For Translation Purposes Only

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For Immediate Release

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Notice Concerning Acquisition of Property (the adjacent site to the b roppongi)

United Urban Investment Corporation ("United Urban") hereby announces that Japan REIT Advisors Co., Ltd. ("JRA"), the asset management company to which United Urban entrusts asset management services, has decided today to acquire a property (the "Asset to be Acquired") as set forth below.

The land of the Asset to be Acquired (hereinafter may be referred to as the "Land") is adjacent to "the b roppongi" (the "Hotel") which is owned by United Urban. United Urban has decided this acquisition considering it enables the extension of the Hotel building on the Land and on the site of both parking area for bicycles of the Hotel (the "Parking area") and an attached building to the Hotel are located, after dismantling a building on the Land (the "Building with leasehold" or the "Building to be dismantled") and an attached building to the Hotel.

In case we decide the extension of the Hotel building, we will announce soon.

1. Overview of the Asset to be Acquired

Type of Use (Note 1)	Property Name	Location	Anticipated Acquisition Price (Note 2)	Anticipated Acquisition Date
Hotel (residence, store)	the adjacent site to the b roppongi	Minato-ku, Tokyo	¥460 million (of which, land ¥140 million, building with leasehold ¥320 million)	Land : Jan. 13, 2017 Building with leasehold : Nov. 18, 2016

(Notes)
1. Type of Use is shown as per United Urban's determination. As of today, the Building with leasehold has been used as "Retail Property" and "Residential Property", but United Urban will acquire the Building with leasehold in consideration of the extension the Hotel building for the future, therefore United Urban classifies Type of Use of the Building with leasehold as "Hotel". As for words shown in parentheses, of the types indicated on the real estate register, the primary type is shown.
2. "Anticipated Acquisition Price" excludes acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.

2. Details of Acquisition

(1) Reason for Acquisition

In accordance with the basic asset-management policy and its investment approach prescribed in its Articles of Incorporation, United Urban will acquire the Asset to be Acquired for the purpose of possibility to further enhancing its hotel portfolio.

The Asset to be Acquired is land and the Building with leasehold adjacent to "the b roppongi" which is owned by United Urban. The Hotel which is located within a one-minute walk from Roppongi Station on the Tokyo Metro Hibiya Line and Toei Subway Oedo Line. The Hotel offers convenient access to major areas in Tokyo, making it a suitable place for both business and sightseeing. The Roppongi area, where the Asset to be Acquired is located and known as one of the major busy quarters in Tokyo, has been changing into an area where office buildings, retail properties, and cultural facilities are gathering with the completion of Roppongi Hills and Tokyo Midtown in recent years.

Since the acquisition by United Urban, the Hotel has continued the favorable operation taking advantage of its good location. But the number of rooms (76) is relatively smaller than that of the newly built competitors in this area, and the Hotel’s visibility is not so good due to narrowness of the front of the Hotel (the part facing Roppongi-dori). In addition, the potentiality of the Parking area (Note) where 399 building had been built is not fully utilized now and United Urban has been studying its better usage since its acquisition.

By dismantling of the Building to be dismantled and the extension of the Hotel building, the Hotel might become easier to be caught sight of from Roppongi-dori and also expected increase of the rent revenues coming from the Hotel’s profit can be expected by the extension. Thus, JRA has decided to acquire the Asset to be Acquired, expecting the future profit increase of United Urban and the improvement of the asset value.

(Note) After dismantled 399 Building, former 399 Building site has been used as a parking area for bicycles. (For the details of 399 Building, please refer to “Notice Concerning Acquisition of Property (the b roppongi)” dated April 30, 2014.)

