

**SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED  
MAY 31, 2017 (December 1, 2016 – May 31, 2017)**

Name of issuer: United Urban Investment Corporation (United Urban)  
Listing: Tokyo Stock Exchange  
Securities code: 8960  
URL: <http://www.united-reit.co.jp/eng/>  
Representative: Hitoshi Murakami, Executive Officer  
Asset Management Company: Japan REIT Advisors Co., Ltd.  
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Scheduled date of filing of Securities Report: August 28, 2017  
Scheduled date for commencing dividend payments: August 14, 2017  
Supplementary Materials on Financial Results: Scheduled  
Financial Results Conference: Scheduled (for analysts and institutional investors (Japanese language only))

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

**1. Performance for the Fiscal Period Ended May 31, 2017 (December 1, 2016 – May 31, 2017)**

(1) Business Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2017	22,982	0.5	11,497	4.0	10,286	10.0	10,285	10.0
Fiscal period ended November 30, 2016	22,864	6.6	11,057	4.4	9,349	1.3	9,348	2.9

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended May 31, 2017	3,376	3.0	1.6	44.8
Fiscal period ended November 30, 2016	3,183	3.0	1.5	40.9

(2) Distributions

	Distributions per Unit (excluding excess of earnings)	Total Cash Distributions (excluding excess of earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended May 31, 2017	3,250	9,929	0	0	96.2	2.8
Fiscal period ended November 30, 2016	3,010	8,888	0	0	94.5	2.7

Notes: 1. "Payout Ratio" is rounded down to the nearest one decimal place.  
2. For both fiscal period, because a calculation of net income per unit was based on an average number of investment units during the period due to an issuance of new investment units and a portion of unappropriated retained earnings (Fiscal period ended November 30, 2016: ¥459 million, Fiscal period ended May 31, 2017: ¥431 million) was reserved as a reserve retained for distribution, there was a difference between cash distribution per unit and net income per unit. Moreover, for the fiscal period ended May 31, 2017, as a result of adding a reversal of reserve for temporary difference adjustments (¥75 million) to the net income, there was a difference between cash distribution per unit and net income per unit.

(3) Financial Position

	Total Assets	Total Unitholders' Equity (Net Asset)	Equity Ratio	Net Asset per Unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended May 31, 2017	675,885	351,801	52.1	115,152
Fiscal period ended November 30, 2016	648,105	333,592	51.5	112,966

## (4) Conditions of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2017	13,842	(33,364)	16,334	61,493
Fiscal period ended November 30, 2016	14,156	(22,022)	10,161	64,681

**2. Forecasts of Results for the Fiscal Period Ending November 30, 2017 (June 1, 2017 – November 30, 2017) and the Fiscal Period Ending May 31, 2018 (December 1, 2017 – May 31, 2018)**

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2017	23,856	3.8	11,320	(1.5)	10,160	(1.2)	10,159	(1.2)	3,350	0
Fiscal period ending May 31, 2018	23,773	(0.4)	11,489	1.5	10,312	1.5	10,312	1.5	3,400	0

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

Fiscal period ending November 30, 2017 ¥3,325      Fiscal period ending May 31, 2018 ¥3,375

Note: The resource for cash distributions for the fiscal period ending November 30, 2017 and May 31, 2018 is the result of adding a reversal of reserve for temporary difference adjustments (¥75 million) to the net income, respectively. Therefore, it differs from “net income” of each fiscal period.

**\*Other**

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

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

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

- Total number of investment units issued at the end of the fiscal period (including treasury investment units)
  - As of May 31, 2017: 3,055,087 units
  - As of November 30, 2016: 2,953,022 units
- Treasury investment units at the end of the fiscal period
  - As of May 31, 2017: None
  - As of November 30, 2016: None

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

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

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

Description of implementation status of audit procedure

- As of July 14, 2017, the audit procedure of the financial statements under the Financial Instruments and Exchange Act has not been completed.

Explanation for appropriate use of result forecasts and other special instructions

- Forward-looking statements contained in this material are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of the assumptions made, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017) and the Fiscal Period Ending May 31, 2018 (29th fiscal period: from December 1, 2017 to May 31, 2018)” below.

**DISCLAIMER**

This is an English-language translation of original Japanese document “the Brief Report on the Closing of Accounts” (*Kessan-Tanshin*) for the fiscal period ended May 31, 2017. This translation is provided for information purpose only and is not intended to constitute a statutory document for an offer to sell, or seeking an offer to buy, any securities of United Urban. United Urban makes no assurance or warranty with respect to the completeness or accuracy of this English translation; the Japanese versions of the *Kessan-Tanshin* should always be referred to as the originals of this document.

## 1. Related Corporations of Investment Corporation

### Structure of Investment Corporation

As there are no significant changes in “Structure of Investment Corporation” stated in the latest Securities Report (submitted on February 22, 2017), the disclosure is omitted.

## 2. Management Policies and Management Status

### (1) Management Policies

As there are no significant changes in “Investment Policies,” “Investment Targets,” “Distribution Policies” and “Investment Restriction” stated in the latest Securities Report (submitted on February 22, 2017), the disclosure is omitted.

### (2) Management Status

#### 1. Overview during the period

##### a. Investment environment and operation

##### (i) Investment environment

During the period, corporate performance remains strong due to the weakness of JPY after the US presidential elections and the good condition of exports derived from the recovery of global economy. And also, financing environment has been favorable.

In the real estate sales market, transaction prices have been staying high due to the favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of the retail industry have been stable overall although there have been increases and declines in some businesses. Therefore, the market for retail properties remains steady. As for office buildings, although oversupply of new office buildings is expected, the asking rents in the Tokyo metropolitan area and major cities throughout Japan have been increasing due to the increasing needs for company’s business expansion. As for hotels, the number of inbound tourists (Note) keeps on increasing trend, and the room occupancy ratio keeps high level and the management environment has been favorable. As for residential properties, rental properties have a steady demand as a necessity of life, and both the occupancy ratio and rent levels remains stable.

Note: “Inbound tourists” mean foreign tourists visiting Japan.

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

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

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

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

During the period, United Urban acquired the following five properties and the land adjacent to the existing property, “the b roppongi”.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A41	K's Denki Nagoya-kita	Store	Nishikasugai-gun, Aichi	1,750	December 1, 2016
B44	SS30	Office Hotel	Sendai, Miyagi	18,200	March 30, 2017
B45	LOOP-X・M	Office Apartment	Minato-ku, Tokyo	11,200	April 26, 2017
D28	Scent Hills	Apartment	Osaka, Osaka	1,300	December 1, 2016
E11	Shin-Narashino Logistics Center II	Warehouse	Narashino, Chiba	2,590	January 31, 2017
Total				35,040	

Name of Asset	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
the adjacent site to the b roppongi (Note 3) (land)	-	Minato-ku, Tokyo	140 (Note 3)	January 13, 2017 (Note 3)

On the other hand, United Urban sold Pacific Marks Shin-Urayasu.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
B15	Pacific Marks Shin-Urayasu	Office	Urayasu, Chiba	4,100	May 24, 2017

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements concerning the acquisition or sale of each property. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.
3. United Urban acquired the building with leasehold of the adjacent site to the b roppongi (acquisition price ¥460 million (of which, land: ¥140 million, building with leasehold: ¥320 million)) (the "Adjacent Site") on November 18, 2016, and acquired the land of the Adjacent Site on January 13, 2017, respectively. Because United Urban acquired the Adjacent Site in order to enable the construction of an extension of the b roppongi (the "Hotel") in the future, the Adjacent Site is considered to be attached to the Hotel and it is not recognized as one separate property. Therefore, the acquisition of the Adjacent Site was not counted as one acquisition, and the acquisition price and other information of the Adjacent Site are not included in United Urban's portfolio. The same shall apply hereinafter.

#### (iv) Portfolio overview

As a result of the acquisitions and sale of properties mentioned above (iii), United Urban held a total of 123 properties, comprising 36 retail properties, 35 office buildings, 1 retail-office complex, 13 hotels, 2 office-hotel complexes, 25 residential properties and 11 others, with an aggregate acquisition price of ¥621,559 million at the end of the 27th fiscal period (as of May 31, 2017). In addition, the total leasable floor space was 1,443,510.75 sq m. and the total numbers of tenants were 2,319.

United Urban has continued to focus on improving occupancy ratios during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 99.0% and 99.2%, and stood at 99.2% at the end of the 27th fiscal period (as of May 31, 2017).

#### b. Financing overview

During the period, in addition to the fund procurement through the 10th Public Offering, United Urban procured debt financing to support the payment for acquiring specified assets and the repayment of interest-bearing liabilities.

The status of interest-bearing liabilities at the end of the previous period and the end of the 27th fiscal period are as follows.

(Millions of yen)

	Balance at the end of the 26th Fiscal Period (As of November 30, 2016)	Balance at the end of the 27th Fiscal Period (As of May 31, 2017)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	223,907	245,357	21,450
Total of borrowings	223,907	245,357	21,450
Corporate bonds	53,500	40,500	(13,000)
Total of interest-bearing liabilities	277,407	285,857	8,450

In addition, as of the end of the 27th fiscal period, the amount of borrowings due for repayment within one year was ¥27,973 million, and the amount of the current portion of corporate bonds that is to become due for maturity within one year was ¥20,500 million.

Moreover, the details of ratings of United Urban as of June 30, 2017 are as follows.

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

#### c. Overview of financial results and distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥22,982 million (up by 0.5% from the previous period), profit from rental activities of ¥13,536 million (up by 14.8% from the previous period), operating income of ¥11,497 million (up by 4.0% from the previous period), ordinary income of ¥10,286 million (up by 10.0% from the previous period), and net income of ¥10,285 million (up by 10.0% from the previous period).

With regard to the cash distribution in the period, ¥431 million of the net income was set aside as a reserve retained for distribution in terms of the strategic portfolio management and the enhanced growth of the Investment Corporation from a medium- to long- term perspective. On the other hand, starting from the fiscal period under the review, United Urban reversed the reserve for temporary difference adjustments in accordance with partial amendments of “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, and decided to add the reversal amount of ¥75 million to cash distributions. As a result, United Urban decided to distribute ¥9,929 million, and cash distribution per unit was ¥3,250. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied even though the reserve retained for distribution is allocated as stated above, and the corporate tax is not imposed.

## 2. Outlook for the next fiscal period

### a. Outlook for overall operation

As for the real estate rental market in Japan, the stable rental revenue is expected due to the steady rents for office buildings and the prospect for high level room occupancy ratio of hotels. On the other hand, as for the real estate sales market, there is a sense of caution against the market overheating, but severe competition in property acquisitions and increase in real estate prices are also expected.

Under these circumstances, United Urban will take advantage of the knowledge and network of the sponsor, cooperate with tenants, and work on a new acquisition scheme in addition to its information channel of the asset management company for property acquisitions, and make efforts for property acquisition by utilizing the characteristics of a diversified J-REIT in consideration of profitability. As for asset management, United Urban aims to pursue internal growth through proactive portfolio management (Note) in addition to the existing efforts, and considers the reshuffle of properties in view of present real estate sales market.

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

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

## b. Outlook for management status

## (i) Material facts arising after the end of 27th fiscal period and other material events

## A. New committed line of credit agreement

United Urban concluded a new committed line of credit agreement on June 26, 2017, as set forth below.

