



United Urban Investment Corporation

Semiannual Report

Thirtieth Fiscal Period

From June 1, 2018 to November 30, 2018

30th



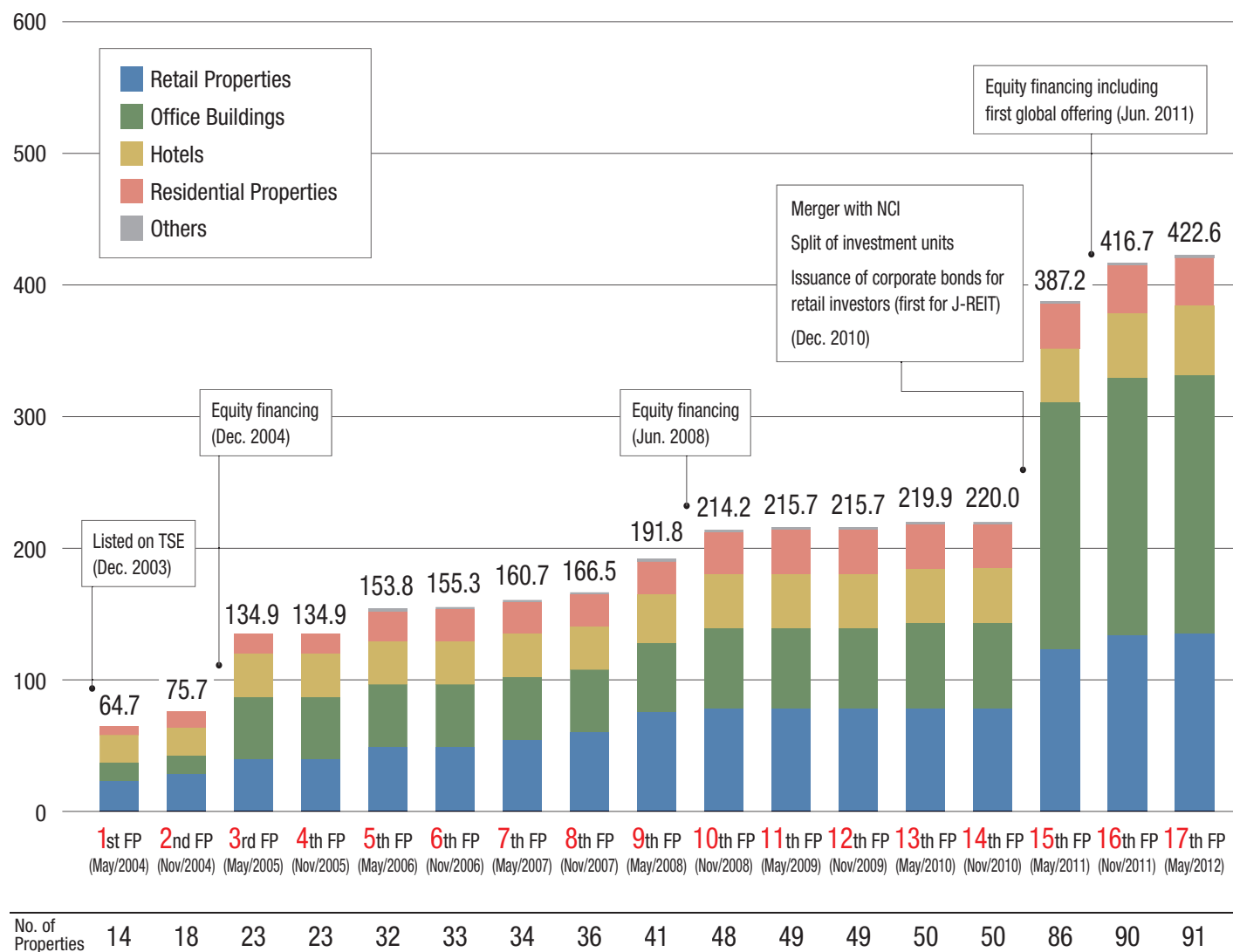
Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed on the real estate investment trust section (“J-REIT section”) of the Tokyo Stock Exchange (Securities Code: 8960), and United Urban has been growing steadily since its listing. In addition, through the merger with Nippon Commercial Investment Corporation (“NCI”) in December 2010, United Urban considerably expanded the size of its assets.

In order to obtain stable earnings over the medium to long term, United Urban intends to form an optimal portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuations. And United Urban will conduct its asset management aimed at maintaining and improving revenues and mitigating risks involved.

Growth of Assets ^(Note 1)

(Billions of yen)



Notes: 1. The total acquisition prices of properties owned by United Urban at the end of each fiscal period are shown above, and figures are rounded to the units stated.
2. Unless otherwise indicated, in principle, all figures in this report are rounded down to the nearest unit.

The shareholder of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services, is the general trading company Marubeni Corporation (“Marubeni”). United Urban aims to realize its further growth as a diversified J-REIT^(Note) by taking full advantage of the network and support provided by Marubeni and its affiliate companies.

Note: In this document, J-REIT refers to a real-estate investment trust listed on a Japanese stock exchange.



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Investment Corporation

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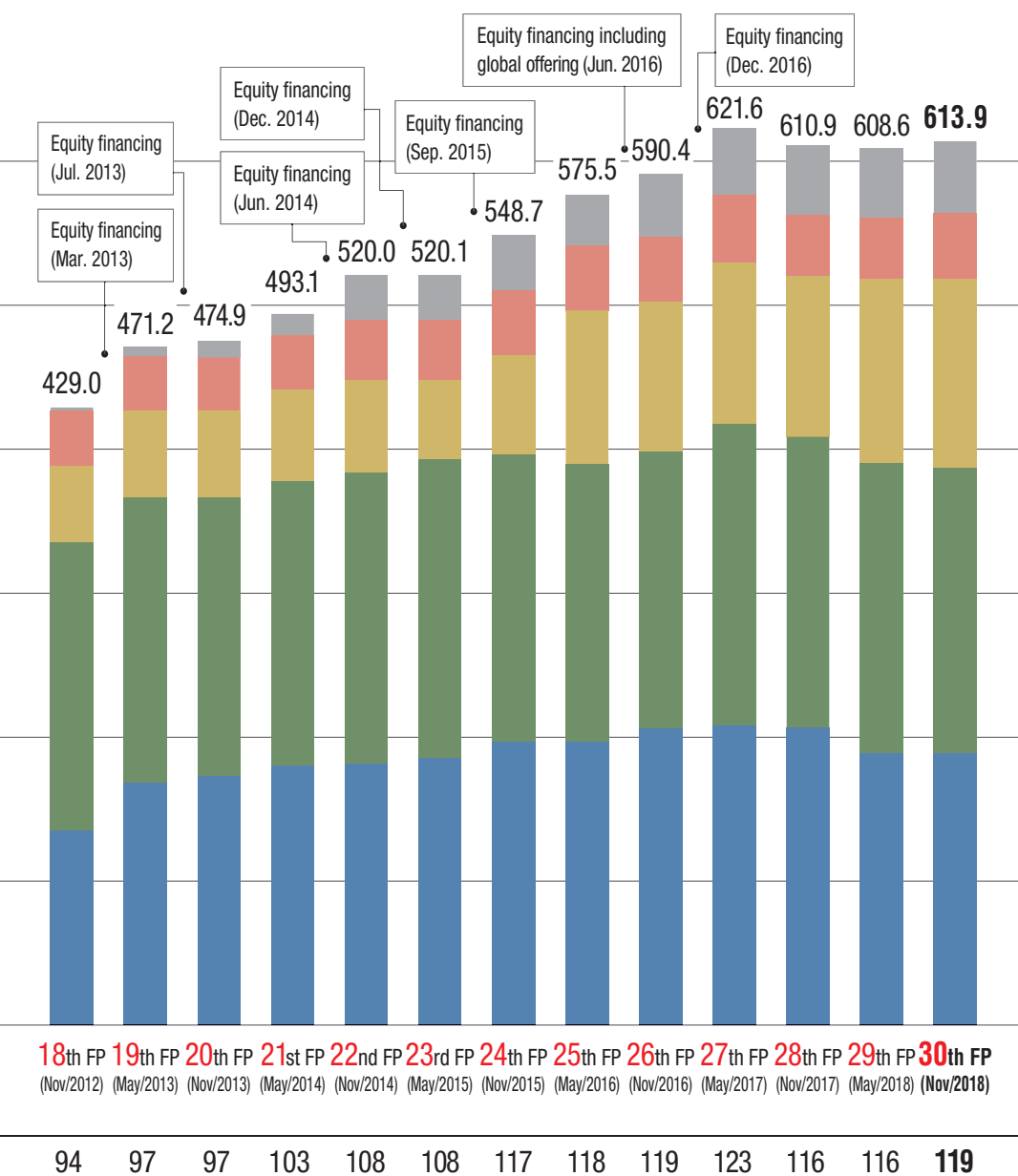
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Financial Section



Key Figures (As of November 30, 2018)

Cash Distribution per Unit for the 30th Fiscal Period

¥3,473

Occupancy Ratio

99.1%

Total Acquisition Price

¥614 billion

Number of Properties

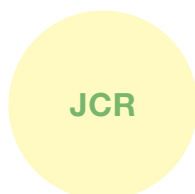
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Loan-to-Value Ratio (LTV) (Note)

33.0%

Note: LTV=Interest-bearing liabilities (including corporate bonds) / (Total assets + Appraisal values at the end of the period - Book value at the end of the period)

Ratings (As of January 18, 2019)



Long-term issuer rating

AA

Rating Outlook: Stable



Long-term issuer rating

A3

Rating Outlook: Stable

Financial Highlights

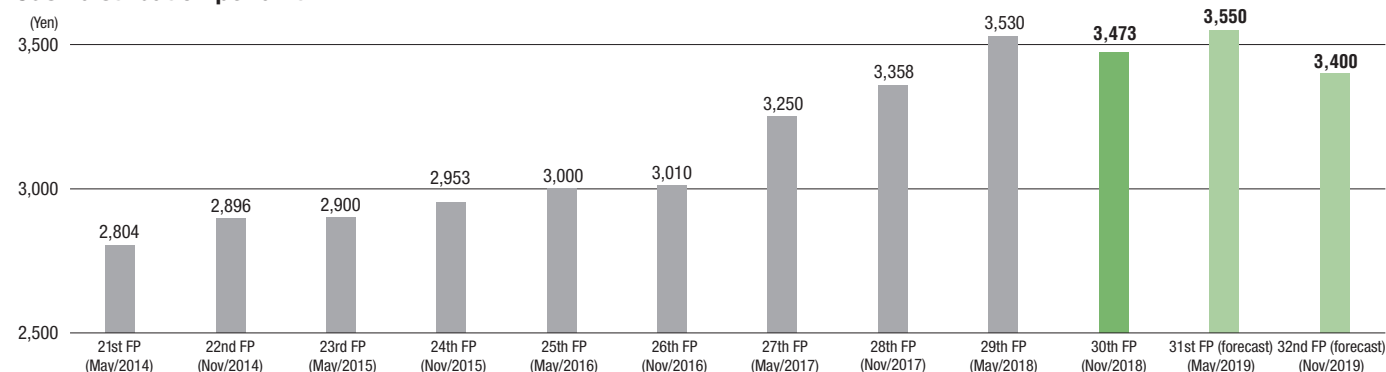
(Millions of yen, except per unit information)

	26th Fiscal Period	27th Fiscal Period	28th Fiscal Period	29th Fiscal Period	30th Fiscal Period
	June 1, 2016- November 30, 2016	December 1, 2016- May 31, 2017	June 1, 2017- November 30, 2017	December 1, 2017- May 31, 2018	June 1, 2018- November 30, 2018
Operating revenues	¥ 22,864	¥ 22,982	¥ 25,926	¥ 29,166	¥ 25,733
Operating income	11,057	11,497	12,482	13,089	12,894
Ordinary income	9,349	10,286	11,320	11,974	11,789
Net income	9,348 (Note 1)	10,285 (Note 2)	11,319 (Note 2)	11,973 (Note 2)	11,788 (Note 2)
Total cash distribution	8,888 (Note 1)	9,929 (Note 2)	10,258 (Note 2)	10,784 (Note 2)	10,610 (Note 2)
Cash distribution per unit (Yen)	3,010 (Note 1)	3,250 (Note 2)	3,358 (Note 2)	3,530 (Note 2)	3,473 (Note 2)
Total assets	648,105	675,885	663,531	648,503	651,242
Total net assets	333,592	351,801	353,258	355,017	356,029
Net assets per unit (Yen)	112,966	115,152	115,629	116,205	116,536

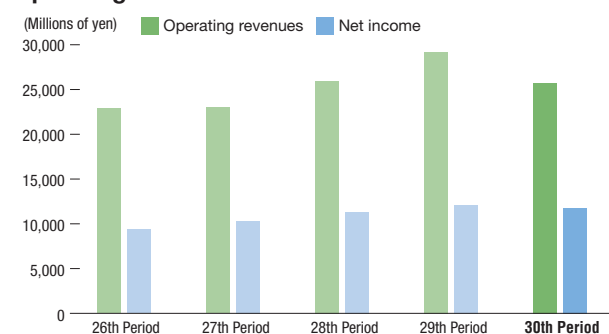
Notes: 1. A portion of unappropriated retained earnings (¥459 million) was retained as voluntary retained earnings. Accordingly, the cash distribution per unit for the 26th fiscal period became ¥3,010.

2. A portion of unappropriated retained earnings (27th fiscal period: ¥431 million, 28th fiscal period: ¥1,136 million, 29th fiscal period: ¥1,264 million, and 30th fiscal period: ¥1,254 million) was retained as voluntary retained earnings, and a reversal of reserve for temporary difference adjustments (27-29th fiscal period: ¥75 million and 30th fiscal period: ¥76 million) was added to cash distribution. Accordingly, the cash distribution per unit for the 27th fiscal period became ¥3,250, the 28th fiscal period became ¥3,358, the 29th fiscal period became ¥3,530, and the 30th fiscal period became ¥3,473, respectively.

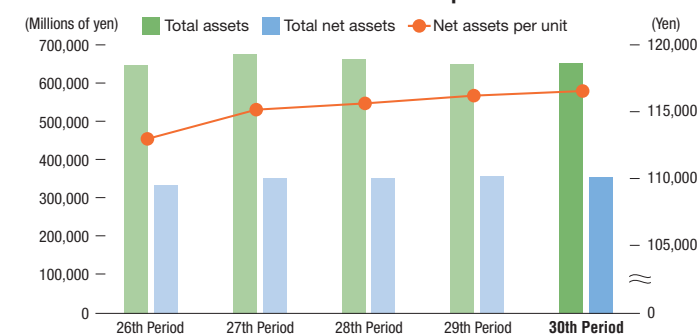
Cash distribution per unit



Operating revenues / Net income



Total assets / Total net assets / Net assets per unit



To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 30th fiscal period: the six-month period ended November 30, 2018.

United Urban was listed on the J-REIT section of the Tokyo Stock Exchange in December 2003 as a diversified J-REIT, investing in properties varied both in type of use and geographical location. Since its listing, United Urban has been making efforts to maintain or improve revenues and reduce various risks for the purpose of obtaining stable earnings over the medium to long term. As of November 30, 2018 (the end of the 30th fiscal period), the asset size was ¥613.9 billion, and United Urban is one of the largest among all J-REITs in terms of asset size.

In the 30th fiscal period, United Urban acquired Chatte Otemachi S-N, a family-type rental apartment located in Kitakyusyu City (acquisition price: ¥3.4 billion); Musashimurayama Logistics Center, a logistic facility located in Musashimurayama City (acquisition price: ¥1.8 billion); and the b fukuoka tenjin, a limited service hotel located in Fukuoka City (acquisition price: ¥3.0 billion). On the other hand, United Urban conducted the transfer of 19% quasi co-ownership of a retail facility, Himonya Shopping Center (sale price: ¥5.2 billion) based on the concluded purchase-sale agreement (transfer in three installments) with the intention of improving the asset quality and portfolio profitability through the replacement of properties. Also, United Urban has made renovation work to enhance the value of office and hotel properties while improving profitability through negotiations with tenants for increased rent revenues or cost reduction on property operation.

The environment for asset management has been good in every asset type due to the firm earnings of Japanese corporations and the increased demand by the inbound tourists. The rental revenues from the properties acquired in the middle of the previous fiscal period and those of the current fiscal period and the gains on property sales contributed to fiscal results of this fiscal period, despite decrease of rent revenues by the property sales. As a result, in the 30th fiscal period, United Urban was able to achieve operating revenues of ¥25,733 million, operating income of ¥12,894 million and net income of ¥11,788 million. A part of gains on sale was appropriated to cash distribution and ¥1,254 million was retained in order to strengthen the capability to cope with the risk. (Corporate tax was not imposed for this retention.) In addition, United Urban reversed ¥76 million of the negative goodwill ("reserve for temporary difference adjustments") and added it to the cash distribution under the provisions of laws and regulations, etc. Consequently, the cash distribution per unit for the 30th fiscal period became ¥3,473 (up by 1.5% or ¥53 per unit compared to the forecast).

In finance, United Urban raised ¥10.0 billion through "Green Trust" (a specified money trust that is invested in loans with the purpose of acquisition of properties that already have or are expected to obtain environmental certifications or its refinancing) scheme, which is the first among J-REITs. The balance of interest-bearing liabilities at the end of the 30th fiscal period increased to ¥257.3 billion from ¥255.8 billion as of the end of 29th fiscal period with the new borrowings related to acquisition of the properties mentioned above.

In consideration of the recent appreciation on ESG (Environmental, Social, and Governance) investment, United Urban has promoted several ESG-related initiatives including acquisition of external environmental certifications, the signing of Principles for Responsible Investment (PRI) by the asset management company of United Urban, Japan REIT Advisors Co., Ltd. ("JRA"), acquisition of ESG evaluation by the external appraisers, and planning of introduction of the new system for the asset management services and accumulative investment scheme for United Urban's investment units by JRA employees.

In the 31st fiscal period ending May 31, 2019, United Urban acquired the Annex of the b roppongi, a limited service hotel located in Minato-ku (additional acquisition, acquisition price: ¥0.9 billion) and Luz Musashikosugi, a retail property located in Kawasaki City (acquisition price: ¥12.1 billion) and has concluded the agreements to acquire Henn na Hotel Tokyo Hamamatsucho (acquisition price: ¥4.5 billion) and Smile Hotel Premium Sapporo Susukino (acquisition price: ¥4.2 billion), both are limited service hotels located in Minato-ku and Sapporo City respectively. Also the property replacement is in progress with the scheduled transfer of 30% quasi co-ownership of Himonya Shopping Center.



All of our officers and employees of United Urban and JRA shall have firm awareness of ESG and make efforts to achieve the sustained growth of United Urban while coexisting with the society and environment. Your continuous support and kind attention are highly appreciated.

Ikuko Yoshida

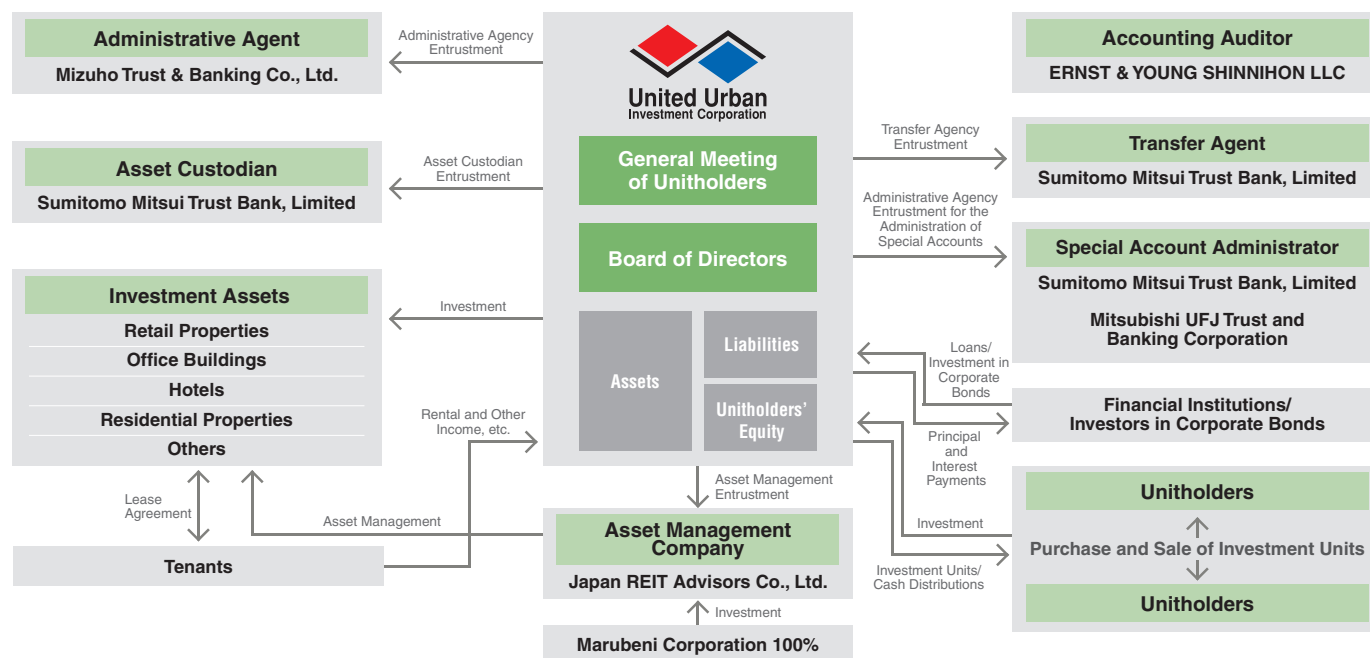
Executive Officer
United Urban Investment Corporation

Norimasa Gaun

President and CEO
Japan REIT Advisors Co., Ltd.

Structure of United Urban / Investment Unit Information

Corporate Structure



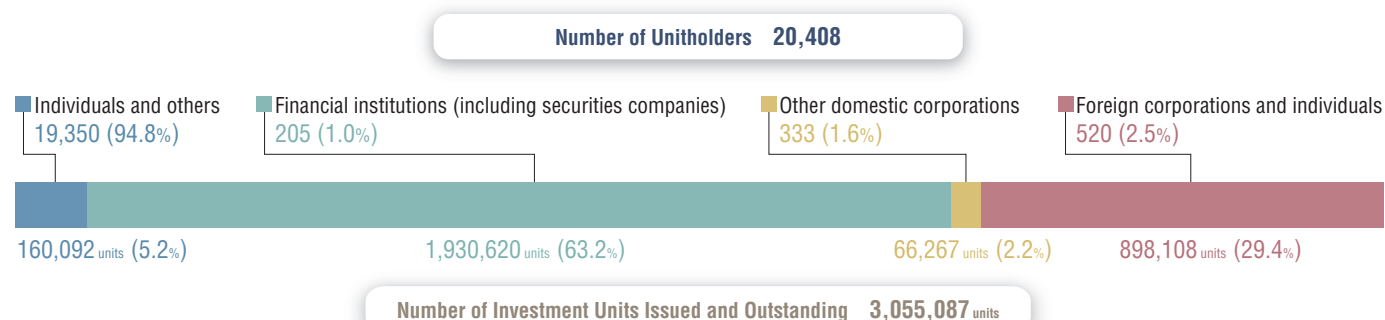
Unit Price and Trading Volume



Notes: 1. In connection with the six-for-one unit split which became effective as of December 1, 2010, United Urban's investment units have been traded at the unit price after the unit split from November 26, 2010. Accordingly, the unit prices on or before November 25, 2010, as indicated in the above chart, are divided by six and the trading volumes on or before November 25, 2010, as indicated in the above chart, are multiplied by six.

2. TSE REIT Index is shown indexed based on the unit price as of December 22, 2003.

Breakdown of Unitholders (As of November 30, 2018)

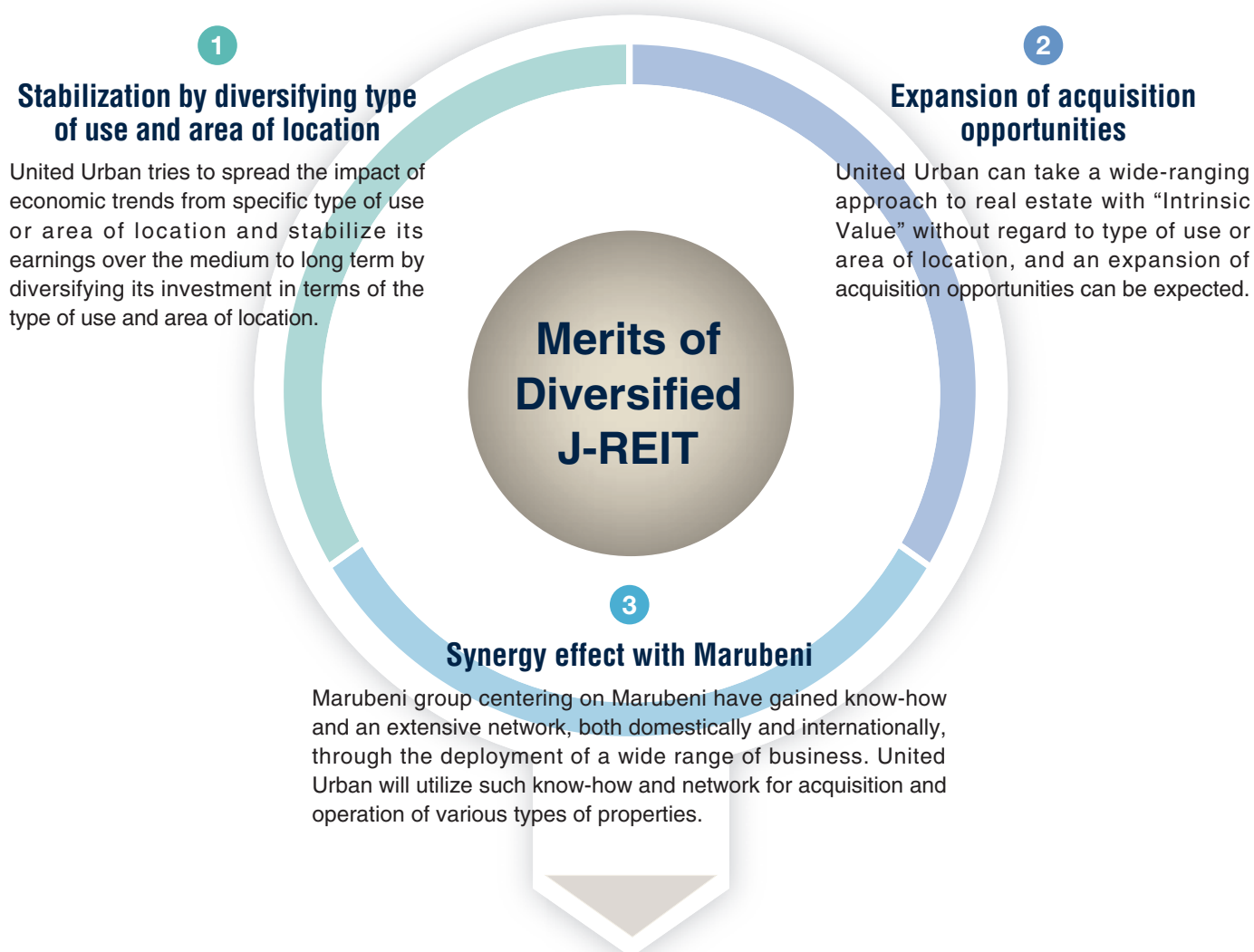


Note: Percentage figures are rounded to the nearest one decimal place. Therefore the sum of each figure does not always add up to the total.

Management Strategy of United Urban

Distinction of United Urban

United Urban aims to reduce several risks and secure stable earnings over the medium to long term by diversifying its investments in terms of the type of use and area of location as a diversified J-REIT. The sponsor of United Urban is Marubeni, a general trading company which has connections with a wide range of industries and companies. United Urban aims for continuous and stable portfolio management by taking advantage of the functions of the Marubeni Group centering on real estate-related business.



