

For Translation Purposes Only

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For Immediate Release

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(Securities Code: 8960)

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### Notice Concerning Sale of Property (SK Nagoya Building and 6 other properties)

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 on the sale of property today as set forth below.

#### 1. Overview of the Sale

United Urban sold the trust beneficial interests in the property shown below (referred to as individually or collectively, the “Asset to be Sold”).

(million yen (rounded down to unit stated))

Property Number	Type of Use (Note 1)	Property Name	Location	Book Value (as of July 31, 2017)	Anticipated Sale Price (Note 2)	Difference between Book Value and Anticipated Sale Price (Note 3)	Date of Sale (Anticipated)
B2	Office Buildings	SK Nagoya Building	Nagoya, Aichi	5,493	4,970	− 523	Oct. 11, 2017
B33		Nagoya Nishiki City Building		2,393	2,480	86	
D8	Residential Properties	Narashino Residence	Funabashi, Chiba	993	840	− 153	
D11		UUR Court Chiba Soga	Chiba, Chiba	577	600	22	
D12		Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	457	390	− 67	
D13		Nanzan Court Ichigokan	Nagoya, Aichi	918	950	31	
D14		Nanzan Court Nigokan		377	430	52	
Total				11,211	10,660	− 551	

(Notes)

1. Type of Use is shown as per United Urban’s determination.
2. Anticipated Sale Price is shown without miscellaneous expenses for the sale, consumption tax, etc. The word is used with the same definition in this release.
3. “Difference between Book Value and Anticipated Sale Price” shows an indicative amount calculated by using the book value as of July 31, 2017. Therefore, such amount is different from the actual gains or losses. The amount is rounded down to the nearest million yen. The word is used with the same definition in this release.

## 2. Reason of the Sale

United Urban has eagerly worked to improve quality and profitability of its portfolio through replacement of the properties, taking into account the stability of cash flows of each property and other factors in addition to the portfolio composition, profitability, etc.

United Urban has been considering possibility of sale of the Asset to be Sold under the above policy. United Urban received many offers from the potential buyers. After comprehensively examining terms and conditions of the each offer, situation of the real estate market and the impact of such sale on United Urban's performance, we have decided to sell the Asset to be Sold because the sale of the Asset to be Sold (the "Sale") is thought to be in interest to United Urban in the long perspective. The reason of the sale is being as follows.

United urban will use the proceeds from the Sale to acquire the properties or to repay the interest bearing debt considering the unitholders' interest of the rent revenues in the future.

### "SK Nagoya Building" and "Nagoya Nishiki City Building"

Taking account of (1) increase of the rent revenues in the future cannot be expected because the current rent level is above or equal to the current market in the area, (2) specification would be inferior with lapse of time after the buildings' construction and there is some concern about the maintenance and management cost increase and (3) there is a tendency for nucleus of offices in Nagoya to move to "Meieki" area, United Urban decided it would be appropriate to sell at this time.

### "Narashino Residence" and "Higashi-kurume Dormitory Shinkan"

TAIHEIYO CEMENT CORPORATION has been the lessee of the Asset to be Sold based on the fixed term lease agreements (the expiry date: October 25, 2019 and February 7, 2018). TAIHEIYO CEMENT CORPORATION will leave on the termination of the agreements. Taking account of the difficulty of the tenant leasing after the leave of TAIHEIYO CEMENT CORPORATION, United Urban decided it would be appropriate to sell at this time.

### "UR Court Chiba Soga"

MIRAIT Corporation has been the lessee of the Asset to be Sold based on the fixed term lease agreement. The Asset to be Sold (Acquisition price of ¥620 million) is less than the minimum investment amount for a residence (¥1 billion per property) stipulated in the Asset Management Guideline of JRA and there is some concern about the location as the resident building, United Urban decided it would be appropriate to sell at this time.

### "Nanzan Court Ichigokan" and "Nanzan Court Nigokan"

The Asset to be Sold has been leased to the current tenant (Undisclosed) based on the fixed term lease agreement. The Asset to be Sold was developed by Marubeni Corporation, for the corporate house and its specifications are slightly different from those of recent typical rental apartments. Also, there is concern the maintenance and management costs will increase with passing of time in the future. Therefore, United Urban decided it would be appropriate to sell at this time.

## 3. Details of the Sale

### A. SK Nagoya Building

#### (1) Summary of the Sale

1. Name of Asset	:	SK Nagoya Building
2. Type of Asset	:	Trust beneficial interest in real estate
3. Anticipated Sale Price	:	¥ 4,970 million
4. Book Value	:	¥ 5,493 million (as of July 31, 2017)
5. Difference between Book Value and Anticipated Sale price	:	-¥ 523 million
6. Appraisal Value	:	¥ 4,970 million (Note)
7. Date of Agreement	:	September 15, 2017 (conclusion of the sale and purchase agreement of the trust beneficial interest)
8. Anticipated Date of Sale	:	October 11, 2017 (transfer of the trust beneficial interest)
9. Buyer	:	TMK domiciled in Japan (Undisclosed)

(Note)

The amount describes the appraisal value as of May 31, 2017 calculated by a real estate appraiser. The same shall apply hereinafter. Please refer to "9. Summaries of Appraisal Report" for details.

