

For Translation Purposes Only

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For Immediate Release

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Notice Concerning Tenant Change at the Property (the b roppongi)

United Urban Investment Corporation (United Urban) hereby announces that the agreement on the cancellation of the fixed-term lease agreement (hereinafter referred to as the “Agreement”) has been reached with the lessee (hereinafter referred to as the “Lessee”) of the b roppongi (hereinafter referred to as the “Property”) as set forth below.

1. Reasons for Cancellation

The Property is a limited service type hotel located in the Roppongi area, which is one of the most popular downtown areas in Tokyo. Since acquired in 2014, the Property has been receiving business and tourism demand from domestic and overseas travelers thanks to its location. And it has been enjoying a stable operation for the last few years especially backed by an increase of foreign visitors to Japan.

On the other hand, since the beginning of 2020, the COVID-19 continues its spread across the world. World Health Organization (WHO) issued an emergency declaration on January 30, 2020, followed by a pandemic declaration on March 11, 2020, which greatly restricts foreigners from entering Japan. In Japan, the government issued an emergency declaration on April 7, 2020. Even after the declaration was lifted on May 25, 2020, the stay-home request continued until the end of July 2020. As the COVID-19 epidemic has not been controlled still, and it is most likely to take some time to see the accommodation demand recover, which disappeared due to the restriction of movement and the request for self-restrain.

Suffering from these changes in the state of emergency, the performance of hotel had started to decline since February this year. United Urban received the cancellation from the Lessee, and both parties have reached agreement.

2. Overview of the Tenant Change (Cancellation of the fixed-term lease agreement)

(1) Name of the Tenant:	K.K. Ishin Minato Roppongi Operations
(2) Leased Area:	3,579.64m ² (Note 1)
(3) Cancelled Area:	3,579.64m ² (Note 1) (Cancelled Area as a Percentage of the Property's Total Leasable Area: 96.4%) (Cancelled Area as a Percentage of United Urban's Total Leasable Area: 0.24% (Note 2))
(4) Rental Revenues (monthly) (Note 3):	Undisclosed Fixed rent: Undisclosed Variable rent: GOP (Note 4) × Fixed rate (Undisclosed) – Fixed rent
(5) Security Deposit	¥7,950 thousand (Note 5)
(6) Date of Termination by Consent:	September 10, 2020
(7) Date of Cancellation:	September 30, 2020 (scheduled) (Note 6)

(Notes)

1. Inclusive of area and amount attributable to the sublessee of the Lessee (hereinafter referred to as the "Sublessee").
2. The total leasable area of the properties owned by United Urban is 1,504,491.87m² as of July 31, 2020.
3. Not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.
4. "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.
5. Security Deposit is applicable to the Sublessee.
6. The hotel is scheduled to be closed on September 18, 2020.

3. Outlook of Operating Condition

The negative impact of COVID-19 related to the Property has been already incorporated in the latest business forecast for the thirty-fourth fiscal period ending November 30, 2020 and the thirty-fifth fiscal period ending May 31, 2021, both of which were announced on July 17, 2020. Also, as the impact of cancellation on the latest business forecast is minor, United Urban does not make any changes to the forecast. For details on the assumptions for the forecast, please refer to "SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED MAY 31, 2020 (December 1, 2019 - May 31, 2020)" dated July 17, 2020.

United Urban is currently in negotiations with new tenants. United Urban will make an announcement as soon as it is confirmed.