

For Translation Purposes Only

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For Immediate Release

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### Notice Concerning Acquisition of Property (LOOP-X・M)

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

#### 1. Acquisition of the Property

United Urban will acquire the trust beneficial interest in the following real estate (the “Asset to be Acquired” (Note 1)).

Property Number	Type of Use (Note 2)	Property Name	Location	Anticipated Acquisition Price (Note 3)	Estimated NOI Yield (Note 4)	Estimated NOI Yield After Depreciation (Note 5)	Anticipated Acquisition Date
B45	Office (office, apartment)	LOOP-X・M	Minato-ku, Tokyo	¥11,200 million	4.5%	4.0%	April 26, 2017

(Notes)

- The Asset to be Acquired contains two buildings (“LOOP-X” which is used as an office building and “LOOP-M” which is used as a residential building). United Urban will acquire the trust beneficial interest in “LOOP-X”, “LOOP-M” and the land where both building stand (hereinafter collectively referred to as the “Property”). For the details of the Building, please refer to “(1) Reason for Acquisition” of “2. Details of Acquisition” and “Photo and Map” of “Reference Material 2”.
- “Type of Use” determined by United Urban is shown. For the details, please refer to “(1) Reason for Acquisition” of “2. Details of Acquisition”. The words in parentheses, are those indicated primarily on the real estate register.
- “Anticipated Acquisition Price” excludes acquisition costs, property taxes, city planning taxes, consumption taxes and other costs. United Urban will acquire “LOOP-X” and “LOOP-M” as one property, therefore “Anticipated Acquisition Price” is described whole price.
- “NOI (Net Operating Income)” means the figure equal to an amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues. “Annualized Estimated NOI” means the estimated NOI for 1 year from the acquisition by United Urban, which is calculated based on the terms and conditions of leasing after the acquisition by United Urban. “Estimated NOI Yield” is calculated by the “Annualized Estimated NOI” / the anticipated acquisition price is expressed as a percentage and rounded to first decimal place.
- “Estimated NOI Yield After Depreciation” is calculated by (i) “Annualized Estimated NOI” deducted by “Estimated Depreciation and Amortization” / (ii) the anticipated acquisition price. It is described as a percentage and rounded to first decimal place. “Estimated Depreciation and Amortization” means the estimated depreciation and amortization for 1 year after the acquisition by United Urban, which is calculated under the straight-line method by applying the depreciation ratio to be derived for each depreciable asset of the Asset to be Acquired in accordance with the useful life thereof, based on the accounting policy of United Urban.

#### 2. Details of Acquisition

##### (1) Reason for Acquisition

In accordance with the basic asset-management policy and its investment approach prescribed in its Articles of Incorporation, United Urban will acquire the Asset to be Acquired for the purpose of further enhancing its portfolio. In making the decision to acquire the Asset to be Acquired, the following (from 1. to 3.) are

highly appreciated. The Asset to be Acquired consists of facilities with multiple uses such as an Office Building “LOOP-X” and a Residence “LOOP-M”. United Urban will classify the type of use of the Asset to be Acquired into Office based on the Asset Management Guidelines of JRA (Note).

(Note) Asset Management Guidelines of JRA stipulates as follows.

“When the acquisition price of investment target real estate is over ¥5.0 billion, the evaluation value is divided proportionally based on the leasable area ratio for each type of use of the investment target real estate and it is classified for type of use. However, for type of use where the leasable area is 35% or less of the investment target real estate, it shall be added to the type of use where the leasable area ratio is the maximum.”

### 1. Location

The Property is located in 12 minutes-walk from “Tamachi” Station of the JR Lines and 8 minutes-walk from “Shibaura-futo” Station of the Yurikamome Line, and in “Minato-ku” in Tokyo. Large-scale redevelopment such as construction of tower apartments etc. has been carried out in the neighborhood of the Property due to convenience of the site and the proximity to offices from homes. Therefore, the attractiveness of this area is increasing.

In addition, large-scale redevelopment has been in progress in the area east to “Tamachi” Station, and a new station of JR Yamanote Line is scheduled to open between “Shinagawa” Station and “Tamachi” Station. United Urban expects the area is further flourish as a business district.

### 2. Building

The Property was constructed in 1991, and the Property contains two buildings (“LOOP-X” and “LOOP-M”).

