

# Semiannual Report

**Twenty-fourth Fiscal Period**

**From June 1, 2015 to November 30, 2015**

A yellow circle containing the text "24<sup>th</sup>" in white.

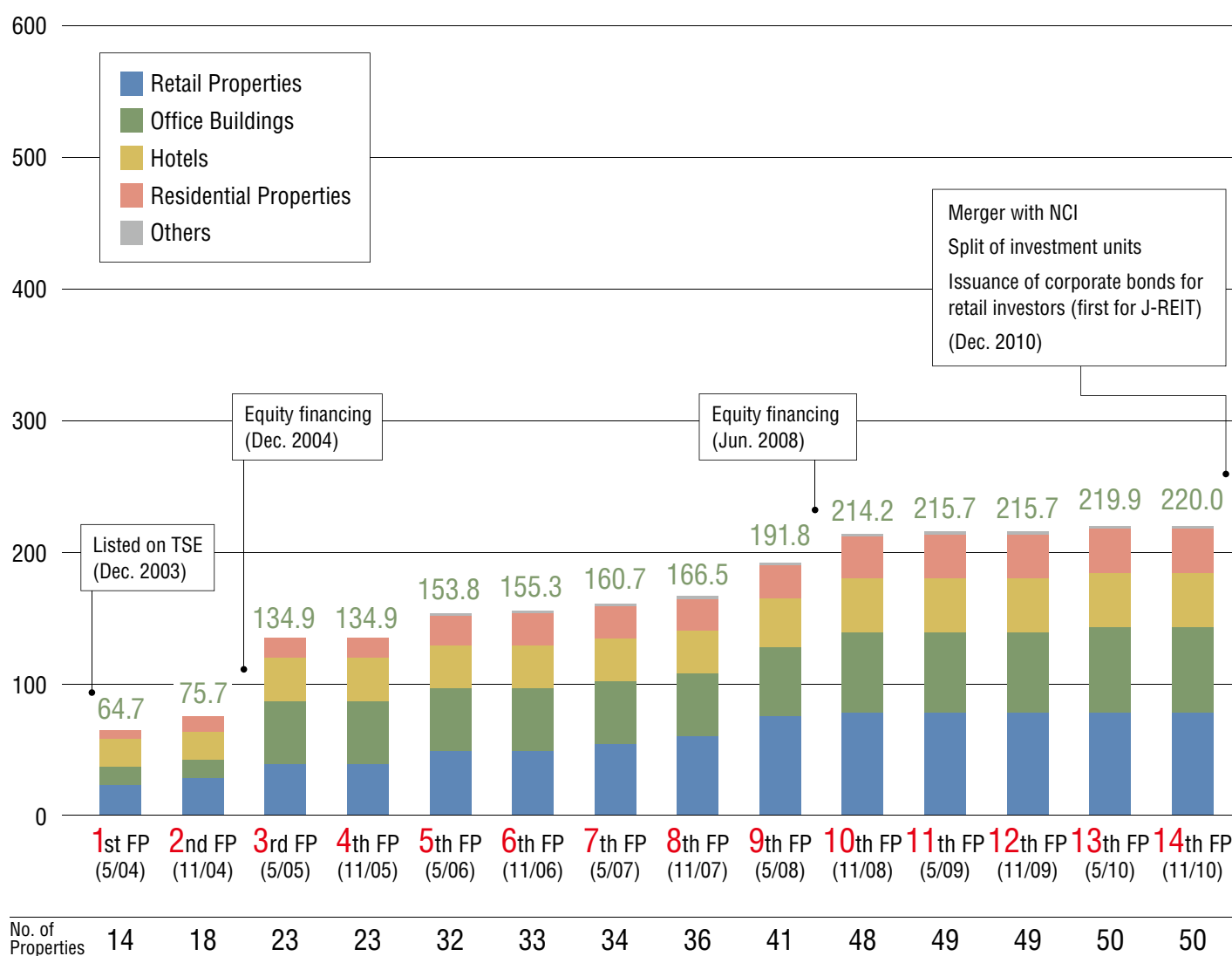
# Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed on the real estate investment trust section (“J-REIT section”) of the Tokyo Stock Exchange (Securities Code: 8960), and United Urban has been growing steadily since its listing. In addition, through the merger with Nippon Commercial Investment Corporation (“NCI”) in December 2010, United Urban considerably expanded the size of its assets.

In order to obtain stable earnings over the medium to long term, United Urban intends to form an optimal portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuations and lead to the mitigation of risks involved.

## Growth of Assets (Note 1)

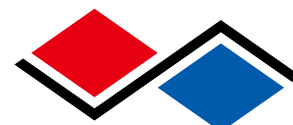
Billions of yen



Notes: 1. The total acquisition prices of properties owned by United Urban at the end of each fiscal period are shown above, and figures are rounded to the units stated.  
2. Unless otherwise indicated, in principle, all figures in this report are rounded down to the nearest unit.

The main sponsor of United Urban is Marubeni Corporation (“Marubeni”), a parent company of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services. United Urban aims to realize its further growth as a diversified J-REIT<sup>(Note)</sup> by taking full advantage of the network and support provided by Marubeni and its affiliate companies.

(Note) In this document, J-REIT refers to a real-estate investment trust listed on a Japanese stock exchange.



**United Urban**  
Investment Corporation

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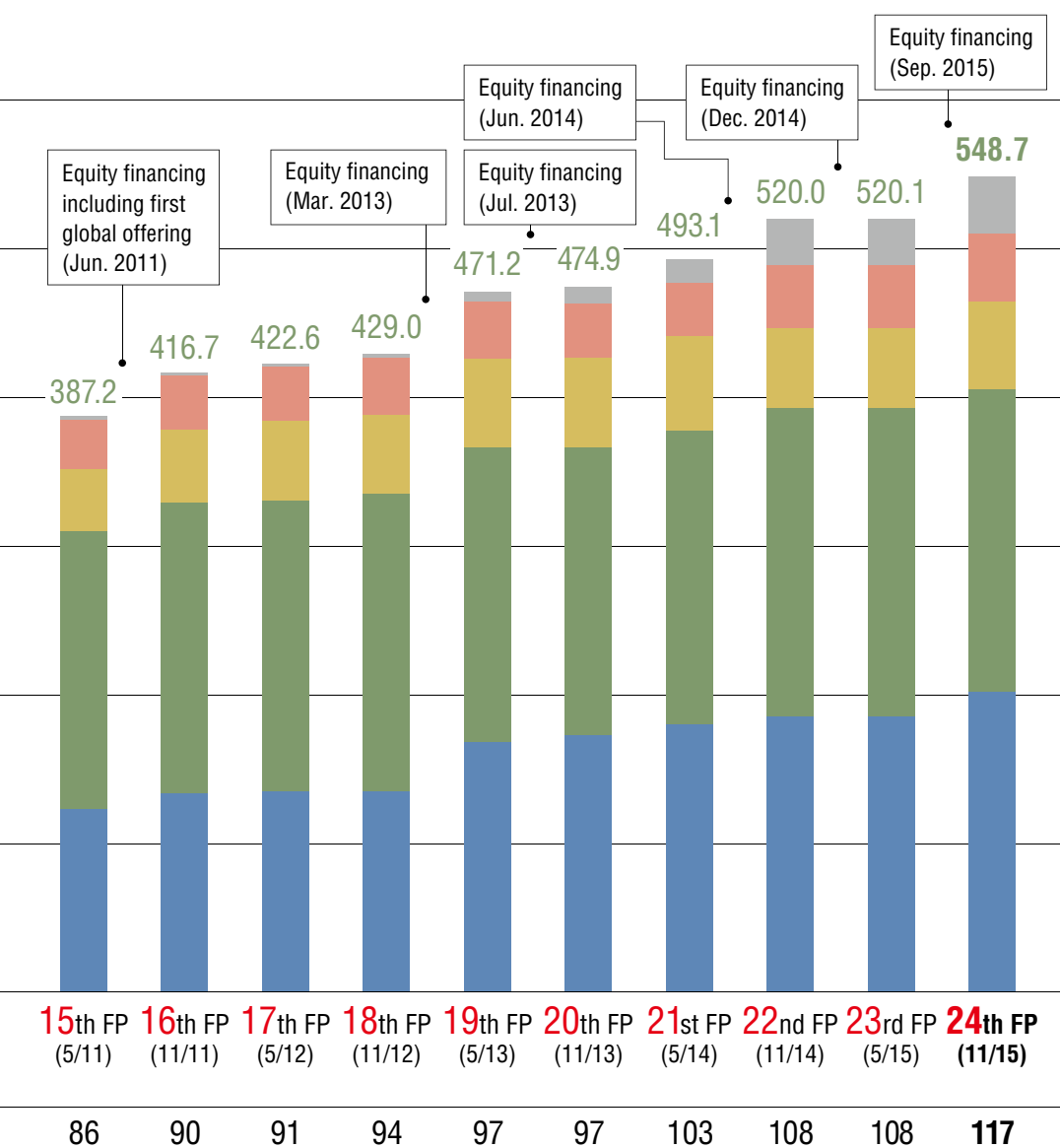
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# Key Figures (As of November 30, 2015)

## Cash Distribution per Unit for the 24th Fiscal Period

¥2,953

## Occupancy Ratio

98.5%

## Total Acquisition Price

¥549 billion

## Number of Properties

117

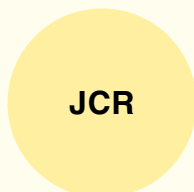
## Loan-to-Value Ratio (LTV) (Note)

39.7%

Note: LTV=Interest-bearing liabilities (including corporate bonds) / (Total assets + Appraisal values at the end of the period - Book value at the end of the period)

## Ratings (As of January 15, 2016)

Long-Term Issuer Rating:



AA

Rating Outlook: Stable

Issuer Rating:



A3

Rating Outlook: Positive

# Financial Highlights

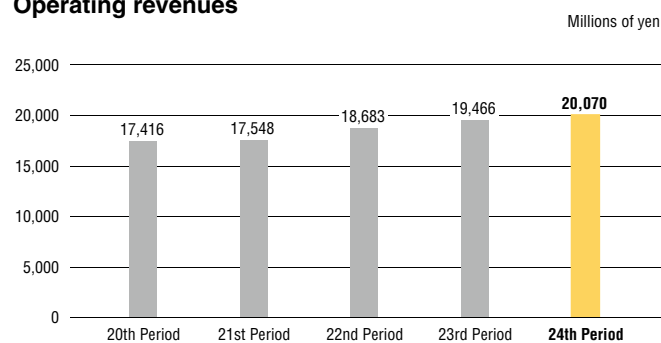
Millions of yen, except per unit information

	24th Fiscal Period	23rd Fiscal Period	22nd Fiscal Period	21st Fiscal Period	20th Fiscal Period
	June 1, 2015- November 30, 2015	December 1, 2014- May 31, 2015	June 1, 2014- November 30, 2014	December 1, 2013- May 31, 2014	June 1, 2013- November 30, 2013
Operating revenues	¥ 20,070	¥ 19,466	¥ 18,683	¥ 17,548	¥ 17,416
Operating income	9,427	9,113	8,650	8,017	7,720
Ordinary income	8,163	7,790	7,276	6,694	6,113
Net income	7,916 <sup>(Note 1)</sup>	7,790 <sup>(Note 2)</sup>	7,275	6,674	6,113 <sup>(Note 1)</sup>
Cash distribution	8,124 <sup>(Note 1)</sup>	7,668 <sup>(Note 2)</sup>	7,275	6,674	6,545 <sup>(Note 1)</sup>
Cash distribution per unit (Yen)	2,953 <sup>(Note 1)</sup>	2,900 <sup>(Note 2)</sup>	2,896	2,804	2,750 <sup>(Note 1)</sup>
Total assets	598,077	573,318	561,415	527,807	527,025
Total unitholders' equity	297,340	282,906	258,335	237,208	237,079
Unitholders' equity per unit (Yen)	108,069	106,987	102,830	99,659	99,605

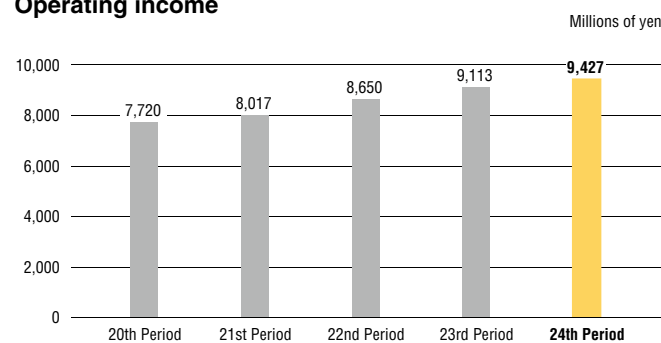
Notes: 1. The reversal of reserve for distribution was added to the net income as the source of distribution.

2. United Urban carried forward approximately ¥122 million of the total unappropriated retained earnings of the 23rd fiscal period to the next fiscal period. As a result, the cash distribution per unit was ¥2,900 (total cash distribution: ¥7,668 million).

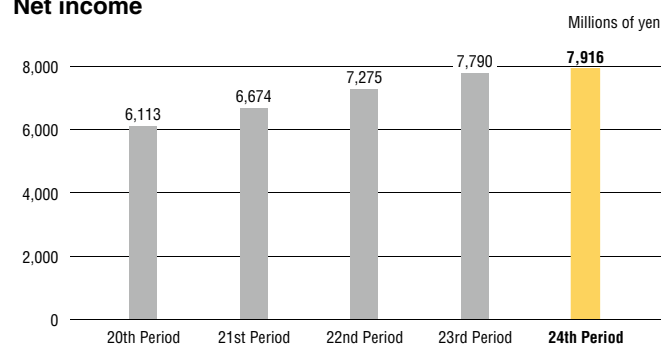
## Operating revenues



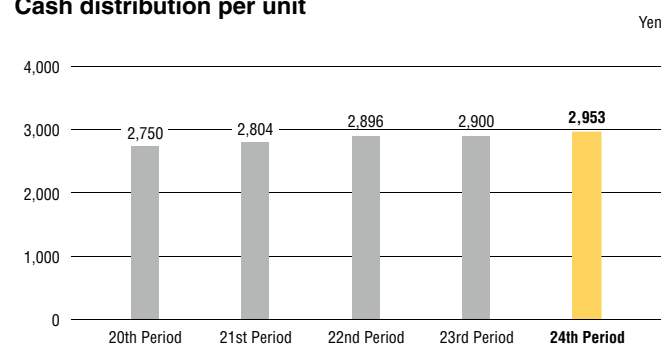
## Operating income



## Net income



## Cash distribution per unit



# To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 24th fiscal period: the six-month period ended November 30, 2015.

United Urban was listed on the J-REIT section of the Tokyo Stock Exchange in December 2003 as a diversified J-REIT, investing in properties varied both in types of use and geographical location. Since its listing, United Urban has been making efforts to maintain and improve its revenues and reduce various risks for the purpose of obtaining stable earnings over the medium to long term. As of November 30, 2015 (the end of the 24th fiscal period), its asset size was ¥548.7 billion, and United Urban is the sixth largest among all J-REITs in terms of asset size.

In the 24th fiscal period, United Urban acquired such properties as retail properties located in prominent shopping districts (Ginza, Tokyo and Tenjin, Fukuoka), a clinic facility facing Aoyama Street in Shibuya, Tokyo, and a hotel in Okinawa where the increased number of tourists from overseas have been visiting in recent days under the diversified investment policy, and could realize steady external growth. Its total acquisition of this fiscal period became nine in property numbers or ¥28.5 billion in acquisition price. The performance of our existing properties has been good due to the favorable business performance of Japanese corporations and increase of the foreign tourists. The properties acquired during the previous fiscal period (23rd fiscal period ended May 31, 2015) and the increased rent revenues from properties adopting the commission system also contributed to this fiscal period's profit increase. United Urban has reinforced its financial standing to cope with fluctuation in the financial markets by lowering LTV and raising the fixed-interest borrowing ratio while making continuous effort for reduction of financial costs. Concerning the lawsuit with a tenant of an existing property, United Urban has allocated a provision for loss of ¥275 million taking into consideration of the progress of the case.

As a result, United Urban was able to achieve continuous revenue and profit increase with operating revenues of ¥20,070 million, operating income of ¥9,427 million and net income of ¥7,916 million. In order to mitigate the impact of the discrepancy between accounting and taxation from the provision for loss, ¥208 million was added to the net income of ¥7,916 million from the reserve for distribution. The total distribution amount for this fiscal period reached ¥8,124 million and the cash distribution per unit became ¥2,953 (up by ¥53 per unit from the previous fiscal period). We have thus been able to increase cash distribution per unit for four consecutive fiscal periods since the 21st fiscal periods.

United Urban, together with its asset manager, Japan REIT Advisors Co., Ltd., will do its best to secure the stability in its earnings over the medium to long term pursuant to its investment policy. Your continuous support and kind attention are highly appreciated.



**Hitoshi Murakami**  
Executive Officer  
United Urban Investment Corporation

**Ikuo Yoshida**  
President and CEO  
Japan REIT Advisors Co., Ltd.

# Topics of 24th Fiscal Period

## Public Offering (Issuance of New Investment Units)

United Urban implemented the public offering and third-party allotment in September and October 2015, which was the eighth time since the IPO in 2003, in order to procure funds for new acquisitions and to increase debt financing capacity for future external growth by lowering LTV.

### [Overview]

Resolution Date of the Issuance	August 31, 2015	
Pricing Date	September 9, 2015	
Total Number of Investment Units Newly Issued	107,065 units	Public offering: 95,000 units Third-party allotment: 12,065 units
Offer Price (per unit)	¥137,690	
Issue Price (per unit)	¥133,475	
Total Issue Price	¥14,290 million	Public offering: ¥12,680 million Third-party allotment: ¥1,610 million
Payment Date	Public offering: September 16, 2015 Third-party allotment: October 15, 2015	



After the Offering	
<b>Total Number of Investment Units Issued and Outstanding</b>	2,644,311 units ➡ 2,751,376 units
<b>Unitholders' Capital</b>	¥243,869 million ➡ ¥258,160 million
<b>LTV</b>	40.8% (As of May 31, 2015) ➡ 39.7% (As of Nov. 30, 2015)

## Acquisitions during the 24th Fiscal Period

In order to improve the profitability of the entire portfolio and the stability by diversifying its investment in terms of the type of use and area of location, United Urban acquired nine new properties during the 24th fiscal period by taking advantage of the sponsor network and the diversified investment policy.