## Outline of the new committed line of credit agreement

Participating financial institutions	: Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Maximum loan amount	: ¥24,000 million
Date of agreement	: June 26, 2017
Term of agreement	: From June 26, 2017 to June 26, 2018
Remarks	: Unsecured, unguaranteed

## B. Debt financing

United Urban procured debt financing of a total of ¥6,500 million on July 4, 2017 for the redemption of the corporate bonds (¥6,500 million) upon their maturity which is scheduled on July 5, 2017, set forth below.

Title	Lender	Amount of borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 67B	Mizuho Bank, Ltd.	3,000	0.42950%	July 4, 2017	December 20, 2024	Unsecured Unguaranteed
Term Loan 68B	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500	0.44000%		September 24, 2026	
Term Loan 69B	Sumitomo Mitsui Trust Bank, Limited	1,000	Basic interest rate (JBA one month JPY TIBOR) + 0.20%		June 20, 2022	
Term Loan 70B	Sumitomo Mitsui Banking Corporation	1,000	Basic interest rate (JBA one month JPY TIBOR) + 0.20%		June 21, 2021	
Total		6,500				

## C. Agendas to be proposed at the Ninth General Meeting of Unitholders of United Urban

The election of the Executive Officer, Substitute Executive Officer, two Supervisory Officers and Substitute Supervisory Officer and the amendments to the Articles of Incorporation will be proposed at the Ninth General Meeting of Unitholders of United Urban scheduled for August 28, 2017. The details of the amendments to the Articles of Incorporation are as follows:

- ① United Urban will amend the provision in order to clarify that of the total amount of cash distributions payable to unitholders, the amount of profits is identical with “profit” stipulated in Paragraph 1 of Article 136 of the Act on Investment Trusts and Investment Corporations of Japan.
- ② United Urban will amend wording or others to unify expressions.

## (ii) Outlook for management status

For the fiscal period ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017) and the fiscal period ending May 31, 2018 (29th fiscal period: from December 1, 2017 to May 31, 2018), the forecasts of financial results are estimated, as set forth below. For details of the assumptions for the forecasts, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017) and the Fiscal Period Ending May 31, 2018 (29th fiscal period: from December 1, 2017 to May 31, 2018)” below.

## Fiscal Period Ending November 30, 2017

Operating revenues:	¥23,856 million	Cash distributions per unit (Note 1):	¥3,350
Operating income:	¥11,320 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥10,160 million		
Net income (Note 1):	¥10,159 million		

## Fiscal Period Ending May 31, 2018

Operating revenues:	¥23,773 million	Cash distributions per unit: (Note 1)	¥3,400
Operating income:	¥11,489 million	Distributions in excess of earnings per unit:	¥0
Ordinary income:	¥10,312 million		
Net income (Note 1):	¥10,312 million		

- Notes: 1. The resource for cash distributions for the fiscal period ending November 30, 2017 and May 31, 2018 is the result of adding a reversal of reserve for temporary difference adjustments (¥75 million) to the net income, respectively. Therefore, it differs from “net income” of each fiscal period. In addition, the scheduled amount of the reversal is based on the total number of investment units issued and outstanding of 3,055,087 units as of the date hereof, and it is based on the assumption that there will be no additional issuance of investment units until May 31, 2018.
2. The above-listed forward-looking statements are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, cash distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, the forward-looking statements are not guarantees of the payment amount of any cash distributions by United Urban.



Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2017  
(28th fiscal period: from June 1, 2017 to November 30, 2017) and the Fiscal Period Ending May 31, 2018  
(29th fiscal period: from December 1, 2017 to May 31, 2018)

Item	Assumptions																		
Terms	<ul style="list-style-type: none"> <li>Fiscal period ending November 30, 2017 (28th fiscal period: from June 1, 2017 to November 30, 2017) (183 days)</li> <li>Fiscal period ending May 31, 2018 (29th fiscal period: from December 1, 2017 to May 31, 2018) (182 days)</li> </ul>																		
Investment Assets	<ul style="list-style-type: none"> <li>The forecasts of financial results are based on a portfolio of 123 properties (Note) owned by United Urban as of the date hereof and the acquisition of one asset, "Preferred Equity Securities of Tenjin 123 Project TMK". <ul style="list-style-type: none"> <li>Note: Other than the abovementioned 123 properties, United Urban owns the Adjacent Site. United Urban has acquired the Adjacent Site in order to enable the construction of an extension of the Hotel in the future. Therefore, the Adjacent Site is considered to be attached to the Hotel, and is not recognized an independent property.</li> <li>As the extension of the Hotel is a policy as of the date hereof, there is no fact that United Urban has decided to the extension of the Hotel. Therefore, United Urban does not expect any fluctuations of revenues and expenses caused by the extension of the Hotel. For details of the Adjacent Site, please refer to the press release "Notice Concerning Acquisition of Property (the adjacent site to the b roppongi)" dated November 16, 2016.</li> </ul> </li> <li>The forecasts are also based on the assumption that there will be no change of properties (acquisition of new property or sale of existing property, etc.) until May 31, 2018 (the end of the 29th fiscal period). However, the forecasts may be changed by the change of properties in actually.</li> </ul>																		
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The forecasts are based on 3,055,087 units issued and outstanding as of the date hereof.</li> <li>The forecasts are also based on the assumption that there will be no additional issuance of investment units until May 31, 2018 (the end of the 29th fiscal period).</li> </ul>																		
Operating Revenues	<ul style="list-style-type: none"> <li>Operating revenues from rental revenues, which are the principal component of the operating revenues, are calculated based on lease agreements in effect as of the date hereof by taking into account a certain effect of tenants' move-in and departures for the expected rent and estimated occupancy ratio in the future, while taking into consideration the existence of neighboring competitive properties, market trends, status of negotiation for the lease terms with each tenant, and other conditions.</li> <li>Based on the above assumptions, United Urban anticipates the major items of the operating revenues from rental revenues, as set forth below. <table border="1" data-bbox="491 1265 1380 1438"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2017</th> <th>Fiscal period ending May 31, 2018</th> </tr> </thead> <tbody> <tr> <td>Rental revenues (including common area charges)</td> <td>¥21,477 million</td> <td>¥21,545 million</td> </tr> <tr> <td>Parking revenues</td> <td>¥655 million</td> <td>¥655 million</td> </tr> <tr> <td>Utility revenues (electricity, water, gas, etc.) from tenants</td> <td>¥1,439 million</td> <td>¥1,306 million</td> </tr> </tbody> </table> </li> <li>The property-related revenues are based on the assumption that there will be no delinquencies or nonpayment of rent by the tenants.</li> <li>United Urban does not expect to receive any dividend income from the "Preferred Equity Securities of Tenjin 123 Project TMK" in any fiscal periods.</li> </ul>	Major Item	Fiscal period ending November 30, 2017	Fiscal period ending May 31, 2018	Rental revenues (including common area charges)	¥21,477 million	¥21,545 million	Parking revenues	¥655 million	¥655 million	Utility revenues (electricity, water, gas, etc.) from tenants	¥1,439 million	¥1,306 million						
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Operating Expenses	<ul style="list-style-type: none"> <li>Of the property-related expenses, which are the principal component of the operating expenses, expenses other than depreciation and amortization are calculated based on historical data for the properties and reflect factors that may cause fluctuations in expenses.</li> <li>United Urban anticipates each major item of the property-related expenses as set forth below. <table border="1" data-bbox="491 1720 1380 1960"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2017</th> <th>Fiscal period ending May 31, 2018</th> </tr> </thead> <tbody> <tr> <td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td>¥1,720 million</td> <td>¥1,719 million</td> </tr> <tr> <td>Property management fees</td> <td>¥1,745 million</td> <td>¥1,713 million</td> </tr> <tr> <td>Utilities</td> <td>¥1,489 million</td> <td>¥1,396 million</td> </tr> <tr> <td>Repairs and maintenance (Note 2)</td> <td>¥807 million</td> <td>¥701 million</td> </tr> <tr> <td>Depreciation and amortization (Note 3)</td> <td>¥4,111 million</td> <td>¥4,163 million</td> </tr> </tbody> </table> </li> </ul> <p>Notes: 1. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period starting from the time United Urban acquires the assets. However, United Urban does not allocate such reimbursement as its expenses, because an amount equivalent to such reimbursement is included in the cost of acquisition and is capitalized.</p>	Major Item	Fiscal period ending November 30, 2017	Fiscal period ending May 31, 2018	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥1,720 million	¥1,719 million	Property management fees	¥1,745 million	¥1,713 million	Utilities	¥1,489 million	¥1,396 million	Repairs and maintenance (Note 2)	¥807 million	¥701 million	Depreciation and amortization (Note 3)	¥4,111 million	¥4,163 million
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Repairs and maintenance (Note 2)	¥807 million	¥701 million																	
Depreciation and amortization (Note 3)	¥4,111 million	¥4,163 million																	

<p>Operating Expenses</p>	<p>2. Actual repairs and maintenance for each fiscal period may differ significantly from the forecasted amount for various reasons, including the possibility of emergency repairs and maintenance due to damage to buildings owing to unexpected factors, the large variance in amounts among fiscal years and the fact that these amounts do not accrue on a regular basis.</p> <p>3. Depreciation and amortization is calculated on a straight-line basis, inclusive of ancillary expenses and future capital expenditures.</p> <ul style="list-style-type: none"> <li>Other operating expenses, such as asset management fees are calculated based on the track record with consideration of factors that may cause fluctuations in expenses.</li> </ul>																						
<p>Non-Operating Expenses</p>	<ul style="list-style-type: none"> <li>United Urban anticipates the non-operating expenses per major item, as set forth below.</li> </ul> <table border="1" data-bbox="491 465 1412 555"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2017</th> <th>Fiscal period ending May 31, 2018</th> </tr> </thead> <tbody> <tr> <td>Interest expenses for interest-bearing liabilities (Note)</td> <td>¥1,149 million</td> <td>¥1,144 million</td> </tr> </tbody> </table> <p>Note: Including financing-related expenses and interest expenses on corporate bonds, etc.</p>	Major Item	Fiscal period ending November 30, 2017	Fiscal period ending May 31, 2018	Interest expenses for interest-bearing liabilities (Note)	¥1,149 million	¥1,144 million																
Major Item	Fiscal period ending November 30, 2017	Fiscal period ending May 31, 2018																					
Interest expenses for interest-bearing liabilities (Note)	¥1,149 million	¥1,144 million																					
<p>Interest-bearing Liabilities</p>	<ul style="list-style-type: none"> <li>The total balance of interest-bearing liabilities as of the date hereof is ¥276,007 million, of which ¥242,007 million are borrowings and ¥34,000 million are corporate bonds.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending November 30, 2017 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="491 741 1412 869"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>September 20, 2017</td> <td>Borrowing: ¥4,400 million</td> <td>United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2017 is to be ¥276,007 million after the above-mentioned new borrowings and refinancing of interest-bearing liabilities, etc. are made.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending May 31, 2018 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="491 1055 1412 1339"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>December 12, 2017</td> <td>Corporate bond: ¥4,000 million</td> <td>United Urban will newly obtain borrowing(s) from lender(s) to redeem in full.</td> </tr> <tr> <td rowspan="4">March 20, 2018</td> <td>Borrowing: ¥3,000 million</td> <td rowspan="4">United Urban will newly obtain borrowing(s) from lender(s) and use cash on hand to repay the borrowings in full.</td> </tr> <tr> <td>Borrowing: ¥2,200 million</td> </tr> <tr> <td>Borrowing: ¥3,000 million</td> </tr> <tr> <td>Borrowing: ¥3,823 million</td> </tr> <tr> <td rowspan="2">May 30, 2018</td> <td>Corporate bond: ¥8,000 million</td> <td rowspan="2">United Urban will newly obtain borrowing(s) from lender(s) to redeem in full.</td> </tr> <tr> <td>Corporate bond: ¥2,000 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that the total balance of interest-bearing liabilities at the end of the fiscal period ending May 31, 2018 is to be ¥275,884 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made.</li> </ul>	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	September 20, 2017	Borrowing: ¥4,400 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	December 12, 2017	Corporate bond: ¥4,000 million	United Urban will newly obtain borrowing(s) from lender(s) to redeem in full.	March 20, 2018	Borrowing: ¥3,000 million	United Urban will newly obtain borrowing(s) from lender(s) and use cash on hand to repay the borrowings in full.	Borrowing: ¥2,200 million	Borrowing: ¥3,000 million	Borrowing: ¥3,823 million	May 30, 2018	Corporate bond: ¥8,000 million	United Urban will newly obtain borrowing(s) from lender(s) to redeem in full.	Corporate bond: ¥2,000 million
Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment																					
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	Corporate bond: ¥2,000 million																						
<p>Cash Distributions per Unit</p>	<ul style="list-style-type: none"> <li>Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</li> <li>The total number of investment units issued and outstanding as of the end of the fiscal period which are used to calculate the cash distribution per unit are based on the assumption given in the “Total Number of Investment Units Issued and Outstanding” column above.</li> <li>Cash distributions for the fiscal period ending November 30, 2017 are based on the total distribution amount of ¥10,235 million, which is the result of adding a reversal of reserve for temporary difference adjustments of ¥75 million to the unappropriated retained earnings of ¥10,159 million.</li> <li>Cash distributions for the fiscal period ending May 31, 2018 are based on the total distribution amount of ¥10,387 million, which is the result of adding a reversal of reserve for temporary difference adjustments of ¥75 million to the unappropriated retained earnings of ¥10,312 million.</li> <li>Actual cash distributions per unit may fluctuate due to various factors including changes in investment assets, fluctuations of rental revenues caused by tenant replacements or unexpected repairs.</li> </ul>																						
<p>Distributions in Excess of Earnings per Unit</p>	<ul style="list-style-type: none"> <li>United Urban does not currently plan to execute distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>																						

