

For Translation Purposes Only

July 13, 2018

## SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED MAY 31, 2018 (December 1, 2017 – May 31, 2018)

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: August 30, 2018  
 Scheduled date for commencing dividend payments: August 15, 2018  
 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 May 31, 2018 (December 1, 2017 – May 31, 2018)

#### (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 May 31, 2018	29,166	12.5	13,089	4.9	11,974	5.8	11,973	5.8
Fiscal period ended November 30, 2017	25,926	12.8	12,482	8.6	11,320	10.1	11,319	10.1

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended May 31, 2018	3,919	3.4	1.8	41.1
Fiscal period ended November 30, 2017	3,705	3.2	1.7	43.7

#### (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 May 31, 2018	3,530	10,784	0	0	90.0	3.0
Fiscal period ended November 30, 2017	3,358	10,258	0	0	90.6	2.9

Notes: 1. "Payout Ratio" is rounded down to the nearest one decimal place.  
 2. For both fiscal period, because a portion of unappropriated retained earnings was reserved (Fiscal period ended November 30, 2017: ¥1,136 million as a reserve retained for distribution, Fiscal period ended May 31, 2018: ¥1,264 million as a reserve for reduction entry, etc.) and as a result of adding a reversal of reserve for temporary difference adjustments (each fiscal period ¥75 million) to the net income, 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 May 31, 2018	648,503	355,017	54.7	116,205
Fiscal period ended November 30, 2017	663,531	353,258	53.2	115,629

**(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 May 31, 2018	13,295	97	(26,054)	49,665
Fiscal period ended November 30, 2017	15,660	9,350	(24,177)	62,327

**2. Forecasts of Results for the Fiscal Period Ending November 30, 2018 (June 1, 2018 – November 30, 2018) and the Fiscal Period Ending May 31, 2019 (December 1, 2018 – May 31, 2019)**

(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 November 30, 2018	25,677	(12.0)	12,737	(2.7)	11,531	(3.7)	11,531	(3.7)	3,420	0
Fiscal period ending May 31, 2019	26,356	2.6	13,130	3.1	11,973	3.8	11,972	3.8	3,550	0

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

Fiscal period ending November 30, 2018 ¥3,774      Fiscal period ending May 31, 2019 ¥3,918

Note: The resource for cash distributions for the fiscal period ending November 30, 2018 and May 31, 2019 is the result of adding a reversal of reserve for temporary difference adjustments (each period: ¥76 million) to the net income respectively while accumulating the reserve for reduction entry (Fiscal period ending November 30, 2018: ¥1,158 million, Fiscal period ending May 31, 2019: ¥1,202 million) from 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**

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

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

1. Total number of investment units issued at the end of the fiscal period (including treasury investment units)
  - As of May 31, 2018: 3,055,087 units
  - As of November 30, 2017: 3,055,087 units
2. Treasury investment units at the end of the fiscal period
  - As of May 31, 2018: None
  - As of November 30, 2017: 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 26.

**(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 July 13, 2018, 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 November 30, 2018 (30th fiscal period: from June 1, 2018 to November 30, 2018) and the Fiscal Period Ending May 31, 2019 (31st fiscal period: from December 1, 2018 to May 31, 2019)” 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 May 31, 2018. 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.

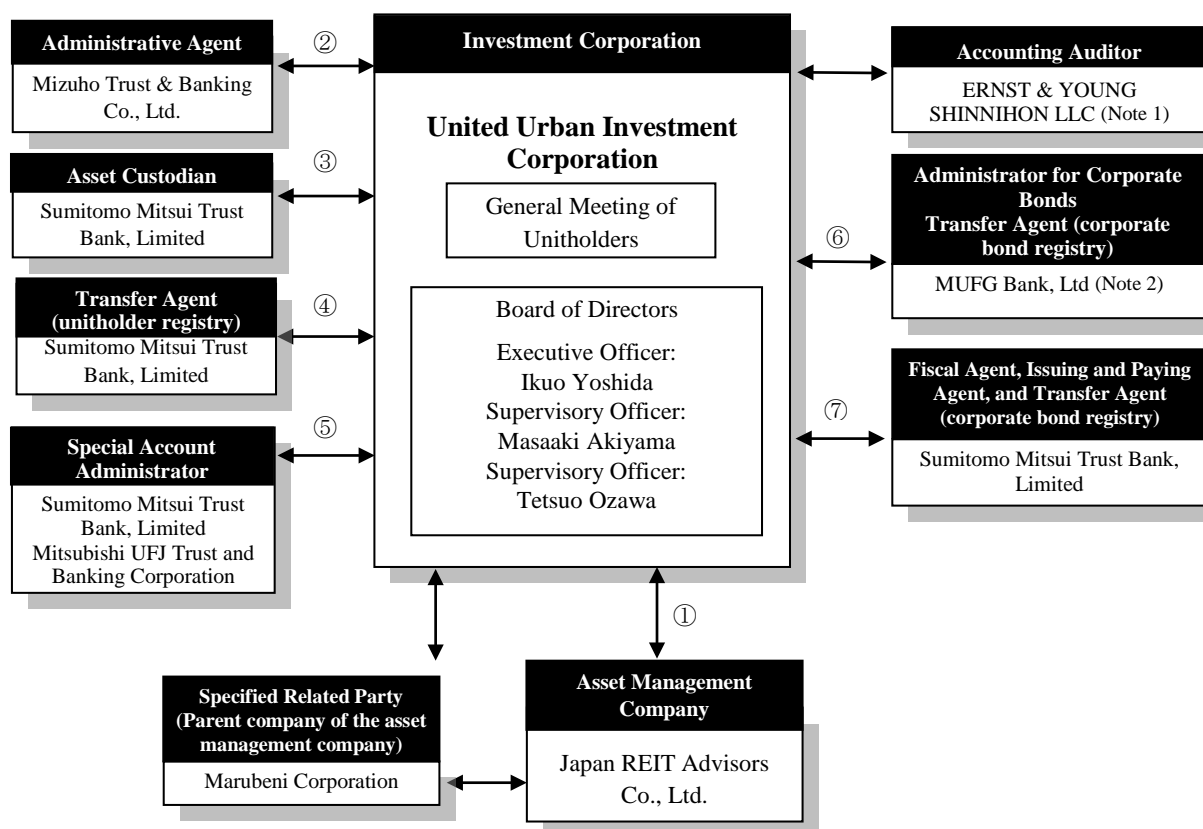
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## 1. Related Corporations of Investment Corporation

### Structure of Investment Corporation

The structure chart of United Urban as of the date hereof is as follows:



No.	Type of Agreements
1	Asset management agreement
2	General administration agreement
3	Asset custody agreement
4	Transfer agency agreement
5	Special account administration agreement
6	Administration agreement for corporate bonds / Administration and operation agreement for corporate bonds
7	Fiscal and Issuing/Paying agency agreement for corporate bonds / Administration and operation agreement for corporate bonds

Notes: 1. Ernst & Young ShinNihon LLC changed its corporate name to ERNST & YOUNG SHINNIHON LLC on July 1, 2018. The same shall apply hereinafter.  
 2. MUFG Bank, Ltd. (the corporate name was changed from The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of April 1, 2018) assumed the position of an administrative agent for corporate bonds of United Urban from Mitsubishi UFJ Trust and Banking Corporation on April 16, 2018 as a result of the absorption-type company split. The same shall apply hereinafter.

## 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 February 28, 2018), the disclosure is omitted.

## (2) Management Status

### 1. Overview during the period

#### a. Investment environment and operation

##### (i) Investment environment

Japanese economy during this period remains steady due to the good condition of corporate performance. And also, while there are concerns over the rise of interest rates in the United States, the trend of new Italian government, and the trade issues between United States and major trading partners, financing environment has been favorable in Japan due to the low interest rate.

In the real estate sales market, transaction prices are still increasing against a background of active investment demand from domestic and foreign investors in the continuation of favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of suburban type properties has been struggling, but that of urban type properties has been stable, and the rental market for retail properties remains steady. As for office buildings, although a lot of new supplies would be expected in Tokyo area, extended demands for corporates' business expansion are strong and there is favorable progress in contracts with tenants for the new large-scale buildings which will be completed in 2018. The vacancy ratio hit a record low in Sapporo, Osaka, Nagoya, Fukuoka, etc. and has kept low in the Tokyo metropolitan area and major cities throughout Japan, and asking rents have continued to rise. As for hotels, number of inbound tourists was 28.69 million in 2017, increased by 19% compared with the previous year, and it keeps on increasing in 2018. On the other hand, United Urban observes the impact of new supplies in some areas such as Tokyo or Osaka. As for residential properties, while the supply of new properties is increasingly limited, rental properties have a steady demand, and both the occupancy ratio and rent levels remains stable.

##### (ii) New acquisition and sale of properties

During the period, United Urban acquired RIHGA Royal Hotel Kokura • ARUARU City.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
C15	RIHGA Royal Hotel Kokura • ARUARU City	Hotel Store	Kitakyusyu, Fukuoka	16,600	January 26, 2018

On the other hand, United Urban decided to sell the following two properties to improve the quality and profitability of its portfolio and sold a part of assets on May 24, 2018.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
A1	Himonya Shopping Center (Note 3)	Store	Meguro-ku, Tokyo	14,025 (Note 3)	May 24, 2018 (Note 3)
A5	AEON MALL Uki	Store	Uki, Kumamoto	6,500	May 24, 2018
Total				20,525	

- 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, etc. 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. As for Himonya Shopping Center, the sale and purchase agreement of the trust beneficial interest (the "Sale and Purchase Agreement") was concluded on May 24, 2018 and United Urban sold its 51% quasi co-ownership as of the same date. Out of the remaining 49% quasi co-ownership, United Urban will sell 19% quasi co-ownership on November 1, 2018 and 30% quasi co-ownership on March 1, 2019, respectively. In addition, because the payment and transfer of the 49% quasi co-ownership shall be made at least one month after the conclusion of the Sale and Purchase Agreement, it falls into forward commitment, etc. defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by Financial Services Agency. The Sale and Purchase Agreement provides that either party may terminate the agreement if the other party materially breaches a provision thereof, in which case the party may request the other party in breach of the agreement to pay an amount equivalent to 20% of the acquisition price as penalty charges.

Overview of the Transfer	(Scheduled) Sale Price (Millions of yen)	(Scheduled) Date of Sale
(1st) Transfer of trust beneficial interest (51% quasi co-ownership)	14,025	May 24, 2018
(2nd) Transfer of trust beneficial interest (19% quasi co-ownership)	5,225	November 1, 2018
(3rd) Transfer of trust beneficial interest (30% quasi co-ownership)	8,250	March 1, 2019
Total	27,500	

(iii) Portfolio overview

As a result of the acquisition and sales of properties mentioned above (ii), United Urban held a total of 116 properties, comprising 34 retail properties, 33 office buildings, 1 retail-office complex, 14 hotels, 2 office-hotel complexes, 20 residential properties and 12 others, with an aggregate acquisition price of ¥608,617 million at the end of the 29th fiscal period (as of May 31, 2018). In addition, the total leasable floor space was 1,431,177.86 sq. m. and the total numbers of tenants were 2,278.