### A36 Granbell Ginza Building

Retail Properties



■ Acquisition Date	June 30, 2015
■ Acquisition Price	¥2,621 million
■ Location	Chuo-ku, Tokyo
■ Site Area	231.00 m <sup>2</sup> (Note)
■ Total Floor Space	1,646.50 m <sup>2</sup>
■ Construction	RC
■ Number of Floors	B1/9F
■ Completed	October 2006
■ Type of Ownership	Land: Leasehold Right Building: Proprietary Ownership

Note: The land of the property is leasehold. Therefore, "Site Area" is based on the leasehold of the land.

### A37 UUR Tenjin Nishi-dori Building

Retail Properties



■ Acquisition Date	July 15, 2015
■ Acquisition Price	¥5,500 million
■ Location	Fukuoka, Fukuoka
■ Site Area	466.76 m <sup>2</sup>
■ Total Floor Space	1,486.52 m <sup>2</sup>
■ Construction	S
■ Number of Floors	B1/4F
■ Completed	March 2010
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



# Topics of 24th Fiscal Period

## A38 Luz Shonan Tsujido

Sponsor-related property

Retail Properties



■ Acquisition Date	September 30, 2015
■ Acquisition Price	¥3,938 million
■ Location	Fujisawa, Kanagawa
■ Site Area	3,658.25 m <sup>2</sup>
■ Total Floor Space	17,889.43 m <sup>2</sup>
■ Construction	S/RC
■ Number of Floors	B2/6F
■ Completed	August 2010
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



## C10

Hotels

### Toyoko Inn Kawasaki Ekimae Shiyakusho-dori



■ Acquisition Date	August 31, 2015
■ Acquisition Price	¥2,655 million
■ Location	Kawasaki, Kanagawa
■ Site Area	639.19 m <sup>2</sup>
■ Total Floor Space	4,785.93 m <sup>2</sup>
■ Construction	SRC
■ Number of Floors	B1/14F
■ Completed	September 2005
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

## C11

Hotels

### Toyoko Inn Hiroshima Heiwa-odori



■ Acquisition Date	August 31, 2015
■ Acquisition Price	¥2,113 million
■ Location	Hiroshima, Hiroshima
■ Site Area	660.40 m <sup>2</sup>
■ Total Floor Space	4,345.24 m <sup>2</sup>
■ Construction	SRC
■ Number of Floors	14F
■ Completed	March 2004
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

## C12

Hotels

### Toyoko Inn Naha Kokusai-dori Miebashi-eki



■ Acquisition Date	August 31, 2015
■ Acquisition Price	¥745 million
■ Location	Naha, Okinawa
■ Site Area	384.93 m <sup>2</sup>
■ Total Floor Space	1,566.12 m <sup>2</sup>
■ Construction	S/RC
■ Number of Floors	9F
■ Completed	April 2002
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



**D27 UUR Court Shiki**

**Sponsor-related property**

*Residential Properties*



■ Acquisition Date	September 18, 2015
■ Acquisition Price	¥2,730 million
■ Location	Shiki, Saitama
■ Site Area	6,132.03 m <sup>2</sup>
■ Total Floor Space	9,885.83 m <sup>2</sup>
■ Construction	SRC/RC
■ Number of Floors	13F
■ Completed	March 1999
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership



**E7 Quartz Tower**

*Others*



■ Acquisition Date	Land: June 30, 2015 Building: November 13, 2015
■ Acquisition Price	¥5,700 million (Land: ¥4,535 million / Building: ¥1,165 million)
■ Location	Shibuya-ku, Tokyo
■ Site Area	354.27 m <sup>2</sup>
■ Total Floor Space	2,720.38 m <sup>2</sup>
■ Construction	S/SRC
■ Number of Floors	B1/12F
■ Completed	August 2015
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

**E8 Shin-Narashino Logistics Center**

*Others*



■ Acquisition Date	August 7, 2015
■ Acquisition Price	¥2,555 million
■ Location	Narashino, Chiba
■ Site Area	6,968.26 m <sup>2</sup>
■ Total Floor Space	13,268.65 m <sup>2</sup>
■ Construction	S
■ Number of Floors	6F
■ Completed	June 1991
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

# Subsequent Events

## New Acquisitions

### A39 455 Ueno Building

Retail Properties



■ Acquisition Date	December 4, 2015	■ Construction	SRC
■ Acquisition Price	¥3,000 million	■ Number of Floors	10F
■ Location	Taito-ku, Tokyo	■ Completed	September 1984
■ Site Area	159.59 m <sup>2</sup>	■ Type of Ownership	Land: Surface Right
■ Total Floor Space	1,234.99 m <sup>2</sup>		Building: Proprietary Ownership

### C13 Loisir Hotel & Spa Tower Naha (Note 1)

(Hotels)



■ Acquisition Date	February 5, 2016
■ Acquisition Price	¥20,000 million
■ Location	Naha, Okinawa
■ Site Area	11,850.24 m <sup>2</sup> (Note 2)
■ Total Floor Space	45,731.16 m <sup>2</sup> (Note 2)
■ Construction	(1) SRC/RC (2) SRC
■ Number of Floors	(1) B1/12F (2) 13F
■ Completed	(1) October 1992 (2) June 2009
■ Type of Ownership	Land: Right of Site (co-ownership), Proprietary Ownership Building: Compartmentalized Ownership (partly co-ownership), Proprietary Ownership

Notes: 1. "Loisir Hotel & Spa Tower Naha" consists of two buildings: Main Building and the Annex. Some of the information are shown for each of the two buildings with the Main Building expressed as (1) and the Annex expressed as (2).

2. "Site Area" and "Total Floor Space" describes the entire numerical value.

## Planned Acquisition

### C14 Urawa Royal Pines Hotel

(Hotels)



■ Scheduled Acquisition Date	April 1, 2016	■ Construction	SRC/S
■ Scheduled Acquisition Price	¥17,500 million	■ Number of Floors	B3/20F
■ Location	Saitama, Saitama	■ Completed	August 1999
■ Site Area	7,418.83 m <sup>2</sup> (Note)	■ Type of Ownership	Land: Proprietary Ownership, Right of Site (ownership)
■ Total Floor Space	51,071.32 m <sup>2</sup> (Note)		Building: Compartmentalized Ownership

Note: "Site Area" and "Total Floor Space" describes the entire numerical value.

## Sale of Properties

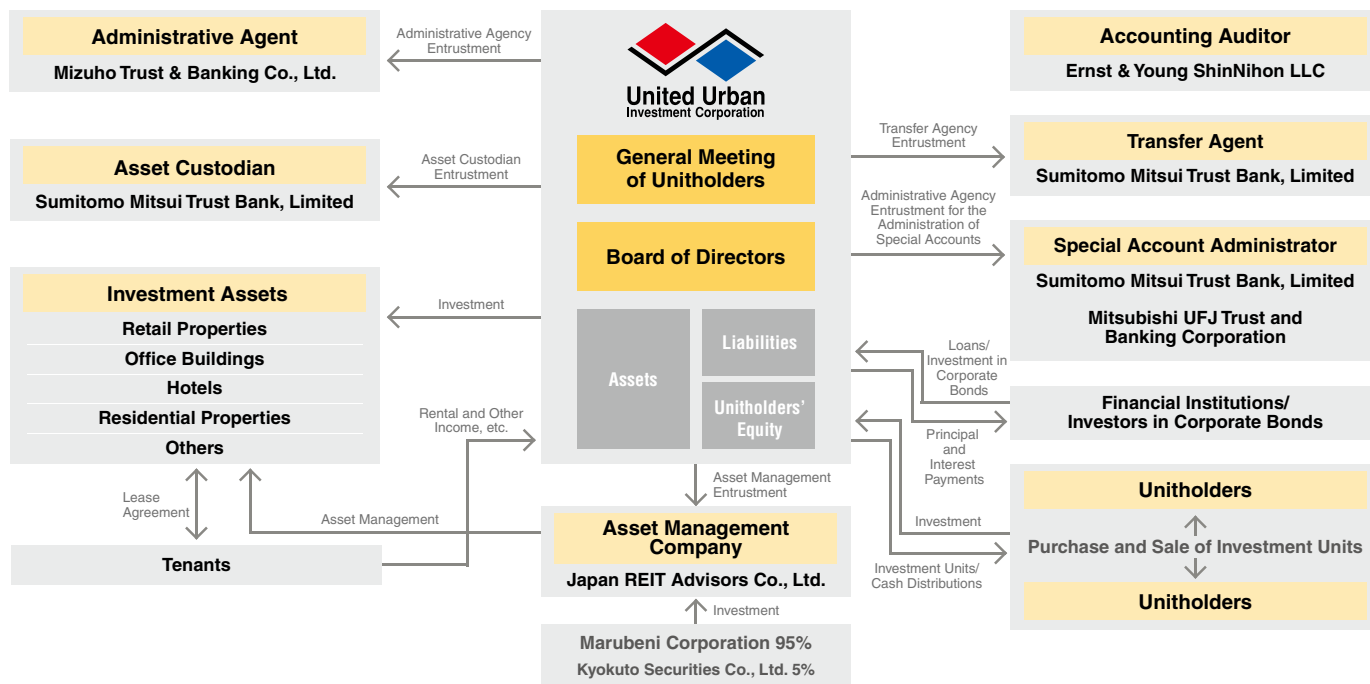
United Urban sold "UUR Tsukiji Building" and a portion of "Logistics Higashi-Ohgishima" on February 26, 2016, as set forth below.

Property No.	Type	Property Name	Location	Sale Price (Millions of yen)	Book Value (Millions of yen) (As of December 31, 2015)	Date of Sale
B12	Office Buildings	UUR Tsukiji Building	Chuo-ku, Tokyo	6,620	6,427	February 26, 2016
E5	Others	Logistics Higashi-Ohgishima (Note)	Kawasaki, Kanagawa	4,459 (Note)	4,109 (Note)	

Note: United Urban sold its 49% quasi co-ownership of the trust beneficial interest for "Logistics Higashi-Ohgishima". As for the book value, the figure was calculated by multiplying the book value as of December 31, 2015 by 49%. In addition, United Urban continues to hold the remaining 51% quasi co-ownership.

# Structure of United Urban / Investment Unit Information

## Corporate Structure

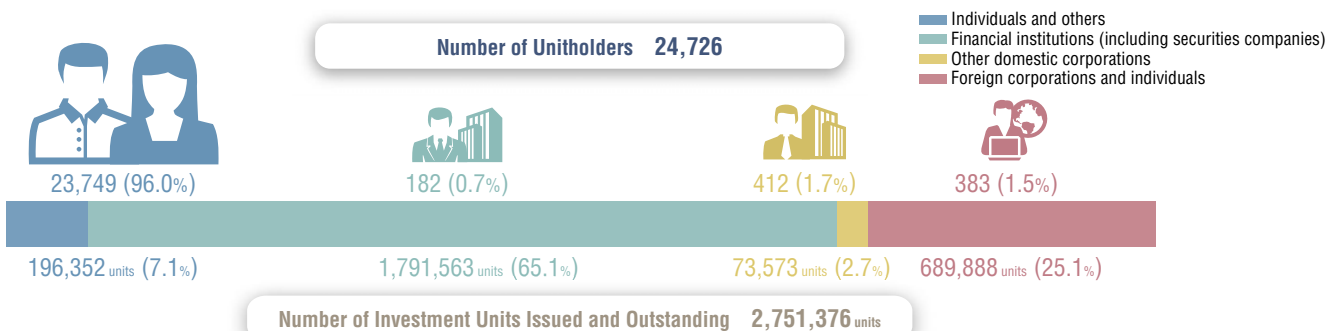


## Unit Price and Trading Volume



Note: In connection with the six-for-one unit split which became effective as of December 1, 2010, United Urban's investment units have been traded at the unit price after the unit split from November 26, 2010. Accordingly, the unit prices on or before November 25, 2010, as indicated in the above chart, are divided by six, and the trading volumes on or before November 25, 2010, as indicated in the above chart, are multiplied by six.

## Breakdown of Unitholders (As of November 30, 2015)

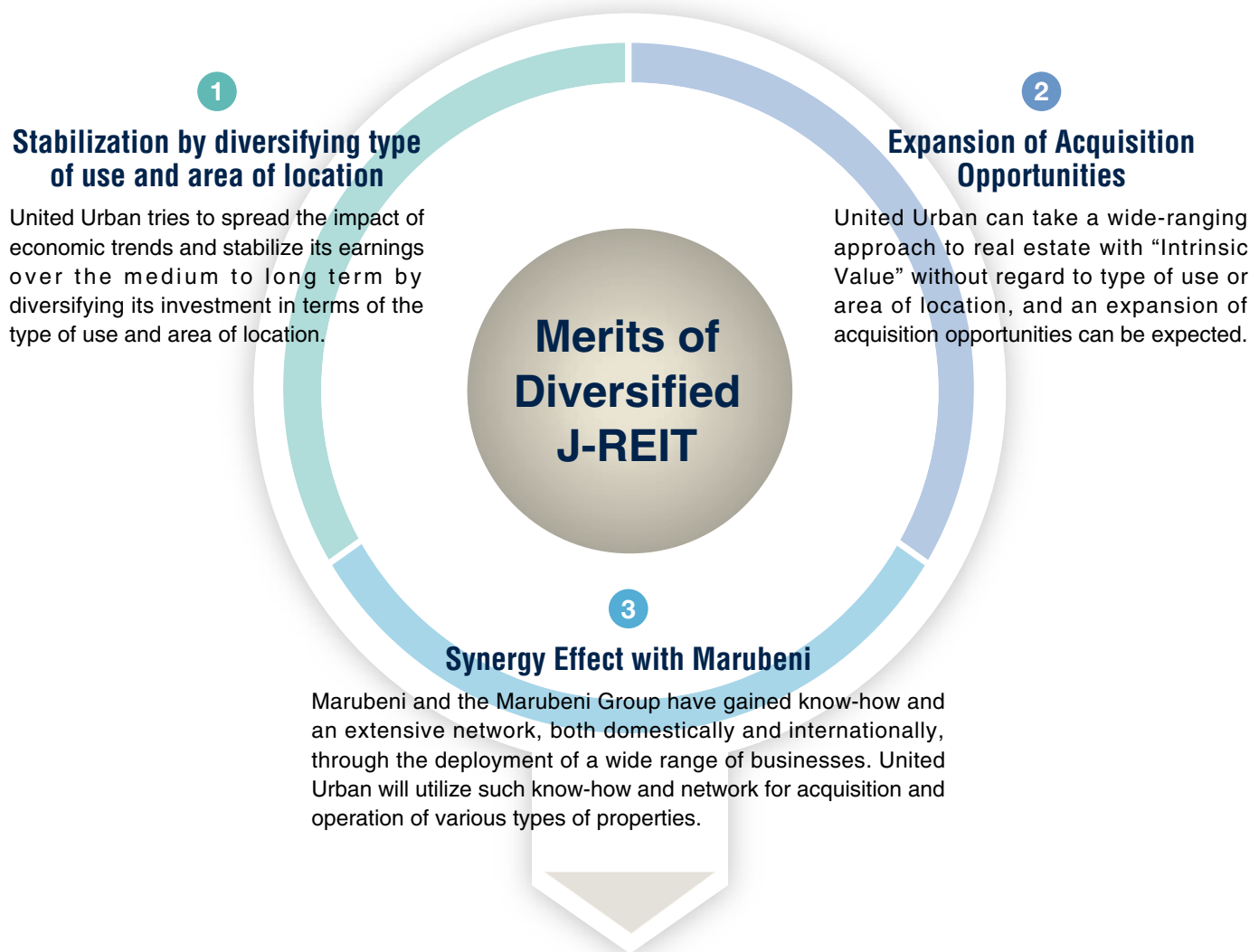


Note: Percentage figures are rounded to the nearest one decimal place.

# Merits of Diversified J-REIT and Management Strategy of United Urban

## Merits of Diversified J-REIT

United Urban aims to reduce several risks and secure stable earnings over the medium to long term by diversifying its investments in terms of the type of use and area of location as a diversified J-REIT. The main sponsor of United Urban is Marubeni, a general trading company which has connections with a wide range of industries. With comprehensive support from Marubeni, United Urban aims for continuous and stable portfolio management by taking advantage of the functions of the Marubeni Group.



**United Urban Investment Corporation**

External Growth

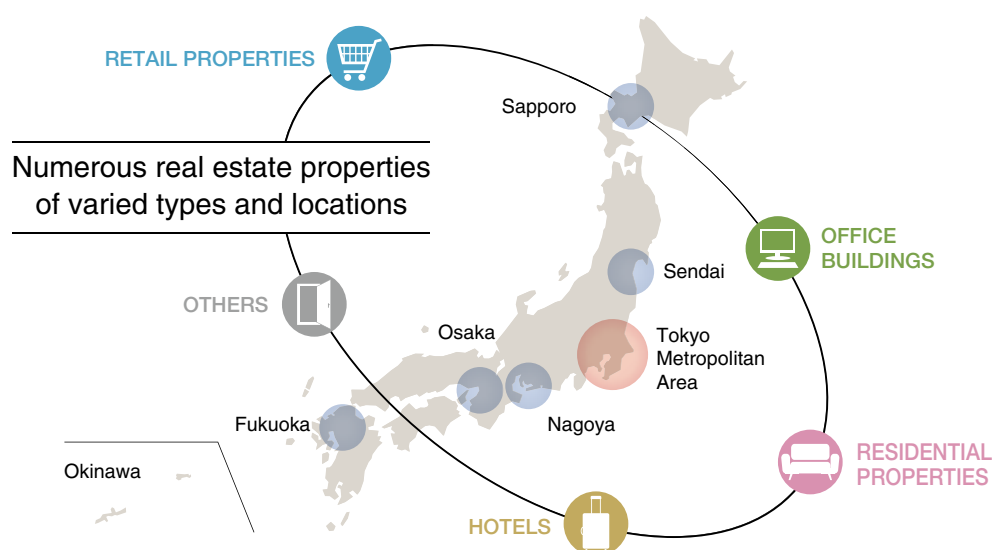
Internal Growth

Financial Strategy

## Management Strategy

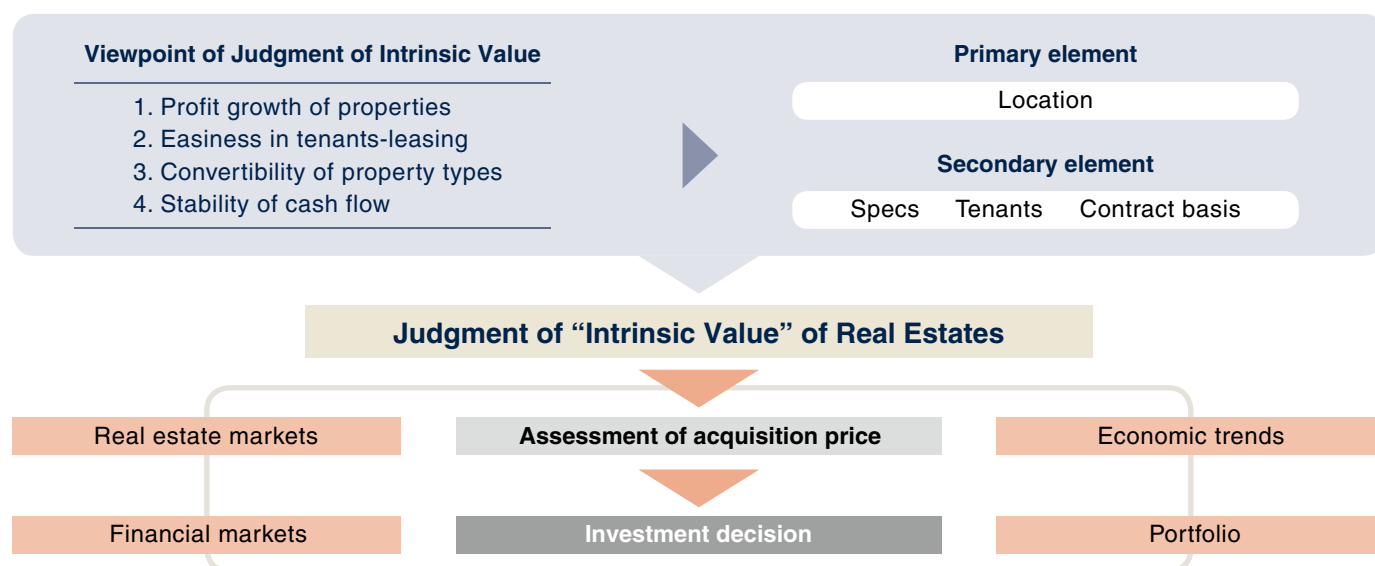
### Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

Revenues obtained from real estate investment and management concentrated on specific property types or regions may be significantly affected if the real estate markets of specific property types or regions stagnate. United Urban aims to secure stable earnings over the medium to long term and reduce risks inherent to real estate market conditions for specific types of use or specific regions by diversifying investment both in property types and regions.



