

## SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED NOVEMBER 30, 2016 (June 1, 2016 – November 30, 2016)

Name of issuer: United Urban Investment Corporation (United Urban)  
 Listing: Tokyo Stock Exchange  
 Securities code: 8960  
 URL: <http://www.united-reit.co.jp/eng/>  
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Scheduled date of filing of Securities Report: February 22, 2017  
 Scheduled date for commencing dividend payments: February 15, 2017  
 Supplementary Materials on Financial Results: Scheduled  
 Financial Results Conference: Scheduled (for analysts and institutional investors (Japanese language only))

(Amounts are rounded down to the nearest millions of yen, unless otherwise indicated)

### 1. Performance for the Fiscal Period Ended November 30, 2016 (June 1, 2016 – November 30, 2016)

#### (1) Business Results

(Percentage figures show the increase/decrease rate compared to the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended November 30, 2016	22,864	6.6	11,057	4.4	9,349	1.3	9,348	2.9
Fiscal period ended May 31, 2016	21,444	6.8	10,591	12.3	9,224	13.0	9,089	14.8

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended November 30, 2016	3,183	3.0	1.5	40.9
Fiscal period ended May 31, 2016	3,303	3.1	1.5	43.0

#### (2) Distributions

	Distributions per Unit (excluding excess of earnings)	Total Cash Distributions (excluding excess of earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended November 30, 2016	3,010	8,888	0	0	94.5	2.7
Fiscal period ended May 31, 2016	3,000	8,254	0	0	90.8	2.8

Notes: 1. "Payout Ratio" is rounded down to the nearest one decimal place.

2. For the fiscal period ended May 31, 2016, because a portion of unappropriated retained earnings (¥834 million) was reserved as a reserve retained for distribution, there was a difference between cash distribution per unit and net income per unit. For the fiscal period ended November 30, 2016, because a calculation of net income per unit was based on an average number of investment units during the period due to an issuance of new investment units and a portion of unappropriated retained earnings (¥459 million) was reserved as a reserve retained for distribution, there was a difference between cash distribution per unit and net income per unit.

#### (3) Financial Position

	Total Assets	Total Unitholders' Equity (Net Asset)	Equity Ratio	Net Asset per Unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended November 30, 2016	648,105	333,592	51.5	112,966
Fiscal period ended May 31, 2016	629,262	298,009	47.4	108,313

#### (4) Conditions of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended November 30, 2016	14,156	(22,022)	10,161	64,681
Fiscal period ended May 31, 2016	11,849	(27,976)	20,325	62,385

## **2. Forecasts of Results for the Fiscal Period Ending May 31, 2017 (December 1, 2016 – May 31, 2017) and the Fiscal Period Ending November 30, 2017 (June 1, 2017 – November 30, 2017)**

(Percentage figures show the increase/decrease rate compared to the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending May 31, 2017	22,327	(2.3)	10,779	(2.5)	9,549	2.1	9,548	2.1	3,150	0
Fiscal period ending November 30, 2017	22,325	(0.0)	10,737	(0.4)	9,640	1.0	9,640	1.0	3,180	0

[Reference] Estimated net income per unit (full business year):

Fiscal period ending May 31, 2017 ¥3,125      Fiscal period ending November 30, 2017 ¥3,155

Note: The resource for cash distributions for the fiscal period ending May 31, 2017 and November 30, 2017 is the result of adding a reversal of reserve for temporary difference (¥75 million) to the net income, respectively. Therefore, it differs from “net income” of each fiscal period.

### **\*Other**

#### (1) Change in Accounting Policies, Change in Accounting Estimate, and Restatement

- Changes in accounting policies in accordance with a revision of the accounting rules: Not Applicable
- Changes in accounting policies other than 1, above: Not Applicable
- Changes in accounting estimate: Not Applicable
- Restatement: Not Applicable

#### (2) Total Number of Investment Units Issued and Outstanding

- Total number of investment units issued at the end of the fiscal period (including treasury investment units)
  - As of November 30, 2016: 2,953,022 units
  - As of May 31, 2016: 2,751,376 units
- Treasury investment units at the end of the fiscal period
  - As of November 30, 2016: None
  - As of May 31, 2016: None

Note: For the number of investment units used as the basis for the calculation of net income per unit, please refer to “Notes to Per Unit Information” on page 24.

#### (3) Rounding of Fractions of Amounts and Ratios

Unless otherwise specifically indicated, amounts in this report have been rounded down to the units stated and the ratios have been rounded to the nearest one decimal place.

#### Description of implementation status of audit procedure

- As of January 18, 2017, the audit procedure of the financial statements under the Financial Instruments and Exchange Act has not been completed.

#### Explanation for appropriate use of result forecasts and other special instructions

- Forward-looking statements contained in this material are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of the assumptions made, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017) and the Fiscal Period Ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017)” below.

**DISCLAIMER**

This is an English-language translation of original Japanese document “the Brief Report on the Closing of Accounts (*Kessan-Tanshin*) for the fiscal period ended November 30, 2016. This translation is provided for information purpose only and is not intended to constitute a statutory document for an offer to sell, or seeking an offer to buy, any securities of United Urban. United Urban makes no assurance or warranty with respect to the completeness or accuracy of this English translation; the Japanese versions of the *Kessan-Tanshin* should always be referred to as the originals of this document.

## 1. Related Corporations of Investment Corporation

### Structure of Investment Corporation

As there are no significant changes in “Structure of Investment Corporation” stated in the latest Securities Report (submitted on August 25, 2016), the disclosure is omitted.

## 2. Management Policies and Management Status

### (1) Management Policies

As there are no significant changes in “Investment Policies,” “Investment Targets,” “Distribution Policies” and “Investment Restriction” stated in the latest Securities Report (submitted on August 25, 2016), the disclosure is omitted.

### (2) Management Status

#### 1. Overview during the period

##### a. Investment environment and operation

##### (i) Investment environment

During the period, there were some movements altering expectations in the domestic and international market, but corporate performance remains strong due to exchange rate trends and a financing environment has been favorable.

In the real estate sales market, transaction prices have been rising continuously due to the favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of the retail industry have been stable overall although there have been increases and declines in some businesses. Therefore, the market for retail properties remains steady. As for office buildings, oversupply of new office buildings is expected with the increasing needs for company’s business expansion, the asking rents in the Tokyo metropolitan area and major cities throughout Japan have been increasing. As for hotels, the number of hotel guests was reduced temporarily due to the impact of the Kumamoto Earthquake and other factors, but the room occupancy ratio is recovering and the management environment is good. As for residential properties, rental properties have a steady demand as a necessity of life, and both the occupancy ratio and rent levels remains stable.

##### (ii) Issuance of new investment units

In order to procure funds for the acquisition of new specified assets and for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors’ meeting of United Urban, held on May 25, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors’ meeting of United Urban held on June 7, 2016. Based on these resolutions, United Urban issued 190,000 new investment units by way of public offering including global offering and 11,646 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥34,251 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed (the issuance of new investment units by way of both public offering and third-party allotment hereinafter collectively referred to as the “9th Public Offering”).

As a result, United Urban’s total capital increased to ¥292,411 million and the total number of investment units issued and outstanding increased to 2,953,022 units.

##### (iii) New acquisitions and sales of properties

During the period, United Urban acquired the following three properties and the building with leasehold standing on the land adjacent to the existing property, “the b roppongi”. Moreover, United Urban executed the additional investment to the Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company), in which United Urban has already had preferred equity securities.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A40	KURURU	Retail	Fuchu, Tokyo	9,285	September 1, 2016
E9	Kawagoe Logistics Center	Cargo collecting place	Kawagoe, Saitama	7,550	June 17, 2016
E10	Asuto Nagamachi Dental Clinic	Clinic	Sendai, Miyagi	1,200	August 29, 2016
Total				18,035	

Name of Asset	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
the adjacent site to the b roppongi (Note 3) (building with leasehold)	Residence Store	Mianto-ku, Tokyo	320 (Note 3)	November 18, 2016 (Note 3)

Name of Asset	Acquired Asset	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
Preferred equity securities of Tenjin 123 Project <i>Tokutei Mokuteki Kaisha</i> (specific purpose company) (Note 4)	Preferred equity securities: 367 units (percentage of ownership for additional securities: 5.0%)	18	October 3, 2016

On the other hand, United Urban sold the following two properties.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
B21	Yokohama Aioicho Building	Office	Yokohama, Kanagawa	1,260	November 29, 2016
C8	HOTEL ROUTE-INN Nagoya Imaikge Ekimae	Hotel	Nagoya, Aichi	3,160	
Total				4,420	

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements concerning the acquisition or sale of each property. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.
3. United Urban decided to acquire the adjacent site to the b roppongi (acquisition price ¥460 million (of which, land: ¥140 million, building with leasehold: ¥320 million)) (the "Adjacent Site") on November 16, 2016, and acquired the building with leasehold on November 18, 2016 and the land on January 13, 2017, respectively.  
Because United Urban acquired the Adjacent Site considering it enables to the extension of the b roppongi (the "Hotel") in the future, the Adjacent Site is considered to be attached to the Hotel and it is not recognized as one separate property. Therefore, the acquisition of the Adjacent Site was not counted as one acquisition, and the acquisition price and other information of the Adjacent Site are not included in United Urban's portfolio. The same shall apply hereinafter.
4. Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company) (the "TMK") is developing a development-type hotel "(tentative name) the b fukuoka tenjin" (the "Hotel Property"). Prior to the above mentioned additional investment, United Urban has acquired 1,130 units of preferred equity securities of the TMK (acquisition price: ¥74 million, equivalent to 5% of issued preferred equity securities) on April 21, 2016 for the purpose of acquisition of the preferential negotiation right of the Hotel Property.  
Holding status of preferred equity securities of the TMK as of January 18, 2017 is as follows.

	Number of Preferred Equity Units Owned (Units)	Acquisition Price (Millions of yen)	(Reference) Number of Issued Preferred Equity Units of the TMK (Units)
First acquisition (April 21, 2016)	1,130	74	22,600
Additional acquisition (capital increase) (October 3, 2016)	367	18	7,340
Total	1,497	93	29,940

And the overview of the Hotel Property is as follows.

Name of the Property	Location	Type	Site Area	Structure / Scale	Business Starting Date
(tentative name) The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,625.15 m <sup>2</sup>	S/10F	July 2017 (scheduled)

\* The above table is shown based on the architectural planning, etc. Accordingly, some information might be changed.

(iv) Portfolio overview

As a result of the acquisitions and sales of properties mentioned above (iii), United Urban held a total of 119 properties, comprising 35 retail properties, 35 office buildings, 1 retail-office complex, 13 hotels, 1 office-hotel complex, 24 residential properties and 10 others, with an aggregate acquisition price of ¥590,439 million at the end of the 26th fiscal period (November 30, 2016). In addition, the total leasable floor space was 1,342,847.93 sq m. and the numbers of tenants were 2,057.

United Urban has continued to focus on improving occupancy ratios during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 96.9% and 98.9%, and stood at 98.9% on November 30, 2016.

b. Financing overview

During the period, United Urban acquired specified assets and repaid/redeemed interest-bearing liabilities with fund procurement through the 9th Public Offering.

The status of interest-bearing liabilities at the end of the previous period and the end of the 26th fiscal period are as follows.

(Millions of yen)

	Balance at the end of the 25th Fiscal Period (As of May 31, 2016)	Balance at the end of the 26th Fiscal Period (As of November 30, 2016)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	229,657	223,907	(5,750)
Total of borrowings	229,657	223,907	(5,750)
Corporate bonds	63,500	53,500	(10,000)
Total of interest-bearing liabilities	293,157	277,407	(15,750)

In addition, as of the end of the 26th fiscal period, the amount of borrowings due for repayment within one year was ¥33,700 million, and the amount of the current portion of corporate bonds that is to become due for maturity within one year was ¥19,500 million.

Moreover, the details of ratings of United Urban as of December 31, 2016 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency Ltd.	Long-Term Issuer Rating: AA	Rating Outlook: Stable
Moody's Japan K.K.	Issuer Rating: A3	Rating Outlook: Positive

c. Overview of financial results and distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥22,864 million (up by 6.6% from the previous period), profit from rental activities of ¥11,794 million (up by 0.6% from the previous period), operating income of ¥11,057 million (up by 4.4% from the previous period), ordinary income of ¥9,349 million (up by 1.3% from the previous period), and net income of ¥9,348 million (up by 2.9% from the previous period).

