

For Translation Purposes Only

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For Immediate Release

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### Notice Concerning Acquisition of Property (Hotel Hewitt Koshien and one other property)

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, decided today to acquire properties as set forth below.

#### 1. Overview of the Acquisition

United Urban will acquire the trust beneficial interest in the following real estate properties (hereinafter individually or collectively 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
C18	Hotel (hotel)	Hotel Hewitt Koshien	Nishinomiya, Hyogo	¥13,520 million	5.0%	4.0%	Jun. 25, 2019
C20	Hotel (hotel)	the square hotel KANAZAWA	Kanazawa, Ishikawa	¥4,802 million	5.7%	4.7%	Dec. 3, 2019
				(details) (Note 5) ①Land a/ Building: ¥4,552 million ②Land b: ¥250 million			
Total/Average (Note 6)				¥18,332 million	5.1%	4.2%	-

(Notes)

- “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.
- “Scheduled Acquisition Price” excludes acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.
- “Estimated NOI Yield” is calculated by (the “Annualized Estimated NOI” / the acquisition price) and expressed as a percentage rounded to first decimal place. “NOI (Net Operating Income)” means the figure equal to an amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues. “Annualized Estimated NOI” means the estimated NOI for 1 year from the acquisition by United Urban, which is calculated based on the terms and conditions of leasing after the acquisition by United Urban.
- “Estimated NOI Yield After Depreciation” is calculated by (i) an amount deducting “Estimated Depreciation and Amortization” from “Annualized Estimated NOI” / (ii) the acquisition price) and is described as a percentage rounded to first decimal place. “Estimated Depreciation and Amortization” means the estimated depreciation and amortization for 1 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.
- There are two sellers, each of which describes the contents of “①Land a/ Building” and “②Land b”, same shall after.
- “Estimated NOI Yield” and “Estimated Post-Depreciation Yield” shown in the “Total/Average” column indicate the values arrived at when the “Estimated NOI Yield” and “Estimated Post-Depreciation Yield” of each Anticipated Acquisition are weighted averaged by the scheduled 4 acquisition price of each Anticipated Acquisition and are expressed as a percentage and rounded to first decimal place.

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## 2. Details of Acquisition

### A. Hotel Hewitt Koshien

#### (1) Reasons 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 further enhancing its portfolio. In making the decision to acquire the Asset to be Acquired, the following aspects (from 1. to 3.) were highly attractive.

##### 1. Location

The Asset to be Acquired is located 2 minutes' walk from Koshien Station on the Hanshin Main Line. Koshien Station sits in the middle between Osaka and Kobe, and can be accessed in approximately 13 minutes to Umeda Station and in approximately 18 minutes to Kobe Sannomiya Station. Also, Koshien Station is directly linked to Osaka Namba Station, the terminal station in the south area of Osaka. As Nishinomiya Interchange is closed to the Asset to be Acquired, it can be accessed through Hanshin Expressway No.5 Wangan Route, etc. As mentioned above, the Asset to be Acquired assures an excellent accessibility to major areas in the Kansai region as well as to the Kansai International Airport, a global gateway of the west Japan.

In addition, the Asset to be Acquired is close to large-scale facilities such as Hanshin Koshien Stadium and KidZania Koshien, and there are many historical buildings such as shrines, temples and sake breweries in its neighborhood. Moreover, the Asset to be Acquired offers a convenient access to a variety of attractions including Universal Studios Japan (USJ), and the accommodation demand from both domestic and international tourists is expected.

##### 2. Building, etc.

The building of the Asset to be Acquired (hereinafter, referred to as the "Property" in this section A.) is comprised of two buildings, the main building completed in 1992 (renewed in March 2017) and the new building completed in July 2018. The total of 412 guest rooms in the Property mainly comprises of twin over 25m<sup>2</sup>. Parking lot especially for sightseeing buses stands out in the area and enables it to capture the needs of domestic and inbound groups for leisure and others.