#### I. LOOP-X

“LOOP-X” is an office building with 17 stories above the ground and 1 basement floor, and its portion from 3rd to 17th floors is used as offices. The area of each floor is 998.17m<sup>2</sup>. The shape of the floors which rectangle without pillars and easy for layout, Also, its rent level is cheaper than that in the central Tokyo. Considering such advantage as above, the steady demand can be expected in the Property. Also, a cafeteria is located on the 2nd floor and shuttle buses are operated between the JR “Tamachi” station and the Property.

#### II. LOOP-M

“LOOP-M” is the building with 18 stories above the ground and 1 basement floor, and used as a rental apartment. There are 7 rooms on each floor from 2nd to 14th floor and 4 rooms from 15th to 18th floor. The area of a room is about from 45 to 122m<sup>2</sup>, and the building has a variety of rooms that can accommodate a wide range of residential needs from single person, DINKS (Note) and a family. A view over the Rainbow Bridge is one of the attractiveness, and it means that “LOOP-M” has superiority over competing properties.

(Note) “DINK” is an acronym that stands for “Dual Income, No Kids”. It describes a couple who has double income and does not have children.

We are now considering various measures, renovation work and investment, etc. after acquiring the Property by United Urban toward improve the competitiveness of the Property and the tenant satisfaction as a long time has passed since the Property’s construction.

### 3. Tenants, etc.

#### I. LOOP-X

LOOP-X’s tenants are occupied by the companies in a wide range of industries such as a distribution service, an electric company, a home appliance maker, IT company and etc., and its occupancy rate has been stable. We foresee its steady operation in the future. Also the needs from other than those mentioned above, such as related businesses of marine transport, warehousing industry and their business partners that make use of the location characteristics of the bay area can be expected.

#### II. LOOP-M

Due to the location along the Yamanote line which enables to go to “Shinagawa” station, “Tokyo” station or “Shinjuku” station without transfer, it is occupied by a wide range of tenants, single person or family etc who prefer proximity to offices from their homes. Therefore, United Urban expects robust tenants’ needs.

The partial rent-guarantee type master lease agreement is concluded between two of the seller and a master lessee, and the master lease company (“Residence ML”) has subleased each room of the Property to end tenants.

## (2) Summary of Acquisition

- |                                  |   |
|----------------------------------|---|
| 1. Asset to be Acquired          | : Trust beneficial interest in real estate (Note 1)   |
| 2. Property Name                 | : LOOP-X・M  |
| 3. Anticipated Acquisition Price | : ¥11,200 million   |
| 4. Agreement Date                | : March 27, 2017 (conclusion of the sale and purchase agreement of the trust beneficial interest) |
| 5. Anticipated Acquisition Date  | : April 26, 2017 (transfer of the trust beneficial interest)                                      |
| 6. Seller                        | : 2 domestic companies (Undisclosed)  |
| 7. Financing                     | : Borrowing (Note 2)  |
| 8. Date of Payment               | : April 26, 2017 (Anticipated)  |

### (Notes)

- As of today, the Property has not been entrusted. However, the Seller will entrust the Property to Sumitomo Mitsui Trust Bank, Limited as the trustee by the anticipated acquisition date and United Urban will acquire the Property in the form of trust beneficial interest in real estate.
- As of today, we are in negotiations about borrowing with each financial institution. We will announce later once it is determined.

