

For Translation Purposes Only

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For Immediate Release

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### Notice Concerning Acquisition of Property (Quartz Tower and 1 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, has decided today to acquire properties as set forth below.

#### 1. Acquisition of the Property

United Urban will acquire the following trust beneficial interests in real estate (referred to as individually or collectively, the “Asset to be Acquired” or “Assets to be Acquired”).

Property Number	Type of Use (Note 1)	Property Name	Location	Scheduled Acquisition Price (Note 2)	Estimated NOI Yield (Note 3)	Estimated Post-Depreciation Yield (Note 4)	Scheduled Acquisition Date (Note 5)
E7	Clinic	Quartz Tower (Note 5)	Shibuya-ku, Tokyo	¥5,700 million (of which, land ¥4,535 million, building ¥1,165 million)	3.8%	3.3%	Land: June 30, 2015
							Building: Nov. 13, 2015
A36	Store Office	Granbell Ginza Building	Chuo-ku, Tokyo	¥2,621 million	3.9%	3.5%	June 30, 2015
Total/Average (Note 6)				¥8,321 million	3.9%	3.3%	—

(Notes)

1. Of the types indicated on the real estate register, the primary types are shown. However, since the building of Quartz Tower has not been completed and registered, the type of use for Quartz Tower shows the primary one out of those to be registered after completion.
2. The prices are shown in the amount excluding acquisition costs, property taxes, city planning taxes and consumption taxes and other costs.
3. “Estimated NOI Yield” indicates the value arrived at when the result of dividing the “Estimated NOI (yearly)” by the scheduled 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 the rental expenses (excluding depreciation and amortization) from the rental revenues. “Estimated NOI (yearly)” means an estimated figure 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 Post-Depreciation Yield” indicates the value arrived at when the result of dividing (i) an amount deducting “Estimated Depreciation and Amortization” from “Estimated NOI (yearly)” by (ii) the scheduled acquisition price is expressed as a percentage and rounded to first decimal place. “Estimated Depreciation and Amortization” means the estimated figure of the 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.
5. Quartz Tower is a development-type property scheduled to be completed in October 2015. United Urban will conclude a purchase and sale agreement of the trust beneficial interest with certain condition precedents on June 30, 2015 to secure the profitability of the property at the time of acquisition. The scheduled acquisition date for Quartz Tower shows the schedule as of today. Depending on the progress of the building construction, the schedule may be changed. Please refer to “2. Details of Acquisition A. Quartz Tower (2) Purchase and sale agreement for a property under development, and acquisition scheme” for details.
6. “Estimated NOI Yield” and “Estimated Post-Depreciation Yield” shown in the “Average” column indicates the values arrived at when the “Estimated NOI Yield” and “Estimated Post-Depreciation Yield” of each Property to be Acquired are weighted averaged by the scheduled

acquisition price of each Property to be Acquired and are expressed as a percentage and rounded to first decimal place.

## 2. Details of Acquisition

### A. Quartz Tower

#### (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 Asset to be Acquired for the purpose of investing in clinic facility which falls into the category of “Others” in the type of use.

#### 1. Location

The property with regard to the Asset to be Acquired (the “Property” in this section A) is conveniently located in terms of transportation as it is within a 5 minute walk from Shibuya Station. Shibuya Station is one of the major train terminals in Tokyo where multiple lines including JR Lines, Tokyo Metro Lines, Tokyu Lines, and Keio Line are available. The Property is also highly visible as it is stands in front of the crossing of Aoyama-dori Street and Miyamasu-zaka.

The area surrounding the Property has a mix of various types of office buildings, along with retail stores including clinics and aesthetic salon, and residences. With a university situated nearby, the neighborhood is always busy with office workers, customers, and students, both on weekdays and on weekends.

Currently, a large-scale redevelopment projects are underway around Shibuya Station and a further development and an increased convenience are anticipated in the future.

#### 2. Building

The building of the Property is scheduled to be completed in October 2015. The planned building will have a characteristic appearance with glass curtain wall. As for the interior, some floor will have a maximum ceiling height of 4,400 mm, and maximum floor weight capacity of 600kg/m<sup>2</sup>, so the specification of the building will be superior to ordinary buildings in the neighborhood.

#### 3. Tenants, etc.

After its completion, the building will be leased in its entirety to General Staff, Inc. (“General” or the “Seller”), who is the project owner as well as the seller of the Property, under a 20-year fixed term lease contract.

