



United Urban Investment Corporation

Presentation Material

Appendix bound to the presentation material is available as "Appendix" in a separate volume.

35<sup>th</sup>

# Fiscal Period

(Six months ended May 2021)

Securities Code: 8960

<https://www.united-reit.co.jp/en>



July 2021

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### Information Disclosure of Individual Properties

In light of ongoing discussions concerning the reduction and postponement of rent payments, etc. with individual tenants that have been impacted by COVID-19, income and expenses by property have not been disclosed for the results of the 35<sup>th</sup> FP. Once these matters have been resolved, the information will be disclosed as in the past.

**35<sup>th</sup> FP**  
(May 2021)

		(FP/FP)	(FP/Forecast)
Net income	¥9,840 Mn	+ ¥190 Mn	+ ¥160 Mn
Distribution per Unit	¥3,182	+ ¥ 63	+ ¥ 52

## Asset Management Based On “Asset Management Policy Under the COVID-19”

- Raised portfolio profitability through property replacement.
- Supported net income affected under the COVID-19 through property dispositions.
- Carried out rent reduction for tenants by responding to social urgency.
- Held the minimum DPU of ¥3,100 for the 36<sup>th</sup> FP and the 37<sup>th</sup> FP as announced in January 2021.

## Pursue United Urban’s Sustainable Growth With A View to After COVID-19

- |                        |   |
|------------------------|---|
| <b>External Growth</b> | <ul style="list-style-type: none"> <li>■ Property acquisitions through warehousing scheme of the sponsor group’s lease company.</li> <li>■ Promoted sourcing measures and diversified risks by investing in a real estate development project.</li> </ul>                   |
| <b>Internal Growth</b> | <ul style="list-style-type: none"> <li>■ In view of the society after the COVID-19, broke ground new demands and ensured tenants in demand to open new stores.</li> <li>■ Employed the rent scheme with a floor of rent recipients set against tenant departure.</li> </ul> |

## ESG Initiatives

- Consistently fulfilled measures for the set reduction target of GHG emission (cut 40% in office portfolio by 2030).
- Set the mid-term goal of environment certification coverage (80% by 2024).
- Plan to propose an amendment on the remuneration system of asset management company at the General Meeting of Unitholders scheduled to be held in August 2021.

Announced in the 34<sup>th</sup> FP (November 2020)

### **Asset Management Policy Under the COVID-19**

United Urban will focus on stable management in accordance with the following basic policies.

- **Property replacements that will serve to enhance the quality and profitability of the portfolio**
- **Balance social responses with stable management of the portfolio**
- **Flexible financial management in accordance with change**
- **Stable distribution through reversal of retained earnings**

**Sustainable  
growth of  
unitholder  
value**

## **MEMO**

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# 1 Business Results Summary

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# Major Topics of 35<sup>th</sup> FP & 36<sup>th</sup> FP

- Booked ¥1.8 billion plus gain on sale as announced in January 2021 based on the disposition of Nishi-Shimbashi 1-chome Building over two fiscal periods.
- DPU for the 35<sup>th</sup> FP turned ¥3,182, plus ¥52, thanks to profits from new acquisitions and profit improvements of existing properties.
- Disposed Quartz Tower and acquired quality retail and logistics properties in the 36<sup>th</sup> FP.

## Distribution per Unit (DPU)

34 <sup>th</sup> FP (Nov. 2020)	35 <sup>th</sup> FP (May 2021)		36 <sup>th</sup> FP (Nov. 2021)		37 <sup>th</sup> FP (May 2022)
Actual results	Initial forecast <sup>*1</sup>	Actual results <sup>*2</sup>	Initial forecast <sup>*1</sup>	Forecast <sup>*2</sup>	Forecast <sup>*2</sup>
¥3,119	¥3,130	<b>¥3,182</b>	¥3,100	¥3,100	¥3,100
	+ ¥63 (+2.0%)			± ¥0 (±0.0%)	
		+ ¥52 (+1.7%)			

## Improve the quality of portfolio in building age, competitiveness and income stability.

### Disposition

Office buildings

Nishi-Shimbashi 1-chome Building ('20/12)

Clinic buildings

Quartz Tower ('21/6)

Gain on sale / loss

**+ ¥608**

**− ¥3**

### Acquisition

Office buildings

Toranomon Hills Mori Tower ('20/12)

Retail properties

LEVEN Otakanomori ('21/6)

Office buildings

Toranomon PF Building ('20/12)

Logistics facilities

Kazo Logistics Center I・II ('21/6)

Residential properties

UUR Court Ibaraki Higashi-Chujo ('20/12)

Office buildings

UUR Kyobashi East Building ('21/3)

\*1 As of January 15, 2021.

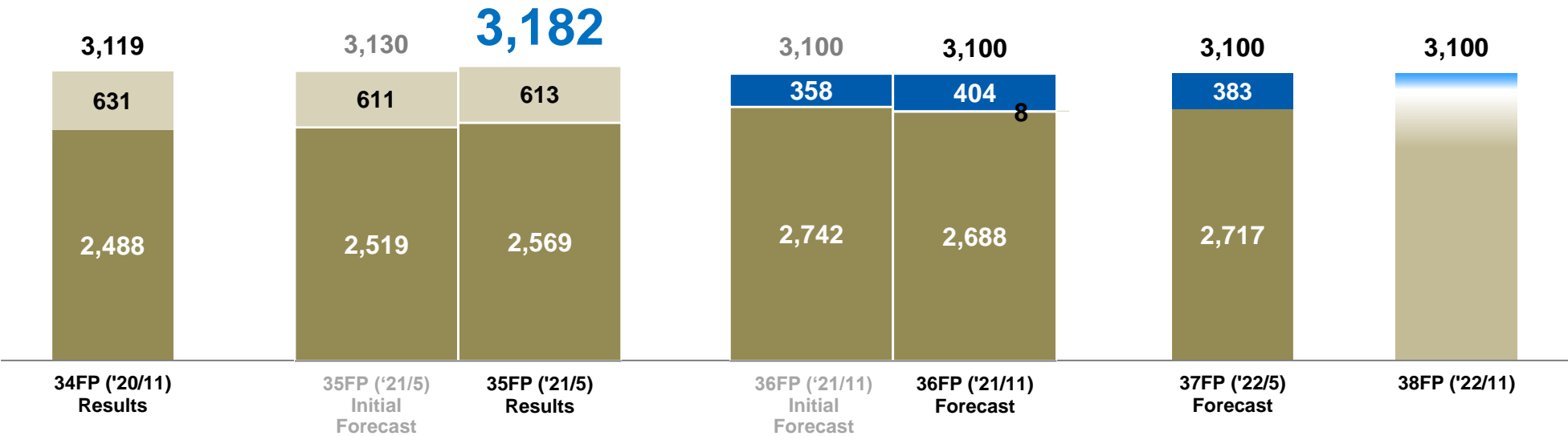
\*2 As of July 20, 2021.

# Distribution Policy Under COVID-19

## Stable DPU through reversal of retained earnings: minimum DPU of ¥3,100\*1

- A minimum DPU has been established until the 38th FP. If a profit level is lower than this minimum amount, there will be a reversal of retained earnings equivalent to the shortfall.
- If the minimum amount is exceeded over a profit level due to temporary factors such as gain on disposition or improvements in operating conditions, DPU will be increased without reserving retained earnings.

### Distribution per Unit (DPU)



- Distribution after deduction of cash distribution from temporary factors\*2
- Cash distribution from temporary factors\*2
- Retained earnings

← Minimum DPU →

\*1 Minimum DPU of ¥3,100 is announced on January 15, 2021, and it does not mean that an actual amount of ¥3,100 is guaranteed. This minimum DPU amount and the period set for the minimum DPU is subject to change in case that there are major changes in macro environment surrounding United Urban including real estate market outlook.

\*2 Amount of appropriation from the gain on sale to cash distribution, cancellation penalty from tenant.

# Impact of COVID-19 on DPU

	34 <sup>th</sup> FP Jun. 2020 – Nov. 2020	35 <sup>th</sup> FP Dec. 2020 – May 2021	36 <sup>th</sup> FP (Forecast) Jun. 2021 – Nov. 2021	37 <sup>th</sup> FP (Forecast) Dec. 2021 – May 2022
Distribution per Unit (DPU)	¥3,119	¥3,182	¥3,100	¥3,100

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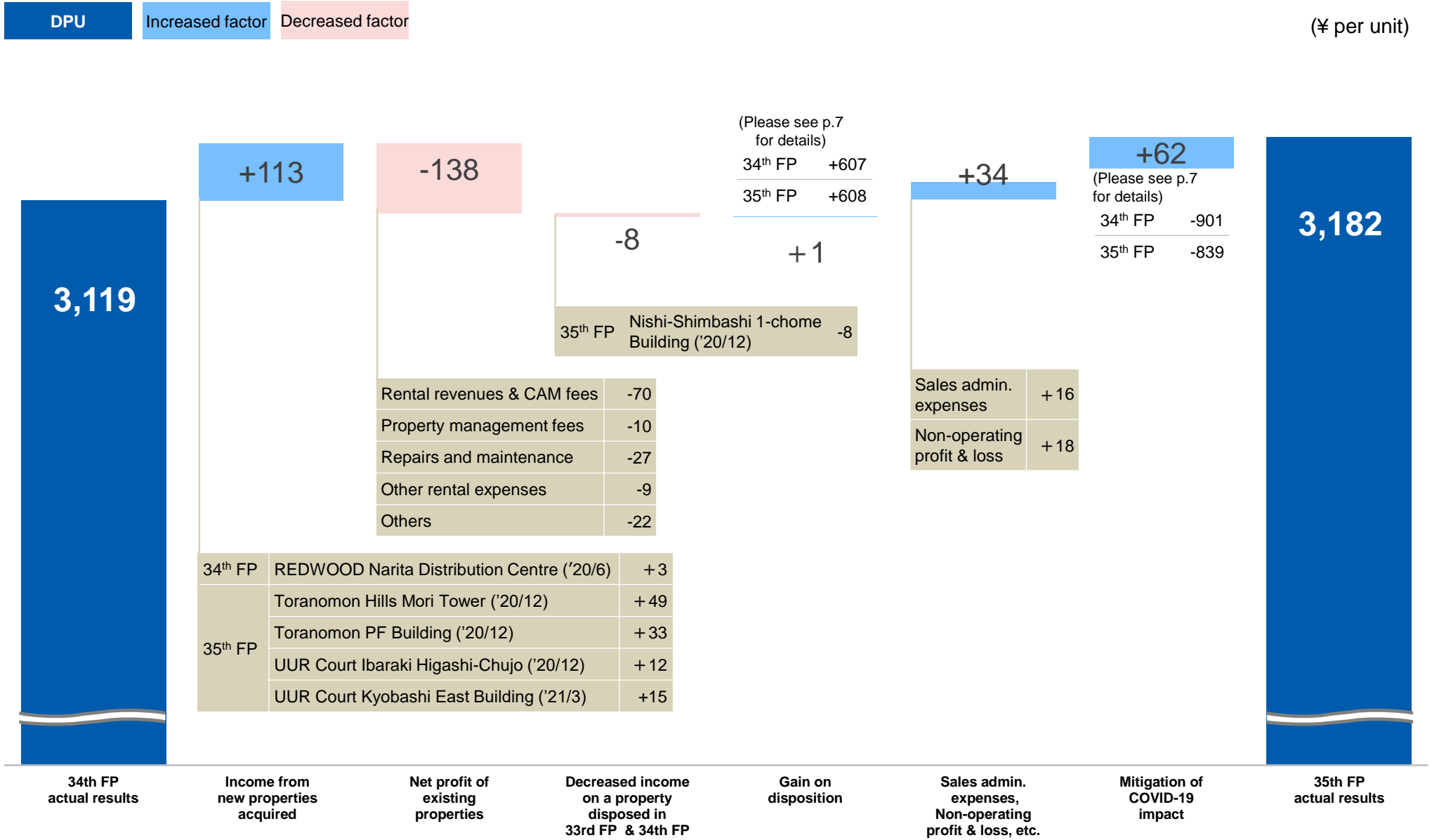
\*1 Acquisition price based. As of the 35<sup>th</sup> FP (May 2021). \*2 As of January 15, 2021. \*3 As of July 20, 2021.

Note: Forecast figures in the above table include a confirmed amount of decrease in income revenues that already agreed with tenants as well as an assumed amount of revenue decrease that have not been settled. Figures shown in parentheses are initial forecast amount for the 34<sup>th</sup> FP (November 2020) announced on January 15, 2021. Total figures shown in the table may be different from the arithmetic total figures due to rounding off.



## **2 Business Results & Forecast**

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# Business Results: 35<sup>th</sup> FP

		(¥ Mn)				
No	Item	34th FP (Results) A	35th FP (Results) B	Change B-A	35th FP (Forecast) C*	Change B-C
1	Operating Revenues	23,945	24,198	+254	24,216	-17
2	Operating revenues from rental revenues	22,051	22,302	+251	22,320	-17
3	Rental revenues	20,300	20,751	+451	20,720	+32
4	Rental revenues and CAM	19,390	19,843	+453	19,817	+26
5	Parking revenues, etc.	909	908	-1	903	+6
6	Other rental revenues	1,751	1,550	-201	1,600	-49
7	Incidental revenues	1,385	1,166	-218	1,263	-96
8	Temporary revenues	280	302	+21	255	+47
9	Other miscellaneous revenues	85	81	-3	82	-0
10	Gain on sale of properties	1,893	1,896	+3	1,896	-1
11	Operating Expenses	13,300	13,414	+114	13,564	-150
12	Rental expenses	10,959	11,122	+163	11,262	-140
13	Property and other taxes	2,134	2,155	+22	2,088	+68
14	Property management fees	1,726	1,858	+132	1,836	+22
15	Utilities	1,303	1,212	-91	1,408	-196
16	Casualty insurance	24	24	-0	24	+0
17	Repairs and maintenance, etc.	1,227	1,310	+83	1,243	+68
18	Other rental expenses	442	431	-11	548	-116
19	Depreciation and amortization	4,100	4,130	+29	4,115	+15
20	Sales admin. expenses	2,340	2,291	-49	2,302	-10
21	Operating Income	10,644	10,784	+140	10,652	+132
22	Profit from rental activities	11,092	11,179	+88	11,058	+122
23	NOI	(15,192)	(15,310)	(+117)	(15,173)	(+137)
24	Non-operating Revenues	12	10	-3	2	+8
25	Non-operating Expenses	1,006	946	-60	970	-23
26	Ordinary Income	9,650	9,847	+197	9,683	+164
27	Net Income	9,650	9,847	+197	9,683	+164
28	EPU (yen/unit)	(3,094)	(3,157)	(+63)	(3,105)	(+52)
29	Reserve for temporary difference adjustment	77	77	-	77	-
30	Voluntary retained earnings	▲1	-2	-0	-	-1
31	Total Cash Distributions	9,726	9,922	+196	9,760	+162
32	DPU (yen/unit)	3,119	3,182	+63	3,130	+52
33	No. of investment units outstanding (unit)	3,118,337	3,118,337	-	3,118,337	-
34	CAPEX	1,339	1,746	+407	1,733	+14

## Main Causes for Difference in DPU

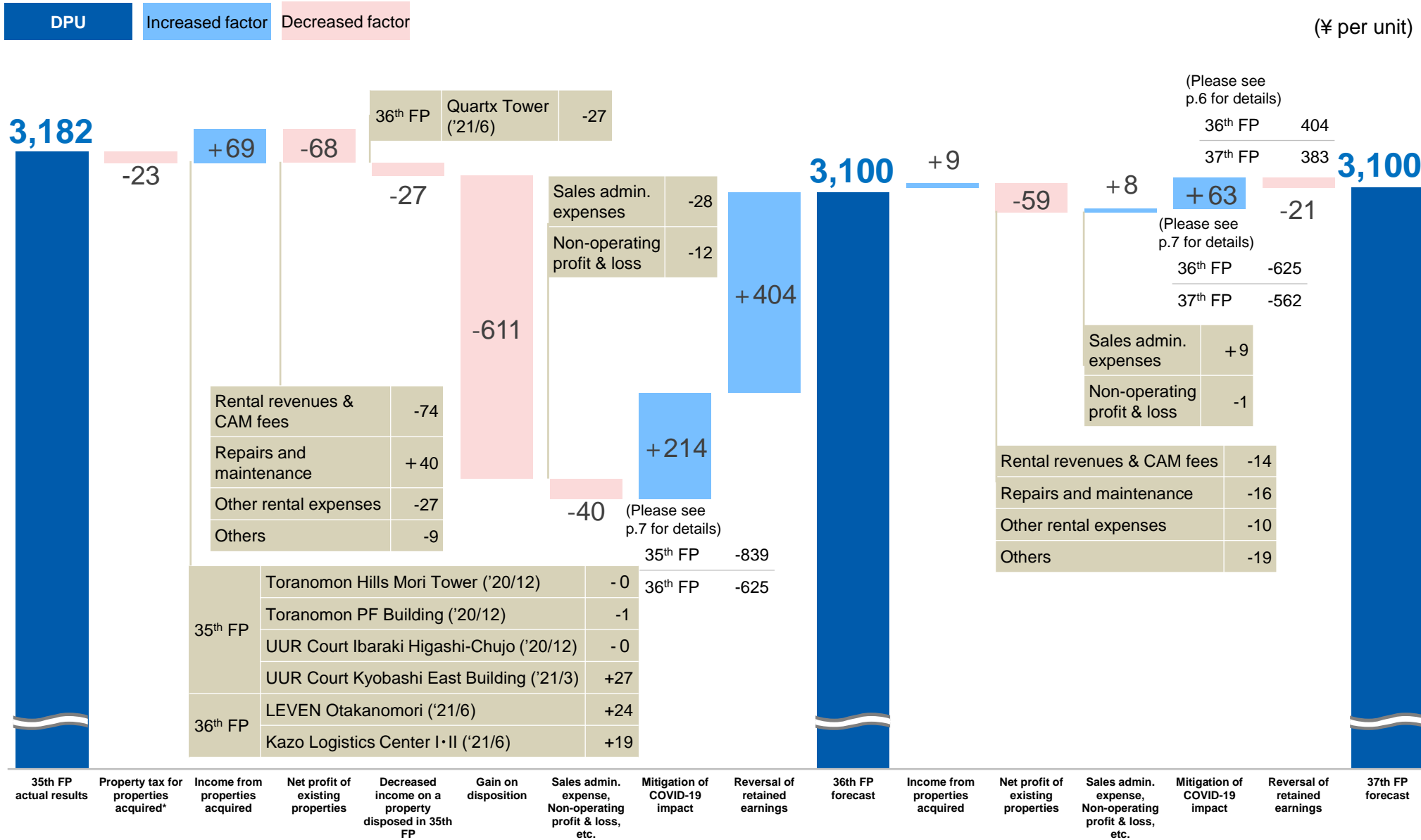
Signs (+/-) show increase/decrease of each item

34th FP (Results) vs 35th FP (Results) (B-A)		(¥ Mn)
■ Operating Revenues		+254
Income from Properties Acquired		+447
• Revenues from properties acquired in 34th FP (for one year)		+11
• Revenues from properties acquired in 35th FP		+436
Income on Properties Disposed		-179
• Decreased gain on a property disposed in 34th FP		-1,893
• Gain on disposition in 35th FP		+1,896
• Revenue disappearance due to disposition in 34thFP & 35th FP		-182
Response to COVID-19		+419
• Decreased rent reduction in 34th FP		+2,810
• Rent reduction in 35th FP		-2,391
Income from Existing Properties		-434
• Incidental revenue decrease due to seasonality, etc.		-225
• Decreased rental revenues, etc.		-209
■ Operating/Non-operating Expenses		-57
• Increased rental expenses for properties acquired in 34th FP & 35th FP		-96
• Decreased rental expenses for a property disposed in 34th FP & 35th FP		+156
• Increased outsourcing fees (incl. costs due to COVID-19 response)		-112
• Other operating expenses		-62
(repair cost, depreciation and amortization, sales admin. expenses, etc.)		
• Non-operating expenses (decreased interest rate cost, etc.)		+57

35th FP (Forecast) vs 35th FP (Results) (B-C)		(¥ Mn)
■ Operating Revenues		-17
Income from Properties Acquired		+56
• Revenues from properties acquired in 34th FP & 35th FP		+56
Response to COVID-19		-112
• Forecast rent reduction		+2,278
• Actual rent reduction		-2,391
Income from Existing Properties		+39
• Temporary revenue increase from penalty income, etc.		+48
• Incidental revenue decrease due to seasonality, etc.		-9
■ Operating/Non-operating Expenses		+181
• Increased rental expenses for properties acquired in 34th FP & 35th FP		-9
• Decreased utilities cost (incl. costs due to COVID-19 response)		+196
• Other operating expenses		-38
(repair cost, property and other taxes, other rental expenses , etc.)		
• Other non-operating expenses		+32
(interest rate cost, loss on retirement properties, etc.)		

\*As of January 15, 2021.

# DPU Forecast: 36<sup>th</sup> FP & 37<sup>th</sup> FP



\*Twelve properties United Urban acquired in 2020. Note: Total figures shown may be different from the arithmetic total figures due to rounding off.

# Business Forecast: 36<sup>th</sup> FP & 37<sup>th</sup> FP

(¥ Mn)

No	Item	35th FP (Results) A	36th FP (Forecast) B*	Change B-A	37th FP (Forecast) C*	Change C-B
1	Operating Revenues	24,198	22,768	-1,431	22,688	-80
2	Operating revenues from rental revenues	22,302	22,768	+466	22,688	-80
3	Rental revenues	20,751	21,114	+362	21,303	+189
4	Rental revenues and CAM	19,843	20,200	+356	20,382	+182
5	Parking revenues, etc.	908	914	+5	921	+6
6	Other rental revenues	1,550	1,654	+103	1,385	-269
7	Incidental revenues	1,166	1,445	+279	1,256	-189
8	Temporary revenues	302	116	-186	47	-69
9	Other miscellaneous revenues	81	93	+11	82	-11
10	Gain on sale of properties	1,896	—	-1,896	—	—
11	Operating Expenses	13,414	13,462	+48	13,313	-150
12	Rental expenses	11,122	11,074	-49	10,963	-111
13	Property and other taxes	2,155	2,135	-21	2,092	-43
14	Property management fees	1,858	1,745	-113	1,788	+43
15	Utilities	1,212	1,369	+157	1,237	-133
16	Casualty insurance	24	24	—	24	—
17	Repairs and maintenance, etc.	1,310	1,192	-119	1,241	+49
18	Other rental expenses	431	515	+84	484	-31
19	Depreciation and amortization	4,130	4,095	-36	4,098	+3
20	Loss on sale of properties	—	10	+10	—	-10
21	Sales admin. expenses	2,291	2,378	+86	2,349	-29
22	Operating Income	10,784	9,306	-1,479	9,376	+70
23	Profit from rental activities	11,179	11,694	+514	11,725	+31
24	NOI	(15,310)	(15,789)	(+479)	(15,823)	(+34)
25	Non-operating Revenues	10	7	-3	5	-2
26	Non-operating Expenses	946	981	+34	984	+2
27	Ordinary Income	9,847	8,331	-1,516	8,396	+65
28	Net Income	9,847	8,331	-1,516	8,396	+65
29	EPU (yen/unit)	(3,157)	(2,671)	(-486)	(2,692)	(+21)
30	Reserve for temporary difference adjustment	77	77	—	77	—
31	Voluntary retained earnings	-2	1,258	+1,260	1,193	-65
32	Total Cash Distributions	9,922	9,666	-256	9,666	—
33	DPU (yen/unit)	3,182	3,100	-82	3,100	—
34	No. of investment units outstanding (unit)	3,118,337	3,118,337	—	3,118,337	—
35	CAPEX	1,746	2,060	+314	1,977	-83

## Main Causes for Difference in DPU

Signs (+/-) show increase/decrease of each item

35th FP (Results) vs 36th FP (Forecast) (B-A)		(¥ Mn)
■ Operating Revenues		-1,431
Income from Properties Acquired		+264
• Revenues from properties acquired in 35th FP (for one year)		+104
• Revenues from properties acquired in 36th FP		+161
Income on Properties Disposed		-2,005
• Decreased gain on a property disposed in 35th FP		-1,896
• Revenue disappearance due to disposition in 36th FP		-109
Response to COVID-19		+441
• Decreased rent reduction in 35th FP		+2,391
• Rent reduction in 36th FP		-1,950
Income from Existing Properties		-131
• Temporary revenue decrease from penalty income, etc.		-186
• Other (incidental revenue increase due to seasonality, etc.)		+55
■ Operating/Non-operating Expenses		-85
• Increased rental expenses due to property acquisitions in 35th FP & 36th FP (property and other taxes)		-50
• Loss/Decreased rental expenses for a property disposed in 36th FP		+16
• Property and other taxes for properties acquired in 2020		-71
• Other operating expenses (outsourcing fees, repair costs, etc.)		+57
• Other non-operating expenses (interest rate cost, loss on retirement properties, etc.)		-37
36th FP (Forecast) vs 37th FP (Forecast) (C-B)		(¥ Mn)
■ Operating Revenues		-80
Income from Properties Acquired		+31
• Revenues from properties acquired in 36th FP (for one year)		+31
Response to COVID-19		+194
• Decreased rent reduction in 36th FP		+1,950
• Rent reduction in 37th FP		-1,756
Income from Disposed Properties/Existing Properties		-305
• Incidental revenue increase due to seasonality		-190
• Other (temporary revenue decrease from penalty income, etc.)		-114
■ Operating/Non-operating Expenses		+146
• Decreased gain on a property disposed in 36th FP		+10
• Decreased utility cost due to seasonality		+134
• Other		+2

\*As of July 20, 2021.

# Mid-term Initiatives

		Recognition of Environment	Points of Promoting Stabilization of Earnings and Sustainable Growth
External Growth		<ul style="list-style-type: none"> <li>■ Investors are searching opportunities in the domestic real estate market centering on logistics and residential sectors where stable returns are anticipated remains robust amid the low-interest-rate environment globally.</li> <li>■ Domestic and foreign investors have a steady appetite for investment. Transactions in view of economic recovery and then growth after the COVID-19 convergence have resumed.</li> </ul>	<ul style="list-style-type: none"> <li>■ Consider replacing properties where there are concerns of downward pressure on profitability or competitiveness from the perspective of enhancing the quality and profitability of the portfolio.</li> <li>■ Consider investment opportunities selectively while firmly maintaining the investment policies and utilize various acquisition methods for real estate of various asset types in a wide variety of regions.</li> <li>■ Selective investment by asset type with changes of supply and demand in each market being considered; For retail properties, sorting investment opportunities with careful examination of business conditions of facilities and tenants' credit. As for hotels, focus on identifying when demand will re-emerge or recover and how hotel operations are managed, and control investment for the time being.</li> <li>■ With a view to secure quality assets, consider investment in real estate development by using expertise and information of Marubeni (sponsor of UUR) / its group companies and JRA and by minimizing various associated risks.</li> </ul>
Internal Growth	Retail properties	<ul style="list-style-type: none"> <li>■ While lifestyle-oriented industries such as grocery stores, drugstores, electronics retail stores and home centers have performed well, the operating status of other industries varies.</li> <li>■ Operating status of tenants are unstable due to the repeated requests to refrain from business and shorten hours of operation through the virus spread control measures.</li> <li>■ Progress of inoculation of the COVID-19 vaccination helps a moderate recovery of retail properties in downtown.</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthen relationship with tenants by making efforts to understand their status regarding sales and operation.</li> <li>■ Implement flexible leasing by focusing on changes to social demands and consumer trends.</li> <li>■ UUR Tenjin Nishi-dori Building: Continue discussions on various conditions with companies that wish to lease the building.</li> </ul>
	Office buildings	<ul style="list-style-type: none"> <li>■ Office demand and appetites for capital spending are moderately suspended due to the prolonged impact on business performance by COVID-19. Cost reduction awareness is also on the rise.</li> <li>■ Vacancy rates are rising across major cities in Japan, especially in the Tokyo Metropolitan Area, due to the proliferation of remote working and diversification of work styles.</li> </ul>	<ul style="list-style-type: none"> <li>■ Enhance tenant relations in line with changes in office demand. Drive agile leasing activities.</li> <li>■ Promote various measures to prevent infections in light of life with COVID-19 and life after COVID-19 including an expansion of service menu for cleaning of common area and an increase of sensor-based facilities such as auto tap and auto door.</li> <li>■ Continuous cost reduction including a replacement to energy-saving facilities and re-examination of property managers.</li> <li>■ Kawasaki Toshiba Building: Consider the most effective measures with an eye of various alternatives by the date of tenant departure in October 2023 (40<sup>th</sup> FP).</li> </ul>

# Mid-term Initiatives

		Recognition of Environment	Points of Promoting Stabilization of Earnings and Sustainable Growth
Internal Growth	Hotels	<ul style="list-style-type: none"> <li>■ Immunization coverage against the COVID-19 needs to be secured at a certain level to subside the virus spread. Full-scale demand recovery of foreign investors will be seen from 2H 2022.</li> <li>■ Domestic accommodation demand is expected to be boosted through repetitive stimulus measures including Go To Campaign and proliferation of measure to prevent infection.</li> <li>■ It will take about one or two more years for demand recovery of restaurant/bar and banquet to stabilize.</li> </ul>	<ul style="list-style-type: none"> <li>■ Focus on promotional activities of domestic OTAs to capture domestic demand for the time being.</li> <li>■ Consider operation styles that pursue sustainable management.</li> <li>■ Examine facilities to meet emerging demand during life with COVID-19 including change of usage for low-occupied spaces and diversification of sales channels.</li> </ul>
	Residential properties	<ul style="list-style-type: none"> <li>■ Both occupancy rates and rent levels remain stable.</li> <li>■ Focus on new resident needs due to the penetration of remote working and diversification of work styles.</li> </ul>	<ul style="list-style-type: none"> <li>■ Implement interior and exterior value enhancement work with the aim of raising rents.</li> <li>■ Promote effective use of common, shared and empty spaces that can accommodate needs of working from home.</li> <li>■ Consider introduction of eco-friendly yet added-value facilities by replacing to LED lighting in resident units in addition to common areas, etc. and introduction of technology such as smart key system.</li> </ul>
	Others	<ul style="list-style-type: none"> <li>■ E-commerce market continues to expand. Logistics demand remains firm.</li> <li>■ Expectation for the diversification of investment targets is rising steadily (industrial, public-run facilities, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>■ At logistics facilities, accelerate tenancy. Promote the installation of more LED lighting and energy-saving A/C with green lease contracts in mind.</li> <li>■ Fuchu Building: Given the location profiles, consider conversion in line with companies' preferences that wish to lease the building or aim for an early conclusion of negotiations with companies on disposition and others.</li> </ul>
Finance		<ul style="list-style-type: none"> <li>■ It is highly probable that the current low-interest-rate policy will continue for the time being.</li> <li>■ Although United Urban has not experienced any change in the lending behavior of financial institutions, the future corporate financing behavior will be closely monitored in light of the extended life with COVID-19.</li> </ul>	<ul style="list-style-type: none"> <li>■ Flexible financial management in accordance with changes, with the ever-changing COVID-19 situation in mind.</li> <li>■ Consider diversification of financing methods.</li> </ul>
ESG		<ul style="list-style-type: none"> <li>■ Interest in non-financial information concerning ESG, particularly how to mitigate climate change, is increasing among investors.</li> <li>■ ESG measures could be an opportunity to improve corporate value in the long term.</li> </ul>	<ul style="list-style-type: none"> <li>■ Aim to resolve non-financial issues through initiatives for materiality, etc. (please see p.46 for details).</li> <li>■ Plan to take not only measures to ease climate change, but also measures to decrease environmental burden.</li> </ul>

# 3 Strategy & Implementation

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## 3-1 External Growth



# Acquisition

35<sup>th</sup> FP

Office buildings

## B46 Toranomom Hills Mori Tower\*

Location	Minato-ku, Tokyo	
Structure & Scale	S/SRC B5/52F	
Completion	May 2014	
Acquisition price	¥10,000 Mn	
Estimated NOI Yield	3.3%	(after depreciation:2.8%)
Occupancy rate	100.0%	(as of May 31, 2021)
Acquisition date	December 1, 2020	

\*Acquired sectional ownership of the 10<sup>th</sup> floor (2.03% co-ownership of the site).

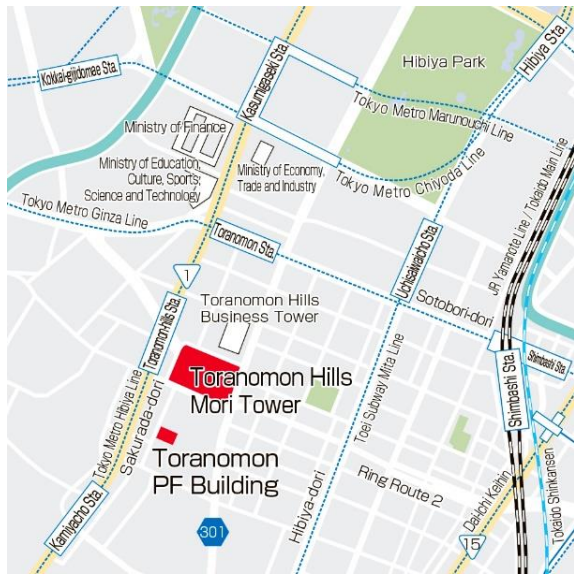


35<sup>th</sup> FP

Office buildings

## B47 Toranomom PF Building

Location	Minato-ku, Tokyo	
Structure & Scale	RC B2/5F	
Completion	March 1986	
Acquisition price	¥3,435 Mn	
Estimated NOI Yield	5.4%	(after depreciation:5.2%)
Occupancy rate	100.0%	(as of May 31, 2021)
Acquisition date	December 1, 2020	

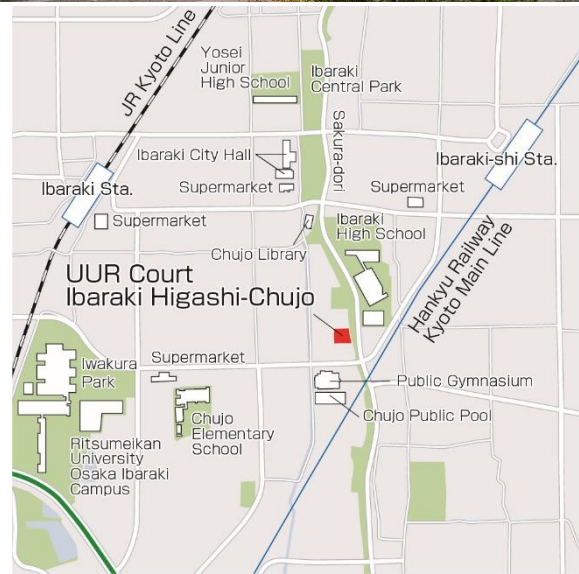


35<sup>th</sup> FP

Residential properties

## D34 UUR Court Ibaraki Higashi-Chujo

Location	Ibaraki, Osaka	
Structure & Scale	RC 8F Main: 2LDK, 62m <sup>2</sup> to 71m <sup>2</sup> per unit	
Completion	February 2009	
Acquisition price	¥1,665 Mn	
Estimated NOI Yield	4.6%	(after depreciation:4.0%)
Occupancy rate	100.0%	(as of May 31, 2021)
Acquisition date	December 1, 2020	





Acquired a new office building located in the central Tokyo office area

B48 UUR Kyobashi East Building 35<sup>th</sup> FP Office buildings

- 4-year-old office building located office area on the east side of Tokyo station.
- The multiple train access to the major office areas in Tokyo: Available 3 stations and 4 lines (3 minutes walk from Takaracho station on the Toei Asakusa line, 4 minutes walk from Hatchobori station on the Tokyo Metro Hibiya line and JR Keiyo line, 5 minutes walk from Kyobashi station on the Tokyo Metro Ginza line ).
- The common area has high-grade specifications, and the rooftop garden can be used by tenants.

