

For Translation Purposes Only

June 4, 2019

For Immediate Release

United Urban Investment Corporation
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Notice Concerning Revision to Forecasts of Financial Results for the Thirty-First Fiscal Period Ended May 31, 2019 and for the Thirty-Second Fiscal Period Ending November 30, 2019, and Announcement of Forecasts of Financial Results for the Thirty-Third Fiscal Period Ending May 31, 2020

United Urban Investment Corporation (“United Urban”) hereby announces revision to its forecasts of financial results for the fiscal period ended May 31, 2019 (thirty-first fiscal period: from December 1, 2018 to May 31, 2019) and for the fiscal period ending November 30, 2019 (thirty-second fiscal period: from June 1, 2019 to November 30, 2019) announced in the financial report (*kessan tanshin*) dated January 18, 2019 as set forth below. In addition to these revisions, United Urban announces its forecasts of financial results for the fiscal period ending May 31, 2020 (thirty-third fiscal period: from December 1, 2019 to May 31, 2020).

1. Reasons for Revision and Announcement

At the board of directors’ meeting held today, United Urban resolved the issuance of new investment units for the purpose to acquire new specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan.). Based on the assumptions mentioned in the following sections, United Urban revises the previous forecast of financial results for the fiscal period ending November 30, 2019 (thirty-second fiscal period) and additionally announces the forecast of financial results for the fiscal period ending May 31, 2020 (thirty-third fiscal period).

Also, United Urban concurrently revised its forecasts of financial results for the fiscal period ended May 31, 2019 (thirty-first fiscal period) based on the latest assumptions.

2. Details of Revision and Announcement

(1) Details of Revision to Forecasts of Financial Results for the Fiscal Period Ended May 31, 2019
(from December 1, 2018 to May 31, 2019)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Cash Distributions per Unit (excluding distribution in excess of earnings)	Distributions in Excess of Earnings per Unit
Previous Forecast (A)	(million yen) 27,126	(million yen) 13,101	(million yen) 11,949	(million yen) 11,949	(yen) 3,550 (Note 1)	(yen) -
Revised Forecast (B)	(million yen) 27,252	(million yen) 13,402	(million yen) 12,241	(million yen) 12,241	(yen) 3,630 (Note 1)	(yen) -

This press release has been prepared for the purpose of announcing to the public certain matters relating to the revision of forecasts of financial results for the thirty-first fiscal period ended May 31, 2019 and thirty-second fiscal period ending November 30, 2019, and the forecasts of financial results for the thirty-third fiscal period ending May 31, 2020, and not for the purpose of soliciting any investment. United Urban asks that investors make investment decisions only after they have referred to the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto (if any) prepared by United Urban, and that the investment decisions are made at their discretion and responsibility.

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Cash Distributions per Unit (excluding distribution in excess of earnings)	Distributions in Excess of Earnings per Unit
Change (B-A)	(million yen) +126	(million yen) +301	(million yen) +292	(million yen) +292	(yen) +80	(yen) -
Percentage of Change	(%) +0.5	(%) +2.3	(%) +2.4	(%) +2.4	(%) +2.3	(%) -

[Reference]

As of the fiscal period ended May 31, 2019

Number of investment units issued and outstanding as of the end of the fiscal period: 3,055,087 units

Assumed net income per unit for the fiscal period: 4,006 yen/unit (Note 1)

(2) Details of Revision to Forecasts of Financial Results for the Fiscal Period Ending November 30, 2019 (from June 1, 2019 to November 30, 2019)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Cash Distributions per Unit (excluding distribution in excess of earnings)	Distributions in Excess of Earnings per Unit
Previous Forecast (A)	(million yen) 24,532	(million yen) 11,401	(million yen) 10,311	(million yen) 10,310	(yen) 3,400 (Note 1)	(yen) -
Revised Forecast (B)	(million yen) 24,995	(million yen) 11,670	(million yen) 10,588	(million yen) 10,588	(yen) 3,420 (Note 1)	(yen) -
Change (B-A)	(million yen) +463	(million yen) +269	(million yen) +277	(million yen) +278	(yen) +20	(yen) -
Percentage of Change	(%) +1.9	(%) +2.4	(%) +2.7	(%) +2.7	(%) +0.6	(%) -