(2) Summary of Acquisition

1. Asset to be Acquired	:	Real estate
2. Property Name	:	the adjacent site to the b roppongi
3. Anticipated Acquisition Price	:	¥460 million (of which, land ¥140 million, building with leasehold ¥320 million)
4. Anticipated Agreement Date	:	November 18, 2016 (conclusion of the land transfer agreement and the building with leasehold transfer agreement)
5. Anticipated Acquisition Date	:	Land : January 13, 2017 Building with leasehold : November 18, 2016
6. Seller	:	Land : A domestic operating corporation Building with leasehold : An individual
7. Financing	:	Cash on hand
8. Date of Payment (Note)	:	Land : November 18, 2016 and January 13, 2017 (Anticipated) Building with leasehold : November 18, 2016 and from November 18, 2016 to March 30, 2017 (Anticipated)

(Note) For details of date of payment, please refer to “3. Method of Settlement and Acquisition Schedule” below.

(3) Outline of the Property

Property Name	the adjacent site to the b roppongi		
Type of the Asset	Real estate		
Location (Note 1)	Lot number		3-212-18 Roppongi, Minato-ku, Tokyo
	Displayed Address		3-9-10 Roppongi, Minato-ku, Tokyo
Access	2-minute walk from Roppongi Station (Tokyo Metro Hibiya Line and Toei Subway Oedo Line)		
Type (Note 1)	Residence, Store		
Site Area (Note 1)	Land		69.02 m^2
	Building with leasehold		159.69 m^2
Structure and Scale (Note 1)	W 3F		
Type of Ownership	Land	(To January 13, 2017)	Leasehold Right
		(After January 13, 2017)	Proprietary Ownership
	Building with leasehold		Proprietary Ownership
Completion Date (Note 2)	May 1959		
Initial Building Owner	Unknown		
Constructor	Unknown		
Anticipated Acquisition Price	¥460 million (of which, land ¥140 million, building with leasehold ¥320 million)		
Appraisal Value	¥469 million		
Date of Value Estimate	November 1, 2016		
Appraisal Agency (Appraisal Method)	Appraisal by Japan Real Estate Institute		
Probable Maximum Loss (PML)	(Note 3)		

Collateral	None
Special Notations	(Administrative laws and regulations) ・There are some illegal parts in the Building with leasehold and issues in compliance with laws which cannot be confirmed, but the tenants and the resident of the Building with leasehold will move based on the agreements, within a few months after the acquisition by United Urban, and after that the resident's move, the Building with leasehold will be dismantled promptly. After the dismantling, all the above legal matters will be solved. (Boundaries) ・The inroad by a portion of the Building with leasehold into northeast adjacent land and southeast adjacent land is observed. A memorandum of understanding with the titleholders of the land adjacent to the northeast side and southeast side of the Building with leasehold has not yet been signed. But such inroad will be solved by dismantling the Building with leasehold.
Details of Tenant (Note 4)	
Total Number of Tenants	2
Security Deposit	(Note 5)
Total Rental Revenues (yearly)	(Note 5)
Total Leasable Floor Space	(Note 6)
Total Leased Floor Space	(Note 6)
Occupancy Ratio	(Note 6)

(Notes)
1. Each piece of information in the "Location (Lot number)," "Type," "Site Area," and "Structure and Scale" is described as it appears on the real estate register is shown as "Completion Date".
2. "Completion Date" does not appear on the real estate register, so the date of preservation of ownership on the real estate register is shown as "Completion Date".
3. No earthquake risk assessment report has been obtained as the Building with leasehold is to be demolished within a few months.
4. "Details of Tenant" is described as per the figures about the Building with leasehold as of today. 1st floor of the Building with leasehold have leased to 2 tenants and both are operating retail stores. United Urban will take over the fixed-term building lease agreements between the Seller and the relevant tenants when United Urban acquires the Building with leasehold, and the relevant agreements will expire on February 5, 2017 and on March 23, 2017 respectively. Part of 1st floor and whole of 2nd and 3rd floor are now used as a residence of the relatives of the owner (the seller) of the Building with leasehold and United Urban will conclude the contract for the use of the relevant part until March 23, 2017 with the resident of the Building with leasehold on the acquisition of the Building with leasehold,.
5. Not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.
6. As United Urban has not been able to obtain the drawings and drawing at the construction and the renovation, the accurate figures on "Total leasable Floor Space", "Total Leased Floor Space" and "Occupancy Ratio" are not known.