## (3) Outline of the Property

Property Name	LOOP-X・M	
Type of the Asset	Trust beneficial interest in real estate (Note 1)	
Trustee	Sumitomo Mitsui Trust Bank, Limited (Note 1)	
Period of Trust Agreement	From April 26, 2017 to April 30, 2027	
Location (Note 2)	Lot number	3-123, 3-124 and 3-125-1・2 Kaigan, Minato-ku, Tokyo
	Residential	3-9-15・10 Kaigan, Minato-ku, Tokyo
Access	Approximately 12-minute walk from Tamachi Station (JR Yamanote Line, JR Keihin-Tōhoku Line) Approximately 8-minute walk from Shibaura-futo Station (Yurikamome Line)	
Type (Note 2)	Office, Apartment (107 rooms)	
Site Area (Note 2)	Land	5,491.44 m <sup>2</sup>
	Building	Total 31,583.38 m <sup>2</sup> LOOP-X: 22,253.78 m <sup>2</sup> LOOP-M: 9,329.60m <sup>2</sup>
Structure and Scale (Note 2)	LOOP-X: S・SRC B1F/17F LOOP-M: SRC・RC B1F/18F	
Type of Ownership	Land	Proprietary Ownership
	Building	Proprietary Ownership
Completion Date (Note 2)	November 1991	
Initial Building Owner	SANSHIN WAREHOUSE Co., Ltd.	
Constructor	SHIMIZU CORPORATION	
Anticipated Acquisition Price	¥11,200 million	
Appraisal Value	¥11,600 million	
Date of Value Estimate	March 1, 2017	
Appraisal Agency (Appraisal Method)	Appraisal by Japan Real Estate Institute	
Probable Maximum Loss (PML)	7% (LOOP-X: 7%, LOOP-M: 6%)	
Collateral	None	
Special Notations	<p>(Administrative laws and regulations)</p> <ul style="list-style-type: none"> <li>The Property has been built under easing of the regulation regarding as complex constructed on the site based on (included amendments responsibility of having a building site adjacent to the road, restriction of floor area ratio and of building coverage ratio, and sun shadow regulation, etc) which were based on the permission of one apartment complex by the rule of Paragraph 1, Article 86 of the Building Standard Laws (Act No.201 of 1950, included amendments). There are some restrictions when we will reconstruct buildings on this site in the future.</li> </ul> <p>(Boundaries)</p> <ul style="list-style-type: none"> <li>A part of the Property's building cross the border to the adjacent site and it also crosses the border. The seller will conclude a memorandum about this cross-border by the acquisition date.</li> </ul> <p>(Others)</p> <ul style="list-style-type: none"> <li>A bicycle parking lot with a roof (Site Area: 25.60m<sup>2</sup>) was set up on the south side of "LOOP-X" after the construction. However, the</li> </ul>	

	relevant construction confirmation application process for extension has not been done. United Urban will perform the construction confirmation application process or remove the roof within one year after acquisition of the Asset to be Acquired.
Details of Tenant (Note 3)	
Total Number of Tenants	116 (LOOP-X: 14, LOOP-M: 102)
Security Deposit	LOOP-X: ¥353 million, LOOP-M: ¥37 million
Total Rental Revenues (yearly)	¥785 million (LOOP-X: ¥573 million, LOOP-M: ¥212 million)
Total Leasable Floor Space	21,592.21 m <sup>2</sup> (LOOP-X: 14,822.49 m <sup>2</sup> , LOOP-M: 6,769.62 m <sup>2</sup> )
Total Leased Floor Space	21,232.36 m <sup>2</sup> (LOOP-X: 14,822.49 m <sup>2</sup> , LOOP-M: 6,409.87 m <sup>2</sup> )
Occupancy Ratio (Note 4)	LOOP-X: 100.0%, LOOP-M: 94.7%
Reference	
Estimated Annualized NOI (Note 5)	¥506 million
Estimated NOI Yield (Note 5)	4.5%

(Notes)

- As of today, the Property has not been entrusted. However, the Seller will entrust the Property to Sumitomo Mitsui Trust Bank, Limited as the trustee by the anticipated acquisition date and United Urban will acquire the Property in the form of trust beneficial interest in real estate.
- Each piece of information in the “Location (Lot number),” “Type,” “Site Area,” “Structure and Scale” and “Completion Date” is described as it appears on the real estate register.
- “Details of Tenant” on “LOOP-X” is described based on a lease agreement between the current of owner (one of two sellers) and each tenants as of February 28, 2017. “Details of Tenant” on “LOOP-M” is based on a lease agreement between a master lessee and each of end tenants (however, “Security Deposit” amount is based on a master lease agreement between two of the sellers and a master lessee). Upon acquisition, United Urban will conclude a pass-through type master lease agreement with the new trustee. United Urban as a master lessee on “LOOP-X” will sublease the property to end tenants. United Urban will conclude a master lease agreement with Residence ML, and it will sublease each room for “LOOP-M”.
- “Occupancy Ratio” means the percentage obtained by dividing “Total Leased Floor Space” by “Total Leasable Floor Space” (However, if a lease agreement covering only the parking lot is concluded, the agreement is excluded.)
- For the definition of “NOI (Net Operating Income)” and “Estimated Annualized NOI”, please refer to Note 4 of “1. Acquisition of the Property” above. “Estimated Annualized NOI” is described as total value, on the assumption of the occupancy ration that “LOOP-X” is 100.0% and “LOOP-M” is 94.0%.