[Reference]

As of the fiscal period ending November 30, 2019

Assumed number of investment units issued and outstanding as of the end of the fiscal period: 3,118,337 units (Note 2)

Assumed net income per unit for the fiscal period: 3,395 yen per unit (Note 1)

(3) Details of Forecasts of Financial Results for the Fiscal Period Ending May 31, 2020 (from December 1, 2019 to May 31, 2020)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Cash Distributions per Unit (excluding distribution in excess of earnings)	Distributions in Excess of Earnings per Unit
Forecast	(million yen) 24,780	(million yen) 11,781	(million yen) 10,744	(million yen) 10,744	(yen) 3,470 (Note 1)	(yen) -

[Reference]

As of the fiscal period ending May 31, 2020

Assumed number of investment units issued and outstanding as of the end of the fiscal period: 3,118,337 units (Note 2)

Assumed net income per unit for the fiscal period: 3,445 yen per unit (Note 1)

(Notes)

- For details of cash distributions per unit and assumed net income per unit for the fiscal period, please refer to “(Reference) Basis for Calculation of Total Cash Distributions and Cash Distributions per Unit for the Fiscal Period Ended May 31, 2019, Fiscal Periods Ending November 30, 2019 and May 31, 2020” and “Cash Distributions per Unit” in “[Exhibit] Assumptions for the Forecasts of Financial Results for the Fiscal Period Ended May 31, 2019, Fiscal Periods Ending November 30, 2019 and May 31, 2020” below.
- For assumed number of investment units issued and outstanding as of the end of each fiscal period, please refer to “Number of Investment Units Issued and Outstanding” in “[Exhibit] Assumptions for the Forecasts of Financial Results for the Fiscal Period Ended May 31, 2019, Fiscal Periods Ending November 30, 2019 and May 31, 2020” below.

[Explanatory remarks]

- The above-mentioned forecasts represent United Urban’s current prospects as of the date hereof based on certain underlying assumptions as set forth in the attached Exhibit. Accordingly, the actual operating revenues, operating income, ordinary income, net income and cash distributions per unit may differ from the forecasts due to future acquisition and disposition of properties, trends in the real estate market and changes in other circumstances surrounding United Urban. In addition, the forecasts set forth herein are not intended to guarantee the amount of future cash distributions.
- United Urban may revise the forecasts if a certain level of difference between its actual results and the above-mentioned forecasts is expected.
- The figures shown above are truncated to the relevant unit and percentages are rounded to the first decimal place.

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Reference

Basis for Calculation of Total Cash Distributions and Cash Distributions per Unit for the Fiscal Period Ended May 31, 2019, Fiscal Periods Ending November 30, 2019 and May 31, 2020

(1) The Fiscal Period Ended May 31, 2019

		Revised Forecast	Previous Forecast	(Difference)
Total cash distributions				
Unappropriated retained earnings	(million yen)	12,241	11,949	+292
Provision of voluntary retained earnings (Note 1)	(million yen)	—)	1,179	+48
Decrease of reserve for temporary difference (Note 1)	(million yen)	+) 76	76	-
Total cash distributions	(million yen)	11,089	10,846	+244
Cash distributions per unit				
Net income per unit (Note 2)	(yen)	4,006	3,911	+95
Provision of voluntary retained earnings per unit	(yen)	—)	386	+15
Decrease of reserve for temporary difference per unit	(yen)	+) 25	25	-
Cash distributions per unit	(yen)	3,630	3,550	+80
Total number of investment units issued and outstanding as of the end of the fiscal period (Note 3)	(unit)	3,055,087	3,055,087	-