(4) The Seller's Profile

1. Land

The seller is a domestic operating corporation. Details of the seller are not disclosed as the consent for disclosure has not been obtained. As of today, the seller falls under neither the category of "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 JRA. In addition, United Urban and JRA have no significant capital ties, personal relationships and transactions with the seller, and the seller does not fall under a related party of United Urban and JRA.

2. Building with leasehold

The seller is an individual. Details of the seller are not disclosed as the relevant consent has not been obtained. As of today, the seller falls under neither the category of the Related Party nor the category Sponsor/Stakeholder. In addition, United Urban and JRA have no significant capital ties, personal relationships and transactions with the seller, and the seller does not fall under a related party of United Urban and JRA.

(5) Outline of Intermediary

1. Land

Not applicable.

2. Building with leasehold

I. Outline of a Broker

The broker is a domestic operating corporation. However, the broker's details are not disclosed because the broker has not given its consent for the disclosure of its profile, etc. As of today, the broker falls under neither the category of the Related Party nor the category of Sponsor/Stakeholder. In addition, United Urban and JRA have no significant capital ties, personal relationships and transactions with the broker, and the broker is not a related party of United Urban and JRA.

II. Amount and Details of Commission

The amount of commission is not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the broker. The amount of commission for the broker is an amount less than the upper limit (3% of the anticipated acquisition price plus 60,000 yen (excluding consumption taxes) stipulated in the Building Lots and Buildings Transaction Business Act).

(6) Transactions with Interested Party and Sponsor/Shareholder

Property Management Company (Note 1)	: Marubeni Real Estate Management Co., Ltd. Marubeni Real Estate Management Co., Ltd. falls under the categories of both the Related Party and the Sponsor/Stakeholder, and therefore, JRA is abiding by the predetermined limitations and procedures of JRA. (Note 2)

(Notes)

1. Until the demolition of the Building to be dismantled, Marubeni Real Estate Management Co., Ltd. will be appointed as a property management company.
2. In view of avoiding the conflicts of interest, JRA 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 JRA'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 can exercise the voting rights (a member of the Investment Committee who has a special interest in the resolution may not participate in the relevant 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 view point of the compliance with laws and regulations, guidelines, internal rules, etc. The same shall apply hereinafter.

3. Method of Settlement and Acquisition Schedule

(1) Method of Settlement

Land	The payment to the Seller will be installment payment, using cash on hand. United Urban will pay a part of the acquisition price, as a deposit, when the land transfer agreement will be concluded, and will pay the remaining amount when its ownership is transferred. In addition, United Urban will conduct provisional registration of transfer of ownership and conclude a contract to establish the right of pledge on the fixed deposit of the seller derived from the payment by United Urban in order to protect the right to demand restitution of the deposit.
Building with leasehold	The payment to the Seller will be installment payment, using cash on hand. United Urban will pay a part of the acquisition when the conclusion of the building with leasehold transfer agreement and will pay the remaining amount after the move-out of the residence (a part of 1st floor, whole of 2nd and 3rd floor) is confirmed.

(2) Acquisition Schedule

The schedule for acquisition of the Asset to be Acquired is as follows.

