

For Translation Purposes Only

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For Immediate Release

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Notice Concerning Acquisition of Trust Beneficiary Interest of Domestic Property (OSAKA BAY TOWER: Additional Acquisition)

United Urban Investment Corporation (“United Urban”) hereby announces that Marubeni REIT Advisors Co., Ltd. (“MRA”), the asset management company to which United Urban entrusts asset management services, decided today to acquire a property as set forth below.

This is an additional acquisition of OSAKA BAY TOWER (Note) that United Urban acquired dated March 20, 2023 (the “Property”).

(Note) For details, please refer to the press release “Notice Concerning Acquisition of Property (OSAKA BAY TOWER)” dated March 16, 2023.

1. Overview of the Acquisition

United Urban will acquire 10% quasi co-ownership of the trust beneficial interest in the following real estate property (hereinafter called the “Asset to be Acquired”).

Property Number	Type of Use (Note 1)	Property Name	Location	Scheduled Acquisition Price (Note 2)	Estimated NOI Yield (Note 3)	Estimated NOI Yield after Depreciation (Note 4)	Scheduled Acquisition Date
B50	Office Buildings (Office)	OSAKA BAY TOWER (Additional Acquisition) (Note 5)	Osaka, Osaka	¥2,637 million	4.2%	3.5%	March 28, 2024

(Notes)

- “Type of Use” determined by United Urban is shown. As for words shown in parentheses, of the types indicated on the real estate register, the primary type is shown. The Property is a retail property/office building complex. The type of use of the Property further to the additional acquisition will change from a single classification as “Office buildings” to two classifications as “Retail properties” and “Office buildings”. For details, please refer to “Note 1 in Portfolio Summary, Reference Material 1” in the attached material.
- “Scheduled Acquisition Price” is shown as sales price based on the purchase and sale agreement, and excludes acquisition costs, property taxes, city planning taxes and consumption taxes and other costs. The same shall apply hereafter.
- “Estimated NOI Yield” is calculated by (the “Annualized Estimated NOI” / the scheduled acquisition price) and expressed as a percentage rounded to first decimal place. “NOI (Net Operating Income)” means the figure which is equal to an amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues. “Annualized Estimated NOI” means the estimated NOI for 1 year from the acquisition by United Urban, which is calculated based on the terms and conditions of leasing after the acquisition by United Urban.
- “Estimated NOI Yield after Depreciation” is calculated by ((i) (“Annualized Estimated NOI” - “Estimated Depreciation and Amortization”) / (ii) the scheduled acquisition price) and is described as a percentage rounded to first decimal place. “Estimated Depreciation and Amortization” means the estimated depreciation and amortization for 1 year after the acquisition by United Urban, which is calculated under the straight-line method by applying the depreciation ratio to be derived for each depreciable asset of the Asset to be Acquired in accordance with the useful life thereof, based on the accounting policy of United Urban.
- The Asset to be Acquired is 10% quasi co-ownership of the trust beneficial interest of a part of the compartmentalized ownership (hereinafter called the “Section to be Acquired”) in the Property. Based on the management terms of the Property, the exclusive area of the Section to be Acquired is 55.40% of the total exclusive area of the Property (hereafter called “the Ratio of the Section to be Acquired”). As such, the United Urban’s ownership ratio of the Property through this additional acquisition is 5.54%. For details of the Asset to be Acquired, please refer to “2. Details of Acquisition (3) Overview of the Property”.

2. Details of Acquisition

(1) Reasons for Acquisition

United Urban acquired 10% quasi co-ownership of the trust beneficial interest of a part of the compartmentalized ownership dated March 20, 2023 (Note). As described when acquiring last time, United Urban puts value on locational potentials, features as a landmark, excellence in building specifications and continuous stable occupancy backed by the competitiveness of the Property, and has decided the additional acquisition as we understand that it will contribute to increasing efficiency in operation of and liquidity of the entire holdings of United Urban.

The Asset to be Acquired through the additional acquisition is 10% quasi co-ownership of the subject trust beneficial interest. United Urban's ownership ratio of the Property through this additional acquisition is 5.54%, thus the ownership ratio is to be 11.08% in total including 5.54% share of the existing holding.

(Note) For details, please refer to the press release "Notice Concerning Acquisition of Property (OSAKA BAY TOWER)" dated March 16, 2023.

