraisal value and the book value. With a consideration of the concerns of lower profitability under a continued holding and a holistic examination of the United Urban's mid- to long-term performance, we came to conclusion that selling the Asset to be Sold will best suffice the mid- to long-term interest of United Urban. United Urban assumes the receipts from the transfer to be appropriated for (1) asset replacement that contributes to DPU growth, (2) prepayment of borrowings, or (3) buyback of investment units for a stable growth of our unitholders value.

(Note) For details, please refer to "(Follow-up) Notice Concerning Tenant Change at the Property (Kawasaki Toshiba Building)" dated May 31, 2023.

### 3. Details of the Sale

#### (1) Summary of the Sale

1. Name of Asset : Kawasaki Toshiba Building
2. Type of Asset : Trust beneficial interest in real estate
3. Scheduled Sale Price : ¥19,000 million
4. Book Value : ¥17,832 million (As of February 29, 2024)
5. Difference between Book Value and Scheduled Sale Price : + ¥1,167 million
6. Appraisal Value : ¥18,500 million (Note 1)
7. Date of Agreement : March 27, 2024  
(Conclusion of the sale and purchase agreement of trust beneficial interest)
8. Scheduled Date of Sale : June 28, 2024
9. Buyer : Undisclosed (Note 2)
10. Intermediary : Yes

(Notes)

1. As of November 30, 2023. The appraisal agency is Tanizawa Sōgō Appraisal Co., Ltd.. For details, please refer to "10. Summaries of Appraisal Report".
2. Undisclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the buyer.

#### (2) Outline of the Asset to be Sold

Property Name	Kawasaki Toshiba Building	
Type of the Property	Trust beneficial interest in real estate	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Trust Agreement Term	December 20, 2004 to December 31, 2024	
Location	Lot number (Note 1)	580-1・3・19, Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 2-585-1・14, 572-12, Saiwai-cho, Saiwai-ku, Kawasaki, Kanagawa
	Residential (Note 2)	580-1, Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 2-585-1, Saiwai-cho, Saiwai-ku, Kawasaki, Kanagawa
Use of Property (Note 1)	R&D	
Area (Note 1)	Land	8,615.20 m <sup>2</sup>
	Building	51,254.06 m <sup>2</sup>
Structure and Scale (Note 1)	S/RC/SRC B2/14F	
Type of Ownership (Note 1)	Land: Ownership	Building: Ownership
Completion Date (Note 1)	April 1987	
Details of Tenants (Note 3)		
Total Number of Tenants	1	
Security Deposit	¥1,580,916 thousand	

Total rental Revenues (Annual)	¥1,665,139 thousand
Total Leasable Area	36,142,30 m <sup>2</sup>
Total Leased Area	36,142,30 m <sup>2</sup>
Occupancy Ratio	100.0%
Other Special Notation	None

(Notes)

- Each piece of information in the “Location (Lot number)”, “Use of property”, “Area”, “Structure and Scale”, “Type of Ownership” and “Completion Date” is described as it appears on the real estate register.
- “Location (Residential)” shows the location indicated on the real estate register for the building as the residential address has not been assigned.
- “Details of Tenant” represents the figures as of February 29, 2024.

#### 4. Overview of the Buyer

The buyer of the Asset to be Sold is a domestic company. Details of the buyer are not disclosed as the consent for disclosure has not been obtained. As of today, the buyer falls under neither the category of the “related parties, etc.” (the “Related Party”) under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended) nor the category of the sponsor/stakeholder (“Sponsor/Stakeholder”) under the self-imposed rules (rules for conflicts of interest) of MRA. In addition, United Urban and MRA have no significant capital ties, personal relationships and transactions with the buyer, and the buyer does not fall under a related party of United Urban and MRA.