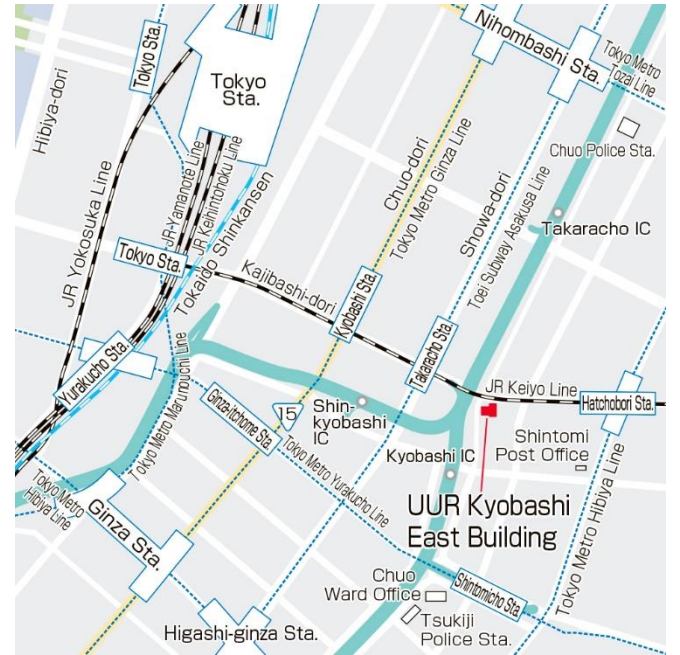


Common area leading from the entrance to the EV hall



Rooftop garden

Location	Chuo-ku, Tokyo	
Structure & Scale	S/RC B1/9F	
Completion	April 2017	
Acquisition price	¥7,280 Mn	
Estimated NOI Yield	3.6%	(after depreciation:3.3%)
Occupancy rate	100.0%	(as of May 31, 2021)
Acquisition date	March 31, 2021	





# Acquisition

## Lifestyle-based commercial facility that is expected to stabilize profits

### A43 LEVEN Otakanomori 36<sup>th</sup> FP Retail properties

- Located in the Otakanomori area centered Nagareyama-otakanomori station on the Tsukuba Express and Tobu Noda Line. Residential development projects of large and mid-sized condominiums and detached houses are still underway.
- 35 minutes from Nagareyama-otakanomori station to Tokyo station. Popular among family households working in Tokyo, and the population is on the rise.
- Have a fresh food supermarket as an anchor tenant, and quality-of-life based tenants. Consists of two buildings that provide highly convenient community-based retail facility.
- 214 parking spaces in total with the flat parking lot and the roof parking of the Main Building.

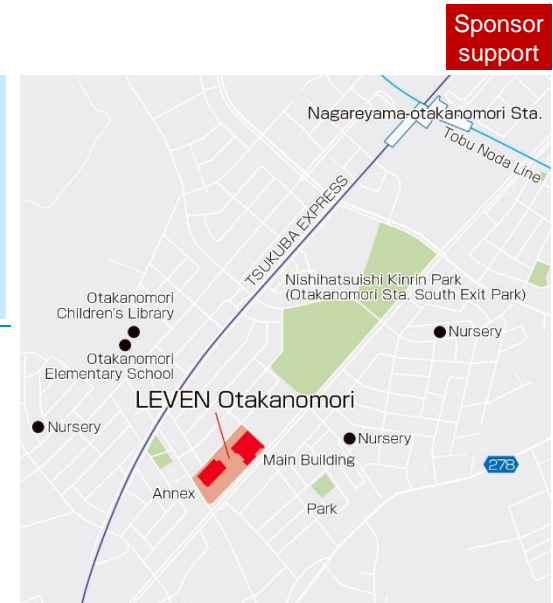


Main Building



Annex

Location	Nagareyama-shi, Chiba
Structure & Scale	①S2F ②S2F
Completion	July 2017
Acquisition price	¥3,800 Mn
Estimated NOI Yield	4.4% (after depreciation:4.1%)
Occupancy rate	100% (as of June 30, 2021)
Acquisition date	June 30, 2021



Sponsor support

## Logistics facility located in a wide-area transportation base in eastern Japan

### E18 Kazo Logistics Center I・II 36<sup>th</sup> FP Others

- Located in the Kazo area, a node of the Tohoku Expressway passing through the Tohoku Region and the Ken-O Expressway running through the Tokyo Metropolitan Area.
- Consist of two distribution centers located in the Kazo Distribution Complex (tenants can operate 24 hours) near the Kazo Interchange of the Tohoku Expressway.
- About an hour via the expressway to the central Tokyo and a location with excellent delivery convenience.
- Ceiling height of 5-10m and a floor load of 1.7-2.0t/m<sup>2</sup>. Equipped with highly versatile specifications for tenants who use it alone or handle heavy objects (beverages, heavy machinery, etc.).

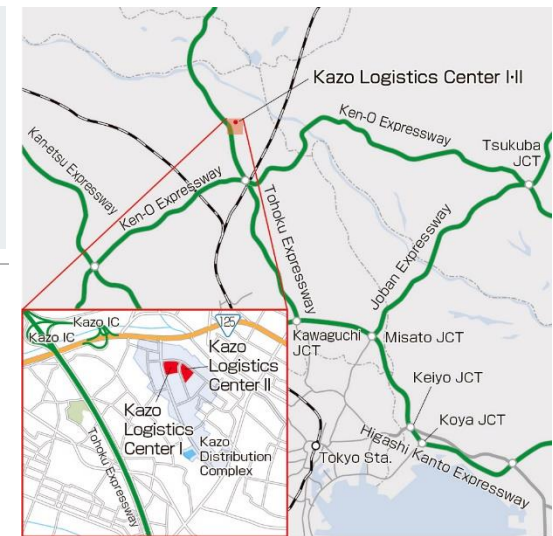


Kazo Logistics Center I



Kazo Logistics Center II

Location	Kazo-shi, Saitama
Structure & Scale	①S2F ②S1F
Completion	①Jan. 1997 ②Jan. 1999
Acquisition price	¥3,259 Mn
Estimated NOI Yield	4.6% (after depreciation:4.0%)
Occupancy rate	100% (as of June 30, 2021)
Acquisition date	June 30, 2021



Sponsor support

# Property Replacement

## Acquisition

34<sup>th</sup> FP (Nov. 2020)

Others

**REDWOOD Narita  
Distribution Centre**  
(¥2,345 Mn)

35<sup>th</sup> FP (May 2021)

Office  
buildings

**Toranomon Hills  
Mori Tower**  
(¥10,000 Mn)

Office  
buildings

**Toranomon PF  
Building**  
(¥3,345 Mn)

Office  
buildings

**UUR Kyobashi East  
Building**  
(¥7,280 Mn)

Residential  
properties

**UUR Court Ibaraki  
Higashi-Chujo**  
(¥1,665 Mn)

36<sup>th</sup> FP (Nov. 2021)

Retail  
properties

**LEVEN Otakanomori**  
(¥3,800 Mn)

Others

**Kazo Logistics Center I・II**  
(¥3,259 Mn)

Number of properties	7 properties
Acquisition price	¥31.78 Bn
Estimated NOI yield	4.1% <sup>*1</sup>
Estimated NOI yield after depreciation	3.6% <sup>*1</sup>
Building age <sup>*3</sup>	11 years <sup>*1</sup>



## Disposition

34<sup>th</sup> & 35<sup>th</sup> FP

Office  
buildings

**Nishi-Shimbashi  
1-chome Building**

Location : Minato-ku, Tokyo  
Completion : Feb. 1986  
Acquisition price : ¥14,800 Mn  
Appraisal value<sup>\*1</sup> : ¥17,900 Mn



		(¥ Mn)		
		Disposition price	Book value <sup>*2</sup>	Gain on sale
Total		18,961	14,300	3,790
Disposition date	Nov. 30, 2020 (34 <sup>th</sup> FP)	9,480	7,150	1,893
	Dec. 1, 2020 (35 <sup>th</sup> FP)	9,480	7,150	1,896

<sup>\*1</sup> As of May 31, 2020.

<sup>\*2</sup> As of respective disposition date.

- Occupancy rate once dropped to 0% after a departure of a tenant that fully occupied the building, but a success of 100% lease up drew in a letter of intent for purchase at a price level over both its appraisal value and book value.
- Anticipation for a downward pressure on competitiveness and profits due to building age.
- Recycled proceeds from the disposition to invest in the 35<sup>th</sup> FP.

36<sup>th</sup> FP

Others

**Quartz Tower**

Location : Shibuya-ku, Tokyo  
Completion : Aug. 2015  
Acquisition price : ¥5,700 Mn  
Appraisal value<sup>\*1</sup> : ¥5,720 Mn



		(¥ Mn)		
		Disposition price	Book value <sup>*2</sup>	Gain on loss
Disposition date	Jun. 1, 2021 (36 <sup>th</sup> FP)	5,800	5,759	-10

<sup>\*1</sup> As of May 31, 2021.

<sup>\*2</sup> As of disposition date.

- Due to the lease agreement, the rent in the mid-term had decreased since the time of the property acquisition and had been affecting the profitability of the property
- Recycled proceeds from the disposition for further acquisitions.

Number of properties	2 properties
Disposition price	¥24.76 Bn
Estimated NOI yield	3.4% <sup>*2</sup>
Estimated NOI yield after depreciation	3.0% <sup>*2</sup>
Building age <sup>*3</sup>	28 years <sup>*4</sup>

<sup>\*1</sup> Weighted average based on the respective acquisition price for seven properties.

<sup>\*2</sup> Weighted average of Nishi-Shimbashi 1-chome Building based on the actual annualized NOI and depreciated NOI figures under normal operation (31<sup>st</sup> FP and 32<sup>nd</sup> FP) and disposition price, and weighted average of Quartz Tower based on the actual annualized NOI and depreciated NOI figures under 35<sup>th</sup> FP and disposition price.

<sup>\*3</sup> As of July 20, 2021.

<sup>\*4</sup> Weighted average based on the respective disposition price for two properties.

# Project that UUR Leads as a Business Owner

Others

Miyanomori Nijo Development Project

Sponsor Support

Project to pursue mid- to long-term profitability improvement and practice diversified investment.

- Utilizing the sponsor network, United Urban acquired a development site in Sapporo City and develops an elderly housing in demand.
- The first project that United Urban leads as a business owner. Also, the first initiative to invest in an elderly housing.
- Estimated NOI yield under normal operation: 5.8%

## Summary of the Acquisition

Property name	Miyanomori Nijo Development Site
Type of asset	Real estate
Location	6-35 Miyanomori Nijo, Chuo-ku, Sapporo-shi, Hokkaido
Access	9-minute walk from Nishi niyuhatchome Station (Tozai Subway Line)
Site area	1,441.46m <sup>2</sup>
Type of ownership	Property ownership
Scheduled acquisition price	¥370 Mn

## Property overview after the Building completion (scheduled)<sup>\*1</sup>

Estimated acquisition price	Total price	¥1,403 Mn
	Land price	¥370 Mn
	Building price <sup>*2</sup>	¥1,033 Mn
Building <sup>*3</sup>	Structure and scale	RC 5F
	Completion date	May 2023
	Building area	911.13m <sup>2</sup>
	Total floor space	3,914.73m <sup>2</sup>
	Type	Elderly housing (62 units)

<sup>\*1</sup> Information as of July 15, 2021, and subject to change depending on a progress of the Project.

<sup>\*2</sup> The Building price includes the estimated amount of construction cost and design cost of the Building (excluding consumption tax and local consumption tax). It does not include expenses related to the construction of the Building.

<sup>\*3</sup> Based on the plan as of July 15, 2021.

## Project Schedule

Jul. 16, 2021	Sep. 30, 2021 (scheduled)	Jan. 2022 (scheduled)	From Apr. 2022 (scheduled)	May 2023 (scheduled)	Jul. 2023 (scheduled)
<ul style="list-style-type: none"><li>• Purchase and sales agreement of real estate (with the seller)</li><li>• Project management contract agreement (with sponsor)</li><li>• Design and contract agreement (with construction company)</li><li>• Reservation lease contract agreement (with tenant)</li></ul>	<ul style="list-style-type: none"><li>• Acquisition (Delivery) date of development site</li></ul>	<ul style="list-style-type: none"><li>• Building permit</li></ul>	<ul style="list-style-type: none"><li>• Construction work</li><li>• Building lease contract agreement</li></ul>	<ul style="list-style-type: none"><li>• Completion</li></ul>	<ul style="list-style-type: none"><li>• Opening</li></ul>

## Development Scheme

### Project management

- Outsource to Marubeni Corporation. Risks associated with the development, including schedule delays, cost overruns, and development quality, will be managed.
- JRA has professionals with knowledge about real estate development obtained through different types of investment schemes for development projects.

### Construction and design works

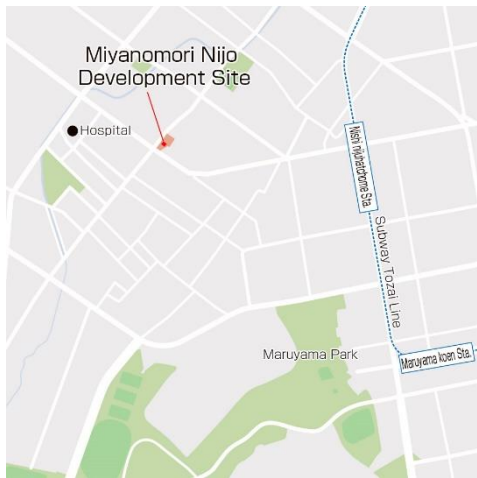
Outsource to NIHON KENSETSU CO. LTD. Risks of physical and legal defects in the developed housing and risks of completion of the construction works will be controlled.

### Tenant (nursing care business)

Tenant with whom UUR entered into a reservation lease agreement has sufficient track records and proven credentials for nursing care business. Under the reservation lease agreement, Risks of tenant leasing will be mitigated.

### Organizational structure at JRA

Based on the “Guidelines for Utilization of Healthcare REIT for Elderly Housing, etc. (Ministry of Land, Infrastructure, Transport and Tourism)”, all the required procedures for investment management of elderly housing are in process.

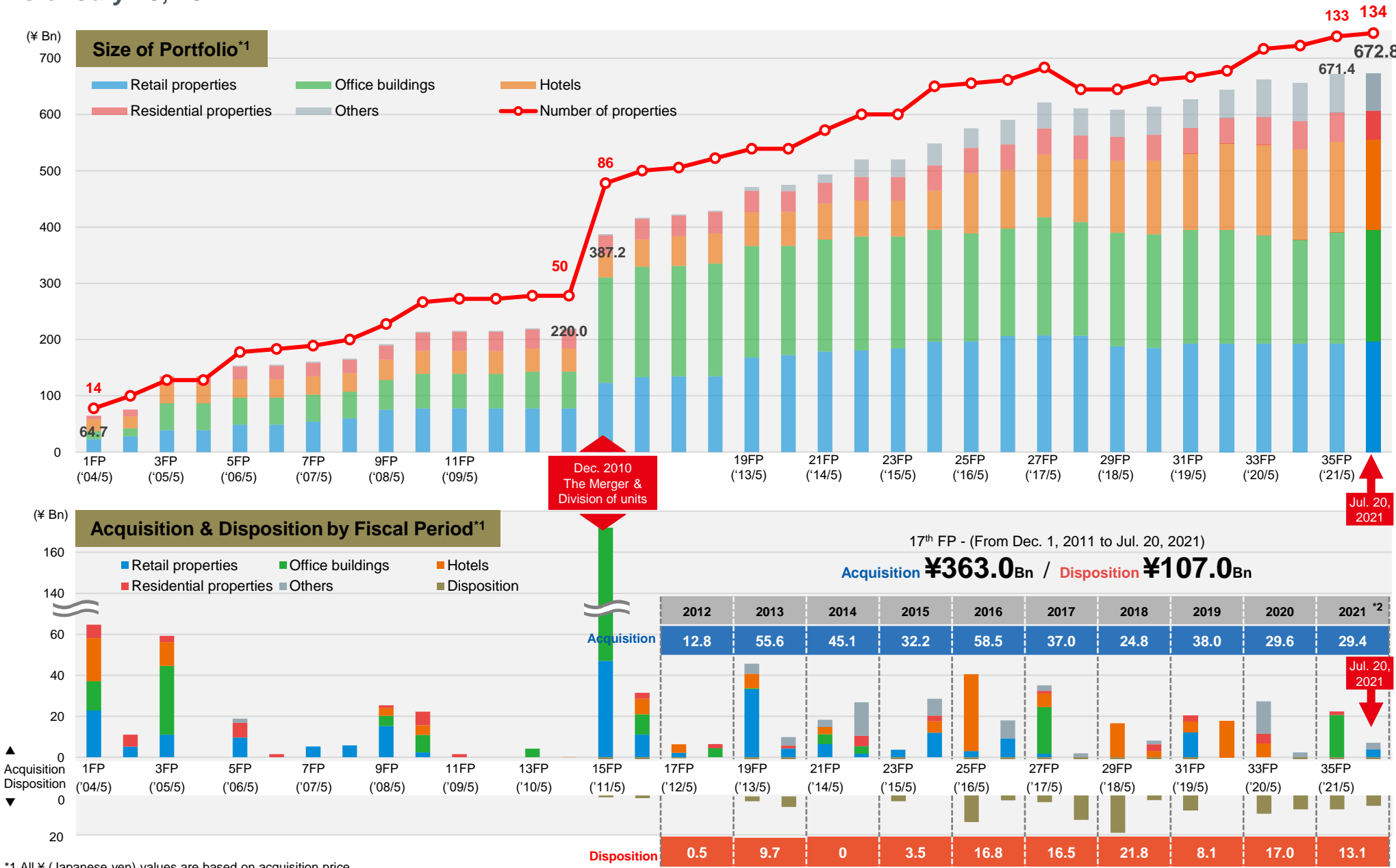


### <Miyanomori Area>

- Rich in nature, close to Maruyama Park
- A high-class residential area centered on single-family housing in Sapporo

# Track Record of External Growth

As of July 20, 2021



<sup>\*1</sup> All ¥ (Japanese yen) values are based on acquisition price.

<sup>\*2</sup> Two terms (from December 1<sup>st</sup> of the previous year to November 30<sup>th</sup> of the year) are counted as one year and posted.

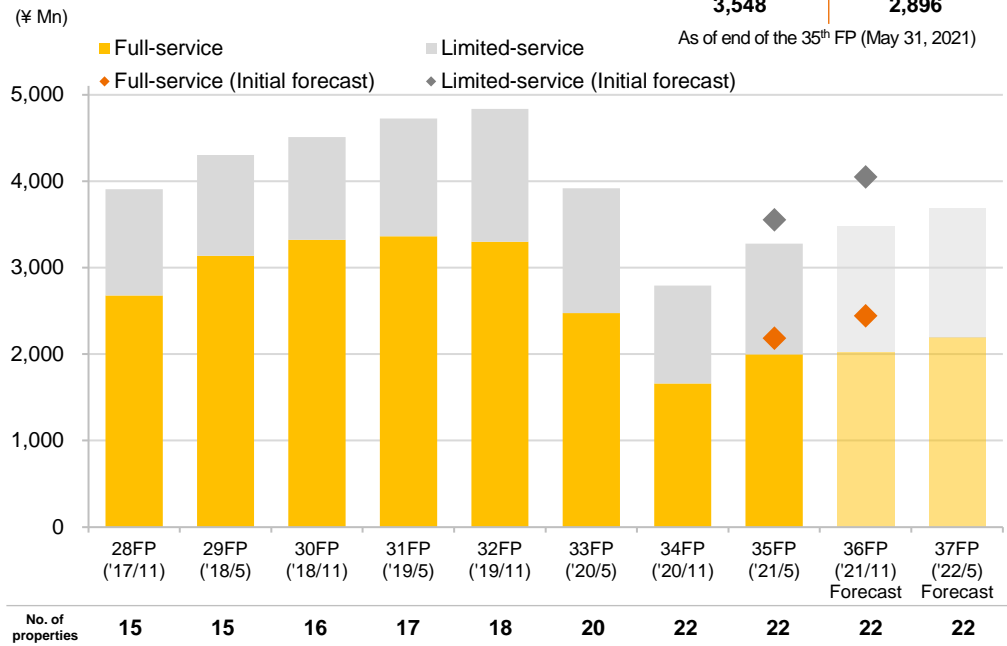
# 3 Strategy & Implementation

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## 3-2 || Internal Growth

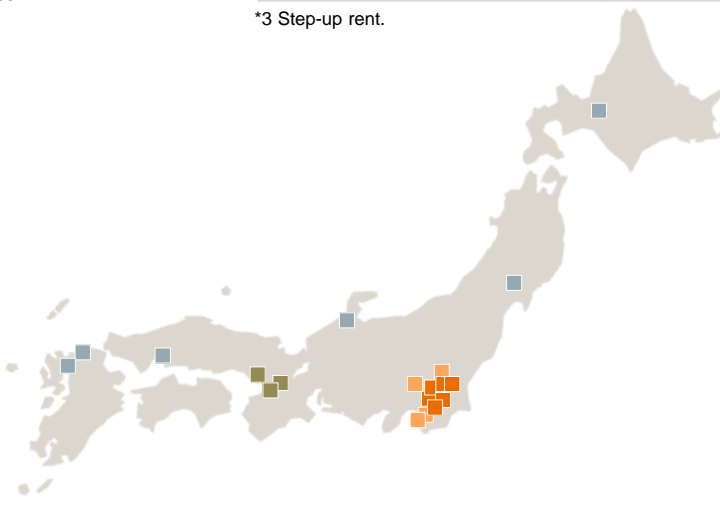
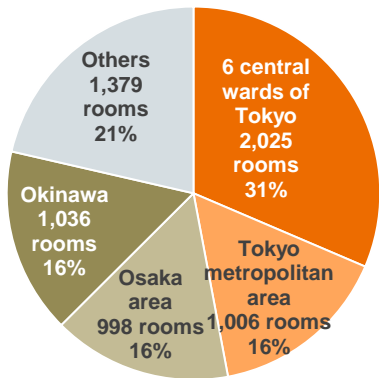


Rent Income in Hotel Portfolio\*1



\*1 Fixed rent + variable rent. Inclusive of rent revenues of Shin-Osaka Central Tower and SS30.  
\*2 As of January 15, 2021.

Location (Please see p.31 for the definition of location.)



Rent Structure

F: Full-service hotels L: Limited-service hotels (In order of acquisition date)

Fixed rent type

Property name	Hotel type	No. of rooms
Shin-Osaka Central Tower (Shin Osaka Washington Hotel Plaza)	F	491
Toyoko Inn Shinagawa-eki Takanawa-guchi	L	180
MZ BLD. (R&B Hotel Hachioji)	L	257
HOTEL ROUTE-INN Yokohama Bashamichi	L	272
Yotsuya 213 Building (Tokyu Stay Yotsuya)	L	148
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori <sup>*3</sup>	L	281
Toyoko Inn Hiroshima Heiwa-odori <sup>*3</sup>	L	255
Toyoko Inn Naha Kokusai-dori Miebash-eki <sup>*3</sup>	L	94
SS30 (Sendai Kokusai Hotel)	F	234
Henn na Hotel Tokyo Hamamatsucho	L	118
Smile Hotel Premium Sapporo Susukino	L	284

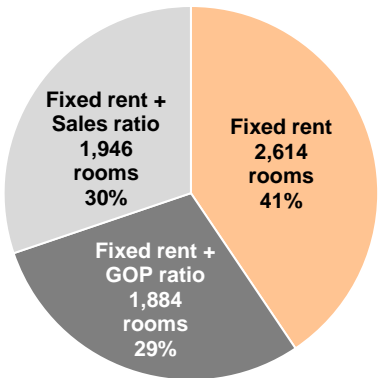
Variable rent type: Fixed rent + GOP ratio

Property name	Hotel type	No. of rooms
Hotel JAL City Naha	L	302
Comfort Inn Tokyo Roppongi (Former name: the b roppongi)	L	114
Loisir Hotel & Spa Tower Naha	F	640
Royal Pines Hotel Urawa	F	196
Comfort Inn Fukuoka Tenjin (Former name: the b fukuoka tenjin)	L	125
Hotel Hewitt Koshien	F	412
NEST HOTEL KYOTO SHIJOKARASUMA	L	95

Variable rent type: Fixed rent + Sales ratio

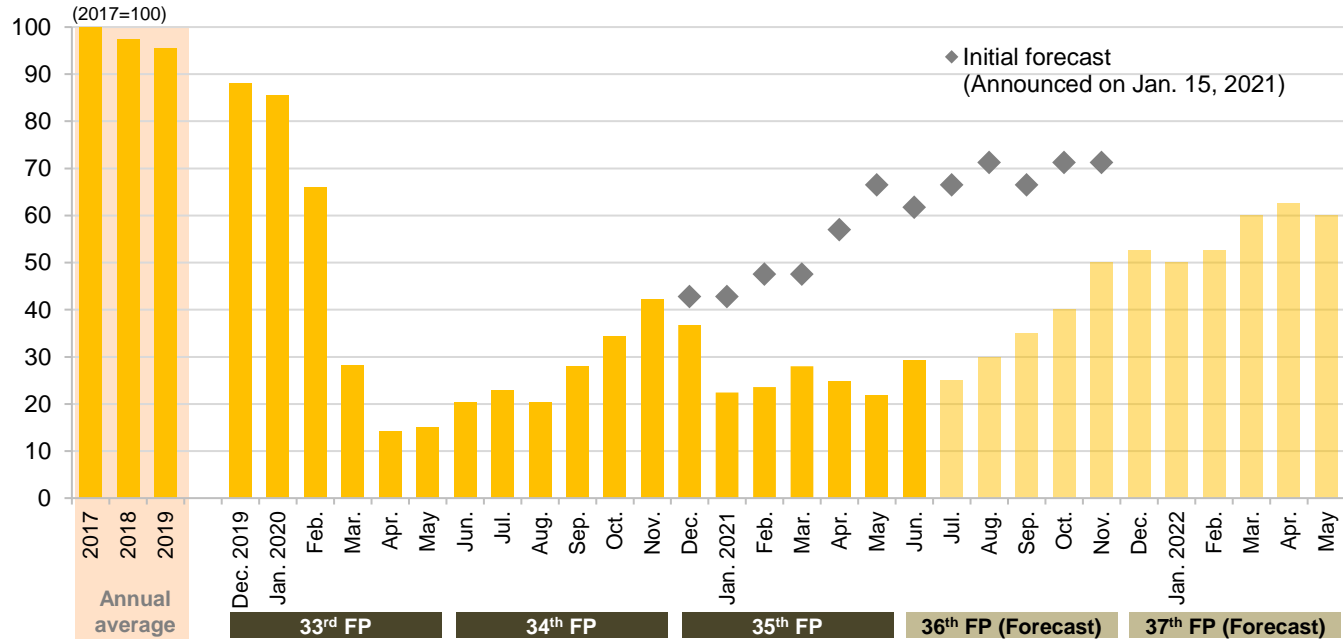
Property name	Hotel type	No. of rooms
Shinjuku Washington Hotel Honkan	F	1,280
UUR Yotsuya Sanchome Building (Hotel Wing International Premium Tokyo Yotsuya)	L	185
RIHGA Royal Hotel Kokura・ARUARU City	F	295
the square hotel KANAZAWA	L	186

\*3 Step-up rent.





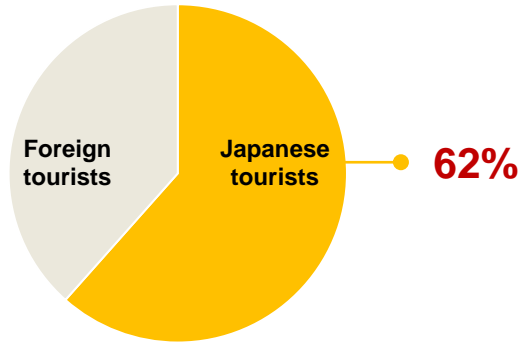
RevPAR\*1



\*1 Inclusive of rent revenues of hotel portion of Shin-Osaka Central Tower and SS30. Newly acquired properties are included respective financial periods.

Hotel Guests\*2

(2019)



\*2 Data is sourced based on the interviews to hotel operators.  
Samples: 5,876 rooms in 19 hotels

Endeavor to stimulate domestic accommodation demand until restrictions on entry for foreigners visiting Japan are lifted in earnest.

Initiatives for Stable Management Tenant Replacement

	Comfort Inn Tokyo Roppongi (Former name: the b roppongi)	Comfort Inn Fukuoka Tenjin (Former name: the b fukuoka tenjin)
Reopen	January 12, 2021	May 20, 2021
Rental revenues (Annual)	Fixed rent ¥131 million + Variable rent (GOP ratio)	Fixed rent ¥92 million + Variable rent (GOP ratio)
Contract term	From Oct. 1, 2020 to Sep. 30, 2030 (Rent collection: From Jan. 2021)	From Feb. 1, 2021 to Jan. 31, 2031 (Rent collection: From Apr. 2021)
New operator	<b>GREENS Co., LTD.</b> A hotel operator listed on the First Section of the Tokyo Stock Exchange and the First Section of the Nagoya Stock Exchange. The new operator has been engaged in the CHOICE HOTELS Business under the global brand of more than 7,000 hotel chains by Choice Hotels International, Inc. in 40 countries and the GREENS HOTELS Business with a track record of more than 60 years of hotel operations. The new operator operates 94 hotels nationwide as of the end of December 2020 under Comfort HOTEL, Comfort INN and Comfort SUITES, as well as their original brands such as Hotel Econo.	

Comfort Inn Tokyo Roppongi after reopening



Entrance

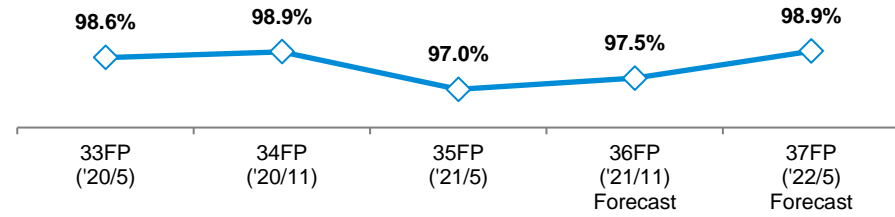


Lobby

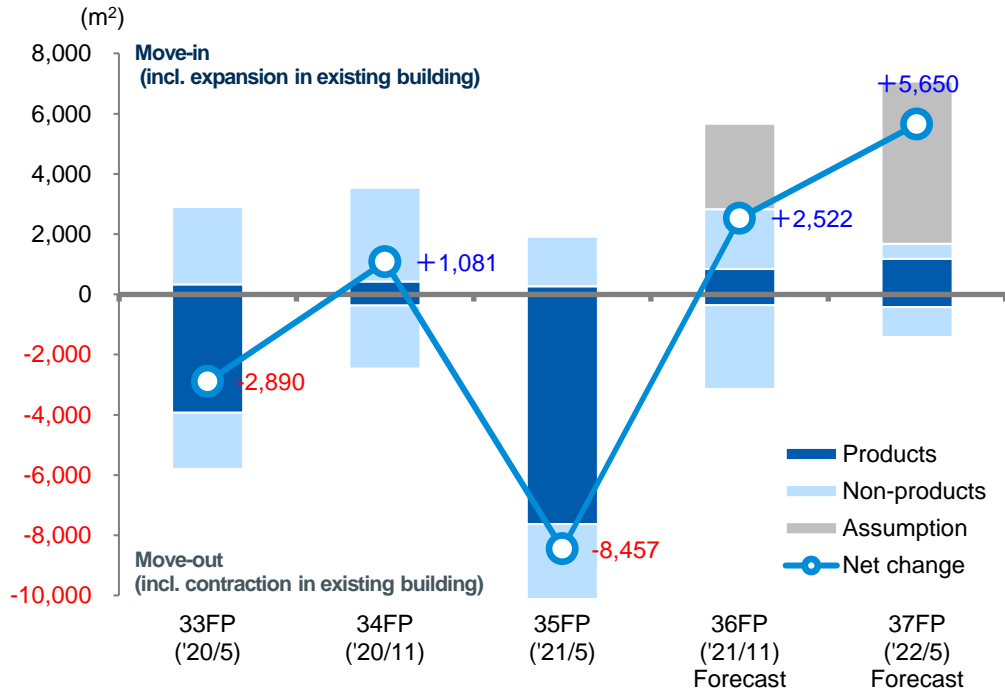
Occupancy

■ **Occupancy Rate**  
As of the end of each fiscal period.

**Rentable Area 451,324m<sup>2</sup>**  
As of 35<sup>th</sup> FP (May 31, 2021)



■ **Move-in vs Move-out**

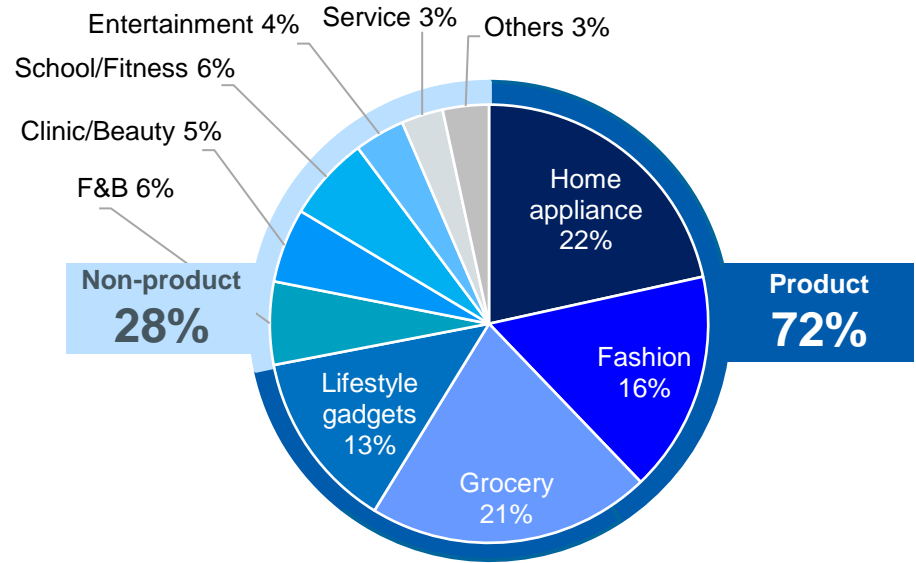


**Tenant Mix** (Fixed rent based)

**No. of tenants 309**

**Monthly rent\*1 ¥950 Mn**  
As of 35<sup>th</sup> FP (May 31, 2021)

\*1 Fixed income only. Inclusive of CAM.