General is a part of the Tokushinkai Group (the “TSK Group”), the largest dentistry group in Japan, and its primary business is the management of the TSK Group, including strategy planning, human resource development, system development, accounting and treasury, and property development. The Property will be used by the TSK Group as a “General Medical Building,” in which the TSK Group will provide state-of-the-art medical treatment. From the 3<sup>rd</sup> to the 8<sup>th</sup> floor of the Property will be used to provide a variety of services comprising dental treatment, medical treatment, healthcare and aesthetic services. The portion from the 9<sup>th</sup> to the 12<sup>th</sup> floor will have rental halls, rental conference rooms, a lounge, as well as a roof garden, and will be used for corporate training, events, and other promotion activities. The 1<sup>st</sup> and the 2<sup>nd</sup> floor will be subleased to a third party and will be used as a retail store.

The TSK Group aims to obtain an international medical facility certification (Joint Commission International) for the first time ever in Japan as a dentist, and with treatment of internationally high quality, the TSK Group tries to accommodate various needs - not only general outpatients but also foreign (inbound) patients and athletes. The Property is a new clinic facility for the TSK Group, which aspires to be the pioneer of dental care.

(Note) According to its website, the TSK Group is one of the largest dentist groups in Asia; it retains approximately 1,200 employees in Japan and overseas, and treats approximately 800 thousand patients per year.

#### (2) Purchase and sale agreement for a property under development, and acquisition scheme.

##### 1. Development risk and decision of acquisition price

Regarding the acquisition of the Asset to be Acquired, United Urban intends to secure an excellent property through concluding a purchase and sale agreement of while the property is under development. However, it may involve some risks such as the development risk (the risk that the construction may not complete), and the tenant risk (the risk that the owner may not secure tenants). Our thoughts on these risks are as set forth.

For the development risk, we intend to mitigate the risk as follows. Under the purchase and sale agreement of the Asset to be Acquired, United Urban makes it the obligation of the seller to obtain the

inspection certificate, and in the case that the inspection certificate is not properly obtained, United Urban may terminate the purchase and sale agreement on the ground of breach of the agreement.

As for the tenant risk, the Property will be leased to the seller of the Property, under a “sale and lease back” scheme and thus the risk is minimal. In detail, the seller and the trustee of the Property will conclude a lease agreement on June 30, 2015. Therefore, United Urban will secure its income in an early stage.

Moreover, given the fact the Property is a development type project, in deciding the scheduled acquisition price, JRA made the valuation of the Asset to be Acquired in the following manner; with regard to the revenue, JRA factored in the rent level agreed upon with the Seller (we consider that this rent level is appropriate through comparison with the market reports and the sale-and-leaseback scheme of this transaction), and with regard to the expenses, JRA factored in the estimates based on the price estimates, etc., and JRA set a cap rate which seems suitable to the Asset to be Acquired.

The scheduled acquisition price derived by the abovementioned process was close to the investigation price found by the appraisal company. Therefore, JRA considers that the scheduled acquisition price of the Property is appropriate.

For details of the investigation price provided by the appraisal company, please refer to “6. Overview of Appraisal Report” below.

## 2. Acquisition scheme and profitability

As a consequence of the negotiation with the seller, United Urban will acquire the property in two phases as set forth below.

Scheduled acquisition date		The rent United Urban is to receive	
Land	June 30, 2015	After acquisition of land, and before acquisition of building	Land rent under the fixed term land lease agreement to be executed on June 30, 2015
Building	November 13, 2015	After acquisition of building	Rent under the fixed term building lease agreement to be executed on June 30, 2015

Upon acquisition of the land, the building is not completed, and the clinic of the seller is not yet in practice. Therefore, before the acquisition of the building, United Urban will receive only the land rent, and the amount is set in a level that covers United Urban’s cost of ownership of the land.

After the completion of the building, the Seller will use the Property as “General Medical Building,” and the profitability of the Property after the acquisition of the building will be a standard one as a property in general.

United Urban intends to acquire the building on November 13, 2015, after a certain period of time from its completion, to process some administrative matters. In the case that United Urban cannot acquire the building on November 13, 2015, due to some issues attributable to the Seller or the building, United Urban will acquire the building upon its completion. However, in such case, the land rent for the period between November 13, 2015 and acquisition date of the building will be increased to an amount equivalent to the rent United Urban is to receive after the acquisition of the building. Therefore, the delay of the acquisition of the building will not have adverse effect on the income of United Urban.

The acquisition of the Asset to be Acquired falls into forward commitment. For details, please refer to “4. Matters on Forward Commitments” below.

