

For Translation Purposes Only

July 20, 2021

**SUMMARY OF FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED  
MAY 31, 2021 (December 1, 2020 – May 31, 2021)**

Name of issuer: United Urban Investment Corporation (United Urban)  
Listing: Tokyo Stock Exchange  
Securities code: 8960  
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Asset Management Company: Japan REIT Advisors Co., Ltd.  
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Scheduled date of filing of Securities Report: August 31, 2021  
Scheduled date for commencing dividend payments: August 11, 2021  
Supplementary Materials on Financial Results: Scheduled  
Financial Results Conference: Scheduled (for analysts and institutional investors (Japanese language only))

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

**1. Performance for the Fiscal Period Ended May 31, 2021 (December 1, 2020 – May 31, 2021)**

(1) Business Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2021	24,198	1.1	10,784	1.3	9,847	2.0	9,847	2.0
Fiscal period ended November 30, 2020	23,945	1.6	10,644	0.2	9,650	0.2	9,650	0.2

  

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
Fiscal period ended May 31, 2021	3,157	2.7	1.4	40.7
Fiscal period ended November 30, 2020	3,094	2.6	1.4	40.3

(2) Distributions

	Cash Distributions per Unit (excluding excess of earnings)	Total Cash Distributions (excluding excess of earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended May 31, 2021	3,182	9,922	—	—	100.7	2.7
Fiscal period ended November 30, 2020	3,119	9,726	—	—	100.8	2.7

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

2. For both fiscal period, because a reversal of reserve for temporary difference adjustments (each fiscal period: ¥77 million) was added to the net income, there was a difference between cash distribution per unit and net income per unit.

(3) Financial Position

	Total Assets	Total Unitholders' Equity (Net Asset)	Equity Ratio	Net Asset per Unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended May 31, 2021	704,135	365,797	51.9	117,305
Fiscal period ended November 30, 2020	701,982	365,666	52.1	117,263

#### (4) Conditions of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2021	9,323	(14,694)	(6,544)	53,567
Fiscal period ended November 30, 2020	13,457	6,175	(3,761)	65,483

## 2. Forecasts of Results for the Fiscal Period Ending November 30, 2021 (June 1, 2021 – November 30, 2021) and the Fiscal Period Ending May 31, 2022 (December 1, 2021 – May 31, 2022)

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2021	22,768	(5.9)	9,306	(13.7)	8,331	(15.4)	8,331	(15.4)	3,100	—
Fiscal period ending May 31, 2022	22,688	(0.4)	9,376	0.8	8,396	0.8	8,396	0.8	3,100	—

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

Fiscal period ending November 30, 2021 ¥2,671 Fiscal period ending May 31, 2022 ¥2,692

Note: The resource for cash distributions for the fiscal period ending November 30, 2021 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve retained for distribution (¥1,258 million) to the net income. And the resource for cash distributions for the fiscal period ending May 31, 2022 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve retained for distribution (¥1,193 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 May 31, 2021: 3,118,337 units
  - As of November 30, 2020: 3,118,337 units
- Treasury investment units at the end of the fiscal period
  - As of May 31, 2021: None
  - As of November 30, 2020: 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 27.

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

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

- This report (“Brief Report on the Closing of Accounts” (*Kessan-Tanshin*)) is not subject to audits by a certified public accountant or an audit corporation.
- Special Instruction  
Forward-looking statements contained in this material are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, forward-looking statements are not guarantees of payment of any cash distributions by United Urban. For details of the assumptions made, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2021 (36th fiscal period: from June 1, 2021 to November 30, 2021) and the Fiscal Period Ending May 31, 2022 (37th fiscal period: from December 1, 2021 to May 31, 2022)” on page 11.

**DISCLAIMER**

This is an English-language translation of original Japanese document “the Brief Report on the Closing of Accounts” (*Kessan-Tanshin*) for the fiscal period ended May 31, 2021. 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.

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## 1. Management Status

### Management Status

#### 1. Overview during the period

##### a. Investment environment and operation

###### (i) Investment environment

As the previous period, the global spread of COVID-19 continues to have an impact on the Japanese economy of this period. With a third wave of the COVID-19 spread after October 2020, followed by the second declaration of the state of emergency in January 2021, the preliminary Japanese annualized real GDP growth rate in Q1 2021 turned negative 3.9%. While the real economy gradually recovers the momentum, the semi-emergency coronavirus measures began in April in several municipalities, and the third round of state of emergency was declared in several prefectures including Tokyo. Vaccinations for the COVID-19 has already started, but the progress of inoculation rate is slow and it was decided in the end of May that the measures and the declaration were both extended until June. Therefore, the real GDP growth rate in Q2 2021 is also forecast to be muted.

Foreign countries, where the inoculation for the COVID-19 vaccination makes progress, are seeing a steady recovery toward their normalized economy. Possibilities of economic overheating over normalization is even anticipated as the recovery is inclined to be stimulated by excessive savings developed from the massive financial measures taken under the impact of COVID-19. In the United States in particular, an increase of inflation gap is projected toward the end of 2021 and the observation that a tapering will be mentioned during summer in 2021 is looming in the market. As the Japanese capital market is vulnerable to an interest rate trend of the United States, caution toward a possibility of their long-term interest hike is needed.

In the real estate investment market, an investment appetite of both domestic and foreign investors continues to be strong amid a global low interest rate environment, and property acquisitions remain highly competitive. However, the prolong impact of COVID-19 develops a view of risk aversion among some investors. While it is now clear that conditions of supply-demand balance and levels of demand recovery between asset types or areas in the real estate leasing market become different, there are more cases of asset disposition and acquisition deemed to be a capital recycling with an eye to respond to changes of demand in and after the COVID-19 pandemic.

The real estate leasing market continued to be strong across almost all asset types as the previous period, whereas some tenants in a certain asset types (type of use, industries/business categories) have been affected by the COVID-19. Demand for residential properties and logistics facilities remain robust even amid the pandemic, and occupancy rates and rent levels of both asset types have been kept stable across the country. Statistics show a population outflow from Tokyo, but it is assumed that any impact on the residential leasing market is limited and there has been no major change in the vacancy rate, etc. The logistics market has been picking up thanks to a stay-at-home-consumption, and demand dispels concerns of oversupply.

The impact of COVID-19 pandemic remains in performance of retail facilities and hotels. While recovery has been seen in operations of retail facilities overall, recovery momentum in urban retail facilities has not regained yet due to repetitive declarations and liftings of the state of emergency as well as applications and liftings of the semi-emergency coronavirus measures in major cities and their surroundings. By industry, business conditions in food and beverage, fashion and entertainment remain tight. It takes more times to resume the operation to a level before the COVID-19 pandemic. Looking ahead of a world after the pandemic, it has become an urgent task to find a new management style and a new way of operation of facilities by considering an emerging lifestyle and varied requirements of consumers.

Hotels are also facing difficulties. Travel demand for business and leisure remains muted due to repeated declarations/applications and liftings for the virus spread control measures. The government's Go To Travel Campaign, which boosted domestic accommodation demand in summer and autumn in 2020, was suspended in the end of 2020. Resuming of the campaign is not yet on the horizon as of the end of May 2021. Whereas the preparation for the Tokyo Olympic and Paralympic Games, postponed in 2020, is now underway to hold the events, it was decided that games will be held without spectators at nearly all venues to prevent the spread of infection in July 2021, and there continues to be a loss of accommodation demand from inbound tourists due to restrictions on immigration. Hotel operators strive to gain a new demand by taking various measures; those include receiving patients with mild or no symptoms for medical treatment as well as medical personnel, marketing a new accommodation plan for remote working and starting a takeaway dining service, but the

business conditions remain tight.

Vacancy rates in office buildings are moderately on the rise in each central business district nationwide and the rents also continue to be in a downward trend. There are more tenant activities of downsizing and cancellation seen in the market due to penetration of working from home and poor business performance triggered by the COVID-19 pandemic. Caution is required over further action by tenants.

(ii) New acquisition and sale of property

During the period, United Urban acquired the following properties.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
B46	Toranomon Hills Mori Tower (Note 3)	Office	Minato-ku, Tokyo	10,000	December 1, 2020
B47	Toranomon PF Building	Office	Minato-ku, Tokyo	3,435	
D34	UUR Court Ibaraki Higashi-Chujo	Apartment	Ibaraki, Osaka	1,665	
B48	UUR Kyobashi East Building	Office	Chuo-ku, Tokyo	7,280	March 31, 2021
Total				22,380	

On the other hand, United Urban carried out a part sale of the following property.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
B10	Nishi-Shimbashi 1-chome Building (2nd transfer) (Note 4, 5)	Office	Minato-ku, Tokyo	9,480	December 1, 2020

- 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 each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.
3. United Urban acquired compartmentalized ownership of the 10th floor of the property and 2.03% co-ownership of the site.
4. The property name was changed from "Hitachi High-tech Building" to "Nishi-Shimbashi 1-chome Building" on August 1, 2020. The same shall apply hereinafter.
5. As for Nishi-Shimbashi 1-chome Building, the sale and purchase agreement of the trust beneficial interest was concluded on November 5, 2020, and United Urban sold its 50% quasi co-ownership on November 30, 2020, and 50% quasi co-ownership on December 1, 2020, respectively, under such agreement.

(iii) Portfolio overview

As a result of the acquisition and sale of properties mentioned above (ii), United Urban held a total of 133 properties, comprising 34 retail properties, 34 office buildings, 1 retail-office complex, 20 hotels, 2 office-hotel complexes, 25 residential properties and 17 others, with an aggregate acquisition price of ¥671,418 million at the end of the 35th fiscal period (as of May 31, 2021). In addition, the total leasable floor space was 1,541,488.04 sq. m. and the total numbers of tenants were 2,725.

United Urban has continued to focus on maintaining occupancy ratios during the period despite economic slowdown due to the spread of COVID-19. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 96.8% and 98.0%, and stood at 97.3% at the end of the 35th fiscal period (as of May 31, 2021).

b. Financing overview

During the period, in addition to the issuance of the first ultralong-term (15 years) corporate bonds (¥1,000 million), United Urban procured debt financing to support the payment for acquiring specified assets and the repayment of interest-bearing liabilities.

The status of interest-bearing liabilities at the end of the previous period and the end of the 35th fiscal period are as follows.

(Millions of yen)

	Balance at the end of the 34th Fiscal Period (As of November 30, 2020)	Balance at the end of the 35th Fiscal Period (As of May 31, 2021)	Changes
Short-term borrowings	-	-	-
Long-term borrowings (borrowings due for repayment within one year)	261,633 (36,400)	263,833 (27,600)	+2,200 (△8,800)
Total of borrowings	261,633	263,833	+2,200
Corporate bonds (corporate bonds that is to become due for maturity within one year)	35,000 (3,000)	36,000 (3,000)	+1,000 (-)
Total of interest-bearing liabilities	296,633	299,833	+3,200

Moreover, the details of ratings of United Urban as of June 30, 2021 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency Ltd.	Long-Term Issuer Rating: AA	Rating Outlook: Stable

Note: United Urban requested the withdrawal of the issuer rating provided by Moody's Japan K.K. on April 28, 2021, and the rating was terminated as of April 30, 2021.

### c. Overview of financial results and distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥24,198 million (up by 1.1% from the previous period), profit from rental activities of ¥11,179 million (up by 0.8% from the previous period), operating income of ¥10,784 million (up by 1.3% from the previous period), ordinary income of ¥9,847 million (up by 2.0% from the previous period), and net income of ¥9,847 million (up by 2.0% from the previous period).

During the period under the review, United Urban added ¥77 million, which is the reversal 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, to ¥9,847 million of unappropriated retained earnings to distribute. As a result, United Urban decided to distribute ¥9,922 million, and cash distribution per unit was ¥3,182. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) 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

While the Japanese government is urging people to receive a vaccination for the COVID-19, there is considerable uncertainty surrounding the normalization of the Japanese economy due to repeated declarations and lifting or postponement of the state of emergency as well as the semi-emergency coronavirus measures. It is imperative to achieve herd immunity, but new variants of the COVID-19 have developed around the world. The effectiveness of the COVID-19 vaccination currently being distributed must be validated. It will take some time to ascertain when the spread of COVID-19 will end and harsh conditions are expected to continue in the Japanese economy going forward.