## (2) Outline of the Asset to be Sold

Property Name		SK Nagoya Building	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Sumitomo Mitsui Trust Bank, Limited	
Trust Agreement term		From March 23, 2001 to March 31, 2021	
Location (Note 1)		Lot number	1-305 • 1-306 • 1-307 • 1-308 • 1-309 Nishiki, Naka-ku, Nagoya, Aichi
		Displayed Address	1-3-7 Nishiki, Naka-ku, Nagoya, Aichi
Use of property (Note 1)		Office, Store	
Area (Note 1)		Land	1,361.96m <sup>2</sup>
		Building	11,795.38m <sup>2</sup>
Structure and Scale (Note 1)		SRC B1/9F	
Completion Date (Note 1)		February 1986	
Type of Ownership		Land	Proprietary Ownership
		Building	Compartmentalized Ownership (Percentage of Ownership: 100%)
Details of Tenant (Note 2)	Total Number of Tenants	13	
	Total Rental Revenues (yearly)	¥352 million	
	Security Deposit	¥259 million	
	Total Leasable Floor Space	8,708.52 m <sup>2</sup>	
	Total Leased Floor Space	8,573.57 m <sup>2</sup>	
	Occupancy Ratio	98.5%	
Other Special Notation		-	

## (Notes)

- Each piece of information in the “Location (Lot number),” “Use of property,” “Area,” “Structure and Scale” and “Completion Date” is described as it appears on the real estate register. The words are used with the same definition in this release. The same shall apply hereinafter.
- Figures described in the “Details of Tenant” are as of July 31, 2017. Amounts are rounded down to the nearest digit, and the ratio is rounded to the nearest one decimal price. The words are used with the same definition in this release. Since “Total Rental Revenues (yearly)” is calculated by the contracted monthly rent being amount in effect as of July 31, 2017 (rental revenues and common area charges) multiplied it by 12, this amount may not necessarily be the same as the actual total amount of yearly rental revenues. The words are used with the same definition in this release. The same shall apply hereinafter.

B. Nagoya Nishiki City Building

## (1) Summary of the Sale

- Name of Asset : Nagoya Nishiki City Building
- Type of Asset : Trust beneficial interest in real estate
- Anticipated Sale Price : ¥ 2,480 million
- Book Value : ¥ 2,393 million (as of July 31, 2017)
- Difference between Book Value and Anticipated Sale price : ¥ 86 million
- Appraisal Value : ¥ 2,470 million
- Date of Agreement : September 15, 2017  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
- Anticipated Date of Sale : October 11, 2017 (transfer of the trust beneficial interest)
- Buyer : TMK domiciled in Japan (Undisclosed)

## (2) Outline of the Asset to be Sold

Property Name		Nagoya Nishiki City Building	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Sumitomo Mitsui Trust Bank, Limited	
Trust Agreement term		From February 21, 2000 to September 30, 2026	
Location		Lot number	1-605 • 1-606 Nishiki, Naka-ku, Nagoya, Aichi
		Displayed Address	1-6-5 Nishiki, Naka-ku, Nagoya, Aichi
Use of property		Office, Store, Parking lot	
Area		Land	1,342.54m <sup>2</sup>
		Building	8,219.53m <sup>2</sup>
Structure and Scale		SRC • RC • S B1/11F	
Completion Date		November 1991	
Type of Ownership		Land	Proprietary Ownership

		Building	Proprietary Ownership
Details of Tenant	Total Number of Tenants	30	
	Total Rental Revenues (yearly)	¥182 million	
	Security Deposit	¥138 million	
	Total Leasable Floor Space	5,609.97 m <sup>2</sup>	
	Total Leased Floor Space	5,609.97 m <sup>2</sup>	
	Occupancy Ratio	100.0%	
Other Special Notation		-	

### C. Narashino Residence

#### (1) Summary of the Sale

1. Name of Asset : Narashino Residence
2. Type of Asset : Trust beneficial interest in real estate
3. Anticipated Sale Price : ¥ 840 million
4. Book Value : ¥ 993 million (as of July 31, 2017)
5. Difference between Book Value and Anticipated Sale price : -¥ 153 million
6. Appraisal Value : ¥ 1,260 million
7. Date of Agreement : September 15, 2017  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
8. Anticipated Date of Sale : October 11, 2017 (transfer of the trust beneficial interest)
9. Buyer : TMK domiciled in Japan (Undisclosed)

#### (2) Outline of the Asset to be Sold

Property Name		Narashino Residence	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Mizuho Trust & Banking Co., Ltd.	
Trust Agreement term		From December 26, 2000 to October 31, 2024	
Location		Lot number	4-447-1 Narashinodai, Funabashi, Chiba
		Displayed Address	4-83-10 Narashinodai, Funabashi, Chiba
Use of property		Apartment	
Area		Land	3,948.67m <sup>2</sup>
		Building	6,840.86m <sup>2</sup>
Structure and Scale		SRC B1/8F	
Completion Date		February 1990	
Type of Ownership		Land	Proprietary Ownership
		Building	Proprietary Ownership
Details of Tenant	Total Number of Tenants	1	
	Total Rental Revenues (yearly)	¥102 million	
	Security Deposit	¥34 million	
	Total Leasable Floor Space	6,840.86 m <sup>2</sup>	
	Total Leased Floor Space	6,840.86 m <sup>2</sup>	
	Occupancy Ratio	100.0%	
Other Special Notation		-	