## (3) Summary of Acquisition

1. Asset to be Acquired : Trust beneficial interest in real estate (Note 1)
2. Property Name : Quartz Tower
3. Scheduled Acquisition Price : ¥5,700 million (Land: ¥4,535 million, Building: ¥1,165 million) (Note 2)
4. Scheduled Agreement Date : June 30, 2015 (conclusion of the purchase and sale agreement of the trust beneficial interest)
5. Scheduled Acquisition Date : Land: June 30, 2015 (transfer of the trust beneficial interest) Building: November 13, 2015 (transfer of the trust beneficial interest) (Note 2)
6. Seller : General Staff, Inc.
7. Financing : Land: Cash on hand

Building: To be determined (Note 3)

#### 8. Date of Payment

: Land: June 30, 2015

Building: November 13, 2015 (scheduled) (Note 2)

(Notes)

- As of today, both the land and the building of the Property have not been entrusted. However, the current owner of the Property (the seller) will entrust each of the land and the building of the Property to Sumitomo Mitsui Banking Corporation acting as the trustee by their respective scheduled acquisition dates and United Urban will acquire each of the land and the building of the Property in the form of trust beneficial interest in real estate
- The Property is a development type property to be completed in October 2015. United Urban will conclude a purchase and sale agreement of the trust beneficial interest in real estate on June 30, 2015, and acquire the land at first on the same date. The scheduled acquisition date and the date of payment for the building is the schedule as of today. Depending on the progress of construction, the schedule may change.
- The financing method for the building has not been decided. We will announce later once it is determined.

#### (4) Outline of the Property

Property Name	Quartz Tower	
Type of the Property	Trust beneficial interest in real estate (Note 1)	
Trustee	Sumitomo Mitsui Trust Bank, Limited (Note 1)	
Period of Trust Agreement (Note 1)	Land	From June 30, 2015 to November 30, 2025 (scheduled)
	Building	From November 13, 2015 to November 30, 2025 (scheduled)
Location (Note 2)	Lot number	2-10-26~31 Shibuya, Shibuya-ku, Tokyo
	Residential	2-10-10 Shibuya, Shibuya-ku, Tokyo (scheduled)
Access	5-minute walk from Shibuya Station (Tokyo Metro Line, etc.)	
Use (Note 2)	Clinic, Office, Store, Parking Lot (scheduled)	
Site Area (Note 2)	Land	354.27 m <sup>2</sup>
	Building	2,940.22 m <sup>2</sup>
Structure and Scale (Note 2)	S/SRC B1/12F	
Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership	
Completion Date	October 2015 (scheduled)	
Initial Building Owner	General Staff, Inc.	
Constructor	Ikeda Construction Co., Ltd.	
Scheduled Acquisition Price	¥5,700 million	
Investigation Price	¥5,760 million	
Date of Value Estimate	June 1, 2015	
Appraisal Agency (Appraisal Method)	Price investigation by Tanizawa Sōgō Appraisal Co., Ltd. (Note 3)	
Probable Maximum Loss (PML)	7%	
Collateral	None	
Special Notations	None	
Details of Tenant (Note 4)		
Total Number of Tenants (Note 5)	1	
Security Deposit	Undisclosed (Note 6)	
Total Rental Revenues (yearly)	Undisclosed (Note 6)	
Total Leasable Floor Space (Note7)	2,940.22 m <sup>2</sup>	
Total Leased Floor Space (Note 7)	2,940.22 m <sup>2</sup>	
Occupancy Ratio (Note 8)	100.0%	
Reference		
Estimated NOI (yearly) (Note 9)	¥219 million	
Estimated NOI Yield (Note 9)	3.8%	

(Notes)

- As of today, both the land and the building of the Property have not been entrusted. However, the current owner of the Property (the seller) will entrust each of the land and the building of the Property to Sumitomo Mitsui Banking Corporation acting as the trustee by their respective scheduled acquisition dates and United Urban will acquire each of the land and the building of the Property in the form of trust beneficial interest in real estate
- Each piece of information in the “Location (Lot number)” and “Site Area (Land) is described as it appears on the real estate register. Moreover, since the building of the Property has not been completed and has not been registered, each piece of information in the “Structure and Scale” and “Site Area (Building)” is described as it appears in the confirmation certificate stipulated in the regulation of the Building Standards Act, and “Use” is described as it will be registered after the building’s completion.
- The building of the Property is a property under development. Therefore, the appraisal company made the price investigation by applying a method similar to the appraisal.
- “Details of Tenant” indicates an estimated figure assuming the acquisition of the building.
- The “Total Number of Tenants” figure is the number of tenants who will directly conclude building lease agreement with the trustee of the Property (excluding the number of tenants of lease agreement for only the parking lot).