### Selected Investment Policy Focused on Real Estate with “Intrinsic Value”

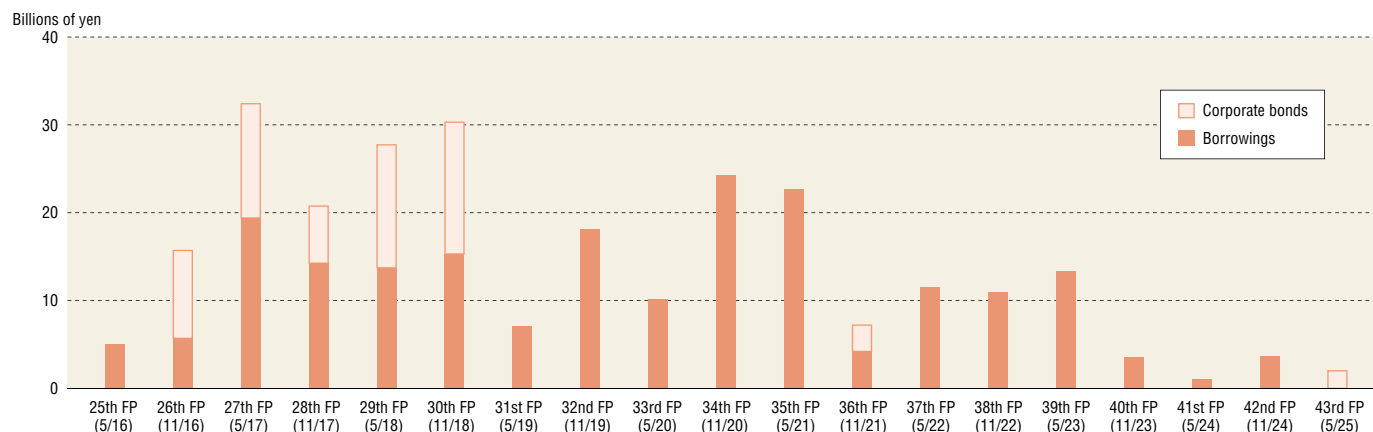
United Urban defines the real estate that can secure stable profitability over the medium to long term as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of various factors such as the external environment including current economic trends and real estate market trends, United Urban makes its final investment decision.



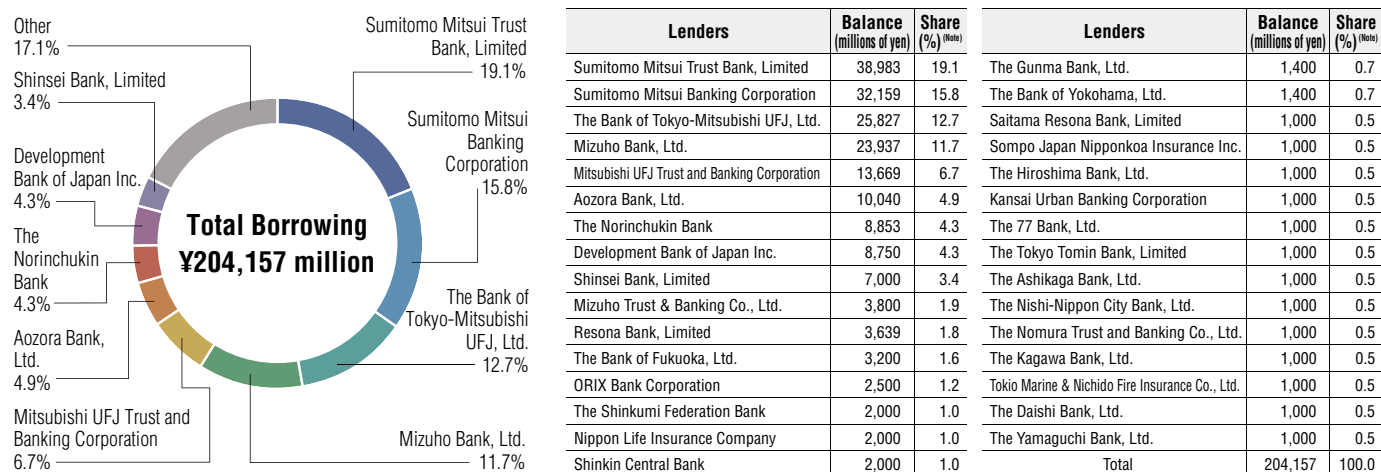
# Financial Strategy and Financial Status

United Urban carefully considers maintaining the LTV within a range deemed to be appropriate and principally seeks to raise long-term fixed-interest-rate funding to prevent any impact on the procurement of funds for interest-bearing liabilities and ratings. United Urban also intends to select the optimal financing methods and conditions, and aims to strengthen its financial standing to be able to cope with changes in the financial markets and reduce financial costs.

## Diversification of Maturity Date (As of January 15, 2016) <sup>(Note)</sup>



## Lenders and Borrowing Amount (As of January 15, 2016)



## Committed Line of Credit Agreement (As of January 15, 2016)

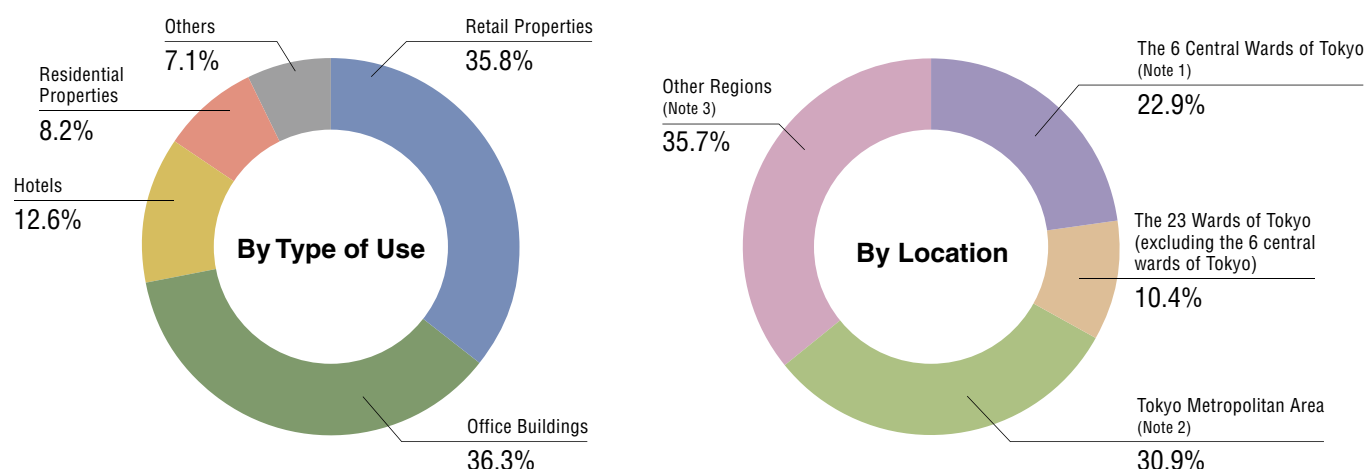
Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Remarks
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥24.0 billion	From Jun. 19, 2015 to Jun. 17, 2016	None	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited	¥12.0 billion	From Dec. 25, 2015 to Dec. 26, 2016	None	Unsecured Unguaranteed
<b>Total</b>	<b>¥36.0 billion</b>			



# Portfolio Properties

## Portfolio Data

**Portfolio Breakdown (Based on acquisition prices)** (As of November 30, 2015)



Notes: 1. The "6 Central Wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.

2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi) excluding the 23 Wards of Tokyo.

3. "Other Regions" refers to other major cities in Japan including government designated cities (excluding cities located in Tokyo Metropolitan Area) and surrounding areas thereof. In addition, "Other Regions" includes Osaka, Nagoya, Fukuoka, and other cities.

## Occupancy Ratio

	2015					
	End of June	End of July	End of August	End of September	End of October	End of November
Retail Properties	99.8%	99.8%	99.8%	99.6%	99.8%	99.8%
Office Buildings	97.5%	97.1%	97.1%	97.2%	97.6%	95.5%
Hotels	99.8%	99.6%	99.7%	99.7%	99.7%	99.7%
Residential Properties	97.0%	97.0%	96.9%	97.2%	97.5%	97.5%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	98.9%	98.8%	98.8%	98.8%	99.0%	98.5%

## Approaches to Environmental Issues

### ► Environmental Policies

United Urban, being aware of its corporate social responsibility, has established "Environmental Policies" such as energy saving/measures for global warming and compliance with environment-related laws and regulations in order to contribute to the sustainable prosperity of our society through efforts focused on the environment and reduction of environmental burdens. United Urban will continue to promote environmental improvement and energy conservation, and enhance energy efficiency, with respect to properties owned by United Urban.

### ► DBJ Green Building Certification

"DBJ Green Building Certification" is a comprehensive evaluation system for real estate properties with high environmental and social awareness by the Development Bank of Japan Inc. (DBJ). DBJ conducts assessments based on an original scoring model and certifies real estate properties with one of five ranks according to the assessment score.

"ARENA TOWER" and "Tsubogawa Square Building" owned by United Urban acquired a "three stars" ranking (properties with excellent environmental & social awareness).



### ► Participation in the GRESB Survey

The "Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark developed by a group of leading European pension funds. It evaluates the sustainability performance of real estate companies and funds, and is becoming a de facto standard among major European, American and Asian institutional investors and is utilized in their investment decision-making processes.

United Urban has been participating in the GRESB survey since 2012, and received the highest evaluation, "Green Star," in the 2015 survey. This evaluation has been given to companies which receive a superior sustainability evaluation in terms of both "Management and Policy" and "Implementation and Measurement."





# Portfolio Properties

## Portfolio Roster (As of November 30, 2015)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Retail Properties</b>						
A1	Daiei Himonya	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A3	Daimaru Peacock Ashiya Kawanishi	Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A5	AEON MALL Uki	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 1, 2010	
A16	Shinsaibashi OPA Kireikan	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 1998	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Yokohama Kariba Shopping Center	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
A31	Tenjin Loft Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1989	Nov. 29, 2013	
A32	Narumi Shopping Center (Site)	Nagoya, Aichi	Real estate	—	Apr. 8, 2014	
A33	Plussing Wave Enoshima	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Dec. 2007	Aug. 29, 2014	
A34	LIFE Nishikujo (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A35	LIFE Tamatsukuri (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A36	Granbell Ginza Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2006	Jun. 30, 2015	
A37	UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 2010	Jul. 15, 2015	
A38	Luz Shonan Tsujido	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Aug. 2010	Sep. 30, 2015	
<b>Office Buildings</b>						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B2	SK Nagoya Building	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyocho Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B12	UUR Tsukiji Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1999	Dec. 1, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B15	Pacific Marks Shin-Urayasu	Urayasu, Chiba	Trust beneficial interest in real estate	May 1993	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B21	Yokohama Aioicho Building	Yokohama, Kanagawa	Trust beneficial interest in real estate	Aug. 1993	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Hamamatsucho 262 Building (Note 7)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m <sup>2</sup> ) (Note 1)	Total Floor Space (m <sup>2</sup> ) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	2.8%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.2%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.1%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	0.9%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	2.0%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.2%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.6%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	1.0%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.4%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.7%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.7%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.8%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.3%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.4%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	4.2%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	2,770	0.5%	946.53	4,923.95	S/SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.5%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.3%	82,314.45	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	0.9%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.5%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	0.9%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.6%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.5%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.4%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	5.1%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	0.9%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.8%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.2%	60,747.02	—	—	—	Proprietary Ownership	—
	1,800	0.3%	2,449.00	3,471.69	S	4F	Proprietary Ownership	Proprietary Ownership
	1,760	0.3%	3,252.76	—	—	—	Proprietary Ownership	—
	1,880	0.3%	2,391.44	—	—	—	Proprietary Ownership	—
	2,621	0.5%	231.00	1,646.50	RC	B1/9F	Leasehold Rights	Proprietary Ownership
	5,500	1.0%	466.76	1,486.52	S	B1/4F	Proprietary Ownership	Proprietary Ownership
	3,938	0.7%	3,658.25	17,889.43	S/RC	B2/6F	Proprietary Ownership	Proprietary Ownership
	2,257	0.4%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	1.0%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.4%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.4%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.4%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	2.6%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.5%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	0.9%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.5%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.8%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	2.7%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.2%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,860	1.3%	1,418.01	6,936.48	S	7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.1%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.3%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,920	0.7%	2,876.94	15,017.17	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	3,290	0.6%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.5%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.4%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,060	0.2%	1,040.76	7,511.49	SRC	B1/10F	Proprietary Ownership	Compartmentalized Ownership
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	1.8%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.2%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.5%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.4%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.3%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	0.8%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.5%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	1.7%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.3%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership

# Portfolio Properties

## Portfolio Roster (As of November 30, 2015)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Office Buildings</b>						
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	
B40	GRAND-SQUARE Shin-Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	May 2009	Feb. 28, 2014	
B41	GRAND-SQUARE Meieki-minami	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2009	Feb. 28, 2014	
B42	Shiba 520 Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1994	Mar. 28, 2014	
B43	Hirose-dori SE Building	Sendai, Miyagi	Trust beneficial interest in real estate	Nov. 2007	Jun. 13, 2014	
<b>Hotels</b>						
C1	Shinjuku Washington Hotel Honkan <sup>(Note 7)</sup>	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) <sup>(Note 6)</sup>	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	Nagoya, Aichi	Trust beneficial interest in real estate	Jun. 2010	Mar. 25, 2013	
C9	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Sep. 2005	Aug. 31, 2015	
C11	Toyoko Inn Hiroshima Heiwa-odori	Hiroshima, Hiroshima	Trust beneficial interest in real estate	Mar. 2004	Aug. 31, 2015	
C12	Toyoko Inn Naha Kokusai-dori Miebashiki-eki	Naha, Okinawa	Trust beneficial interest in real estate	Apr. 2002	Aug. 31, 2015	
<b>Residential Properties</b>						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
D26	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
D27	UUR Court Shiki	Shiki, Saitama	Trust beneficial interest in real estate	Mar. 1999	Sep. 18, 2015	
<b>Others</b>						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
E5	Logistics Higashi-Ohgishima	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
E6	MT Ariake Center Building I&II <sup>(Note 8) (Note 9)</sup>	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1) Apr. 1989 (2) Jun. 1992	Nov. 25, 2014	
E7	Quartz Tower	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 2015	Nov. 13, 2015	
E8	Shin-Narashino Logistics Center	Narashino, Chiba	Trust beneficial interest in real estate	Jun. 1991	Aug. 7, 2015	
Total						

- Notes: 1. Each piece of information in the "Completion Date," "Site Area," "Total Floor Space," "Construction" and "Number of Floors" is described as it appears on the real estate register unless otherwise stated in this footnote or other footnotes. Some information may differ from the current situations. In regard to the "Site Area" for properties where a part of the site space is for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures are described.
2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as of December 1, 2010, the effective date of the merger.
3. The "Acquisition Price" is an amount (the amount stated in each purchase and sale agreement, excluding consumption taxes) that does not include the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.
4. For properties consisting of several buildings, some information in the "Construction" and "Number of Floors" are applicable to the main building.
5. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m <sup>2</sup> ) (Note 1)	Total Floor Space (m <sup>2</sup> ) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.7%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.4%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,480	0.3%	1,294.88	5,333.51	S	7F	Proprietary Ownership	Proprietary Ownership
	1,220	0.2%	1,012.06	5,017.30	S	8F	Proprietary Ownership	Proprietary Ownership
	2,100	0.4%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	3,600	0.7%	2,146.31	10,396.94	S	9F	Proprietary Ownership	Proprietary Ownership
	21,140	3.9%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (partly co-ownership)	Compartmentalized Ownership (partly co-ownership)
	9,721	1.8%	(7,265.79)	(58,882.64)	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	1,884	0.3%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.7%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	0.9%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.4%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.8%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	0.9%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	2,000	0.4%	1,045.37	5,735.24	RC	12F	Proprietary Ownership	Proprietary Ownership
	3,500	0.6%	482.37	3,138.82	SRC	B2F/9F	Proprietary Ownership	Proprietary Ownership
	2,655	0.5%	639.19	4,785.93	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,113	0.4%	660.40	4,345.24	SRC	14F	Proprietary Ownership	Proprietary Ownership
	745	0.1%	384.93	1,566.12	S/RC	9F	Proprietary Ownership	Proprietary Ownership
	2,021	0.4%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,680	0.3%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	1,175	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.6%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.2%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.6%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.2%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.2%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.6%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.3%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.6%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.3%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.2%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.2%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.5%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.3%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	5,150	0.9%	2,156.35	14,340.44	RC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,730	0.5%	6,132.03	9,885.83	SRC/RC	13F	Proprietary Ownership	Proprietary Ownership
	2,050	0.4%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	0.9%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.8%	5,294.63	14,742.80	S	11F	Proprietary Ownership	Proprietary Ownership
	3,500	0.6%	645.87	3,105.31	SRC	B3/7F	Surface Right	Proprietary Ownership
	8,300	1.5%	28,351.30	41,949.12	S	4F	Proprietary Ownership	Proprietary Ownership
	8,000	1.5%	8,307.00	22,917.94	(1)S/SRC (2)S	(1)5F (2)5F	Proprietary Ownership	Proprietary Ownership
	5,700	1.0%	354.27	2,720.38	S/SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	2,555	0.5%	6,968.26	13,268.65	S	6F	Proprietary Ownership	Proprietary Ownership
	548,661	100.0%	724,301.42	1,284,782.21				

Notes: 6. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

7. For the "Hamamatsucho 262 Building," the additional acquisitions were executed on October 31, 2011 and January 23, 2013, respectively. In addition, for the "Shinjuku Washington Hotel Honkan," the additional acquisition was executed on September 29, 2010. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition. Furthermore, the "Acquisition Date" above is the initial acquisition date by United Urban.

