

For Translation Purposes Only

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For Immediate Release

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Notice Concerning Acquisition of Property (Kawagoe Logistics Center)

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, has decided today to acquire a property as set forth below.

1. Acquisition of the Property

United Urban will acquire the trust beneficial interest in the following real estate (the “Anticipated Acquisition”).

Property Number	Type of Use (Note 1)	Property Name	Location	Anticipated Acquisition Price (Note 2)	Estimated NOI Yield (Note 3)	Estimated NOI Yield After Depreciation (Note 4)	Anticipated Acquisition Date
E9	Others (cargo collecting place)	Kawagoe Logistics Center	Kawagoe, Saitama	¥7,550 million	4.8%	3.8%	June 17, 2016

(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. “Anticipated Acquisition Price” excludes acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.
3. “Estimated NOI Yield” is calculated by dividing the “Annualized Estimated NOI” by the anticipated acquisition price is expressed as a percentage and 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.
4. “Estimated NOI Yield After Depreciation” is calculated by dividing (i) an amount deducting “Estimated Depreciation and Amortization” from “Annualized Estimated NOI” by (ii) the anticipated acquisition price is expressed as a percentage and 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 Anticipated Acquisition in accordance with the useful life thereof, based on the accounting policy of United Urban.

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2. Details of Acquisition

(1) Reason 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 Anticipated Acquisition for the purpose of further enhancing its portfolio of logistics facilities, which fall into the category of “Others”. In making the decision to acquire the Anticipated Acquisition, the following aspects were highly attractive.

1. Location

The property with regard to the Anticipated Acquisition (the “Property”) is located in an area that is approximately 10km from “Tokorozawa interchange (IC)” of Kan-etsu Expressway and approximately 7km from “Kawagoe IC” of Kan-etsu Expressway. This is a highly convenient area, where it takes approximately 1 hour to drive to central Tokyo by using “Tokorozawa IC”.

In addition, since the Property is located near “Tsurugashima Junction”, it has excellent access to Ken-O Expressway, and is near to National Route 16 which is major loop expressway, or to National Route 254 which is radiating road of Tokyo Metropolitan Area etc. As such, it can connect to major commercial areas of Tokyo and Saitama in a little over than 1 hour and has excellent access as a wide distribution base.

2. Building

The building on the Property is a high spec logistics center, which has truck berths (Note) on the 1st and 2nd floor, with a ceiling height of 5.5m, a floor load of 1.5t/m² and a column span of 9 x 11.5m. Therefore, United Urban expects the Property can absorb demand from a variety of freight and transportation businesses, and believes the Property has high versatility as well as high spec facilities and equipment.

(Note) Truck berth is a space to pull over trucks for loading or unloading between the logistics facilities and the truck.

3. Tenants, etc.

The Property was developed and is currently used by SBS Logicom Co., Ltd. (hereinafter “SBS Logicom” or the “Seller”) being a wholly-owned subsidiary of SBS Holdings, Inc. which is an integrated logistics service company and in which shares are listed on the First Section of the Tokyo Stock Exchange. United Urban intends to enter a sale and lease back transaction, under which it will conclude a master lease agreement with the trustee, and lease the Property from the trustee simultaneously with acquisition of the Anticipated Acquisition. Then, it will enter into a long- and fixed-term building lease agreement which makes United Urban a sublessor and SBS Logicom a sublessee. SBS Logicom will continue to use the Property as logistics center.

Since the Property is high spec and large-scale facility and a long- and fixed-term building lease agreement will be entered into with SBS Logicom in the sale and lease transaction, United Urban believes that stable and continuous operations can be expected.

(2) Summary of Acquisition

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|----------------------------------|---|
| 1. Anticipated Acquisition | : Trust beneficial interest in real estate (Note) |
| 2. Property Name | : Kawagoe Logistics Center |
| 3. Anticipated Acquisition Price | : ¥7,550 million |
| 4. Agreement Date | : May 25, 2016 (conclusion of the sale and purchase agreement of the trust beneficial interest) |
| 5. Anticipated Acquisition Date | : June 17, 2016 (transfer of the trust beneficial interest) |
| 6. Seller | : SBS Logicom Co., Ltd. |
| 7. Financing | : Proceeds from the issuance of new investment units by way of public offering (Anticipated) |
| 8. Date of Payment | : June 17, 2016 (Anticipated) |

(Note) 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 anticipated acquisition date and United Urban will acquire the Property in the form of trust beneficial interest in real estate.