- 6. "Security Deposit" and "Total Rental Revenues (yearly)" are not disclosed due to unavoidable circumstances where consent for the disclosure has not been obtained from the tenant.
- 7. "Total Leasable Floor Space" means the total figure of leasable floor space in the space acquired by United Urban, and "Total Leased Floor Space" is the total figure of space subject to lease, which will be stated in the lease agreement between the seller and the trustee of the Property.
- 8. "Occupancy Ratio" means the percentage obtained by dividing "Total Leased Floor Space" by "Total Leasable Floor Space".
- 9. For the definition of "NOI (Net Operating Income)" and "Estimated NOI (yearly)", please refer to Note 3 of " 1. Acquisition of the Property" above. The estimated occupancy ratio is 100.0%.

#### (5) Seller Profile

Company Name	General Staff, Inc.
Head Office Address	3-2-25 Miyukicho, Akiba-ku, Niigata, Niigata
Representative	Hiroshi Matsumura, Representative Director
Capital	¥99,100 thousand (As of February 28, 2015)
Date of Foundation	July 17, 1996
Net Assets	Undisclosed (Note)
Total Assets	Undisclosed (Note)
Major Shareholder	Undisclosed (Note)
Principal Business	Management of the TSK Group (accounting, property leasing, lease business and system management)
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	The seller 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.

(Note) Figures, etc. are not disclosed due to unavoidable circumstances where the consent for disclosure has not been obtained from the seller.

#### (6) Standing of the Property Owners and Others

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

#### (7) Outline of Brokerage

##### 1. Outline of Broker

Company Name	SMBC Trust Bank Ltd.
Address	Nishi-Shimbashi Square, 1-3-1 Nishi-shimbashi, Minato-ku, Tokyo
Representative	Hidetoshi Furukawa, President and CEO
Principal Business	Banking business
Capital	¥ 27,550 million (As of March 31, 2015)
Date of Foundation	Undisclosed (Note)
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	The broker falls under neither the category of Related Party nor the Sponsor/Stakeholder.

(Note) Figures, etc. are not disclosed due to unavoidable circumstances where the consent for disclosure has not been obtained from the broker.

##### 2. Amount and Details of Commission

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 scheduled acquisition price plus 60,000 yen (excluding consumption taxes) stipulated in the Building Lots and Buildings Transaction Business Act.

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

Property Management Company	: Marubeni Real Estate Management Co., Ltd. Marubeni Real Estate Management Co., Ltd. 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 (Note).
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(Note) With a view to avoiding conflicts of interest, JRA sets forth limitations 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 limitations set forth 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 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.

## **B. Granbell Ginza Building**

### **(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 Asset to be Acquired for the purpose of expanding its portfolio in the category of “Retail Properties” in the type of use.

#### **1. Location**

The property with regard to the Asset to be Acquired (the “Property” in this section B) is conveniently located in terms of transportation as it is located within a 2 minute walk from Ginza 1-chome Station on the Tokyo Metro Yurakucho Line, and a 3 minute walk from Ginza Station on the Tokyo Metro Hibiya Line, Marunouchi Line and Ginza Line.

Ginza is among the most popular commercial area in Japan, where boutiques, hair salons, restaurants, art galleries, clinics, etc. line the street. This is the first time for United Urban to invest in a property in Ginza area, and United Urban intends to secure stable earnings through this investment.

#### **2. Building**

The Property was built in 2006, and it has 9 floors above the ground and one basement floor. The Property was an office-store-residence complex at the time of completion. As a consequence of a renovation work implemented in 2014, the residential portion of the building from the 6<sup>th</sup> floor to the 9<sup>th</sup> floor was changed into stores. The Property is versatile and it is currently used primarily as retail stores, as well as office, etc.

Buildings in Ginza area, in general, are old. The Property is relatively new and boasts high specification. Therefore we anticipate that the Property will remain competitive in this area.

#### **3. Land**

The land of the Property is leasehold right. A land lease agreement for 30 years (from April 1, 2005 through March 31, 2035) has been concluded with the owner of the land.

#### **4. Tenants, etc.**

A jewelry store operates on the 1<sup>st</sup> and the 2<sup>nd</sup> floor of the Property. The upper floors have been leased to aesthetic clinic, restaurant chain operator, and other tenants. In light of the nature of the area, the Property is expected to be in demand from boutiques, stores, offices, clinics, etc, and to maintain a stable occupancy rate.