(2) The Fiscal Period Ending November 30, 2019

		Revised Forecast	Previous Forecast	(Difference)
Total cash distributions				
Unappropriated retained earnings	(million yen)	10,588	10,310	+277
Decrease of reserve for temporary difference (Note 1)	(million yen)	+) 76	76	-
Total cash distributions	(million yen)	10,664	10,387	+277
Cash distributions per unit				
Net income per unit (Note 2)	(yen)	3,395	3,374	+21
Decrease of reserve for temporary difference per unit	(yen)	+) 25	25	-
Cash distributions per unit	(yen)	3,420	3,400	+20
Total number of investment units issued and outstanding as of the end of the fiscal period (Note 3)	(unit)	3,118,337	3,055,087	+63,250

(3) The Fiscal Period Ending May 31, 2020

		Forecast
Total cash distributions		
Unappropriated retained earnings	(million yen)	10,744
Decrease of reserve for temporary difference (Note 1)	(million yen)	+) 76
Total cash distributions	(million yen)	10,820
Cash distributions per unit		
Net income per unit (Note 2)	(yen)	3,445
Decrease of reserve for temporary difference per unit	(yen)	+) 25
Cash distributions per unit	(yen)	3,470
Total number of investment units issued and outstanding as of the end of the fiscal period (Note 3)	(unit)	3,118,337

(Notes)

- For details of “voluntary retained earnings” and “reserve for temporary difference”, please refer to “Cash Distributions per Unit” in “[Exhibit] Assumptions for the Forecasts of Financial Results for the Fiscal Period Ended May 31, 2019, Fiscal Periods Ending November 30, 2019 and May 31, 2020”.
- “Net income per unit” is net income divided by number of investment units issued and outstanding, as of the end of each fiscal period.
- “Total number of investment units issued and outstanding as of the end of the fiscal period” in the “Revised Forecast” and “Forecast” are defined as the prospect number of investment units and are calculated based on the assumptions described in “Numbers of investment units issued and outstanding as of the end of the fiscal period” in “[Exhibit] Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending November 30, 2019 and May 31, 2020”.

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[Exhibit]
Assumptions for the Forecasts of Financial Results for the Fiscal Period Ended May 31, 2019, Fiscal Periods Ending November 30, 2019 and May 31, 2020

