

For Translation Purposes Only

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For Immediate Release

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Notice Concerning Completion of Acquisition of Property (Smile Hotel Premium Sapporo Susukino)

United Urban Investment Corporation (United Urban) hereby announces the completion of acquisition of property as set forth below.

1. Acquisition of the Property

United Urban has acquired the trust beneficial interest in the following property.

Property Number	Type of Use (Note)	Property Name	Location	Acquisition Price	Acquisition Date
C19	Hotel (hotel)	Smile Hotel Premium Sapporo Susukino	Sapporo, Hokkaido	¥4,233 million	June 28, 2019

(Note)

Type of Use is shown as per United Urban's determination. As for words shown in parentheses, of the types indicated on the real estate register, the primary type is shown.

*For the details of the above property, please refer to the press release, "Notice Concerning Acquisition of Property (Henn na Hotel Tokyo Hamamatsucho and Smile Hotel Premium Sapporo Susukino)" dated January 15, 2019.

Financing etc. of the above property is as set forth below.

Property Name	Financing	Date of Payment	Method of Settlement
Smile Hotel Premium Sapporo Susukino	Retail green bonds (Note 1)	June 28, 2019	Lump-sum payment upon the delivery of the property.

(Note)

For the details of retail green bonds, please refer to the press release, "Notice Concerning Issuance of Retail Green Bonds" dated May 8, 2019.

2. Transactions with Interested Party and Sponsor/Shareholder

United Urban entered into an agreement with Marubeni Real Estate Management Co., Ltd. as a property management company of "Smile Hotel Premium Sapporo Susukino" today.

Marubeni Real Estate Management Co., Ltd. falls under the category of both "related parties, etc." 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 Japan REIT Advisors Co., Ltd. (JRA), and therefore, JRA is abiding by the predetermined limitations and procedures of JRA (Note).

(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 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.