	Land	Building with leasehold
November 16, 2016	Decision of acquisition	
November 18, 2016	Conclusion of the land transfer agreement, Payment of a part of the acquisition price (a deposit), Provisional registration of transfer of ownership and establishment of the right of pledge on the fixed deposit of the Seller derived from the above payment by United Urban (Anticipated)	Conclusion of the building with leasehold transfer agreement, Transfer of ownership and lease hold, Conclusion of contract for the use by relative of the seller (a part of 1st floor, 2nd and 3rd floor) and Payment a part of the acquisition price (Anticipated)
January 13, 2017	Transfer of ownership, Registration of transfer of ownership and Payment of the remaining amount (Anticipated)	―
To March 23, 2017	―	The hand-over of the residence (a part of 1st floor, 2nd and 3rd floor) (Anticipated)
To May 30, 2017	―	Payment of the remaining amount. (Anticipated)
(Reference) From April 2017 To May 2017	―	The demolition work of the Building to be dismantled (Anticipated)

4. Forward Commitments

(1) Asset to be Acquired with Forward Commitment (Note)

The acquisition of the Asset to be Acquired falls into 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 implemented

In order to secure the Asset to be Acquired, United Urban executed the land transfer agreement and the building with leasehold transfer agreement of the Asset to be Acquired (the “Agreements”) as of November 18, 2016 with each of the sellers.

The Agreements provides that either party may terminate the Agreements if the other party has materially breached a provision thereof, in which case either party may request the other party in breach to pay an amount equivalent to (i)Building with leasehold: 20% of the acquisition price, (ii)Land: 30% of the acquisition price as the penalties. And either party can claim the amount for damages which exceeds the above penalty charges, if the damaged amount exceeds the above penalty charges.

In consideration of the current state of the cash on hands on today and the cash flow etc. of United Urban, we don’t have to worry about United Urban’s ability to acquire the Asset to be Acquired (Anticipated Acquisition price is ¥460 million) by its cash on hand. We think no material adverse effect on United Urban’s financial standing and the payment of cash distributions etc. are to be caused in connection with the acquisition of the Asset to be Acquired set forth in (1).

5. Outlook of Operating Condition

United Urban does not make any changes to the forecasts of financial results for the twenty-sixth fiscal period (period ending November 30, 2016) and the twenty-seventh fiscal period (period ending May 31, 2017) as the effect of the acquisition of the Asset to be Acquired is not significant.

6. Summary of Appraisal Report

Appraisal Value	¥469,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	November 1, 2016

Item	Details (thousands of yen, unless otherwise indicated)	Grounds
Normal price	469,000	Assessed based on the assumption that we build a middle height building, its structure and scale is “RC B1/6F”, on the Asset to be Acquired and lease it.
(1) Total profit	29,659	Rent level of the assumed building is referred to the new leasing cases of comparable properties in the comparable area and the same economic zone.
(2) Total expenses	6,505	—
(3) Net operating income (NOI: (1)-(2))	23,154	—
(4) Operating profit of lump-sum money	297	—
(5) Capital expenditures	388	—
(6) Net cash flow (NCF: (3)+(4)-(5))	23,063	—
(7) Cap rate	3.5%	The figure is calculated on the cap rates of other comparable properties and the return ratio of ordinary investments in the recent financial market, taking into account the forecast of the cap rates in real estate investment market, and the characteristics of the Asset to be Acquired and assumed buildings as the target of investment, etc. And also, it is assessed based on the ordinary forecasts of the economic growth ratio and on the market rent level in the comparable area and the same economic zone, etc.
(8) Price (building and land)	659,000	—
(9) Present value of (8)	619,130	—
(10) Present value of building etc. investment	140,082	—
(11) Income approach price ((9) - (10))	479,000	—
(12) Adjust percentage to the market price	98%	—
(13) Normal price	469,000	—

Other specific matters the appraisal agency has paid attention in appraising the property	None

【Attached Materials】
1. Portfolio Summary
2. Photo, Map and Layout drawing

Reference Material 1

Summary of Portfolio

As of January 13, 2017 (Anticipated)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(Anticipated) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
Retail Properties	37	207,672	34.8%
Office Buildings	38	192,094	32.2%
Hotels	15	106,648	17.9%
Residential Properties	25	46,278	7.8%
Others	10	43,858	7.4%
Total	123	596,549	100.0%

[Distribution by Geographical Investment Location]