In addition, the amenities of the Property include large breakfast meeting venue, restaurants, a chapel and a fitness gym. Ten large and small banquet facilities, including a large banquet room that can accommodate up to 500 people, can meet various needs for banquet and meeting depending on purposes of companies and groups as well as the number of participants. The Property is featured as one of the largest full-serviced hotels in Osaka and Kobe areas and is widely appreciated as a regional MICE facility (Note).

(Note) MICE facility is a generic term for Meeting, Incentive tour, Conference and Exhibition.

##### 3. Tenants, etc.

The Property is operated as Hotel Hewitt Koshien by L'hotel de Koshien Co., Ltd. (hereinafter, referred to as the "Hotel Operator" in this A.), a group company of Core Global Management, Inc. Core Global Management, Inc. is an operator with a competent for unique inbound sales bringing a volume of tourists in Asia, where a rise in the number of international tourists has been significant in recent years. In addition, Hotel Hewitt Koshien is a partner hotel (Associate Hotel) of Universal Studios Japan and is expected to attract customers traveling with packaged tours including a visit to Universal Studios Japan.

The fixed-term lease agreement (lease term: 12 years, remaining term: about 10 years) has been concluded with the Hotel Operator and stable earnings are expected over the mid to long term.

#### (2) Summary of Acquisition

- |                                |  |
|--------------------------------|--|
| 1. Asset to be Acquired        | : Trust beneficial interest in real estate |
| 2. Property Name               | : Hotel Hewitt Koshien                     |
| 3. Scheduled Acquisition Price | : ¥13,520 million                          |

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4. Scheduled Agreement Date : June 4, 2019  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
5. Scheduled Acquisition Date : June 25, 2019 (transfer of the trust beneficial interest)
6. Seller : MG Leasing Corporation
7. Financing : Proceeds from the issuance of new investment units by way of public offering and cash on hand (scheduled) (Note)
8. Scheduled Date of Payment : June 25, 2019

(Note) As of today, financing measure is scheduled proceeds from the issuance of new investment units by way of public offering (the "Offering") and cash on hand. For details of the Offering, please refer to "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" dated today.

### (3) Outline of the Property

Property Name	Hotel Hewitt Koshien	
Type of the Asset	Trust beneficial interest in real estate	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Period of Trust Agreement	From October 3, 2016 to October 31, 2029	
Location	Lot number (Note 1)	8-1 ・ 22-1 ・ 23-1 ・ 28-1 ・ 29-1 Koshientakashiocho, Nishinomiya, Hyogo
	Residential	3-30 Koshientakashiocho, Nishinomiya, Hyogo
Access	2-minute walk from Koshien Station (Hanshin Main Line)	
Type (Note 1)	Hotel (412 rooms) ・ Garage (attached building: (1) Hotel (2) Pump room) (Note 2)	
Site Area (Note 1)	Land	14,997.27 m <sup>2</sup>
	Building	29,537.39 m <sup>2</sup> (attached building: (1) 6,543.65m <sup>2</sup> (2) 23.02m <sup>2</sup> ) (Note 2)
Structure and Scale (Note 1)	Main building: SRC ・ S B1/14F (attached building: (1) S 8F (2) RC) (Note 2)	
Type of Ownership	Land	Proprietary Ownership
	Building	Proprietary Ownership
Completion Date (Note 1)	Main building: August 1992 (attached building: (1) July 2018 (2) August 1992) (Note 2)	
Initial Building Owner	Main building: Shukugawa Tochi Co., Ltd. New building: Joint company Koshien Kaihatsu	
Constructor	Main building: OBAYASHI CORPORATION ・ ARAIGUMI CO., LTD. Joint venture New building: ASANUMA CORPORATION Osaka head office	
Scheduled Acquisition Price	¥13,520 million	
Appraisal Value	¥14,000 million	
Date of Value Estimate	May 1, 2019	
Appraisal Agency (Appraisal Method)	Appraisal by The Tanizawa Sōgō Appraisal Co., Ltd.	
Probable Maximum Loss (PML)	9% (Main building: 9% New building: 8%)	
Collateral	None	
Special Notations	(Administrative laws and regulations) <ul style="list-style-type: none"> <li>As the Property is located in special use districts (Koshien Stadium area) based on Nishinomiya city Koshien Stadium area building ordinance, restrictions and relaxations have been set for building construction and usage changes.</li> <li>As the Property is located in landscape planning area based on Nishinomiya city landscape ordinance, the landscape formation standard is established for the construction of buildings of a certain scale or more.</li> <li>As the Property is located in area to maintain in priority (Koshien Station area) based on Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., smoothing standards such as movement are established according to use and scale of the building.</li> </ul>	