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Other	<ul style="list-style-type: none"><li>· Forecasts are based on the assumption that there will be no amendments to laws and regulations, taxation systems, accounting standards, listing rules or regulations of the Investment Trusts Association, Japan, which may affect the aforementioned forecasted figures.</li><li>· Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.</li></ul>
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### 3. Financial Statement

#### (1) Balance Sheet

		(Thousands of yen)	
		End of 26th Fiscal Period (as of November 30, 2016)	End of 27th Fiscal Period (as of May 31, 2017)
<b>ASSETS</b>			
Current Assets			
Cash and bank deposit		36,132,706	30,304,439
Cash and bank deposit in trust		28,548,687	31,189,067
Rent receivables		477,850	575,557
Prepaid expenses		142,275	647,051
Other		240,897	77,060
Total Current Assets		<u>65,542,417</u>	<u>62,793,176</u>
Fixed Assets			
Property and equipment, at cost			
Buildings	*1	20,503,375	20,526,274
Less accumulated depreciation		(5,043,000)	(5,357,488)
Buildings, net		<u>15,460,375</u>	<u>15,168,786</u>
Structures	*1	159,989	159,989
Less accumulated depreciation		(125,488)	(129,019)
Structures, net		<u>34,500</u>	<u>30,969</u>
Machinery and equipment		285,562	285,562
Less accumulated depreciation		(147,136)	(156,913)
Machinery and equipment, net		<u>138,426</u>	<u>128,649</u>
Tools, furniture and fixtures		44,246	47,575
Less accumulated depreciation		(20,111)	(23,527)
Tools, furniture and fixtures, net		<u>24,134</u>	<u>24,048</u>
Land	*1	46,078,276	46,562,941
Construction in progress		387,231	10,876
Buildings in trust	*1*3	227,198,604	236,707,004
Less accumulated depreciation		(45,451,437)	(48,379,894)
Buildings in trust, net		<u>181,747,167</u>	<u>188,327,109</u>
Structures in trust	*1	1,951,647	2,071,672
Less accumulated depreciation		(949,156)	(1,002,046)
Structures in trust, net		<u>1,002,490</u>	<u>1,069,626</u>
Machinery and equipment in trust		2,043,057	2,184,479
Less accumulated depreciation		(909,834)	(993,535)
Machinery and equipment in trust, net		<u>1,133,223</u>	<u>1,190,944</u>
Tools, furniture and fixtures in trust	*1	647,587	687,962
Less accumulated depreciation		(251,250)	(286,678)
Tools, furniture and fixtures in trust, net		<u>396,336</u>	<u>401,284</u>
Land in trust	*1	324,604,174	348,491,831
Construction in progress in trust		52,299	84,777
Total property and equipment		<u>571,058,636</u>	<u>601,491,846</u>
Intangible assets			
Software		40,516	42,283
Leasehold rights		1,149,355	1,149,355
Leasehold rights in trust		8,171,352	8,171,352
Other intangible assets in trust		192,443	185,779
Total intangible assets		<u>9,553,667</u>	<u>9,548,770</u>
Investments and other assets			
Investment securities		93,905	93,905
Security deposits paid		10,000	10,000
Security deposits paid in trust		80,432	80,222
Long-term prepaid expenses		1,766,210	1,867,998
Total investments and other assets		<u>1,950,548</u>	<u>2,052,126</u>
Total Fixed Assets		<u>582,562,852</u>	<u>613,092,743</u>
<b>TOTAL ASSETS</b>		<u>648,105,270</u>	<u>675,885,920</u>

	(Thousands of yen)	
	End of 26th Fiscal Period (as of November 30, 2016)	End of 27th Fiscal Period (as of May 31, 2017)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	2,129,360	1,739,896
Current portion of corporate bonds	19,500,000	20,500,000
Long-term debt due for repayment within one year	33,700,000	27,973,000
Accrued expenses	410,407	327,212
Distributions payable	16,109	14,514
Income taxes payable	605	510
Consumption taxes payable	185,435	202,414
Rent received in advance	354,653	355,930
Rent received in advance in trust	2,954,827	3,317,289
Deposits received	3,605	4,298
Deposits received in trust	80,551	126,940
Derivatives liabilities	5,262	14,403
Other	139,831	18,052
Total Current Liabilities	<u>59,480,650</u>	<u>54,594,463</u>
Long-term Liabilities		
Corporate bonds	34,000,000	20,000,000
Long-term debt	190,207,000	217,384,000
Leasehold and security deposits received *1	3,192,547	3,161,823
Leasehold and security deposits received in trust *1	27,418,378	28,757,461
Derivatives liabilities	214,269	186,949
Total Long-term Liabilities	<u>255,032,194</u>	<u>269,490,233</u>
Total Liabilities	<u>314,512,844</u>	<u>324,084,697</u>
<b>NET ASSETS</b>		
Unitholders' Equity		
Unitholders' capital	292,411,850	309,205,625
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for distribution	7,546,388	-
Reserve for temporary difference adjustments *4	-	7,546,388
Reserve retained for distribution	956,862	1,416,835
Total voluntary retained earnings	<u>8,503,250</u>	<u>8,963,223</u>
Unappropriated retained earnings (unappropriated deficit)	9,348,568	10,285,440
Total surplus	<u>41,400,106</u>	<u>42,796,951</u>
Total Unitholders' Equity	<u>333,811,956</u>	<u>352,002,576</u>
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(219,531)	(201,353)
Total Valuation and Translation Adjustment	<u>(219,531)</u>	<u>(201,353)</u>
Total Net Assets *5	<u>333,592,425</u>	<u>351,801,223</u>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<u>648,105,270</u>	<u>675,885,920</u>

## (2) Statement of Income and Retained Earnings

		(Thousands of yen)	
		26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Operating Revenues			
Rental revenues	*1	20,046,270	21,592,214
Other rental revenues	*1	1,455,647	1,327,053
Gain on sales of real estates	*2	1,363,047	63,084
Total Operating Revenues		22,864,965	22,982,353
Operating Expenses			
Property-related expenses	*1	9,706,927	9,382,608
Asset management fees		1,752,072	1,801,332
Asset custodian fees		18,285	18,587
Administrative service fees		67,897	69,301
Directors' compensation		10,200	10,200
Other operating expenses		251,631	202,798
Total Operating Expenses		11,807,014	11,484,827
Operating Income		11,057,950	11,497,526
Non-operating Revenues			
Interest income		379	614
Reversal of cash distributions payable		3,103	2,387
Insurance income		1,035	612
Subsidy income		-	2,398
Interest on refund		498	-
Compensation income		-	31,781
Other		2,300	940
Total Non-operating Revenues		7,317	38,734
Non-operating Expenses			
Interest expenses		1,051,639	1,035,868
Interest expenses on corporate bonds		192,159	134,833
Investment unit issuance expenses		103,867	21,767
Loss on disposal of real estate		349,808	52,310
Other		18,619	5,436
Total Non-operating Expenses		1,716,094	1,250,215
Ordinary Income		9,349,173	10,286,045
Income before Income Taxes		9,349,173	10,286,045
Income Taxes - current		605	605
Total Income Taxes		605	605
Net Income		9,348,568	10,285,440
Retained Earnings Brought Forward		-	-
Unappropriated Retained Earnings (unappropriated deficit)		9,348,568	10,285,440

### (3) Statements of Unitholders' Equity

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

(Thousands of yen)

	Unitholders' Equity						
	Unitholders' Capital	Surplus					Unappropriated Retained Earnings
		Capital Surplus	Voluntary Retained Earnings			Total Voluntary Retained Earnings	
			Reserve for Distribution	Reserve Retained for Distribution			
Balance at the beginning of current period	258,160,260	23,548,287	7,546,388	121,898	7,668,286	9,089,092	
Changes of items during the period							
Issuance of new investment units	34,251,589				-		
Provision of reserve retained for distribution				834,964	834,964	(834,964)	
Cash distribution disbursed					-	(8,254,128)	
Net income					-	9,348,568	
Net changes during the period except for items under unitholders' equity					-		
Total changes of items during the period	34,251,589	-	-	834,964	834,964	259,476	
Balance at the end of current period	*292,411,850	23,548,287	7,546,388	956,862	8,503,250	9,348,568	

	Unitholders' Equity		Valuation and Translation Adjustment		Total Net Assets
	Surplus	Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
	Total Surplus				
Balance at the beginning of current period	40,305,666	298,465,926	(456,015)	(456,015)	298,009,911
Changes of items during the period					
Issuance of new investment units	-	34,251,589		-	34,251,589
Provision of reserve retained for distribution	-	-		-	-
Cash distribution disbursed	(8,254,128)	(8,254,128)		-	(8,254,128)
Net income	9,348,568	9,348,568		-	9,348,568
Net changes during the period except for items under unitholders' equity	-	-	236,484	236,484	236,484
Total changes of items during the period	1,094,440	35,346,030	236,484	236,484	35,582,514
Balance at the end of current period	41,400,106	333,811,956	(219,531)	(219,531)	333,592,425