(4) The Sellers’ Profile

The sellers are two domestic companies. However, the sellers’ details are not disclosed because the sellers have not given consent for the disclosure. As of today, the sellers fall 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. In addition, United Urban and JRA have no significant capital ties, personal relationships and transactions with the sellers, and the sellers are not a related party of United Urban and JRA.

(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 JRA.

(6) Outline of Intermediary

1. Outline of Broker

Company Name	XYMAX Corporation
Address	1-1-1 Akasaka, Minato-ku, Tokyo
Representative	Representative Director: Masafumi Shimada
Principal Business	<ul style="list-style-type: none"> <li>• Asset management</li> <li>• Property management</li> <li>• Tenant leasing and retention</li> <li>• Appraisal advisory for real estate transactions</li> <li>• Brokerage</li> </ul>
Capital	¥2,612,865 thousand
Date of Foundation	March 1, 1990
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	XYMAX Corporation falls under neither the category of the Related Party nor the category of Sponsor/Stakeholder.

## 2. Details and Amount of Brokerage

The amount of commission is not disclosed, due to unavoidable circumstances where the consent for the disclosure has not been obtained from the broker. The amount of commission for the broker does not exceed the upper limit (3% of the anticipated acquisition price plus 60,000 yen (excluding consumption taxes) stipulated in the Building Lots and Buildings Transaction Business Act).

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

One tenant of “LOOP-X” falls under the categories of both the Related Party and the Sponsor/Stakeholder. However, the tenant’s details are not disclosed because the tenant has not given its consent for the disclosure. As the relevant lease agreement will be succeeded to United Urban on the acquisition of the Property to be acquired, JRA has not made the relevant resolution concerning the transaction with Interested Party and Sponsor/Stakeholder.

It is to be noted that the lease condition (the rent including common-area charges per unit area) concerning the relevant tenant is fair, in light of the estimated level of rent (rent including common-area charges per unit area) at this point based on the market report obtained by JRA.

## 3. Method of Settlement and Acquisition Schedule

### (1) Method of Settlement

As of today, the payment to the Seller will be a lump-sum payment upon the delivery of the Property, using the borrowing. For the details of the fund for acquisition, we will announce later once it is determined.

### (2) Acquisition Schedule

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

Decision of acquisition	March 27, 2017
Conclusion of sale and purchase agreement of trust beneficial interest in real estate	
Transfer of trust beneficial interest (Anticipated)	April 26, 2017
Payment (Anticipated)	

## 4. Matters on Forward Commitments

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

Acquisition of the Asset to be Acquired might fall into Forward Commitments.

(Note)

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

In order to secure the Assets to be Acquired, United Urban executed purchase and sale agreement of the trust beneficial interests in real estate (the “PSA”) with the seller today.

The PSA provides that either party may terminate the PSA if the other party materially breaches a provision thereof, in which case the party may request the party in breach to pay an amount equivalent to 20% of the acquisition price as penalty charges. In addition, in the event that one party who terminate the PSA and the other suffers a loss exceeding the amount of the penalty charges, the such party may request the other party to compensate such loss in the amount exceeding the penalty charges, separately.

However, this PSA is subject to the condition precedent to United Urban’s fund procurement for acquisition of the Property. Therefore, as for the acquisition of the Asset to be Acquired, the PSA will be terminated with no penalty if United Urban cannot complete fund procurement on the scheduled acquisition date.

In view of the current situation of the financial market and financial standings of United Urban, United Urban considers 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 Asset to be Acquired.

## 5. Outlook of Operating Condition

As of today, United Urban does not make any changes to the forecasts of financial results for the twenty-seventh fiscal period (period ending May 31, 2017) and the twenty-eighth fiscal period (period ending November 30, 2017).

