

**Rating Action: Moody's places UUR's Baa1 rating on review for possible downgrade**

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**Global Credit Research - 22 Apr 2010**

Tokyo, April 22, 2010 -- Moody's Investors Service has today placed on review for possible downgrade its Baa1 issuer rating of United Urban Investment Corporation ("UUR").

This review follows the announcement on April 22, 2010 by UUR and Nippon Commercial Investment Corporation ("NCI") concerning their basic agreement to enter into a merger.

This rating action reflects Moody's concerns that the merger with NCI, which has an inferior financial base, may stress UUR's conservative financial policy, although the merger will benefit UUR in expanding its total asset size.

According to the announcement, UUR will start discussions with NCI to i) reach a conclusion over the merger agreement on May 10, 2010; and ii) attain approval of the merger at its unit-holders' meeting on June 29, 2010. As of today, it remains unclear whether the merger will be realized.

In its review, Moody's will focus on the progress of the merger, the improvement in the two entities' balance sheets, and how to mitigate the negative effect on their financial bases.

Moody's previous rating action on UUR took place on April 21, 2009, when the rating agency downgraded its issuer rating to Baa1 with a stable outlook from A3. (The rating had been placed under review for possible downgrade on January 15, 2009.)

The principal methodology used in rating real estate investment trusts is Moody's "Rating Methodology for REITs and Other Commercial Property Firms," published in January 2006, which can be found at [www.moodys.com](http://www.moodys.com) in the Research & Ratings directory, in the Rating Methodologies subdirectory.

Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Rating Methodologies subdirectory.

United Urban Investment Corporation ("UUR") is a J-REIT focusing on investment in and management of retail, office, hotel, residential and other properties. Its operating revenue for the fiscal half-year that ended in November 2009 was approximately JPY8.4 billion.

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