United Urban's portfolio is almost fully diversified, but it is forecast that the impact of COVID-19 will continue in the operation of United Urban as the virus spread persists around the globe and the economic slowdown prolongs.

Under these conditions, United Urban strives to stabilize cash distribution with the aim of utilizing retained earnings. Moreover, United Urban seeks to focus on recovering its operating condition by maintaining/improving occupancy ratio, revising terms and conditions in leasing contracts, etc. to strengthen a profitability further, reducing operating expenses, and replacing assets. On the other hand, United Urban pursues investment opportunities for various types of assets with a cautious attention to real estate investment market and remains persistent in selective investment through varied acquisition approaches.

Regarding the financial management, United Urban makes continued efforts to create a robust and stable financial standing by controlling the LTV level, 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 35th fiscal period and other material events

There are no material facts arising after the end of the fiscal period (May 31, 2021). In addition, the reference information is as follows:

A. Sale of property

United Urban sold the following property on June 1, 2021.

Property No.	Property Name	Type	Location	Sale Price (Millions of yen)	Date of Sale
E7	Quartz Tower	Clinic	Shibuya-ku, Tokyo	5,800	June 1, 2021

B. New borrowing for repayment

United Urban procured debt financing of a total of ¥8,700 million on June 21, 2021 for the repayment of the existing borrowings (¥8,700 million) upon their maturity on June 21, 2021, as set forth below.

Title	Lenders	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 30C	MUFG Bank, Ltd.	1,000	0.23000%	June 21, 2021	June 22, 2026	Unsecured Unguaranteed
Term Loan 31C	Mizuho Bank, Ltd.	1,700	0.48994%		June 20, 2030	
Term Loan 32C	Sumitomo Mitsui Banking Corporation	5,000	0.39928%		December 20, 2029	
Term Loan 33C	The Nomura Trust and Banking Co., Ltd.	1,000	0.28379%		June 20, 2025	
Total		8,700				

C. Acquisition of property and debt financing

1) United Urban acquired the following two properties on June 30, 2021.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
A43	LEVEN Otakanomori	Retail	Nagareyama, Chiba	3,800	June 30, 2021
E18	Kazo Logistics Center I • II	Warehouse	Kazo, Saitama	3,259	
Total				7,059	

2) United Urban procured debt financing to support part of the payment for acquiring Kazo Logistics Center I • II mentioned above 1), as set forth below. In addition, proceeds from the sale of property mentioned above A. were appropriated to acquire above two properties including LEVEN Otakanomori.

Title	Lender	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 34C	Sumitomo Mitsui Trust Bank Limited	2,000	0.18274%	June 30, 2021	June 22, 2026	Unsecured Unguaranteed

D. New committed line of credit agreement

United Urban concluded a new committed line of credit agreement on June 25, 2021, as set forth below.

Outline of the new committed line of credit agreement

Participating financial institutions : Sumitomo Mitsui Trust Bank Limited  
Mizuho Bank, Ltd.  
MUFG Bank, Ltd.

Maximum loan amount : ¥24,000 million

Date of agreement : June 25, 2021

Term of agreement : From June 25, 2021 to June 27, 2022

Remarks : Unsecured, unguaranteed



#### E. Acquisition of asset for development project

United Urban decided to acquire a development site (the “Property”) of the development project of an elderly housing (the “Project”) as well as to conclude agreements associated with the Project (project management contract agreement, etc.) on July 15, 2021.

(Overview of the asset to be acquired) (Note 1)

Property Name	Type	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date
Miyanomori Nijo Development Project	-	Sapporo, Hokkaido	370 (Note 2) (Note 3)	September 30, 2021 (Note 3)

- Notes: 1. The asset to be acquired includes the existing building on the Property. Until the start of the Project, United Urban will conclude a temporary lease agreement with the seller. The existing building will be demolished after the seller’s move-out.
2. United Urban will pay a part of the price (80%) at the time of acquisition (September 30, 2021), and pay the outstanding amount at the time of the seller’s move-out of the existing building (after December 23, 2021). The payment will be settled with cash on hand.
3. The ownership of the asset to be acquired will be transferred on September 30, 2021, and the seller’s move-out of the existing building will be completed by December 23, 2021. Because the payment and transfer of the transaction shall be made at least one month after the conclusion of the sale and purchase agreement of this property, it falls into forward commitment, etc. defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” issued by the Financial Services Agency. The sale and purchase agreement provides that either party may terminate the agreement if the other party materially breaches a provision thereof, in which case the party may request the other party in breach of the agreement to pay an amount equivalent to 10% of the acquisition price as penalty charges.

(Overview of the project)

United Urban concluded the relevant agreements associated with the Project on July 16, 2021 for the purpose of developing an elderly housing in response to increasing demand, and the elderly housing constructed and completed (the “Building”) will be delivered by May 2023. After the completion of the Building, the tenant who has concluded a reservation lease contract agreement plans to start the operation of the facility in July 2023.

(Schedule of the project)

Conclusion of purchase and sales agreement of real estate	July 16, 2021
Conclusion of project management contract agreement	
Conclusion of design and construction contract agreement	
Conclusion of reservation lease contract agreement	
Building permit	January 2022 (scheduled)
Construction period	From April 2022 to May 2023 (scheduled)
Completion	May 2023 (scheduled)
Opening date	July 2023 (scheduled)

#### (ii) Outlook for management status

For the fiscal period ending November 30, 2021 (36th fiscal period: from June 1, 2021 to November 30, 2021) and the fiscal period ending May 31, 2022 (37th fiscal period: from December 1, 2021 to May 31, 2022), the forecasts of financial results are estimated, as set forth below. For details of the assumptions for the forecasts, please refer to the “Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2021 (36th fiscal period: from June 1, 2021 to November 30, 2021) and the Fiscal Period Ending May 31, 2022 (37th fiscal period: from December 1, 2021 to May 31, 2022)” below.

##### Fiscal Period Ending November 30, 2021

Operating revenues:	¥22,768 million	Cash distributions per unit (Note 1):	¥3,100
Operating income:	¥9,306 million	Distributions in excess of earnings per unit:	¥—
Ordinary income:	¥8,331 million		
Net income (Note 1):	¥8,331 million		

##### Fiscal Period Ending May 31, 2022

Operating revenues:	¥22,688 million	Cash distributions per unit: (Note 1)	¥3,100
Operating income:	¥9,376 million	Distributions in excess of earnings per unit:	¥—
Ordinary income:	¥8,396 million		
Net income (Note 1):	¥8,396 million		

- Notes: 1. The resource for cash distributions for the fiscal period ending November 30, 2021 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve retained for distribution (¥1,258 million) to the net income. And the resource for cash distributions for the fiscal period ending May 31, 2022 is the result of adding a reversal of reserve for temporary difference adjustments (¥77 million) and a reversal of reserve retained for distribution (¥1,193 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 May 31, 2022.
2. The above-listed forward-looking statements are our current expectations produced as of the date hereof, based on certain assumptions. Accordingly, the actual operating revenues, operating income, ordinary income, net income, cash distributions per unit and distributions in excess of earnings per unit may differ from forecasts because of future acquisitions and sales of properties, real estate market trends and changes in other situations concerning United Urban. In addition, the forward-looking statements are not guarantees of the payment amount of any cash distributions by United Urban.

Assumptions for the Forecast of Financial Results for the Fiscal Period Ending November 30, 2021  
(36th fiscal period: from June 1, 2021 to November 30, 2021) and the Fiscal Period Ending May 31, 2022  
(37th fiscal period: from December 1, 2021 to May 31, 2022)

