

For Translation Purposes Only

January 17, 2020

SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED NOVEMBER 30, 2019 (June 1, 2019 – November 30, 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: February 26, 2020
 Scheduled date for commencing dividend payments: February 14, 2020
 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 November 30, 2019 (June 1, 2019 – November 30, 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 November 30, 2019	24,671	(9.5)	11,565	(14.8)	10,544	(15.1)	10,543	(15.1)
Fiscal period ended May 31, 2019	27,261	5.9	13,569	5.2	12,413	5.3	12,413	5.3

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended November 30, 2019	3,388	2.9	1.6	42.7
Fiscal period ended May 31, 2019	4,063	3.5	1.9	45.5

(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 November 30, 2019	3,435	10,711	—	—	101.3	2.9
Fiscal period ended May 31, 2019	3,661	11,184	—	—	90.1	3.1

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

2. For the fiscal period ended May 31, 2019, because a portion of unappropriated retained earnings was reserved (¥1,305 million as a reserve for reduction entry, etc.) and a reversal of reserve for temporary difference adjustments (¥76 million) was added to the net income, there was a difference between cash distribution per unit and net income per unit. For the fiscal period ended November 30, 2019, because a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve for reduction entry (¥93 million) were added to the net income, and a calculation of net income per unit was based on an average number of investment units during the period due to an issuance of new investment units, there were 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 November 30, 2019	678,208	367,970	54.3	118,002
Fiscal period ended May 31, 2019	680,901	357,789	52.5	117,112

(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 November 30, 2019	14,229	(19,812)	(12,561)	50,475
Fiscal period ended May 31, 2019	13,845	(9,705)	14,826	68,619

2. Forecasts of Results for the Fiscal Period Ending May 31, 2020 (December 1, 2019 – May 31, 2020) and the Fiscal Period Ending November 30, 2020 (June 1, 2020 – November 30, 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 May 31, 2020	25,169	2.0	11,755	1.6	10,744	1.9	10,743	1.9	3,470	—
Fiscal period ending November 30, 2020	24,847	(1.3)	11,032	(6.2)	10,035	(6.6)	10,035	(6.6)	3,400	—

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

Fiscal period ending May 31, 2020 ¥3,445 Fiscal period ending November 30, 2020 ¥3,218

Note: The resource for cash distributions for the fiscal period ending May 31, 2020 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) to the net income. The resource for cash distributions for the fiscal period ending November 30, 2020 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve for reduction entry (¥490 million) to the net income. 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 November 30, 2019: 3,118,337 units
 - As of May 31, 2019: 3,055,087 units
- Treasury investment units at the end of the fiscal period
 - As of November 30, 2019: None
 - As of May 31, 2019: 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 25.

(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 May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020) and the Fiscal Period Ending November 30, 2020 (34th fiscal period: from June 1, 2020 to November 30, 2020)” on page 9.

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 November 30, 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	12
(1) Balance Sheet	12
(2) Statement of Income and Retained Earnings	14
(3) Statements of Unitholders' Equity	15
(4) Statements of Cash Distribution	17
(5) Statements of Cash Flows	18
(6) Notes to Assumption of Going Concern	19
(7) Notes to Important Accounting Policies	19
(8) Notes to Financial Statements	20
(9) Change in Total Number of Investment Units Issued and Outstanding	27
3. Reference Information	28
(1) Information on the Price of Assets under Management, etc.	28
(2) Capital Expenditures	38

1. Management Status

Management Status

1. Overview during the period

a. Investment environment and operation

(i) Investment environment

During this fiscal period, the performance of the Japanese companies stagnated due to the escalation of US-China trade conflicts and the growing uncertainty of global economy. However, Japanese economy remains stable backed with robust corporate capital investment and buoyant consumer spending, thanks to the enthronement of the new Japanese emperor and the 2019 Rugby World Cup, etc. Financing environment has been also favorable in Japan on ground of continued low interest rate policy.

In the real estate investment market, yield compression and rising transaction price have been continuing based on the strong appetite from both domestic and foreign investors amid the stable real estate leasing market as well as the negative interest rate.

Real estate leasing market has been strong across all asset types. Office market has particularly been seeing a strong demand from tenants moving to large buildings in Central Business District in order to secure good talents and from tech companies and co-working companies seeking space for expansion. There are many new supplies coming to the market, but most of the spaces have seemed to be already let even before the completions. Vacancy rates have remained low in the Tokyo metropolitan area and other major cities across Japan. Asking rents have kept rising with the rents in some markets recording historical high.

The number of inbound tourists from the beginning of 2019 to November 2019 has been estimated at 29.35 million, up 2.8% year-on-year, but the growth rate recorded moderate. Diminution of the inbound tourists due to typhoons and souring of Japan-Korea relationship has been offset by the growth attributed to the 2019 Rugby World Cup and the increase from China and South East Asia. Therefore, sales of hotels have been favorable, but some cities including Osaka and Kyoto have seemed to be hit by the intensive large new supply.

As for the residential market, while new supply of rental properties has remained limited, there has been a steady demand and the occupancy ratio and rents have been kept stabilized. Retail and logistics markets have also seen a robust demand across major cities in Japan.

(ii) 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 (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.

(iii) New acquisition of properties

During the period, United Urban acquired the following two properties.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	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
Total				17,753	

- 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.

(iv) Portfolio overview

As a result of the acquisition of properties mentioned above (iii), United Urban held a total of 122 properties, comprising 34 retail properties, 33 office buildings, 1 retail-office complex, 18 hotels, 2 office-hotel complexes, 21 residential properties and 13 others, with an aggregate acquisition price of ¥643,836 million at the end of the 32nd fiscal period (as of November 30, 2019). In addition, the total leasable floor space was 1,479,025.78 sq. m. and the total numbers of tenants were 2,511.

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 99.2% at the end of the 32nd fiscal period (as of November 30, 2019).

b. Financing overview

During the period, in addition to the fund procurement through the 11th Public Offering, etc., United Urban repaid the existing interest-bearing liabilities by applying funds which were procured by issuance of Retail Green Bonds (Nickname: *Green Yu Yu Sai*, total amount: ¥10 billion) in the previous period and long-term borrowings.

The status of interest-bearing liabilities at the end of the previous period and the end of the 32nd fiscal period are as follows.

(Millions of yen)

	Balance at the end of the 31st Fiscal Period (As of May 31, 2019)	Balance at the end of the 32nd Fiscal Period (As of November 30, 2019)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	255,884	243,777	(12,107)
Total of borrowings	255,884	243,777	(12,107)
Corporate bonds	27,000	27,000	-
Total of interest-bearing liabilities	282,884	270,777	(12,107)

In addition, as of the end of the 32nd fiscal period, the amount of borrowings due for repayment within one year was ¥35,377 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 December 31, 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 ¥24,671 million (down by 9.5% from the previous period), profit from rental activities of ¥13,801 million (up by 8.6% from the previous period), operating income of ¥11,565 million (down by 14.8% from the previous period), ordinary income of ¥10,544 million (down by 15.1% from the previous period), and net income of ¥10,543 million (down by 15.1% from the previous period).

During the period under the review, United Urban reversed ¥77 million of the reserve for temporary difference adjustments 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, and ¥93 million of the reserve for reduction entry in accordance with the Article 65-7 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the same shall apply hereinafter), respectively, and added the reversal amount to unappropriated retained earnings. Furthermore, United Urban decided to distribute the remaining amount after the retention of fractional part which distribution per unit was less than ¥1 as reserve retained for distribution. As a result, United Urban decided to distribute ¥10,711 million, and cash distribution per unit was ¥3,435. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied during the fiscal

period, and the corporate tax is not imposed.

2. Outlook for the next fiscal period

a. Outlook for overall operation

Backed by the robust real estate leasing market nationwide, the stable rental revenue is expected with the high occupancy ratio being kept across all asset types. In the real estate investment market, severe competition in property acquisition is likely to persist in the market under the low interest rate and the real estate price would continue to rise.

Under these environmental awareness, United Urban pursues quality asset and profitability and remains persistent in selective investment in various types of assets through varied acquisition approaches by taking advantage of expertise of its asset manager, Japan REIT Advisors Co., Ltd. (“JRA”), to which United Urban has entrusted asset management services for many years, and functions and know-how of its sponsor. In addition, United Urban focuses on increase of rental revenue in offices and hotels and upward contracted rents upon lease renewals with existing tenants. Also, United Urban maintains and improves values of each asset through proactive investments and asset management jointly with its partner companies.

