

For Translation Purposes Only

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For Immediate Release

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Notice Concerning Acquisition of Trust Beneficiary Interest of Domestic Real Estate Property (Toranomom Hills Business Tower)

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 today to acquire a property as set forth below.

1. Overview of the Acquisition

United Urban will acquire the trust beneficial interest in the following real estate property (hereinafter called the “Asset to be Acquired”).

Property Number	Type of Use (Note 1)	Property Name	Location	Scheduled Acquisition Price (Note 2)	Estimated NOI Yield (Note 3)	Estimated NOI Yield after Depreciation (Note 4)	Scheduled Acquisition Date
B51	Office Buildings (Office)	Toranomon Hills Business Tower (Note 5)	Minato-ku, Tokyo	¥8,435 million	3.3%	2.9%	February 1, 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 Acquisition Price” is shown as sales price based on the purchase and sale agreement, and excludes acquisition costs, property taxes, city planning taxes and consumption taxes and other costs. The same shall apply hereafter.
3. “Estimated NOI Yield” is calculated by (the “Annualized Estimated NOI” / the scheduled acquisition price) and expressed as a percentage rounded to first decimal place. “NOI (Net Operating Income)” means the figure which is equal to an amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues. “Annualized Estimated NOI” means the estimated NOI for one year from the acquisition by United Urban, which is calculated based on the terms and conditions of leasing after the acquisition by United Urban.
4. “Estimated NOI Yield after Depreciation” is calculated by ((i) (“Annualized Estimated NOI” - “Estimated Depreciation and Amortization”) / (ii) the scheduled acquisition price) and is described as a percentage rounded to first decimal place. “Estimated Depreciation and Amortization” means the estimated depreciation and amortization for one year after the acquisition by United Urban, which is calculated under the straight-line method by applying the depreciation ratio to be derived for each depreciable asset of the Asset to be Acquired in accordance with the useful life thereof, based on the accounting policy of United Urban.
5. The Asset to be Acquired is the trust beneficial interest of the compartmentalized ownership of the eighth floor of Toranomom Hills Business Tower (hereinafter called the “Property”) (The ratio of co-ownership of the site is 3.05%). The Asset to be Acquired is registered as the ninth floor on registry, but it is shown as the eighth floor in the Property since there exists a mezzanine.

2. Details of 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 further enhancing its portfolio. In making the decision to acquire the Asset to be Acquired, the following aspects were highly evaluated.

(1) Reasons for Acquisition

1. Location

The Property sits in a highly convenient location where five stations and nine subway lines are available and has a direct access to Toranomon Hills Station on Tokyo Metro Hibiya Line and Toranomon Station on Tokyo Metro Ginza Line.

The Toranomon area, a location of the Property, is positioned as an important area to form an “International Business Exchange Base” as a part of the National Strategic Special Zone, and development projects for global business have been in progress with the aim of attracting financial and foreign companies. The area is adjacent to the Akasaka area (high profile office district), the Shinbashi area as well as the Kasumigaseki area (government office district), standing out as a convenient location in terms of business.

In addition, on the first floor of the Property, there is a bus terminal for BRT (Bus Rapid Transit) and airport limousine buses. At the site next to the Property, the Ring Road No.2, which connects between the downtown Tokyo and the Rinkai area, where development projects have been underway, has opened, and the Property has become a key location within the downtown Tokyo for mid- and long-distance transportations.

2. Building, etc.

The Property is a super high-rise office building completed in 2020 with 3 basement floors and 36 floors above ground (Note). It is 185 m tall and has become one of the landmarks in the downtown Tokyo. Also, it has a pillar-free space with a floor of approximately 900 tsubo (about 2,975 m²) and a ceiling height of 3.0 m. These specifications provide tenants with a highly flexible and comfortable office space and demonstrate a competitive edge among large buildings in Tokyo.

Also, the Property has a vibration control structure that used three types of vibration control devices and is equipped with an emergency generator using city gas, a disaster prevention well, a storage warehouse, and others, highly appealing to tenants from the BCP perspective as well.

