

For Translation Purposes Only

July 12, 2019

SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED MAY 31, 2019 (December 1, 2018 – May 31, 2019)

Name of issuer: United Urban Investment Corporation (United Urban)
 Listing: Tokyo Stock Exchange
 Securities code: 8960
 URL: <https://www.united-reit.co.jp/en/>
 Representative: Ikuo Yoshida, Executive Officer
 Asset Management Company: Japan REIT Advisors Co., Ltd.
 Representative: Norimasa Gaun, President and Chief Executive Officer
 Inquiries: Takehide Sasaki, Chief Financial Officer
 TEL: +81-3-5402-3680

Scheduled date of filing of Securities Report: August 29, 2019
 Scheduled date for commencing dividend payments: August 14, 2019
 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, 2019 (December 1, 2018 – May 31, 2019)

(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, 2019	27,261	5.9	13,569	5.2	12,413	5.3	12,413	5.3
Fiscal period ended November 30, 2018	25,733	(11.8)	12,894	(1.5)	11,789	(1.5)	11,788	(1.5)

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended May 31, 2019	4,063	3.5	1.9	45.5
Fiscal period ended November 30, 2018	3,858	3.3	1.8	45.8

(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, 2019	3,661	11,184	—	—	90.1	3.1
Fiscal period ended November 30, 2018	3,473	10,610	—	—	90.0	3.0

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

2. For both fiscal period, because a portion of unappropriated retained earnings was reserved (Fiscal period ended November 30, 2018: ¥1,254 million, Fiscal period ended May 31, 2019: ¥1,305 million as a reserve for reduction entry, etc.) and a reversal of reserve for temporary difference adjustments (each fiscal period: ¥76 million) was added 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, 2019	680,901	357,789	52.5	117,112
Fiscal period ended November 30, 2018	651,242	356,029	54.7	116,536

(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, 2019	13,845	(9,705)	14,826	68,619
Fiscal period ended November 30, 2018	14,271	(5,001)	(9,283)	49,652

2. Forecasts of Results for the Fiscal Period Ending November 30, 2019 (June 1, 2019 – November 30, 2019) and the Fiscal Period Ending May 31, 2020 (December 1, 2019 – May 31, 2020)

(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, 2019	24,995	(8.3)	11,670	(14.0)	10,588	(14.7)	10,587	(14.7)	3,420	—
Fiscal period ending May 31, 2020	24,780	(0.9)	11,781	1.0	10,744	1.5	10,743	1.5	3,470	—

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

Fiscal period ending November 30, 2019 ¥3,395 Fiscal period ending May 31, 2020 ¥3,445

Note: The resource for cash distributions for the fiscal period ending November 30, 2019 and May 31, 2020 are the result of adding a reversal of reserve for temporary difference adjustments (each fiscal period: ¥77 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, 2019: 3,055,087 units
 - As of November 30, 2018: 3,055,087 units
- Treasury investment units at the end of the fiscal period
 - As of May 31, 2019: None
 - As of November 30, 2018: None

Note: For the number of investment units used as the basis for the calculation of net income per unit, please refer to “Notes to Per Unit Information” on page 26.

(3) Rounding of Fractions of Amounts and Ratios

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

- This report (“Brief Report on the Closing of Accounts” (*Kessan-Tanshin*)) is not subject to audits by a certified public accountant or an audit corporation.
- Special Instruction
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, 2019 (32nd fiscal period: from June 1, 2019 to November 30, 2019) and the Fiscal Period Ending May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020)” on page 10.

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, 2019. 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.

Table of Contents

1. Management Status	5
Management Status	5
2. Financial Statement	13
(1) Balance Sheet	13
(2) Statement of Income and Retained Earnings	15
(3) Statements of Unitholders' Equity	16
(4) Statements of Cash Distribution	18
(5) Statements of Cash Flows	19
(6) Notes to Assumption of Going Concern	20
(7) Notes to Important Accounting Policies	20
(8) Notes to Financial Statements	21
(9) Change in Total Number of Investment Units Issued and Outstanding	28
3. Reference Information	29
(1) Information on the Price of Assets under Management, etc.	29
(2) Capital Expenditures	39

1. Management Status

Management Status

1. Overview during the period

a. Investment environment and operation

(i) Investment environment

Japanese economy during this period remains stable backed with the favorable corporate performance, while concerns on the slowdown of Chinese and global economy have been looming with US-China trade conflicts again intensifying. Financing environment has been also generally favorable in Japan on ground of low interest rate.

In the real estate investment market, rising transaction price continues based on the strong investment appetite from domestic and foreign investors amid the continuous favorable financing condition. Looking to the real estate leasing market, the sales of tenants in retail properties, particularly in urban retail, has been stable, and the leasing market for retail properties remains steady. As for office market, while there is new supply in the Tokyo area, there is favorable progress in contracts with tenants for the new large-scale buildings to be completed in 2019 by the strong corporate demand for expansion and consolidation for expansion of operations and improvement of operational efficiency. The vacancy rate in Yokohama, Nagoya, Fukuoka, etc., records the historical low, and it also has kept low in the Tokyo metropolitan area as well as major regional cities, and the asking rents in those cities have continued rising. In 2018, the number of inbound tourists has kept increasing with the 31.19 million recorded, up 8.7% year-on year, even though there was a temporary slowdown seen due to typhoons, earthquakes, etc. The sales of hotels have been generally favorable mainly in the regional cities, however, attention is required in some of those regional cities, including Osaka and others due to intensive large new supply. As for residential market, while supply of new properties has remained limited, there has been a steady demand for rental properties. Consequently, both occupancy ratio and rent levels remain stable.

(ii) New acquisition and sale of properties

During the period, United Urban acquired the following three new properties and the Annex building of the b roppongi.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A42	Luz Musashikosugi	Store	Kawasaki, Kanagawa	12,151	December 28, 2018
D30	GRAN FONTE	Apartment	Nerima-ku, Tokyo	2,700	April 1, 2019
C17	Henn na Hotel Tokyo Hamamatsucho	Hotel	Minato-ku, Tokyo	4,456	May 15, 2019
Subtotal (three new properties)				19,307	
C9	the b roppongi (Annex) (additional acquisition) (Note 3)	Hotel	Minato-ku, Tokyo	988	December 17, 2018
Total				20,295	

On the other hand, the third transfer (last) of the sale of Himonya Shopping Center was executed on March 1, 2019 based on the sale and purchase agreement of the trust beneficial interest dated May 24, 2018. Moreover, United Urban sold Maison Ukima on April 1, 2019.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
A1	Himonya Shopping Center (Note 4)	Store	Meguro-ku, Tokyo	8,250 (Note 4)	March 1, 2019 (Note 4)
D7	Maison Ukima	Apartment	Kita-ku, Tokyo	3,190	April 1, 2019
Total				11,440	

Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.

2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements, etc. concerning the acquisition or sale of each property. The acquisition price is rounded to the nearest whole unit. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.

3. United Urban acquired the adjacent site to the b roppongi on January 13, 2017 and constructed the Annex building on this site and the less utilized land of the property. Then United Urban additionally acquired the Annex building (acquisition price: ¥988 million (building: ¥528 million, land: ¥460 million) on December 17, 2018.
4. As for Himonya Shopping Center, the sale and purchase agreement of the trust beneficial interest was concluded on May 24, 2018, and United Urban sold its 51% quasi co-ownership as of the same date, 19 % quasi co-ownership on November 1, 2018, and 30 % quasi co-ownership on March 1, 2019, respectively under such agreement.

(iii) Portfolio overview

As a result of the acquisition and sales of properties mentioned above (ii), United Urban held a total of 120 properties, comprising 34 retail properties, 33 office buildings, 1 retail-office complex, 16 hotels, 2 office-hotel complexes, 21 residential properties and 13 others, with an aggregate acquisition price of ¥626,083 million at the end of the 31st fiscal period (as of May 31, 2019). In addition, the total leasable floor space was 1,434,587.61 sq. m. and the total numbers of tenants were 2,534.

United Urban has continued to focus on maintaining and improving occupancy ratios at a high level during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 99.2% and 99.4%, and stood at 99.3% at the end of the 31st fiscal period (as of May 31, 2019).

b. Financing overview

During the period, United Urban acquired new specified assets and repaid the existing interest-bearing liabilities by using new debt financing and proceeds from the sale of properties. Moreover, United Urban issued the Retail Green Bonds (Nickname: *Green Yu Yu Sai*, total amount: ¥10 billion) for the first case among J-REITs on the back of growing ESG awareness among retail investors to expand financing methods.

The status of interest-bearing liabilities at the end of the previous period and the end of the 31st fiscal period are as follows.

(Millions of yen)

	Balance at the end of the 30th Fiscal Period (As of November 30, 2018)	Balance at the end of the 31st Fiscal Period (As of May 31, 2019)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	240,384	255,884	15,500
Total of borrowings	240,384	255,884	15,500
Corporate bonds	17,000	27,000	10,000
Total of interest-bearing liabilities	257,384	282,884	25,500

In addition, as of the end of the 31st fiscal period, the amount of borrowings due for repayment within one year was ¥29,251 million, and there is no corporate bonds that is to become due for maturity within one year.

Moreover, the details of ratings of United Urban as of June 30, 2019 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 ¥27,261 million (up by 5.9% from the previous period), profit from rental activities of ¥12,708 million (down by 3.7% from the previous period), operating income of ¥13,569 million (up by 5.2% from the previous period), ordinary income of ¥12,413 million (up by 5.3% from the previous period), and net income of ¥12,413 million (up by 5.3% from the previous period).

During the period under the review, ¥1,305 million, which accounts for the part of the gain on sale of properties in the net income, was reserved as a reserve for reduction entry, etc. to enhance the risk tolerance for unexpected market conditions. On the other hand, in accordance with “Ordinance on Accountings of Investment Corporations” and “Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations” stipulated by the Investment Trusts Association, Japan, United Urban reversed ¥76 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥11,184 million, and cash distribution per unit was ¥3,661. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the same shall apply hereinafter) is satisfied during the fiscal period, and the corporate tax is not imposed.

2. Outlook for the next fiscal period

a. Outlook for overall operation

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

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

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

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

b. Outlook for management status

(i) Material facts arising after the end of 31st fiscal period and other material events

A. Issuance of new investment units

In order to procure funds for the acquisitions of new specified assets and restore the decreased cash on hand which was allocated to a part of acquisition of new specified assets, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on June 4, 2019. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on June 12, 2019. Based on these resolutions, United Urban issued 55,000 new investment units by way of public offering and 8,250 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥10,767 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 "11th Public Offering, etc.>").

As a result, United Urban's total capital increased to ¥319,973 million and United Urban's total number of investment units issued and outstanding increased to 3,118,337 units.

Issuance of new investment units by way of public offering

Number of new investment units issued	: 55,000 units
Issue price (offer price)	: ¥175,616 per unit
Total issue price (total offer price)	: ¥9,658,880 thousand
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥9,363,200 thousand
Payment date	: June 19, 2019 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)

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

Number of new investment units issued	: 8,250 units
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥1,404,480 thousand
Payment date	: July 11, 2019 (Thursday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)
Allottee	: SMBC Nikko Securities Inc.