#### 5. Outline of Intermediary

##### (1) Broker A

###### 1. Broker’s Profile

Company Name	Marubeni Real Estate Management Co., Ltd. (“MREM”)	
Address	3・4F Shiba 520 Building, 5-20-6 Shiba, Minato-ku, Tokyo	
Representative	Ryutaro Yoshida, Representative Director	
Principal Business	<ol style="list-style-type: none"> <li>Leasing, management, operation, and administration of real estate (office building, retail property, dormitory, car parking, restaurant, warehouse, etc. and the trust beneficial interest thereof.).</li> <li>Purchase and sale, exchange, brokerage, and mediation of real estate land and building) etc., and agency and consultation of these.</li> <li>Designing, management, and contract work for construction work.</li> </ol>	
Capital	¥100 million (as of April 2023)	
Date of Foundation	August 1960	
Major Shareholder	(As of April 2023)	
	Shareholder Name	Controlling Share
	Marubeni Corporation	100%
Relationship with United Urban or MRA		
Capital Ties	There are no significant capital ties.	
Personal Relationship	There are no significant personal relationships.	
Business Relationship	MREM has been entrusted the property management of the multiple properties held by United Urban. In addition, MREM is one of the tenants of Shiba 520 Building, a property held by United Urban.	
Standing to Related Party	MREM falls under the categories of both the Related Parties and the Sponsor/Stakeholder, and therefore, MRA is abiding by the predetermined limitations and procedures (Note) of MRA.	

(Note)

In view of avoiding the conflicts of interest, MRA has established the restrictions and procedures for transactions, etc. between United Urban and Sponsor/Stakeholder in its internal rules on transactions (including a brokerage of a sale of an asset to be sold) with Sponsor/Stakeholder, which are called the “Investment Committee Rules on Transactions with Sponsor/Stakeholder.” The specific rules include the following: (i) When acquiring assets from Sponsor/Stakeholder, the acquisition price shall be the same as or less than the appraisal value; (ii) When selling assets to Sponsor/Stakeholder, the sale price shall be the same as or more than the appraisal value; and (iii) When Sponsor/Stakeholder is involved in the

brokerage, etc. of acquisition or sale of assets with good reason, the commission for the acquisition or sale of assets shall be not more than 3% of the acquisition or sale price. In addition, specific procedures set forth are that, when United Urban and Sponsor/Stakeholder engage in a transaction, etc., the deliberation and resolution of the Investment Committee (the MRA's autonomous body that enters into deliberations and makes decisions on asset management and performs asset management evaluations, etc.), which includes a chairman and an outside expert, shall be required, and that the resolution must be passed by the unanimous agreement of the members of Investment Committee who have voting rights (a member of the Investment Committee who has a special interest in the resolution may not participate in the vote). The agenda of the Investment Committee are to be deliberated at the Compliance Committee, the chairman of which is Chief Compliance Officer who is in charge of compliance duties, and which includes an outside expert, from the viewpoint of the compliance with laws and regulations, guidelines, internal rules, etc. The same shall apply hereinafter.

## 2. Amount and Details of Brokerage

¥190,000 thousand (excluding consumption taxes, etc.)

### (2) Broker B

The broker is a domestic company. Details of the broker are not disclosed as the relevant consent has not been obtained. As of today, the broker falls under neither the category of the Interested Party nor the category of the Sponsor/Stakeholder.

## 6. Transactions with Interested Party and Sponsor/Shareholder

Relevant Transaction	Business Partner	Procedure of United Urban and MRA
Brokerage	Marubeni Real Estate Management Co., Ltd.	The subject company falls under the categories of both the Related Party and the Sponsor/Stakeholder, and therefore, MRA is abiding by the predetermined limitations and procedures of MRA.

## 7. Matters on Forward Commitment

### (1) Asset to be Sold under Forward Commitment (Note)

Transfer of the Asset to be Sold falls into a forward commitment.

(Note)

In the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” of Financial Services Agency, “forward commitment” is defined as “a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto”.

### (2) Impact on United Urban's Financial Standing if Forward Commitment is Not Executed

In order to secure the transfer of the Asset to be Sold, United Urban has concluded the purchase and sale agreements of trust beneficial interests (the “PSA”) with the buyer as of March 27, 2024.

The PSA provides that either party may terminate the PSA, if the other party materially breaches provisions thereof, in which case the party may request the other party in breach to pay an amount equivalent to 20% of the sale price as penalty charges.