### D. UUR Court Chiba Soga

#### (1) Summary of the Sale

1. Name of Asset : UUR Court Chiba Soga
2. Type of Asset : Trust beneficial interest in real estate
3. Anticipated Sale Price : ¥ 600 million
4. Book Value : ¥ 577 million (as of July 31, 2017)
5. Difference between Book Value and Anticipated Sale price : ¥ 22 million
6. Appraisal Value : ¥ 679 million
7. Date of Agreement : September 15, 2017  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
8. Anticipated Date of Sale : October 11, 2017 (transfer of the trust beneficial interest)

9. Buyer : TMK domiciled in Japan (Undisclosed)

(2) Outline of the Asset to be Sold

Property Name		UUR Court Chiba Soga	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Mizuho Trust & Banking Co., Ltd.	
Trust Agreement term		From October 26, 2004 to February 7, 2024	
Location		Lot number	2-3-3 Minami-cho, Chuo-ku, Chiba, Chiba
		Displayed Address	2-3-5 Minami-cho, Chuo-ku, Chiba, Chiba
Use of property		Boardinghouse	
Area		Land	1,990.13m <sup>2</sup>
		Building	2,931.14m <sup>2</sup>
Structure and Scale		RC 6F	
Completion Date		April 1993	
Type of Ownership		Land	Proprietary Ownership
		Building	Proprietary Ownership
Details of Tenant	Total Number of Tenants	1	
	Total Rental Revenues (yearly)	Undisclosed (Note)	
	Security Deposit	Undisclosed (Note)	
	Total Leasable Floor Space	2,931.14 m <sup>2</sup>	
	Total Leased Floor Space	2,931.14 m <sup>2</sup>	
	Occupancy Ratio	100.0%	
Other Special Notation		-	

(Note) Not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.

E. Higashi-kurume Dormitory Shinkan

(1) Summary of the Sale

1. Name of Asset : Higashi-kurume Dormitory Shinkan
2. Type of Asset : Trust beneficial interest in real estate
3. Anticipated Sale Price : ¥ 390 million
4. Book Value : ¥ 457 million (as of July 31, 2017)
5. Difference between Book Value and Anticipated Sale price : -¥ 67 million
6. Appraisal Value : ¥ 545 million
7. Date of Agreement : September 15, 2017  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
8. Anticipated Date of Sale : October 11, 2017 (transfer of the trust beneficial interest)
9. Buyer : TMK domiciled in Japan (Undisclosed)

(2) Outline of the Asset to be Sold

Property Name		Higashi-kurume Dormitory Shinkan	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Mizuho Trust & Banking Co., Ltd.	
Trust Agreement term		From October 26, 2004 to February 7, 2024	
Location		Lot number	1-96-3 Hikawadai, Higashikurume, Tokyo
		Displayed Address	1-8-4 Hikawadai, Higashikurume, Tokyo
Use of property		Boardinghouse	
Area		Land	2,635.52m <sup>2</sup>
		Building	1,397.61m <sup>2</sup>
Structure and Scale		RC B1/3F	
Completion Date		March 1997	
Type of Ownership		Land	Proprietary Ownership
		Building	Proprietary Ownership
Details of Tenant	Total Number of Tenants	1	
	Total Rental Revenues (yearly)	¥33 million	
	Security Deposit	¥11 million	
	Total Leasable Floor Space	1,397.61 m <sup>2</sup>	
	Total Leased Floor Space	1,397.61 m <sup>2</sup>	

Occupancy Ratio	100.0%
Other Special Notation	-

#### F. Nanzan Court Ichigokan

##### (1) Summary of the Sale

1. Name of Asset : Nanzan Court Ichigokan
2. Type of Asset : Trust beneficial interest in real estate
3. Anticipated Sale Price : ¥ 950 million
4. Book Value : ¥ 918 million (as of July 31, 2017)
5. Difference between Book Value and Anticipated Sale price : ¥ 31 million
6. Appraisal Value : ¥ 873 million
7. Date of Agreement : September 15, 2017  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
8. Anticipated Date of Sale : October 11, 2017 (transfer of the trust beneficial interest)
9. Buyer : TMK domiciled in Japan (Undisclosed)

##### (2) Outline of the Asset to be Sold

Property Name		Nanzan Court Ichigokan	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Mizuho Trust & Banking Co., Ltd.	
Trust Agreement term		From March 30, 2006 to March 31, 2026	
Location		Lot number	6-8 · 6-9 · 6-12 · 6-13 · 6-14 · 6-15 Komagatacho, Showa-ku, Nagoya, Aichi
		Displayed Address	6-8 · 6-9 · 6-14 · 6-15 Komagatacho, Showa-ku, Nagoya, Aichi
Use of property		Apartment	
Area		Land	2,423.12m <sup>2</sup>
		Building	3,551.60m <sup>2</sup>
Structure and Scale		RC 5F	
Completion Date		March 1997	
Type of Ownership		Land	Proprietary Ownership
		Building	Proprietary Ownership
Details of Tenant	Total Number of Tenants	1	
	Total Rental Revenues (yearly)	Undisclosed (Note)	
	Security Deposit	Undisclosed (Note)	
	Total Leasable Floor Space	3,576.74 m <sup>2</sup>	
	Total Leased Floor Space	3,576.74 m <sup>2</sup>	
	Occupancy Ratio	100.0%	
Other Special Notation		-	

(Note) Not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.