With regard to the cash distribution in the period, ¥459 million of the net income was set aside as a reserve retained for distribution in terms of the strategic portfolio management and the enhanced growth of the Investment Corporation from a medium- to long- term perspective. As a result, United Urban decided to distribute ¥8,888 million, and cash distribution per unit was ¥3,010. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied even though the reserve retained for distribution is allocated as stated above, and the corporate tax is not imposed.

## 2. Outlook for the next fiscal period

a. Outlook for overall operation

As for the real estate rental market in Japan, the further improvement in the rental revenue is expected due to the growing corporate needs for office floor space expansion and the prospect for high level room occupancy ratio of hotels. On the other hand, as for the real estate sales market, there is a sense of caution against the market overheating, but severe competition in property acquisitions and increase in real estate prices are also expected.

Under these circumstances, United Urban will take advantage of the knowledge and network of the sponsor, cooperate with tenants, and work on a new acquisition scheme in addition to its information channel of the asset management company for property acquisitions, and make efforts for property acquisition by utilizing the characteristics of a diversified J-REIT in consideration of profitability. As for asset management, United Urban aims to pursue internal growth through proactive (Note) portfolio management such as strategic investment for the future and tenant replacement, etc in addition to existing efforts.

In regard to the financial management, United Urban will make continuous efforts to create a robust and stable financial standing by reducing financial costs, extending and diversifying the maturities for interest-bearing liabilities, and ensuring enough liquidity.

Note: “Proactive” means that United Urban and the asset management company try to improve the asset value independently, such as conducting large-scale renovations for the future in collaboration with tenants.

## b. Outlook for management status

### (i) Material facts arising after the end of 26th fiscal period and other material events

#### A. Issuance of new investment units

In order to replenish cash reserves which were reduced by the acquisitions of new specified assets and to procure funds for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors’ meeting of United Urban, held on November 29, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors’ meeting of United Urban held on December 7, 2016. Based on these resolutions, United Urban issued 90,000 new investment units by way of public offering and 12,065 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥16,793 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed (the issuance of new investment units by way of both public offering and third-party allotment hereinafter collectively referred to as the “10th Public Offering”).

As a result, United Urban’s total capital increased to ¥309,205 million and United Urban’s total number of investment units issued and outstanding increased to 3,055,087 units.

#### Issuance of new investment units by way of public offering

Number of investment units issued	: 90,000 units
Offer price (per unit)	: ¥169,736 per unit
Total offer price	: ¥15,276,240 thousand
Issue price (per unit)	: ¥164,540 per unit
Total issue price	: ¥14,808,600 thousand
Payment date	: December 14, 2016 (Wednesday)
Starting date of the computation for cash distribution	: December 1, 2016 (Thursday)

#### Issuance of new investment units by way of third-party allotment

Number of investment units issued	: 12,065 units
Issue price (per unit)	: ¥164,540 per unit
Total issue price	: ¥1,985,175 thousand
Payment date	: January 12, 2017 (Thursday)
Starting date of the computation for cash distribution	: December 1, 2016 (Thursday)
Allottee	: SMBC Nikko Securities Inc.

#### B. Acquisition of properties and debt financing

- 1) United Urban acquired the following two properties and the adjacent site to the existing property, “the b roppongi”, after the end of 26th fiscal period.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
A41	K’s Denki Nagoya-kita	Store	Nishikasugai-gun, Aichi	1,750	December 1, 2016
D28	Scent Hills	Apartment	Osaka, Osaka	1,300	
Total				3,050	

Asset Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
the adjacent site to the b roppongi (land) (Note)	-	Minato-ku, Tokyo	140	January 13, 2017

Note: For details, please refer to “the adjacent site to the b roppongi (building with leasehold)” of “1. Overview during the period, a. Investment environment and operation, (iii) New acquisitions and sale of properties” above.

2) United Urban procured debt financing to support for acquiring “Scent Hills” mentioned above 1) as set forth below. In addition, United Urban acquired other two properties (K’s Denki Nagoya-kita and the adjacent site to the b roppongi (land)) with cash on hand.

Title	Lender	Amount of borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 44B	The Bank of Fukuoka, Ltd.	1,400	Basic interest rate (JBA one month JPY TIBOR) + 0.30%	December 1, 2016	December 20, 2024	Unsecured Unguaranteed

#### C. New committed line of credit agreement

United Urban concluded a new committed line of credit agreement on December 27, 2016, as set forth below.

##### Outline of the new committed line of credit agreement

Participating financial institutions : Sumitomo Mitsui Banking Corporation  
Mitsubishi UFJ Trust and Banking Corporation  
Mizuho Trust & Banking Co., Ltd.  
Resona Bank, Limited

Maximum loan amount : ¥12,000 million  
Date of agreement : December 27, 2016  
Term of agreement : From December 27, 2016 to December 25, 2017  
Remarks : Unsecured, unguaranteed

#### (ii) Outlook for management status

For the fiscal period ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017) and the fiscal period ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017), the forecasts of financial results are estimated, as set forth below. For details of the assumptions for the forecasts, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017) and the Fiscal Period Ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017)” below.

##### Fiscal Period Ending May 31, 2017

Operating revenues:	¥22,327 million	Cash distributions per unit:	¥3,150
Operating income:	¥10,779 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥9,549 million		
Net income:	¥9,548 million		

##### Fiscal Period Ending November 30, 2017

Operating revenues:	¥22,325 million	Cash distributions per unit:	¥3,180
Operating income:	¥10,737 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥9,640 million		
Net income:	¥9,640 million		

Note: The above-listed forward-looking statements are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, cash distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, the forward-looking statements are not guarantees of the payment amount of any cash distributions by United Urban.

Assumptions for the Forecast of Financial Results for the Fiscal Period Ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017) and the Fiscal Period Ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017)

Item	Assumptions																		
Terms	<ul style="list-style-type: none"><li>• Fiscal period ending May 31, 2017 (27th fiscal period: from December 1, 2016 to May 31, 2017) (182 days)</li><li>• Fiscal period ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017) (183 days)</li></ul>																		
Investment Assets	<ul style="list-style-type: none"><li>• The forecast of financial results is based on a portfolio of 121 properties which comprise (i) 119 properties owned by United Urban as of November 30, 2016 and (ii) the following two acquired properties, and the “Preferred Equity Securities of Tenjin 123 Project TMK”.</li></ul> <table><tr><td>Acquisition Date</td><td>Property Name</td></tr><tr><td>December 1, 2016</td><td>K’s Denki Nagoya-kita</td></tr><tr><td></td><td>Scent Hills</td></tr></table> <ul style="list-style-type: none"><li>• The forecast is based on the assumption that there will be no change in the investment portfolio (United Urban shall not acquire or sell any investment assets, etc.) until November 30, 2017 (the end of the 28th fiscal period) other than mentioned above. However, the actual results may fluctuate due to changes in the investment portfolio.</li></ul>	Acquisition Date	Property Name	December 1, 2016	K’s Denki Nagoya-kita		Scent Hills												
Acquisition Date	Property Name																		
December 1, 2016	K’s Denki Nagoya-kita																		
	Scent Hills																		
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"><li>• The number of investment units issued and outstanding is based on 3,055,087 units as of January 18, 2017.</li><li>• It is based on the assumption that there will be no additional issuance of investment units until November 30, 2017 (the end of the 28th fiscal period).</li></ul>																		
Operating Revenues	<ul style="list-style-type: none"><li>• Operating revenues from rental revenues, which are the principal component of the operating revenues, are calculated based on lease agreements in effect as of January 18, 2017 by taking into account a certain effect of tenants’ move-in and departures for the expected rent and estimated occupancy ratio in the future, while taking into consideration the existence of neighboring competitive properties, market trends, status of negotiation for the lease terms with each tenant, and other conditions.</li><li>• Based on the above assumptions, United Urban anticipates the major items of the operating revenues from rental revenues, as set forth below.</li></ul> <table><tr><td>Major Item</td><td>Fiscal period ending May 31, 2017</td><td>Fiscal period ending November 30, 2017</td></tr><tr><td>Rental revenues (including common area charges)</td><td>¥20,298 million</td><td>¥20,132 million</td></tr><tr><td>Parking revenues</td><td>¥569 million</td><td>¥569 million</td></tr><tr><td>Utility revenues (electricity, water, gas, etc.) from tenants</td><td>¥1,191 million</td><td>¥1,337 million</td></tr></table> <ul style="list-style-type: none"><li>• The property-related revenues are based on the assumption that there will be no delinquencies or nonpayment of rent by the tenants.</li><li>• United Urban does not expect to receive any dividend income from the “Preferred Equity Securities of Tenjin 123 Project TMK” in any fiscal periods.</li></ul>	Major Item	Fiscal period ending May 31, 2017	Fiscal period ending November 30, 2017	Rental revenues (including common area charges)	¥20,298 million	¥20,132 million	Parking revenues	¥569 million	¥569 million	Utility revenues (electricity, water, gas, etc.) from tenants	¥1,191 million	¥1,337 million						
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Utility revenues (electricity, water, gas, etc.) from tenants	¥1,191 million	¥1,337 million																	
Operating Expenses	<ul style="list-style-type: none"><li>• Of the property-related expenses, which are the principal component of the operating expenses, expenses other than depreciation and amortization are calculated based on historical data for the properties and reflect factors that may cause fluctuations in expenses.</li><li>• United Urban anticipates each major item of the property-related expenses as set forth below.</li></ul> <table><tr><td>Major Item</td><td>Fiscal period ending May 31, 2017</td><td>Fiscal period ending November 30, 2017</td></tr><tr><td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td><td>¥1,604 million</td><td>¥1,743 million</td></tr><tr><td>Property management fees</td><td>¥1,488 million</td><td>¥1,481 million</td></tr><tr><td>Utilities</td><td>¥1,185 million</td><td>¥1,314 million</td></tr><tr><td>Repairs and maintenance (Note 2)</td><td>¥751 million</td><td>¥499 million</td></tr><tr><td>Depreciation and amortization (Note 3 )</td><td>¥3,980 million</td><td>¥3,994 million</td></tr></table>	Major Item	Fiscal period ending May 31, 2017	Fiscal period ending November 30, 2017	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥1,604 million	¥1,743 million	Property management fees	¥1,488 million	¥1,481 million	Utilities	¥1,185 million	¥1,314 million	Repairs and maintenance (Note 2)	¥751 million	¥499 million	Depreciation and amortization (Note 3 )	¥3,980 million	¥3,994 million
Major Item	Fiscal period ending May 31, 2017	Fiscal period ending November 30, 2017																	
Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥1,604 million	¥1,743 million																	
Property management fees	¥1,488 million	¥1,481 million																	
Utilities	¥1,185 million	¥1,314 million																	
Repairs and maintenance (Note 2)	¥751 million	¥499 million																	
Depreciation and amortization (Note 3 )	¥3,980 million	¥3,994 million																	