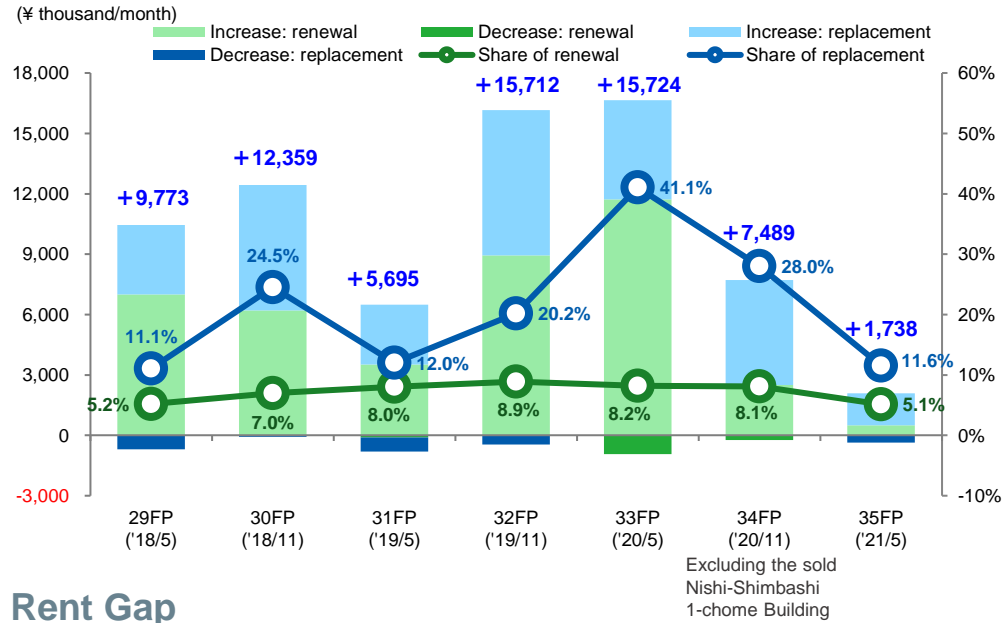
**Leasing Strategies amid COVID-19**

**Stabilize revenues through strategic tenant mix planning**

- Target industries and formats in demand to open new stores and secure tenants
- Switch unit use in line with changes in society and consumer needs and form new compartments

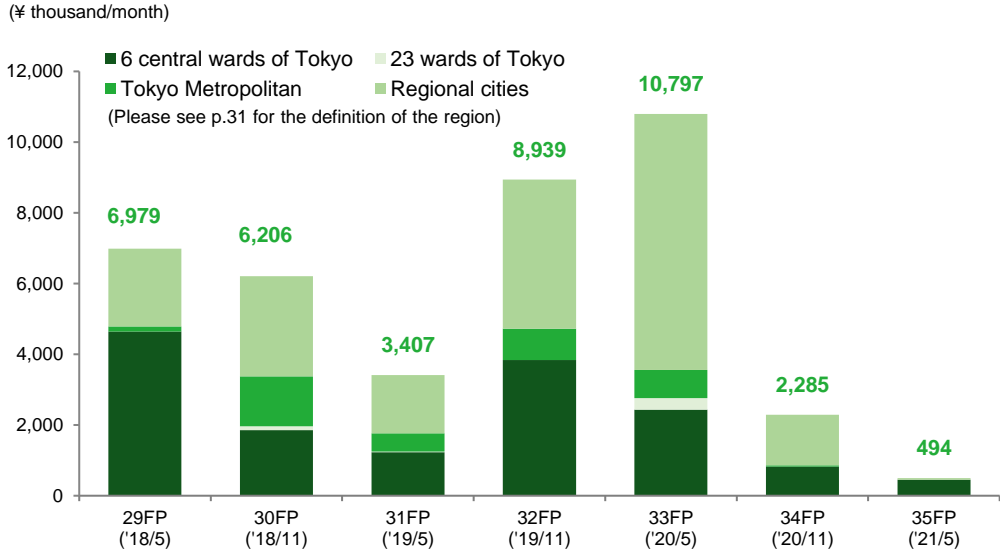
### Rent Increase/Decrease

Impact from rent renewal/tenant replacement

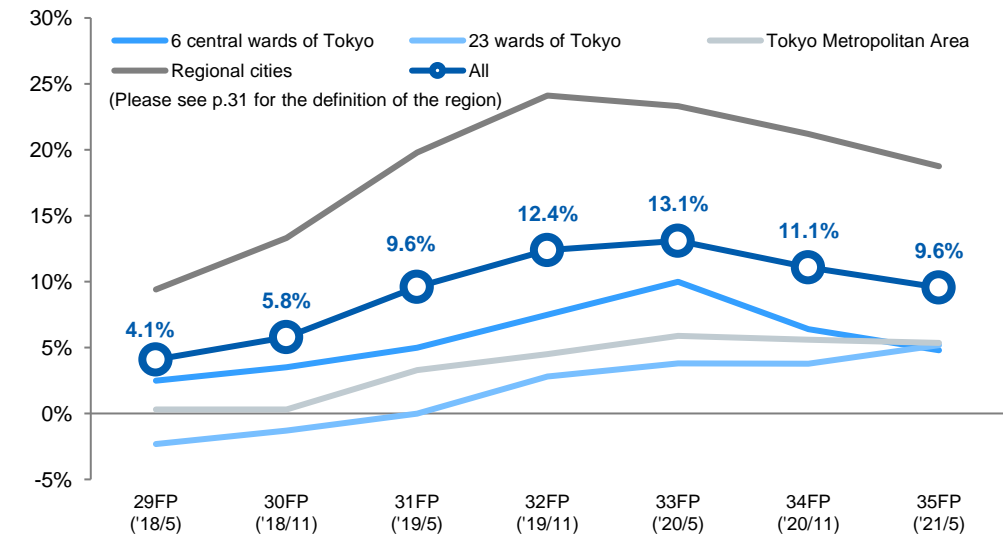


### Rent Increase/Decrease by Area

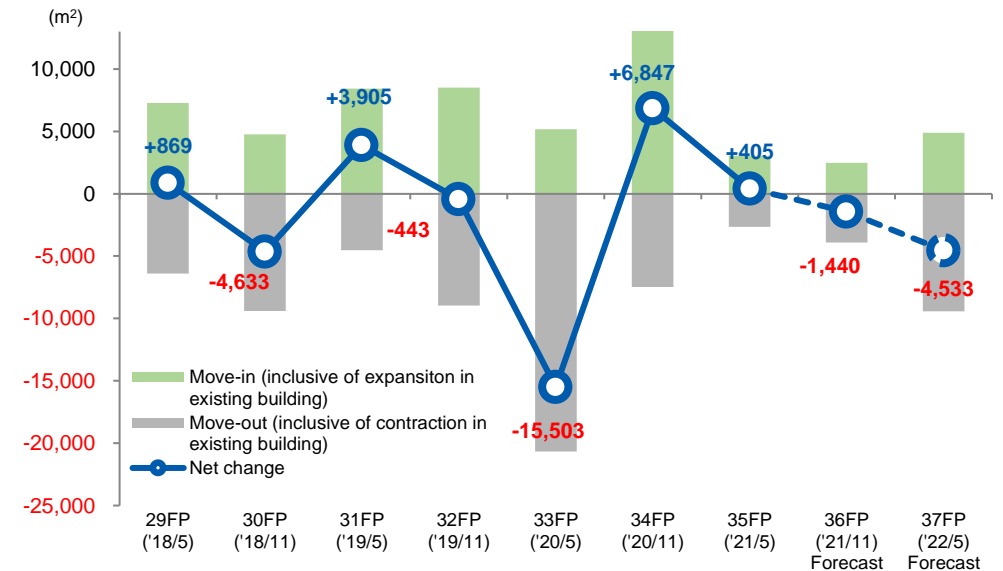
Impact from rent renewal



### Rent Gap



### Move-in vs Move-out



Note: Data surveyed in this slide are based on the activities of tenants in the properties categorized as "office buildings" in the portfolio.

# Hands-on Management

## Stabilize Revenues through Strategic Tenant Mix Planning

Retail properties

Major examples of tenant backfill

Property Name	Industry Former tenant	Strategy	Industry New tenant	Details	Opening date (scheduled)
Tenjin Loft Building	F&B (Korean BBQ)	• Switch industries	Entertainment	esports	August 2021
Albore Sendai	Fashion (Sports wear)	• Switch tenants in same industry	Fashion	Fashion (Reuse business)	August 2021
ACTIOLE Ichikawa	F&B (Bar)	• Switch uses	—	Satellite office service	August 2021
Luz Shonan Tsujido	Other (Bookstore/video rental shop)	• Renewal • Switch industries	F&B Clinic/Beauty	Burger shop/ Cosmetic shop and others	December 2021
Joy Park Izumigaoka	Fashion (Lifestyle clothing for family)	• Renewal • Switch tenants in same industry • Switch industries	Clinic/Beauty Fashion	Fashion (Lifestyle clothing for family)/ Clinic mall (dermatology, internal medicine, pharmacy, etc.)	December 2021

36<sup>th</sup> FP  
(’21/11)

37<sup>th</sup> FP  
(’22/5)

### Tenjin Loft Building

#### esports: esports Challenger’s Park

- Secure one of the hottest tenants to the 8<sup>th</sup> floor.
- Contribute to attract more customers for the entire building.
  - Opened “esports Challenger’s Park”, one of the largest esports facilities in western Japan\*.
  - Visitors can enjoy various activities including watching esports at a stadium, using high-spec machines at a play area, and learning esports at a study room.

Stadium



Play area



2021.08.22 OPENING EVENT



\* As of June 2021. Based on the comparison of twelve esports facilities in western Japan (Source: QTnet)

### Albore Sendai

#### Fashion (Reuse business)

- Contracted with a tenant at an increased rent after a move-out of previous tenant.
- First store in Sendai for the tenant.

### ACTIOLE Ichikawa

#### Satellite office service: ZXY

- Switched a unit from F&B use to office use, vacated by a bar tenant suffering from COVID-19.
- Agreed with the shared office tenant in demand to expand their business in locations closer to stations in residential areas of the Tokyo Metropolitan Area.

### Luz Shonan Tsujido

#### Burger shop/ Cosmetic shop and others

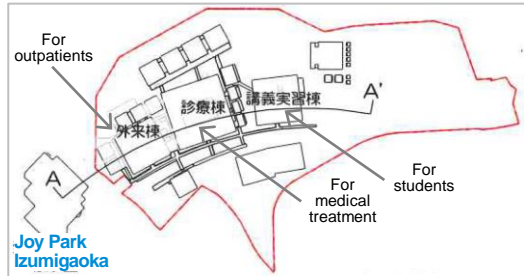
- With an eye to changes in needs of consumers under the COVID-19, ensured tenants in demand to open new stores.

### Joy Park Izumigaoka

#### Fashion/Clinic mall

- Adjacent to the property, new campus for medical school and new hospital of Kindai University are planned to open in 2024 in a vacant lot of swimming pool owned by Sakai City.
- Renewal works and relocation works of existing tenants have been underway after a move-out of a large tenant affected by the COVID-19.
- Plan to secure fashion and medical tenants in an organized manner.

### New Campus Plan of Medical School of Kindai University (Area circled in red line)



Source: Sakai City, Osaka

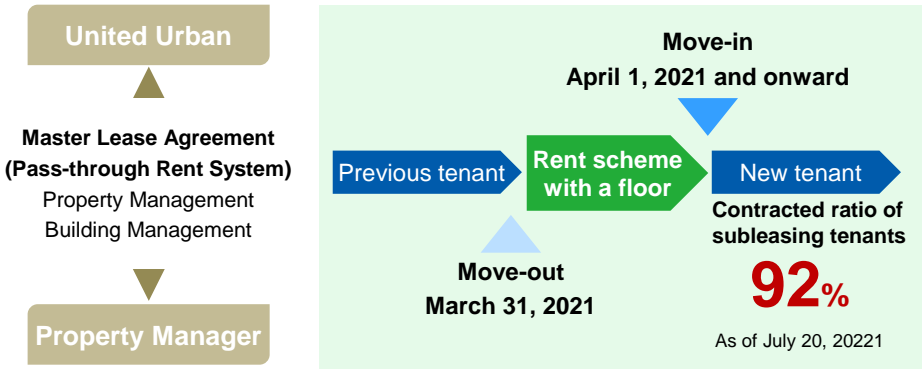
# Hands-on Management

## Maintain Stable Revenues at Single-tenanted Properties

### Employ the Rent Scheme with a Floor of Rent Recipients against Tenant Departure

#### Office buildings UUR Toyochō Building

- Contracted the master lease agreement in advance in preparation for departure of tenant who rented the entire property.
- Under the master lease agreement, introduced the rent scheme to set minimized rent recipients to stabilize rent revenues.
- When the tenant's move-out was confirmed, immediately started interior finishing works for multi tenancy.

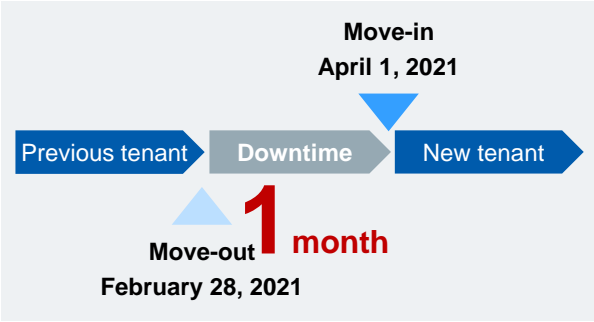


#### Interior finishing works for multi tenancy



### Speedy Backfill by Leveraging the Location

#### Others Kobe Toyahama Logistics Center



- Located in the bay area of the Kobe Port which receives strong demand from tenants.
- Approx. 2.4km from the Yanagihara IC of the Hanshin Expressway No.3 Kobe Line and National Road No.2.
- Connected to Kansai International Airport when the extension work on the Osaka Wangan Road Nishishinbu is completed.

Rent Revenues **20%** ↑ Appraisal Value **33%** ↑





# Hands-on Management

## Drive Profitability through Digital Transformation (DX)

### Retail properties Mallage Kashiwa Enhance sales promotion and visitors' satisfaction through big data

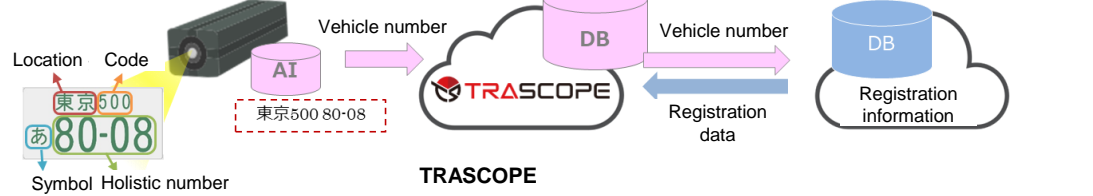
- Strength sales promotion by using visitors' behavioral data\*1 and vehicle number data.
- Promote safety and usability by easing congestions of as well as separating paths of people and vehicles at the parking lot.
- Cost reduction through assessment of security guard system.

### Better Parking Lot Operation through Marketing Area/Visitors' Route Analysis

Phase I

Phase II

- Collect vehicle number data\*2 at each parking lot entrance
- Analyze marketing area/visitors' route to the property
  - Formulate hypothesis for a better parking lot management



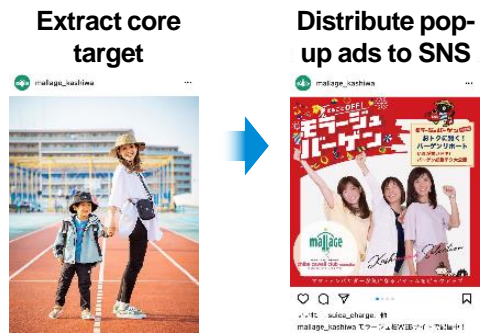
**Car visits data coverage 100%**  
- How visitors come to the property -  
Vehicle: 70%    Others: 30%  
(Walk, Bike, Bus, etc.)

### Boost Sales Promotion with Visitors' Data

Analysis of marketing area with vehicle number data

+

Assumed data on age, gender, etc. based on the behavioral data\*1 collected from visitors' smartphones



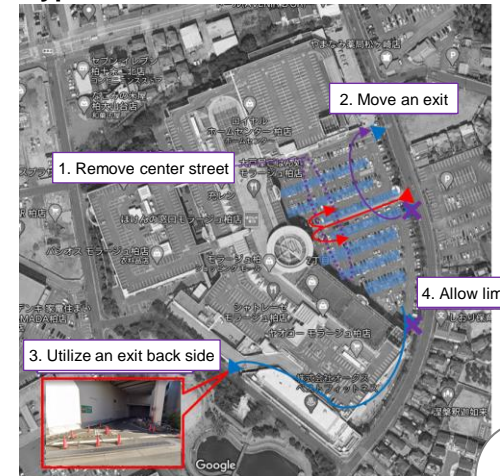
Present

Phase III

Phase VI

- Verify hypothesis/Simulation
  - Optimize the flow of people and vehicles
- Construction work for a better flow of people and vehicles
  - Review the security guard system

### Hypothesis verification



### Simulation image



Under verification

- Cost reduction of security guard system
- Mitigate visitors' stress through separation of paths of people and vehicles

Marubeni Network Solutions

Sponsor Support

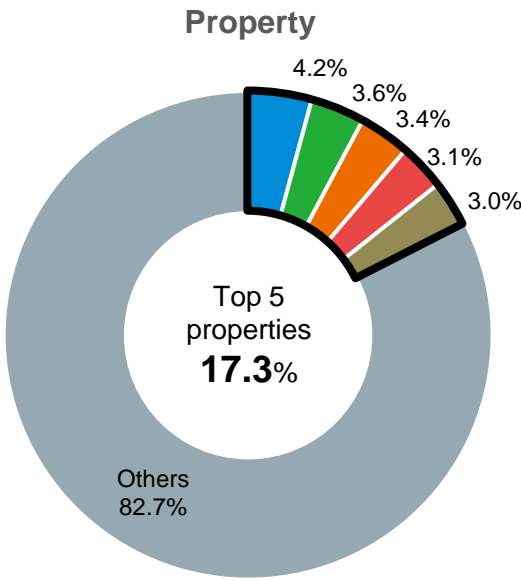
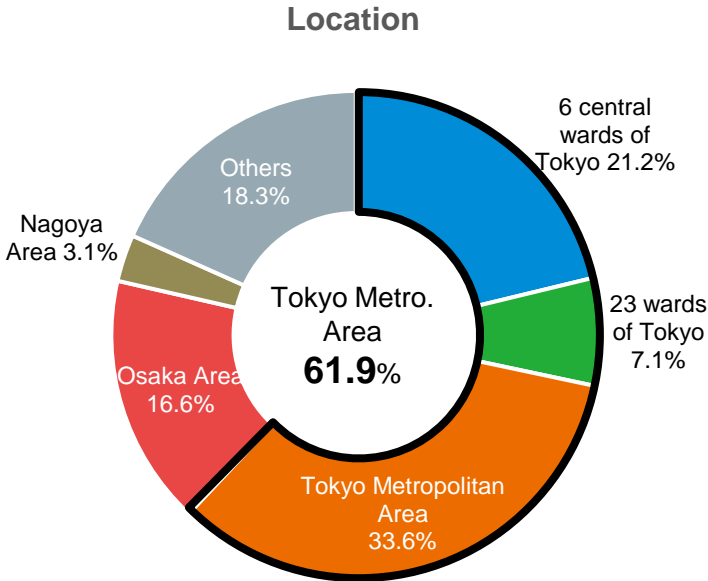
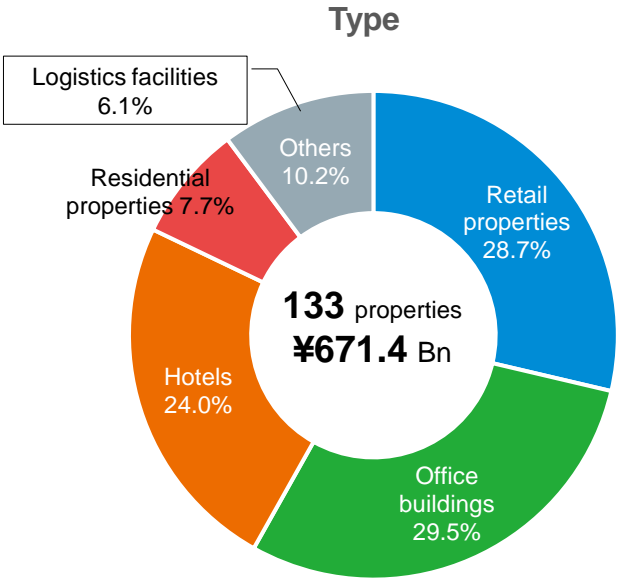
# 3 Strategy & Implementation

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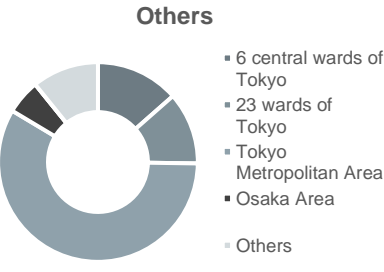
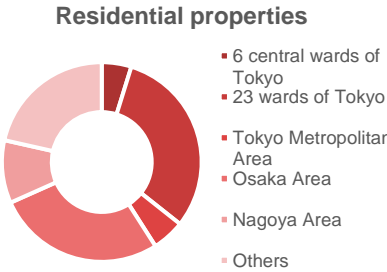
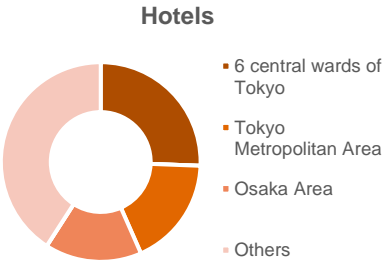
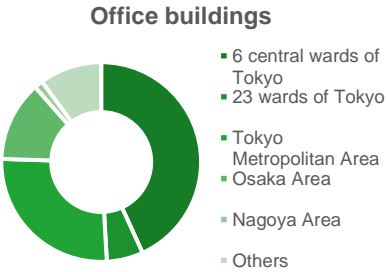
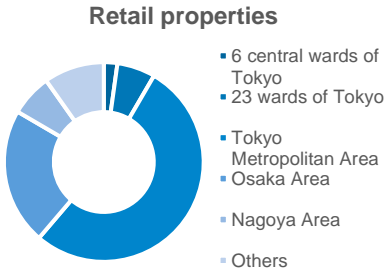
## 3-3 || Portfolio Summary

# Portfolio Summary

As of May 31, 2021



- Yodobashi Camera Multimedia Kichijoji
- Shin-osaka Central Tower
- Shinsaibashi OPA Honkan
- Shinjuku Washington Hotel Honkan
- Loisir Hotel & Spa Tower Naha



6 central wards of Tokyo : Chiyoda-ku, Minato-ku, Chuo-ku, Shinjuku-ku, Shibuya-ku, and Shinagawa-ku  
23 wards of Tokyo : 23 wards of Tokyo except for 6 central wards of Tokyo  
Tokyo Metropolitan Area : Tokyo Metropolitan Area except for 23 wards of Tokyo, and refers to Tokyo as well as Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures

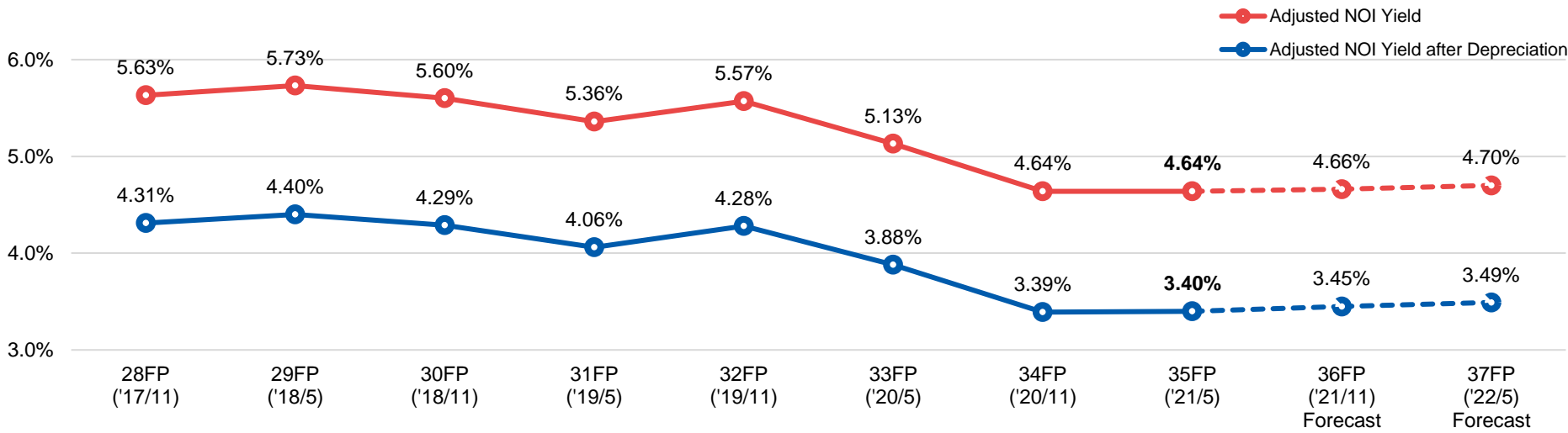
Osaka Area : Osaka, Kyoto and Hyogo prefectures  
Nagoya Area : Aichi, Mie and Gifu prefectures  
Others : Excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area

Note: Acquisition price based.



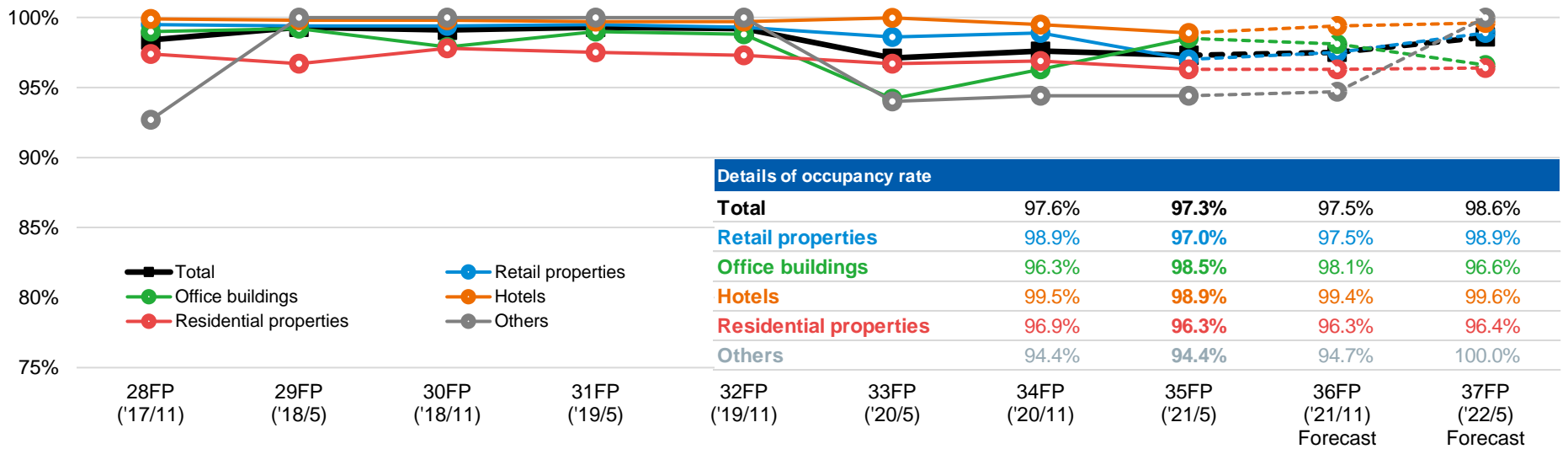
# Portfolio Performance

## Change in Portfolio Yield\*



\* Yield of the properties held at the end of the period are weighted average by acquisition price.

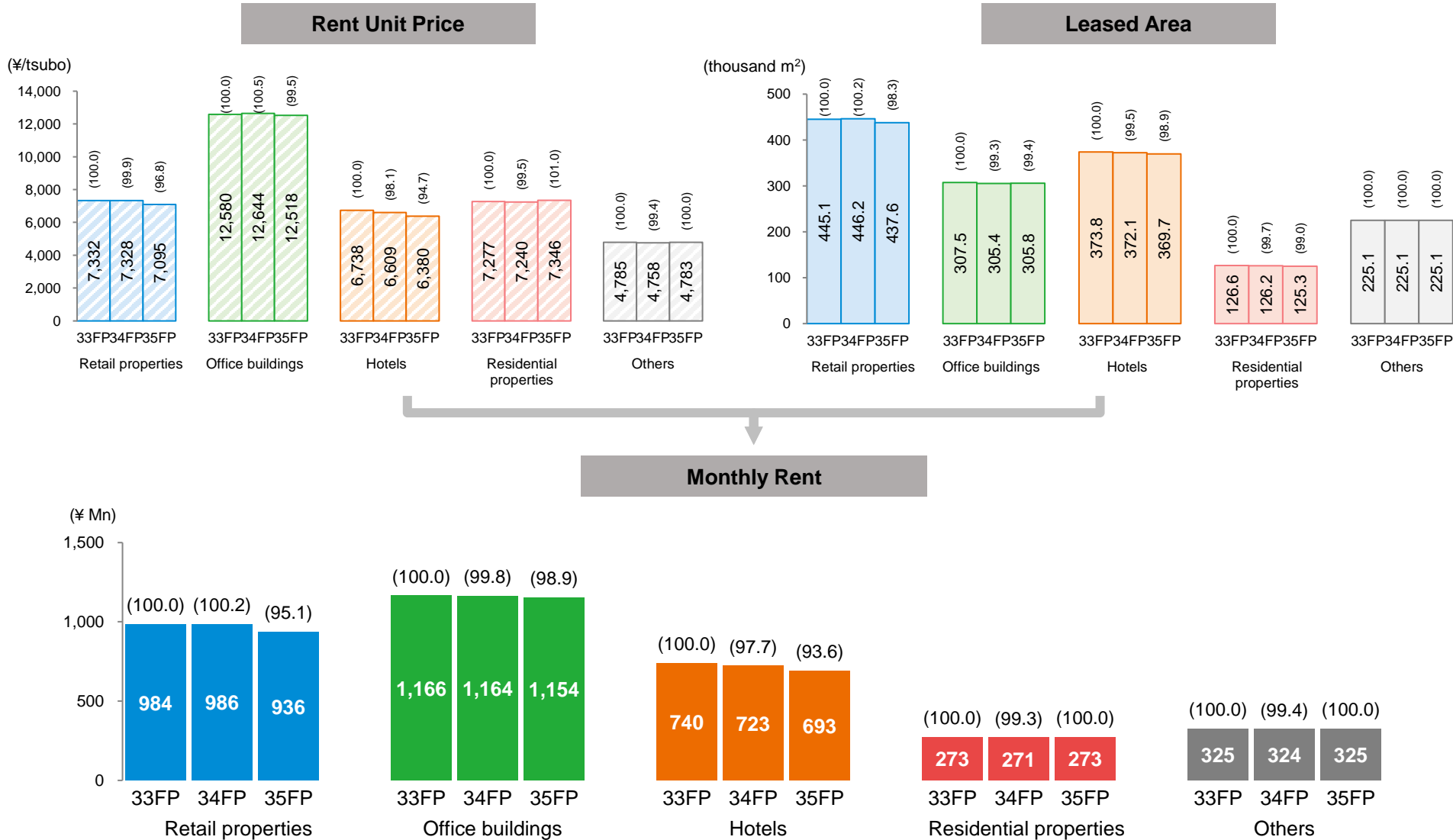
## Change in Portfolio Occupancy Rate (End of Fiscal Period)



# Change in Rent at Existing Properties

## Change in Monthly Rent (Based on Lease Contracts) at Existing Properties\*1~2

(The figures with parentheses show the index numbers, the end of 33rd FP (May 2020) are defined as 100)



\*1 "Existing Properties" refers to the 128 properties which have been owned by United Urban for one year or more as at the end of May 2021.

\*2 This analysis shows the trend of fixed rent only. Therefore, variable rent, based on sales volume, etc. is excluded from this analysis.

# 3 Strategy & Implementation

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3-4 || Finance

# Financial Standing

## Financing in 35th FP

	Repayment in 35 <sup>th</sup> FP	Financing in 35 <sup>th</sup> FP
Loans and bonds* <sup>1</sup>	¥25.7 Bn	¥28.9 Bn
Interest rate (excluding financing related expenses)* <sup>1, 2</sup>	0.74%	0.49%
Interest-bearing debt cost (including fees)* <sup>1, 3</sup>	0.92%	0.64%
Averaged duration* <sup>1</sup>	6.6 years	8.6 years

### Consistently Strengthen the Financial Base

- Issued ultra-long-term bonds (15 years / ¥1 Bn) to improve long-term financial stability and promoted long-term borrowing and refinancing.
- Procured the entire amount of new borrowing at a fixed rate to stabilize financial costs; Ratio of fixed interest rate is over 90%.
- Continue to reduce funding costs.

\*1 Interest bearing debt amount is total figure, and interest rate and term length are calculated by weighted average.

\*2 Borrowing expenses and corporate bond issuance expenses are excluded from these figures.

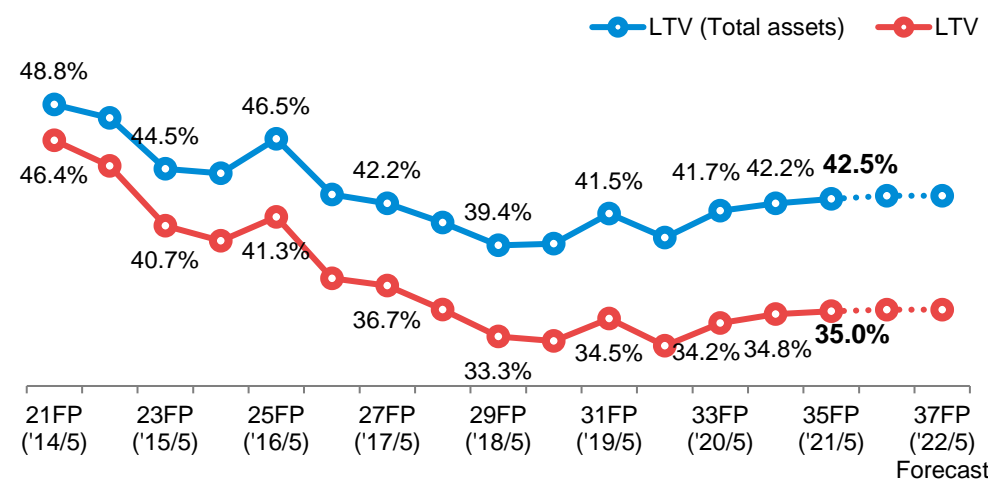
\*3 The fees concerning about borrowings or corporate bonds are included in these figures.

## Financial Indices

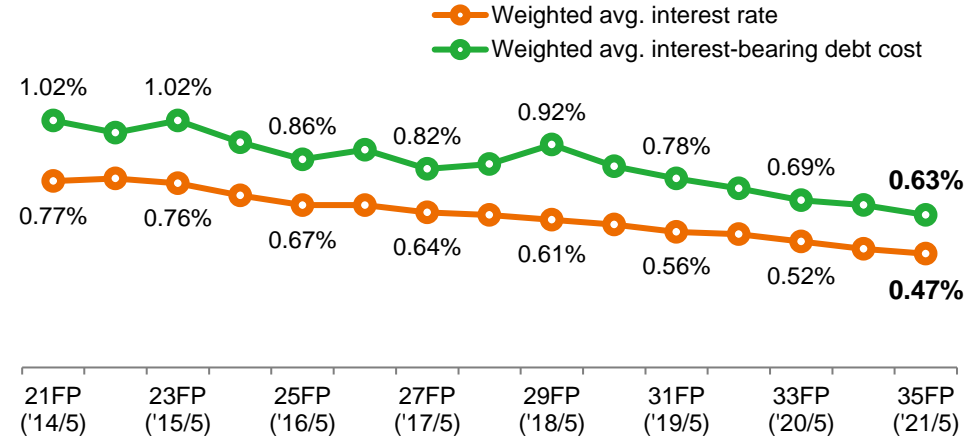
	End of 31 <sup>st</sup> FP (May 31, 2019)	End of 32 <sup>nd</sup> FP (Nov. 30, 2019)	End of 33 <sup>rd</sup> FP (May 31, 2020)	End of 34 <sup>th</sup> FP (Nov. 30, 2020)	End of 35 <sup>th</sup> FP (May 31, 2021)	As of Jun. 30, 2021
<b>Total interest bearing debt</b>	¥282.8 Bn	¥270.7 Bn	¥289.5 Bn	¥296.6 Bn	¥299.8 Bn	¥301.8 Bn
<b>Bank loans</b>	¥241.3 Bn	¥229.2 Bn	¥248.0 Bn	¥247.1 Bn	¥249.3 Bn	¥251.3 Bn
<b>Corporate bonds</b>	¥17.0 Bn	¥17.0 Bn	¥17.0 Bn	¥25.0 Bn	¥26.0 Bn	¥26.0 Bn
<b>Green finance</b>	¥24.5 Bn	¥24.5 Bn	¥24.5 Bn	¥24.5 Bn	¥24.5 Bn	¥24.5 Bn
<b>Collateral/Guarantee</b>	Nil					
<b>Weighted avg. duration of interest bearing debt</b>	4.1 years	3.9 years	3.9 years	4.0 years	4.3 years	4.4 years
<b>Weighted avg. interest rate of interest bearing debt</b>	0.56%	0.55%	0.52%	0.49%	0.47%	0.46%
<b>Long term ratio of interest bearing debt</b>	100% (Agreement base)					
<b>Ratio of fixed interest rate debt</b>	89.2%	88.7%	89.5%	89.5%	89.7%	91.1%
<b>Amount of commitment line</b>	¥36.0 Bn					

# Financial Standing

## LTV at the End of Fiscal Period

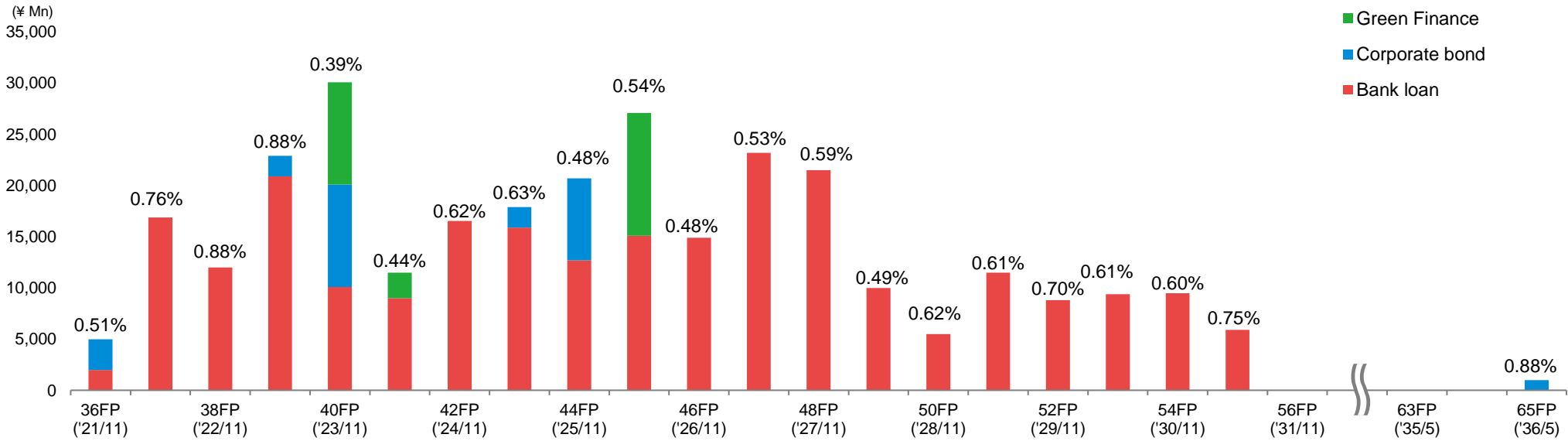


## Interest-bearing Debt Cost & Weighted Average Interest Rate Performance<sup>\*1~3</sup>



<sup>\*1</sup> Interest bearing debt cost is calculated by "(interest expenses + financing related expenses) / outstanding balance of interest-bearing debt at the end of fiscal period / number of operating days \* 365".  
<sup>\*2</sup> Weighted average interest rate on all the interest-bearing debt at the end of each fiscal period. Does not include financing related cost, etc.  
<sup>\*3</sup> The figure includes the lump-sum of bond issuance expenses of the bonds issued during the relevant fiscal period. The same applies to the figures from 22<sup>nd</sup>, 23<sup>rd</sup>, 29<sup>th</sup> and 31<sup>st</sup>.