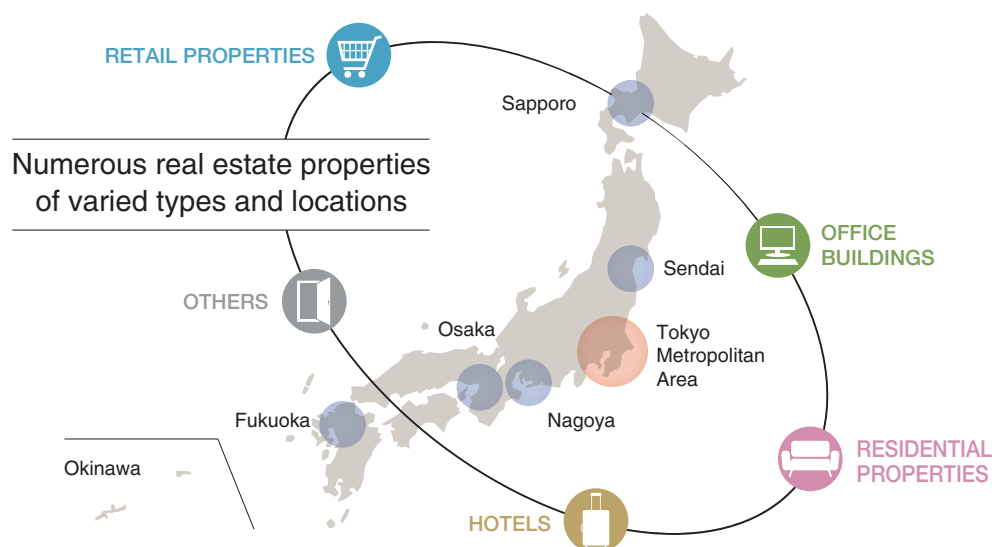
Management Policy of United Urban

External Growth	<ul style="list-style-type: none"> ■ Property acquisition taking advantage of being a diversified J-REIT and multifaceted support of the sponsor ■ Property-replacement in consideration of improvement of asset quality and portfolio profitability
Internal Growth	<ul style="list-style-type: none"> ■ Property management from a medium- to long-term perspective considering the tenant-relations ■ Strengthening property-competitiveness through strategic capital expenditure
Financial Strategy	<ul style="list-style-type: none"> ■ Building up a robust financial standing that can cope with change in the financial market ■ Diversification of funding source

To maximize unitholders' interest by securing a medium- to long-term stable income stream

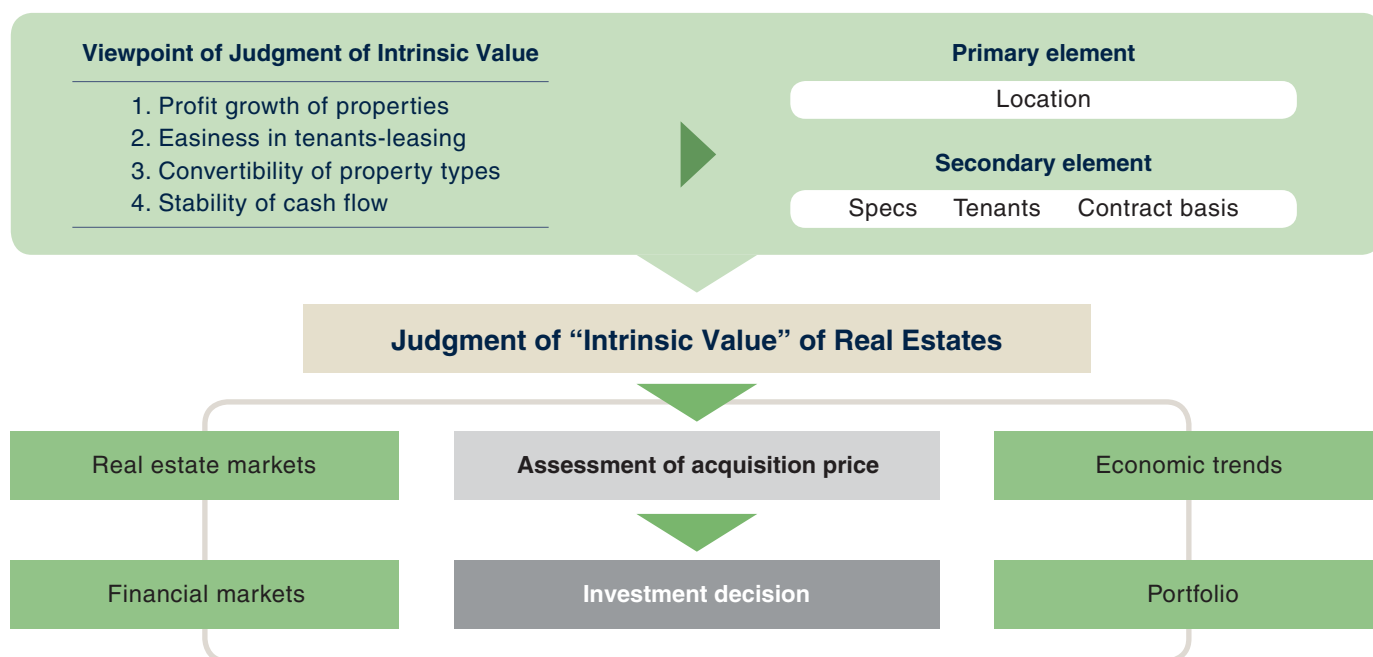
Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

Revenues obtained from real estate investment and management concentrated on specific property types or regions may be significantly affected if the real estate market of specific property type stagnates or the specific regions is damaged by a natural disaster such as earthquakes or a trend of regions. United Urban aims to reduce risks inherent to real estate market conditions for specific types of use or specific regions by diversifying investment both in property types and regions, and secure stable earnings.



Selected Investment Policy Focused on Real Estate with “Intrinsic Value”

United Urban defines the real estate that can secure stable profitability over the medium to long term as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of various factors such as the external environment including current economic trends and real estate market trends, United Urban makes its final investment decision.



Acquisition and Sale of Properties

United Urban acquired properties of several types of use, such as residential, hotel, and logistic facility by taking advantage of the diversified J-REIT. Also, United Urban sold 19% quasi co-ownership of a retail property “Himonya Shopping Center” based on the concluded sale and purchase agreement (transfer in three installments). United Urban seeks to improve asset quality and raise portfolio profitability by property replacement.

New Acquisitions during the 30th Fiscal Period

D29 Chatle Otemachi S・N

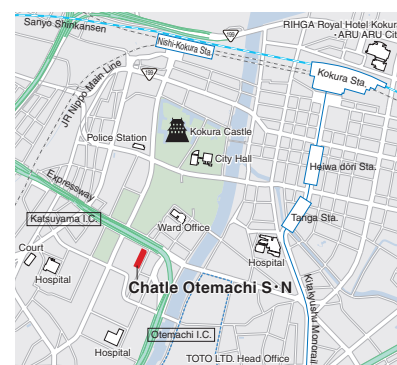
- Located in Otemachi area, easy to access to government offices, department stores, supermarkets, general hospitals, etc.
- All 154 residences are family-type, with excellent specifications comparable to apartments for sale, such as open plan kitchens.
- Stable operation can be expected because approximately 80% of units are leased to corporations such as large local companies or medical institutions.

■ Acquisition Date	July 3, 2018
■ Acquisition Price	¥3,398 million
■ Location	Kitakyushu, Fukuoka
■ Site Area	3,516.04 m ²
■ Total Floor Space (Note)	Total: 12,599.91 m ² (1) 6,836.47 m ² (2) 5,763.44 m ²
■ Construction (Note)	(1) SRC (2) SRC
■ Number of Floors (Note)	(1) 15F (2) 15F
■ Completed (Note)	(1) (2) August 2008
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: The property is composed of two buildings: S Building and N Building, and some of the information are shown for S Building as (1) and N Building as (2).



Residential Properties



C16 the b fukuoka tenjin

- Located in Tenjin area, the biggest commercial area in Kyusyu expected to have increased business and inbound demand.
- All 125 rooms are designed to accommodate double occupancy which is suitable for capturing the current accommodation demand.
- Operated by Ishin Hotels Group, which has extensive knowledge and track records in hotel operation. Stable operation can be expected.

■ Acquisition Date	September 27, 2018
■ Acquisition Price	¥3,000 million
■ Location	Fukuoka, Fukuoka
■ Site Area	469.79 m ²
■ Total Floor Space	3,567.22 m ²
■ Construction	S
■ Number of Floors	10F
■ Completed	May 2017
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



Hotels



E13 Musashimurayama Logistics Center

- Located in the regional distribution area to densely populated western part of Tokyo Metropolis and southern Saitama Prefecture.
- Equipped with elevators for luggage, a fixed ceiling crane, and truck berth for tenant convenience.
- The lease agreement with tenant will expire in October 2024, and the occupancy is expected to remain stable.

■ Acquisition Date	October 30, 2018
■ Acquisition Price	¥1,800 million
■ Location	Musashimurayama, Tokyo
■ Site Area	5,788.52 m ²
■ Total Floor Space	9,207.73 m ²
■ Construction	S
■ Number of Floors	4F
■ Completed	October 2001
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership




Others



Sale of Property during the 30th Fiscal Period

(Billions of yen)

Property Name (Type of Use)	Acquisition Price	Book Value (Note 1)	Appraisal Value (Note 2)	Sale Price	Gain on Sale of Properties	Reason for Sale	
Himonya Shopping Center (Retail Properties / Meguro-ku, Tokyo)  (Completed in March 1975)	15.3	17.3	22.6	27.5	9.7	<ul style="list-style-type: none">Implementation of the large-scale renovation work in 2016.Receipt of the favorable purchase offer based on the new increased rent with new tenant. (Gains on the sale will be shown over three fiscal periods in installments.)Concern of total floor space decrease in case of rebuilding. The building's floor-area ratio: about 480% Legal floor-area ratio: (at the time of construction) 500%→ (present) about 240%Concern about stability of property management due to dependence on off-site parking lots leased to the tenant by the landlords.	
By Fiscal Period	Sale Date					Use of Sales Profit	
29th FP (May/2018) (51%)	May 24, 2018	7.8	8.8	11.5	14.0	4.9	<ul style="list-style-type: none">Gains on the sale will be retained to the extent not to be imposed corporate income tax.Mitigating the impact on decrease of operating income from leasing business due to the sale of properties by the gains on the sale shown over three fiscal periods in installments.
30th FP (Nov/2018) (19%)	November 1, 2018	2.9	3.2	4.2	5.2	1.8	
31st FP (May/2019) (30%)	March 1, 2019 (scheduled)	4.5	5.1	6.7	8.2	2.9 (Note 3)	

Notes: 1. "Book Value" as of the respective "Sale Date" are stated (31st FP is an estimated value).

2. "Appraisal Value" as of May 1, 2018.

3. "Gains on Sale of Properties" of the 31st FP is estimated value as of January 18, 2019, and it could differ from actual gains.

New Acquisition during the 31st Fiscal Period

C9 the b roppongi (after the extension work)

Hotels

■ Acquisition Date (Note)	(1) May 1, 2014 (2) December 17, 2018
■ Acquisition Price (Note)	(1) ¥3,500 million (2) ¥988 million
■ Location	Minato-ku, Tokyo
■ Site Area (Note)	551.39 m ²
■ Total Floor Space (Note)	4,349.59 m ²
■ Construction (Note)	SRC/S
■ Number of Floors	B2/9F
■ Completed (Note)	(1) January 2001 (2) December 2018
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: As for "Site Area," "Total Floor Space," and "Construction," figures after the extension work are stated. Each piece of information in "Acquisition Date," "Acquisition Price," and "Completed" is described as (1) for the existing building and as (2) for the Annex.



A42 Luz Musashikosugi

Retail Properties

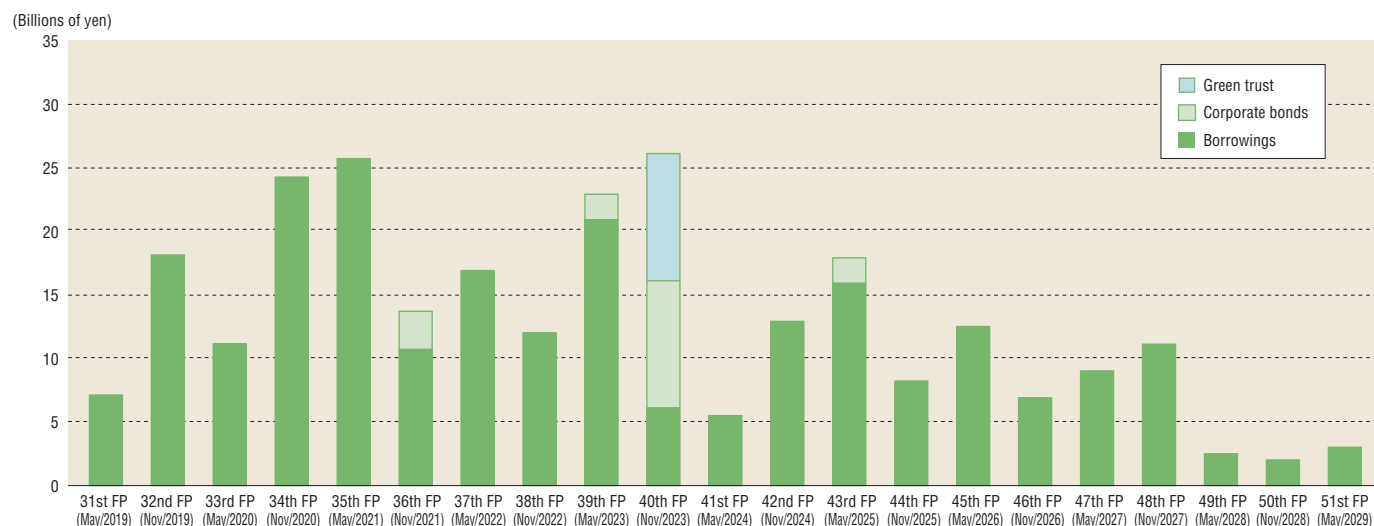
- Two-minute walk from Musashikosugi Station (Tokyu Line and JR Line) with good access to central Tokyo and facing the traffic circle.
- Many high-rise apartments have been developed in the vicinity; and further increase of population and households around the area is expected.
- 1F: supermarket and café; 2F: medical mall, etc. 3F and 4F: sports club.

■ Acquisition Date	December 28, 2018
■ Acquisition Price	¥12,151 million
■ Location	Kawasaki, Kanagawa
■ Site Area	6,104.63 m ²
■ Total Floor Space	12,223.72 m ²
■ Construction	SRC/S/RC
■ Number of Floors	B1/5F
■ Completed	May 2008
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

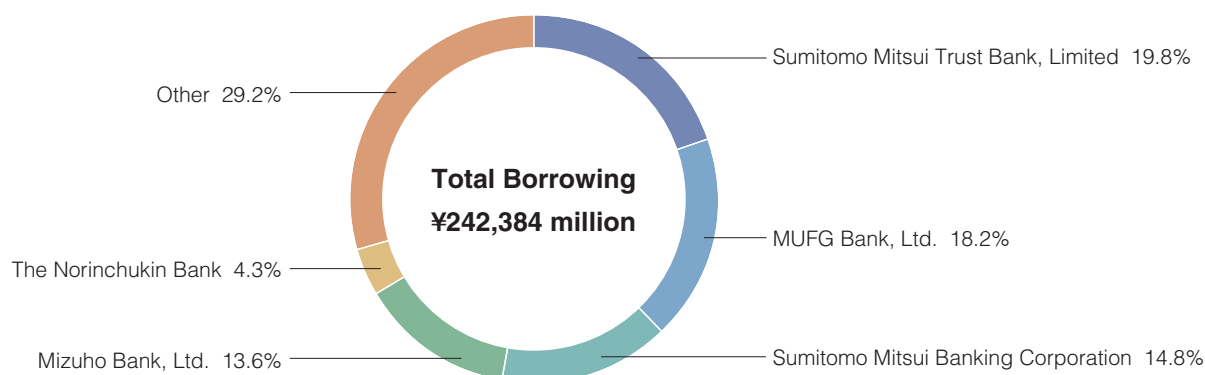


Financial Status

Diversification of Maturity Date (As of January 18, 2019)



Lenders and Borrowing Amount (As of January 18, 2019)



Lenders	Balance (Millions of yen)	Share (%) ^(Note)
Sumitomo Mitsui Trust Bank, Limited	47,983	19.8
MUFG Bank, Ltd.	44,196	18.2
Sumitomo Mitsui Banking Corporation	35,959	14.8
Mizuho Bank, Ltd.	32,937	13.6
The Norinchukin Bank	10,500	4.3
Development Bank of Japan Inc.	8,500	3.5
Shinsei Bank, Limited	7,000	2.9
Aozora Bank, Ltd.	6,770	2.8
Resona Bank, Limited	5,339	2.2
Mizuho Trust & Banking Co., Ltd.	4,800	2.0
The Bank of Fukuoka, Ltd.	3,900	1.6
Saitama Resona Bank, Limited	3,000	1.2
Shinkin Central Bank	3,000	1.2
The 77 Bank, Ltd.	2,000	0.8
Nippon Life Insurance Company	2,000	0.8
The Ashikaga Bank, Ltd.	2,000	0.8
The Nishi-Nippon City Bank, Ltd.	2,000	0.8

Lenders	Balance (Millions of yen)	Share (%) ^(Note)
The Nomura Trust and Banking Co., Ltd.	2,000	0.8
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	0.8
The Daishi Bank, Ltd.	2,000	0.8
Meiji Yasuda Life Insurance Company	2,000	0.8
The Shinkumi Federation Bank	2,000	0.8
The Hiroshima Bank, Ltd.	1,500	0.6
The Gunma Bank, Ltd.	1,500	0.6
ORIX Bank Corporation	1,000	0.4
Sompo Japan Nipponkoa Insurance Inc.	1,000	0.4
The Yamaguchi Bank, Ltd.	1,000	0.4
The Iyo Bank, Ltd.	1,000	0.4
Taiyo Life Insurance Company	1,000	0.4
The Bank of Kyoto, Ltd.	1,000	0.4
The Bank of Yokohama, Ltd.	500	0.2
Kiraboshi Bank, Ltd.	500	0.2
The Kagawa Bank, Ltd.	500	0.2
Total	242,384	100.0

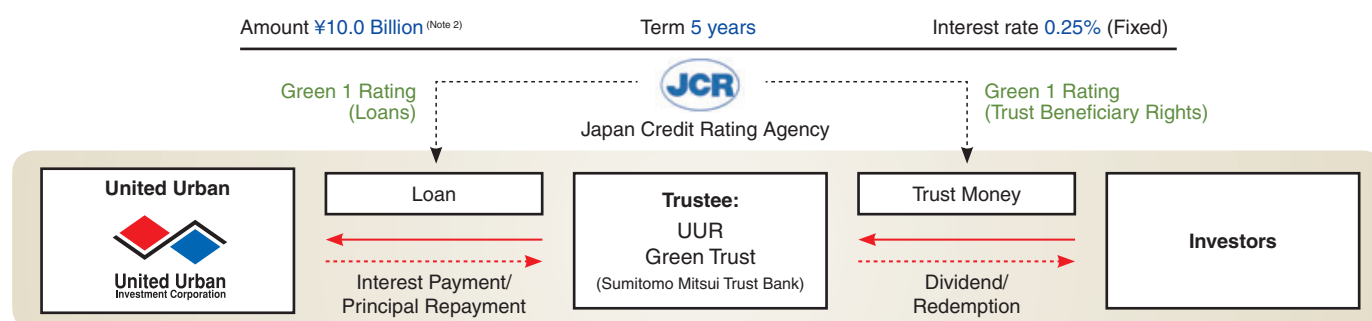
Note: "Share" is rounded to the nearest one decimal place. Accordingly, "Share" may not add up to the "Total."

Committed Line of Credit Agreement (As of January 18, 2019)

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Remarks
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.	¥24.0 billion	From Jun. 26, 2018 to Jun. 26, 2019	None	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited	¥12.0 billion	From Dec. 26, 2018 to Dec. 25, 2019	None	Unsecured Unguaranteed
Total	¥36.0 billion			

UUR Green Trust

Low-interest funding by Green finance ^(Note 1) transaction which utilized money trust scheme in September 2018, which is the first among J-REITs



Notes: 1. In the Asset Management Guideline of JRA, the "Green Finance" is defined as loans and bonds that will be used for acquisition of the existing/new eligible green assets or refinancing of the existing debts that have already been allocated to the eligible green assets. In addition, the new and existing properties that have or are expected to obtain DBJ Green Building certification (three stars or better), CASBEE real estate certification (A rank or higher), or BELS certification (two stars or better) are defined as "Eligible Green Assets."

2. All the proceeds of the debt financing (¥10.0 billion) is used to replenish UUR's cash balance, which was decreased by the repayment of the borrowing to acquire "Mallage Kashiwa" etc. which are Eligible Green Assets and the acquisition of "the b fukuoka tenjin" on September 27, 2018 (acquisition price: ¥3.0 billion).

Strategic Utilization of Retained Earnings (Negative goodwill, reserve retained for distribution, and reserve for reduction entry)

United Urban aims to enhance unitholders' value over medium to long term through the utilization of retained earnings, considering the stability of distribution per unit ("DPU").

Utilize policy of retained earnings

- Promotion of external growth with the flexible equity-raise**
 United Urban will use its retained earnings to mitigate the influence in such cases as the dilution of DPU arises by the issuance of new investment units. Flexibility of equity-finance corresponding to the economic and financial markets and promotion of external growth can be expected through these initiatives.
- Portfolio management from long-term perspective**
 United Urban will use its retained earnings to maintain DPU level in such cases as losses on the sale of property or sudden decrease in revenues (major tenants' leave etc.). This will enable us to build the optimum portfolio and asset management in the long-term perspective.
- Coping with difference between accounting and taxation**
 United Urban will be able to mitigate the risk of large amount of corporate tax due to difference between accounting and taxation such as impairment loss by using our retained earnings.

Financial Status

► Standing of retained earnings ^(Note)

(Millions of yen)

	As of end of 29th FP (May/2018)	As of end of 30th FP (Nov/2108)		
		Reserved in 30th FP	Reversed in 30th FP	
Negative goodwill (Reserve for temporary difference adjustments)	7,386	+76	-76	7,386
Reserve retained for distribution	3,061	+70	—	3,132
Reserve for reduction entry	1,120	+1,107	—	2,228
Total retained earnings	11,569	+1,254	-76	12,747

Note: Each end of fiscal period amount shows amount after increasing or decreasing of negative goodwill (reserve for temporary difference adjustments), reserve retained for distribution, and reserve for reduction entry based on "Statements of Cash Distribution" in the relevant fiscal period.

Utilization policy of negative goodwill	Reversal of the same amount for 50 years (100 fiscal periods)		
	Reverse at least 1% of the balance in each fiscal period, to the extent its balance remains		
Resource of distribution	Balance as of end of 26th FP (Nov/2016)	Reserved in 29th FP (May/2018)	Reserved in 30th FP (Nov/2018)
	¥7,546 million	¥66 million	¥76 million
Appropriated amount (lower limit)	Starting from 27th FP (May/2017)	Starting from 30th FP (Nov/2018)	Starting from 31st FP (May/2019)
	¥75.4 million /FP	¥0.6 million /FP	¥0.7 million /FP
Starting from 31st FP (May/2019) ¥76.8 million /FP			

Retained earnings through utilizing reserve for reduction entry

	Amount of reserve for reduction entry	Applicable system	Subject asset of reduction, etc.
30th FP (Nov/2018) (Actual)	¥1,107 million	Replacement of the asset held for a long time	Disposition asset: Himonya Shopping Center (Land: 19% quasi co-ownership of the trust beneficial interest) Subject asset of reduction: Chatle Otemachi S-N (Land), the b fukuoka tenjin (Land)

Reserve for Reduction Entry (Reduction Entry System)

Reserve for reduction entry is the reserve based on "Reduction Entry System." Reduction entry is deferment of tax payment on the profits related to the government subsidy on newly acquired property or the gains on real estate sale, etc. by the reduced book entry that meets certain requirement in taxation.

Outline of "Reduction Entry System" ^(Note)

	Replacement of the assets held for a long time	Preceding land acquisition, etc.
Applicable conditions	In the case that the new land or building is to be acquired during the fiscal period or within one year after the fiscal period ends that the land or building held over 10 years is sold. (Asset(s) acquired within one year before the subject year of disposition starts can be applicable to the system if the acquisition(s) are filed to the district director of the tax office.)	i) The tax payer has the land acquired in 2009 or 2010. (Filing to the tax office on acquisition of land is required by the final due date of tax return for the business year when the land is acquired.) AND ii) In the case that gains on land sale arises within 10 years after the relevant fiscal period ends (the fiscal period when the land is acquired).
Subject asset of reduction	Acquired assets (land & building or land or building)	Land mentioned in i) above
Limit of reduction, reduction rate, etc.	Acquisition price for reduction entry ⁽¹⁾ x Profit ratio ⁽²⁾ x Ratio of Reduction (80% in principle) *1 Lower amount between "sale price" and "acquisition price (anticipated price)" *2 "gains on sale" / "sale price" Notes: 1. Aggregation of profit and loss on the property sale is not necessary even if these are multiple sales. 2. Selection of the subject gains is possible. The tax payer can choose from gains on "land and building," "land" only or "building" only. 3. These are certain requirements on the acquired assets.	Capital gain of land x Reduction ratio ⁽¹⁾ (No larger than total amount of i) above) * 80% is applicable to land(s) acquired in 2009 (mentioned in i) above); 60% in 2010. However, 80% is applicable if lands acquired in both 2009 and 2010 are to be included in the same fiscal year. Notes: 1. If capital gain is recorded for individual sale of land, such gains is applicable to this system, even in case that total disposition brings capital loss. 2. Aggregation of profit and loss is to be required in case that there is multiple sale of land.
Allowable retained earnings	Whichever amount is the lower of A or B, can be retained and no corporate tax is levied in the relevant fiscal period.	
	A: Limit of reduction calculated based on the above system	B: Amount compliant with conduit requirement (≒ profit available for dividend x 10% or less)

Note: The simplified outline of each accounting system as of January 18, 2019 is stated. Accordingly, the application of the system mentioned above may differ due to the status of United Urban as well as interpretations and handling of tax laws and others.

ESG Initiatives (Sustainability Management)

Engagement in ESG Initiatives

► Signing of Principles for Responsible Investment (PRI)

JRA agreed with the basic concept of PRI ^(Note) and signed the PRI in November 2018. JRA was attested as a PRI signatory member.

Note: PRI is a set of investment principles established for the financial industry in 2006 under the leadership of the United Nations Secretary-General of the time, Kofi Annan.

Signatory of:



► Filing of “TOKYO Workstyle Reform Declaration”

JRA submitted “TOKYO Work-Style Reform Declaration” to Tokyo Metropolitan Government and was recognized as “TOKYO Work-Style Reform Declaration Company” in November 2018.



Initiatives for Environment

Increase in environment certification coverage ^(Note)

As of the end of 29th Fiscal Period
23 properties
(27.7%)

As of the end of December 2018
45 properties
(52.9%)

United Urban's goal for over 50% coverage by 2020 was achieved before December 2018. Aiming for further increases in coverage.

Note: The ratio is based on the total floor space of properties that acquired the each environmental certification mentioned in the table below owned by United Urban. ARENA TOWER has received both DBJ Green Building Certification and BELS Certification, but the portion of overlap is excluded in total floor space.

Number of properties that obtained environment certification

DBJ Green Building Certification	12	CASBEE for Real Estate	24	BELS Certification	10
	★★★★★ 1		★★★★★ 3		★★★★ 4
	★★★ 7		★★★★ 21		★★ 6
	★★ 3				
	★ 1				

Note: As of the end of December, 2018. ARENA TOWER has received both DBJ Green Building Certification and BELS Certification.

Major properties that obtained environment certification

A21 Mallage Kashiwa	B37 ARENA TOWER	A29 Yodobashi Camera Multimedia Kichijoji	B25 Pacific Marks Kawasaki
CASBEE ★★★★★	DBJ ★★★★★ BELS ★★	DBJ ★★★	BELS ★★★

Note: “CASBEE” represents CASBEE for Real Estate, “DBJ” represents DBJ Green Building Certification, and “BELS” represents BELS Certification.

Initiatives for Society

► Contribution to the communities

From a perspective of contribution to the society, United Urban agrees with local governments, allowing residents to use the sites of the properties and buildings during emergencies.

C13 Loisir Hotel & Spa Tower Naha



Offered the space for bike-sharing service by Okinawa Convention & Visitors Bureau



Offered the hot spring for free to people suffering blackout caused by a typhoon in 2018

A21 Mallage Kashiwa

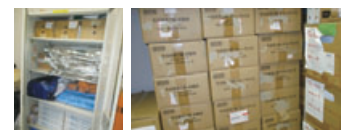


Soccer lessons/events are organized by Soccer-related organization including local football club. (Rooftop sports park)



The site has been used for radio-calisthenics during the summer holidays with collaboration with Kashiwa City and its social welfare association

B44 SS30



Food and beverages are stored in a temporary evacuation space based on the agreement with Sendai City for people who are unable to return home in case of disasters. Also, supply of those goods and communications are to be done in cooperation with the city in case of emergency.