Item	Assumptions																		
Terms	<ul style="list-style-type: none"> <li>Fiscal period ending November 30, 2021 (36th fiscal period: from June 1, 2021 to November 30, 2021) (183 days)</li> <li>Fiscal period ending May 31, 2022 (37th fiscal period: from December 1, 2021 to May 31, 2022) (182 days)</li> </ul>																		
Investment Assets	<ul style="list-style-type: none"> <li>The forecasts of financial results are based on a portfolio of 135 properties comprising (i) 134 properties owned by United Urban as of the date hereof and (ii) Miyanomori Nijo Development Project to be acquired on September 30, 2021.</li> <li>The forecasts are also based on the assumption that there will be no change of properties (acquisition of new property or sale of existing property, etc.) until May 31, 2022 (the end of the 37th fiscal period) other than mentioned above. However, the forecasts may be changed by the change of properties in actually.</li> </ul>																		
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The forecasts are based on 3,118,337 units issued and outstanding as of the date hereof.</li> <li>The forecasts are also based on the assumption that there will be no additional issuance of investment units until May 31, 2022 (the end of the 37th fiscal period).</li> </ul>																		
Operating Revenues	<ul style="list-style-type: none"> <li>Operating revenues from rental revenues, which are the principal component of the operating revenues, are calculated based on lease agreements in effect as of the date hereof by taking into account a certain effect of tenants' move-in and departures for the expected rent and estimated occupancy ratio in the future, while taking into consideration the existence of neighboring competitive properties, market trends, status of negotiation for the lease terms with each tenant, and other conditions. In addition, with the impact of the spread of COVID-19 infection, United Urban considers the impact on operating revenues such as the status of discussion with tenants as of the date hereof concerning temporary decrease in rent or extension on payment, and decrease in variable rent. Therefore, United Urban anticipates ¥1,950 million for the fiscal period ending November 30, 2021 and ¥1,756 million for the fiscal period ending May 31, 2022 as the risk of decreased revenues.</li> <li>Based on the above assumptions, United Urban anticipates the major items of the operating revenues from rental revenues, as set forth below. <table border="1" data-bbox="507 1182 1398 1352"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2021</th> <th>Fiscal period ending May 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Rental revenues (including common area charges)</td> <td>¥ 20,200 million</td> <td>¥ 20,382 million</td> </tr> <tr> <td>Parking revenues</td> <td>¥ 762 million</td> <td>¥ 765 million</td> </tr> <tr> <td>Utility revenues (electricity, water, gas, etc.) from tenants</td> <td>¥ 1,445 million</td> <td>¥ 1,256 million</td> </tr> </tbody> </table> </li> <li>The property-related revenues are based on the assumption that there will be no delinquencies or nonpayment of rent by the tenants.</li> </ul>	Major Item	Fiscal period ending November 30, 2021	Fiscal period ending May 31, 2022	Rental revenues (including common area charges)	¥ 20,200 million	¥ 20,382 million	Parking revenues	¥ 762 million	¥ 765 million	Utility revenues (electricity, water, gas, etc.) from tenants	¥ 1,445 million	¥ 1,256 million						
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Operating Expenses	<ul style="list-style-type: none"> <li>Of the property-related expenses, which are the principal component of the operating expenses, expenses other than depreciation and amortization are calculated based on historical data for the properties and reflect factors that may cause fluctuations in expenses.</li> <li>United Urban anticipates each major item of the property-related expenses as set forth below. <table border="1" data-bbox="507 1572 1398 1812"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2021</th> <th>Fiscal period ending May 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td>¥ 2,135 million</td> <td>¥ 2,092 million</td> </tr> <tr> <td>Property management fees</td> <td>¥ 1,745 million</td> <td>¥ 1,788 million</td> </tr> <tr> <td>Utilities</td> <td>¥ 1,369 million</td> <td>¥ 1,237 million</td> </tr> <tr> <td>Repairs and maintenance (Note 2)</td> <td>¥ 1,192 million</td> <td>¥ 1,241 million</td> </tr> <tr> <td>Depreciation and amortization (Note 3)</td> <td>¥ 4,095 million</td> <td>¥ 4,098 million</td> </tr> </tbody> </table> </li> </ul> <p>Notes: 1. In general, previous owners are reimbursed for the property taxes and city planning taxes for the period starting from the time United Urban acquires the assets. However, United Urban does not allocate such reimbursement as its expenses, because an amount equivalent to such reimbursement is included in the cost of acquisition and is capitalized. Therefore, the property taxes and city planning taxes for the following four properties acquired in 2021 will be imposed up from the fiscal period ending November 30, 2022. It is expected that the estimated full amount of those taxes will be ¥29 million.</p>	Major Item	Fiscal period ending November 30, 2021	Fiscal period ending May 31, 2022	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	¥ 2,135 million	¥ 2,092 million	Property management fees	¥ 1,745 million	¥ 1,788 million	Utilities	¥ 1,369 million	¥ 1,237 million	Repairs and maintenance (Note 2)	¥ 1,192 million	¥ 1,241 million	Depreciation and amortization (Note 3)	¥ 4,095 million	¥ 4,098 million
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	Miyanomori Nijo Development Project																										
<p>Non-Operating Expenses</p>	<ul style="list-style-type: none"> <li>United Urban anticipates the non-operating expenses per major item, as set forth below.</li> </ul> <table border="1" data-bbox="502 683 1428 784"> <thead> <tr> <th>Major Item</th> <th>Fiscal period ending November 30, 2021</th> <th>Fiscal period ending May 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Interest expenses for interest-bearing liabilities (Note)</td> <td>¥ 958 million</td> <td>¥ 961 million</td> </tr> </tbody> </table> <p>Note: Including financing-related expenses and interest expenses on corporate bonds, etc.</p>	Major Item	Fiscal period ending November 30, 2021	Fiscal period ending May 31, 2022	Interest expenses for interest-bearing liabilities (Note)	¥ 958 million	¥ 961 million																				
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<p>Interest-bearing Liabilities</p>	<ul style="list-style-type: none"> <li>The total balance of interest-bearing liabilities as of the date hereof is ¥301,833 million, of which ¥265,833 million are borrowings and ¥36,000 million are corporate bonds.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending November 30, 2021 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="502 985 1428 1120"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>September 21, 2021</td> <td>Borrowing: ¥500 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></td> <td>Borrowing: ¥1,500 million</td> </tr> <tr> <td>October 29, 2021</td> <td>Corporate Bond: ¥3,000 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that total balance of interest-bearing liabilities at the end of the fiscal period ending November 30, 2021 is to be ¥301,833 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made.</li> <li>The interest-bearing liabilities maturing during the fiscal period ending May 31, 2022 and the plan for repayment, etc. are as set forth below.</li> </ul> <table border="1" data-bbox="502 1299 1428 1556"> <thead> <tr> <th>Maturity Date</th> <th>Overview of Interest-bearing Liabilities</th> <th>Scheduled Plan for Repayment</th> </tr> </thead> <tbody> <tr> <td>December 20, 2021</td> <td>Borrowing: ¥2,900 million</td> <td rowspan="7">United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.</td> </tr> <tr> <td></td> <td>Borrowing: ¥3,000 million</td> </tr> <tr> <td rowspan="5">March 22, 2022</td> <td>Borrowing: ¥2,400 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td>Borrowing: ¥1,000 million</td> </tr> <tr> <td>Borrowing: ¥2,600 million</td> </tr> <tr> <td></td> <td>Borrowing: ¥3,000 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The forecasts are based on the assumption that the total balance of interest-bearing liabilities at the end of the fiscal period ending May 31, 2022 is to be ¥301,833 million after the above-mentioned refinancing of interest-bearing liabilities, etc. are made.</li> </ul>	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	September 21, 2021	Borrowing: ¥500 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.		Borrowing: ¥1,500 million	October 29, 2021	Corporate Bond: ¥3,000 million	Maturity Date	Overview of Interest-bearing Liabilities	Scheduled Plan for Repayment	December 20, 2021	Borrowing: ¥2,900 million	United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.		Borrowing: ¥3,000 million	March 22, 2022	Borrowing: ¥2,400 million	Borrowing: ¥1,000 million	Borrowing: ¥1,000 million	Borrowing: ¥1,000 million	Borrowing: ¥2,600 million		Borrowing: ¥3,000 million
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<p>Cash Distributions per Unit</p>	<ul style="list-style-type: none"> <li>Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban.</li> <li>The total number of investment units issued and outstanding as of the end of the fiscal period which are used to calculate the cash distribution per unit are based on the assumption given in the “Total Number of Investment Units Issued and Outstanding” column above.</li> <li>Cash distributions for the fiscal period ending November 30, 2021 are based on the total distribution amount of ¥9,666 million, which is the result adding a reversal of reserve for temporary difference adjustments of ¥77 million and a reversal of reserve retained for distribution of ¥1,258 million to the unappropriated retained earnings of ¥8,331 million.</li> <li>Cash distributions for the fiscal period ending May 31, 2022 are based on the total distribution amount of ¥9,666 million, which is the result of adding a reversal of reserve for temporary difference adjustments of ¥77 million and a reversal of reserve retained for distribution of ¥1,193 million to the unappropriated retained earnings of ¥8,396 million.</li> </ul>																										

	<ul style="list-style-type: none"> <li>Actual cash distributions per unit may fluctuate due to various factors including changes in investment assets, fluctuations of rental revenues caused by tenant replacements or unexpected repairs.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>United Urban does not currently plan to execute distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that there will be no amendments to laws and regulations, taxation systems, accounting standards, listing rules or regulations of the Investment Trusts Association, Japan, which may affect the aforementioned forecasted figures.</li> <li>Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.</li> </ul>

## 2. Financial Statement

### (1) Balance Sheet

	(Thousands of yen)	
	End of 34th Fiscal Period (as of November 30, 2020)	End of 35th Fiscal Period (as of May 31, 2021)
<b>ASSETS</b>		
Current Assets		
Cash and bank deposit	41,859,947	30,648,397
Cash and bank deposit in trust	23,623,417	22,919,421
Rent receivables	569,697	439,937
Prepaid expenses	199,369	799,857
Other	102,510	42,642
Allowance for doubtful accounts	(34,003)	(29,533)
<b>Total Current Assets</b>	<b>66,320,938</b>	<b>54,820,723</b>
Fixed Assets		
Property and equipment, at cost		
Buildings	*1 23,596,865	*1 25,767,057
Less accumulated depreciation	(7,645,037)	(8,011,234)
Buildings, net	15,951,827	17,755,823
Structures	*1 200,107	*1 210,153
Less accumulated depreciation	(145,313)	(147,235)
Structures, net	54,793	62,918
Machinery and equipment	356,199	358,697
Less accumulated depreciation	(232,252)	(243,651)
Machinery and equipment, net	123,947	115,046
Tools, furniture and fixtures	87,166	95,156
Less accumulated depreciation	(49,323)	(53,619)
Tools, furniture and fixtures, net	37,843	41,537
Land	*1 55,954,945	*1 64,098,290
Construction in progress	5,478	6,468
Buildings in trust	*3 244,201,759	*3 246,148,952
Less accumulated depreciation	(62,978,161)	(66,108,950)
Buildings in trust, net	181,223,597	180,040,001
Structures in trust	2,297,222	2,343,949
Less accumulated depreciation	(1,035,725)	(1,094,437)
Structures in trust, net	1,261,496	1,249,511
Machinery and equipment in trust	2,744,786	2,870,709
Less accumulated depreciation	(1,599,503)	(1,678,460)
Machinery and equipment in trust, net	1,145,283	1,192,249
Tools, furniture and fixtures in trust	1,517,684	1,696,173
Less accumulated depreciation	(699,989)	(795,404)
Tools, furniture and fixtures in trust, net	817,694	900,768
Land in trust	367,662,289	372,233,269
Construction in progress in trust	184,868	214,609
<b>Total property and equipment</b>	<b>624,424,065</b>	<b>637,910,495</b>
Intangible assets		
Software	8,942	8,317
Leasehold rights	1,149,355	1,149,355
Leasehold rights in trust	8,171,352	8,171,352
Other intangible assets in trust	137,839	131,228
<b>Total intangible assets</b>	<b>9,467,489</b>	<b>9,460,253</b>
Investments and other assets		
Security deposits paid	10,000	10,000
Security deposits paid in trust	79,768	79,768
Long-term prepaid expenses	1,640,239	1,800,664
<b>Total investments and other assets</b>	<b>1,730,007</b>	<b>1,890,432</b>
<b>Total Fixed Assets</b>	<b>635,621,562</b>	<b>649,261,181</b>
Deferred Assets		
Corporate bond issuance expenses	39,831	53,332
<b>Total Deferred Assets</b>	<b>39,831</b>	<b>53,332</b>
<b>TOTAL ASSETS</b>	<b>701,982,332</b>	<b>704,135,236</b>

	(Thousands of yen)	
	End of 34th Fiscal Period (as of November 30, 2020)	End of 35th Fiscal Period (as of May 31, 2021)
<b>LIABILITIES</b>		
Current Liabilities		
Trade accounts payable	2,445,142	1,983,091
Current portion of corporate bonds	3,000,000	3,000,000
Long-term debt due for repayment within one year	36,400,000	27,600,000
Accrued expenses	297,899	295,572
Distributions payable	16,290	15,405
Income taxes payable	587	589
Consumption taxes payable	712,723	155,194
Rent received in advance	360,191	402,065
Rent received in advance in trust	3,166,013	3,185,377
Deposits received	2,110	6,057
Deposits received in trust	1,429,106	214,404
Other	8,339	12,218
Total Current Liabilities	47,838,406	36,869,976
Long-term Liabilities		
Corporate bonds	32,000,000	33,000,000
Long-term debt	225,233,000	236,233,000
Leasehold and security deposits received	*1 3,404,524	*1 3,167,752
Leasehold and security deposits received in trust	27,714,000	28,951,144
Derivatives liabilities	126,093	115,880
Total Long-term Liabilities	288,477,618	301,467,777
Total Liabilities	336,316,024	338,337,753
<b>NET ASSETS</b>		
Unitholders' Equity		
Unitholders' capital	319,973,305	319,973,305
Surplus		
Capital surplus	23,548,287	23,548,287
Voluntary retained earnings		
Reserve for temporary difference adjustments	*4 7,218,098	*4 7,140,572
Reserve retained for distribution	5,402,559	5,404,142
Total voluntary retained earnings	12,620,658	12,544,715
Unappropriated retained earnings (unappropriated deficit)	9,650,149	9,847,056
Total surplus	45,819,095	45,940,058
Total Unitholders' Equity	365,792,400	365,913,363
Valuation and Translation Adjustment		
Deferred gains or losses on hedges	(126,093)	(115,880)
Total Valuation and Translation Adjustment	(126,093)	(115,880)
Total Net Assets	*5 365,666,307	*5 365,797,483
<b>TOTAL LIABILITIES and NET ASSETS</b>	701,982,332	704,135,236

## (2) Statement of Income and Retained Earnings

	(Thousands of yen)	
	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
Operating Revenues		
Rental revenues	*1 20,300,354	*1 20,751,823
Other rental revenues	*1 1,751,302	*1 1,550,736
Gain on sales of real estate properties	*2 1,893,679	*2 1,896,413
Total Operating Revenues	<u>23,945,336</u>	<u>24,198,972</u>
Operating Expenses		
Property-related expenses	*1 10,959,654	*1 11,122,681
Asset management fees	1,989,752	1,993,947
Asset custodian fees	18,406	18,564
Administrative service fees	68,280	68,145
Directors' compensation	10,200	10,200
Provision of allowance for doubtful accounts	20,861	-
Other operating expenses	233,424	200,919
Total Operating Expenses	<u>13,300,579</u>	<u>13,414,458</u>
Operating Income	<u>10,644,756</u>	<u>10,784,514</u>
Non-operating Revenues		
Interest income	112	104
Reversal of cash distributions payable	1,628	1,500
Insurance income	8,724	7,729
Subsidy income	-	629
Compensation income for damage or loss	835	-
Other	1,485	97
Total Non-operating Revenues	<u>12,787</u>	<u>10,061</u>
Non-operating Expenses		
Interest expenses	930,908	869,940
Interest expenses on corporate bonds	58,919	65,046
Amortization of corporate bond issuance expenses	2,605	4,463
Loss on disposal of real estate	4,456	3,926
Other	9,898	3,536
Total Non-operating Expenses	<u>1,006,788</u>	<u>946,914</u>
Ordinary Income	<u>9,650,754</u>	<u>9,847,661</u>
Income before Income Taxes	<u>9,650,754</u>	<u>9,847,661</u>
Income Taxes - current	605	605
Total Income Taxes	<u>605</u>	<u>605</u>
Net Income	<u>9,650,149</u>	<u>9,847,056</u>
Retained Earnings Brought Forward	-	-
Unappropriated Retained Earnings (unappropriated deficit)	<u>9,650,149</u>	<u>9,847,056</u>