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	• As the Property is located in the conical surface area of Osaka International Airport (Itami Airport), there are certain restrictions on the height of the building.	
Details of Tenant (Note 3)		
Total Number of Tenants	2	
Security Deposit	None	
Total Rental Revenues (yearly) (Note 4)	Undisclosed	
	Fixed rent (Hotel)	Undisclosed
	Variable rent (Hotel)	GOP (Note 5) × Tariff (Undisclosed) – Fixed rent
	Fixed rent (Retail)	Undisclosed
Total Leasable Floor Space	36,104.06 m <sup>2</sup>	
Total Leased Floor Space	36,104.06 m <sup>2</sup>	
Occupancy Ratio	100.0%	
Reference		
Estimated Annualized NOI (Note 6)	¥669 million	
Estimated NOI Yield (Note 6)	5.0%	

(Notes)

- Each piece of information in the “Location (Lot number),” “Type,” “Site Area,” “Structure and Scale” and “Completion Date” is described as it appears on the real estate register.
- The attached building includes the new building and the pump room, the new building is described as (1) and the pump room as (2).
- “Details of Tenant” is based on the schedule as of acquisition the Asset to be Acquired.
- “Total Rental Revenues (yearly)” indicates fixed monthly rent of hotel and retail multiplied by 12, and expected variable rent and expected rental income for 1 year from the time of acquisition of United Urban added, which is then rounding down to the nearest million yen. Breakdown is not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant
- “GOP” stands for Gross Operating Profit, indicating the amount deducting expenses relating to the hotel operations (personnel, utilities, advertising and other miscellaneous costs) and management service fee payable to the operator (if any) from the amount of sales of the hotel.
- For the definition of “NOI (Net Operating Income)” and “Estimated Annualized NOI”, please refer to Note 3 of “1. Overview of the Acquisition” above. The estimated occupancy ratio for the total leasable floor space is 100.0%.

#### (4) The Seller’s Profile

Company Name	MG Leasing Corporation	
Address	Josuikai Building, 2-1-1 Hitotsubashi, Chiyoda-ku, Tokyo	
Representative	Mitsuru Akiyoshi, President&CEO	
Principal Business	General Leasing and Related Business	
Capital (Fund)	¥4,390 million (As of March 31, 2019)	
Date of Foundation	December 1993	
Net Assets	¥13,269 million (As of March 31, 2018)	
Total Assets	¥167,526 million (As of March 31, 2018)	
Major Shareholder(s)	(As of March 31, 2019)	
	Shareholder	Shareholding Ratio
	Marubeni Corporation	50%
	IBJ Leasing Company, Limited	50%
Relationship with United Urban or JRA		
Capital Ties	There are no significant capital ties.	
Personal Relationship	There are no significant personal relationships.	
Business Relationship	There are no business relationships.	
Standing to Related Party	MG Leasing Corporation falls under both of 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) and the category of the sponsor/stakeholder (“Sponsor/Stakeholder”) under the self-imposed rules (rules for conflicts of interest) of JRA. Therefore, in acquiring the Property, JRA is abiding by the predetermined limitations and procedures of JRA.	

(Note)

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

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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 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 view point 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	Hotel Hewitt Koshien		
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	MG Leasing Corporation	A party who does not have particular interest with United Urban or JRA	A party who does not have particular interest with United Urban or JRA
Relationship with special related parties	Interested Party and Sponsor/Stakeholder	-	-
Process of acquisition and reasons	Investment and operation	-	-
Acquisition price	¥13,550 million	-	-
Date of acquisition	March 2019	-	-

#### (6) Outline of Intermediary

Not applicable.