Initiatives for Governance

► Compensation of employees

Sharing interest with United Urban's unitholders

- Annual amount of bonus for all employees of JRA is fully linked to United Urban's EPU (earnings per unit).
- Preparation of the accumulative investment scheme for JRA employees to acquire investment units of United Urban from their monthly salary is in progress.

Portfolio Properties

Portfolio Roster (As of November 30, 2018)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1) (Note 4)	Acquisition Date (Note 2)	
Retail Properties						
A1	Himonya Shopping Center ^(Note 7)	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) ^(Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Yokohama Kariba Shopping Center	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	Yokohama Aoba Shopping Center (Site) ^(Note 16)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
A31	Tenjin Loft Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1989	Nov. 29, 2013	
A32	Narumi Shopping Center (Site)	Nagoya, Aichi	Real estate	—	Apr. 8, 2014	
A33	Plussing Wave Enoshima	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Dec. 2007	Aug. 29, 2014	
A34	LIFE Nishikujo (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A35	LIFE Tamatsukuri (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A36	Granbell Ginza Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2006	Jun. 30, 2015	
A37	UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 2010	Jul. 15, 2015	
A38	Luz Shonan Tsujido	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Aug. 2010	Sep. 30, 2015	
A39	ACTIOLE Ueno	Taito-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1984	Dec. 4, 2015	
A40	KURURU	Fuchu, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Sep. 1, 2016	
A41	K's Denki Nagoya-kita	Nishikasugai-gun, Aichi	Trust beneficial interest in real estate	Jun. 2000	Dec. 1, 2016	
Office Buildings						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) ^(Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) ^(Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyocho Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B13	Pacific Marks Tsukushima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Hamamatsucho 262 Building ^(Note 8)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	
B40	GRAND-SQUARE Shin-Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	May 2009	Feb. 28, 2014	
B41	GRAND-SQUARE Meieki-minami	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2009	Feb. 28, 2014	
B42	Shiba 520 Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1994	Mar. 28, 2014	
B43	Hirose-dori SE Building	Sendai, Miyagi	Trust beneficial interest in real estate	Nov. 2007	Jun. 13, 2014	
B44	SS30 ^(Note 9, 9)	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
B45	LOOP-X・M ^(Note 10)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1991	Apr. 26, 2017	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	4,590	0.7%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.1%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	5,200	0.8%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	6,500	1.1%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.5%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	0.9%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.3%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.6%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.7%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.7%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.1%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.4%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	3.7%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.4%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.1%	79,484.47	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	0.8%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.4%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	0.8%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.5%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.4%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.4%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	4.6%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	0.8%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.7%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.1%	60,747.02	—	—	—	Proprietary Ownership	—
	1,800	0.3%	2,450.62	3,471.69	S	4F	Proprietary Ownership	Proprietary Ownership
	1,760	0.3%	3,252.76	—	—	—	Proprietary Ownership	—
	1,880	0.3%	2,391.44	—	—	—	Proprietary Ownership	—
	2,621	0.4%	231.00	1,646.50	RC	B1/9F	Leasehold Rights	Proprietary Ownership
	5,500	0.9%	466.76	1,486.52	S	B1/4F	Proprietary Ownership	Proprietary Ownership
	3,938	0.6%	3,658.25	17,889.43	S/RC	B2/6F	Proprietary Ownership	Proprietary Ownership
	3,000	0.5%	159.59	1,234.99	SRC	10F	Surface Right	Proprietary Ownership
	9,285	1.5%	7,266.41	59,361.08	SRC/RC/S	B3/28F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,750	0.3%	7,461.97	4,733.74	S	2F	Proprietary Ownership	Proprietary Ownership
	2,257	0.4%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,080	0.3%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.4%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.4%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	2.3%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.1%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	0.8%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.4%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.7%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	2.4%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.0%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.0%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.1%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,290	0.5%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.4%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.4%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	1.6%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.1%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.4%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.4%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.1%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	0.7%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	9,590	1.6%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.3%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.15	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.5%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.3%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.4%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,480	0.2%	1,294.88	5,333.51	S	7F	Proprietary Ownership	Proprietary Ownership
	1,220	0.2%	1,012.06	5,017.30	S	8F	Proprietary Ownership	Proprietary Ownership
	2,100	0.3%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	3,600	0.6%	2,146.31	10,396.94	S	9F	Proprietary Ownership	Proprietary Ownership
	11,521	1.9%	15,542.84	110,955.68	(1)SRC/S (2)RC (3)SRC	(1)B3/31F (2)B1/2F (3)B2/12F	Proprietary Ownership	Compartmentalized Ownership, Proprietary Ownership
	11,200	1.8%	5,491.44	31,583.38	(1)S/SRC (2)SRC/RC	(1)B1/17F (2)B1/18F	Proprietary Ownership	Proprietary Ownership

Portfolio Properties

Portfolio Roster (As of November 30, 2018)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1) (Note 4)	Acquisition Date (Note 2)	
Hotels						
C1	Shinjuku Washington Hotel Honkan ^(Note 8)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) ^(Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	UUR Yotsuya Sanchoe Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C9	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Sep. 2005	Aug. 31, 2015	
C11	Toyoko Inn Hiroshima Heiwa-odori	Hiroshima, Hiroshima	Trust beneficial interest in real estate	Mar. 2004	Aug. 31, 2015	
C12	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Naha, Okinawa	Trust beneficial interest in real estate	Apr. 2002	Aug. 31, 2015	
C13	Loisir Hotel & Spa Tower Naha ^(Note 11)	Naha, Okinawa	Trust beneficial interest in real estate	(1)Oct. 1992 (2)Jun. 2009	Feb. 5, 2016	
C14	Royal Pines Hotel Urawa ^(Note 17)	Saitama, Saitama	Trust beneficial interest in real estate	Aug. 1999	Apr. 1, 2016	
(B44)	SS30 ^(Note 6, 9)	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
C15	RIHGA Royal Hotel Kokura・ARUARU City ^(Note 12)	Kitakyushu, Fukuoka	Trust beneficial interest in real estate	(1)Mar. 1993 (2)Mar. 1993 (3)Aug. 1992	Jan. 26, 2018	
C16	the b fukuoka tenjin	Fukuoka, Fukuoka	Trust beneficial interest in real estate	May 2017	Sep. 27, 2018	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	UUR Court Shiba-Daimon ^(Note 18)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
D26	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
D27	UUR Court Shiki	Shiki, Saitama	Trust beneficial interest in real estate	Mar. 1999	Sep. 18, 2015	
D28	GRAND-ROUGE Tanimachi Rokuchome ^(Note 19)	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 2010	Dec. 1, 2016	
D29	Chatle Otemachi S・N ^(Note 13)	Kitakyushu, Fukuoka	Real estate	Aug. 2008	Jul. 3, 2018	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
E5	Logistics Higashi-Ohgishima ^(Note 14)	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
E6	MT Ariake Center Building I&II ^(Note 15)	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1)Apr. 1989 (2)Jun. 1992	Nov. 25, 2014	
E7	Quartz Tower	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 2015	Nov. 13, 2015	
E8	Shin-Narashino Logistics Center	Narashino, Chiba	Trust beneficial interest in real estate	Jun. 1991	Aug. 7, 2015	
E9	Kawagoe Logistics Center	Kawagoe, Saitama	Trust beneficial interest in real estate	Aug. 2007	Jun. 17, 2016	
E10	Asuto Nagamachi Dental Clinic	Sendai, Miyagi	Trust beneficial interest in real estate	Oct. 2014	Aug. 29, 2016	
E11	Shin-Narashino Logistics Center II	Narashino, Chiba	Trust beneficial interest in real estate	Jan. 1990	Jan. 31, 2017	
E12	Yoshikawa Logistics Center	Yoshikawa, Saitama	Trust beneficial interest in real estate	Apr. 1997	Jul. 27, 2017	
E13	Musashimurayama Logistics Center	Musashimurayama, Tokyo	Trust beneficial interest in real estate	Oct. 2001	Oct. 30, 2018	
Total						

Notes: 1. Each piece of information in the "Completion Date," "Site Area," "Total Floor Space," "Construction," and "Number of Floors" is described as it appears on the real estate register unless otherwise stated in this footnote or other footnotes. Some information may differ from the current situations. In regard to the "Site Area" for properties where a part of the site space is for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures are described.

2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as of December 1, 2010, the effective date of the merger.

3. The "Acquisition Price" is an amount (the amount stated in each purchase and sale agreement, excluding consumption taxes) that does not include the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.

4. For properties consisting of several buildings, some information in the "Completion Date," "Construction," and "Number of Floors" applies to the main building, unless otherwise indicated.

5. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.

6. Shin-Osaka Central Tower and SS30 include the office portion and the hotel portion.

7. United Urban had sold its 70% quasi co-ownership of Himonya Shopping Center as of November 1, 2018. Therefore, United Urban has held the remaining 30% quasi co-ownership at the end of the 30th fiscal period. The acquisition price is calculated as 30% of the initial acquisition price (¥15,300 million).

8. For Hamamatsucho 262 Building and Shinjuku Washington Hotel Honkan, the additional acquisitions were executed, respectively. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition. Furthermore, the "Acquisition Date" above is the initial acquisition date by United Urban.

9. The property comprises three buildings: an office building, a fitness club building, and a hotel building, and some of the information are shown for the office building as (1), fitness club building as (2), and hotel building as (3). In addition, because the completion date of the office building and hotel building disappears on the real estate register, the completion date of the fitness club building is described.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	21,140	3.4%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (partly Co-ownership)	Compartmentalized Ownership (partly, Co-ownership)
	9,721	1.6%	(7,265.79)	(58,882.64)	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	1,884	0.3%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.6%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	0.8%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.2%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.7%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	0.8%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	3,500	0.6%	482.37	3,138.82	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	2,655	0.4%	639.19	4,785.93	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,113	0.3%	660.40	4,345.24	SRC	14F	Proprietary Ownership	Proprietary Ownership
	745	0.1%	384.93	1,566.12	S/RC	9F	Proprietary Ownership	Proprietary Ownership
	20,000	3.3%	11,850.24	45,731.16	(1)SRC/RC (2)SRC	(1)B1/12F (2)13F	Right of Site (Co-ownership), Proprietary Ownership	Compartmentalized Ownership (partly Co-ownership), Proprietary Ownership
	17,500	2.9%	7,418.83	51,071.32	SRC/S	B3/20F	Proprietary Ownership, Right of Site	Compartmentalized Ownership
	6,679	1.1%	(15,542.84)	(110,955.68)	(1)SRC/S (2)RC (3)SRC	(1)B3/31F (2)B1/2F (3)B2/12F	Proprietary Ownership	Compartmentalized Ownership, Proprietary Ownership
	16,600	2.7%	22,799.65	114,117.54	(1)SRC/RC/S (2)SRC (3)SRC/RC	(1)B1/30F (2)B1/7F (3)B1/11F	Proprietary Ownership	Proprietary Ownership
	3,000	0.5%	496.79	3,567.22	S	10F	Proprietary Ownership	Proprietary Ownership
	2,021	0.3%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,680	0.3%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	1,175	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.6%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,031	0.5%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.2%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	3,170	0.5%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.3%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.6%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.2%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.1%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.1%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.5%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.3%	1,078.42	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.2%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	5,150	0.8%	2,156.35	14,340.44	RC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,730	0.4%	6,132.03	9,885.83	SRC/RC	13F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	817.52	3,607.14	RC	13F	Proprietary Ownership	Proprietary Ownership
	3,398	0.6%	3,516.04	12,599.91	(1)SRC (2)SRC	(1)15F (2)15F	Proprietary Ownership	Proprietary Ownership
	2,050	0.3%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	0.8%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.7%	5,294.63	14,742.80	S	11F	Proprietary Ownership	Proprietary Ownership
	3,500	0.6%	645.87	3,105.31	SRC	B3/7F	Surface Right	Proprietary Ownership
	4,233	0.7%	28,351.30	41,949.12	S	4F	Proprietary Ownership	Proprietary Ownership
	8,000	1.3%	8,307.00	22,917.94	(1)S/SRC (2)S	(1)5F (2)5F	Proprietary Ownership	Proprietary Ownership
	5,700	0.9%	354.27	2,720.38	S/SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	2,555	0.4%	6,968.26	13,268.65	S	6F	Proprietary Ownership	Proprietary Ownership
	7,550	1.2%	32,665.82	47,284.22	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	1,200	0.2%	2,009.14	1,554.09	S	B1/2F	Proprietary Ownership	Proprietary Ownership
	2,590	0.4%	7,870.01	12,578.45	S	4F	Proprietary Ownership	Proprietary Ownership
	1,960	0.3%	5,705.63	10,806.37	S	5F	Proprietary Ownership	Proprietary Ownership
	1,800	0.3%	5,788.52	9,207.73	S	4F	Proprietary Ownership	Proprietary Ownership
	613,908	100.0%	659,213.73	1,663,606.32				

Notes: 10. The property comprises two buildings: LOOP-X (office building) and LOOP-M (residential building), and some of the information are shown for LOOP-X as (1) and LOOP-M as (2).

11. The property comprises two buildings: Main Building and the Annex, and some of the information are shown for the Main Building as (1) and the Annex as (2).

12. The property comprises three buildings: a hotel building, a retail building I, and a retail building II, and some of the information are shown for the hotel building as (1), retail building I as (2), and retail building II as (3).

13. The property comprises two buildings: S Building and N Building, and some of the information are shown for S Building as (1) and N Building as (2).

14. United Urban sold its 49% quasi co-ownership of the property and continues to hold the remaining 51% quasi co-ownership. The acquisition price is calculated as 51% of the initial acquisition price (¥8,300 million).

15. The property comprises two buildings: MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and some of the information are shown for the Building I as (1) and the Building II as (2). And "Site Area" of the property is described as it appears on the notification for provisional replotting.

16. The property name was changed from "VIVA HOME Yokohama Aoba (Site)" to "Yokohama Aoba Shopping Center (Site)" on June 15, 2018.

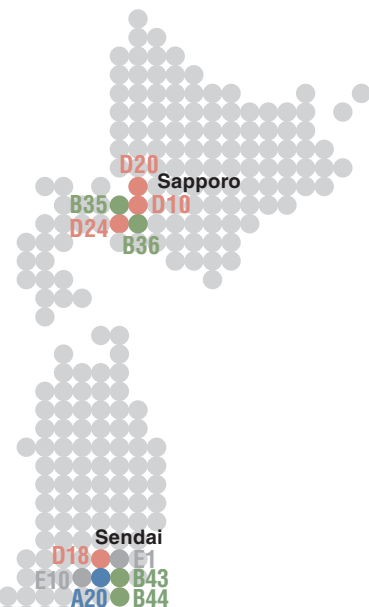
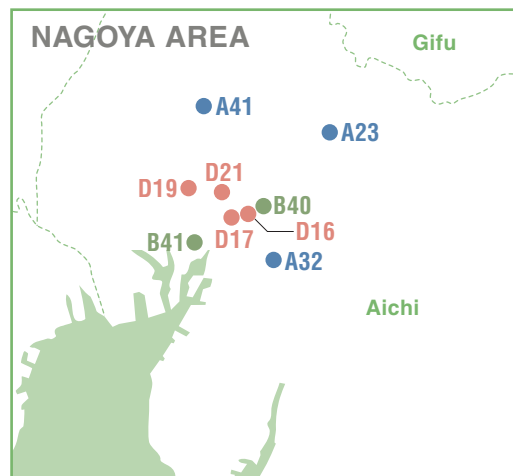
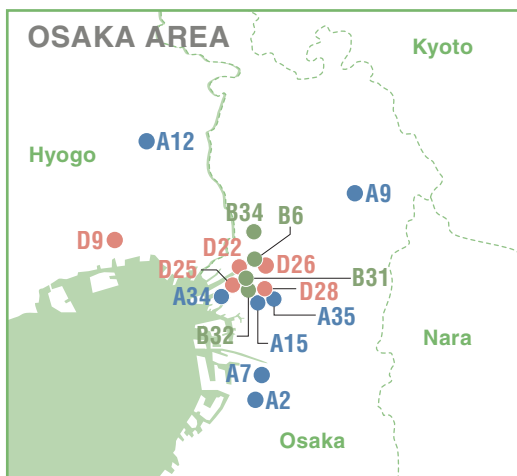
17. The property name was changed from "Urawa Royal Pines Hotel" to "Royal Pines Hotel Urawa" on January 1, 2019.

18. The property name was changed from "Sky Court Shiba-Daimon" to "UUR Court Shiba-Daimon" on October 19, 2018.

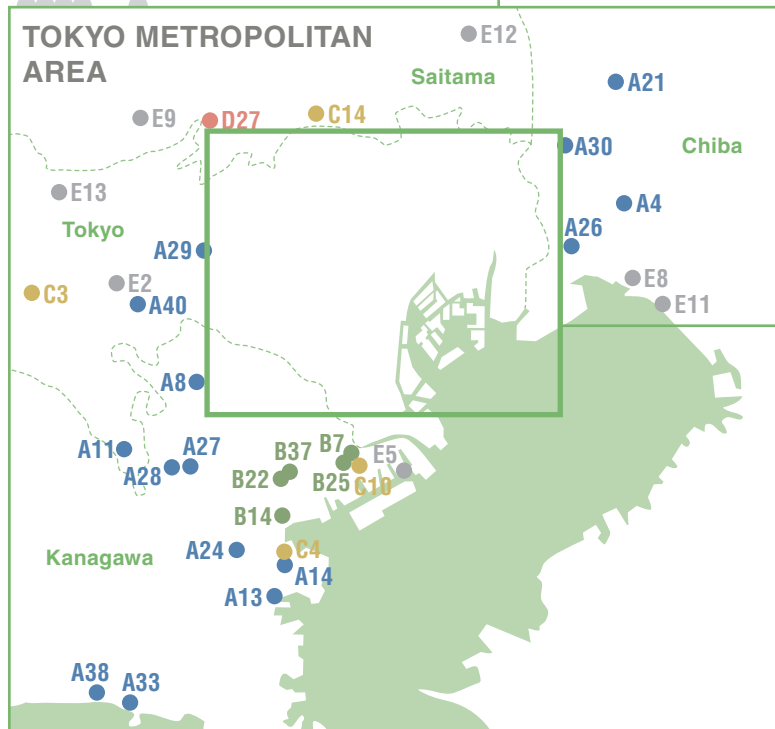
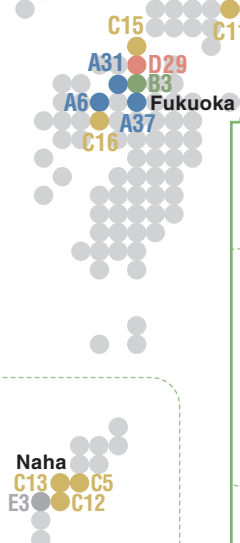
19. The property name was changed from "Scent Hills" to "GRAND-ROUGE Tanimachi Rokucho" on June 1, 2018.

Portfolio Properties

Portfolio Map

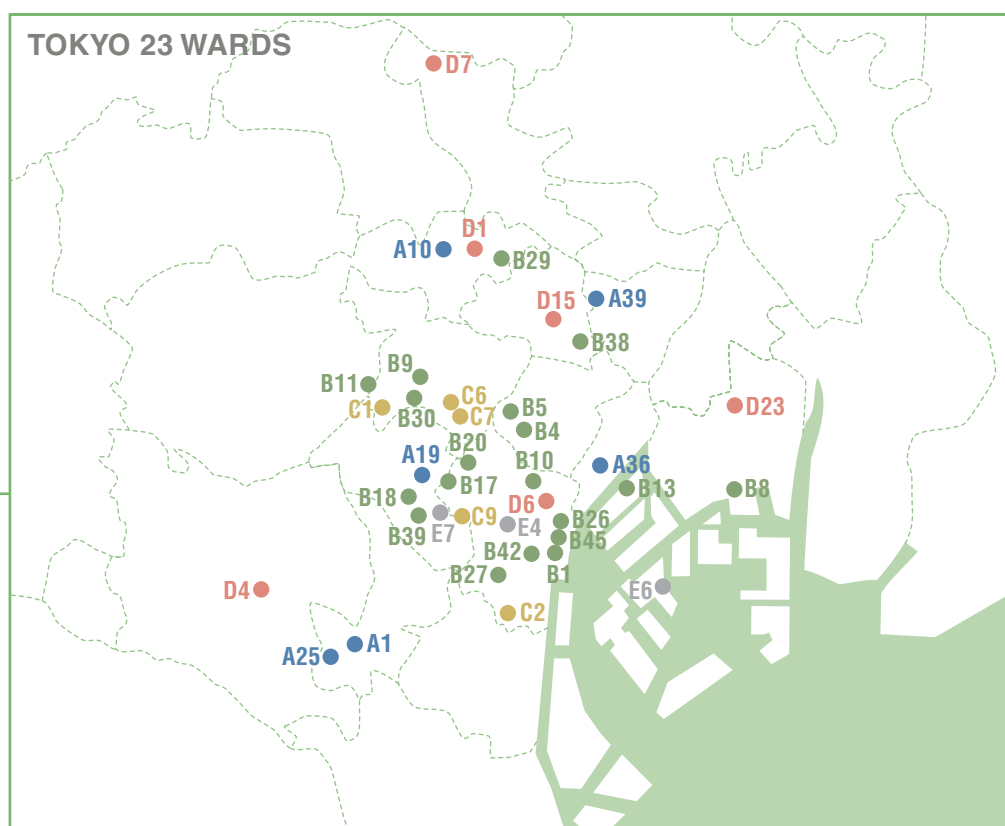


- A1 Himonya Shopping Center
- A2 Joy Park Izumigaoka
- A4 Re-LAND Shopping Center
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- A19 Albore Jingumae
- A20 Albore Sendai
- A21 Mallage Kashiwa
- A23 Ito-Yokado Owariasahi
- A24 Yokohama Kariba Shopping Center
- A25 Luz Jiyugaoka
- A26 ACTIOLE Ichikawa
- A27 Yokohama Aoba Shopping Center (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Yamada Denki Tecc Land New Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- A33 Plussing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- A36 Granbell Ginza Building
- A37 UUR Tenjin Nishi-dori Building
- A38 Luz Shonan Tsujido
- A39 ACTIOLE Ueno
- A40 KURURU
- A41 K's Denki Nagoya-kita
- B1 T&G Hamamatsucho Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building
- B5 Rokubancho K Building
- B6 Shin-Osaka Central Tower (Note 2)



- Retail Properties
- Office Buildings
- Hotels
- Residential Properties
- Others

B7	Kawasaki Toshiba Building	B43	Hirose-dori SE Building	D16	GRAND-ROUGE Sakae
B8	UUR Toyocho Building	B44	SS30 <small>(Note 2)</small>	D17	GRAND-ROUGE Sakae II
B9	FOUR SEASONS BLDG	B45	LOOP-X-M	D18	MA Sendai Building
B10	Hitachi High-Tech Building	C1	Shinjuku Washington Hotel Honkan	D19	UUR Court Nagoya Meieki
B11	Pacific Marks Shinjuku Parkside	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D20	UUR Court Sapporo Shinoro Ichibankan
B13	Pacific Marks Tsukishima	C3	MZ BLD.	D21	Park Site IZUMI
B14	Pacific Marks Yokohama East	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D22	UUR Court Osaka Juso-honmachi
B17	Akasaka Hikawa Building	C5	Hotel JAL City Naha	D23	UUR Court Kinshicho
B18	Pacific Marks Shibuya Koen-dori	C6	UUR Yotsuya Sanchoe Building	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B20	Pacific Marks Akasaka-mitsuke	C7	Yotsuya 213 Building	D25	GRAND-ROUGE Nakanoshima-minami
B22	Pacific Marks Shin-Yokohama	C9	the b roppongi	D26	Glenpark Umeda-kita
B25	Pacific Marks Kawasaki	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	D27	UUR Court Shiki
B26	Hamamatsucho 262 Building	C11	Toyoko Inn Hiroshima Heiwa-odori	D28	GRAND-ROUGE Tanimachi Rokuchoe
B27	Lila Hijirizaka	C12	Toyoko Inn Naha Kokusai-dori Miebashiki	D29	Chatle Otemachi S-N
B29	Otsuka HT Building	C13	Loisir Hotel & Spa Tower Naha	E1	Lilycolor Tohoku Branch
B30	Pacific Marks Shinjuku South-gate	C14	Royal Pines Hotel Urawa	E2	KDDI Fuchu Building
B31	Pacific Marks Nishi-Umeda	C15	RIHGA Royal Hotel Kokura-ARUARU City	E3	Tsubogawa Square Building
B32	Pacific Marks Higobashi	C16	the b fukuoka tenjin	E4	THE PLACE of TOKYO
B34	Pacific Marks Esaka	D1	T&G Higashi-ikebukuro Mansion	E5	Logistics Higashi-Ohgishima
B35	Pacific Marks Sapporo Kita-Ichijo	D4	Komazawa Court	E6	MT Ariake Center Building I&II
B36	Shin-Sapporo Center Building	D6	UUR Court Shiba-Daimon	E7	Quartz Tower
B37	ARENA TOWER	D7	Maison Ukima	E8	Shin-Narashino Logistics Center
B38	Yushima First Building	D9	Aprile Shin-Ohgi Ichibankan	E9	Kawagoe Logistics Center
B39	Dogenzaka Square	D10	UUR Court Sapporo Kita-Sanjo	E10	Asuto Nagamachi Dental Clinic
B40	GRAND-SQUARE Shin-Sakae	D15	CLIO Bunkyo Koishikawa	E11	Shin-Narashino Logistics Center II
B41	GRAND-SQUARE Meieki-minami			E12	Yoshikawa Logistics Center
B42	Shiba 520 Building			E13	Musashimurayama Logistics Center

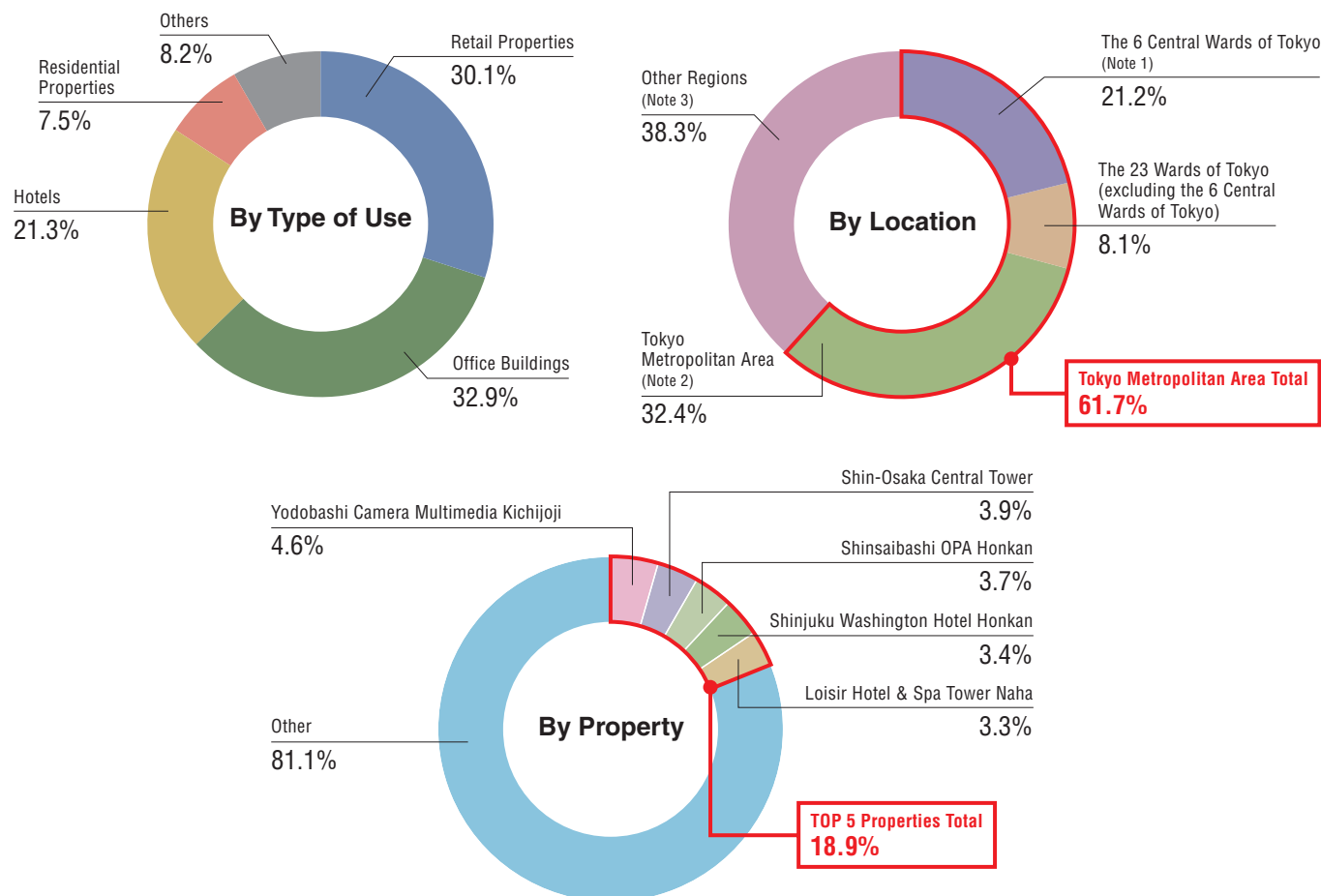


Notes: 1. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.
2. Shin-Osaka Central Tower and SS30 include the office portion and the hotel portion.

