

For Translation Purposes Only

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For Immediate Release

 United Urban Investment Corporation  
 Toshiaki Emon  
 Executive Officer  
 (Securities Code: 8960)

 Asset Management Company:  
 Japan REIT Advisors Co., Ltd.  
 Norimasa Gaun  
 President and CEO  
Inquiries:  
 Takehide Sasaki  
 Chief Financial Officer  
 TEL: +81-3-5402-3680

## Notice Concerning Change in Base Interest Rate for Loan Agreement and Interest Rate Swap Agreement Due to Suspension of LIBOR Announcement

United Urban Investment Corporation (“United Urban”) hereby announces its decision, which was made today, to change the base interest rate for loan agreements (borrowings) and interest rate swap agreements (the “Change”), as set forth below.

### 1. Reason for Change

On March 5, 2021, ICE Benchmark Administration (“IBA”) has announced that it intends to cease the publication of LIBOR based on the current methodology referencing rates provided by panel bank (panel-based LIBOR) immediately after end-2021 except for certain US dollar LIBOR settings.

In response to this suspension, United Urban has discussed with the respective financial institutions regarding successor interest rate for the floating interest rate borrowings of United Urban based on the yen LIBOR announced by IBA and the interest rate swap agreements that target the borrowings. United Urban has decided to adopt “TONA compounded setting in arrears rate (“TONA”)”, which is calculated based on the unsecured call rate (overnight) announced by the Bank of Japan, as the successor interest rate of LIBOR.

United Urban, Lenders and Contractors are planning to revise the relevant agreements described in table of “2. Details of Change” below as of October 29, 2021. Based on the revised agreements, each interest payment will be made in accordance with the new TONA based interest rates from the beginning of the interest rate calculation period (January 20, 2022), which first arrives after January 1, 2022.

For all the relevant borrowings, the interest rate payment is substantially fixed by the interest rate swap agreement corresponding to each loan, and the Change will not affect business performance.

### 2. Details of Change

#### (1) Loan agreement (Borrowings)

(Million yen)

Title	Lender	Borrowing Amount	Drawdown Date	Repayment Date	Interest Rate Upper: Before Change Lower: After Change
Term Loan 99 (Note 1)	Mizuho Bank, Ltd.	3,000	Oct. 2, 2014	Mar. 22, 2022	IBA one month Euroyen LIBOR +0.25% ----- TONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6) +0.25%

(Million yen)

Title	Lender	Borrowing Amount	Drawdown Date	Repayment Date	Interest Rate Upper: Before Change Lower: After Change
Term Loan 2B (Note 2)	Mizuho Bank, Ltd.	2,000	Nov. 25, 2014	Jun. 20, 2022	IBA one month Euroyen LIBOR +0.25%
					TONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6) +0.25%
Term Loan 14B (Note 3)	Mizuho Bank, Ltd.	1,300	Jul. 15, 2015	Sep. 20, 2023	IBA one month Euroyen LIBOR +0.25%
					TONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6) +0.25%
Term Loan 21B (Note 4)	Mizuho Bank, Ltd.	1,000	Dec. 4, 2015	Sep. 20, 2024	IBA one month Euroyen LIBOR +0.25%
					TONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6) +0.25%
Term Loan 22B (Note 5)	MUFG Bank, Ltd. (Note 7)	1,000	Dec. 4, 2015	Mar. 21, 2024	IBA one month Euroyen LIBOR +0.28%
					TONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6) +0.28%

## (2) Interest rate swap agreement

(Million yen)

Target	Contractor	National Principal	Contract Period	Fixed Payment Interest Rate	Floating Receipt Interest Rate Upper: Before Change Lower: After Change
Term Loan 99 (Note 1)	Mizuho Bank, Ltd.	3,000	From Oct. 2, 2014 to Mar. 22, 2022	0.41100%	IBA one month Euroyen LIBOR
					TONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6)
Term Loan 2B (Note 2)	Mizuho Bank, Ltd.	2,000	From Nov. 25, 2014 to Jun. 20, 2022	0.42200%	IBA one month Euroyen LIBOR
					ONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6)
Term Loan 14B (Note 3)	Mizuho Bank, Ltd.	1,300	From Jul. 15, 2015 to Sep. 20, 2023	0.49900%	IBA one month Euroyen LIBOR
					ONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6)
Term Loan 21B (Note 4)	Mizuho Bank, Ltd.	1,000	From Dec. 4, 2015 to Sep. 20, 2024	0.38275%	IBA one month Euroyen LIBOR
					ONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6)
Term Loan 22B (Note 5)	MUFG Bank, Ltd. (Note 7)	1,000	From Dec. 4, 2015 to Mar. 21, 2024	0.34500%	IBA one month Euroyen LIBOR
					ONA + Spread Adjustments between Adjusted Reference Rates and IBOR Rates (Note 6)

(Notes)

- The interest rate of Term Loan 99 has been fixed at 0.66100% due to the interest rate swap agreement, and the real interest rate will not change even after the Change.
- The interest rate of Term Loan 2B has been fixed at 0.67200% due to the interest rate swap agreement, and the real interest rate will not change even after the Change.
- The interest rate of Term Loan 14B has been fixed at 0.74900% due to the interest rate swap agreement, and the real interest rate will not change even after the Change.
- The interest rate of Term Loan 21B has been fixed at 0.63275% due to the interest rate swap agreement, and the real interest rate will not change even after the Change.

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5. The interest rate of Term Loan 22B has been fixed at 0.62500% due to the interest rate swap agreement, and the real interest rate will not change even after the Change.
  6. “Spread Adjustments between Adjusted Reference Rates and IBOR Rates” is an adjustment value applied to minimize value transfer when changing a LIBOR transaction to a successor interest rate transaction. “Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks”, which is the Bank of Japan as the secretariat, recommends adjustments for adjusting the difference between IBA one month Euroyen LIBOR and TONA as published by Bloomberg as the values obtained from the median approach over the last 5 years (Annual rate: -0.02923%).
  7. The initial lender and contractor were Mitsubishi UFJ Trust and Banking Corporation, but the contractual status has been succeeded to MUFG Bank, Ltd. as of April 16, 2018.

### **3. Impact on Business Performance, etc.**

As mentioned above, the Change will not affect the real interest rate, so there will be no impact on the business performance of United Urban.