Regarding the financial management, United Urban will make continued 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.

Having an eye on a sustainable growth of United Urban, i.e. maximization of investor's value, engagement with stakeholders, and coexistence with the environment and society, United Urban is dedicated not only to the improvement in aforementioned financial aspects, but also to the resolutions for non-financial issues associated with ESG (Environment, Society, and Governance) and SDGs (Sustainable Development Goals).

b. Outlook for management status

(i) Material facts arising after the end of 32nd fiscal period and other material events

There are no material facts arising after the end of the fiscal period (November 30, 2019). In addition, the reference information is as follows:

A. Acquisition of property and debt financing

1) United Urban acquired “the square hotel KANAZAWA” on December 3, 2019.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
C20	the square hotel KANAZAWA	Hotel	Kanazawa, Ishikawa	4,802	December 3, 2019

2) United Urban procured debt financing to support for acquiring the property mentioned above 1), as set for the below.

Title	Lender	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 91B	Sumitomo Mitsui Trust Bank, Limited	5,000	0.23770%	December 3, 2019	September 24, 2026	Unsecured Unguaranteed

B. New committed line of credit agreement

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

Outline of the new committed line of credit agreement

Participating financial institutions	: Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited
Maximum loan amount	: ¥12,000 million
Date of agreement	: December 26, 2019
Term of agreement	: From December 26, 2019 to December 25, 2020
Remarks	: Unsecured, unguaranteed

(ii) Outlook for management status

For the fiscal period ending May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020) and the fiscal period ending November 30, 2020 (34th fiscal period: from June 1, 2020 to November 30, 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 May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020) and the Fiscal Period Ending November 30, 2020 (34th fiscal period: from June 1, 2020 to November 30, 2020)” below.

Fiscal Period Ending May 31, 2020

Operating revenues:	¥25,169 million	Cash distributions per unit (Note 1):	¥3,470
Operating income:	¥11,755 million	Distributions in excess of earnings per unit:	¥—
Ordinary income:	¥10,744 million		
Net income (Note 1):	¥10,743 million		

Fiscal Period Ending November 30, 2020

Operating revenues:	¥24,847 million	Cash distributions per unit: (Note 1)	¥3,400
Operating income:	¥11,032 million	Distributions in excess of earnings per unit:	¥—
Ordinary income:	¥10,035 million		
Net income (Note 1):	¥10,035 million		

Notes: 1. The resource for cash distributions for the fiscal period ending May 31, 2020 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) to the net income. The resource for cash distributions for the fiscal period ending November 30, 2020 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve for reduction entry (¥490 million) to the net income. Therefore, it differs from “net income” of each fiscal period. In addition, cash distributions per unit 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 November 30, 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 May 31, 2020
(33rd fiscal period: from December 1, 2019 to May 31, 2020) and the Fiscal Period Ending November 30, 2020
(34th fiscal period: from June 1, 2020 to November 30, 2020)