Portfolio Properties

Portfolio Data

Portfolio Breakdown (Based on acquisition prices) (As of November 30, 2018)



Notes: 1. The "6 Central Wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa wards.

2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo Metropolis, Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture, Ibaraki Prefecture, Gunma Prefecture, Tochigi Prefecture, and Yamanashi Prefecture) excluding the 23 Wards of Tokyo.

3. "Other Regions" refers to other major cities in Japan including government designated cities (excluding cities located in Tokyo Metropolitan Area) and surrounding areas thereof. In addition, "Other Regions" includes "Osaka Area: Osaka Prefecture, Kyoto Prefecture, and Hyogo Prefecture," "Nagoya Area: Aichi Prefecture, Mie Prefecture, and Gifu Prefecture," and "Other Area: general term for areas excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area."

Occupancy Ratio

	2018					
	End of June	End of July	End of August	End of September	End of October	End of November
Retail Properties	99.4%	99.3%	99.3%	99.3%	99.4%	99.4%
Office Buildings	98.8%	98.7%	98.4%	98.3%	98.0%	97.9%
Hotels	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Residential Properties	97.6%	97.6%	97.4%	97.8%	97.9%	97.8%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	99.3%	99.2%	99.1%	99.1%	99.1%	99.1%

Major Properties

Office Buildings/Hotels

B6 Shin-Osaka Central Tower



Hotels

C14 Royal Pines Hotel Urawa



Office Buildings/Hotels

B44 SS30



Retail Properties

A25 Luz Jiyugaoka



Portfolio Properties

Hotels

C13 Loisir Hotel & Spa Tower Naha



Hotels

C15 RIHGA Royal Hotel Kokura・ARUARU City



Others

E9 Kawagoe Logistics Center



Residential Properties

D26 Glenpark Umeda-kita



Office Buildings

B37 ARENA TOWER



Others

E4 THE PLACE of TOKYO



Hotels

C1 Shinjuku Washington Hotel Honkan



Office Buildings

B10 Hitachi High-Tech Building



Retail Properties

A29 Yodobashi Camera Multimedia Kichijoji



Retail Properties

A6 TENJIN LUCE



Others

E7 Quartz Tower



Others

E3 Tsubogawa Square Building



Retail Properties

A15 Shinsaibashi OPA Honkan

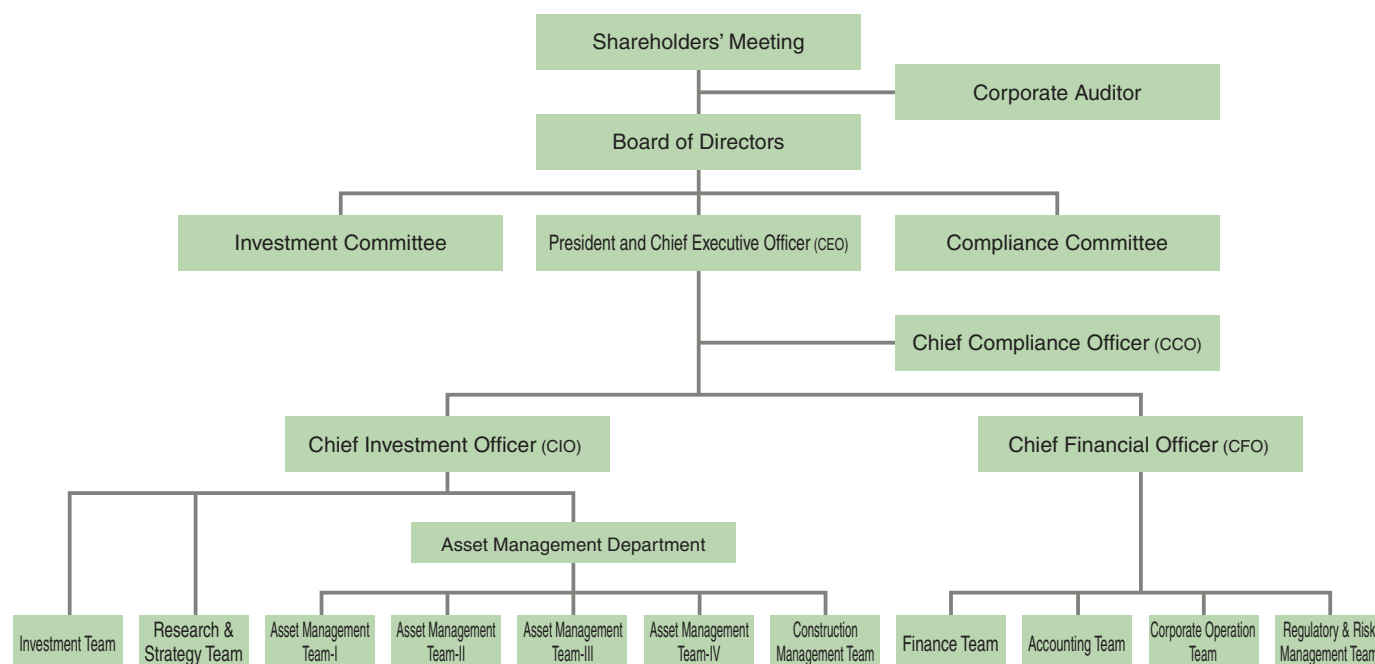


Profile of Asset Management Company

Overview (As of November 30, 2018)

Corporate Name	Japan REIT Advisors Co., Ltd. ("JRA")
Address	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo
Date of Foundation	December 4, 2001
Capital	¥425 million
Shareholder	Marubeni Corporation 100%
Representative	Norimasa Gaun, President and CEO
Description of Business	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act

Organization (As of November 30, 2018)



Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of November 30, 2018, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of November 30, 2018, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of the Corporate Operation Team and one external intellectual (external lawyer).

◆ PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

Fiscal Period (Calculation Period)		26th Fiscal Period (June 1, 2016- November 30, 2016)	27th Fiscal Period (December 1, 2016- May 31, 2017)	28th Fiscal Period (June 1, 2017- November 30, 2017)	29th Fiscal Period (December 1, 2017- May 31, 2018)	30th Fiscal Period (June 1, 2018- November 30, 2018)
Operating revenues	(Note 1) (Millions of yen)	22,864	22,982	25,926	29,166	25,733
(Rental revenues)	(Millions of yen)	(21,501)	(22,919)	(23,764)	(24,219)	(23,867)
Operating expenses	(Millions of yen)	11,807	11,484	13,443	16,077	12,838
(Property-related expenses)	(Millions of yen)	(9,706)	(9,382)	(10,360)	(10,328)	(10,663)
Operating income	(Millions of yen)	11,057	11,497	12,482	13,089	12,894
Ordinary income	(Millions of yen)	9,349	10,286	11,320	11,974	11,789
Net income	(a) (Millions of yen)	9,348	10,285	11,319	11,973	11,788
Total assets (compared to the previous period)	(b) (Millions of yen)	648,105 (+3.0%)	675,885 (+4.3%)	663,531 (△1.8%)	648,503 (△2.3%)	651,242 (+0.4%)
Total unitholders' equity (Net assets) (compared to the previous period)	(c) (Millions of yen)	333,592 (+11.9%)	351,801 (+5.5%)	353,258 (+0.4%)	355,017 (+0.5%)	356,029 (+0.3%)
Unitholders' capital (compared to the previous period)	(Millions of yen)	292,411 (+13.3%)	309,205 (+5.7%)	309,205 (-)	309,205 (-)	309,205 (-)
Total no. of investment units issued and outstanding	(d) (Units)	2,953,022	3,055,087	3,055,087	3,055,087	3,055,087
Net assets per unit	(c)/(d) (Yen)	112,966	115,152	115,629	116,205	116,536
Total cash distribution	(e) (Millions of yen)	8,888	9,929	10,258	10,784	10,610
Net income per unit	(Note 2) (Yen)	3,183	3,376	3,705	3,919	3,858
Cash distribution per unit	(e)/(d) (Yen)	3,010	3,250	3,358	3,530	3,473
(Distribution of earnings per unit)	(Yen)	(3,010)	(3,250)	(3,358)	(3,530)	(3,473)
(Distribution in excess of earnings per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Return on assets (Annualized)	(Note 3) (%)	1.5 (2.9)	1.6 (3.1)	1.7 (3.4)	1.8 (3.7)	1.8 (3.6)
Return on equity (Annualized)	(Note 3) (%)	3.0 (5.9)	3.0 (6.0)	3.2 (6.4)	3.4 (6.8)	3.3 (6.6)
Equity ratio (compared to the previous period)	(c)/(b) (%)	51.5 (+4.1%)	52.1 (+0.6%)	53.2 (+1.2%)	54.7 (+1.5%)	54.7 (△0.1%)
Payout ratio	(Note 3) (%)	94.5	96.2	90.6	90.0	90.0
Supplementary information						
No. of investment properties at end of period	(Properties)	119	123	116	116	119
Total leasable floor space at end of period	(m ²)	1,342,847.93	1,443,510.75	1,422,041.46	1,431,245.06	1,456,193.69
Total no. of tenants at end of period	(Tenants)	2,066	2,319	2,259	2,278	2,442
Occupancy ratio at end of period	(%)	98.9	99.2	98.4	99.3	99.1
Depreciation and amortization	(Millions of yen)	3,884	3,991	4,109	4,160	4,050
Capital expenditures	(Millions of yen)	5,762	1,584	1,575	1,903	1,406
NOI (Net Operating Income) from leasing	(Note 3) (Millions of yen)	15,679	17,528	17,514	18,051	17,253
FFO (Funds From Operations) per unit	(Note 3) (Yen)	4,019	4,652	4,629	4,835	4,574
FFO ratio	(Note 3) (Times)	21.8	17.5	17.3	17.2	19.8
Debt service coverage ratio	(Note 3) (Times)	11.6	13.2	14.5	15.8	15.9
Net income before interest, depreciation and amortization	(Note 3) (Millions of yen)	14,477	15,447	16,573	17,222	16,901
Interest expense and interest expenses on corporate bonds	(Millions of yen)	1,243	1,170	1,144	1,088	1,061
Interest-bearing liabilities	(Note 3) (Millions of yen)	277,407	285,857	271,607	255,884	257,384
Ratio of interest-bearing liabilities to total assets at end of period	(Note 3) (%)	42.8	42.2	40.9	39.4	39.5
No. of operating days	(Days)	183	182	183	182	183

Notes: 1. Operating revenues, etc., do not include consumption taxes.

2. Net income per unit is computed on the basis of the average numbers of investment units during the period set out below.

	26th FP	27th FP	28th FP	29th FP	30th FP
Average no. of investment units during the period	2,936,915 units	3,045,874 units	3,055,087 units	3,055,087 units	3,055,087 units

3. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures by actual days of each fiscal period, respectively.

Return on assets	Ordinary income / ((Total assets at beginning of period + Total assets at end of period) / 2) × 100
Return on equity	Net income / ((Net assets at beginning of period + Net assets at end of period) / 2) × 100
Payout ratio	Cash distribution per unit / Net income per unit × 100 (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets - Gain or loss on sales of real estate properties) / Total no. of investment units issued and outstanding
FFO ratio	Investment unit price at end of period / Annualized FFO per unit
Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds
Net income before interest, depreciation and amortization	Net income + Depreciation and amortization + Amortization of deferred assets + Interest expense and Interest expenses on corporate bonds
Interest-bearing liabilities	Short-term borrowings + Current portion of corporate bonds + Long-term borrowings due for repayment within one year + Corporate bonds + Long-term borrowings
Ratio of interest-bearing liabilities to total assets at end of period	Interest-bearing liabilities at end of period / total assets at end of period × 100 (Fractions are rounded down to the nearest one decimal place.)

4. Unless otherwise indicated specifically, amounts above have been rounded down and percentage figures are rounded to the unit stated.

2. Performance Review for the Current Period

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended, the “Investment Trust Act”). On December 22, 2003, United Urban was listed (Securities Code: 8960) on the real estate investment trust section (J-REIT section) of the Tokyo Stock Exchange.

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with “Intrinsic Value” and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of “Intrinsic Value” as a diversified real estate investment trust (REIT), diversifying its investments in terms of the “types of use” and “area of location” (Note).

United Urban merged with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”). As a result of continuous property acquisitions using fund procurement through borrowings and public offering after the Merger, its asset size (on an acquisition price basis) increased to more than ¥600 billion (as of November 30, 2018).

As a result of performance, a distribution has been made in each of 29 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 29th fiscal period (fiscal period ended May 31, 2018). For the current period (30th fiscal period: fiscal period ended November 30, 2018), United Urban decided to make cash distribution of ¥3,473 per unit.

Note: “Type of use” : Retail properties, office buildings, hotels, residential properties, and others

“Area of location” : Mainly, Tokyo metropolitan area and major Japanese cities including government designated cities and surrounding areas thereof

a. Investment Environment and Operation

(i) Investment Environment

Japanese economy during this period remains stable due to the good condition of corporate performance. Overseas, although there are concerns over the rise of interest rates and the trade friction, etc. in the United States, financing environment has been generally favorable in Japan due to the low interest rate.

In the real estate sales market, transaction prices are still increasing against a background of active investment demand from domestic and foreign investors in the continuation of favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of urban type properties has been mainly stable, and the rental market for retail properties remains steady. As for office buildings, although there are new supplies in Tokyo area, extended demands for corporates’ business expansion are strong and there is favorable progress in contracts with tenants for the new large-scale buildings which was completed in 2018. The vacancy ratio in Sapporo, Osaka, Nagoya, Fukuoka, etc. has kept historical low, and it also has kept low in the Tokyo metropolitan area and major cities throughout Japan. The asking rents have continued to rise. Number of inbound tourists was 28.69 million in 2017, increased by 19% compared with the previous year, and it keeps good condition in 2018 even though it reduced temporary because of typhoons and earthquakes etc. And the sale of hotels has been favorable mainly in the local areas. As for residential properties, while the supply of new properties is increasingly limited, rental properties have a steady demand, and both the occupancy ratio and rent levels remains stable.

(ii) New Acquisition and Sale of Properties

During the period, United Urban acquired the following three properties. In addition, United Urban exchanged a part of the land of Shin-Sapporo Center Building (6.39 sq. m) for a part of the adjacent land owned by City of Sapporo (6.39 sq. m) on August 24, 2018.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
D29	Chatle Otemachi S・N	Apartment	Kitakyusyu, Fukuoka	3,398	July 3, 2018
C16	the b fukuoka tenjin	Hotel	Fukuoka, Fukuoka	3,000	September 27, 2018
E13	Musashimurayama Logistics Center	Warehouse	Musashimurayama, Tokyo	1,800	October 30, 2018
Total				8,198	

On the other hand, the second transfer of the sale of Himonya Shopping Center was executed on November 1, 2018 based on the sale and purchase agreement of the trust beneficial interest dated May 24, 2018.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
A1	Himonya Shopping Center (Note 3)	Store	Meguro-ku, Tokyo	5,225 (Note 3)	November 1, 2018 (Note 3)

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements, etc. concerning the acquisition or sale of each property. The acquisition price is rounded to the nearest whole unit. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.
3. As for Himonya Shopping Center, the sale and purchase agreement of the trust beneficial interest (the "Sale and Purchase Agreement") was concluded on May 24, 2018 and United Urban sold its 51% quasi co-ownership as of the same date and 19 % quasi co-ownership on November 1, 2018, respectively. United Urban will sell the remaining 30% quasi co-ownership on March 1, 2019. In addition, because the payment and transfer of the transaction shall be made at least one month after the conclusion of the Sale and Purchase Agreement, it falls into forward commitment, etc. defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by Financial Services Agency. The Sale and Purchase Agreement provides that either party may terminate the agreement if the other party materially breaches a provision thereof, in which case the party may request the other party in breach of the agreement to pay an amount equivalent to 20% of the acquisition price as penalty charges.

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

(iii) Portfolio Overview

As a result of the acquisition and sales of properties mentioned above (ii), United Urban held a total of 119 properties, comprising 34 retail properties, 33 office buildings, 1 retail-office complex, 15 hotels, 2 office-hotel complexes, 21 residential properties and 13 others, with an aggregate acquisition price of ¥613,908 million at the end of the 30th fiscal period (as of November 30, 2018). In addition, the total leasable floor space was 1,456,193.69 sq. m. and the total numbers of tenants were 2,442.

United Urban has continued to focus on maintaining and improving occupancy ratios at a high level during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 99.1% and 99.3%, and stood at 99.1% at the end of the 30th fiscal period (as of November 30, 2018).

b. Financing Overview

During the period, United Urban newly established a joint management specified money trust (UUR Green Trust, amount of borrowing: ¥10,000 million) that is invested in loans with the purpose of being appropriated to the acquisition funds and refinancing funds related to the "Eligible Green Assets" (Note). On the other hand, after the result of repayment of interest-bearing liabilities with proceeds from sales of properties, the total amount of interest-bearing liabilities was ¥257,384 million, an increase of ¥1,500 million compared to the end of the previous fiscal period. In addition, it is the first case among J-REITs to lend funds to environmental businesses through the use of joint management specified money trust.

The status of interest-bearing liabilities at the end of the previous period and the end of the 30th fiscal period are as follows.

(Millions of yen)			
	Balance at End of 29th Fiscal Period (As of May 31, 2018)	Balance at End of 30th Fiscal Period (As of November 30, 2018)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	223,884	240,384	16,500
Total of borrowings	223,884	240,384	16,500
Corporate bonds	32,000	17,000	(15,000)
Total of interest-bearing liabilities	255,884	257,384	1,500

In addition, as of the end of the 30th fiscal period, the amount of borrowings due for repayment within one year was ¥25,207 million, and there is no corporate bonds that is to become due for maturity within one year.

Note: In the Asset Management Guideline of Japan REIT Advisors Co., Ltd. ("JRA"), the asset management company to which United Urban entrusts asset management services, the new and existing properties that have or are expected to obtain DBJ Green Building certification (three stars or better), CASBEE real estate certification (A rank or higher), or BELS evaluation (two stars or better) are defined as "Eligible Green Assets".

Moreover, the details of ratings of United Urban as of December 31, 2018 are as follows.

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

c. Overview of Financial Results and Distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥25,733 million (down by 11.8% from the previous period), profit from rental activities of ¥13,203 million (down by 4.9% from the previous period), operating income of ¥12,894 million (down by 1.5% from the previous period), ordinary income of ¥11,789 million (down by 1.5% from the previous period), and net income of ¥11,788 million (down by 1.5% from the previous period).

During the period under the review, ¥1,254 million, which accounts for the bulk of the gain on sale of properties in the net income, was reserved as a reserve for reduction entry, etc. to enhance the risk tolerance for unexpected market conditions. On the other hand, in accordance with "Ordinance on Accountings of Investment Corporations" and "Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" stipulated by the Investment Trusts Association, Japan, United Urban reversed ¥76 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥10,610 million, and cash distribution per unit was ¥3,473. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the same shall apply hereinafter) is satisfied during the fiscal period, and the corporate tax is not imposed.

3. Issuance of New Investment Units

During this period, no capital increase was carried out and there were no changes in number of investment units issued and outstanding and unitholders' capital. The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 1)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 2)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 3)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 4)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 5)

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 6)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 7)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 8)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 9)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 10)

Notes: 1. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.

2. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

3. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.

4. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

5. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.

6. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.

7. New investment units were issued through public offering at the offer price of ¥175,224 per unit (issue price (underwriter price) ¥169,860) for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

8. New investment units were issued through third-party allotment at the issue price of ¥169,860 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

9. New investment units were issued through public offering at the offer price of ¥169,736 per unit (issue price (underwriter price) ¥164,540), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds to support a portion of the repayment of interest-bearing liabilities.

10. New investment units were issued through third-party allotment at the issue price of ¥164,540 per unit for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

Changes in Investment Unit Prices

The highest and lowest closing prices of United Urban's investment units in the J-REIT Section of the Tokyo Stock Exchange are as follows:

	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
	Yen				
Highest	191,700	182,400	167,800	173,900	181,900
Lowest	167,700	161,800	151,700	159,400	166,100

4. Distribution Information

With regard to the cash distribution in the period, ¥1,254 million, which accounts for the bulk of the gain on sale of properties in the net income, was reserved as a reserve for reduction entry, etc. to enhance the risk tolerance for unexpected market conditions. On the other hand, in accordance with "Ordinance on Accountings of Investment Corporations" and "Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" stipulated by the Investment Trusts Association, Japan, United Urban reversed ¥76 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥10,610 million, and cash distribution per unit was ¥3,473. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied during the fiscal period, and the corporate tax is not imposed.

		26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
Unappropriated retained earnings at end of period	Thousands of yen	9,348,568	10,285,440	11,319,585	11,973,610	11,788,602
Retained earnings (Note)	Thousands of yen	8,963,223	9,319,631	10,380,234	11,569,387	12,747,672
Total cash distribution	Thousands of yen	8,888,596	9,929,032	10,258,982	10,784,457	10,610,317
(Cash distribution per unit)	(Yen)	(3,010)	(3,250)	(3,358)	(3,530)	(3,473)
Total profit distribution	Thousands of yen	8,888,596	9,929,032	10,258,982	10,784,457	10,610,317
(Profit distribution per unit)	(Yen)	(3,010)	(3,250)	(3,358)	(3,530)	(3,473)
Total refund of capital	Thousands of yen	-	-	-	-	-
(Refund of capital per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from provision for temporary difference adjustment (Of refund of capital per unit, cash distribution per unit from provision for temporary difference adjustment)	Thousands of yen (Yen)	- (-)	- (-)	- (-)	- (-)	- (-)
Of total refund of capital, the total cash distribution from the distribution associated with investment decrease for tax purpose (Of refund of capital per unit, cash distribution per unit from the distribution associated with investment decrease for tax purpose)	Thousands of yen (Yen)	- (-)	- (-)	- (-)	- (-)	- (-)

Note: "Retained earnings" shows total amount of the balance of voluntary retained earnings such as reserve for temporary difference adjustments, reserve retained for distribution, and reserve for reduction entry, and unappropriated retained earnings carried forward.

5. Future Policies and Challenges

As for the real estate rental market in Japan, the stable rental revenue is expected due to the continuous high occupancy ratio of office buildings, etc. On the other hand, as for the real estate sales market, there is a sense of caution against the market overheating, but severe competition in property acquisitions is also expected, and real estate prices would be kept increasing.

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

United Urban and JRA will continue to implement its initiatives on ESG (Environmental, Social and Governance) issues including supply chain and would like to contribute to the realization of a sustainable society.

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

6. Material Facts Arising after the End of the 30th Fiscal Period and Other Material Events

There are no material facts arising after the end of the 30th fiscal period (November 30, 2018). In addition, the reference information is as follows:

a. Acquisition of Properties and Debt Financing

- 1) United Urban acquired “the b roppongi (Annex)” on December 17, 2018 and “Luz Musashikosugi” on December 28, 2018, respectively. Moreover, United Urban has decided to acquire “Henn na Hotel Tokyo Hamamatsucho” and “Smile Hotel Premium Sapporo Susukino” on January 15, 2019.

Property No.	Property Name	Type	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date
C9	the b roppongi (Annex)	Hotel	Minato-ku, Tokyo	988 (Annex building: 528, Adjacent Site: 460) (Note 1)	December 17, 2018
A42	Luz Musashikosugi	Store	Kawasaki, Kanagawa	12,151	December 28, 2018
C17	Henn na Hotel Tokyo Hamamatsucho (Note 2)	Hotel	Minato-ku, Tokyo	4,456	May 15, 2019
C18	Smile Hotel Premium Sapporo Susukino (Note 2)	Hotel	Sapporo, Hokkaido	4,233	June 28, 2019
Total				21,828	

- Notes: 1. United Urban acquired the adjacent site to the b roppongi (acquisition price: ¥460 million, hereinafter, the “Adjacent Site”) dated January 13, 2017 and constructed the Annex building on this site and the less utilized land of the property. The Adjacent Site and the Annex building have been additionally entrusted as trust asset of the property on December 17, 2018.
2. As for Henn na Hotel Tokyo Hamamatsucho and Smile Hotel Premium Sapporo Susukino, because the payment and transfer of the transaction shall be made at least one month after the conclusion of each transfer agreement of the trust beneficial interest (referred to as collectively the “Transfer Agreement”) was concluded on January 16, 2019 respectively, it falls into forward commitment, etc.. The Transfer Agreement provides that either party may terminate the agreement if the other party breaches a provision thereof, in which case the party may request the other party in breach of the agreement to pay an amount equivalent to 20% of the acquisition price as penalty charges. However, each Transfer Agreement is subject to the condition precedent to United Urban's fund procurement for acquisition of the trust beneficial interest. Therefore, as for these two properties, the Transfer Agreement will be terminated with no penalty, if United Urban cannot complete fund procurement on the scheduled acquisition date. In view of the current situation of the financial market and financial standings of United Urban, United Urban considers that material adverse effect on United Urban's financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisitions of each trust beneficial interest.

- 2) United Urban procured debt financing to support for acquiring “Luz Musashikosugi” mentioned above 1) as set forth below.

Title	Lender	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 81B	Mizuho Bank, Ltd.	4,000	0.32335%	December 28, 2018	December 22, 2025	Unsecured Unguaranteed
Term Loan 82B	MUFG Bank, Ltd.	3,000	0.47000%		December 20, 2028	
Term Loan 83B	Sumitomo Mitsui Trust Bank, Limited The Shinkumi Federation Bank	3,000	0.39050% (Note)		December 21, 2026	
Term Loan 84B	Sumitomo Mitsui Banking Corporation	2,000	Basic Interest Rate (JBA one month TIBOR+0.25%)		June 21, 2027	
Total		12,000				

Note: It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

b. New Committed Line of Credit Agreement

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

Outline of the new committed line of credit agreement

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

Maximum loan amount : ¥12,000 million

Date of agreement : December 26, 2018

Term of agreement : From December 26, 2018 to December 25, 2019

Remarks : Unsecured, unguaranteed

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

		26th Fiscal Period (As of November 30, 2016)	27th Fiscal Period (As of May 31, 2017)	28th Fiscal Period (As of November 30, 2017)	29th Fiscal Period (As of May 31, 2018)	30th Fiscal Period (As of November 30, 2018)
Total number of investment units authorized	(Units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding	(Units)	2,953,022	3,055,087	3,055,087	3,055,087	3,055,087
Total unitholders' capital	(Millions of yen)	292,411	309,205	309,205	309,205	309,205
Number of unitholders		22,809	23,034	22,182	21,303	20,408

2. Major Unitholders

TOP 10 unitholders based on the number of investment units held at the end of the 30th fiscal period were as follows:

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held (%) (Note)
Japan Trustee Services Bank, Ltd. (trust account)	634,899	20.78
The Master Trust Bank of Japan, Ltd. (trust account)	498,601	16.32
The Nomura Trust and Banking Co., Ltd. (investment trust account)	124,928	4.09
STATE STREET BANK WEST CLIENT-TREATY 505234	95,713	3.13
Trust & Custody Services Bank, Ltd. (securities investment trust account)	80,359	2.63
SMBC Nikko Securities Inc.	44,302	1.45
JP MORGAN CHASE BANK 385771	39,490	1.29
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	31,833	1.04
STATE STREET BANK AND TRUST COMPANY 505223	30,613	1.00
Mizuho Trust & Banking Co., Ltd.	28,454	0.93
Total	1,609,192	52.67

Note: The percentages of investment units held are rounded to two decimal places.

3. Directors and Auditor

a. Board of Directors, etc. of United Urban were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Ikuo Yoshida	-	5,000
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, KYOCERA Corporation	2,100
Supervisory Officer	Tetsuo Ozawa	Corporate Auditor, Lawson, Inc. Corporate Auditor, Sekisui Chemical Co., Ltd.	2,100
Accounting Auditor	ERNST & YOUNG SHINNIHON LLC	-	17,000
Total			26,200

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.

b. Determination policy for dismissal or non-reappointment of Accounting Auditor

The dismissal of Accounting Auditor shall be considered at the board of directors of United Urban, subject to the Investment Trust Act. In addition, non-reappointment shall also be considered at the board of directors of United Urban by comprehensively taking into account the quality of audit, audit fee and other various factors.