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 98.4% and 99.5%, and stood at 99.3% at the end of the 29th fiscal period (as of May 31, 2018).

b. Financing overview

During the period, United Urban repaid interest-bearing liabilities with proceeds from sales of properties conducted in the previous fiscal period. While there was an issuance of new corporate bonds (¥12 billion), the total amount of interest-bearing liabilities was ¥255,884 million, a decrease of ¥15,723 million compared to the end of the previous fiscal period.

The status of interest-bearing liabilities at the end of the previous period and the end of the 29th fiscal period are as follows.

(Millions of yen)			
	Balance at the end of the 28th Fiscal Period (As of November 30, 2017)	Balance at the end of the 29th Fiscal Period (As of May 31, 2018)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	237,607	223,884	(13,723)
Total of borrowings	237,607	223,884	(13,723)
Corporate bonds	34,000	32,000	(2,000)
Total of interest-bearing liabilities	271,607	255,884	(15,723)

In addition, as of the end of the 29th fiscal period, the amount of borrowings due for repayment within one year was ¥22,400 million, and the amount of the current portion of corporate bonds that is to become due for maturity within one year was ¥15,000 million.

Moreover, the details of ratings of United Urban as of June 30, 2018 are as follows.

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

c. Overview of financial results and distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥29,166 million (up by 12.5% from the previous period), profit from rental activities of ¥13,890 million (up by 3.6% from the previous period), operating income of ¥13,089 million (up by 4.9% from the previous period), ordinary income of ¥11,974 million (up by 5.8% from the previous period), and net income of ¥11,973 million (up by 5.8% from the previous period).

During the period under the review, ¥1,264 million, which accounts for the bulk of the gain on sale of properties in the net income, was reserved as a reserve for reduction entry, etc. to enhance the risk tolerance for unexpected market conditions. On the other hand, in accordance with “Ordinance on Accountings of Investment Corporations” and “Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations” stipulated by the Investment Trusts Association, Japan, United Urban reversed ¥75 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥10,784 million, and cash distribution per unit was ¥3,530. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation

(Act No. 26 of 1957, as amended; the same shall apply hereinafter) is satisfied during the fiscal period, 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 stable rental revenue is expected due to the continuous high occupancy ratio of office buildings, etc. 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 is also expected, and real estate prices would be kept increasing.

Under these circumstances, United Urban will take advantage of the knowledge and network of the sponsor group, cooperate with tenants, and work on several acquisition schemes in addition to its information channel for property acquisition of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services, and make efforts for profitability and quality-conscious property acquisition by utilizing the characteristics of a diversified J-REIT. In addition, United Urban pursues the improvement of quality and profitability of its portfolio through a strategic property-replacement in view of present real estate sales market. With regard to internal growth, United Urban makes efforts to increase rents and revise the contract conditions of tenants whose contracts come up for renewal for office buildings and hotels, and to maintain and improve asset value by the implementation of repair works.

With 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.

### b. Outlook for management status

#### (i) Material facts arising after the end of 29th fiscal period and other material events

There are no material facts arising after the end of the fiscal period (May 31, 2018). In addition, the reference information is as follows:

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

United Urban concluded a new committed line of credit agreement on June 26, 2018, as set forth below.

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

Participating financial institutions	:	Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.
Maximum loan amount	:	¥24,000 million
Date of agreement	:	June 26, 2018
Term of agreement	:	From June 26, 2018 to June 26, 2019
Remarks	:	Unsecured, unguaranteed

#### B. New borrowing for repayment

United Urban procured debt financing of a total of ¥8,000 million on June 20, 2018 for the repayment of the existing borrowings (¥8,000 million) upon their maturity on June 20, 2018, as set forth below.

Title	Lenders	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 71B	Mizuho Bank, Ltd.	3,000	0.4738%	June 20, 2018	June 22, 2026	Unsecured Unguaranteed
Term Loan 72B	MUFG Bank, Ltd.	2,800	0.4650%		June 21, 2027	
Term Loan 73B	The Norinchukin Bank	2,200	0.4225%		June 20, 2025	
Total		8,000				



### C. Acquisition of property and debt financing

1) United Urban acquired “Chatle Otemachi S・N” on July 3, 2018.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
D29	Chatle Otemachi S・N	Apartment	Kitakyusyu, Fukuoka	3,398	July 3, 2018

2) United Urban procured debt financing to support for acquiring “Chatle Otemachi S・N” mentioned above 1) as set forth below.

Title	Lenders	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 74B	MUFG Bank, Ltd.	3,800	0.4650%	July 3, 2018	September 21, 2027	Unsecured Unguaranteed
Total		3,800				

#### (ii) Outlook for management status

For the fiscal period ending November 30, 2018 (30th fiscal period: from June 1, 2018 to November 30, 2018) and the fiscal period ending May 31, 2019 (31st fiscal period: from December 1, 2018 to May 31, 2019), 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 November 30, 2018 (30th fiscal period: from June 1, 2018 to November 30, 2018) and the Fiscal Period Ending May 31, 2019 (31st fiscal period: from December 1, 2018 to May 31, 2019)” below.

##### Fiscal Period Ending November 30, 2018

Operating revenues:	¥25,677 million	Cash distributions per unit (Note 1):	¥3,420
Operating income:	¥12,737 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥11,531 million		
Net income (Note 1):	¥11,531 million		

##### Fiscal Period Ending May 31, 2019

Operating revenues:	¥26,356 million	Cash distributions per unit: (Note 1)	¥3,550
Operating income:	¥13,130 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥11,973 million		
Net income (Note 1):	¥11,972 million		

Notes: 1. The resource for cash distributions for the fiscal period ending November 30, 2018 and May 31, 2019 is the result of adding a reversal of reserve for temporary difference adjustments (each period: ¥76 million) to the net income respectively while accumulating the reserve for reduction entry (Fiscal period ending November 30, 2018: ¥1,158 million, Fiscal period ending May 31, 2019: ¥1,202 million) from the net income respectively. Therefore, it differs from “net income” of each fiscal period. In addition, the scheduled amount of the reversal is based on the total number of investment units issued and outstanding of 3,055,087 units as of the date hereof, and it is based on the assumption that there will be no additional issuance of investment units until May 31, 2019.

2. 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 November 30, 2018  
(30th fiscal period: from June 1, 2018 to November 30, 2018) and the Fiscal Period Ending May 31, 2019  
(31st fiscal period: from December 1, 2018 to May 31, 2019)

Item	Assumptions												
Terms	<ul style="list-style-type: none"> <li>Fiscal period ending November 30, 2018 (30th fiscal period: from June 1, 2018 to November 30, 2018) (183 days)</li> <li>Fiscal period ending May 31, 2019 (31st fiscal period: from December 1, 2018 to May 31, 2019) (182 days)</li> </ul>												
Investment Assets	<ul style="list-style-type: none"> <li>The forecasts of financial results are based on a portfolio of 117 properties which comprise (i) 116 properties owned by United Urban as of the date hereof, (ii) Chatle Otemachi S・N acquired on July 3, 2018 (Note) and (iii) Himonya Shopping Center to be sold on November 1, 2018 and March 1, 2019, respectively (116 properties after the sale), “Preferred Equity Securities of Tenjin 123 Project TMK” and “Preferred Equity Securities of KICAM Musashimurayama TMK”.</li> <li>Note: Other than the abovementioned 117 properties, United Urban owns the site adjacent to the b roppongi (the “Adjacent Site”). United Urban has acquired the Adjacent Site in order to enable the construction of an extension of the b roppongi (the “Hotel”) in the future. Therefore, the Adjacent Site is considered to be attached to the Hotel, and is not recognized as an independent property. United Urban has been conducting the extension work on the Hotel as of the date hereof, and the extension building will be operating starting in December 2018 as the United Urban’s asset. For details, please refer to the press release “Notice on Building an Annex to the Property etc., (the b roppongi)” dated October 25, 2017.</li> <li>The forecasts are also based on the assumption that there will be no change of properties (acquisition of new property or sale of existing property, etc.) until May 31, 2019 (the end of the 31st fiscal period) other than mentioned above. However, the forecasts may be changed by the change of properties in actually.</li> </ul>												
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The forecasts are based on 3,055,087 units issued and outstanding as of the date hereof.</li> <li>The forecasts are also based on the assumption that there will be no additional issuance of investment units until May 31, 2019 (the end of the 31st 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 the date hereof 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2018</th> <th>Fiscal period ending May 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Rental revenues (including common area charges)</td> <td align="right">¥21,150 million</td> <td align="right">¥20,943 million</td> </tr> <tr> <td>Parking revenues</td> <td align="right">¥742 million</td> <td align="right">¥742 million</td> </tr> <tr> <td>Utility revenues (electricity, water, gas, etc.) from tenants</td> <td align="right">¥1,651 million</td> <td align="right">¥1,435 million</td> </tr> </tbody> </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> <li>As for dividend income from the “Preferred Equity Securities of KICAM Musashimurayama TMK”, United Urban expects to receive ¥3 million for the fiscal period ending May 31, 2019.</li> <li>As for gain on sales of real estates due to the sale of “Himonya Shopping Center”, United Urban expects to receive ¥1,850 million for the fiscal period ending November 30, 2018 and ¥2,950 million for the fiscal period ending May 31, 2019, respectively.</li> </ul>	Major Item	Fiscal period ending November 30, 2018	Fiscal period ending May 31, 2019	Rental revenues (including common area charges)	¥21,150 million	¥20,943 million	Parking revenues	¥742 million	¥742 million	Utility revenues (electricity, water, gas, etc.) from tenants	¥1,651 million	¥1,435 million
Major Item	Fiscal period ending November 30, 2018	Fiscal period ending May 31, 2019											
Rental revenues (including common area charges)	¥21,150 million	¥20,943 million											
Parking revenues	¥742 million	¥742 million											
Utility revenues (electricity, water, gas, etc.) from tenants	¥1,651 million	¥1,435 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> </ul>												