Operating Expenses	<p>Notes: 1. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period starting from the time United Urban acquires the assets. However, United Urban does not allocate such reimbursement as its expenses, because an amount equivalent to such reimbursement is included in the cost of acquisition and is capitalized.</p> <p>2. Actual repairs and maintenance for each fiscal period may differ significantly from the forecasted amount for various reasons, including the possibility of emergency repairs and maintenance due to damage to buildings owing to unexpected factors, the large variance in amounts among fiscal years and the fact that these amounts do not accrue on a regular basis.</p> <p>3. Depreciation and amortization is calculated on a straight-line basis, inclusive of ancillary expenses and future capital expenditures.</p> <p>• Other operating expenses, such as asset management fees are calculated based on the track record with consideration of factors that may cause fluctuations in expenses.</p>																									
Non-Operating Expenses	<p>• United Urban anticipates the non-operating expenses per major item, as set forth below.</p> <table><tr><th>Major Item</th><th>Fiscal period ending May 31, 2017</th><th>Fiscal period ending November 30, 2017</th></tr><tr><td>Interest expenses for interest-bearing liabilities (Note 1)</td><td>¥1,135 million</td><td>¥1,075 million</td></tr><tr><td>Expenses associated with the issuance of new investments units (Note 2)</td><td>¥23 million</td><td>-</td></tr></table> <p>Notes: 1. Including financing-related expenses and interest expenses on corporate bonds, etc. 2. Expenses for the 10th Public Offering are based on the assumption that all such expenses will be recorded at the time of disbursement.</p>	Major Item	Fiscal period ending May 31, 2017	Fiscal period ending November 30, 2017	Interest expenses for interest-bearing liabilities (Note 1)	¥1,135 million	¥1,075 million	Expenses associated with the issuance of new investments units (Note 2)	¥23 million	-																
Major Item	Fiscal period ending May 31, 2017	Fiscal period ending November 30, 2017																								
Interest expenses for interest-bearing liabilities (Note 1)	¥1,135 million	¥1,075 million																								
Expenses associated with the issuance of new investments units (Note 2)	¥23 million	-																								
Interest-bearing Liabilities	<p>• The total balance of interest-bearing liabilities as of January 18, 2017 is ¥259,257 million, of which ¥218,757 million are borrowings and ¥40,500 million are corporate bonds.</p> <p>• The interest-bearing liabilities maturing during the fiscal period ending May 31, 2017 and the plan for repayment, etc. are as set forth below.</p> <table><tr><th>Maturity Date</th><th>Overview of Interest-bearing Liabilities</th><th>Plan for Repayment</th></tr><tr><td rowspan="4">March 20, 2017</td><td>Borrowing: ¥3,900 million</td><td rowspan="4">United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td></tr><tr><td>Borrowing: ¥2,500 million</td></tr><tr><td>Borrowing: ¥5,500 million</td></tr><tr><td>Borrowing: ¥1,000 million</td></tr></table> <p>• The forecasts are based on the assumption that total balance of interest-bearing liabilities at the end of the fiscal period ending May 31, 2017 is assumed to be ¥259,257 million after the above-mentioned new borrowings and refinancing of interest-bearing liabilities, etc. are made.</p> <p>• The interest-bearing liabilities maturing during the fiscal period ending November 30, 2017 and the plan for repayment, etc. are as set forth below.</p> <table><tr><th>Maturity Date</th><th>Overview of Interest-bearing Liabilities</th><th>Plan for Repayment</th></tr><tr><td rowspan="5">June 20, 2017</td><td>Borrowing: ¥1,350 million</td><td rowspan="5">United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td></tr><tr><td>Borrowing: ¥1,300 million</td></tr><tr><td>Borrowing: ¥2,300 million</td></tr><tr><td>Borrowing: ¥2,500 million</td></tr><tr><td>Borrowing: ¥2,400 million</td></tr><tr><td>July 5, 2017</td><td>Corporate bond: ¥6,500 million</td><td>United Urban will newly obtain borrowing(s) from lender(s) to redeem in full.</td></tr><tr><td>September 20, 2017</td><td>Borrowing: ¥4,400 million</td><td>United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td></tr></table> <p>• The forecasts are based on the assumption that the total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2017 is assumed to be ¥259,257 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made.</p>	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment	March 20, 2017	Borrowing: ¥3,900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Borrowing: ¥2,500 million	Borrowing: ¥5,500 million	Borrowing: ¥1,000 million	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment	June 20, 2017	Borrowing: ¥1,350 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Borrowing: ¥1,300 million	Borrowing: ¥2,300 million	Borrowing: ¥2,500 million	Borrowing: ¥2,400 million	July 5, 2017	Corporate bond: ¥6,500 million	United Urban will newly obtain borrowing(s) from lender(s) to redeem in full.	September 20, 2017	Borrowing: ¥4,400 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.
Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment																								
March 20, 2017	Borrowing: ¥3,900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.																								
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September 20, 2017	Borrowing: ¥4,400 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.																								
Cash Distributions per Unit	<p>• Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</p> <p>• The number of investment units issued and outstanding as of the end of the fiscal period which are used to calculate the cash distribution per unit are based on the assumption given in the “Number of Investment Units Issued and Outstanding” column above.</p> <p>• Cash distributions for the fiscal period ending May 31, 2017 are based on the total distribution amount of ¥9,624 million, which is the result of adding a reversal of reserve for temporary difference of ¥75 million (Note) to the unappropriated retained earnings of ¥9,548 million.</p>																									

	<ul style="list-style-type: none"> <li>• Cash distributions for the fiscal period ending November 30, 2017 are based on the total distribution amount of ¥9,715 million, which is the result of adding a reversal of reserve for temporary difference of ¥75 million (Note) to the unappropriated retained earnings of ¥9,640 million.</li> <li>• Actual cash distributions per unit may fluctuate due to various factors including changes in investment assets, fluctuations of rental revenues caused by tenant replacements or unexpected repairs.</li> </ul> <p>(Note) Pursuant to the 2015 Tax Reform of Corporation Tax Law, Special Taxation Measures Law etc. and amendments to part of the Ordinance on Accountings of Investment Corporations (hereinafter, collectively referred to as the “2015 Tax Reform Act.”), (i) a system of provision for temporary difference adjustments that aims to eliminate taxation that arises due to discrepancies between the handling of accounting and taxation for investment corporations and (ii) a system of reserve for temporary difference adjustments that aims to ease the burden of complying with the conduit requirements were established, and on April 1, 2015 these systems were put in place. Moreover, with respect to the 2015 Tax Reform Act., part of the rule of The Investment Trusts Association, Japan were also amended (hereinafter, together with the 2015 Tax Reform Act. collectively referred to as the “Amendment”). United Urban (i) applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations after the Amendment and (ii) transferred the reserve for distribution of ¥7,546 million, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference in the “statement of cash distribution” for the fiscal period ended November 30, 2016. And, United Urban will distribute to unitholders at least 1% of the balance of reserve for temporary difference (amount equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ending May 31, 2017, to the extent the balance of reserve for temporary difference remains.</p>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• United Urban does not currently plan to execute distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption that there will be no amendments to laws and regulations, taxation systems, accounting standards, listing rules or regulations of the Investment Trusts Association, Japan and other regulations, which may affect the aforementioned forecasted figures.</li> <li>• Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.</li> </ul>

### 3. Financial Statement

#### (1) Balance Sheet

		(Thousands of yen)	
		End of 25th Fiscal Period (as of May 31, 2016)	End of 26th Fiscal Period (as of November 30, 2016)
<b>ASSETS</b>			
Current Assets			
Cash and bank deposit		33,519,453	36,132,706
Cash and bank deposit in trust		28,865,948	28,548,687
Rent receivables		435,304	477,850
Consumption taxes refundable		458,901	-
Prepaid expenses		598,811	142,275
Other		248,634	240,897
Total Current Assets		64,127,054	65,542,417
Fixed Assets			
Property and equipment, at cost			
Buildings	*1	20,470,866	20,503,375
Less accumulated depreciation		(4,722,665)	(5,043,000)
Buildings, net		15,748,200	15,460,375
Structures	*1	159,989	159,989
Less accumulated depreciation		(121,769)	(125,488)
Structures, net		38,220	34,500
Machinery and equipment		285,562	285,562
Less accumulated depreciation		(137,360)	(147,136)
Machinery and equipment, net		148,202	138,426
Tools, furniture and fixtures		43,075	44,246
Less accumulated depreciation		(16,892)	(20,111)
Tools, furniture and fixtures, net		26,182	24,134
Land	*1	46,078,276	46,078,276
Construction in progress		1,813	387,231
Buildings in trust	*1	219,012,146	227,198,604
Less accumulated depreciation		(42,845,952)	(45,451,437)
Buildings in trust, net		176,166,193	181,747,167
Structures in trust	*1	1,838,743	1,951,647
Less accumulated depreciation		(898,197)	(949,156)
Structures in trust, net		940,546	1,002,490
Machinery and equipment in trust		1,941,363	2,043,057
Less accumulated depreciation		(834,349)	(909,834)
Machinery and equipment in trust, net		1,107,014	1,133,223
Tools, furniture and fixtures in trust	*1	537,344	647,587
Less accumulated depreciation		(210,932)	(251,250)
Tools, furniture and fixtures in trust, net		326,411	396,336
Land in trust	*1	312,637,587	324,604,174
Construction in progress in trust		166,499	52,299
Total property and equipment		553,385,149	571,058,636
Intangible assets			
Software		30,476	40,516
Leasehold rights		1,149,355	1,149,355
Leasehold rights in trust		8,171,352	8,171,352
Other intangible assets in trust		199,108	192,443
Total intangible assets		9,550,291	9,553,667
Investments and other assets			
Investment securities		75,397	93,905
Security deposits paid		10,000	10,000
Security deposits paid in trust		80,392	80,432
Long-term prepaid expenses		2,033,984	1,766,210
Total investments and other assets		2,199,774	1,950,548
Total Fixed Assets		565,135,215	582,562,852
<b>TOTAL ASSETS</b>		<b>629,262,270</b>	<b>648,105,270</b>

(Thousands of yen)		
	End of 25th Fiscal Period (as of May 31, 2016)	End of 26th Fiscal Period (as of November 30, 2016)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	2,861,000	2,129,360
Current portion of corporate bonds	23,000,000	19,500,000
Long-term debt due for repayment within one year	25,100,000	33,700,000
Accrued expenses	534,751	410,407
Distributions payable	17,959	16,109
Income taxes payable	191	605
Consumption taxes payable	-	185,435
Rent received in advance	358,832	354,653
Rent received in advance in trust	2,709,531	2,954,827
Deposits received	2,566	3,605
Deposits received in trust	202,158	80,551
Provision for loss on disaster	135,200	-
Derivatives liabilities	-	5,262
Other	-	139,831
Total Current Liabilities	54,922,192	59,480,650
Long-term Liabilities		
Corporate bonds	40,500,000	34,000,000
Long-term debt	204,557,000	190,207,000
Leasehold and security deposits received *1	3,228,324	3,192,547
Leasehold and security deposits received in trust *1	27,588,826	27,418,378
Derivatives liabilities	456,015	214,269
Total Long-term Liabilities	276,330,167	255,032,194
Total Liabilities	331,252,359	314,512,844
<b>NET ASSETS</b>		
Unitholders' Equity		
Unitholders' capital	258,160,260	292,411,850
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for distribution	7,546,388	7,546,388
Reserve retained for distribution	121,898	956,862
Total voluntary retained earnings	7,668,286	8,503,250
Unappropriated retained earnings (unappropriated deficit)	9,089,092	9,348,568
Total surplus	40,305,666	41,400,106
Total Unitholders' Equity	298,465,926	333,811,956
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(456,015)	(219,531)
Total Valuation and Translation Adjustment	(456,015)	(219,531)
Total Net Assets *3	298,009,911	333,592,425
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>629,262,270</b>	<b>648,105,270</b>

## (2) Statement of Income and Retained Earnings

		(Thousands of yen)	
		25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Operating Revenues			
Rental revenues	*1	19,227,927	20,046,270
Other rental revenues	*1	1,369,513	1,455,647
Gain on sales of real estates	*2	847,017	1,363,047
Total Operating Revenues		21,444,457	22,864,965
Operating Expenses			
Property-related expenses	*1	8,873,554	9,706,927
Asset management fees		1,666,100	1,752,072
Asset custodian fees		17,661	18,285
Administrative service fees		68,022	67,897
Directors' compensation		10,200	10,200
Other operating expenses		217,809	251,631
Total Operating Expenses		10,853,348	11,807,014
Operating Income		10,591,109	11,057,950
Non-operating Revenues			
Interest income		2,700	379
Reversal of cash distributions payable		2,474	3,103
Insurance income		19,624	1,035
Interest on refund		2,627	498
Reversal of provision for loss on litigation		5,959	-
Other		17,373	2,300
Total Non-operating Revenues		50,760	7,317
Non-operating Expenses			
Interest expenses		1,044,114	1,051,639
Interest expenses on corporate bonds		218,701	192,159
Investment unit issuance expenses		135,314	103,867
Loss on disposal of real estate		11,994	349,808
Other		6,848	18,619
Total Non-operating Expenses		1,416,973	1,716,094
Ordinary Income		9,224,897	9,349,173
Extraordinary Loss			
Provision for loss on disaster		135,200	-
Total Extraordinary Loss		135,200	-
Income before Income Taxes		9,089,697	9,349,173
Income Taxes - current		605	605
Total Income Taxes		605	605
Net Income		9,089,092	9,348,568
Retained Earnings Brought Forward		-	-
Unappropriated Retained Earnings (unappropriated deficit)		9,089,092	9,348,568

### (3) Statements of Unitholders' Equity

25th Fiscal Period (From December 1, 2015 to May 31, 2016)