(2) Summary of Acquisition

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|--------------------------------|--|
| 1. Asset to be Acquired | : Trust beneficial interest in real estate (10% quasi co-ownership) |
| 2. Property Name | : OSAKA BAY TOWER (Additional Acquisition) |
| 3. Scheduled Acquisition Price | : ¥2,637 million |
| 4. Scheduled Agreement Date | : March 1, 2024
(conclusion of the sale and purchase agreement of trust beneficial interest quasi co-ownership) |
| 5. Scheduled Acquisition Date | : March 28, 2024 (transfer of trust beneficial interest of quasi co-ownership) |
| 6. Seller | : Undisclosed (Note 1) |
| 7. Financing | : Cash on hand (scheduled) (Note 2) |
| 8. Scheduled Date of Payment | : March 28, 2024 |
| 9. Intermediary | : None |

(Notes)

1. Not disclosed, due to unavoidable circumstances where the seller's consents for the disclosure have not been obtained.
2. For financing, please refer to "3. Method of Settlement and Acquisition Schedule".

(3) Overview of the Property (Note 1)

Property Name	OSAKA BAY TOWER		
Type of the Asset	Trust beneficial interest in real estate (10% quasi co-ownership)		
Trustee	Mizuho Trust & Banking Co., Ltd.		
Period of Trust Agreement	From March 31, 2016 to March 31, 2033		
Location	Lot number (Note 2)	1-2-1 Benten, Minato-ku, Osaka-shi, Osaka	
	Residential	1-2-1 Benten, Minato-ku, Osaka-shi, Osaka	
Access	Directly connected to Bentencho Station (JR Osaka Loop Line, Osaka Metro Chuo Line)		
Type (Note 2)	Store, Office, Apartment, Theater, Medical center, Sport center		
Site Area (Note 5)	Land	Total site area (Note 2)	25,031.92 m ²
		Convenient site area of the Section to be Acquired (A) (Note 3)	13,867.68 m ²
		10% quasi co-ownership: (A) x 10%	1,386.76 m ²
		Convenient site area pertained to the ownership ratio after the acquisition of the Asset to be Acquired	2,773.53 m ²
	Building	Total gross floor area (Note 2)	175,604.98 m ²
		Total gross floor area of exclusive area of the Section to be Acquired (excl. the common area under the management terms) (B) (Note 4)	56,228.82 m ²
		10% quasi co-ownership: (B) x 10%	5,622.88 m ²
		Gross floor area pertained to the ownership ratio after the acquisition of the Asset to be Acquired	11,245.76 m ²
Structure and Scale (Note 2)	SRC・S・RC B3/50F		
Type of Ownership (Note 2)	Land	Ownership of right of site (Co-ownership)	
	Building	Compartmentalized ownership	
Completion Date (Note 2)	September 1993		
Building Owner	Bentencho Station Front Development Land Trust Business (Representative Trustee: The Daiwa Bank, Limited.)		
Constructor	Shimizu Corporation, Haseko Corporation, Konoike Construction Co., Ltd., Takenaka Corporation, Okumura Corporation		
Scheduled Acquisition Price	¥2,637 million (10% quasi co-ownership) (Note 5)		
Appraisal Value	¥2,760 million (10% quasi co-ownership)		
Date of Value Estimate	February 1, 2024		
Appraisal Agency (Appraisal Method)	Appraisal by Japan Real Estate Institute		
Probable Maximum Loss (PML)	8%		
Collateral	None		
Special Notations	None		
Details of Tenant (Note 6)			
Total Number of Tenants	159		
Security Deposit	¥1,265 million		
Total Rental Revenues (yearly)	¥1,645 million		
Total Leasable Floor Space	44,286.55 m ²		
Total Leased Floor Space	41,738.47 m ²		
Occupancy Ratio	94.2%		
Reference			
Estimated Annualized NOI (Note 7)	¥111 million (10% quasi co-ownership)		
Estimated NOI Yield (Note 7)	4.2% (10% quasi co-ownership)		

(Notes)