In addition, reference information are as follows:

B. Acquisition of properties

United Urban acquired “Hotel Hewitt Koshien” on June 25, 2019 with proceeds from the issuance of new investment units by way of public offering mentioned above A and cash on hand, and “Smile Hotel Premium Sapporo Susukino” on June 28, 2019 with proceeds of the Retail Green Bonds, respectively. Moreover, United Urban has decided as of June 4, 2019 to acquire “the square hotel KANAZAWA”.

Property No.	Property Name	Type	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date
C18	Hotel Hewitt Koshien	Hotel	Nishinomiya, Hyogo	13,520	June 25, 2019
C19	Smile Hotel Premium Sapporo Susukino	Hotel	Sapporo, Hokkaido	4,233	June 28, 2019
C20	the square hotel KANAZAWA (Note)	Hotel	Kanazawa, Ishikawa	4,802	December 3, 2019
Total				22,555	

Note: As for the square hotel KANAZAWA, because the payment and transfer shall be made at least one month after the conclusion of the sale and purchase agreement of the quasi co-ownership of the trust beneficial interest (the “PSA”) as of June 4, 2019, it falls into forward commitment, etc. defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” established by Financial Services Agency.

The PSA provides that either party may terminate the PSA if the other party materially breaches a provision thereof, in which case the party may request the other party in breach to pay an amount equivalent to 20% of the acquisition price as penalty charges.

However, this PSA is to be effective given the United Urban’s completion of fund procurement for acquisition of the quasi co-ownership of the trust beneficial interest. Therefore, if United Urban cannot procure the fund on the scheduled acquisition date, it is stipulated that United Urban can cancel the PSA without paying any penalty charges to the seller.

In view of the current situation of the financial market and financial standings of United Urban, United Urban considers that material adverse effect on United Urban’s financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisition of the quasi co-ownership of the trust beneficial interest.

C. New committed line of credit agreement

United Urban concluded a new committed line of credit agreement on June 26, 2019, as set forth below.

Outline of the new committed line of credit agreement

Participating financial institutions	:	Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.
Maximum loan amount	:	¥24,000 million
Date of agreement	:	June 26, 2019
Term of agreement	:	From June 26, 2019 to June 26, 2020
Remarks	:	Unsecured, unguaranteed

(ii) Outlook for management status

For the fiscal period ending November 30, 2019 (32nd fiscal period: from June 1, 2019 to November 30, 2019) and the fiscal period ending May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020), 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, 2019 (32nd fiscal period: from June 1, 2019 to November 30, 2019) and the Fiscal Period Ending May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020)” below.

Fiscal Period Ending November 30, 2019

Operating revenues:	¥24,995 million	Cash distributions per unit (Note 1):	¥3,420
Operating income:	¥11,670 million	Distributions in excess of earnings per unit:	¥—
Ordinary income:	¥10,588 million		
Net income (Note 1):	¥10,587 million		

Fiscal Period Ending May 31, 2020

Operating revenues:	¥24,780 million	Cash distributions per unit: (Note 1)	¥3,470
Operating income:	¥11,781 million	Distributions in excess of earnings per unit:	¥—
Ordinary income:	¥10,744 million		
Net income (Note 1):	¥10,743 million		

Notes: 1. The resource for cash distributions for the fiscal periods ending November 30, 2019 and May 31, 2020 are the result of adding a reversal of reserve for temporary difference adjustments (each fiscal period: ¥77 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 3,118,337 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, 2020.
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, 2019
(32nd fiscal period: from June 1, 2019 to November 30, 2019) and the Fiscal Period Ending May 31, 2020
(33rd fiscal period: from December 1, 2019 to May 31, 2020)

Item	Assumptions																														
Terms	<ul style="list-style-type: none"> Fiscal period ending November 30, 2019 (32nd fiscal period: from June 1, 2019 to November 30, 2019) (183 days) Fiscal period ending May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020) (183 days) 																														
Investment Assets	<ul style="list-style-type: none"> The forecasts of financial results are based on a portfolio of 123 properties comprising (i) 122 properties owned by United Urban as of the date hereof and (ii) the square hotel KANAZAWA to be acquired on December 3, 2019. 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, 2020 (the end of the 33rd fiscal period) other than mentioned above. However, the forecasts may be changed by the change of properties in actually. 																														
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> The forecasts are based on 3,118,337 units issued and outstanding as of the date hereof. The forecasts are also based on the assumption that there will be no additional issuance of investment units until May 31, 2020 (the end of the 33rd fiscal period). 																														
Operating Revenues	<ul style="list-style-type: none"> 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. 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" style="margin-left: 40px;"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2019</th> <th>Fiscal period ending May 31, 2020</th> </tr> </thead> <tbody> <tr> <td>Rental revenues (including common area charges)</td> <td align="right">¥ 22,156 million</td> <td align="right">¥ 22,233 million</td> </tr> <tr> <td>Parking revenues</td> <td align="right">¥ 765 million</td> <td align="right">¥ 765 million</td> </tr> <tr> <td>Utility revenues (electricity, water, gas, etc.) from tenants</td> <td align="right">¥ 1,716 million</td> <td align="right">¥ 1,494 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The property-related revenues are based on the assumption that there will be no delinquencies or nonpayment of rent by the tenants. 	Major Item	Fiscal period ending November 30, 2019	Fiscal period ending May 31, 2020	Rental revenues (including common area charges)	¥ 22,156 million	¥ 22,233 million	Parking revenues	¥ 765 million	¥ 765 million	Utility revenues (electricity, water, gas, etc.) from tenants	¥ 1,716 million	¥ 1,494 million																		
Major Item	Fiscal period ending November 30, 2019	Fiscal period ending May 31, 2020																													
Rental revenues (including common area charges)	¥ 22,156 million	¥ 22,233 million																													
Parking revenues	¥ 765 million	¥ 765 million																													
Utility revenues (electricity, water, gas, etc.) from tenants	¥ 1,716 million	¥ 1,494 million																													
Operating Expenses	<ul style="list-style-type: none"> 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. United Urban anticipates each major item of the property-related expenses as set forth below. <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2019</th> <th>Fiscal period ending May 31, 2020</th> </tr> </thead> <tbody> <tr> <td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td align="right">¥ 1,994 million</td> <td align="right">¥ 1,996 million</td> </tr> <tr> <td>Property management fees</td> <td align="right">¥ 1,753 million</td> <td align="right">¥ 1,740 million</td> </tr> <tr> <td>Utilities</td> <td align="right">¥ 1,762 million</td> <td align="right">¥ 1,559 million</td> </tr> <tr> <td>Repairs and maintenance (Note 2)</td> <td align="right">¥ 973 million</td> <td align="right">¥ 804 million</td> </tr> <tr> <td>Depreciation and amortization (Note 3)</td> <td align="right">¥ 4,141 million</td> <td align="right">¥ 4,209 million</td> </tr> </tbody> </table> <p>Notes: 1. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period starting from the time United Urban acquires the assets. However, United Urban does not allocate such reimbursement as its expenses, because an amount equivalent to such reimbursement is included in the cost of acquisition and is capitalized. Therefore, the property taxes and city planning taxes for the following five properties acquired or to be acquired in 2019 will not be imposed up until the fiscal period ending May 2020. Furthermore, the estimated full amount of those taxes over an entire fiscal year will be 83 million yen.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>(Scheduled) Acquisition Date</th> <th>Property Name</th> </tr> </thead> <tbody> <tr> <td align="center">April 1, 2019</td> <td>GRAN FONTE</td> </tr> <tr> <td align="center">May 15, 2019</td> <td>Henn na Hotel Tokyo Hamamatsucho</td> </tr> <tr> <td align="center">June 25, 2019</td> <td>Hotel Hewitt Koshien</td> </tr> <tr> <td align="center">June 28, 2019</td> <td>Smile Hotel Premium Sapporo Susukino</td> </tr> <tr> <td align="center">December 3, 2019</td> <td>the square hotel KANAZAWA</td> </tr> </tbody> </table>	Major Item	Fiscal period ending November 30, 2019	Fiscal period ending May 31, 2020	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥ 1,994 million	¥ 1,996 million	Property management fees	¥ 1,753 million	¥ 1,740 million	Utilities	¥ 1,762 million	¥ 1,559 million	Repairs and maintenance (Note 2)	¥ 973 million	¥ 804 million	Depreciation and amortization (Note 3)	¥ 4,141 million	¥ 4,209 million	(Scheduled) Acquisition Date	Property Name	April 1, 2019	GRAN FONTE	May 15, 2019	Henn na Hotel Tokyo Hamamatsucho	June 25, 2019	Hotel Hewitt Koshien	June 28, 2019	Smile Hotel Premium Sapporo Susukino	December 3, 2019	the square hotel KANAZAWA
Major Item	Fiscal period ending November 30, 2019	Fiscal period ending May 31, 2020																													
Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥ 1,994 million	¥ 1,996 million																													
Property management fees	¥ 1,753 million	¥ 1,740 million																													
Utilities	¥ 1,762 million	¥ 1,559 million																													
Repairs and maintenance (Note 2)	¥ 973 million	¥ 804 million																													
Depreciation and amortization (Note 3)	¥ 4,141 million	¥ 4,209 million																													
(Scheduled) Acquisition Date	Property Name																														
April 1, 2019	GRAN FONTE																														
May 15, 2019	Henn na Hotel Tokyo Hamamatsucho																														
June 25, 2019	Hotel Hewitt Koshien																														
June 28, 2019	Smile Hotel Premium Sapporo Susukino																														
December 3, 2019	the square hotel KANAZAWA																														