#### G. Nanzan Court Nigokan

##### (1) Summary of the Sale

1. Name of Asset : Nanzan Court Nigokan
2. Type of Asset : Trust beneficial interest in real estate
3. Anticipated Sale Price : ¥ 430 million
4. Book Value : ¥ 377 million (as of July 31, 2017)
5. Difference between Book Value and Anticipated Sale price : ¥ 52 million
6. Appraisal Value : ¥ 428 million
7. Date of Agreement : September 15, 2017  
(conclusion of the sale and purchase agreement of the trust beneficial interest)
8. Anticipated Date of Sale : October 11, 2017 (transfer of the trust beneficial interest)
9. Buyer : TMK domiciled in Japan (Undisclosed)

## (2) Outline of the Asset to be Sold

Property Name		Nanzan Court Nigokan	
Type of the Property		Trust beneficial interest in real estate	
Trustee		Mizuho Trust & Banking Co., Ltd.	
Trust Agreement term		From March 30, 2006 to March 31, 2026	
Location		Lot number	5-19・5-20 Komagatacho, Showa-ku, Nagoya, Aichi
		Displayed Address	5-19・5-20 Komagatacho, Showa-ku, Nagoya, Aichi
Use of property		Apartment	
Area		Land	1,137.18m <sup>2</sup>
		Building	1,762.40m <sup>2</sup>
Structure and Scale		RC 5F	
Completion Date		March 1999	
Type of Ownership		Land	Proprietary Ownership
		Building	Proprietary Ownership
Details of Tenant	Total Number of Tenants	1	
	Total Rental Revenues (yearly)	Undisclosed (Note)	
	Security Deposit	Undisclosed (Note)	
	Total Leasable Floor Space	1,890.51 m <sup>2</sup>	
	Total Leased Floor Space	1,890.51 m <sup>2</sup>	
	Occupancy Ratio	100.0%	
Other Special Notation		-	

(Note) Not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the tenant.

#### 4. Overview of The Buyer

The buyer is TMK domiciled in Japan. Details of the buyer (attribution, name, etc.) is not disclosed as the relevant consent has not been obtained. As of today, the buyer 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 (the “Sponsor/Stakeholder”) under the self-imposed rules (rules for conflicts of interest) of JRA. In addition, United Urban and JRA have no significant capital ties, personal relationships and transactions with the seller, and the buyer does not fall under a related party of United Urban and JRA.

#### 5. Outline of Brokerage

## (1) Outline of Broker

Company Name	Marubeni Real Estate Management Co., Ltd.
Address	3・4F Shiba 520 Building, 5-20-6 Shiba, Minato-ku, Tokyo
Representative	Hiroshi Ueda, Representative Director
Principal Business	1. Leasing, management, operation and administration of real estate (office building, retail property, dormitory, car parking, restaurant, warehouse, etc. and the trust beneficial interest thereof). 2. Purchase and sale, exchange, brokerage, and mediation of real estate (land and building) etc., and agency and consultation of these. 3. Designing, management and contract work for construction work.
Capital	¥100 million (As of March 31, 2017)
Date of Foundation	August, 1960
Relationship with United Urban or JRA	
Capital Ties	There are no significant capital ties.
Personal Relationship	There are no significant personal relationships.
Business Relationship	Marubeni Real Estate Management Co., Ltd. acted as a broker for acquisition and sales assets in the past. Marubeni Real Estate Management Co., Ltd. serves as mater lessee and has been entrusted the property management and building management of the multiple properties held by United Urban. In addition, Marubeni Real Estate Management Co., Ltd. is one of the tenants of Shiba 520 Building, a property held by United Urban.
Standing to Related Party	Marubeni Real Estate Management Co., Ltd. falls under the categories of both the Related Parties and the Sponsor/Stakeholder, 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 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.

The same shall apply to the transactions with Sponsor/Stakeholder hereinafter.

(2) Amount and Details of Commission

¥159,900 thousand (excluding consumption taxes, etc.)

## 6. Transactions with Interested Party and Sponsor/Shareholder

Broker	: 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. Concerning the Asset to be Sold, United Urban will pay Marubeni Real Estate Management Co., Ltd. ¥159,900 thousand (excluding consumption taxes, etc.) as a brokerage commission.
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## 7. Method of Payment and Transfer Schedule

(1) Method of Payment

The payment to the buyer will be a lump-sum payment upon the delivery of Asset to be Sold.

(2) Transfer Schedule

September 15, 2017	Date of decision of transfer, Conclusion of sale and purchase agreement of trust beneficial interest
October 11, 2017 (Anticipated)	Transfer of trust beneficial interest and payment

## 8. Outlook of Operation

Due to the Sale, loss on the property sale will arise in the twenty-eighth fiscal period (period ending November 30, 2017). However, with the gain on the property sale of “Ashiya Kawanishi Shopping Mart” as of September 1, 2017 (Note 1), a gain on the property sale of ¥1,245 million is estimated. United Urban intend to retain a part of net income of the twenty-eight fiscal period (period ending November 30, 2017) as “reserve retained as distribution” in order to strengthen our ability to cope with various risks to the extent that satisfies the conduit requirements and corporate income tax exemption (Note 2). Therefore, United Urban does not make any changes to the press release “Notice Concerning Revision to Forecasts of Financial Results for the Twenty-Eighth Fiscal Period Ending November 30, 2017, and Announcement of Forecasts of Financial Results for the Twenty-Ninth Fiscal Period Ending May 31, 2018” dated July 14, 2017.