### (3) Statements of Unitholders' Equity

34th Fiscal Period (From June 1, 2020 to November 30, 2020)

(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	319,973,305	23,548,287	7,295,624	3,207,320	3,305,115	13,808,060
Changes of items during the period						
Reversal of reserve for temporary difference adjustments			(77,525)			(77,525)
Provision of reserve retained for distribution				2,195,239		2,195,239
Reversal of reserve for reduction entry					(3,305,115)	(3,305,115)
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	-	-	(77,525)	2,195,239	(3,305,115)	(1,187,402)
Balance at the end of current period	* 319,973,305	23,548,287	7,218,098	5,402,559	-	12,620,658

	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	9,633,226	46,989,575	366,962,880	(99,574)	(99,574)	366,863,306
Changes of items during the period						
Reversal of reserve for temporary difference adjustments	77,525	-	-			-
Provision of reserve retained for distribution	(2,195,239)	-	-			-
Reversal of reserve for reduction entry	3,305,115	-	-			-
Cash distribution disbursed	(10,820,629)	(10,820,629)	(10,820,629)			(10,820,629)
Net income	9,650,149	9,650,149	9,650,149			9,650,149
Net changes during the period except for items under unitholders' equity	-	-	-	(26,519)	(26,519)	(26,519)
Total changes of items during the period	16,922	(1,170,479)	(1,170,479)	(26,519)	(26,519)	(1,196,998)
Balance at the end of current period	9,650,149	45,819,095	365,792,400	(126,093)	(126,093)	365,666,307

35th Fiscal Period (From December 1, 2020 to May 31, 2021)

(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	319,973,305	23,548,287	7,218,098	5,402,559	-	12,620,658
Changes of items during the period						
Reversal of reserve for temporary difference adjustments			(77,525)			(77,525)
Provision of reserve retained for distribution				1,582		1,582
Cash distribution disbursed						-
Net income						-
Net changes during the period except for items under unitholders' equity						-
Total changes of items during the period	-	-	(77,525)	1,582	-	(75,943)
Balance at the end of current period	* 319,973,305	23,548,287	7,140,572	5,404,142	-	12,544,715

	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	9,650,149	45,819,095	365,792,400	(126,093)	(126,093)	365,666,307
Changes of items during the period						
Reversal of reserve for temporary difference adjustments	77,525	-	-		-	-
Provision of reserve retained for distribution	(1,582)	-	-		-	-
Cash distribution disbursed	(9,726,093)	(9,726,093)	(9,726,093)		-	(9,726,093)
Net income	9,847,056	9,847,056	9,847,056		-	9,847,056
Net changes during the period except for items under unitholders' equity	-	-	-	10,213	10,213	10,213
Total changes of items during the period	196,906	120,963	120,963	10,213	10,213	131,176
Balance at the end of current period	9,847,056	45,940,058	365,913,363	(115,880)	(115,880)	365,797,483

## (4) Statements of Cash Distribution

	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
I. Unappropriated retained earnings	¥ 9,650,149,671	¥ 9,847,056,168
II. Reversal of voluntary retained earnings Reversal of reserve for temporary difference adjustments	* ¥ 77,525,695	* ¥ 77,525,695
III. Cash distributions (Cash distribution per unit)	¥ 9,726,093,103 (¥ 3,119)	¥ 9,922,548,334 (¥ 3,182)
IV. Voluntary retained earnings Provision of reserve retained for distribution	¥ 1,582,263	¥ 2,033,529
V. Retained earnings carried forward to the next period	-	-

Calculation method for cash distribution	Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings. Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥77,525,695 to the unappropriated retained earnings of ¥9,650,149,671, and reserved ¥1,582,263, fractional part which distribution per unit was less than ¥1, as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥9,726,093,103. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.	Based on the distribution policy stipulated in Article 35, Paragraph 1 of the Articles of Incorporation, United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, within the limit of the amount of earnings. Based on this policy, United Urban added reversal of reserve for temporary difference adjustments of ¥77,525,695 to the unappropriated retained earnings of ¥9,847,056,168, and reserved ¥2,033,529, fractional part which distribution per unit was less than ¥1, as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥9,922,548,334. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

## (5) Statements of Cash Flows

	(Thousands of yen)	
	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 21, 2021)
Cash flows from operating activities		
Income before income taxes	9,650,754	9,847,661
Depreciation and amortization	4,100,874	4,130,263
Gain on sales of real estate properties	(1,893,679)	(1,896,413)
Increase (decrease) in allowance for doubtful accounts	20,861	(4,470)
Interest income and interest on securities	(112)	(104)
Interest expense and interest expense on corporate bonds	989,827	934,987
Amortization of corporate bond issuance expenses	2,605	4,463
Loss on disposal of real estate	4,456	3,926
Decrease (increase) in rent receivables	40,149	129,759
Decrease (increase) in prepaid expenses	591,364	(607,682)
Decrease (increase) in long-term prepaid expenses	21,703	22,517
Increase (decrease) in trade accounts payable	216,313	175,015
Increase (decrease) in accrued expenses	3,380	(1,484)
Increase (decrease) in consumption taxes payable	309,000	(543,030)
Increase (decrease) in rent received in advance	(3,687)	41,874
Increase (decrease) in rent received in advance in trust	136,222	19,363
Increase (decrease) in deposits received	1,092	3,946
Increase (decrease) in deposits received in trust	848,991	(1,214,702)
Amortization of leasehold and security deposits received	(36,647)	(32,913)
Amortization of leasehold and security deposits received in trust	(551,636)	(642,336)
Other	26,277	66,696
Subtotal	14,478,114	10,437,336
Interest received	112	104
Interest paid	(1,020,528)	(1,112,853)
Income taxes (paid) refund	(604)	(603)
Net cash provided by (used in) operating activities	13,457,094	9,323,984
Cash flows from investing activities		
Sale of property and equipment in trust	9,148,195	8,268,415
Purchase of property and equipment	(77,073)	(10,330,576)
Purchase of property and equipment in trust	(3,616,763)	(14,569,843)
Purchase of intangible assets in trust	(2,906)	(2,540)
Proceeds from leasehold and security deposits received	36,116	518,736
Payment of leasehold and security deposits received	(22,100)	(722,595)
Proceeds from leasehold and security deposits received in trust	1,249,092	2,502,457
Payment of leasehold and security deposits received in trust	(539,141)	(358,857)
Net cash provided by (used in) investing activities	6,175,419	(14,694,803)
Cash flows from financing activities		
Proceeds from long-term debt	23,333,000	27,900,000
Repayment of long-term debt	(24,233,000)	(25,700,000)
Proceeds from issuance of corporate bonds	7,957,562	982,034
Distributions to unitholders	(10,818,771)	(9,726,761)
Net cash provided by (used in) financing activities	(3,761,209)	(6,544,726)
Net changes in cash and cash equivalents	15,871,305	(11,915,545)
Cash and cash equivalents at the beginning of the period	49,612,059	65,483,365
Cash and cash equivalents at the end of the period	* 65,483,365	* 53,567,819

## (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 deferred assets	<p>Corporate bond issuance expenses  Corporate bond issuance expenses is amortized on a straight-line basis over the period up to redemption.</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 ¥19,684 thousand of such property taxes which were capitalized for the current fiscal period.</p>
5.	Hedge accounting	<p>(1) Hedge accounting method  The deferred 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.	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,</p>

	<p>furniture and fixtures in trust, Land in trust, and Construction in progress in trust</p> <p>3) Leasehold rights in trust and Other intangible assets in trust</p> <p>4) Security deposits paid in trust</p> <p>5) Rent received in advance in trust</p> <p>6) Deposits received in trust</p> <p>7) Leasehold and security deposits received in trust</p> <p>(2) Accounting method for consumption taxes</p> <p>The consumption tax and local consumption tax are accounted for using the tax exclusion method. However, non-deductible consumption taxes on fixed assets are included in the purchase price of each property as a capitalized cost.</p>
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## (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 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
Buildings	1,356,836	1,332,172
Structures	6,617	6,415
Land	2,089,982	2,089,982
Total	3,453,436	3,428,571

Debt secured by pledged assets were as follows:

	(Thousands of yen)	
	End of 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
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 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
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 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
Buildings in trust	39,608	39,608

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

34th Fiscal Period (As of November 30, 2020)

(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	7,093,604	-	75,463	7,018,140	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	64,940	-	669	64,271	Appropriation for cash distribution
	76,099	74,577	-	760	73,816	
	63,132	62,501	-	631	61,869	

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.

35th Fiscal Period (As of May 31, 2021)

(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	7,018,140	-	75,463	6,942,677	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	64,271	-	669	63,601	Appropriation for cash distribution
	76,099	73,816	-	760	73,055	
	63,132	61,869	-	631	61,238	

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 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
	50,000	50,000

## [Notes to the Statement of Income]

## \*1. Operating revenues and expenses

	(Thousands of yen)			
	34th Fiscal Period (June 1, 2020- November 30, 2020)		35th Fiscal Period (December 1, 2020- May 31, 2021)	
<b>A. Operating revenues</b>				
Rental revenues				
Rental revenues	17,845,146		18,336,455	
Common area charges	1,545,366		1,506,760	
Parking revenues	753,949		754,089	
Other revenues (Note 1)	155,891	20,300,354	154,518	20,751,823
Other rental revenues				
Incidental revenues (Note 2)	1,385,117		1,166,646	
Temporary revenues	280,997		302,396	
Other miscellaneous revenues	85,187	1,751,302	81,692	1,550,736
<b>Total operating revenues</b>		<b>22,051,657</b>		<b>22,302,559</b>
<b>B. Property-related expenses</b>				
Rental expenses				
Property and other taxes	2,134,095		2,155,795	
Property management fees	1,726,786		1,858,326	
Utilities	1,303,486		1,212,019	
Casualty insurance	24,400		24,322	
Repairs and maintenance (Note 3)	1,227,985		1,310,768	
Depreciation and amortization	4,100,874		4,130,263	
Other rental expenses	442,026		431,185	
<b>Total rental expenses</b>		<b>10,959,654</b>		<b>11,122,681</b>
<b>C. Profit from rental activities (A-B)</b>		<b>11,092,002</b>		<b>11,179,878</b>

- Notes: 1 The consistent revenues other than rental revenues, common area charges and parking revenues are stated.  
2 The utilities revenues that come from tenants in proportion to the amount used are stated.  
3 The repair expense and repair and maintenance reserve are stated.

## \*2. Gain on sales of real estate properties

## 34th Fiscal Period (From June 1, 2020 to November 30, 2020)

Nishi-Shimbashi 1-chome Building (Note)		(Thousands of yen)
Revenue from sales of real estate properties	9,480,545	
Cost of sales of real estate properties	7,150,261	
Other sales expenses	436,604	
<b>Gain on sales of real estate properties</b>		<b>1,893,679</b>

Note: As for Nishi-Shimbashi 1-chome Building, United Urban sold its 50% quasi co-ownership of the trust beneficial interest.

## 35th Fiscal Period (From December 1, 2020 to May 31, 2021)

Nishi-Shimbashi 1-chome Building (Note)		(Thousands of yen)
Revenue from sales of real estate properties	9,480,545	
Cost of sales of real estate properties	7,150,261	
Other sales expenses	433,870	
<b>Gain on sales of real estate properties</b>		<b>1,896,413</b>

Note: As for Nishi-Shimbashi 1-chome Building, United Urban sold its 50% quasi co-ownership of the trust beneficial interest.