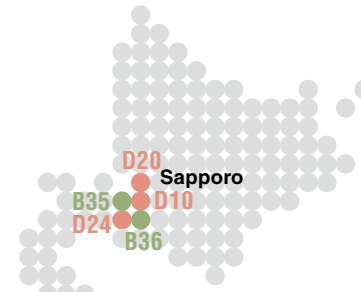
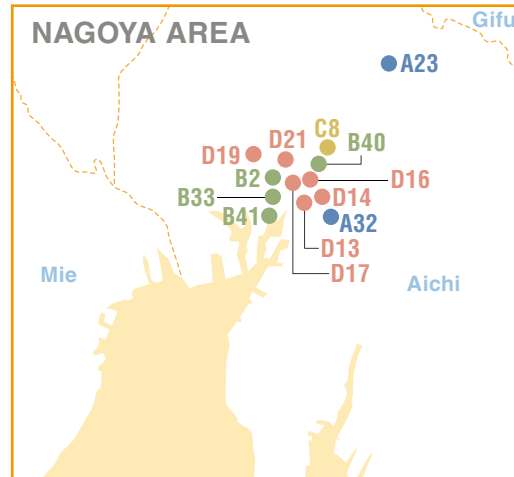
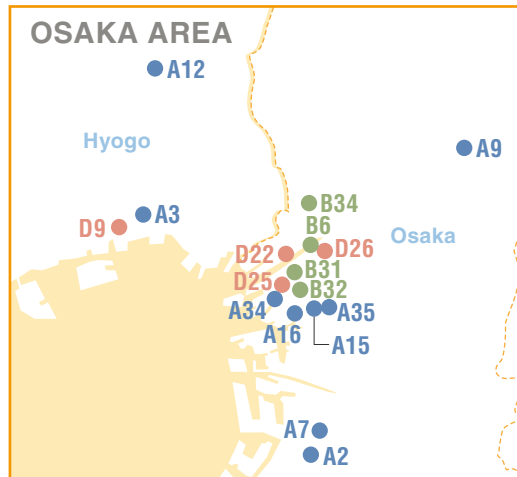
8. "Site Area" of the "MT Ariake Center Building I&II" is described as it appears on the notification for provisional replotting.

9. The property comprises two buildings; MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and some of the information are shown for each of the two buildings, with the Building I expressed as (1) and the Building II expressed as (2).

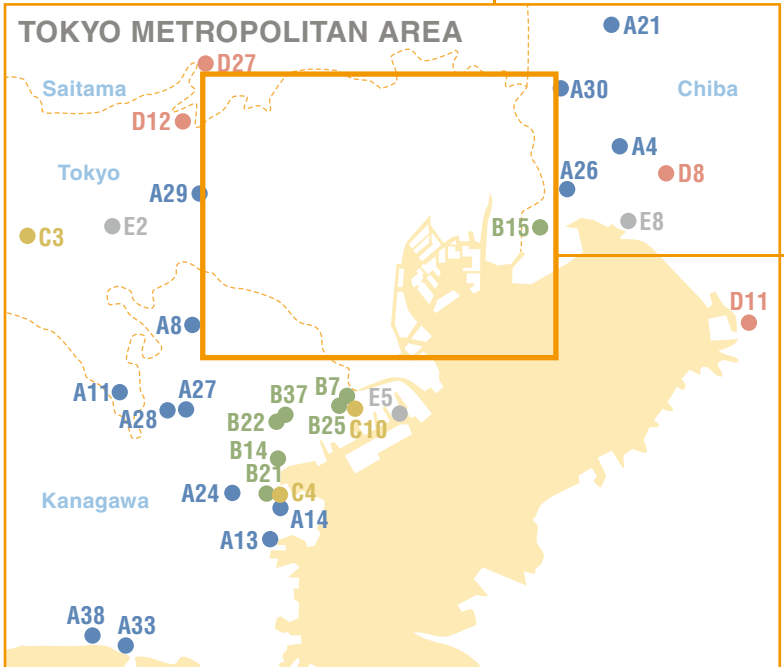
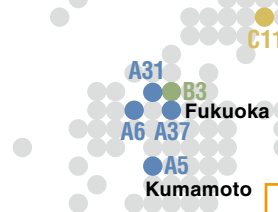


# Portfolio Properties

**Portfolio Map** (As of November 30, 2015)

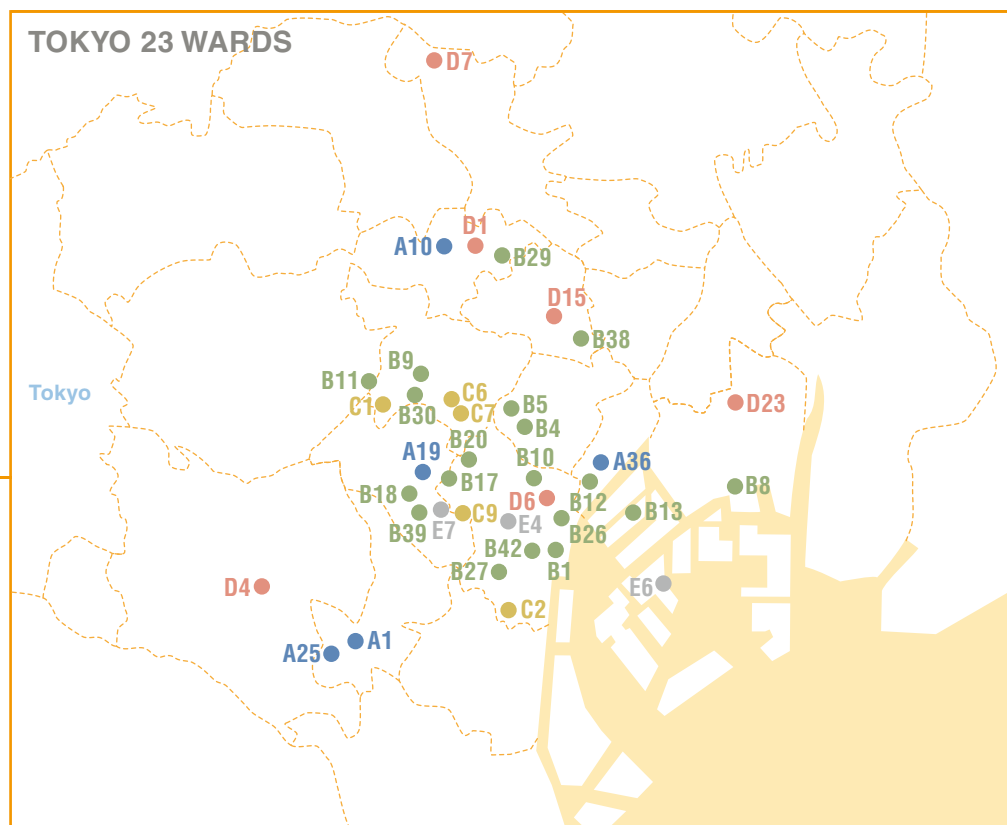


- A1 Daiei Himonya
- A2 Joy Park Izumigaoka
- A3 Daimaru Peacock Ashiya Kawanishi
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- A16 Shinsaibashi OPA Kireikan
- A19 Albore Jingumae
- A20 Albore Sendai
- A21 Mallage Kashiwa
- A23 Ito-Yokado Owariasahi
- A24 Yokohama Kariba Shopping Center
- A25 Luz Jiyugaoka
- A26 ACTIOLE Ichikawa
- A27 VIVAHOME Yokohama Aoba (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Yamada Denki Tecc Land New Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- A33 Plussing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- A36 Granbell Ginza Building
- A37 UUR Tenjin Nishi-dori Building
- A38 Luz Shonan Tsujido
- B1 T&G Hamamatsucho Building
- B2 SK Nagoya Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building



- Retail Properties
- Office Buildings
- Hotels
- Residential Properties
- Others

B5	Rokubancho K Building	B37	ARENA TOWER	D10	UUR Court Sapporo Kita-Sanjo
B6	Shin-Osaka Central Tower (Note 2)	B38	Yushima First Building	D11	UUR Court Chiba Soga
B7	Kawasaki Toshiba Building	B39	Dogenzaka Square	D12	Higashi-kurume Dormitory Shinkan
B8	UUR Toyochi Building	B40	GRAND-SQUARE Shin-Sakae	D13	Nanzan Court Ichigokan
B9	FOUR SEASONS BLDG	B41	GRAND-SQUARE Meieki-minami	D14	Nanzan Court Nigokan
B10	Hitachi High-Tech Building	B42	Shiba 520 Building	D15	CLIO Bunkyo Koishikawa
B11	Pacific Marks Shinjuku Parkside	B43	Hirose-dori SE Building	D16	GRAND-ROUGE Sakae
B12	UUR Tsukiji Building	C1	Shinjuku Washington Hotel Honkan	D17	GRAND-ROUGE Sakae II
B13	Pacific Marks Tsukishima	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D18	MA Sendai Building
B14	Pacific Marks Yokohama East	C3	MZ BLD.	D19	UUR Court Nagoya Meieki
B15	Pacific Marks Shin-Urayasu	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D20	UUR Court Sapporo Shinoro Ichibankan
B17	Akasaka Hikawa Building	C5	Hotel JAL City Naha	D21	Park Site IZUMI
B18	Pacific Marks Shibuya Koen-dori	C6	UUR Yotsuya Sanchome Building	D22	UUR Court Osaka Juso-honmachi
B20	Pacific Marks Akasaka-mitsuke	C7	Yotsuya 213 Building	D23	UUR Court Kinshicho
B21	Yokohama Aioicho Building	C8	HOTEL ROUTE-INN Nagoya Imaike Ekimae	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B22	Pacific Marks Shin-Yokohama	C9	the b roppongi	D25	GLAND-ROUGE Nakanoshima-minami
B25	Pacific Marks Kawasaki	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	D26	Glenpark Umeda-kita
B26	Hamamatsucho 262 Building	C11	Toyoko Inn Hiroshima Heiwa-odori	D27	UUR Court Shiki
B27	Lila Hijirizaka	C12	Toyoko Inn Naha Kokusai-dori Miebashiki-eki	E1	Lilycolor Tohoku Branch
B29	Otsuka HT Building	D1	T&G Higashi-ikebukuro Mansion	E2	KDDI Fuchu Building
B30	Pacific Marks Shinjuku South-gate	D4	Komazawa Court	E3	Tsubogawa Square Building
B31	Pacific Marks Nishi-Umeda	D6	Sky Court Shiba-Daimon	E4	THE PLACE of TOKYO
B32	Pacific Marks Higobashi	D7	Maison Ukima	E5	Logistics Higashi-Ohgishima
B33	Nagoya Nishiki City Building	D8	Narashino Residence	E6	MT Ariake Center Building I&II
B34	Pacific Marks Esaka	D9	Aprile Shin-Ohgi Ichibankan	E7	Quartz Tower
B35	Pacific Marks Sapporo Kita-Ichijo			E8	Shin-Narashino Logistics Center
B36	Shin-Sapporo Center Building				



Notes: 1. "maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)" includes the retail portion and the office portion.  
 2. "Shin-Osaka Central Tower" includes the office portion and the hotel portion.

# Portfolio Properties

## Major Properties

*Hotels*

**C1** Shinjuku Washington Hotel Honkan



*Retail Properties*

**A29** Yodobashi Camera Multimedia Kichijoji



*Hotels*

**C9** the b roppongi



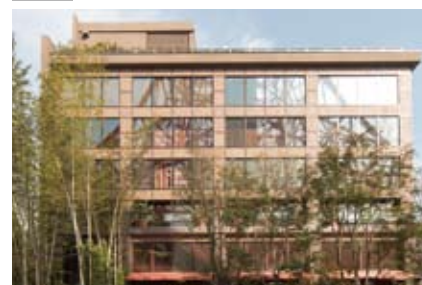
*Others*

**E3** Tsubogawa Square Building



*Others*

**E4** THE PLACE of TOKYO





Office Buildings

**B37 ARENA TOWER**



Office Buildings

**B10 Hitachi High-Tech Building**



Residential Properties

**D26 Glenpark Umeda-kita**



Retail Properties

**A1 Daiei Himonya**



Retail Properties

**A15 Shinsaibashi OPA Honkan**



Office Buildings/Hotels

**B6 Shin-Osaka Central Tower**

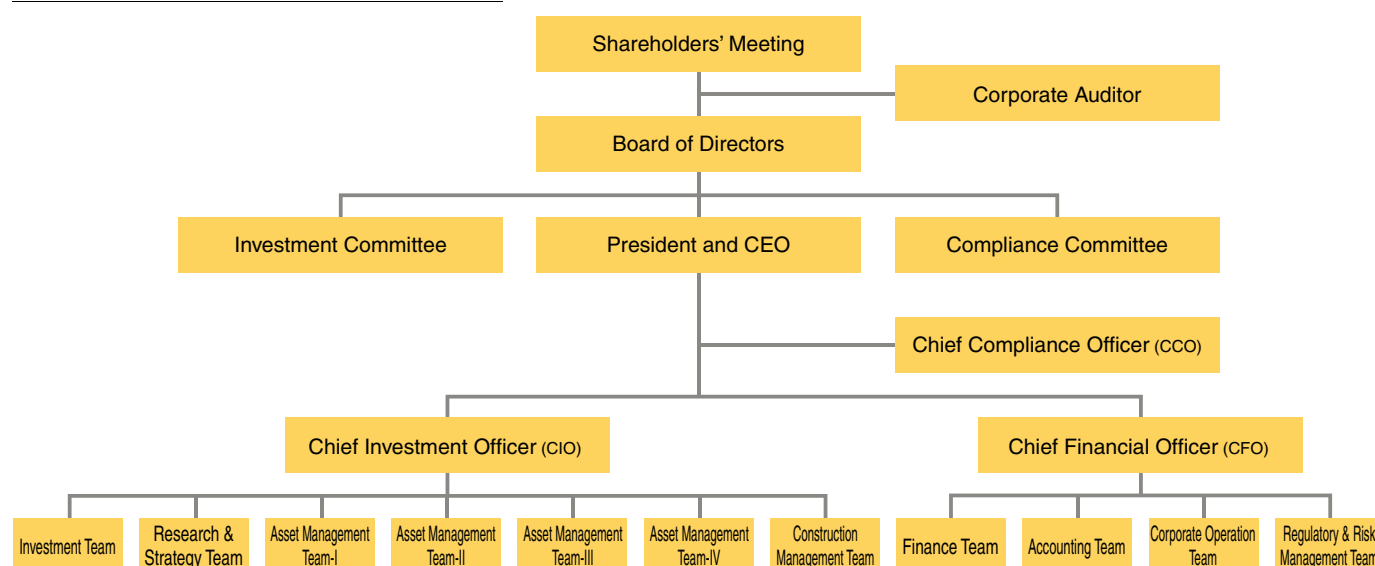


# Profile of Asset Management Company

## Overview

<b>Corporate Name</b>	Japan REIT Advisors Co., Ltd. ("JRA")		
<b>Address</b>	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo		
<b>Date of Foundation</b>	December 4, 2001		
<b>Capital</b>	¥425 million (As of November 30, 2015)		
<b>Shareholders</b> (As of November 30, 2015)	Marubeni Corporation	95.0%	
	Kyokuto Securities Co., Ltd.	5.0%	
<b>Representative</b>	Ikuo Yoshida, President and CEO		
<b>Description of Business</b>	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act		

## Organization (As of November 30, 2015)



### Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of November 30, 2015, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

### Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of November 30, 2015, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of Corporate Operation Team and one external intellectual (external lawyer).

## ◆ PERFORMANCE REPORT

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## Financial Highlights

### 1. Track Records on Operations

Fiscal Period (Calculation Period)		Millions of yen, unless otherwise indicated		
		24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Operating revenues	(Note 1)	20,070	19,466	18,683
(Rental revenues)		(20,070)	(19,389)	(18,683)
Operating expenses		10,642	10,352	10,033
(Property-related expenses)		(8,705)	(8,313)	(8,199)
Operating income		9,427	9,113	8,650
Ordinary income		8,163	7,790	7,276
Net income	(a)	7,916	7,790	7,275
Total assets	(b)	598,077	573,318	561,415
Total unitholders' equity (Net assets)	(c)	297,340	282,906	258,335
Unitholders' capital		258,160	243,869	219,768
Total no. of investment units issued and outstanding	(d)	(Units) 2,751,376	2,644,311	2,512,246
Net assets per unit	(c)/(d)	(Yen) 108,069	106,987	102,830
Total cash distribution	(e)	8,124	7,668	7,275
Net income per unit	(Note 2)	(Yen) 2,946	2,954	2,905
Cash distribution per unit	(e)/(d)	(Yen) 2,953	2,900	2,896
(Distribution of earnings per unit)		(Yen) (2,953)	(2,900)	(2,896)
(Distribution in excess of earnings per unit)		(Yen) (—)	(—)	(—)
Return on assets (Annualized)	(Note 3)	(%) 1.4 (2.8)	1.4 (2.8)	1.3 (2.7)
Return on equity (Annualized)	(Note 3)	(%) 2.7 (5.4)	2.9 (5.8)	2.9 (5.9)
Equity ratio	(c)/(b)	(%) 49.7	49.3	46.0
Payout ratio	(Note 3)	(%) 100.2	98.1	99.6
<b>Supplementary information</b>				
No. of investment properties at the end of the period	(Properties)	117	108	108
Total leasable floor space at the end of the period	(m <sup>2</sup> )	1,229,197.15	1,177,654.28	1,177,315.20
Total no. of tenants at the end of the period	(Tenants)	1,929	1,860	1,881
Occupancy ratio at the end of the period	(%)	98.5	98.8	98.7
Depreciation and amortization		3,482	3,464	3,409
Capital expenditures		2,049	1,429	1,084
NOI (Net Operating Income) from leasing	(Note 3)	14,847	14,540	13,894
FFO (Funds From Operations) per unit	(Note 3)	(Yen) 4,142	4,293	4,253
FFO ratio	(Note 3)	(Times) 19.8	21.6	22.5
Debt service coverage ratio	(Note 3)	(Times) 10.3	9.8	9.3
Net income before interest, depreciation and amortization	(Note 3)	12,624	12,529	11,970
Interest expense and interest expenses on corporate bonds		1,225	1,275	1,284
Interest-bearing liabilities	(Note 3)	264,707	255,357	269,157
Ratio of interest-bearing liabilities to total assets at the end of the period	(Note 3)	(%) 44.2	44.5	47.9
No. of operating days	(Days)	183	182	183

Notes: 1. Operating revenues, etc., do not include consumption taxes.