	<p>2. Actual repairs and maintenance for each fiscal period may differ significantly from the forecasted amount for various reasons, including the possibility of emergency repairs and maintenance due to damage to buildings owing to unexpected factors, the large variance in amounts among fiscal years and the fact that these amounts do not accrue on a regular basis.</p> <p>3. Depreciation and amortization is calculated on a straight-line basis, inclusive of ancillary expenses and future capital expenditures (including undetermined expenditures as of this moment).</p> <ul style="list-style-type: none"> 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. 																				
Non-Operating Expenses	<ul style="list-style-type: none"> United Urban anticipates the non-operating expenses per major item, as set forth below. <table border="1"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2019</th> <th>Fiscal period ending May 31, 2020</th> </tr> </thead> <tbody> <tr> <td>Interest expenses for interest-bearing liabilities (Note 1)</td> <td>¥ 1,012 million</td> <td>¥ 1,003 million</td> </tr> <tr> <td>Expenses associated with the issuance of new investment units (Note 2)</td> <td>¥ 37 million</td> <td>-</td> </tr> </tbody> </table> <p>Note: 1. Including financing-related expenses and interest expenses on corporate bonds, etc. 2. The expenses associated with the 11th Public Offering, etc. are expected to be expensed at once at the time of payment.</p>	Major Item	Fiscal period ending November 30, 2019	Fiscal period ending May 31, 2020	Interest expenses for interest-bearing liabilities (Note 1)	¥ 1,012 million	¥ 1,003 million	Expenses associated with the issuance of new investment units (Note 2)	¥ 37 million	-											
Major Item	Fiscal period ending November 30, 2019	Fiscal period ending May 31, 2020																			
Interest expenses for interest-bearing liabilities (Note 1)	¥ 1,012 million	¥ 1,003 million																			
Expenses associated with the issuance of new investment units (Note 2)	¥ 37 million	-																			
Interest-bearing Liabilities	<ul style="list-style-type: none"> The total balance of interest-bearing liabilities as of the date hereof is ¥273,184 million, of which ¥246,184 million are borrowings and ¥27,000 million are corporate bonds. The interest-bearing liabilities maturing during the fiscal period ending November 30, 2019 and the plan for repayment, etc. are as set forth below. <table border="1"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">September 20, 2019</td> <td>Borrowing: ¥6,207 million</td> <td rowspan="3">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: ¥1,200 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The forecasts are based on the assumption that total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2019 is to be ¥270,587 million after the above-mentioned repayment and refinancing of interest-bearing liabilities, etc. are made. The interest-bearing liabilities maturing during the fiscal period ending May 31, 2020 and the plan for repayment, etc. are as set forth below. <table border="1"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td rowspan="4">March 23, 2020</td> <td>Borrowing: ¥1,000 million</td> <td rowspan="4">United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td> </tr> <tr> <td>Borrowing: ¥4,000 million</td> </tr> <tr> <td>Borrowing: ¥2,427 million</td> </tr> <tr> <td>Borrowing: ¥2,417 million</td> </tr> <tr> <td></td> <td>Borrowing: ¥1,300 million</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> The forecasts are based on the assumption that United Urban will newly obtain ¥5,000 million borrowing(s) from lender(s) to acquire “the square hotel KANAZAWA” on December 3, 2019. 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, 2020 is to be ¥275,587 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made. 	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	September 20, 2019	Borrowing: ¥6,207 million	United Urban will newly obtain borrowing(s) from lender(s) and use cash on hand to repay the borrowings in full.	Borrowing: ¥1,200 million	Borrowing: ¥1,000 million	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	March 23, 2020	Borrowing: ¥1,000 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Borrowing: ¥4,000 million	Borrowing: ¥2,427 million	Borrowing: ¥2,417 million		Borrowing: ¥1,300 million	
Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment																			
September 20, 2019	Borrowing: ¥6,207 million	United Urban will newly obtain borrowing(s) from lender(s) and use cash on hand to repay the borrowings in full.																			
	Borrowing: ¥1,200 million																				
	Borrowing: ¥1,000 million																				
Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment																			
March 23, 2020	Borrowing: ¥1,000 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.																			
	Borrowing: ¥4,000 million																				
	Borrowing: ¥2,427 million																				
	Borrowing: ¥2,417 million																				
	Borrowing: ¥1,300 million																				
Cash Distributions per Unit	<ul style="list-style-type: none"> Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban. 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. Cash distributions for the fiscal period ending November 30, 2019 are based on the total distribution amount of ¥10,664 million, which is the result adding a reversal of reserve for temporary difference adjustments of ¥77 million to the unappropriated retained earnings of ¥10,587 million. Cash distributions for the fiscal period ending May 31, 2020 are based on the total distribution amount of ¥10,820 million, which is the result of adding a reversal of reserve for temporary difference adjustments of ¥77 million to the unappropriated retained earnings of ¥10,743million. 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. 																				
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> United Urban does not currently plan to execute distributions in excess of earnings (distributions in excess of earnings per unit). 																				

Other	<ul style="list-style-type: none">· 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.· 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.
-------	--

2. Financial Statement

(1) Balance Sheet

	(Thousands of yen)	
	End of 30th Fiscal Period (as of November 30, 2018)	End of 31st Fiscal Period (as of May 31, 2019)
ASSETS		
Current Assets		
Cash and bank deposit	21,853,605	40,017,152
Cash and bank deposit in trust	27,799,105	28,602,370
Rent receivables	631,858	642,674
Prepaid expenses	214,444	768,757
Other	82,264	51,581
Allowance for doubtful accounts	(1,815)	(1,815)
Total Current Assets	50,579,463	70,080,720
Fixed Assets		
Property and equipment, at cost		
Buildings	*1 22,798,059	*1 22,884,029
Less accumulated depreciation	(6,305,705)	(6,636,723)
Buildings, net	16,492,353	16,247,305
Structures	*1 185,713	*1 191,771
Less accumulated depreciation	(137,095)	(139,634)
Structures, net	48,618	52,137
Machinery and equipment	346,029	346,029
Less accumulated depreciation	(187,376)	(198,513)
Machinery and equipment, net	158,652	147,516
Tools, furniture and fixtures	67,474	71,425
Less accumulated depreciation	(33,903)	(37,999)
Tools, furniture and fixtures, net	33,571	33,426
Land	*1 47,997,372	*1 47,507,168
Construction in progress	583,660	928
Buildings in trust	*3 231,647,990	*3 232,818,314
Less accumulated depreciation	(52,637,799)	(54,546,717)
Buildings in trust, net	179,010,190	178,271,596
Structures in trust	2,140,036	2,226,381
Less accumulated depreciation	(838,775)	(893,174)
Structures in trust, net	1,301,261	1,333,206
Machinery and equipment in trust	2,413,536	2,522,689
Less accumulated depreciation	(1,252,276)	(1,343,284)
Machinery and equipment in trust, net	1,161,259	1,179,404
Tools, furniture and fixtures in trust	995,771	1,194,937
Less accumulated depreciation	(435,214)	(501,672)
Tools, furniture and fixtures in trust, net	560,557	693,264
Land in trust	341,908,227	353,995,719
Construction in progress in trust	187,930	81,557
Total property and equipment	589,443,657	599,543,230
Intangible assets		
Software	21,117	17,180
Leasehold rights	1,149,355	1,149,355
Leasehold rights in trust	8,171,352	8,171,352
Other intangible assets in trust	165,636	158,972
Total intangible assets	9,507,461	9,496,859
Investments and other assets		
Investment securities	93,905	-
Security deposits paid	10,000	10,000
Security deposits paid in trust	79,958	79,958
Long-term prepaid expenses	1,527,706	1,691,084
Total investments and other assets	1,711,570	1,781,042
Total Fixed Assets	600,662,690	610,821,133
TOTAL ASSETS	651,242,153	680,901,853

	(Thousands of yen)	
	End of 30th Fiscal Period (as of November 30, 2018)	End of 31st Fiscal Period (as of May 31, 2019)
LIABILITIES		
Current Liabilities		
Trade accounts payable	2,305,872	3,752,585
Long-term debt due for repayment within one year	25,207,000	29,251,000
Accrued expenses	289,756	324,055
Distributions payable	15,157	15,662
Income taxes payable	117	-
Consumption taxes payable	389,329	274,380
Rent received in advance	364,207	379,203
Rent received in advance in trust	3,156,552	3,285,581
Deposits received	2,282	4,264
Deposits received in trust	25,524	23,956
Derivatives liabilities	12,497	6,576
Other	6,810	3,827
Total Current Liabilities	31,775,109	37,321,094
Long-term Liabilities		
Corporate bonds	17,000,000	27,000,000
Long-term debt	215,177,000	226,633,000
Leasehold and security deposits received	*1 3,129,408	*1 3,099,731
Leasehold and security deposits received in trust	28,061,230	28,939,971
Derivatives liabilities	70,221	118,626
Total Long-term Liabilities	263,437,860	285,791,329
Total Liabilities	295,212,970	323,112,423
NET ASSETS		
Unitholders' Equity		
Unitholders' capital	309,205,625	309,205,625
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for temporary difference adjustments	*4 7,386,945	*4 7,386,911
Reserve retained for distribution	3,061,918	3,132,645
Reserve for reduction entry	1,120,523	2,228,115
Total voluntary retained earnings	11,569,387	12,747,672
Unappropriated retained earnings (unappropriated deficit)	11,788,602	12,413,047
Total surplus	46,906,277	48,709,008
Total Unitholders' Equity	356,111,902	357,914,633
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(82,719)	(125,202)
Total Valuation and Translation Adjustment	(82,719)	(125,202)
Total Net Assets	*5 356,029,183	*5 357,789,430
TOTAL LIABILITIES and NET ASSETS	651,242,153	680,901,853

(2) Statement of Income and Retained Earnings

	(Thousands of yen)			
	30th Fiscal Period (June 1, 2018 - November 30, 2018)		31st Fiscal Period (December 1, 2018 - May 31, 2019)	
Operating Revenues				
Rental revenues	*1	22,033,656	*1	22,549,715
Other rental revenues	*1	1,833,565	*1	1,665,775
Gain on sales of real estates	*2	1,864,267	*2	3,001,011
Dividends income		2,206		44,634
Total Operating Revenues		25,733,696		27,261,137
Operating Expenses				
Property-related expenses	*1	10,663,855	*1	11,506,906
Asset management fees		1,840,950		1,868,708
Asset custodian fees		17,545		17,549
Administrative service fees		65,678		65,061
Directors' compensation		9,200		10,200
Provision of allowance for doubtful accounts		1,815		-
Other operating expenses		239,723		223,479
Total Operating Expenses		12,838,768		13,691,905
Operating Income		12,894,928		13,569,232
Non-operating Revenues				
Interest income		242		117
Reversal of cash distributions payable		1,586		1,430
Insurance income		18,847		17,184
Subsidy income		-		1,270
Interest on refund		215		-
Compensation income for damage or loss		5,000		-
Other		437		386
Total Non-operating Revenues		26,329		20,389
Non-operating Expenses				
Interest expenses		998,741		1,005,459
Interest expenses on corporate bonds		63,254		31,291
Corporate bond issuance expenses		-		67,667
Investment unit issuance expenses		-		11,912
Loss on disposal of real estate		58,445		26,039
Other		11,608		33,597
Total Non-operating Expenses		1,132,050		1,175,968
Ordinary Income		11,789,207		12,413,652
Income before Income Taxes		11,789,207		12,413,652
Income Taxes - current		605		605
Total Income Taxes		605		605
Net Income		11,788,602		12,413,047
Retained Earnings Brought Forward		-		-
Unappropriated Retained Earnings (unappropriated deficit)		11,788,602		12,413,047

(3) Statements of Unitholders' Equity

30th Fiscal Period (From June 1, 2018 to November 30, 2018)

(Thousands of yen)

	Unitholders' Equity					
	Unitholders' Capital	Surplus				
		Capital Surplus	Voluntary Retained Earnings			
			Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Reserve for Reduction Entry	Total Voluntary Retained Earnings
Balance at the beginning of current period	309,205,625	23,548,287	7,395,460	2,984,773	-	10,380,234
Changes of items during the period						
Provision of reserve for temporary difference adjustments			66,949			66,949
Reversal of reserve for temporary difference adjustments			(75,463)			(75,463)
Provision of reserve retained for distribution				77,144		77,144
Provision of reserve for reduction entry					1,120,523	1,120,523
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	-	-	(8,514)	77,144	1,120,523	1,189,153
Balance at the end of current period	* 309,205,625	23,548,287	7,386,945	3,061,918	1,120,523	11,569,387

	Unitholders' Equity			Valuation and Translation Adjustment		Total Net Assets
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
	Unappropriated Retained Earnings	Total Surplus				
Balance at the beginning of current period	11,973,610	45,902,131	355,107,757	(89,847)	(89,847)	355,017,909
Changes of items during the period						
Provision of reserve for temporary difference adjustments	(66,949)	-	-		-	-
Reversal of reserve for temporary difference adjustments	75,463	-	-		-	-
Provision of reserve retained for distribution	(77,144)	-	-		-	-
Provision of reserve for reduction entry	(1,120,523)	-	-		-	-
Cash distribution disbursed	(10,784,457)	(10,784,457)	(10,784,457)		-	(10,784,457)
Net income	11,788,602	11,788,602	11,788,602		-	11,788,602
Net changes during the period except for items under unitholders' equity	-	-	-	7,128	7,128	7,128
Total changes of items during the period	(185,007)	1,004,145	1,004,145	7,128	7,128	1,011,274
Balance at the end of current period	11,788,602	46,906,277	356,111,902	(82,719)	(82,719)	356,029,183