## [Notes to Statements of Changes in Unitholders' Equity]

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

	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	3,118,337 units	3,118,337 units



[Notes to Statements of Cash Distribution]

\* Reserve for temporary difference adjustments

34th Fiscal Period (As of November 30, 2020)

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"> <li>• Fiscal period ended May 31, 2018 (Initial amount: ¥66,949,209) Reversal amount: ¥669,493</li> <li>• Fiscal period ended November 30, 2018 (Initial amount: ¥76,099,699) Reversal amount: ¥760,997</li> <li>• Fiscal period ended May 31, 2019 (Initial amount: ¥63,132,400) Reversal amount: ¥631,324</li> </ul>	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.

35th Fiscal Period (As of May 31, 2021)

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"> <li>• Fiscal period ended May 31, 2018 (Initial amount: ¥66,949,209) Reversal amount: ¥669,493</li> <li>• Fiscal period ended November 30, 2018 (Initial amount: ¥76,099,699) Reversal amount: ¥760,997</li> <li>• Fiscal period ended May 31, 2019 (Initial amount: ¥63,132,400) Reversal amount: ¥631,324</li> </ul>	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 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
Deferred tax assets		
Difference in revenue recognition for tax purposes	587,769	992,983
Difference in expense recognition for tax purposes	122,564	-
Valuation difference on assets acquired by merger	16,328,706	15,639,989
Excess allowance for doubtful accounts	10,697	9,291
Other	287	277

Subtotal	17,050,024	16,642,540
Valuation allowance	(17,050,024)	(16,642,540)
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 34th Fiscal Period (As of November 30, 2020)	End of 35th Fiscal Period (As of May 31, 2021)
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Distributions of tax-deductible dividends	(28.33)%	(27.32)%
Changes in valuation allowance	(3.13)%	(4.14)%
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:

Type of Use		(Thousands of yen)	
		34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
Retail properties	Carrying amount on the balance sheet		
	Balance at the beginning of the period	183,922,094	183,461,954
	Change during the period	(460,140)	(604,731)
	Balance at the end of the period	183,461,954	182,857,223
	Fair value at the end of the period	213,476,000	213,384,000
Office buildings	Carrying amount on the balance sheet		
	Balance at the beginning of the period	185,549,665	177,554,640
	Change during the period	(7,995,025)	13,249,006
	Balance at the end of the period	177,554,640	190,803,647
	Fair value at the end of the period	236,945,000	251,831,000
Hotels	Carrying amount on the balance sheet		
	Balance at the beginning of the period	161,743,935	160,953,169
	Change during the period	(790,765)	(345,696)
	Balance at the end of the period	160,953,169	160,607,473
	Fair value at the end of the period	187,983,000	186,749,000
Residential properties	Carrying amount on the balance sheet		
	Balance at the beginning of the period	44,687,324	44,371,872
	Change during the period	(315,451)	1,431,353
	Balance at the end of the period	44,371,872	45,803,226
	Fair value at the end of the period	59,971,000	62,728,000
Others	Carrying amount on the balance sheet		
	Balance at the beginning of the period	65,201,817	67,403,136
	Change during the period	2,201,318	(243,502)
	Balance at the end of the period	67,403,136	67,159,633
	Fair value at the end of the period	84,300,000	84,340,000
Total	Carrying amount on the balance sheet		
	Balance at the beginning of the period	641,104,837	633,744,773
	Change during the period	(7,360,063)	13,486,429
	Balance at the end of the period	633,744,773	647,231,203
	Fair value at the end of the period	782,675,000	799,032,000

- 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 34th fiscal period, the amount of the increase is primarily attributable to acquisition of one property (¥2,458 million) and capital expenditures (¥1,339 million). And the amount of the decrease is primarily attributable to the sale of 50% quasi co-ownership of the existing property (¥7,150 million) and the depreciation and amortization (¥4,092 million).  
Of the "Change during the period" for the 35th fiscal period, the amount of the increase is primarily attributable to acquisition of four properties (total: ¥22,985 million) and capital expenditures (¥1,746 million). And the amount of the decrease is

primarily attributable to the sale of 50% quasi co-ownership of the existing property (¥7,150 million) and the depreciation and amortization (¥4,122 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]

	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
Net assets per unit	¥ 117,263	¥ 117,305
Net income per unit	¥ 3,094	¥ 3,157

- 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:

		34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
Net income	(Thousands of yen)	9,650,149	9,847,056
Amount not attributable to common unit holder	(Thousands of yen)	-	-
Net income concerning common investment unit	(Thousands of yen)	9,650,149	9,847,056
Average number of investment units during the period	(Unit)	3,118,337	3,118,337

#### [Notes to Significant Subsequent Events]

Not Applicable

#### [Additional Information]

(Impact related to the Spread of COVID-19)

While the Japanese government is urging people to receive a vaccination for the COVID-19, there is considerable uncertainty surrounding the normalization of the Japanese economy due to repeated declarations and lifting or postponement of the state of emergency as well as the semi-emergency coronavirus measures. It is imperative to achieve herd immunity, but new variants of the COVID-19 have developed around the world. The effectiveness of the COVID-19 vaccination currently being distributed must be validated. It will take some time to ascertain when the spread of COVID-19 will end and harsh conditions are expected to continue in the Japanese economy going forward.

The financial condition and cash flows of some tenants of United Urban have continued to be affected due to this situation. Therefore, United Urban has approved reductions in rents for some tenants in this fiscal period, in consideration of the stable asset management over the medium to long term and as a social response.

As for the effect of the spread of the COVID-19, there might be signs of a recovery from the second half of 2021 to the first half of 2022. Therefore, the business environment is expected to recover fully from the second half of 2022.

#### [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 31, 2020)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (Implementation Guidance of Corporate Accounting Standards No. 30 issued by ASBJ on March 31, 2020)
- “Implementation Guidance on Disclosure about Fair Value of Financial Instruments” (Implementation

Guidance of Corporate Accounting Standards No. 19 issued by ASBJ on March 31, 2020)

(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)
- “Accounting Standard for Financial Instruments” (Corporate Accounting Standards No. 10 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)
- “Implementation Guidance on Disclosure about Fair Value of Financial Instruments” (Implementation Guidance of Corporate Accounting Standards No. 19 issued by ASBJ on March 31, 2020)

(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.

As the basic policy of ASBJ for the development of accounting standard for fair value measurement, ASBJ basically adopted all provisions of IFRS 13 by using a unified calculation method, from the point of view of improving the comparability between the financial statements based on IFRS or U.S. GAAP and Japanese GAAP. Moreover, in consideration of the actual practice conducted in Japan, other treatments for individual items are established 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 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, no capital increase was carried out and there were no changes in the number of investment units issued and outstanding and unitholders' capital. The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Unit)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 1)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 2)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 3)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 4)
June 19, 2019	Additional issue of new investment units through public offering	55,000	3,110,087	9,363	318,568	(Note 5)
July 11, 2019	Additional issue of new investment units through third-party allotment	8,250	3,118,337	1,404	319,973	(Note 6)

- Notes:
1. 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.
  2. 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.
  3. 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.
  4. 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.
  5. 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.
  6. 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		34th Fiscal Period (As of November 30, 2020)		35th Fiscal Period (As of May 31, 2021)	
				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)	7,219,367	1.0	7,205,277	1.0
			Other regions (Note 6)	13,446,998	1.9	13,407,440	1.9
	Office Buildings	Capital region	The 6 central wards of Tokyo	12,965,961	1.8	23,054,770	3.3
			The 23 wards of Tokyo	9,364,436	1.3	9,426,748	1.3
			Tokyo metropolitan area	8,775,780	1.3	8,741,940	1.2
			Other regions	-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,591,478	0.2	1,584,880	0.2
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	3,834,205	0.5	3,791,080	0.5
			Other regions	-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	4,835,387	0.7	4,807,109	0.7
			Tokyo metropolitan area	-	-	-	-
			Other regions	4,310,387	0.6	4,276,197	0.6
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	6,934,188	1.0	6,934,188	1.0
			Other regions	-	-	-	-
Subtotal				73,278,191	10.4	83,229,633	11.8
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,230,326	0.6	4,234,055	0.6
			The 23 wards of Tokyo	11,569,308	1.6	11,523,922	1.6
			Tokyo metropolitan area	90,986,589	13.0	90,612,191	12.9
			Other regions	56,009,363	8.0	55,874,334	7.9
	Office Buildings	Capital region	The 6 central wards of Tokyo	57,944,718	8.3	61,658,320	8.8
			The 23 wards of Tokyo	2,012,748	0.3	1,998,878	0.3
			Tokyo metropolitan area	40,282,753	5.7	39,898,428	5.7
			Other regions	46,208,240	6.6	46,024,560	6.5
	Hotels	Capital region	The 6 central wards of Tokyo	40,491,844	5.8	40,462,452	5.7
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,253,794	3.3	23,200,041	3.3
			Other regions	91,781,847	13.1	91,569,018	13.0
	Residential Properties	Capital region	The 6 central wards of Tokyo	2,316,770	0.3	2,310,430	0.3
			The 23 wards of Tokyo	9,792,352	1.4	9,754,791	1.4
			Tokyo metropolitan area	2,856,890	0.4	2,840,713	0.4
			Other regions	20,260,084	2.9	21,813,984	3.1
	Others	Capital region	The 6 central wards of Tokyo	9,078,890	1.3	9,036,575	1.3
			The 23 wards of Tokyo	7,891,438	1.1	7,876,826	1.1
			Tokyo metropolitan area	33,206,025	4.7	33,087,896	4.7
			Other regions	10,292,594	1.5	10,224,147	1.5
Subtotal				560,466,581	79.8	564,001,570	80.1
Bank deposit and other assets				68,237,558	9.7	56,904,033	8.1
Total Assets				701,982,332	100.0	704,135,236	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.

	34th Fiscal Period (As of November 30, 2020)		35th Fiscal Period (As of May 31, 2021)	
	Amount (Thousands of yen)	Percentage to Total Assets (%)	Amount (Thousands of yen)	Percentage to Total Assets (%)
Total liabilities	336,316,024	47.9	338,337,753	48.1
Total net assets	365,666,307	52.1	365,797,483	51.9
Total assets	701,982,332	100.0	704,135,236	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 35th fiscal period, United Urban had ownership of, or trust beneficial interests in real estate (properties which are the trust assets of trust beneficial interests in real estate are referred to as the “Real Estate in Trust”, and real estate and Real Estate in Trust are collectively referred to as the “Investment Real Estate”). Consequently, all of the real estate and Real Estate in Trust are shown in the table below.

#### (i) Outline of Investment Real Estate 1

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

(As of May 31, 2021)

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A2	Joy Park Izumigaoka	6,770	4,943	4,280	0.5	JREI	20	13,611.24	9,433.30	69.3
A4	Luz Funabashi	5,200	4,214	6,220	0.8	JREI	15	12,952.88	12,921.55	99.8
A6	TENJIN LUCE	6,500	6,333	6,550	0.8	Nittochi	13	4,256.57	4,256.57	100.0
A7	Kaden Sumairu-kan YAMADA Sakai Honten	3,210	2,660	3,850	0.5	JREI	1	8,637.63	8,637.63	100.0
A8	Miyamae Shopping Center	5,312	4,852	5,340	0.7	JREI	3	10,487.92	10,487.92	100.0
A9	KONAMI SPORTS CLUB Korigaoka	2,040	1,423	2,020	0.3	JREI	1	8,627.58	8,627.58	100.0
A10	ACTIOLE Minami- ikebukuro	3,760	3,573	3,400	0.4	JREI	10	2,081.50	2,081.50	100.0
A11	Tip's Machida Building	4,100	4,205	5,000	0.6	JREI	8	6,710.19	5,774.81	86.1
A12	Daiei Takarazuka Nakayama	4,284	3,071 (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	12,458	11,300	1.4	JREI	4	52,668.38	52,668.38	100.0
A14	ACTIOLE Kannai	2,410	2,194	1,970	0.2	JREI	5	1,938.56	903.47	46.6
A15	Shinsaibashi OPA Honkan	22,800	21,869	26,400	3.3	JREI	1	27,025.42	27,025.42	100.0
A19	Albore Jingumae	1,580	1,544	2,400	0.3	JREI	4	931.14	931.14	100.0
A20	Albore Sendai	2,590	2,314	3,470	0.4	JREI	6	3,151.93	2,294.13	72.8
A21	Mallage Kashiwa	7,040	6,660	8,740	1.1	JREI	88	41,759.39	39,978.50	95.7
A23	Ito-Yokado Owariasahi	4,840	3,896	4,890	0.6	JREI	1	54,606.34	54,606.34	100.0
A24	Yokohama Kariba Shopping Center	2,500	2,059	2,150	0.3	JREI	1	11,345.09	11,345.09	100.0
A25	Luz Jiyugaoka	5,090	4,771	5,920	0.7	JREI	19	2,283.47	2,202.39	96.4
A26	ACTIOLE Ichikawa	3,350	2,799	4,050	0.5	JREI	11	3,927.49	3,428.37	87.3