Item	Assumptions																														
Terms	<ul style="list-style-type: none"> Fiscal period ending May 31, 2020 (33rd fiscal period: from December 1, 2019 to May 31, 2020) (183 days) Fiscal period ending November 30, 2020 (34th fiscal period: from June 1, 2020 to November 30, 2020) (183 days) 																														
Investment Assets	<ul style="list-style-type: none"> The forecasts of financial results are based on a portfolio of 123 properties owned by United Urban as of the date hereof. 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 November 30, 2020 (the end of the 34th 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 November 30, 2020 (the end of the 34th 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"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending May 31, 2020</th> <th>Fiscal period ending November 30, 2020</th> </tr> </thead> <tbody> <tr> <td>Rental revenues (including common area charges)</td> <td>¥ 22,198 million</td> <td>¥ 21,929 million</td> </tr> <tr> <td>Parking revenues</td> <td>¥ 780 million</td> <td>¥ 787 million</td> </tr> <tr> <td>Utility revenues (electricity, water, gas, etc.) from tenants</td> <td>¥ 1,441 million</td> <td>¥ 1,684 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 May 31, 2020	Fiscal period ending November 30, 2020	Rental revenues (including common area charges)	¥ 22,198 million	¥ 21,929 million	Parking revenues	¥ 780 million	¥ 787 million	Utility revenues (electricity, water, gas, etc.) from tenants	¥ 1,441 million	¥ 1,684 million																		
Major Item	Fiscal period ending May 31, 2020	Fiscal period ending November 30, 2020																													
Rental revenues (including common area charges)	¥ 22,198 million	¥ 21,929 million																													
Parking revenues	¥ 780 million	¥ 787 million																													
Utility revenues (electricity, water, gas, etc.) from tenants	¥ 1,441 million	¥ 1,684 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"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending May 31, 2020</th> <th>Fiscal period ending November 30, 2020</th> </tr> </thead> <tbody> <tr> <td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td>¥ 2,014 million</td> <td>¥ 2,110 million</td> </tr> <tr> <td>Property management fees</td> <td>¥ 1,785 million</td> <td>¥ 1,767 million</td> </tr> <tr> <td>Utilities</td> <td>¥ 1,467 million</td> <td>¥ 1,679 million</td> </tr> <tr> <td>Repairs and maintenance (Note 2)</td> <td>¥ 1,222 million</td> <td>¥ 1,265 million</td> </tr> <tr> <td>Depreciation and amortization (Note 3)</td> <td>¥ 4,203 million</td> <td>¥ 4,172 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 in 2019 will be imposed up from the fiscal period ending November 30, 2020. It is expected that the estimated full amount of those taxes will be ¥103 million.</p> <table border="1"> <thead> <tr> <th>Acquisition Date</th> <th>Property Name</th> </tr> </thead> <tbody> <tr> <td>April 1, 2019</td> <td>GRAN FONTE</td> </tr> <tr> <td>May 15, 2019</td> <td>Henn na Hotel Tokyo Hamamatsucho</td> </tr> <tr> <td>June 25, 2019</td> <td>Hotel Hewitt Koshien</td> </tr> <tr> <td>June 28, 2019</td> <td>Smile Hotel Premium Sapporo Susukino</td> </tr> <tr> <td>December 3, 2019</td> <td>the square hotel KANAZAWA</td> </tr> </tbody> </table> <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>	Major Item	Fiscal period ending May 31, 2020	Fiscal period ending November 30, 2020	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥ 2,014 million	¥ 2,110 million	Property management fees	¥ 1,785 million	¥ 1,767 million	Utilities	¥ 1,467 million	¥ 1,679 million	Repairs and maintenance (Note 2)	¥ 1,222 million	¥ 1,265 million	Depreciation and amortization (Note 3)	¥ 4,203 million	¥ 4,172 million	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 May 31, 2020	Fiscal period ending November 30, 2020																													
Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥ 2,014 million	¥ 2,110 million																													
Property management fees	¥ 1,785 million	¥ 1,767 million																													
Utilities	¥ 1,467 million	¥ 1,679 million																													
Repairs and maintenance (Note 2)	¥ 1,222 million	¥ 1,265 million																													
Depreciation and amortization (Note 3)	¥ 4,203 million	¥ 4,172 million																													
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>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 May 31, 2020</th> <th>Fiscal period ending November 30, 2020</th> </tr> </thead> <tbody> <tr> <td>Interest expenses for interest-bearing liabilities (Note)</td> <td>¥ 1,001 million</td> <td>¥ 977 million</td> </tr> </tbody> </table> <p>Note: Including financing-related expenses and interest expenses on corporate bonds, etc.</p>	Major Item	Fiscal period ending May 31, 2020	Fiscal period ending November 30, 2020	Interest expenses for interest-bearing liabilities (Note)	¥ 1,001 million	¥ 977 million																					
Major Item	Fiscal period ending May 31, 2020	Fiscal period ending November 30, 2020																										
Interest expenses for interest-bearing liabilities (Note)	¥ 1,001 million	¥ 977 million																										
Interest-bearing Liabilities	<ul style="list-style-type: none"> The total balance of interest-bearing liabilities as of the date hereof is ¥275,777 million, of which ¥248,777 million are borrowings and ¥27,000 million are corporate bonds. 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="5">March 23, 2020</td> <td>Borrowing: ¥1,000 million</td> <td rowspan="5">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>Borrowing: ¥1,300 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 May 31, 2020 is to be ¥275,777 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made. The interest-bearing liabilities maturing during the fiscal period ending November 30, 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="3">June 22, 2020 (Note)</td> <td>Borrowing: ¥ 900 million</td> <td rowspan="3">United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td> </tr> <tr> <td>Borrowing: ¥6,150 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td rowspan="6">September 23, 2020</td> <td>Borrowing: ¥2,000 million</td> <td rowspan="6">United Urban plans to repay in full using the proceeds from the new borrowings and cash on hand.</td> </tr> <tr> <td>Borrowing: ¥ 500 million</td> </tr> <tr> <td>Borrowing: ¥4,500 million</td> </tr> <tr> <td>Borrowing: ¥3,283 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td>Borrowing: ¥2,400 million</td> </tr> <tr> <td>Borrowing: ¥2,500 million</td> </tr> </tbody> </table> <p>Note: Since June 20, 2020 is not a business day, June 22, 2020, which is the immediate following business day, will be the maturity date pursuant to the contract.</p> <ul style="list-style-type: none"> The forecasts are based on the assumption that the total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2020 is to be ¥275,774 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made. 	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	June 22, 2020 (Note)	Borrowing: ¥ 900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.	Borrowing: ¥6,150 million	Borrowing: ¥1,000 million	September 23, 2020	Borrowing: ¥2,000 million	United Urban plans to repay in full using the proceeds from the new borrowings and cash on hand.	Borrowing: ¥ 500 million	Borrowing: ¥4,500 million	Borrowing: ¥3,283 million	Borrowing: ¥1,000 million	Borrowing: ¥2,400 million	Borrowing: ¥2,500 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																										
June 22, 2020 (Note)	Borrowing: ¥ 900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.																										
	Borrowing: ¥6,150 million																											
	Borrowing: ¥1,000 million																											
September 23, 2020	Borrowing: ¥2,000 million	United Urban plans to repay in full using the proceeds from the new borrowings and cash on hand.																										
	Borrowing: ¥ 500 million																											
	Borrowing: ¥4,500 million																											
	Borrowing: ¥3,283 million																											
	Borrowing: ¥1,000 million																											
	Borrowing: ¥2,400 million																											
Borrowing: ¥2,500 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 May 31, 2020 are based on the total distribution amount of ¥10,821 million, which is the result adding a reversal of reserve for temporary difference adjustments of ¥77 million to the unappropriated retained earnings of ¥10,743 million. Cash distributions for the fiscal period ending November 30, 2020 are based on the total distribution amount of ¥10,602 million, which is the result of adding a reversal of reserve for temporary difference adjustments of ¥77 million and a reversal of reserve for reduction entry of ¥490 million to the unappropriated retained earnings of ¥10,035 million. 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 31st Fiscal Period (as of May 31, 2019)	End of 32nd Fiscal Period (as of November 30, 2019)
ASSETS		
Current Assets		
Cash and bank deposit	40,017,152	22,373,357
Cash and bank deposit in trust	28,602,370	28,101,697
Rent receivables	642,674	642,836
Prepaid expenses	768,757	217,160
Other	51,581	44,084
Allowance for doubtful accounts	(1,815)	(1,815)
Total Current Assets	70,080,720	51,377,321
Fixed Assets		
Property and equipment, at cost		
Buildings	*1 22,884,029	*1 22,944,121
Less accumulated depreciation	(6,636,723)	(6,969,362)
Buildings, net	16,247,305	15,974,758
Structures	*1 191,771	*1 193,029
Less accumulated depreciation	(139,634)	(141,475)
Structures, net	52,137	51,554
Machinery and equipment	346,029	346,029
Less accumulated depreciation	(198,513)	(209,650)
Machinery and equipment, net	147,516	136,379
Tools, furniture and fixtures	71,425	73,034
Less accumulated depreciation	(37,999)	(41,745)
Tools, furniture and fixtures, net	33,426	31,289
Land	*1 47,507,168	*1 47,507,168
Construction in progress	928	628
Buildings in trust	*3 232,818,314	*3 240,521,780
Less accumulated depreciation	(54,546,717)	(58,080,794)
Buildings in trust, net	178,271,596	182,440,985
Structures in trust	2,226,381	2,279,080
Less accumulated depreciation	(893,174)	(953,763)
Structures in trust, net	1,333,206	1,325,317
Machinery and equipment in trust	2,522,689	2,661,872
Less accumulated depreciation	(1,343,284)	(1,435,476)
Machinery and equipment in trust, net	1,179,404	1,226,396
Tools, furniture and fixtures in trust	1,194,937	1,372,859
Less accumulated depreciation	(501,672)	(580,219)
Tools, furniture and fixtures in trust, net	693,264	792,639
Land in trust	353,995,719	366,209,701
Construction in progress in trust	81,557	68,726
Total property and equipment	599,543,230	615,765,544
Intangible assets		
Software	17,180	12,965
Leasehold rights	1,149,355	1,149,355
Leasehold rights in trust	8,171,352	8,171,352
Other intangible assets in trust	158,972	152,307
Total intangible assets	9,496,859	9,485,980
Investments and other assets		
Security deposits paid	10,000	10,000
Security deposits paid in trust	79,958	81,458
Long-term prepaid expenses	1,691,084	1,488,436
Total investments and other assets	1,781,042	1,579,894
Total Fixed Assets	610,821,133	626,831,419
TOTAL ASSETS	680,901,853	678,208,740

	(Thousands of yen)	
	End of 31st Fiscal Period (as of May 31, 2019)	End of 32nd Fiscal Period (as of November 30, 2019)
LIABILITIES		
Current Liabilities		
Trade accounts payable	3,752,585	2,989,192
Long-term debt due for repayment within one year	29,251,000	35,377,000
Accrued expenses	324,055	271,786
Distributions payable	15,662	15,856
Income taxes payable	-	586
Consumption taxes payable	274,380	37,623
Rent received in advance	379,203	384,342
Rent received in advance in trust	3,285,581	3,265,084
Deposits received	4,264	3,048
Deposits received in trust	23,956	32,441
Derivatives liabilities	6,576	21,073
Other	3,827	8,605
Total Current Liabilities	37,321,094	42,406,641
Long-term Liabilities		
Corporate bonds	27,000,000	27,000,000
Long-term debt	226,633,000	208,400,000
Leasehold and security deposits received	*1 3,099,731	*1 3,107,939
Leasehold and security deposits received in trust	28,939,971	29,274,090
Derivatives liabilities	118,626	49,798
Total Long-term Liabilities	285,791,329	267,831,828
Total Liabilities	323,112,423	310,238,470
NET ASSETS		
Unitholders' Equity		
Unitholders' capital	309,205,625	319,973,305
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for temporary difference adjustments	*4 7,386,911	*4 7,373,149
Reserve retained for distribution	3,132,645	3,204,781
Reserve for reduction entry	2,228,115	3,398,115
Total voluntary retained earnings	12,747,672	13,976,047
Unappropriated retained earnings (unappropriated deficit)	12,413,047	10,543,501
Total surplus	48,709,008	48,067,835
Total Unitholders' Equity	357,914,633	368,041,141
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(125,202)	(70,871)
Total Valuation and Translation Adjustment	(125,202)	(70,871)
Total Net Assets	*5 357,789,430	*5 367,970,269
TOTAL LIABILITIES and NET ASSETS	680,901,853	678,208,740

(2) Statement of Income and Retained Earnings

	(Thousands of yen)			
	31st Fiscal Period (December 1, 2018 - May 31, 2019)		32nd Fiscal Period (June 1, 2019 - November 30, 2019)	
Operating Revenues				
Rental revenues	*1	22,549,715	*1	22,720,890
Other rental revenues	*1	1,665,775	*1	1,950,491
Gain on sales of real estates	*2	3,001,011		-
Dividends income		44,634		-
Total Operating Revenues		27,261,137		24,671,381
Operating Expenses				
Property-related expenses	*1	11,506,906	*1	10,870,357
Asset management fees		1,868,708		1,917,079
Asset custodian fees		17,549		18,143
Administrative service fees		65,061		65,665
Directors' compensation		10,200		10,200
Other operating expenses		223,479		224,691
Total Operating Expenses		13,691,905		13,106,137
Operating Income		13,569,232		11,565,243
Non-operating Revenues				
Interest income		117		120
Reversal of cash distributions payable		1,430		1,128
Insurance income		17,184		21,242
Subsidy income		1,270		-
Compensation income for damage or loss		-		1,643
Other		386		1,951
Total Non-operating Revenues		20,389		26,087
Non-operating Expenses				
Interest expenses		1,005,459		954,982
Interest expenses on corporate bonds		31,291		52,388
Corporate bond issuance expenses		67,667		-
Investment unit issuance expenses		11,912		26,808
Loss on disposal of real estate		26,039		5,531
Other		33,597		7,514
Total Non-operating Expenses		1,175,968		1,047,224
Ordinary Income		12,413,652		10,544,106
Income before Income Taxes		12,413,652		10,544,106
Income Taxes - current		605		605
Total Income Taxes		605		605
Net Income		12,413,047		10,543,501
Retained Earnings Brought Forward		-		-
Unappropriated Retained Earnings (unappropriated deficit)		12,413,047		10,543,501