#### (7) Transactions with Interested Party and Sponsor/Shareholder

Seller	MG Leasing Corporation	MG Leasing Corporation 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. Concerning the acquisition of the Property, United Urban will pay MG Leasing Corporation ¥13,520 million (excluding acquisition costs, property tax, city planning tax and consumption tax) as an acquisition price.
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### B. the square hotel KANAZAWA

#### (1) Reasons 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 further growth of its portfolio. Upon the decision making to acquire the Asset to be Acquired, the following aspects (from 1. to 3.) were highly considered.

##### 1. Location

The Asset to be Acquired is located on the Hyakumangoku Dori, a main street for business and tourism in Kanazawa and closed to its major sightseeing spots including Kenroku-en Garden and Omi-cho market.

With JR Hokuriku Shinkansen opening in March 2015, the access between Kanazawa and Tokyo has improved significantly, resulting in the substantial increase in the number of tourists in Kanazawa. Not only domestic tourists, but also the number of international tourists are on the rise, and a steady demand for accommodation continues to be expected going forward.

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## 2. Building

The building of the Asset to be Acquired (hereinafter, referred to as the “Property” in this section B.) was completed in September 2018 and started the operation as “the square hotel KANAZAWA” in November 2018. The Property offers 186 guest rooms (129 twin bedrooms and 57 double bedrooms), where the average room size is approximately 23m<sup>2</sup> and all the guest rooms are designed to accommodate double occupancy (lodging by two people sharing the same room). Also, the rooms incorporate “Kaga Gosai”, a base color design of Kanazawa traditional craft called Kaga Yuzen. The Property is equipped with a large open-air bath on the top floor with a sauna and a training room for guests and a single story car park, etc., and has been appreciated as competitive in terms of incidental facilities. In addition, there is a café on the ground floor, where not only hotel guests but also local residents can use, making it a facility open to the community.

## 3. Tenants, etc.

Solare Hotels and Resorts Co., Ltd. (hereinafter, referred to as the “Hotel Operator” in this B.) operates a hotel of the Property under the name of “the square hotel KANAZAWA”. The Hotel Operator has extensive track records and know-how in the hotel operation business, and has been in charge of operation of “Loisir Hotel & Spa Tower Naha” and “Royal Pines Hotel Urawa”, both of which are owned by United Urban.

The fixed-term lease agreement (lease term: 25 years, remaining term: about 24 years) has been concluded with the Hotel Operator and stable earnings are expected over the mid to long term.

### (2) Summary of Acquisition

- |                                |   |  |
|--------------------------------|---|--|
| 1. Asset to be Acquired        | : | Trust beneficial interest in real estate   |
| 2. Property Name               | : | the square hotel KANAZAWA  |
| 3. Scheduled Acquisition Price | : | ¥4,802 million (details: ①Land a/ Building ¥4,552 million ② Land b ¥250 million)   |
| 4. Scheduled Agreement Date    | : | June 4, 2019<br>(conclusion of the sale and purchase agreement of the quasi co-ownership of the trust beneficial interest) |
| 5. Scheduled Acquisition Date  | : | December 3, 2019 (transfer of the quasi co-ownership of the trust beneficial interest)                                     |
| 6. Seller                      | : | ①MG Leasing Corporation ②Domestic company (undisclosed)  |
| 7. Financing                   | : | Borrowing (scheduled) (Note)   |
| 8. Scheduled Date of Payment   | : | December 3, 2019   |

(Note) As of today, financing measure is scheduled for borrowing. It will be announced once it is determined.