27th Fiscal Period (From December 1, 2016 to May 31, 2017)

(Thousands of yen)

	Unitholders' Equity						
	Unitholders' Capital	Surplus					Total Voluntary Retained Earnings
		Capital Surplus	Voluntary Retained Earnings			Total Voluntary Retained Earnings	
			Reserve for Distribution	Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution		
Balance at the beginning of current period	292,411,850	23,548,287	7,546,388	-	956,862	8,503,250	
Changes of items during the period							
Issuance of new investment units	16,793,755					-	
Reversal of reserve for distribution			(7,546,388)			(7,546,388)	
Provision of reserve for temporary difference adjustments				7,546,388		7,546,388	

Provision of reserve retained for distribution					459,972	459,972
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	16,793,775	-	(7,546,388)	7,546,388	459,972	459,972
Balance at the end of current period	* 309,205,625	23,548,287	-	7,546,388	1,416,835	8,963,223

	Unitholders's Equity			Valuation and Translation Adjustment		Total Net Assets
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
	Unappropriated Retained Earnings	Total Surplus				
Balance at the beginning of current period	9,348,568	41,400,106	333,811,956	(219,531)	(219,531)	333,592,425
Changes of items during the period						
Issuance of new investment units		-	16,793,775		-	16,793,775
Reversal of reserve for distribution		(7,546,388)	(7,546,388)		-	(7,546,388)
Provision of reserve for temporary difference adjustments		7,546,388	7,546,388		-	7,546,388
Provision of reserve retained for distribution	(459,972)	-	-		-	-
Cash distribution disbursed	(8,888,596)	(8,888,596)	(8,888,596)		-	(8,888,596)
Net income	10,285,440	10,285,440	10,285,440		-	10,285,440
Net changes during the period except for items under unitholders' equity		-	-	18,178	18,178	18,178
Total changes of items during the period	936,871	1,396,844	18,190,619	18,178	18,178	18,208,797
Balance at the end of current period	10,285,440	42,796,951	352,002,576	(201,353)	(201,353)	351,801,223



## (4) Statements of Cash Distribution

	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
I. Unappropriated retained earnings	¥ 9,348,568,757	¥ 10,285,440,600
II. Reversal of reserve for distribution *	¥ 7,546,388,071	-
III. Reversal of voluntary retained earnings Reversal of reserve for temporary difference adjustments *	-	¥ 75,463,881
IV. Cash distributions (Cash distribution per unit)	¥ 8,888,596,220 (¥ 3,010)	¥ 9,929,032,750 (¥ 3,250)
V. Voluntary retained earnings Provision of reserve for temporary difference adjustments *	¥ 7,546,388,071	-
Provision of reserve retained for distribution	¥ 459,972,537	¥ 431,871,731
VI. Retained earnings carried forward to the next period	-	-

Calculation method for cash distribution	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban reserved ¥459,972,537 as reserve retained for distribution from the unappropriated retained earnings of ¥9,348,568,757. Then, United Urban decided to distribute the remaining ¥8,888,596,220 for the 26th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463,881 to the unappropriated retained earnings of ¥10,285,440,600, and reserved ¥431,871,731 as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥9,929,032,750 for the 27th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>
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## (5) Statements of Cash Flows

	(Thousands of yen)	
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Cash flows from operating activities		
Income before income taxes	9,349,173	10,286,045
Depreciation and amortization	3,884,710	3,991,339
Gain on sale of properties	(1,363,047)	(63,084)
Interest income and interest on securities	(379)	(614)
Interest expense and interest expense on corporate bonds	1,243,798	1,170,701
Investment unit issuance expenses	103,867	21,767
Loss on disposal of real estate	349,808	52,310
Decrease (increase) in rent receivables	(42,546)	(97,706)
Decrease (increase) in consumption taxes refundable	458,901	-
Decrease (increase) in prepaid expenses	465,379	(513,086)
Decrease (increase) in long-term prepaid expenses	24,195	18,428
Increase (decrease) in trade accounts payable	610,455	(198,345)
Increase (decrease) in accrued expenses	(114,764)	(51,609)
Increase (decrease) in consumption taxes payable	203,237	23,197
Increase (decrease) in rent received in advance	(4,178)	1,276
Increase (decrease) in rent received in advance in trust	245,295	354,810
Increase (decrease) in deposits received	1,039	692
Increase (decrease) in deposits received in trust	(121,606)	46,389
Amortization of leasehold and security deposits received	(22,242)	(31,767)
Amortization of leasehold and security deposits received in trust	(110,824)	(27,936)
Other	32,146	173,503
Subtotal	15,192,418	15,156,311
Interest received	379	614
Interest paid	(1,035,676)	(1,314,194)
Income taxes (paid) refund	(249)	(640)
Net cash provided by (used in) operating activities	14,156,872	13,842,090
Cash flows from investing activities		
Sale of property and equipment in trust	4,151,061	3,769,573
Purchase of property and equipment	(346,211)	(228,529)
Purchase of intangible assets	(5,913)	-
Purchase of property and equipment in trust	(25,862,919)	(38,433,299)
Purchase of intangible assets in trust	(4,625)	(5,128)
Purchase of investment securities	(18,995)	(158)
Proceeds from collection of leasehold and security deposits in trust	-	210
Payment for leasehold and security deposits in trust	(40)	-
Proceeds from leasehold and security deposits received	24,090	33,748
Payment of leasehold and security deposits received	(37,624)	(32,705)
Proceeds from leasehold and security deposits received in trust	1,106,829	2,134,213
Payment of leasehold and security deposits received in trust	(1,028,087)	(602,105)
Net cash provided by (used in) investing activities	(22,022,435)	(33,364,181)
Cash flows from financing activities		
Proceeds from long-term debt	-	40,900,000
Repayment of long-term debt	(5,750,000)	(19,450,000)
Repayment of corporate bonds	(10,000,000)	(13,000,000)
Proceeds from issuance of investment units	34,164,755	16,772,007
Distributions to unitholders	(8,253,200)	(8,887,803)
Net cash provided by (used in) financing activities	10,161,555	16,334,204
Net changes in cash and cash equivalents	2,295,991	(3,187,886)
Cash and cash equivalents at the beginning of the period	62,385,401	64,681,393
Cash and cash equivalents at the end of the period	64,681,393	61,493,507

## (6) Notes to Assumption of Going Concern

Not applicable

## (7) Notes to Important Accounting Policies

1.	Valuation bases and methods of marketable securities	Other securities Other securities without market value are stated using the moving average cost method.
2.	Depreciation and amortization methods of fixed assets	(1) Property and equipment (including trust assets) Depreciation of property and equipment is calculated on a straight-line basis. The estimated useful lives of the respective assets are as follows: Building: 2-70 years Structure: 2-46 years Machinery and equipment: 2-24 years Tools, furniture and fixtures: 3-15 years (2) Intangible assets (including trust assets) Depreciation of intangible assets is calculated on a straight-line basis. In addition, depreciation of the software for internal use is calculated using an estimated useful life of 5 years. (3) Long-term prepaid expenses Depreciation of long-term prepaid expenses is calculated on a straight-line basis.
3.	Accounting method of differed assets	Investment unit issuance expenses Investment unit issuance expenses are expensed at once at the time of payment.
4.	Revenues and expenses recognition	Accounting method for taxes on property and equipment United Urban allocated the respective portion of property taxes, city planning taxes, depreciable property tax and other taxes for real estate assets held allocated to the current period and charged this to property-related expenses. The amount equivalent to the property taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year is not recorded as expenses but included in the purchase price of each property as a capitalized cost. There was ¥262,742 thousand of such property taxes which were capitalized for the current fiscal period.
5.	Hedge accounting	(1) Hedge accounting method The differed hedge accounting is adopted. (2) Hedging instrument and hedged item Hedging instrument: Interest rate cap transaction / Interest rate swap transaction Hedged item: Interest rate on debts (3) Hedging policy Based on its financial policy, United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation. (4) Evaluation method of the effectiveness of hedging The effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.
6.	Scope of cash and cash equivalents in the statements of cash flows	Cash in the statements of cash flows (cash and cash equivalents) consist of cash on hand, cash held in trust, deposits and deposits in trust which can be withdrawn at any time, and short-term investments which are readily convertible to cash with only an insignificant risk of any price fluctuation and with original maturities of three months or less.
7.	Important matters as the basis for preparation of the financial statements	(1) Accounting treatment for trust beneficial interests in entrusted assets including real estate For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts. In addition, the following significant accounts of assets held in trust which are recorded in the relevant accounts are reported separately in the balance sheet. 1) Cash and bank deposit in trust 2) Buildings in trust, Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust, and Construction in progress in trust 3) Leasehold rights in trust and Other intangible assets in trust

		4) Security deposits paid in trust 5) Rent received in advance in trust 6) Deposits received in trust 7) Leasehold and security deposits received in trust (2) Accounting method for consumption taxes The consumption tax and local consumption tax are accounted for using the tax exclusion method. However, non-deductible consumption taxes on fixed assets are included in the purchase price of each property as a capitalized cost.
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## (8) Notes to Financial Statements

[Notes to Balance Sheet]

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

Pledged assets were as follows:

	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Buildings	1,676,098	1,636,283
Structures	1,061	1,061
Land	2,089,982	2,089,982
Buildings in trust	2,050,016	2,035,638
Structures in trust	16,212	15,726
Tools, furniture and fixtures in trust	3,102	2,813
Land in trust	2,114,743	2,114,743
<b>Total</b>	<b>7,951,218</b>	<b>7,896,249</b>

Debt secured by pledged assets were as follows:

	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Leasehold security deposits received	408,171	408,171
Leasehold security deposits received in trust	719,708	612,441
<b>Total</b>	<b>1,127,880</b>	<b>1,020,613</b>

### 2. Line-of-credit agreement

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

	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Total amount of commitment	36,000,000	36,000,000
Outstanding borrowings at end of the period	-	-
<b>Net balance</b>	<b>36,000,000</b>	<b>36,000,000</b>

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

	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Buildings in trust	-	124,062

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

End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)	
-	-	Reserve for distribution (Note)
		(Thousands of yen)
		Initial amount : 7,546,388
		Balance at the beginning of the period : -
		Addition to the reserve during the period : 7,546,388
		Reversal during the period : -
		Balance at the end of the period : 7,546,388

Reasons for provision and reversal :  
Application of transitional measures stipulated in Paragraph 3 of Supplementary Provisions of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015)

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

\*5. Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan

	(Thousands of yen)	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
	50,000	50,000

[Notes to the Statement of Income]

\*1. Operating revenues and expenses

	(Thousands of yen)			
	26th Fiscal Period (June 1, 2016- November 30, 2016)		27th Fiscal Period (December 1, 2016- May 31, 2017)	
<b>A. Operating revenues</b>				
Rental revenues				
Rental revenues	17,915,183		19,327,534	
Common area charges	1,458,007		1,528,272	
Parking revenues	545,392		602,085	
Other revenues (Note 1)	127,687	20,046,270	134,323	21,592,214
Other rental revenues				
Incidental revenues (Note 2)	1,244,992		1,164,529	
Temporary revenues	118,990		69,783	
Other miscellaneous revenues	91,664	1,455,647	92,741	1,327,053
<b>Total operating revenues</b>		<b>21,501,917</b>		<b>22,919,268</b>
<b>B. Property-related expenses</b>				
Rental expenses				
Property and other taxes	1,650,830		1,646,868	
Property management fees	1,514,788		1,540,377	
Utilities	1,187,420		1,138,142	
Casualty insurance	27,067		28,250	
Repairs and maintenance (Note 3)	1,048,051		657,404	
Depreciation and amortization	3,884,710		3,991,339	
Other rental expenses	394,058		380,225	
<b>Total rental expenses</b>		<b>9,706,927</b>		<b>9,382,608</b>
<b>C. Profit from rental activities (A-B)</b>		<b>11,794,990</b>		<b>13,536,660</b>

Notes: 1 The consistent revenues other than rental revenues, common area charges and parking revenues are stated.