Items	Assumptions																							
Terms	<ul style="list-style-type: none"> Thirty-first fiscal period: from December 1, 2018 to May 31, 2019 (182 days) Thirty-second fiscal period: from June 1, 2019 to November 30, 2019 (183 days) Thirty-third fiscal period: from December 1, 2019 to May 31, 2020 (183 days) 																							
Investment Assets	<p>Fiscal period ended May 31, 2019</p> <ul style="list-style-type: none"> The forecast of financial results is based on the portfolio of 120 properties, which is the total of (i) 120 properties owned by United Urban as of January 18, 2019 and (ii) the change of properties (acquisition of 2 properties and disposition of 2 properties) as set forth below. <table border="1"> <thead> <tr> <th>Division</th> <th>Acquisition or Disposition Date</th> <th>Property Name</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Acquisition</td> <td>April 1, 2019</td> <td>GRAN FONTE (Note 1)</td> </tr> <tr> <td>May 15, 2019</td> <td>Henn na Hotel Tokyo Hamamatsucho (Note 1)</td> </tr> <tr> <td rowspan="2">Disposition</td> <td>March 1, 2019</td> <td>Himonya Shopping Center (30% quasi co-ownership) (Note 2)</td> </tr> <tr> <td>April 1, 2019</td> <td>Maison Ukima (Note 2)</td> </tr> </tbody> </table> <p>Fiscal period ending November 30, 2019</p> <ul style="list-style-type: none"> The forecast of financial results is based on a portfolio of 122 properties, which is the total of (i) 120 properties owned by United Urban as of the fiscal period ended May 31, 2019 and (ii) the acquisition of 2 properties as set forth below. <table border="1"> <thead> <tr> <th>Scheduled Acquisition Date</th> <th>Property Name</th> </tr> </thead> <tbody> <tr> <td>June 25, 2019</td> <td>Hotel Hewitt Koshien (Note 1)</td> </tr> <tr> <td>June 28, 2019</td> <td>Smile Hotel Premium Sapporo Susukino (Note 1)</td> </tr> </tbody> </table> <p>Fiscal period ending May 31, 2020</p> <ul style="list-style-type: none"> The forecast of financial results is based on a portfolio of 123 properties, which is the total of (i) 122 properties owned by United Urban as of the fiscal period ending November 30, 2019 and (ii) the acquisition of 1 property as set forth below. <table border="1"> <thead> <tr> <th>Scheduled Acquisition Date</th> <th>Property Name</th> </tr> </thead> <tbody> <tr> <td>December 3, 2019</td> <td>the square hotel KANAZAWA (Note 1)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The forecast is also based on the assumption that there will be no change of properties (other than those mentioned above) until May 31, 2020 (end of thirty-third fiscal period). However, the forecast is subject to change due to additional changes of properties. <p>(Notes)</p> <ol style="list-style-type: none"> For details of (scheduled) acquisition properties (hereinafter, referred to as the “(scheduled) acquisition of five properties” in this Exhibit.), please refer to “Notice Concerning Acquisition of Property (Henn na Hotel Tokyo Hamamatsucho and Smile Hotel Premium Sapporo Susukino)” dated January 15, 2019, “Notice Concerning Acquisition of Property (GRAN FONTE)” dated March 29, 2019 and “Notice Concerning Acquisition of Property (Hotel Hewitt Koshien and one other property)” dated today. For details of sold properties, please refer to “Notice Concerning Sale of Property (AEON MALL Uki and Himonya Shopping Center)” dated May 23, 2018 and “Notice Concerning Sale of Property (Maison Ukima)” dated March 29, 2019. 	Division	Acquisition or Disposition Date	Property Name	Acquisition	April 1, 2019	GRAN FONTE (Note 1)	May 15, 2019	Henn na Hotel Tokyo Hamamatsucho (Note 1)	Disposition	March 1, 2019	Himonya Shopping Center (30% quasi co-ownership) (Note 2)	April 1, 2019	Maison Ukima (Note 2)	Scheduled Acquisition Date	Property Name	June 25, 2019	Hotel Hewitt Koshien (Note 1)	June 28, 2019	Smile Hotel Premium Sapporo Susukino (Note 1)	Scheduled Acquisition Date	Property Name	December 3, 2019	the square hotel KANAZAWA (Note 1)
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December 3, 2019	the square hotel KANAZAWA (Note 1)																							
Number of Investment Units Issued and Outstanding	<p>Fiscal period ended May 31, 2019</p> <ul style="list-style-type: none"> The forecast is based on 3,055,087 units, the number of investment units issued and outstanding as of today. <p>Fiscal periods ending November 30, 2019 and May 31, 2020</p> <ul style="list-style-type: none"> The forecast is based on 3,118,337 units, the total of (a) 3,055,087 units issued and outstanding as of today and (b) 63,250 units to be newly issued by November 30, 2019 (end of the thirty-second fiscal period) pursuant to the resolution of the board of directors’ meeting held today, comprising (i) 55,000 units to be issued through a public offering and (ii) a maximum of 8,250 units to be issued by way of a third-party allotment (collectively hereinafter referred to as the “Offering”). (For details of the Offering, please refer to the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today.) The number of investment units to be additionally issued by way of the third-party allotment is based on the assumption that the maximum number of 8,250 units will be issued. The forecast is also based on the assumption that there will be no additional issuance of units (other than those mentioned above) until May 31, 2020 (end of the thirty-third fiscal period). 																							