### (3) Outline of the Property

Property Name	the square hotel KANAZAWA	
Type of the Asset	Trust beneficial interest in real estate (scheduled) (Note 1)	
Trustee	Sumitomo Mitsui Trust Bank, Limited (Note 1)	
Period of Trust Agreement	To be determined (Note 1)	
Location	Lot number (Note 2)	①Land a: 7-1-2・7-2・8・9・9-1・10・11-1 Shimotsutsumicho, Kanazawa, Ishikawa ②Land b: 7-1-1-2・7-4・11-2・12-2・13-2 Shimotsutsumicho and 42-3 Shimomatsubaracho, Kanazawa, Ishikawa
	Residential	10 Shimotsutsumicho, Kanazawa, Ishikawa
Access	<ul style="list-style-type: none"> <li>• 16-minute walk from Kanazawa Station (JR Hokuriku Shinkansen and Hokuriku Line)</li> <li>• 1-minute walk from Musashigatsuji ・ Omi-cho Market Bus stop</li> </ul>	
Type (Note 2)	Hotel (186 rooms)	
Site Area (Note 2)	Land	1,632.92 m <sup>2</sup>
	Building	6,253.86 m <sup>2</sup>
Structure and Scale (Note 2)	S 13F	

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Type of Ownership	Land	Proprietary Ownership
	Building	Proprietary Ownership
Completion Date (Note 2)	September 2018	
Initial Building Owner	MG Leasing Corporation	
Constructor	Magara Construction Co., Ltd.	
Scheduled Acquisition Price	¥4,802 million (details: ①¥4,552 million ②¥250 million)	
Appraisal Value	¥5,930 million	
Date of Value Estimate	May 1, 2019	
Appraisal Agency (Appraisal Method)	Appraisal by The Tanizawa Sōgō Appraisal Co., Ltd.	
Probable Maximum Loss (PML)	4%	
Collateral	None	
Special Notations	None	
Details of Tenant (Note 3)		
Total Number of Tenants	1	
Security Deposit	Undisclosed	
Total Rental Revenues (yearly) (Note 4)	Undisclosed	
	Fixed rent	Undisclosed
	Variable rent	Last year hotel room sales base amount (Undisclosed) × Tariff (Undisclosed)
Total Leasable Floor Space	6,333.36 m <sup>2</sup>	
Total Leased Floor Space	6,333.36 m <sup>2</sup>	
Occupancy Ratio	100.0%	
Reference		
Estimated Annualized NOI (Note 5)	¥271 million	
Estimated NOI Yield (Note 5)	5.7%	

(Notes)

- As of today, the Property has not been entrusted. However, the Seller will entrust the Property to Sumitomo Mitsui Trust Bank, Limited as the trustee by the scheduled acquisition date and United Urban will acquire the Property in the form of trust beneficial interest in real estate.
- Each piece of information in the “Location (Lot number),” “Type,” “Site Area,” “Structure and Scale” and “Completion Date” is described as it appears on the real estate register.
- “Details of Tenant” is based on the schedule as of acquisition the Asset to be Acquired.
- Not disclosed, 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 4 of “1. Overview of the Acquisition” above. The estimated occupancy ratio for the total leasable floor space is 100.0%.

(4) The Seller’s Profile

1. The Seller ① (Land a/ Building)

The seller of the Asset to be Acquired is same as above “Hotel Hewitt Koshien”. For details, please refer to section “A. Hotel Hewitt Koshien, (4) The Seller’s Profile”.

2. The Seller ② (Land b)

The seller is a domestic company. 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 Interested Party nor the category of the 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) Aspects of the Owners of the Property and Others

1. Land a/ Building

Property name	the square hotel KANAZAWA		
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	MG Leasing Corporation	A party who does not have particular interest with United Urban or JRA	A party who does not have particular interest with United Urban or JRA

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Relationship with special related parties	Interested Party and Sponsor/Stakeholder	-	-
Process of acquisition and reasons	Investment and operation	-	-
Acquisition price	Omitted because the current owner owns for more than one year (Note)	-	-
Date of acquisition	June 2016	-	-

(Note) The Building is a development property and the ownership period of more than one year only refers to Land a.

## 2. Land b

The Asset to be Acquired will not be acquired from special related parties of United Urban or JRA.