31st Fiscal Period (From December 1, 2018 to May 31, 2019)

(Thousands of yen)

	Unitholders' Equity					
	Unitholders' Capital	Surplus				
		Capital Surplus	Voluntary Retained Earnings			
			Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Reserve for Reduction Entry	Total Voluntary Retained Earnings
Balance at the beginning of current period	309,205,625	23,548,287	7,386,945	3,061,918	1,120,523	11,569,387
Changes of items during the period						
Provision of reserve for temporary difference adjustments			76,099			76,099
Reversal of reserve for temporary difference adjustments			(76,133)			(76,133)
Provision of reserve retained for distribution				70,726		70,726
Provision of reserve for reduction entry					1,107,592	1,107,592
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	-	-	(33)	70,726	1,107,592	1,178,285
Balance at the end of current period	* 309,205,625	23,548,287	7,386,911	3,132,645	2,228,115	12,747,672

	Unitholders' Equity			Valuation and Translation Adjustment		Total Net Assets
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustment	
	Unappropriated Retained Earnings	Total Surplus				
Balance at the beginning of current period	11,788,602	46,906,277	356,111,902	(82,719)	(82,719)	356,029,183
Changes of items during the period						
Provision of reserve for temporary difference adjustments	(76,099)	-	-		-	-
Reversal of reserve for temporary difference adjustments	76,133	-	-		-	-
Provision of reserve retained for distribution	(70,726)	-	-		-	-
Provision of reserve for reduction entry	(1,107,592)	-	-		-	-
Cash distribution disbursed	(10,610,317)	(10,610,317)	(10,610,317)		-	(10,610,317)
Net income	12,413,047	12,413,047	12,413,047		-	12,413,047
Net changes during the period except for items under unitholders' equity	-	-	-	(42,483)	(42,483)	(42,483)
Total changes of items during the period	624,445	1,802,730	1,802,730	(42,483)	(42,483)	1,760,247
Balance at the end of current period	12,413,047	48,709,008	357,914,633	(125,202)	(125,202)	357,789,430

(4) Statements of Cash Distribution

	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
I. Unappropriated retained earnings	¥ 11,788,602,603	¥ 12,413,047,967
II. Reversal of voluntary retained earnings Reversal of reserve for temporary difference adjustments	* ¥ 76,133,374	* ¥ 76,894,371
III. Cash distributions (Cash distribution per unit)	¥ 10,610,317,151 (¥ 3,473)	¥ 11,184,673,507 (¥ 3,361)
IV. Voluntary retained earnings Provision of reserve retained for distribution Provision of reserve for temporary difference adjustments Provision of reserve for reduction entry	¥ 70,726,796 * ¥ 76,099,699 ¥ 1,107,592,331	¥ 72,136,431 * ¥ 63,132,400 ¥ 1,170,000,000
V. Retained earnings carried forward to the next period	-	-

Calculation method for cash distribution	Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings. Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥76,133,374 to the unappropriated retained earnings of ¥11,788,602,603, and reserved ¥70,726,796 as reserve retained for distribution, ¥76,099,699 as reserve for temporary difference adjustments, and ¥1,107,592,331 as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥10,610,317,151 for the 30th fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.	Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings. Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥76,894,371 to the unappropriated retained earnings of ¥12,413,047,967, and reserved ¥72,136,431 as reserve retained for distribution, ¥63,132,400 as reserve for temporary difference adjustments, and ¥1,170,000,000 as reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation of Japan. Then, United Urban decided to distribute the remaining ¥11,184,673,507 for the 31st fiscal period. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

(5) Statements of Cash Flows

	(Thousands of yen)	
	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Cash flows from operating activities		
Income before income taxes	11,789,207	12,413,652
Depreciation and amortization	4,050,506	4,050,634
Gain on sale of properties	(1,864,267)	(3,001,011)
Increase (decrease) in allowance for doubtful accounts	1,815	-
Interest income and interest on securities	(242)	(117)
Interest expense and interest expense on corporate bonds	1,061,995	1,036,751
Corporate bonds issuance expenses	-	67,667
Investment unit issuance expenses	-	11,912
Loss on disposal of real estate	58,445	26,039
Decrease (increase) in rent receivables	(13,647)	(10,815)
Decrease (increase) in prepaid expenses	473,022	(561,411)
Decrease (increase) in long-term prepaid expenses	28,473	(112,666)
Increase (decrease) in trade accounts payable	(118,947)	948,483
Increase (decrease) in accrued expenses	(3,441)	3,484
Increase (decrease) in consumption taxes payable	316,052	(70,036)
Increase (decrease) in rent received in advance	14,407	14,996
Increase (decrease) in rent received in advance in trust	(67,337)	129,029
Increase (decrease) in deposits received	(5,393)	1,981
Increase (decrease) in deposits received in trust	(184,762)	(1,568)
Amortization of leasehold and security deposits received	(22,897)	(29,122)
Amortization of leasehold and security deposits received in trust	(44,856)	(79,781)
Other	(15,803)	82,275
Subtotal	15,452,332	14,920,377
Interest received	242	117
Interest paid	(1,180,446)	(1,066,037)
Income taxes (paid) refund	(636)	(9,249)
Net cash provided by (used in) operating activities	14,271,490	13,845,207
Cash flows from investing activities		
Sale of property and equipment in trust	4,957,885	10,842,374
Purchase of property and equipment	(3,959,533)	(46,306)
Purchase of property and equipment in trust	(6,204,998)	(21,931,893)
Purchase of intangible assets in trust	(1,010)	-
Proceeds from refund of investment securities	50,000	74,850
Proceeds from collection of leasehold and security deposits in trust	264	-
Proceeds from leasehold and security deposits received	49,971	17,166
Payment of leasehold and security deposits received	(182,130)	(17,721)
Proceeds from leasehold and security deposits received in trust	496,616	1,575,066
Payment of leasehold and security deposits received in trust	(208,140)	(218,911)
Net cash provided by (used in) investing activities	(5,001,074)	(9,705,376)
Cash flows from financing activities		
Proceeds from long-term debt	31,800,000	22,600,000
Repayment of long-term debt	(15,300,000)	(7,100,000)
Proceeds from issuance of corporate bonds	-	9,935,632
Repayment of corporate bonds	(15,000,000)	-
Distributions to unitholders	(10,783,040)	(10,608,651)
Net cash provided by (used in) financing activities	(9,283,040)	14,826,980
Net changes in cash and cash equivalents	(12,624)	18,966,811
Cash and cash equivalents at the beginning of the period	49,665,335	49,652,711
Cash and cash equivalents at the end of the period	49,652,711	68,619,522

(6) Notes to Assumption of Going Concern

Not applicable

(7) Notes to Important Accounting Policies

1.	Depreciation and amortization methods of fixed assets	<p>(1) Property and equipment (including trust assets) Depreciation of property and equipment is calculated on a straight-line basis. The estimated useful lives of the respective assets are as follows: Building: 2-70 years Structure: 2-53 years Machinery and equipment: 2-24 years Tools, furniture and fixtures: 3-20 years</p> <p>(2) Intangible assets (including trust assets) Depreciation of intangible assets is calculated on a straight-line basis. In addition, depreciation of the software for internal use is calculated using an estimated useful life of 5 years.</p> <p>(3) Long-term prepaid expenses Depreciation of long-term prepaid expenses is calculated on a straight-line basis.</p>
2.	Standards for recognition of allowances	<p>Allowance for doubtful accounts In order to provide for losses due to bad debt, United Urban recorded the estimated uncollectable amounts by considering the collectability of particular loans such as those with higher probability of default on an individual basis.</p>
3.	Accounting method of differed assets	<p>Corporate bond issuance expenses Corporate bond issuance expenses are expensed at once at the time of payment.</p> <p>Investment unit issuance expenses Investment unit issuance expenses are expensed at once at the time of payment.</p>
4.	Revenues and expenses recognition	<p>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 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 ¥9,447 thousand of such property taxes which were capitalized for the current fiscal period.</p>
5.	Hedge accounting	<p>(1) Hedge accounting method The differed hedge accounting is adopted.</p> <p>(2) Hedging instrument and hedged item Hedging instrument: Interest rate cap transaction / Interest rate swap transaction Hedged item: Interest rate on debts</p> <p>(3) Hedging policy Based on its financial policy, United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation.</p> <p>(4) Evaluation method of the effectiveness of hedging The effectiveness of hedging is evaluated by comparing the cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.</p>
6.	Scope of cash and cash equivalents in the statements of cash flows	<p>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.</p>

7.	Important matters as the basis for preparation of the financial statements	<p>(1) Accounting treatment for trust beneficial interests in entrusted assets including real estate</p> <p>For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts. In addition, the following significant accounts of assets held in trust which are recorded in the relevant accounts are reported separately in the balance sheet.</p> <ol style="list-style-type: none"> 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 <p>(2) Accounting method for consumption taxes</p> <p>The consumption tax and local consumption tax are accounted for using the tax exclusion method. However, non-deductible consumption taxes on fixed assets are included in the purchase price of each property as a capitalized cost.</p>
----	--	---

(8) Notes to Financial Statements

[Notes to Balance Sheet]

*1. Pledged assets and secured debt

Pledged assets were as follows:

	(Thousands of yen)	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Buildings	1,515,947	1,479,435
Structures	1,061	5,937
Land	2,089,982	2,089,982
Total	3,606,992	3,575,356

Debt secured by pledged assets were as follows:

	(Thousands of yen)	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Leasehold security deposits received	408,171	408,171
Total	408,171	408,171

2. Line-of-credit agreement

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

	(Thousands of yen)	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Total amount of commitment	36,000,000	36,000,000
Outstanding borrowings at end of the period	-	-
Net balance	36,000,000	36,000,000

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

	(Thousands of yen)	
	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Buildings in trust	56,666	39,608

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

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

(Thousands of yen)

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

- Notes: 1 It is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.
- 2 It is a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting from the fiscal period subsequent to the fiscal period in which the reserve was allocated.

31st Fiscal Period (As of May 31, 2019)

(Thousands of yen)

	Initial amount	Balance at the beginning of the period	Addition to the reserve during the period	Reversal during the period	Balance at the end of the period	Reasons for provision and reversal
Gains on negative goodwill (Note 1)	7,546,388	7,319,996	-	75,463	7,244,532	Appropriation for cash distribution
A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. (Note 2)	66,949	66,949	-	669	66,279	Appropriation for cash distribution
	76,099	-	76,099	-	76,099	A portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. was transferred to reserve for temporary difference adjustments in the statement of cash distribution of the fiscal period ended November 30, 2018.

- Notes: 1 It is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.
- 2 It is a portion of profits arising from the differences between taxable profits and accounting profit due to depreciation and amortization, etc. United Urban will reverse an amount equivalent to more than 1% of the initial amount (equivalent to the averaged amount for 50 years) in each fiscal period, starting from the fiscal period subsequent to the fiscal period in which the reserve was allocated.