### **(2) Summary of Acquisition**

1. Asset to be Acquired	: Trust beneficial interest in real estate (Note1)
2. Property Name	: Granbell Ginza Building
3. Scheduled Acquisition Price	: ¥2,621 million

4. Scheduled Agreement Date	:	June 30, 2015 (conclusion of the purchase and sale agreement of the trust beneficial interest)
5. Scheduled Acquisition Date	:	June 30, 2015 (transfer of the trust beneficial interest)
6. Seller	:	a domestic operating corporation (Undisclosed)
7. Financing	:	Borrowing (Note2)
8. Date of Payment	:	June 30, 2015 (scheduled)

(Notes)

1. As of today, the Property has not been entrusted. However, the current owner of the Property (the seller) will entrust the Property to Sumitomo Mitsui Trust Bank, Limited acting 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.
2. Please refer to the press release "Notice Concerning Debt Financing" dated today for details of the borrowing.

(3) Outline of the Property

Property Name	Granbell Ginza Building	
Type of the Property	Trust beneficial interest in real estate (Note 1)	
Trustee	Sumitomo Mitsui Trust Bank, Limited. (Note 1)	
Period of Trust Agreement (Note 1)	From June 30, 2015 to June 30, 2025	
Location (Note 2)	Lot number (Note 3)	A portion of 2-3-3 Ginza, Chuo-ku, Tokyo
	Residential	2-8-18 Ginza, Chuo-ku, Tokyo
Access	2-minute walk from Ginza 1-chome Station (Tokyo Metro Yurakucho Line) 3-minute walk from Ginza Station (Tokyo Metro Hibiya Line, Ginza Line and Marunouchi Line)	
Use (Note 2)	Store, Office	
Site Area (Note 2)	Land (Note 3)	231.00 m <sup>2</sup>
	Building	1,646.50 m <sup>2</sup>
Structure and Scale (Note 2)	RC B1/9F	
Type of Ownership	Land: Leasehold (Note 3) Building: Proprietary Ownership (Period of Leasehold Agreement: April 1, 2005 through March 31, 2035)	
Completion Date (Note 2)	October 2006	
Initial Building Owner	Friend Stage Co., Ltd.	
Constructor	Fujita Corporation Tokyo Branch	
Scheduled Acquisition Price	¥2,621 million	
Appraisal Value	¥2,820 million	
Date of Value Estimate	June 1, 2015	
Appraisal Agency (Appraisal Method)	Appraisal by Japan Real Estate Institute	
Probable Maximum Loss (PML)	10%	
Collateral	None	
Special Notations	None	
Details of Tenant (Note 4)		
Total Number of Tenants (Note 5)	11	
Security Deposit	¥104,262 thousand	
Total Rental Revenues (yearly)	¥138,860 thousand	
Total Leasable Floor Space (Note 6)	1,352.35 m <sup>2</sup>	
Total Leased Floor Space (Note 6)	1,352.35 m <sup>2</sup>	
Occupancy Ratio	100.0%	
Reference		
Estimated NOI (yearly)	¥102 million	
Estimated NOI Yield (Note 7)	3.9%	

(Notes)

1. As of today, the Property has not been entrusted. However, the current owner of the Property (the seller) will entrust the Property to Sumitomo Mitsui Trust Bank, Limited acting 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.
2. Each piece of information in the "Location (Lot number)," "Site Area (Land)," "Structure and Scale" and "Completion Date" is described as it appears on the real estate register. Moreover, United Urban will amend the real estate register upon acquisition of the Property. Therefore, each piece of information in the "Use" and "Site Area (Building)" shows the ones after the change.
3. The land of the Property is leasehold. Therefore, all the information with regard to the land is based on the leasehold of the land.
4. "Details of Tenant" indicate figures as of May 31, 2015.
5. The "Total Number of Tenants" figure is the number of end tenants who directly concludes lease agreement with the current owner of the Property.
6. "Total Leasable Floor Space" means the total figure of leasable floor space in the space acquired by United Urban, and "Total Leased

"Floor Space" is the total figure of space subject to lease, which is stated in the lease agreement between the current owner and each tenant.

7. The estimated occupancy ratio is 98.0%.

#### (4) Seller Profile

The seller is a domestic operating corporation. However, the seller's details are not disclosed because the seller has not given its consent for the disclosure of its profile, etc. As of today, the seller falls under neither the category of the Related Party nor Sponsor/Stakeholder. In addition, United Urban and JRA have no significant capital ties, personal relationships and transactions with the seller, and the seller is not a related party of United Urban and JRA.