### (6) Outline of Intermediary

#### 1. Land a/ Building

##### I. Outline of 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. However, the broker falls under the asset custodian, the transfer agent and the special account administrator of United Urban, and the trustee of many property of United Urban. In addition, United Urban has borrowed from the broker.

##### II. Amount and Details of Brokerage

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).

## 2. Land b

Not applicable.

### (7) Transactions with Interested Party and Sponsor/Shareholder

Seller	MG Leasing Corporation	MG Leasing Corporation 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. Concerning the acquisition of the Property, United Urban will pay MG Leasing Corporation ¥4,552 million (excluding acquisition costs, property tax, city planning tax and consumption tax) as an acquisition price.
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## 3. Method of Settlement and Acquisition Schedule

### (1) Methods of Settlement

As of today, the payment to the Seller will be a lump-sum payment upon the delivery of the Property. Acquisition of "Hotel Hewitt Koshien" is scheduled to be financed by the proceeds from the issuance of new investment units by way of public offering described on "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" dated today and cash on hand. Regarding "the square hotel KANAZAWA", its acquisition is scheduled to be financed by the borrowing as of today. We will announce later, once methods of both settlements are determined.

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## (2) Acquisition Schedule

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

	Hotel Hewitt Koshien	the square hotel KANAZAWA
Decision of acquisition	June 4, 2019	
Conclusion of sale and purchase agreement (of the quasi co-ownership) of trust beneficial interest	June 4, 2019	
Transfer (of the quasi co-ownership) of trust beneficial interest	June 25, 2019 (scheduled)	December 3, 2019 (scheduled)
Payment		

## 4. Matters on Forward Commitments

### (1) Asset to be acquired with Forward Commitments (Note)

Acquisition of “the square hotel KANAZAWA” might fall 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 executed

In order to secure the Asset to be Acquired, United Urban will execute purchase and sale agreement of the quasi co-ownership of the trust beneficial interest in real estate (the “PSA”) with the seller as of June 4, 2019.

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

However, this PSA is to be effective given the United Urban’s completion of fund procurement for acquisition of the Property. Therefore, if United Urban cannot procure the fund on the scheduled acquisition date, it is stipulated that United Urban can cancel the PSA without paying any penalty charges to the seller.

In view of the current situation of the financial market and financial standings of United Urban, United Urban considers that material adverse effect on United Urban’s financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisition of the Asset to be Acquired.

## 5. Outlook of Operating Condition

The acquisition of the Asset to be Acquired has no effect on the thirty-first fiscal period (period ended May 31, 2019). For the forecasts of financial results for the thirty-second fiscal period (period ending November 30, 2019) and the thirty-third fiscal period (period ending May 31, 2020) provided in consideration of this effect, please refer to “Notice Concerning Revision to Forecasts of Financial Results for the Thirty-First Fiscal Period Ended May 31, 2019 and for the Thirty-Second Fiscal Period Ending November 30, 2019, and Announcement of Forecasts of Financial Results for the Thirty-Third Fiscal Period Ending May 31, 2020” dated today.

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## 6. Summaries of Appraisal Report

### A. Hotel Hewitt Koshien

Appraisal Value	¥14,000,000 thousand
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.
Date of Value Estimate	May 1, 2019

(thousands of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	14,000,000	—
Price by Direct Capitalization Method	14,100,000	—
(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))	672,509	—
(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))	619,904	—
(7) Cap rate	4.4%	Assessed through comparison of transaction of properties in the neighborhood or in the similar area, etc. within the same demand-supply zone, and by taking into account the volatility of net cash flow in the future and the relation with the discount rate.
Price by discounted cash flow method	13,900,000	—
Discount rate	4.5%	—
Terminal cap rate	4.6%	—
Cost approach price	13,200,000	Land ratio: 74.1%, Building ratio: 25.9%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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(Note) JRA 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.