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Items	Assumptions																											
Operating Revenues	<ul style="list-style-type: none"> Rental incomes, the principal component of the operating revenues, are calculated based on lease agreements in effect as of today, and by taking into account tenants' move-in and departures, expected rent, estimated occupancy ratio in the future, neighboring competitive properties, market trends, status of negotiation for lease terms with each tenant, and other conditions. The rental incomes are based on the assumption that there will be no delinquencies or nonpayment of rent by tenants. (Note) 																											
	<p>(Note) The rental incomes of three properties out of the (scheduled) five properties, which are scheduled to be acquired in or after the fiscal period ending November 2019, are calculated based on the information provided by the current owner or current trust beneficiary of each property, and lease agreements to be effective upon the scheduled acquisition date for each property.</p>																											
	<ul style="list-style-type: none"> Based on the above assumptions, United Urban anticipates the major items of operating revenues from rental incomes as below. 																											
	<table border="1"> <thead> <tr> <th data-bbox="448 580 876 611">Major Item</th> <th data-bbox="876 580 1054 611">FP '19/5</th> <th data-bbox="1054 580 1233 611">FP '19/11</th> <th data-bbox="1233 580 1406 611">FP '20/5</th> </tr> </thead> <tbody> <tr> <td data-bbox="448 611 876 669">Rental revenues (including common area charges)</td> <td data-bbox="876 611 1054 669">21,615 million yen</td> <td data-bbox="1054 611 1233 669">22,156 million yen</td> <td data-bbox="1233 611 1406 669">22,233 million yen</td> </tr> <tr> <td data-bbox="448 669 876 728">Parking revenues</td> <td data-bbox="876 669 1054 728">753 million yen</td> <td data-bbox="1054 669 1233 728">765 million yen</td> <td data-bbox="1233 669 1406 728">765 million yen</td> </tr> <tr> <td data-bbox="448 728 876 790">Utility revenues (electricity, water, gas, etc.) from tenants</td> <td data-bbox="876 728 1054 790">1,473 million yen</td> <td data-bbox="1054 728 1233 790">1,716 million yen</td> <td data-bbox="1233 728 1406 790">1,494 million yen</td> </tr> </tbody> </table>				Major Item	FP '19/5	FP '19/11	FP '20/5	Rental revenues (including common area charges)	21,615 million yen	22,156 million yen	22,233 million yen	Parking revenues	753 million yen	765 million yen	765 million yen	Utility revenues (electricity, water, gas, etc.) from tenants	1,473 million yen	1,716 million yen	1,494 million yen								
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<ul style="list-style-type: none"> As for dividend income from the "Preferred Equity Securities of Tenjin 123 Project TMK", United Urban expects to receive 44 million yen for the fiscal period ended May 31, 2019. As for gain on sales of real estate due to the sale of "Himonya Shopping Center (30% quasi co-ownership)" and "Maison Ukima", United Urban expects to receive 3,005 million yen for the fiscal period ended May 31, 2019. 																												
Operating Expenses	<ul style="list-style-type: none"> The property-related expenses (other than depreciation and amortization), which are the principal component of the operating expenses, are calculated based on the track record with consideration of factors that may cause fluctuations in expenses. 																											
	<ul style="list-style-type: none"> United Urban anticipates each major item of the property-related expenses, as set forth below. 																											
	<table border="1"> <thead> <tr> <th data-bbox="448 1068 876 1099">Major Item</th> <th data-bbox="876 1068 1054 1099">FP '19/5</th> <th data-bbox="1054 1068 1233 1099">FP '19/11</th> <th data-bbox="1233 1068 1406 1099">FP '20/5</th> </tr> </thead> <tbody> <tr> <td data-bbox="448 1099 876 1158">Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)</td> <td data-bbox="876 1099 1054 1158">1,888 million yen</td> <td data-bbox="1054 1099 1233 1158">1,994 million yen</td> <td data-bbox="1233 1099 1406 1158">1,996 million yen</td> </tr> <tr> <td data-bbox="448 1158 876 1216">Property management fees</td> <td data-bbox="876 1158 1054 1216">1,758 million yen</td> <td data-bbox="1054 1158 1233 1216">1,753 million yen</td> <td data-bbox="1233 1158 1406 1216">1,740 million yen</td> </tr> <tr> <td data-bbox="448 1216 876 1274">Utilities</td> <td data-bbox="876 1216 1054 1274">1,490 million yen</td> <td data-bbox="1054 1216 1233 1274">1,762 million yen</td> <td data-bbox="1233 1216 1406 1274">1,559 million yen</td> </tr> <tr> <td data-bbox="448 1274 876 1332">Repairs and maintenance (Note 2)</td> <td data-bbox="876 1274 1054 1332">1,960 million yen</td> <td data-bbox="1054 1274 1233 1332">973 million yen</td> <td data-bbox="1233 1274 1406 1332">804 million yen</td> </tr> <tr> <td data-bbox="448 1332 876 1368">Depreciation and amortization (Note 3)</td> <td data-bbox="876 1332 1054 1368">4,043 million yen</td> <td data-bbox="1054 1332 1233 1368">4,141 million yen</td> <td data-bbox="1233 1332 1406 1368">4,209 million yen</td> </tr> </tbody> </table>				Major Item	FP '19/5	FP '19/11	FP '20/5	Property and other taxes (property taxes and city planning taxes, etc.) (Note 1)	1,888 million yen	1,994 million yen	1,996 million yen	Property management fees	1,758 million yen	1,753 million yen	1,740 million yen	Utilities	1,490 million yen	1,762 million yen	1,559 million yen	Repairs and maintenance (Note 2)	1,960 million yen	973 million yen	804 million yen	Depreciation and amortization (Note 3)	4,043 million yen	4,141 million yen	4,209 million yen
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Depreciation and amortization (Note 3)	4,043 million yen	4,141 million yen	4,209 million yen																									
<p>(Notes)</p>																												
<ol style="list-style-type: none"> 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 (scheduled) acquisition of five properties will not be imposed up until the fiscal period ending May 2020. Furthermore, the estimated full amount of those taxes over an entire fiscal year will be 83 million yen. Actual repairs and maintenance expenses for each fiscal period may differ significantly from the forecasted amounts for various reasons, including the possibility of emergency repairs and maintenance due to damage to buildings owing to unexpected factors, the large variance in amounts among fiscal years and the fact that these amounts do not accrue on a regular basis. Depreciation and amortization are calculated on a straight-line basis, inclusive of ancillary expenses and future additional capital expenditures. 																												
<ul style="list-style-type: none"> Other operating expenses, such as asset management fees, are calculated based on the track record with consideration of factors that may cause fluctuations in expenses. 																												