Location (Note 3)	Number of Properties	(Anticipated) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
6 Central Wards of Tokyo	25	118,777	19.9%
23 Wards of Tokyo	13	60,211	10.1%
Tokyo Metropolitan Area	34	199,972	33.5%
Other Regions	51	217,590	36.5%
Total	123	596,549	100.0%

(Notes)

1. Each of "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)," a retail property/office building complex and "Shin-Osaka Central Tower," 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. In addition, "the adjacent site to the b roppongi" has not been counted as one property acquisition. For details, please refer to "Note 5" below.
2. Figures have been rounded to the nearest unit. There is the possibility the aggregated figures shown are not the same as the actual figures. The percentage is shown by rounding down to the nearest digit and there is the possibility that the aggregated figures are not the same as the actual total figures. In addition, "the adjacent site to the b roppongi" has not added to "(Anticipated) Acquisition Price". For details, please refer to "Note 5" below.
3. The definition of geographical investment location is as set forth below.

Tokyo Metropolitan Area (Note a)			Other Regions (Note b)
Six 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 except for six 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. Including Osaka Prefecture, Nagoya, Fukuoka and other cities.

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

Type of Use	Type	Location	Property Name	Anticipated Acquisition Date	Anticipated Acquisition Price	
					Amount (millions of yen)	Ratio
Retail	Store	Other Regions	K's Denki Nagoya-kita	Dec. 1, 2016	1,750	0.3%
Residence	Apartment	Other Regions	Schent Hills		1,300	0.2%

5. United Urban will acquire "the adjacent site to the b roppongi" for constructing an extensional building of "the b roppongi". Then "the adjacent site to the b roppongi" is recognized as a property associated with "the b roppongi". So, acquisition of "the adjacent site to the b roppongi" is not reflected on "Summary of Portfolio" above.
6. In addition to the properties in the above chart, United Urban has an asset as follows;

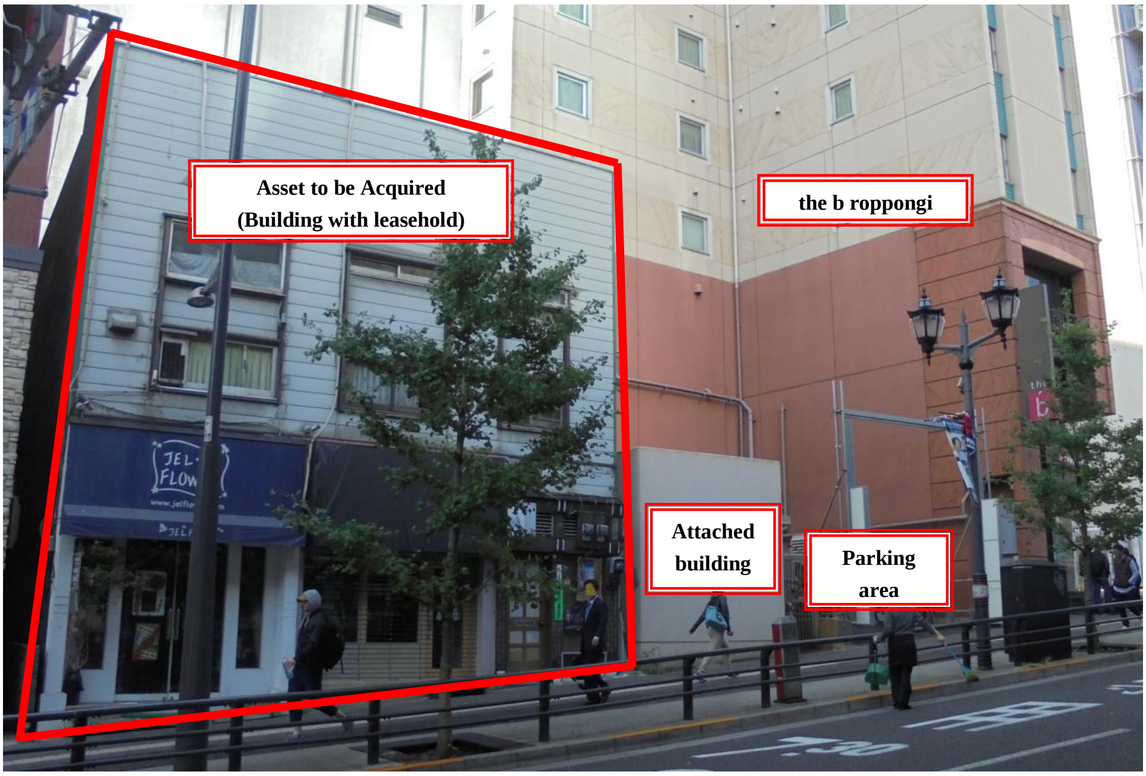
Type of the Asset and Asset Name etc.	Outline of the Asset	Acquisition Date	Acquisition Price (Millions of yen)	
Preferred equity securities of Tenjin 123 Project TMK	1,130 units	Apr. 21, 2016	74	Total: 93
	367 units	Oct. 3, 2016	18	