1. The contents of each item in the table above are for the Property, unless otherwise stated.
2. Each piece of information in the “Location (Lot number)”, “Type”, “Site Area”, “Structure and Scale” and “Type of Ownership” shows the value based on the real estate register. Since the “Completion Date” is not recorded in the real estate register, it is the date of inspection certificate issuance.
3. The convenient site area is calculated by multiplying the land area of the Property by the Ratio of the Section to be Acquired (55.40%).
4. The Asset to be Acquired is 10% quasi-co-ownership interest in the trust beneficiary right of the Section to be Acquired, i.e. the exclusive area of (1) parts of the B2F to 2F, 5F, 6F, 20F and 22F of the Main Tower, the entire 7F to 19F (office) and the 26F to 29F (residence), (2) the 1F to 3F, 6F to 9F of the East Tower (office/retail facilities), (3) the 1F to 7F of the West Tower (office/retail facilities), (4) parts of the B1F and 1F of the North Tower (retail facilities), which are registered by four parcels of compartmentalized ownership (house number: 1-2-1-2, 10, 18, 19 Benten, Minato-ku, Osaka-shi), and (5) common area under the management terms of the B3F to B1F (parking lot) of each building (house number: 1-2-1-22 Benten, Minato-ku, Osaka-shi).
Moreover, the total exclusive area of the Property is 101,494.93m² (excl. common area under the management terms ((5) 44,347.02m² above)). The exclusive area of the Section to be Acquired (56,228.82m² in total) accounts for 55.40% of all the exclusive area of the Property. As the Asset to be Acquired is 10% quasi-co-ownership interest in the trust beneficiary right, 5.54% of the ownership ratio of the Property belongs to United Urban.
5. Further to the Asset to be Acquired, the acquisition price is to total ¥5,274 million including the existing holding. Likewise, the convenient site area pertained to the ownership ratio after the acquisition of the Asset to be Acquired will be 2,773.53 m² and the floor area will be 11,245.76 m².
6. “Details of Tenant” shows the values of the Section to be Acquired (the Ratio of the Section to be Acquired: 55.40%) as of January 31, 2024.
7. For the definition of “NOI (Net Operating Income)” and “Estimated Annualized NOI”, please refer to Note 3 of “1. Overview of the Acquisition”. The occupancy ratio for the total leasable floor space is estimated to be 94.2%.

(4) Seller’s Profile

The seller is a domestic company. Details of the seller are not disclosed as the relevant consent has not been obtained. As of today, the seller falls under neither the category of “interested parties, etc.” (the “Interested 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 MRA. In addition, United Urban and MRA have no significant capital ties, personal relationships and transactions with the seller, and the seller does not fall under a related party of United Urban and MRA.

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

The Asset to be Acquired will not be acquired from special related parties of United Urban or MRA.

(6) Transactions with Interested Party and Sponsor/Shareholder

Not applicable.

3. Method of Settlement and Acquisition Schedule

(1) Methods of Settlement

The payment to the seller will be settled with cash on hand in a lump-sum upon the delivery of the Asset to be Acquired. United Urban is scheduled to dispose Plussing Wave Enoshima (Note) dated March 29, 2024, and the proceeds from the disposition will be allotted to recover the cash on hand used for the acquisition.

(Note) For details, please refer to “Notice Concerning Sale of Trust Beneficiary Interest of Domestic Real Estate Property (Plussing Wave Enoshima)” dated today.

(2) Acquisition Schedule

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

Decision of the acquisition	February 20, 2024
Conclusion of the sale and purchase agreement of trust beneficial interest quasi co-ownership	March 1, 2024 (scheduled)
Transfer of the trust beneficial interest and payment	March 28, 2024 (scheduled)

4. Outlook of Operation

In addition to the Asset to be Acquired, United Urban has decided to dispose one property in the forty-first fiscal period ending May 31, 2024 as announced in the press release “Notice Concerning Sale of Trust Beneficiary Interest of Domestic Real Estate Property (Plussing Wave Enoshima)” dated today and to acquire one property in the same period as per “Notice Concerning Acquisition of Trust Beneficiary Interest of Domestic Real Estate Property (Toranomom Hills Business Tower)” announced on January 30, 2024.

The impact of these initiatives on the latest business forecast is minor. United Urban does not make any changes to the business forecasts for the forty-first fiscal period ending May 31, 2024 and the forty-second fiscal period ending November 30, 2024, which was released on January 19, 2024.

5. Summaries of Appraisal Report

Appraisal Value	¥2,760,000 thousand (10% quasi co-ownership)
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	February 1, 2024

(Note) The table below is based on the premise of 100% quasi-co-ownership.