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Items	Assumptions			
Non-operating Expenses	<ul style="list-style-type: none"> United Urban anticipates the non-operating expenses per major item, as set forth below. 			
	Major Item	FP '19/5	FP '19/11	FP '20/5
	Interest expenses for interest-bearing liabilities (Note 1)	1,038 million yen	1,012 million yen	1,003 million yen
	Expenses associated with the issuance of corporate bonds (Note 2)	68 million yen	-	-
	Expenses associated with the issuance of new investment units (Note 2)	12 million yen	37 million yen	-
	(Notes) 1. Including financing-related expenses and interest expenses on corporate bonds, etc. 2. Expenses associated with the corporate bond issued on May 23, 2019 and expenses for the Offering are expected to be expensed at once at the time of payment.			
Interest-bearing Liabilities	<ul style="list-style-type: none"> As of today, the total balance of interest-bearing liabilities as of the end of the fiscal period ended May 31, 2019 will be 282,884 million yen, of which 255,884 million yen consists of borrowings and the remainder of 27,000 million yen includes corporate bonds. The interest-bearing liabilities maturing during the fiscal period ending November 30, 2019 and the plan for repayment, etc. are as set forth below. 			
	Maturity Date	Overview of Interest-bearing Liabilities	Plan for Repayment, etc.	
	June 20, 2019	Borrowing		United Urban plans to repay the borrowings in full by cash on hand.
		4,500 million yen		
		2,200 million yen		
		2,000 million yen		
	September 20, 2019	Borrowing		United Urban will newly obtain borrowing(s) from lender(s) and cash on hand to repay the borrowings in full.
		6,207 million yen		
		1,200 million yen		
	March 23, 2020	Borrowing		United Urban will newly obtain borrowing(s) from lender(s) to repay the borrowings in full.
1,000 million yen				
4,000 million yen				
2,427 million yen				
2,417 million yen				
	1,300 million yen			
	<ul style="list-style-type: none"> The forecasts are based on the assumption that the total amount of interest-bearing liabilities at the end of the fiscal period ending November 30, 2019 is to be 270,587 million yen after the above-mentioned repayment and refinancing, etc. of interest-bearing liabilities are made. The interest-bearing liabilities maturing during the fiscal period ending May 31, 2020 and the plan for repayment, etc. are as set forth below. The forecasts are based on the assumption that United Urban will newly obtain 5,000 million yen borrowing(s) from lender(s) to acquire “the square hotel KANAZAWA” on December 3, 2019. The forecasts are based on the assumption that the total amount of interest-bearing liabilities at the end of the fiscal period ending May 31, 2020 is to be 275,587 million yen after the above-mentioned repayment and refinancing, etc. of interest-bearing liabilities are made. 			