(3) Statements of Unitholders' Equity

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

(Thousands of yen)

	Unitholders' Equity					
	Unitholders' Capital	Surplus				
		Capital Surplus	Voluntary Retained Earnings			Total Voluntary Retained Earnings
			Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	Reserve for Reduction Entry	
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

32nd Fiscal Period (From June 1, 2019 to November 30, 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	7,386,911	3,132,645	2,228,115	12,747,672
Changes of items during the period						
Issuance of new investment units	10,767,680					-
Provision of reserve for temporary difference adjustments			63,132			63,132
Reversal of reserve for temporary difference adjustments			(76,894)			(76,894)
Provision of reserve retained for distribution				72,136		72,136
Provision of reserve for reduction entry					1,170,000	1,170,000
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	10,767,680	-	(13,761)	72,136	1,170,000	1,228,374
Balance at the end of current period	* 319,973,305	23,548,287	7,373,149	3,204,781	3,398,115	13,976,047

	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	12,413,047	48,709,008	357,914,633	(125,202)	(125,202)	357,789,430
Changes of items during the period						
Issuance of new investment units		-	10,767,680		-	10,767,680
Provision of reserve for temporary difference adjustments	(63,132)	-	-		-	-
Reversal of reserve for temporary difference adjustments	76,894	-	-		-	-
Provision of reserve retained for distribution	(72,136)	-	-		-	-
Provision of reserve for reduction entry	(1,170,000)	-	-		-	-
Cash distribution disbursed	(11,184,673)	(11,184,673)	(11,184,673)		-	(11,184,673)
Net income	10,543,501	10,543,501	10,543,501		-	10,543,501
Net changes during the period except for items under unitholders' equity	-	-	-	54,331	54,331	54,331
Total changes of items during the period	(1,869,546)	(641,172)	10,126,507	54,331	54,331	10,180,839
Balance at the end of current period	10,543,501	48,067,835	368,041,141	(70,871)	(70,871)	367,970,269

(4) Statements of Cash Distribution

	31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)
I. Unappropriated retained earnings	¥ 12,413,047,967	¥ 10,543,501,249
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments	* ¥ 76,894,371	* ¥ 77,525,695
Reversal of reserve for reduction entry	-	¥ 93,000,000
III. Cash distributions	¥ 11,184,673,507	¥ 10,711,487,595
(Cash distribution per unit)	(¥ 3,361)	(¥ 3,435)
IV. Voluntary retained earnings		
Provision of reserve retained for distribution	¥ 72,136,431	¥ 2,539,349
Provision of reserve for temporary difference adjustments	* ¥ 63,132,400	-
Provision of reserve for reduction entry	¥ 1,170,000,000	-
V. Retained earnings carried forward to the next period	-	-

Calculation method for cash distribution		
	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban 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.</p> <p>United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings.</p> <p>Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥77,525,695 and reversal of reserve for reduction entry of ¥93,000,000 to the unappropriated retained earnings of ¥10,543,501,249, and reserved ¥2,539,349, fractional part which distribution per unit was less than ¥1, as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥10,711,487,595 for the 32nd fiscal period.</p> <p>United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.</p>

(5) Statements of Cash Flows

	(Thousands of yen)	
	31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)
Cash flows from operating activities		
Income before income taxes	12,413,652	10,544,106
Depreciation and amortization	4,050,634	4,132,956
Gain on sale of properties	(3,001,011)	-
Interest income and interest on securities	(117)	(120)
Interest expense and interest expense on corporate bonds	1,036,751	1,007,370
Corporate bonds issuance expenses	67,667	-
Investment unit issuance expenses	11,912	26,808
Loss on disposal of real estate	26,039	5,531
Decrease (increase) in rent receivables	(10,815)	(161)
Decrease (increase) in prepaid expenses	(561,411)	558,492
Decrease (increase) in long-term prepaid expenses	(112,666)	17,844
Increase (decrease) in trade accounts payable	948,483	(804,741)
Increase (decrease) in accrued expenses	3,484	(28,717)
Increase (decrease) in consumption taxes payable	(70,036)	(234,189)
Increase (decrease) in rent received in advance	14,996	5,138
Increase (decrease) in rent received in advance in trust	129,029	(20,496)
Increase (decrease) in deposits received	1,981	(1,216)
Increase (decrease) in deposits received in trust	(1,568)	8,485
Amortization of leasehold and security deposits received	(29,122)	(29,300)
Amortization of leasehold and security deposits received in trust	(79,781)	(133,679)
Other	82,275	8,988
Subtotal	14,920,377	15,063,099
Interest received	117	120
Interest paid	(1,066,037)	(842,376)
Income taxes (paid) refund	(9,249)	8,508
Net cash provided by (used in) operating activities	13,845,207	14,229,351
Cash flows from investing activities		
Sale of property and equipment in trust	10,842,374	-
Purchase of property and equipment	(46,306)	(113,691)
Purchase of property and equipment in trust	(21,931,893)	(20,202,231)
Proceeds from refund of investment securities	74,850	-
Payment for leasehold and security deposits in trust	-	(1,500)
Proceeds from leasehold and security deposits received	17,166	86,500
Payment of leasehold and security deposits received	(17,721)	(48,992)
Proceeds from leasehold and security deposits received in trust	1,575,066	773,891
Payment of leasehold and security deposits received in trust	(218,911)	(306,092)
Net cash provided by (used in) investing activities	(9,705,376)	(19,812,115)
Cash flows from financing activities		
Proceeds from long-term debt	22,600,000	6,000,000
Repayment of long-term debt	(7,100,000)	(18,107,000)
Proceeds from issuance of corporate bonds	9,935,632	-
Proceeds from issuance of investment units	-	10,728,959
Distributions to unitholders	(10,608,651)	(11,183,663)
Net cash provided by (used in) financing activities	14,826,980	(12,561,703)
Net changes in cash and cash equivalents	18,966,811	(18,144,467)
Cash and cash equivalents at the beginning of the period	49,652,711	68,619,522
Cash and cash equivalents at the end of the period	68,619,522	50,475,055

(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: 2-31 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>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 ¥71,674 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 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> <p>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</p>

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

(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 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 2019)
Buildings	1,479,435	1,439,154
Structures	5,937	7,021
Land	2,089,982	2,089,982
Total	3,575,356	3,536,158

Debt secured by pledged assets were as follows:

	(Thousands of yen)	
	End of 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 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 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 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 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 2019)
Buildings in trust	39,608	39,608

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

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.

32nd Fiscal Period (As of November 30, 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	7,244,532	-	75,463	7,169,068	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	66,279	-	669	65,610	Appropriation for cash distribution
	76,099	76,099	-	760	75,338	
	63,132	-	63,132	-	63,132	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, 2019.

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 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 2019)
	50,000	50,000

[Notes to the Statement of Income]

*1. Operating revenues and expenses

	(Thousands of yen)			
	31st Fiscal Period (December 1, 2018- May 31, 2019)		32nd Fiscal Period (June 1, 2019- November 30, 2019)	
A. Operating revenues				
Rental revenues				
Rental revenues	20,010,185		20,160,511	
Common area charges	1,625,917		1,631,700	
Parking revenues	755,828		766,005	
Other revenues (Note 1)	157,784	22,549,715	162,672	22,720,890
Other rental revenues				
Incidental revenues (Note 2)	1,449,458		1,668,414	
Temporary revenues	116,886		187,855	
Other miscellaneous revenues	99,430	1,665,775	94,221	1,950,491
Total operating revenues		24,215,491		24,671,381
B. Property-related expenses				
Rental expenses				
Property and other taxes	1,892,698		2,006,189	
Property management fees	1,758,394		1,770,947	
Utilities	1,473,913		1,617,597	
Casualty insurance	24,748		24,157	
Repairs and maintenance (Note 3)	1,824,671		905,611	
Depreciation and amortization	4,050,634		4,132,956	
Other rental expenses	481,845		412,897	
Total rental expenses		11,506,906		10,870,357
C. Profit from rental activities (A-B)		12,708,585		13,801,023

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

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

	(Thousands of yen)
Himonya Shopping Center (Note)	
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.