<p style="text-align: center;">Operating Expenses</p>	<ul style="list-style-type: none"> <li>United Urban anticipates each major item of the property-related expenses as set forth below.</li> </ul> <table border="1" data-bbox="491 230 1382 472"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2018</th> <th>Fiscal period ending May 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td>¥1,886 million</td> <td>¥1,868 million</td> </tr> <tr> <td>Property management fees</td> <td>¥1,724 million</td> <td>¥1,691 million</td> </tr> <tr> <td>Utilities</td> <td>¥1,704 million</td> <td>¥1,527 million</td> </tr> <tr> <td>Repairs and maintenance (Note 2)</td> <td>¥891 million</td> <td>¥1,420 million</td> </tr> <tr> <td>Depreciation and amortization (Note 3)</td> <td>¥4,044 million</td> <td>¥4,044 million</td> </tr> </tbody> </table> <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 (including undetermined expenditures as of this moment).</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	Major Item	Fiscal period ending November 30, 2018	Fiscal period ending May 31, 2019	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥1,886 million	¥1,868 million	Property management fees	¥1,724 million	¥1,691 million	Utilities	¥1,704 million	¥1,527 million	Repairs and maintenance (Note 2)	¥891 million	¥1,420 million	Depreciation and amortization (Note 3)	¥4,044 million	¥4,044 million				
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<p style="text-align: center;">Non-Operating Expenses</p>	<ul style="list-style-type: none"> <li>United Urban anticipates the non-operating expenses per major item, as set forth below.</li> </ul> <table border="1" data-bbox="491 884 1414 1032"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2018</th> <th>Fiscal period ending May 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Interest expenses for interest-bearing liabilities (Note 1)</td> <td>¥1,037 million</td> <td>¥1,042 million</td> </tr> <tr> <td>Expenses associated with the issuance of corporate bonds (Note 2)</td> <td>¥ 110 million</td> <td>¥ 100 million</td> </tr> </tbody> </table> <p>Note: 1. Including financing-related expenses and interest expenses on corporate bonds, etc.</p> <p>2. For the redemption of series 13 of corporate bonds (¥13.0 billion) and series 14 of corporate bonds (¥2.0 billion) which will mature on November 20, 2018 and the repayment of the existing borrowings which will mature on March 20, 2019 (total: ¥7,100 million), United Urban plans to issue new corporate bonds, respectively. The expenses associated with the issuance of each corporate bond are expected to be expensed at once at the time of payment, respectively.</p>	Major Item	Fiscal period ending November 30, 2018	Fiscal period ending May 31, 2019	Interest expenses for interest-bearing liabilities (Note 1)	¥1,037 million	¥1,042 million	Expenses associated with the issuance of corporate bonds (Note 2)	¥ 110 million	¥ 100 million													
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<p style="text-align: center;">Interest-bearing Liabilities</p>	<ul style="list-style-type: none"> <li>The total balance of interest-bearing liabilities as of the date hereof is ¥259,684 million, of which ¥227,684 million are borrowings and ¥32,000 million are corporate bonds.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending November 30, 2018 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="491 1368 1414 1597"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td rowspan="4">September 20, 2018</td> <td>Borrowing: ¥2,800 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: ¥1,000 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td rowspan="2">November 20, 2018</td> <td>Corporate bond: ¥13,000 million</td> <td rowspan="2">United Urban will issue new corporate bonds to redeem the corporate bonds in full.</td> </tr> <tr> <td>Corporate bond: ¥2,000 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2018 is to be ¥259,684 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending May 31, 2019 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="491 1794 1414 1942"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td rowspan="4">March 20, 2019</td> <td>Borrowing: ¥3,500 million</td> <td rowspan="4">United Urban will issue new corporate bonds to repay the borrowings in full.</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td>Borrowing: ¥1,600 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that the total balance of interest-bearing liabilities at the end of the fiscal period ending May 31, 2019 is to be ¥259,684 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made.</li> </ul>	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	September 20, 2018	Borrowing: ¥2,800 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Borrowing: ¥2,500 million	Borrowing: ¥1,000 million	Borrowing: ¥1,000 million	November 20, 2018	Corporate bond: ¥13,000 million	United Urban will issue new corporate bonds to redeem the corporate bonds in full.	Corporate bond: ¥2,000 million	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	March 20, 2019	Borrowing: ¥3,500 million	United Urban will issue new corporate bonds to repay the borrowings in full.	Borrowing: ¥1,000 million	Borrowing: ¥1,600 million	Borrowing: ¥1,000 million
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<p>Cash Distributions per Unit</p>	<ul style="list-style-type: none"> <li>• Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</li> <li>• The total 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 “Total Number of Investment Units Issued and Outstanding” column above.</li> <li>• Cash distributions for the fiscal period ending November 30, 2018 are based on the total distribution amount of ¥10,448 million, which is the result of i) reserving ¥1,158 million from the unappropriated retained earnings of ¥11,531 million by using the reduction entry system, etc. stipulated in the Act on Special Measures Concerning Taxation of Japan and ii) adding a reversal of reserve for temporary difference adjustments of ¥76 million to the remaining amount.</li> <li>• Cash distributions for the fiscal period ending May 31, 2019 are based on the total distribution amount of ¥10,846 million, which is the result of i) reserving ¥1,202 million from the unappropriated retained earnings of ¥11,972 million by using the reduction entry system, etc. stipulated in the Act on Special Measures Concerning Taxation of Japan and ii) adding a reversal of reserve for temporary difference adjustments of ¥76 million to the remaining amount.</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>Distributions in Excess of Earnings per Unit</p>	<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>
<p>Other</p>	<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, 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 28th Fiscal Period (as of November 30, 2017)	End of 29th Fiscal Period (as of May 31, 2018)
<b>ASSETS</b>		
Current Assets		
Cash and bank deposit	32,095,676	20,427,825
Cash and bank deposit in trust	30,231,362	29,237,510
Rent receivables	501,888	618,211
Prepaid expenses	151,916	681,181
Other	52,965	52,403
<b>Total Current Assets</b>	<b>63,033,810</b>	<b>51,017,131</b>
Fixed Assets		
Property and equipment, at cost		
Buildings	*1 20,548,799	*1 20,557,827
Less accumulated depreciation	(5,672,270)	(5,979,657)
<b>Buildings, net</b>	<b>14,876,528</b>	<b>14,578,170</b>
Structures	*1 159,989	*1 159,989
Less accumulated depreciation	(132,550)	(134,661)
<b>Structures, net</b>	<b>27,439</b>	<b>25,328</b>
Machinery and equipment	285,562	285,562
Less accumulated depreciation	(166,689)	(176,466)
<b>Machinery and equipment, net</b>	<b>118,873</b>	<b>109,096</b>
Tools, furniture and fixtures	50,148	54,031
Less accumulated depreciation	(26,868)	(30,183)
<b>Tools, furniture and fixtures, net</b>	<b>23,280</b>	<b>23,848</b>
Land	*1 46,570,450	*1 46,570,450
Construction in progress	40,051	199,471
Buildings in trust	*1*3 233,232,215	*3 230,650,137
Less accumulated depreciation	(50,084,216)	(49,610,468)
<b>Buildings in trust, net</b>	<b>183,147,998</b>	<b>181,039,668</b>
Structures in trust	*1 2,074,648	2,027,971
Less accumulated depreciation	(1,041,580)	(784,027)
<b>Structures in trust, net</b>	<b>1,033,067</b>	<b>1,243,944</b>
Machinery and equipment in trust	2,271,681	2,352,656
Less accumulated depreciation	(1,059,461)	(1,156,964)
<b>Machinery and equipment in trust, net</b>	<b>1,212,219</b>	<b>1,195,692</b>
Tools, furniture and fixtures in trust	*1 820,915	928,531
Less accumulated depreciation	(325,777)	(379,737)
<b>Tools, furniture and fixtures in trust, net</b>	<b>495,138</b>	<b>548,793</b>
Land in trust	*1 341,452,119	340,571,259
Construction in progress in trust	65,538	177,799
<b>Total property and equipment</b>	<b>589,062,705</b>	<b>586,283,525</b>
Intangible assets		
Software	34,917	27,551
Leasehold rights	1,149,355	1,149,355
Leasehold rights in trust	8,171,352	8,171,352
Other intangible assets in trust	178,965	172,300
<b>Total intangible assets</b>	<b>9,534,590</b>	<b>9,520,559</b>
Investments and other assets		
Investment securities	144,337	144,337
Security deposits paid	10,000	10,000
Security deposits paid in trust	80,222	80,222
Long-term prepaid expenses	1,666,122	1,447,520
<b>Total investments and other assets</b>	<b>1,900,682</b>	<b>1,682,080</b>
<b>Total Fixed Assets</b>	<b>600,497,978</b>	<b>597,486,165</b>
<b>TOTAL ASSETS</b>	<b>663,531,788</b>	<b>648,503,297</b>

	(Thousands of yen)	
	End of 28th Fiscal Period (as of November 30, 2017)	End of 29th Fiscal Period (as of May 31, 2018)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	2,198,082	2,025,760
Current portion of corporate bonds	29,000,000	15,000,000
Long-term debt due for repayment within one year	29,023,000	22,400,000
Accrued expenses	297,332	295,428
Distributions payable	14,218	15,181
Income taxes payable	566	149
Consumption taxes payable	1,047,212	74,633
Rent received in advance	347,227	349,799
Rent received in advance in trust	3,197,623	3,223,889
Deposits received	2,413	7,675
Deposits received in trust	59,768	210,286
Derivatives liabilities	9,091	4,339
Other	6,149	7,038
Total Current Liabilities	<u>65,202,686</u>	<u>43,614,183</u>
Long-term Liabilities		
Corporate bonds	5,000,000	17,000,000
Long-term debt	208,584,000	201,484,000
Leasehold and security deposits received	*1 3,149,739	*1 3,284,464
Leasehold and security deposits received in trust	*1 28,211,325	28,017,232
Derivatives liabilities	125,653	85,508
Total Long-term Liabilities	<u>245,070,718</u>	<u>249,871,205</u>
Total Liabilities	<u>310,273,404</u>	<u>293,485,388</u>
<b>NET ASSETS</b>		
Unitholders' Equity		
Unitholders' capital	309,205,625	309,205,625
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for temporary difference adjustments	*4 7,470,924	*4 7,395,460
Reserve retained for distribution	1,848,706	2,984,773
Total voluntary retained earnings	<u>9,319,631</u>	<u>10,380,234</u>
Unappropriated retained earnings (unappropriated deficit)	<u>11,319,585</u>	<u>11,973,610</u>
Total surplus	<u>44,187,503</u>	<u>45,902,131</u>
Total Unitholders' Equity	<u>353,393,128</u>	<u>355,107,757</u>
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(134,744)	(89,847)
Total Valuation and Translation Adjustment	<u>(134,744)</u>	<u>(89,847)</u>
Total Net Assets	<u>*5 353,258,384</u>	<u>*5 355,017,909</u>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<u>663,531,788</u>	<u>648,503,297</u>

## (2) Statement of Income and Retained Earnings

	(Thousands of yen)			
	28th Fiscal Period (June 1, 2017 - November 30, 2017)		29th Fiscal Period (December 1, 2017 - May 31, 2018)	
<b>Operating Revenues</b>				
Rental revenues	*1	22,148,308	*1	22,378,409
Other rental revenues	*1	1,616,654	*1	1,841,006
Gain on sales of real estates	*2	2,161,263	*2	4,944,705
Dividends income		-		1,961
<b>Total Operating Revenues</b>		<b>25,926,225</b>		<b>29,166,082</b>
<b>Operating Expenses</b>				
Property-related expenses	*1	10,360,009	*1	10,328,885
Loss on sales of real estates	*3	876,449	*3	3,584,422
Asset management fees		1,867,225		1,863,620
Asset custodian fees		18,967		17,720
Administrative service fees		70,340		67,088
Directors' compensation		7,200		4,200
Other operating expenses		243,520		211,114
<b>Total Operating Expenses</b>		<b>13,443,712</b>		<b>16,077,052</b>
<b>Operating Income</b>		<b>12,482,513</b>		<b>13,089,029</b>
<b>Non-operating Revenues</b>				
Interest income		250		360
Reversal of cash distributions payable		1,909		1,268
Insurance income		3,629		3,223
Subsidy income		-		71,482
Other		8,601		2,838
<b>Total Non-operating Revenues</b>		<b>14,390</b>		<b>79,173</b>
<b>Non-operating Expenses</b>				
Interest expenses		1,039,473		1,000,911
Interest expenses on corporate bonds		105,057		87,464
Corporate bond issuance expenses		-		79,895
Loss on disposal of real estate		19,504		19,643
Other		12,678		6,071
<b>Total Non-operating Expenses</b>		<b>1,176,713</b>		<b>1,193,987</b>
<b>Ordinary Income</b>		<b>11,320,190</b>		<b>11,974,215</b>
<b>Income before Income Taxes</b>		<b>11,320,190</b>		<b>11,974,215</b>
Income Taxes - current		605		605
<b>Total Income Taxes</b>		<b>605</b>		<b>605</b>
<b>Net Income</b>		<b>11,319,585</b>		<b>11,973,610</b>
Retained Earnings Brought Forward		-		-
<b>Unappropriated Retained Earnings (unappropriated deficit)</b>		<b>11,319,585</b>		<b>11,973,610</b>