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(3) Outline of the Property

Property Name	Kawagoe Logistics Center	
Type of the Asset	Trust beneficial interest in real estate (Note 1)	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Period of Trust Agreement	From June 17, 2016 to August 31, 2027	
Location (Note 2)	Lot number	1822-1 Aza-Obakeue, Oaza-Shimoakasaka, Kawagoe, Saitama
	Residential	1822-1 Aza-Obakeue, Oaza-Shimoakasaka, Kawagoe, Saitama (Note 3)
Access	Approximately 7km from Kawagoe IC (Kan-etsu Expressway) Approximately 10km from Tokorozawa IC (Kan-etsu Expressway)	
Type (Note 2)	Cargo collecting place (Note 4)	
Site Area (Note 2)	Land	32,665.82 m ²
	Building	47,284.22 m ²
Structure and Scale (Note 2)	RC・S 4F	
Type of Ownership	Land	Proprietary Ownership
	Building	Proprietary Ownership
Completion Date (Note 2)	August 2007	
Initial Building Owner	TL Logicom Co., Ltd. (current: SBS Logicom Co., Ltd.)	
Constructor	Fujita Corporation Tokyo branch	
Anticipated Acquisition Price	¥7,550 million	
Appraisal Value	¥8,850 million	
Date of Value Estimate	April 1, 2016	
Appraisal Agency (Appraisal Method)	Appraisal by The Tanizawa Sōgō Appraisal Co., Ltd.	
Probable Maximum Loss (PML)	9%	
Collateral	None	
Special Notations	None	
Details of Tenant (Note 5)		
Total Number of Tenants	1	
Security Deposit	Undisclosed (Note 6)	
Total Rental Revenues (yearly)	Undisclosed (Note 6)	
Total Leasable Floor Space	40,060.76 m ²	
Total Leased Floor Space	40,060.76 m ²	
Occupancy Ratio (Note 7)	100%	
Reference		
Estimated Annualized NOI (Note 8)	¥362 million	
Estimated NOI Yield (Note 8)	4.8%	

(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 anticipated 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.
- “Location (Residential)” shows the location indicated on the real estate register for the building as the residential address has not been assigned.
- The Property is a dedicated “Special loading motor truck transportation of LTL business” (Delivery Center), and was constructed in urbanization control area on 2007 with the certification of conforming to the provisions of the City Planning Law by the Mayor of Kawagoe City. “Special loading motor truck transportation of LTL business” means the business in which collected freight is sorted at a worksite, loaded and transported to other worksites, and sorted at the said worksite to be prepared for delivery, while the said loading and transportation are periodically conducted between those worksites.
- “Details of Tenant” is based on the new fixed-term lease agreement which will be concluded between United Urban and the tenant by the time of acquisition of the Anticipated Acquisition.
- Not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.
- “Occupancy Ratio” means the percentage obtained by dividing “Total Leased Floor Space” by “Total Leasable Floor Space”.
- For the definition of “NOI (Net Operating Income)” and “Estimated Annualized NOI”, please refer to Note 3 of “1. Acquisition of the Property” above. The estimated occupancy ratio is 100%.

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(4) The Seller's Profile

Company Name	SBS Logicom Co., Ltd.
Head Office Address	4-1-3 Taihei, Sumida-ku, Tokyo
Representative	Masahiko Kamata, Representative Director
Principal Business	1. Transportation business 2. Warehousing business 3. Rental, management of real estate
Capital	¥2,846 million
Date of Foundation	January 26, 1940
Net Assets	¥30,445,542 thousand
Total Assets	¥55,665,588 thousand
Major Shareholder	SBS Holdings, Inc.
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 significant business relationships.
Standing to Related Party	SBS Logicom Co., Ltd. falls under neither 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) nor the category of the sponsor/stakeholder ("Sponsor/Stakeholder") under the self-imposed rules (rules for conflicts of interest) of JRA.

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

The Anticipated Acquisition will not be acquired from special related parties of United Urban or JRA.

(6) Outline of Intermediary

1. Outline of Broker

Company Name	Sumitomo Mitsui Trust Bank, Limited
Address	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Chairman: Kunitaro Kitamura President: Hitoshi Tsunekage
Principal Business	Trust services, Banking, Real estate broker and Transfer agent, Registered financial institutions business
Capital	¥342,000 million (As of March 31, 2015)
Date of Foundation	July 28, 1925
Relationship with United Urban or JRA	
Capital Ties	There are no significant capital ties.
Personal Relationship	There are no significant personal relationships.
Business Relationship	Sumitomo Mitsui Trust Bank, Limited is the asset custodian, the transfer agent and the special account administrator of United Urban, and the trustee of many properties owned by United Urban. In addition, United Urban has borrowings from Sumitomo Mitsui Trust Bank, Limited.
Standing to Related Party	Sumitomo Mitsui Trust Bank, Limited falls under neither the category of the Related Party nor the category of Sponsor/Stakeholder.

2. 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).

(7) Transactions with Interested Party and Sponsor/Shareholder

Not applicable.

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3. Method of Settlement and Acquisition Schedule

(1) Method of Settlement

The payment to the Seller will be a lump-sum payment upon the delivery of the Property, using proceeds from the issuance of new investment units by way of public offering described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today.

(2) Acquisition Schedule

The schedule for acquisition of the Anticipated Acquisition is as follows.