2 The utilities revenues that come from tenants in proportion to the amount used are stated.

3 The repair expense and repair and maintenance reserve are stated.

\*2. Gain on Sale of Properties

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

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

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

27th Fiscal Period (From December 1, 2016 to May 31, 2017)

Pacific Marks Shin-Urayasu		(Thousands of yen)
Revenue from sale of property	4,100,000	
Cost of sale of property	3,863,925	
Other sales expenses	172,989	
Gain on sale of properties		63,084

[Notes to Statements of Changes in Unitholders' Equity]

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

	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,953,022 units	3,055,087 units

[Notes to Statements of Cash Distribution]

\* Reserve for temporary difference adjustments

End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
<p>United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution". From the fiscal period subsequent to the fiscal period in which the reserve for temporary difference adjustments was allocated, United Urban will distribute to unitholders at least 1% of the balance of reserve for temporary difference adjustments (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.</p>	<p>United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016. From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban will distribute to unitholders 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. United Urban reversed ¥75,463,881 for the fiscal period ended May 31, 2017</p>

## [Notes to Tax Effect Accounting]

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

	(Thousands of yen)	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Deferred tax assets (current)		
Difference in revenue recognition for tax purposes	17,995	17,887
Other	-	6
Subtotal	17,995	17,894
Valuation allowance	(17,995)	(17,894)
Total	-	-
Deferred tax assets (non current)		
Valuation difference on assets acquired by merger	20,039,828	19,834,502
Subtotal	20,039,828	19,834,502
Valuation allowance	(20,039,828)	(19,834,502)
Total	-	-
Total deferred tax assets	-	-

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

	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Statutory tax rate	31.74%	31.74%
(Adjustment)		
Distributions of tax-deductible dividends	(28.65)%	(29.73)%
Changes in valuation allowance	(3.09)%	(2.01)%
Other	0.01%	0.01%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

## [Notes to Real Estate Assets for Rent]

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

		(Thousands of yen)	
Type of Use		26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	189,458,136	202,170,895
	Change during the period (Note 2)	12,712,758	847,603
	Balance at the end of the period	202,170,895	203,018,498
	Fair value at the end of the period (Note 3)	230,844,000	232,334,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	189,422,587	187,649,474
	Change during the period (Note 2)	(1,773,112)	19,597,731
	Balance at the end of the period	187,649,474	207,247,205
	Fair value at the end of the period (Note 3)	220,366,000	242,980,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	107,642,603	105,844,888
	Change during the period (Note 2)	(1,797,714)	6,628,871
	Balance at the end of the period	105,844,888	112,473,760
	Fair value at the end of the period (Note 3)	123,479,000	131,288,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	41,154,184	40,771,326
	Change during the period (Note 2)	(382,858)	988,389
	Balance at the end of the period	40,771,326	41,759,715
	Fair value at the end of the period (Note 3)	51,415,000	53,489,000

Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	35,028,345	43,942,759
	Change during the period (Note 2)	8,914,414	2,370,613
	Balance at the end of the period	43,942,759	46,313,373
	Fair value at the end of the period (Note 3)	49,670,300	53,072,300
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	562,705,857	580,379,344
	Change during the period (Note 2)	17,673,487	30,433,209
	Balance at the end of the period	580,379,344	610,812,554
	Fair value at the end of the period (Note 3)	675,774,300	713,163,300

- Notes: 1 The carrying amount on the balance sheet is the acquisition value (including the expenses incidental to the acquisition) less accumulated depreciation.
- 2 Of the “Change during the period” for the 26th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥18,810 million), acquisition of the building standing on the land adjacent to the existing property (¥385 million), and capital expenditures (¥5,762 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥2,926 million) and the depreciation and amortization (¥3,878 million).  
Of the “Change during the period” for the 27th fiscal period, the amount of the increase is primarily attributable to acquisition of five new properties (total: ¥36,740 million), acquisition of the land adjacent to the existing property (¥100 million), and capital expenditures (¥1,584 million). And the amount of the decrease is primarily attributable to the sale of one property (¥3,863 million) and the depreciation and amortization (¥3,984 million).
- 3 The “Fair value at the end of the period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of The Investment Trusts Association, Japan.

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

#### [Omission of Disclosure]

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

#### [Notes to Per Unit Information]

	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Net assets per unit	¥ 112,966	¥ 115,152
Net income per unit	¥ 3,183	¥ 3,376

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

		26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Net income	(Thousands of yen)	9,348,568	10,285,440
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	9,348,568	10,285,440
Average number of investment units during the period	(Unit)	2,936,915	3,045,874

#### [Notes to Significant Subsequent Events]

Not Applicable



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

During the period, United Urban procured funds of ¥16,793 million through issuance of new investment units by way of the public offering on December 14, 2016 (90,000 units) and the third-party allotment on January 12, 2017 (12,065 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Unit)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 1)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 2)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 3)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 4)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 5)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 6)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 7)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 8)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 9)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 10)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 11)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 12)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 13)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 14)

- Notes:
1. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
  2. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
  3. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
  4. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.
  5. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
  6. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  7. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
  8. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  9. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
  10. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
  11. New investment units were issued through public offering at the offer price of ¥175,224 per unit (issue price (underwriter price) ¥169,860) for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.
  12. New investment units were issued through third-party allotment at the issue price of ¥169,860 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  13. 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.
  14. New investment units were issued through third-party allotment at the issue price of ¥164,540 per unit for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

#### 4. Change in Directors

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

#### 5. Reference Information

##### (1) Composition of Portfolio

Categories of Assets	Type of Use	Areas	26th Fiscal Period (As of November 30, 2016)		27th Fiscal Period (As of May 31, 2017)		
			Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note 1)	Percentage of Total Assets (%)	
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,316,213	1.1	7,302,348	1.1
		Other regions		13,906,100	2.1	13,841,731	2.0
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,211,095	2.0	13,168,248	1.9
			The 23 wards of Tokyo	9,661,189	1.5	9,623,908	1.4
			Tokyo metropolitan area	9,251,034	1.4	9,190,623	1.4
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	2,030,919	0.3	2,134,151	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,199,241	0.6	4,152,761	0.6
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,940,629	0.5	2,917,234	0.4
			Tokyo metropolitan area	-	-	-	-
		Other regions		755,874	0.1	744,620	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
Subtotal			63,272,300	9.8	63,075,627	9.3	
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,281,253	0.7	4,289,081	0.6
			The 23 wards of Tokyo	26,653,076	4.1	29,536,487	4.4
			Tokyo metropolitan area	84,631,528	13.1	81,101,516	12.0
		Other regions		65,382,721	10.1	66,947,331	9.9
	Office Buildings	Capital region	The 6 central wards of Tokyo	54,481,616	8.4	66,070,345	9.8
			The 23 wards of Tokyo	2,083,770	0.3	2,080,499	0.3
			Tokyo metropolitan area	45,723,696	7.1	42,030,113	6.2
		Other regions		53,237,070	8.2	65,083,467	9.6
	Hotels	Capital region	The 6 central wards of Tokyo	35,474,505	5.5	35,418,046	5.2
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	5,991,389	0.9	23,577,195	3.5
		Other regions		58,148,832	9.0	47,191,605	7.0
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,038,539	0.2	1,027,434	0.2
			The 23 wards of Tokyo	8,992,482	1.4	8,905,728	1.3
			Tokyo metropolitan area	4,952,109	0.8	4,930,162	0.7
		Other regions		22,091,690	3.4	23,234,534	3.4
	Others	Capital region	The 6 central wards of Tokyo	9,414,858	1.5	9,372,195	1.4
			The 23 wards of Tokyo	8,035,963	1.2	8,017,586	1.2
			Tokyo metropolitan area	19,625,088	3.0	22,137,782	3.3
		Other regions		6,866,848	1.1	6,785,808	1.0
Subtotal			517,107,044	79.8	547,736,926	81.0	
Preferred equity securities (Note 6)			93,905	0.0	93,905	0.0	
Bank deposit and other assets			67,632,020	10.4	64,979,460	9.6	
Total Assets			648,105,270	100.0	675,885,920	100.0	

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

2. The “Capital region” refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The “6 central wards of Tokyo” are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The “23 wards of Tokyo” are the 23 Tokyo wards excluding the “6 central wards of Tokyo.”
5. “Tokyo metropolitan area” refers to the capital region excluding the “23 wards of Tokyo.”
6. Preferred equity securities of Tenjin 123 Project TMK

	26th Fiscal Period (As of November 30, 2016)		27th Fiscal Period (As of May 31, 2017)	
	Amount (Thousands of yen)	Percentage of Total Assets (%)	Amount (Thousands of yen)	Percentage of Total Assets (%)
Total liabilities	314,512,844	48.5	324,084,697	47.9
Total net assets	333,592,425	51.5	351,801,223	52.1
Total assets	648,105,270	100.0	675,885,920	100.0

## (2) Investment Assets

### 1. Major Stock of Investment Securities

As of the end of the 27th fiscal period, investments securities owned by United Urban were as follows:

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

Notes: 1. Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company) (the “TMK”) owns the b fukuoka tenjin” (the “Hotel Property”), and United Urban has acquired the preferential negotiation right of an acquisition of the Hotel Property in connection with United Urban’s acquisition of the preferred securities of the TMK.

Outline of the Hotel Property is as follows.

Property Name	Location	Type*	Site Area*	Structure / Scale*	Business Starting Date
The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,567.22 m <sup>2</sup>	S 10F	July 1, 2017

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

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

### 2. Investment Real Estate Properties

As of the end of the 27th fiscal period, United Urban had ownership of, or trust beneficial interests in real estate (properties which are the trust assets of trust beneficial interests in real estate are referred to as the “Real Estate in Trust”, and real estate and Real Estate in Trust are collectively referred to as the “Investment Real Estate”). Consequently, all of the real estate and Real Estate in Trust are shown in the table below.