This press release has been prepared for the purpose of announcing to the public certain matters relating to the revision of forecasts of financial results for the thirty-first fiscal period ended May 31, 2019 and thirty-second fiscal period ending November 30, 2019, and the forecasts of financial results for the thirty-third fiscal period ending May 31, 2020, and not for the purpose of soliciting any investment. United Urban asks that investors make investment decisions only after they have referred to the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto (if any) prepared by United Urban, and that the investment decisions are made at their discretion and responsibility.

Items	Assumptions
Cash Distributions per Unit	<ul style="list-style-type: none"> • Cash distributions (cash distributions per unit) are calculated based on the distribution policy stipulated in the Articles of Incorporation of United Urban. • The number of investment units issued and outstanding as of the end of each fiscal period which are used to calculate the cash distribution per unit is based on the assumption given in the “Number of Investment Units Issued and Outstanding” column above. • Cash distributions for fiscal period ended May 31, 2019 are based on the total distribution amount of 11,089 million yen, which is the result of i) reserving 1,227 million yen as voluntary retained earnings from the unappropriated retained earnings of 12,241 million yen by using the reduction entry system, etc. stipulated in the Act on Special Measures Concerning Taxation of Japan and ii) adding a reversal of reserve for temporary difference of 76 million yen to the unappropriated retained earnings of 12,241 million yen after reserving 1,227 million yen. • Cash distributions for fiscal period ending November 30, 2019 is based on the total distribution amount of 10,664 million yen, which is the result of adding a reversal of reserve for temporary difference of 76 million yen to unappropriated retained earnings of 10,588 million yen. • Cash distributions for fiscal period ending May 31, 2020 is based on the total distribution amount of 10,820 million yen, which is the result of adding a reversal of reserve for temporary difference of 76 million yen to the unappropriated retained earnings of 10,744 million yen. • Actual cash distribution per unit is subject to fluctuate due to various factors including changes in investment assets, fluctuations of rental revenues caused by tenant replacements or unexpected repairs.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> • United Urban does not currently plan to execute distributions in excess of earnings (distributions in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • Forecasts are based on the assumption that there will be no amendments to laws, taxation systems, accounting standards, listing rules or regulations of the Investment Trust Association, Japan, which may affect aforementioned forecast figures. • Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.

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