4. Advisors and Agents

Asset Management Company, Asset Custodian, and Administrative Agents at the end of the 30th fiscal period were as follows:

Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Transfer Agent (unitholder registry))	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Special Account Administrator)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (accounting, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to corporate bonds)	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		29th Fiscal Period (As of May 31, 2018)		30th Fiscal Period (As of November 30, 2018)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage to Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage to Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,275,297	1.1	7,262,057	1.1
		Other regions			13,718,920	2.1	13,662,199
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,074,718	2.0	13,029,891	2.0
			The 23 wards of Tokyo	9,542,133	1.5	9,501,819	1.5
			Tokyo metropolitan area	9,074,945	1.4	9,013,890	1.4
		Other regions			-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	2,314,029	0.4	2,693,122	0.4
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,060,881	0.6	4,015,494	0.6
		Other regions			-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,872,682	0.4	2,851,734	0.4
			Tokyo metropolitan area	-	-	-	-
		Other regions			722,112	0.1	4,433,375
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions			-	-	-
	Subtotal				62,655,722	9.7	66,463,585
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,272,063	0.7	4,264,962	0.7
			The 23 wards of Tokyo	20,275,365	3.1	16,881,098	2.6
			Tokyo metropolitan area	80,538,926	12.4	80,136,196	12.3
		Other regions			56,404,523	8.7	56,224,487
	Office Buildings	Capital region	The 6 central wards of Tokyo	65,753,587	10.1	65,568,841	10.1
			The 23 wards of Tokyo	2,055,048	0.3	2,041,369	0.3
			Tokyo metropolitan area	41,522,548	6.4	41,326,701	6.3
		Other regions			56,760,322	8.8	56,457,742
	Hotels	Capital region	The 6 central wards of Tokyo	35,225,107	5.4	35,253,066	5.4
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,369,647	3.6	23,251,283	3.6
		Other regions			64,814,390	10.0	67,666,016
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,005,226	0.2	994,564	0.2
			The 23 wards of Tokyo	8,746,010	1.3	8,671,719	1.3
			Tokyo metropolitan area	2,865,718	0.4	2,852,700	0.4
		Other regions			21,444,237	3.3	21,183,815
	Others	Capital region	The 6 central wards of Tokyo	9,286,869	1.4	9,244,206	1.4
			The 23 wards of Tokyo	7,983,016	1.2	7,968,204	1.2
			Tokyo metropolitan area	24,000,387	3.7	25,764,209	4.0
		Other regions			6,625,511	1.0	6,549,591
	Subtotal				532,948,510	82.2	532,300,779
Preferred Equity Securities (Note 6)				144,337	0.0	93,905	0.0
Bank Deposits and Other Assets				52,754,726	8.1	52,383,882	8.0
Total Assets				648,503,297	100.0	651,242,153	100.0

Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The trust beneficial interest which trust asset mainly consists of real estate does not include an amount of deposit in the trust asset.

2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital region excluding the 23 Tokyo wards.
6. Preferred equity securities are preferred equity securities of Tenjin 123 Project TMK and KICAM Musashimurayama TMK. At the end of the 30th fiscal period, United Urban had received a refund for KICAM Musashimurayama TMK and has held only preferred equity securities of Tenjin 123 Project TMK.

2. Major Properties

Major properties (top 10 properties based on book value) owned by United Urban as of November 30, 2018 were as follows:

Property Name	Book Value (Millions of yen)	Leasable Floor Space (m ²) (Note 1)	Leased Floor Space (m ²) (Note 1)(Note 2)	Occupancy Ratio (%) (Note 1)	Monthly Rent Ratio at End of Period (%) (Note 3)	Type of Use	Granting of Security
Yodobashi Camera Multimedia Kichijoji	27,366	37,932.95	37,932.95	100.0	(Note 4)	Retail Properties	N/A
Shin-Osaka Central Tower	23,698	45,978.59	45,923.73	99.9	4.7	Office / Hotels	N/A
Shinjuku Washington Hotel Honkan	22,298	53,322.10	53,322.10	100.0	3.8	Hotels	N/A
Shinsaibashi OPA Honkan	21,875	27,025.42	27,025.42	100.0	3.3	Retail Properties	N/A
Loisir Hotel & Spa Tower Naha	20,461	45,731.16	45,731.16	100.0	1.8	Hotels	N/A
Kawasaki Toshiba Building	19,553	36,142.30	36,142.30	100.0	4.1	Office Buildings	N/A
SS30	18,838	67,681.83	66,130.54	97.7	4.2	Office / Hotels	N/A
Royal Pines Hotel Urawa (Note 5)	17,492	31,129.86	31,129.86	100.0	2.6	Hotels	N/A
RIHGA Royal Hotel Kokura • ARUARU City	17,258	81,385.06	81,273.93	99.9	3.0	Hotels	N/A
Hitachi High-Tech Building	14,419	15,781.64	15,781.64	100.0	1.9	Office Buildings	N/A
Total	203,264	442,110.91	440,393.63	99.6	(Note 4)		

- Notes: 1. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of November 30, 2018. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The same shall apply hereinafter.) With regard to the portion of properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space".
2. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
3. "Monthly Rent Ratio at End of Period" is calculated based on monthly rent(s) (total of room rent and common area charges) under the lease agreement in effect as of November 30, 2018.
4. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
5. The property name was changed from "Urawa Royal Pines Hotel" to "Royal Pines Hotel Urawa" on January 1, 2019. The same shall apply hereinafter.

3. Details of Properties in the Portfolio

Details of properties owned by United Urban as of November 30, 2018 were as follows:

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Himonya Shopping Center (Note 4)	4-1-1 Himonya, Meguro-ku, Tokyo	Trust beneficial interest	26,655.66	6,780	5,186

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Joy Park Izumigaoka	1-3 Miharadai 1-cho, Minami-ku, Sakai, Osaka	Trust beneficial interest	13,611.24	4,840	5,080
Re-LAND Shopping Center	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest	12,952.88	5,960	4,289
TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,194.68	6,470	6,248
Yamada Denki Tecc Land Sakai Honten	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	8,637.63	3,780	2,736
Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest	10,487.92	5,230	5,027
KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest	8,627.58	1,970	1,542
ACTIOLE Minami-ikebukuro	2-26-10 Minami-ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,081.50	3,350	3,643
Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest	6,710.19	4,850	4,185
Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest	16,729.60	3,870	3,170 (Note 5)
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	1-1-1 Isogo, Isogo-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	52,668.38	11,400	12,450
ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	1,938.56	2,160	2,251
Shinsaibashi OPA Honkan	1-4-3 Nishi-Shinsaibashi, Chuo-ku, Osaka, Osaka	Trust beneficial interest	27,025.42	26,100	21,875
Albore Jingumae	5-27-7 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	931.14	2,360	1,556
Albore Sendai	2-4-5 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	3,147.29	3,600	2,365
Mallage Kashiwa	2-3-1 Oyamadai, Kashiwa, Chiba, etc.	Trust beneficial interest	41,738.82	8,940	6,667
Ito-Yokado Owariasahi	116-4 Ishihara, Minami-Harayama-cho, Owariasahi, Aichi, etc.	Real estate	54,606.34	4,860	4,074
Yokohama Kariba Shopping Center	164-1 Kariba-cho Hodogaya-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,345.09	2,100	2,171
Luz Jiyugaoka	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	Trust beneficial interest	2,283.47	6,090	4,879
ACTIOLE Ichikawa	1-4-17 Ichikawa, Ichikawa, Chiba	Trust beneficial interest	3,927.49	4,060	2,974
Yokohama Aoba Shopping Center (Site) (Note 7)	1-2 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	9,193.00	3,280	2,740
Yamada Denki Tecc Land Aoba (Site)	2-3 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	7,650.63	2,550	2,270
Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji-honcho, Musashino, Tokyo	Trust beneficial interest	37,932.95	34,400	27,366
Yamada Denki Tecc Land New Matsudo Honten	2289-3 Matsudo Aza Iwase-sakai, Matsudo, Chiba, etc.	Trust beneficial interest	17,561.23	6,580	4,846
Tenjin Loft Building	4-9-25 Watanabe-dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	7,730.09	6,120	4,609
Narumi Shopping Center (Site)	3-2 Narumicho-aza Denjiyama, Midori-ku, Nagoya, Aichi, etc.	Real estate	60,419.26	7,280	6,850
Plussing Wave Enoshima	1-3-16 Kugenuma-Kaigan, Fujisawa, Kanagawa	Trust beneficial interest	3,154.42	2,120	1,903
Life Nishikujo (Site)	6-41-6 Nishikujo, Konohana-ku, Osaka, Osaka	Trust beneficial interest	3,252.76	2,060	1,842
Life Tamatsukuri (Site)	3-12-1 Nakamichi, Higashinari-ku, Osaka, Osaka	Trust beneficial interest	2,391.44	2,150	1,967
Granbell Ginza Building	2-8-18 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,352.35	2,990	2,708
UUR Tenjin Nishi-dori Building	2-5-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	1,564.70	6,280	5,680
Luz Shonan Tsujido	1-2-12 Tsujido-Kandai, Fujisawa, Kanagawa	Trust beneficial interest	10,454.22	4,600	3,945
ACTIOLE Ueno	4-5-5 Ueno, Taito-ku, Tokyo	Trust beneficial interest	1,167.63	3,150	3,170
KURURU	1-50 Miyamachi, Fuchu, Tokyo	Trust beneficial interest	13,292.33	10,400	9,557
K's Denki Nagoya-kita	3-1 Nagaregawa, Aza-Toyoba, Oaza-Toyoyamacho, Nishikasugai-gun, Aichi	Trust beneficial interest	4,733.74	1,890	1,841
T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	2,420.85	3,230	2,108
Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,934.40	2,950	1,599
Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest	2,576.57	2,680	2,412

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Rokubanchō K Building	2-19 Rokuban-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	4,031.14	3,810	2,263
Shin-Osaka Central Tower	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	45,978.59	29,000	23,698
Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	36,142.30	33,000	19,553
UUR Toyochō Building	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	7,540.30	8,670	8,421
FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	5,000.54	6,380	4,148
Hitachi High-Tech Building	1-24-14 Nishi-Shinbashi, Minato-ku, Tokyo	Trust beneficial interest	15,781.64	17,100	14,419
Pacific Marks Shinjuku Parkside	4-15-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	10,947.34	12,400	11,854
Pacific Marks Tsukishima	1-15-7 Tsukishima, Chuo-ku, Tokyo	Real estate	9,335.19	6,640	5,780
Pacific Marks Yokohama East	3-4 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	10,744.60	7,680	6,716
Akasaka Hikawa Building	6-18-3 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,438.20	4,190	3,226
Pacific Marks Shibuya Koen-dori	1-6-3 Jinnan, Shibuya-ku, Tokyo	Trust beneficial interest	1,972.43	3,220	2,466
Pacific Marks Akasaka-mitsuke	3-20-6 Akasaka, Minato-ku, Tokyo	Real estate	1,675.13	2,410	2,138
Pacific Marks Shin-Yokohama	3-18-20 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	3,110.72	1,770	1,572
Pacific Marks Kawasaki	11-1 Ekimae-honcho, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Real estate	7,382.62	11,600	9,013
Hamamatsucho 262 Building	2-6-2 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	6,162.85	7,710	6,499
Lila Hijirizaka	3-4-9 Mita, Minato-ku, Tokyo, etc.	Real estate	4,255.02	3,220	2,615
Otsuka HT Building	3-43-1 Minami-otsuka, Toshima-ku, Tokyo	Real estate	1,774.56	1,210	1,079
Pacific Marks Shinjuku South-gate	4-2-16 Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,723.03	3,520	2,495
Pacific Marks Nishi-Umeda	2-6-20 Umeda, Kita-ku, Osaka, Osaka	Trust beneficial interest	11,039.51	7,780	6,374
Pacific Marks Higobashi	1-10-8 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	7,623.57	4,880	4,436
Pacific Marks Esaka	9-1 Toyotsu-cho, Suita, Osaka	Trust beneficial interest	19,963.32	10,000	9,667
Pacific Marks Sapporo Kita-Ichijo	7-4-4 Kita Ichi-jo Nishi, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	4,727.65	2,100	1,735
Shin-Sapporo Center Building	6-2-15 Atsubetsu Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido	Trust beneficial interest	2,797.02	1,100	859
ARENA TOWER	3-1-9 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	17,967.46	12,800	8,233
Yushima First Building	3-19-11 Yushima, Bunkyo-ku, Tokyo	Trust beneficial interest	4,558.77	2,960	2,041
Dogenzaka Square	5-18 Maruyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,233.57	2,970	2,271
GRAND-SQUARE Shin-Sakae	2-19-6 Shin-Sakae, Naka-ku, Nagoya, Aichi, etc.	Trust beneficial interest	4,578.93	2,060	1,345
GRAND-SQUARE Meieki-minami	1-12-9 Meieki-minami, Nakamura-ku, Nagoya, Aichi	Trust beneficial interest	4,003.05	2,310	1,129
Shiba 520 Building	5-20-6 Shiba, Minato-ku, Tokyo	Trust beneficial interest	2,831.94	3,090	2,162
Hirose-dori SE Building	205-1 Nagake-cho, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	8,235.87	5,240	3,277
SS 30	4-6-1 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	67,681.83	19,300	18,838
LOOP-X・M	3-9-15 Kaigan, Minato-ku, Tokyo, etc.	Trust beneficial interest	21,591.35	11,700	11,737
Shinjuku Washington Hotel Honkan	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	53,322.10	27,700	22,298
Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	3,088.85	2,600	1,617
MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest	6,660.20	3,800	3,084
HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Benten Dori, Naka-ku, Yokohama, Kanagawa	Real estate	7,139.44	5,140	4,015
Hotel JAL City Naha	1-3-70 Makishi, Naha, Okinawa	Trust beneficial interest	13,701.80	11,800	7,475
UUR Yotsuya Sanhome Building	3-14-1 Yotsuya, Shinjuku-ku, Tokyo, etc.	Trust beneficial interest	7,854.86	6,580	4,417
Yotsuya 213 Building	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,550.16	6,860	4,945

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
the b roppongi (Note 6)	3-9-8 Roppongi, Mitato-ku, Tokyo	Trust beneficial interest	2,710.90	4,890	4,666
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2-11-14 Isago, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	4,874.28	3,140	2,673
Toyoko Inn Hiroshima Heiwa-odori	5-15 Tanakamachi, Naka-ku, Hiroshima, Hiroshima	Trust beneficial interest	4,357.75	2,530	2,102
Toyoko Inn Naha Kokusai-dori Miehashi-eki	1-20-1 Makishi, Naha, Okinawa	Trust beneficial interest	1,529.47	837	739
Loisir Hotel & Spa Tower Naha	3-2-1 Nishi, Naha, Okinawa	Trust beneficial interest	45,731.16	23,200	20,461
Royal Pines Hotel Urawa	2-5-1 Nakachou, Urawa-ku, Saitama, Saitama	Trust beneficial interest	31,129.86	18,100	17,492
RIHGA Royal Hotel Kokura・ ARUARU City	2-14-2 Asano, Kokurakita-ku, Kitakyushu, Fukuoka, etc.	Trust beneficial interest	81,385.06	16,900	17,258
the b fukuoka tenjin	1-2-1 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	3,567.22	3,540	3,122
T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,603.22	2,370	1,428
Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	3,741.17	2,360	1,490
UUR Court Shiba-Daimon (Note 8)	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	1,486.38	1,460	994
Maison Ukima	1-3-1 Ukima, Kita-ku, Tokyo	Trust beneficial interest	12,691.43	3,110	3,089
Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest	12,700.44	3,590	2,458
UUR Court Sapporo Kita-Sanjo	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	4,790.50	1,580	958
CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest	4,097.51	3,450	2,662
GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	3,697.38	1,330	1,205
GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	2,579.89	1,330	1,011
MA Sendai Building	1-3-7 Kimachidori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	11,525.36	4,290	2,668
UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest	2,958.45	1,500	1,184
UUR Court Sapporo Shinoro Ichibankan	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	6,271.74	859	710
Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest	2,067.95	756	819
UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	3,650.00	1,630	1,295
UUR Court Kinshicho	1-7-5 Kameido, Koto-ku, Tokyo	Real estate	5,460.45	3,520	2,851
UUR Court Sapporo Minami-Sanjo Premier Tower	2-3 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	7,763.23	2,920	1,808
GRAND-ROUGE Nakanoshima-minami	1-25-27 Edohori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	3,090.36	1,560	1,296
Glenpark Umeda-kita	3-4-22 Nakazaki, Kita-ku, Osaka, Osaka	Trust beneficial interest	12,730.60	6,430	5,095
UUR Court Shiki	1-6-5 Saiwaicho, Shiki, Saitama	Trust beneficial interest	9,885.83	3,160	2,852
GRAND-ROUGE Tanimachi Rokuchome (Note 9)	3-22 Junikencho, Chuo-ku, Osaka, Osaka	Trust beneficial interest	2,792.81	1,490	1,380
Chatle Otemachi S・N	10-20 Otemachi, Kokurakita-ku, Kitakyushu, Fukuoka, etc.	Real estate	12,040.28	3,560	3,722
Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	9,271.16	2,190	1,433
KDDI Fuchu Building	1-43 Nikkocho, Fuchu, Tokyo	Trust beneficial interest	14,490.92	5,210	4,794
Tsubogawa Square Building	3-3-5 Tsubogawa, Naha, Okinawa	Trust beneficial interest	10,570.98	6,070	3,884
THE PLACE of TOKYO	3-5-4 Shibakoen, Mitato-ku, Tokyo	Trust beneficial interest	3,212.21	4,500	3,403
Logistics Higashi-Ohgishima	6-4 Higashi-Ohgishima, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	42,113.83	5,253	4,113
MT Ariake Center Building I&II	1-2-41 Ariake, Koto-ku, Tokyo, etc.	Trust beneficial interest	23,995.01	11,200	7,968
Quartz Tower	2-10-10 Shibuya, Shibuya-ku, Tokyo	Trust beneficial interest	2,940.22	6,120	5,840
Shin-Narashino Logistics Center	2-3-6 Akanehama, Narashino, Chiba	Trust beneficial interest	12,909.90	2,850	2,623
Kawagoe Logistics Center	1822-1 Aza-Obakeue, Oaza- Shimoakasaka, Kawagoe, Saitama	Trust beneficial interest	40,060.76	9,480	7,696

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Asuto Nagamachi Dental Clinic	1-6-37 Asutonagamachi, Taihaku-ku, Sendai, Miyagi	Trust beneficial interest	1,554.09	1,310	1,231
Shin-Narashino Logistics Center II	2-5-2 Shibazono, Narashino, Chiba	Trust beneficial interest	12,598.46	2,660	2,681
Yoshikawa Logistics Center	1-1 Asahi, Yoshikawa, Saitama	Trust beneficial interest	11,096.70	2,020	1,980
Musashimurayama Logistics Center	2-93-1 Inadaira, Musashimurayama, Tokyo, etc.	Trust beneficial interest	9,237.87	1,910	1,873
Total			1,456,193.69	725,945	598,764

- Notes: 1. "Location" shows residential indication of each property, in principle. However, as for properties which have no residential indication, location stated in the land register of its building is stated. As for properties that United Urban owns only land, the location of land (lot number) is stated.
2. "Trust beneficial interest" means trust beneficial interests in trust assets comprised mainly of real estate, and "Real estate" means actual real estate.
3. "Appraisal Value at End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of November 30, 2018, based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
4. As for Himonya Shopping Center, though United Urban had held its 49% quasi co-ownership of the trust beneficial interest at the beginning of the 30th fiscal period, United Urban sold its 19% quasi co-ownership on November 1, 2018. Accordingly, United Urban has held its 30% quasi co-ownership at the end of the 30th fiscal period. "Appraisal Value at End of Period" shows the amount calculated by multiplying the appraisal value as of the end of the period of the entire building by 30%.
5. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiiei Takarazuka Nakayama. However, such report says that there is no likelihood of direct health damages on the land. As a precaution, in the case where the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), when United Urban acquired this property. The Book Value of this trust beneficial interest at the end of the period is described as ¥3,170 million reflecting the additional amount of trust.
- However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the trustee.
6. United Urban acquired the adjacent site to the b roppongi (acquisition price: ¥460 million, the "Adjacent Site") in order to construct an extension of the b roppongi (the "Hotel") and had been conducting the extension work on the Hotel since November 2017. Therefore, "Appraisal Value at End of Period" of this fiscal period shows the value estimate by the "Income Capitalization Approach (Development Method)".
- According to the method, the value estimate is calculated by deducting "the present value of the expenses for the development necessary to accomplish the extension work" from "the present value of the value estimate of the building and land after the extension work". In addition to above, the value estimate of this property has been assessed in consideration with "the present value of the net operating income related to the existing building during the development period." Also, "Book Value" is the amount including the Adjacent Site. In addition, United Urban additionally acquired the extension building on December 17, 2018 with the completion of the extension work.
7. The property name was changed from "VIVAHOME Yokohama Aoba (Site)" to "Yokohama Aoba Shopping Center (Site)" on June 15, 2018. The same shall apply hereinafter.
8. The property name was changed from "Sky Court Shiba-Daimon" to "UUR Court Shiba-Daimon" on October 19, 2018. The same shall apply hereinafter.
9. The property name was changed from "Scent Hills" to "GRAND-ROUGE Tanimachi Rokuchome" on June 1, 2018. The same shall apply hereinafter.

The status of rental business related to real estate properties owned by United Urban is as follows:

Name of Property	29th Fiscal Period (December 1, 2017 to May 31, 2018)				30th Fiscal Period (June 1, 2018 to November 30, 2018)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
Himonya Shopping Center (Note 4)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Joy Park Izumigaoka	22	100.0	263	1.1	22	100.0	262	1.1
Re-LAND Shopping Center	18	100.0	250	1.0	18	100.0	260	1.1
AEON MALL Uki (Note 5)	-	-	401	1.7				
TENJIN LUCE	11	100.0	219	0.9	11	100.0	223	0.9
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	186	0.8	3	100.0	191	0.8

Name of Property	29th Fiscal Period (December 1, 2017 to May 31, 2018)				30th Fiscal Period (June 1, 2018 to November 30, 2018)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
ACTIOLE Minami-ikebukuro	10	100.0	85	0.4	10	100.0	84	0.4
Tip's Machida Building	10	100.0	205	0.8	10	100.0	210	0.9
Daiei Takarazuka Nakayama	1	100.0	151	0.6	1	100.0	151	0.6
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.2	4	100.0	299	1.3
ACTIOLE Kannai	9	100.0	59	0.2	9	100.0	60	0.3
Shinsaibashi OPA Honkan	1	100.0	683	2.8	1	100.0	684	2.9
Albore Jingumae	4	100.0	49	0.2	4	100.0	49	0.2
Albore Sendai	5	100.0	117	0.5	5	100.0	115	0.5
Mallage Kashiwa	93	96.6	669	2.8	94	97.1	674	2.8
Ito-Yokado Owariasahi	1	100.0	224	0.9	1	100.0	223	0.9
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	19	94.8	172	0.7	19	95.6	157	0.7
ACTIOLE Ichikawa	13	100.0	155	0.6	13	100.0	148	0.6
Yokohama Aoba Shopping Center (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	6	100.0	293	1.2	6	100.0	268	1.1
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	6	61.6	315	1.3	5	56.4	54	0.2
Life Nishikujo (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Life Tamatsukuri (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Granbell Ginza Building	10	89.0	67	0.3	11	100.0	79	0.3
UUR Tenjin Nishi-dori Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Shonan Tsujido	32	98.6	291	1.2	31	97.8	314	1.3
ACTIOLE Ueno	8	100.0	78	0.3	8	100.0	80	0.3
KURURU	27	100.0	486	2.0	27	100.0	388	1.6
K's Denki Nagoya-kita	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
T&G Hamamatsucho Building	6	100.0	92	0.4	5	88.2	92	0.4
Fukuoka Eartheon Building	8	100.0	116	0.5	8	100.0	118	0.5
Marumasu Kojimachi Building	16	100.0	89	0.4	15	88.1	95	0.4
Rokubancho K Building	1	100.0	108	0.4	1	100.0	108	0.5
Shin-Osaka Central Tower	59	99.6	1,101	4.5	62	99.9	1,132	4.7
Kawasaki Toshiba Building	1	100.0	836	3.5	1	100.0	836	3.5
UUR Toyochō Building	1	100.0	274	1.1	1	100.0	279	1.2
FOUR SEASONS BLDG	1	100.0	176	0.7	1	100.0	188	0.8
Hitachi High-Tech Building	2	100.0	408	1.7	2	100.0	414	1.7
Pacific Marks Shinjuku Parkside	22	100.0	365	1.5	22	100.0	354	1.5
Pacific Marks Tsukushima	46	99.4	237	1.0	43	97.7	258	1.1

Name of Property	29th Fiscal Period (December 1, 2017 to May 31, 2018)				30th Fiscal Period (June 1, 2018 to November 30, 2018)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
Pacific Marks Yokohama East	28	97.8	258	1.1	27	94.4	250	1.1
Akasaka Hikawa Building	1	100.0	118	0.5	1	100.0	118	0.5
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.3	1	100.0	84	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	68	0.3	8	100.0	67	0.3
Pacific Marks Shin-Yokohama	10	100.0	65	0.3	10	100.0	66	0.3
Pacific Marks Kawasaki	42	100.0	338	1.4	42	100.0	347	1.5
Hamamatsucho 262 Building	17	100.0	224	0.9	18	100.0	228	1.0
Lila Hijirizaka	15	98.8	113	0.5	14	97.5	120	0.5
Otsuka HT Building	7	100.0	55	0.2	7	100.0	59	0.2
Pacific Marks Shinjuku South-gate	10	100.0	93	0.4	9	100.0	96	0.4
Pacific Marks Nishi-Umeda	29	96.0	266	1.1	28	94.0	266	1.1
Pacific Marks Higobashi	23	93.1	156	0.6	21	79.9	136	0.6
Pacific Marks Esaka	43	99.5	427	1.8	44	100.0	440	1.8
Pacific Marks Sapporo Kita-Ichijo	11	100.0	98	0.4	11	100.0	97	0.4
Shin-Sapporo Center Building	20	96.2	58	0.2	20	96.2	58	0.2
ARENA TOWER	13	100.0	452	1.9	12	100.0	444	1.9
Yushima First Building	7	100.0	116	0.5	7	100.0	118	0.5
Dogenzaka Square	28	98.2	97	0.4	28	98.8	100	0.4
GRAND-SQUARE Shin-Sakae	7	100.0	94	0.4	7	70.2	79	0.3
GRAND-SQUARE Meieki-minami	13	100.0	84	0.3	13	100.0	85	0.4
Shiba 520 Building	5	100.0	105	0.4	5	100.0	102	0.4
Hirose-dori SE Building	10	100.0	215	0.9	10	100.0	218	0.9
SS30	85	99.2	1,075	4.4	84	97.7	1,077	4.5
LOOP-X・M	116	98.0	457	1.9	115	97.7	465	2.0
Shinjuku Washington Hotel Honkan	9	100.0	888	3.7	8	100.0	785	3.3
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.2	1	100.0	57	0.2
MZ BLD.	10	96.2	131	0.5	10	96.2	131	0.5
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	156	0.6	4	100.0	156	0.7
Hotel JAL City Naha	2	100.0	256	1.1	2	100.0	258	1.1
UUR Yotsuya Sanchoe Building	3	100.0	180	0.7	3	100.0	167	0.7
Yotsuya 213 Building	4	100.0	186	0.8	4	100.0	188	0.8
the b roppongi	2	92.3	83	0.3	2	92.3	72	0.3
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Hiroshima Heiwa-odori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Naha Kokusai-dori Miebashi-eki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Loisir Hotel & Spa Tower Naha	1	100.0	698	2.9	1	100.0	856	3.6
Royal Pines Hotel Urawa	10	100.0	640	2.6	10	100.0	572	2.4
RIHGA Royal Hotel Kokura・ ARUARU City	30	99.7	639	2.6	31	99.9	983	4.1
the b fukuoka tenjin					2	100.0	45	0.2

Name of Property	29th Fiscal Period (December 1, 2017 to May 31, 2018)				30th Fiscal Period (June 1, 2018 to November 30, 2018)			
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T&G Higashi-ikebukuro Mansion	129	100.0	70	0.3	127	98.4	68	0.3
Komazawa Court	1	100.0	60	0.3	1	100.0	60	0.3
UUR Court Shiba-Daimon	1	100.0	32	0.1	1	100.0	32	0.1
Maison Ukima	1	100.0	124	0.5	1	100.0	124	0.5
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.2	1	100.0	52	0.2
CLIO Bunkyo Koishikawa	89	98.1	100	0.4	90	98.5	101	0.4
GRAND-ROUGE Sakae	75	77.6	42	0.2	83	85.3	42	0.2
GRAND-ROUGE Sakae II	1	100.0	37	0.2	1	100.0	36	0.2
MA Sendai Building	141	95.2	168	0.7	151	99.3	168	0.7
UUR Court Nagoya Meieki	1	100.0	45	0.2	1	100.0	45	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.1	3	100.0	33	0.1
Park Site IZUMI	34	86.8	27	0.1	36	91.2	25	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.2	1	100.0	52	0.2
UUR Court Kinshicho	195	96.6	120	0.5	194	96.1	119	0.5
UUR Court Sapporo Minami-Sanjo Premier Tower	134	93.0	111	0.5	126	89.3	109	0.5
GRAND-ROUGE Nakanoshima-minami	109	92.9	52	0.2	112	95.2	53	0.2
Glenpark Umeda-kita	175	94.1	185	0.8	179	97.1	186	0.8
UUR Court Shiki	1	100.0	93	0.4	1	100.0	93	0.4
GRAND-ROUGE Tanimachi Rokuchome	47	92.6	41	0.2	50	98.8	43	0.2
Chatte Otemachi S・N					150	97.4	100	0.4
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	287	1.2	5	100.0	304	1.3
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Logistics Higashi-Ohgishima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
MT Ariake Center Building I&II	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Quartz Tower	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Kawagoe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Ausuto Nagamachi Dental Clinic	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yoshikawa Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Musashimurayama Logistics Center					1	100.0	(Note 3)	(Note 3)
Total	2,278	99.3	24,219	100.0	2,442	99.1	23,867	100.0

Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective trustee, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the trustee, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.