(thousands of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	27,600,000	-
Price by Direct Capitalization Method	27,900,000	-
(1) Total income (Total effective profit: 1+2+3+4-5-6)	2,366,129	-
1. Potential total profit (rental revenues, common area maintenance fees)	1,853,187	Assessed the steadily receivable rent level in the medium- to long-term, based on the average rent, etc. based on the current lease contracts, the assumed rent level upon new lessees for the property, and the profiles of current lessees.
2. Utility revenues	420,000	Assumed amount in the medium- to long-term, based on the actual results in the past and the current occupancy.
3. Parking revenues	121,200	Recorded the revenues from the car parks based on the current leasing contracts for the car parks. Recorded the revenues from the parking lots for motorcycles and bicycles based on the current leasing contract where the current owner has collectively concluded the leasing contract for a temporary use of lands of the property as bicycle parking lots and receives the usage fees.
4. Other revenues	45,893	Recorded the renewal fee income based on the assessment of annual averaged turnover rate and average contract period, considering the terms of the current leasing contract. Recorded rents of Daigas, usage fees of trunk rooms, billboard fees, antenna installation fees, vending machine installation fees, tenant sales promotion fees, and locker/meeting room usage fees as the other income. There is no key money income.
5. Losses from vacancies	74,151	Regarding each asset type, assessed the stable occupancy rate level and demand for the medium- to long-term based on the occupancy rates of competitive and similar real estates located in the same market area and the actual results and forecasts of the property's operation. Losses from vacancies were not recorded as the other income including revenues for utility, car parking, motorcycle parking and bicycle parking was assessed based on the medium- to long-term forecasts.
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)	1,208,199	-
7. Administrative and maintenance fees	208,000	Recorded cleaning fees, equipment management fees, security fees, etc. in reference to the actual results, those of similar real estates and the individuality of the property.
8. Utility costs	533,000	Recorded in reference to the actual results, those of similar real estates and the individuality of the property.
9. Repair costs	38,174	Recorded restoration costs based on unit level of restoration costs required upon tenant replacements, costs coverage ratio by the owner, average timing for costs coverage and level of restoration, etc. Repair costs were recorded based on the actual results, future management and operation plans, cost levels of similar real estate and annual average of renewal costs in engineering reports, etc.
10. Property and other tax	282,203	Recorded based on taxes and public dues materials
11. Property management fees	58,460	Recorded based on the remuneration rates of the contract terms and those of similar real estates as well as the individuality of the property.
12. Advertising expenses for tenants, etc.	55,218	Assessed leasing costs based on the contract terms of the property and similar real estates as well as leasing costs for new leases and the actual results in the past year. Advertisement costs and renewal fees are recorded based on commissions to vendors upon tenants' renewal, annual averaged turnover rates, occupancy, etc.
13. Casualty insurance expenses	6,144	Recorded based on the insurance rates of the insurance contract and those of similar real estates.
14. Other expenses	27,000	Recorded sales promotion fees, and advertising expenses, etc. No overall management fees and facility management

			fees to be paid to the management association.
	(3) Net operating income (NOI: (1)-(2))	1,157,930	-
	(4) Operating profit of lump-sum money	13,979	Assessed by assuming stable period of months for lease deposits for the medium- to long-term based on the current lease contracts and the number of months for new lease deposits and multiplying the assessed number of months for lease deposits by occupancy rates, then multiplying by investment yields. Assessed 1.0% as an appropriate investment yield based on the interest rates, etc., during the fund management and procurement.
	(5) Capital expenditures (including routine repairs)	82,500	Although the renewal costs required to maintain the functionality of buildings are to be incurred irregularly in practice, here assumed to save expected expenses on average every fiscal period, and assessed based on the level of capital expenditures, the building ages for similar real estates as well as the annual average amount of renewal costs in the relevant engineering report.
	(6) Net cash flow (NCF: (3)+(4)-(5))	1,089,409	-
	(7) Cap rate	3.9%	Based on the standard yields of the related areas of the property, added/contracted spreads to the yields considering the property's location, building features and other factors, and assessed given prospective uncertainties and the actual transaction yields of similar real estates, and others.
	Price by discounted cash flow method	27,300,000	-
	Discount rate	3.6%	-
	Terminal cap rate	4.1%	-
	Cost approach price	33,000,000	Land ratio: 83.1%, Building ratio: 16.9%
Other specific matters the appraisal agency has paid attention in appraising the property		None	