(Notes)

- For details of the sale of “Ashiya Kawanishi Shopping Mart”, please refer to the press release “Notice Concerning Sale of Property (Ashiya Kawanishi Shopping Mart)” dated August 31, 2017 and “(Amendment) Notice Concerning Sale of Property (Ashiya Kawanishi Shopping Mart)” dated September 1, 2017.
- Generally, United Urban is allowed to deduct the amount of cash distributions in calculating its taxable income as long as the certain terms and conditions (conduit requirements) are met, in order to prevent double taxation between United Urban and the unitholders. The portion that is not used for payment of dividends (distribution) is subject to corporate income tax and other taxes. “Nagoya Nishiki City Building” succeeded through the qualified merger with former Nippon Commercial Investment Corporation, has the discrepancy of book value in accounting and in taxation (accounting book value < tax book value). Consequently, a large amount of losses from the sale is expected to arise in the calculation of the amount of taxable income and part of net income can be retained as unappropriated retained earnings (reserve retained for distribution) being not subject to corporate income tax to the extent that conduit requirements are satisfied.



## 9. Summaries of Appraisal Report

### A. SK Nagoya Building

Appraisal Value	¥4,970,000 thousand
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	4,970,000	—
Price by Direct Capitalization Method	5,060,000	—
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	402,738	—
1. Potential total profit (rental revenues, common area charges)	374,942	Assessed appropriate based on the competitiveness of the property, the current status of occupancy, entry and exit schedule and the market environment, etc.
2. Utility revenues	37,620	Assessed appropriate based on the performance transition.
3. Parking revenues	15,360	Assessed appropriate based on the performance transition.
4. Other revenues	3,692	Assessed appropriate based on the performance transition.
5. Losses from vacancies	28,877	Assessed appropriate based on competitiveness of the property, current lease situation and entry/exit schedule, availability of free rent scheduled, construction period due to tenant exchange and market environment etc.
6. Bad debt losses	0	Bad debt losses are not recognized as the profits are collateralized by security deposit.
(2) Total expenses (7+8+9+10+11+12+13+14)	127,228	—
7. Administrative and maintenance fees	38,143	Assessed appropriate based on the outsourcing contract contents and the performance transition.
8. Utilities	40,755	Assessed appropriate based on the performance transition.
9. Repairs	7,700	Assessed appropriate based on building maintenance management status, grade and age of a building.
10. Property and other tax	29,920	Recorded in accordance with documents related to taxes and other public charges.
11. Property Management Fee	7,656	Assessed appropriate based on the outsourcing contract contents.
12. Advertising expenses for tenants, etc.	2,083	Assessed appropriate based on the outsourcing contract contents and the performance transition.
13. Casualty insurance	565	Assessed based on insurance amount and the contract contents etc.
14. Other expenses	402	Assessed appropriate based on the performance transition.
(3) Net operating income (NOI: (1)-(2))	275,509	—
(4) Operating profit of lump-sum money	2,496	About deposit upon new contract, assessed appropriate based on competitiveness of the property and market environment etc. About operating profit of lump-sum money, assessed appropriate based on return on financial assets and future economic forecast etc.
(5) Capital expenditures (including routine repairs)	19,700	Assessed appropriate based on building maintenance management status, grade and age of a building.
(6) Net cash flow (NCF: (3)+(4)-(5))	258,306	—
(7) Cap rate	5.1%	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 relation with the discount rate.
Price by Discounted Cash Flow method	4,930,000	—
Discount rate	5.1%	The holding period is set to 10 years, and the discount rate is assessed by adding the individual risk of the subject property to the base yield.
Terminal cap rate	5.3%	Assessed based on cap rate taking into account the future uncertainty.
Cost approach price	4,680,000	Land ratio: 75.3%, Building ratio: 24.7%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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**B. Nagoya Nishiki City Building**