2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using the entire floor area.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. Though United Urban had held 49% quasi co-ownership for Himonya Shopping Center at the beginning of the 30th fiscal period, United Urban sold its 19% quasi co-ownership on November 1, 2018. Accordingly, United Urban has held its 30% quasi co-ownership at the end of the 30th fiscal period.
5. United Urban sold AEON MALL Uki on May 24, 2018.

4. Details of Investment Securities

Overview of investment securities owned by United Urban as of November 30, 2018 was as follows:

Name of Asset	Type of Asset	Quantity (Unit)	Book Value (Thousands of yen)		Appraisal Value (Thousands of yen)		Valuation Gain or Loss (Thousands of yen)	Remarks
			Unit price	Amount	Unit price	Amount (Note 2)		
Preferred equity securities of Tenjin 123 Project TMK (Note 1)	Preferred equity securities	1,497	-	93,905	-	93,905	-	

- Notes: 1. United Urban acquired the b fukuoka tenjin that Tenjin 123 Project TMK (the "Tenjin 123 TMK") had owned on September 27, 2018.
2. As for the preferred equity securities of the Tenjin 123 TMK, book value is stated because there are no market values and values calculated using the reasonable methods.

5. Amount of Contract and Fair Value of Specified Transactions

Overview of amount of contract and fair values of specified transactions as of November 30, 2018 was as follows:

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2) (Note 3)
			over one year	
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	77,157,000	59,350,000	(486,005)
Total		77,157,000	59,350,000	(486,005)

- Notes: 1. The "Amount of Contract" of the interest-rate swaps is based on the notional principal.
2. The "Fair Value" is evaluated at the prices calculated by the other party of the transaction based on the prevailing market rates, etc.
3. Among the fair value amount, the interest rate swaps for which United Urban applied the special treatment under the "Accounting Standard for Financial Instruments" (Statement No.10 issued by Accounting Standards Board of Japan on March 10, 2008), are not measured at fair value in the balance sheets.

6. Status of Other Assets

As of November 30, 2018, trust beneficial interests in real estate, etc. owned by United Urban are stated in "3. Details of Properties in the Portfolio" above and there were no other specified assets.

7. Status of Holding Assets by Country and Region

United Urban does not own assets in country or region outside of Japan.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Investment Real Estate") scheduled as of November 30, 2018. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Location	Purpose	Scheduled Period	Amount Projected (Millions of yen)		
				Total amount	Amount payable in the 30th fiscal period	Amount already paid
Miyamae Shopping Center	Kawasaki, Kanagawa	Renewal of entire building (1st period)	From October 2019 to November 2019	151	-	-
Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Repair of multistory parking facility and guest toilets	From January 2019 to May 2019	102	-	-
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of air-conditioning facilities	From January 2019 to May 2019	110	-	-
SS30	Sendai, Miyagi	Repair of exterior wall	From October 2018 to January 2019	229	-	-
LOOP-X・M	Minato-ku, Tokyo	Repair of exterior wall	From April 2019 to November 2019	121	-	-
the b roppongi	Minato-ku, Tokyo	Partial repair of the existing building	From November 2017 to March 2019	102	-	-
Royal Pines Hotel Urawa	Saitama, Saitama	Repair of exterior wall	From April 2018 to March 2019	202	-	-
Royal Pines Hotel Urawa	Saitama, Saitama	Repair of store (MICHELA)	From June 2019 to September 2019	151	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of exterior wall	From December 2018 to May 2019	231	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of banquet hall (Royal hall)	From August 2019 to August 2019	196	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of banquet hall (Corbeille)	From September 2019 to October 2019	169	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms (in some floors)	From June 2019 to July 2019	120	-	-

2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Investment Real Estate during the 30th fiscal period, which totaled ¥1,406 million. Together with ¥892 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,299 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Re-LAND Shopping Center	Funabashi, Chiba	Renewal for presenting environment inside the building (2nd period)	From August 2018 to November 2018	56
Mallage Kashiwa	Kashiwa, Chiba	Repair of rooftop signboard	From November 2018 to November 2018	11
Mallage Kashiwa	Kashiwa, Chiba	Installation work of new tenants	From November 2018 to November 2018	17
Tenjin Loft Building	Fukuoka, Fukuoka	Parts replacement of escalator	From November 2018 to November 2018	31
Shin-Osaka Central Tower	Osaka, Osaka	Repair of exterior wall (2nd period)	From June 2018 to November 2018	80
Shin-Osaka Central Tower	Osaka, Osaka	Excavating work of water well (No.4)	From June 2018 to November 2018	10
Shin-Osaka Central Tower	Osaka, Osaka	Maintenance work for receiving and transforming facilities of electric rooms (5th period)	From November 2018 to November 2018	43
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of hot and cool water pipes of for air conditioning (in some floors)	From July 2017 to September 2018	102

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of panelboard breaker on each floor (2nd period)	From August 2018 to November 2018	53
FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Replacement of lighting equipment of exclusive part (in some floors)	From October 2018 to October 2018	12
Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Repair of exterior wall tiles and ceilings	From July 2018 to November 2018	40
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of perimeter zone air conditioning of exclusive part (2nd period)	From October 2018 to November 2018	35
Pacific Marks Esaka	Suita, Osaka	Renewal of air-conditioning facilities (in some floors)	From October 2018 to November 2018	31
SS30	Sendai, Miyagi	Installation of security monitoring sensor for common corridor of the reference floor (office building)	From September 2018 to November 2018	14
LOOP-X・M	Minato-ku, Tokyo	Repair of entrance exterior of residential building	From November 2018 to November 2018	11
Hotel JAL City Naha	Naha, Okinawa	Repair of guest rooms and signboard	From May 2018 to June 2018	173
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Renewal of modular bathroom of guest rooms (2nd period)	From June 2018 to November 2018	59
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Renewal of air-conditioning facilities for guest rooms (in some floors) (2nd period)	From May 2018 to November 2018	119
Yotsuya 213 Building	Shinjuku-ku, Tokyo	Renewal of air-conditioning facilities of guest rooms (1st period)	From September 2018 to November 2018	13
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Installation of ice machines for common part	From August 2018 to September 2018	13
Royal Pines Hotel Urawa	Saitama, Saitama	Renewal of central supervisory board for disaster control center (2nd period)	From June 2018 to November 2018	45
Other capital expenditures				426
Total				1,406

3. Cash Reserved for Long-Term Repair and Maintenance Plan (Repair and Maintenance Reserve)

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

	Millions of yen				
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
Reserve balance at beginning of period	971	998	1,343	1,308	1,417
Addition to the reserve during the period (Note)	36	379	28	165	51
Reduction of reserve during the period	9	34	63	56	4
Reserve balance to be carried over to the next period	998	1,343	1,308	1,417	1,465

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

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen	
	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
Asset management fees (Note)	1,863,620	1,840,950
Asset custodian fees	17,720	17,545
Administrative agent fees	67,088	65,678
Directors' fees	4,200	9,200
Other expenses	211,114	241,538
Total	2,163,744	2,174,913

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (29th fiscal period: ¥132,800 thousand, 30th fiscal period: ¥65,592 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (29th fiscal period: ¥164,200 thousand, 30th fiscal period: ¥41,809 thousand).

2. Borrowings

Borrowings from financial institutions as of November 30, 2018 were as follows:

	Lenders	Drawdown Date	Balance at Beginning of 30th FP (Millions of yen) (Note 1)	Balance at End of 30th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt due for repayment within one year	MUFG Bank, Ltd.	May 16, 2013	2,000	-	0.778 (Note 7)	Jun. 20, 2018	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	The Shinkumi Federation Bank	Jun. 20, 2013	2,000	-	0.449 (Note 7)	Jun. 20, 2018		(Note 4)	
	The Bank of Fukuoka, Ltd.		500	-				(Note 4)	
	Saitama Resona Bank, Limited		1,000	-				(Note 4)	
	MUFG Bank, Ltd.	Jun. 20, 2013	1,000	-	0.735 (Note 7)	Jun. 20, 2018		(Note 4)	
	ORIX Bank Corporation	Jun. 20, 2013	1,500	-	0.830	Jun. 20, 2018		(Note 4)	
	Development Bank of Japan Inc.	Sep. 27, 2011	2,800	-	1.464	Sep. 20, 2018		(Note 4)	
	THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	-	0.453 (Note 7)	Sep. 20, 2018		(Note 4)	
	The Nomura Trust and Banking Co., Ltd.		1,000	-				(Note 4)	
	THE KAGAWA BANK, LTD.		500	-				(Note 4)	
	The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	-	0.781	Sep. 20, 2018		(Note 4)	
	Shinkin Central Bank	Nov. 1, 2013	1,000	-	0.688	Sep. 20, 2018		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.524 (Note 7)	Mar. 20, 2019		(Note 3)	
	ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753	Mar. 20, 2019		(Note 3)	
	The Norinchukin Bank	Feb. 28, 2014	1,600	1,600	0.620 (Note 7)	Mar. 20, 2019		(Note 3)	
	Resona Bank, Limited	Apr. 8, 2014	1,000	1,000	0.708	Mar. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	-	4,500	0.693 (Note 7)	Jun. 20, 2019		(Note 4)	
	MUFG Bank, Ltd.	Jun. 28, 2012	-	2,200	0.960	Jun. 20, 2019		(Note 3)	
	Aozora Bank, Ltd.	May 16, 2013	-	2,000	0.523 (Note 7)	Jun. 20, 2019		(Note 3)	
	Shinsei Bank, Limited	May 16, 2013	-	1,000	1.056	Jun. 20, 2019		(Note 3)	

		Drawdown Date	Balance at Beginning of 30th FP (Millions of yen) (Note 1)	Balance at End of 30th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt due for repayment within one year	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	-	1,000	0.511	Sep. 20, 2019	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	-	4,000	0.555 (Note 7)	Sep. 20, 2019		(Note 4)	
	Mizuho Bank, Ltd.		-	637					
	Aozora Bank, Ltd.		-	1,570					
	Aozora Bank, Ltd.	Aug. 29, 2014	-	1,200	0.593	Sep. 20, 2019		(Note 3)	
Subtotal			22,400	25,207					
Long-term debt	Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	-	0.693 (Note 7)	Jun. 20, 2019	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	Jun. 28, 2012	2,200	-	0.960	Jun. 20, 2019		(Note 3)	
	Aozora Bank, Ltd.	May 16, 2013	2,000	-	0.523 (Note 7)	Jun. 20, 2019		(Note 3)	
	Shinsei Bank, Limited	May 16, 2013	1,000	-	1.056	Jun. 20, 2019		(Note 3)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	1,000	-	0.511	Sep. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	-	0.555 (Note 7)	Sep. 20, 2019		(Note 4)	
	Mizuho Bank, Ltd.		637	-					
	Aozora Bank, Ltd.		1,570	-					
	Aozora Bank, Ltd.	Aug. 29, 2014	1,200	-	0.593	Sep. 20, 2019		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.200	Mar. 23, 2020		(Note 3)	
	MUFG Bank, Ltd.	Mar. 15, 2013	4,000	4,000	0.800	Mar. 23, 2020		(Note 3)	
	MUFG Bank, Ltd.	Mar. 21, 2013	2,427	2,427	0.780	Mar. 23, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.617 (Note 7)	Mar. 23, 2020		(Note 4)	
	MUFG Bank, Ltd.		869	869					
	Resona Bank, Limited		339	339					
	MUFG Bank, Ltd.	Mar. 20, 2014	1,300	1,300	0.640 (Note 7)	Mar. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.631 (Note 7)	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation		1,650	1,650					
	Mizuho Bank, Ltd.		1,000	1,000					
	Aozora Bank, Ltd.		2,000	2,000					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	The Daishi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.550 (Note 7)	Jun. 22, 2020		(Note 5)	
	The 77 Bank, Ltd.	Jul. 8, 2015	500	500	0.527 (Note 7)	Sep. 23, 2020		(Note 5)	
	The Bank of Yokohama, Ltd.		500	500					
	Kiraboshi Bank, Ltd.		500	500					
	THE KAGAWA BANK LTD.		500	500					
	The Bank of Fukuoka, Ltd.	Aug. 7, 2015	500	500	0.428 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.668 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.668 (Note 7)	Sep. 23, 2020		(Note 4)	
	Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000	Sep. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826	Sep. 23, 2020		(Note 3)	

	Lenders	Drawdown Date	Balance at Beginning of 30th FP (Millions of yen) (Note 1)	Balance at End of 30th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888	Sep. 23, 2020	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank	Jul. 8, 2015	1,000	1,000	0.509 (Note 7)	Dec. 21, 2020		(Note 5)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Feb. 5, 2016	1,000	1,000	0.230 (Note 7)	Dec. 21, 2020		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	1,300	1,300	0.858	Dec. 21, 2020		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Feb. 5, 2016	1,000	1,000	0.217 (Note 7)	Mar. 22, 2021		(Note 3)	
	The Iyo Bank, Ltd.	Feb. 5, 2016	1,000	1,000	0.337	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	5,800	5,800	0.850 (Note 7)	Mar. 22, 2021		(Note 4)	
	MUFG Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.830	Mar. 22, 2021		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.841	Mar. 22, 2021		(Note 4)	
	MUFG Bank, Ltd.	Mar. 28, 2014	2,200	2,200	0.850	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	5,700	5,700	0.883	Mar. 22, 2021		(Note 3)	
	MUFG Bank, Ltd.	Aug. 29, 2014	1,900	1,900	0.690	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Oct. 2, 2014	2,000	2,000	0.619 (Note 7)	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 22, 2016	1,000	1,000	0.308	Jun. 21, 2021		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Apr. 1, 2016	2,000	2,000	0.308	Jun. 21, 2021		(Note 3)	
	The Nomura Trust and Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.350	Jun. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jul. 4, 2017	1,000	1,000	0.258	Jun. 21, 2021		(Note 5)	
	Mizuho Bank, Ltd.	May 1, 2014	1,700	1,700	0.737 (Note 7)	Jun. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	May 1, 2014	1,000	1,000	0.872 (Note 7)	Jun. 21, 2021		(Note 3)	
	MUFG Bank, Ltd.	May 1, 2014	1,000	1,000	0.770 (Note 7)	Jun. 21, 2021		(Note 3)	
	The Gunma Bank, Ltd.	Jul. 8, 2015	500	500	0.559 (Note 7)	Sep. 21, 2021		(Note 5)	
	The Norinchukin Bank	Apr. 1, 2016	1,500	1,500	0.308	Sep. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 30, 2015	2,900	2,900	0.612 (Note 7)	Dec. 20, 2021		(Note 3)	
	MUFG Bank, Ltd.	Aug. 29, 2014	3,000	3,000	0.670 (Note 7)	Dec. 20, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2017	2,400	2,400	0.308	Mar. 22, 2022		(Note 4)	
	Sompo Japan Nipponkoa Insurance Inc.	Mar. 21, 2017	1,000	1,000	0.455	Mar. 22, 2022		(Note 4)	
	The Daishi Bank, Ltd.	Mar. 30, 2017	1,000	1,000	0.448	Mar. 22, 2022		(Note 3)	
	The Gunma Bank, Ltd.	Apr. 26, 2017	1,000	1,000	0.342	Mar. 22, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	2,600	1.030	Mar. 22, 2022		(Note 4)	
	Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	3,000	0.661 (Note 7)	Mar. 22, 2022		(Note 3)	
	Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672 (Note 7)	Jun. 20, 2022		(Note 3)	
	Shinkin Central Bank	Jul. 8, 2015	1,000	1,000	0.728	Jun. 20, 2022		(Note 5)	
	Development Bank of Japan Inc.	Aug. 7, 2015	1,200	1,200	0.710	Jun. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 4, 2017	1,000	1,000	0.258	Jun. 20, 2022		(Note 5)	
	The Hiroshima Bank, Ltd.	Jul. 8, 2015	500	500	0.685 (Note 7)	Sep. 20, 2022		(Note 5)	
	The Yamaguchi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.885 (Note 7)	Sep. 20, 2022		(Note 5)	

	Lenders	Drawdown Date	Balance at Beginning of 30th FP (Millions of yen) (Note 1)	Balance at End of 30th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Nippon Life Insurance Company	Jul. 8, 2015	1,000	1,000	0.861	Sep. 20, 2022	Bullet Payment	(Note 5)	Unsecured Unguaranteed
	Shinsei Bank, Limited	Jul. 15, 2015	1,500	1,500	0.773	Sep. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814	Sep. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	3,400	1.239	Dec. 20, 2022		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	6,500	0.842	Mar. 20, 2023		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	3,500	3,500	0.775	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Feb. 5, 2016	1,500	1,500	0.370 (Note 7)	Mar. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 22, 2016	2,000	2,000	0.452	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Mar. 22, 2016	1,000	1,000	0.358	Mar. 20, 2023		(Note 4)	
	Saitama Resona Bank, Limited	Apr. 1, 2016	2,000	2,000	0.490 (Note 7)	Mar. 20, 2023		(Note 3)	
	The Ashikaga Bank, Ltd.	Apr. 1, 2016	1,000	1,000	0.441	Mar. 20, 2023		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Aug. 7, 2015	1,000	1,000	0.798	Jun. 20, 2023		(Note 3)	
	Development Bank of Japan Inc.	Apr. 1, 2016	1,500	1,500	0.372	Jun. 20, 2023		(Note 3)	
	THE NISHI-NIPPON CITY BANK, LTD.	Apr. 1, 2016	1,000	1,000	0.408	Jun. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.749 (Note 7)	Sep. 20, 2023		(Note 3)	
	MUFG Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.780	Sep. 20, 2023		(Note 3)	
	The Ashikaga Bank, Ltd.	Nov. 16, 2018	-	1,000	0.306	Dec. 20, 2023		(Note 5)	
	MUFG Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.625 (Note 7)	Mar. 21, 2024		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 22, 2016	1,000	1,000	0.338	Mar. 21, 2024		(Note 4)	
	The Hiroshima Bank, Ltd.	Mar. 21, 2017	1,000	1,000	0.565	Mar. 21, 2024		(Note 4)	
	The 77 Bank, Ltd.	Mar. 30, 2017	1,500	1,500	0.408	Mar. 21, 2024		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 15, 2015	1,700	1,700	0.924	Jun. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.523	Jun. 20, 2024		(Note 3)	
	The Norinchukin Bank	Jan. 31, 2017	2,700	2,700	0.408	Jun. 20, 2024		(Note 3)	
	Resona Bank, Limited	Apr. 26, 2017	1,500	1,500	0.288	Jun. 20, 2024		(Note 3)	
	MUFG Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.680	Sep. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.633 (Note 7)	Sep. 20, 2024		(Note 3)	
	The Norinchukin Bank	Mar. 30, 2017	1,500	1,500	0.408	Sep. 20, 2024		(Note 3)	
	Development Bank of Japan Inc.	Apr. 26, 2017	1,500	1,500	0.428	Sep. 20, 2024		(Note 3)	
	The Bank of Fukuoka, Ltd.	Dec. 1, 2016	1,400	1,400	0.358	Dec. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Jul. 4, 2017	3,000	3,000	0.430	Dec. 20, 2024		(Note 5)	
	Meiji Yasuda Life Insurance Company	Feb. 5, 2016	1,000	1,000	0.687	Mar. 21, 2025		(Note 3)	
	MUFG Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.430	Mar. 21, 2025		(Note 3)	
	MUFG Bank, Ltd.	Mar. 21, 2017	3,500	3,500	0.489	Mar. 21, 2025		(Note 4)	
	Shinsei Bank, Limited	Mar. 21, 2017	2,000	2,000	0.639	Mar. 21, 2025		(Note 4)	
	The Bank of Fukuoka, Ltd.	Mar. 21, 2017	1,000	1,000	0.489	Mar. 21, 2025		(Note 4)	
	Shinkin Central Bank	Mar. 30, 2017	1,000	1,000	0.624	Mar. 21, 2025		(Note 3)	
	The Bank of Kyoto, Ltd.	Mar. 30, 2017	1,000	1,000	0.524	Mar. 21, 2025		(Note 3)	
	The Norinchukin Bank	Jun. 20, 2018	-	2,200	0.423	Jun. 20, 2025		(Note 4)	

		Drawdown Date	Balance at Beginning of 30th FP (Millions of yen) (Note 1)	Balance at End of 30th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Lenders									
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	Apr. 1, 2016	3,000	3,000	0.398	Sep. 22, 2025	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Nov. 16, 2018	-	1,000	0.466	Sep. 22, 2025		(Note 5)	
	Shinkin Central Bank	Nov. 16, 2018	-	1,000	0.466	Sep. 22, 2025		(Note 5)	
	THE NISHI-NIPPON CITY BANK, LTD.	Nov. 16, 2018	-	1,000	0.466	Sep. 22, 2025		(Note 5)	
	Sumitomo Mitsui Trust Bank, Limited	Feb. 5, 2016	2,000	2,000	0.627	Dec. 22, 2025		(Note 3)	
	MUFG Bank, Ltd.	Mar. 30, 2017	2,000	2,000	0.460	Mar. 23, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 30, 2017	4,500	4,500	0.569	Mar. 23, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 26, 2017	2,400	2,400	0.544	Jun. 22, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Jun. 20, 2018	-	3,000	0.474	Jun. 22, 2026		(Note 4)	
	MUFG Bank, Ltd.	Jul. 4, 2017	1,500	1,500	0.440	Sep. 24, 2026		(Note 5)	
	The Bank of Fukuoka, Ltd.	Nov. 16, 2018	-	1,000	0.495 (Note 7)	Dec. 21, 2026		(Note 5)	
	Saitama Resona Bank, Limited		-	1,000					
	The Nomura Trust and Banking Co., Ltd.		-	1,000					
	The Shinkumi Federation Bank		-	1,000					
	Meiji Yasuda Life Insurance Company	Mar. 30, 2017	1,000	1,000	0.756	Mar. 23, 2027		(Note 3)	
	Taiyo Life Insurance Company	Mar. 30, 2017	1,000	1,000	0.656	Mar. 23, 2027		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2017	2,500	2,500	0.368	Jun. 21, 2027		(Note 3)	
	MUFG Bank, Ltd.	Jun. 20, 2018	-	2,800	0.465	Jun. 21, 2027		(Note 4)	
	MUFG Bank, Ltd.	Jul. 3, 2018	-	3,800	0.465	Sep. 21, 2027		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 26, 2017	2,500	2,500	0.398	Dec. 20, 2027	(Note 3)		
MUFG Bank, Ltd.	Nov. 16, 2018	-	2,000	0.570	Sep. 20, 2028	(Note 5)			
Long-term debt (Green Finance)	Sumitomo Mitsui Trust Bank, Limited (Trust account)	Sep. 28, 2018	-	10,000	0.250	Sep. 29, 2023	Bullet Payment	(Note 6)	Unsecured Unguaranteed
Subtotal			201,484	215,177					
Total			223,884	240,384					

Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal to the total due to rounding.

2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.

3. The funds are used for acquisition of real estate or trust beneficial interest in real estate and expenses related to the acquisition.

4. The funds are used for repayment of borrowings.

5. The funds are used for redemption of corporate bonds.

6. The funds are used for the repayment of borrowings related to the "Eligible Green Assets" and acquisition of real estate or trust beneficial interest in real estate which are "Eligible Green Assets," and the related expenses.

7. It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

3. Corporate Bonds

Corporate Bonds as of November 30, 2018 were as follows :

Name	Issue Date	Balance at Beginning of 30th FP (Millions of yen)	Balance at End of 30th FP (Millions of yen)	Interest Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Series 13 of Unsecured Corporate Bonds	Nov. 20, 2013	13,000	-	0.470	Nov. 20, 2018	Bullet payment	(Note 1)	Unsecured (Note 4)
Series 14 of Unsecured Corporate Bonds	Nov. 20, 2013	2,000	-	0.470	Nov. 20, 2018	Bullet payment	(Note 1)	Unsecured (Note 4)
Series 15 of Unsecured Corporate Bonds	Oct. 30, 2014	3,000	3,000	0.525	Oct. 29, 2021	Bullet payment	(Note 2)	Unsecured (Note 4)
Series 16 of Unsecured Corporate Bonds	May 29, 2015	2,000	2,000	0.804	May 29, 2025	Bullet payment	(Note 1)	Unsecured (Note 4)
Series 17 of Unsecured Corporate Bonds	May 22, 2018	10,000	10,000	0.240	Nov. 22, 2023	Bullet payment	(Note 3)	Unsecured (Note 4)
Series 18 of Unsecured Corporate Bonds	May 22, 2018	2,000	2,000	0.230	May 22, 2023	Bullet payment	(Note 3)	Unsecured (Note 4)
Total		32,000	17,000					

Notes: 1. The funds are used for the redemption of the corporate bonds.
2. The funds are used for the repayment of the existing borrowings.
3. The funds are used for the redemption of the corporate bonds and the working capital
4. Ranking pari passu among corporate bonds

4. Short-term Corporate Bonds

Not Applicable

5. Subscription Rights of New Investment Units

Not Applicable

Trading Activities during the Period

1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets

Type of Asset	Name of Properties	Acquisition		Transfer			
		Acquisition date	Acquisition price (Millions of yen) (Note 1)	Date of transfer	Sale price (Millions of yen) (Note 1)	Book value (Millions of yen)	Gain or loss on sale (Millions of yen)
Real estate	Chatle Otemachi S・N	Jul. 3, 2018	3,398	-	-	-	-
Real estate (Note 2)	Shin-Sapporo Center Building	Aug. 24, 2018	1	-	-	-	-
Trust beneficial interest in real estate	the b fukuoka tenjin	Sep. 27, 2018	3,000	-	-	-	-
Trust beneficial interest in real estate	Musashimurayama Logistics Center	Oct. 30, 2018	1,800	-	-	-	-
Real estate (Note 2)	Shin-Sapporo Center Building	-	-	Aug. 24, 2018	1	1	-
Trust beneficial interest in real estate	Himonya Shopping Center (Note 3)	-	-	Nov. 1, 2018	5,225 (Note 3)	3,289 (Note 3)	1,864
Total		-	8,199	-	5,226	3,290	1,864

- Notes: 1. The "Acquisition price" and "Sale price" does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer.
2. United Urban exchanged a part of the land of Shin-Sapporo Center Building (6.39 sq. m) for a part of the adjacent land owned by City of Sapporo (6.39 sq. m) on August 24, 2018. United Urban has subdivided the subject land of the exchange and received actual real estate from trust assets. Then it was transferred to City of Sapporo as actual real estate. The land that United Urban acquired in accordance with the exchange has been additionally entrusted to the trustee as the trust asset of this property. Therefore, at the end of the 30th fiscal period, United Urban has owned the acquired land as trust beneficial interest in real estate. The same shall apply hereinafter.
3. As for Himonya Shopping Center, though United Urban had held its 49% quasi co-ownership of the trust beneficial interest at the beginning of the 30th fiscal period, United Urban sold its 19% quasi co-ownership on November 1, 2018. Accordingly, United Urban has held its 30% quasi co-ownership at the end of the 30th fiscal period.