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
A27	Yokohama Aoba Shopping Center (Site)	2,600	2,740	3,300	0.4	JREI	1	9,193.00	9,193.00	100.0
A28	Yamada Denki Tecc Land Aoba (Site)	2,150	2,270	2,840	0.4	JREI	1	7,650.63	7,650.63	100.0
A29	Yodobashi Camera Multimedia Kichijoji	28,000	26,593	34,100	4.3	JREI	1	37,932.95	37,932.95	100.0
A30	Kaden Sumairu-kan YAMADA Matsudo Honten	5,150	4,655	6,830	0.9	JREI	1	17,561.23	17,561.23	100.0
A31	Tenjin Loft Building	4,350	4,643	6,260	0.8	JREI	6	7,730.09	7,730.09	100.0
A32	Narumi Shopping Center (Site)	6,460	6,850	7,530	0.9	Tanizawa	3	60,419.26	60,419.26	100.0
A33	Plussing Wave Enoshima	1,800	1,885	1,870	0.2	JREI	8	2,885.94	2,606.99	90.3
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	2,180	0.3	Tanizawa	1	2,391.44	2,391.44	100.0
A36	Granbell Ginza Building	2,621	2,689	3,050	0.4	JREI	9	1,352.35	1,148.68	84.9
A37	UUR Tenjin Nishi-dori Building	5,500	5,647	5,660	0.7	JREI	0	1,564.70	0.00	0.0
A38	Luz Shonan Tsujido	3,938	3,823	4,390	0.5	Tanizawa	30	10,454.22	9,561.80	91.5
A39	ACTIOLE Ueno	3,000	3,178	2,750	0.3	Tanizawa	8	1,163.44	1,044.53	89.8
A40	KURURU	9,285	9,439	9,420	1.2	Tanizawa	24	13,247.82	12,015.44	90.7
A41	K's Denki Nagoya-kita	1,750	1,816	1,890	0.2	Tanizawa	1	4,733.74	4,733.74	100.0
A42	Luz Musashikosugi	12,151	12,218	12,100	1.5	Tanizawa	2	8,272.58	8,272.58	100.0
B1	T&G Hamamatsucho Building	2,257	2,076	3,130	0.4	Tanizawa	6	2,341.13	2,341.13	100.0
B3	Fukuoka Eartheon Building	2,080	1,510	3,120	0.4	JREI	7	4,934.40	4,934.40	100.0
B4	Marumasu Kojimachi Building	2,350	2,381	2,790	0.3	JREI	16	2,579.23	2,579.23	100.0
B5	Rokubancho K Building	2,150	2,224	3,800	0.5	JREI	1	4,031.14	4,031.14	100.0
B6	Shin-Osaka Central Tower	24,000	23,253	29,100	3.6	Nittochi	61	45,938.36	45,626.49	99.3
B7	Kawasaki Toshiba Building	19,200	18,960	33,400	4.2	Tanizawa	1	36,142.30	36,142.30	100.0
B8	UUR Toyochō Building	8,500	8,365	7,080	0.9	JREI	1	7,540.30	7,540.30	100.0
B9	FOUR SEASONS BLDG	4,200	4,023	6,650	0.8	JREI	1	5,000.54	5,000.54	100.0
B11	Pacific Marks Shinjuku Parkside	12,100	11,599	14,100	1.8	JREI	19	10,947.34	9,711.24	88.7
B13	Pacific Marks Tsukishima	6,080	5,696	7,120	0.9	JREI	42	9,335.19	9,009.32	96.5
B14	Pacific Marks Yokohama East	7,050	6,450	8,090	1.0	Tanizawa	28	11,199.19	10,965.12	97.9
B17	Akasaka Hikawa Building	3,290	3,169	4,330	0.5	JREI	1	3,438.20	3,438.20	100.0
B18	Pacific Marks Shibuya Koen-dori	2,570	2,437	3,350	0.4	JREI	1	1,972.43	1,972.43	100.0
B20	Pacific Marks Akasaka-mitsuke	2,210	2,143	2,640	0.3	JREI	8	1,675.13	1,675.13	100.0
B22	Pacific Marks Shin-Yokohama	1,710	1,525	1,780	0.2	Tanizawa	10	3,110.72	3,110.72	100.0
B25	Pacific Marks Kawasaki	9,890	8,741	12,500	1.6	Tanizawa	42	7,395.50	7,395.50	100.0
B26	Hamamatsucho 262 Building	6,840	6,331	8,090	1.0	JREI	16	6,154.21	5,774.77	93.8
B27	Lila Hijirizaka	2,750	2,637	3,330	0.4	JREI	13	4,255.02	4,255.02	100.0
B29	Otsuka HT Building	1,160	1,061	1,270	0.2	JREI	7	1,774.56	1,774.56	100.0
B30	Pacific Marks Shinjuku South-gate	2,460	2,462	3,830	0.5	JREI	8	1,727.08	1,727.08	100.0
B31	Pacific Marks Nishi-Umeda	6,860	6,564	8,690	1.1	Tanizawa	29	10,990.99	10,601.37	96.5



Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
B32	Pacific Marks Higobashi	4,570	4,359	5,170	0.6	Tanizawa	24	7,616.43	7,381.56	96.9
B35	Pacific Marks Sapporo Kita-Ichijo	1,790	1,670	2,230	0.3	Tanizawa	11	4,727.65	4,727.65	100.0
B36	Shin-Sapporo Center Building	987	816	1,060	0.1	Tanizawa	18	2,796.65	2,595.05	92.8
B37	ARENA TOWER	9,500	7,707	12,900	1.6	Tanizawa	11	17,967.46	17,967.46	100.0
B38	Yushima First Building	2,100	1,998	3,150	0.4	JREI	7	4,558.77	4,558.77	100.0
B39	Dogenzaka Square	2,300	2,210	3,170	0.4	JREI	26	2,233.73	2,014.74	90.2
B40	GRAND-SQUARE Shin-Sakae	1,480	1,254	1,910	0.2	JREI	9	4,578.93	4,578.93	100.0
B41	GRAND-SQUARE Meieki-minami	1,220	1,050	2,260	0.3	JREI	13	4,003.05	4,003.05	100.0
B42	Shiba 520 Building	2,100	2,116	3,530	0.4	JREI	5	2,831.94	2,831.94	100.0
B43	Hirose-dori SE Building	3,600	3,042	5,310	0.7	JREI	8	8,235.87	8,235.87	100.0
B44	SS30	18,200	18,819	22,200	2.8	JREI	78	67,700.37	66,997.62	99.0
B45	LOOP-X・M	11,200	12,040	12,900	1.6	JREI	111	21,590.15	21,015.42	97.3
B46	Toranomon Hills Mori Tower	10,000	10,115	11,100	1.4	JREI	1	3,273.51	3,273.51	100.0
B47	Toranomon PF Building	3,435	3,475	4,140	0.5	JREI	4	3,603.09	3,603.09	100.0
B48	UUR Kyobashi East Building	7,280	7,573	7,770	1.0	Tanizawa	8	3,642.17	3,642.17	100.0
C1	Shinjuku Washington Hotel Honkan	21,140	21,897	27,200	3.4	JREI	8	53,315.02	52,414.32	98.3
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	1,884	1,584	2,600	0.3	Nittochi	1	3,088.85	3,088.85	100.0
C3	MZ BLD.	3,800	3,027	3,970	0.5	JREI	10	6,660.20	6,660.20	100.0
C4	HOTEL ROUTE-INN Yokohama Bashamichi	4,720	3,791	5,150	0.6	Nittochi	4	7,139.44	7,139.44	100.0
C5	Hotel JAL City Naha	7,650	7,074	11,400	1.4	Nittochi	2	13,701.80	13,701.80	100.0
C6	UUR Yotsuya Sancho Building	4,200	4,457	7,030	0.9	JREI	3	7,854.86	7,854.86	100.0
C7	Yotsuya 213 Building	5,020	4,932	7,020	0.9	JREI	3	7,544.42	7,544.42	100.0
C9	Comfort Inn Tokyo Roppongi (Note 13)	4,488	4,739	3,620	0.5	JREI	3	3,708.47	3,708.47	100.0
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,655	2,607	3,170	0.4	Daiwa	1	4,874.28	4,874.28	100.0
C11	Toyoko Inn Hiroshima Heiwa-odori	2,113	2,028	2,590	0.3	Daiwa	1	4,357.75	4,357.75	100.0
C12	Toyoko Inn Naha Kokusai-dori Miebashiki	745	714	864	0.1	Daiwa	1	1,529.47	1,529.47	100.0
C13	Loisir Hotel & Spa Tower Naha	20,000	19,970	22,000	2.8	JREI	1	45,731.16	45,731.16	100.0
C14	Royal Pines Hotel Urawa	17,500	17,565	17,200	2.2	JREI	8	31,129.86	30,229.51	97.1
C15	RIHGA Royal Hotel Kokura・ARUARU City	16,600	17,653	16,800	2.1	Tanizawa	30	81,365.21	78,876.15	96.9
C16	Comfort Inn Fukuoka Tenjin (Note 14)	3,000	3,067	3,590	0.4	JREI	2	3,567.22	3,567.22	100.0
C17	Henn na Hotel Tokyo Hamamatsucho	4,456	4,435	4,760	0.6	JREI	1	2,293.64	2,293.64	100.0
C18	Hotel Hewitt Koshien	13,520	13,532	13,700	1.7	Tanizawa	2	36,104.06	36,104.06	100.0
C19	Smile Hotel Premium Sapporo Susukino	4,233	4,197	5,210	0.7	Tanizawa	1	8,332.04	8,332.04	100.0
C20	the square hotel KANAZAWA	4,802	4,924	5,900	0.7	Tanizawa	1	6,333.36	6,333.36	100.0
C21	NEST HOTEL KYOTO SHIJOKARASUMA	2,010	2,086	3,050	0.4	Tanizawa	1	2,358.25	2,358.25	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
D1	T&G Higashi-ikebukuro Mansion	2,021	1,369	2,570	0.3	Tanizawa	121	2,603.22	2,441.78	93.8
D4	Komazawa Court	1,680	1,456	2,250	0.3	JREI	1	3,741.17	3,741.17	100.0
D6	UUR Court Shiba-Daimon	1,175	963	1,530	0.2	Tanizawa	1	1,486.38	1,486.38	100.0
D9	Aprile Shin-Ohgi Ichibankan	3,031	2,357	3,750	0.5	JREI	1	12,700.44	12,700.44	100.0
D10	UUR Court Sapporo Kita-Sanjo	1,278	873	1,670	0.2	Tanizawa	1	4,790.50	4,790.50	100.0
D15	CLIO Bunkyo Koishikawa	3,170	2,534	3,660	0.5	JREI	82	4,097.51	3,616.72	88.3
D16	GRAND-ROUGE Sakae	1,570	1,125	1,390	0.2	JREI	89	3,697.38	3,433.37	92.9
D17	GRAND-ROUGE Sakae II	1,300	938	1,460	0.2	JREI	1	2,579.89	2,579.89	100.0
D18	MA Sendai Building	3,440	2,440	4,780	0.6	JREI	144	11,525.36	11,129.18	96.6
D19	UUR Court Nagoya Meieki	1,473	1,101	1,600	0.2	Nittochi	1	2,958.45	2,958.45	100.0
D20	UUR Court Sapporo Shinoro Ichibankan	870	658	878	0.1	Nittochi	3	6,271.74	6,271.74	100.0
D21	Park Site IZUMI	900	802	810	0.1	JREI	36	2,067.95	1,885.55	91.2
D22	UUR Court Osaka Juso-honmachi	1,570	1,206	1,760	0.2	JREI	1	3,650.00	3,650.00	100.0
D23	UUR Court Kinshicho	2,900	2,759	3,840	0.5	JREI	181	5,460.39	4,881.34	89.4
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	2,050	1,668	3,260	0.4	JREI	134	7,763.18	7,440.34	95.8
D25	GLAND-ROUGE Nakanoshima-minami	1,380	1,215	1,650	0.2	JREI	114	3,090.36	2,992.88	96.8
D26	Glenpark Umeda-kita	5,150	4,942	6,900	0.9	Tanizawa	176	12,730.60	12,291.80	96.6
D27	UUR Court Shiki	2,730	2,840	3,150	0.4	JREI	2	9,288.00	9,288.00	100.0
D28	GRAND-ROUGE Tanimachi Rokucho	1,300	1,358	1,560	0.2	Tanizawa	51	2,792.81	2,792.81	100.0
D29	Chatle Otemachi S・N	3,398	3,618	3,760	0.5	JREI	132	12,040.28	10,309.22	85.6
D30	GRAN FONTE	2,700	2,862	3,490	0.4	Tanizawa	89	6,268.24	6,140.29	98.0
D31	Park Axis Akatsuka	1,980	2,047	2,160	0.3	Tanizawa	153	4,370.31	4,219.35	96.5
D32	UUR Court Shirasagi	1,442	1,531	1,700	0.2	Tanizawa	47	2,815.30	2,815.30	100.0
D33	Court Branche AP	1,270	1,347	1,380	0.2	Tanizawa	41	1,480.17	1,455.51	98.3
D34	UUR Court Ibaraki Higashi-Chujo	1,665	1,783	1,770	0.2	Tanizawa	56	3,783.25	3,717.91	98.3
E1	Lilycolor Tohoku Branch	2,050	1,338	2,200	0.3	Nittochi	1	9,271.16	9,271.16	100.0
E2	Fuchu Building	4,920	4,692	4,200	0.5	JREI	0	14,490.92	0.00	0.0
E3	Tsubogawa Square Building	4,150	3,670	6,280	0.8	JREI	5	10,570.98	10,570.98	100.0
E4	THE PLACE of TOKYO	3,500	3,277	4,600	0.6	JREI	1	3,212.21	3,212.21	100.0
E5	Logistics Higashi-Ohgishima	9,525	9,312	10,900	1.4	JREI	2	42,113.83	42,113.83	100.0
E6	MT Ariake Center Building I&II	8,000	7,876	14,700	1.8	JREI	1	23,816.82	23,816.82	100.0
E7	Quartz Tower	5,700	5,759	5,720	0.7	Tanizawa	1	2,940.22	2,940.22	100.0
E8	Shin-Narashino Logistics Center	2,555	2,621	2,750	0.3	JREI	1	12,909.90	12,909.90	100.0
E9	Kawagoe Logistics Center	7,550	7,516	9,880	1.2	Tanizawa	1	40,060.76	40,060.76	100.0
E10	Asuto Nagamachi Dental Clinic	1,200	1,201	1,300	0.2	JREI	1	1,554.09	1,554.09	100.0
E11	Shin-Narashino Logistics Center II	2,590	2,700	2,710	0.3	JREI	1	12,598.46	12,598.46	100.0
E12	Yoshikawa Logistics Center	1,960	1,957	2,070	0.3	JREI	1	11,096.70	11,096.70	100.0