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

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

(As of May 31, 2017)

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A1	Himonya Shopping Center	15,300	17,714	22,700	3.2	JREI	1	26,655.66	26,655.66	100.0
A2	Joy Park Izumigaoka	6,770	5,155	4,630	0.6	JREI	22	13,611.24	13,611.24	100.0
A3	Ashiya Kawanishi Shopping Mart	769	739	1,160	0.2	JREI	1	1,558.80	1,558.80	100.0
A4	Re-LAND Shopping Center	5,200	4,168	5,760	0.8	JREI	16	12,968.84	12,803.58	98.7
A5	AEON MALL Uki	11,100	9,583	6,370	0.9	JREI	1	72,073.39	72,073.39	100.0
A6	TENJIN LUCE	6,500	6,337	6,430	0.9	Nittochi	11	4,194.68	4,194.68	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A7	Yamada Denki Tecc Land Sakai Honten	3,210	2,795	3,540	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	5,108	5,140	0.7	JREI	3	10,487.92	10,487.92	100.0
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,615	1,890	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,675	3,310	0.5	JREI	10	2,081.50	2,081.50	100.0
A11	Tip's Machida Building	4,100	4,222	4,830	0.7	JREI	10	6,710.19	6,710.19	100.0
A12	Daiei Takarazuka Nakayama	4,284	3,253 (Note 9)	4,060	0.6	JREI	1	16,729.60	16,729.60	100.0
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	11,904	12,450	11,300	1.6	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,291	2,100	0.3	JREI	8	1,938.56	1,747.22	90.1
A15	Shinsaibashi OPA Honkan	22,800	22,026	26,100	3.7	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,567	2,100	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,383	3,490	0.5	JREI	5	3,147.29	3,147.29	100.0
A21	Mallage Kashiwa	7,040	6,756	8,860	1.2	JREI	91	41,766.67	40,522.33	97.0
A23	Ito-Yokado Owariasahi	4,840	4,195	4,980	0.7	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,238	2,000	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	4,969	6,090	0.9	JREI	19	2,283.47	2,129.54	93.3
A26	ACTIOLE Ichikawa	3,350	3,076	4,050	0.6	JREI	13	3,927.49	3,927.49	100.0
A27	VIVAHOME Yokohama Aoba (Site)	2,600	2,740	3,170	0.4	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,490	0.3	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	27,835	35,900	5.0	JREI	1	37,932.95	37,932.95	100.0
A30	Yamada Denki Tecc Land New Matsudo Honten	5,150	4,967	6,590	0.9	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,519	5,660	0.8	JREI	5	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	7,140	1.0	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plussing Wave Enoshima	1,800	1,859	2,140	0.3	JREI	7	3,155.64	3,054.86	96.8
A34	LIFE Nishikujo (Site)	1,760	1,842	2,010	0.3	Tanizawa	1	3,252.76	3,252.76	100.0
A35	LIFE Tamatsukuri (Site)	1,880	1,967	2,120	0.3	Tanizawa	1	2,391.44	2,391.44	100.0
A36	Granbell Ginza Building	2,621	2,721	2,900	0.4	JREI	10	1,352.35	1,274.00	94.2
A37	UUR Tenjin Nishi-dori Building	5,500	5,700	5,840	0.8	JREI	1	1,564.70	1,564.70	100.0
A38	Luz Shonan Tsujido	3,938	4,021	4,500	0.6	Tanizawa	32	10,454.22	10,258.99	98.1
A39	ACTIOLE Ueno (Note 18)	3,000	3,176	3,180	0.4	Tanizawa	7	1,167.63	1,048.35	89.8
A40	KURURU	9,285	9,647	10,700	1.5	Tanizawa	27	13,292.30	13,292.30	100.0
A41	K's Denki Nagoya-kita	1,750	1,821	1,870	0.3	Tanizawa	1	4,733.74	4,733.74	100.0
B1	T&G Hamamatsucho Building	2,257	2,074	3,120	0.4	Tanizawa	6	2,420.85	2,420.85	100.0
B2	SK Nagoya Building	5,400	5,504	4,970	0.7	Tanizawa	13	8,708.52	8,573.57	98.5
B3	Fukuoka Eartheon Building	2,080	1,634	2,630	0.4	JREI	8	4,934.40	4,934.40	100.0
B4	Marumasu Kojimachi Building	2,350	2,443	2,480	0.3	JREI	16	2,578.84	2,578.84	100.0
B5	Rokubancho K Building	2,150	2,281	3,710	0.5	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	23,935	28,400	4.0	Nittochi	62	45,978.59	45,922.79	99.9

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
B7	Kawasaki Toshiba Building	19,200	19,819	32,300	4.5	Tanizawa	1	36,118.31	36,118.31	100.0
B8	UUR Toyocho Building	8,500	8,523	8,810	1.2	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,208	5,420	0.8	JREI	1	5,000.54	5,000.54	100.0
B10	Hitachi High-Tech Building	14,800	14,496	15,800	2.2	JREI	2	15,781.64	15,781.64	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	12,020	11,400	1.6	JREI	22	10,947.34	10,947.34	100.0
B13	Pacific Marks Tsukishima	6,080	5,864	6,360	0.9	JREI	46	9,336.27	9,228.01	98.8
B14	Pacific Marks Yokohama East	7,050	6,847	7,390	1.0	Tanizawa	27	10,744.59	10,287.40	95.7
B17	Akasaka Hikawa Building	3,290	3,238	3,970	0.6	JREI	1	3,438.20	3,438.20	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,456	3,090	0.4	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,157	2,270	0.3	JREI	8	1,675.13	1,675.13	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,571	1,650	0.2	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	9,190	11,000	1.5	Tanizawa	39	7,382.14	6,553.82	88.8
B26	Hamamatsucho 262 Building	6,840	6,599	7,110	1.0	JREI	16	6,162.85	5,988.69	97.2
B27	Lila Hijirizaka	2,750	2,637	3,100	0.4	JREI	15	4,255.02	3,685.33	86.6
B29	Otsuka HT Building	1,160	1,100	1,220	0.2	JREI	7	1,774.56	1,774.56	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,508	3,260	0.5	JREI	10	1,723.03	1,723.03	100.0
B31	Pacific Marks Nishi-Umeda	6,860	6,398	7,110	1.0	Tanizawa	30	11,039.51	10,936.92	99.1
B32	Pacific Marks Higobashi	4,570	4,450	4,640	0.7	Tanizawa	21	7,623.57	7,347.05	96.4
B33	Nagoya Nishiki City Building	2,670	2,404	2,470	0.3	Tanizawa	30	5,609.97	5,609.97	100.0
B34	Pacific Marks Esaka	9,590	9,663	9,510	1.3	Tanizawa	40	20,005.03	18,996.93	95.0
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,788	2,060	0.3	Tanizawa	11	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	878	1,080	0.2	Tanizawa	18	2,797.03	2,427.76	86.8
B37	ARENA TOWER	9,500	8,539	12,600	1.8	Tanizawa	13	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	2,080	2,850	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,304	2,870	0.4	JREI	29	2,233.57	2,119.75	94.9
B40	GRAND-SQUARE Shin-Sakae	1,480	1,410	1,980	0.3	JREI	6	4,578.93	4,311.60	94.2
B41	GRAND-SQUARE Meieki-minami	1,220	1,177	2,120	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,170	2,900	0.4	JREI	4	2,831.94	2,359.95	83.3
B43	Hirose-dori SE Building	3,600	3,440	4,940	0.7	JREI	10	8,235.87	8,235.87	100.0
B44	SS30	18,200	19,090	18,200	2.6	JREI	88	67,681.83	66,568.59	98.4
B45	LOOP-X · M	11,200	11,774	11,600	1.6	JREI	117	21,592.14	21,330.24	98.8
C1	Shinjuku Washington Hotel Honkan	21,140	22,543	26,500	3.7	JREI	8	53,363.11	53,319.06	99.9
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,638	2,540	0.4	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,215	3,850	0.5	JREI	8	6,670.21	6,252.12	93.7
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	4,152	5,040	0.7	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,162	11,400	1.6	Nittochi	2	13,701.80	13,701.80	100.0
C6	UUR Yotsuya Sanchome Building	4,200	4,254	6,410	0.9	JREI	3	7,854.86	7,854.86	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
C7	Yotsuya 213 Building	5,020	4,996	6,310	0.9	JREI	4	7,550.16	7,550.16	100.0
C9	the b roppongi (Note 10)	3,500	3,623	4,180	0.6	JREI	3	2,710.90	2,710.90	100.0
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,715	3,110	0.4	Daiwa	1	4,874.28	4,874.28	100.0
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,148	2,450	0.3	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebashiki	745	759	812	0.1	Daiwa	1	1,529.47	1,529.47	100.0
C13	Loisir Hotel & Spa Tower Naha	20,000	20,428	22,200	3.1	JREI	1	45,731.16	45,731.16	100.0
C14	Urawa Royal Pines Hotel	17,500	17,646	18,400	2.6	JREI	10	31,129.86	31,129.86	100.0
D1	T&G Higashi-ikebukuro Mansion	2,021	1,476	2,310	0.3	Tanizawa	126	2,603.22	2,542.68	97.7
D4	Komazawa Court	1,680	1,513	2,370	0.3	JREI	1	3,741.17	3,741.17	100.0
D6	Sky Court Shiba-Daimon	1,175	1,027	1,340	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D7	Maison Ukima	3,530	3,165	4,500	0.6	JREI	1	12,691.43	12,691.43	100.0
D8	Narashino Residence	1,140	996	1,260	0.2	JREI	1	6,840.86	6,840.86	100.0
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,533	3,600	0.5	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	1,013	1,490	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D11	UUR Court Chiba Soga	620	578	679	0.1	JREI	1	2,931.14	2,931.14	100.0
D12	Higashi-kurume Dormitory Shinkan	480	458	545	0.1	JREI	1	1,397.61	1,397.61	100.0
D13	Nanzan Court Ichigokan	1,070	920	873	0.1	JREI	1	3,576.74	3,576.74	100.0
D14	Nanzan Court Nigokan	450	378	428	0.1	JREI	1	1,890.51	1,890.51	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,749	3,370	0.5	JREI	90	4,097.51	4,069.04	99.3
D16	GRAND-ROUGE Sakae	1,570	1,255	1,320	0.2	JREI	83	3,697.38	3,131.66	84.7
D17	GRAND-ROUGE Sakae II	1,300	1,058	1,370	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,813	4,280	0.6	JREI	150	11,525.36	11,424.72	99.1
D19	UUR Court Nagoya Meieki	1,473	1,239	1,570	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	744	910	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	813	764	0.1	JREI	38	2,067.95	1,976.75	95.6
D22	UUR Court Osaka Juso-honmachi	1,570	1,352	1,740	0.2	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,917	3,630	0.5	JREI	195	5,460.39	5,289.25	96.9
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,899	2,980	0.4	JREI	134	7,763.23	7,179.65	92.5
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,351	1,650	0.2	JREI	118	3,090.36	3,090.36	100.0
D26	Glenpark Umeda-kita	5,150	5,208	6,000	0.8	Tanizawa	179	12,730.60	12,456.39	97.8
D27	UUR Court Shiki	2,730	2,896	3,090	0.4	JREI	1	9,885.83	9,885.83	100.0
D28	Scent Hills	1,300	1,394	1,420	0.2	Tanizawa	50	2,792.81	2,735.05	97.9
E1	Lilycolor Tohoku Branch	2,050	1,506	2,190	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	4,860	5,480	0.8	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	4,030	5,860	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,482	4,190	0.6	JREI	1	3,212.21	3,212.21	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
E5	Logistics Higashi-Ohgishima	4,233	4,193	4,962	0.7	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	8,017	8,500	1.2	JREI	3	23,934.32	23,934.32	100.0
E7	Quartz Tower	5,700	5,889	6,090	0.9	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,653	2,680	0.4	JREI	1	12,909.90	12,909.90	100.0
E9	Kawagoe Logistics Center	7,550	7,807	9,200	1.3	Tanizawa	1	40,060.76	40,060.76	100.0
E10	Asuto Nagamachi Dental Clinic	1,200	1,249	1,310	0.2	JREI	1	1,554.09	1,554.09	100.0
E11	Shin-Narashino Logistics Center II	2,590	2,623	2,610	0.4	JREI	1	12,598.46	12,598.46	100.0
Total (Note 10)		621,559	610,317	713,253	100.0	-	2,319	1,443,510.75	1,432,553.71	99.2