### (3) Statements of Unitholders' Equity

28th Fiscal Period (From June 1, 2017 to November 30, 2017)

(Thousands of yen)

	Unitholders' Equity					
	Unitholders' Capital	Surplus				
		Capital Surplus	Voluntary Retained Earnings			
			Reserve for Distribution	Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Total Voluntary Retained Earnings
Balance at the beginning of current period	309,205,625	23,548,287	-	7,546,388	1,416,835	8,963,223
Changes of items during the period						
Reversal of reserve for temporary difference adjustments				(75,463)		(75,463)
Provision of reserve retained for distribution					431,871	431,871
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	-	-	-	(75,463)	431,871	356,407
Balance at the end of current period	309,205,625	23,548,287	-	7,470,924	1,848,706	9,319,631

	Unitholders' Equity			Valuation and Translation Adjustment		Total Net Assets
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
	Unappropriated Retained Earnings	Total Surplus				
Balance at the beginning of current period	10,285,440	42,796,951	352,002,576	(201,353)	(201,353)	351,801,223
Changes of items during the period						
Reversal of reserve for temporary difference adjustments	75,463	-	-		-	-
Provision of reserve retained for distribution	(431,871)	-	-		-	-
Cash distribution disbursed	(9,929,032)	(9,929,032)	(9,929,032)		-	(9,929,032)
Net income	11,319,585	11,319,585	11,319,585		-	11,319,585
Net changes during the period except for items under unitholders' equity		-	-	66,608	66,608	66,608
Total changes of items during the period	1,034,144	1,390,552	1,390,552	66,608	66,608	1,457,160
Balance at the end of current period	11,319,585	44,187,503	353,393,128	(134,744)	(134,744)	353,258,384



29th Fiscal Period (From December 1, 2017 to May 31, 2018)

(Thousands of yen)

	Unitholders' Equity					
	Unitholders' Capital	Surplus				
		Capital Surplus	Voluntary Retained Earnings			
			Reserve for Distribution	Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Total Voluntary Retained Earnings
Balance at the beginning of current period	309,205,625	23,548,287	-	7,470,924	1,848,706	9,319,631
Changes of items during the period						
Reversal of reserve for temporary difference adjustments				(75,463)		(75,463)
Provision of reserve retained for distribution					1,136,066	1,136,066
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	-	-	-	(75,463)	1,136,066	1,060,602
Balance at the end of current period	309,205,625	23,548,287	-	7,395,460	2,984,773	10,380,234

	Unitholders' Equity			Valuation and Translation Adjustment		Total Net Assets
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
	Unappropriated Retained Earnings	Total Surplus				
Balance at the beginning of current period	11,319,585	44,187,503	353,393,128	(134,744)	(134,744)	353,258,384
Changes of items during the period						
Reversal of reserve for temporary difference adjustments	75,463	-	-		-	-
Provision of reserve retained for distribution	(1,136,066)	-	-		-	-
Cash distribution disbursed	(10,258,982)	(10,258,982)	(10,258,982)		-	(10,258,982)
Net income	11,973,610	11,973,610	11,973,610		-	11,973,610
Net changes during the period except for items under unitholders' equity	-	-	-	44,896	44,896	44,896
Total changes of items during the period	654,025	1,714,628	1,714,628	44,896	44,896	1,759,524
Balance at the end of current period	11,973,610	45,902,131	355,107,757	(89,847)	(89,847)	355,017,909

## (4) Statements of Cash Distribution

	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
I. Unappropriated retained earnings	¥ 11,319,585,004	¥ 11,973,610,450
II. Reversal of voluntary retained earnings Reversal of reserve for temporary difference adjustments	* ¥ 75,463,881	* ¥ 75,463,881
III. Cash distributions (Cash distribution per unit)	¥ 10,258,982,146 (¥ 3,358)	¥ 10,784,457,110 (¥ 3,530)
IV. Voluntary retained earnings Provision of reserve retained for distribution Provision of reserve for temporary difference adjustments Provision of reserve for reduction entry	¥ 1,136,066,739 - -	¥ 77,144,522 * ¥ 66,949,209 ¥ 1,120,523,490
V. Retained earnings carried forward to the next period	-	-

Calculation method for cash distribution	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. Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463,881 to the unappropriated retained earnings of ¥11,319,585,004, and reserved ¥1,136,066,739 as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥10,258,982,146 for the 28th 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.	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. Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463,881 to the unappropriated retained earnings of ¥11,973,610,450, and reserved ¥77,144,522 as reserve retained for distribution, ¥66,949,209 as reserve for temporary difference adjustments, and ¥1,120,523,490 as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥10,784,457,110 for the 29th 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.

## (5) Statements of Cash Flows

	(Thousands of yen)	
	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
Cash flows from operating activities		
Income before income taxes	11,320,190	11,974,215
Depreciation and amortization	4,109,517	4,160,564
Gain on sale of properties	(2,161,263)	(4,944,705)
Loss on sale of properties	876,449	3,584,422
Interest income and interest on securities	(250)	(360)
Interest expense and interest expense on corporate bonds	1,144,531	1,088,376
Corporate bonds issuance expenses	-	79,895
Loss on disposal of real estate	19,504	19,643
Decrease (increase) in rent receivables	73,668	(116,322)
Decrease (increase) in prepaid expenses	504,019	(537,771)
Decrease (increase) in long-term prepaid expenses	31,277	3,109
Increase (decrease) in trade accounts payable	195,909	(230,460)
Increase (decrease) in accrued expenses	6,203	5,742
Increase (decrease) in consumption taxes payable	847,278	(970,223)
Increase (decrease) in rent received in advance	(8,702)	2,571
Increase (decrease) in rent received in advance in trust	(119,665)	26,266
Increase (decrease) in deposits received	(1,884)	5,262
Increase (decrease) in deposits received in trust	(67,171)	150,517
Amortization of leasehold and security deposits received	(60,015)	(22,796)
Amortization of leasehold and security deposits received in trust	(57,921)	(140,628)
Other	28,040	37,117
Subtotal	16,679,715	14,174,437
Interest received	250	360
Interest paid	(1,018,900)	(878,284)
Income taxes (paid) refund	(549)	(1,022)
Net cash provided by (used in) operating activities	15,660,515	13,295,491
Cash flows from investing activities		
Sale of property and equipment in trust	12,687,550	18,280,554
Purchase of property and equipment	(37,871)	(92,572)
Purchase of property and equipment in trust	(3,317,196)	(19,730,749)
Purchase of investment securities	(50,432)	-
Proceeds from leasehold and security deposits received	139,371	163,647
Payment of leasehold and security deposits received	(91,438)	(6,127)
Proceeds from leasehold and security deposits received in trust	304,705	3,236,348
Payment of leasehold and security deposits received in trust	(283,943)	(1,753,986)
Net cash provided by (used in) investing activities	9,350,746	97,115
Cash flows from financing activities		
Proceeds from long-term debt	6,500,000	-
Repayment of long-term debt	(14,250,000)	(13,723,000)
Proceeds from issuance of corporate bonds	-	11,925,726
Repayment of corporate bonds	(6,500,000)	(14,000,000)
Distributions to unitholders	(9,927,729)	(10,257,037)
Net cash provided by (used in) financing activities	(24,177,729)	(26,054,310)
Net changes in cash and cash equivalents	833,532	(12,661,703)
Cash and cash equivalents at the beginning of the period	61,493,507	62,327,039
Cash and cash equivalents at the end of the period	62,327,039	49,665,335

## (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	(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: 2-24 years Tools, furniture and fixtures: 3-20 years (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. (3) Long-term prepaid expenses Depreciation of long-term prepaid expenses is calculated on a straight-line basis.
3.	Accounting method of differed assets	Corporate bond issuance expenses Corporate bond 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 ¥191,890 thousand of such property taxes which were capitalized for the current fiscal period.
5.	Hedge accounting	(1) Hedge accounting method The differed hedge accounting is adopted. (2) Hedging instrument and hedged item Hedging instrument: Interest rate cap transaction / Interest rate swap transaction Hedged item: Interest rate on debts (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. (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.
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	(1) Accounting treatment for trust beneficial interests in entrusted assets including real estate 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. 1) Cash and bank deposit in trust 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 3) Leasehold rights in trust and Other intangible assets in trust

		4) Security deposits paid in trust 5) Rent received in advance in trust 6) Deposits received in trust 7) Leasehold and security deposits received in trust (2) Accounting method for consumption taxes 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.
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## (8) Notes to Financial Statements

### [Notes to Balance Sheet]

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

Pledged assets were as follows:

	End of 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
Buildings	1,596,320	1,556,867
Structures	1,061	1,061
Land	2,089,982	2,089,982
Buildings in trust	2,028,344	-
Structures in trust	15,241	-
Tools, furniture and fixtures in trust	2,524	-
Land in trust	2,114,743	-
<b>Total</b>	<b>7,848,219</b>	<b>3,647,911</b>

Debt secured by pledged assets were as follows:

	End of 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
Leasehold security deposits received	408,171	408,171
Leasehold security deposits received in trust	612,441	-
<b>Total</b>	<b>1,020,613</b>	<b>408,171</b>

#### 2. Line-of-credit agreement

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

	End of 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
Total amount of commitment	36,000,000	36,000,000
Outstanding borrowings at end of the period	-	-
<b>Net balance</b>	<b>36,000,000</b>	<b>36,000,000</b>

#### \*3. Reduction entry amount of property and equipment acquired through state subsidy

	End of 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
Buildings in trust	124,062	80,237

#### \*4. Matters related to provision and reversal of the reserve for temporary difference adjustments

28th Fiscal Period (As of November 30, 2017)

	Initial amount	Balance at the beginning of the period	Addition to the reserve during the period	Reversal during the period	Balance at the end of the period	Reasons for provision and reversal
Gains on negative goodwill (Note)	7,546,388	7,546,388	-	75,463	7,470,924	Appropriation for cash distribution

Note: The reserve for distribution is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the balance of the reserve for distribution

(equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.

### 29th Fiscal Period (As of May 31, 2018)

(Thousands of yen)						
	Initial amount	Balance at the beginning of the period	Addition to the reserve during the period	Reversal during the period	Balance at the end of the period	Reasons for provision and reversal
Gains on negative goodwill (Note)	7,546,388	7,470,924	-	75,463	7,395,460	Appropriation for cash distribution

Note: The reserve for distribution is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the balance of the reserve for distribution (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.