2. Net income per unit is computed on the basis of the average numbers of investment units during the period set out below.

Average no. of investment units during the period	22nd fiscal period:	2,503,839 units
	23rd fiscal period:	2,636,583 units
	24th fiscal period:	2,686,863 units

3. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures by actual days of each fiscal period, respectively.

Return on assets	Ordinary income / ((Total assets at the beginning of the period + Total assets at the end of the period) / 2) × 100
Return on equity	Net income / ((Net assets at the beginning of the period + Net assets at the end of the period) / 2) × 100
Payout ratio	Cash distribution per unit / Net income per unit × 100 (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets - Gain or loss on sales of real estate properties) / Total no. of investment units issued and outstanding
FFO ratio	Investment unit price at the end of the period / Annualized FFO per unit

Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds
Net income before interest, depreciation and amortization	Net income + Depreciation and amortization + Amortization of deferred assets + Interest expense and Interest expenses on corporate bonds
Interest-bearing liabilities	Short-term borrowings + Current portion of corporate bonds + Long-term borrowings due for repayment within one year + Corporate bonds + Long-term borrowings
Ratio of interest-bearing liabilities to total assets at the end of the period	Interest-bearing liabilities at the end of the period / total assets at the end of the period × 100 (Fractions are rounded down to the nearest one decimal place.)

4. Unless otherwise indicated specifically, amounts above have been rounded down and percentage figures are rounded to the unit stated.

## 2. Performance Review for the Current Period

United Urban Investment Corporation ("United Urban") was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended, the "Investment Trust Act"). On December 22, 2003, United Urban was listed (Securities Code: 8960) on the real estate investment trust section (J-REIT section) of the Tokyo Stock Exchange.

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with "Intrinsic Value" and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of "Intrinsic Value" as a diversified real estate investment trust (REIT), diversifying its investments in terms of the "types of use" and "area of location" (Note).

United Urban merged with Nippon Commercial Investment Corporation ("NCI") on December 1, 2010 (the "Merger"). As a result of continuous property acquisitions using fund procurement through borrowings and public offering after the Merger, its asset size (on an acquisition price basis) was close to ¥550 billion (as of November 30, 2015).

As a result of performance, a distribution has been made in each of 23 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 23rd fiscal period (fiscal period ended May 31, 2015). For the current period (24th fiscal period: fiscal period ended November 30, 2015), United Urban decided to make cash distribution of ¥2,953 per unit.

Note: "Type of use" : Retail properties, office buildings, hotels, residential properties, and others  
"Area of location" : Tokyo metropolitan area and major Japanese cities including government designated cities and surrounding areas thereof

### A. Investment Environment and Operation

#### a. Investment Environment

Japanese economy generally remains in good condition due to the expansion of corporate performance and the increase in foreign visitors, even though there are some concerns about economic trends in developing countries.

In the real estate sales market, the scale and number of the real estate transactions have been increasing based on the expectations of increase in rents and the favorable financing environment. With regard to the real estate rental market, as for retail properties, the impact of the increase in the consumption tax has run its course, and the sales of retail industry are improving. Therefore, the market for retail properties is remaining steady. As for office buildings, with the increasing needs for company's business expansion, the asking rents in major cities throughout Japan shows a sign of bottoming out. As for hotels, the room occupancy ratio and the room rates for guests have continued to rise due to an increase in foreign visitors, domestic travel and business travel. As for residential properties, rental properties have steady demand as necessities of life, and both the occupancy ratio and rent levels remains stable.

#### b. Issuance of New Investment Units

In order to procure funds for the acquisition of new specified assets and to replenish cash reserves which were reduced by the acquisition of specified assets, United Urban resolved the issuance of 95,000 new investment units by way of public offering and the issuance of 12,065 new investment units by way of third-party allotment to SMBC Nikko Securities at the board of directors' meeting of United Urban, held on August 31, 2015. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban, held on September 9, 2015. Based on these resolutions, United Urban issued new investment units, and the payments of ¥14,290 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed (the issuance of new investment units by way of both public offering and third-party allotment

hereinafter collectively referred to as the “8th Public Offering”).

As a result, United Urban's total capital increased to ¥258,160 million and United Urban's total number of investment units issued and outstanding increased to 2,751,376 units.

#### c. New Acquisitions

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

Property No.	Property Name	Type of Use (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A36	Granbell Ginza Building	Retail	Chuo-ku, Tokyo	2,621	June 30, 2015
A37	UUR Tenjin Nishi-dori Building	Retail	Fukuoka, Fukuoka	5,500	July 15, 2015
A38	Luz Shonan Tsujido (Note 3)	Retail	Fujisawa, Kanagawa	3,938	September 30, 2015 (Note 3)
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Hotel	Kawasaki, Kanagawa	2,655	August 31, 2015
C11	Toyoko Inn Hiroshima Heiwa-odori	Hotel	Hiroshima, Hiroshima	2,113	August 31, 2015
C12	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Hotel	Naha, Okinawa	745	August 31, 2015
D27	UUR Court Shiki	Apartment	Shiki, Saitama	2,730	September 18, 2015
E7	Quartz Tower (Note 4)	Clinic	Shibuya-ku, Tokyo	5,700 (Note 4)	November 13, 2015 (Note 4)
E8	Shin-Narashino Logistics Center	Warehouse	Narashino, Chiba	2,555	August 7, 2015
Total				28,557	-

- Notes: 1. Of the type of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.
2. The acquisition prices are stated based on the purchase prices stated in the purchase and sale agreements concerning the acquisition of each property. In addition, the amounts of the acquisition prices do not include acquisition costs, property tax, city planning tax and consumption tax, etc. The same shall apply hereinafter.
3. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding “Luz Shonan Tsujido” on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement (rent-guarantee type) (it has been changed into a pass-through-type master lease agreement on and after the acquisition date of September 30, 2015) with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally), and has been engaged in subleasing as a master lessee until September 30, 2015. Therefore, the profit from rental activities related to the subleasing was allocated for the term before the acquisition date.
4. Because Quartz Tower was a development-type property, United Urban concluded a purchase and sale agreement of the trust beneficial interest in real estate on June 30, 2015, and acquired the land (acquisition price: ¥4,535 million) at first on the same date. Then, United Urban acquired the building of the property (acquisition price: ¥1,165 million) on November 13, 2015, after the completion of the building construction.

#### d. Portfolio Overview

As of November 30, 2015, United Urban held a total of 117 properties, comprising 34 retail properties, 37 office buildings, 1 retail-office complex, 12 hotels, 1 office-hotel complex, 24 residential properties and 8 others, with an aggregate acquisition price of ¥548,661 million. In addition, the total leasable floor space was 1,229,197.15 sq m. and the numbers of tenants were 1,929.

United Urban has continued to focus on improving occupancy ratios by devoting its attention to improvement in the quality of assets during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 98.5% and 99.0%, and stood at 98.5% on November 30, 2015.

#### B. Financing

During this period, United Urban conducted certain financings including fund procurement through the 8th Public Offering for the purpose of procuring funds for redemption of corporate bonds and acquisition of specified assets.

The status of interest-bearing liabilities at the end of the previous period and the end of the 24th fiscal period are as follows.

(Millions of yen)

	Balance at the End of the 23rd Fiscal Period (As of May 31, 2015)	Balance at the End of the 24th Fiscal Period (As of November 30, 2015)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	¥ 181,857	¥ 201,207	¥ 19,350
Total of borrowings	181,857	201,207	19,350
Corporate bonds	73,500	63,500	(10,000)
Total of interest-bearing liabilities	¥ 255,357	¥ 264,707	¥ 9,350

In addition, as of the end of the 24th fiscal period, the amount of borrowings due for repayment within one year was ¥10,700 million, and the amount of the current portion of corporate bonds was ¥10,000 million.

Moreover, the details of issuer ratings as of December 31, 2015 are as follows.

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

#### C. Effect on the Current Fiscal Period regarding the Case to Reduce the Rents with OPA co., Ltd.

A case seeking to reduce the rent of Shinsaibashi OPA Honkan ("OPA Honkan"), from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of Shinsaibashi OPA Kireikan ("OPA Kireikan"), from March 1, 2012 and onwards, by approximately 18% of the current level (the "Principal Action"), was brought against United Urban on October 15, 2012 by OPA co., Ltd., the lessee of these two properties. However, United Urban claimed that there are no reasonable grounds for their request to reduce the rent, and obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim against OPA co., Ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level (the "Counterclaim", collectively with the Principal Action referred to as the "Case"), and the Case were pending at the Osaka District Court at the end of the 24th fiscal period.

By taking into consideration the progress of the Case and other factors, United Urban decided to allocate an estimated amount of losses of ¥275 million, calculated based on rents which have been thought to have a high probability at the end of the period, (decrease in rents for the current period: ¥29 million (operating revenues), decrease in rents for the previous fiscal periods and legal interests on the decrease in rents, etc.: ¥246 million (extraordinary loss)) as the provision for loss on litigation for the current period. (Note)

Note: As for the Case, the judgment of the first instance was passed as of January 21, 2016. After that, since neither OPA co., Ltd. nor United Urban appealed during the period for appeal to the court of the second instance, the period for appeal expired (February 4, 2016) and the judgment became the final judgment. For details, please refer to "6. Material Facts Arising after the End of 24th Fiscal Period and Other Material Events, E. Settlement of the Case to Reduce the Rents with OPA co., Ltd."

#### D. Financial Results and Overview of Distribution

As a result of the above operations, United Urban achieved operating revenues of ¥20,700 million (up by 3.1% from the previous period), profit from rental activities of ¥11,364 million (up by 2.6% from the previous period), operating income after expenses such as asset management fees, asset custodian fees and other commissions of ¥9,427 million (up by 3.4% from the previous period), ordinary income reflecting other factors such as interest expenses for borrowings and corporate bonds of ¥8,163 million (up by 4.8% from the previous period), and a net income after extraordinary loss regarding the provision for loss on litigation (¥246 million) of ¥7,916 million (up by 1.6% from the previous period).

With regard to the cash distribution in the period, the reversal of reserve for distribution of ¥208 million was added to a net income of ¥7,916 million by the application of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation) and use of reserve for distribution, in order to deal with discrepancy between accounting and taxation due to a recording of provision for loss on litigation. As a result, United Urban decided to distribute ¥8,124 million (cash distribution per unit: ¥2,953).

In terms of the strategic portfolio management and enhanced growth of the Investment Corporation over the medium to long term, and the stabilization of levels of cash distributions, ¥121 million, which is the amount equivalent to the retained earnings brought forward from the previous period, was reserved as reserve retained for distribution.



### 3. Issuance of New Investment Units

During this period, United Urban procured funds of ¥14,290 million through issuance of new investment units by way of the public offering in September 2015 (95,000 units) and the third-party allotment in October 2015 (12,065 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
December 1, 2010	Split of investment units	1,006,500	1,207,800	-	108,310	(Note 1)
December 1, 2010	Merger with NCI	243,519	1,451,319	-	108,310	(Note 2)
June 8, 2011	Additional issue of new investment units through public offering	640,000	2,091,319	56,548	164,858	(Note 3)
July 6, 2011	Additional issue of new investment units through third-party allotment	12,064	2,103,383	1,065	165,924	(Note 4)
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 5)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 6)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 7)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 8)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 9)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 10)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 11)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 12)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 13)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 14)

- Notes:
- One investment unit was split into six units.
  - United Urban conducted an absorption-type merger based on Article 147 of the Investment Trust Act under which United Urban remained as the surviving company and NCI as the absorbed company. Due to the absorption-type merger, one United Urban unit after the split of units was allocated per one NCI unit (257,400 NCI outstanding units prior to the merger, minus 13,881 NCI units for which appraisal rights were invoked).
  - New investment units were issued through public offering at the offer price of ¥91,162 per unit (issue price (underwriter price) ¥88,357), for the purpose of procuring funds for property acquisitions and repayments of borrowings.
  - New investment units were issued through third-party allotment at the issue price of ¥88,357 per unit for the purpose of procuring funds for repayments of borrowings.
  - New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
  - New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
  - New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
  - New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.
  - New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
  - New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  - New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
  - New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
  - New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
  - New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.

## Changes in Investment Unit Prices

The highest and lowest closing prices of United Urban's investment units in the J-REIT Section of the Tokyo Stock Exchange are as follows:

	Yen		
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Highest	188,200	198,300	195,300
Lowest	137,700	179,100	160,300

## 4. Distribution Information

With regard to the cash distribution in the period, the reversal of reserve for distribution of ¥208 million was added to a net income of ¥7,916 million by the application of the special provisions of taxation (Article 67-15 of the Act on Special Measures Concerning Taxation) and the use of reserve for distribution, in order to deal with discrepancy between accounting and taxation due to a recording of provision for loss on litigation. As a result, United Urban decided to distribute ¥8,124 million (cash distribution per unit: ¥2,953).

		24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Unappropriated retained earnings at the end of period	Thousands of yen	8,038,171	7,790,400	7,275,845
Cash distribution	Thousands of yen	8,124,813	7,668,501	7,275,464
Cash distribution per unit	Yen	2,953	2,900	2,896
Unappropriated retained earnings carried forward to the next period	Thousands of yen	-	121,898	381

## 5. Future Policies and Challenges

As for the real estate rental market in Japan, the further improvement in the rental revenues is expected based on the growing needs for floor space expansion. On the other hand, as for the real estate sales market, it is anticipated that aggressive investing activities by Japanese and overseas investors and a favorable financing environment will continue. Moreover, severe competition in property acquisitions and increase in real estate prices are also expected.

Under the circumstances, United Urban will take advantage of the knowledge and network of the sponsor in addition to its information channel of the asset management company for property acquisitions, and make efforts for external growth by utilizing the characteristics of a diversified J-REIT. As for asset management, United Urban will make continuous efforts to improve the occupancy ratio and the profitability of the portfolio through selective equipment work, tenant replacement, and cost reduction, etc..

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

## 6. Material Facts Arising after the End of 24th Fiscal Period and Other Material Events

### A. Acquisition of Property and Debt Financing

a. United Urban acquired "455 Ueno Building" on December 4, 2015.

Property No.	Property Name	Type of Use	Location	Acquisition Price (Millions of yen)	Acquisition Date
A39	455 Ueno Building	Retail	Taito-ku, Tokyo	3,000	December 4, 2015

- b. United Urban procured debt financing to support the payment for acquiring “455 Ueno Building” mentioned above a., as set forth below.

Title	Lender	Amount of borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 20B	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000	0.68000%	December 4, 2015	September 20, 2024	Unsecured Unguaranteed
Term Loan 21B	Mizuho Bank, Ltd.	1,000	0.63275% (Note)			
Term Loan 22B	Mitsubishi UFJ Trust and Banking Corporation	1,000	0.62500% (Note)		March 21, 2024	
Total		3,000				

Note: It is a borrowing with floating interest rate applying the one month Euro-Yen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

#### B. New Committed Line of Credit Agreement

United Urban concluded a new committed line of credit agreement on December 25, 2015, as set forth below.

Outline of the new committed line of credit agreement

Participating financial institutions : Sumitomo Mitsui Banking Corporation  
Mitsubishi UFJ Trust and Banking Corporation  
Mizuho Trust & Banking Co. Ltd.  
Resona Bank, Limited

Maximum loan amount : ¥12,000 million

Date of agreement : December 25, 2015

Term of agreement : From December 25, 2015 to December 26, 2016

Collateral : Unsecured, unguaranteed

#### C. Acquisition of Properties and Debt Financing

- a. United Urban acquired “Loisir Hotel & Spa Tower Naha” on February 5, 2016. In addition, United Urban decided to acquire “Urawa Royal Pines Hotel” on February 19, 2016.

Property No.	Property Name	Type of Use	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date
C13	Loisir Hotel & Spa Tower Naha	Hotel	Naha, Okinawa	20,000	February 5, 2016
C14	Urawa Royal Pines Hotel (Note 1)	Hotel	Saitama, Saitama	17,500	April 1, 2016 (Scheduled) (Note 2)
Total				37,500	-

Notes: 1. United Urban will procure debt financing to support the payment for acquiring “Urawa Royal Pines Hotel”. However, details of the debt financing have not been determined as of February 24, 2016.

2. The purchase and sale agreement of the trust beneficial interest (“PSA”) as of February 19, 2016 provides that either party may terminate the PSA if the other party has materially breached a provision thereof, in which case the party may request the party in breach to pay an amount equivalent to 20% of the transaction price as penalty charges. However, this PSA is subject to the condition precedent of payment of the acquisition price that United Urban’s fund procurement is completed for the acquisition of the trust beneficial interest. Therefore, as for the acquisition of the trust beneficial interest, United Urban can cancel the PSA with no penalty if it cannot consummate fund procurement as of the scheduled acquisition date. In view of the current state of the financial market and financial standing of United Urban, United Urban believes that material adverse effect on United Urban’s financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisition of the trust beneficial interest.

- b. United Urban procured debt financing to support the payment for acquiring “Loisir Hotel & Spa Tower Naha” mentioned above a., as set forth below. In addition, cash on hand was used for the remaining of the acquisition cost.