Property No.	Property Name	Acquisition Price (Millions of yen) (Note 1)	Book Value at the End of Period (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 2)	Share of Appraisal Value (%)	Appraisers (Note 2)	Number of Tenants (Note 3, 4)	Leasable Floor Space (m <sup>2</sup> ) (Note 3)	Leased Floor Space (m <sup>2</sup> ) (Note 3, 5)	Occupancy Ratio (%) (Note 3)
E13	Musashimurayama Logistics Center	1,800	1,847	1,980	0.2	JREI	1	9,237.87	9,237.87	100.0
E14	Chibaminato Logistics Center (Site)	6,600	6,934	7,960	1.0	Tanizawa	1	24,467.78	24,467.78	100.0
E15	Hirakata Nagao Logistics Center	2,550	2,640	2,760	0.3	Tanizawa	1	11,874.51	11,874.51	100.0
E16	Kobe Toyahama Logistics Center	1,300	1,372	1,820	0.2	JREI	1	9,402.93	9,402.93	100.0
E17	REDWOOD Narita Distribution Centre	2,345	2,440	2,510	0.3	Tanizawa	2	21,445.46	21,445.46	100.0
Total		671,418	647,231	799,032	100.0	-	2,725	1,541,488.04	1,499,184.48	97.3

(ii) Outline of Investment Real Estate 2

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

(As of May 31, 2021)

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	(Note 10)	178,020	10	N/A
A4		Luz Funabashi	(Note 10)	341,844	13	N/A
A6		TENJIN LUCE	(Note 10)	364,276	2	N/A
A7		Kaden Sumairu-kan YAMADA Sakai Honten	(Note 11)	(Note 11)	8	N/A
A8		Miyamae Shopping Center	(Note 10)	909,730	17	N/A
A9		KONAMI SPORTS CLUB Korigaoka	(Note 11)	(Note 11)	11	N/A
A10		ACTIOLE Minami-ikebukuro	(Note 10)	144,621	14	N/A
A11		Tip's Machida Building	(Note 10)	201,303	18	N/A
A12		Daiei Takarazuka Nakayama	(Note 11)	(Note 11)	9	N/A
A13		Retail / Offices	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	(Note 10)	272,412	(Note 12)
A14	Retail Properties	ACTIOLE Kannai	(Note 10)	72,837	16	N/A
A15		Shinsaibashi OPA Honkan	(Note 10)	1,448,304	12	N/A
A19		Albore Jingumae	(Note 10)	52,600	14.6	N/A
A20		Albore Sendai	(Note 10)	102,349	8	N/A
A21		Mallage Kashiwa	(Note 10)	865,501	9	N/A
A23		Ito-Yokado Owariasahi	(Note 11)	(Note 11)	11	N/A
A24		Yokohama Kariba Shopping Center	(Note 11)	(Note 11)	12	N/A
A25		Luz Jiyugaoka	(Note 10)	231,309	12	N/A
A26		ACTIOLE Ichikawa	(Note 10)	172,094	10	N/A
A27		Yokohama Aoba Shopping Center (Site)	(Note 11)	(Note 11)	(Note 12)	(Note 12)
A28		Yamada Denki Tecc Land Aoba (Site)	(Note 11)	(Note 11)	(Note 12)	(Note 12)
A29		Yodobashi Camera Multimedia Kichijoji	(Note 11)	(Note 11)	14	N/A
A30		Kaden Sumairu-kan YAMADA Matsudo Honten	(Note 11)	(Note 11)	11	N/A
A31		Tenjin Loft Building	(Note 10)	280,282	1	N/A
A32		Narumi Shopping Center (Site)	(Note 11)	(Note 11)	(Note 12)	(Note 12)
A33		Plussing Wave Enoshima	(Note 10)	143,834	14	N/A
A34		LIFE Nishikujo (Site)	(Note 11)	(Note 11)	(Note 12)	(Note 12)

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
A35	Retail Properties	LIFE Tamatsukuri (Site)	(Note 11)	(Note 11)	- (Note 12)	- (Note 12)
A36		Granbell Ginza Building	(Note 10)	107,071	10	N/A
A37		UUR Tenjin Nishi-dori Building	(Note 11)	(Note 11)	2	N/A
A38		Luz Shonan Tsujido	(Note 10)	309,030	14	N/A
A39		ACTIOLE Ueno	(Note 10)	75,508	12	N/A
A40		KURURU	(Note 10)	347,786	6	N/A
A41		K's Denki Nagoya-kita	(Note 11)	(Note 11)	8	N/A
A42		Luz Musashikosugi	(Note 10)	1,008,149	11	N/A
B1	Office Buildings	T&G Hamamatsucho Building	159,371	254,086	12	N/A
B3		Fukuoka Eartheon Building	213,523	132,334	1	N/A
B4		Marumasu Kojimachi Building	182,512	141,312	11	N/A
B5		Rokubancho K Building	204,134	82,011	14	N/A
B6	Office /Hotels	Shin-Osaka Central Tower	(Note 10)	1,455,742	7	N/A
B7	Office Buildings	Kawasaki Toshiba Building	1,665,139	1,580,916	7	N/A
B8		UUR Toyochō Building	270,872	157,940	13	N/A
B9		FOUR SEASONS BLDG	333,600	281,242	11	N/A
B11		Pacific Marks Shinjuku Parkside	595,280	436,061	14.8	N/A
B13		Pacific Marks Tsukishima	426,794	230,297	14	N/A
B14		Pacific Marks Yokohama East	460,974	317,303	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	125,089	88,677	13	N/A
B22		Pacific Marks Shin-Yokohama	118,058	75,532	16	N/A
B25		Pacific Marks Kawasaki	617,171	485,381	17	N/A
B26		Hamamatsucho 262 Building	385,622	394,852	14	N/A
B27		Lila Hijirizaka	219,155	124,288	12	N/A
B29		Otsuka HT Building	94,166	81,474	13	N/A
B30		Pacific Marks Shinjuku South-gate	182,415	194,476	12	N/A
B31		Pacific Marks Nishi-Umeda	466,387	437,683	10	N/A
B32		Pacific Marks Higobashi	286,771	247,615	12	N/A
B35		Pacific Marks Sapporo Kita-Ichijo	195,525	158,968	1	N/A
B36		Shin-Sapporo Center Building	99,320	76,888	2	N/A
B37		ARENA TOWER	816,257	445,948	10	N/A
B38		Yushima First Building	201,479	152,423	13	N/A
B39		Dogenzaka Square	159,813	109,073	16	N/A
B40		GRAND-SQUARE Shin-Sakae	147,632	101,437	10	N/A
B41		GRAND-SQUARE Meieki-minami	148,439	107,230	10	N/A
B42	Shiba 520 Building	206,459	146,933	13	N/A	
B43	Hirose-dori SE Building	376,953	397,095	8	N/A	
B44	Office /Hotels	SS30	(Note 10)	1,309,453	2	N/A
B45	Office Buildings	LOOP-X・M	905,294	508,364	7	N/A
B46		Toranomon Hills Mori Tower	(Note 11)	(Note 11)	1	N/A
B47		Toranomon PF Building	224,723	228,906	10	N/A
B48		UUR Kyobashi East Building	316,165	260,134	9	N/A
C1	Hotels	Shinjuku Washington Hotel Honkan	(Note 10)	2,049,203	9	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	
C2	Hotels	Toyoko Inn Shinagawa-eki Takanawa-guchi	(Note 10)	70,000	17	N/A	
C3		MZ BLD.	(Note 10)	192,803	13	N/A	
C4		HOTEL ROUTE-INN Yokohama Bashamichi	(Note 10)	107,487	19	N/A	
C5		Hotel JAL City Naha	(Note 10)	346,196	5	N/A	
C6		UUR Yotsuya Sancho Building	(Note 10)	108,290	14	N/A	
C7		Yotsuya 213 Building	(Note 10)	239,413	13	N/A	
C9		Comfort Inn Tokyo Roppongi (Note 13)	(Note 10)	(Note 11)	12	N/A	
C10		Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	(Note 11)	(Note 11)	14.5	N/A	
C11		Toyoko Inn Hiroshima Heiwa-odori	(Note 11)	(Note 11)	7	N/A	
C12		Toyoko Inn Naha Kokusai-dori Miebashiki-eki	(Note 11)	(Note 11)	2	N/A	
C13		Loisir Hotel & Spa Tower Naha	(Note 10)	(Note 11)	7	N/A	
C14		Royal Pines Hotel Urawa	(Note 10)	(Note 11)	10	N/A	
C15		RIHGA Royal Hotel Kokura · ARUARU City	(Note 10)	1,482,529	1	N/A	
C16		Comfort Inn Fukuoka Tenjin (Note 14)	(Note 10)	41,582	1	N/A	
C17		Henn na Hotel Tokyo Hamamatsucho	(Note 11)	(Note 11)	14.8	N/A	
C18		Hotel Hewitt Koshien	(Note 11)	(Note 11)	9	N/A	
C19		Smile Hotel Premium Sapporo Susukino	(Note 11)	(Note 11)	1	N/A	
C20		the square hotel KANAZAWA	(Note 11)	(Note 11)	4	N/A	
C21		NEST HOTEL KYOTO SHIJO-KARASUMA	(Note 11)	(Note 11)	8	N/A	
D1		Residential Properties	T&G Higashi-ikebukuro Mansion	125,568	14,269	12	N/A
D4			Komazawa Court	106,920	35,640	11	N/A
D6	UUR Court Shiba-Daimon		66,000	11,000	17	N/A	
D9	Aprile Shin-Ohgi Ichibankan		(Note 11)	(Note 11)	8	N/A	
D10	UUR Court Sapporo Kita-Sanjo		94,200	7,838	2	N/A	
D15	CLIO Bunkyo Koishikawa		176,100	24,654	14.5	N/A	
D16	GRAND-ROUGE Sakae		88,656	6,440	13	N/A	
D17	GRAND-ROUGE Sakae II		69,303	6,413	13	N/A	
D18	MA Sendai Building		270,403	17,668	11	N/A	
D19	UUR Court Nagoya Meieki		88,095	7,381	16	N/A	
D20	UUR Court Sapporo Shinoro Ichibankan		61,653	4,093	3	N/A	
D21	Park Site IZUMI		53,664	11,006	12	N/A	
D22	UUR Court Osaka Juso-honmachi		100,854	9,394	16	N/A	
D23	UUR Court Kinshicho		203,082	34,767	14.8	N/A	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower		212,873	57,090	1	N/A	
D25	GLAND-ROUGE Nakanoshima-minami		105,132	8,404	15	N/A	
D26	Glenpark Umeda-kita		355,176	36,639	15.5	N/A	
D27	UUR Court Shiki		190,433	144,332	11	N/A	
D28	GRAND-ROUGE Tanimachi Rokucho		85,692	6,070	13	N/A	
D29	Chatle Otemachi S · N		193,618	17,587	1	N/A	
D30	GRAN FONTE		173,069	46,414	1	N/A	
D31	Park Axis Akatsuka		98,762	23,156	12	N/A	
D32	UUR Court Shirasagi		71,384	15,832	12	N/A	
D33	Court Branche AP		67,920	17,755	13	N/A	
D34	UUR Court Ibaraki Higashi-Chujo	93,024	10,150	10	N/A		
E1	Others	Lilycolor Tohoku Branch	(Note 11)	(Note 11)	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
E2	Others	Fuchu Building	(Note 11)	(Note 11)	11	N/A
E3		Tsubogawa Square Building	428,001	267,993	8	N/A
E4		THE PLACE of TOKYO	(Note 11)	(Note 11)	13	N/A
E5		Logistics Higashi-Ohgishima	(Note 11)	(Note 11)	12	N/A
E6		MT Ariake Center Building I&II	(Note 11)	(Note 11)	12	N/A
E7		Quartz Tower	(Note 11)	(Note 11)	7	N/A
E8		Shin-Narashino Logistics Center	(Note 11)	(Note 11)	10	N/A
E9		Kawagoe Logistics Center	(Note 11)	(Note 11)	9	N/A
E10		Asuto Nagamachi Dental Clinic	(Note 11)	(Note 11)	8	N/A
E11		Shin-Narashino Logistics Center II	(Note 11)	(Note 11)	9	N/A
E12		Yoshikawa Logistics Center	(Note 11)	(Note 11)	8	N/A
E13		Musashimurayama Logistics Center	(Note 11)	(Note 11)	14	N/A
E14		Chibaminato Logistics Center (Site)	(Note 11)	(Note 11)	- (Note 12)	- (Note 12)
E15		Hirakata Nagao Logistics Center	(Note 11)	(Note 11)	8	N/A
E16		Kobe Toyahama Logistics Center	(Note 11)	(Note 11)	7	N/A
E17		REDWOOD Narita Distribution Centre	(Note 11)	(Note 11)	7	N/A
Total			41,785,223	32,118,896	6.12	