Furthermore, the Property is excellent in environmental performance. It has been certified as “5 Stars”, the highest rank, in “BELS (Building-Housing Energy-Efficiency Labeling System)” and certified as “Gold”, the second to “Platinum”, the highest rank, in “LEED”.

3. Tenants, etc.

Lease type of the Property is a master lease/property management agreement (hereafter called “ML/PM Agreement”) for the purpose of leasing/subleasing spaces. The master lessee (a domestic company) has concluded the ML/PM Agreements with other compartmentalized owners, and it holistically manages exclusive areas of the Property including the Asset to be Acquired (hereafter called “ML sections”) and subleases/will sublease the spaces to the end tenants for office (ten tenants in total as of the acquisition date). The occupancy rate for the subject ML sections as a whole is 99.9%.

Considering the advantage in location and building features of the Property described in 1 and 2 above, we continue to expect stable operations going forward.

(Note) While the Property is registered as a 37-story building on registry, there exists a mezzanine and it is described as a 36-story building in the Property.

(2) Summary of Acquisition

1. Asset to be Acquired : Trust beneficial interest in real estate
2. Property Name : Toranomom Hills Business Tower
3. Scheduled Acquisition Price : ¥8,435 million
4. Agreement Date : February 1, 2024
(Conclusion of the transfer agreement of trust beneficial interest)
5. Scheduled Acquisition Date : February 1, 2024
6. Seller : GK Toranomom 8
7. Financing : Borrowings and cash on hand (scheduled) (Note)
8. Scheduled Date of Payment : February 1, 2024
9. Intermediary : None

(Note) For financing, please refer to “3. Method of Settlement and Acquisition Schedule”.

(3) Overview of the Property

Property Name	Toranomom Hills Business Tower		
Type of the Asset	Trust beneficial interest in real estate		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Period of Trust Agreement	From August 31, 2023 to August 31, 2033		
Location	Lot number (Note 1)	1-200-1, Toranomom, Minato-ku, Tokyo	
	Residential	1-17-1, Toranomom, Minato-ku, Tokyo	
Access	5 stations and 9 subway lines are available in total; direct access from Toranomom Hills Station on Tokyo Metro Hibiya Line and Toranomom Station on Tokyo Metro Ginza Line		
Type (Note 1)	Office		
Site Area	Land	Total site area (Note 1)	10,064.60 m ²
		Convenient description of the site area of the Asset to be Acquired (Note 2)	307.13 m ²
	Building	Total floor area (Note 1)	167,003.70 m ²
		Total exclusive area of the Asset to be Acquired (Note 1)	2,977.93 m ²
Structure and Scale (Note 1)	S・SRC B3/37F		
Type of Ownership (Note 1)	Land	Right of site (co-ownership)	
	Building	Compartmentalized ownership	
Completion Date (Note 1)	January 2020		
Initial Building Owner	Urban Redevelopment Association for Toranomom 1-Chome District		
Constructor	Obayashi Corporation		
Scheduled Acquisition Price	¥8,435 million		
Appraisal Value	¥10,100 million		
Date of Value Estimate	January 1, 2024		
Appraisal Agency (Appraisal Method)	Appraisal by Japan Real Estate Institute		
Probable Maximum Loss (PML)	1%		
Collateral	None		
Special Notations	None		
Details of Tenant (Note 3)			
Total Number of Tenants (Note 4)	1		
Security Deposit	Undisclosed (Note 6)		
Total Rental Revenues (Annual) (Note 5)	Undisclosed (Note 6)		

Total Leasable Floor Space (Note 5)	2,998.48 m ²
Total Leased Floor Space (Note 5)	2,998.48 m ²
Occupancy Ratio	99.9%
Reference (Note 7)	
Estimated Annualized NOI	¥275 million
Estimated NOI Yield	3.3%

(Notes)