## 6. Summaries of Appraisal Report

Appraisal Value	¥11,600,000 thousand
Appraisal Agency	Japan Real Estate Institute
Date of Value Estimate	March 1, 2017

(thousand of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	11,600,000	—
Price by Direct Capitalization Method	11,700,000	—
LOOP-X	7,960,000	Refer to (Note 1)
LOOP-M	3,730,000	Refer to (Note 2)
Price by Discounted Cash Flow method	11,400,000	—
LOOP-X	7,780,000	Refer to (Note 1)
LOOP-M	3,610,000	Refer to (Note 2)
Cost approach price	11,200,000	Land ratio: 84.1%, Building ratio: 15.9%
Other specific matters the appraisal agency has paid attention in appraising the property		None

### (Note 1) LOOP-X

(thousand of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	7,780,000	-
Price by Direct Capitalization Method	7,960,000	-
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	783,411	-
1. Potential total profit (rental revenues, common area charges)	671,587	Assessed the receivable rent level in the medium- to long-term steadily, based on the average rent etc. determined by the current leasing contract, the rent level in the case of leasing to the new lessee, and the belongings of the resident lessees.
2. Utility revenues	115,000	Recorded utility revenues, by taking into account occupancy conditions, in the case where the occupancy ratio for the leased space was 100% based on prior actual performance.
3. Parking revenues	15,000	Assessed the receivable rental fee level in the medium- to long-term steadily, based on the average rental fee determined by the current leasing contract, and the fee level in the case of leasing the parking lot to the new lessee.
4. Other revenues	19,300	Antenna installation fee was recorded as other revenues.
5. Losses from vacancies	37,476	Assessed the occupancy rate level in the medium- to long-term steadily, based on the occupancy rate of competitive and similar real estates located in the same market area, the market demand and the results and forecasts of the property's operation.
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)	372,362	-
7. Administrative and maintenance fees	154,777	Recorded administrative and maintenance fees by taking into account the individuality of the subject property in reference to prior actual performance and management fees of similar real estates.
8. Utilities	95,000	Recorded utility expenses by taking into account the occupancy ratio, etc. for the leased space based on prior actual performance.

9. Repairs	27,500	Recorded 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	73,422	Recorded in accordance with documents related to taxes and other public charges.
11. Property Management Fee	16,825	Recorded such fee in reference to the fee rate under the terms and conditions set forth in the agreement, 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.	4,186	Recorded annual average amount assessed by assumed turnover period of lessees.
13. Casualty insurance	652	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	0	No other expenses to be recorded under other expenses.
(3) Net operating income (NOI: (1)-(2) )	411,049	-
(4) Operating profit of lump-sum money	4,260	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)	65,200	The update fee to maintain the building actually occurs irregularly. In here, assumed to accumulate expected expenses on average every fiscal period, and assessed capital expenditures, taking into account the level of capital expenditure, 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))	350,109	-
(7) Cap rate	4.4%	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 subject property and by taking into account any future uncertainties and yields from similar real estate deals, etc.
Price by Discounted Cash Flow method	7,780,000	-
Discount rate	4.0%	-
Terminal cap rate	4.4%	-

(Note 2) LOOP-M

(thousand of yen, unless otherwise indicated)

Item	Details	Grounds
Income approach price	3,610,000	-
Price by Direct Capitalization Method	3,730,000	-
(1) Total profit (Effective total profit: 1+2+3+4-5-6)	246,350	-
1. Potential total profit (rental revenues, common area charges)	235,893	Assessed the receivable rent level in the medium- to long-term steadily, based on the average rent etc. determined by the current leasing contract, the rent level in the case of leasing to the new lessee, and the belongings of the resident lessees.
2. Utility revenues	0	No utility revenues to be recorded.
3. Parking revenues	37,407	Assessed the receivable rental fee level in the medium- to long-term steadily, based on the average rental fee determined by the current leasing contract, and the fee level in the case of leasing the parking lot to the new lessee.
4. Other revenues	7,670	Assumed the number-of-month-equivalent key money that will be received from individual tenants, annual average tenant replacement rate and average contract