【Attached Materials】

1. Portfolio Summary
2. Photo, Map and Conceptual building layout

Reference Material 1

Portfolio Summary

As of March 29, 2024 (Scheduled)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(Scheduled) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
Retail Properties	38	200,554	28.7%
Office Buildings	39	213,399	30.6%
Hotels	23	163,252	23.4%
Residential Properties	25	52,328	7.5%
Others	19	68,707	9.8%
Total	140	698,240	100.0%

[Distribution by Geographical Location]

Location (Note 3)	Number of Properties	(Scheduled) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
6 Central Wards of Tokyo	30	149,141	21.4%
23 Wards of Tokyo	14	47,503	6.8%
Tokyo Metropolitan Area	39	235,549	33.7%
Other Regions	57	266,046	38.1%
Total	140	698,240	100.0%

(Notes)

1. Each of “maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site),” and “OSAKA BAY TOWER”, a retail property/office building complex and “Shin-Osaka Central Tower” and “SS30”, an office building/hotel complex have been counted as one property for each type of use, while counted as one property in the total row, respectively. Therefore, the number of properties of each type does not add up to the total.

United Urban plans an additional acquisition of OSAKA BAY TOWER, a mixed-use complex including retail facility (¥2,637 million) on March 28, 2024 and the total acquisition price for the property is to total ¥5,274 million in addition to the existing holding (¥2,637 million; categorized as office buildings). Based on the MRA’s bylaw on type of use classification in case of additional acquisitions (<Note>), the above table shows the figures after dividing into an office buildings’ portion and a retail properties’ portion.

<Note>Bylaws on Type of Use Classification in Case of Additional Acquisitions

In case that the acquisition price of an investment property which United Urban has already owned and managed exceeds ¥5 billion after additional acquisitions, the total acquisition price is to be divided into respective type of use based on the leased floor area ratios of the respective type of use. If a type of use, of which leased floor area ratio is less than 35%, the subject type of use is to be added to a type of use which has the largest share of the lease floor area.

2. Figures have been rounded to the nearest unit. There is the possibility the aggregated figures shown are not the same as the actual figures. The percentage is shown by rounding down to the nearest digit and there is the possibility that the aggregated figures are not the same as the actual total figures.
3. The definition of geographical investment 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 excluding 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. Other Regions includes 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 and Nagoya Area).

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

Type of Use	Type	Location	Property Name	Scheduled Acquisition Date	Scheduled Acquisition Price	
					Amount (millions of yen)	Ratio
Office Buildings, Retail Properties	Office, Store	Other Regions	OSAKA BAY TOWER (Additional Acquisition)	March 28, 2024	2,637	Office Buildings 0.2% Retail Properties 0.2%

5. Plussing Wave Enoshima is excluded from the above table on the assumption that the transfer on March 29, 2024 (scheduled sale price: ¥2,150 million (acquisition price: ¥1,800 million)) will be carried out as scheduled. For details, please refer to the press release “Notice Concerning Sale of Trust Beneficiary Interest of Domestic Real Estate Property (Plussing Wave Enoshima)” dated February 20, 2024.

6. The latest information about United Urban’s portfolio is disclosed on United Urban’s website.

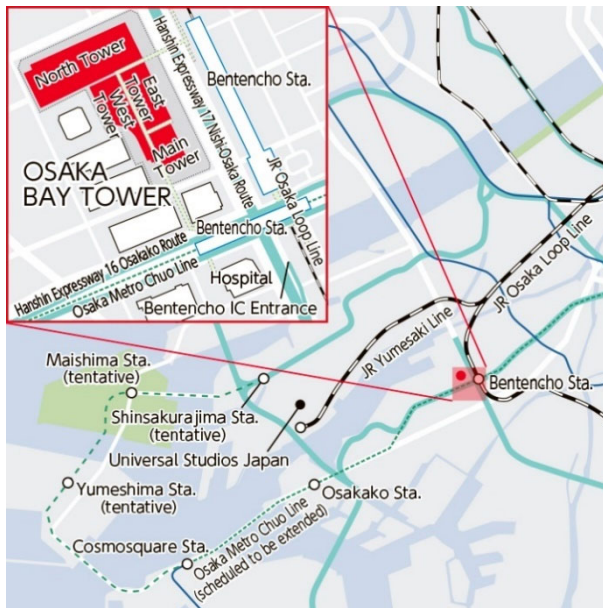
<https://www.united-reit.co.jp/en/portfolio/index.html>

Reference Material 2

[Photo]



[Map]



[Conceptual Building Layout]