	(Thousands of yen)
Maison Ukima	
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

32nd Fiscal Period (From June 1, 2019 to November 30, 2019)

There was no applicable information on gain on sale of properties for the fiscal period ended November 30, 2019.

[Notes to Statements of Changes in Unitholders' Equity]

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

	31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 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	3,118,337 units

[Notes to Statements of Cash Distribution]

* Reserve for temporary difference adjustments

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 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 (Initial amount: ¥76,099,699) Reversal amount: ¥760,997 • Fiscal period ended May 31, 2019 (Provision amount: ¥63,132,400) (Amount to be reversed in the next fiscal period: ¥631,324) 	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 adjustments remains and use for cash distribution, respectively.

32nd Fiscal Period (As of November 30, 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 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 (Initial amount: ¥76,099,699) Reversal amount: ¥760,997 • Fiscal period ended May 31, 2019 (Initial amount: ¥63,132,400) Reversal amount: ¥631,324 	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 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 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 2019)
Deferred tax assets		
Difference in revenue recognition for tax purposes	58	29,315
Difference in expense recognition for tax purposes	21,551	21,517
Valuation difference on assets acquired by merger	18,857,538	18,763,147
Excess allowance for doubtful accounts	572	571
Other	318	307
Subtotal	18,880,039	18,814,859
Valuation allowance	(18,880,039)	(18,814,859)
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 31st Fiscal Period (As of May 31, 2019)	End of 32nd Fiscal Period (As of November 30, 2019)
Statutory tax rate	31.51%	31.51%
(Adjustment)		
Distributions of tax-deductible dividends	(28.38)%	(31.91)%
Changes in valuation allowance	(0.17)%	0.12%
Provision of reserve for reduction entry	(2.97)%	-
Reversal of reserve for reduction entry	-	0.28%
Other	0.01%	0.01%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

[Notes to Real Estate Assets for Rent]

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

		(Thousands of yen)	
Type of Use		31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)
Retail properties	Carrying amount on the balance sheet		
	Balance at the beginning of the period	178,431,002	185,228,356
	Change during the period	6,797,353	(566,947)
	Balance at the end of the period	185,228,356	184,661,408
	Fair value at the end of the period	215,579,000	215,529,000
Office buildings	Carrying amount on the balance sheet		
	Balance at the beginning of the period	196,940,256	196,455,876
	Change during the period	(484,380)	(612,518)
	Balance at the end of the period	196,455,876	195,843,358
	Fair value at the end of the period	251,486,000	257,614,000
Hotels	Carrying amount on the balance sheet		
	Balance at the beginning of the period	132,878,983	137,324,520
	Change during the period	4,445,536	17,967,518
	Balance at the end of the period	137,324,520	155,292,038
	Fair value at the end of the period	162,573,000	182,751,000
Residential properties	Carrying amount on the balance sheet		
	Balance at the beginning of the period	40,987,910	40,477,817
	Change during the period	(510,092)	(355,983)
	Balance at the end of the period	40,477,817	40,121,833
	Fair value at the end of the period	52,925,000	53,542,000
Others	Carrying amount on the balance sheet		
	Balance at the beginning of the period	49,526,212	49,377,367
	Change during the period	(148,845)	(209,754)

	Balance at the end of the period	49,377,367	49,167,612
	Fair value at the end of the period	63,863,000	64,758,000
Total	Carrying amount on the balance sheet		
	Balance at the beginning of the period	598,764,365	608,863,937
	Change during the period	10,099,572	16,222,314
	Balance at the end of the period	608,863,937	625,086,252
	Fair value at the end of the period	746,426,000	774,194,000

- 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 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 (¥4,042 million).
Of the “Change during the period” for the 32nd fiscal period, the amount of the increase is primarily attributable to acquisition of two properties (total: ¥17,976 million) and capital expenditures (¥2,373 million). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥4,125 million).
- 3 The “Fair value at the end of the period” stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban’s Articles of Incorporation and the rules of The Investment Trusts Association, Japan.

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

[Notes to Per Unit Information]

	31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)
Net assets per unit	¥ 117,112	¥ 118,002
Net income per unit	¥ 4,063	¥ 3,388

- 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:

		31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)
Net income	(Thousands of yen)	12,413,047	10,543,501
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	12,413,047	10,543,501
Average number of investment units during the period	(Unit)	3,055,087	3,111,123

[Notes to Significant Subsequent Events]

Not Applicable

[Notes to Other Matters]

(Unapplied Accounting Standard, etc.)

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

(1) Overview

The International Accounting Standard Board (“IASB”) and the Financial Accounting Standards Board (“FASB”) have jointly developed the comprehensive accounting standard for revenue recognition, and have published “Revenue from Contracts with Customers” (International Financial Reporting Standards (“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.

- “Accounting Standard for Fair Value Measurement” (Corporate Accounting Standards No. 30 issued by ASBJ on July 4, 2019)
- “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Implementation Guidance of Corporate Accounting Standards No. 31 issued by ASBJ on July 4, 2019)

(1) Overview

IASB and FASB have established detailed guidance for fair value measurement (IFRS 13 “Fair Value Measurement” by IFRS and Topic 820 “Fair Value Measurement” by FASB). In order to improve the comparability between the international accounting standard and Japanese accounting standard, ASBJ has mainly considered guidance and disclosure on fair value of financial instruments and published the accounting standard and implementation guidance for fair value measurement accordingly.

(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 Fair Value Measurement”, 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, United Urban procured funds of ¥10,767 million through issuance of new investment units by way of the public offering on June 19, 2019 (55,000 units) and the third-party allotment on July 11, 2019 (8,250 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Unit)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 1)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 2)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 3)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 4)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 5)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 6)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 7)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 8)
June 19, 2019	Additional issue of new investment units through public offering	55,000	3,110,087	9,363	318,568	(Note 9)
July 11, 2019	Additional issue of new investment units through third-party allotment	8,250	3,118,337	1,404	319,973	(Note 10)

- Notes:
1. 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.
 2. 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.
 3. 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.
 4. 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.
 5. 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.
 6. 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.
 7. 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.
 8. 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.
 9. New investment units were issued through public offering at the offer price of ¥175,616 per unit (issue price (underwriter price) ¥170,240), for the purpose of procuring funds for property acquisitions.
 10. New investment units were issued through third-party allotment at the issue price of ¥170,240 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.

3. Reference Information

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

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		31st Fiscal Period (As of May 31, 2019)		32nd Fiscal Period (As of November 30, 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 (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,253,584	1.1	7,239,732	1.1
			Other regions (Note 6)	13,614,763	2.0	13,559,765	2.0
	Office Buildings	Capital region	The 6 central wards of Tokyo	12,992,536	1.9	12,980,955	1.9
			The 23 wards of Tokyo	9,474,778	1.4	9,435,493	1.4
			Tokyo metropolitan area	8,951,984	1.3	8,895,510	1.3
			Other regions	-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,611,273	0.2	1,604,675	0.2
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	3,970,106	0.6	3,924,718	0.6
			Other regions	-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,854,674	0.4	2,830,632	0.4
			Tokyo metropolitan area	-	-	-	-
			Other regions	4,414,137	0.6	4,379,651	0.6
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
			Other regions	-	-	-	-
Subtotal				65,137,837	9.6	64,851,133	9.6
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,257,886	0.6	4,248,424	0.6
			The 23 wards of Tokyo	11,674,442	1.7	11,654,619	1.7
			Tokyo metropolitan area	92,264,997	13.6	91,856,072	13.5
			Other regions	56,162,682	8.2	56,102,795	8.3
	Office Buildings	Capital region	The 6 central wards of Tokyo	65,432,292	9.6	65,413,145	9.6
			The 23 wards of Tokyo	2,033,558	0.3	2,019,994	0.3
			Tokyo metropolitan area	41,100,479	6.0	40,870,287	6.0
			Other regions	56,470,246	8.3	56,227,971	8.3
	Hotels	Capital region	The 6 central wards of Tokyo	40,909,298	6.0	40,812,658	6.0
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,325,460	3.4	23,411,718	3.5
			Other regions	67,508,381	9.9	85,538,268	12.6
	Residential Properties	Capital region	The 6 central wards of Tokyo	983,444	0.1	977,494	0.1
			The 23 wards of Tokyo	8,412,073	1.2	8,353,848	1.2
			Tokyo metropolitan area	2,839,245	0.4	2,848,980	0.4
			Other regions	20,974,243	3.1	20,731,227	3.1
	Others	Capital region	The 6 central wards of Tokyo	9,201,542	1.4	9,158,879	1.4
			The 23 wards of Tokyo	7,952,777	1.2	7,937,438	1.2
			Tokyo metropolitan area	25,727,055	3.8	25,641,284	3.8
			Other regions	6,495,991	1.0	6,430,010	0.9
Subtotal				543,726,100	79.9	560,235,118	82.6
Bank deposit and other assets				72,037,915	10.6	53,122,488	7.8
Total Assets				680,901,853	100.0	678,208,740	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.