Appraisal Value	¥2,470,000 thousand
Appraisal Agency	The Tanizawa Sōgō Appraisal Co., Ltd.
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	2,470,000	—
Price by Direct Capitalization Method	2,550,000	—
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	224,829	—
1. Potential total profit (rental revenues, common area charges)	195,261	Assessed appropriate based on the competitiveness of the property, the current status of occupancy, entry and exit schedule and the market environment, etc.
2. Utility revenues	16,473	Assessed appropriate based on the performance transition.
3. Parking revenues	26,496	Assessed appropriate based on the performance transition.
4. Other revenues	2,745	Assessed appropriate based on the performance transition.
5. Losses from vacancies	16,146	Assessed appropriate based on competitiveness of the property, current lease situation and entry/exit schedule, availability of free rent scheduled, construction period due to tenant exchange and market environment etc.
6. Bad debt losses	0	Bad debt losses are not recognized as the profits are collateralized by security deposit.
(2) Total expenses (7+8+9+10+11+12+13+14)	80,255	—
7. Administrative and maintenance fees	18,154	Assessed appropriate based on the outsourcing contract contents and the performance transition.
8. Utilities	23,533	Assessed appropriate based on the performance transition.
9. Repairs	6,750	Assessed appropriate based on building maintenance management status, grade and age of a building.
10. Property and other tax	24,776	Recorded in accordance with documents related to taxes and other public charges.
11. Property Management Fee	4,399	Assessed appropriate based on the outsourcing contract contents.
12. Advertising expenses for tenants, etc.	1,617	Assessed appropriate based on the outsourcing contract contents and the performance transition.
13. Casualty insurance	350	Assessed based on insurance amount and the contract contents etc.
14. Other expenses	674	Assessed appropriate based on the performance transition.
(3) Net operating income (NOI: (1)-(2))	144,574	—
(4) Operating profit of lump-sum money	1,456	About deposit upon new contract, assessed appropriate based on competitiveness of the property and market environment etc. About operating profit of lump-sum money, assessed appropriate based on return on financial assets and future economic forecast etc.
(5) Capital expenditures (including routine repairs)	13,500	Assessed appropriate based on building maintenance management status, grade and age of a building.
(6) Net cash flow (NCF: (3)+(4)-(5))	132,531	—
(7) Cap rate	5.2%	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 balance with the discount rate.
Price by Discounted Cash Flow method	2,440,000	—
Discount rate	5.2%	The holding period is set to 10 years, and the discount rate is assessed by taking into account the individual risk of the property to the base yield.
Terminal cap rate	5.4%	Assessed based on cap rate taking into account the future uncertainty.
Cost approach price	2,420,000	Land ratio: 58.4%, Building ratio: 41.6%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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**C. Narashino Residence**

Appraisal Value	¥1,260,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	1,260,000	—
Price by Direct Capitalization Method	1,270,000	—
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	103,923	—
1. Potential total profit (rental revenues, common area charges)	102,720	Rent change during the contract period is not permitted based on the fixed-term building lease agreement. Also, as it is considered that the rent is, generally, at a reasonable level, there is a high probability of re-contracting with the current lessee even after the current lease agreement term expires. Therefore, assessing that the current rent can be stably accepted over the medium to long term, the amount based on the current rent is recorded as rental income.
2. Utility revenues	0	No utility revenues to be recorded.
3. Parking revenues	0	No parking revenues to be recorded.
4. Other revenues	1,203	As it is assumed that the current lessor will continue the lease agreement for a long time, key money income is not recorded. In addition, considering the current lease agreement, renewal fee is not recorded. Recorded rent fee related to establishment of facilities etc. of communications company and investment gain in security deposit.
5. Losses from vacancies	0	As the lease type is for entire building, assessed the medium to long term stable occupancy rate as 100%, therefore losses from vacancies are not recorded.
6. Bad debt losses	0	Judged that no bad debt losses need to be recorded in view of the circumstances, etc. of lessees.
(2) Total expenses (7+8+9+10+11+12+13+14)	12,326	—
7. Administrative and maintenance fees	11	Administrative and maintenance fees are not recorded as the expenses will be borne by the lessee based on the lease agreement. Bank fee is recorded based on previous fiscal year results.
8. Utilities	0	Utilities are not recorded as the expenses will be borne by the lessee based on the lease agreement.
9. Repairs	2,974	No restitution fees are recorded, as the lease type is for entire building and the restitution will be done by the lessee and the expenses will be taken on by the lessee upon departure. Also recorded by taking into account the actual results of the past fiscal year, the level of expenses for similar properties, the annual average amounts of costs for repairs in the relevant engineering report and other factors in the process of assessment of repairs.
10. Property and other tax	8,109	Recorded in accordance with documents related to taxes and other public charges.
11. Property Management Fee	1,027	This is a consignment fee payable to the outsource responsible for overall control of the tenant management service and building management service, etc. In order to assess property management fee, recorded such fee by taking into account the fee rates for similar real estates and the individualities, etc. of the Asset to be Sold.
12. Advertising expenses for tenants, etc.	0	As it is assumed that the current lessor will continue the lease agreement for a long time, rental fee etc. are not recorded. Considering the current lease agreement, renewal commission is not recorded.
13. Casualty insurance	205	Recorded casualty insurance fee by taking into account insurance costs indicated on the insurance policy to be purchased and the rate, etc. of insurance costs of buildings similar to the subject building.
14. Other expenses	0	No other expenses to be recorded under other expenses.
(3) Net operating income (NOI: (1)-(2))	91,597	—
(4) Operating profit of lump-sum money	342	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 1.0% 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)	3,110	The renovation fee to maintain the building actually occurs irregularly. Here, assumed to accumulate expected expenses on average every fiscal period, and assessed capital expenditures, taking into account the level of capital expenditure and the age for similar real estates, and the annual average amount of renewal costs in the relevant engineering report.
(6) Net cash flow (NCF: (3)+(4)-(5))	88,829	—
(7) Cap rate	7.0%	Assessed based on a real-estate investment yield set for each area, by adjusting it with the spreads arising from location requirements, standing of the building and other conditions for the Asset to be Sold and by taking into account any future uncertainties and yields from similar real estate deals, etc.
Price by Discounted Cash Flow method	1,240,000	—
Discount rate	5.7%	Assessed by comprehensively taking into account the individuality of the subject property, in reference to investment yields from similar real estate deals, etc.
Terminal cap rate	8.7%	Assessed by comprehensively taking into account the future trend of investment yield, risk of the subject property as investment objective, general forecasts on economic growth, and trends in real estate price and rent etc., in reference to investment yields from similar real estate deals, etc.
Cost approach price	665,000	Land ratio: 62.4%, Building ratio: 37.6%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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#### D. UUR Court Chiba Soga