- Each piece of information in the “Location (Lot number)”, “Type”, “Site Area”, “Structure and Scale”, “Type of Ownership” and “Completion Date” shows the value based on the real estate register.
- It is calculated by multiplying the total site area by the scheduled co-ownership ratio (3.05%).
- It contains scheduled information as of February 1, 2024.
- A master lease agreement in which rent is collected according to the ownership ratio has been concluded between the trustee and the master lessee (for details on the ownership ratio, please refer to the following Note 5). Although the master lease agreement is roughly classified as a pass-through method, the rent collection of United Urban and the number of end tenants are not directly linked. Therefore, the master lessee is calculated as one tenant for “Total Number of Tenants” of the Asset to be Acquired.
- Respective compartmentalized owners from eight to thirty sixth floors of the Property have signed the ML/PM Agreement with the master lessee (a domestic company). Rental income and rental expenses pertained to the respective ML sections are collected and incurred according to the ownership ratio of ML sections, and the ownership ratio of the acquisition target parcel this time is 3.41%.
- Undisclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.
- For the definition of “NOI (Net Operating Income)” and “Estimated Annualized NOI”, please refer to Note 3 of “1. Overview of the Acquisition”. The occupancy ratio for the total leasable floor space is estimated to be 99.4%.

(4) Seller’s Profile

Company Name	GK Toranomom 8
Address	5F 2-2-6 Kanda, Chiyoda-ku, Tokyo (in an office of Asuna Accounting)
Representative	Representative Employee: General Incorporated Association T8 Capital Executive Officer: Mitsuhiro Nakagaki
Principal Business	1. Acquisition/Possession/Disposition of real estate 2. Leasing/Management of real estate 3. Acquisition/Possession/Disposition of trust beneficiary interest in real estate 4. Acquisition/Possession/Disposition of securities 5. Undertaking/Payment/Disposition/Transfer of stocks and others of companies, of which business purposes fall under the business above. 6. Any other businesses accompanied to or associated with the business above.
Capital	¥100,000 (As of December 18, 2023)
Date of Foundation	July 14, 2023
Net Asset	Undisclosed (Note 1)
Total Asset	Undisclosed (Note 1)
Shareholder(s)	General Incorporated Association T8 Capital
Relationship with United Urban or MRA	
Capital Ties	There are no significant capital ties.
Personal Relationship	There are no significant personal relationships.
Business Relationship	There are no significant business relationships.
Standing to Related Party	GK Toranomom 8 entrusts with discretionary asset management services to Marubeni Asset Management Co., Ltd., which is categorized as the Related Party of MRA and falls under the category of the Sponsor/Shareholder stipulated in the MRA’s self-regulation (prevention measures for conflict of interest). Therefore, MRA is abiding by the predetermined limitations and procedures of MRA (Note 2).

(Notes)

- Undisclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the seller.
- 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.

(5) Aspects of the Owners of the Property and Others

Property Name	Toranomom Hills Business Tower		
Standing of the Property Owners	Current Owner or Beneficiary of the Trust	Previous Owner or Beneficiary of the Trust	Preceding Owner or Beneficiary of the Trust
Company Name/Name	GK Toranomom 8	Marubeni Real Estate Management Co., Ltd.	A party who does not have particular interest with United Urban or MRA
Relationship with Special Related Parties	Sponsor/Stakeholder	Interested Party and Sponsor/Stakeholder	-
Process of Acquisition and Reasons	Investment Management	Investment Management	-
Acquisition Price	¥8,315million	Omitted as the current owner has owned for more than one year	-
Acquisition Date	August 2023	February 2020	-

(6) Transactions with Interested Party and Sponsor/Shareholder

Relevant Transaction	Business Partner	Procedure of United Urban and MRA
Sale/Purchase of the Asset to be Acquired	GK Toranomom 8	GK Toranomom 8 falls under the category of the Sponsor/Stakeholder, therefore MRA is abiding by the predetermined limitations and procedures of MRA. Upon the acquisition of the Asset to be Acquired, United Urban will pay GK Toranomom 8 ¥8,435 million (excluding acquisition costs, property tax, city planning tax and consumption tax) as an acquisition price.

3. Method of Settlement and Acquisition Schedule

(1) Methods of Settlement

The payment to the seller will be settled in a lump sum upon the delivery of the Asset to be Acquired with borrowings (Note) and cash on hand, which is inclusive of funds to be obtained from the disposition of Fuchu Building (Land) dated January 31, 2024.

(Note) For details, please refer to “Notice Concerning Debt Financing” dated today.