*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 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
	50,000	50,000

[Notes to the Statement of Income]

*1. Operating revenues and expenses

	(Thousands of yen)			
	30th Fiscal Period (June 1, 2018- November 30, 2018)		31st Fiscal Period (December 1, 2018- May 31, 2019)	
A. Operating revenues				
Rental revenues				
Rental revenues	19,511,853		20,010,185	
Common area charges	1,622,588		1,625,917	
Parking revenues	739,519		755,828	
Other revenues (Note 1)	159,694	22,033,656	157,784	22,549,715
Other rental revenues				
Incidental revenues (Note 2)	1,655,552		1,449,458	
Temporary revenues	79,360		116,886	
Other miscellaneous revenues	98,653	1,833,565	99,430	1,665,775
Total operating revenues		23,867,222		24,215,491
B. Property-related expenses				
Rental expenses				
Property and other taxes	1,885,536		1,892,698	
Property management fees	1,735,777		1,758,394	
Utilities	1,644,439		1,473,913	
Casualty insurance	32,693		24,748	
Repairs and maintenance (Note 3)	892,658		1,824,671	
Depreciation and amortization	4,050,506		4,050,634	
Other rental expenses	422,244		481,845	
Total rental expenses		10,663,855		11,506,906
C. Profit from rental activities (A-B)		13,203,367		12,708,585

- 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

30th Fiscal Period (From June 1, 2018 to November 30, 2018)

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

Note: As for Himonya Shopping Center, United Urban sold its 19% quasi co-ownership.

31st Fiscal Period (From December 1, 2018 to May 31, 2019)

Himonya Shopping Center (Note)	(Thousands of yen)
Revenue from sale of property	8,250,000
Cost of sale of property	5,165,275
Other sales expenses	109,289
Gain on sale of properties	2,975,435

Note: As for Himonya Shopping Center, United Urban sold its 30% quasi co-ownership.

Maison Ukima	(Thousands of yen)
Revenue from sale of property	3,190,000
Cost of sale of property	3,072,693
Other sales expenses	91,730
Gain on sale of properties	25,576

[Notes to Statements of Changes in Unitholders' Equity]

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

	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	3,055,087 units	3,055,087 units

[Notes to Statements of Cash Distribution]

* Reserve for temporary difference adjustments

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

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

31st Fiscal Period (As of May 31, 2019)

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

system.	<ul style="list-style-type: none"> Fiscal period ended May 31, 2019 Provision amount: ¥63,132,400 (Amount to be reversed in the next fiscal period: ¥631,324) 	adjustments remains and use for cash distribution, respectively.
---------	--	--

[Notes to Tax Effect Accounting]

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

(Thousands of yen)

	End of 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Deferred tax assets		
Difference in revenue recognition for tax purposes	2,866	58
Difference in expense recognition for tax purposes	-	21,551
Valuation difference on assets acquired by merger	18,896,970	18,857,538
Excess allowance for doubtful accounts	572	572
Other	328	318
Subtotal	18,900,738	18,880,039
Valuation allowance	(18,900,738)	(18,880,039)
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 30th Fiscal Period (As of November 30, 2018)	End of 31st Fiscal Period (As of May 31, 2019)
Statutory tax rate	31.51%	31.51%
(Adjustment)		
Distributions of tax-deductible dividends	(28.35)%	(28.38)%
Changes in valuation allowance	(0.20)%	(0.17)%
Provision of reserve for reduction entry	(2.96)%	(2.97)%
Other	0.00%	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		30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	182,485,097	178,431,002
	Change during the period (Note 2)	(4,054,095)	6,797,353
	Balance at the end of the period	178,431,002	185,228,356
	Fair value at the end of the period (Note 3)	209,812,000	215,579,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	197,783,304	196,940,256
	Change during the period (Note 2)	(843,048)	(484,380)
	Balance at the end of the period	196,940,256	196,455,876
	Fair value at the end of the period (Note 3)	246,666,000	251,486,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	129,784,056	132,878,983
	Change during the period (Note 2)	3,094,927	4,445,536
	Balance at the end of the period	132,878,983	137,324,520
	Fair value at the end of the period (Note 3)	156,439,000	162,573,000

Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	37,655,988	40,987,910
	Change during the period (Note 2)	3,331,921	(510,092)
	Balance at the end of the period	40,987,910	40,477,817
	Fair value at the end of the period (Note 3)	52,255,000	52,925,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	47,895,785	49,526,212
	Change during the period (Note 2)	1,630,427	(148,845)
	Balance at the end of the period	49,526,212	49,377,367
	Fair value at the end of the period (Note 3)	60,773,000	63,863,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at the beginning of the period	595,604,232	598,764,365
	Change during the period (Note 2)	3,160,132	10,099,572
	Balance at the end of the period	598,764,365	608,863,937
	Fair value at the end of the period (Note 3)	725,945,000	746,426,000

- 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 30th fiscal period, the amount of the increase is primarily attributable to acquisition of three properties (total: ¥8,749 million) and capital expenditures (¥1,406 million). And the amount of the decrease is primarily attributable to the sale of one property (part of the ownership) (¥3,289 million) and the depreciation and amortization (¥4,042 million).
Of the “Change during the period” for the 31st fiscal period, the amount of the increase is primarily attributable to acquisition of three properties (total: ¥19,638 million), additional acquisition of the existing property (¥590 million), and capital expenditures (¥2,870 million). And the amount of the decrease is primarily attributable to the sale of two properties (for one of two properties, part of the ownership) (¥8,237 million) and the depreciation and amortization (¥4,042million).
- 3 The “Fair value at the end of the period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of The Investment Trusts Association, Japan.

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

[Notes to Per Unit Information]

	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Net assets per unit	¥ 116,536	¥ 117,112
Net income per unit	¥ 3,858	¥ 4,063

- 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:

		30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Net income	(Thousands of yen)	11,788,602	12,413,047
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	11,788,602	12,413,047
Average number of investment units during the period	(Unit)	3,055,087	3,055,087

[Notes to Significant Subsequent Events]

Issuance of new investment units

In order to procure funds for the acquisition of new specified assets and restore the decreased cash on hand which was allocated to a part of acquisition of new specified assets, United Urban resolved the issuance of new investment units at the board of directors’ meeting of United Urban, held on June 4, 2019. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors’ meeting of United Urban held on June 12, 2019. Based on these resolutions, United Urban issued 55,000 new investment units by way of public offering and 8,250 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥10,767 million in connection with the issuance of new investment units by way of public offering

and third-party allotment was completed.

As a result, United Urban's total capital increased to ¥319,973 million and United Urban's total number of investment units issued and outstanding increased to 3,118,337 units.

Issuance of new investment units by way of public offering

Number of new investment units issued	: 55,000 units
Issue price (offer price)	: ¥175,616 per unit
Total issue price (total offer price)	: ¥9,658,880 thousand
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥9,363,200 thousand
Payment date	: June 19, 2019 (Wednesday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)

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

Number of new investment units issued	: 8,250 units
Amount to be paid in (issue value)	: ¥170,240 per unit
Total amount to be paid in (total issue value)	: ¥1,404,480 thousand
Payment date	: July 11, 2019 (Thursday)
Starting date of the computation for cash distribution	: June 1, 2019 (Saturday)
Allottee	: SMBC Nikko Securities Inc.

[Notes to Other Matters]

(Unapplied Accounting Standard, etc.)

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

(1) Overview

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

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

(2) Scheduled date of the application

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

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

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

[Omission of Disclosure]

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

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

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

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

- Notes: 1. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
2. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
3. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
4. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
5. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
6. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
7. New investment units were issued through public offering at the offer price of ¥175,224 per unit (issue price (underwriter price) ¥169,860) for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.
8. New investment units were issued through third-party allotment at the issue price of ¥169,860 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
9. New investment units were issued through public offering at the offer price of ¥169,736 per unit (issue price (underwriter price) ¥164,540), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds to support a portion of the repayment of interest-bearing liabilities.
10. New investment units were issued through third-party allotment at the issue price of ¥164,540 per unit for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

3. Reference Information

(1) Information on the Price of Assets under Management, etc.

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		30th Fiscal Period (As of November 30, 2018)		31st Fiscal Period (As of May 31, 2019)	
				Total Amounts Held (Thousands of yen) (Note 1)	Percentage to Total Assets (%)	Total Amounts Held (Thousands of yen) (Note 1)	Percentage to Total Assets (%)
Real Estate	Retail Properties	Capital region	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
		(Note 2)	Tokyo metropolitan area (Note 5)	7,262,057	1.1	7,253,584	1.1
		Other regions (Note 6)	13,662,199	2.1	13,614,763	2.0	
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,029,891	2.0	12,992,536	1.9
			The 23 wards of Tokyo	9,501,819	1.5	9,474,778	1.4
		Tokyo metropolitan area	9,013,890	1.4	8,951,984	1.3	
		Other regions	-	-	-	-	
	Hotels	Capital region	The 6 central wards of Tokyo	2,693,122	0.4	1,611,273	0.2
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	4,015,494	0.6	3,970,106	0.6	
		Other regions	-	-	-	-	
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,851,734	0.4	2,854,674	0.4
		Tokyo metropolitan area	-	-	-	-	
		Other regions	4,433,375	0.7	4,414,137	0.6	
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	-	-	-	-	
		Other regions	-	-	-	-	
Subtotal				66,463,585	10.2	65,137,837	9.6
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,264,962	0.7	4,257,886	0.6
			The 23 wards of Tokyo	16,881,098	2.6	11,674,442	1.7
		Tokyo metropolitan area	80,136,196	12.3	92,264,997	13.6	
		Other regions	56,224,487	8.6	56,162,682	8.2	
	Office Buildings	Capital region	The 6 central wards of Tokyo	65,568,841	10.1	65,432,292	9.6
			The 23 wards of Tokyo	2,041,369	0.3	2,033,558	0.3
		Tokyo metropolitan area	41,326,701	6.3	41,100,479	6.0	
		Other regions	56,457,742	8.7	56,470,246	8.3	
	Hotels	Capital region	The 6 central wards of Tokyo	35,253,066	5.4	40,909,298	6.0
			The 23 wards of Tokyo	-	-	-	-
		Tokyo metropolitan area	23,251,283	3.6	23,325,460	3.4	
		Other regions	67,666,016	10.4	67,508,381	9.9	
	Residential Properties	Capital region	The 6 central wards of Tokyo	994,564	0.2	983,444	0.1
			The 23 wards of Tokyo	8,671,719	1.3	8,412,073	1.2
		Tokyo metropolitan area	2,852,700	0.4	2,839,245	0.4	
		Other regions	21,183,815	3.3	20,974,243	3.1	
	Others	Capital region	The 6 central wards of Tokyo	9,244,206	1.4	9,201,542	1.4
			The 23 wards of Tokyo	7,968,204	1.2	7,952,777	1.2
		Tokyo metropolitan area	25,764,209	4.0	25,727,055	3.8	
		Other regions	6,549,591	1.0	6,495,991	1.0	
Subtotal				532,300,779	81.7	543,726,100	79.9
Preferred equity securities (Note 7)				93,905	0.0	-	-
Bank deposit and other assets				52,383,882	8.0	72,037,915	10.6
Total Assets				651,242,153	100.0	680,901,853	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. "Other regions" refers to other major cities in Japan including government designated cities (excluding cities located in Tokyo metropolitan area) and surrounding areas thereof.
7. Preferred equity securities of Tenjin 123 Project TMK.