Title	Lender	Amount of borrowing (Millions of yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Term Loan 23B	Sumitomo Mitsui Trust Bank, Limited	2,000	0.62692%	February 5, 2016	December 22, 2025	Unsecured Unguaranteed
Term Loan 24B	Sumitomo Mitsui Banking Corporation	1,000	0.21710% (Note)		March 22, 2021	
Term Loan 25B	Resona Bank, Limited	1,500	0.37000% (Note)		March 20, 2023	
Term Loan 26B	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000	0.22995% (Note)		December 21, 2020	
Term Loan 27B	Meiji Yasuda Life Insurance Company	1,000	0.68664%		March 21, 2025	
Term Loan 28B	The Iyo Bank, Ltd.	1,000	0.33675%		March 22, 2021	
Total		7,500				

Note: It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the three month JPY TIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

#### D. Sale of Properties

United Urban decided to sell "UUR Tsukiji Building" and a portion of "Logistics Higashi-Ohgishima" on February 26, 2016.

(Millions of yen)							
Property No.	Property Name	Type of Use	Location	Book Value (As of December 31, 2015)	Sale Price (Note 1)	Difference between Book Value and Sale Price (Note 2)	Date of Sale
B12	UUR Tsukiji Building	Office	Chuo-ku, Tokyo	6,427	6,620	192	February 26, 2016
E5	Logistics Higashi-Ohgishima (Note 3)	Warehouse	Kawasaki, Kanagawa	4,109 (Note 3)	4,459	349	
Total				10,536	11,079	542	-

- Notes: 1. The prices are shown in the amount excluding acquisition costs, property taxes, consumption taxes and other costs.  
2. "Difference between Book Value and Sale Price" shows an indicative amount calculated by using book value as of December 31, 2015. Therefore, such amount is not a value as of the date of the sale.  
3. United Urban sold its 49% quasi co-ownership of the trust beneficial interest for "Logistics Higashi-Ohgishima". As for the book value, the figure was calculated by multiplying the book value as of December 31, 2015 by 49%. In addition, United Urban continues to hold the remaining 51% quasi co-ownership.

#### E. Settlement of the Case to Reduce the Rents with OPA co., Ltd.

Concerning the Case between United Urban and OPA co., Ltd., stated in "2. Performance Review for the Current Period, C. Effect on the Current Fiscal Period regarding the Case to Reduce the Rents with OPA co., Ltd.", the judgment of the first instance was passed by the Osaka District Court as of January 21, 2016, as set forth below.

- The rent of OPA Honkan shall be reduced from March 1, 2012 and onwards, by approximately 3.3% of the current level.
- The rent of OPA Kireikan shall be reduced from March 1, 2012 and onwards, by approximately 6.1% of the current level.
- The Counterclaim shall be rejected.

Since neither OPA co., Ltd. nor United Urban appealed during the period for appeal to the court of the second instance, the period for appeal expired (February 4, 2016), and the judgment of the first instance became the final judgment.

As for the settlement money with OPA co., Ltd. based on the judgment of the first instance (difference in rents: ¥245 million (excluding consumption taxes) and interest on the difference in rents (10% per year): ¥48 million), United Urban has allocated most of the amount (¥275 million (excluding consumption taxes)) as the provision for loss on litigation for the fiscal period ended November 30, 2015. Therefore, the effect on the financial results for the fiscal period ending May 31, 2016 is immaterial.

## Overall Condition of Investment Corporation

### 1. Summary of Unitholders' Contribution

	24th Fiscal Period (As of November 30, 2015)	23rd Fiscal Period (As of May 31, 2015)	22nd Fiscal Period (As of November 30, 2014)
Total number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (Units)	2,751,376	2,644,311	2,512,246
Total unitholders' capital (Millions of yen)	258,160	243,869	219,768
Number of unitholders	24,726	24,156	23,449

### 2. Major Unitholders

(As of November 30, 2015)		
Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held
Japan Trustee Services Bank, Ltd. (trust account)	738,644	26.85 %
The Master Trust Bank of Japan, Ltd. (trust account)	230,304	8.37 %
Trust & Custody Services Bank, Ltd. (securities investment trust account)	190,310	6.92 %
The Nomura Trust and Banking Co., Ltd. (investment trust account)	119,578	4.35 %
NOMURA BANK (LUXEMBOURG) S.A.	100,782	3.66 %
STATE STREET BANK WEST CLIENT-TREATY 505234	55,383	2.01 %
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	45,668	1.66 %
Mizuho Securities Co., Ltd.	41,712	1.52 %
STATE STREET BANK AND TRUST COMPANY 505223	33,682	1.22 %
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	28,008	1.02 %
Total	1,584,071	57.57 %

Note: The percentages of investment units held are rounded to two decimal places.

### 3. Directors and Auditor

A. Board of Directors, etc. of United Urban were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Hitoshi Murakami	—	6,000
Supervisory Officer (Note 3)	Masakazu Watase	— (Note 4)	1,050
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management	2,100
Supervisory Officer (Note 3)	Tetsuo Ozawa	Corporate Auditor, Lawson, Inc. Corporate Auditor, Cemedine Co., Ltd. Corporate Auditor, Sekisui Chemical Co., Ltd.	1,050
Accounting Auditor	Ernst & Young ShinNihon LLC	—	21,800 (Note 5)
Total			32,000

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. Masakazu Watase resigned the Supervisory Officer of United Urban as of August 31, 2015. Then, Tetsuo Ozawa became the Supervisory Officer as of September 1, 2015.
4. Due to the fact that Masakazu Watase resigned the Supervisory Officer as of August 31, 2015, details of other title are omitted.
5. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of new investment units.

#### B. Determination policy for dismissal or non-reappointment of Accounting Auditor

The dismissal of Accounting Auditor shall be considered at the board of directors of United Urban, subject to the Investment Trust Act. In addition, non-reappointment shall also be considered at the board of directors of United Urban by comprehensively taking into account the quality of audit, audit fee and other various factors.

#### C. Business suspension order issued to an Accounting Auditor

Ernst & Young ShinNihon LLC, the Accounting Auditor of United Urban, received business suspension order, etc. from the Financial Services Agency on December 22, 2015, as set forth below,

1. Subject of the order
  - Ernst & Young ShinNihon LLC
2. Contents of the order
  - Suspension of accepting new engagements for 3 months (from January 1, 2016, to March 31, 2016)
  - Operational improvement order (improvement of the operational management system, etc.)
3. Reason of the order
  - The seven certified public accountants of the audit firm had, in negligence of due care, attested the financial statements of TOSHIBA CORPORATION for years that ended March 31, 2010, 2012 and 2013 containing material misstatements as if the statements contained no material misstatements.
  - The audit firm's operations are significantly inappropriate.

## 4. Advisors and Agents

(As of November 30, 2015)

Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Transfer Agent (unitholder registry)) (Note 1)	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Special Account Administrator) (Note 1) (Note 2)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (accounting, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to corporate bonds)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd.

- Notes: 1. Based on the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedures (Act No. 27 of 2013, including subsequent amendments, and hereinafter referred to as "Individual Number Act"), United Urban concluded a memorandum for an entrustment of business concerning the handling of individual number and corporate number for unitholders and subscribers with Sumitomo Mitsui Trust Bank, Limited, which is the transfer agent and one of the special account administrators, on December 21, 2015.
2. Based on the Individual Number Act, United Urban conclude a memorandum for an entrustment of business concerning the handling of individual number and corporate number for subscribers with Mitsubishi UFJ Trust and Banking Corporation, which is one of the special account administrators, on December 21, 2015.

## Portfolio Profiles

### 1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		24th Fiscal Period (As of November 30, 2015)		23rd Fiscal Period (As of May 31, 2015)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,340,960	1.2	7,353,479	1.3
		Other regions		14,031,187	2.3	14,112,105	2.5
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,298,194	2.2	13,335,688	2.3
			The 23 wards of Tokyo	9,736,891	1.6	9,771,060	1.7
			Tokyo metropolitan area	9,344,112	1.6	9,400,300	1.6
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	1,673,755	0.3	1,688,276	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,291,863	0.7	4,337,409	0.8
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,986,402	0.5	2,984,684	0.5
			Tokyo metropolitan area	-	-	-	-
		Other regions		778,381	0.1	789,635	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
	Subtotal			63,481,749	10.6	63,772,640	11.1
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,294,409	0.7	1,572,115	0.3
			The 23 wards of Tokyo	23,346,261	3.9	23,456,538	4.1
			Tokyo metropolitan area	72,434,847	12.1	68,641,136	12.0
		Other regions		68,131,131	11.4	62,819,910	11.0
	Office Buildings	Capital region	The 6 central wards of Tokyo	61,252,113	10.2	61,446,412	10.7
			The 23 wards of Tokyo	2,104,454	0.4	2,119,955	0.4
			Tokyo metropolitan area	46,437,957	7.8	46,783,234	8.2
		Other regions		53,571,088	9.0	53,608,160	9.4
	Hotels	Capital region	The 6 central wards of Tokyo	34,880,250	5.8	34,087,945	5.9
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	6,085,666	1.0	3,362,953	0.6
		Other regions		22,084,682	3.7	19,239,248	3.4
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,060,747	0.2	1,038,739	0.2
			The 23 wards of Tokyo	9,169,270	1.5	9,252,791	1.6
			Tokyo metropolitan area	5,007,905	0.8	2,084,202	0.4
		Other regions		22,577,085	3.8	22,843,003	4.0
	Others	Capital region	The 6 central wards of Tokyo	9,500,185	1.6	3,588,081	0.6
			The 23 wards of Tokyo	8,059,092	1.3	8,058,644	1.4
			Tokyo metropolitan area	16,015,837	2.7	13,445,650	2.3
		Other regions		5,757,678	1.0	5,833,180	1.0
	Subtotal			471,770,666	78.9	443,281,904	77.3
Bank Deposits and Other Assets			62,825,567	10.5	66,263,940	11.6	
Total Assets			598,077,982	100.0	573,318,485	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. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement (rent-guarantee type) (it has been changed into a pass-through-type master lease agreement on and after the acquisition date of September 30, 2015) with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally), and has been engaged in subleasing as a master lessee until the acquisition date of September 30, 2015.

## 2. Selected Data by Property

(As of November 30, 2015)

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)	Leasable Floor Space (m <sup>2</sup> ) (Note 2)	Leased Floor Space (m <sup>2</sup> ) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
Daiei Himonya	14,595	14,400	26,655.66	26,655.66	100.0	Retail Properties	N/A
Joy Park Izumigaoka	5,317	4,490	13,611.24	13,588.92	99.8	Retail Properties	N/A
Daimaru Peacock Ashiya Kawanishi	742	1,140	1,558.80	1,558.80	100.0	Retail Properties	N/A
Re-LAND Shopping Center	4,191	5,600	12,968.84	12,678.23	97.8	Retail Properties	Applicable (Note 5)
AEON MALL Uki	9,422	8,490	72,073.39	72,073.39	100.0	Retail Properties	N/A
TENJIN LUCE	6,415	5,740	4,194.66	4,194.66	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Sakai Honten	2,871	3,340	8,637.63	8,637.63	100.0	Retail Properties	N/A
Miyamae Shopping Center	5,170	4,990	10,487.92	10,487.92	100.0	Retail Properties	N/A
KONAMI SPORTS CLUB Korigaoka	1,693	1,840	8,627.58	8,627.58	100.0	Retail Properties	N/A
ACTIOLE Minami-ikebukuro	3,700	3,260	2,081.50	2,081.50	100.0	Retail Properties	N/A
Tip's Machida Building	4,245	4,510	6,715.75	6,715.75	100.0	Retail Properties	N/A
Daiei Takarazuka Nakayama	3,342 (Note 4)	3,990	16,729.60	16,729.60	100.0	Retail Properties	N/A
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	12,450	11,200	52,668.38	52,668.38	100.0	Retail / Office	N/A
ACTIOLE Kannai	2,330	2,030	1,938.56	1,938.56	100.0	Retail Properties	N/A
Shinsaibashi OPA Honkan	22,182	25,600	27,025.42	27,025.42	100.0	Retail Properties	N/A
Shinsaibashi OPA Kireikan	2,606	3,160	4,858.61	4,858.61	100.0	Retail Properties	N/A
Albore Jingumae	1,568	2,030	931.14	931.14	100.0	Retail Properties	N/A
Albore Sendai	2,410	3,140	3,147.29	3,147.29	100.0	Retail Properties	N/A
Mallage Kashiwa	6,779	8,670	41,766.68	41,397.38	99.1	Retail Properties	N/A
Ito-Yokado Owariasahi	4,309	4,970	54,606.34	54,606.34	100.0	Retail Properties	Applicable (Note 6)
Yokohama Kariba Shopping Center	2,305	1,940	11,345.09	11,345.09	100.0	Retail Properties	N/A
Luz Jiyugaoka	5,051	5,970	2,283.47	2,283.47	100.0	Retail Properties	N/A
ACTIOLE Ichikawa	3,182	3,820	3,925.49	3,925.49	100.0	Retail Properties	N/A
VIVAHOME Yokohama Aoba (Site)	2,740	3,080	9,193.00	9,193.00	100.0	Retail Properties	N/A
Yamada Denki Tecc Land Aoba (Site)	2,270	2,430	7,650.63	7,650.63	100.0	Retail Properties	N/A
Yodobashi Camera Multimedia Kichijoji	28,297	35,400	37,932.95	37,932.95	100.0	Retail Properties	N/A
Yamada Denki Tecc Land New Matsudo Honten	5,086	6,320	17,561.23	17,561.23	100.0	Retail Properties	N/A
Tenjin Loft Building	4,466	5,340	7,730.09	7,730.09	100.0	Retail Properties	N/A
Narumi Shopping Center (Site)	6,850	6,870	60,419.26	60,419.26	100.0	Retail Properties	N/A
Plussing Wave Enoshima	1,875	2,100	3,155.64	3,054.86	96.8	Retail Properties	N/A
Life Nishijuku (Site)	1,842	1,910	3,252.76	3,252.76	100.0	Retail Properties	N/A
Life Tamatsukuri (Site)	1,967	2,030	2,391.44	2,391.44	100.0	Retail Properties	N/A

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)	Leasable Floor Space (m <sup>2</sup> ) (Note 2)	Leased Floor Space (m <sup>2</sup> ) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
Granbell Ginza Building	2,725	2,900	1,352.35	1,352.35	100.0	Retail Properties	N/A
UUR Tenjin Nishi-dori Building	5,720	5,670	1,564.70	1,564.70	100.0	Retail Properties	N/A
Luz Shonan Tsujido	4,102	4,290	10,454.22	10,192.20	97.5	Retail Properties	N/A
T&G Hamamatsucho Building	2,105	3,000	2,420.85	2,420.85	100.0	Office Buildings	N/A
SK Nagoya Building	5,562	4,680	8,708.52	7,889.69	90.6	Office Buildings	N/A
Fukuoka Eartheon Building	1,671	2,420	4,934.39	4,404.14	89.3	Office Buildings	N/A
Marumasu Kojimachi Building	2,440	2,420	2,578.84	2,578.84	100.0	Office Buildings	N/A
Rokubancho K Building	2,313	3,600	4,031.14	4,031.14	100.0	Office Buildings	N/A
Shin-Osaka Central Tower	24,332	26,500	45,978.59	45,320.00	98.6	Office / Hotels	N/A
Kawasaki Toshiba Building	18,974	30,800	36,118.31	36,118.31	100.0	Office Buildings	N/A
UUR Toyochō Building	8,624	8,790	7,540.30	7,540.30	100.0	Office Buildings	N/A
FOUR SEASONS BLDG	4,282	5,290	5,000.54	5,000.54	100.0	Office Buildings	N/A
Hitachi High-Tech Building	14,575	15,100	15,781.64	15,781.64	100.0	Office Buildings	N/A
Pacific Marks Shinjuku Parkside	12,192	10,300	10,971.90	10,971.90	100.0	Office Buildings	N/A
UUR Tsukiji Building	6,435	6,550	5,971.42	5,971.42	100.0	Office Buildings	N/A
Pacific Marks Tsukishima	5,951	6,360	9,336.27	9,281.96	99.4	Office Buildings	N/A
Pacific Marks Yokohama East	6,958	7,120	10,732.11	9,253.64	86.2	Office Buildings	N/A
Pacific Marks Shin-Urayasu	3,732	3,890	8,743.05	8,208.87	93.9	Office Buildings	N/A
Akasaka Hikawa Building	3,237	3,930	3,438.23	3,438.23	100.0	Office Buildings	N/A
Pacific Marks Shibuya Koen-dori	2,474	3,020	1,972.43	1,972.43	100.0	Office Buildings	N/A
Pacific Marks Akasaka-mitsuke	2,174	2,150	1,675.13	1,675.13	100.0	Office Buildings	N/A
Yokohama Aioicho Building	1,090	1,230	2,445.10	2,316.77	94.8	Office Buildings	N/A
Pacific Marks Shin-Yokohama	1,591	1,580	3,110.72	3,110.72	100.0	Office Buildings	N/A
Pacific Marks Kawasaki	9,344	10,700	7,382.14	7,030.22	95.2	Office Buildings	N/A
Hamamatsucho 262 Building	6,690	7,010	6,183.89	6,183.89	100.0	Office Buildings	N/A
Lila Hijirizaka	2,665	2,950	4,255.02	4,255.02	100.0	Office Buildings	N/A
Otsuka HT Building	1,112	1,220	1,774.56	1,608.30	90.6	Office Buildings	N/A
Pacific Marks Shinjuku South-gate	2,507	3,060	1,722.14	1,722.14	100.0	Office Buildings	N/A
Pacific Marks Nishi-Umeda	6,400	6,930	11,039.44	10,425.83	94.4	Office Buildings	N/A
Pacific Marks Higobashi	4,381	4,500	7,623.57	7,623.57	100.0	Office Buildings	N/A
Nagoya Nishiki City Building	2,471	2,410	5,609.64	5,471.45	97.5	Office Buildings	N/A
Pacific Marks Esaka	9,560	9,540	20,015.73	11,857.03	59.2	Office Buildings	N/A
Pacific Marks Sapporo Kita-Ichijo	1,845	1,990	4,727.65	4,727.65	100.0	Office Buildings	N/A
Shin-Sapporo Center Building	900	1,100	2,797.03	2,629.46	94.0	Office Buildings	N/A
ARENA TOWER	8,839	11,600	17,967.46	17,967.46	100.0	Office Buildings	N/A
Yushima First Building	2,104	2,760	4,558.77	4,558.77	100.0	Office Buildings	N/A
Dogenzaka Square	2,341	2,710	2,233.57	2,233.57	100.0	Office Buildings	N/A
GRAND-SQUARE Shin-Sakae	1,475	1,880	4,578.93	4,578.93	100.0	Office Buildings	N/A
GRAND-SQUARE Meieki-minami	1,227	1,890	4,003.05	4,003.05	100.0	Office Buildings	N/A
Shiba 520 Building	2,163	2,400	2,854.26	2,854.26	100.0	Office Buildings	N/A
Hirose-dori SE Building	3,597	4,510	8,235.87	8,027.61	97.5	Office Buildings	N/A
Shinjuku Washington Hotel Honkan	21,909	24,700	53,363.11	53,256.78	99.8	Hotels	N/A