(Thousands of yen)

(Thousands of yen)

	Unitholders's Equity							
	Unitholders' Capital	Surplus						Total Unitholders' Equity
		Capital Surplus	Voluntary Retained Earnings			Unappropriated Retained Earnings	Total Surplus	
Reserve for Distribution	Reserve Retained for Distribution		Total Voluntary Retained Earnings					
Balance at the beginning of current period	258,160,260	23,548,287	7,754,927	-	7,754,927	8,038,171	39,341,387	297,501,647
Changes of items during the period								
Reversal of reserve for distribution			(208,539)		(208,539)	208,539	-	-
Provision of reserve retained for distribution				121,898	121,898	(121,898)	-	-
Cash distribution disbursed					-	(8,124,813)	(8,124,813)	(8,124,813)
Net income					-	9,089,092	9,089,092	9,089,092
Net changes during the period except for items under unitholders' equity					-		-	-
Total changes of items during the period	-	-	(208,539)	121,898	(86,641)	1,050,920	964,279	964,279
Balance at the end of current period	*258,160,260	23,548,287	7,546,388	121,898	7,668,286	9,089,092	40,305,666	298,465,926

	Valuation and Translation Adjustment		Total Net Assets
	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
Balance at the beginning of current period	(161,237)	(161,237)	297,340,410
Changes of items during the period			
Reversal of reserve for distribution		-	-
Provision of reserve retained for distribution		-	-
Cash distribution disbursed		-	(8,124,813)
Net income		-	9,089,092
Net changes during the period except for items under unitholders' equity	(294,778)	(294,778)	(294,778)
Total changes of items during the period	(294,778)	(294,778)	669,500
Balance at the end of current period	(456,015)	(456,015)	298,009,911

26th Fiscal Period (From June 1, 2016 to November 30, 2016)

(Thousands of yen)

(Thousands of yen)

	Unitholders's Equity							
	Unitholders' Capital	Surplus						Total Unitholders' Equity
		Capital Surplus	Voluntary Retained Earnings			Unappropriated Retained Earnings	Total Surplus	
			Reserve for Distribution	Reserve Retained for Distribution	Total Voluntary Retained Earnings			
Balance at the beginning of current period	258,160,260	23,548,287	7,546,388	121,898	7,668,286	9,089,092	40,305,666	298,465,926
Changes of items during the period								
Issuance of new investment units	34,251,589				-		-	34,251,589
Provision of reserve retained for distribution				834,964	834,964	(834,964)	-	-
Cash distribution disbursed					-	(8,254,128)	(8,254,128)	(8,254,128)
Net income					-	9,348,568	9,348,568	9,348,568

Net changes during the period except for items under unitholders' equity					-		-	-
Total changes of items during the period	34,251,589	-	-	834,964	834,964	259,476	1,094,440	35,346,030
Balance at the end of current period	*292,411,850	23,548,287	7,546,388	956,862	8,503,250	9,348,568	41,400,106	333,811,956

	Valuation and Translation Adjustment		Total Net Assets
	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
Balance at the beginning of current period	(456,015)	(456,015)	298,009,911
Changes of items during the period			
Issuance of new investment units		-	34,251,589
Provision of reserve retained for distribution		-	-
Cash distribution disbursed		-	(8,254,128)
Net income		-	9,348,568
Net changes during the period except for items under unitholders' equity	236,484	236,484	236,484
Total changes of items during the period	236,484	236,484	35,582,514
Balance at the end of current period	(219,531)	(219,531)	333,592,425

#### (4) Statements of Cash Distribution

	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
I. Unappropriated retained earnings	¥ 9,089,092,368	¥ 9,348,568,757
II. Reversal of reserve for distribution	-	¥ 7,546,388,071
III. Cash distributions	¥ 8,254,128,000	¥ 8,888,596,220
(Cash distribution per unit)	(¥ 3,000)	(¥ 3,010)
IV. Voluntary retained earnings		
Provision of reserve for temporary difference	-	¥ 7,546,388,071
Provision of reserve retained for distribution	¥834,964,368	¥ 459,972,537
V. Retained earnings carried forward to the next period	-	-
Calculation method for cash distribution	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban reserved ¥834,964,368, which is a part of gain on sales of real estates, as reserve retained for distribution from the unappropriated retained earnings of ¥9,089,092,368. Then, United Urban decided to distribute the remaining ¥8,254,128,000 for the 25th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban reserved ¥459,972,587 as reserve retained for distribution from the unappropriated retained earnings of ¥9,348,568,757. Then, United Urban decided to distribute the remaining ¥8,888,596,220 for the 26th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>

## (5) Statements of Cash Flows

	(Thousands of yen)	
	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Cash flows from operating activities		
Income before income taxes	9,089,697	9,349,173
Depreciation and amortization	3,697,062	3,884,710
Gain on sale of properties	(847,017)	(1,363,047)
Provision for loss on disaster	135,200	-
Interest income and interest on securities	(2,700)	(379)
Interest expense and interest expense on corporate bonds	1,262,816	1,243,798
Investment unit issuance expenses	135,314	103,867
Loss on disposal of real estate	11,994	349,808
Decrease (increase) in rent receivables	(32,159)	(42,546)
Decrease (increase) in consumption taxes refundable	119,415	458,901
Decrease (increase) in prepaid expenses	(478,966)	465,379
Decrease (increase) in long-term prepaid expenses	(128,898)	24,195
Increase (decrease) in trade accounts payable	(2,334)	610,455
Increase (decrease) in accrued expenses	7,636	(114,764)
Increase (decrease) in consumption taxes payable	-	203,237
Increase (decrease) in rent received in advance	9,546	(4,178)
Increase (decrease) in rent received in advance in trust	66,982	245,295
Increase (decrease) in deposits received	(319)	1,039
Increase (decrease) in deposits received in trust	174,093	(121,606)
Amortization of leasehold and security deposits received	(22,657)	(22,242)
Amortization of leasehold and security deposits received in trust	(135,296)	(110,824)
Other	104,980	32,146
Subtotal	13,164,391	15,192,418
Interest received	2,700	379
Interest paid	(1,317,742)	(1,035,676)
Income taxes (paid) refund	(336)	(249)
Net cash provided by (used in) operating activities	11,849,014	14,156,872
Cash flows from investing activities		
Sale of property and equipment in trust	13,442,272	4,151,061
Purchase of property and equipment	(66,834)	(346,211)
Purchase of intangible assets	-	(5,913)
Purchase of property and equipment in trust	(39,456,788)	(25,862,919)
Purchase of intangible assets in trust	(2,994,292)	(4,625)
Purchase of investment securities	(74,751)	(18,995)
Payment for leasehold and security deposits in trust	-	(40)
Proceeds from leasehold and security deposits received	55,655	24,090
Payment of leasehold and security deposits received	(53,989)	(37,624)
Proceeds from leasehold and security deposits received in trust	2,408,846	1,106,829
Payment of leasehold and security deposits received in trust	(1,236,299)	(1,028,087)
Net cash provided by (used in) investing activities	(27,976,182)	(22,022,435)
Cash flows from financing activities		
Proceeds from long-term debt	33,500,000	-
Repayment of long-term debt	(5,050,000)	(5,750,000)
Repayment of corporate bonds	-	(10,000,000)
Proceeds from issuance of investment units	-	34,164,755
Distributions to unitholders	(8,124,282)	(8,253,200)
Net cash provided by (used in) financing activities	20,325,717	10,161,555
Net changes in cash and cash equivalents	4,198,549	2,295,991
Cash and cash equivalents at the beginning of the period	58,186,852	62,385,401
Cash and cash equivalents at the end of the period	62,385,401	64,681,393

## (6) Notes to Assumption of Going Concern

Not applicable

## (7) Notes to Important Accounting Policies

1.	Valuation bases and methods of marketable securities	Other securities Other securities without market value are stated using the moving average cost method.
2.	Depreciation and amortization methods of fixed assets	<p>(1) Property and equipment (including trust assets) Depreciation of property and equipment is calculated on a straight-line basis. The estimated useful lives of the respective assets are as follows: Building: 2-70 years Structure: 2-46 years Machinery and equipment: 2-17 years Tools, furniture and fixtures: 3-15 years</p> <p>(2) Intangible assets (including trust assets) Depreciation of intangible assets is calculated on a straight-line basis. In addition, depreciation of the software for internal use is calculated using an estimated useful life of 5 years.</p> <p>(3) Long-term prepaid expenses Depreciation of long-term prepaid expenses is calculated on a straight-line basis.</p>
3.	Accounting method of differed assets	Investment unit issuance expenses Investment unit issuance expenses are expensed at once at the time of payment.
4.	Revenues and expenses recognition	Accounting method for taxes on property and equipment United Urban allocated the respective portion of property taxes, city planning taxes, depreciable property tax and other taxes for real estate assets held allocated to the current period and charged this to property-related expenses. The amount equivalent to the property taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year is not recorded as expenses but included in the purchase price of each property as a capitalized cost. There was ¥44,245 thousand of such property taxes which were capitalized for the current fiscal period.
5.	Hedge accounting	<p>(1) Hedge accounting method The differed hedge accounting is adopted.</p> <p>(2) Hedging instrument and hedged item Hedging instrument: Interest rate cap transaction / Interest rate swap transaction Hedged item: Interest rate on debts</p> <p>(3) Hedging policy Based on its financial policy, United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation.</p> <p>(4) Evaluation method of the effectiveness of hedging The effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.</p>
6.	Scope of cash and cash equivalents in the statements of cash flows	Cash in the statements of cash flows (cash and cash equivalents) consist of cash on hand, cash held in trust, deposits and deposits in trust which can be withdrawn at any time, and short-term investments which are readily convertible to cash with only an insignificant risk of any price fluctuation and with original maturities of three months or less.

7.	Important matters as the basis for preparation of the financial statements	<p>(1) Accounting treatment for trust beneficial interests in entrusted assets including real estate</p> <p>For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts. In addition, the following significant accounts of assets held in trust which are recorded in the relevant accounts are reported separately in the balance sheet.</p> <ol style="list-style-type: none"> <li>1) Cash and bank deposit in trust</li> <li>2) Buildings in trust, Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust, and Construction in progress in trust</li> <li>3) Leasehold rights in trust and Other intangible assets in trust</li> <li>4) Security deposits paid in trust</li> <li>5) Rent received in advance in trust</li> <li>6) Deposits received in trust</li> <li>7) Leasehold and security deposits received in trust</li> </ol> <p>(2) Accounting method for consumption taxes</p> <p>The consumption tax and local consumption tax are accounted for using the tax exclusion method. However, non-deductible consumption taxes on fixed assets are included in the purchase price of each property as a capitalized cost.</p>
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## (8) Notes to Changes in Method of Presentation

### (Statement of Income and Retained Earnings)

“Loss on disposal of real estate,” which had been included in “Other” of “Non-operating Expenses” in the fiscal period ended May 31, 2016 is recorded as a separate income statement account from the fiscal period ended November 30, 2016 because it exceeds 10% of the total amount of non-operating expenses. Therefore, certain modifications have been made to the statement of income and retained earnings of the fiscal period ended May 31, 2016. Accordingly, “Other of ¥18,843 thousand” of “Non-operating Expenses” stated in the statement of income and retained earnings for the previous fiscal period ended May 31, 2016 has been allocated to “Loss on disposal of real estate of ¥11,994 thousand” and “Other non-operating revenues of ¥6,848 thousand”.

### (Statement of Cash Flows)

“Loss on disposal of real estate,” which had been included in “Other” of “Cash flows from operating activities” in the fiscal period ended May 31, 2016 is stated separately from the fiscal period ended November 30, 2016 because it became more important. Therefore, certain modifications have been made to the statement of cash flows of the fiscal period ended May 31, 2016. Accordingly, “Other of ¥116,975 thousand” of “Cash flows from operating activities” stated in the statement of cash flows for the previous fiscal period ended May 31, 2016 has been allocated to “Loss on disposal of real estate of ¥11,994 thousand” and “Other of ¥104,980 thousand”.