	31st Fiscal Period (As of May 31, 2019)		32nd Fiscal Period (As of November 30, 2019)	
	Amount (Thousands of yen)	Percentage to Total Assets (%)	Amount (Thousands of yen)	Percentage to Total Assets (%)
Total liabilities	323,112,423	47.5	310,238,470	45.7
Total net assets	357,789,430	52.5	367,970,269	54.3
Total assets	680,901,853	100.0	678,208,740	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 32nd 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 November 30, 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	5,043	4,850	0.6	JREI	19	13,611.24	13,451.89	98.8
A4	Luz Funabashi (Note 12)	5,200	4,333	6,200	0.8	JREI	17	12,952.88	12,952.88	100.0
A6	TENJIN LUCE	6,500	6,186	6,490	0.8	Nittochi	10	4,194.68	3,565.94	85.0
A7	Kaden Sumairu-kan YAMADA Sakai Honten (Note 12)	3,210	2,705	3,930	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	4,957	5,330	0.7	JREI	3	10,487.92	10,487.92	100.0
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,494	2,060	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami-ikebukuro	3,760	3,615	3,400	0.4	JREI	10	2,081.50	2,081.50	100.0
A11	Tip's Machida Building	4,100	4,254	5,060	0.7	JREI	9	6,710.19	6,710.19	100.0
A12	Daiei Takarazuka Nakayama	4,284	3,155 (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	2,228	2,170	0.3	JREI	8	1,938.56	1,718.79	88.7
A15	Shinsaibashi OPA Honkan	22,800	21,951	26,300	3.4	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,551	2,390	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,341	3,600	0.5	JREI	6	3,151.71	2,659.70	84.4
A21	Mallage Kashiwa	7,040	6,698	8,980	1.2	JREI	95	41,748.73	40,532.80	97.1
A23	Ito-Yokado Owariasahi	4,840	4,003	4,870	0.6	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,126	2,140	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	4,863	5,940	0.8	JREI	20	2,283.47	2,283.47	100.0
A26	ACTIOLE Ichikawa	3,350	2,904	4,070	0.5	JREI	13	3,927.49	3,927.49	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)
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	2,590	0.3	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	27,064	33,900	4.4	JREI	1	37,932.95	37,932.95	100.0
A30	Kaden Sumairu-kan YAMADA Matsudo Honten (Note 12)	5,150	4,766	6,830	0.9	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,618	6,120	0.8	JREI	6	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	7,460	1.0	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plussing Wave Enoshima	1,800	1,910	1,970	0.3	JREI	8	2,896.93	2,617.98	90.4
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	2,697	3,050	0.4	JREI	11	1,352.35	1,352.35	100.0
A37	UUR Tenjin Nishi-dori Building	5,500	5,667	6,000	0.8	JREI	1	1,564.70	1,564.70	100.0
A38	Luz Shonan Tsujido	3,938	3,897	4,620	0.6	Tanizawa	33	10,454.22	10,326.64	98.8
A39	ACTIOLE Ueno	3,000	3,176	3,110	0.4	Tanizawa	9	1,163.44	1,163.44	100.0
A40	KURURU	9,285	9,496	9,760	1.3	Tanizawa	26	13,292.33	13,137.20	98.8
A41	K's Denki Nagoya-kita	1,750	1,831	1,890	0.2	Tanizawa	1	4,733.74	4,733.74	100.0
A42	Luz Musashikosugi	12,151	12,241	12,300	1.6	Tanizawa	2	8,272.58	8,272.58	100.0
B1	T&G Hamamatsucho Building	2,257	2,110	3,210	0.4	Tanizawa	6	2,382.25	2,382.25	100.0
B3	Fukuoka Eartheon Building	2,080	1,559	2,970	0.4	JREI	7	4,934.40	4,934.40	100.0
B4	Marumasu Kojimachi Building	2,350	2,408	2,760	0.4	JREI	16	2,576.57	2,576.57	100.0
B5	Rokubancho K Building	2,150	2,247	3,640	0.5	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	23,633	30,600	4.0	Nittochi	63	45,938.36	45,862.89	99.8
B7	Kawasaki Toshiba Building	19,200	19,401	34,500	4.5	Tanizawa	1	36,142.30	36,142.30	100.0
B8	UUR Toyocho Building	8,500	8,359	8,770	1.1	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,099	6,640	0.9	JREI	1	5,000.54	5,000.54	100.0
B10	Hitachi High-Tech Building	14,800	14,359	17,900	2.3	JREI	2	15,781.64	15,781.64	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	11,747	13,100	1.7	JREI	21	10,947.34	10,623.20	97.0
B13	Pacific Marks Tsukishima	6,080	5,737	6,970	0.9	JREI	40	9,335.19	8,959.10	96.0
B14	Pacific Marks Yokohama East	7,050	6,626	7,950	1.0	Tanizawa	28	11,199.20	10,744.60	95.9
B17	Akasaka Hikawa Building	3,290	3,203	4,320	0.6	JREI	1	3,438.20	3,438.20	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,465	3,340	0.4	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,163	2,660	0.3	JREI	8	1,675.13	1,675.13	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,563	1,780	0.2	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	8,895	12,600	1.6	Tanizawa	41	7,395.50	7,298.74	98.7
B26	Hamamatsucho 262 Building	6,840	6,431	8,090	1.0	JREI	19	6,157.96	6,157.96	100.0
B27	Lila Hijirizaka	2,750	2,596	3,300	0.4	JREI	14	4,255.02	4,149.50	97.5
B29	Otsuka HT Building	1,160	1,076	1,220	0.2	JREI	7	1,774.56	1,774.56	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,483	3,830	0.5	JREI	8	1,726.68	1,726.68	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m ²) (Note 3)	Leased Floor Space (m ²) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
B31	Pacific Marks Nishi-Umeda	6,860	6,571	8,570	1.1	Tanizawa	31	10,990.99	10,990.99	100.0
B32	Pacific Marks Higobashi	4,570	4,409	5,220	0.7	Tanizawa	23	7,623.37	6,973.38	91.5
B34	Pacific Marks Esaka	9,590	9,607	10,400	1.3	Tanizawa	42	19,963.32	19,709.23	98.7
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,710	2,190	0.3	Tanizawa	11	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	843	1,100	0.1	Tanizawa	20	2,797.02	2,691.80	96.2
B37	ARENA TOWER	9,500	8,023	12,900	1.7	Tanizawa	11	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	2,019	3,060	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,246	3,130	0.4	JREI	28	2,233.57	2,173.63	97.3
B40	GRAND-SQUARE Shin-Sakae	1,480	1,305	1,870	0.2	JREI	8	4,578.93	4,578.93	100.0
B41	GRAND-SQUARE Meieki-minami	1,220	1,095	2,190	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,143	3,300	0.4	JREI	5	2,831.94	2,831.94	100.0
B43	Hirose-dori SE Building	3,600	3,188	5,170	0.7	JREI	8	8,235.87	7,784.70	94.5
B44	SS30	18,200	18,747	21,800	2.8	JREI	81	67,700.37	67,267.52	99.4
B45	LOOP-X・M	11,200	11,949	12,100	1.6	JREI	108	21,590.90	20,801.97	96.3
C1	Shinjuku Washington Hotel Honkan	21,140	22,090	27,200	3.5	JREI	8	53,310.20	53,310.20	100.0
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,604	2,590	0.3	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,088	3,960	0.5	JREI	9	6,660.20	6,342.58	95.2
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	3,924	5,150	0.7	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,323	11,800	1.5	Nittochi	2	13,701.80	13,701.80	100.0
C6	UUR Yotsuya Sanchome Building	4,200	4,511	6,970	0.9	JREI	3	7,854.86	7,854.86	100.0
C7	Yotsuya 213 Building	5,020	4,939	7,040	0.9	JREI	3	7,550.16	6,928.40	91.8
C9	the b roppongi	4,488	4,783	5,090	0.7	JREI	3	3,714.06	3,714.06	100.0
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,647	3,180	0.4	Daiwa	1	4,874.28	4,874.28	100.0
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,072	2,570	0.3	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebash-eki	745	726	854	0.1	Daiwa	1	1,529.47	1,529.47	100.0
C13	Loisir Hotel & Spa Tower Naha	20,000	20,432	23,200	3.0	JREI	1	45,731.16	45,731.16	100.0
C14	Royal Pines Hotel Urawa	17,500	17,675	18,000	2.3	JREI	10	31,129.86	31,129.86	100.0
C15	RIHGA Royal Hotel Kokura・ARUARU City	16,600	17,554	17,000	2.2	Tanizawa	30	81,371.29	81,260.16	99.9
C16	the b fukuoka tenjin	3,000	3,096	3,700	0.5	JREI	2	3,567.22	3,567.22	100.0
C17	Henn na Hotel Tokyo Hamamatsucho	4,456	4,487	4,740	0.6	JREI	1	2,293.64	2,293.64	100.0
C18	Hotel Hewitt Koshien	13,520	13,620	14,000	1.8	Tanizawa	2	36,104.06	36,104.06	100.0
C19	Smile Hotel Premium Sapporo Susukino	4,233	4,265	5,320	0.7	Tanizawa	1	8,332.04	8,332.04	100.0
D1	T&G Higashi-ikebukuro Mansion	2,021	1,404	2,420	0.3	Tanizawa	128	2,603.22	2,583.04	99.2
D4	Komazawa Court	1,680	1,475	2,120	0.3	JREI	1	3,741.17	3,741.17	100.0
D6	UUR Court Shiba-Daimon	1,175	977	1,460	0.2	Tanizawa	1	1,486.38	1,486.38	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)
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,410	3,600	0.5	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	928	1,620	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,606	3,560	0.5	JREI	86	4,097.51	3,857.65	94.1
D16	GRAND-ROUGE Sakae	1,570	1,177	1,360	0.2	JREI	91	3,697.38	3,506.84	94.8
D17	GRAND-ROUGE Sakae II	1,300	983	1,400	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,584	4,460	0.6	JREI	147	11,525.36	11,337.14	98.4
D19	UUR Court Nagoya Meieki	1,473	1,153	1,570	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	689	863	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	811	769	0.1	JREI	37	2,067.95	1,931.15	93.4
D22	UUR Court Osaka Juso-honmachi	1,570	1,259	1,700	0.2	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,830	3,660	0.5	JREI	196	5,460.39	5,292.16	96.9
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,756	3,070	0.4	JREI	125	7,763.18	7,053.28	90.9
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,262	1,630	0.2	JREI	108	3,090.36	2,846.42	92.1
D26	Glenpark Umeda-kita	5,150	5,031	6,590	0.9	Tanizawa	179	12,730.60	12,505.51	98.2
D27	UUR Court Shiki	2,730	2,848	3,160	0.4	JREI	1	9,885.83	9,885.83	100.0
D28	GRAND-ROUGE Tanimachi Rokuchome	1,300	1,371	1,510	0.2	Tanizawa	50	2,792.81	2,735.77	98.0
D29	Chatle Otemachi S・N	3,398	3,690	3,680	0.5	JREI	142	12,040.28	11,147.28	92.6
D30	GRAN FONTE	2,700	2,868	3,340	0.4	Tanizawa	88	6,268.24	6,059.88	96.7
E1	Lilycolor Tohoku Branch	2,050	1,400	2,200	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	KDDI Fuchu Building	4,920	4,752	5,210	0.7	JREI	1	14,490.92	14,490.92	100.0
E3	Tsubogawa Square Building	4,150	3,810	6,200	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,350	4,600	0.6	JREI	1	3,212.21	3,212.21	100.0
E5	Logistics Higashi-Ohgishima	4,233	4,063	5,508	0.7	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	7,937	14,400	1.9	JREI	1	23,816.82	23,816.82	100.0
E7	Quartz Tower	5,700	5,808	6,480	0.8	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,640	2,820	0.4	JREI	1	12,909.90	12,909.90	100.0
E9	Kawagoe Logistics Center	7,550	7,625	9,490	1.2	Tanizawa	1	40,060.76	40,060.76	100.0
E10	Asuto Nagamachi Dental Clinic	1,200	1,219	1,290	0.2	JREI	1	1,554.09	1,554.09	100.0
E11	Shin-Narashino Logistics Center II	2,590	2,721	2,630	0.3	JREI	1	12,598.46	12,598.46	100.0
E12	Yoshikawa Logistics Center	1,960	1,971	2,020	0.3	JREI	1	11,096.70	11,096.70	100.0
E13	Musashimurayama Logistics Center	1,800	1,865	1,910	0.2	JREI	1	9,237.87	9,237.87	100.0
	Total	643,836	625,086	774,194	100.0	-	2,511	1,479,025.78	1,467,241.88	99.2