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)	Leasable Floor Space (m <sup>2</sup> ) (Note 2)	Leased Floor Space (m <sup>2</sup> ) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
Toyoko Inn Shinagawa-eki Takanawa-guchi	1,673	2,340	3,088.85	3,088.85	100.0	Hotels	N/A
MZ BLD.	3,323	3,740	6,670.21	6,416.17	96.2	Hotels	N/A
HOTEL ROUTE-INN Yokohama Bashamichi	4,291	4,690	7,139.44	7,139.44	100.0	Hotels	N/A
Hotel JAL City Naha	7,330	9,850	13,701.80	13,701.80	100.0	Hotels	N/A
UUR Yotsuya Sanhome Building	4,246	5,260	7,854.86	7,854.86	100.0	Hotels	N/A
Yotsuya 213 Building	5,089	6,000	7,550.16	7,550.16	100.0	Hotels	N/A
HOTEL ROUTE-INN Nagoya Imaie Ekimae	1,922	2,770	5,880.69	5,880.69	100.0	Hotels	N/A
the b roppongi	3,635	3,890	2,710.90	2,710.90	100.0	Hotels	N/A
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2,761	3,000	4,874.28	4,874.28	100.0	Hotels	N/A
Toyoko Inn Hiroshima Heiwa-odori	2,197	2,290	4,357.75	4,357.75	100.0	Hotels	N/A
Toyoko Inn Naha Kokusai-dori Miehashi-eki	778	774	1,529.47	1,529.47	100.0	Hotels	N/A
T&G Higashi-ikebukuro Mansion	1,554	2,170	2,603.22	2,542.68	97.7	Residential Properties	N/A
Komazawa Court	1,537	2,280	3,741.17	3,741.17	100.0	Residential Properties	N/A
Sky Court Shiba-Daimon	1,060	1,270	1,486.38	1,486.38	100.0	Residential Properties	N/A
Maison Ukima	3,241	4,420	12,691.43	12,691.43	100.0	Residential Properties	N/A
Narashino Residence	1,018	1,230	6,840.86	6,840.86	100.0	Residential Properties	N/A
Aprile Shin-Ohgi Ichibankan	2,600	3,540	12,700.44	12,700.44	100.0	Residential Properties	N/A
UUR Court Sapporo Kita-Sanjo	1,065	1,470	4,790.50	4,790.50	100.0	Residential Properties	N/A
UUR Court Chiba Soga	587	661	2,931.14	2,931.14	100.0	Residential Properties	N/A
Higashi-kurume Dormitory Shinkan	463	537	1,397.61	1,397.61	100.0	Residential Properties	N/A
Nanzan Court Ichigokan	936	1,050	3,576.74	3,576.74	100.0	Residential Properties	N/A
Nanzan Court Nigokan	385	498	1,890.51	1,890.51	100.0	Residential Properties	N/A
CLIO Bunkyo Koishikawa	2,835	3,290	4,097.51	4,056.39	99.0	Residential Properties	N/A
GRAND-ROUGE Sakae	1,310	1,470	3,697.38	3,697.38	100.0	Residential Properties	N/A
GRAND-ROUGE Sakae II	1,107	1,330	2,579.89	2,579.89	100.0	Residential Properties	N/A
MA Sendai Building	2,951	4,190	11,525.36	11,254.72	97.7	Residential Properties	N/A
UUR Court Nagoya Meieki	1,294	1,470	2,958.45	2,958.45	100.0	Residential Properties	N/A
UUR Court Sapporo Shinoro Ichibankan	778	864	6,271.74	6,271.74	100.0	Residential Properties	N/A
Park Site IZUMI	839	730	2,067.95	1,475.15	71.3	Residential Properties	N/A
UUR Court Osaka Juso-honmachi	1,407	1,680	3,650.00	3,650.00	100.0	Residential Properties	N/A
UUR Court Kinshicho	2,986	3,540	5,460.39	5,047.06	92.4	Residential Properties	N/A
UUR Court Sapporo Minami-Sanjo Premier Tower	1,958	2,730	7,817.12	6,375.19	81.6	Residential Properties	N/A
GLAND-ROUGE Nakanoshima-minami	1,407	1,650	3,090.36	2,698.48	87.3	Residential Properties	N/A
Glenpark Umeda-kita	5,312	5,640	12,730.60	12,630.58	99.2	Residential Properties	N/A
UUR Court Shiki	2,939	3,010	9,885.83	9,885.83	100.0	Residential Properties	N/A
Lilycolor Tohoku Branch	1,579	2,060	9,271.16	9,271.16	100.0	Others	N/A
KDDI Fuchu Building	4,960	5,490	14,490.92	14,490.92	100.0	Others	N/A
Tsubogawa Square Building	4,177	5,080	10,570.98	10,570.98	100.0	Others	N/A
THE PLACE of TOKYO	3,561	4,120	3,212.21	3,212.21	100.0	Others	N/A
Logistics Higashi-Ohgishima	8,395	9,100	42,113.83	42,113.83	100.0	Others	N/A
MT Ariake Center Building I&II	8,059	8,450	23,934.32	23,934.32	100.0	Others	N/A

Property Name	Book Value (Millions of yen)	Appraisal Value at the End of Period (Millions of yen) (Note 1)	Leasable Floor Space (m <sup>2</sup> ) (Note 2)	Leased Floor Space (m <sup>2</sup> ) (Note 2)(Note 3)	Occupancy Ratio (%) (Note 2)	Type of Property	Granting of Security
Quartz Tower	5,938	5,780	2,940.22	2,940.22	100.0	Others	N/A
Shin-Narashino Logistics Center	2,660	2,570	12,909.90	12,909.90	100.0	Others	N/A
Total	535,252	603,224	1,229,197.15	1,210,472.02	98.5		

- Notes: 1. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of November 30, 2015 based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
2. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of November 30, 2015. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "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. The same shall apply hereinafter.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the portion of maricom-ISOGO/SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
3. 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.
4. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, the research organization says that there is no likelihood of this elution directly causing to the spread of ill health. As a precaution, in case the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), as a condition of the sale and purchase agreement of trust beneficial interest. The Book Value at the end of the period of this trust beneficial interest is described as ¥3,342 million reflecting the additional amount of trust. However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the asset custodian.
5. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the real estate in trust.
6. The right to demand restitution of security deposit by tenants of this property is set as a secured claim and a mortgage has been placed on the building and the land of the property.

### 3. Selected Financial Data by Property

Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Daiei Himonya	1	100.0	459	2.3
Joy Park Izumigaoka	22	99.8	269	1.4
Daimaru Peacock Ashiya Kawanishi	1	100.0	30	0.2
Re-LAND Shopping Center	14	97.8	256	1.3
AEON MALL Uki	1	100.0	419	2.1
TENJIN LUCE	10	100.0	181	0.9
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	193	1.0
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)
ACTIOLE Minami-ikebukuro	10	100.0	84	0.4
Tip's Machida Building	10	100.0	248	1.3
Daiei Takarazuka Nakayama	1	100.0	151	0.8
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	298	1.5
ACTIOLE Kannai	9	100.0	62	0.3
Shinsaibashi OPA Honkan	1	100.0	683	3.4

Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Shinsaibashi OPA Kireikan	1	100.0	82	0.4
Albore Jingumae	4	100.0	50	0.3
Albore Sendai	5	100.0	110	0.6
Mallage Kashiwa	97	99.1	713	3.6
Ito-Yokado Owariasahi	1	100.0	224	1.1
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	22	100.0	172	0.9
ACTIOLE Ichikawa	13	100.0	148	0.7
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	5	100.0	289	1.5
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	7	96.8	80	0.4
Life Nishikujo (Site)	1	100.0	(Note 3)	(Note 3)
Life Tamatsukuri (Site)	1	100.0	(Note 3)	(Note 3)
Granbell Ginza Building	11	100.0	64	0.3
UUR Tenjin Nishi-dori Building	1	100.0	(Note 3)	(Note 3)
Luz Shonan Tsujido (Note 4)	31	97.5	113	0.6
T&G Hamamatsucho Building	6	100.0	97	0.5
SK Nagoya Building	10	90.6	187	0.9
Fukuoka Eartheon Building	6	89.3	87	0.4
Marumasu Kojimachi Building	17	100.0	96	0.5
Rokubancho K Building	1	100.0	108	0.5
Shin-Osaka Central Tower	63	98.6	1,066	5.4
Kawasaki Toshiba Building	1	100.0	836	4.2
UUR Toyoko Building	1	100.0	280	1.4
FOUR SEASONS BLDG	1	100.0	178	0.9
Hitachi High-Tech Building	2	100.0	395	2.0
Pacific Marks Shinjuku Parkside	23	100.0	313	1.6
UUR Tsukiji Building	4	100.0	189	1.0
Pacific Marks Tsukishima	48	99.4	263	1.3
Pacific Marks Yokohama East	22	86.2	230	1.2
Pacific Marks Shin-Urayasu	15	93.9	195	1.0
Akasaka Hikawa Building	1	100.0	118	0.6
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	63	0.3
Yokohama Aioicho Building	20	94.8	59	0.3
Pacific Marks Shin-Yokohama	10	100.0	65	0.3
Pacific Marks Kawasaki	37	95.2	334	1.7
Hamamatsucho 262 Building	18	100.0	233	1.2
Lila Hijirizaka	16	100.0	117	0.6
Otsuka HT Building	6	90.6	51	0.3
Pacific Marks Shinjuku South-gate	10	100.0	97	0.5
Pacific Marks Nishi-Umeda	30	94.4	268	1.4
Pacific Marks Higobashi	24	100.0	168	0.9
Nagoya Nishiki City Building	28	97.5	95	0.5

Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Pacific Marks Esaka	36	59.2	489	2.5
Pacific Marks Sapporo Kita-Ichijo	12	100.0	93	0.5
Shin-Sapporo Center Building	18	94.0	60	0.3
ARENA TOWER	13	100.0	438	2.2
Yushima First Building	7	100.0	94	0.5
Dogenzaka Square	31	100.0	97	0.5
GRAND-SQUARE Shin-Sakae	6	100.0	94	0.5
GRAND-SQUARE Meieki-minami	13	100.0	80	0.4
Shiba 520 Building	4	100.0	94	0.5
Hirose-dori SE Building	10	97.5	181	0.9
Shinjuku Washington Hotel Honkan	7	99.8	583	2.9
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.3
MZ BLD.	8	96.2	140	0.7
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	154	0.8
Hotel JAL City Naha	2	100.0	324	1.6
UUR Yotsuya Sanchome Building	3	100.0	186	0.9
Yotsuya 213 Building	4	100.0	180	0.9
HOTEL ROUTE-INN Nagoya Imaike Ekimae	1	100.0	(Note 3)	(Note 3)
the b roppongi	2	100.0	116	0.6
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Hiroshima Heiwa-odori	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Naha Kokusai-dori Miebash-eki	1	100.0	(Note 3)	(Note 3)
T&G Higashi-ikebukuro Mansion	126	97.7	64	0.3
Komazawa Court	1	100.0	60	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.2
Maison Ukima	1	100.0	124	0.6
Narashino Residence	1	100.0	51	0.3
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.3
UUR Court Chiba Soga	1	100.0	(Note 3)	(Note 3)
Higashi-kurume Dormitory Shinkan	1	100.0	16	0.1
Nanzan Court Ichigokan	1	100.0	37	0.2
Nanzan Court Nigokan	1	100.0	16	0.1
CLIO Bunkyo Koishikawa	90	99.0	95	0.5
GRAND-ROUGE Sakae	1	100.0	43	0.2
GRAND-ROUGE Sakae II	1	100.0	38	0.2
MA Sendai Building	146	97.7	166	0.8
UUR Court Nagoya Meieki	1	100.0	45	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.2
Park Site IZUMI	28	71.3	23	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.3
UUR Court Kinshicho	187	92.4	113	0.6
UUR Court Sapporo Minami-Sanjo Premier Tower	123	81.6	103	0.5
GLAND-ROUGE Nakanoshima-minami	103	87.3	51	0.3
Glenpark Umeda-kita	182	99.2	188	0.9
UUR Court Shiki	1	100.0	37	0.2
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)



Name of Property	24th Fiscal Period (June 1, 2015 to November 30, 2015)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	286	1.4
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)
Logistics Higashi-Ohgishima	2	100.0	(Note 3)	(Note 3)
MT Ariake Center Building I&II	3	100.0	(Note 3)	(Note 3)
Quartz Tower	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center	1	100.0	(Note 3)	(Note 3)
Total	1,929	98.5	19,865	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total 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.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the portion of maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site), Hitachi High-Tech Building, Shinjuku Washington Hotel Honkan and KDDI Fuchu Building held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area.
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 revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. United Urban concluded a purchase and sale agreement of the trust beneficial interest regarding "Luz Shonan Tsujido" on March 30, 2015. In correlation with conclusion of the agreement, United Urban has concluded the master lease agreement (rent-guarantee type) (it has been changed into a pass-through-type master lease agreement on and after the acquisition date of September 30, 2015) with the trustee on the same date (United Urban acquired the leasehold rights for the property collaterally), and has been engaged in subleasing as a master lessee. Though there was the rental revenue of ¥205 million regarding the subleasing until the acquisition date of September 30, 2015, it was not included in the above chart.

#### 4. Amount of Contract and Fair Value of Specified Transactions

(As of November 30, 2015)

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen)
			over one year	(Note 2) (Note 3)
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	95,180,000	95,180,000	(660,906)
Total		95,180,000	95,180,000	(660,906)

- Notes: 1. The "Amount of Contract" of the interest-rate swaps is based on the notional principal.
2. The "Fair Value" is evaluated at the prices calculated by the other party of the transaction based on the prevailing market rates, etc.
3. Among the fair value amount, the interest rate swaps for which United Urban applied the special treatment under the "Accounting Standard for Financial Instruments" (Statement No.10 issued by Accounting Standards Board of Japan on March 10, 2008), are not measured at fair value in the balance sheets.

#### 5. Status of Other Assets

There were no other specified assets other than properties stated in "2. Selected Data by Property" above as of November 30, 2015.

## Capital Expenditures

### 1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Investment Real Estate") scheduled as of November 30, 2015. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Description of Work	Scheduled Period	Amount Projected (Millions of yen)		
			Total amount	Amount payable in the 24th fiscal period	Amount already paid
Daiei Himonya	Renovation of the entire building	From June 2016 to November 2016	4,400	-	-
Mallage Kashiwa	Renewal of floor tile	From March 2016 to May 2016	102	-	-
Mallage Kashiwa	Renewal of common toilets	From February 2016 to May 2016	102	-	-
Mallage Kashiwa	Installation work for new tenant	From November 2016 to November 2016	132	-	-
Shin-Osaka Central Tower	Repair of exterior walls	From April 2016 to November 2016	157	-	-
Kawasaki Toshiba Building	Renewal of air-conditioning facilities	From December 2014 to April 2016	979	-	-
Kawasaki Toshiba Building	Renewal of central monitoring panel	From March 2016 to November 2016	116	-	-
Pacific Marks Shin-Urayasu	Renewal of rooftop chiller	From July 2016 to September 2016	204	-	-
Pacific Marks Nishi-Umeda	Renewal of central monitoring panel	From June 2016 to November 2016	111	-	-
Pacific Marks Esaka	Renewal of 1st and 2nd floor	From October 2015 to February 2016	131	-	-
Shinjuku Washington Hotel Honkan	Renewal of unit bath and fan coil units	From April 2015 to March 2016	749	-	-
Shinjuku Washington Hotel Honkan	Renewal of elevator	From April 2015 to March 2016	248	-	-
Shinjuku Washington Hotel Honkan	Interior construction of the guest rooms	From April 2015 to March 2016	123	-	-
Shinjuku Washington Hotel Honkan	Renewal of elevator	From April 2016 to September 2016	116	-	-

### 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 24th fiscal period, which totaled ¥2,049 million. Together with ¥550 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,599 million.

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Re-LAND Shopping Center	Repair of ceiling lightning at east passage of 1st floor Construction of frontage sign	From November 2015 to November 2015	14
Mallage Kashiwa	Renewal of floor tile for the Building Part I (1st period)	From November 2015 to November 2015	71
SK Nagoya Building	Liquid-applied membrane waterproofing of roof top, renewal of iron section, and paint work	From August 2015 to September 2015	13
Shin-Osaka Central Tower	Replacement of parts of automated parking system	From September 2015 to October 2015	38
Shin-Osaka Central Tower	Replacement of parts of receiving and transforming facilities in high-voltage electric room, etc.	From October 2015 To November 2015	13

Name of Properties	Description of Work	Period Implemented	Expenditure Amount (Millions of yen)
Kawasaki Toshiba Building	Construction work of turbo refrigerator	From July 2015 to November 2015	10
FOUR SEASONS BLDG	Renewal of toilets	From August 2015 to November 2015	17
Pacific Marks Shinjuku Parkside	Renewal of central monitoring panel of common area	From August 2015 to November 2015	18
Akasaka Hikawa Building	Renewal of toilets (1F and 3F)	From August 2015 to September 2015	18
Pacific Marks Nishi-Umeda	Replacement of parts of automated parking system	From October 2015 to November 2015	11
Pacific Marks Esaka	Renewal of high-voltage receiving and transforming facility (3rd period)	From June 2015 to September 2015	46
Pacific Marks Esaka	Renewal of high-voltage receiving and transforming facility (4th period)	From June 2015 to September 2015	28
Pacific Marks Esaka	Renewal of individual air-conditioner	From August 2015 to November 2015	140
Pacific Marks Esaka	Electric work related to renewal of individual air-conditioner	From October 2015 to November 2015	10
Pacific Marks Esaka	Construction related to repair of common area	From November 2015 to November 2015	11
Pacific Marks Esaka	Electric work related to repair of common area	From November 2015 to November 2015	10
Shinjuku Washington Hotel Honkan	Repair of elevator	From April 2015 to September 2015	214
Shinjuku Washington Hotel Honkan	Repair of guest rooms (12-24F)	From April 2015 to November 2015	927
the b roppongi	Repair of guest rooms (4F and 5F) Repair of corridor in common area	From August 2015 to August 2015	10
Sky Court Shiba-Daimon	Large-scale repair work	From July 2015 to November 2015	33
UUR Court Kinshicho	Replacement of parts of automated parking system	From September 2015 to November 2015	32
Other capital expenditures			353
Total			2,049

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

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		
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Reserve balance at the beginning of period	711	692	663
Addition to the reserve during the period (Note)	90	29	106
Reduction of reserve during the period	9	10	77
Reserve balance to be carried over to next period	792	711	692

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.