## (9) Notes to Financial Statements

### [Notes to Balance Sheet]

#### \*1. Pledged assets and secured debt

Pledged assets were as follows:

	(Thousands of yen)	
	End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
Buildings	1,716,217	1,676,098
Structures	1,061	1,061
Land	2,089,982	2,089,982
Buildings in trust	2,059,307	2,050,016
Structures in trust	16,697	16,212
Tools, furniture and fixtures in trust	3,391	3,102
Land in trust	2,114,743	2,114,743
Total	8,001,402	7,951,218

Debt secured by pledged assets were as follows:

	(Thousands of yen)	
	End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
Leasehold security deposits received	408,171	408,171
Leasehold security deposits received in trust	719,708	719,708
Total	1,127,880	1,127,880

## 2. Line-of-credit agreement

United Urban concluded the following line-of-credit agreement with financial institutions:

	(Thousands of yen)	
	End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
Total amount of commitment	36,000,000	36,000,000
Outstanding borrowings at end of the period	-	-
Net balance	36,000,000	36,000,000

## \*3. Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan

	(Thousands of yen)	
	End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
	50,000	50,000

## [Notes to the Statement of Income]

### \*1. Operating revenues and expenses

	(Thousands of yen)			
	25th Fiscal Period (December 1, 2015- May 31, 2016)		26th Fiscal Period (June 1, 2016- November 30, 2016)	
A. Operating revenues				
Rental revenues				
Rental revenues	17,156,571		17,915,183	
Common area charges	1,441,603		1,458,007	
Parking revenues	506,952		545,392	
Other revenues (Note 1)	122,800	19,227,927	127,687	20,046,270
Other rental revenues				
Incidental revenues (Note 2)	1,123,877		1,244,992	
Temporary revenues	153,037		118,990	
Other miscellaneous revenues	92,599	1,369,513	91,664	1,455,647
Total operating revenues		20,597,440		21,501,917
B. Property-related expenses				
Rental expenses				
Property and other taxes	1,613,888		1,650,830	
Property management fees	1,325,796		1,514,788	
Utilities	1,139,849		1,187,420	
Casualty insurance	25,350		27,067	
Repairs and maintenance (Note 3)	634,981		1,048,051	
Depreciation and amortization	3,697,062		3,884,710	
Other rental expenses	436,624		394,058	
Total rental expenses		8,873,554		9,706,927
C. Profit from rental activities (A-B)		11,723,886		11,794,990

- Notes: 1 The consistent revenues other than rental revenues, common area charges and parking revenues are stated.  
2 The utilities revenues that come from tenants in proportion to the amount used are stated.  
3 The repair expense and repair and maintenance reserve are stated.

\*2. Gain on Sale of Properties

25th Fiscal Period (From December 1, 2015 to May 31, 2016)

UUR Tsukiji Building		(Thousand of yen)
Revenue from sale of property	6,620,000	
Cost of sale of property	6,412,480	
Other sales expenses	156,551	
Gain on sale of properties		50,968

Logistics Higashi-Ohgishima (Note)		(Thousand of yen)
Revenue from sale of property	4,459,000	
Cost of sale of property	4,100,137	
Other sales expenses	105,643	
Gain on sale of properties		253,219

Note: The sold asset is 49 % quasi co-ownership interest of the trust beneficial interest in "Logistics Higashi-Ohgishima."

Shinsaibashi OPA Kireikan		(Thousand of yen)
Revenue from sale of property	3,210,000	
Cost of sale of property	2,587,963	
Other sales expenses	79,206	
Gain on sale of properties		542,829

26th Fiscal Period (From June 1, 2016 to November 30, 2016)

Yokohama Aioicho Building		(Thousand of yen)
Revenue from sale of property	1,260,000	
Cost of sale of property	1,070,444	
Other sales expenses	56,281	
Gain on sale of properties		133,273

HOTEL ROUTE-INN Nagoya Imaike Ekimae		(Thousand of yen)
Revenue from sale of property	3,160,000	
Cost of sale of property	1,855,935	
Other sales expenses	74,291	
Gain on sale of properties		1,229,773

[Notes to Statements of Changes in Unitholders' Equity]

\* Total number of investment units authorized and Total number of investment units issued and outstanding

	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,751,376 units	2,953,022 units

[Notes to Statements of Cash Distribution]

\* Reserve for temporary difference

End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
-	United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference in the “statement of cash distribution”. From the fiscal period subsequent to the fiscal period in which the reserve for temporary difference was allocated, United Urban will distribute to unitholders at least 1% of the balance of reserve for temporary difference (amount equivalent to the averaged amount for 50 years) in each fiscal period, to the extent the balance of reserve for temporary difference remains.

[Notes to Tax Effect Accounting]

1. Significant components of deferred tax assets and deferred tax liabilities

	(Thousands of yen)	
	End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
Deferred tax assets (current)		
Provision for loss on disaster	42,912	-
Difference in revenue recognition for tax purposes	33,996	17,995
Other	6	-
Subtotal	76,915	17,995
Valuation allowance	(76,915)	(17,995)
Total	-	-
Deferred tax assets (non current)		
Valuation difference on assets acquired by merger	20,268,304	20,039,828
Subtotal	20,268,304	20,039,828
Valuation allowance	(20,268,304)	(20,039,828)
Total	-	-
Total deferred tax assets	-	-

2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting

	End of 25th Fiscal Period (As of May 31, 2016)	End of 26th Fiscal Period (As of November 30, 2016)
Statutory tax rate	32.31%	31.74%
(Adjustment)		
Distributions of tax-deductible dividends	(11.62)%	(28.65)%
Changes in valuation allowance	(20.69)%	(3.09)%
Other	0.01%	0.01%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

[Notes to Real Estate Assets for Rent]

United Urban owns investment real estate for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values at the end of the period were as follows:

(Thousands of yen)

Type of Use		25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	189,578,797	189,458,136
	Change during the period (Note 2)	(120,661)	12,712,758
	Balance at the end of the period	189,458,136	202,170,895
	Fair value at the end of the period (Note 3)	211,556,000	230,844,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	195,744,810	189,422,587
	Change during the period (Note 2)	(6,322,223)	(1,773,112)
	Balance at the end of the period	189,422,587	187,649,474
	Fair value at the end of the period (Note 3)	218,736,000	220,366,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	69,016,219	107,642,603
	Change during the period (Note 2)	38,626,384	(1,797,714)
	Balance at the end of the period	107,642,603	105,844,888
	Fair value at the end of the period (Note 3)	123,165,000	123,479,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	41,579,794	41,154,184
	Change during the period (Note 2)	(425,609)	(382,858)
	Balance at the end of the period	41,154,184	40,771,326
	Fair value at the end of the period (Note 3)	50,839,000	51,415,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	39,332,793	35,028,345
	Change during the period (Note 2)	(4,304,447)	8,914,414
	Balance at the end of the period	35,028,345	43,942,759
	Fair value at the end of the period (Note 3)	38,788,700	49,670,300
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	535,252,415	562,705,857
	Change during the period (Note 2)	27,453,441	17,673,487
	Balance at the end of the period	562,705,857	580,379,344
	Fair value at the end of the period (Note 3)	643,084,700	675,774,300

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the “Change during the period” for the 25th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥41,469 million) and capital expenditures (¥2,970 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥9,000 million) and a portion of one property (¥4,100 million), and the depreciation and amortization (¥3,690 million).  
Of the “Change during the period” for the 26th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥18,810 million), acquisition of the building standing on the land adjacent to the existing property (¥385 million), and capital expenditures (¥5,762 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥2,926 million) and the depreciation and amortization (¥3,878 million).
- 3 The “Fair value at the end of the period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of The Investment Trusts Association, Japan.

For the revenues and expenses concerning the real estate assets for rent, please refer to the “Notes to the Statement of Income.”

#### [Omission of Disclosure]

Notes to statements of cash flow, leases, financial instruments, securities, derivative transactions, employee retirement benefit, equity earnings of affiliate companies, transactions with related parties, segment information, and asset retirement obligation are omitted since the disclosure of these notes in this Financial Report is not considered to be important.

#### [Notes to Per Unit Information]

	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Net assets per unit	¥ 108,313	¥ 112,966
Net income per unit	¥ 3,303	¥ 3,183

- Notes: 1 Net income per unit is calculated by dividing net income by the daily weighted average number of investment units during the period. Diluted net income per unit is not stated, as there are no dilutive investment units.
- 2 A basis for calculation of net income per unit is as follows:

		25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Net income	(Thousands of yen)	9,089,092	9,348,568
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	9,089,092	9,348,568
Average number of investment units during the period	(Unit)	2,751,376	2,936,915

#### [Notes to Significant Subsequent Events]

##### Issuance of new investment units

In order to replenish cash reserves which were reduced by the acquisition of new specified assets and to procure funds for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on November 29, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on December 7, 2016. Based on these resolutions, United Urban issued 90,000 new investment units by way of public offering and 12,065 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥16,793 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed.

As a result, United Urban's total capital increased to ¥309,205 million and United Urban's total number of investment units issued and outstanding increased to 3,055,087 units.

##### Issuance of new investment units by way of public offering

Number of investment units issued	: 90,000 units
Offer price (per unit)	: ¥169,736 per unit
Total offer price	: ¥15,276,240 thousand
Issue price (per unit)	: ¥164,540 per unit
Total issue price	: ¥14,808,600 thousand
Payment date	: December 14, 2016 (Wednesday)
Starting date of the computation for cash distribution	: December 1, 2016 (Thursday)

##### Issuance of new investment units by way of third-party allotment

Number of investment units issued	: 12,065 units
Issue price (per unit)	: ¥164,540 per unit
Total issue price	: ¥1,985,175 thousand
Payment date	: January 12, 2017 (Thursday)
Starting date of the computation for cash distribution	: December 1, 2016 (Thursday)
Allottee	: SMBC Nikko Securities Inc.

## (9) Change in Total Number of Investment Units Issued and Outstanding

During the period, United Urban procured funds of ¥34,251 million through issuance of new investment units by way of the public offering on June 14, 2016 (190,000 units) and the third-party allotment on July 12, 2016 (11,646 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Unit)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 1)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 2)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 3)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 4)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 5)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 6)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 7)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 8)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 9)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 10)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 11)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 12)

- Notes
1. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
  2. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
  3. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
  4. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.
  5. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
  6. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  7. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
  8. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  9. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
  10. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
  11. New investment units were issued through public offering at the offer price of ¥175,224 per unit (issue price (underwriter price) ¥169,860) for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.
  12. New investment units were issued through third-party allotment at the issue price of ¥169,860 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

## 4. Change in Directors

Change in directors had been disclosed timely at the time of decision.

## 5. Reference Information

### (1) Composition of Portfolio

Categories of Assets	Type of Use	Areas		25th Fiscal Period (As of May 31, 2016)		26th Fiscal Period (As of November 30, 2016)	
				Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,329,098	1.2	7,316,213	1.1
		Other regions		13,971,239	2.2	13,906,100	2.1
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,260,370	2.1	13,211,095	2.0
			The 23 wards of Tokyo	9,703,828	1.5	9,661,189	1.5
			Tokyo metropolitan area	9,290,979	1.5	9,251,034	1.4
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,659,234	0.3	2,030,919	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,245,721	0.7	4,199,241	0.6
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,962,652	0.5	2,940,629	0.5
			Tokyo metropolitan area	-	-	-	-
		Other regions		767,128	0.1	755,874	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
	Subtotal			63,190,252	10.0	63,272,300	9.8
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,286,995	0.7	4,281,253	0.7
			The 23 wards of Tokyo	23,248,144	3.7	26,653,076	4.1
			Tokyo metropolitan area	75,384,848	12.0	84,631,528	13.1
		Other regions		65,237,809	10.4	65,382,721	10.1
	Office Buildings	Capital region	The 6 central wards of Tokyo	54,658,029	8.7	54,481,616	8.4
			The 23 wards of Tokyo	2,091,242	0.3	2,083,770	0.3
			Tokyo metropolitan area	46,994,646	7.5	45,723,696	7.1
		Other regions		53,423,489	8.5	53,237,070	8.2
	Hotels	Capital region	The 6 central wards of Tokyo	35,529,502	5.6	35,474,505	5.5
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	6,022,262	1.0	5,991,389	0.9
		Other regions		60,185,882	9.6	58,148,832	9.0
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,049,643	0.2	1,038,539	0.2
			The 23 wards of Tokyo	9,080,797	1.4	8,992,482	1.4
			Tokyo metropolitan area	4,976,837	0.8	4,952,109	0.8
		Other regions		22,317,126	3.5	22,091,690	3.4
	Others	Capital region	The 6 central wards of Tokyo	9,457,522	1.5	9,414,858	1.5
			The 23 wards of Tokyo	8,044,293	1.3	8,035,963	1.2
			Tokyo metropolitan area	11,841,729	1.9	19,625,088	3.0
		Other regions		5,684,800	0.9	6,866,848	1.1
	Subtotal			499,515,605	79.4	517,107,044	79.8
Preferred equity securities (Note 6)			75,397	0.0	93,905	0.0	
Bank deposit and other assets			66,481,015	10.6	67,632,020	10.4	
Total Assets			629,262,270	100.0	648,105,270	100.0	

- Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The trust beneficial interest which trust asset mainly consists of real estate does not include an amount of deposit in the trust asset.
2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the capital region excluding the "23 wards of Tokyo."
6. Preferred equity securities of Tenjin 123 Project TMK

	25th Fiscal Period (As of May 31, 2016)		26th Fiscal Period (As of November 30, 2016)	
	Amount (Thousands of yen)	Percentage of Total Assets (%)	Amount (Thousands of yen)	Percentage of Total Assets (%)
Total liabilities	331,252,359	52.6	314,512,844	48.5
Total net assets	298,009,911	47.4	333,592,425	51.5
Total assets	629,262,270	100.0	648,105,270	100.0

## (2) Investment Assets

### 1. Major Stock of Investment Securities

As of the end of the 26th fiscal period, investments securities owned by United Urban were as follows:

Type	Name of Asset	Number of Units (Unit)	Book Value (Thousands of yen)	Appraisal Value (Thousands of yen)	Share to Total Assets (%)
Preferred equity securities	Preferred equity securities of Tenjin 123 Project <i>Tokutei Mokuteki Kaishya</i> (specific purpose company) (Note 1)	1,497	93,905	93,905 (Note 2)	0.0
Total		-	93,905	93,905	0.0

Notes: 1. Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company) (the “TMK”) is developing a development-type hotel “(tentative name) the b fukuoka tenjin” (the “Hotel Property”), and United Urban has acquired the preferential negotiation right of an acquisition of the Hotel Property in connection with United Urban’s acquisition of the preferred securities of the TMK. Outline of the Hotel Property is as follows.

Property Name	Location	Type	Site Area	Structure / Scale	Business Starting Date
(tentative name) The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,625.15 m <sup>2</sup>	S 10F	July 2017 (scheduled)

\* The above table is shown based on the architectural planning, etc. Accordingly, some information might be changed.

2. As for the preferred equity securities of the TMK, book value is stated because there are no market values and values calculated using the reasonable methods.

### 2. Investment Real Estate Properties

As of the end of the 26th fiscal period, United Urban had ownership of, or trust beneficial interests in real estate (properties which are the trust assets of trust beneficial interests in real estate are referred to as the “Real Estate in Trust”, and real estate and Real Estate in Trust are collectively referred to as the “Investment Real Estate”). Consequently, all of the real estate and Real Estate in Trust are shown in the table below.

#### a. Outline of Investment Real Estate 1

Acquisition price, book value at the end of the period, appraisal value at the end of the period, appraisers, number of tenants, leasable floor space, leased floor space and occupancy ratio of Investment Real Estate were as follows:

(As of November 30, 2016)										
Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A1	Himonya Shopping Center (Note 16)	15,300	17,981	22,700	3.4	JREI	1	26,655.66	26,655.66	100.0
A2	Joy Park Izumigaoka	6,770	5,192	4,560	0.7	JREI	22	13,611.24	13,588.92	99.8
A3	Ashiya Kawanishi Shopping Mart (Note 17)	769	740	1,180	0.2	JREI	1	1,558.80	1,558.80	100.0
A4	Re-LAND Shopping Center	5,200	4,184	5,680	0.8	JREI	15	12,968.84	12,695.29	97.9
A5	AEON MALL Uki	11,100	9,685	8,500	1.3	JREI	1	72,073.39	72,073.39	100.0
A6	TENJIN LUCE	6,500	6,364	6,370	0.9	Nittochi	11	4,194.68	4,194.68	100.0
A7	Yamada Denki Tecc Land Sakai Honten	3,210	2,820	3,490	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	5,142	5,010	0.7	JREI	3	10,487.92	10,487.92	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,641	1,890	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,676	3,290	0.5	JREI	10	2,081.50	2,081.50	100.0
A11	Tip's Machida Building	4,100	4,223	4,740	0.7	JREI	9	6,715.75	6,195.09	92.2
A12	Daiei Takarazuka Nakayama	4,284	3,283 (Note 9)	4,060	0.6	JREI	1	16,729.60	16,729.60	100.0
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	11,904	12,450	11,300	1.7	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,305	2,070	0.3	JREI	9	1,938.56	1,938.56	100.0
A15	Shinsaibashi OPA Honkan	22,800	22,076	26,100	3.9	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,562	2,060	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,381	3,260	0.5	JREI	5	3,147.29	3,147.29	100.0
A21	Mallage Kashiwa	7,040	6,821	8,760	1.3	JREI	89	41,766.67	40,520.24	97.0
A23	Ito-Yokado Owariasahi	4,840	4,234	4,970	0.7	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,260	2,000	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	4,995	6,050	0.9	JREI	19	2,283.47	2,112.62	92.5
A26	ACTIOLE Ichikawa	3,350	3,111	3,940	0.6	JREI	13	3,927.49	3,927.49	100.0
A27	VIVAHOME Yokohama Aoba (Site)	2,600	2,740	3,140	0.5	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,470	0.4	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	27,993	35,900	5.3	JREI	1	37,932.95	37,932.95	100.0
A30	Yamada Denki Tecc Land New Matsudo Honten	5,150	5,006	6,470	1.0	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,499	5,640	0.8	JREI	5	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	6,950	1.0	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plussing Wave Enoshima	1,800	1,866	2,140	0.3	JREI	7	3,155.64	3,054.86	96.8
A34	LIFE Nishikujo (Site)	1,760	1,842	1,990	0.3	Tanizawa	1	3,252.76	3,252.76	100.0
A35	LIFE Tamatsukuri (Site)	1,880	1,967	2,090	0.3	Tanizawa	1	2,391.44	2,391.44	100.0
A36	Granbell Ginza Building	2,621	2,718	2,900	0.4	JREI	10	1,352.35	1,274.00	94.2
A37	UUR Tenjin Nishi-dori Building	5,500	5,707	5,800	0.9	JREI	1	1,564.70	1,564.70	100.0
A38	Luz Shonan Tsujido	3,938	4,046	4,350	0.6	Tanizawa	32	10,454.22	10,258.99	98.1
A39	455 Ueno Building	3,000	3,122	3,290	0.5	Tanizawa	6	1,167.63	929.44	79.6
A40	KURURU	9,285	9,653	10,500	1.6	Tanizawa	27	13,292.30	13,292.30	100.0
B1	T&G Hamamatsucho Building	2,257	2,084	3,110	0.5	Tanizawa	6	2,420.85	2,420.85	100.0
B2	SK Nagoya Building	5,400	5,524	4,830	0.7	Tanizawa	13	8,708.52	8,573.57	98.5
B3	Fukuoka Eartheon Building	2,080	1,648	2,580	0.4	JREI	7	4,934.40	4,604.24	93.3
B4	Marumasu Kojimachi Building	2,350	2,438	2,440	0.4	JREI	16	2,578.84	2,578.84	100.0
B5	Rokubanchō K Building	2,150	2,289	3,670	0.5	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	24,101	27,800	4.1	Nittochi	61	45,978.59	45,168.35	98.2
B7	Kawasaki Toshiba Building	19,200	19,617	31,700	4.7	Tanizawa	1	36,118.31	36,118.31	100.0
B8	UUR Toyochō Building	8,500	8,556	8,800	1.3	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,231	5,330	0.8	JREI	1	5,000.54	5,000.54	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
B10	Hitachi High-Tech Building	14,800	14,522	15,700	2.3	JREI	2	15,781.64	15,781.64	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	12,082	11,200	1.7	JREI	21	10,947.34	10,846.53	99.1
B13	Pacific Marks Tsukishima	6,080	5,894	6,430	1.0	JREI	46	9,336.27	9,231.01	98.9
B14	Pacific Marks Yokohama East	7,050	6,882	7,260	1.1	Tanizawa	23	10,732.11	9,643.69	89.9
B15	Pacific Marks Shin-Urayasu	3,920	3,756	3,540	0.5	JREI	14	8,743.05	5,807.37	66.4
B17	Akasaka Hikawa Building	3,290	3,237	3,950	0.6	JREI	1	3,438.23	3,438.23	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,464	3,040	0.4	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,163	2,210	0.3	JREI	8	1,675.13	1,675.13	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,578	1,620	0.2	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	9,251	11,100	1.6	Tanizawa	40	7,382.14	6,863.86	93.0
B26	Hamamatsucho 262 Building	6,840	6,633	7,010	1.0	JREI	16	6,162.85	5,982.67	97.1
B27	Lila Hijirizaka	2,750	2,646	3,060	0.5	JREI	16	4,255.02	4,255.02	100.0
B29	Otsuka HT Building	1,160	1,104	1,220	0.2	JREI	7	1,774.56	1,774.56	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,507	3,200	0.5	JREI	10	1,723.03	1,723.03	100.0
B31	Pacific Marks Nishi-Umeda	6,860	6,420	7,020	1.0	Tanizawa	30	11,039.51	10,712.94	97.0
B32	Pacific Marks Higobashi	4,570	4,431	4,620	0.7	Tanizawa	23	7,623.57	7,623.57	100.0
B33	Nagoya Nishiki City Building	2,670	2,436	2,450	0.4	Tanizawa	30	5,609.97	5,609.97	100.0
B34	Pacific Marks Esaka	9,590	9,627	9,410	1.4	Tanizawa	41	20,005.03	18,304.77	91.5
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,807	2,020	0.3	Tanizawa	12	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	885	1,100	0.2	Tanizawa	19	2,797.03	2,587.84	92.5
B37	ARENA TOWER	9,500	8,637	12,300	1.8	Tanizawa	13	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	2,083	2,800	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,317	2,810	0.4	JREI	31	2,233.57	2,233.57	100.0
B40	GRAND-SQUARE Shin-Sakae	1,480	1,433	1,940	0.3	JREI	6	4,578.93	4,578.93	100.0
B41	GRAND-SQUARE Meieki-minami	1,220	1,194	2,020	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,179	2,760	0.4	JREI	4	2,831.94	2,359.95	83.3
B43	Hirose-dori SE Building	3,600	3,487	4,810	0.7	JREI	10	8,235.87	8,235.87	100.0
C1	Shinjuku Washington Hotel Honkan	21,140	22,597	25,900	3.8	JREI	8	53,363.11	53,353.75	99.98
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,645	2,490	0.4	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,260	3,900	0.6	JREI	8	6,670.21	6,309.13	94.6
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	4,199	4,950	0.7	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,208	11,400	1.7	Nittochi	2	13,701.80	13,701.80	100.0
C6	UUR Yotsuya Sanchome Building	4,200	4,219	6,370	0.9	JREI	3	7,854.86	7,854.86	100.0
C7	Yotsuya 213 Building	5,020	5,027	6,190	0.9	JREI	4	7,550.16	7,550.16	100.0
C9	the b roppongi (Note 10)	3,500	3,629	4,170	0.6	JREI	2	2,710.90	2,710.90	100.0
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,730	3,140	0.5	Daiwa	1	4,874.28	4,874.28	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,164	2,400	0.4	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebashiki-eki	745	765	809	0.1	Daiwa	1	1,529.47	1,529.47	100.0
C13	Loisir Hotel & Spa Tower Naha	20,000	20,556	22,200	3.3	JREI	1	45,731.16	45,731.16	100.0
C14	Urawa Royal Pines Hotel	17,500	17,691	18,300	2.7	JREI	1	31,129.86	31,129.86	100.0
D1	T&G Higashi-ikebukuro Mansion	2,021	1,502	2,250	0.3	Tanizawa	120	2,603.22	2,421.60	93.0
D4	Komazawa Court	1,680	1,520	2,320	0.3	JREI	1	3,741.17	3,741.17	100.0
D6	Sky Court Shiba-Daimon	1,175	1,038	1,310	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D7	Maison Ukima	3,530	3,190	4,500	0.7	JREI	1	12,691.43	12,691.43	100.0
D8	Narashino Residence	1,140	1,005	1,240	0.2	JREI	1	6,840.86	6,840.86	100.0
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,554	3,600	0.5	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	1,031	1,490	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D11	UUR Court Chiba Soga	620	579	669	0.1	JREI	1	2,931.14	2,931.14	100.0
D12	Higashi-kurume Dormitory Shinkan	480	459	545	0.1	JREI	1	1,397.61	1,397.61	100.0
D13	Nanzan Court Ichigokan	1,070	926	872	0.1	JREI	1	3,576.74	3,576.74	100.0
D14	Nanzan Court Nigokan	450	380	407	0.1	JREI	1	1,890.51	1,890.51	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,778	3,290	0.5	JREI	88	4,097.51	3,902.05	95.2
D16	GRAND-ROUGE Sakae	1,570	1,273	1,320	0.2	JREI	87	3,697.38	3,302.86	89.3
D17	GRAND-ROUGE Sakae II	1,300	1,074	1,350	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,859	4,270	0.6	JREI	152	11,525.36	11,475.61	99.6
D19	UUR Court Nagoya Meieki	1,473	1,258	1,540	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	755	895	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	822	757	0.1	JREI	41	2,067.95	2,067.95	100.0
D22	UUR Court Osaka Juso-honmachi	1,570	1,369	1,700	0.3	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,940	3,610	0.5	JREI	193	5,460.39	5,228.55	95.8
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,930	2,920	0.4	JREI	134	7,763.23	7,144.14	92.0
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,370	1,650	0.2	JREI	110	3,090.36	2,893.56	93.6
D26	Glenpark Umeda-kita	5,150	5,239	5,870	0.9	Tanizawa	181	12,730.60	12,598.67	99.0
D27	UUR Court Shiki	2,730	2,908	3,040	0.4	JREI	1	9,885.83	9,885.83	100.0
E1	Lilycolor Tohoku Branch	2,050	1,530	2,150	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	4,893	5,480	0.8	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	4,080	5,600	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,508	4,190	0.6	JREI	1	3,212.21	3,212.21	100.0
E5	Logistics Higashi-Ohgishima	4,233	4,222	4,860	0.7	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	8,035	8,480	1.3	JREI	3	23,934.32	23,934.32	100.0
E7	Quartz Tower	5,700	5,905	5,980	0.9	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,664	2,630	0.4	JREI	1	12,909.90	12,909.90	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
E9	Kawagoe Logistics Center	7,550	7,844	8,990	1.3	Tanizawa	1	40,060.76	40,060.76	100.0
E10	Asuto Nagamachi Dental Clinic	1,200	1,255	1,310	0.2	JREI	1	1,554.09	1,554.09	100.0
Total (Note 10)		590,439	579,993	675,774	100.0	-	2,057	1,342,847.93	1,328,718.13	98.9