#### (5) Standing of the Property Owners and Others

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

#### (6) Outline of Brokerage

##### 1. 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 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.

##### 2. Amount and Details of Commission

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 scheduled 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

Property Management Company	: Marubeni Real Estate Management Co., Ltd. Marubeni Real Estate Management Co., Ltd. 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.
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### 3. Method of Payment and Acquisition Schedule

#### (1) Method of Payment

1. Quartz Tower: (Land) The payment for the Asset to be Acquired will be a lump-sum payment upon the delivery using cash on hand.
- (Building) The payment for the Asset to be Acquired will be a lump-sum payment upon the delivery. The source of funding has not been decided. We will announce later, once it is determined.

2. Granbell Ginza Building: The payment for the Asset to be Acquired will be a lump-sum payment upon the delivery using debt financing. Please refer to the press release "Notice Concerning Debt Financing" dated today for details of the borrowing.

## (2) Acquisition Schedule

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

	Quartz Tower	Granbell Ginza Building
Scheduled date of conclusion of purchase and sale agreement of trust beneficial interest	June 30, 2015	
Scheduled date of transfer of trust beneficial interest Date of payment	Land: June 30, 2015 Building: November 13, 2015	June 30, 2015

## 4. Matters on Forward Commitments

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

Acquisition of the building of Quartz Tower (the “Building”) falls into Forward Commitments.

(Note)

In the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” of Financial Services Agency, “forward commitments” 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 Implemented

In order to secure the Building, United Urban will execute purchase and sale agreement of the trust beneficial interests (the “PSA”) as of June 30, 2015 with the seller of the Building set forth in (1) above.

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

However, this PSA is subject to the condition precedent of payment of an acquisition price that United Urban’s fund procurement is completed for the acquisition of the trust beneficial interests. Therefore, as for the acquisition of the Building, United Urban can cancel the PSA with no penalty if it cannot consummate fund procurement as of the scheduled acquisition date.

In view of the current state of the financial market and financial standings of United Urban, United Urban believes 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 acquisitions of the Building.

## 5. Outlook of Operating Condition

United Urban does not make any changes to the forecast of financial results for the twenty-fourth fiscal period (period ending November 30, 2015), as the effect of the acquisition of the Asset to be Acquired is immaterial. The forecast of financial results for the twenty-fifth fiscal period (period ending May 31, 2016) will be announced at the announcement of the financial results for the twenty-third fiscal period (period ended May 31, 2015) scheduled for July 10, 2015 (scheduled).

## 6. Summaries of Appraisal Report

### A. Quartz Tower

#### Summaries of Investigation Report (Note1)

Investigation Price	¥5,760,000 thousand
Appraisal Agency	Tanizawa Sōgō Appraisal Co., Ltd.
Date of Value Estimate	June 1, 2015

Item	Details (thousand of yen, unless otherwise indicated)	Grounds
Income approach price	5,760,000	—
Price by Direct Capitalization Method	5,850,000	—
(1) Total revenues	(Note2)	—
(2) Total expenses	(Note2)	—
(3) Net operating income (NOI: (1)-(2) )	219,862	—
(4) Operating profit of lump-sum money	(Note2)	—
(5) Capital expenditures (including routine repairs)	(Note2)	—
(6) Net cash flow (NCF: (3)+(4)-(5))	222,422	—
(7) Cap rate	3.8%	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	5,720,000	—
Discount rate	Year 1 through 10	3.7%
	Year 11 and onwards	3.9%
	Terminal cap rate	4.0%
Cost approach price	6,170,000	Land ratio: 79.6%, Building ratio: 20.4%

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

1. The subject property is a property under development. Therefore, instead of the summaries of the appraisal report, we provide the summaries of investigation report found as a result of price investigation done by the appraiser by applying the appraisal method.
2. JRA has deemed that disclosing this information would have an adverse effect on United Urban and may eventually harm the interests of the unitholders. Therefore, we do not disclose this information.