		period; and recorded key money based on the above. Also recorded revenues from vending machine as other revenues.
5. Losses from vacancies	34,620	Assessed the occupancy rate level in the medium- to long-term steadily, based on the occupancy rate of competitive and similar real estates located in the same market area, the market demand and the results and forecasts of the property's operation.
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)	65,215	-
7. Administrative and maintenance fees	16,384	Recorded administrative and maintenance fees by taking into account the individuality of the subject property in reference to prior actual performance and management fees of similar real estates.
8. Utilities	3,000	Recorded utility expenses by taking into account the occupancy ratio, etc. for the leased space based on prior actual performance.
9. Repairs	8,682	Recorded restitution fees based on the level of restitution fees per room that will ordinarily arise in correlation with tenant replacement, the proportion of the lessor's burden, average timing of expense payment, degree of restitution and other factors. 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	20,333	Recorded in accordance with documents related to taxes and other public charges.
11. Property Management Fee	7,172	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.	9,306	Recorded the administrative fees associated with advertising and contracting new tenants with reference to current agreement terms, lease terms of similar properties in the area. Also recorded the commission fees needed for advertising and the advertisement fees calculated by actual results of the previous fiscal year. Finally recorded fees associated with renewing contracts which is paid for the agents by taking into account tenant replacement ratio and occupancy ratio etc.
13. Casualty insurance	338	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	0	No other expenses to be recorded under other expenses.
(3) Net operating income (NOI: (1)-(2) )	181,135	-
(4) Operating profit of lump-sum money	374	Assumed an operating profit of lump-sum money by multiplying the assumed number-of-month-equivalent lease deposits for the current lease contracts and the operating 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)	13,500	The update fee to maintain the building actually occurs irregularly. In here, assumed to accumulate expected expenses on average every fiscal period, and assessed capital expenditures, taking into account the level of capital expenditure, 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))	168,009	-
(7) Cap rate	4.5%	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 subject property and by taking into account any future uncertainties and yields from similar real estate deals, etc.

Price by Discounted Cash Flow method	3,610,000	-
Discount rate	4.2%	-
Terminal cap rate	4.6%	-

**【Attached Materials】**

1. Portfolio Summary
2. Photo and Map

**Reference Material 1**
**Portfolio Summary**

As of April 26, 2017 (Anticipated)

[Distribution by Type of Use]

Type of Use	Number of Properties (Note 1)	(Anticipated) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
Retail Properties	37	207,672	33.2%
Office Buildings	39	213,755	34.2%
Hotels	15	111,327	17.8%
Residential Properties	25	46,278	7.4%
Others	11	46,448	7.4%
Total	124	625,479	100.0%

[Distribution by Geographical Investment Location]

Location (Note 3)	Number of Properties	(Anticipated) Acquisition Price (Note 2)	
		Amount (millions of yen)	Ratio
6 Central Wards of Tokyo	26	129,977	20.8%
23 Wards of Tokyo	13	60,211	9.6%
Tokyo Metropolitan Area	34	201,502	32.2%
Other Regions	51	233,790	37.4%
Total	124	625,479	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 have been counted as one property for each type of use, while counted as one property in the total row, respectively. Therefore, the number of properties of each type does not add up to the total.
- Figures have been rounded to the nearest unit. There is the possibility the aggregated figures shown are not the same as the actual figures. The percentage is shown by rounding down to the nearest digit and there is the possibility that the aggregated figures are not the same as the actual total figures.
- The definition of geographical investment location is as set forth below.

Tokyo Metropolitan Area (Note a)			Other Regions (Note b)
Six Central wards of Tokyo	23 wards of Tokyo	Tokyo metropolitan area	Major Japanese cities including government designated cities (excluding those in Tokyo Metropolitan Area) and the surrounding areas thereof
Chiyoda-ku, Minato-ku, Chuo-ku, Shinjuku-ku, Shibuya-ku, and Shinagawa-ku	23 wards of Tokyo except for six central wards of Tokyo	Tokyo metropolitan area excluding 23 wards of Tokyo	

(Notes)

- Tokyo Metropolitan Area refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
- "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".

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

Type of Use	Type	Location	Property Name	Anticipated Acquisition Date	Anticipated Acquisition Price	
					Amount (millions of yen)	Ratio
Office, Hotel	Office, Hotel	Other Regions (Other)	SS30	Mar. 30, 2017	18,200	Office 1.9% Hotel 1.1%
Office	Office, Apartment	6 Central Wards of Tokyo	LOOP-X · M	April 26, 2017	11,200	1.8%

- 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 "Summary of Portfolio".
- In addition to the properties in the above chart, United Urban has an asset as follows;

Type of the Asset and Asset Name etc.	Outline of the Asset	Acquisition Date	Acquisition Price (millions of 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)

Reference Material 2

Photo and Map

[Photo]

LOOP-X



LOOP-M



[Map]