## 8. Method of Payment and Transfer Schedule

### (1) Methods of Payment

We will receive ¥1,900 million as a deposit on the day of the conclusion of the PSA, followed by the balance upon the delivery of the Asset to be Sold.

### (2) Transfer Schedule

Decision of the sale	March 27, 2024
Conclusion of the sale and purchase agreement of trust beneficial interest	
Transfer of the trust beneficial interest and payment	June 28, 2024 (Scheduled)

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## 9. Outlook of Operation

The transfer of the Asset to be Sold expects a gain on transfer of ¥940 million and it is prospected to be booked in the 42<sup>nd</sup> fiscal period ending November 30, 2024. As a result, more than 5% difference is assumed in the forecast of dividend per unit (DPU) for the 42<sup>nd</sup> fiscal period ending November 30, 2024, which was announced on January 19, 2024, United Urban accordingly revises the forecast of DPU. For details, please refer to “Notice Concerning Revision of Dividend for the 42<sup>nd</sup> Fiscal Period Ending November 2024” and “Supplementary Material on Press Releases Dated March 27, 2024” dated today.

United Urban assumes the receipts from the transfer to be appropriated for (1) asset replacement that contributes to DPU growth, (2) prepayment of borrowings, or (3) buyback of investment units.

## 10. Summaries of Appraisal Report

Appraisal Value	¥18,500,000 thousand
Appraisal Agency	Tanizawa Sogo Appraisal Co., Ltd.
Date of Value Estimate	November 30, 2023

(thousands of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	18,500,000	-
Price by Direct Capitalization Method	19,200,000	-
(1) Total income (Total effective profit: 1+2+3+4-5-6)	1,404,203	-
1. Potential total profit (rental revenues, common area maintenance fees)	1,467,741	Assessed based on the competitiveness of the property, the current leasing status, the scheduled move-in and move-out of tenants, the market rents, etc.
2. Utility revenues	0	Not recorded.
3. Parking revenues	7,680	Assessed based on the past performance, etc.
4. Other revenues	2,937	Assessed based on the past performance, etc.
5. Losses from vacancies	74,155	Assessed based on the competitiveness of the property, the current leasing status, the scheduled move-in and move-out of tenants, the plans for rent-free periods, the periods of construction work due to tenant replacement, market condition, etc.
6. Bad debt losses	0	Not recorded as secured with deposits, etc.
(2) Total expenses (7+8+9+10+11+12+13+14)	388,715	-
7. Administrative and maintenance fees	160,316	Assessed based on the outsourcing agreements and similar cases.
8. Utility costs	42,188	Assessed based on similar real estates.
9. Repairs	38,500	Assessed by the status of building management conditions, the building grade, the building ages, etc.
10. Property and other tax	109,056	Recorded based on taxes and public dues materials.
11. Property management fees	24,573	Assessed based on the outsourcing agreements.
12. Advertising expenses for tenants, etc.	9,038	Assessed based on leasing costs.
13. Casualty insurance expenses	2,232	Assessed based on the insurance coverage amount and contract details.
14. Other expenses	2,808	Assessed based on the past performance, etc.
(3) Net operating income (NOI: (1)-(2))	1,015,487	-
(4) Operating profit of lump-sum money	8,586	Assessed the amount of deposit, etc. upon new contracts based on the competitiveness of the property, market environment, etc., and assessed the investment yield as 1%, considering the recent rate of return on financial assets and economic forecasts.
(5) Capital expenditures (including routine repairs)	92,400	Assessed by the status of building management conditions, the building grade, the building ages, etc.
(6) Net cash flow (NCF: (3)+(4)-(5))	931,674	-
(7) Cap rate	4.3%	Compared multiple transaction yields in nearby areas or within the same supply and demand area, and considered prospect changes of future net income and the relationship with the discount rate.
Price by discounted cash flow method	18,200,000	-
Discount rate	3.8%	-
Terminal cap rate	4.3%	-
Cost approach price	20,300,000	Land ratio: 92.7%, Building ratio: 7.3%

Other specific matters the appraisal agency has paid attention in appraising the property

Considered the amount equivalent to renewal construction costs.