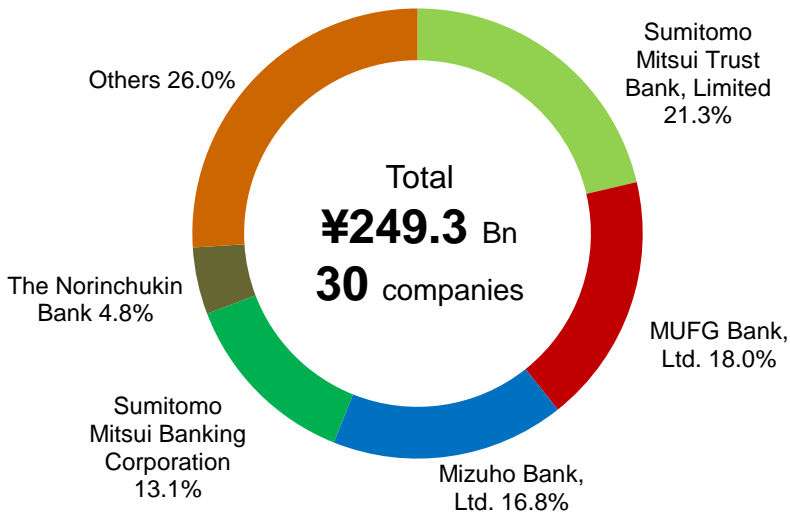
## Repayment & Redemption Schedule (as of June 30, 2021)



Note : The figures in above graph is weighted average interest bearing debt cost (interest rates which include borrowing-related expenses and corporate bond issuance expenses etc.) of all the interest bearing debt maturing on each fiscal period.

# Financial Standing

## Lenders & Borrowing Amount (as of May 31, 2021)



## Investment Corporation Bonds (as of May 31, 2021)

Name	Issue amount (¥ Mn)	Redemption date	Term (Year)	Interest
Series 15 of Unsecured Corporate Bonds	3,000	Oct. 29, 2021	7.0	0.525%
Series 16 of Unsecured Corporate Bonds	2,000	May 29, 2025	10.0	0.804%
Series 17 of Unsecured Corporate Bonds	10,000	Nov. 22, 2023	5.5	0.240%
Series 18 of Unsecured Corporate Bonds	2,000	May 22, 2023	5.0	0.230%
Series 19 of Unsecured Corporate Bonds (Green Finance)	10,000	May 22, 2026	7.0	0.448%
Series 20 of Unsecured Corporate Bonds	8,000	Aug. 8, 2025	5.0	0.270%
Series 21 of Unsecured Corporate Bonds	1,000	Mar. 21, 2036	15.0	0.760%
Total	36,000		6.4	0.373%

## Retained Earnings

	End of 34 <sup>th</sup> FP ('20/11)	35 <sup>th</sup> FP ('21/5)		End of 35 <sup>th</sup> FP
		Reserved	Decreased	
Reserve for temporary difference adjustment	7,140	—	-77	7,063
Reserve retained for distribution	5,404	+2	—	5,406
Total amount of retained earnings	12,544	+2	-77	12,469

Note: Each end of fiscal period amount shows amount after increasing or decreasing of reserve retained for distribution and reserve for reduction entry based on "Statements of Cash Distribution".

## Credit Rating

**AA**  
(Outlook : stable)  
Japan Credit Rating Agency, Ltd. (JCR)

Note: The long-term issuer rating has obtained from Moody's Japan K.K.(Moody's) was terminated on April 30, 2021 by our request in consideration of the effect and costs regarding the credit rating.

Total amount of  
retained earnings  
**¥12.4 Bn**  
As of end of 35<sup>th</sup> FP (May 31, 2021)

## Current policy

### 1. Promoting external growth through flexible fund procurement

Aim to mitigate dilution of DPU impacted by issuance of new units, conduct flexible fund procurement corresponding to the economic and financial markets and promote external growth.

### 2. Portfolio management over the long term

Aim to mitigate negative impact on dividends through utilization of retained earnings in such cases as when loss on sale of properties arises or when there are sudden decreases in revenue (due to major tenants' leaving, etc.) to build the optimum portfolio and perform asset management over the long term.

### 3. Coping with difference between accounting and taxation

Aim to avert the imposition of large amounts of corporate tax due to difference between accounting and taxation such as impairment loss by partially allocating retained earnings to cash distribution and mitigate the risk of decrease of cash distribution.

## Addition to the current policy

### Response to State of Emergency

In case that an unforeseen circumstance arises, and this is expected to give a significant impact on the United Urban's asset management, United Urban will clearly state its policy to utilize retained earnings in an effort to stabilize distributions.





# 3 Strategy & Implementation

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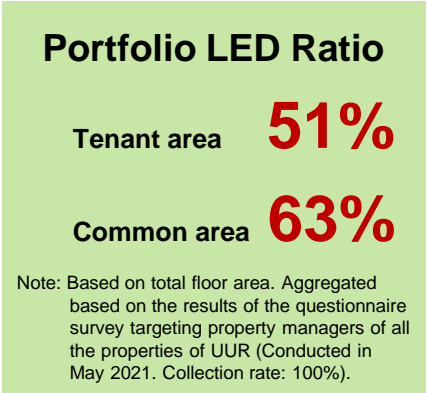
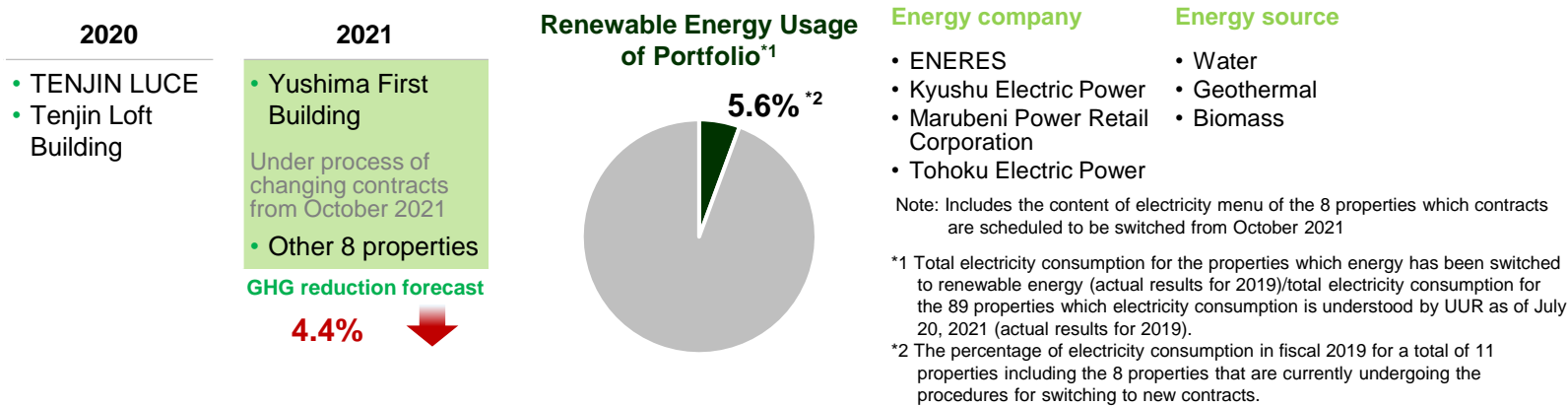
3-5 || ESG Initiatives

# ESG Initiatives: E (Environment)

## Easing Climate Change

### Switch to Renewable Energy

- United Urban specifies **Energy Management/Use of Renewable Energy** as a materiality and has been working on the long-term goal of **Cut GHG emission of the office portfolio by 40% by 2030 compared to 2014.**
- Since 2020, replacing with better electricity menu to achieve the target.



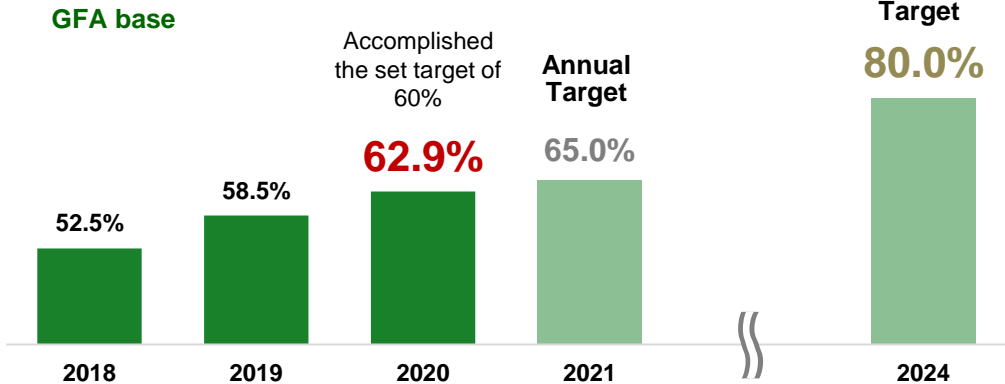
### Reduce Greenhouse Gas (GHG) emission at office buildings



# ESG Initiatives: E (Environment)



## Easing Climate Change

### Environment Certification Coverage



Note: Denominator is a total of portfolio GFA, excluding the properties consisting of only land. ARENA TOWER and LOOP-X・M received more than one recognitions of environment certifications, but the overlaps are deducted in the total.

### # of Properties with Environment Certification

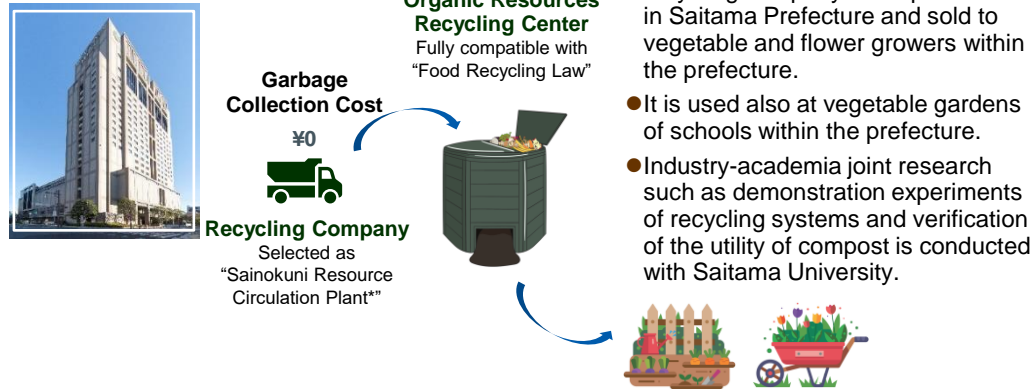
DBJ Green Building		13	CASBEE		27	BELS		27
 DBJ Green Building 2019	★★★★	1	 環境性能総合性評価制度 CASBEE® 不動産 2020 グリーンプラス認証制度	★★★★★	8	 Building Evaluation System BELS	★★★★★	4
	★★★	8		★★★★	19		★★★★	3
	★★	3					★★★	11
	★	1					★★	9

Note: as of April 30, 2021.

## Other Initiatives to Mitigate Environmental Burden

- Reuse of Garbage
- Compost garbage since 2018
- Reduce garbage disposal cost

### Royal Pines Hotel Urawa (Saitama Prefecture)



\*Environmental industry and research & development base developed towards the establishment of a resource-recycling society. It consists of a private recycling facility, PFI thermal recycling facility, prefectural final disposal site and a prefectural and private research facility, and the recycling company is one of such facilities.

## Promoting ESG Actions in UUR and JRA

- UUR formulated the **Environmental Policies** in 2012.
- In 2013, JRA launched the **Sustainability Committee** (CIO as the chairman) to be engaged in solving ESG issues across it teams. With a focus on a speedy decision-making, executive officers (CEO, CFO, CCO) participate as a committee member.
- Also, JRA established the **Energy Saving Committee** and the **Energy Saving Working Group** in 2012 as a taskforce to reduce energy consumption.
- Following the long-term goals agreed in the Paris Agreement, UUR sets a **target to reduce the greenhouse gas (GHG) emission by 40% in the office portfolio by 2030 compared to 2014** (see page 46).
- In 2021, with an **aim to further encourage ESG awareness** in JRA, each head of the departments joined the Sustainability Committee to **accelerate actions of addressing ESG issues** in a more practical manner. Furthermore, **ESG team** has been organized in the Asset Management Division with members appointed from each asset management department who are responsible of ESG operations in each property of UUR.

## Engagement with Property Manager (PM)

United Urban intends to deepen engagement with PMs, important partner companies of United Urban, through the following initiatives to accelerate practical initiatives on ESG issues.

- **Add ESG-related clauses to the standard contract with PM**

A contract including ESG-related clauses shall be deemed as the new standard contract. United Urban strives to have a dialogue with the existing PMs to switch contracts to those including ESG-related clauses upon the renewal of contracts.

- **Add ESG factors upon the evaluation and selection of PM**

Add ESG factors to the evaluation items in the annual evaluation to all PMs and promote the resolution of ESG issues together with United Urban (to be incorporated in February 2022).

- **Introduction of award system in accordance with performance**

Express gratitude for the contribution to daily management to PMs that demonstrate appropriate performance in the annual evaluation so that United Urban and PMs can tackle ESG issues by cooperating with each other over the med to long term.

### PM Award System

Two PMs were honored in 2020.



United Urban held an online award ceremony at JRA office. The photo shows the PM of UUR Court Sapporo Minami-Sanjo (HASEKO LIVENET, Inc. within the monitor) and the staff of JRA.

### ESG Clauses (Overview)

- Strive to execute business in accordance with each policy in “Environmental Policy” and “ESG Policy of Supply Chains” stipulated by United Urban
- Cooperate energy saving, consider environment and respond to laws and regulations related to environmental issues
- Proactive proposals of measures leading to the reduction of environmental burden

United Urban has reached an agreement in the new standard contract with each of the new PMs to which the property management business of the 2 properties acquired in the 36<sup>th</sup> FP will be entrusted.

## Initiatives to Prevent the Spread of COVID-19

- **Received patients with mild or no symptoms for medical treatment and medical personnel**

In response to requests from local governments to help prevent the collapse of the medical care system caused by the spread of COVID-19, hotels of Urban have been used as a lodging facility for medical treatment for the COVID-19 patients with mild or no symptoms who need medical treatment as well as medical personnel

- **Offered space for inoculation of the COVID-19 vaccination**

COVID-19 vaccination (workplace vaccination and large-scale vaccination at local municipalities) has been sequentially implemented from June 2021 at multiple hotels of United Urban.



## Improve Wellness Program for Employees of JRA

- **Vaccination Leave**

When employees (including contract workers) are vaccinated during working hours, they will be regarded as working during working hours. If employees themselves have difficulty working due to the occurrence of side effects after vaccination, they may be allowed by their supervisors to take special paid leave from the date of vaccination or the next day. In addition, employees will be regarded as working during working hours even when accompanying their family members who live in the same house to vaccination sites and may be allowed by their supervisors to take special paid leave from the date of vaccination or the next day if their family members who live in the same house need nursing care due to the occurrence of side effects. Such rules will be applied until the second vaccination.

- **PCR Testing Cost at JRA's Expense**

Full costs of PCR tests will be incurred by JRA when employees (including contract workers) fall under the following cases and cannot receive public financial support: When testing positive; When becoming a close contact; When employees request companies to bear the cost in the case of engaging in face-to-face contact with a person who has tested positive within a certain period



# ESG Initiatives: S (Society)

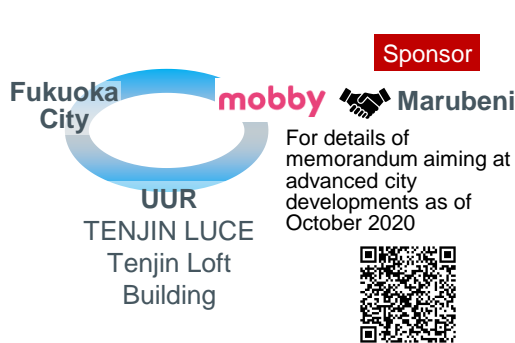
## Contribution to Local Community

### ■ Participate in a social pilot program

- United Urban cooperates in the “**improvement of efficiency of intraregional movements using shared electric kickboards and resolution of last one-mile issues**\*1,” an experimental project hosted by **mobby ride Inc.** certified as a full support business of demonstration by Fukuoka City\*2.
- The driving data obtained through the experiments will be submitted to the government by mobby and used to consider to **formulate traffic rules for various traffic settings including electric kickboards and to realize a society where electric kickboards and people can coexist.**
- **United Urban is leasing parts of the sites of its properties to the project for free**, and such sites are used as exclusive parking spaces for electric kickboards during the experiment.

\*1 Implementation period: From April 27, 2021, to October 31, 2021 (scheduled). Sharing services enabling free travel among exclusive parking spaces designated by Fukuoka City will be provided using the entire area of Chuo-ku and part of Minami-ku in Fukuoka City as the service area.

\*2 Fukuoka City solicits demonstration experiment projects that lead to the resolution of social issues and the enhancement of quality of life using cutting-edge technologies including AI and IoT from all over Japan as needed, and fully supports demonstration experiments of excellent projects in the city.



### Electric Kickboard

It attracts attention as a one-mile transportation method in a super-aging society with a low birthrate or as a measure to revitalize tourism. Because an electric kickboard is treated as a “motorized bicycle” in Japan, drivers are required to carry their license and wear helmets while riding and lights, side mirrors and number plates must be equipped. Various considerations are being made by the government and experts towards the enhancement of convenience when driving on public roads by eyeing legal amendments.



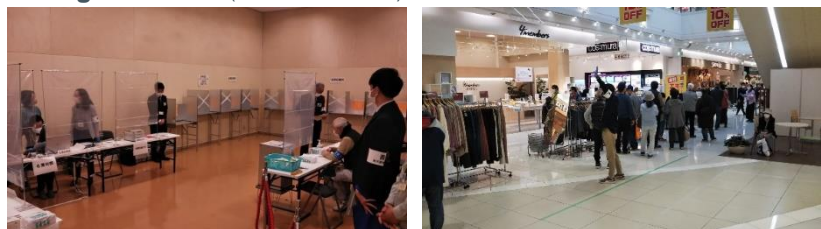
Left: Electric kickboards of mobby ride Inc. parked at an exclusive parking space designated by Fukuoka City during the demonstration experiment (TENJIN LUCE).

Right: Driving experiment without helmets on public roads.

### ■ Support the Early Voting Station

- As the first attempt, **United Urban leased a part of the inside of the property to Chiba Prefecture as an early voting station for the Chiba Gubernatorial Election** for free.
- More than 6,000 residents of Chiba Prefecture came and voted over 6 days from March 15-20, 2021 (12% of all early voters). Approximately 2,000 people came to vote on the last day of early voting. Some degree of contribution to sales of restaurants was seen.
- United Urban owns large retail facilities used by local people and considers the continuous implementation of such initiative as a member shaping the community.

### Mallage Kashiwa (Chiba Prefecture)



Left: Inside the early voting station.

Right: Queue of voters who came to early voting station.

### ■ UNHCR Fund Raising Campaign

- On behalf of UNHCR (United Nations High Commissioner for Refugees), Japan for UNHCR conducted fund raising campaigns at Luz Shonan Tsujido and Luz Funabashi.
- Japan for UNHCR is an official representative point of contact of UNHCR.
- As a member of society, United Urban also plans to offer space for the campaign in 2021.



### Luz Shonan Tsujido



Staff of Japan for UNHCR explaining about the campaign to a visitor.

# ESG Initiatives: G (Governance)

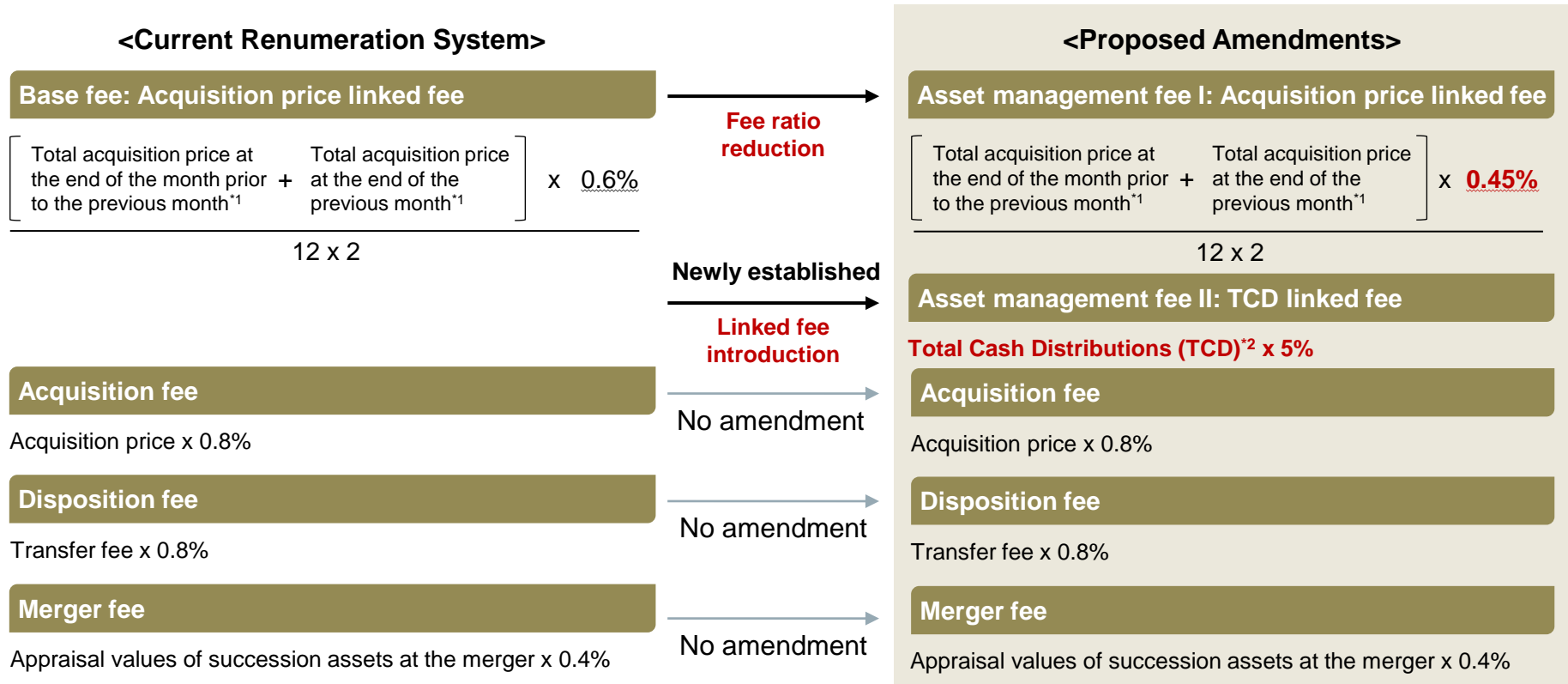
## Plan to Revise the Remuneration System of Asset Management Company to What is More Linked to the Unitholders' Interest

United Urban will propose the following amendments to the Articles of Incorporation at the Eleventh General Meeting of Unitholders scheduled on August 31, 2021. Please refer to “Notice Concerning Amendments to the Articles of Incorporation and Election of Officers” dated July 20, 2021.



### Purpose

- Set more linkage link between asset management fees and unitholders' interest.
- Strengthen commitment of the asset management company to DPU growth.



\*1 The total acquisition price means the total amount of acquisition price of real state, etc., real estate-backed securities, specified bond certificates, Assets such as Real Estate-Related Loan, or Infrastructure-Related Assets held by the Investment Corporation at the end of the relevant month (in case other than sales and purchase transaction, price which is to be the consideration of acquisition of the specified assets such as capital contribution or underwritten price).

\*2 The amount of cash distribution in the Statements of Cash Distribution.









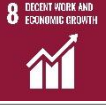








Note: Approval at the 11th General Meeting of Unitholders scheduled to be held on August 31, 2021 is a prerequisite.

# ESG Initiatives

## Actions on ESG Materiality

Among various ESG issues, United Urban has selected some to be addressed as a real estate investment trust based on the concept of **SDGs (Sustainable Development Goals)**. Major ESG initiatives on which United Urban places a high priority have been specified as "**Materiality**". The action plan and target for each item under Materiality are monitored annually and reviewed accordingly.

### Materiality (2021) & Related SDGs

	Materiality	Action Plan/Target
Environment	<b>Energy management/ use of renewable energy</b>  	<b>Cut the greenhouse gas (GHG) emission at office buildings by 40% by 2030 compared to 2014.</b>
	<b>Green certified buildings</b>   	<ul style="list-style-type: none"> <li>Acquire external environmental certification including GRESB Green Star.</li> <li>Raise environment certification coverage to 65% (GFA based) by 2021.</li> </ul>
	<b>Tenant and property manager engagement</b>   	<b>Incorporate green lease clauses in 100% of contracts by 2030.</b> Contracted area where tenants have agreed the UUR's green lease clauses out of total contracted area of buildings categorized as office buildings by UUR (exclusive of residential area within those office buildings)
Society	<b>Employee job satisfaction/wellness</b> 	<ul style="list-style-type: none"> <li>Enhance productivity and quality of outcome through IT investment.</li> <li>Nurture a more collaborative corporate culture where employees value in each other and give support.</li> <li>Encourage to take more paid leaves.</li> </ul>
	<b>Contribution to local community/local government</b>   	As a responsible member of society, contribute to disaster prevention measures and revitalization for local communities.
	<b>Employee performance/ career development</b>  	<ul style="list-style-type: none"> <li>Encourage to acquire qualifications and to take job specific training programs.</li> <li>Provide job type trainings.</li> </ul>
Governance	<b>Disclosure and assurance</b> 	Further strengthen the asset management capability with the system installed in 2019.
	<b>Disclosure for investors</b> 	More investor-friendly disclosure on non-financial information including ESG related initiatives (Receive higher rating).
	<b>Executive compensation/ Employee remuneration</b> 	Introduce a performance-based fee structure on an asset management services.



Global Initiatives

- PRI**
- JRA became a signatory member to PRI in November 2018.



Disclosure Policy

- ESG information on United Urban’s website and ESG Report have been disclosed based on **GRI Standard** as well as the real estate standard in **SASB**.
- It is also updated semiannually in presentation materials and semiannual reports.

ESG on UUR Website



<https://www.united-reit.co.jp/en/feature/esg/ind ex.html>

ESG Report 2020



[https://www.united-reit.co.jp/assets/feature/en/ esg/esg\\_report\\_2020.pdf](https://www.united-reit.co.jp/assets/feature/en/ esg/esg_report_2020.pdf)

GRI: Global Reporting Initiative  
SASB: Sustainability Accounting Standard Board  
**SASB report is attached in the ESG Report (right image) that United Urban creates since 2018.**

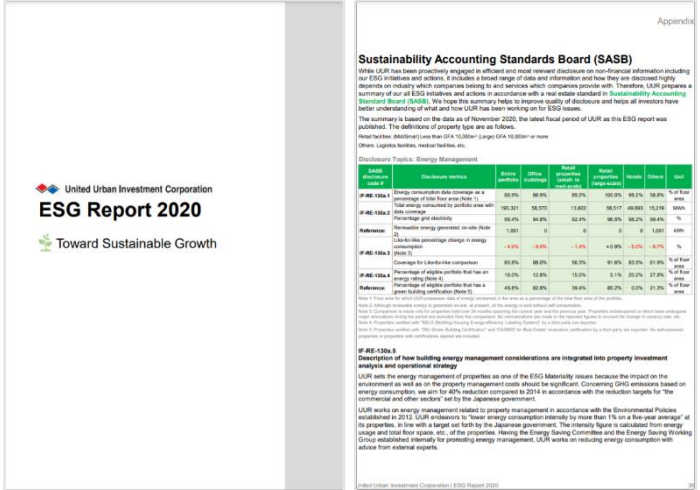
External Recognition

- The “Green Star” rating, the highest status, was granted to United Urban in 2020 for six years running. The star-rating was upgraded to the “Three-star”.
- Also, the “A” rating, the highest rating for public disclosure level assessment, was granted for the third consecutive year.

GRESB Real estate assessment



GRESB Public disclosure level assessment



Published in March 2021



# Definitions 1/2

Terms	Definitions
UUR/ United Urban	Refers to United Urban Investment Corporation.
JRA	Refers to Japan REIT Advisors Co., Ltd., the asset management company of UUR.
Fiscal period	Each fiscal period ends on the last day of May or of November, and main fiscal periods and the number of operating days that appear in this document are as follows •32nd FP: from June 1, 2019 to November 30, 2019 (183 days) •33rd FP: from December 1, 2019 to May 31, 2020 (183 days) •34th FP: from June 1, 2020 to November 30, 2020 (183 days) •35th FP: from December 1, 2020 to May 31, 2021 (182 days) •36th FP: from June 1, 2021 to November 30, 2021 (183 days) •37th FP: from December 1, 2021 to May 31, 2022 (182 days)
The Merger	UUR merged with Nippon Commercial Investment Corporation (NCI) with UUR being the surviving investment corporation with December 1, 2010 as the effective date.
Division of units	The 6-for-1 unit split of UUR investment units with December 1, 2010 as the effective date.
Acquisition (sale) price	The amount described in a purchase and sale agreement etc. excluding miscellaneous expenses for the acquisition (sale), property taxes, city planning taxes, consumption tax, etc. The acquisition price of NCI properties is the acceptance price at the time of the Merger.
Retained earning	The voluntary retained earnings. The provision of voluntary retained earnings may be indicated as “retained earnings” for tax purposes.
Voluntary retained earnings	The collective amount of reserve for temporary difference adjustment and reserve for distribution.
Reserve for temporary difference adjustment	A kind of voluntary retained earnings, comprised of reserves derived from the gains on negative goodwill and reserves for future appropriation of retained earnings within the difference in amount between the accounting and tax treatment of excess earnings in each accounting period. The difference between the accounting and tax treatment of excess earnings refers to the difference where the deduction adjustment is larger than the addition adjustment (excluding permanent difference) in tax treatment for the accounting period.
Negative goodwill	The gain on negative goodwill in accounting as a result of The Merger. The reserve for temporary difference adjustment that is accumulated based on the gain may be referred to as negative goodwill.
Difference between accounting and tax treatment	It means there is the difference between the profit in accounting and the taxable income adjustment profit on the Merger. It mainly arises because the expenses required to be booked in accounting are not equal to the expenses permitted to be booked in tax treatment. With regard to UUR, there is a difference between the "book value in accounting" and "book value in tax treatment" regarding NCI properties acquired through the Merger. Accordingly, differences of depreciation and gain (loss) on the property sale, etc. in accounting and tax treatment remain permanently.
EPU	Calculated by "net income / the total number of investment units issued and outstanding at the end of the fiscal period". So, it is different from the "net income per unit" for accounting purposes which is calculated based on the average number of investment units issued for each fiscal period.
NAV per unit	Calculated by “total net assets - total distribution amount - total book value of portfolio + total year-end appraisal value of portfolio) / the number of investment units issued as of each fiscal year-end”.

## Definitions 2/2

Terms	Definitions
LTV (total assets basis)	Calculated by "Interest-bearing liabilities (including corporate bonds) / Total Assets * 100(%)".
LTV (fair value basis)	Calculated by "Interest-bearing liabilities (including corporate bonds) / Total Assets (Net Assets + Appraised value at the end of fiscal period – Book value at the end of fiscal period) * 100(%)".
NOI	Net Operating Income; the figure equal to the amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues.
Estimated NOI yield	Calculated by "Estimated NOI (annualized) / Acquisition price * 100(%)" Estimated NOI (annualized) for acquired properties is the annual estimated NOI from the time of acquisition by UUR and is calculated based on the leasing conditions after acquisition.
Estimated NOI yield after depreciation	Calculated by "estimated NOI after depreciation (annualized) / Acquisition price * 100(%)" Estimated NOI after depreciation (annualized) for acquired properties is the NOI amount arrived at by deducting the estimated depreciation amount (annualized) from the estimated NOI (annualized). Estimated depreciation amount (annualized) is the annual estimated depreciation amount from the time of acquisition by UUR and is calculated, in line with UUR's accounting policy, using the straight line depreciation rate (assumed when in the acquisition) according to the life of each acquired property.
Adjusted NOI yield	Calculated by "Adjusted NOI / Acquisition price / number of operating days * 365 (annualized) * 100(%)" In the case of acquired properties, Adjusted NOI is the NOI amount after recording taxes (fix asset tax & city planning tax) for acquisition as expenses which are generally included in the acquisition cost.
Adjusted profit after depreciation	Calculated by "Adjusted NOI after depreciation / Acquisition price / Number of operating days * 365 (annualized) * 100(%)" It is the amount arrived at by deducting depreciation and amortization for part of properties, estimated or adjusted figures, in the FP from the Adjusted NOI in the FP.
Occupancy rate	Calculated by "total leased floor space / total leasable floor space"
GOP	Gross Operating Profit; It is the gross profit amount of hotel operations, which is calculated by deducting the non-allocation costs (e.g. labor costs and utility costs of corporate or sales section which cannot be included in the operating costs of other sections, etc.) from the profit of hotel business (lodging, banquet and others).
Variable rent system with GOP/sales (GOP ratio/Sales ratio)	It is the rent system where a calculated amount is receivable by multiplying GOP by a determined rate as rental income or an amount of sales exceeding over a determined level is receivable as rental income.
RevPAR	Revenue Per Available Room; calculated by "Hotel sales from guest rooms per day / the number of marketable guest rooms."



# United Urban Investment Corporation

Asset Management Company  
Japan REIT Advisors Co., Ltd.

**Marubeni  
Group**

Registration No. 336 by Kanto Local Bureau  
Member of The Investment Trust Association, Japan  
Finance Dept. TEL +81-3-5402-3680 FAX +81-3-5402-3199

## Disclaimer

- This document has been prepared by United Urban Investment Corporation ("UUR") for informational purpose only and should not be construed as an offer of any transactions or the solicitation of an offer of any transactions. Please inquire with various securities companies concerning the purchase of UUR investment units. Final investment decisions should be made at the responsibility and discretion of the investors themselves.
- This material does not constitute a disclosure document or a management report under the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations, or the regulations of the Tokyo Stock Exchange.
- Data, analyses, etc., in this document are based on the actual results of a certain period in the past, and do not guarantee management results or their fluctuations in the future. In addition, this document includes forward-looking statements on future operating results. Such forward-looking statements do not constitute a guarantee of future operating results. Furthermore, the investment return of a real estate investment trust may become lower than the investment principal depending on the fluctuations in the price of the real estate under management and their profitability.
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## Caveat

- Unless otherwise specifically indicated in this material, amounts have been rounded down to the specified unit, and the ratios, number of years and magnifications have been rounded to one decimal place.
- Final investment decisions should be made at the responsibility of the investors themselves.