(2) Acquisition Schedule

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

Decision of the acquisition	January 30, 2024
Conclusion of the transfer agreement of trust beneficial interest	February 1, 2024
Transfer of the trust beneficial interest and payment	(scheduled)

4. Outlook of Operating Condition

The impact of the acquisition on the latest business forecast is minor. United Urban does not make any changes to the business forecasts for the forty-first fiscal period ending May 31, 2024 and the forty-second fiscal period ending November 30, 2024, which was released on January 19, 2024.

5. Summaries of Appraisal Report

Appraisal Value	¥10,100,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	January 1, 2024

(thousands of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	10,100,000	—
Price by Direct Capitalization Method	10,200,000	—
(1) Total income (Total effective profit: 1+2+3+4-5-6)	Undisclosed (Note)	—
1. Potential total profit (rental revenues, common area maintenance fees)	Undisclosed (Note)	—
2. Utility revenues	Undisclosed (Note)	—
3. Parking revenues	Undisclosed (Note)	—
4. Other revenues	Undisclosed (Note)	—
5. Losses from vacancies	Undisclosed (Note)	—
6. Bad debt losses	Undisclosed (Note)	—
(2) Total expenses (7+8+9+10+11+12+13+14)	Undisclosed (Note)	—
7. Administrative and maintenance fees	Undisclosed (Note)	—
8. Utility costs	Undisclosed (Note)	—
9. Repairs	Undisclosed (Note)	—
10. Property and other tax	Undisclosed (Note)	—
11. Property management fees	Undisclosed (Note)	—
12. Advertising expenses for tenants, etc.	Undisclosed (Note)	—
13. Casualty insurance expenses	Undisclosed (Note)	—
14. Other expenses	Undisclosed (Note)	—
(3) Net operating income (NOI: (1)-(2))	253,948	—
(4) Operating profit of lump-sum money	Undisclosed (Note)	—
(5) Capital expenditures (including routine repairs)	Undisclosed (Note)	—
(6) Net cash flow (NCF: (3)+(4)-(5))	255,781	—
(7) Cap rate	2.5%	Assessed based on an adjusted standard real estate investment yield of each district by applying spreads attributable to the competitiveness of location and building features and other conditions for the Asset to be Acquired and by considering any future uncertainties, yields of similar real estate transactions, etc.
Price by discounted cash flow method	10,000,000	—
Discount rate	2.2%	—
Terminal cap rate	2.6%	—
Cost approach price	9,590,000	Land ratio: 80.0%, Building ratio: 20.0%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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(Note) MRA has deemed that disclosing this information would have an adverse effect on United Urban's competitive position and may harm the interests of the unitholders. Therefore, this information will not be disclosed.

【Attached Materials】

1. Portfolio Summary
2. Photo and Map

Reference Material 1

Portfolio Summary

As of February 1, 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	200,154	28.7%
Office Buildings	39	212,962	30.5%
Hotels	23	163,252	23.4%
Residential Properties	25	52,328	7.5%
Others	19	68,707	9.9%
Total	141	697,403	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	149,141	21.4%
23 Wards of Tokyo	14	47,503	6.8%
Tokyo Metropolitan Area	40	237,349	34.0%
Other Regions	57	263,409	37.8%
Total	141	697,403	100.0%

(Notes)

- Each of “maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site),” 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.
- 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.
- 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 Six Central Wards of Tokyo	Tokyo Metropolitan Area excluding 23 Wards of Tokyo	

(Notes)

- Tokyo Metropolitan Area refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi, and Yamanashi prefectures.
 - 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).
- 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	Office	6 Central Wards of Tokyo	Toranomon Hills Business Tower	February 1, 2024	8,435	1.2%

- Given the disposition of Fuchu Building (Land) to be disposed on January 31, 2024 (scheduled disposition price: ¥2,000 million; acquisition price ¥2,863 million) is to be executed as scheduled, is excluded from the calculation in the table above. For details, please refer to the press release “Notice Concerning Sale of Property and Start of Lease (Fuchu Building)” dated January 31, 2022.
- 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>

Reference Material 2

[Photo]



[Map]