	30th Fiscal Period (As of November 30, 2018)		31st Fiscal Period (As of May 31, 2019)	
	Amount (Thousands of yen)	Percentage to Total Assets (%)	Amount (Thousands of yen)	Percentage to Total Assets (%)
Total liabilities	295,212,970	45.3	323,112,423	47.5
Total net assets	356,029,183	54.7	357,789,430	52.5
Total assets	651,242,153	100.0	680,901,853	100.0

2. Investment Assets

a. Major Stock of Investment Securities

There was no applicable information on major stock of investment securities.

b. Investment Real Estate Properties

As of the end of the 31st 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.

(i) 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, 2019)										
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 ²) (Note 3)	Leased Floor Space (m ²) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A2	Joy Park Izumigaoka	6,770	5,058	4,840	0.6	JREI	21	13,611.24	13,611.24	100.0
A4	Luz Funabashi (Note 20)	5,200	4,368	5,970	0.8	JREI	16	12,952.88	12,935.82	99.9
A6	TENJIN LUCE	6,500	6,215	6,400	0.9	Nittochi	11	4,194.68	4,194.68	100.0
A7	Kaden Sumairu-kan YAMADA Sakai Honten (Note 20)	3,210	2,721	3,860	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	4,992	5,230	0.7	JREI	3	10,487.92	10,487.92	100.0
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,519	2,010	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,629	3,350	0.4	JREI	10	2,081.50	2,081.50	100.0
A11	Tip's Machida Building	4,100	4,274	4,970	0.7	JREI	10	6,710.19	6,710.19	100.0
A12	Daiei Takarazuka Nakayama	4,284	3,184 (Note 9)	3,940	0.5	JREI	1	16,729.60	16,729.60	100.0
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	11,904	12,460	11,500	1.5	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,242	2,170	0.3	JREI	9	1,938.56	1,938.56	100.0
A15	Shinsaibashi OPA Honkan	22,800	21,916	26,600	3.6	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,554	2,360	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,353	3,600	0.5	JREI	6	3,151.71	2,659.70	84.4
A21	Mallage Kashiwa	7,040	6,682	8,950	1.2	JREI	94	41,738.82	40,480.10	97.0
A23	Ito-Yokado Owariasahi	4,840	4,043	4,870	0.7	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,148	2,100	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	4,872	5,940	0.8	JREI	20	2,283.47	2,283.47	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A26	ACTIOLE Ichikawa	3,350	2,939	4,070	0.5	JREI	12	3,927.49	3,760.34	95.7
A27	Yokohama Aoba Shopping Center (Site)	2,600	2,740	3,280	0.4	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,570	0.3	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	27,221	34,400	4.6	JREI	1	37,932.95	37,932.95	100.0
A30	Kaden Sumairu-kan YAMADA Matsudo Honten (Note 20)	5,150	4,806	6,590	0.9	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,593	6,080	0.8	JREI	6	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	7,410	1.0	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plusing Wave Enoshima	1,800	1,921	1,990	0.3	JREI	6	3,090.12	2,827.60	91.5
A34	LIFE Nishikujo (Site)	1,760	1,842	2,090	0.3	Tanizawa	1	3,252.76	3,252.76	100.0
A35	LIFE Tamatsukuri (Site)	1,880	1,967	2,190	0.3	Tanizawa	1	2,391.44	2,391.44	100.0
A36	Granbell Ginza Building	2,621	2,703	3,010	0.4	JREI	11	1,352.35	1,352.35	100.0
A37	UUR Tenjin Nishi-dori Building	5,500	5,674	6,280	0.8	JREI	1	1,564.70	1,564.70	100.0
A38	Luz Shonan Tsujido	3,938	3,925	4,620	0.6	Tanizawa	31	10,454.22	10,228.40	97.8
A39	ACTIOLE Ueno	3,000	3,172	3,150	0.4	Tanizawa	9	1,163.44	1,163.44	100.0
A40	KURURU	9,285	9,530	9,950	1.3	Tanizawa	27	13,292.33	13,292.33	100.0
A41	K's Denki Nagoya-kita	1,750	1,836	1,890	0.3	Tanizawa	1	4,733.74	4,733.74	100.0
A42	Luz Musashikosugi	12,151	12,249	12,200	1.6	Tanizawa	2	8,272.58	8,272.58	100.0
B1	T&G Hamamatsucho Building	2,257	2,108	3,230	0.4	Tanizawa	6	2,382.25	2,382.25	100.0
B3	Fukuoka Eartheon Building	2,080	1,574	2,950	0.4	JREI	8	4,934.40	4,934.40	100.0
B4	Marumasa Kojimachi Building	2,350	2,406	2,730	0.4	JREI	16	2,576.57	2,576.57	100.0
B5	Rokubancho K Building	2,150	2,255	3,620	0.5	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	23,601	29,100	3.9	Nittochi	61	45,978.59	45,978.59	100.0
B7	Kawasaki Toshiba Building	19,200	19,474	33,700	4.5	Tanizawa	1	36,142.30	36,142.30	100.0
B8	UUR Toyochō Building	8,500	8,395	8,680	1.2	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,122	6,560	0.9	JREI	1	5,000.54	5,000.54	100.0
B10	Hitachi High-Tech Building	14,800	14,391	17,600	2.4	JREI	2	15,781.64	15,781.64	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	11,806	12,800	1.7	JREI	22	10,947.34	10,947.34	100.0
B13	Pacific Marks Tsukishima	6,080	5,762	6,820	0.9	JREI	42	9,335.19	9,064.36	97.1
B14	Pacific Marks Yokohama East	7,050	6,680	7,930	1.1	Tanizawa	28	10,744.60	10,510.16	97.8
B17	Akasaka Hikawa Building	3,290	3,215	4,300	0.6	JREI	1	3,438.20	3,438.20	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,459	3,290	0.4	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,132	2,550	0.3	JREI	8	1,675.13	1,675.13	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,561	1,780	0.2	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	8,951	12,100	1.6	Tanizawa	42	7,382.62	7,382.62	100.0
B26	Hamamatsucho 262 Building	6,840	6,465	8,020	1.1	JREI	18	6,162.85	6,162.85	100.0
B27	Lila Hijirizaka	2,750	2,605	3,300	0.4	JREI	14	4,255.02	4,149.50	97.5
B29	Otsuka HT Building	1,160	1,079	1,270	0.2	JREI	7	1,774.56	1,774.56	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 ²) (Note 3)	Leased Floor Space (m ²) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
B30	Pacific Marks Shinjuku South-gate	2,460	2,491	3,660	0.5	JREI	8	1,723.03	1,552.71	90.1
B31	Pacific Marks Nishi-Umeda	6,860	6,564	8,110	1.1	Tanizawa	28	11,039.51	10,140.92	91.9
B32	Pacific Marks Higobashi	4,570	4,431	5,040	0.7	Tanizawa	23	7,623.57	6,973.58	91.5
B34	Pacific Marks Esaka	9,590	9,650	10,300	1.4	Tanizawa	44	19,963.32	19,963.32	100.0
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,724	2,170	0.3	Tanizawa	11	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	851	1,100	0.1	Tanizawa	21	2,797.02	2,797.02	100.0
B37	ARENA TOWER	9,500	8,127	12,800	1.7	Tanizawa	12	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	2,033	3,030	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,258	3,080	0.4	JREI	29	2,233.57	2,233.57	100.0
B40	GRAND-SQUARE Shin-Sakae	1,480	1,329	1,860	0.2	JREI	8	4,578.93	4,578.93	100.0
B41	GRAND-SQUARE Meieki-minami	1,220	1,112	2,190	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,153	3,150	0.4	JREI	5	2,831.94	2,831.94	100.0
B43	Hirose-dori SE Building	3,600	3,238	4,970	0.7	JREI	10	8,235.87	8,235.87	100.0
B44	SS30	18,200	18,867	20,100	2.7	JREI	84	67,688.30	67,401.03	99.6
B45	LOOP-X・M	11,200	11,787	11,900	1.6	JREI	110	21,591.05	20,840.55	96.5
C1	Shinjuku Washington Hotel Honkan	21,140	22,197	27,700	3.7	JREI	8	53,322.10	53,322.10	100.0
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,611	2,600	0.3	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,065	3,870	0.5	JREI	10	6,660.20	6,406.93	96.2
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	3,970	5,150	0.7	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,411	11,800	1.6	Nittochi	2	13,701.80	13,701.80	100.0
C6	UUR Yotsuya Sanhome Building	4,200	4,464	6,940	0.9	JREI	3	7,854.86	7,854.86	100.0
C7	Yotsuya 213 Building	5,020	4,953	6,890	0.9	JREI	3	7,550.16	6,928.40	91.8
C9	the b roppongi	4,488	4,796	5,260	0.7	JREI	3	3,714.06	3,714.06	100.0
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,660	3,170	0.4	Daiwa	1	4,874.28	4,874.28	100.0
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,087	2,550	0.3	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebashi-eki	745	733	848	0.1	Daiwa	1	1,529.47	1,529.47	100.0
C13	Loisir Hotel & Spa Tower Naha	20,000	20,401	23,300	3.1	JREI	1	45,731.16	45,731.16	100.0
C14	Royal Pines Hotel Urawa (Note 18)	17,500	17,599	18,100	2.4	JREI	10	31,129.86	31,129.86	100.0
C15	RIHGA Royal Hotel Kokura・ARUARU City	16,600	17,287	16,900	2.3	Tanizawa	31	81,385.06	81,273.93	99.9
C16	the b fukuoka tenjin	3,000	3,109	3,630	0.5	JREI	2	3,567.22	3,567.22	100.0
C17	Henn na Hotel Tokyo Hamamatsucho	4,456	4,496	4,710	0.6	JREI	1	2,293.64	2,293.64	100.0
D1	T&G Higashi-ikebukuro Mansion	2,021	1,415	2,420	0.3	Tanizawa	128	2,603.22	2,583.04	99.2
D4	Komazawa Court	1,680	1,482	2,280	0.3	JREI	1	3,741.17	3,741.17	100.0
D6	UUR Court Shiba-Daimon (Note 19)	1,175	983	1,460	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,434	3,600	0.5	JREI	1	12,700.44	12,700.44	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 ²) (Note 3)	Leased Floor Space (m ²) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
D10	UUR Court Sapporo Kita-Sanjo	1,278	947	1,620	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,634	3,460	0.5	JREI	88	4,097.51	3,939.84	96.2
D16	GRAND-ROUGE Sakae	1,570	1,189	1,330	0.2	JREI	90	3,697.38	3,454.69	93.4
D17	GRAND-ROUGE Sakae II	1,300	1,000	1,370	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,632	4,380	0.6	JREI	143	11,525.36	11,160.53	96.8
D19	UUR Court Nagoya Meieki	1,473	1,170	1,530	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	699	862	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	817	763	0.1	JREI	37	2,067.95	1,931.15	93.4
D22	UUR Court Osaka Juso-honmachi	1,570	1,277	1,660	0.2	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,854	3,570	0.5	JREI	198	5,460.39	5,308.99	97.2
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,783	3,020	0.4	JREI	125	7,763.18	6,996.26	90.1
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,280	1,600	0.2	JREI	116	3,090.36	2,992.76	96.8
D26	Glenpark Umeda-kita	5,150	5,065	6,430	0.9	Tanizawa	172	12,730.60	11,886.13	93.4
D27	UUR Court Shiki	2,730	2,839	3,160	0.4	JREI	1	9,885.83	9,885.83	100.0
D28	GRAND-ROUGE Tanimachi Rokuchome	1,300	1,376	1,510	0.2	Tanizawa	51	2,792.81	2,792.81	100.0
D29	Chatle Otemachi S・N	3,398	3,714	3,620	0.5	JREI	151	12,040.28	11,776.70	97.8
D30	GRAN FONTE	2,700	2,878	3,280	0.4	Tanizawa	90	6,268.24	6,201.49	98.9
E1	Lilycolor Tohoku Branch	2,050	1,410	2,200	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	4,773	5,210	0.7	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	3,859	6,160	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,376	4,510	0.6	JREI	1	3,212.21	3,212.21	100.0
E5	Logistics Higashi-Ohgishima	4,233	4,088	5,253	0.7	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	7,952	14,000	1.9	JREI	3	23,995.01	23,995.01	100.0
E7	Quartz Tower	5,700	5,824	6,300	0.8	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,620	2,850	0.4	JREI	1	12,909.90	12,909.90	100.0
E9	Kawagoe Logistics Center	7,550	7,659	9,480	1.3	Tanizawa	1	40,060.76	40,060.76	100.0
E10	Asuto Nagamachi Dental Clinic	1,200	1,225	1,310	0.2	JREI	1	1,554.09	1,554.09	100.0
E11	Shin-Narashino Logistics Center II	2,590	2,732	2,660	0.4	JREI	1	12,598.46	12,598.46	100.0
E12	Yoshikawa Logistics Center	1,960	1,983	2,020	0.3	JREI	1	11,096.70	11,096.70	100.0
E13	Musashimurayama Logistics Center	1,800	1,867	1,910	0.3	JREI	1	9,237.87	9,237.87	100.0
	Total	626,083	608,863	746,426	100.0	-	2,534	1,434,587.61	1,424,697.82	99.3