**United Urban Investment Corporation**

**Presentation Material (Appendix)**

**35<sup>th</sup>**

# **Fiscal Period**

(Six months ended May 2021)

Securities Code: 8960

<https://www.united-reit.co.jp/en>





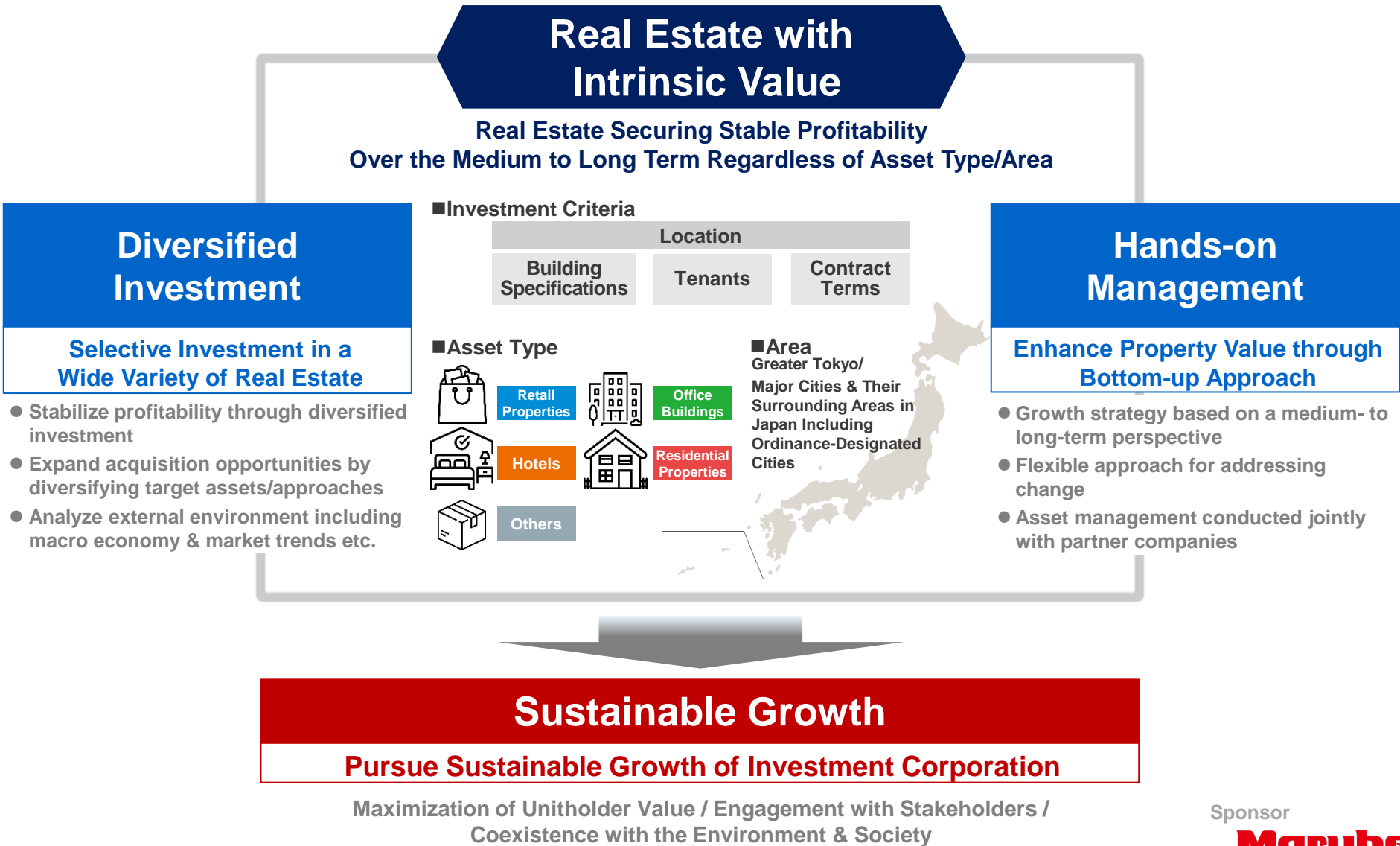
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## Information Disclosure of Individual Properties

In light of ongoing discussions concerning the reduction and postponement of rent payments, etc. with individual tenants that have been impacted by COVID-19, income and expenses by property have not been disclosed for the results of the 35<sup>th</sup> FP. Once these matters have been resolved, the information will be disclosed as in the past.

## A J-REIT Pursuing **Sustainable Growth** by Identifying Real Estate with Intrinsic Value



# Financial Indices

(millions of yen, unless otherwise indicated)

		FP 2021/5 (35th FP: 182 days)	FP 2020/11 (34th FP: 183 days)	FP 2020/5 (33rd FP: 183 days)	FP 2019/11 (32nd FP: 183 days)	FP 2019/5 (31st FP: 182 days)
Total assets		704,135	701,982	694,089	678,208	680,901
Number of properties	(properties)	133	130	129	122	120
Interest-bearing liabilities		299,833	296,633	289,533	270,777	282,884
Net asset		365,797	365,666	366,863	367,970	357,789
Net asset per unit	(yen)	117,305	117,263	117,647	118,002	117,112
Return on Assets (ROA) (annualized)	(%)	2.8%	2.8%	2.8%	3.1%	3.7%
Return on Equity (ROE) (annualized)	(%)	5.4%	5.3%	5.2%	5.8%	7.0%
Equity ratio	(%)	51.9%	52.1%	52.9%	54.3%	52.5%
Debt service coverage ratio <sup>*1</sup>	(X)	16.0	14.9	14.8	15.6	16.9
NOI		15,310	15,192	16,880	17,933	16,759
FFO <sup>*2</sup>		12,085	11,859	13,634	14,676	13,462

		FP 2018/11 (30th FP: 183 days)	FP 2018/5 (29th FP: 182 days)	FP 2017/11 (28th FP: 183 days)	FP 2017/5 (27th FP: 182 days)	FP 2016/11 (26th FP: 183 days)
Total assets		651,242	648,503	663,531	675,885	648,105
Number of properties	(properties)	119	116	116	123	119
Interest-bearing liabilities		257,384	255,884	271,607	285,857	277,407
Net asset		356,029	355,017	353,258	351,801	333,592
Net asset per unit	(yen)	116,536	116,205	115,629	115,152	112,966
Return on Assets (ROA) (annualized)	(%)	3.6%	3.7%	3.4%	3.1%	2.9%
Return on Equity (ROE) (annualized)	(%)	6.6%	6.8%	6.4%	6.0%	5.9%
Equity ratio	(%)	54.7%	54.7%	53.2%	52.1%	51.5%
Debt service coverage ratio <sup>*1</sup>	(X)	15.9	15.8	14.5	13.2	11.6
NOI		17,253	18,051	17,514	17,528	15,679
FFO <sup>*2</sup>		13,974	14,773	14,144	14,213	11,870

\*1 The amount of Gain on Negative Goodwill are not taken into account in calculating FFO and Debt service coverage ratio.

\*2 FFO = Net Income + Depreciation and Amortization + Gain/Loss on Sales of Real Estate

# Balance Sheet

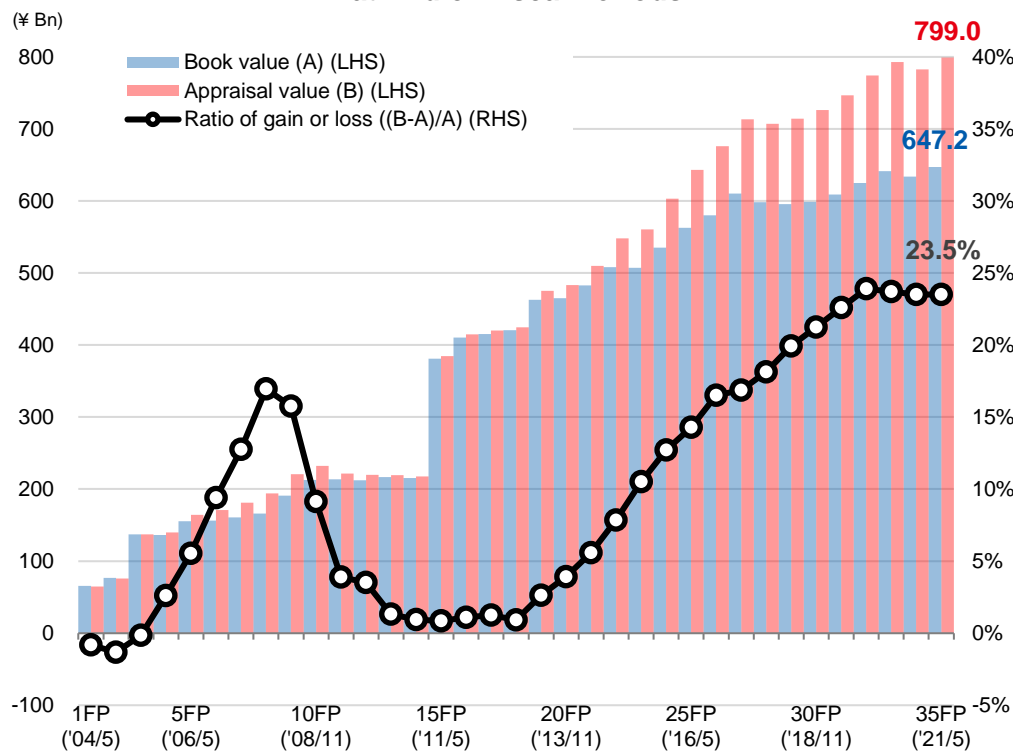
		End of 34th Fiscal Period (November 30, 2020)		End of 35th Fiscal Period (May 31, 2021)		Change	
		(JPY Mn)	percentage	(JPY Mn)	percentage	(JPY Mn)	ratio
ASSETS	Current Assets	66,320	9.4%	54,820	7.8%	-11,500	-17.3%
	Cash and bank deposits	65,483	9.3%	53,567	7.6%	-11,916	-18.2%
	Rent receivables	569	0.1%	439	0.1%	-130	-22.8%
	Other	267	0.0%	812	0.1%	+545	+203.5%
	Fixed Assets	635,621	90.5%	649,261	92.2%	+13,640	+2.1%
	Property and equipment	624,424	89.0%	637,910	90.6%	+13,486	+2.2%
	Land	423,617	60.3%	436,331	62.0%	+12,714	+3.0%
	Buildings and structures	270,295	38.5%	274,470	39.0%	+4,174	+1.5%
	Machinery and equipment	3,100	0.4%	3,229	0.5%	+128	+4.1%
	Tools, furniture and fixtures	1,604	0.2%	1,791	0.3%	+186	+11.6%
	Construction in progress	190	0.0%	221	0.0%	+31	+16.1%
	Subtotal	698,809	99.5%	716,043	101.7%	+17,234	+2.5%
	Less accumulated depreciation	-74,385	-10.6%	-78,132	-11.1%	-3,748	+5.0%
	Intangible assets	9,467	1.3%	9,460	1.3%	-7	-0.1%
	Software	8	0.0%	8	0.0%	-1	-7.0%
	Leasehold	9,320	1.3%	9,320	1.3%	-	+0.0%
	Other	137	0.0%	131	0.0%	-7	-4.8%
	Investments and other assets	1,730	0.2%	1,890	0.3%	+160	+9.3%
	Long-term prepaid expenses	1,640	0.2%	1,800	0.3%	+160	+9.8%
	Other	89	0.0%	89	0.0%	-	+0.0%
	Deferred assets	39	0.0%	53	0.0%	+14	+33.9%
	Investment corporation bond issuance costs	39	0.0%	53	0.0%	+14	+33.9%
TOTAL ASSETS		701,982	100.0%	704,135	100.0%	+2,153	+0.3%
LIABILITIES	Current Liabilities	47,838	6.8%	36,869	5.2%	-10,968	-22.9%
	Trade accounts payable	2,445	0.3%	1,983	0.3%	-462	-18.9%
	Current portion of corporate bonds	3,000	0.4%	3,000	0.4%	-	+0.0%
	Long-term debt due for repayment within one year	36,400	5.2%	27,600	3.9%	-8,800	-24.2%
	Rent received in advance	3,526	0.5%	3,587	0.5%	+61	+1.7%
	Other	2,467	0.4%	699	0.1%	-1,768	-71.6%
	Long-term Liabilities	288,477	41.1%	301,467	42.8%	+12,990	+4.5%
	Corporate bonds	32,000	4.6%	33,000	4.7%	+1,000	+3.1%
	Long-term debt	225,233	32.1%	236,233	33.5%	+11,000	+4.9%
	Leasehold and security deposits received	31,118	4.4%	32,118	4.6%	+1,000	+3.2%
	Other	126	0.0%	115	0.0%	-10	-8.1%
TOTAL LIABILITIES		336,316	47.9%	338,337	48.1%	+2,022	+0.6%
NET ASSETS	Unitholders' Equity	365,792	52.1%	365,913	52.0%	+121	+0.0%
	Unitholders' capital	319,973	45.6%	319,973	45.4%	-	+0.0%
	Capital surplus	23,548	3.4%	23,548	3.3%	-	+0.0%
	Reserve for temporary difference adjustment	7,218	1.0%	7,140	1.0%	-78	-1.1%
	Reserve retained for distribution	5,402	0.8%	5,404	0.8%	+2	+0.0%
	Unappropriated retained earnings	9,650	1.4%	9,847	1.4%	+197	+2.0%
	Deferred gains or losses on hedges	-126	-0.0%	-115	-0.0%	+10	-8.1%
TOTAL NET ASSETS		365,666	52.1%	365,797	51.9%	+131	+0.0%

# Income Statement

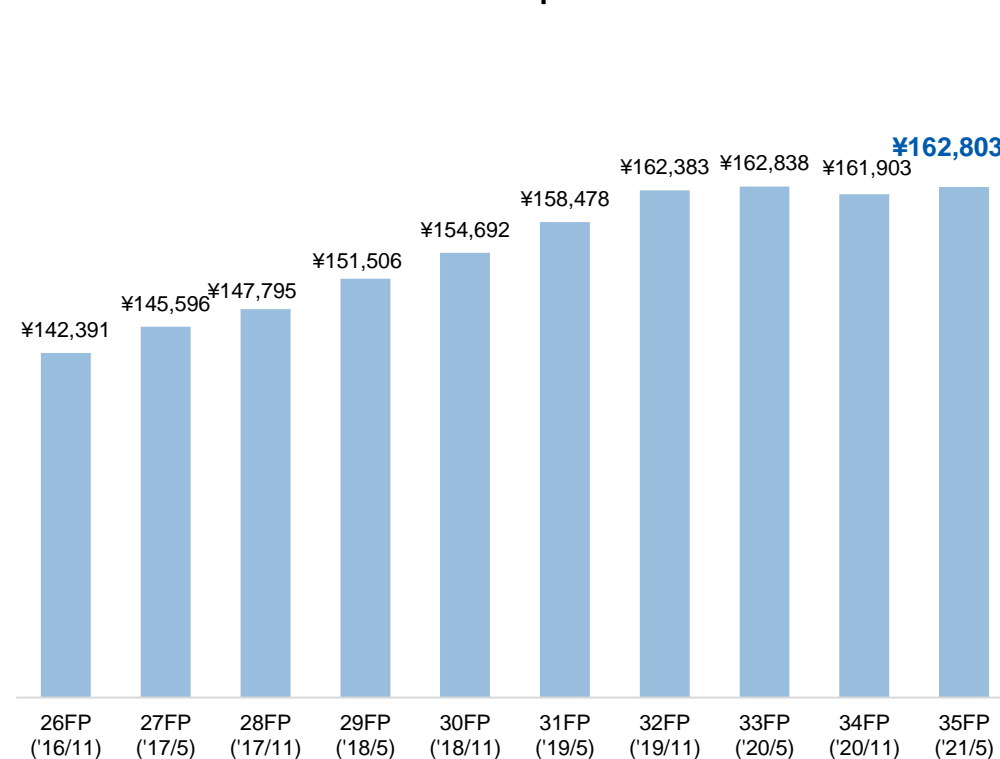
	34th Fiscal Period (June 1, 2020-November 30, 2020)		35th Fiscal Period (December 1, 2020-May 31, 2021)		Change	
	(JPY Mn)	percentage	(JPY Mn)	percentage	(JPY Mn)	ratio
OPERATING REVENUES	23,945	100.0%	24,198	100.0%	+254	+ 1.1%
Rental revenues	20,300	84.8%	20,751	85.8%	+451	+ 2.2%
Other rental revenues	1,751	7.3%	1,550	6.4%	-201	-11.5%
Gain on sales of real estate properties	1,893	7.9%	1,896	7.8%	+3	+ 0.1%
OPERATING EXPENSES	13,300	55.5%	13,414	55.4%	+114	+ 0.9%
Property-related expenses	10,959	45.8%	11,122	46.0%	+163	+ 1.5%
Property and other taxes	2,134	8.9%	2,155	8.9%	+22	+ 1.0%
Property management fees	1,726	7.2%	1,858	7.7%	+132	+ 7.6%
Utilities	1,303	5.4%	1,212	5.0%	-91	-7.0%
Casualty insurance	24	0.1%	24	0.1%	-0	-0.3%
Repairs and maintenances	1,227	5.1%	1,310	5.4%	+83	+ 6.7%
Depreciation and amortization	4,100	17.1%	4,130	17.1%	+29	+ 0.7%
Other	442	1.8%	431	1.8%	-11	-2.5%
Selling, General & Admin. expenses	2,340	9.8%	2,291	9.5%	-49	-2.1%
Asset management fees	1,989	8.3%	1,993	8.2%	+4	+ 0.2%
Asset custodian fees	18	0.1%	18	0.1%	+0	+ 0.9%
Administrative service fees	68	0.3%	68	0.3%	-0	-0.2%
Directors' compensation	10	0.0%	10	0.0%	-	+ 0.0%
Other	254	1.1%	200	0.8%	-53	-21.0%
OPERATING INCOME	10,644	44.5%	10,784	44.6%	+140	+ 1.3%
NON-OPERATING REVENUES	12	0.1%	10	0.0%	-3	-21.3%
NON-OPERATING EXPENSES	1,006	4.2%	946	3.9%	-60	-5.9%
Interest expense	930	3.9%	869	3.6%	-61	-6.5%
Interest expense on corporate bonds	58	0.2%	65	0.3%	+6	+ 10.4%
Other	14	0.1%	11	0.0%	-2	-16.9%
ORDINARY INCOME	9,650	40.3%	9,847	40.7%	+197	+ 2.0%
INCOME BEFORE INCOME TAXES	9,650	40.3%	9,847	40.7%	+197	+ 2.0%
INCOME TAXES	0	0.0%	0	0.0%	-	+ 0.0%
Current	0	0.0%	0	0.0%	-	+ 0.0%
NET INCOME	9,650	40.3%	9,847	40.7%	+197	+ 2.0%

# Change in Unrealized Gain or Loss / NAV per unit

Change in Book Value and Appraisal Value  
at End of Fiscal Periods



Trend of NAV per unit



	End of 34th FP Total	End of 35th FP Total	End of 35th FP Breakdown					Change
			Retail properties	Office buildings	Hotels	Residential properties	Others	
Number of properties	130 properties	<b>133 properties</b>	35 properties	36 properties	20 properties	25 properties	17 properties	+3 property
Book value (A)	¥633.7 Bn	<b>¥647.2 Bn</b>	¥188.1 Bn	¥201.8 Bn	¥144.2 Bn	¥45.8 Bn	¥67.1 Bn	+¥13.4 Bn
Appraisal value (B)	¥782.6 Bn	<b>¥799.0 Bn</b>	¥218.1 Bn	¥266.9 Bn	¥166.8 Bn	¥62.7 Bn	¥84.3 Bn	+¥16.3 Bn
Unrealized capital gain	¥148.9 Bn	<b>¥151.8 Bn</b>	¥30.0 Bn	¥65.1 Bn	¥22.5 Bn	¥16.9 Bn	¥17.1 Bn	+¥2.8 Bn
Ratio of gain or loss ((B-A)/A)	23.5%	<b>23.5%</b>	16.0%	32.3%	15.6%	37.0%	25.6%	0.0%



# Appraisal Value 1/4

(in millions of yen)

Type	No.	Property Name	Acquisition			34th fiscal period (2020/11/30)				35th fiscal period (2021/5/31)				Comparison between 35th and 34th FP				Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)	
														④－② (change)	④/②-1 (change)			
Retail properties	A2	Joy Park Izumigaoka	1	03/12/22	6,770	4,952	4,290	5.1%	-662	4,943	4,280	5.1%	-663	-10	-0.2%	±0%	-1	JREI
	A4	Luz Funabashi	2	04/09/17	5,200	4,247	6,210	5.2%	+1,962	4,214	6,220	5.2%	+2,005	+10	+0.2%	±0%	+43	JREI
	A6	TENJIN LUCE	5	06/04/14	6,500	6,363	6,560	4.4%	+196	6,333	6,550	4.4%	+216	-10	-0.2%	±0%	+20	Nittochi
	A7	Kaden Sumairu-kan YAMADA Sakai Honten	5	06/04/28	3,210	2,675	3,960	4.9%	+1,284	2,660	3,850	4.9%	+1,189	-110	-2.8%	±0%	-95	JREI
	A8	Miyamae Shopping Center	7	07/02/19	5,312	4,887	5,340	4.7%	+452	4,852	5,340	4.7%	+487	±0	±0%	±0%	+34	JREI
	A9	KONAMI SPORTS CLUB Korigaoka	8	07/06/29	2,040	1,447	2,060	5.0%	+612	1,423	2,020	5.1%	+596	-40	-1.9%	+0.1%	-16	JREI
	A10	ACTIOLE Minami-ikebukuro	8	07/09/27	3,760	3,586	3,400	3.9%	-186	3,573	3,400	3.9%	-173	±0	±0%	±0%	+13	JREI
	A11	Tip's Machida Building	9	07/12/27	4,100	4,219	5,000	4.5%	+780	4,205	5,000	4.5%	+794	±0	±0%	±0%	+14	JREI
	A12	Daiei Takarazuka Nakayama	9	08/01/30	4,284	3,099	3,940	6.0%	+840	3,071	3,940	6.0%	+868	±0	±0%	±0%	+27	JREI
	A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	9	08/02/18	11,904	12,459	11,200	4.7%	-1,259	12,458	11,300	4.7%	-1,158	+100	+0.9%	±0%	+100	JREI
	A14	ACTIOLE Kannai	10	08/06/30	2,410	2,208	2,000	4.4%	-208	2,194	1,970	4.5%	-224	-30	-1.5%	+0.1%	-15	JREI
	A15	Shinsaibashi OPA Honkan	15	10/12/01	22,800	21,910	26,500	4.0%	+4,589	21,869	26,400	4.1%	+4,530	-100	-0.4%	+0.1%	-58	JREI
	A19	Albore Jingumae	15	10/12/01	1,580	1,543	2,390	3.3%	+846	1,544	2,400	3.3%	+855	+10	+0.4%	±0%	+9	JREI
	A20	Albore Sendai	15	10/12/01	2,590	2,319	3,580	4.3%	+1,260	2,314	3,470	4.3%	+1,155	-110	-3.1%	±0%	-105	JREI
	A21	Mallage Kashiwa	15	10/12/01	7,040	6,651	8,740	5.2%	+2,088	6,660	8,740	5.2%	+2,079	±0	±0%	±0%	-9	JREI
	A23	Ito-Yokado Owariasahi	15	10/12/01	4,840	3,920	4,880	6.6%	+959	3,896	4,890	6.6%	+993	+10	+0.2%	±0%	+34	JREI
	A24	Yokohama Kariba Shopping Center	15	10/12/01	2,500	2,081	2,140	4.9%	+58	2,059	2,150	4.9%	+90	+10	+0.5%	±0%	+32	JREI
	A25	Luz Jiyugaoka	16	11/06/15	5,090	4,799	5,930	3.7%	+1,130	4,771	5,920	3.7%	+1,148	-10	-0.2%	±0%	+17	JREI
	A26	ACTIOLE Ichikawa	16	11/06/15	3,350	2,834	4,050	4.4%	+1,215	2,799	4,050	4.4%	+1,250	±0	±0%	±0%	+34	JREI
	A27	Yokohama Aoba Shopping Center (Site)	16	11/10/31	2,600	2,740	3,300	4.5%	+559	2,740	3,300	4.5%	+559	±0	±0%	±0%	±0	JREI
	A28	Yamada Denki Tecc Land Aoba (Site)	17	12/05/18	2,150	2,270	2,840	4.5%	+569	2,270	2,840	4.5%	+569	±0	±0%	±0%	±0	JREI
	A29	Yodobashi Camera Multimedia Kichijoji	19	13/03/18	28,000	26,750	33,900	3.7%	+7,149	26,593	34,100	3.7%	+7,506	+200	+0.6%	±0%	+357	JREI
	A30	Kaden Sumairu-kan YAMADA Matsudo Honten	19	13/03/18	5,150	4,694	6,830	5.6%	+2,135	4,655	6,830	5.6%	+2,174	±0	±0%	±0%	+38	JREI
	A31	Tenjin Loft Building	20	13/11/29	4,350	4,631	6,110	4.3%	+1,478	4,643	6,260	4.3%	+1,616	+150	+2.5%	±0%	+137	JREI
	A32	Narumi Shopping Center (Site)	21	14/04/08	6,460	6,850	7,510	4.6%	+659	6,850	7,530	4.6%	+679	+20	+0.3%	±0%	+20	Tanizawa
	A33	Plussing Wave Enoshima	22	14/08/29	1,800	1,893	1,900	5.1%	+6	1,885	1,870	5.1%	-15	-30	-1.6%	±0%	-22	JREI
	A34	LIFE Nishikujo (Site)	23	15/03/02	1,760	1,842	2,080	4.2%	+237	1,842	2,090	4.2%	+247	+10	+0.5%	±0%	+10	Tanizawa
	A35	LIFE Tamatsukuri (Site)	23	15/03/02	1,880	1,967	2,190	4.1%	+222	1,967	2,180	4.1%	+212	-10	-0.5%	±0%	-10	Tanizawa
	A36	Granbell Ginza Building	24	15/06/30	2,621	2,686	3,050	3.4%	+363	2,689	3,050	3.4%	+360	±0	±0%	±0%	-2	JREI
	A37	UUR Tenjin Nishi-dori Building	24	15/07/15	5,500	5,654	5,830	4.0%	+175	5,647	5,660	4.0%	+12	-170	-2.9%	±0%	-163	JREI
	A38	Luz Shonan Tsujido	24	15/09/30	3,938	3,841	4,300	5.1%	+458	3,823	4,390	5.1%	+566	+90	+2.1%	±0%	+108	Tanizawa
	A39	ACTIOLE Ueno	25	15/12/04	3,000	3,182	2,780	3.4%	-402	3,178	2,750	3.4%	-428	-30	-1.1%	±0%	-25	Tanizawa
	A40	KURURU	26	16/09/01	9,285	9,454	9,420	4.4%	-34	9,439	9,420	4.4%	-19	±0	±0%	±0%	+14	Tanizawa
	A41	K's Denki Nagoya-kita	27	16/12/01	1,750	1,821	1,890	5.7%	+68	1,816	1,890	5.7%	+73	±0	±0%	±0%	+5	Tanizawa
	A42	Luz Musashikosugi	31	18/12/28	12,151	12,225	12,100	4.1%	-125	12,218	12,100	4.1%	-118	±0	±0%	±0%	+7	Tanizawa

# Appraisal Value 2/4

(in millions of yen)

Type	No.	Property Name	Acquisition			34th fiscal period (2020/11/30)				35th fiscal period (2021/5/31)				Comparison between 35th and 34th FP					Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)		
														④－② (change)	④/②-1 (change)				
Office buildings	B1	T&G Hamamatsucho Building	1	03/12/26	2,257	2,079	3,130	3.8%	+1,050	2,076	3,130	3.8%	+1,053	±0	±0%	±0%	+3	Tanizawa	
	B3	Fukuoka Eartheon Building	1	03/12/26	2,080	1,524	3,110	5.1%	+1,585	1,510	3,120	5.1%	+1,609	+10	+0.3%	±0%	+24	JREI	
	B4	Marumasu Kojimachi Building	1	04/03/29	2,350	2,390	2,790	3.2%	+399	2,381	2,790	3.2%	+408	±0	±0%	±0%	+8	JREI	
	B5	Rokubancho K Building	1	04/03/30	2,150	2,230	3,780	3.7%	+1,549	2,224	3,800	3.7%	+1,575	+20	+0.5%	±0%	+26	JREI	
	B6	Shin-Osaka Central Tower	3	04/12/02	24,000	23,363	29,100	4.9%	+5,736	23,253	29,100	4.9%	+5,846	±0	±0%	±0%	+110	Nittochi	
	B7	Kawasaki Toshiba Building	3	04/12/20	19,200	19,159	33,500	4.3%	+14,340	18,960	33,400	4.3%	+14,439	-100	-0.3%	±0%	+99	Tanizawa	
	B8	UUR Toyocho Building	10	08/06/30	8,500	8,296	7,220	4.1%	-1,076	8,365	7,080	4.1%	-1,285	-140	-1.9%	±0%	-209	JREI	
	B9	FOUR SEASONS BLDG	13	09/12/25	4,200	4,048	6,650	3.9%	+2,601	4,023	6,650	3.9%	+2,626	±0	±0%	±0%	+25	JREI	
	B10	Nishi-Shimbashi 1-chome Building	15	10/12/01	7,400	7,150	8,950	3.4%	+1,799	-	-	-	-	-	-	-	-1,799	JREI	
	B11	Pacific Marks Shinjuku Parkside	15	10/12/01	12,100	11,658	14,100	3.5%	+2,441	11,599	14,100	3.5%	+2,500	±0	±0%	±0%	+59	JREI	
	B13	Pacific Marks Tsukishima	15	10/12/01	6,080	5,697	7,050	4.2%	+1,352	5,696	7,120	4.2%	+1,423	+70	+1.0%	±0%	+71	JREI	
	B14	Pacific Marks Yokohama East	15	10/12/01	7,050	6,512	8,090	4.4%	+1,577	6,450	8,090	4.4%	+1,639	±0	±0%	±0%	+62	Tanizawa	
	B17	Akasaka Hikawa Building	15	10/12/01	3,290	3,180	4,320	3.9%	+1,139	3,169	4,330	3.9%	+1,160	+10	+0.2%	±0%	+21	JREI	
	B18	Pacific Marks Shibuya Koen-dori	15	10/12/01	2,570	2,447	3,340	4.4%	+892	2,437	3,350	4.4%	+912	+10	+0.3%	±0%	+19	JREI	
	B20	Pacific Marks Akasaka-mitsuke	15	10/12/01	2,210	2,150	2,660	3.5%	+509	2,143	2,640	3.5%	+496	-20	-0.8%	±0%	-12	JREI	
	B22	Pacific Marks Shin-Yokohama	15	10/12/01	1,710	1,543	1,780	4.7%	+236	1,525	1,780	4.7%	+254	±0	±0%	±0%	+17	Tanizawa	
	B25	Pacific Marks Kawasaki	15	10/12/01	9,890	8,775	12,400	3.9%	+3,624	8,741	12,500	3.9%	+3,758	+100	+0.8%	±0%	+133	Tanizawa	
	B26	Hamamatsucho 262 Building	15	10/12/01	6,840	6,364	8,090	3.6%	+1,725	6,331	8,090	3.6%	+1,758	±0	±0%	±0%	+33	JREI	
	B27	Lila Hijirizaka	15	10/12/01	2,750	2,648	3,310	4.0%	+661	2,637	3,330	4.0%	+692	+20	+0.6%	±0%	+30	JREI	
	B29	Otsuka HT Building	15	10/12/01	1,160	1,068	1,220	4.7%	+151	1,061	1,270	4.7%	+208	+50	+4.1%	±0%	+56	JREI	
	B30	Pacific Marks Shinjuku South-gate	15	10/12/01	2,460	2,469	3,830	3.5%	+1,360	2,462	3,830	3.5%	+1,367	±0	±0%	±0%	+7	JREI	
	B31	Pacific Marks Nishi-Umeda	15	10/12/01	6,860	6,565	8,570	4.0%	+2,004	6,564	8,690	4.0%	+2,125	+120	+1.4%	±0%	+120	Tanizawa	
	B32	Pacific Marks Higobashi	15	10/12/01	4,570	4,391	5,100	4.1%	+708	4,359	5,170	4.1%	+810	+70	+1.4%	±0%	+102	Tanizawa	
	B35	Pacific Marks Sapporo Kita-Ichijo	15	10/12/01	1,790	1,686	2,230	5.3%	+543	1,670	2,230	5.3%	+559	±0	±0%	±0%	+16	Tanizawa	
	B36	Shin-Sapporo Center Building	15	10/12/01	987	824	1,070	5.7%	+245	816	1,060	5.7%	+243	-10	-0.9%	±0%	-1	Tanizawa	
	B37	ARENA TOWER	16	11/06/16	9,500	7,812	12,900	4.7%	+5,087	7,707	12,900	4.7%	+5,192	±0	±0%	±0%	+105	Tanizawa	
	B38	Yushima First Building	18	12/08/29	2,100	2,012	3,150	4.1%	+1,137	1,998	3,150	4.1%	+1,151	±0	±0%	±0%	+13	JREI	
	B39	Dogenzaka Square	18	12/11/22	2,300	2,221	3,170	3.6%	+948	2,210	3,170	3.6%	+959	±0	±0%	±0%	+10	JREI	
	B40	GRAND-SQUARE Shin-Sakae	21	14/02/28	1,480	1,265	1,900	5.0%	+634	1,254	1,910	5.0%	+655	+10	+0.5%	±0%	+21	JREI	
	B41	GRAND-SQUARE Meieki-minami	21	14/02/28	1,220	1,064	2,240	4.5%	+1,175	1,050	2,260	4.5%	+1,209	+20	+0.9%	±0%	+33	JREI	
	B42	Shiba 520 Building	21	14/03/28	2,100	2,124	3,480	3.6%	+1,355	2,116	3,530	3.6%	+1,413	+50	+1.4%	±0%	+58	JREI	
	B43	Hirose-dori SE Building	22	14/06/13	3,600	3,090	5,170	4.8%	+2,079	3,042	5,310	4.8%	+2,267	+140	+2.7%	±0%	+187	JREI	
	B44	SS30	27	17/03/30	18,200	18,778	21,800	4.6%	+3,021	18,819	22,200	4.6%	+3,380	+400	+1.8%	±0%	+359	JREI	
	B45	LOOP-X-M	27	17/04/26	11,200	12,047	12,800	3.8%	+752	12,040	12,900	3.8%	+859	+100	+0.8%	±0%	+107	JREI	
	B46	Toranomon Hills Mori Tower	35	20/12/01	10,000	-	-	-	-	10,115	11,100	2.7%	+984	-	-	-	+984	JREI	

# Appraisal Value 3/4

(in millions of yen)