**B. Granbell Ginza Building**
**Summaries of Appraisal Report**

Appraisal Value	¥2,820,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	June 1, 2015

Item	Details (thousand of yen, unless otherwise indicated)	Grounds
Income approach price	2,820,000	—
Price by Direct Capitalization Method	2,850,000	—
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	148,630	—
1. Potential total profit (rental revenues, common area charges)	146,663	Assessed a unit value level of rent, etc. that can be received stably over the medium to long term based on the rent levels received under the current lease agreements, the levels of rents and common area charges of the subject property in case the new rents are assumed to take place and the quality of the current lessees; and recorded rental revenues and common area charges as calculated based on the unit value level thus assumed.
2. Utility revenues	5,000	Electricity charges for illuminating lamps and other equipment, air conditioning expenses and other expenses for the leased space were recorded as utility revenues in the case where the occupancy ratio for the leased space was 100%, which took into account occupancy conditions for the leased space based on the actual results of the previous fiscal year.
3. Parking revenues	0	No parking revenue to be recorded.
4. Other revenues	0	No particular revenues to be recorded under other revenues.
5. Losses from vacancies	3,033	Assessed an occupancy ratio level that will remain stable over the medium to long term based on the occupancy status of and the supply and demand trends of competing or alternative, etc. real estates with similar features in a comparable area within the same sphere of supply and demand, and past occupancy status of and future prospects of the subject property for each use; and recorded the losses from vacancies, etc. as calculated based on the occupancy ratio level thus assumed.
6. Bad debt losses	0	Judged that no bad debt losses in view of the circumstances, etc. of lessees.
(2) Total expenses (7+8+9+10+11+12+13+14)	42,951	—
7. Administrative and maintenance fees	(Note)	—
8. Utilities	6,101	Recorded utility expenses by taking into account the occupancy ratio, etc. for the leased space based on prior actual performance.
9. Repairs	1,396	Recorded expenses for repairs by taking into account future management plans, the level of expenses of similar real estates and the annual average amounts, etc. of repairs in the engineering report in reference to prior actual performance.
10. Property and other tax	2,446	Assessed based on the actual amount for fiscal 2015.
11. Property Management Fee	2,875	This is a consignment fee payable to the outsourcee responsible for overall control of the tenant management service and building management service, etc. In order to assess property management fee, recorded such fee in reference to the fee rates under the current terms and conditions, by taking into account the fee rates for similar real estates and the individualities, etc. of the subject property.
12. Advertising expenses for tenants, etc.	1,148	For the brokerage, publicity and other expenses, etc. required in advertising for new lessees, recorded annual average amount assessed by assumed turnover period of lessees.
13. Casualty insurance	51	Recorded casualty insurance fee by taking into account insurance costs indicated on the price estimate and the

			rate, etc. of insurance costs of buildings similar to the subject buildings
	14. Other expenses	(Note)	—
	(3) Net operating income (NOI: (1)-(2) )	105,679	—
	(4) Operating profit of lump-sum money	1,994	Assumed a number-of-month-equivalent lease deposits that will remain stably passable over the medium to long term based on the required number-of-month-equivalent lease deposits for the current lease terms and new lease contracts as appraised; and calculated an operating profit of lump-sum money by multiplying the assumed number-of-month-equivalent lease deposits as adjusted for the occupancy ratio by an investment yield. We assessed 2.0% as being the appropriate investment yield from the perspective of fund management during the period of deposit, by taking into account the level of interest rate, etc. of both sides of investment and procurement.
	(5) Capital expenditures (including routine repairs)	2,126	Renewal costs required for maintenance of the building to be recognized assuming that a projected average amount will be set aside every fiscal period, although the actual costs will arise on an irregular basis; and assessed capital expenditures, taking into account the level of capital expenditure and the age for similar real estate and the annual average amount of renewal costs in the relevant engineering report.
	(6) Net cash flow (NCF: (3)+(4)-(5))	105,547	—
	(7) Cap rate	3.7%	Assessed the cap rate of the subject property through comparison with the investment yields of recent transactions setting as a basis, by taking into account the general trend in the real estate investment market and by paying attention to the relation with the discount rate.
	Price by Discounted Cash Flow method	2,780,000	—
	Discount rate	3.2%	—
	Terminal cap rate	3.8%	—
	Cost approach price	2,770,000	Leasehold right ratio: 87.9%, Building ratio: 12.1%

Other specific matters the appraisal agency has paid attention in appraising the property
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None
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(Note) JRA has deemed that disclosing this information would have an adverse effect on United Urban and may eventually harm the interests of the unitholders. Therefore, we do not disclose this information.