### \*5. 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 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
	50,000	50,000

### [Notes to the Statement of Income]

#### \*1. Operating revenues and expenses

(Thousands of yen)				
	28th Fiscal Period (June 1, 2017- November 30, 2017)		29th Fiscal Period (December 1, 2017- May 31, 2018)	
<b>A. Operating revenues</b>				
Rental revenues				
Rental revenues	19,692,020		19,890,766	
Common area charges	1,657,549		1,631,073	
Parking revenues	646,599		702,239	
Other revenues (Note 1)	152,138	22,148,308	154,329	22,378,409
Other rental revenues				
Incidental revenues (Note 2)	1,418,935		1,381,473	
Temporary revenues	102,131		362,583	
Other miscellaneous revenues	95,587	1,616,654	96,948	1,841,006
<b>Total operating revenues</b>		<b>23,764,962</b>		<b>24,219,415</b>
<b>B. Property-related expenses</b>				
Rental expenses				
Property and other taxes	1,816,055		1,782,243	
Property management fees	1,677,393		1,685,861	
Utilities	1,442,007		1,385,596	
Casualty insurance	30,104		31,885	
Repairs and maintenance (Note 3)	863,617		833,190	
Depreciation and amortization	4,109,517		4,160,564	
Other rental expenses	421,313		449,543	
<b>Total rental expenses</b>		<b>10,360,009</b>		<b>10,328,885</b>
<b>C. Profit from rental activities (A-B)</b>		<b>13,404,953</b>		<b>13,890,530</b>

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

28th Fiscal Period (From June 1, 2017 to November 30, 2017)

		(Thousands of yen)
Ashiya Kawanishi Shopping Mart		
Revenue from sale of property	2,912,000	
Cost of sale of property	738,262	
Other sales expenses	112,438	
<b>Gain on sale of properties</b>		<b>2,061,299</b>

Nagoya Nishiki City Building		(Thousands of yen)
Revenue from sale of property	2,480,000	
Cost of sale of property	2,381,973	
Other sales expenses	59,228	
Gain on sale of properties		38,797

UUR Court Chiba Soga		(Thousands of yen)
Revenue from sale of property	600,000	
Cost of sale of property	574,546	
Other sales expenses	15,655	
Gain on sale of properties		9,797

Nanzan Court Ichigokan		(Thousands of yen)
Revenue from sale of property	950,000	
Cost of sale of property	916,132	
Other sales expenses	25,067	
Gain on sale of properties		8,800

Nanzan Court Nigokan		(Thousands of yen)
Revenue from sale of property	430,000	
Cost of sale of property	376,320	
Other sales expenses	11,111	
Gain on sale of properties		42,568

#### 29th Fiscal Period (From December 1, 2017 to May 31, 2018)

Himonya Shopping Center (Note)		(Thousands of yen)
Revenue from sale of property	14,025,000	
Cost of sale of property	8,888,688	
Other sales expenses	191,606	
Gain on sale of properties		4,944,705

Note: As for Himonya Shopping Center, United Urban sold its 51% quasi co-ownership.

### \*3. Loss on Sale of Properties

#### 28th Fiscal Period (From June 1, 2017 to November 30, 2017)

SK Nagoya Building		(Thousands of yen)
Revenue from sale of property	4,970,000	
Cost of sale of property	5,478,520	
Other sales expenses	116,773	
Loss on sale of properties		625,293

Narashino Residence		(Thousands of yen)
Revenue from sale of property	840,000	
Cost of sale of property	988,770	
Other sales expenses	23,501	
Loss on sale of properties		172,271

Higashi-kurume Dormitory Shinkan		(Thousands of yen)
Revenue from sale of property	390,000	
Cost of sale of property	456,838	
Other sales expenses	12,045	
Loss on sale of properties		78,884

#### 29th Fiscal Period (From December 1, 2017 to May 31, 2018)

AEON MALL Uki		(Thousands of yen)
Revenue from sale of property	6,500,000	
Cost of sale of property	9,378,038	
Other sales expenses	706,384	
Loss on sale of properties		3,584,422

[Notes to Statements of Changes in Unitholders' Equity]

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

	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	3,055,087 units	3,055,087 units

[Notes to Statements of Cash Distribution]

\* Reserve for temporary difference adjustments

28th Fiscal Period (As of November 30, 2017)

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 adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016. From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban is required to reverse more than 1% of the reserve balance at the time of provision (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period, to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution. United Urban reversed ¥75,463,881 for the fiscal period ended November 30, 2017.

29th Fiscal Period (As of May 31, 2018)

Reasons for provision and reversal	Amount of provision and reversal	Specific method for reversal
United Urban transferred the reserve for distribution, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016, and reversed the required amount in this system.	(Initial amount: ¥7,546,388,071) Reversal amount: ¥75,463,881	From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban will reverse more than 1% of the reserve balance at the time of provision (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution.
United Urban transferred a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended May 31, 2018.	Provision amount: ¥66,949,209	From the fiscal period ending November 30, 2018, subsequent to the fiscal period in which the reserve was allocated, United Urban will reverse more than 1% of the reserve balance at the time of provision (more than ¥669,493: amount equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution.

[Notes to Tax Effect Accounting]

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

	(Thousands of yen)	
	End of 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
Deferred tax assets (current)		
Difference in revenue recognition for tax purposes	11,063	10,983
Subtotal	11,063	10,983



Valuation allowance	(11,063)	(10,983)
Total	-	-
Deferred tax assets (non current)		
Valuation difference on assets acquired by merger	18,934,948	18,913,507
Other	-	338
Subtotal	18,934,948	18,913,846
Valuation allowance	(18,934,948)	(18,913,846)
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 28th Fiscal Period (As of November 30, 2017)	End of 29th Fiscal Period (As of May 31, 2018)
Statutory tax rate	31.74%	31.74%
(Adjustment)		
Distributions of tax-deductible dividends	(23.70)%	(28.58)%
Changes in valuation allowance	(8.04)%	(0.19)%
Provision of reserve for reduction entry	-	(2.97)%
Other	0.00%	0.00%
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		28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	203,018,498	201,467,556
	Change during the period (Note 2)	(1,550,942)	(18,982,458)
	Balance at the end of the period	201,467,556	182,485,097
	Fair value at the end of the period (Note 3)	231,354,000	214,266,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	207,247,205	198,328,320
	Change during the period (Note 2)	(8,918,885)	(545,015)
	Balance at the end of the period	198,328,320	197,783,304
	Fair value at the end of the period (Note 3)	237,290,000	240,745,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	112,473,760	112,440,862
	Change during the period (Note 2)	(32,897)	17,343,194
	Balance at the end of the period	112,440,862	129,784,056
	Fair value at the end of the period (Note 3)	132,723,000	150,820,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	41,759,715	38,030,049
	Change during the period (Note 2)	(3,729,666)	(374,060)
	Balance at the end of the period	38,030,049	37,655,988
	Fair value at the end of the period (Note 3)	49,938,000	50,169,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	46,313,373	48,116,624
	Change during the period (Note 2)	1,803,250	(220,839)
	Balance at the end of the period	48,116,624	47,895,785
	Fair value at the end of the period (Note 3)	55,607,200	58,237,200
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	610,812,554	598,383,413
	Change during the period (Note 2)	(12,429,140)	(2,779,180)
	Balance at the end of the period	598,383,413	595,604,232
	Fair value at the end of the period (Note 3)	706,912,200	714,237,200

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 28th fiscal period, the amount of the increase is primarily attributable to acquisition of one property (¥2,015 million) and capital expenditures (¥1,575 million). And the amount of the decrease is primarily attributable to the sale of eight properties (total: ¥11,911 million) and the depreciation and amortization (¥4,102 million).  
Of the “Change during the period” for the 29th fiscal period, the amount of the increase is primarily attributable to acquisition of one property (¥17,485 million) and capital expenditures (¥1,903 million). And the amount of the decrease is primarily attributable to the sale of two properties (for one of two properties, part of the ownership) (¥18,266 million) and the depreciation and amortization (¥4,153 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.”

#### [Notes to Per Unit Information]

	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
Net assets per unit	¥ 115,629	¥ 116,205
Net income per unit	¥ 3,705	¥ 3,919

- 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:

		28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
Net income	(Thousands of yen)	11,319,585	11,973,610
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	11,319,585	11,973,610
Average number of investment units during the period	(Unit)	3,055,087	3,055,087

#### [Notes to Significant Subsequent Events]

Not Applicable

#### [Notes to Other Matters]

(Unapplied Accounting Standard, etc.)

- “Accounting Standard for Revenue Recognition” (Corporate Accounting Standards No. 29 issued by Accounting Standards Board of Japan (“ASBJ”) on March 30, 2018)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (Implementation Guidance of Corporate Accounting Standards No. 30 issued by ASBJ on March 30, 2018)

##### (1) Overview

The International Accounting Standard Board (“IASB”) and the Financial Accounting Standards Board (“FASB”) have jointly developed the comprehensive accounting standard for revenue recognition, and have published “Revenue from Contracts with Customers” (IFRS 15 by IASB and Topic 606 by FASB) in May 2014. As IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and Topic 606 is effective for annual periods beginning after December 15, 2017, ASBJ has developed and published the comprehensive accounting standard and implementation guidance for revenue recognition accordingly.

As the basic policy of ASBJ for the development of accounting standard for revenue recognition, the accounting standard in Japan have been established while adopting the basic principal of IFRS 15 from the point of view of the comparability between the financial statements based on IFRS or U.S. GAAP and Japanese GAAP as a benefit for the consistency with IFRS 15. In addition, in the case that there is an item that the actual practice conducted in Japan is considered, the alternate treatments are added within the scope not to fail the comparability.

##### (2) Scheduled date of the application

United Urban will adopt the accounting standard, etc. for the period ending November 30, 2021.

(3) Impact of the application of the respective accounting standard, etc.

United Urban is currently evaluating the effect on its financial statements by applying the “Accounting Standard for Revenue Recognition”, etc.

[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.

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

During the period, no capital increase was carried out and there were no changes in number of investment units issued and outstanding and unitholders' capital. 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	
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 1)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 2)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 3)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 4)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 5)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 6)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 7)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 8)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 9)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 10)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 11)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 12)

- Notes: 1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. New investment units were issued through public offering at the offer price of ¥169,736 per unit (issue price (underwriter price) ¥164,540), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds to support a portion of the repayment of interest-bearing liabilities.
12. New investment units were issued through third-party allotment at the issue price of ¥164,540 per unit 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.