#### b. Outline of Investment Real Estate 2

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

(As of May 31, 2017)

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
A1	Retail Properties	Himonya Shopping Center	(Note 12)	(Note 12)	10%	N/A
A2		Joy Park Izumigaoka	385,536	214,279	10%	N/A
A3		Ashiya Kawanishi Shopping Mart	60,000	60,000	6%	N/A
A4		Re-LAND Shopping Center	406,201	661,929	13%	N/A
A5		AEON MALL Uki	838,255	1,000,000	7.8% (Note 11)	N/A
A6		TENJIN LUCE	393,635	282,639	2%	N/A
A7		Yamada Denki Tecc Land Sakai Honten	(Note 12)	(Note 12)	8%	N/A
A8		Miyamae Shopping Center	267,074	909,730	17%	N/A
A9		KONAMI SPORTS CLUB Korigaoka	(Note 12)	(Note 12)	11%	N/A
A10		ACTIOLE Minami-ikebukuro	165,934	162,547	14%	N/A
A11		Tip's Machida Building	316,471	248,270	18%	N/A
A12		Daiei Takarazuka Nakayama	303,999	-	9%	N/A
A13	Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	598,549	338,020	- (Note 13)	- (Note 13)
A14	Retail Properties	ACTIOLE Kannai	98,794	81,027	19%	N/A
A15		Shinsaibashi OPA Honkan	1,362,000	1,448,304	12%	N/A
A19		Albore Jingumae	91,200	68,200	14.6%	N/A
A20		Albore Sendai	201,454	116,210	8%	N/A
A21		Mallage Kashiwa	889,898	906,408	9%	N/A
A23		Ito-Yokado Owariasahi	419,090	411,305	11%	N/A
A24		Yokohama Kariba Shopping Center	(Note 12)	(Note 12)	12%	N/A
A25		Luz Jiyugaoka	285,789	239,231	12%	N/A
A26		ACTIOLE Ichikawa	228,889	182,192	10%	N/A
A27		VIVAHOME Yokohama Aoba (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A28		Yamada Denki Tecc Land Aoba (Site)	(Note 12)	(Note 12)	- (Note 13)	- (Note 13)
A29		Yodobashi Camera Multimedia Kichijoji	(Note 12)	(Note 12)	14%	N/A
A30		Yamada Denki Tecc Land New Matsudo Honten	(Note 12)	(Note 12)	11%	N/A

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
A31	Retail Properties	Tenjin Loft Building	520,022	240,028	1%	N/A
A32		Narumi Shopping Center (Site)	(Note 12)	(Note 12)	(Note 13)	(Note 13)
A33		Plussing Wave Enoshima	126,576	246,225	14%	N/A
A34		LIFE Nishikujo (Site)	(Note 12)	(Note 12)	(Note 13)	(Note 13)
A35		LIFE Tamatsukuri (Site)	(Note 12)	(Note 12)	(Note 13)	(Note 13)
A36		Granbell Ginza Building	133,539	92,615	10%	N/A
A37		UUR Tenjin Nishi-dori Building	(Note 12)	(Note 12)	2%	N/A
A38		Luz Shonan Tsujido	412,917	304,154	14%	N/A
A39		ACTIOLE Ueno (Note 18)	133,438	101,535	12%	N/A
A40		KURURU	459,754	415,449	6%	N/A
A41		K's Denki Nagoya-kita	(Note 12)	(Note 12)	8%	N/A
B1	Office Buildings	T&G Hamamatsucho Building	157,609	247,373	12%	N/A
B2		SK Nagoya Building	352,036	264,764	11%	N/A
B3		Fukuoka Eartheon Building	199,934	109,437	1%	N/A
B4		Marumasu Kojimachi Building	163,424	118,141	11%	N/A
B5		Rokubancho K Building	204,674	82,011	14%	N/A
B6	Office /Hotels	Shin-Osaka Central Tower	1,904,277	1,505,863	7%	N/A
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7%	N/A
B8		UUR Toyochō Building	492,683	368,424	13%	N/A
B9		FOUR SEASONS BLDG	306,489	254,201	11%	N/A
B10		Hitachi High-Tech Building	779,018	779,998	15%	N/A
B11		Pacific Marks Shinjuku Parkside	621,727	451,876	14.8%	N/A
B13		Pacific Marks Tsukishima	443,653	262,153	14%	N/A
B14		Pacific Marks Yokohama East	386,611	288,963	15%	N/A
B17		Akasaka Hikawa Building	216,228	244,216	14%	N/A
B18		Pacific Marks Shibuya Koen-dori	168,000	100,500	12%	N/A
B20		Pacific Marks Akasaka-mitsuke	118,108	73,774	13%	N/A
B22		Pacific Marks Shin-Yokohama	112,366	72,182	16%	N/A
B25		Pacific Marks Kawasaki	528,474	425,839	17%	N/A
B26		Hamamatsucho 262 Building	386,293	478,762	14%	N/A
B27		Lila Hijirizaka	179,913	119,991	12%	N/A
B29		Otsuka HT Building	93,458	77,068	13%	N/A
B30		Pacific Marks Shinjuku South-gate	170,616	184,219	12%	N/A
B31		Pacific Marks Nishi-Umeda	452,885	381,361	10%	N/A
B32		Pacific Marks Higobashi	276,341	234,614	12%	N/A
B33		Nagoya Nishiki City Building	182,555	145,212	14%	N/A
B34		Pacific Marks Esaka	732,748	596,028	9%	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	163,856	125,340	1%	N/A
B36		Shin-Sapporo Center Building	93,920	70,044	2%	N/A
B37		ARENA TOWER	781,000	416,813	10%	N/A
B38	Yushima First Building	196,020	141,431	13%	N/A	
B39	Dogenzaka Square	171,807	130,716	16%	N/A	
B40	GRAND-SQUARE Shin-Sakae	140,308	86,460	10%	N/A	
B41	GRAND-SQUARE Meieki-minami	134,004	94,750	10%	N/A	



Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance	
B42	Office Buildings	Shiba 520 Building	147,398	91,614	13%	N/A	
B43		Hirose-dori SE Building	350,985	378,257	8%	N/A	
B44	Office/Hotels	SS30 (Note 14)	1,462,655	1,241,079	① 2% ② 6% ③ 1%	N/A	
B45	Office Buildings	LOOP-X・M (Note 15)	793,000	399,400	① 7% ② 6%	N/A	
C1	Hotels	Shinjuku Washington Hotel Honkan	1,546,023	2,009,969	9%	N/A	
C2		Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17%	N/A	
C3		MZ BLD.	248,395	192,424	13%	N/A	
C4		HOTEL ROUTE-INN Yokohama Bashamichi	280,298	107,487	19%	N/A	
C5		Hotel JAL City Naha	428,393	14,196	5%	N/A	
C6		UUR Yotsuya Sanhome Building	328,271	206,749	14%	N/A	
C7		Yotsuya 213 Building	318,062	239,318	13%	N/A	
C9		the b roppongi (Note 10)	148,006	13,747	12%	N/A	
C10		Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	(Note 12)	(Note 12)	14.5%	N/A	
C11		Toyoko Inn Hiroshima Heiwa-odori	(Note 12)	(Note 12)	7%	N/A	
C12		Toyoko Inn Naha Kokusai-dori Miebash-eki	(Note 12)	(Note 12)	2%	N/A	
C13		Loisir Hotel & Spa Tower Naha (Note 16)	720,000	(Note 12)	① 7% ② 6%	N/A	
C14		Urawa Royal Pines Hotel	1,064,157	(Note 12)	10%	N/A	
D1		Residential Properties	T&G Higashi-ikebukuro Mansion	128,712	19,117	12%	N/A
D4	Komazawa Court		118,800	19,800	11%	N/A	
D6	Sky Court Shiba-Daimon		64,800	10,800	17%	N/A	
D7	Maison Ukima		247,320	82,440	14.6%	N/A	
D8	Narashino Residence		102,720	34,540	10%	N/A	
D9	Aprile Shin-Ohgi Ichibankan		(Note 12)	(Note 12)	8%	N/A	
D10	UUR Court Sapporo Kita-Sanjo		94,200	7,838	2%	N/A	
D11	UUR Court Chiba Soga		(Note 12)	(Note 12)	14%	N/A	
D12	Higashi-kurume Dormitory Shinkan		33,696	11,232	10%	N/A	
D13	Nanzan Court Ichigokan		(Note 12)	(Note 12)	12%	N/A	
D14	Nanzan Court Nigokan		(Note 12)	(Note 12)	14%	N/A	
D15	CLIO Bunkyo Koishikawa		194,580	32,724	14.5%	N/A	
D16	GRAND-ROUGE Sakae		82,992	1,861	13%	N/A	
D17	GRAND-ROUGE Sakae II		69,303	6,413	13%	N/A	
D18	MA Sendai Building		276,223	24,173	11%	N/A	
D19	UUR Court Nagoya Meieki		88,516	7,381	16%	N/A	
D20	UUR Court Sapporo Shinoro Ichibankan		61,581	4,002	3%	N/A	
D21	Park Site IZUMI		56,772	15,701	12%	N/A	
D22	UUR Court Osaka Juso-honmachi		100,854	9,435	16%	N/A	
D23	UUR Court Kinshicho		218,646	35,409	14.8%	N/A	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower		206,784	49,578	1%	N/A	
D25	GLAND-ROUGE Nakanoshima-minami		110,520	10,617	15%	N/A	
D26	Glenpark Umeda-kita		353,370	36,968	15.5%	N/A	
D27	UUR Court Shiki		178,800	178,800	11%	N/A	
D28	Scent Hills		82,968	3,803	13%	N/A	
E1	Others		Lilycolor Tohoku Branch	(Note 12)	(Note 12)	11%	N/A
E2			KDDI Fuchu Building	(Note 12)	(Note 12)	11%	N/A

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
E3		Tsubogawa Square Building	421,880	262,308	8%	N/A
E4		THE PLACE of TOKYO	(Note 12)	(Note 12)	13%	N/A
E5		Logistics Higashi-Ohgishima	(Note 12)	(Note 12)	12%	N/A
E6		MT Ariake Center Building I&II (Note 17)	(Note 12)	(Note 12)	① 12% ② 13%	N/A
E7		Quartz Tower	(Note 12)	(Note 12)	7%	N/A
E8		Shin-Narashino Logistics Center	(Note 12)	(Note 12)	10%	N/A
E9		Kawagoe Logistics Center	(Note 12)	(Note 12)	9%	N/A
E10		Asuto Nagamachi Dental Clinic	(Note 12)	(Note 12)	8%	N/A
E11		Shin-Narashino Logistics Center II	(Note 12)	(Note 12)	9%	N/A
Total (Note 10)			41,398,963	31,919,284	6.83%	