## b. Outline of Investment Real Estate 2

Type of use, total annual rent, tenant leasehold and security deposits, PML and earthquake insurance of Investment Real Estate were as follows:

(As of November 30, 2016)

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
A1	Retail Properties	Himonya Shopping Center (Note 16)	(Note 12)	(Note 12)	15%	N/A
A2		Joy Park Izumigaoka	384,356	213,019	10%	N/A
A3		Ashiya Kawanishi Shopping Mart (Note 17)	60,000	60,000	6%	N/A
A4		Re-LAND Shopping Center	403,136	766,642	13%	N/A
A5		AEON MALL Uki	897,349	1,000,000	7.8% (Note 11)	N/A
A6		TENJIN LUCE	392,974	281,135	2%	N/A
A7		Yamada Denki Tecc Land Sakai Honten	(Note 12)	(Note 12)	8%	N/A
A8		Miyamae Shopping Center	267,074	909,730	17%	N/A
A9		KONAMI SPORTS CLUB Korigaoka	(Note 12)	(Note 12)	11%	N/A
A10		ACTIOLE Minami-ikebukuro	162,462	144,315	14%	N/A
A11		Tip's Machida Building	287,802	240,803	18%	N/A
A12		Daiei Takarazuka Nakayama	303,999	-	9%	N/A
A13	Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	598,549	347,620	- (Note 13)	- (Note 13)
A14	Retail Properties	ACTIOLE Kannai	110,602	90,751	19%	N/A
A15		Shinsaibashi OPA Honkan	1,362,000	1,448,304	12%	N/A
A19		Albore Jingumae	91,200	68,200	14.6%	N/A
A20		Albore Sendai	189,729	116,210	8%	N/A
A21		Mallage Kashiwa	890,587	904,612	9%	N/A
A23		Ito-Yokado Owariasahi	419,090	412,384	11%	N/A
A24		Yokohama Kariba Shopping Center	(Note 12)	(Note 12)	12%	N/A
A25		Luz Jiyugaoka	286,283	238,720	12%	N/A
A26		ACTIOLE Ichikawa	228,889	182,192	10%	N/A
A27		VIVAHOME Yokohama Aoba (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A28		Yamada Denki Tecc Land Aoba (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A29		Yodobashi Camera Multimedia Kichijoji	(Note 12)	(Note 12)	14%	N/A
A30		Yamada Denki Tecc Land New Matsudo Honten	(Note 12)	(Note 12)	11%	N/A
A31		Tenjin Loft Building	520,022	240,028	1%	N/A
A32		Narumi Shopping Center (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A33		Plussing Wave Enoshima	126,576	257,155	14%	N/A
A34		LIFE Nishikujo (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A35		LIFE Tamatsukuri (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A36		Granbell Ginza Building	132,810	92,615	10%	N/A

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
A37	Retail Properties	UUR Tenjin Nishi-dori Building	(Note 12)	(Note 12)	2%	N/A
A38		Luz Shonan Tsujido	412,917	306,154	14%	N/A
A39		455 Ueno Building	126,005	125,024	12%	N/A
A40		KURURU	459,754	419,451	6%	N/A
B1	Office Buildings	T&G Hamamatsucho Building	157,609	247,373	12%	N/A
B2		SK Nagoya Building	351,651	265,900	11%	N/A
B3		Fukuoka Eartheon Building	186,152	110,303	1%	N/A
B4		Marumasu Kojimachi Building	163,424	117,736	11%	N/A
B5		Rokubancho K Building	204,674	82,011	14%	N/A
B6	Office /Hotels	Shin-Osaka Central Tower	1,868,273	1,483,079	7%	N/A
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7%	N/A
B8		UUR Toyochi Building	492,683	368,328	13%	N/A
B9		FOUR SEASONS BLDG	306,489	254,371	11%	N/A
B10		Hitachi High-Tech Building	779,018	779,998	15%	N/A
B11		Pacific Marks Shinjuku Parkside	614,276	452,669	14.8%	N/A
B13		Pacific Marks Tsukishima	443,593	262,473	14%	N/A
B14		Pacific Marks Yokohama East	364,559	248,639	15%	N/A
B15		Pacific Marks Shin-Urayasu	201,830	131,214	11%	N/A
B17		Akasaka Hikawa Building	216,228	244,216	14%	N/A
B18		Pacific Marks Shibuya Koen-dori	168,000	100,500	12%	N/A
B20		Pacific Marks Akasaka-mitsuke	118,108	73,774	13%	N/A
B22		Pacific Marks Shin-Yokohama	110,675	69,764	16%	N/A
B25		Pacific Marks Kawasaki	567,692	433,050	17%	N/A
B26		Hamamatsucho 262 Building	369,458	507,700	14%	N/A
B27		Lila Hijirizaka	205,324	111,987	12%	N/A
B29		Otsuka HT Building	93,458	77,068	13%	N/A
B30		Pacific Marks Shinjuku South-gate	170,616	184,219	12%	N/A
B31		Pacific Marks Nishi-Umeda	460,752	373,610	10%	N/A
B32		Pacific Marks Higobashi	288,274	230,229	12%	N/A
B33		Nagoya Nishiki City Building	177,051	145,192	16%	N/A
B34		Pacific Marks Esaka	724,261	600,083	9%	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	163,856	125,340	1%	N/A
B36		Shin-Sapporo Center Building	100,892	74,839	2%	N/A
B37		ARENA TOWER	773,368	413,725	10%	N/A
B38		Yushima First Building	196,020	141,281	13%	N/A
B39		Dogenzaka Square	179,511	134,419	16%	N/A
B40		GRAND-SQUARE Shin-Sakae	148,070	90,341	10%	N/A
B41		GRAND-SQUARE Meieki-minami	129,525	90,256	10%	N/A
B42		Shiba 520 Building	141,051	87,383	13%	N/A
B43		Hirose-dori SE Building	346,586	378,231	8%	N/A
C1	Hotels	Shinjuku Washington Hotel Honkan	1,548,423	2,008,257	9%	N/A
C2		Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17%	N/A
C3		MZ BLD.	256,439	185,299	13%	N/A
C4		HOTEL ROUTE-INN Yokohama Bashamichi	280,298	107,487	19%	N/A
C5		Hotel JAL City Naha	428,393	14,196	5%	N/A

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
C6	Hotels	UUR Yotsuya Sanchome Building	328,271	206,749	14%	N/A
C7		Yotsuya 213 Building	318,062	239,318	13%	N/A
C9		the b roppongi (Note 10)	142,774	16,797	12%	N/A
C10		Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	(Note 12)	(Note 12)	14.5%	N/A
C11		Toyoko Inn Hiroshima Heiwa-odori	(Note 12)	(Note 12)	7%	N/A
C12		Toyoko Inn Naha Kokusai-dori Miebashi-eki	(Note 12)	(Note 12)	2%	N/A
C13		Loisir Hotel & Spa Tower Naha (Note 14)	720,000	(Note 12)	① 7% ② 6%	N/A
C14		Urawa Royal Pines Hotel	1,063,736	(Note 12)	10%	N/A
D1	Residential Properties	T&G Higashi-ikebukuro Mansion	122,688	18,160	12%	N/A
D4		Komazawa Court	118,800	19,800	11%	N/A
D6		Sky Court Shiba-Daimon	64,800	10,800	17%	N/A
D7		Maison Ukima	247,320	82,440	14.6%	N/A
D8		Narashino Residence	102,720	34,540	10%	N/A
D9		Aprile Shin-Ohgi Ichibankan	(Note 12)	(Note 12)	8%	N/A
D10		UUR Court Sapporo Kita-Sanjo	94,200	7,838	2%	N/A
D11		UUR Court Chiba Soga	(Note 12)	(Note 12)	14%	N/A
D12		Higashi-kurume Dormitory Shinkan	33,696	11,232	10%	N/A
D13		Nanzan Court Ichigokan	70,894	13,228	12%	N/A
D14		Nanzan Court Nigokan	31,336	5,801	14%	N/A
D15		CLIO Bunkyo Koishikawa	187,632	33,464	14.5%	N/A
D16		GRAND-ROUGE Sakae	87,252	1,250	13%	N/A
D17		GRAND-ROUGE Sakae II	69,303	6,413	13%	N/A
D18		MA Sendai Building	277,363	24,068	11%	N/A
D19		UUR Court Nagoya Meieki	88,516	7,381	16%	N/A
D20		UUR Court Sapporo Shinoro Ichibankan	61,581	4,000	3%	N/A
D21		Park Site IZUMI	59,052	10,560	12%	N/A
D22		UUR Court Osaka Juso-honmachi	100,854	9,396	16%	N/A
D23		UUR Court Kinshicho	215,508	34,902	14.8%	N/A
D24		UUR Court Sapporo Minami-Sanjo Premier Tower	205,272	49,507	1%	N/A
D25		GLAND-ROUGE Nakanoshima-minami	103,872	10,216	15%	N/A
D26		Glenpark Umeda-kita	356,886	36,922	15.5%	N/A
D27		UUR Court Shiki	178,800	178,800	11%	N/A
E1	Others	Lilycolor Tohoku Branch	(Note 12)	(Note 12)	11%	N/A
E2		KDDI Fuchu Building	(Note 12)	(Note 12)	11%	N/A
E3		Tsubogawa Square Building	411,822	252,250	8%	N/A
E4		THE PLACE of TOKYO	(Note 12)	(Note 12)	13%	N/A
E5		Logistics Higashi-Ohgishima	(Note 12)	(Note 12)	12%	N/A
E6		MT Ariake Center Building I&II (Note 15)	(Note 12)	(Note 12)	① 12% ② 13%	N/A
E7		Quartz Tower	(Note 12)	(Note 12)	7%	N/A
E8		Shin-Narashino Logistics Center	(Note 12)	(Note 12)	10%	N/A
E9		Kawagoe Logistics Center	(Note 12)	(Note 12)	9%	N/A
E10		Asuto Nagamachi Dental Clinic	(Note 12)	(Note 12)	8%	N/A
Total (Note 10)			38,960,835	30,610,925	7.81%	

