

For Translation Purposes Only

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For Immediate Release

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Notice Concerning New Lease Agreement (the b roppongi)

As announced in the press release “Notice Concerning Tenant Change at the Property (the b roppongi)” dated September 10, 2020, Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban Investment Corporation (“United Urban”) entrusts asset management services, has been seeking a new tenant after the departure of the current tenant at the b roppongi (the “Property”). United Urban hereby announces that today JRA has entered into a new fixed term lease agreement (the “New Agreement”) with a new tenant at the Property as set forth below.

1. Overview of the New Agreement

Under the New Agreement, the total rental revenues come from a fixed amount of income secured under the fixed rent scheme and a variable amount of income under the variable rent scheme. Upside of rental revenues are to be collected based on the performance of the hotel.

- (1) Name of the Tenant : GREENS CO., LTD.
(2) Leased Area : 3,453.85m²
(Leased Area as a Percentage of the Property’s Total Leasable Area: 93.0%)
(Leased Area as a Percentage of United Urban’s Total Leasable Area: 0.22% (Note 1))
(3) Rental Revenues : Fixed rent + Variable rent
(Annual) Fixed rent : ¥131 million
Variable rent : Excess of annual GOP (Note 2) standard amount (Undisclosed (Note 3))
× Fixed rate (Undisclosed (Note 3))
(4) Security Deposit : Undisclosed (Note 3)
(5) Agreement Date : September 30, 2020 (scheduled)
(6) Contract Term : From October 1, 2020 to September 30, 2030 (Note 4)

(Notes)

1. The total leasable area of the properties owned by United Urban is 1,543,079.62m² as of August 31, 2020.
2. “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.
3. Not disclosed, due to unavoidable circumstances where consent for the disclosure has not been obtained from the new tenant.
4. The hotel is scheduled to open in January 2021.

2. Overview of the New Tenant

The new tenant, GREENS Co., LTD. (“GREENS”), is a hotel operator listed on the First Section of the Tokyo Stock Exchange and the First Section of the Nagoya Stock Exchange. GREENS has been engaged in the CHOICE HOTELS Business under the global brand of more than 7,000 hotel chains by Choice Hotels International, Inc. in 40 countries and the GREENS HOTELS Business with a track record of more than 60 years of hotel operations. GREENS operates 94 hotels nationwide as of the end of June 2020 under Comfort HOTEL, Comfort INN and Comfort SUITES, as well as their original brands such as Hotel Econo.

While the Japanese economy has been greatly affected by the COVID-19, GREENS has strived to continue their stable business operations. Also, as GREENS has set up a committed credit line with financial institutions, it is judged that there is little concern about credit.

Company Name	GREENS Co., LTD.
Headquarters Address	Humanitec Plaza 5F 1-4-28 Unomori, Yokkaichi, Mie
Representative	Yuya Muraki, President & CEO
Main Business	Hotel and restaurant management and other incidental operations
Capital (Fund)	¥1,948 million (as of June 30, 2020)
Date of Foundation	January 1964
Net Assets	¥5,913 million (as of June 30, 2020)
Total Assets	¥17,319 million (as of June 30, 2020)
Relationship with United Urban or JRA	
Capital Ties	There are no capital ties.
Personal Relationship	There are no personal relationships.
Business Relationship	There are no business relationships.

3. Impact on the Property

The impact of the new tenant is as follows:

- The fixed rent under the New Agreement is lower than the fixed rent of the current tenant, but if the business plan for a stable period envisioned by the new tenant at the time of the conclusion of the New Agreement is achieved, United Urban will be able to collect the same amount of rents (including variable rents) as what the current tenant has paid.
- Prior to the opening of the hotel by the new tenant, United Urban plans to carry out renovation works for the opening from October 2020 to December 2020, so the rent collection from the new tenant is scheduled to start from January 2021.
- Terms and conditions of the New Agreement will be reflected in the appraisal for the end of the thirty-fourth fiscal period (period ending November 30, 2020).
- The name of the Property is scheduled to change and will be announced as soon as it is confirmed.

4. Outlook of Operating Condition

The latest business forecast for the thirty-fourth fiscal period (period ending November 30, 2020) and the thirty-fifth fiscal period (period ending May 31, 2021) dated July 17, 2020 is assumed that the current tenant continues to operate the Property. The impact of the cancellation of the agreement with the current tenant and the conclusion of the New Agreement with the new tenant on the operation of the Property will be minor, thus United Urban does not make any changes to the forecast.