Type	No.	Property Name	Acquisition			34th fiscal period (2020/11/30)				35th fiscal period (2021/5/31)				Comparison between 35th and 34th FP				Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)	
														④－② (change)	④/②-1 (change)			
	B47	Toranomon PF Building	35	20/12/01	3,435	-	-	-	-	3,475	4,140	3.7%	+664	-	-	-	+664	JREI
	B48	UUR Kyobashi East Building	35	21/03/31	7,280	-	-	-	-	7,573	7,770	3.3%	+196	-	-	-	+196	Tanizawa
Hotels	C1	Shinjuku Washington Hotel Honkan	1	03/12/22	21,140	21,889	27,200	4.4%	+5,310	21,897	27,200	4.4%	+5,302	±0	±0%	±0%	-8	JREI
	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	3	05/02/18	1,884	1,591	2,600	3.8%	+1,008	1,584	2,600	3.8%	+1,015	±0	±0%	+0.0%	+6	Nittochi
	C3	MZ BLD.	9	08/04/10	3,800	2,991	3,960	4.8%	+968	3,027	3,970	4.8%	+942	+10	+0.3%	±0%	-25	JREI
	C4	HOTEL ROUTE-INN Yokohama Bashamichi	10	08/06/30	4,720	3,834	5,160	4.7%	+1,325	3,791	5,150	4.7%	+1,358	-10	-0.2%	±0%	+33	Nittochi
	C5	Hotel JAL City Naha	16	11/10/25	7,650	7,159	11,600	4.5%	+4,440	7,074	11,400	4.5%	+4,325	-200	-1.7%	±0%	-115	Nittochi
	C6	UUR Yotsuya Sanchome Building	17	11/12/26	4,200	4,484	7,030	4.0%	+2,545	4,457	7,030	4.0%	+2,572	±0	±0%	±0%	+27	JREI
	C7	Yotsuya 213 Building	19	13/03/18	5,020	4,914	7,020	3.9%	+2,105	4,932	7,020	3.9%	+2,087	±0	±0%	±0%	-18	JREI
	C9	Comfort Inn Tokyo Roppongi	21	14/05/01	4,488	4,750	3,560	3.9%	-1,190	4,739	3,620	3.9%	-1,119	+60	+1.7%	±0%	+70	JREI
	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	24	15/08/31	2,655	2,620	3,150	4.0%	+529	2,607	3,170	4.0%	+562	+20	+0.6%	±0%	+33	DAIWA
	C11	Toyoko Inn Hiroshima Heiwa-odori	24	15/08/31	2,113	2,043	2,580	4.9%	+536	2,028	2,590	4.9%	+561	+10	+0.4%	±0%	+24	DAIWA
	C12	Toyoko Inn Naha Kokusai-dori Miebashi-eki	24	15/08/31	745	718	854	6.1%	+135	714	864	6.1%	+149	+10	+1.2%	±0%	+13	DAIWA
	C13	Loisir Hotel & Spa Tower Naha	25	16/02/05	20,000	20,133	22,500	5.4%	+2,366	19,970	22,000	5.4%	+2,029	-500	-2.2%	±0%	-337	JREI
	C14	Royal Pines Hotel Urawa	25	16/04/01	17,500	17,641	17,900	5.3%	+258	17,565	17,200	5.3%	-365	-700	-3.9%	±0%	-623	JREI
	C15	RIHGA Royal Hotel Kokura・ARUARU City	29	18/01/26	16,600	17,519	16,800	5.4%	-719	17,653	16,800	5.4%	-853	±0	±0%	±0%	-133	Tanizawa
	C16	Comfort Inn Fukuoka Tenjin	30	18/09/27	3,000	3,070	3,680	4.3%	+609	3,067	3,590	4.4%	+522	-90	-2.4%	+0.1%	-86	JREI
	C17	Henn na Hotel Tokyo Hamamatsucho	31	19/05/15	4,456	4,452	4,750	3.9%	+297	4,435	4,760	3.9%	+324	+10	+0.2%	±0%	+27	JREI
	C18	Hotel Hewitt Koshien	32	19/06/25	13,520	13,529	13,700	4.5%	+170	13,532	13,700	4.5%	+167	±0	±0%	±0%	-2	Tanizawa
	C19	Smile Hotel Premium Sapporo Susukino	32	19/06/28	4,233	4,220	5,210	4.6%	+989	4,197	5,210	4.6%	+1,012	±0	±0%	±0%	+22	Tanizawa
	C20	the square hotel KANAZAWA	33	19/12/03	4,802	4,948	5,900	4.9%	+951	4,924	5,900	4.9%	+975	±0	±0%	±0%	+23	Tanizawa
	C21	NEST HOTEL KYOTO SHIJOKARASUMA	33	20/03/31	2,010	2,091	3,050	4.1%	+958	2,086	3,050	4.1%	+963	±0	±0%	±0%	+4	Tanizawa
Residential properties	D1	T&G Higashi-ikebukuro Mansion	1	03/12/26	2,021	1,380	2,490	3.9%	+1,109	1,369	2,570	3.8%	+1,200	+80	+3.2%	-0.1%	+91	Tanizawa
	D4	Komazawa Court	1	03/12/26	1,680	1,462	2,200	4.0%	+737	1,456	2,250	3.9%	+793	+50	+2.3%	-0.1%	+56	JREI
	D6	UUR Court Shiba-Daimon	2	04/10/15	1,175	966	1,500	3.8%	+533	963	1,530	3.7%	+566	+30	+2.0%	-0.1%	+33	Tanizawa
	D9	Aprile Shin-Ohgi Ichibankan	3	05/04/13	3,031	2,381	3,680	5.0%	+1,298	2,357	3,750	4.9%	+1,392	+70	+1.9%	-0.1%	+94	JREI
	D10	UUR Court Sapporo Kita-Sanjo	5	06/03/16	1,278	891	1,650	4.6%	+758	873	1,670	4.5%	+796	+20	+1.2%	-0.1%	+37	Tanizawa
	D15	CLIO Bunkyo Koishikawa	5	06/04/28	3,170	2,550	3,680	4.1%	+1,129	2,534	3,660	4.0%	+1,125	-20	-0.5%	-0.1%	-3	JREI
	D16	GRAND-ROUGE Sakae	6	06/11/30	1,570	1,143	1,370	4.3%	+226	1,125	1,390	4.2%	+264	+20	+1.5%	-0.1%	+38	JREI
	D17	GRAND-ROUGE Sakae II	9	07/12/26	1,300	952	1,420	4.3%	+467	938	1,460	4.2%	+521	+40	+2.8%	-0.1%	+54	JREI
	D18	MA Sendai Building	10	08/09/24	3,440	2,488	4,750	5.3%	+2,261	2,440	4,780	5.3%	+2,339	+30	+0.6%	±0%	+77	JREI
	D19	UUR Court Nagoya Meieki	10	08/09/30	1,473	1,117	1,570	4.4%	+452	1,101	1,600	4.3%	+498	+30	+1.9%	-0.1%	+46	Nittochi
	D20	UUR Court Sapporo Shinoro Ichibankan	10	08/11/11	870	668	874	5.5%	+205	658	878	5.5%	+219	+4	+0.5%	±0%	+14	Nittochi
	D21	Park Site IZUMI	10	08/11/21	900	804	787	4.3%	-17	802	810	4.2%	+7	+23	+2.9%	-0.1%	+25	JREI
	D22	UUR Court Osaka Juso-honmachi	11	09/02/26	1,570	1,222	1,740	4.4%	+517	1,206	1,760	4.3%	+553	+20	+1.1%	-0.1%	+36	JREI

# Appraisal Value 4/4

(in millions of yen)

Type	No.	Property Name	Acquisition			34th fiscal period (2020/11/30)				35th fiscal period (2021/5/31)				Comparison between 35th and 34th FP				Appraisers
			Period	Date	Price	① Book Value	② Appraisal Value	Cap Rate	②－① Gain or Loss	③ Book Value	④ Appraisal Value	Cap Rate	④－③ Gain or Loss	Appraisal Value		Cap Rate (change)	Gain or Loss (change)	
														④－② (change)	④/②-1 (change)			
Residential properties	D23	UUR Court Kinshicho	16	11/06/15	2,900	2,782	3,750	4.1%	+967	2,759	3,840	4.0%	+1,080	+90	+2.4%	-0.1%	+112	JREI
	D24	UUR Court Sapporo Minami-Sanjo P.T.	18	12/06/28	2,050	1,699	3,190	4.7%	+1,490	1,668	3,260	4.6%	+1,591	+70	+2.2%	-0.1%	+100	JREI
	D25	GRAND-ROUGE Nakanoshima-minami	20	13/06/25	1,380	1,230	1,640	4.3%	+409	1,215	1,650	4.2%	+434	+10	+0.6%	-0.1%	+24	JREI
	D26	Glenpark Umeda-kita	22	14/08/29	5,150	4,965	6,740	4.1%	+1,774	4,942	6,900	4.0%	+1,957	+160	+2.4%	-0.1%	+183	Tanizawa
	D27	UUR Court Shiki	24	15/09/18	2,730	2,856	3,150	5.0%	+293	2,840	3,150	5.0%	+309	±0	±0%	±0%	+16	JREI
	D28	GRAND-ROUGE Tanimachi Rokuchome	27	16/12/01	1,300	1,360	1,520	4.2%	+159	1,358	1,560	4.1%	+201	+40	+2.6%	-0.1%	+42	Tanizawa
	D29	Chatle Otemachi S・N	30	18/07/03	3,398	3,641	3,730	4.8%	+88	3,618	3,760	4.7%	+141	+30	+0.8%	-0.1%	+53	JREI
	D30	GRAN FONTE	31	19/04/01	2,700	2,865	3,410	4.2%	+544	2,862	3,490	4.1%	+627	+80	+2.3%	-0.1%	+83	Tanizawa
	D31	Park Axis Akatsuka	33	20/03/30	1,980	2,053	2,120	4.0%	+66	2,047	2,160	3.9%	+112	+40	+1.9%	-0.1%	+45	Tanizawa
	D32	UUR Court Shirasagi	33	20/03/31	1,442	1,532	1,670	4.1%	+137	1,531	1,700	4.0%	+168	+30	+1.8%	-0.1%	+30	Tanizawa
	D33	Court Branche AP	33	20/03/31	1,270	1,350	1,340	3.9%	-10	1,347	1,380	3.8%	+32	+40	+3.0%	-0.1%	+43	Tanizawa
	D34	UUR Court Ibaraki Higashi-Chujo	35	20/12/01	1,665	-	-	-	-	1,783	1,770	4.4%	-13	-	-	-	-13	Tanizawa
Others	E1	Lilycolor Tohoku Branch	5	06/05/29	2,050	1,364	2,200	5.5%	+835	1,338	2,200	5.4%	+861	±0	±0%	-0.1%	+25	Nittochi
	E2	Fuchu Building	19	13/05/16	4,920	4,712	4,670	5.7%	-42	4,692	4,200	5.7%	-492	-470	-10.1%	±0%	-450	JREI
	E3	Tsubogawa Square Building	20	13/11/01	4,150	3,717	6,280	5.3%	+2,562	3,670	6,280	5.3%	+2,609	±0	±0%	±0%	+47	JREI
	E4	THE PLACE of TOKYO	21	14/05/01	3,500	3,303	4,600	4.9%	+1,296	3,277	4,600	4.9%	+1,322	±0	±0%	±0%	+26	JREI
	E5	Logistics Higashi-Ohgishima	22	14/10/02	9,525	9,352	10,900	4.3%	+1,547	9,312	10,900	4.3%	+1,587	±0	±0%	±0%	+40	JREI
	E6	MT Ariake Center Building I&II	22	14/11/25	8,000	7,891	14,700	4.5%	+6,808	7,876	14,700	4.5%	+6,823	±0	±0%	±0%	+14	JREI
	E7	Quartz Tower	24	15/11/13	5,700	5,775	6,240	3.3%	+464	5,759	5,720	3.3%	-39	-520	-8.3%	±0%	-503	Tanizawa
	E8	Shin-Narashino Logistics Center	24	15/08/07	2,555	2,625	2,730	4.5%	+104	2,621	2,750	4.5%	+128	+20	+0.7%	±0%	+24	JREI
	E9	Kawagoe Logistics Center	26	16/06/17	7,550	7,552	9,670	4.4%	+2,117	7,516	9,880	4.3%	+2,363	+210	+2.2%	-0.1%	+246	Tanizawa
	E10	Asuto Nagamachi Dental Clinic	26	16/08/29	1,200	1,207	1,290	5.2%	+82	1,201	1,300	5.2%	+98	+10	+0.8%	±0%	+16	JREI
	E11	Shin-Narashino Logistics Center II	27	17/01/31	2,590	2,709	2,700	4.6%	-9	2,700	2,710	4.6%	+9	+10	+0.4%	±0%	+18	JREI
	E12	Yoshikawa Logistics Center	28	17/07/27	1,960	1,951	2,070	4.6%	+118	1,957	2,070	4.6%	+112	±0	±0%	±0%	-6	JREI
	E13	Musashimurayama Logistics Center	30	18/10/30	1,800	1,853	1,940	4.7%	+86	1,847	1,980	4.6%	+132	+40	+2.1%	-0.1%	+46	JREI
	E14	Chibaminato Logistics Center (Site)	33	20/02/28	6,600	6,934	7,790	3.9%	+855	6,934	7,960	3.8%	+1,025	+170	+2.2%	-0.1%	+170	Tanizawa
	E15	Hirakata Nagao Logistics Center	33	20/03/31	2,550	2,650	2,700	4.5%	+49	2,640	2,760	4.4%	+119	+60	+2.2%	-0.1%	+69	Tanizawa
	E16	Kobe Toyahama Logistics Center	33	20/04/17	1,300	1,351	1,360	5.2%	+8	1,372	1,820	4.9%	+447	+460	+33.8%	-0.3%	+439	JREI
	E17	REDWOOD Narita Distribution Centre	34	20/06/30	2,345	2,449	2,460	4.7%	+10	2,440	2,510	4.6%	+69	+50	+2.0%	-0.1%	+58	Tanizawa
Total					678,818	633,744	782,675	4.43%	+148,930	647,231	799,032	4.39%	+151,800	+527	+2.1%	-0.03%	+2,870	

Notes:

- Each of B26, C1, C9 and E5 were acquired in separate acquisitions. The acquisition date indicates the initial acquisition date and the acquisition price indicates the aggregated acquisition price.
- The discount rates applied for the DCF method are shown as the "Cap Rate" for A27, A28, A34, A35, and E14.
- The name for B10 was changed to "Nishi-Shimbashi 1-chome Building" (old name: Hitachi High-Tech Building) from August 1, 2020, the name for C9 was changed to "Comfort Inn Tokyo Roppongi" (old name: the b roppongi) from November 17, 2020, and the name for C16 was changed to "Comfort Inn Fukuoka Tenjin" (old name: the b fukuoka tenjin) from April 20, 2021.
- United Urban sold 50% quasi co-ownership interest of B10 on November 30, 2020, and the remaining 50% quasi co-ownership interest on December 1, 2020. The value for the end of 34th fiscal period is described for the remaining 50% quasi co-ownership interest.
- Under "Appraisers," "JREI" stands 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.

# Property Income and Occupancy

(in thousand yen)	Total	Retail properties Total	Office buildings Total	Hotels Total	Residential properties Total	Others Total
Operating Revenues	22,302,559	6,682,990	8,541,815	3,143,837	1,841,326	2,092,589
Rental Revenues	20,751,823	6,031,509	7,976,642	2,923,025	1,787,459	2,033,187
Other Rental Revenues	1,550,736	651,481	565,173	220,812	53,867	59,402
Operating Expenses	10,941,410	3,116,845	3,859,051	2,466,706	906,169	592,637
Property and other taxes	1,974,525	583,032	694,812	471,643	109,629	115,406
Other expenses	4,836,621	1,573,238	1,728,729	979,815	382,118	172,719
Property Mgmt Fees	1,858,326	614,789	788,534	273,630	120,219	61,153
Utilities	1,212,019	349,521	508,319	276,724	23,322	54,131
Casualty Insurance	24,322	6,639	7,611	6,517	1,940	1,613
Repairs & Maintenance	1,310,768	362,908	349,453	375,632	188,403	34,369
Other Rental Expenses	431,185	239,379	74,811	47,309	48,232	21,452
Depreciation	4,130,263	960,574	1,435,509	1,015,247	414,421	304,511
Profit from Rental Activities	11,361,149	3,566,144	4,682,763	677,131	935,156	1,499,952
Net Operating Income (NOI)	15,491,412	4,526,718	6,118,272	1,692,378	1,349,578	1,804,464
CAPEX	1,746,875	317,941	602,563	710,911	54,212	61,246
Occupancy (as of May 31, 2021)	97.3%	97.1%	98.6%	98.7%	96.3%	94.4%
Adjusted NOI Yield	4.64%	4.59%	5.92%	2.34%	5.22%	5.23%

## Notes:

1. In light of ongoing discussions concerning the reduction and postponement of rent payments, etc. with individual tenants that have been impacted by COVID-19, income and expenses by property have not been disclosed for the results of the 35th FP. Once these matters have been resolved, the information will be disclosed as in the past.
2. As expenses related to properties, non-deductible consumption tax, etc. (181 million yen) are incurred due to the accounting policy for consumption tax processing. These costs are not included in the above table as it is difficult to attribute such expenses to costs of specific properties.



# Properties 1/3

Type	No.	Property Name	Area	Location	Acquisition Price		Site Area (sqm)	Floor Area (sqm)	Rentable Area (sqm)	PML (%)	Acquisition	
					(JPY Mn)	Ratio					Period	Date
Retail properties	A2	Joy Park Izumigaoka	Other Regions (Osaka)	Sakai, Osaka	6,770	1.0%	10,368.45	29,250.71	13,611.24	10	1	2003/12/22
	A4	Luz Funabashi	Tokyo Metropolitan Area	Funabashi, Chiba	5,200	0.8%	5,198.20	12,944.65	12,952.88	13	2	2004/09/17
	A6	TENJIN LUCE	Other Regions (Others)	Fukuoka, Fukuoka	6,500	1.0%	1,138.66	5,458.81	4,256.57	2	5	2006/04/14
	A7	Kaden Sumairu-kan YAMADA Sakai Honten	Other Regions (Osaka)	Sakai, Osaka	3,210	0.5%	10,702.86	8,637.63	8,637.63	8	5	2006/04/28
	A8	Miyamae Shopping Center	Tokyo Metropolitan Area	Kawasaki, Kanagawa	5,312	0.8%	6,937.54	17,338.54	10,487.92	17	7	2007/02/19
	A9	KONAMI SPORTS CLUB Korigaoka	Other Regions (Osaka)	Hirakata, Osaka	2,040	0.3%	4,120.00	6,381.40	8,627.58	11	8	2007/06/29
	A10	ACTIOLE Minami-ikebukuro	23 Wards of Tokyo	Toshima-ku, Tokyo	3,760	0.6%	320.39	2,265.15	2,081.50	14	8	2007/09/27
	A11	Tip's Machida Building	Tokyo Metropolitan Area	Machida, Tokyo	4,100	0.6%	1,596.82	8,075.04	6,710.19	18	9	2007/12/27
	A12	Daiei Takarazuka Nakayama	Other Regions (Osaka)	Takarazuka, Hyogo	4,284	0.6%	16,330.14	16,729.60	16,729.60	9	9	2008/01/30
	A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion)	Tokyo Metropolitan Area	Yokohama, Kanagawa	6,883	1.0%	53,363.57	-	30,453.73	-	9	2008/02/18
	A14	ACTIOLE Kannai	Tokyo Metropolitan Area	Yokohama, Kanagawa	2,410	0.4%	375.17	2,238.82	1,938.56	16	10	2008/06/30
	A15	Shinsaibashi OPA Honkan	Other Regions (Osaka)	Osaka, Osaka	22,800	3.4%	2,430.23	25,895.78	27,025.42	12	15	2010/12/01
	A19	Albore Jingumae	6 Cental Wards of Tokyo	Shibuya-ku, Tokyo	1,580	0.2%	308.02	816.60	931.14	14.6	15	2010/12/01
	A20	Albore Sendai	Other Regions (Others)	Sendai, Miyagi	2,590	0.4%	736.01	4,082.94	3,151.93	8	15	2010/12/01
	A21	Mallage Kashiwa	Tokyo Metropolitan Area	Kashiwa, Chiba	7,040	1.0%	79,484.47	54,689.28	41,759.39	9	15	2010/12/01
	A23	Ito-Yokado Owariasahi	Other Regions (Nagoya)	Owariasahi, Aichi	4,840	0.7%	34,612.39	56,371.77	54,606.34	11	15	2010/12/01
	A24	Yokohama Kariba Shopping Center	Tokyo Metropolitan Area	Yokohama, Kanagawa	2,500	0.4%	7,093.66	10,628.44	11,345.09	12	15	2010/12/01
	A25	Luz Jiyugaoka	23 Wards of Tokyo	Meguro-ku, Tokyo	5,090	0.8%	828.70	2,771.59	2,283.47	12	16	2011/06/15
	A26	ACTIOLE Ichikawa	Tokyo Metropolitan Area	Ichikawa, Chiba	3,350	0.5%	749.42	4,452.39	3,927.49	10	16	2011/06/15
	A27	Yokohama Aoba Shopping Center (Site)	Tokyo Metropolitan Area	Yokohama, Kanagawa	2,600	0.4%	9,193.00	-	9,193.00	-	16	2011/10/31
	A28	Yamada Denki Tecc Land Aoba (Site)	Tokyo Metropolitan Area	Yokohama, Kanagawa	2,150	0.3%	7,594.00	-	7,650.63	-	17	2012/05/18
	A29	Yodobashi Camera Multimedia Kichijoji	Tokyo Metropolitan Area	Musashino, Tokyo	28,000	4.2%	3,582.39	37,932.95	37,932.95	14	19	2013/03/18
	A30	Kaden Sumairu-kan YAMADA Matsudo Honten	Tokyo Metropolitan Area	Matsudo, Chiba	5,150	0.8%	7,311.98	17,461.22	17,561.23	11	19	2013/03/18
	A31	Tenjin Loft Building	Other Regions (Others)	Fukuoka, Fukuoka	4,350	0.6%	1,947.80	10,594.19	7,730.09	1	20	2013/11/29
	A32	Narumi Shopping Center (Site)	Other Regions (Nagoya)	Nagoya, Aichi	6,460	1.0%	60,747.02	-	60,419.26	-	21	2014/04/08
	A33	Plussing Wave Enoshima	Tokyo Metropolitan Area	Fujisawa, Kanagawa	1,800	0.3%	2,450.62	3,471.69	2,885.94	14	22	2014/08/29
	A34	LIFE Nishikujo (Site)	Other Regions (Osaka)	Osaka, Osaka	1,760	0.3%	3,252.76	-	3,252.76	-	23	2015/03/02
	A35	LIFE Tamatsukuri (Site)	Other Regions (Osaka)	Osaka, Osaka	1,880	0.3%	2,391.44	-	2,391.44	-	23	2015/03/02
	A36	Granbell Ginza Building	6 Cental Wards of Tokyo	Chuo-ku, Tokyo	2,621	0.4%	231.00	1,646.50	1,352.35	10	24	2015/06/30
	A37	UUR Tenjin Nishi-dori Building	Other Regions (Others)	Fukuoka, Fukuoka	5,500	0.8%	466.76	1,486.52	1,564.70	2	24	2015/07/15
	A38	Luz Shonan Tsujido	Tokyo Metropolitan Area	Fujisawa, Kanagawa	3,938	0.6%	3,658.25	17,889.43	10,454.22	14	24	2015/09/30
	A39	ACTIOLE Ueno	23 Wards of Tokyo	Taito-ku, Tokyo	3,000	0.4%	159.59	1,234.99	1,163.44	12	25	2015/12/04
	A40	KURURU	Tokyo Metropolitan Area	Fuchu, Tokyo	9,285	1.4%	7,266.41	59,361.08	13,247.82	6	26	2016/09/01
	A41	K's Denki Nagoya-kita	Other Regions (Nagoya)	Toyoyama, Aichi	1,750	0.3%	7,461.97	4,733.74	4,733.74	8	27	2016/12/01
	A42	Luz Musashikosugi	Tokyo Metropolitan Area	Kawasaki, Kanagawa	12,151	1.8%	6,104.63	12,223.72	8,272.58	11	31	2018/12/28
Office buildings	B1	T&G Hamamatsucho Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,257	0.3%	453.81	3,296.58	2,341.13	12	1	2003/12/26
	B3	Fukuoka Eartheon Building	Other Regions (Others)	Fukuoka, Fukuoka	2,080	0.3%	1,358.91	6,079.35	4,934.40	1	1	2003/12/26
	B4	Marumasu Kojimachi Building	6 Cental Wards of Tokyo	Chiyoda-ku, Tokyo	2,350	0.4%	703.24	5,218.55	2,579.23	11	1	2004/03/29
	B5	Rokubancho K Building	6 Cental Wards of Tokyo	Chiyoda-ku, Tokyo	2,150	0.3%	689.70	4,031.14	4,031.14	14	1	2004/03/30
	B6	Shin-Osaka Central Tower (office portion)	Other Regions (Osaka)	Osaka, Osaka	14,279	2.1%	7,265.79	58,882.64	27,788.73	7	3	2004/12/02
	B7	Kawasaki Toshiba Building	Tokyo Metropolitan Area	Kawasaki, Kanagawa	19,200	2.9%	8,615.20	51,254.06	36,142.30	7	3	2004/12/20
	(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion)	Tokyo Metropolitan Area	Yokohama, Kanagawa	5,021	0.7%	-	-	22,214.65	-	9	2008/02/18
	B8	UUR Toyocho Building	23 Wards of Tokyo	Koto-ku, Tokyo	8,500	1.3%	3,262.50	10,768.11	7,540.30	13	10	2008/06/30
	B9	FOUR SEASONS BLDG	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	4,200	0.6%	690.93	6,318.81	5,000.54	11	13	2009/12/25
	B11	Pacific Marks Shinjuku Parkside	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	12,100	1.8%	3,201.80	19,802.22	10,947.34	14.8	15	2010/12/01
	B13	Pacific Marks Tsukishima	6 Cental Wards of Tokyo	Chuo-ku, Tokyo	6,080	0.9%	3,302.07	14,507.92	9,335.19	14	15	2010/12/01
	B14	Pacific Marks Yokohama East	Tokyo Metropolitan Area	Yokohama, Kanagawa	7,050	1.1%	2,525.41	15,387.49	11,199.19	15	15	2010/12/01
	B17	Akasaka Hikawa Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	3,290	0.5%	1,328.93	4,795.06	3,438.20	14	15	2010/12/01



# Properties 2/3

Type	No.	Property Name	Area	Location	Acquisition Price		Site Area (sqm)	Floor Area (sqm)	Rentable Area (sqm)	PML (%)	Acquisition	
					(JPY Mn)	Ratio					Period	Date
Office buildings	B18	Pacific Marks Shibuya Koen-dori	6 Cental Wards of Tokyo	Shibuya-ku, Tokyo	2,570	0.4%	428.62	1,972.43	1,972.43	12	15	2010/12/01
	B20	Pacific Marks Akasaka-mitsuke	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,210	0.3%	390.86	1,895.87	1,675.13	13	15	2010/12/01
	B22	Pacific Marks Shin-Yokohama	Tokyo Metropolitan Area	Yokohama, Kanagawa	1,710	0.3%	475.00	4,141.89	3,110.72	16	15	2010/12/01
	B25	Pacific Marks Kawasaki	Tokyo Metropolitan Area	Kawasaki, Kanagawa	9,890	1.5%	1,183.52	10,694.91	7,395.50	17	15	2010/12/01
	B26	Hamamatsucho 262 Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	6,840	1.0%	1,401.61	8,331.90	6,154.21	14	15	2010/12/01
	B27	Lila Hijirizaka	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,750	0.4%	1,474.05	6,598.52	4,255.02	12	15	2010/12/01
	B29	Otsuka HT Building	23 Wards of Tokyo	Toshima-ku, Tokyo	1,160	0.2%	455.94	2,317.67	1,774.56	13	15	2010/12/01
	B30	Pacific Marks Shinjuku South-gate	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	2,460	0.4%	257.87	2,038.70	1,727.08	12	15	2010/12/01
	B31	Pacific Marks Nishi-Umeda	Other Regions (Osaka)	Osaka, Osaka	6,860	1.0%	2,053.30	16,142.54	10,990.99	10	15	2010/12/01
	B32	Pacific Marks Higobashi	Other Regions (Osaka)	Osaka, Osaka	4,570	0.7%	1,284.23	9,596.62	7,616.43	12	15	2010/12/01
	B35	Pacific Marks Sapporo Kita-Ichijo	Other Regions (Others)	Sapporo, Hokkaido	1,790	0.3%	987.04	6,048.97	4,727.65	1	15	2010/12/01
	B36	Shin-Sapporo Center Building	Other Regions (Others)	Sapporo, Hokkaido	987	0.1%	1,940.15	3,725.13	2,796.65	2	15	2010/12/01
	B37	ARENA TOWER	Tokyo Metropolitan Area	Yokohama, Kanagawa	9,500	1.4%	2,733.00	24,412.67	17,967.46	10	16	2011/06/16
	B38	Yushima First Building	23 Wards of Tokyo	Bunkyo-ku, Tokyo	2,100	0.3%	1,120.85	6,165.88	4,558.77	13	18	2012/08/29
	B39	Dogenzaka Square	6 Cental Wards of Tokyo	Shibuya-ku, Tokyo	2,300	0.3%	488.93	3,227.62	2,233.73	16	18	2012/11/22
	B40	GRAND-SQUARE Shin-Sakae	Other Regions (Nagoya)	Nagoya, Aichi	1,480	0.2%	1,294.88	5,333.51	4,578.93	10	21	2014/02/28
	B41	GRAND-SQUARE Meieki-minami	Other Regions (Nagoya)	Nagoya, Aichi	1,220	0.2%	1,012.06	5,017.30	4,003.05	10	21	2014/02/28
	B42	Shiba 520 Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	2,100	0.3%	727.86	3,781.22	2,831.94	13	21	2014/03/28
	B43	Hirose-dori SE Building	Other Regions (Others)	Sendai, Miyagi	3,600	0.5%	2,146.31	10,396.94	8,235.87	8	22	2014/06/13
	B44	SS30 (office portion)	Other Regions (Others)	Sendai, Miyagi	11,521	1.7%	15,542.84	110,955.68	42,886.13	2	27	2017/03/30
	B45	LOOP-X・M	6 Cental Wards of Tokyo	Minato-ku, Tokyo	11,200	1.7%	5,491.44	31,583.38	21,590.15	7	27	2017/04/26
	B46	Toranomon Hills Mori Tower	6 Cental Wards of Tokyo	Minato-ku, Tokyo	10,000	1.5%	17,068.95	241,581.95	3,273.51	1	35	2020/12/01
	B47	Toranomon PF Building	6 Cental Wards of Tokyo	Minato-ku, Tokyo	3,435	0.5%	1,071.65	4,829.15	3,603.09	10	35	2020/12/01
	B48	UUR Kyobashi East Building	6 Cental Wards of Tokyo	Chuo-ku, Tokyo	7,280	1.1%	608.84	4,707.44	3,642.17	9	35	2021/03/31
Hotels	C1	Shinjuku Washington Hotel Honkan	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	21,140	3.1%	6,215.31	59,985.37	53,315.02	9	1	2003/12/22
	(B6)	Shin-Osaka Central Tower (hotel portion)	Other Regions (Osaka)	Osaka, Osaka	9,721	1.4%	-	-	18,149.63	-	3	2004/12/02
	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	6 Cental Wards of Tokyo	Minato-ku, Tokyo	1,884	0.3%	482.10	2,928.94	3,088.85	17	3	2005/02/18
	C3	MZ BLD.	Tokyo Metropolitan Area	Hachioji, Tokyo	3,800	0.6%	1,304.44	7,708.88	6,660.20	13	9	2008/04/10
	C4	HOTEL ROUTE-INN Yokohama Bashamichi	Tokyo Metropolitan Area	Yokohama, Kanagawa	4,720	0.7%	970.83	6,610.51	7,139.44	19	10	2008/06/30
	C5	Hotel JAL City Naha	Other Regions (Others)	Naha, Okinawa	7,650	1.1%	3,573.31	13,655.23	13,701.80	5	16	2011/10/25
	C6	UUR Yotsuya Sanchome Building	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	4,200	0.6%	1,053.16	7,682.82	7,854.86	14	17	2011/12/26
	C7	Yotsuya 213 Building	6 Cental Wards of Tokyo	Shinjuku-ku, Tokyo	5,020	0.7%	1,264.94	7,884.53	7,544.42	13	19	2013/03/18
	C9	Comfort Inn Tokyo Roppongi	6 Cental Wards of Tokyo	Minato-ku, Tokyo	4,488	0.7%	551.39	4,154.72	3,708.47	12	21	2014/05/01
	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Tokyo Metropolitan Area	Kawasaki, Kanagawa	2,655	0.4%	639.19	4,785.93	4,874.28	14.5	24	2015/08/31
	C11	Toyoko Inn Hiroshima Heiwa-odori	Other Regions (Others)	Hiroshima, Hiroshima	2,113	0.3%	660.40	4,345.24	4,357.75	7	24	2015/08/31
	C12	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Other Regions (Others)	Naha, Okinawa	745	0.1%	384.93	1,566.12	1,529.47	2	24	2015/08/31
	C13	Loisir Hotel & Spa Tower Naha	Other Regions (Others)	Naha, Okinawa	20,000	3.0%	11,850.24	45,731.16	45,731.16	7	25	2016/02/05
	C14	Royal Pines Hotel Urawa	Tokyo Metropolitan Area	Saitama, Saitama	17,500	2.6%	7,418.83	51,071.32	31,129.86	10	25	2016/04/01
	(B44)	SS30 (hotel portion)	Other Regions (Others)	Sendai, Miyagi	6,679	1.0%	-	-	24,814.24	-	27	2017/03/30
	C15	RIHGA Royal Hotel Kokura・ARUARU City	Other Regions (Others)	Kitakyushu, Fukuoka	16,600	2.5%	22,799.65	114,117.54	81,365.21	1	29	2018/01/26
	C16	Comfort Inn Fukuoka Tenjin	Other Regions (Others)	Fukuoka, Fukuoka	3,000	0.4%	496.79	3,567.22	3,567.22	1	30	2018/09/27
	C17	Henn na Hotel Tokyo Hamamatsucho	6 Cental Wards of Tokyo	Minato-ku, Tokyo	4,456	0.7%	365.81	2,293.64	2,293.64	14.8	31	2019/05/15
	C18	Hotel Hewitt Koshien	Other Regions (Osaka)	Nishinomiya, Hyogo	13,520	2.0%	14,997.27	29,537.39	36,104.06	9	32	2019/06/25
	C19	Smile Hotel Premium Sapporo Susukino	Other Regions (Others)	Sapporo, Hokkaido	4,233	0.6%	958.37	7,762.50	8,332.04	1	32	2019/06/28
	C20	the square hotel KANAZAWA	Other Regions (Others)	Kanazawa, Ishikawa	4,802	0.7%	1,632.92	6,253.86	6,333.36	4	33	2019/12/03
	C21	NEST HOTEL KYOTO SHIJOKARASUMA	Other Regions (Osaka)	Kyoto, Kyoto	2,010	0.3%	609.28	2,358.25	2,358.25	8	33	2020/03/31
	D1	T&G Higashi-ikebukuro Mansion	23 Wards of Tokyo	Toshima-ku, Tokyo	2,021	0.3%	398.82	3,300.18	2,603.22	12	1	2003/12/26
	D4	Komazawa Court	23 Wards of Tokyo	Setagaya-ku, Tokyo	1,680	0.3%	2,943.33	3,580.44	3,741.17	11	1	2003/12/26