【Attached Material】  
Portfolio Summary

## Reference Material

### Portfolio Summary

As of June 28, 2024 (Scheduled)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(Scheduled) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
Retail Properties	38	200,554	29.5%
Office Buildings	38	194,582	28.6%
Hotels	23	163,252	24.0%
Residential Properties	25	52,328	7.7%
Others	19	68,707	10.1%
Total	139	679,423	100.0%

[Distribution by Geographical Location]

Location (Note 3)	Number of Properties	(Scheduled) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
6 Central Wards of Tokyo	30	149,524	22.0%
23 Wards of Tokyo	14	47,503	7.0%
Tokyo Metropolitan Area	38	216,349	31.8%
Other Regions	57	266,046	39.2%
Total	139	679,423	100.0%

(Notes)

1. Each of “maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)” and “OSAKA BAY TOWER”, a retail property/office building complex, and “Shin-Osaka Central Tower” and “SS30”, an office building/hotel complex, have been counted as one property for each type of use, while counted as one property in the total row, respectively. Therefore, the number of properties of each type does not add up to the total.

United Urban plans an additional acquisition of OSAKA BAY TOWER, a mixed-use complex including retail facility (¥2,637 million) on March 28, 2024, and the total acquisition price for the property is to total ¥5,274 million in addition to the existing holding (¥2,637 million; categorized as office buildings). Based on the MRA’s bylaw on type of use classification in case of additional acquisitions (<Note>), the above table shows the figures after dividing into an office buildings’ portion and a retail properties’ portion.

<Note>Bylaws on Type of Use Classification in Case of Additional Acquisitions

In case that the acquisition price of an investment property which United Urban has already owned and managed exceeds ¥5 billion after additional acquisitions, the total acquisition price is to be divided into respective type of use based on the leased floor area ratios of the respective type of use. If a type of use, of which leased floor area ratio is less than 35%, the subject type of use is to be included to a type of use which has the largest share of the lease floor area.

2. Figures have been rounded to the nearest unit. There is the possibility the aggregated figures shown are different from the actual figures. The percentage is shown by rounding down to the nearest digit and there is the possibility that the aggregated figures are different from the actual total figures.

3. The definition of geographical investment location is as set forth below.

Tokyo Metropolitan Area (Note a)			Other Regions (Note b)
6 Central wards of Tokyo	23 wards of Tokyo	Tokyo Metropolitan Area	Major Japanese cities including government designated cities (excluding those in Tokyo Metropolitan Area) and the surrounding areas thereof
Chiyoda-ku, Minato-ku, Chuo-ku, Shinjuku-ku, Shibuya-ku, and Shinagawa-ku	23 wards of Tokyo excluding 6 central wards of Tokyo	Tokyo Metropolitan Area excluding 23 wards of Tokyo	

(Notes)

a. Tokyo Metropolitan Area refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi, and Yamanashi prefectures.

b. Other Regions includes Osaka Area (Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture), Nagoya Area (Aichi Prefecture, Mie Prefecture and Gifu Prefecture) and Other cities (excluding Tokyo Metropolitan Area, Osaka Area and Nagoya Area).

4. Property to be acquired contained in the above charts is as follows.

Type of Use	Type	Location	Property Name	Scheduled Acquisition Date	Scheduled Acquisition Price	
					Amount (millions of yen)	Ratio
Office Buildings, Retail Properties	Office, Store	Other Regions	OSAKA BAY TOWER (Additional Acquisition)	March 28, 2024	2,637	Office Buildings 0.2% Retail Properties 0.2%
Office Buildings	Office	6 Central wards of Tokyo	IIDABASHI PLANO (Additional Acquisition)	June 26, 2024	383	0.1%

5. Plussing Wave Enoshima is excluded from the above table on the assumption that the transfer on March 29, 2024 (scheduled sale price: ¥2,150 million (acquisition price: ¥1,800 million)) will be carried out as scheduled. For details, please refer to “Notice Concerning Sale of Trust Beneficiary Interest of Domestic Real Estate Property (Plussing Wave Enoshima)” dated February 20, 2024.

6. The latest information about United Urban’s portfolio is disclosed on United Urban’s website.

<https://www.united-reit.co.jp/en/portfolio/index.html>