2. Trading of Other Assets

Major assets other than the transactions stated in "1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets" are generally bank deposits and bank deposits in trust.

3. Research for Specified Assets

a. Real Estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Properties	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Real estate	Chatle Otemachi S・N	Jul. 3, 2018	3,398	3,490	Jun. 1, 2018	Japan Real Estate Institute
Acquisition	Real estate (Note 3)	Shin-Sapporo Center Building	Aug. 24, 2018	1	1	Aug. 24, 2018	The Tanizawa Sōgō Appraisal Co., Ltd.
Acquisition	Trust beneficial interest in real estate	the b fukuoka tenjin	Sep. 27, 2018	3,000	3,460	Jul. 1, 2018	Japan Real Estate Institute
Acquisition	Trust beneficial interest in real estate	Musashimurayama Logistics Center	Oct. 30, 2018	1,800	1,870	Oct. 1, 2018	Japan Real Estate Institute
Sale	Real estate (Note 3)	Shin-Sapporo Center Building	Aug. 24, 2018	1	1	Aug. 24, 2018	The Tanizawa Sōgō Appraisal Co., Ltd.
Sale	Trust beneficial interest in real estate	Himonya Shopping Center	Nov. 1, 2018	5,225	4,294	May 31, 2018	Japan Real Estate Institute

Notes: 1. As for transactions that require appraisal values of real estate, etc, regarding specified assets pursuant to Article 201, Paragraph 1 of the

- Investment Trust Act, the appraisal was conducted by real estate appraisal organizations based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.
2. The "Acquisition Price or Sale Price" does not include consumption taxes and expenses necessary for making the relevant acquisition or sale.
3. As for the acquisition and sale of Shin-Sapporo Center Building, please refer to (Note 2) of "1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets" above.

b. Others

The agency and overview of research for transactions other than transactions stated in "a. Real Estates" were as follows:

- (a) Name of research agency
ERNST & YOUNG SHINNIHON LLC
- (b) Result and method of research

As for transactions conducted by United Urban that require research of value, etc. of specified assets pursuant to Article 201, Paragraph 2 of the Investment Trust Act, United Urban entrusted the research to ERNST & YOUNG SHINNIHON LLC. During the 30th fiscal period (from June 1, 2018 to November 30, 2018), one interest rate swap transaction was subject to the research, and United Urban has received the agreed report on the result of implementation of procedures from ERNST & YOUNG SHINNIHON LLC. As for the interest swap transaction, United Urban entrusted the research on name of the counterparty, contract value, the type of financial instruments or financial index, transaction period, and other matters related to the over-the-counter derivative transactions.

In addition, this research is not part of the audit of financial statements and will not provide a guarantee of the adequacy of prices and the internal control system.

4. Trading with Related Parties

a. Status of Transactions

There were no purchase and sale transactions concerning the specified assets with Related Parties.

b. Amount of Commissions

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties		(B) / (A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Brokerage Commission	272,125	Marubeni Real Estate Management Co., Ltd.	26,125	9.6
Property Management Fees	1,739,377	Marubeni Real Estate Management Co., Ltd.	561,690	32.3
Casualty Insurance	32,693	Marubeni Safenet Co., Ltd.	32,219	98.6
Construction Management Fees	32,653	Marubeni Real Estate Management Co., Ltd.	18,590	56.9
Other Rental Expenses	122,309	Marubeni Real Estate Management Co., Ltd.	490	0.4

- Notes: 1. "Related Parties" means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. Among Related Parties, the companies have conducted business or have received payment of commissions during the 30th fiscal period are stated above.
2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.

Marubeni Real Estate Management Co., Ltd.: ¥38,027 thousand

5. Status of Transactions with the Asset Management Company regarding Concurrent Business Conducted by the Asset Management Company

The Asset Management Company of United Urban does not concurrently conduct any other business, and there are no relevant transactions.

Accounting Status

1. Status of Assets, Liabilities, Principal, and Profit and Loss

Please refer to the accompanying financial statements.

2. Changes in Calculation Method of Depreciation

Not Applicable

3. Changes in Evaluation Method of Real Estate, etc. and Infrastructure Assets

Not Applicable

4. Status of Investment Trust Beneficiary Certificates Established by United Urban

The status of investment units of United Urban held by JRA were as follows:

a. Status of Acquisitions

Acquisition Date	Number of Investment Units of Acquisition (Unit)	Number of Investment Units of Disposition (Unit)	Number of Investment Units Held (Unit)	Remarks
November 4, 2003	13	-	13	(Note 1)
December 20, 2003	187	-	200	(Note 2)
June 24, 2008	200	-	400	(Note 3)
December 1, 2010	2,000	-	2,400	(Note 4)
December 1, 2010	1	-	2,401	(Note 5)
June 8, 2011	2,500	-	4,901	(Note 6)
Accumulated Total	4,901	-	4,901	

- Notes: 1. JRA acquired investment units at the price of ¥500,000 per unit when United Urban was founded.
2. JRA acquired investment units at the price of ¥480,000 per unit when United Urban issued new investment units through the public offering.
3. JRA acquired investment units at the price of ¥461,580 per unit when United Urban issued new investment units through the public offering.
4. One investment unit was split into six units.
5. Due to the absorption-type merger with NCI, one United Urban unit after the split of unit was allocated per one NCI units owned by JRA.
6. JRA acquired investment units at the price of ¥91,162 per unit when United Urban issued new investment units through the public offering.

b. Status of Investment Units Held (fiscal periods in recent five years including the end of the 30th fiscal period)

	Number of Investment Units at End of Period (Unit)	Total Value of Investment Units Held at End of Period (Thousands of Yen) (Note)	(Reference) Investment Unit Price at End of Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at End of Period (Unit)
21st Fiscal Period (From Dec. 1, 2013 to May 31, 2014)	4,901	798,372	162,900	0.21	2,380,181
22nd Fiscal Period (From Jun. 1, 2014 to Nov. 30, 2014)	4,901	934,620	190,700	0.20	2,512,246
23rd Fiscal Period (From Dec. 1, 2014 to May 31, 2015)	4,901	912,076	186,100	0.19	2,644,311
24th Fiscal Period (From Jun. 1, 2015 to Nov. 30, 2015)	4,901	803,764	164,000	0.18	2,751,376

	Number of Investment Units at End of Period (Unit)	Total Value of Investment Units Held at End of Period (Thousands of Yen) (Note)	(Reference) Investment Unit Price at End of Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at End of Period (Unit)
25th Fiscal Period (From Dec. 1, 2015 to May 31, 2016)	4,901	857,675	175,000	0.18	2,751,376
26th Fiscal Period (From Jun. 1, 2016 to Nov. 30, 2016)	4,901	854,734	174,400	0.17	2,953,022
27th Fiscal Period (From Dec. 1, 2016 to May 31, 2017)	4,901	798,863	163,000	0.16	3,055,087
28th Fiscal Period (From Jun. 1, 2017 to Nov. 30, 2017)	4,901	780,729	159,300	0.16	3,055,087
29th Fiscal Period (From Dec. 1, 2017 to May 31, 2018)	4,901	817,486	166,800	0.16	3,055,087
30th Fiscal Period (From Jun. 1, 2018 to Nov. 30, 2018)	4,901	885,610	180,700	0.16	3,055,087

Note: It is calculated by multiplying number of investment units at the end of the period by investment unit price at the end of the period.

Others

1. Notifications

United Urban Board of Directors

There were no conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 30th fiscal period.

2. Disclosure Relating to Companies Owning Overseas Real Estate

Not Applicable

3. Disclosure Relating to Real Estate Owned by Companies Owning Overseas Real Estate

Not Applicable

◆ FINANCIAL SECTION

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BALANCE SHEET

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 49,665,335	¥ 49,652,711
Rent receivables	618,211	631,858
Other current assets	733,584	294,892
Total current assets	51,017,131	50,579,463
PROPERTY AND EQUIPMENT, AT COST:		
Land	387,141,710	389,905,599
Buildings and structures	253,395,926	256,771,800
Machinery and equipment	2,638,219	2,759,565
Tools, furniture and fixtures	982,563	1,063,246
Construction in progress	377,271	771,591
Subtotal	644,535,691	651,271,803
Less accumulated depreciation	(58,252,166)	(61,828,145)
Net property and equipment	586,283,525	589,443,657
INVESTMENTS AND OTHER ASSETS:		
Software	27,551	21,117
Leasehold	9,320,707	9,320,707
Other intangible assets	172,300	165,636
Investment securities	144,337	93,905
Security deposits paid	90,222	89,958
Long-term prepaid expenses	1,447,520	1,527,706
Total investments and other assets	11,202,640	11,219,032
TOTAL ASSETS	¥ 648,503,297	¥ 651,242,153

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 2,025,760	¥ 2,305,872
Current portion of corporate bonds	15,000,000	-
Long-term debt due for repayment within one year	22,400,000	25,207,000
Accrued expenses	295,428	289,756
Consumption taxes payable	74,633	389,329
Rent received in advance	3,573,689	3,520,759
Derivatives liabilities	4,339	12,497
Other current liabilities	240,332	49,893
Total current liabilities	43,614,183	31,775,109
LONG-TERM LIABILITIES:		
Corporate bonds	17,000,000	17,000,000
Long-term debt	201,484,000	215,177,000
Leasehold and security deposits received	31,301,696	31,190,639
Derivatives liabilities	85,508	70,221
Total long-term liabilities	249,871,205	263,437,860
Total liabilities	293,485,388	295,212,970
NET ASSETS		
UNITHOLDERS' EQUITY:		
Unitholders' Capital	309,205,625	309,205,625
Units authorized: 10,000,000 units as of May 31, 2018 and November 30, 2018		
Units issued and outstanding: 3,055,087 units as of May 31, 2018 and November 30, 2018		
Capital surplus	23,548,287	23,548,287
Reserve for temporary difference adjustments	7,395,460	7,386,945
Reserve retained for distribution	2,984,773	3,061,918
Reserve for reduction entry	-	1,120,523
Unappropriated retained earnings	11,973,610	11,788,602
VALUATION AND TRANSLATION ADJUSTMENTS:		
Deferred gains or losses on hedges	(89,847)	(82,719)
Total net assets	355,017,909	356,029,183
TOTAL LIABILITIES AND NET ASSETS	¥ 648,503,297	¥ 651,242,153

The accompanying notes to financial statements are an integral part of these statements.

STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
OPERATING REVENUES		
Rental revenues	¥ 22,378,409	¥ 22,033,656
Other rental revenues	1,841,006	1,833,565
Gain on sales of real estate properties	4,944,705	1,864,267
Dividend income	1,961	2,206
	29,166,082	25,733,696
OPERATING EXPENSES		
Property-related expenses	10,328,885	10,663,855
Loss on sales of real estate properties	3,584,422	-
Asset management fees	1,863,620	1,840,950
Administrative service fees	84,809	83,223
Other operating expenses	215,314	250,738
	16,077,052	12,838,768
OPERATING INCOME	13,089,029	12,894,928
NON-OPERATING REVENUES		
Interest income	360	242
Reversal of cash distributions payable	1,268	1,586
Insurance income	3,223	18,847
Subsidy income	71,482	-
Compensation income for damage or loss	-	5,000
Other non-operating revenues	2,838	653
	79,173	26,329
NON-OPERATING EXPENSES		
Interest expense	1,000,911	998,741
Interest expense on corporate bonds	87,464	63,254
Corporate bond issuance expenses	79,895	-
Loss on disposal of real estate	19,643	58,445
Other non-operating expenses	6,071	11,608
	1,193,987	1,132,050
ORDINARY INCOME	11,974,215	11,789,207
INCOME BEFORE INCOME TAXES	11,974,215	11,789,207
INCOME TAXES		
Current	605	605
	605	605
NET INCOME	11,973,610	11,788,602
RETAINED EARNINGS BROUGHT FORWARD	-	-
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	¥ 11,973,610	¥ 11,788,602

The accompanying notes to financial statements are an integral part of these statements.

STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

Thousands of yen							
	Number of Units	Unitholders' Capital	Unitholders' Equity				
			Capital Surplus	Surplus			
				Voluntary Retained Earnings			
				Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Reserve for Reduction Entry	Total Voluntary Retained Earnings
BALANCE AS OF NOVEMBER 30, 2017	3,055,087	¥309,205,625	¥ 23,548,287	¥ 7,470,924	¥ 1,848,706	-	¥9,319,631
Reversal of reserve for temporary difference adjustments				(75,463)			(75,463)
Provision of reserve retained for distribution					1,136,066		1,136,066
Cash distributions disbursed							-
Net income							-
Net changes of items other than unitholders' equity							-
BALANCE AS OF MAY 31, 2018	3,055,087	¥309,205,625	¥ 23,548,287	¥ 7,395,460	¥ 2,984,773	-	¥10,380,234
Provision of reserve for temporary difference adjustments				66,949			66,949
Reversal of reserve for temporary difference adjustments				(75,463)			(75,463)
Provision of reserve retained for distribution					77,144		77,144
Provision of reserve for reduction entry						¥ 1,120,523	1,120,523
Cash distributions disbursed							-
Net income							-
Net changes of items other than unitholders' equity							-
BALANCE AS OF NOVEMBER 30, 2018	3,055,087	¥309,205,625	¥ 23,548,287	¥ 7,386,945	¥ 3,061,918	¥ 1,120,523	¥11,569,387

Thousands of yen						
	Unitholders' Equity			Valuation and Translation Adjustments		
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Net Assets
	Unappropriated Retained Earnings	Total Surplus				
BALANCE AS OF NOVEMBER 30, 2017	¥11,319,585	¥44,187,503	¥353,393,128	¥(134,744)	¥(134,744)	¥353,258,384
Reversal of reserve for temporary difference adjustments	75,463	-	-	-	-	-
Provision of reserve retained for distribution	(1,136,066)	-	-	-	-	-
Cash distributions disbursed	(10,258,982)	(10,258,982)	(10,258,982)	-	-	(10,258,982)
Net income	11,973,610	11,973,610	11,973,610	-	-	11,973,610
Net changes of items other than unitholders' equity	-	-	-	44,896	44,896	44,896
BALANCE AS OF MAY 31, 2018	¥11,973,610	¥45,902,131	¥355,107,757	¥(89,847)	¥(89,847)	¥355,017,909
Provision of reserve for temporary difference adjustments	(66,949)	-	-	-	-	-
Reversal of reserve for temporary difference adjustments	75,463	-	-	-	-	-
Provision of reserve retained for distribution	(77,144)	-	-	-	-	-
Provision of reserve for reduction entry	(1,120,523)	-	-	-	-	-
Cash distributions disbursed	(10,784,457)	(10,784,457)	(10,784,457)	-	-	(10,784,457)
Net income	11,788,602	11,788,602	11,788,602	-	-	11,788,602
Net changes of items other than unitholders' equity	-	-	-	7,128	7,128	7,128
BALANCE AS OF NOVEMBER 30, 2018	¥11,788,602	¥46,906,277	¥356,111,902	¥(82,719)	¥(82,719)	¥356,029,183

The accompanying notes to financial statements are an integral part of these statements.

STATEMENT OF CASH FLOWS

	Thousands of yen	
	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 11,974,215	¥ 11,789,207
Depreciation and amortization	4,160,564	4,050,506
Gain on sales of real estate properties	(4,944,705)	(1,864,267)
Loss on sales of real estate properties	3,584,422	-
Increase in allowance for doubtful accounts	-	1,815
Interest income and interest on securities	(360)	(242)
Interest expense and interest expense on corporate bonds	1,088,376	1,061,995
Corporate bond issuance expenses	79,895	-
Loss on disposal of real estate	19,643	58,445
Increase in rent receivables	(116,322)	(13,647)
Increase (decrease) in prepaid expenses	(537,771)	473,022
Decrease in long-term prepaid expenses	3,109	28,473
Decrease in trade accounts payable	(230,460)	(118,947)
Increase (decrease) in accrued expenses	5,742	(3,441)
(Decrease) increase in consumption taxes payable	(970,223)	316,052
Increase (decrease) in rent received in advance	28,838	(52,929)
Other, net	29,472	(273,712)
Subtotal	14,174,437	15,452,332
Interest received	360	242
Interest paid	(878,284)	(1,180,446)
Income taxes paid	(1,022)	(636)
Net cash provided by operating activities	13,295,491	14,271,490
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	18,280,554	4,957,885
Purchase of property and equipment	(19,823,321)	(10,164,532)
Purchase of intangible assets	-	(1,010)
Proceeds from refund of investment securities	-	50,000
Proceeds from collection of leasehold and security deposits	-	264
Proceeds from leasehold and security deposits received	3,399,996	546,588
Payments for leasehold and security deposits received	(1,760,114)	(390,270)
Net cash provided by (used in) investing activities	97,115	(5,001,074)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	31,800,000
Repayment of long-term debt	(13,723,000)	(15,300,000)
Proceeds from issuance of corporate bonds	11,925,726	-
Repayment of corporate bonds	(14,000,000)	(15,000,000)
Distributions to unitholders	(10,257,037)	(10,783,040)
Net cash used in financing activities	(26,054,310)	(9,283,040)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(12,661,703)	(12,624)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	62,327,039	49,665,335
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 49,665,335	¥ 49,652,711

The accompanying notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

United Urban Investment Corporation ("United Urban") is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. ("JRA"). JRA is currently owned 100% by Marubeni Corporation ("Marubeni").

United Urban was founded on November 4, 2003, with an initial capitalization of ¥125 million, under the Act on Investment Trusts and Investment Corporations of Japan (the "Investment Trust Act"). Trinity Investment Trust L.L.C., Marubeni, Credit Suisse Principal Investment Limited, Tokyo Branch, Kyokuto Securities Co., Ltd., Yamato Life Insurance Co., and JRA initially established United Urban. On December 20, 2003, United Urban raised ¥36,633 million through an initial public offering of investment units, and on December 22, 2003, United Urban was listed on the J-REIT section of the Tokyo Stock Exchange.

On May 10, 2010, United Urban entered into a merger agreement ("Merger Agreement") with Nippon Commercial Investment Corporation ("NCI"). The Merger was effective December 1, 2010, and United Urban became one of the largest J-REITs in terms of asset size.

As of November 30, 2018, the end of its 30th fiscal period, United Urban had ownership of, or beneficial interests in, 34 retail properties, 33 office buildings, 15 hotels, 21 residential properties, 1 property which consisted of retail properties and an office building, 2 properties which consisted of an office building and a hotel, and 13 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

The accompanying financial statements of United Urban are prepared on the basis of generally accepted accounting principles in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are translations of the audited financial statements of United Urban, prepared in accordance with Japanese GAAP and presented in the Securities Report of United Urban filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts have been rounded down to the nearest thousand yen in the accompanying financial statements and the notes thereto. As a result, the totals shown in the accompanying financial statements and the notes thereto do not necessarily agree with the sums of the individual amounts.

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 30th fiscal period began on June 1, 2018 and ended on November 30, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities

Other securities without market value are stated using the moving average cost method.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The cost of land, buildings and structures includes the purchase prices of property, legal fees and other acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets which are summarized as follows:

	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Buildings and structures	2 - 70 years	2 - 70 years
Machinery and equipment	2 - 24 years	2 - 24 years
Tools, furniture and fixtures	3 - 20 years	3 - 20 years

Expenditures for repairs and maintenance are charged to operating expenses as incurred. Significant renewals and betterments are capitalized.

Intangible Assets

Amortization of intangible assets is calculated on a straight-line basis. In addition, amortization of the software for internal use is calculated using an estimated useful life of 5 years.

Long-term Prepaid Expenses

Amortization of long-term prepaid expenses is calculated on a straight-line basis.

Allowance for Doubtful Accounts

In order to provide for losses due to bad debt, United Urban recorded the estimated uncollectable amounts by considering the collectability of particular loans such as those with higher probability of default on an individual basis.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash held in trust, deposits and deposits in trust which can be withdrawn at any time, and short-term investments which are readily convertible to cash with only an insignificant risk of any price fluctuation and with original maturities of three months or less.

Revenue Recognition

United Urban operates retail properties, office buildings, hotels, residential properties, and other properties which are rented to tenants. Revenues from these leases are recognized on an accrual basis over the life of each lease. Rental revenues include rent received, the recovery of utility charges and certain other income.

Taxes on Property and Equipment

United Urban allocated the respective portion of property taxes and city planning taxes to the current period and charged this to property-related expenses.

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥191,890 thousand and ¥20,971 thousand of such property taxes and city planning taxes capitalized for the fiscal periods ended May 31, 2018 and November 30, 2018, respectively.

Hedge Accounting

United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation based on its financial policy. Derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instrument for the purpose of avoiding interest-rate risks relating to debts. In addition, the effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as all income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts.

Income Taxes

Deferred income taxes are recognized by the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial and tax reporting of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

Consumption Taxes

Consumption taxes withheld and paid are not included in the accompanying statement of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over the amounts withheld is included in current assets as "Consumption taxes refundable" and the excess of the amounts withheld over the amounts paid is included in current liabilities as "Consumption taxes payable."

Certain consumption tax payments relating to purchases of property and equipment are not deductible from consumption taxes withheld. Such consumption tax payments are capitalized and included in the respective acquisition costs of the property and equipment.

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended November 30, 2018.

3. PLEDGED ASSETS AND SECURED DEBT

At May 31, 2018 and November 30, 2018, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Land	¥ 2,089,982	¥ 2,089,982
Buildings and structures	1,557,929	1,517,009
Total	¥ 3,647,911	¥ 3,606,992

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Leasehold and security deposits received	¥ 408,171	¥ 652,388
Total	¥ 408,171	¥ 652,388

4. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Total amount of commitment	¥ 36,000,000	¥ 36,000,000
Outstanding borrowings at end of fiscal period	-	-
Amount unutilized at end of fiscal period	¥ 36,000,000	¥ 36,000,000

5. REDUCTION ENTRY OF PROPERTY AND EQUIPMENT ACQUIRED THROUGH STATE SUBSIDY

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Buildings in trust	¥ 80,237	¥ 56,666

6. MATTERS RELATED TO PROVISION AND REVERSAL OF RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

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

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

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

(End of 30th Fiscal Period: As of November 30, 2018)

	(Thousands of yen)					
	Initial amount	Balance at beginning of period	Addition to the reserve during the period	Reversal during the period	Balance at end of period	Reasons for provision and reversal
Gains on negative goodwill (Note 1)	7,546,388	7,395,460	-	75,463	7,319,996	Appropriation for cash distribution
A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. (Note 2)	66,949	-	66,949	-	66,949	A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. was transferred to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended May 31, 2018.

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

2. It is a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. United Urban will reverse an amount equivalent to more than 1% of the balance of the reserve for distribution (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended November 30, 2018.

7. UNITHOLDERS' EQUITY

United Urban issues only units with no par value in accordance with the Investment Trust Act, under which United Urban is required to maintain at least ¥50,000 thousand as minimum net assets.

8. LONG-TERM DEBT

Long-term debt at May 31, 2018 and November 30, 2018 consisted of the following:

	End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at floating interest rate, due June 20, 2018	¥ 2,000,000	0.778% (Note 2)	-	-
Unsecured loan from banks and a federation at floating interest rate, due June 20, 2018	3,500,000	0.449% (Note 2)	-	-
Unsecured loan from a bank at floating interest rate, due June 20, 2018	1,000,000	0.735% (Note 2)	-	-
Unsecured loan from a bank at fixed interest rate, due June 20, 2018	1,500,000	0.830%	-	-
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	2,800,000	1.464%	-	-
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2018	2,500,000	0.453% (Note 2)	-	-
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.781%	-	-
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.688%	-	-
Unsecured loan from a bank at floating interest rate, due March 20, 2019	3,500,000	0.524% (Note 2)	¥ 3,500,000	0.524% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	1,000,000	0.753%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.620% (Note 2)	1,600,000	0.620% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	1,000,000	0.708%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.693% (Note 2)	4,500,000	0.693% (Note 2)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	2,000,000	0.523% (Note 2)	2,000,000	0.523% (Note 2)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	1,000,000	1.056%	1,000,000	1.056%
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2019	1,000,000	0.511%	1,000,000	0.511%
Unsecured loan from banks at floating interest rate, due September 20, 2019	6,207,000	0.555% (Note 2)	6,207,000	0.555% (Note 2)
Unsecured loan from a bank at fixed interest rate, due September 20, 2019	1,200,000	0.593%	1,200,000	0.593%
Unsecured loan from a trust bank at fixed interest rate, due March 23, 2020	1,000,000	0.200%	1,000,000	0.200%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	2,427,000	0.780%	2,427,000	0.780%
Unsecured loan from banks at floating interest rate, due March 23, 2020	2,417,000	0.617% (Note 2)	2,417,000	0.617% (Note 2)
Unsecured loan from a bank at floating interest rate, due March 23, 2020	1,300,000	0.640% (Note 2)	1,300,000	0.640% (Note 2)

	End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from banks and trust banks at floating interest rate, due June 20, 2020	6,150,000	0.631% (Note 2)	6,150,000	0.631% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 22, 2020	1,000,000	0.550% (Note 2)	1,000,000	0.550% (Note 2)
Unsecured loan from banks at floating interest rate, due September 23, 2020	2,000,000	0.527% (Note 2)	2,000,000	0.527% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 23, 2020	500,000	0.428% (Note 2)	500,000	0.428% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.668% (Note 2)	4,500,000	0.668% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.668% (Note 2)	3,283,000	0.668% (Note 2)
Unsecured loan from an insurance company at fixed interest rate, due September 23, 2020	1,000,000	1.000%	1,000,000	1.000%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,400,000	0.826%	2,400,000	0.826%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,500,000	0.888%	2,500,000	0.888%
Unsecured loan from a bank at floating interest rate, due December 21, 2020	1,000,000	0.509% (Note 2)	1,000,000	0.509% (Note 2)
Unsecured loan from an insurance company at floating interest rate, due December 21, 2020	1,000,000	0.230% (Note 2)	1,000,000	0.230% (Note 2)
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2020	1,300,000	0.858%	1,300,000	0.858%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	1,000,000	0.217% (Note 2)	1,000,000	0.217% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,000,000	0.337%	1,000,000	0.337%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	5,800,000	0.850% (Note 2)	5,800,000	0.850% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.830%	1,400,000	0.830%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.841%	1,400,000	0.841%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	2,200,000	0.850%	2,200,000	0.850%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2021	5,700,000	0.883%	5,700,000	0.883%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,900,000	0.690%	1,900,000	0.690%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	2,000,000	0.619% (Note 2)	2,000,000	0.619% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.302%	1,000,000	0.308%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	2,000,000	0.302%	2,000,000	0.308%
Unsecured loan from a trust bank at fixed interest rate, due June 21, 2021	1,000,000	0.350%	1,000,000	0.350%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.252%	1,000,000	0.258%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.737% (Note 2)	1,700,000	0.737% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.872% (Note 2)	1,000,000	0.872% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.770% (Note 2)	1,000,000	0.770% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	500,000	0.559% (Note 2)	500,000	0.559% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	1,500,000	0.302%	1,500,000	0.308%
Unsecured loan from a bank at floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 2)	2,900,000	0.612% (Note 2)
Unsecured loan from a bank at floating interest rate, due December 20, 2021	3,000,000	0.670% (Note 2)	3,000,000	0.670% (Note 2)
Unsecured loan from a bank at floating interest rate, due March 22, 2022	2,400,000	0.302%	2,400,000	0.308%