(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 November 30, 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	379,211	207,694	10	N/A	
A4		Luz Funabashi (Note 12)	413,778	346,467	13	N/A	
A6		TENJIN LUCE	254,416	357,839	2	N/A	
A7		Kaden Sumairu-kan YAMADA Sakai Honten (Note 12)	(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	154,621	14	N/A	
A11		Tip's Machida Building	316,471	242,048	18	N/A	
A12		Daiei Takarazuka Nakayama	(Note 10)	(Note 10)	9	N/A	
A13		Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	598,549	290,022	- (Note 11)	- (Note 11)
A14	Retail Properties	ACTIOLE Kannai	104,736	94,021	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	887,757	907,418	9	N/A	
A23		Ito-Yokado Owariasahi	(Note 10)	(Note 10)	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	225,186	175,776	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 12)	(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	109,007	161,784	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	149,209	114,983	10	N/A	
A37		UUR Tenjin Nishi-dori Building	(Note 10)	(Note 10)	2	N/A	
A38		Luz Shonan Tsujido	410,805	310,486	14	N/A	
A39		ACTIOLE Ueno	143,178	86,120	12	N/A	
A40		KURURU	456,401	392,173	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	159,479	250,381	12	N/A
B3			Fukuoka Eartheon Building	213,523	132,434	1	N/A
B4			Marumasu Kojimachi Building	177,275	134,304	11	N/A
B5	Rokubancho K Building		204,674	82,011	14	N/A	
B6	Office /Hotels	Shin-Osaka Central Tower	1,989,167	1,607,185	7	N/A	
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7	N/A	
B8		UUR Toyochi Building	492,683	369,688	13	N/A	
B9		FOUR SEASONS BLDG	333,600	280,972	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	620,162	456,942	14.8	N/A
B13		Pacific Marks Tsukishima	418,097	228,031	14	N/A
B14		Pacific Marks Yokohama East	430,018	295,175	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	126,827	88,240	13	N/A
B22		Pacific Marks Shin-Yokohama	116,828	73,994	16	N/A
B25		Pacific Marks Kawasaki	602,932	468,734	17	N/A
B26		Hamamatsucho 262 Building	408,876	484,589	14	N/A
B27		Lila Hijirizaka	209,024	121,428	12	N/A
B29		Otsuka HT Building	94,166	76,157	13	N/A
B30		Pacific Marks Shinjuku South-gate	181,243	193,128	12	N/A
B31		Pacific Marks Nishi-Umeda	456,994	409,303	10	N/A
B32		Pacific Marks Higobashi	262,164	229,021	12	N/A
B34		Pacific Marks Esaka	762,369	615,889	9	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	174,237	139,224	1	N/A
B36		Shin-Sapporo Center Building	102,430	84,896	2	N/A
B37		ARENA TOWER	811,718	443,023	10	N/A
B38		Yushima First Building	197,513	149,117	13	N/A
B39		Dogenzaka Square	177,389	126,122	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	338,467	384,793	8	N/A	
B44	Office /Hotels	SS30	1,850,700	1,301,622	2	N/A
B45	Office Buildings	LOOP-X・M	821,128	406,248	7	N/A
C1	Hotels	Shinjuku Washington Hotel Honkan	1,544,850	2,008,497	9	N/A
C2		Toyoko Inn Shinagawa-eki Takanawa-guchi	114,000	70,000	17	N/A
C3		MZ BLD.	251,694	183,975	13	N/A
C4		HOTEL ROUTE-INN Yokohama Bashamichi	280,298	107,487	19	N/A
C5		Hotel JAL City Naha	448,393	14,196	5	N/A
C6		UUR Yotsuya Sanchome Building	327,448	206,465	14	N/A
C7		Yotsuya 213 Building	300,798	225,300	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 Miebashi-eki	(Note 10)	(Note 10)	2	N/A
C13		Loisir Hotel & Spa Tower Naha	720,000	(Note 10)	7	N/A
C14		Royal Pines Hotel Urawa	1,064,613	(Note 10)	10	N/A
C15		RIHGA Royal Hotel Kokura・ARUARU City	1,244,996	1,505,475	1	N/A
C16		the b fukuoka tenjin	148,457	29,151	1	N/A
C17		Henn na Hotel Tokyo Hamamatsucho	(Note 10)	(Note 10)	14.8	N/A
C18		Hotel Hewitt Koshien	(Note 10)	(Note 10)	9	N/A
C19	Smile Hotel Premium Sapporo Susukino	(Note 10)	(Note 10)	1	N/A	