Appraisal Value	¥679,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	679,000	—
Price by Direct Capitalization Method	690,000	—
(1) Total profit	(Note)	—
(2) Total expenses	(Note)	—
(3) Net operating income (NOI: (1)-(2))	44,679	—
(4) Operating profit of lump-sum money	(Note)	—
(5) Capital expenditures (including routine repairs)	(Note)	—
(6) Net cash flow (NCF: (3)+(4)-(5))	44,843	—
(7) Cap rate	6.5%	Assessed based on a real-estate investment yield set for each area, by adjusting it with the spreads arising from location requirements, standing of the building and other conditions for the Asset to be Sold and by taking into account any future uncertainties and yields from similar real estate deals, etc.
Price by Discounted Cash Flow method	667,000	—
Discount rate	6.3%	Assessed by comprehensively taking into account the individuality of the subject property, in reference to investment yields from similar real estate deals, etc.
Terminal cap rate	7.0%	Assessed by comprehensively taking into account the future trend of investment yield, risk of the subject property as investment objective, general forecasts on economic growth, and trends in real estate price and rent etc., in reference to investment yields from similar real estate deals, etc.

Cost approach price	499,000	Land ratio: 64.1%, Building ratio: 35.9%
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Other specific matters the appraisal agency has paid attention in appraising the property	None
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(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.

### E. Higashi-kurume Dormitory Shinkan

Appraisal Value	¥545,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	545,000	—
Price by Direct Capitalization Method	550,000	—
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	33,696	—
1. Potential total profit (rental revenues, common area charges)	33,696	Assessed to re-contract under the same conditions in the future by taking into account the actual rent level in the surrounding area, the rent level of tenants, building products, etc., location, vacancy risk and administrative and maintenance fees etc. Therefore, advertising expenses for tenants, etc. are not recorded. Therefore, recorded rental revenues and common area charges based on the lease agreement.
2. Utility revenues	0	Utility revenues are not recorded based on the fixed-term building lease agreement.
3. Parking revenues	0	Parking usage fee is included in the rent. Therefore no parking revenues are recorded.
4. Other revenues	0	Other revenues are not recorded based on the fixed-term building lease agreement.
5. Losses from vacancies	0	Losses from vacancies are not recorded, as the type of lease is a lease of the entire building.
6. Bad debt losses	0	Judged that no bad debt losses need to be recorded in view of the circumstances, etc. of lessees.
(2) Total expenses (7+8+9+10+11+12+13+14)	3,026	—
7. Administrative and maintenance fees	30	Administrative and maintenance fees are not recorded as the expenses will be borne by the lessee based on the lease agreement. Miscellaneous expenses such as bank fee etc. are recorded.
8. Utilities	0	Utility expenses of common areas are borne by the lessee based on the lease agreement. Therefore, no utilities are recorded.
9. Repairs	0	Regular recovery fee and repairs that normally occurs as the tenants change are borne by the lessee based on the lease agreement. Therefore, no repairs are recorded.
10. Property and other tax	2,615	Recorded in accordance with documents related to taxes and other public charges.
11. Property Management Fee	337	Recorded such fee in reference to the fee rate under the terms and conditions set forth in the agreement to be concluded, 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.	0	Assessed to re-contract under the same conditions in the future by taking into account the actual rent level in the surrounding area, the rent level of tenants, building products, etc., location and vacancy risk etc. Therefore, advertising expenses for tenants, etc. are not recorded.
13. Casualty insurance	44	Recorded casualty insurance fee by taking into account insurance costs indicated on the insurance policy to be purchased and the rate, etc. of insurance costs of buildings similar to the subject building.
14. Other expenses	0	No other expenses to be recorded under other expenses.
(3) Net operating income (NOI: (1)-(2) )	30,670	—
(4) Operating profit of lump-sum money	112	For the security deposit, which is lump-sum money having a nature of deposit, an operating profit of lump-sum money is assessed by multiplying the balance of security deposit based on the current lease agreement by an investment yield. We assessed 1.0% 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)	0	The renovation fee to maintain the building is borne by lessee based on the lease agreement. Therefore, no capital expenditures are recorded.
(6) Net cash flow (NCF: (3)+(4)-(5))	30,782	—
(7) Cap rate	5.6%	Assessed based on a real-estate investment yield set for each area, by adjusting it with the spreads arising from location requirements, standing of the building and other conditions for the Asset to be Sold and by taking into account any future uncertainties and yields from similar real estate deals, etc.
Price by Discounted Cash Flow method	540,000	—
Discount rate	5.4%	Assessed by comprehensively taking into account the individuality of the subject property, in reference to investment yields from similar real estate deals, etc.
Terminal cap rate	5.8%	Assessed by comprehensively taking into account the future trend of investment yield, risk of the subject property as investment objective, general forecasts on economic growth, and trends in real estate price and rent etc., in reference to investment yields from similar real estate deals, etc.
Cost approach price	456,000	Land ratio: 77.1%, Building ratio: 22.9%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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#### F. Nanzan Court Ichigokan