## 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		28th Fiscal Period (As of November 30, 2017)		29th Fiscal Period (As of May 31, 2018)	
				Total Amounts Held (Thousands of yen) (Note 1)	Percentage to Total Assets (%)	Total Amounts Held (Thousands of yen) (Note 1)	Percentage to 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)	7,289,025	1.1	7,275,297	1.1
		Other regions		13,776,706	2.1	13,718,920	2.1
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,126,878	2.0	13,074,718	2.0
			The 23 wards of Tokyo	9,581,321	1.4	9,542,133	1.5
			Tokyo metropolitan area	9,133,097	1.4	9,074,945	1.4
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	2,163,944	0.3	2,314,029	0.4
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,106,281	0.6	4,060,881	0.6
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,895,356	0.4	2,872,682	0.4
			Tokyo metropolitan area	-	-	-	-
		Other regions		733,366	0.1	722,112	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
Subtotal				62,805,978	9.5	62,655,722	9.7
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,280,765	0.6	4,272,063	0.7
			The 23 wards of Tokyo	29,353,716	4.4	20,275,365	3.1
			Tokyo metropolitan area	80,739,470	12.2	80,538,926	12.4
		Other regions		66,027,871	10.0	56,404,523	8.7
	Office Buildings	Capital region	The 6 central wards of Tokyo	65,925,383	9.9	65,753,587	10.1
			The 23 wards of Tokyo	2,066,849	0.3	2,055,048	0.3
			Tokyo metropolitan area	41,674,396	6.3	41,522,548	6.4
		Other regions		56,820,393	8.6	56,760,322	8.8
	Hotels	Capital region	The 6 central wards of Tokyo	35,291,944	5.3	35,225,107	5.4
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,456,315	3.5	23,369,647	3.6
		Other regions		47,422,377	7.1	64,814,390	10.0
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,016,330	0.2	1,005,226	0.2
			The 23 wards of Tokyo	8,818,854	1.3	8,746,010	1.3
			Tokyo metropolitan area	2,881,190	0.4	2,865,718	0.4
		Other regions		21,684,950	3.3	21,444,237	3.3
	Others	Capital region	The 6 central wards of Tokyo	9,329,532	1.4	9,286,869	1.4
			The 23 wards of Tokyo	7,999,331	1.2	7,983,016	1.2
			Tokyo metropolitan area	24,082,992	3.6	24,000,387	3.7
		Other regions		6,704,768	1.0	6,625,511	1.0
Subtotal				535,577,435	80.7	532,948,510	82.2
Preferred equity securities (Note 6)				144,337	0.0	144,337	0.0
Bank deposit and other assets				65,004,037	9.8	52,754,726	8.1
Total Assets				663,531,788	100.0	648,503,297	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 and KICAM Musashimurayama TMK

	28th Fiscal Period (As of November 30, 2017)		29th Fiscal Period (As of May 31, 2018)	
	Amount (Thousands of yen)	Percentage to Total Assets (%)	Amount (Thousands of yen)	Percentage to Total Assets (%)
Total liabilities	310,273,404	46.8	293,485,388	45.3
Total net assets	353,258,384	53.2	355,017,909	54.7
Total assets	663,531,788	100.0	648,503,297	100.0

## (2) Investment Assets

### 1. Major Stock of Investment Securities

As of the end of the 29th fiscal period, investments securities owned by United Urban were as follows:

Description	Type	Number of Units (Unit)	Book Value (Thousands of yen)	Appraisal Value (Thousands of yen) (Note 2)	Percentage to Total Assets (%)
Preferred equity securities of Tenjin 123 Project TMK (Note 1)	Preferred equity securities	1,497	93,905	93,905	0.0
Preferred equity securities of KICAM Musashimurayama TMK (Note 1)	Preferred equity securities	5	50,432	50,432	0.0
Total		-	144,337	144,337	0.0

Notes: 1. Tenjin 123 Project TMK (the “Tenjin 123 TMK”) owns the b fukuoka tenjin (the “Hotel Property”), and KICAM Musashimurayama TMK (the “KICAM-TMK”) owns the Musashimurayama warehouse (the “Warehouse Property”). United Urban has acquired the preferential negotiation rights for acquisitions of the Hotel Property and the Warehouse Property in connection with United Urban’s acquisition of the preferred equity securities of the Tenjin 123 TMK and the KICAM-TMK. Outline of the Hotel Property and the Warehouse Property are as follows.

Property Name	Location	Type*	Site Area*	Structure / Scale*
The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,567.22 m <sup>2</sup>	S / 10F
Musashimurayama warehouse	Musashimurayama, Tokyo	Warehouse Office	Land: 5,788.52 m <sup>2</sup> Building: 9,207.73 m <sup>2</sup>	S / 4F

\* “Type,” “Site Area” and “Structure/Scale” in the above table are described as it appears on the real estate register.

2. As for the preferred equity securities of the Tenjin 123 TMK and KICAM-TMK, book values are 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 29th 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 May 31, 2018)										
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 9)	7,497	8,540	11,074	1.6	JREI	1	26,655.66	26,655.66	100.0
A2	Joy Park Izumigaoka	6,770	5,123	4,750	0.7	JREI	22	13,611.24	13,611.24	100.0
A4	Re-LAND Shopping Center	5,200	4,273	5,820	0.8	JREI	18	12,952.88	12,952.88	100.0
A6	TENJIN LUCE	6,500	6,277	6,520	0.9	Nittochi	11	4,194.68	4,194.68	100.0
A7	Yamada Denki Tecc Land Sakai Honten	3,210	2,752	3,700	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	5,056	5,140	0.7	JREI	3	10,487.92	10,487.92	100.0
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,566	1,930	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,654	3,350	0.5	JREI	10	2,081.50	2,081.50	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)
A11	Tip's Machida Building	4,100	4,204	4,960	0.7	JREI	10	6,710.19	6,710.19	100.0
A12	Daiei Takarazuka Nakayama	4,284	3,197 (Note 10)	3,930	0.6	JREI	1	16,729.60	16,729.60	100.0
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	11,904	12,450	11,400	1.6	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,264	2,110	0.3	JREI	9	1,938.56	1,938.56	100.0
A15	Shinsaibashi OPA Honkan	22,800	21,922	26,100	3.7	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,560	2,220	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,373	3,570	0.5	JREI	5	3,147.29	3,147.29	100.0
A21	Mallage Kashiwa	7,040	6,716	8,710	1.2	JREI	93	41,757.92	40,342.93	96.6
A23	Ito-Yokado Owariasahi	4,840	4,115	4,840	0.7	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,193	2,050	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	4,909	6,090	0.9	JREI	19	2,283.47	2,164.76	94.8
A26	ACTIOLE Ichikawa	3,350	3,010	4,060	0.6	JREI	13	3,927.49	3,927.49	100.0
A27	Yokohama Aoba Shopping Center (Site) (Note 19)	2,600	2,740	3,240	0.5	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,530	0.4	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	27,523	35,300	4.9	JREI	1	37,932.95	37,932.95	100.0
A30	Yamada Denki Tecc Land New Matsudo Honten	5,150	4,886	6,580	0.9	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,598	5,950	0.8	JREI	6	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	7,280	1.0	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plussing Wave Enoshima	1,800	1,909	2,120	0.3	JREI	6	3,154.42	1,942.19	61.6
A34	LIFE Nishikujo (Site)	1,760	1,842	2,060	0.3	Tanizawa	1	3,252.76	3,252.76	100.0
A35	LIFE Tamatsukuri (Site)	1,880	1,967	2,150	0.3	Tanizawa	1	2,391.44	2,391.44	100.0
A36	Granbell Ginza Building	2,621	2,711	2,990	0.4	JREI	10	1,352.35	1,203.58	89.0
A37	UUR Tenjin Nishi-dori Building	5,500	5,687	6,160	0.9	JREI	1	1,564.70	1,564.70	100.0
A38	Luz Shonan Tsujido	3,938	3,972	4,600	0.6	Tanizawa	32	10,454.22	10,308.61	98.6
A39	ACTIOLE Ueno	3,000	3,171	3,190	0.4	Tanizawa	8	1,167.63	1,167.63	100.0
A40	KURURU	9,285	9,591	10,700	1.5	Tanizawa	27	13,292.33	13,292.33	100.0
A41	K's Denki Nagoya-kita	1,750	1,846	1,900	0.3	Tanizawa	1	4,733.74	4,733.74	100.0
B1	T&G Hamamatsucho Building	2,257	2,114	3,160	0.4	Tanizawa	6	2,420.85	2,420.85	100.0
B3	Fukuoka Eartheon Building	2,080	1,616	2,740	0.4	JREI	8	4,934.40	4,934.40	100.0
B4	Marumasu Kojimachi Building	2,350	2,421	2,570	0.4	JREI	16	2,578.84	2,578.84	100.0
B5	Rokubancho K Building	2,150	2,269	3,710	0.5	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	23,748	28,600	4.0	Nittochi	59	45,978.59	45,817.33	99.6
B7	Kawasaki Toshiba Building	19,200	19,601	32,300	4.5	Tanizawa	1	36,118.31	36,118.31	100.0
B8	UUR Toyocho Building	8,500	8,456	8,640	1.2	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,160	6,180	0.9	JREI	1	5,000.54	5,000.54	100.0
B10	Hitachi High-Tech Building	14,800	14,445	16,500	2.3	JREI	2	15,781.64	15,781.64	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	11,905	12,000	1.7	JREI	22	10,947.34	10,947.34	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)
B13	Pacific Marks Tsukishima	6,080	5,810	6,500	0.9	JREI	46	9,335.19	9,282.56	99.4
B14	Pacific Marks Yokohama East	7,050	6,749	7,580	1.1	Tanizawa	28	10,744.60	10,510.16	97.8
B17	Akasaka Hikawa Building	3,290	3,231	4,050	0.6	JREI	1	3,438.20	3,438.20	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,475	3,160	0.4	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,145	2,350	0.3	JREI	8	1,675.13	1,675.13	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,582	1,710	0.2	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	9,074	11,300	1.6	Tanizawa	42	7,382.62	7,382.62	100.0
B26	Hamamatsucho 262 Building	6,840	6,532	7,440	1.0	JREI	17	6,162.85	6,162.85	100.0
B27	Lila Hijirizaka	2,750	2,618	3,090	0.4	JREI	15	4,255.02	4,202.26	98.8
B29	Otsuka HT Building	1,160	1,085	1,180	0.2	JREI	7	1,774.56	1,774.56	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,500	3,350	0.5	JREI	10	1,723.03	1,723.03	100.0
B31	Pacific Marks Nishi-Umeda	6,860	6,374	7,340	1.0	Tanizawa	29	11,039.51	10,592.69	96.0
B32	Pacific Marks Higobashi	4,570	4,467	4,730	0.7	Tanizawa	23	7,623.57	7,100.84	93.1
B34	Pacific Marks Esaka	9,590	9,703	9,710	1.4	Tanizawa	43	19,985.02	19,876.20	99.5
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,750	2,100	0.3	Tanizawa	11	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	868	1,090	0.2	Tanizawa	20	2,797.03	2,690.14	96.2
B37	ARENA TOWER	9,500	8,338	12,800	1.8	Tanizawa	13	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	2,055	2,880	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,281	2,950	0.4	JREI	28	2,233.57	2,194.24	98.2
B40	GRAND-SQUARE Shin-Sakae	1,480	1,364	2,030	0.3	JREI	7	4,578.93	4,578.93	100.0
B41	GRAND-SQUARE Meieki-minami	1,220	1,147	2,250	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,169	3,010	0.4	JREI	5	2,831.94	2,831.94	100.0
B43	Hirose-dori SE Building	3,600	3,333	5,140	0.7	JREI	10	8,235.87	8,235.87	100.0
B44	SS30	18,200	18,954	18,600	2.6	JREI	85	67,681.83	67,146.76	99.2
B45	LOOP-X・M	11,200	11,745	11,600	1.6	JREI	116	21,591.16	21,156.51	98.0
C1	Shinjuku Washington Hotel Honkan	21,140	22,401	26,900	3.8	JREI	9	53,331.46	53,322.10	99.98
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,624	2,600	0.4	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,132	3,770	0.5	JREI	10	6,660.20	6,406.93	96.2
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	4,060	5,140	0.7	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,388	12,000	1.7	Nittochi	2	13,701.80	13,701.80	100.0
C6	UUR Yotsuya Sanchome Building	4,200	4,269	6,420	0.9	JREI	3	7,854.86	7,854.86	100.0
C7	Yotsuya 213 Building	5,020	4,951	6,700	0.9	JREI	4	7,550.16	7,550.16	100.0
C9	the b roppongi (Note 11)	3,500	4,292	4,810	0.7	JREI	2	2,710.90	2,501.31	92.3
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,686	3,130	0.4	Daiwa	1	4,874.28	4,874.28	100.0
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,117	2,520	0.4	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebash-eki	745	746	827	0.1	Daiwa	1	1,529.47	1,529.47	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)
C13	Loisir Hotel & Spa Tower Naha	20,000	20,630	22,700	3.2	JREI	1	45,731.16	45,731.16	100.0
C14	Urawa Royal Pines Hotel	17,500	17,549	18,100	2.5	JREI	10	31,129.86	31,129.86	100.0
C15	RIHGA Royal Hotel Kokura · ARUARU City	16,600	17,364	16,800	2.4	Tanizawa	30	81,308.50	81,062.63	99.7
D1	T&G Higashi-ikebukuro Mansion	2,021	1,440	2,370	0.3	Tanizawa	129	2,603.22	2,603.22	100.0
D4	Komazawa Court	1,680	1,499	2,370	0.3	JREI	1	3,741.17	3,741.17	100.0
D6	Sky Court Shiba-Daimon	1,175	1,005	1,410	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D7	Maison Ukima	3,530	3,114	4,500	0.6	JREI	1	12,691.43	12,691.43	100.0
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,483	3,590	0.5	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	976	1,550	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,691	3,450	0.5	JREI	89	4,097.51	4,017.88	98.1
D16	GRAND-ROUGE Sakae	1,570	1,221	1,310	0.2	JREI	75	3,697.38	2,870.64	77.6
D17	GRAND-ROUGE Sakae II	1,300	1,027	1,310	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,717	4,230	0.6	JREI	141	11,525.36	10,972.31	95.2
D19	UUR Court Nagoya Meieki	1,473	1,203	1,470	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	722	904	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	828	755	0.1	JREI	34	2,067.95	1,794.35	86.8
D22	UUR Court Osaka Juso-honmachi	1,570	1,314	1,740	0.2	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,872	3,720	0.5	JREI	195	5,460.39	5,274.59	96.6
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,837	3,000	0.4	JREI	134	7,763.23	7,221.91	93.0
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,315	1,650	0.2	JREI	109	3,090.36	2,871.22	92.9
D26	Glenpark Umeda-kita	5,150	5,134	6,280	0.9	Tanizawa	175	12,730.60	11,975.42	94.1
D27	UUR Court Shiki	2,730	2,865	3,100	0.4	JREI	1	9,885.83	9,885.83	100.0
D28	GRAND-ROUGE Tanimachi Rokuhome (Note 20)	1,300	1,385	1,460	0.2	Tanizawa	47	2,792.81	2,587.25	92.6
E1	Lilycolor Tohoku Branch	2,050	1,457	2,190	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	4,816	5,480	0.8	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	3,930	6,070	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,429	4,420	0.6	JREI	1	3,212.21	3,212.21	100.0
E5	Logistics Higashi-Ohgishima	4,233	4,138	4,957	0.7	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	7,983	11,000	1.5	JREI	3	23,872.51	23,872.51	100.0
E7	Quartz Tower	5,700	5,857	6,090	0.9	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,633	2,680	0.4	JREI	1	12,909.90	12,909.90	100.0
E9	Kawagoe Logistics Center	7,550	7,733	9,450	1.3	Tanizawa	1	40,060.76	40,060.76	100.0
E10	Asuto Nagamachi Dental Clinic	1,200	1,237	1,320	0.2	JREI	1	1,554.09	1,554.09	100.0
E11	Shin-Narashino Logistics Center II	2,590	2,684	2,610	0.4	JREI	1	12,598.46	12,598.46	100.0
E12	Yoshikawa Logistics Center	1,960	1,993	1,970	0.3	JREI	1	11,096.70	11,096.70	100.0
	Total	608,617	595,604	714,237	100.0	-	2,278	1,431,177.86	1,421,083.64	99.3