Property No.	Type of Use	Property Name	Total Annual Rent (Thousands of yen) (Note 6)	Tenant Leasehold and Security Deposits (Thousands of yen) (Note 7)	PML (%) (Note 8)	Earthquake Insurance
D1	Residential Properties	T&G Higashi-ikebukuro Mansion	132,156	15,929	12	N/A
D4		Komazawa Court	118,800	19,800	11	N/A
D6		UUR Court Shiba-Daimon	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	185,892	27,000	14.5	N/A
D16		GRAND-ROUGE Sakae	91,836	6,086	13	N/A
D17		GRAND-ROUGE Sakae II	69,303	6,413	13	N/A
D18		MA Sendai Building	275,047	24,375	11	N/A
D19		UUR Court Nagoya Meieki	88,414	7,381	16	N/A
D20		UUR Court Sapporo Shinoro Ichibankan	61,653	4,087	3	N/A
D21		Park Site IZUMI	54,312	11,750	12	N/A
D22		UUR Court Osaka Juso-honmachi	100,854	9,334	16	N/A
D23		UUR Court Kinshicho	220,080	35,990	14.8	N/A
D24		UUR Court Sapporo Minami-Sanjo Premier Tower	203,525	56,119	1	N/A
D25		GLAND-ROUGE Nakanoshima-minami	100,236	9,144	15	N/A
D26		Glenpark Umeda-kita	359,280	37,784	15.5	N/A
D27		UUR Court Shiki	178,800	178,800	11	N/A
D28		GRAND-ROUGE Tanimachi Rokucho	83,640	5,137	13	N/A
D29		Chatle Otemachi S・N	208,342	17,611	1	N/A
D30	GRAN FONTE	168,773	47,300	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	428,001	267,993	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 10)	(Note 10)	12	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			42,631,484	32,382,030	6.06	

- 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 November 30, 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 "JREI" 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 November 30, 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 November 30, 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 November 30, 2019, the amount of monthly rent(s) under the lease agreement in effect as of November 30, 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 November 30, 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. As for properties comprised of several buildings, if the earthquake risk analysis report shows the PML of the whole property, the PML of the whole property is stated.
 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 reflects 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. 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 November 30, 2019)

No.	Tenant Name	Property Name	Leased Floor Space (m ²) (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	- (Note 3)	March 31, 2025
2	Ito-Yokado Co., Ltd.	Ito-Yokado Owariasahi	54,606.34	- (Note 3)	(Note 4)
3	SBS Logicom Co., Ltd.	· Kawagoe Logistics Center · Yoshikawa Logistics Center	51,157.46	- (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	49,897.43	- (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	1,305,392	October 31, 2023, etc. (Note 5)
6	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44	- (Note 3)	November 19, 2024, etc. (Note 5)
7	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16	720,000	March 31, 2026
8	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95	- (Note 3)	May 31, 2037
9	Toshiba Electronic Devices & Storage Corporation	Kawasaki Toshiba Building	36,142.30	1,665,139	October 20, 2023
10	L'hotel de Koshien Co., Ltd.	Hotel Hewitt Koshien	33,704.06	- (Note 3)	October 31, 2028

- 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 November 30, 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 November 30, 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 November 30, 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 32nd fiscal period	Amount already paid
Joy Park Izumigaoka	Sakai, Osaka	Renewal for presenting interior environment	From April 2020 to November 2020	101	-	-
TENJIN LUCE	Fukuoka, Fukuoka	Renewal of basement floors (B1F and B2F)	From December 2019 to July 2020	286	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Repair of large common bath (SHIMANCHU no Yu)	From June 2020 to November 2020	234	-	-
RIHGA Royal Hotel Kokura · ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms (superior floors)	From May 2020 to July 2020	133	-	-
RIHGA Royal Hotel Kokura · ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms (tower floors)	From January 2020 to February 2020	107	-	-
RIHGA Royal Hotel Kokura · ARUARU City	Kitakyushu, Fukuoka	Repair of exterior wall (3rd period)	From June 2019 to December 2019	290	-	-
RIHGA Royal Hotel Kokura · ARUARU City	Kitakyushu, Fukuoka	Repair of exterior wall (4th period)	From January 2020 to June 2020	274	-	-
Hotel Hewitt Koshien	Nishinomiya, Hyogo	Repair of air-conditioning heat source equipment	From October 2020 to November 2020	183	-	-

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 32nd fiscal period, which totaled ¥2,373 million. Together with ¥905 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥3,279 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	Renewal of automatic fire alarm system	From October 2019 to November 2019	32
Shinsaibashi OPA Honkan	Osaka, Osaka	Repair of exterior wall of main entrance	From October 2019 to November 2019	51
Mallage Kashiwa	Kashiwa, Chiba	Large-scale renovation work (Part I residential building)	From June 2019 to October 2019	34
Shin-Osaka Central Tower	Osaka, Osaka	Repair of exterior wall tile (2nd period)	From June 2019 to November 2019	73
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of panelboard breaker on each floor (4th period)	From June 2019 to November 2019	76
Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Overall renovation of rooftop and exterior walls	From March 2019 to September 2019	35
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of air-cooled heat pump chiller for exclusive area of basement floor	From November 2019 to November 2019	48
LOOP-X · M	Minato-ku, Tokyo	Overall renovation of exterior wall tiles and sealant (office building)	From June 2019 to November 2019	104
MZ BLD.	Hachioji, Tokyo	Repair of exterior wall (2nd period)	From June 2019 to November 2019	76
UUR Yotsuya Sanhome Building	Shinjuku-ku, Tokyo	Renewal of air conditioners and total heat exchangers (in some floors)	From September 2019 to November 2019	74
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	New construction of ground water cleaning system	From March 2019 to November 2019	94
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of guest room elevators of the main building (1st period)	From September 2019 to November 2019	89
Royal Pines Hotel Urawa	Saitama, Saitama	Renewal of store interior (MICHELA)	From August 2019 to September 2019	108

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
RIHGA Royal Hotel Kokura · ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms of the hotel building (21st-23rd floors)	From June 2019 to July 2019	129
RIHGA Royal Hotel Kokura · ARUARU City	Kitakyushu, Fukuoka	Repair of restaurant, banquet hall and common areas of the hotel building	From June 2019 to November 2019	253
Other capital expenditures				1,090
Total				2,373

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)

	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)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)
Reserve balance at the beginning of period	1,343	1,308	1,417	1,465	1,490
Addition to the reserve during the period (Note)	28	165	51	75	154
Reduction of reserve during the period	63	56	4	50	10
Reserve balance to be carried over to the next of period	1,308	1,417	1,465	1,490	1,634

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.