- Notes: 1. The “Acquisition Price” is an amount (the amounts stated in each purchase and sale agreements excluding consumption taxes) does not include the expenses necessary for making the relevant acquisitions (e.g. agency fees, public taxes and impositions) and is rounded to the nearest million yen.
2. “Appraisal Value at the End of Period” shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2017.  
In addition, “Appraisers” shows the real estate appraisers, which conducted real estate appraisal or price surveys at the time of acquisition of each properties and continuous assessments. The appraisers are referred to as “JREF” for Japan Real Estate Institute, “Tanizawa” for The Tanizawa Sōgō Appraisal Co., Ltd., “Nittochi” for NIPPON TOCHI-TATEMONO Co., Ltd., and “Daiwa” for DAIWA REAL ESTATE APPRAISAL CO., LTD.
3. “Number of Tenants,” “Leasable Floor Space,” “Leased Floor Space,” and “Occupancy Ratio” are based on data as of May 31, 2017. “Leasable Floor Space” means the aggregate leasable floor space of the portions owned by United Urban of individual Investment Real Estate. “Leased Floor Space” means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in “Leasable Floor Space” and “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies.) “Occupancy Ratio” is the percentage obtained from dividing “Leased Floor Space” by “Leasable Floor Space.” With regard to the portion of 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.
4. “Number of Tenants” figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective asset custodian, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the asset custodian, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
5. As a general rule, “Leased Floor Space” indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
6. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2017 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. As for residential properties which are leased in the form of a pass-through-type master lease agreement, monthly rent(s) under the lease agreement of end-tenants in effect as of May 31, 2017 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen are shown.
7. “Tenant Leasehold and Security Deposits” are based on data as of May 31, 2017. In addition, “Tenant Leasehold and Security Deposits” include leasehold and security deposits of room, parking lot, warehouse, signboard, etc., and is rounded down to the nearest thousand yen.
8. “PML” (probable maximum loss in an analysis of the earthquake risk) is based on the earthquake risk analysis report prepared by SHIMIZU CORPORATION. In addition, figure at “Total” for “PML” represents the overall portfolio PML.
9. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement (“Reserve for Soil Improvement”), as a condition of the purchase and sale agreement of trust beneficial interest. The Book Value at the End of the Period of this trust beneficial interest is described as ¥3,253 million reflecting the additional amount of trust.  
However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
10. United Urban acquired the building with leasehold of the adjacent site to the b roppongi (acquisition price ¥460 million (of which, land: ¥140 million, building with leasehold: ¥320 million)) (the “Adjacent Site”) on November 18, 2016, and acquired the land of the Adjacent Site on January 13, 2017, respectively.  
Because United Urban acquired the Adjacent Site considering it enables to the extension of the b roppongi (the “Hotel”) in the future, the Adjacent Site is considered to be attached to the Hotel and it is not recognized as one separate property. Therefore, the acquisition price and other information of the Adjacent Site are not included in United Urban’s portfolio.
11. As for “PML” of AEON MALL Uki, the entire portfolio PML of eleven buildings held by United Urban is stated.

12. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue, etc. Therefore, there has been no choice but to omit disclosure of this figure here.
13. Because United Urban acquired only land for these properties, there is no applicable information for the PML.
14. The property comprises three buildings: Office Building, Fitness Club Building, and Hotel Building, and information in the “PML” are shown for the Office Building expressed as ①, the Fitness Club Building expressed as ②, and the Hotel Building expressed as ③.
15. The property comprises two buildings: LOOP-X (Office Building) and LOOP-M (Residential Building), and information in the “PML” are shown for LOOP-X expressed as ① and LOOP-M expressed as ②.
16. The property comprises two buildings: (i) Main Building (the “Loisir Hotel Naha”) and (ii) the Annex (Loisir Hotel Spa Tower Naha (the “Spa Tower”) and Loisir Hotel Naha East (the “East”)), and information in the “PML” are shown for the Main Building expressed as ① and the Annex expressed as ②.
17. The property comprises two buildings: MT Ariake Center Building I (the “Building I”) and MT Ariake Center Building II (the “Building II”), and information in the “PML” are shown for each of two buildings with the Building I expressed as ① and the Building II expressed as ②.
18. The property name was changed from “455 Ueno Building” to “ACTIOLE Ueno” on April 24, 2017. The same shall apply hereinafter.

### (3) Capital Expenditures

#### 1. Plan of Capital Expenditure

The table below sets out the principal capital expenditures for repair, etc., of Investment Real Estate managed by United Urban scheduled as of May 31, 2017. 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 27th fiscal period	Amount already paid
AEON MALL Uki	Uki, Kumamoto	Renewal of heat storage facility of the main building	From December 2017 to May 2018	337	-	-
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From November 2017 to November 2017	204	-	-
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities	From October 2017 to December 2017	102	-	-
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From May 2018 to May 2018	102	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities (1F, 2F, etc.)	From June 2017 to March 2018	121	-	-
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of central monitoring system	From October 2017 to December 2017	111	-	-
Pacific Marks Esaka	Suita, Osaka	Repair of outdoor facility	From May 2017 to March 2018	111	-	-
SS30	Sendai, Miyagi	Repair of toilets (1st period)	From August 2017 to November 2017	100	-	-
SS30	Sendai, Miyagi	Renewal of elevator (1st period)	From August 2017 to November 2017	179	-	-
SS30	Sendai, Miyagi	Extension work of electric capacitance	From August 2017 to November 2017	200	-	-
SS30	Sendai, Miyagi	Repair of toilets (2nd period)	From December 2017 to May 2018	100	-	-
SS30	Sendai, Miyagi	Renewal of elevator (2nd period)	From December 2017 to May 2018	344	-	-
Hotel JAL City Naha	Naha, Okinawa	Renewal of guest rooms and corridors	From December 2017 to April 2018	506	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Repair of banquet hall	From May 2017 to August 2017	330	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Extension work of guest rooms	From May 2017 to November 2017	234	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of parking facilities	From May 2018 to May 2018	138	-	-

#### 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 27th fiscal period, which totaled ¥1,584 million. Together with ¥657 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,242 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	Installation of people counter	From April 2017 to May 2017	15
Re-LAND Shopping Center	Funabashi, Chiba	Film waterproofing work of rooftop machine room	From April 2017 to May 2017	13
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From March 2017 to April 2017	13
Tenjin Loft Building	Fukuoka, Fukuoka	Renewal of toilets (in some floors)	From April 2017 to May 2017	14
ACTIOLE Ueno	Taito-ku, Tokyo	Renewal of entrance	From March 2017 to April 2017	23
ACTIOLE Ueno	Taito-ku, Tokyo	Installation of external wall sign	From March 2017 to April 2017	28

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
KURURU	Fuchu, Tokyo	Replacement of photoelectric sensor of mechanical parking lot	From March 2017 to May 2017	27
SK Nagoya Building	Nagoya, Aichi	Renewal of gondola	From May 2017 to May 2017	10
Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Renewal of chiller unit for rooftop outside air conditioner	From May 2017 to May 2017	11
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of rooftop cooling tower	From November 2016 to April 2017	24
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facility (in some floors)	From January 2016 to December 2016	401
Pacific Marks Yokohama East	Yokohama, Kanagawa	Installation of smoking room for the entrance hall on the 1st floor	From December 2016 to March 2017	18
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Installation of individual air conditioning system (in some floors)	From January 2017 to March 2017	93
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Installation work of partition	From February 2017 to March 2017	12
Akasaka Hikawa Building	Minato-ku, Tokyo	Waterproofing renewal of rooftop and rooftop structure	From April 2017 to May 2017	12
Pacific Marks Higobashi	Osaka, Osaka	Waterproofing renewal of rooftop	From April 2017 to May 2017	13
Pacific Marks Higobashi	Osaka, Osaka	Renewal of total heat exchangers	From May 2017 to May 2017	17
Pacific Marks Esaka	Suita, Osaka	Renewal of sprinkler alarm valve on each floor	From February 2017 to March 2017	14
Pacific Marks Esaka	Suita, Osaka	Installation of individual air conditioning system (in some floors)	From April 2017 to May 2017	51
SS30	Sendai, Miyagi	Repair of electric system	From April 2017 to May 2017	15
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Repair of elevator	From August 2016 to December 2016	69
UUR Yotsuya Sanhome Building	Shinjuku-ku, Tokyo	Renewal of automatic fire alarm facility	From April 2017 to May 2017	47
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of rooftop hot-and chilled-water generator (Main Building)	From August 2016 to March 2017	38
Urawa Royal Pines Hotel	Saitama, Saitama	Renewal of automatic fire alarm facility of disaster prevention center	From March 2017 to March 2017	24
Urawa Royal Pines Hotel	Saitama, Saitama	Renewal of telephone switchboard	From February 2017 to March 2017	16
Other capital expenditures				553
Total				1,584

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

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

	(Millions of yen)				
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Reserve balance at the beginning of period	692	711	792	971	998
Addition to the reserve during the period (Note)	29	90	188	36	379
Reduction of reserve during the period	10	9	9	9	34
Reserve balance to be carried over to the next of period	711	792	971	998	1,343

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

#### (4) Information Concerning Tenants

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

(As of May 31, 2017)

No.	Tenant Name	Property Name	Leased Floor Space (Note 1)	Total Annual Rent (Thousand of yen) (Note 2)	Expiration Date of Contract
1	AEON MALL Co., Ltd.	AEON MALL Uki	72,073.39 m <sup>2</sup>	838,255	August 9, 2019
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34 m <sup>2</sup>	419,090	November 11, 2018
3	Yamada Denki Co., Ltd.	<ul style="list-style-type: none"> <li>· Yamada Denki Tecc Land Sakai Honten</li> <li>· maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)</li> <li>· Yamada Denki Tecc Land Aoba (Site)</li> <li>· Yamada Denki Tecc Land New Matsudo Honten</li> </ul>	49,897.43m <sup>2</sup>	- (Note 3)	<ul style="list-style-type: none"> <li>· Yamada Denki Tecc Land Sakai Honten May 9, 2022</li> <li>· maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) November 15, 2020</li> <li>· Yamada Denki Tecc Land Aoba (Site) May 31, 2020</li> <li>· Yamada Denki Tecc Land New Matsudo Honten August 20, 2029</li> </ul>
4	FUJITA KANKO INC.	Shinjuku Washington Hotel-Honkan	49,304.81 m <sup>2</sup>	1,302,512	October 31, 2023, etc. (Note 4)
5	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44 m <sup>2</sup>	- (Note 3)	November 19, 2024, etc. (Note 4)
6	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16m <sup>2</sup>	720,000	March 31, 2026
7	SBS Logicom Co., Ltd.	Kawagoe Logistics Center	40,060.76 m <sup>2</sup>	- (Note 3)	August 31, 2027
8	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95 m <sup>2</sup>	- (Note 3)	May 31, 2027
9	TOSHIBA CORPORATION (Note 5)	Kawasaki Toshiba Building	36,118.31 m <sup>2</sup>	1,665,139	October 20, 2018
10	Urawa Royal Pines Co., Ltd.	Urawa Royal Pines Hotel	29,628.04 m <sup>2</sup>	1,000,000	March 31, 2026

- Notes: 1. In principle, numerical values in “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. In addition, in the case of a master lease agreement without rental guarantee, “Leased Floor Space” is counted based on the end-tenants who are actually using the property, not based on the tenants who have the lease agreement between the owner, United Urban or the asset custodian.
2. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2017 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenues, etc. Therefore, there has been no choice but to omit disclosure of this figure here.
4. An expiration date of the representative agreement is stated because there are several lease agreements.
5. The status of the lessee and its rights and obligations for Kawasaki Toshiba Building has been succeeded from TOSHIBA CORPORATION to Toshiba Electronic Devices & Storage Corporation as a result of the company split as of July 1, 2017.