## 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 May 31, 2018)

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 12)	(Note 12)	10%	N/A	
A2		Joy Park Izumigaoka	385,596	215,245	10%	N/A	
A4		Re-LAND Shopping Center	414,243	346,243	13%	N/A	
A6		TENJIN LUCE	393,635	282,639	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	161,417	141,553	14%	N/A	
A11		Tip's Machida Building	316,471	248,270	18%	N/A	
A12		Daiei Takarazuka Nakayama	303,999	-	9%	N/A	
A13		Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	598,549	318,821	- (Note 13)	- (Note 13)
A14		Retail Properties	ACTIOLE Kannai	112,239	101,389	16%	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		201,454	116,210	8%	N/A	
A21	Mallage Kashiwa		873,244	895,901	9%	N/A	
A23	Ito-Yokado Owariasahi		419,090	409,143	11%	N/A	
A24	Yokohama Kariba Shopping Center		(Note 12)	(Note 12)	12%	N/A	
A25	Luz Jiyugaoka		268,026	227,785	12%	N/A	
A26	ACTIOLE Ichikawa		230,646	177,826	10%	N/A	
A27	Yokohama Aoba Shopping Center (Site) (Note 19)		(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		527,857	277,045	1%	N/A	
A32	Narumi Shopping Center (Site)		(Note 12)	(Note 12)	- (Note 13)	- (Note 13)	
A33	Plusing Wave Enoshima		91,902	172,425	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		129,524	110,442	10%	N/A	
A37	UUR Tenjin Nishi-dori Building		(Note 12)	(Note 12)	2%	N/A	
A38	Luz Shonan Tsujido		410,791	309,547	14%	N/A	
A39	ACTIOLE Ueno		142,963	106,297	12%	N/A	
A40	KURURU		451,650	401,673	6%	N/A	
A41	K's Denki Nagoya-kita		(Note 12)	(Note 12)	8%	N/A	
B1	Office Buildings		T&G Hamamatsucho Building	156,211	248,806	12%	N/A
B3			Fukuoka Eartheon Building	199,934	110,092	1%	N/A
B4			Marumasu Kojimachi Building	164,384	118,861	11%	N/A
B5			Rokubancho K Building	204,674	82,011	14%	N/A
B6	Office /Hotels		Shin-Osaka Central Tower	1,909,682	1,542,292	7%	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
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7%	N/A
B8		UUR Toyochō Building	492,683	369,105	13%	N/A
B9		FOUR SEASONS BLDG	306,489	254,361	11%	N/A
B10		Hitachi High-Tech Building	792,690	793,876	15%	N/A
B11		Pacific Marks Shinjuku Parkside	628,371	466,995	14.8%	N/A
B13		Pacific Marks Tsukishima	427,625	229,357	14%	N/A
B14		Pacific Marks Yokohama East	414,082	276,446	15%	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	118,925	74,561	13%	N/A
B22		Pacific Marks Shin-Yokohama	112,740	72,182	16%	N/A
B25		Pacific Marks Kawasaki	599,280	467,006	17%	N/A
B26		Hamamatsucho 262 Building	401,662	479,869	14%	N/A
B27		Lila Hijirizaka	206,344	118,274	12%	N/A
B29		Otsuka HT Building	94,166	76,197	13%	N/A
B30		Pacific Marks Shinjuku South-gate	171,348	184,219	12%	N/A
B31		Pacific Marks Nishi-Umeda	433,303	366,326	10%	N/A
B32		Pacific Marks Higobashi	250,719	192,844	12%	N/A
B34		Pacific Marks Esaka	755,745	620,159	9%	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	164,586	127,433	1%	N/A
B36		Shin-Sapporo Center Building	98,771	77,573	2%	N/A
B37		ARENA TOWER	781,000	432,155	10%	N/A
B38		Yushima First Building	196,020	141,431	13%	N/A
B39		Dogenzaka Square	173,881	131,047	16%	N/A
B40		GRAND-SQUARE Shin-Sakae	149,526	95,666	10%	N/A
B41	GRAND-SQUARE Meieki-minami	137,035	97,338	10%	N/A	
B42	Shiba 520 Building	178,239	120,019	13%	N/A	
B43	Hirose-dori SE Building	353,734	380,909	8%	N/A	
B44	Office /Hotels	SS30 (Note 14)	1,764,823	1,224,320	① 2% ② 6% ③ 1%	N/A
B45	Office Buildings	LOOP-X・M (Note 15)	790,203	380,290	① 7% ② 6%	N/A
C1	Hotels	Shinjuku Washington Hotel Honkan	1,545,063	2,007,957	9%	N/A
C2		Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17%	N/A
C3		MZ BLD.	254,264	182,680	13%	N/A
C4		HOTEL ROUTE-INN Yokohama Bashamichi	280,298	107,487	19%	N/A
C5		Hotel JAL City Naha	340,393	14,196	5%	N/A
C6		UUR Yotsuya Sanchome Building	328,271	206,749	14%	N/A
C7		Yotsuya 213 Building	334,652	253,143	13%	N/A
C9		the b roppongi (Note 11)	88,088	22,697	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 Miebash-eki	(Note 12)	(Note 12)	2%	N/A
C13		Loisir Hotel & Spa Tower Naha (Note 16)	720,000	(Note 12)	① 7% ② 6%	N/A
C14		Urawa Royal Pines Hotel	1,064,157	(Note 12)	10%	N/A
C15		RIHGA Royal Hotel Kokura・ARUARU City (Note 17)	1,238,714	1,504,358	① 1% ② 2% ③ 1%	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
D1	Residential Properties	T&G Higashi-ikebukuro Mansion	132,132	17,551	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
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
D15		CLIO Bunkyo Koishikawa	192,636	32,078	14.5%	N/A
D16		GRAND-ROUGE Sakae	77,352	2,649	13%	N/A
D17		GRAND-ROUGE Sakae II	69,303	6,413	13%	N/A
D18		MA Sendai Building	264,943	25,237	11%	N/A
D19		UUR Court Nagoya Meieki	88,516	7,381	16%	N/A
D20		UUR Court Sapporo Shinoro Ichibankan	61,581	4,021	3%	N/A
D21		Park Site IZUMI	50,856	12,010	12%	N/A
D22		UUR Court Osaka Juso-honmachi	100,854	9,429	16%	N/A
D23		UUR Court Kinshicho	219,192	35,538	14.8%	N/A
D24		UUR Court Sapporo Minami-Sanjo Premier Tower	207,399	49,590	1%	N/A
D25		GLAND-ROUGE Nakanoshima-minami	101,868	9,818	15%	N/A
D26		Glenpark Umeda-kita	340,374	35,580	15.5%	N/A
D27	UUR Court Shiki	178,800	178,800	11%	N/A	
D28	GRAND-ROUGE Tanimachi Rokuchoime (Note 20)	78,324	4,295	13%	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	422,752	262,744	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 18)	(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
E11		Shin-Narashino Logistics Center II	(Note 12)	(Note 12)	9%	N/A
E12		Yoshikawa Logistics Center	(Note 12)	(Note 12)	8%	N/A
Total			40,712,051	31,301,696	6.52%	