Properties 3/3

Type	No.	Property Name	Area	Location	Acquisition Price		Site Area (sqm)	Floor Area (sqm)	Rentable Area (sqm)	PML (%)	Acquisition	
					(JPY Mn)	Ratio					Period	Date
Residential Properties	D6	UUR Court Shiba-Daimon	6 Cental Wards of Tokyo	Minato-ku, Tokyo	1,175	0.2%	233.66	1,486.38	1,486.38	17	2	2004/10/15
	D9	Aprile Shin-Ohgi Ichibankan	Other Regions (Osaka)	Kobe, Hyogo	3,031	0.5%	3,329.45	12,700.44	12,700.44	8	3	2005/04/13
	D10	UUR Court Sapporo Kita-Sanjo	Other Regions (Others)	Sapporo, Hokkaido	1,278	0.2%	1,249.45	6,588.72	4,790.50	2	5	2006/03/16
	D15	CLIO Bunkyo Koishikawa	23 Wards of Tokyo	Bunkyo-ku, Tokyo	3,170	0.5%	814.54	5,871.77	4,097.51	14.5	5	2006/04/28
	D16	GRAND-ROUGE Sakae	Other Regions (Nagoya)	Nagoya, Aichi	1,570	0.2%	1,009.16	3,912.49	3,697.38	13	6	2006/11/30
	D17	GRAND-ROUGE Sakae II	Other Regions (Nagoya)	Nagoya, Aichi	1,300	0.2%	674.34	3,172.34	2,579.89	13	9	2007/12/26
	D18	MA Sendai Building	Other Regions (Others)	Sendai, Miyagi	3,440	0.5%	3,656.44	12,642.98	11,525.36	11	10	2008/09/24
	D19	UUR Court Nagoya Meieki	Other Regions (Nagoya)	Nagoya, Aichi	1,473	0.2%	639.17	3,207.39	2,958.45	16	10	2008/09/30
	D20	UUR Court Sapporo Shinoro Ichibankan	Other Regions (Others)	Sapporo, Hokkaido	870	0.1%	3,340.48	6,255.74	6,271.74	3	10	2008/11/11
	D21	Park Site IZUMI	Other Regions (Nagoya)	Nagoya, Aichi	900	0.1%	336.55	2,196.97	2,067.95	12	10	2008/11/21
	D22	UUR Court Osaka Juso-honmachi	Other Regions (Osaka)	Osaka, Osaka	1,570	0.2%	1,266.32	4,166.73	3,650.00	16	11	2009/02/26
	D23	UUR Court Kinshicho	23 Wards of Tokyo	Koto-ku, Tokyo	2,900	0.4%	924.27	6,890.13	5,460.39	14.8	16	2011/06/15
	D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Other Regions (Others)	Sapporo, Hokkaido	2,050	0.3%	1,078.42	10,224.31	7,763.18	1	18	2012/06/28
	D25	GRAND-ROUGE Nakanoshima-minami	Other Regions (Osaka)	Osaka, Osaka	1,380	0.2%	405.74	3,741.79	3,090.36	15	20	2013/06/25
	D26	Glenpark Umeda-kita	Other Regions (Osaka)	Osaka, Osaka	5,150	0.8%	2,156.35	14,340.44	12,730.60	15.5	22	2014/08/29
	D27	UUR Court Shiki	Tokyo Metropolitan Area	Shiki, Saitama	2,730	0.4%	6,132.03	9,885.83	9,288.00	11	24	2015/09/18
	D28	GRAND-ROUGE Tanimachi Rokuchome	Other Regions (Osaka)	Osaka, Osaka	1,300	0.2%	817.52	3,607.14	2,792.81	13	27	2016/12/01
	D29	Chatle Otemachi S・N	Other Regions (Others)	Kitakyushu, Fukuoka	3,398	0.5%	3,516.04	12,599.91	12,040.28	1	30	2018/07/03
	D30	GRAN FONTE	23 Wards of Tokyo	Nerima-ku, Tokyo	2,700	0.4%	4,132.97	6,983.30	6,268.24	1	31	2019/04/01
	D31	Park Axis Akatsuka	23 Wards of Tokyo	Itabashi-ku, Tokyo	1,980	0.3%	1,137.49	5,433.60	4,370.31	12	33	2020/03/30
Others	D32	UUR Court Shirasagi	23 Wards of Tokyo	Nakano-ku, Tokyo	1,442	0.2%	2,849.08	2,978.00	2,815.30	12	33	2020/03/31
	D33	Court Branche AP	6 Cental Wards of Tokyo	Shinagawa-ku, Tokyo	1,270	0.2%	599.07	1,786.90	1,480.17	13	33	2020/03/31
	D34	UUR Court Ibaraki Higashi-Chujo	Other Regions (Osaka)	Ibaraki, Osaka	1,665	0.2%	2,064.56	4,137.00	3,783.25	10	35	2020/12/01
	E1	Lilycolor Tohoku Branch	Other Regions (Others)	Sendai, Miyagi	2,050	0.3%	5,457.02	8,693.79	9,271.16	11	5	2006/05/29
	E2	Fuchu Building	Tokyo Metropolitan Area	Fuchu, Tokyo	4,920	0.7%	5,479.15	14,165.71	14,490.92	11	19	2013/05/16
	E3	Tsubogawa Square Building	Other Regions (Others)	Naha, Okinawa	4,150	0.6%	5,294.63	14,742.80	10,570.98	8	20	2013/11/01
	E4	THE PLACE of TOKYO	6 Cental Wards of Tokyo	Minato-ku, Tokyo	3,500	0.5%	645.87	3,105.31	3,212.21	13	21	2014/05/01
	E5	Logistics Higashi-Ohgishima	Tokyo Metropolitan Area	Kawasaki, Kanagawa	9,525	1.4%	28,351.30	41,949.12	42,113.83	12	22	2014/10/02
	E6	MT Ariake Center Building I&II	23 Wards of Tokyo	Koto-ku, Tokyo	8,000	1.2%	8,307.86	22,917.94	23,816.82	12	22	2014/11/25
	E7	Quartz Tower	6 Cental Wards of Tokyo	Sibuya-ku, Tokyo	5,700	0.8%	354.27	2,720.38	2,940.22	7	24	2015/11/13
	E8	Shin-Narashino Logistics Center	Tokyo Metropolitan Area	Narashino, Chiba	2,555	0.4%	6,968.26	13,268.65	12,909.90	10	24	2015/08/07
	E9	Kawagoe Logistics Center	Tokyo Metropolitan Area	Kawagoe, Saitama	7,550	1.1%	32,665.82	47,284.22	40,060.76	9	26	2016/06/17
	E10	Asuto Nagamachi Dental Clinic	Other Regions (Others)	Sendai, Miyagi	1,200	0.2%	2,009.14	1,554.09	1,554.09	8	26	2016/08/29
	E11	Shin-Narashino Logistics Center II	Tokyo Metropolitan Area	Narashino, Chiba	2,590	0.4%	7,870.01	12,578.45	12,598.46	9	27	2017/01/31
	E12	Yoshikawa Logistics Center	Tokyo Metropolitan Area	Yoshikawa, Saitama	1,960	0.3%	5,705.63	10,806.37	11,096.70	8	28	2017/07/27
	E13	Musashimurayama Logistics Center	Tokyo Metropolitan Area	Musashimurayama,	1,800	0.3%	5,788.52	9,207.73	9,237.87	14	30	2018/10/30
	E14	Chibaminato Logistics Center (Site)	Tokyo Metropolitan Area	Chiba, Chiba	6,600	1.0%	24,467.78	-	24,467.78	-	33	2020/02/28
	E15	Hirakata Nagao Logistics Center	Other Regions (Osaka)	Hirakata, Osaka	2,550	0.4%	5,951.88	11,374.78	11,874.51	8	33	2020/03/31
	E16	Kobe Toyahama Logistics Center	Other Regions (Osaka)	Kobe, Hyogo	1,300	0.2%	5,158.42	9,046.80	9,402.93	7	33	2020/04/17
	E17	REDWOOD Narita Distribution Centre	Tokyo Metropolitan Area	Sanbu, Chiba	2,345	0.3%	12,105.00	22,079.22	21,445.46	7	34	2020/06/30
Total					671,418	100.0%	742,067.38	1,944,092.44	1,541,488.04	6.12		

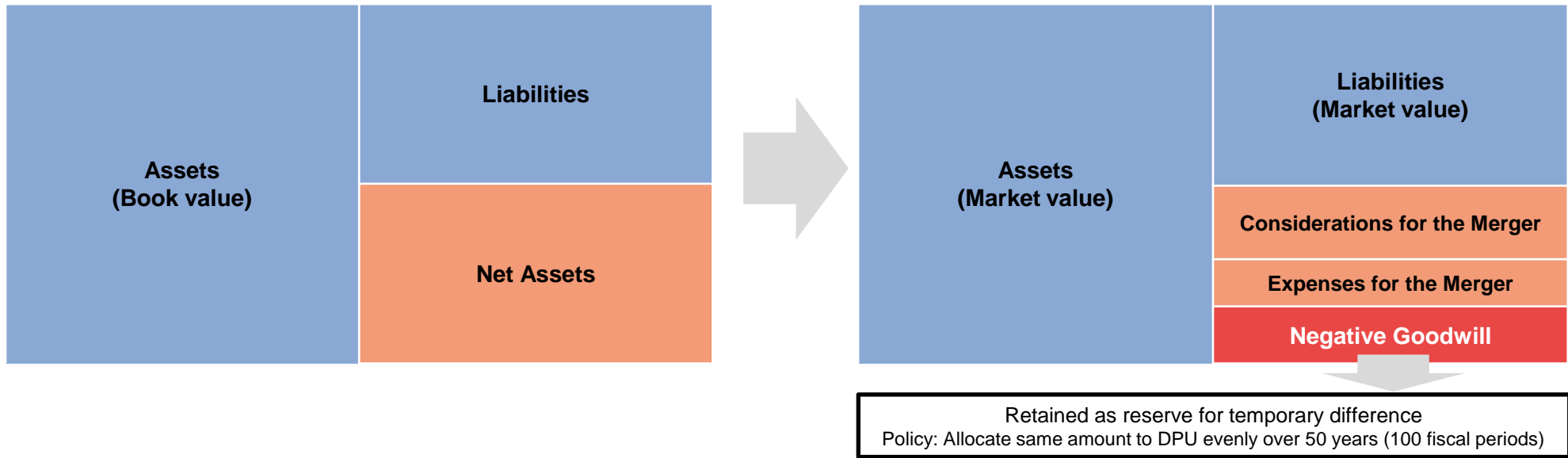
Acquisitions in the 36<sup>th</sup> FP (as of July 20, 2021)

A43	LEVEN Otakanomori	Tokyo Metropolitan Area	Nagareyama, Chiba	3,800	-	12,432.58	5,793.15	5,984.28	9	36	2021/06/30
E18	Kazo Logistics Center I・II	Tokyo Metropolitan Area	Kazo, Saitama	3,259	-	20,242.48	12,205.78	12,777.19	①8②8	36	2021/06/30

Note: The value of properties acquired in the 36<sup>th</sup> FP is as of each acquisition date.

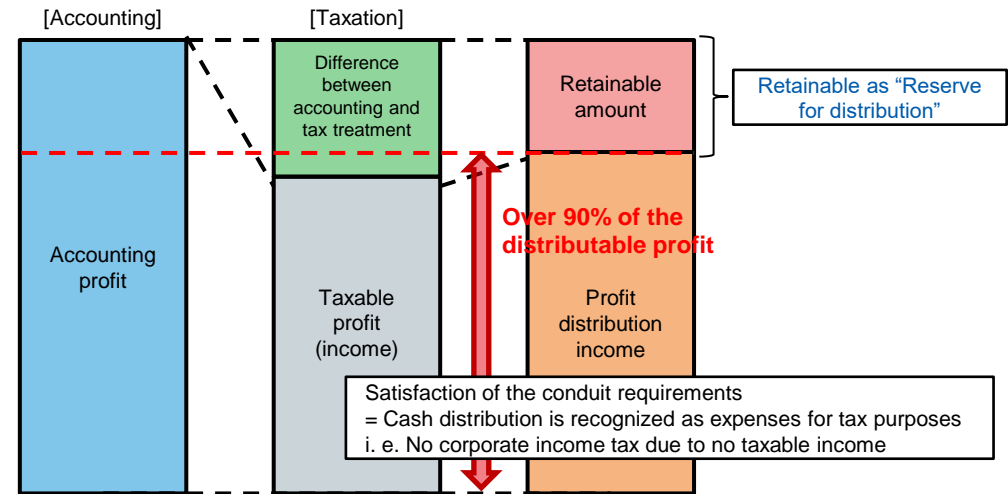
# Retained Earnings: Negative Goodwill and Reserve for Distribution

## ■ Occurrence of Negative Goodwill due to the Merger (Retained as Reserve for Temporary Difference)



## ■ Retained Earnings (Provision of Reserve for Distribution) Utilizing the Difference Between Accounting and Taxation

In the case “Accounting profit > Taxable profit (income)”



**Difference between accounting/tax treatment in United Urban’s case**

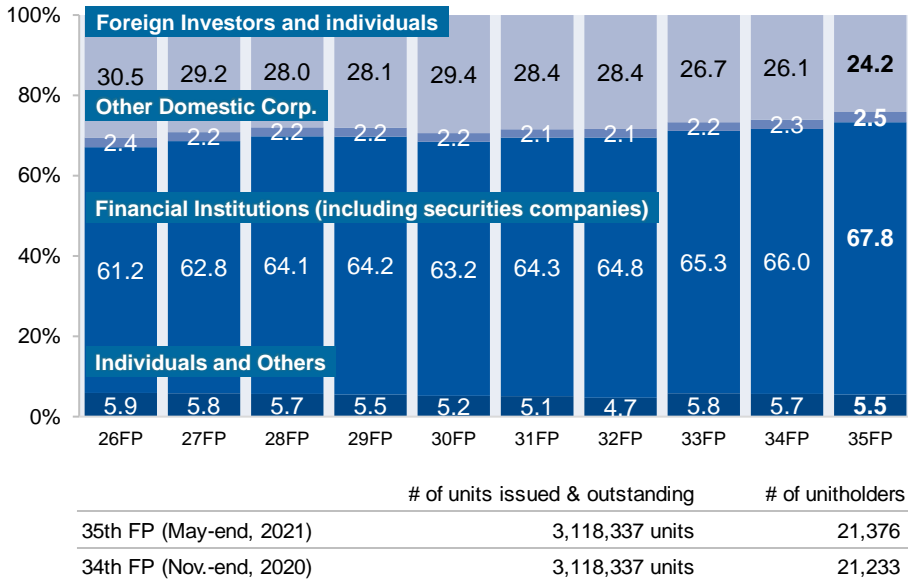
With regard to most properties which United Urban succeeded from NCI through the Merger (NCI properties), the difference between the accounting and tax treatment arises in depreciation and amortization and gain (loss) on the property sale due to the difference between the book value for accounting and tax purposes.

**(Accounting profit > Taxable profit (income))**

In the case the retained amount is within the extent that satisfies the conduit requirements, part of the accounting profit is retainable as a “reserve for distribution” without corporate income tax.

# Overview of Unitholders and Unit Price

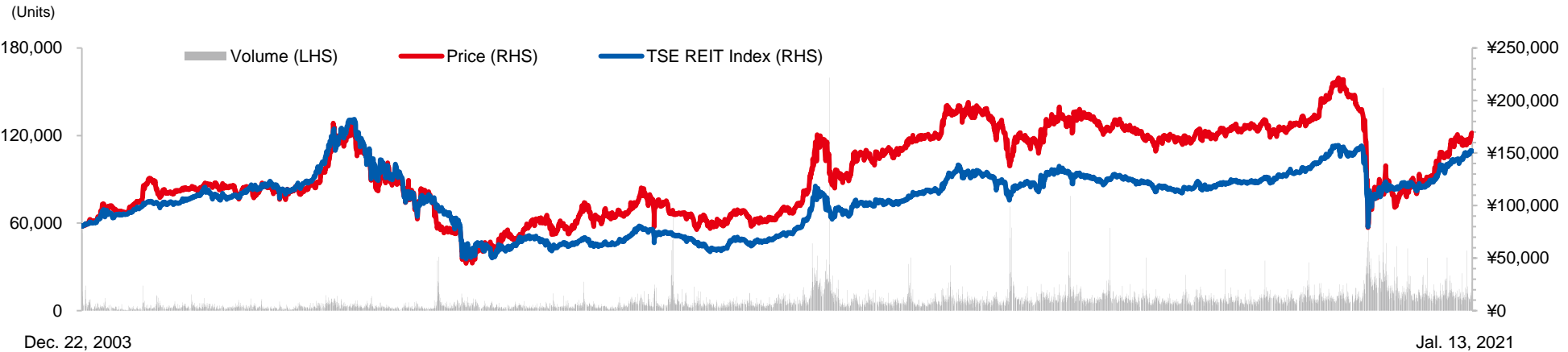
## Change in Composition of Unitholders



## Major Unitholders (as of May 31, 2021)

Rank	Unitholder	Number of units held	Percentage of unit held
1	Custody Bank of Japan, Ltd. (trust account)	772,826	24.8%
2	The Master Trust Bank of Japan, Ltd. (trust account)	543,625	17.4%
3	The Nomura Trust and Banking Co., Ltd. (investment trust account)	122,380	3.9%
4	Custody Bank of Japan, Ltd. (securities investment trust account)	100,706	3.2%
5	SMBC Nikko Securities Inc.	88,140	2.8%
6	JAPAN SECURITIES FINANCE CO., LTD.	74,498	2.4%
7	Mizuho Securities Co., Ltd.	65,476	2.1%
8	STATE STREET BANK WEST CLIENT-TREATY 505234	57,213	1.8%
9	SSBTC CLIENT OMNIBUS ACCOUNT	53,714	1.7%
10	JP MORGAN CHASE BANK 385771	32,139	1.0%
11	BNYM AS AGT/CLTS 10 PERSENT	31,534	1.0%
12	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	26,488	0.8%
13	STATE STREET BANK AND TRUST COMPANY 505103	23,656	0.8%
14	The Chugoku Bank, Ltd.	23,389	0.8%
15	THE BANK OF NEW YORK 133970	21,856	0.7%
Total		2,037,640	65.3%

## Change in Unit Price and Trading Volume\*1~4



\*1 Source: QUICK  
\*2 UUR's unit price and trading volume from December 22, 2003 to July 13, 2021.  
\*3 In connection with the unit split, before November 25, 2010 (the last trading day at the unit price before the unit split on the Tokyo Stock Exchange), the unit prices are shown divided by six, and the trading volumes are shown multiplied by six.  
\*4 TSE REIT Index is shown indexed based on the unit price on December 22, 2003.

# Status of Incorporation of Indexes

## Indexes Into Which UUR Is Incorporated as a Constituent REIT

### MSCI World Index / MSCI Japan Index

This is an index created and published by Morgan Stanley Capital International (MSCI). "MSCI World Index" is covering large-and middle-capital stocks listed in 23 developed countries. "MSCI Japan Index" is covering large-and middle-capital stocks listed in Japan.

### Dow Jones Global Select Real Estate Securities Index / Dow Jones Global Select REIT Index

This is an index created and published by Dow Jones Indexes.

### S&P Global REIT Index / S&P Developed REIT Index

This is an index created and published by Standard & Poor's (S&P). "S&P Global REIT Index" serves as a comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets. "S&P Developed REIT Index" serves as a comprehensive benchmark of publicly traded equity REITs domiciled in developed markets.

### GPR 250 Index / GPR 250 REIT Index

This is an index created and published by Global Property Research (GPR).

### FTSE All-World Index

This is provided by FTSE and widely used as a benchmark for global investors in the global stock markets.

### FTSE EPREA NAREIT Global Real Estate Index

FTSE EPRA NAREIT Global Real Estate Index series is developed by EPRA, NAREIT and FTSE, and is widely used as a benchmark for international real estate investment.

### Tokyo Stock Exchange REIT Core Index

"TSE REIT Core Index" is formed by the stocks selected from TSE REIT Index constituents considering market capitalization and trading volume.

### Nikkei High Yield REIT Index

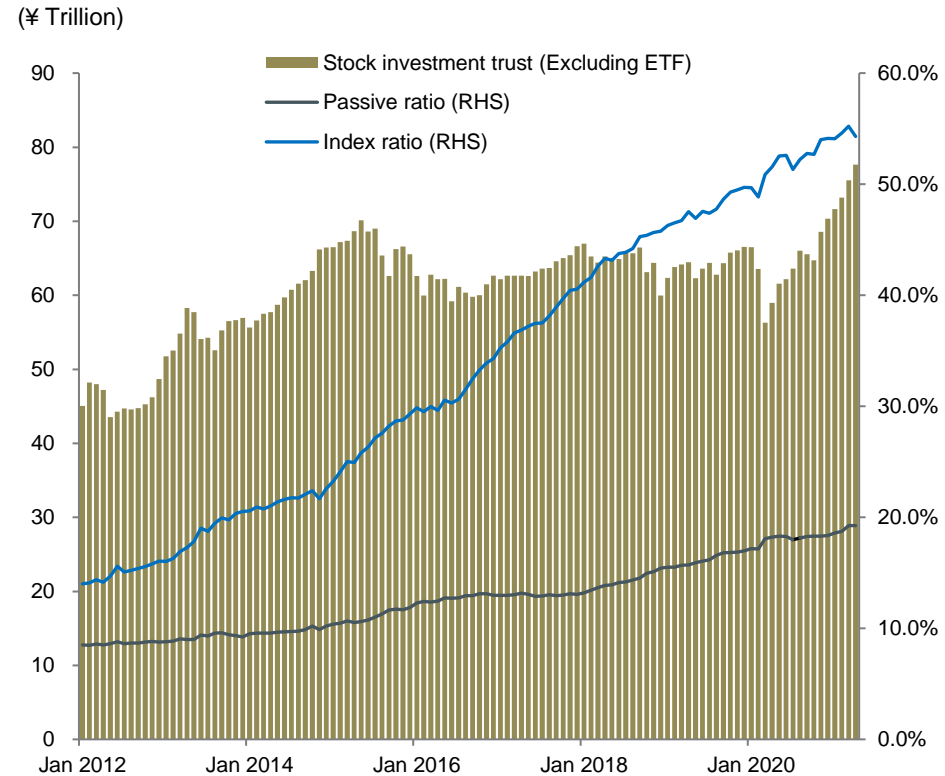
This is provided by Nikkei Inc. and intended to meet investors' needs to know the trend of REITs with higher distribution yields.

### Nikkei ESG-REIT Index

This is an index provided by Nikkei Inc. comprised of the REITs listed on the Tokyo Stock Exchange with those with low liquidity excluded, and then based on factors of their "efforts to promote ESG".

## Changes in Passive ratio and Index ratio in Stock investment trust

Passive and index ratios in equity investment trusts continue to rise, with current index fund ratios exceeding 50%



Note: Passive ratio = Passive (= Index – ETF) / Stock investment trust (Excluding ETF)

Index ratio = Index / Stock investment trust

Source: "Major Statistics of Investment Trusts" by The Investment Trusts Association, Japan.






Sponsor

A general trading company that develops business around the world

# Marubeni

Creating Solutions through Vertical Evolution and Horizontal Integration

Consumer Products Group	Food, Agriculture & Chemicals Group	Energy & Metals Group	Power Business & Infrastructure Group	Transportation & Industrial Machinery, Financial Business Group	CDIO
<ul style="list-style-type: none"><li>• Lifestyle Division</li><li>• ICT &amp; Real Estate Business Division</li><li>• Forest Products Division</li></ul>	<ul style="list-style-type: none"><li>• Food Division - I</li><li>• Food Division - II</li><li>• Agri Business Division</li><li>• Chemicals Division</li></ul>	<ul style="list-style-type: none"><li>• Energy Division</li><li>• Metals &amp; Mineral Resources Division</li></ul>	<ul style="list-style-type: none"><li>• Power Business Division</li><li>• Infrastructure Project Division</li></ul>	<ul style="list-style-type: none"><li>• Aerospace &amp; Ship Division</li><li>• Finance &amp; Leasing Business Division</li><li>• Construction, Industrial Machinery &amp; Mobility Division</li></ul>	<ul style="list-style-type: none"><li>• Next Generation Business Development Division</li></ul>
					

**Marubeni Group**

(Only major related group companies in the real estate field are listed.)

Investment corporation



United Urban Investment Corporation

Asset management company



Japan REIT Advisors Co., Ltd.

Real estate development

**Marubeni Real Estate Development**

Property management

**Marubeni Real Estate Management**

Power company

**M 丸紅新電力**

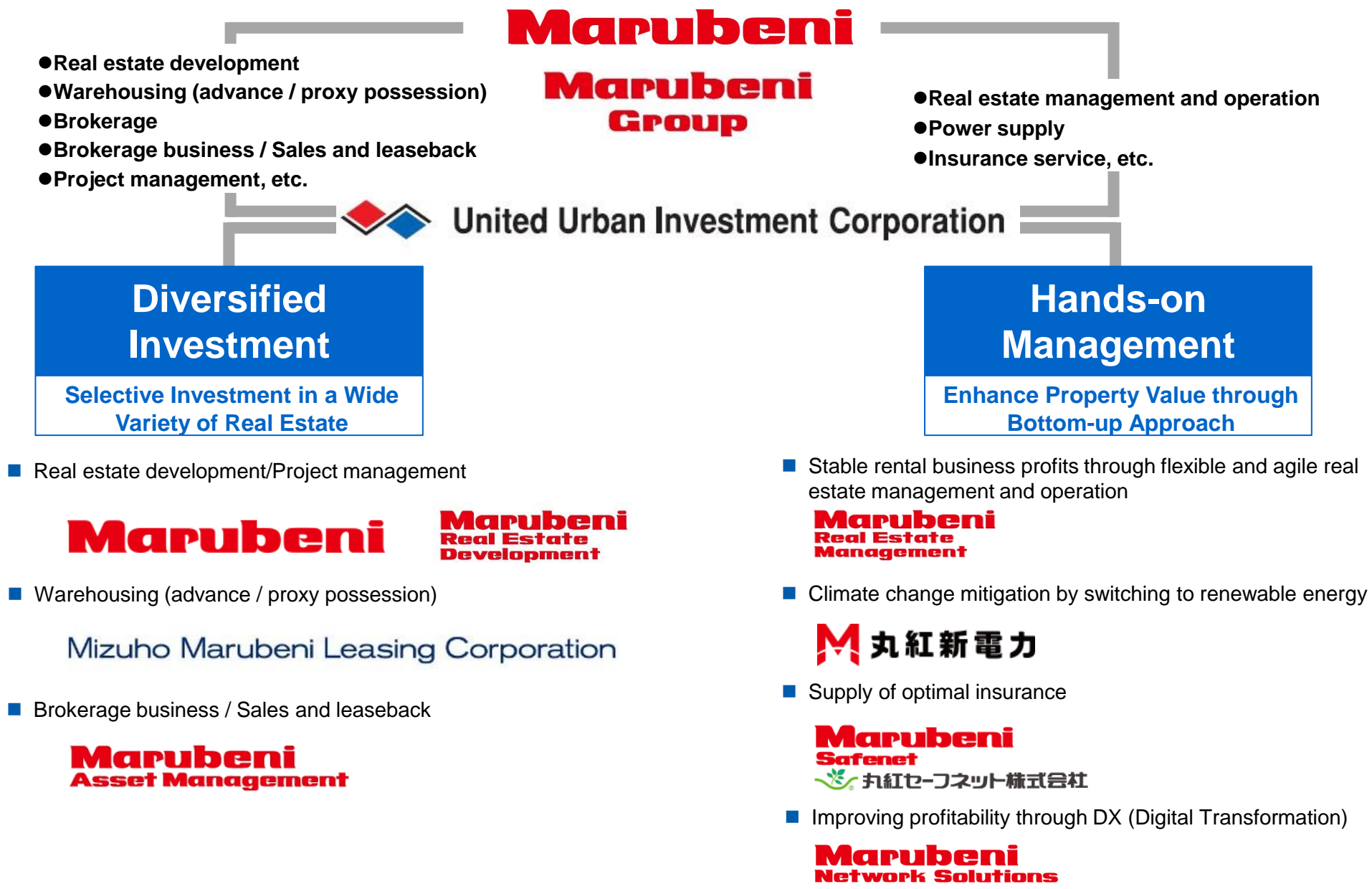
Insurance company

**Marubeni Safenet**  
丸紅セーフネット株式会社

Leasing company

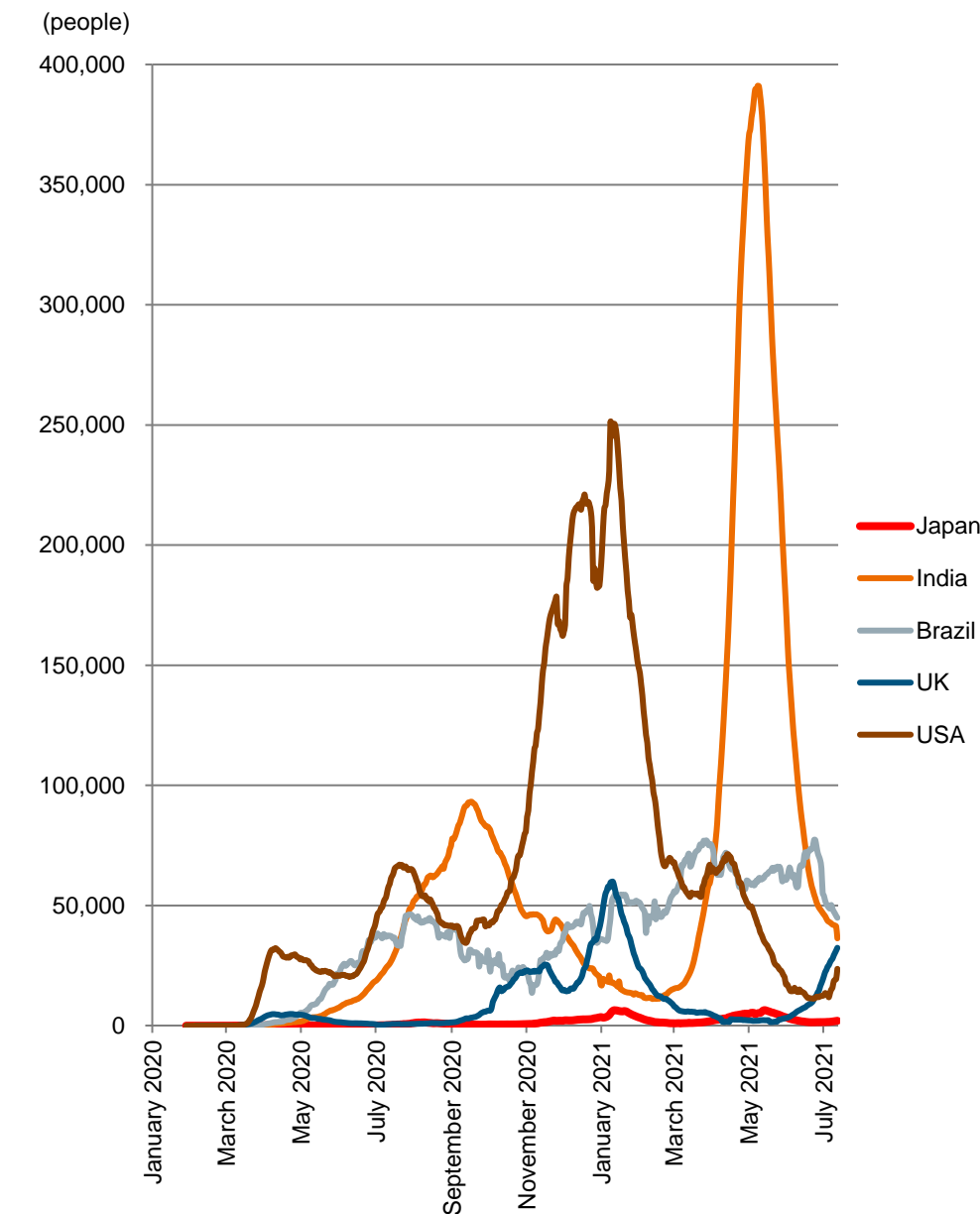
Mizuho Marubeni Leasing Corporation



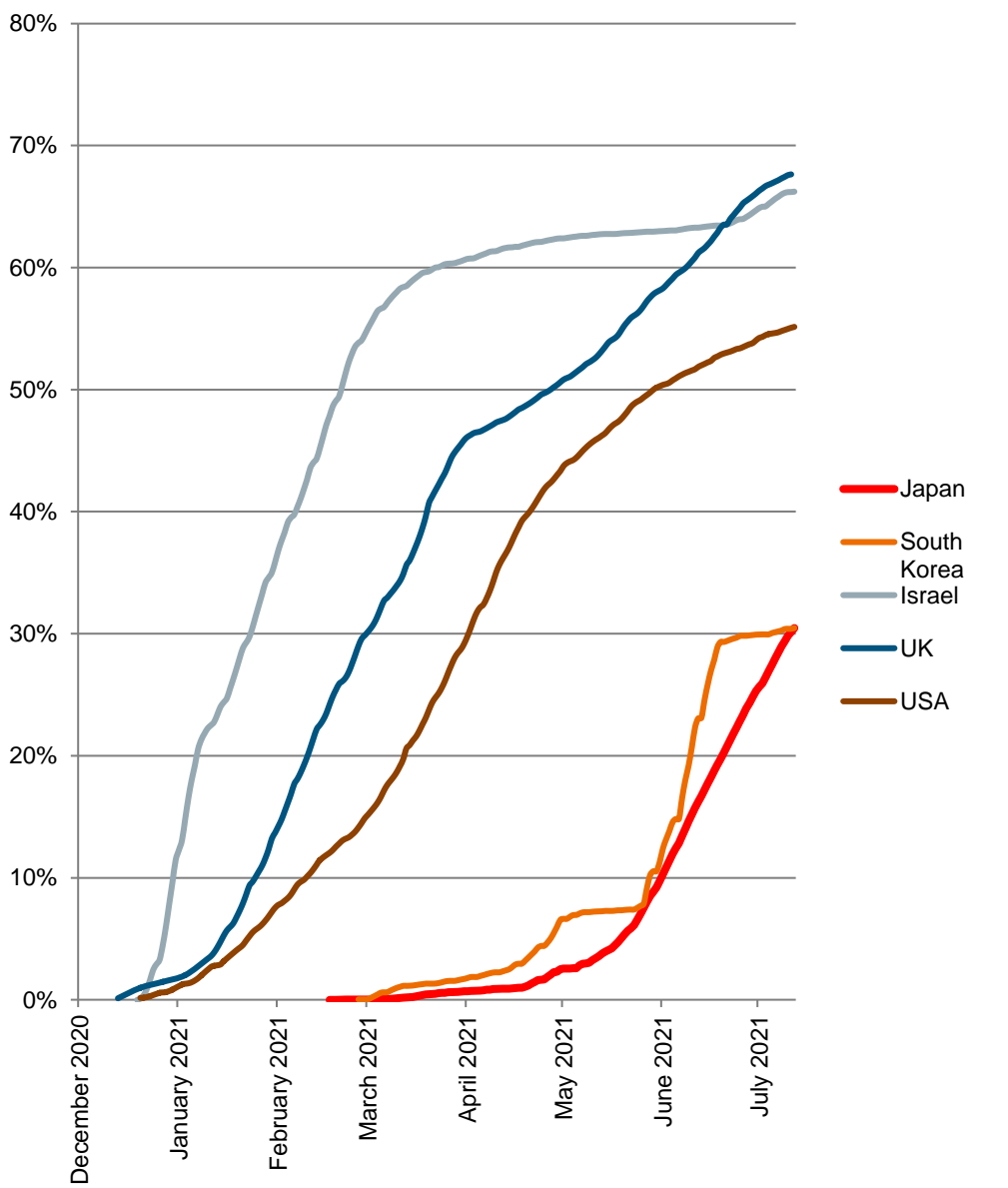


# COVID-19 Data

## Daily New Confirmed COVID-19 Cases



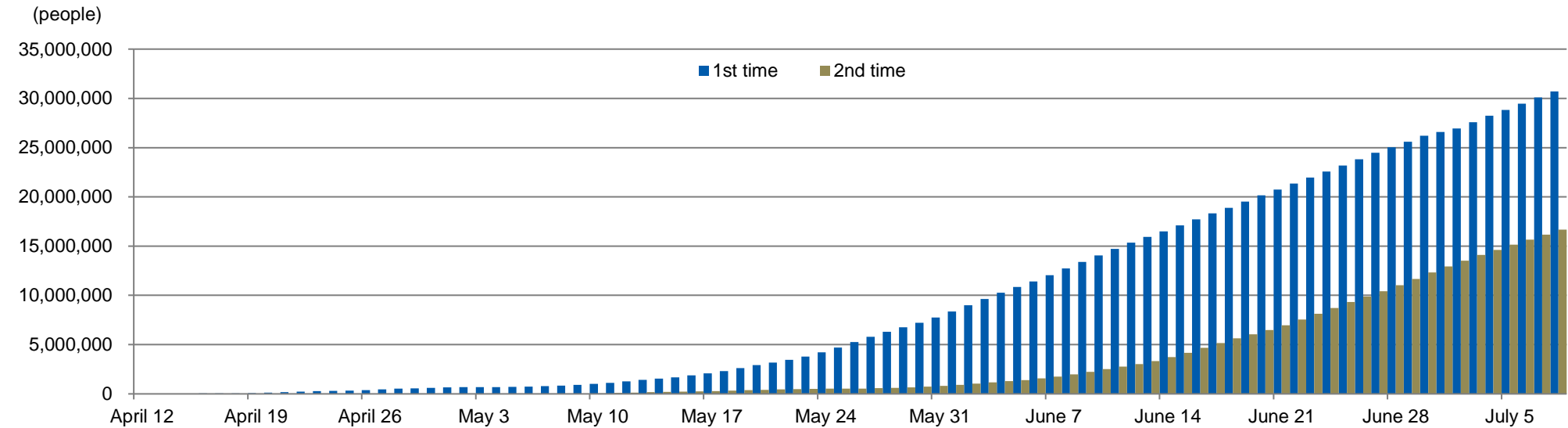
## Share of People who Received at least One Dose of COVID-19 vaccine