Appraisal Value	¥873,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	873,000	—
Price by Direct Capitalization Method	885,000	—
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	(Note)	—
(2) Total expenses	(Note)	—
(3) Net operating income (NOI: (1)-(2) )	55,544	—
(4) Operating profit of lump-sum money	(Note)	—
(5) Capital expenditures (including routine repairs)	(Note)	—
(6) Net cash flow (NCF: (3)+(4)-(5))	47,783	—
(7) Cap rate	5.4%	Assessed based on a real-estate investment yield set for each area, by adjusting it with the spreads arising from location requirements, standing of the building and other conditions for the Asset to be Sold and by taking into account any future uncertainties and yields from similar real estate deals, etc.
Price by Discounted Cash Flow method	861,000	—
Discount rate	5.2%	Assessed by comprehensively taking into account the individuality of the subject property, in reference to investment yields from similar real estate deals, etc.
Terminal cap rate	5.7%	Assessed by comprehensively taking into account the future trend of investment yield, risk of the subject property as investment objective, general forecasts on economic growth, and trends in real estate price and rent etc., in reference to investment yields from similar real estate deals, etc.
Cost approach price	911,000	Land ratio: 69.2%, Building ratio: 30.8%

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

#### G. Nanzan Court Nigokan

Appraisal Value	¥428,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	May 31, 2017

(thousand yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	428,000	—
Price by Direct Capitalization Method	434,000	—
(1) Total profit	(Note)	—
(2) Total expenses	(Note)	—
(3) Net operating income (NOI: (1)-(2) )	25,189	—
(4) Operating profit of lump-sum money	(Note)	
(5) Capital expenditures (including routine repairs)	(Note)	
(6) Net cash flow (NCF: (3)+(4)-(5))	21,720	—
(7) Cap rate	5.0%	Assessed based on a real-estate investment yield set for each area, by adjusting it with the spreads arising from location requirements, standing of the building and other conditions for the Asset to be Sold and by taking into account any future uncertainties and yields from similar real estate deals, etc.
Price by Discounted Cash Flow method	422,000	—
Discount rate	4.8%	Assessed by comprehensively taking into account the individuality of the subject property, in reference to investment yields from similar real estate deals, etc.
Terminal cap rate	5.3%	Assessed by comprehensively taking into account the future trend of investment yield, risk of the subject property as investment objective, general forecasts on economic growth, and trends in real estate price and rent etc., in reference to investment yields from similar real estate deals, etc.
Cost approach price	467,000	Land ratio: 65.4%, Building ratio: 34.6%

Other specific matters the appraisal agency has paid attention in appraising the property	None
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(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】**  
**Portfolio Summary**

**Reference Material**
**Portfolio Summary**

As of October 11, 2017 (Anticipated)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(Anticipated) Acquisition Price (Note 2)	
		Amount (million yen)	Ratio
Retail Property	36	206,903	33.9%
Office Building	36	201,765	33.0%
Hotel	15	111,327	18.2%
Residence	20	42,518	7.0%
Others	12	48,408	7.9%
Total	116	610,920	100.0%

[Distribution by Geographical Location]

Location (Note 3)	Number of Properties	(Anticipated) Acquisition Price (Note 2)	
		Amount (million yen)	Ratio
6 Central Wards of Tokyo	26	129,977	21.3%
23 Wards of Tokyo	13	60,211	9.9%
Tokyo Metropolitan Area	31	197,302	32.3%
Other Regions	46	223,431	36.6%
Total	116	610,920	100.0%

(Notes)

- Each of "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)," a retail property/office building complex and "Shin-Osaka Central Tower" and "SS30", an office building/hotel complex has been counted as per each of types of use, while counted as one property in the total column. Therefore, the aggregate number of properties of each type is not equal to that of the total column.
- Figures have been rounded to the nearest unit. There is the possibility the aggregated figures shown is not the same at 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 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

- Tokyo Metropolitan Area refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
  - "Osaka Area: Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture", "Nagoya Area: Aichi Prefecture, Mie Prefecture and Gifu Prefecture" and, "Other cities: excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area".
- United Urban acquired "the adjacent site to the b roppongi" for constructing an extension of "the b roppongi" (the building with leasehold was acquired as of November 18, 2016, and the land was acquired as of January 13, 2017.). Then "the adjacent site to the b roppongi" is recognized as a property associated with "the b roppongi". Therefore, acquisition of "the adjacent site to the b roppongi" is not reflected on above "Portfolio Summary".
  - In addition to the properties in the above chart, United Urban has an asset as below:

Type of the Asset and Asset Name etc.	Outline of the Asset	Acquisition Date	Acquisition Price (million yen)	
Preferred equity securities of Tenjin 123 Project TMK	1,130 units	Apr. 21, 2016	74	Total: 93
	367 units	Oct. 3, 2016	18	

- 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)