- 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 using the same methods as appraisals conducted by real estate appraisers as of May 31, 2018.  
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 "JRET" 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 May 31, 2018. “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.) With regard to the portion of properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion’s entire floor area. “Occupancy Ratio” is the percentage obtained from dividing “Leased Floor Space” by “Leasable Floor Space.” In addition, the 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 May 31, 2018 (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 May 31, 2018 (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 May 31, 2018. 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” of “PML” represents the overall portfolio PML.
9. As for Himonya Shopping Center, United Urban sold its 51% quasi co-ownership of the trust beneficial interest on May 24, 2018. Accordingly, United Urban has hold its 49% quasi co-ownership of the property at the end of the 29th fiscal period, and the “Acquisition Price” and “Appraisal Value at the End of Period” are the amount calculated by multiplying the acquisition price or appraisal value as of the end of the period of the entire building by 49%, respectively.
10. 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. “Book Value at the End of Period” of this trust beneficial interest is described as ¥3,197 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.
11. United Urban owns the adjacent site to the b roppongi (acquisition price ¥460 million, the “Adjacent Site”). Because United Urban acquired the Adjacent Site in order to construct an extension building of the b roppongi (the “Hotel”), the Adjacent Site is considered to be attached to the Hotel and is not recognized as an independent property. Therefore, the acquisition price of the Adjacent Site is not included in United Urban’s portfolio.  
 On the other hand, as United Urban has been conducting the extension work on the Hotel since November 2017, the “Appraisal Value at the End of Period” for this fiscal period shows the value estimate by the “Income Capitalization Approach (Development Method)”. According to the method, the value estimate is calculated by deducting “the present value of the expenses for the development necessary to accomplish the extension work” from “the present value of the value estimate of the building and land after the extension work”. In addition to above, the value estimate of this property has been assessed in consideration with “the present value of the net operating income related to the existing building during the development period.” Also, the “Book Value at the End of Period” is the amount including the Adjacent Site.
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. Because United Urban acquired only land for these properties, there is no applicable information for the PML.
14. SS30 comprises three buildings: Office Building, Fitness Club Building, and Hotel Building, and information in the “PML” are shown for the Office Building expressed as ①, the Fitness Club Building expressed as ②, and the Hotel Building expressed as ③.
15. LOOP-X・M comprises two buildings: LOOP-X (Office Building) and LOOP-M (Residential Building), and information in the “PML” are shown for LOOP-X expressed as ① and LOOP-M expressed as ②.
16. Loisir Hotel & Spa Tower Naha 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.
17. RIHGA Royal Hotel Kokura・ARUARU City comprises three buildings: Hotel Building, Retail Building I, and Retail Building II, and information in the “PML” are shown for the Hotel Building expressed as ①, the Retail Building I expressed as ②, and the Retail Building II expressed as ③.
18. MT Ariake Center Building I&II comprises two buildings: MT Ariake Center Building I (the “Building I”) and MT Ariake Center Building II (the “Building II”), and information in the “PML” are shown for the Building I expressed as ① and the Building II expressed as ②.
19. The property name was changed from “VIVAHOME Yokohama Aoba (Site)” to “Yokohama Aoba Shopping Center (Site)” on June 15, 2018.
20. The property name was changed from “Scent Hills” to “GRAND-ROUGE Tanimachi Rokucho” on June 1, 2018.



### (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 May 31, 2018. 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 29th fiscal period	Amount already paid
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities	From November 2018 to December 2018	102	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of hot and cool water pipes of air conditioning (in some floors)	From July 2017 to August 2018	110	-	-
Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Renewal of the fittings of each floor	From August 2018 to January 2019	106	-	-
SS30	Sendai, Miyagi	Repair of exterior wall of office building	From March 2017 to January 2019	229	-	-
Hotel JAL City Naha	Naha, Okinawa	Repair of guest rooms and banquet hall, etc. (3rd period)	From May 2018 to June 2018	265	-	-
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Renewal of air-conditioning facilities of guest rooms	From May 2018 to November 2018	131	-	-
the b roppongi	Minato-ku, Tokyo	Extension and repair works	From November 2017 to March 2019	634	-	-
Urawa Royal Pines Hotel	Saitama, Saitama	Large-scale repair work	From April 2018 to February 2019	202	-	-

#### 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 29th fiscal period, which totaled ¥1,903 million. Together with ¥833 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,736 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Re-LAND Shopping Center	Funabashi, Chiba	Compartment formation of 3rd floor Repair of 4th floor office	From March 2018 to April 2018	19
Re-LAND Shopping Center	Funabashi, Chiba	Renewal of exterior, etc. (1st period)	From April 2018 to May 2018	134
Miyamae Shopping Center	Kawasaki, Kanagawa	New construction of ventilating facilities for parking area (3F, 4F)	From November 2017 to December 2017	17
Albore Sendai	Sendai, Miyagi	Repair of a rooftop receiving and transforming facility	From May 2018 to May 2018	15
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities (1st period)	From October 2017 to December 2017	72
Tenjin Loft Building	Fukuoka, Fukuoka	Parts replacement of escalator	From October 2017 to December 2017	10
Tenjin Loft Building	Fukuoka, Fukuoka	Parts replacement of tower-type mechanical parking facility	From December 2017 to December 2017	23
Plussing Wave Enoshima	Fujisawa, Kanagawa	New construction and repair of smoke control equipment Work for correcting smoke elimination area (in some floors)	From December 2017 to May 2018	33
K's Denki Nagoya-kita	Nishikasugai-gun, Aichi	Renewal of rooftop waterproofing	From February 2018 to May 2018	34
T&G Hamamatsucho Building	Minato-ku, Tokyo	Repair of exterior wall and sealing	From March 2018 to April 2018	21
Fukuoka Eartheon Building	Fukuoka, Fukuoka	Replacement of rooftop receiving and transforming facility equipment	From March 2018 to March 2018	16
Shin-Osaka Central Tower	Osaka, Osaka	Renewal of air-conditioning facilities of machine room (North Building B1) (2nd period)	From February 2018 to April 2018	29

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Shin-Osaka Central Tower	Osaka, Osaka	Overhaul of absorption type cold and hot water generator of heat source machine room (South Building B1)	From January 2018 to March 2018	13
Shin-Osaka Central Tower	Osaka, Osaka	Repair of outdoor facility (1st period)	From February 2018 to May 2018	49
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of panelboard breaker on each floor (1st period)	From April 2018 to May 2018	59
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air conditioners (in some floors)	From June 2017 to February 2018	113
Hitachi High-Tech Building	Minato-ku, Tokyo	Renewal of receiving and transforming facility of electric room in the 2nd basement	From March 2018 to March 2018	10
Pacific Marks Yokohama East	Yokohama, Kanagawa	Renewal of automatic fire alarm facilities	From May 2018 to May 2018	11
Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Renewal of air conditioners (in some floors)	From January 2018 to February 2018	24
Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Parts replacement of hydraulic car lift in the 1st basement	From December 2017 to December 2017	10
Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Repair of exterior wall	From December 2017 to December 2017	19
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of perimeter air conditioners (1st period)	From April 2018 to May 2018	32
Pacific Marks Higobashi	Osaka, Osaka	Renewal of air conditioners (2nd period)	From November 2017 to January 2018	71
Pacific Marks Esaka	Suita, Osaka	Renewal of outdoor facility and new construction of signboard (2nd period)	From December 2017 to May 2018	98
Pacific Marks Esaka	Suita, Osaka	Film pasting on northern windows	From April 2018 to April 2018	16
Pacific Marks Esaka	Suita, Osaka	Improvement work of total heat exchangers (in some floor)	From April 2018 to May 2018	11
SS30	Sendai, Miyagi	Repair of rooftop floor of the Hotel Building	From October 2017 to December 2017	12
SS30	Sendai, Miyagi	Replacement of transformer breaker of machine room in the 3rd basement Overhaul of motor breaker	From April 2018 to May 2018	17
LOOP-X・M	Minato-ku, Tokyo	Renewal of the first floor entrance of the Office Building	From May 2018 to May 2018	31
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Renewal of escalator control panel, etc.	From February 2018 to March 2018	62
Hotel JAL City Naha	Naha, Okinawa	Renewal of guest room key system of the entire hotel	From January 2018 to April 2018	12
Hotel JAL City Naha	Naha, Okinawa	Repair of guest rooms and signboard	From December 2017 to May 2018	305
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Renewal of guest room air conditioners of hotel (in some floors) (1st period)	From May 2018 to May 2018	11
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Extension work of guest rooms Renovation of banquet hall, etc.	From December 2017 to December 2017	45
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of see-through elevator of the Main Building and waterproof seal	From April 2018 to May 2018	10
Urawa Royal Pines Hotel	Saitama, Saitama	Renewal of central supervisory board for disaster control center (1st period)	From November 2017 to March 2018	35
Urawa Royal Pines Hotel	Saitama, Saitama	Overhaul of emergency generator (1st period)	From May 2018 to May 2018	10
Park Site IZUMI	Nagoya, Aichi	Large-scale exterior wall repair work (2nd period)	From February 2018 to May 2018	19
Shin-Narashino Logistics Center II	Narashino, Chiba	Repair of iron parts of exterior walls and balcony eaves	From May 2018 to May 2018	27
Other capital expenditures				328
Total				1,903

### 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)				
	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)
Reserve balance at the beginning of period	792	971	998	1,343	1,308
Addition to the reserve during the period (Note)	188	36	379	28	165
Reduction of reserve during the period	9	9	34	63	56
Reserve balance to be carried over to the next of period	971	998	1,343	1,308	1,417

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 May 31, 2018)					
No.	Tenant Name	Property Name	Leased Floor Space (Note 1)	Total Annual Rent (Thousands of yen) (Note 2)	Expiration Date of Contract
1	RIHGA Royal Hotel Kokura Co., Ltd.	RIHGA Royal Hotel Kokura · ARUARU City	58,297.75 m <sup>2</sup>	- (Note 3)	March 31, 2025
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34 m <sup>2</sup>	419,090	November 11, 2018
3	SBS Logicom Co., Ltd.	· Kawagoe Logistics Center · Yoshikawa Logistics Center	51,157.46 m <sup>2</sup>	- (Note 3)	· Kawagoe Logistics Center August 31, 2027 · Yoshikawa Logistics Center July 26, 2027
4	Yamada Denki Co., Ltd.	· Yamada Denki Tecc Land Sakai Honten · maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) · Yamada Denki Tecc Land Aoba (Site) · Yamada Denki Tecc Land New Matsudo Honten	49,897.43m <sup>2</sup>	- (Note 3)	· Yamada Denki Tecc Land Sakai Honten May 9, 2022 · maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) November 15, 2020 · Yamada Denki Tecc Land Aoba (Site) May 31, 2020 · Yamada Denki Tecc Land New Matsudo Honten August 20, 2029
5	FUJITA KANKO INC.	Shinjuku Washington Hotel-Honkan	49,339.50 m <sup>2</sup>	1,303,952	October 31, 2023, etc. (Note 4)
6	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44 m <sup>2</sup>	- (Note 3)	November 19, 2024, etc. (Note 4)
7	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16m <sup>2</sup>	720,000	March 31, 2026
8	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95 m <sup>2</sup>	- (Note 3)	May 31, 2037
9	Toshiba Electronic Devices & Storage 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>	1,000,000	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



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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 May 31, 2018 (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.