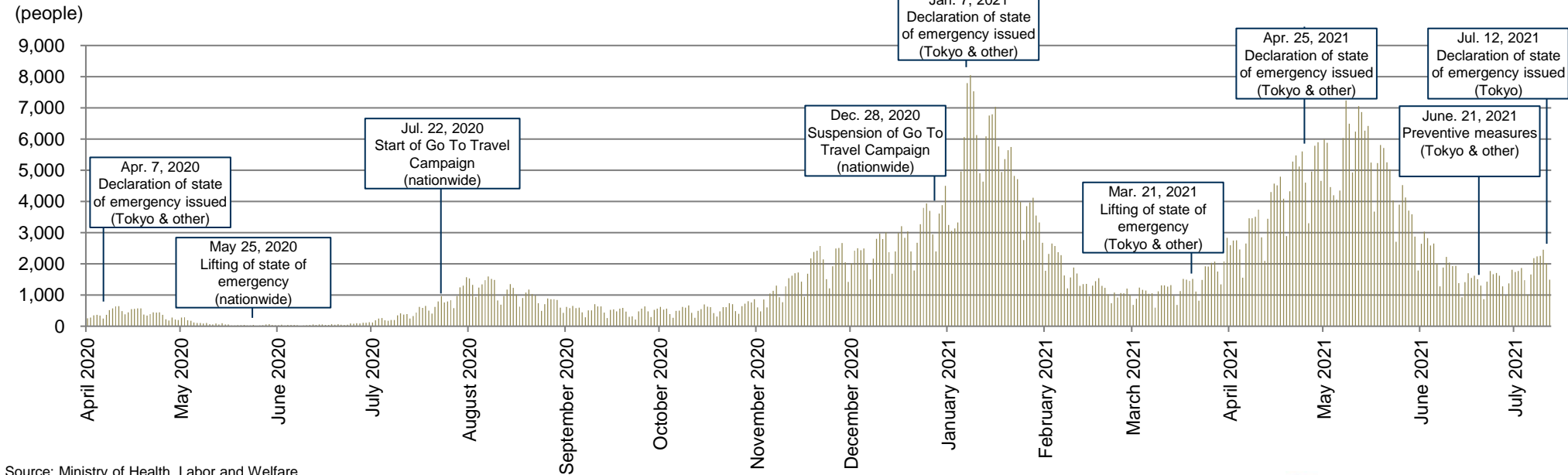
Source: Our World in Data

# COVID-19 Data

## Number of Vaccinated People in Japan (Cumulative)

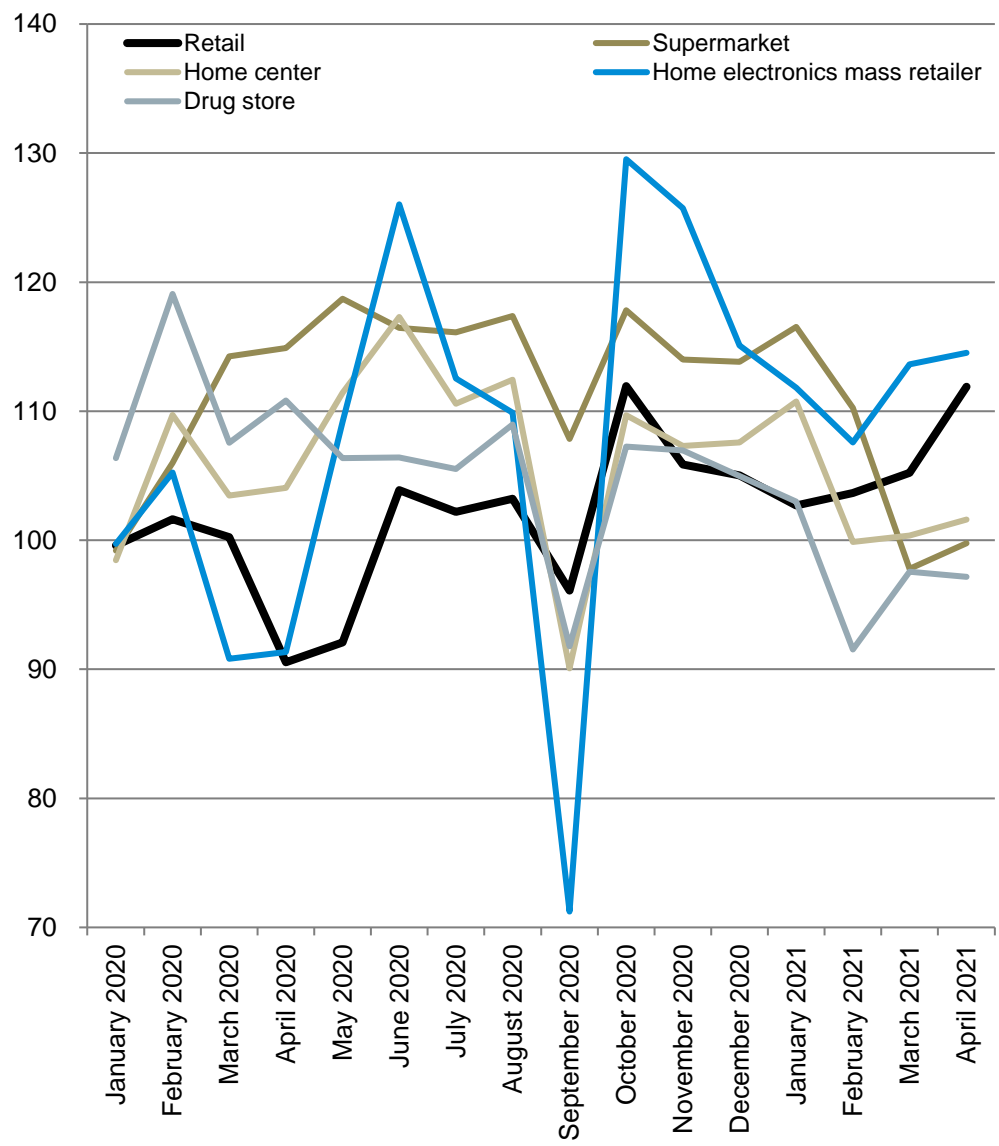


## Number of New Positives for COVID-19 in Japan (Daily)



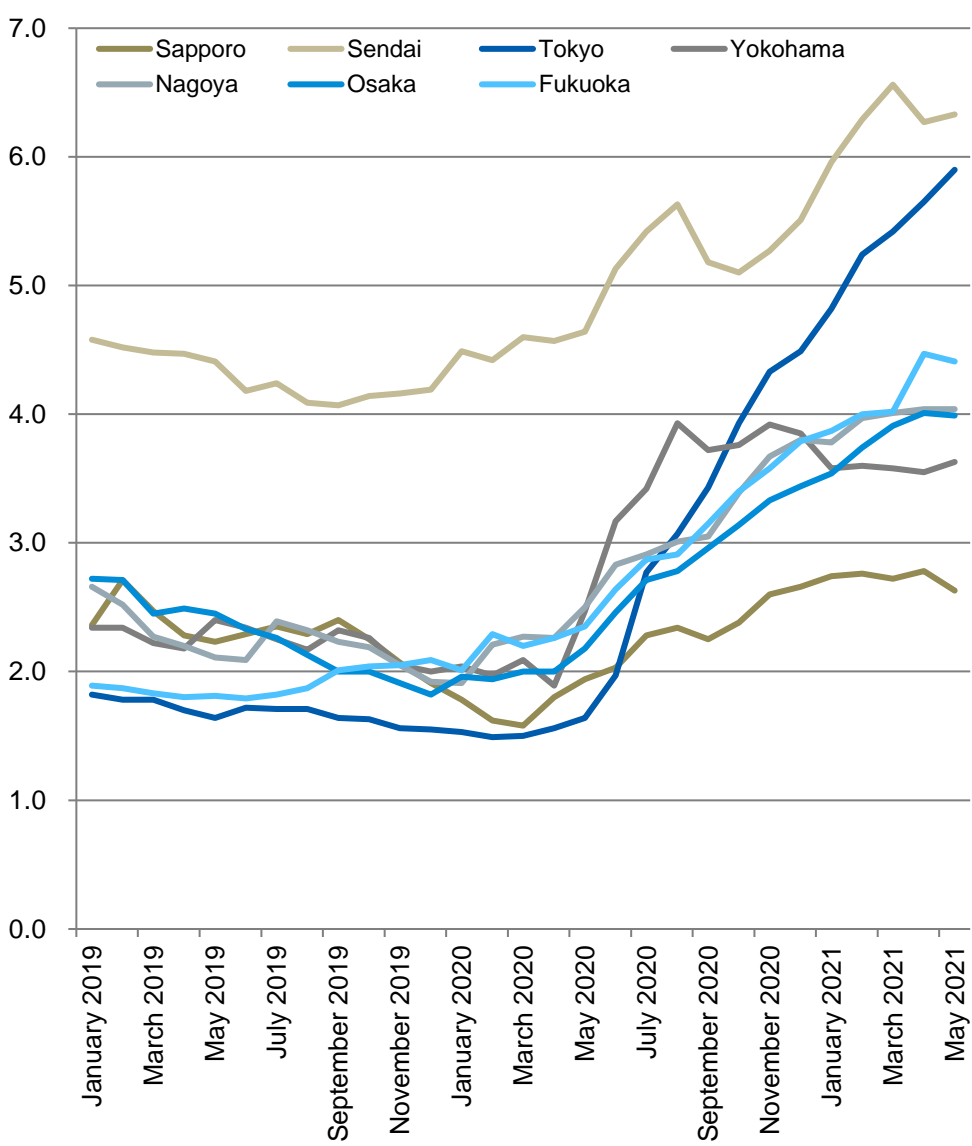
# Macroeconomic Data related to Asset Management

## Retail Sales (2019=100)



Source: Ministry of Economy, Trade and Industry

## Office Vacancy Rate



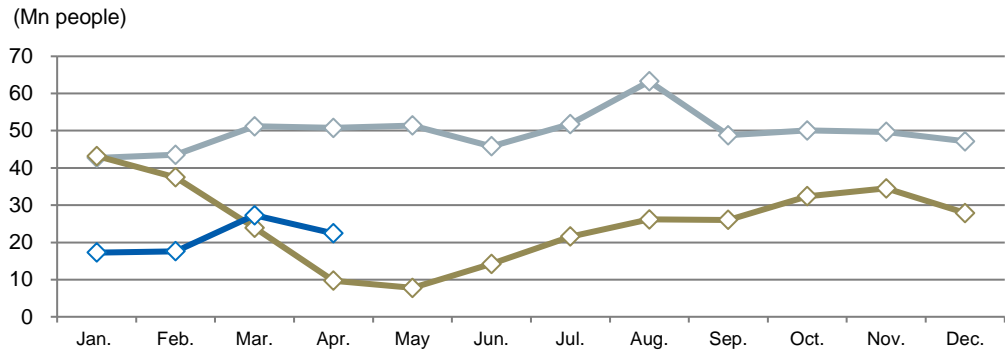
Source: Miki Shoji Co., Ltd

# Macroeconomic Data related to Asset Management

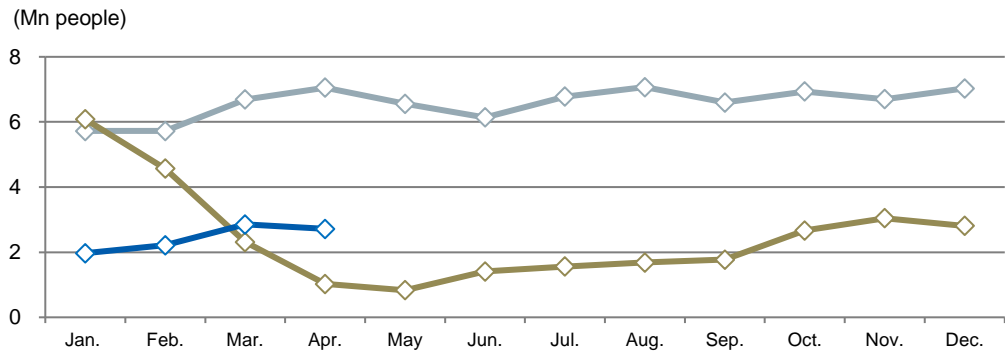
## Total Number of Hotel Guests

2019 2020 2021

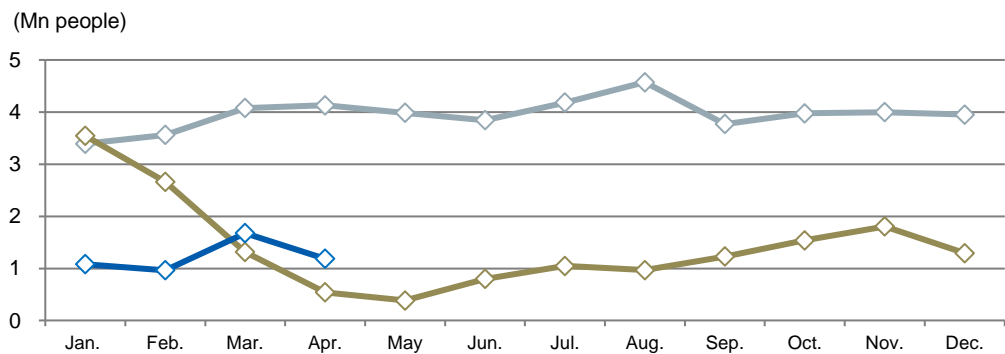
### Nationwide



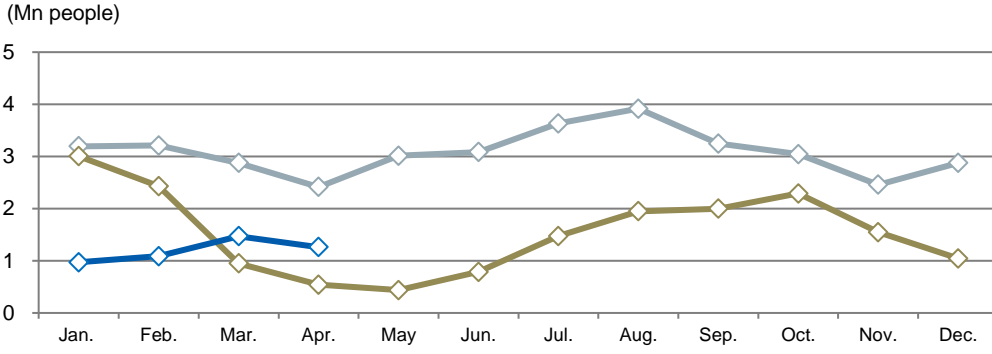
### Tokyo



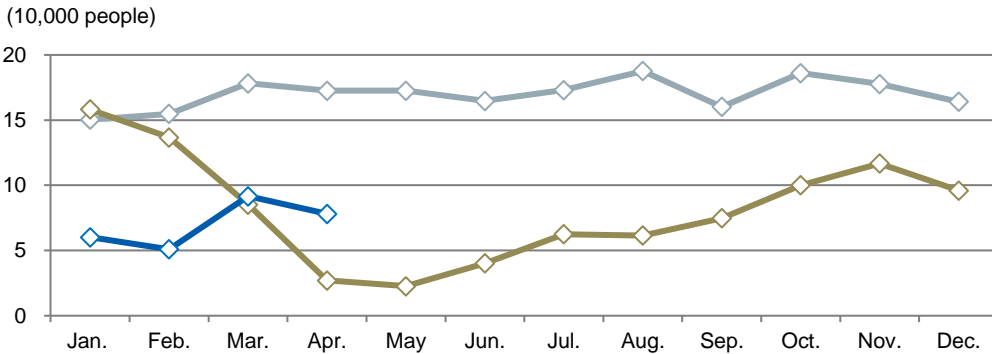
### Osaka



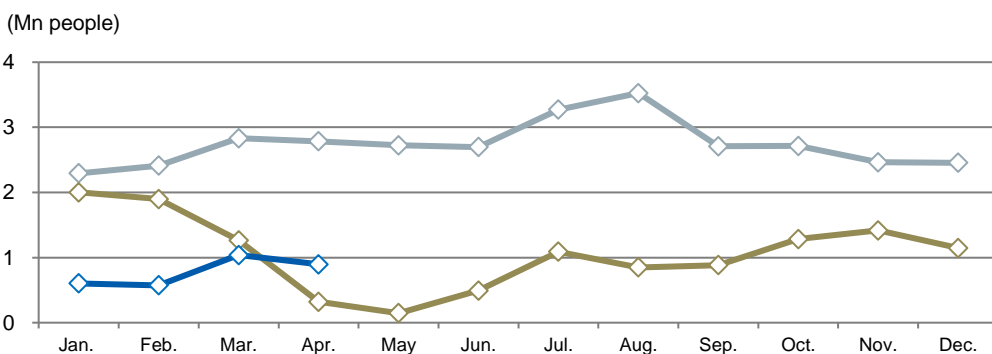
### Hokkaido



### Fukuoka

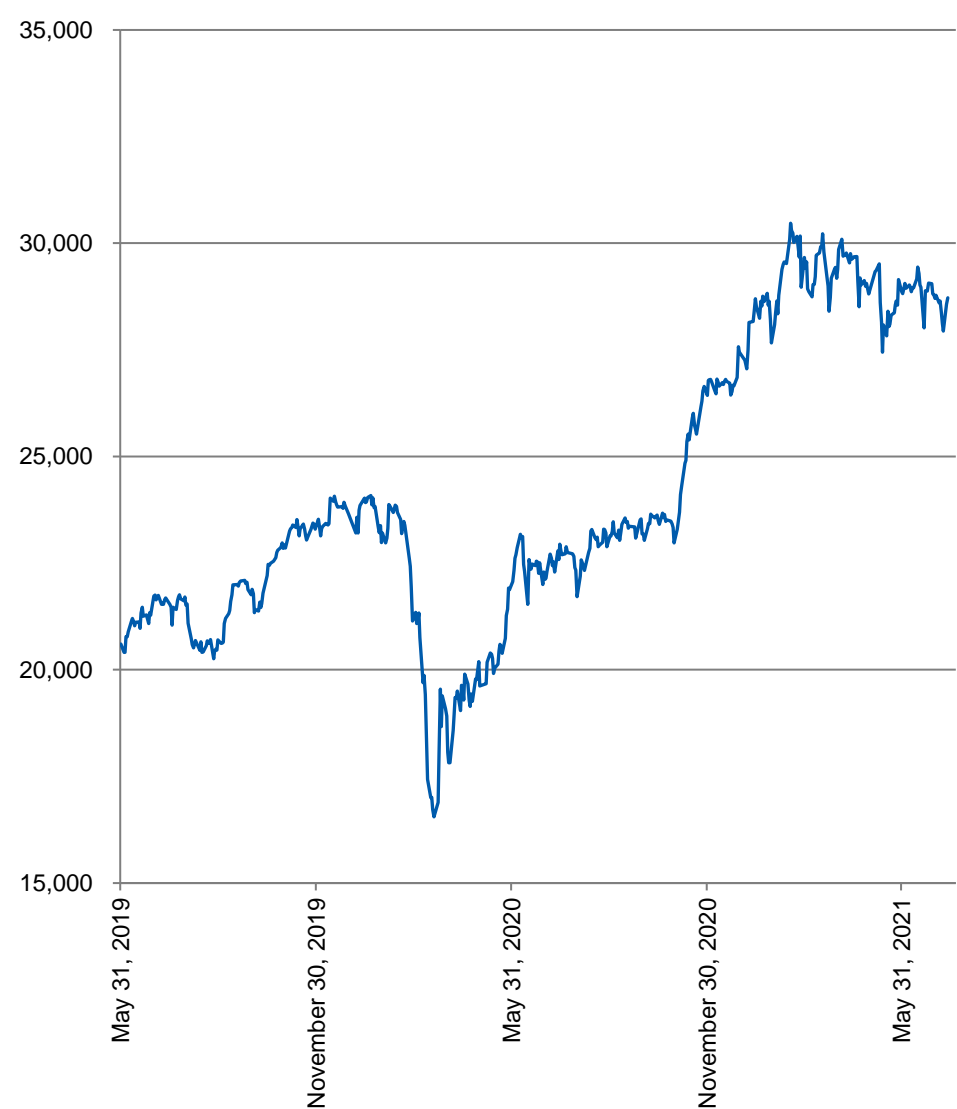


### Okinawa

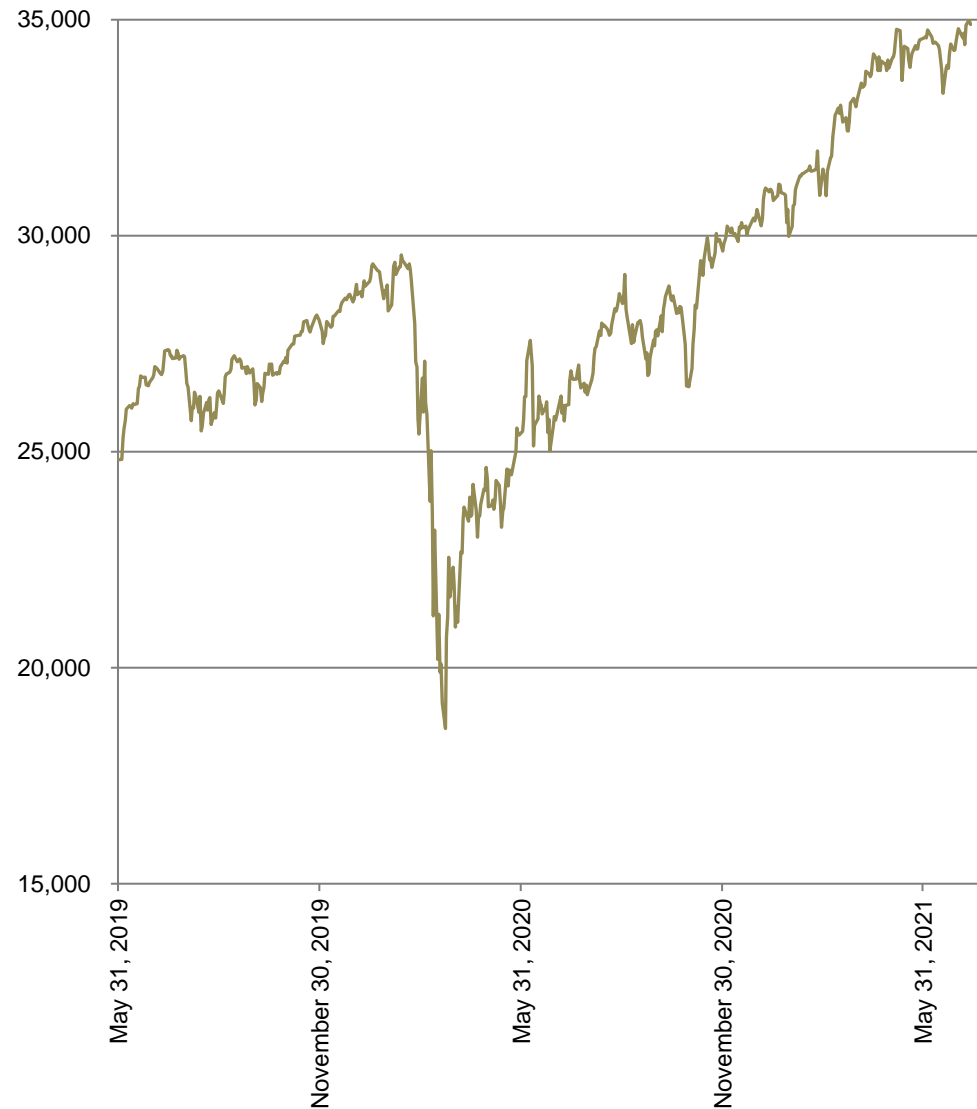


# Macroeconomic Data related to Asset Management

## Nikkei Stock Average (Nikkei225)



## Dow Jones Industrial Average

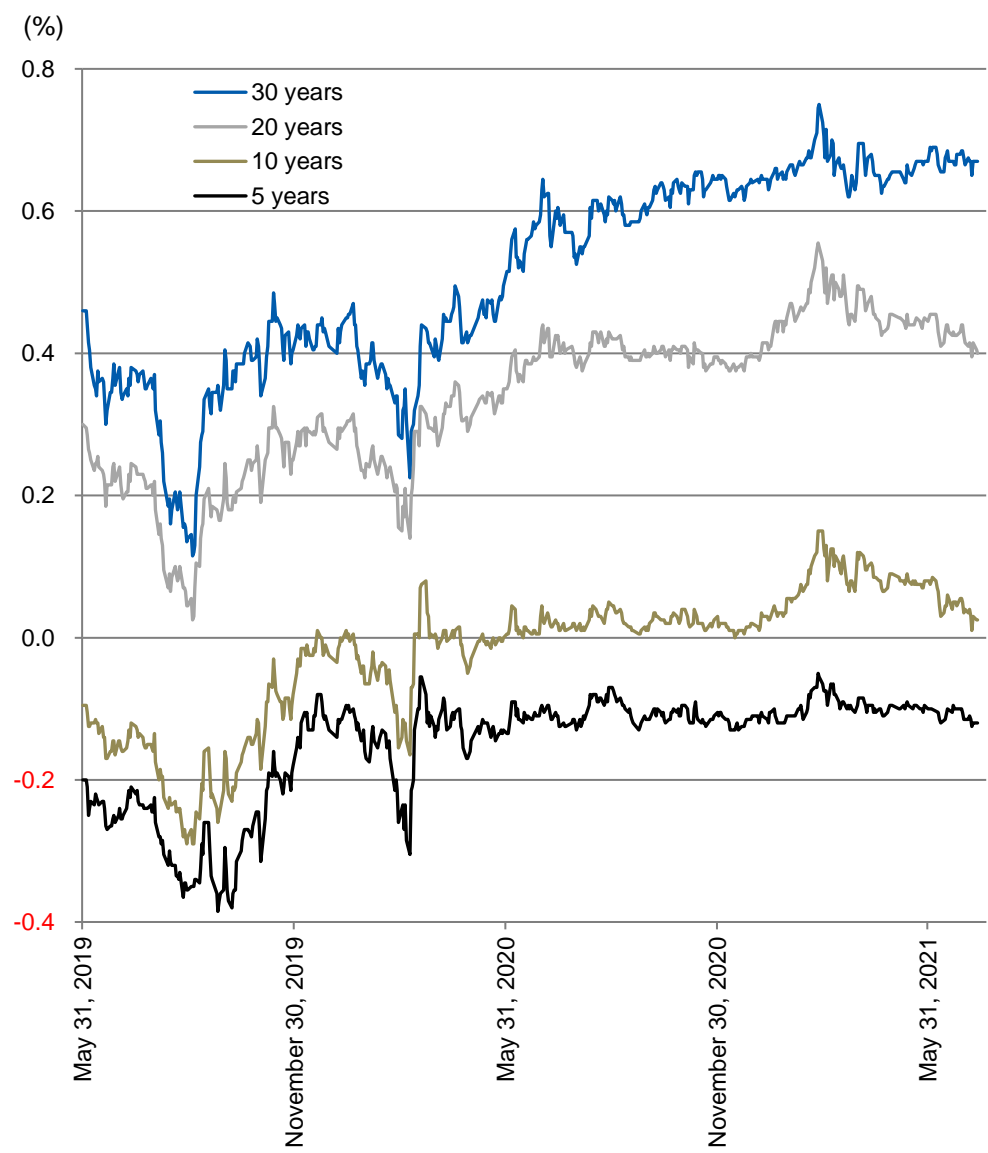


Source: Quick

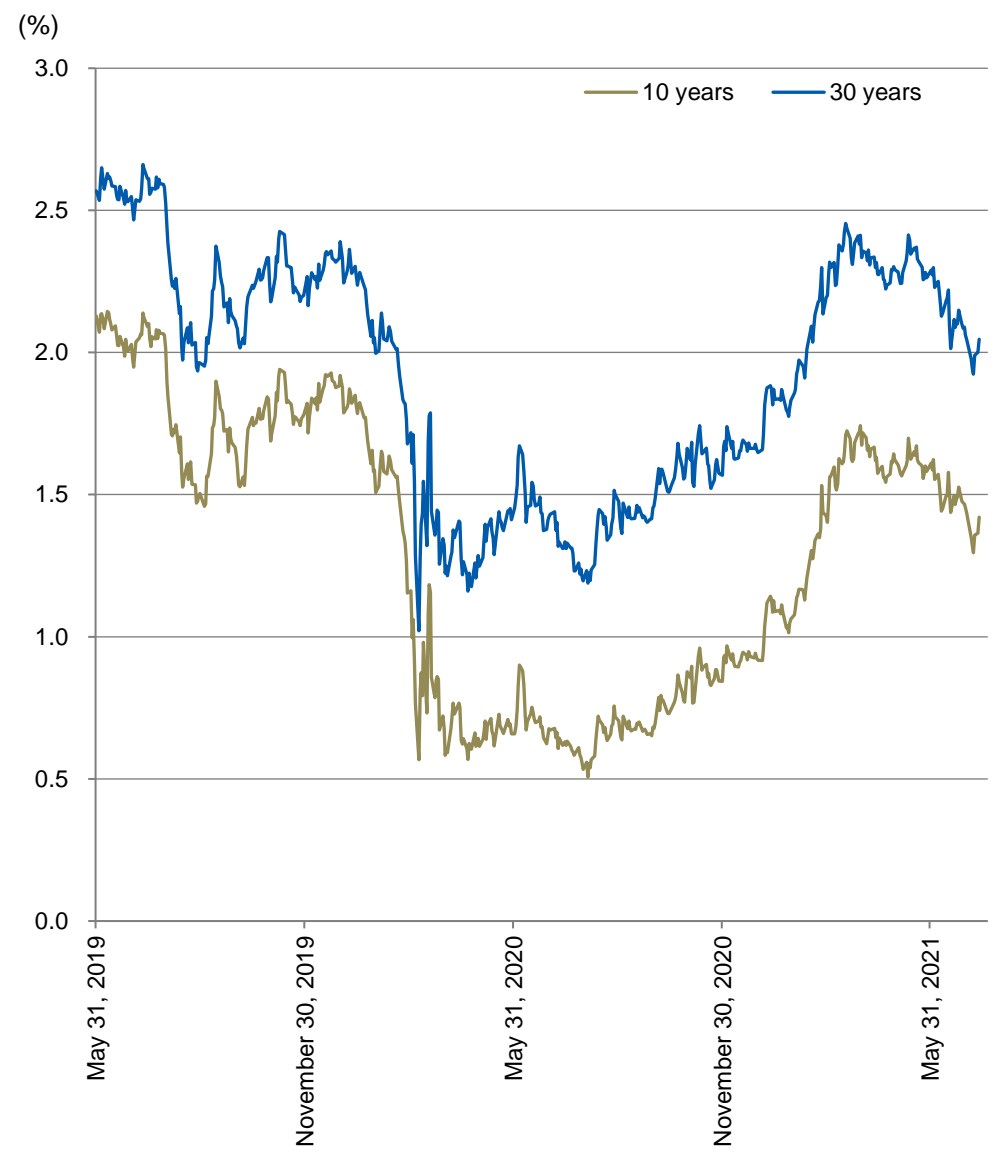


# Macroeconomic Data related to Asset Management

## Japanese Government Bond Interest Rate (30, 20, 10, 5 years)



## US Treasury Interest Rate (10, 30 years)



Source: Quick

# Definitions 1/2

Terms	Definitions
UUR/ United Urban	Refers to United Urban Investment Corporation.
JRA	Refers to Japan REIT Advisors Co., Ltd., the asset management company of UUR.
Fiscal period	Each fiscal period ends on the last day of May or of November, and main fiscal periods and the number of operating days that appear in this document are as follows •32nd FP: from June 1, 2019 to November 30, 2019 (183 days) •33rd FP: from December 1, 2019 to May 31, 2020 (183 days) •34th FP: from June 1, 2020 to November 30, 2020 (183 days) •35th FP: from December 1, 2020 to May 31, 2021 (182 days) •36th FP: from June 1, 2021 to November 30, 2021 (183 days) •37th FP: from December 1, 2021 to May 31, 2022 (182 days)
The Merger	UUR merged with Nippon Commercial Investment Corporation (NCI) with UUR being the surviving investment corporation with December 1, 2010 as the effective date.
Division of units	The 6-for-1 unit split of UUR investment units with December 1, 2010 as the effective date.
Acquisition (sale) price	The amount described in a purchase and sale agreement etc. excluding miscellaneous expenses for the acquisition (sale), property taxes, city planning taxes, consumption tax, etc. The acquisition price of NCI properties is the acceptance price at the time of the Merger.
Retained earning	The voluntary retained earnings. The provision of voluntary retained earnings may be indicated as “retained earnings” for tax purposes.
Voluntary retained earnings	The collective amount of reserve for temporary difference adjustment and reserve for distribution.
Reserve for temporary difference adjustment	A kind of voluntary retained earnings, comprised of reserves derived from the gains on negative goodwill and reserves for future appropriation of retained earnings within the difference in amount between the accounting and tax treatment of excess earnings in each accounting period. The difference between the accounting and tax treatment of excess earnings refers to the difference where the deduction adjustment is larger than the addition adjustment (excluding permanent difference) in tax treatment for the accounting period.
Negative goodwill	The gain on negative goodwill in accounting as a result of The Merger. The reserve for temporary difference adjustment that is accumulated based on the gain may be referred to as negative goodwill.
Difference between accounting and tax treatment	It means there is the difference between the profit in accounting and the taxable income adjustment profit on the Merger. It mainly arises because the expenses required to be booked in accounting are not equal to the expenses permitted to be booked in tax treatment. With regard to UUR, there is a difference between the "book value in accounting" and "book value in tax treatment" regarding NCI properties acquired through the Merger. Accordingly, differences of depreciation and gain (loss) on the property sale, etc. in accounting and tax treatment remain permanently.
EPU	Calculated by "net income / the total number of investment units issued and outstanding at the end of the fiscal period". So, it is different from the "net income per unit" for accounting purposes which is calculated based on the average number of investment units issued for each fiscal period.
NAV per unit	Calculated by “total net assets - total distribution amount - total book value of portfolio + total year-end appraisal value of portfolio) / the number of investment units issued as of each fiscal year-end”.

## Definitions 2/2

Terms	Definitions
LTV (total assets basis)	Calculated by "Interest-bearing liabilities (including corporate bonds) / Total Assets * 100(%)".
LTV (fair value basis)	Calculated by "Interest-bearing liabilities (including corporate bonds) / Total Assets (Net Assets + Appraised value at the end of fiscal period – Book value at the end of fiscal period) * 100(%)".
NOI	Net Operating Income; the figure equal to the amount subtracting rental expenses (excluding depreciation and amortization) from rental revenues.
Estimated NOI yield	Calculated by "Estimated NOI (annualized) / Acquisition price * 100(%)" Estimated NOI (annualized) for acquired properties is the annual estimated NOI from the time of acquisition by UUR and is calculated based on the leasing conditions after acquisition.
Estimated NOI yield after depreciation	Calculated by "estimated NOI after depreciation (annualized) / Acquisition price * 100(%)" Estimated NOI after depreciation (annualized) for acquired properties is the NOI amount arrived at by deducting the estimated depreciation amount (annualized) from the estimated NOI (annualized). Estimated depreciation amount (annualized) is the annual estimated depreciation amount from the time of acquisition by UUR and is calculated, in line with UUR's accounting policy, using the straight line depreciation rate (assumed when in the acquisition) according to the life of each acquired property.
Adjusted NOI yield	Calculated by "Adjusted NOI / Acquisition price / number of operating days * 365 (annualized) * 100(%)" In the case of acquired properties, Adjusted NOI is the NOI amount after recording taxes (fix asset tax & city planning tax) for acquisition as expenses which are generally included in the acquisition cost.
Adjusted profit after depreciation	Calculated by "Adjusted NOI after depreciation / Acquisition price / Number of operating days * 365 (annualized) * 100(%)" It is the amount arrived at by deducting depreciation and amortization for part of properties, estimated or adjusted figures, in the FP from the Adjusted NOI in the FP.
Occupancy rate	Calculated by "total leased floor space / total leasable floor space"
GOP	Gross Operating Profit; It is the gross profit amount of hotel operations, which is calculated by deducting the non-allocation costs (e.g. labor costs and utility costs of corporate or sales section which cannot be included in the operating costs of other sections, etc.) from the profit of hotel business (lodging, banquet and others).
Variable rent system with GOP/sales (GOP ratio/Sales ratio)	It is the rent system where a calculated amount is receivable by multiplying GOP by a determined rate as rental income or an amount of sales exceeding over a determined level is receivable as rental income.
RevPAR	Revenue Per Available Room; calculated by "Hotel sales from guest rooms per day / the number of marketable guest rooms."



# MEMO







# United Urban Investment Corporation

Asset Management Company  
Japan REIT Advisors Co., Ltd.

**Marubeni  
Group**

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Member of The Investment Trust Association, Japan  
Finance Dept. TEL +81-3-5402-3680 FAX +81-3-5402-3199

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