- 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 the end of each fiscal period. 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 May 31, 2021. “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. In case of master lease agreements that don’t fall into rental guarantee type nor pass-through type, “Leased Floor Space” are the numerical values stated in the management reports or the monthly reports prepared by the property management companies.
6. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2021 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. As for tenants who received free rent for a certain period, the exempted period is not considered. In addition, if there are provisions stating that the rent is increased by stages according to the period, the applicable amount as of May 31, 2021 is used for the calculation. Because variable rents are not included in the calculation of “Total Annual Rent”, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. Even when there is a claim requesting increase/decrease in rents with tenants as of May 31, 2021, the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2021 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen is stated without taking into consideration the contents of the claim.
7. “Tenant Leasehold and Security Deposits” are based on data as of May 31, 2021. 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 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. These items are undisclosed as United Urban judges that the disclosure of these items may have an adverse impact on the asset management of United Urban and harm the interest of investors.
11. 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.
12. Because United Urban acquired only land for these properties, there is no applicable information for the PML.
13. The property name was changed from “the b roppongi” to “Comfort Inn Tokyo Roppongi” on November 17, 2020.
14. The property name was changed from “the b fukuoka tenjin” to “Comfort Inn Fukuoka Tenjin” on April 20, 2021.

### 3. Information Concerning Tenants

#### Top 10 Tenants by Leased Floor Space

(As of May 31, 2021)

No.	Tenant Name	Property Name	Leased Floor Space (m <sup>2</sup> ) (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 5)
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	FUJITA KANKO INC.	Shinjuku Washington Hotel-Honkan	49,352.65	(Note 4)	October 31, 2023, etc. (Note 6)
5	UNY Co., Ltd.	Narumi Shopping Center (Site)	46,362.44	(Note 3)	November 19, 2024, etc. (Note 6)
6	Loisir Hotels Okinawa Co., Ltd.	Loisir Hotel & Spa Tower Naha	45,731.16	(Note 4)	March 31, 2026
7	Yodobashi Camera Co., Ltd.	Yodobashi Camera Multimedia Kichijoji	37,932.95	(Note 3)	May 31, 2037
8	Toshiba Electronic Devices & Storage Corporation	Kawasaki Toshiba Building	36,142.30	1,665,139	October 20, 2023 (Note 7)
9	L’hotel de Koshien Co., Ltd.	Hotel Hewitt Koshien	33,704.06	(Note 3)	October 31, 2028
10	YAMADA HOLDINGS CO., LTD.	· Kaden Sumairu-kan YAMADA Sakai Honten · maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) · Yamada Denki Tecc Land Aoba (Site)	32,336.20	(Note 3)	· Kaden Sumairu-kan YAMADA Sakai Honten May 9, 2030 · maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) November 30, 2030, etc. (Note 6) · Yamada Denki Tecc Land Aoba (Site) May 31, 2040

- Notes: 1. In principle, numerical values in “Leased Floor Space” are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. In addition, in the case of a master lease agreement without rental guarantee, “Leased Floor Space” is counted based on the end-tenants who are actually using the property, not based on the tenants who have the lease agreement between the owner, United Urban or the asset custodian.
2. “Total Annual Rent” shows the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2021 (rental revenues and common area charges) multiplied by twelve and truncated to the nearest thousand yen. As for tenants who received free rent for a certain period, the exempted period is not considered. In addition, if there are provisions stating that the rent is increased by stages according to the period, the applicable amount as of May 31, 2021 is used for the calculation. Because variable rents are not included in the calculation of “Total Annual Rent”, the amounts in the above table do not necessarily equal the total amount of the actual annual rent. Even when there is a claim requesting increase/decrease in rents with tenants as of May 31, 2021, the amount of monthly rent(s) under the lease agreement in effect as of May 31, 2021 (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.
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. These items are undisclosed as United Urban judges that the disclosure of these items may have an adverse impact on the asset management of United Urban and harm the interest of investors.
  5. As for Ito-Yokado Owariasahi, the due date for the renewal of lease agreement has arrived on November 11, 2018. However, United Urban hasn't finished the renewal of lease agreement with a lessee as of May 31, 2021, and the expiration date of contract has not yet been determined.
  6. An expiration date of the representative agreement is stated because there are several lease agreements.
  7. The tenant of this property will move out on the expiration date of the fixed-term building lease agreement (October 20, 2023).

## (2) Capital Expenditures

### 1. Plan of Capital Expenditure

The table below sets out the principal capital expenditures for repair, etc., of Investment Real Estate managed by United Urban scheduled as of May 31, 2021. 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 35th fiscal period	Amount already paid
Joy Park Izumigaoka	Sakai, Osaka	Installation work for new tenant	From April 2021 to December 2021	300	-	-
Shinsaibashi OPA Honkan	Osaka, Osaka	Renewal of air-conditioning facilities	From October 2021 to May 2022	401	-	-
UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Repair of exterior walls Dividing area into several sections	From July 2021 to February 2022	404	-	-
UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Removal of a part of interiors and exteriors	From July 2021 to February 2022	101	-	-
Luz Shonan Tsujido	Fujisawa, Kanagawa	Installation work for new tenant	From April 2021 to November 2021	100	-	-
Shin-Osaka Central Tower	Osaka, Osaka	Replacement of power receiving and transforming facilities	From December 2020 to December 2021	103	-	-
SS30	Sendai, Miyagi	Extension of switchboard trunk lines and panelboard	From August 2019 to June 2021	136	-	-
MZ BLD.	Hachioji, Tokyo	Renewal of air-conditioning facilities	From December 2021 to February 2022	103	-	-
Comfort Inn Tokyo Roppongi	Minato-ku, Tokyo	Renewal of air-conditioning facilities	From January 2022 to February 2022	123	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Repair of large public bath ( <i>SHIMANCHU no Yu</i> )	From July 2021 to November 2021	346	-	-
UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Repair of exterior walls	From February 2021 to November 2021	164	-	-

### 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 35th fiscal period, which totaled ¥1,746 million. Together with ¥1,310 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥3,057 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities (Part I Building)	From November 2020 to December 2020	47
UUR Toyochō Building	Koto-ku, Tokyo	New construction work of OA floor of the whole building	From January 2021 to March 2021	51
UUR Toyochō Building	Koto-ku, Tokyo	LED conversions of rental units	From January 2021 to March 2021	40
SS30	Sendai, Miyagi	Renewal of rooftop gondola of high-rise building	From September 2020 to December 2020	61



Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
SS30	Sendai, Miyagi	Renewal of emergency elevator	From December 2020 to April 2021	53
Yotsuya 213 Building	Shinjuku-ku, Tokyo	Repair of exterior walls	From September 2020 to December 2020	42
RIHGA Royal Hotel Kokura • ARUARU City	Kitakyushu, Fukuoka	Interior construction of guest rooms of hotel building (14-17F)	From February 2021 to April 2021	117
RIHGA Royal Hotel Kokura • ARUARU City	Kitakyushu, Fukuoka	Repair of guest rooms of hotel building (18-20F, 24F-25F)	From January 2021 to February 2021	110
Hotel Hewitt Koshien	Nishinomiya, Hyogo	Repair of exterior walls of the main building (3rd period)	From December 2020 to April 2021	40
Other capital expenditures				1,180
Total				1,746

### 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)

	31st Fiscal Period (December 1, 2018 - May 31, 2019)	32nd Fiscal Period (June 1, 2019 - November 30, 2019)	33rd Fiscal Period (December 1, 2019 - May 31, 2020)	34th Fiscal Period (June 1, 2020 - November 30, 2020)	35th Fiscal Period (December 1, 2020 - May 31, 2021)
Reserve balance at the beginning of period	1,465	1,490	1,634	1,609	1,610
Addition to the reserve during the period (Note)	75	154	16	24	72
Reduction of reserve during the period	50	10	41	23	1
Reserve balance to be carried over to the next of period	1,490	1,634	1,609	1,610	1,681

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.