7. The latest information about United Urban's portfolio is disclosed on United Urban's website.
http://www.united-reit.co.jp/eng_cms/portfolio/port_list.html

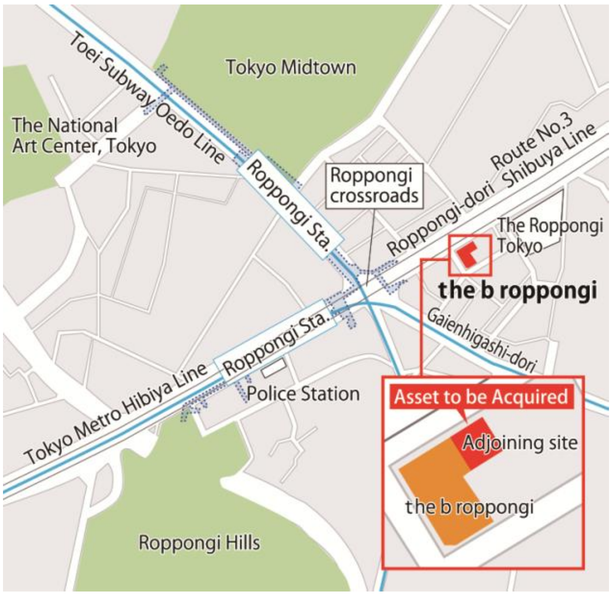
Reference Material 2

Photo and Map

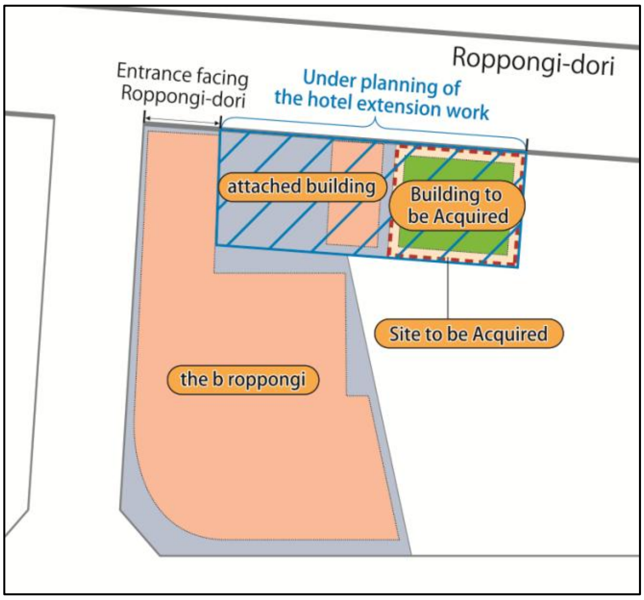
[Photo]



[Map]



[Layout drawing]



(Note) Layout drawing is shown conceptually, there may be cases that the actual state differs from the above.