- Notes: 1. The “Acquisition Price” is an amount (the amounts stated in each purchase and sale agreements excluding consumption taxes) does not include the expenses necessary for making the relevant acquisitions (e.g. agency fees, public taxes and impositions) and is rounded to the nearest million yen.
2. “Appraisal Value at the End of Period” shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of November 30, 2016.  
In addition, “Appraisers” shows the real estate appraisers, which conducted real estate appraisal or price surveys at the time of acquisition of each properties and continuous assessments. The appraisers are referred to as “JREI” for Japan Real Estate Institute”, “Tanizawa” for The Tanizawa Sōgō Appraisal Co., Ltd., “Nittochi” for NIPPON TOCHI-TATEMONO Co., Ltd., and “Daiwa” for DAIWA REAL ESTATE APPRAISAL CO., LTD.
3. “Number of Tenants,” “Leasable Floor Space,” “Leased Floor Space,” and “Occupancy Ratio” are based on data as of November 30, 2016. “Leasable Floor Space” means the aggregate leasable floor space of the portions owned by United Urban of individual Investment Real Estate. “Leased Floor Space” means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in “Leasable Floor Space” and “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies.) “Occupancy Ratio” is the percentage obtained from dividing “Leased Floor Space” by “Leasable Floor Space.” With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan, Loisir Hotel & Spa Tower Naha, KDDI Fuchu Building and Logistics Higashi-Ohgishima held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion’s entire floor area. In addition, occupancy ratio of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
4. “Number of Tenants” figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
5. As a general rule, “Leased Floor Space” indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
6. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of November 30, 2016 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. As for residential properties which are leased in the form of a pass-through-type master lease agreement, monthly rent(s) under the lease agreement of end-tenants in effect as of November 30, 2016 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen are shown.
7. “Tenant Leasehold and Security Deposits” are based on data as of November 30, 2016. In addition, “Tenant Leasehold and Security Deposits” include leasehold and security deposits of room, parking lot, warehouse, signboard, etc., and is rounded down to the nearest thousand yen.
8. “PML” (probable maximum loss in an analysis of the earthquake risk) is based on the earthquake risk analysis report prepared by SHIMIZU CORPORATION. In addition, figure at “Total” for “PML” represents the overall portfolio PML.
9. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement (“Reserve for Soil Improvement”), as a condition of the purchase and sale agreement of trust beneficial interest. The Book Value at the End of the Period of this trust beneficial interest is described as ¥3,283 million reflecting the additional amount of trust.  
However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
10. United Urban decided to acquire the adjacent site to the b roppongi (acquisition price ¥460 million (of which, land: ¥140 million, building with leasehold: ¥320 million)) (the “Adjacent Site”) on November 16, 2016, and acquired the building with leasehold on November 18, 2016 and the land on January 13, 2017, respectively.  
Because United Urban acquired the Adjacent Site considering it enables to the extension of the b roppongi (the “Hotel”) in the future, the Adjacent Site is considered to be attached to the Hotel and it is not recognized as one separate property. Therefore, the acquisition price and other information of the Adjacent Site are not included in United Urban’s portfolio.
11. As for “PML” of AEON MALL Uki, the entire portfolio PML of eleven buildings held by United Urban is stated.
12. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue, etc. Therefore, there has been no choice but to omit disclosure of this figure here.
13. For maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), VIVAHOME Yokohama Aoba (Site), Yamada Denki Tecc Land Aoba (Site), Narumi Shopping Center (Site), LIFE Nishikujo (Site) and LIFE Tamatsukuri (Site), United Urban acquired only land. Accordingly, there is no applicable information.
14. The property comprises two buildings; (i) Main Building (the “Loisir Hotel Naha”) and (ii) the Annex (Loisir Hotel Spa Tower Naha (the “Spa Tower”) and Loisir Hotel Naha East (the “East”)), and information in the “PML” are shown for the Main Building expressed as ① and the Annex expressed as ②.
15. The property comprises two buildings; (i) MT Ariake Center Building I (the “Building I”) and (ii) MT Ariake Center Building II (the “Building II”), and information in the “PML” are shown for each of two buildings with the Building I expressed as ① and the Building II expressed as ②.
16. The property name was changed from “Daiei Himonya” to “Himonya Shopping Center” on July 13, 2016.
17. The property name was changed from “Daimaru Peacock Ashiya Kawanishi” to “Ashiya Kawanishi Shopping Mart” on July 13, 2016.

### (3) Capital Expenditures

#### 1. Plan of Capital Expenditure

The table below sets out the principal capital expenditures for repair, etc., of Investment Real Estate managed by United Urban scheduled as of November 30, 2016. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Location	Purpose	Scheduled Period	Amount Projected (Millions of yen)		
				Total amount	Amount payable in the 26th fiscal period	Amount already paid
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From May 2017 to May 2017	204	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities	From January 2016 to December 2016	453	-	-
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Renewal of individual air-conditioner	From December 2016 to February 2017	132	-	-
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Renewal of individual air-conditioner	From May 2017 to November 2017	153	-	-
Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Renewal of the entire building	From June 2017 to November 2017	303	-	-
Pacific Marks Esaka	Suita, Osaka	Renewal of sign of outdoor facility	From May 2017 to June 2017	151	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Repair of banquet hall	From May 2017 to August 2017	220	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Extension work of guest rooms	From May 2017 to October 2017	180	-	-

#### 2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Investment Real Estate during the 26th fiscal period, which totaled ¥5,762 million. Together with ¥1,048 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥6,810 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Himonya Shopping Center	Meguro-ku, Tokyo	Renovation of the entire building	From June 2016 to October 2016	3,960
Joy Park Izumigaoka	Sakai, Osaka	Renewal of security camera and monitor	From November 2016 to November 2016	16
Re-LAND Shopping Center	Funabashi, Chiba	Renewal of central monitoring facility	From November 2016 to November 2016	22
AEON MALL Uki	Uki, Kumamoto	Renewal of air-conditioning and electric facilities	From June 2016 to August 2016	213
AEON MALL Uki	Uki, Kumamoto	Earthquake restoration work	From June 2016 to July 2016	248
Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Renewal of central monitoring equipment of disaster control center	From November 2016 to November 2016	10
Tenjin Loft Building	Fukuoka, Fukuoka	Renewal of toilets (in some floors)	From October 2016 to November 2016	16
Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Renewal of rooftop transformer	From November 2016 to November 2016	14
Shin-Osaka Central Tower	Osaka, Osaka	Replacement of parts of mechanical parking lot	From November 2016 to November 2016	26
Shin-Osaka Central Tower	Osaka, Osaka	Replacement of parts of receiving and transforming facilities at extra-high voltage electrical room, etc.	From November 2016 to November 2016	21
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of central monitoring panel of disaster control center	From April 2016 to November 2016	112
Pacific Marks Yokohama East	Yokohama, Kanagawa	Renewal of central security system	From April 2016 to September 2016	28

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Pacific Marks Kawasaki	Kawasaki, Kanagawa	Repair of external wall seal	From September 2016 to November 2016	17
Pacific Marks Nishi-Umeda	Osaka, Osaka	Replacement of parts of mechanical parking lot	From November 2016 to November 2016	11
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of disaster prevention monitoring panel	From October 2016 to November 2016	55
Pacific Marks Higobashi	Osaka, Osaka	Renewal of air-conditioning facility (1st period)	From November 2016 to November 2016	71
Pacific Marks Esaka	Suita, Osaka	Renewal of rooftop cooling tower	From June 2016 to July 2016	19
ARENA TOWER	Yokohama, Kanagawa	Replacement of part of mechanical parking lot equipment	From June 2016 to September 2016	14
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Repair of elevator	From June 2016 to November 2016	115
MZ BLD.	Hachioji, Tokyo	Installation work for new tenant	From August 2016 to August 2016	11
MZ BLD.	Hachioji, Tokyo	Replacement of electric energy meter and central meter reading equipment	From October 2016 to November 2016	15
Hotel JAL City Naha	Naha, Okinawa	Renewal of salt removal filter unit of machine room on each floor	From November 2016 to November 2016	10
the b roppongi	Minato-ku, Tokyo	Renewal of guest rooms, corridors, interior facilities, etc. (3rd period)	From August 2016 to August 2016	10
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Extension work of guest rooms and repair of entrance of basement parking lot	From March 2016 to June 2016	240
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of private branch exchange	From June 2016 to June 2016	28
Urawa Royal Pines Hotel	Saitama, Saitama	Replacement of lobby display system	From November 2016 to November 2016	10
UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Installation work for tenant (3rd floor)	From July 2016 to August 2016	29
Shin-Narashino Logistics Center	Narashino, Chiba	Replacement of control boards of rooftop elevator machine room	From October 2016 to November 2016	14
Other capital expenditures				395
Total				5,762

### 3. Cash Reserved for Long-Term Repair and Maintenance Plan

Based on the long-term repair and maintenance plan formulated for each of its properties, United Urban sets aside a repair and maintenance reserve out of cash flow during each fiscal period, as outlined below, for the purpose of large-scale repairs and maintenance for the medium to long term.

	(Millions of yen)				
	22nd Fiscal Period (June 1, 2014 - November 30, 2014)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)
Reserve balance at the beginning of period	663	692	711	792	971
Addition to the reserve during the period (Note)	106	29	90	188	36
Reduction of reserve during the period	77	10	9	9	9
Reserve balance to be carried over to the next of period	692	711	792	971	998

Note: When United Urban assumes all or part of the reserve accumulated within the trust assets by the previous owners in connection with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.

#### (4) Information Concerning Tenants

##### Top 10 Tenants by Leased Floor Space

(As of November 30, 2016)

No.	Tenant Name	Property Name	Leased Floor Space (Note 1)	Total Annual Rent (Thousand of yen) (Note 2)	Expiration Date of Contract
1	AEON MALL Co., Ltd.	AEON MALL Uki	72,073.39 m <sup>2</sup>	897,349	August 9, 2019
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34 m <sup>2</sup>	419,090	November 11, 2018
3	Yamada Denki Co., Ltd.	<ul style="list-style-type: none"> <li>Yamada Denki Tecc Land Sakai Honten</li> <li>maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)</li> <li>Yamada Denki Tecc Land Aoba (Site)</li> <li>Yamada Denki Tecc Land New Matsudo Honten</li> </ul>	49,897.43m <sup>2</sup>	- (Note 3)	<ul style="list-style-type: none"> <li>Yamada Denki Tecc Land Sakai Honten May 9, 2022</li> <li>maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) November 15, 2020</li> <li>Yamada Denki Tecc Land Aoba (Site) May 31, 2020</li> <li>Yamada Denki Tecc Land New Matsudo Honten August 20, 2029</li> </ul>
4	FUJITA KANKO INC.	Shinjuku Washington Hotel-Honkan	49,304.81 m <sup>2</sup>	1,302,512	October 31, 2023, etc. (Note 4)
5	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44 m <sup>2</sup>	- (Note 3)	November 19, 2024, etc. (Note 4)
6	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16m <sup>2</sup>	720,000	March 31, 2026
7	SBS Logicom Co., Ltd.	Kawagoe Logistics Center	40,060.76 m <sup>2</sup>	- (Note 3)	August 31, 2027
8	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95 m <sup>2</sup>	- (Note 3)	May 31, 2027
9	TOSHIBA CORPORATION	Kawasaki Toshiba Building	36,118.31 m <sup>2</sup>	1,665,139	October 20, 2018
10	Urawa Royal Pines Co., Ltd.	Urawa Royal Pines Hotel	29,628.04 m <sup>2</sup>	1,063,736	March 31, 2026

- Notes: 1. In principle, numerical values in “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. In addition, in the case of a master lease agreement without rental guarantee, “Leased Floor Space” is counted based on the end-tenants who are actually using the property, not based on the tenants who have the lease agreement between the owner, United Urban or the asset custodian.
2. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of November 30, 2016 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenues, etc. Therefore, there has been no choice but to omit disclosure of this figure here.
4. An expiration date of the representative agreement is stated because there are several lease agreements.