	End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from an insurance company at fixed interest rate, due March 22, 2022	1,000,000	0.455%	1,000,000	0.455%
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	1,000,000	0.448%	1,000,000	0.448%
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	1,000,000	0.342%	1,000,000	0.342%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	2,600,000	1.030%	2,600,000	1.030%
Unsecured loan from a bank at floating interest rate, due March 22, 2022	3,000,000	0.661% (Note 2)	3,000,000	0.661% (Note 2)
Unsecured loan from a bank at floating interest rate, due June 20, 2022	2,000,000	0.672% (Note 2)	2,000,000	0.672% (Note 2)
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,000,000	0.728%	1,000,000	0.728%
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,200,000	0.710%	1,200,000	0.710%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2022	1,000,000	0.252%	1,000,000	0.258%
Unsecured loan from a bank at floating interest rate, due September 20, 2022	500,000	0.685% (Note 2)	500,000	0.685% (Note 2)
Unsecured loan from a bank at floating interest rate, due September 20, 2022	1,000,000	0.885% (Note 2)	1,000,000	0.885% (Note 2)
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2022	1,000,000	0.861%	1,000,000	0.861%
Unsecured loan from a bank at fixed interest rate, due September 20, 2022	1,500,000	0.773%	1,500,000	0.773%
Unsecured loan from a trust bank at fixed interest rate, due September 20, 2022	2,800,000	0.814%	2,800,000	0.814%
Unsecured loan from a trust bank at fixed interest rate, due December 20, 2022	3,400,000	1.239%	3,400,000	1.239%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	6,500,000	0.842%	6,500,000	0.842%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	3,500,000	0.775%	3,500,000	0.775%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	1,500,000	0.370% (Note 2)	1,500,000	0.370% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	2,000,000	0.452%	2,000,000	0.452%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	1,000,000	0.352%	1,000,000	0.358%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	2,000,000	0.490% (Note 2)	2,000,000	0.490% (Note 2)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	1,000,000	0.441%	1,000,000	0.441%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2023	1,000,000	0.798%	1,000,000	0.798%
Unsecured loan from a bank at fixed interest rate, due June 20, 2023	1,500,000	0.372%	1,500,000	0.372%
Unsecured loan from a bank at floating interest rate, due June 20, 2023	1,000,000	0.402%	1,000,000	0.408%
Unsecured loan from a bank at floating interest rate, due September 20, 2023	1,300,000	0.749% (Note 2)	1,300,000	0.749% (Note 2)
Unsecured loan from a bank at fixed interest rate, due September 20, 2023	1,300,000	0.780%	1,300,000	0.780%
Unsecured loan from a bank at fixed interest rate, due December 20, 2023	-	-	1,000,000	0.306%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	1,000,000	0.625% (Note 2)	1,000,000	0.625% (Note 2)
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	1,000,000	0.332%	1,000,000	0.338%
Unsecured loan from a bank at fixed interest rate, due March 21, 2024	1,000,000	0.565%	1,000,000	0.565%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	1,500,000	0.402%	1,500,000	0.408%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2024	1,700,000	0.924%	1,700,000	0.924%
Unsecured loan from a bank at fixed interest rate, due June 20, 2024	2,000,000	0.523%	2,000,000	0.523%

	End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at floating interest rate, due June 20, 2024	2,700,000	0.402%	2,700,000	0.408%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	1,500,000	0.282%	1,500,000	0.288%
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	1,000,000	0.680%	1,000,000	0.680%
Unsecured loan from a bank at floating interest rate, due September 20, 2024	1,000,000	0.633%	1,000,000	0.633%
Unsecured loan from a bank at floating interest rate, due September 20, 2024	1,500,000	0.402%	1,500,000	0.408%
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	1,500,000	0.428%	1,500,000	0.428%
Unsecured loan from a bank at floating interest rate, due December 20, 2024	1,400,000	0.352%	1,400,000	0.358%
Unsecured loan from a bank at fixed interest rate, due December 20, 2024	3,000,000	0.430%	3,000,000	0.430%
Unsecured loan from an insurance company at fixed interest rate, due March 21, 2025	1,000,000	0.687%	1,000,000	0.687%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	2,000,000	0.430%	2,000,000	0.430%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	3,500,000	0.489%	3,500,000	0.489%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	2,000,000	0.639%	2,000,000	0.639%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	1,000,000	0.489%	1,000,000	0.489%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	1,000,000	0.624%	1,000,000	0.624%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	1,000,000	0.524%	1,000,000	0.524%
Unsecured loan from a bank at fixed interest rate, due June 20, 2025	-	-	2,200,000	0.423%
Unsecured loan from a trust bank at floating interest rate, due September 22, 2025	3,000,000	0.392%	3,000,000	0.398%
Unsecured loan from a bank at fixed interest rate, due September 22, 2025	-	-	1,000,000	0.466%
Unsecured loan from a bank at fixed interest rate, due September 22, 2025	-	-	1,000,000	0.466%
Unsecured loan from a bank at fixed interest rate, due September 22, 2025	-	-	1,000,000	0.466%
Unsecured loan from a trust bank at fixed interest rate, due December 22, 2025	2,000,000	0.627%	2,000,000	0.627%
Unsecured loan from a bank at fixed interest rate, due March 23, 2026	2,000,000	0.460%	2,000,000	0.460%
Unsecured loan from a bank at fixed interest rate, due March 23, 2026	4,500,000	0.569%	4,500,000	0.569%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	2,400,000	0.544%	2,400,000	0.544%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	-	-	3,000,000	0.474%
Unsecured loan from a bank at fixed interest rate, due September 24, 2026	1,500,000	0.440%	1,500,000	0.440%
Unsecured loan from banks, a trust bank, and a federation at floating interest rate, due December 21, 2026	-	-	4,000,000	0.495%
Unsecured loan from an insurance company at fixed interest rate, due March 23, 2027	1,000,000	0.756%	1,000,000	0.756%
Unsecured loan from an insurance company at fixed interest rate, due March 23, 2027	1,000,000	0.656%	1,000,000	0.656%
Unsecured loan from a trust bank at floating interest rate, due June 21, 2027	2,500,000	0.362%	2,500,000	0.368%
Unsecured loan from a bank at fixed interest rate, due June 21, 2027	-	-	2,800,000	0.465%
Unsecured loan from a bank at fixed interest rate, due September 21, 2027	-	-	3,800,000	0.465%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2027	2,500,000	0.392%	2,500,000	0.398%
Unsecured loan from a bank at fixed interest rate, due September 20, 2028	-	-	2,000,000	0.570%

	End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at fixed interest rate, due September 29, 2023 (Green finance)	-	-	10,000,000	0.250%
Total	¥ 223,884,000		¥ 240,384,000	

- Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.
2. These are borrowings with floating interest rates applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rates for these borrowings are, in effect, fixed due to the execution of interest rate swap agreements. The adjusted interest rates in consideration of the swap transactions are stated.

9. CORPORATE BONDS

Corporate bonds at May 31, 2018 and November 30, 2018 consisted of the following:

	End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 13 unsecured bonds, due November 20, 2018	¥ 13,000,000	0.470%	-	-
Series 14 unsecured bonds, due November 20, 2018	2,000,000	0.470%	-	-
Series 15 unsecured bonds, due October 29, 2021	3,000,000	0.525%	¥ 3,000,000	0.525%
Series 16 unsecured bonds, due May 29, 2025	2,000,000	0.804%	2,000,000	0.804%
Series 17 unsecured bonds, due November 22, 2023	10,000,000	0.240%	10,000,000	0.240%
Series 18 unsecured bonds, due May 22, 2023	2,000,000	0.230%	2,000,000	0.230%
Total	¥ 32,000,000		¥ 17,000,000	

10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2018 and November 30, 2018 were as follows:

	Thousands of yen	
	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
Operating Revenues	¥ 24,219,415	¥ 23,867,222
Rental Revenues	22,378,409	22,033,656
Rental revenues	19,890,766	19,511,853
Common area charges	1,631,073	1,622,588
Parking revenues	702,239	739,519
Other	154,329	159,694
Other Rental Revenues	1,841,006	1,833,565
Incidental revenues	1,381,473	1,655,552
Temporary revenues (including cancellation charges)	362,583	79,360
Other miscellaneous revenues	96,948	98,653
Property-Related Expenses	10,328,885	10,663,855
Property and other taxes	1,782,243	1,885,536
Property management fees	1,685,861	1,735,777
Utilities	1,385,596	1,644,439
Casualty insurance	31,885	32,693
Repairs and maintenance	833,190	892,658
Depreciation and amortization	4,160,564	4,050,506
Other rental expenses	449,543	422,244
Profit from rental activities	¥ 13,890,530	¥ 13,203,367

11. GAIN ON SALES OF REAL ESTATE PROPERTIES

Gain on sales of real estate properties for the fiscal periods ended May 31, 2018 and November 30, 2018 were as follows:

(29th Fiscal Period: December 1, 2017 – May 31, 2018)

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

Note: As for Himonya Shopping Center, United Urban sold its 51% quasi co-ownership of the trust beneficial interest.

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

Himonya Shopping Center (Note)	Thousands of yen
Revenue from sales of real estate properties	¥ 5,225,000
Cost of sales of real estate properties	3,289,238
Other sales expenses	71,493
Gain on sales of real estate properties	¥ 1,864,267

Note: As for Himonya Shopping Center, United Urban sold its 19% quasi co-ownership of the trust beneficial interest.

12. LOSS ON SALES OF REAL ESTATE PROPERTIES

There was no loss on sales of real estate properties for the fiscal period ended November 30, 2018. In addition, loss on sales of real estate properties for the fiscal period ended May 31, 2018 was as follows:

(29th Fiscal Period: December 1, 2017 - May 31, 2018)

AEON MALL UKi	Thousands of yen
Revenue from sales of real estate properties	¥ 6,500,000
Cost of sales of real estate properties	9,378,038
Other sales expenses	706,384
Loss on sales of real estate properties	¥ 3,584,422

13. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at May 31, 2018 and November 30, 2018 were summarized as follows:

End of 29th Fiscal Period (As of May 31, 2018)		End of 30th Fiscal Period (As of November 30, 2018)	
Deferred tax assets		Deferred tax assets	
Difference in revenue recognition for tax purposes	¥ 10,983	Difference in revenue recognition for tax purposes	¥ 2,866
Valuation difference on assets acquired by merger	18,913,507	Valuation difference on assets acquired by merger	18,896,970
Excess allowance for doubtful accounts	-	Excess allowance for doubtful accounts	572
Other	338	Other	328
Subtotal	18,924,829	Subtotal	18,900,738
Valuation allowance	(18,924,829)	Valuation allowance	(18,900,738)
Total	-	Total	-
Net deferred tax assets	-	Net deferred tax assets	-

* "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Corporate Accounting Standards No. 28, February 16, 2018) has been applied starting with the current fiscal period, and the items related to temporary differences, etc. are collectively stated in the above table regardless of a section of assets (current or non current). Accordingly, certain reclassifications were made to the previous fiscal period in order to reflect this change in presentation.

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended May 31, 2018 and November 30, 2018 were summarized as follows:

	29th Fiscal Period (As of May 31, 2018)	30th Fiscal Period (As of November 30, 2018)
Statutory tax rate	31.74%	31.51%
(Adjustment)		
Distributions of tax-deductible dividends	(28.58)%	(28.35)%
Changes in valuation allowance	(0.19)%	(0.20)%
Provision of reserve for reduction entry	(2.97)%	(2.96)%
Other	0.00%	0.00%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes within the limit of the amount of earnings. Based on this policy, for the 29th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463 thousand to the unappropriated retained earnings of ¥11,973,610 thousand, and reserved ¥77,144 thousand as reserve retained for distribution, ¥66,949 thousand as reserve for temporary difference adjustments, and ¥1,120,523 thousand as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥10,784,457 thousand for the 29th fiscal period. For the 30th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥76,133 thousand to the unappropriated retained earnings of ¥11,788,602 thousand, and reserved ¥70,726 thousand as reserve retained for distribution, ¥76,099 thousand as reserve for

temporary difference adjustments, and ¥1,107,592 thousand as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥10,610,317 thousand for the 30th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

14. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Matters Concerning Financial Instruments

1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of real estate properties and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks in debt, etc.

2. Details of financial instruments and their risks and risk management structure

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan and by taking other measures.

Moreover, debt with floating interest rates is exposed to risks of fluctuation in the interest payable, however United Urban manages the concerned risks by adjusting the ratio of the debt with floating interest rates to the balance of the total outstanding debt in response to the financial environment, by utilizing or considering derivative transactions (interest rate cap transactions and interest rate swap transactions) as hedging instruments in order to fix interest expenses and by taking other measures. Furthermore, the risks associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

Surplus funds of United Urban invested as large time deposits, etc., are exposed to risks of failure of the financial institutions holding the deposits and to other credit risks, but United Urban manages the concerned risks by diversifying the financial institutions holding the deposits and by taking other measures.

Leasehold and security deposits received including deposits in trust, are deposits from tenants and are exposed to liquidity risks arising from the tenants' vacating their properties before the expiration of lease agreements. United Urban manages the concerned risks by putting aside an amount sufficient to enable deposits to be returned without interruption and by ensuring liquidity at hand, such as through line-of-credit agreements.

3. Supplemental explanation for matters concerning the fair value, etc. of financial instruments

The fair value of a financial instrument, in addition to values based on market prices, includes values based on reasonable calculations when there is no market price. Certain assumptions, etc. are adopted in the calculations of the said values and there may be cases where these values will vary when different assumptions, etc. are adopted.

Matters Concerning the Fair Value, etc. of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of May 31, 2018 and November 30, 2018 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Please refer to (Note 2).)

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

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 20,427,825	¥ 20,427,825	-
(2) Cash and bank deposits in trust	29,237,510	29,237,510	-
Total assets	¥ 49,665,335	¥ 49,665,335	-
(3) Current portion of corporate bonds	¥ 15,000,000	¥ 15,021,200	¥ 21,200
(4) Long-term debt due for repayment within one year	22,400,000	22,451,228	51,228
(5) Corporate bonds	17,000,000	17,055,400	55,400
(6) Long-term debt	201,484,000	203,931,833	2,447,833
Total liabilities	¥ 255,884,000	¥ 258,459,662	¥ 2,575,662
(7) Derivative transactions (*)	¥ (89,847)	¥ (89,847)	-
Total derivative transactions	¥ (89,847)	¥ (89,847)	-

(*) The assets/liabilities arising from derivative transactions are shown in the net amount with liabilities on a net basis shown in parentheses.

(End of 30th Fiscal Period: As of November 30, 2018)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 21,853,605	¥ 21,853,605	-
(2) Cash and bank deposits in trust	27,799,105	27,799,105	-
Total assets	¥ 49,652,711	¥ 49,652,711	-
(3) Current portion of corporate bonds	-	-	-
(4) Long-term debt due for repayment within one year	25,207,000	25,246,196	¥ 39,196
(5) Corporate bonds	17,000,000	17,024,500	24,500
(6) Long-term debt	215,177,000	216,752,579	1,575,579
Total liabilities	¥ 257,384,000	¥ 259,023,276	¥ 1,639,276
(7) Derivative transactions (*)	¥ (82,719)	¥ (82,719)	-
Total derivative transactions	¥ (82,719)	¥ (82,719)	-

(*) The assets/liabilities arising from derivative transactions are shown in the net amount with liabilities on a net basis shown in parentheses.

Notes: 1. Calculation method for the fair values of financial instruments

(1) Cash and bank deposits / (2) Cash and bank deposits in trust

As these items are settled within a short period of time and the fair value approximates the book value, the fair value stated above is the book value thereof.

(3) Current portion of corporate bonds / (5) Corporate bonds

The fair value of these is calculated based on referenced indicative prices of sale/purchase transactions by financial institutions, etc.

(4) Long-term debt due for repayment within one year / (6) Long-term debt

The fair value is calculated by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new borrowings corresponding to the remaining loan term. As for long-term debt with floating interest rate that qualifies for the special treatment of interest rate swaps (please refer to "22. DERIVATIVE TRANSACTIONS"), the fair value is calculated by discounting the total amount of principal and interest, which are accounted for as one transaction with the interest swap, by the rate assumed as being applicable in the event of the same type of new borrowings corresponding to the remaining loan term.

(7) Derivative transactions

Please refer to "22. DERIVATIVE TRANSACTIONS".

2. Financial instruments whose fair values are deemed extremely difficult to measure

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Investment securities (*1)	¥ 144,337	¥ 93,905
Leasehold and security deposits received (*2)	3,122,492	2,989,408
Leasehold and security deposits received in trust (*2)	27,871,128	27,937,728

(*1) Concerning investment securities (preferred equity securities), there is no market price and future cash flows cannot be reasonably estimated. Therefore, discerning the fair value is concluded to be extremely difficult, and fair value disclosure is not required.

(*2) Concerning leasehold and security deposits received and leasehold and security deposits received in trust that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3. Amount of monetary claims to be repaid subsequent to the end of the fiscal period

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

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 20,427,825	-	-	-	-	-
Cash and bank deposits in trust	29,237,510	-	-	-	-	-
Total	¥ 49,665,335	-	-	-	-	-

(End of 30th Fiscal Period: As of November 30, 2018)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 21,853,605	-	-	-	-	-
Cash and bank deposits in trust	27,799,105	-	-	-	-	-
Total	¥ 49,652,711	-	-	-	-	-

4. Amount of borrowings and corporate bonds to be repaid subsequent to the end of the fiscal period

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

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 15,000,000	-	-	¥ 3,000,000	¥ 2,000,000	¥ 12,000,000
Long-term debt	22,400,000	¥ 29,251,000	¥ 49,933,000	27,600,000	32,900,000	61,800,000
Total	¥ 37,400,000	¥ 29,251,000	¥ 49,933,000	¥ 30,600,000	¥ 34,900,000	¥ 73,800,000

(End of 30th Fiscal Period: As of November 30, 2018)

(Thousands of yen)

	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	-	-	¥ 3,000,000	-	¥ 12,000,000	¥ 2,000,000
Long-term debt	¥ 25,207,000	¥ 35,377,000	36,400,000	¥ 28,900,000	37,000,000	77,500,000
Total	¥ 25,207,000	¥ 35,377,000	¥ 39,400,000	¥ 28,900,000	¥ 49,000,000	¥ 79,500,000

15. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of May 31, 2018 and November 30, 2018 are as follows:

(Thousands of yen)

Type of Use		29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 201,467,556	¥ 182,485,097
	Change during period (Note 2)	(18,982,458)	(4,054,095)
	Balance at end of period	¥ 182,485,097	¥ 178,431,002
	Fair value at end of period (Note 3)	¥ 214,266,000	¥ 209,812,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 198,328,320	¥ 197,783,304
	Change during period (Note 2)	(545,015)	(843,048)
	Balance at end of period	¥ 197,783,304	¥ 196,940,256
	Fair value at end of period (Note 3)	¥ 240,745,000	¥ 246,666,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 112,440,862	¥ 129,784,056
	Change during period (Note 2)	17,343,194	3,094,927
	Balance at end of period	¥ 129,784,056	¥ 132,878,983
	Fair value at end of period (Note 3)	¥ 150,820,000	¥ 156,439,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 38,030,049	¥ 37,655,988
	Change during period (Note 2)	(374,060)	3,331,921
	Balance at end of period	¥ 37,655,988	¥ 40,987,910
	Fair value at end of period (Note 3)	¥ 50,169,000	¥ 52,255,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 48,116,624	¥ 47,895,785
	Change during period (Note 2)	(220,839)	1,630,427
	Balance at end of period	¥ 47,895,785	¥ 49,526,212
	Fair value at end of period (Note 3)	¥ 58,237,200	¥ 60,773,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 598,383,413	¥ 595,604,232
	Change during period (Note 2)	(2,779,180)	3,160,132
	Balance at end of period	¥ 595,604,232	¥ 598,764,365
	Fair value at end of period (Note 3)	¥ 714,237,200	¥ 725,945,000

- Notes: 1. The carrying amount on the balance sheet is the acquisition cost (including the expenses incidental to the acquisition) less accumulated depreciation.
2. Of the "Change during period" for the 29th fiscal period, the amount of the increase is primarily attributable to acquisition of one property (¥17,485 million) and capital expenditures (¥1,903 million). And the amount of the decrease is primarily attributable to the sale of two properties (for one of two properties, part of the ownership) (total: ¥18,266 million) and the depreciation and amortization (¥4,153 million). Of the "Change during period" for the 30th fiscal period, the amount of the increase is primarily attributable to acquisition of three properties (total: ¥8,749 million) and capital expenditures (¥1,406 million). And the amount of the decrease is primarily attributable to the sale of one property (part of the ownership) (¥3,289 million) and the depreciation and amortization (¥4,042 million).
3. The "Fair value at end of period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association, Japan.

For the revenues and expenses concerning investment and rental properties, please refer to the aforementioned "10. OPERATING REVENUES AND EXPENSES."

16. TRANSACTIONS WITH RELATED PARTIES

1. Parent Company and Major Corporate Unitholders

(29th Fiscal Period: December 1, 2017 – May 31, 2018)

None

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

None

2. Subsidiaries and Affiliates

(29th Fiscal Period: December 1, 2017 – May 31, 2018)

None

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

None

3. Fellow Subsidiaries

(29th Fiscal Period: December 1, 2017 – May 31, 2018)

None

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

None

4. Directors and Major Individual Unitholders

(29th Fiscal Period: December 1, 2017 – May 31, 2018)

Attribute	Name	Description of Business or Occupation	Share of Voting Rights	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen)
Director and its close relatives	Ikuo Yoshida	Executive Officer of United Urban and President and CEO of Japan REIT Advisors Co., Ltd.	-	Payment of asset management fees to Japan REIT Advisors Co., Ltd. (Note 2)	¥ 2,160,620 (Note 3)	Account payable	177,336

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. The transaction was conducted by Ikuo Yoshida as representative of a third party (Japan REIT Advisors Co., Ltd. ("JRA")), and the fees are based on the conditions stipulated in the Articles of Incorporation of United Urban.
3. The asset management fees include the asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (¥132,800 thousand) and the asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (¥164,200 thousand).

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

Attribute	Name	Description of Business or Occupation	Share of Voting Rights	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen)
Director and its close relatives	Ikuo Yoshida	Executive Officer of United Urban and President and CEO of Japan REIT Advisors Co., Ltd.	-	Payment of asset management fees to Japan REIT Advisors Co., Ltd. (Note 2)	¥ 309,335	Account payable	-

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Ikuo Yoshida retired from the position of the President and CEO of JRA on June 18, 2018, and Norimasa Gaun assumed the office as the President and CEO of JRA on the same date. Accordingly, the fees of the transaction which was conducted by Ikuo Yoshida as representative of a third party (JRA) during the period from June 1, 2018 to June 30, 2018 including the term of office is stated, and the fees are based on the conditions stipulated in the Articles of Incorporation of United Urban.

17. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at May 31, 2018 and November 30, 2018 for the fiscal periods then ended are summarized as follows:

	Yen	
	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)
Net assets per unit	¥ 116,205	¥ 116,536
Net income per unit	¥ 3,919	¥ 3,858
Average number of investment units during the period (units)	3,055,087	3,055,087

18. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

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

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

(End of 30th Fiscal Period: As of November 30, 2018)

Reasons for provision and reversal	Amount of provision and reversal	Specific method for reversal
United Urban transferred the reserve for distribution, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016, and reversed the required amount in this system.	(Initial amount: ¥7,546,388,071) Reversal amount: ¥75,463,881	From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban will reverse more than 1% of the reserve balance at the time of provision (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution.
United Urban transferred a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended May 31, 2018 and the fiscal period ended November 30, 2018, respectively. As for the reserve for temporary difference adjustments reserved in the fiscal period ended	<ul style="list-style-type: none"> Fiscal period ended May 31, 2018 (Initial amount: ¥66,949,209) Reversal amount: ¥669,493 Fiscal period ended November 30, 2018 Provision amount: ¥76,099,699 	From the fiscal period ended November 30, 2018 and the fiscal period ending May 31, 2019, subsequent to the fiscal periods in which each reserve was allocated, United Urban will reverse more than 1% of the reserve balance at the time of provision (more than ¥669,493 for the provision of the fiscal period ended May 31, 2018 and more than ¥760,997 for the provision of the fiscal period ended November 30, 2018: amount equivalent to the averaged amount for

May 31, 2018, United Urban reversed the required amount in this system.		50 years) in each fiscal period to the extent the balance of reserve for temporary difference adjustments remains and use for cash distribution, respectively.
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19. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at May 31, 2018 and November 30, 2018 were as follows:

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Cash and bank deposits	¥ 49,665,335	¥ 49,652,711
Cash and cash equivalents	¥ 49,665,335	¥ 49,652,711

20. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2018 and November 30, 2018, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 29th Fiscal Period (As of May 31, 2018)	End of 30th Fiscal Period (As of November 30, 2018)
Due within one year	¥ 13,449,561	¥ 13,875,335
Due over one year	71,522,786	70,835,988
Total	¥ 84,972,347	¥ 84,711,323

21. SECURITIES

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

Concerning the preferred equity securities (Balance sheet amount: ¥144,337 thousand), measuring the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

(End of 30th Fiscal Period: As of November 30, 2018)

Concerning the preferred equity securities (Balance sheet amount: ¥93,905 thousand), measuring the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

22. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended May 31, 2018: None

Fiscal period ended November 30, 2018: None

2. Derivative transactions subject to hedge accounting

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

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 38,557,000	¥ 29,057,000	¥ (89,847)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	43,600,000	39,000,000	(Note 1)	-
Total			¥ 82,157,000	¥ 68,057,000	¥ (89,847)	

(End of 30th Fiscal Period: As of November 30, 2018)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 36,557,000	¥ 20,350,000	¥ (82,719)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	40,600,000	39,000,000	(Note 1)	-
Total			¥ 77,157,000	¥ 59,350,000	¥ (82,719)	

Notes: 1. Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.
2. The fair value is measured using values which are calculated based on market interest rates by the counterparty to the transaction.

23. SEGMENT INFORMATION

[Segment Information]

Disclosure is omitted because the business of United Urban is comprised of a single segment engaged in the real estate leasing business.

[Related Information]

(29th Fiscal Period: December 1, 2017 – May 31, 2018)

1. Information by product and service

Disclosure is omitted because the operating revenues for external customers in a single product/service category are excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

2. Information by region

(1) Operating revenues

Disclosure is omitted because the operating revenues for external customers in Japan are in excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan are in excess of 90% of property and equipment on Balance Sheet.

3. Information by major customers

(Thousands of yen)		
Name of customer	Operating revenues	Related segment
Undisclosed (Note)	¥ 5,561,261	Real estate leasing business

Note: The customer is a domestic corporation, but it is not disclosed as the customer's consent for disclosure of its name, etc. has not been obtained. The customer does not fall under the related parties.

(30th Fiscal Period: June 1, 2018 – November 30, 2018)

1. Information by product and service

Disclosure is omitted because the operating revenues for external customers in a single product/service category are excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

2. Information by region

(1) Operating revenues

Disclosure is omitted because the operating revenues for external customers in Japan are in excess of 90% of the operating revenues on Statement of Income and Retained Earnings.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan are in excess of 90% of property and equipment on Balance Sheet.

3. Information by major customers

Disclosure is omitted because the operating revenues for a single external customer are less than 10% of the operating revenues on Statement of Income and Retained Earnings.

24. UNAPPLIED ACCOUNTING STANDARD, etc.

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

(1) Overview

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

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

(2) Scheduled date of the application

United Urban will adopt the accounting standard, etc. from the beginning of the period ending November 30, 2021.

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

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

25. SUBSEQUENT EVENTS

None

Independent Auditor's Report

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at November 30, 2018, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at November 30, 2018, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

February 26, 2019

Corporate Data

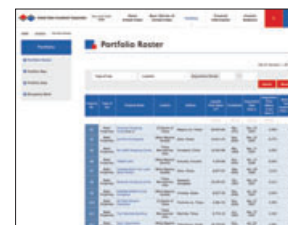
Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of November 30, 2018:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥309,205,625,251
Number of Unitholders:	20,408
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditor:	ERNST & YOUNG SHINNIHON LLC Tokyo Midtown Hibiya, Hibiya Mitsui Tower, 1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal periods are the six months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

About Our Website

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

United Urban’s website offers various contents such as investment policies, basic structure, portfolio information, financial information and press releases, etc. We intend to enhance our website to provide useful information to our unitholders.



Disclaimer

This semiannual report includes translation of certain documents originally filed and made available in Japan in accordance with Financial Instruments and Exchange Act of Japan and the Act on Investment Trusts and Investment Corporations of Japan. This English language semiannual report was prepared solely for the convenience of readers outside Japan and is not intended to constitute a statutory document for an offer to sell, or seeking an offer to buy, any securities of United Urban.

English terms for Japanese legal, accounting, tax, and business concepts used herein may not to be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and the English translation contained herein, the Japanese documents will always govern the meaning and interpretation.

United Urban, JRA, and any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors are not responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by United Urban, JRA or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors.

The financial statements of United Urban have been prepared in accordance with generally accepted accounting principles in Japan “Japanese GAAP” which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

This semiannual report contains forward-looking statements. These statements appear in a number of places in this semiannual report and include statements regarding the intent, belief, or current and future expectations of United Urban or JRA with respect to its business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating revenues, operating income, net income or profitability from portfolio are particularly subject to a variety of assumptions, some or all of which may not be realized. Accordingly, readers of this document should not interpret the forward-looking statements included herein as predictions or representations of future events or circumstances.

Potential risks and uncertainties also include those identified and discussed in this document. Given these risks and uncertainties, readers of this document are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of information produced herein. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revisions to any of the forward-looking statements contained in this document.



United Urban Investment Corporation

4-3-1 Toranomom, Minato-ku, Tokyo
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