(ii) 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, 2019)

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
A2	Retail Properties	Joy Park Izumigaoka	384,295	212,743	10%	N/A
A4		Luz Funabashi (Note 20)	412,482	345,343	13%	N/A
A6		TENJIN LUCE	393,635	282,639	2%	N/A
A7		Kaden Sumairu-kan YAMADA Sakai Honten (Note 20)	(Note 10)	(Note 10)	8%	N/A
A8		Miyamae Shopping Center	267,074	909,730	17%	N/A
A9		KONAMI SPORTS CLUB Korigaoka	(Note 10)	(Note 10)	11%	N/A
A10		ACTIOLE Minami-ikebukuro	161,417	141,553	14%	N/A
A11		Tip's Machida Building	316,471	241,564	18%	N/A
A12		Daiei Takarazuka Nakayama	303,999	-	9%	N/A
A13	Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	598,549	299,622	(Note 11)	(Note 11)
A14	Retail Properties	ACTIOLE Kannai	114,708	100,669	16%	N/A
A15		Shinsaibashi OPA Honkan	1,362,000	1,448,304	12%	N/A
A19		Albore Jingumae	96,600	52,600	14.6%	N/A
A20		Albore Sendai	173,393	128,829	8%	N/A
A21		Mallage Kashiwa	895,858	909,604	9%	N/A
A23		Ito-Yokado Owariasahi	419,090	408,171	11%	N/A
A24		Yokohama Kariba Shopping Center	(Note 10)	(Note 10)	12%	N/A
A25		Luz Jiyugaoka	289,750	237,687	12%	N/A
A26		ACTIOLE Ichikawa	218,512	183,551	10%	N/A
A27		Yokohama Aoba Shopping Center (Site)	(Note 10)	(Note 10)	(Note 11)	(Note 11)
A28		Yamada Denki Tecc Land Aoba (Site)	(Note 10)	(Note 10)	(Note 11)	(Note 11)
A29		Yodobashi Camera Multimedia Kichijoji	(Note 10)	(Note 10)	14%	N/A
A30		Kaden Sumairu-kan YAMADA Matsudo Honten (Note 20)	(Note 10)	(Note 10)	11%	N/A
A31		Tenjin Loft Building	527,857	277,045	1%	N/A
A32		Narumi Shopping Center (Site)	(Note 10)	(Note 10)	(Note 11)	(Note 11)
A33		Plussing Wave Enoshima	119,378	176,282	14%	N/A
A34		LIFE Nishikujo (Site)	(Note 10)	(Note 10)	(Note 11)	(Note 11)
A35		LIFE Tamatsukuri (Site)	(Note 10)	(Note 10)	(Note 11)	(Note 11)
A36		Granbell Ginza Building	144,889	110,442	10%	N/A
A37		UUR Tenjin Nishi-dori Building	(Note 10)	(Note 10)	2%	N/A
A38		Luz Shonan Tsujido	407,240	309,322	14%	N/A
A39		ACTIOLE Ueno	147,565	86,120	12%	N/A
A40		KURURU	464,910	400,299	6%	N/A
A41		K's Denki Nagoya-kita	(Note 10)	(Note 10)	8%	N/A
A42	Luz Musashikosugi	503,524	1,008,149	11%	N/A	
B1	Office Buildings	T&G Hamamatsucho Building	158,649	249,828	12%	N/A
B3		Fukuoka Eartheon Building	212,728	117,935	1%	N/A
B4		Marumasu Kojimachi Building	175,118	131,524	11%	N/A
B5		Rokubancho K Building	204,674	82,011	14%	N/A
B6	Office /Hotels	Shin-Osaka Central Tower	1,924,496	1,526,197	7%	N/A
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7%	N/A
B8		UUR Toyochi Building	492,683	369,010	13%	N/A
B9		FOUR SEASONS BLDG	333,600	281,142	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
B10	Office Buildings	Hitachi High-Tech Building	792,690	793,576	15%	N/A
B11		Pacific Marks Shinjuku Parkside	632,952	458,421	14.8%	N/A
B13		Pacific Marks Tsukishima	421,325	230,271	14%	N/A
B14		Pacific Marks Yokohama East	407,653	279,344	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	121,611	76,114	13%	N/A
B22		Pacific Marks Shin-Yokohama	114,366	73,859	16%	N/A
B25		Pacific Marks Kawasaki	601,218	468,494	17%	N/A
B26		Hamamatsucho 262 Building	408,559	504,211	14%	N/A
B27		Lila Hijirizaka	206,836	118,812	12%	N/A
B29		Otsuka HT Building	94,166	76,157	13%	N/A
B30		Pacific Marks Shinjuku South-gate	156,239	169,000	12%	N/A
B31		Pacific Marks Nishi-Umeda	417,258	374,822	10%	N/A
B32		Pacific Marks Higobashi	259,478	204,330	12%	N/A
B34		Pacific Marks Esaka	771,807	623,753	9%	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	171,523	137,436	1%	N/A
B36		Shin-Sapporo Center Building	107,396	84,836	2%	N/A
B37		ARENA TOWER	813,791	464,957	10%	N/A
B38		Yushima First Building	197,318	148,979	13%	N/A
B39		Dogenzaka Square	181,523	127,288	16%	N/A
B40		GRAND-SQUARE Shin-Sakae	145,882	94,781	10%	N/A
B41		GRAND-SQUARE Meieki-minami	144,761	103,915	10%	N/A
B42		Shiba 520 Building	194,466	135,406	13%	N/A
B43	Hirose-dori SE Building	358,120	386,050	8%	N/A	
B44	Office /Hotels	SS30 (Note 12)	1,836,420	1,328,209	① 2% ② 6% ③ 1%	N/A
B45	Office Buildings	LOOP-X・M (Note 13)	800,861	414,056	① 7% ② 6%	N/A
C1	Hotels	Shinjuku Washington Hotel Honkan	1,545,930	2,009,397	9%	N/A
C2		Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17%	N/A
C3		MZ BLD.	254,264	182,680	13%	N/A
C4		HOTEL ROUTE-INN Yokohama Bashamichi	280,298	107,487	19%	N/A
C5		Hotel JAL City Naha	340,393	14,196	5%	N/A
C6		UUR Yotsuya Sanchome Building	327,448	206,465	14%	N/A
C7		Yotsuya 213 Building	300,798	253,143	13%	N/A
C9		the b roppongi	194,808	16,900	12%	N/A
C10		Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	(Note 10)	(Note 10)	14.5%	N/A
C11		Toyoko Inn Hiroshima Heiwa-odori	(Note 10)	(Note 10)	7%	N/A
C12		Toyoko Inn Naha Kokusai-dori Miebashiki-eki	(Note 10)	(Note 10)	2%	N/A
C13		Loisir Hotel & Spa Tower Naha (Note 14)	720,000	(Note 10)	① 7% ② 6%	N/A
C14		Royal Pines Hotel Urawa (Note 18)	1,064,613	(Note 10)	10%	N/A
C15		RIHGA Royal Hotel Kokura・ARUARU City (Note 15)	1,245,122	1,506,559	① 1% ② 2% ③ 1%	N/A
C16		the b fukuoka tenjin	138,457	24,568	1%	N/A
C17	Henn na Hotel Tokyo Hamamatsucho	(Note 10)	(Note 10)	14.8%	N/A	

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (Note 8)	Earthquake Insurance
D1	Residential Properties	T&G Higashi-ikebukuro Mansion	131,652	16,343	12%	N/A
D4		Komazawa Court	118,800	19,800	11%	N/A
D6		UUR Court Shiba-Daimon (Note 19)	66,000	11,000	17%	N/A
D9		Aprile Shin-Ohgi Ichibankan	(Note 10)	(Note 10)	8%	N/A
D10		UUR Court Sapporo Kita-Sanjo	94,200	7,838	2%	N/A
D15		CLIO Bunkyo Koishikawa	189,528	29,803	14.5%	N/A
D16		GRAND-ROUGE Sakae	91,176	5,565	13%	N/A
D17		GRAND-ROUGE Sakae II	69,303	6,413	13%	N/A
D18		MA Sendai Building	269,983	24,322	11%	N/A
D19		UUR Court Nagoya Meieki	88,414	7,381	16%	N/A
D20		UUR Court Sapporo Shinoro Ichibankan	61,653	4,021	3%	N/A
D21		Park Site IZUMI	54,396	11,841	12%	N/A
D22		UUR Court Osaka Juso-honmachi	100,854	9,334	16%	N/A
D23		UUR Court Kinshicho	221,040	36,662	14.8%	N/A
D24		UUR Court Sapporo Minami-Sanjo Premier Tower	201,881	56,449	1%	N/A
D25		GLAND-ROUGE Nakanoshima-minami	105,984	10,067	15%	N/A
D26		Glenpark Umeda-kita	340,224	35,174	15.5%	N/A
D27		UUR Court Shiki	178,800	178,800	11%	N/A
D28		GRAND-ROUGE Tanimachi Rokuchome	85,104	5,334	13%	N/A
D29		Chatle Otemachi S · N (Note 16)	220,414	18,695	① 1% ② 1%	N/A
D30	GRAN FONTE	172,379	46,298	1%	N/A	
E1	Others	Lilycolor Tohoku Branch	(Note 10)	(Note 10)	11%	N/A
E2		KDDI Fuchu Building	(Note 10)	(Note 10)	11%	N/A
E3		Tsubogawa Square Building	423,930	263,922	8%	N/A
E4		THE PLACE of TOKYO	(Note 10)	(Note 10)	13%	N/A
E5		Logistics Higashi-Ohgishima	(Note 10)	(Note 10)	12%	N/A
E6		MT Ariake Center Building I&II (Note 17)	(Note 10)	(Note 10)	① 12% ② 13%	N/A
E7		Quartz Tower	(Note 10)	(Note 10)	7%	N/A
E8		Shin-Narashino Logistics Center	(Note 10)	(Note 10)	10%	N/A
E9		Kawagoe Logistics Center	(Note 10)	(Note 10)	9%	N/A
E10		Asuto Nagamachi Dental Clinic	(Note 10)	(Note 10)	8%	N/A
E11		Shin-Narashino Logistics Center II	(Note 10)	(Note 10)	9%	N/A
E12		Yoshikawa Logistics Center	(Note 10)	(Note 10)	8%	N/A
E13		Musashimurayama Logistics Center	(Note 10)	(Note 10)	14%	N/A
Total			41,668,561	32,039,703	6.22%	