#### 【Attached Materials】

1. Portfolio Summary
2. Photo and Map, etc.

## Reference Material 1

### Portfolio Summary

As of November 13, 2015 (scheduled)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(scheduled) Acquisition Price	
		Amount (Millions of yen) (Note 2)	Ratio (Note 3)
Retail Property	34	190,907	35.9%
Office Building	39	198,954	37.4%
Hotel	10	63,635	12.0%
Residence	23	42,248	7.9%
Others	7	36,620	6.9%
Total	111	532,363	100.0%

[Distribution by Geographical Location]

Location (Note 4)	Number of Properties	(scheduled) Acquisition Price	
		Amount (Millions of yen) (Note 2)	Ratio (Note 3)
6 Central Wards of Tokyo	26	125,637	23.6%
23 Wards of Tokyo	12	57,211	10.7%
Tokyo Metropolitan Area	28	161,764	30.4%
Other Regions	45	187,752	35.3%
Total	111	532,363	100.0%

Notes

1. Each of "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)," a retail property/office building complex and "Shin-Osaka Central Tower," an office building/hotel complex has been counted as one property for each type of use, while counted as one property in the total column, respectively. Therefore, the number of properties of each type does not always add up to the total.
2. Figures have been rounded to the nearest unit. Therefore the sum of each figure does not always add up to the total.
3. Ratios have been rounded to first decimal place. Therefore the sum of each ratio does not always add up to the total.
4. The definition of geographical location is as set forth below.

Tokyo Metropolitan Area (Note a)			Other Regions (Note b)
6 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 6 Central Wards of Tokyo	Tokyo Metropolitan Area excluding 23 wards of Tokyo	

Notes

- a. Tokyo Metropolitan Area refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
- b. Including Osaka Prefecture, Nagoya, Fukuoka and other cities.

5. Property to be acquired contained in the above charts is as follows;

Type of Use	Location	Property Name	Scheduled Acquisition Date	Scheduled Acquisition Price	
				Amount (Millions of yen)	Ratio
Retail Property	6 Central Wards of Tokyo	Granbell Ginza Building	June 30, 2015	2,621	0.5%
Retail Property	Tokyo Metropolitan Area	Luz Shonan Tsujido	Sep. 30, 2015	3,938	0.7%
Others	6 Central Wards of Tokyo	Quartz Tower	June 30, 2015	4,535	0.9%
		Land Building	Nov. 13, 2015	1,165	0.2%

6. 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)

## Reference Material 2

### Photo and Map, etc.

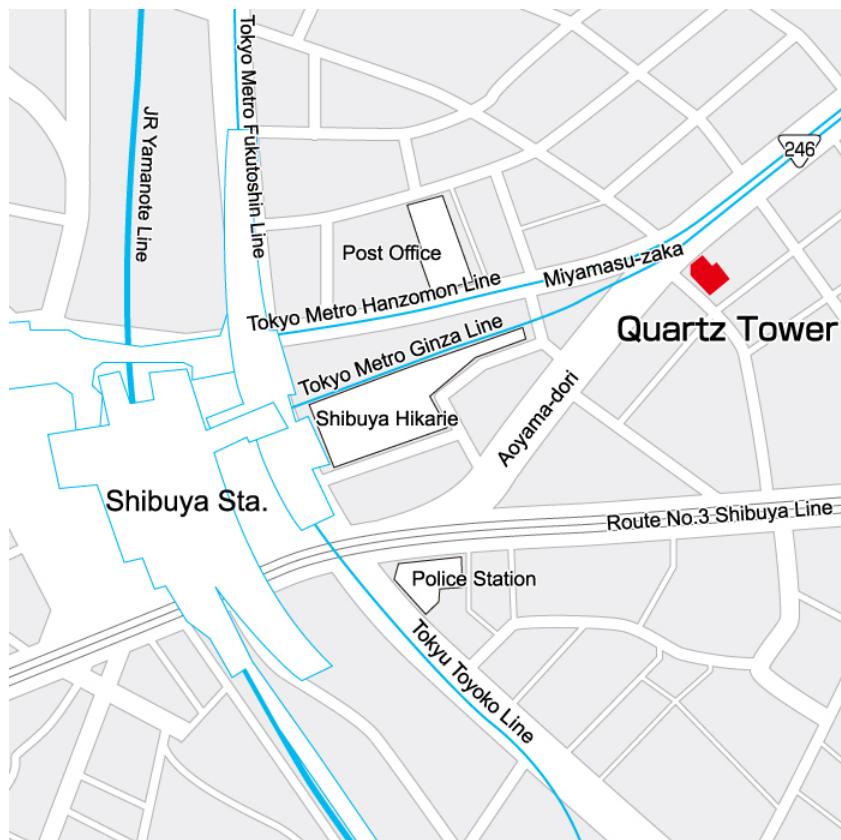
#### A. Quartz Tower

##### [Photo]



(Note) This graphical content is created based on drawings. The actual building to be completed may be different from such graphical content.

##### [Map]



**B. Granbell Ginza Building****[Photo]****[Map]**