

For Translation Purposes Only

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For Immediate Release

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Notice on the Exchange of the Land on the Property (Shin-Sapporo Center Building)

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, decided today to exchange a part of the property which has held by United Urban for the adjacent land as set forth below.

1. Background and Reason for the Exchange

United Urban received an offer to exchange a part of Shin-Sapporo Center Building’s land which United Urban has held (the “Land to be Transferred”) for a part of the adjacent land (“Land to be Acquired”) from City of Sapporo who has held the adjacent land (the “Exchange”).

The city plans to redevelop the surrounding area of Shin-Sapporo station (the “Development Plan”) based on its “Town Development Plan of the Surrounding Area of Shin-Sapporo Station” drawn up in fiscal year 2014. City of Sapporo offered the Exchange because the Land to be Transferred is located on the planned new road according to the Development Plan.

United Urban recognizes the Development Plan would lead to increase the value of the relevant area including Shin-Sapporo Center Building (the “Property”), and decided to accept the offer from the city.

2. Details of Acquisition

	Land to be Transferred	Land to be Acquired
Type of the Asset (Location)	Real Estate (land) (Note 1) (A part of the land located in 6-493-39 Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido)	Real estate (land) (6-493-75 Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido)
Type of Ownership	Proprietary Ownership	Proprietary Ownership
Site Area	6.39 m ²	6.39 m ²
Price of the real estate (scheduled) (Note 2)	¥957 thousand	¥809 thousand
Current Owner (Beneficial Owner)	Sumitomo Mitsui Trust Bank Co., Ltd. (United Urban Investment Corporation)	City of Sapporo
New Owner (Note 3)	City of Sapporo	United Urban Investment Corporation
Method of Transaction	The Land to be Transferred will be subdivided from the land of the Property in registration and split from the asset in trust of the Property. Then, it will be acquired by City of Sapporo.	United Urban will acquire the Land to be Acquired and entrust it to the asset in trust of the Property.

(Notes)

1. As of today, the Land to be Transferred has been entrusted to Sumitomo Mitsui Trust Bank Co., Ltd. as the trustee.
2. With regard to the Exchange, United Urban will receive the difference amount between the sale price of the Land to be Transferred and the acquisition price of the Land to be Acquired (the “Exchange Differences”, and it is expected to be ¥147 thousand based on scheduled price of transaction).
3. “New Owner” is the owner of the relevant land after the Exchange.

3. Details of Counterpart of the Exchange

The counterpart of the Exchange is City of Sapporo (Mayor: Katsuhiko Akimoto).

4. Exchange Schedule

The schedule for the Exchange is as follows.

February 28, 2018	Resolution of the Exchange
Early March 2018 (scheduled)	Conclusion of the memorandum on the Exchange
Until end of March 2018 (scheduled)	Conclusion of the contracts on the Exchange and Transfer of the ownership of each land (Note) After the transfer of proprietary ownership, Exchange Differences will be settled.

5. Outlook for Operation

United Urban does not make any changes to the forecasts of financial results for the twenty-ninth fiscal period (period ending May 31, 2018) and the thirtieth fiscal period (period ending November 30, 2018) as the effect of the Exchange mentioned above is not significant.