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**B. the square hotel KANAZAWA**

Appraisal Value	¥5,930,000 thousand
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.
Date of Value Estimate	May 1, 2019

(thousands of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	5,930,000	—
Price by Direct Capitalization Method	6,010,000	—
(1) Total income (Effective total profit: 1+2+3+4-5-6)	Undisclosed (Note)	—
1. Potential total profit (rental revenues, common area 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))	291,765	—
(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))	288,665	—
(7) Cap rate	4.8%	Assessed through comparison of transaction yields of properties in the neighborhood or in the similar area, etc. within the same demand-supply zone.
Price by discounted cash flow method	5,890,000	—
Discount rate	4.8%	—
Terminal cap rate	5.0%	—
Cost approach price	6,060,000	Land ratio: 55.6%, Building ratio: 44.4%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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(Note) JRA 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

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**Reference Material 1**
**Portfolio Summary**

As of December 3, 2019 (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	35	192,654	29.7%
Office Buildings	36	201,764	31.1%
Hotels	21	158,926	24.5%
Residential Properties	21	45,086	7.0%
Others	13	50,208	7.7%
<b>Total</b>	<b>123</b>	<b>648,638</b>	<b>100.0%</b>

[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	27	135,421	20.9%
23 Wards of Tokyo	12	44,081	6.8%
Tokyo Metropolitan Area	33	211,253	32.6%
Other Regions	51	257,883	39.7%
<b>Total</b>	<b>123</b>	<b>648,638</b>	<b>100.0%</b>

(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)
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)

- 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
Hotel	Hotel	Other Regions (Osaka Area)	Hotel Hewitt Koshien	June 25, 2019	13,520	2.1%
Hotel	Hotel	Other Regions (Other)	Smile Hotel Premium Sapporo Susukino	June 28, 2019	4,233	0.7%
Hotel	Hotel	Other Regions (Other)	the square hotel KANAZAWA	December 3, 2019	4,802	0.7%

- 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](http://www.united-reit.co.jp/eng_cms/portfolio/port_list.html)

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**Reference Material 2**

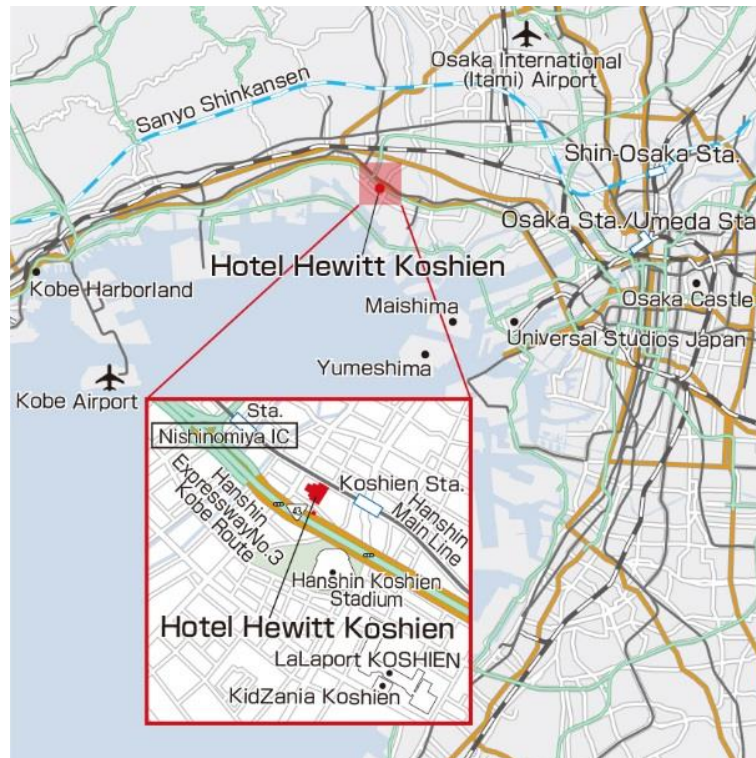
**Photo and Map**

A. Hotel Hewitt Koshien

[Photo]



[Map]



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B. the square hotel KANAZAWA

[Photo]



[Map]



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