- Notes: 1. The “Acquisition Price” is an amount (the amounts stated in each purchase and sale agreements excluding consumption taxes) does not include the expenses necessary for making the relevant acquisitions (e.g. agency fees, public taxes and impositions) and is rounded to the nearest million yen.
2. “Appraisal Value at the End of Period” shows the real estate appraisal values or the prices resulting from price surveys using the same methods as appraisals conducted by real estate appraisers as of May 31, 2019.
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, 2019. “Leasable Floor Space” means the aggregate leasable floor space of the portions owned by United Urban of individual Investment Real Estate. “Leased Floor Space” means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in “Leasable Floor Space” and “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the

- total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies.) With regard to the portion of properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space."
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, 2019 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. It doesn't include variable rents. Therefore, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. Even when there is a claim requesting increase/decrease in rents with tenants as of May 31 2019, the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2019 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen is stated without taking into consideration the contents of the claim.
 7. "Tenant Leasehold and Security Deposits" are based on data as of May 31, 2019. In addition, "Tenant Leasehold and Security Deposits" include leasehold and security deposits of room, parking lot, warehouse, signboard, etc., and is rounded down to the nearest thousand yen.
 8. "PML" (probable maximum loss in an analysis of the earthquake risk) is based on the earthquake risk analysis report prepared by SHIMIZU CORPORATION. In addition, figure at "Total" of "PML" represents the overall portfolio PML.
 9. According to the soil environmental survey report on the land of this property prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the purchase and sale agreement of trust beneficial interest. "Book Value at the End of Period" of this trust beneficial interest is described as ¥3,184 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. 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.
 11. Because United Urban acquired only land for these properties, there is no applicable information for the PML.
 12. SS30 comprises three buildings: Office Building, Fitness Club Building, and Hotel Building, and information in the "PML" are shown for the Office Building expressed as ①, the Fitness Club Building expressed as ②, and the Hotel Building expressed as ③.
 13. LOOP-X・M comprises two buildings: LOOP-X (Office Building) and LOOP-M (Residential Building), and information in the "PML" are shown for LOOP-X expressed as ① and LOOP-M expressed as ②.
 14. Loisir Hotel & Spa Tower Naha comprises two buildings: (i) Main Building (the "Loisir Hotel Naha") and (ii) the Annex (Loisir Hotel Spa Tower Naha (the "Spa Tower") and Loisir Hotel Naha East (the "East")), and information in the "PML" are shown for the Main Building expressed as ① and the Annex expressed as ②.
 15. RIHGA Royal Hotel Kokura・ARUARU City comprises three buildings: Hotel Building, Retail Building I, and Retail Building II, and information in the "PML" are shown for the Hotel Building expressed as ①, the Retail Building I expressed as ②, and the Retail Building II expressed as ③.
 16. Chatle Otemachi S・N comprises two buildings: S Building and N Building, and information in the "PML" are shown for S Building expressed as ① and N Building expressed as ②.
 17. MT Ariake Center Building I&II comprises two buildings: MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and information in the "PML" are shown for the Building I expressed as ① and the Building II expressed as ②.
 18. The property name was changed from "Urawa Royal Pines Hotel" to "Royal Pines Hotel Urawa" on January 1, 2019.
 19. The property name was changed from "Sky Court Shiba-Daimon" to "UUR Court Shiba-Daimon" on October 19, 2018.
 20. The property name was changed from "Re-Land Shopping Center" to "Luz Funabashi," from "Yamada Denki Tecc Land Sakai Honten" to "Kaden Sumairu-kan YAMADA Sakai Honten," and from "Yamada Denki Tecc Land New Matsudo Honten" to "Kaden Sumairu-kan YAMADA Matsudo Honten" on May 1, 2019, respectively. The same shall apply hereinafter.

3. Information Concerning Tenants

Top 10 Tenants by Leased Floor Space

(As of May 31, 2019)

No.	Tenant Name	Property Name	Leased Floor Space (Note 1)	Total Annual Rent (Thousands of yen) (Note 2)	Expiration Date of Contract
1	RIHGA Royal Hotel Kokura Co., Ltd.	RIHGA Royal Hotel Kokura · ARUARU City	58,297.75 m ²	- (Note 3)	March 31, 2025
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34 m ²	419,090	(Note 4)
3	SBS Logicom Co., Ltd.	· Kawagoe Logistics Center · Yoshikawa Logistics Center	51,157.46 m ²	- (Note 3)	· Kawagoe Logistics Center August 31, 2027 · Yoshikawa Logistics Center July 26, 2027
4	Yamada Denki Co., Ltd.	· Kaden Sumairu-kan YAMADA Sakai Honten · maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) · Yamada Denki Tecc Land Aoba (Site) · Kaden Sumairu-kan YAMADA Matsudo Honten	49,897.43m ²	- (Note 3)	· Kaden Sumairu-kan YAMADA Sakai Honten May 9, 2022 · maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) November 15, 2020, etc. (Note 5) · Yamada Denki Tecc Land Aoba (Site) May 31, 2020 · Kaden Sumairu-kan YAMADA Matsudo Honten August 20, 2029
5	FUJITA KANKO INC.	Shinjuku Washington Hotel-Honkan	49,352.65 m ²	1,305,392	October 31, 2023, etc. (Note 5)
6	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44 m ²	- (Note 3)	November 19, 2024, etc. (Note 5)
7	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16m ²	720,000	March 31, 2026
8	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95 m ²	- (Note 3)	May 31, 2037
9	Toshiba Electronic Devices & Storage Corporation	Kawasaki Toshiba Building	36,142.30 m ²	1,665,139	October 20, 2023
10	Urawa Royal Pines Co., Ltd.	Royal Pines Hotel Urawa	29,628.04 m ²	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, 2019 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. It doesn’t include variable rents. 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. As for Ito-Yokado Owariasahi, the due date for the renewal of lease agreement has arrived on November 11, 2018. However, United Urban hasn’t finished the renewal of lease agreement with a lessee as of May 31, 2019, and the expiration date of contract has not yet been determined.
5. An expiration date of the representative agreement is stated because there are several lease agreements.

(2) 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, 2019. 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 31st fiscal period	Amount already paid
Miyamae Shopping Center	Kawasaki, Kanagawa	Renewal of entire building (1st period)	From December 2019 to May 2020	105	-	-
LOOP-X・M	Minato-ku, Tokyo	Repair of exterior wall	From April 2019 to November 2019	121	-	-
Royal Pines Hotel Urawa	Saitama, Saitama	Repair of store (MICHELA)	From June 2019 to September 2019	141	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of public area	From June 2019 to August 2019	274	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms (in some floors)	From June 2019 to July 2019	133	-	-
RIHGA Royal Hotel Kokura・ARUARU City	Kitakyushu, Fukuoka	Repair of exterior wall (2nd period)	From June 2019 to December 2019	331	-	-

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 31st fiscal period, which totaled ¥2,870 million. Together with ¥1,824 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥4,695 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	LED conversion inside or outside a building	From February 2019 to May 2019	31
Luz Funabashi	Funabashi, Chiba	Renewal for presenting environment inside the building (3rd period)	From December 2018 to May 2019	63
Luz Funabashi	Funabashi, Chiba	Floor waterproofing work of self-propelled parking lot	From March 2019 to April 2019	39
Tip's Machida Building	Machida, Tokyo	Repair of main pool and sub pool	From March 2019 to May 2019	64
Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Repair of toilets	From March 2019 to May 2019	33
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities (2nd period)	From December 2018 to January 2019	74
Shin-Osaka Central Tower	Osaka, Osaka	Repair of exterior wall tile (1st period)	From December 2018 to May 2019	32
Shin-Osaka Central Tower	Osaka, Osaka	Repair of exterior facility (3rd period)	From December 2018 to May 2019	38
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of panelboard breaker on each floor (3rd period)	From September 2018 to May 2019	58
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of cold water piping equipment of air conditioner	From April 2019 to May 2019	34
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of central monitor of the disaster prevention center	From July 2018 to April 2019	89
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of perimeter zone air conditioning of exclusive part (3rd period)	From March 2019 to May 2019	36
Pacific Marks Nishi-Umeda	Osaka, Osaka	Installation work for tenant	From March 2019 to May 2019	68
SS30	Sendai, Miyagi	Renewal of fan coil unit of guest rooms (Hotel building)	From January 2019 to March 2019	32
SS30	Sendai, Miyagi	Repair of exterior wall	From November 2016 to December 2018	238

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
MZ BLD.	Hachioji, Tokyo	Repair of exterior wall (1st period)	From March 2019 to May 2019	32
UUR Yotsuya Sanhome Building	Shinjuku-ku, Tokyo	Repair of exterior wall tile	From July 2018 to February 2019	59
the b roppongi	Minato-ku, Tokyo	Repair of the existing building	From November 2017 to March 2019	107
Royal Pines Hotel Urawa	Saitama, Saitama	Repair of exterior wall	From June 2018 to February 2019	171
RIHGA Royal Hotel Kokura • ARUARU City	Kitakyushu, Fukuoka	Renewal of audio server of private branch exchange (Hotel building)	From December 2018 to May 2019	39
RIHGA Royal Hotel Kokura • ARUARU City	Kitakyushu, Fukuoka	Improvement work of emergency generator (Retail building II)	From January 2019 to May 2019	63
Shin-Narashino Logistics Center II	Narashino, Chiba	Renewal of air-conditioning facilities (in some floors)	From April 2019 to May 2019	32
Other capital expenditures				1,427
Total				2,870

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)

	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)	29th Fiscal Period (December 1, 2017 - May 31, 2018)	30th Fiscal Period (June 1, 2018 - November 30, 2018)	31st Fiscal Period (December 1, 2018 - May 31, 2019)
Reserve balance at the beginning of period	998	1,343	1,308	1,417	1,465
Addition to the reserve during the period (Note)	379	28	165	51	75
Reduction of reserve during the period	34	63	56	4	50
Reserve balance to be carried over to the next of period	1,343	1,308	1,417	1,465	1,490

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.