Date of decision of acquisition	May 25, 2016
Date of conclusion of sale and purchase agreement of trust beneficial interest	
Date of transfer of trust beneficial interest	June 17, 2016
Date of payment (anticipated)	

4. Outlook of Operating Condition

Since the anticipated acquisition date is June 17, 2016, the Anticipated Acquisition has no effect on the twenty-fifth fiscal period ending May 31, 2016 of United Urban. For the forecasts of financial results for the twenty-sixth fiscal period ending November 30, 2016 and twenty-seventh fiscal period ending May 31, 2017 provided in consideration of the effect of the Anticipated Acquisition, please refer to “Notice Concerning Revision to Forecasts of Financial Results for the Twenty-Fifth Fiscal Period Ending May 31, 2016 and for the Twenty-Sixth Fiscal Period Ending November 30, 2016 and Announcement of Forecasts of Financial Results for the Twenty-Seventh Fiscal Period Ending May 31, 2017” dated today.

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5. Summaries of Appraisal Report

Appraisal Value	¥8,850,000 thousand
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.
Date of Value Estimate	April 1, 2016

Item	Details (thousands of yen, unless otherwise indicated)	Grounds
Income approach price	8,850,000	—
Price by Direct Capitalization Method	9,310,000	—
(1) Total profit	Undisclosed(Note)	—
(2) Total expenses	Undisclosed(Note)	—
(3) Net operating income (NOI: (1)-(2))	449,376	—
(4) Operating profit of lump-sum money	Undisclosed(Note)	—
(5) Capital expenditures	Undisclosed(Note)	—
(6) Net cash flow (NCF: (3)+(4)-(5))	446,743	—
(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, 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	8,650,000	—
Discount rate (1-10 fiscal year)	4.6%	—
(11 fiscal year)	4.8%	—
Terminal cap rate	4.9%	—
Cost approach price	8,970,000	Land ratio: 66.3%, Building ratio: 33.7%

(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

Summary of Portfolio

As of June 17, 2016 (Anticipated)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(Anticipated) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
Retail Properties	35	196,637	33.7%
Office Buildings	38	192,094	32.9%
Hotels	15	106,648	18.3%
Residential Properties	24	44,978	7.7%
Others	9	42,658	7.3%
Total	119	583,014	100.0%

[Distribution by Geographical Investment Location]

Location (Note 3)	Number of Properties	(Anticipated) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
6 Central Wards of Tokyo	25	118,777	20.4%
23 Wards of Tokyo	13	60,211	10.3%
Tokyo Metropolitan Area	33	190,687	32.7%
Other Regions	48	213,340	36.6%
Total	119	583,014	100.0%

(Notes)

- Each of “maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site),” a retail property/office building complex and “Shin-Osaka Central Tower,” 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.
 - Including Osaka Prefecture, Nagoya, Fukuoka and other cities.
- Property to be acquired contained in the above charts is as follows;

Type of Use	Type	Location	Property Name	Anticipated Acquisition Date	Anticipated Acquisition Price	
					Amount (millions of yen)	Ratio
Others	Cargo collecting place	Tokyo Metropolitan Area	Kawagoe Logistics Center	June 17, 2016	7,550	1.3%

- In addition to the properties in the above chart, United Urban has an asset as follows;

Type of the Property and Property Name etc.	Acquisition Price (Millions of yen)	Acquisition Date
Issued preferred equity securities of Tenjin 123 Project TMK (1,130 units as 5.0% of 22,600 units)	74	April 21, 2016

For the details, please refer to “Notice Concerning Acquisition of Property (Preferred Equity Securities of Tenjin 123 Project TMK)” dated April 20, 2016.

- 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

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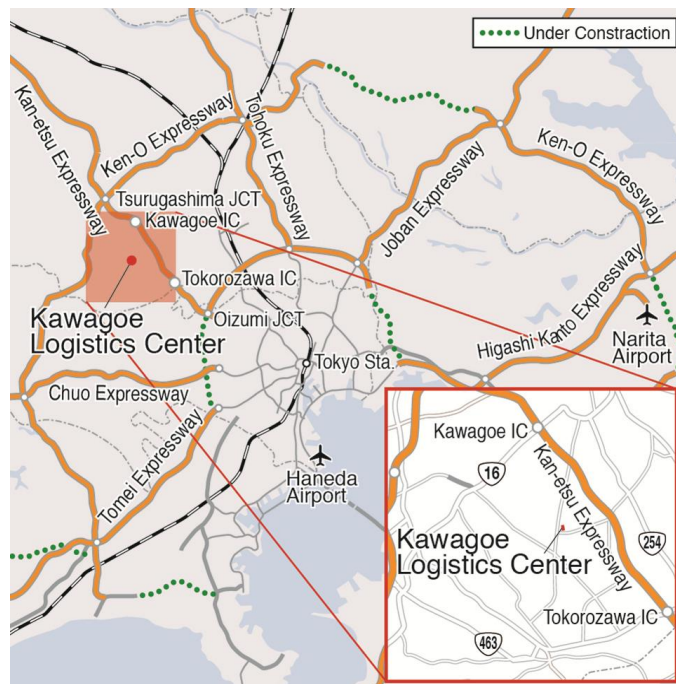
Reference Material 2

Photo and Map

[Photo]



[Map]



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