## Expenses and Debt

### 1. Asset Management Expenses

	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	Thousands of yen 22nd Fiscal Period (June 1, 2014 - November 30, 2014)
Asset management fees (Note)	1,601,124	1,559,775	1,496,485
Asset custodian fees	17,566	17,403	16,881
Administrative agent fees	68,016	69,648	66,308
Directors' fees	10,200	10,200	10,200
Other expenses	240,391	205,592	244,110
<b>Total</b>	<b>1,937,299</b>	<b>1,862,620</b>	<b>1,833,985</b>

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (22nd fiscal period: ¥214,800 thousand, 23rd fiscal period: ¥29,120 thousand, 24th fiscal period: ¥228,456 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (23rd fiscal period: ¥28,160 thousand).

### 2. Borrowings

Borrowings from financial institutions as of November 30, 2015 were as follows:

(Long-term debt due for repayment within one year)

Lenders	Drawdown Date	Balance at the beginning of the 24th FP (Millions of yen) (Note 1)	Balance at the end of the 24th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Banking Corporation	Apr. 12, 2012	1,000	1,000	0.530%	Mar. 20, 2016	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.		2,000	2,000			
Mizuho Trust & Banking Co., Ltd.		1,000	1,000			
Resona Bank, Limited		1,000	1,000			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Oct. 25, 2011	-	2,000	0.580%	Sep. 20, 2016	
Mizuho Bank, Ltd.		-	2,500			
The Bank of Fukuoka, Ltd.		-	1,200			
Total		5,000	10,700			

(Long-term debt)

Lenders	Drawdown Date	Balance at the beginning of the 24th FP (Millions of yen) (Note 1)	Balance at the end of the 24th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Oct. 25, 2011	2,000	-	0.580%	Sep. 20, 2016	Unsecured Unguaranteed Floating interest rate
Mizuho Bank, Ltd.		2,500	-			
The Bank of Fukuoka, Ltd.		1,200	-			
Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	2,000	2,000	0.580%	Dec. 20, 2016	
Mizuho Bank, Ltd.	Dec. 26, 2011	500	500	0.580%	Dec. 20, 2016	
The Norinchukin Bank		4,000	4,000			
Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2012	1,500	1,500	0.580%	Mar. 20, 2017	
Sumitomo Mitsui Banking Corporation		2,400	2,400			
Sompo Japan Nipponkoa Insurance Inc.	Mar. 30, 2012	1,000	1,000	0.993%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
The Hiroshima Bank, Ltd.		500	500			
Kansai Urban Banking Corporation		1,000	1,000			

Lenders	Drawdown Date	Balance at the beginning of the 24th FP (Millions of yen) (Note 1)	Balance at the end of the 24th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Mizuho Bank, Ltd.	Apr. 12, 2012	1,500	1,500	0.580%	Mar. 20, 2017	Unsecured Unguaranteed Floating interest rate
Mitsubishi UFJ Trust and Banking Corporation		1,500	1,500			
Shinsei Bank, Limited		1,000	1,000			
The Bank of Fukuoka, Ltd.		1,000	1,000			
The 77 Bank, Ltd.		500	500			
Shinsei Bank, Limited	May 18, 2012	1,000	1,000	0.922%	Mar. 20, 2017	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc. (Note 3)	Jul. 7, 2010	1,550	1,500	2.142%	Jun. 20, 2017	
Resona Bank, Limited	May 18, 2012	1,300	1,300	0.534% (Note 4)	Jun. 20, 2017	Unsecured Unguaranteed (Note 4)
The Gunma Bank, Ltd.	Jun. 20, 2012	900	900	0.534% (Note 4)	Jun. 20, 2017	
The Bank of Yokohama, Ltd.		900	900			
The Tokyo Momin Bank, Limited		500	500			
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	2,500	0.484% (Note 4)	Jun. 20, 2017	
Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	2,400	0.434% (Note 4)	Jun. 20, 2017	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	4,400	0.740%	Sep. 20, 2017	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.611% (Note 4)	Mar. 20, 2018	Unsecured Unguaranteed (Note 4)
Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	2,200	0.511% (Note 4)	Mar. 20, 2018	
Mizuho Bank, Ltd.	Mar. 21, 2013	3,000	3,000	0.461% (Note 4)	Mar. 20, 2018	
Aozora Bank, Ltd.	Mar. 21, 2013	1,570	1,570	0.461% (Note 4)	Mar. 20, 2018	
The Norinchukin Bank		2,253	2,253			
Aozora Bank, Ltd.	Mar. 20, 2014	1,700	1,700	0.559%	Mar. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	2,000	2,000	0.778% (Note 4)	Jun. 20, 2018	Unsecured Unguaranteed (Note 4)
The Shinkumi Federation Bank	Jun. 20, 2013	2,000	2,000	0.449% (Note 4)	Jun. 20, 2018	
The Bank of Fukuoka, Ltd.		500	500			
Saitama Resona Bank, Limited		1,000	1,000			
Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	1,000	1,000	0.735% (Note 4)	Jun. 20, 2018	
ORIX Bank Corporation	Jun. 20, 2013	1,500	1,500	0.830%	Jun. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.464%	Sep. 20, 2018	
THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	1,000	0.453% (Note 4)	Sep. 20, 2018	Unsecured Unguaranteed (Note 4)
The Nomura Trust and Banking Co., Ltd.		1,000	1,000			
The Kagawa Bank, Ltd.		500	500			
The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	1,000	0.781%	Sep. 20, 2018	Unsecured Unguaranteed Fixed interest rate
Shinkin Central Bank	Nov. 1, 2013	1,000	1,000	0.688%	Sep. 20, 2018	
Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.524% (Note 4)	Mar. 20, 2019	Unsecured Unguaranteed (Note 4)
ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753%	Mar. 20, 2019	Unsecured Unguaranteed Fixed interest Rate
The Norinchukin Bank	Feb. 28, 2014	1,600	1,600	0.620% (Note 4)	Mar. 20, 2019	Unsecured Unguaranteed (Note 4)
Resona Bank, Limited	Apr. 8, 2014	1,000	1,000	0.708%	Mar. 20, 2019	Unsecured Unguaranteed Fixed interest rate

Lenders	Drawdown Date	Balance at the beginning of the 24th FP (Millions of yen) (Note 1)	Balance at the end of the 24th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.693% (Note 4)	Jun. 20, 2019	Unsecured Unguaranteed (Note 4)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Aozora Bank, Ltd.	May 16, 2013	2,000	2,000	0.523% (Note 4)	Jun. 20, 2019	Unsecured Unguaranteed (Note 4)
Shinsei Bank, Limited	May 16, 2013	1,000	1,000	1.056%	Jun. 20, 2019	Unsecured Unguaranteed Fixed interest rate
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	1,000	1,000	0.511%	Sep. 20, 2019	
Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	4,000	0.555% (Note 4)	Sep. 20, 2019	Unsecured Unguaranteed (Note 4)
Mizuho Bank, Ltd.		637	637			
Aozora Bank, Ltd.		1,570	1,570			
Aozora Bank, Ltd.	Aug. 29, 2014	1,200	1,200	0.593%	Sep. 20, 2019	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	4,000	4,000	0.800%	Mar. 23, 2020	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	2,427	2,427	0.780%	Mar. 23, 2020	Unsecured Unguaranteed (Note 4)
Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.617% (Note 4)	Mar. 23, 2020	
Mitsubishi UFJ Trust and Banking Corporation		869	869			
Resona Bank, Limited		339	339			
Mitsubishi UFJ Trust and Banking Corporation	Mar. 20, 2014	1,300	1,300	0.640% (Note 4)	Mar. 23, 2020	
Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370%	Jun. 20, 2020	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.631% (Note 4)	Jun. 20, 2020	Unsecured Unguaranteed (Note 4)
Sumitomo Mitsui Banking Corporation		1,650	1,650			
Mizuho Bank, Ltd.		1,000	1,000			
Aozora Bank, Ltd.		2,000	2,000			
Mizuho Trust & Banking Co., Ltd.		500	500			
The Daishi Bank, Ltd.	Jul. 8, 2015	-	1,000	0.550% (Note 4)	Jun. 22, 2020	Unsecured Unguaranteed (Note 4)
The 77 Bank, Ltd.	Jul. 8, 2015	-	500	0.527% (Note 4)	Sep. 23, 2020	
The Bank of Yokohama, Ltd.		-	500			
The Tokyo Tomin Bank, Limited		-	500			
The Kagawa Bank, Ltd.		-	500			
The Bank of Fukuoka, Ltd.	Aug. 7, 2015	-	500	0.428% (Note 4)	Sep. 23, 2020	
Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.668% (Note 4)	Sep. 23, 2020	
Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.668% (Note 4)	Sep. 23, 2020	
Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000%	Sep. 23, 2020	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826%	Sep. 23, 2020	
Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888%	Sep. 23, 2020	
The Norinchukin Bank	Jul. 8, 2015	-	1,000	0.509% (Note 4)	Dec. 21, 2020	Unsecured Unguaranteed (Note 4)
Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	1,300	1,300	0.858%	Dec. 21, 2020	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	5,800	5,800	0.850% (Note 4)	Mar. 22, 2021	Unsecured Unguaranteed (Note 4)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 20, 2014	1,400	1,400	0.830%	Mar. 22, 2021	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.841%	Mar. 22, 2021	
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 28, 2014	2,200	2,200	0.850%	Mar. 22, 2021	



Lenders	Drawdown Date	Balance at the beginning of the 24th FP (Millions of yen) (Note 1)	Balance at the end of the 24th FP (Millions of yen) (Note 1)	Average Interest Rate (Note 2)	Maturity Date	Remarks
Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	5,700	5,700	0.883%	Mar. 22, 2021	Unsecured Unguaranteed Fixed interest rate
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 29, 2014	1,900	1,900	0.690%	Mar. 22, 2021	
Sumitomo Mitsui Banking Corporation	Oct. 2, 2014	2,000	2,000	0.619% (Note 4)	Mar. 22, 2021	Unsecured Unguaranteed (Note 4)
Mizuho Bank, Ltd.	May 1, 2014	1,700	1,700	0.737% (Note 4)	Jun. 21, 2021	
Sumitomo Mitsui Banking Corporation	May 1, 2014	1,000	1,000	0.872% (Note 4)	Jun. 21, 2021	
Mitsubishi UFJ Trust and Banking Corporation	May 1, 2014	1,000	1,000	0.770% (Note 4)	Jun. 21, 2021	
The Gunma Bank, Ltd.	Jul. 8, 2015	-	500	0.559% (Note 4)	Sep. 21, 2021	
Sumitomo Mitsui Banking Corporation	Jun. 30, 2015	-	2,900	0.612% (Note 4)	Dec. 20, 2021	
Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2014	3,000	3,000	0.670% (Note 4)	Dec. 20, 2021	
Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	2,600	1.030%	Mar. 22, 2022	Unsecured Unguaranteed Fixed interest rate
Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	3,000	0.661% (Note 4)	Mar. 22, 2022	Unsecured Unguaranteed (Note 4)
Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672% (Note 4)	Jun. 20, 2022	
Shinkin Central Bank	Jul. 8, 2015	-	1,000	0.728%	Jun. 20, 2022	Unsecured Unguaranteed Fixed interest rate
Development Bank of Japan Inc.	Aug. 7, 2015	-	1,200	0.710%	Jun. 20, 2022	Unsecured Unguaranteed (Note 4)
The Hiroshima Bank, Ltd.	Jul. 8, 2015	-	500	0.685% (Note 4)	Sep. 20, 2022	
Yamaguchi Bank, Ltd.	Jul. 8, 2015	-	1,000	0.885% (Note 4)	Sep. 20, 2022	
Nippon Life Insurance Company	Jul. 8, 2015	-	1,000	0.861%	Sep. 20, 2022	Unsecured Unguaranteed Fixed interest rate
Shinsei Bank, Limited	Jul. 15, 2015	-	1,500	0.773%	Sep. 20, 2022	
Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814%	Sep. 20, 2022	
Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	3,400	1.239%	Dec. 20, 2022	
Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	6,500	0.842%	Mar. 20, 2023	
Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	3,500	3,500	0.775%	Mar. 20, 2023	
Mizuho Trust & Banking Co., Ltd.	Aug. 7, 2015	-	1,000	0.798%	Jun. 20, 2023	
Mizuho Bank, Ltd.	Jul. 15, 2015	-	1,300	0.749% (Note 4)	Sep. 20, 2023	Unsecured Unguaranteed (Note 4)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jul. 15, 2015	-	1,300	0.780%	Sep. 20, 2023	Unsecured Unguaranteed Fixed interest rate
Sumitomo Mitsui Trust Bank, Limited	Jul. 15, 2015	-	1,700	0.924%	Jun. 20, 2024	
Total		176,857	190,507			

Borrowings Total	181,857	201,207	
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Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal to the total due to rounding.

2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.

3. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).

4. It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

### 3. Corporate Bonds

Corporate Bonds as of November 30, 2015 were as follows :

Name	Balance at the beginning of the 24th FP (Millions of yen)	Balance at the end of the 24th FP (Millions of yen)	Interest Rate (%)	Issue Date	Maturity Date	Redemption Method
Series 2 of Unsecured Corporate Bonds	10,000	-	1.910	Jul. 12, 2005	Jul. 10, 2015	Bullet payment
Series 6 of Unsecured Corporate Bonds	3,000	3,000	1.120	Dec. 9, 2011	Dec. 9, 2016	Bullet payment
Series 7 of Unsecured Corporate Bonds	6,500	6,500	0.950	Jul. 5, 2012	Jul. 5, 2017	Bullet payment
Series 8 of Unsecured Corporate Bonds	10,000	10,000	0.800	Aug. 6, 2012	Aug. 5, 2016	Bullet payment
Series 9 of Unsecured Corporate Bonds	10,000	10,000	0.620	Dec. 19, 2012	Dec. 19, 2016	Bullet payment
Series 10 of Unsecured Corporate Bonds	4,000	4,000	0.690	Dec. 12, 2012	Dec. 12, 2017	Bullet payment
Series 11 of Unsecured Corporate Bonds	8,000	8,000	0.690	May 30, 2013	May 30, 2018	Bullet payment
Series 12 of Unsecured Corporate Bonds	2,000	2,000	0.690	May 30, 2013	May 30, 2018	Bullet payment
Series 13 of Unsecured Corporate Bonds	13,000	13,000	0.470	Nov. 20, 2013	Nov. 20, 2018	Bullet payment
Series 14 of Unsecured Corporate Bonds	2,000	2,000	0.470	Nov. 20, 2013	Nov. 20, 2018	Bullet payment
Series 15 of Unsecured Corporate Bonds	3,000	3,000	0.525	Oct. 30, 2014	Oct. 29, 2021	Bullet payment
Series 16 of Unsecured Corporate Bonds	2,000	2,000	0.804	May 29, 2015	May 29, 2025	Bullet payment
Total	73,500	63,500				

## Trading Activities during the Period

### 1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets

(Millions of yen)

Type of Asset	Name of Properties	Acquisition		Transfer			
		Date	Acquisition price (Note)	Date	Sale price	Book value	Gain or loss on sale
Trust beneficial interest in real estate	Granbell Ginza Building	Jun. 30, 2015	2,621	-	-	-	-
Trust beneficial interest in real estate	Quartz Tower (Land)	Jun. 30, 2015	4,535	-	-	-	-
Trust beneficial interest in real estate	UUR Tenjin Nishi-dori Building	Jul. 15, 2015	5,500	-	-	-	-
Trust beneficial interest in real estate	Shin-Narashino Logistics Center	Aug. 7, 2015	2,555	-	-	-	-
Trust beneficial interest in real estate	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Aug. 31, 2015	2,655	-	-	-	-
Trust beneficial interest in real estate	Toyoko Inn Hiroshima Heiwa-odori	Aug. 31, 2015	2,113	-	-	-	-
Trust beneficial interest in real estate	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Aug. 31, 2015	745	-	-	-	-
Trust beneficial interest in real estate	UUR Court Shiki	Sep. 18, 2015	2,730	-	-	-	-
Trust beneficial interest in real estate	Luz Shonan Tsujido	Sep. 30, 2015	3,938	-	-	-	-
Trust beneficial interest in real estate	Quartz Tower (Building)	Nov. 13, 2015	1,165	-	-	-	-
Total		-	28,557	-	-	-	-

Note: The "Acquisition price" is the price stated in the each purchase and sale agreement of the asset, and does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer (e.g. agency fees, taxes and impositions).

### 2. Trading of Other Assets

Major assets other than the transactions stated in "1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets" are generally bank deposits and bank deposits in trust.

### 3. Research for Specified Assets

(1) Real estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Properties	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	Granbell Ginza Building	Jun. 30, 2015	2,621	2,820	Jun. 1, 2015	Japan Real Estate Institute
	Trust beneficial interest in real estate	UUR Tenjin Nishi-dori Building	Jul. 15, 2015	5,500	5,580	May 1, 2015	Japan Real Estate Institute
	Trust beneficial interest in real estate	Shin-Narashino Logistics Center	Aug. 7, 2015	2,555	2,570	Jul. 1, 2015	Japan Real Estate Institute
	Trust beneficial interest in real estate	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Aug. 31, 2015	2,655	2,910	Aug. 1, 2015	DAIWA REAL ESTATE APPRAISAL CO., LTD.
	Trust beneficial interest in real estate	Toyoko Inn Hiroshima Heiwa-odori	Aug. 31, 2015	2,113	2,190	Aug. 1, 2015	DAIWA REAL ESTATE APPRAISAL CO., LTD.
	Trust beneficial interest in real estate	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Aug. 31, 2015	745	755	Aug. 1, 2015	DAIWA REAL ESTATE APPRAISAL CO., LTD.
	Trust beneficial interest in real estate	UUR Court Shiki	Sep. 18, 2015	2,730	2,960	Aug. 1, 2015	Japan Real Estate Institute

Trust beneficial interest in real estate	Luz Shonan Tsujido	Sep. 30, 2015	3,938	4,160	Mar. 1, 2015	The Tanizawa Sōgō Appraisal Co., Ltd.
Trust beneficial interest in real estate	Quartz Tower (Note 3)	Nov. 13, 2015 (Jun. 30, 2015)	5,700 (4,535)	5,780 (4,540)	Nov. 13, 2015 (Jun. 1, 2015)	The Tanizawa Sōgō Appraisal Co., Ltd.

- Notes: 1. As for transactions that require appraisal values of real estate, etc. regarding specified assets, the appraisal was conducted by real estate appraisal organizations based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results.
2. The "Acquisition Price or Sale Price" is the price stated in the purchase and sale agreement of the asset, and do not include consumption taxes and expenses necessary for making the relevant acquisition or sale (e.g. agency fees, taxes and impositions).
3. As for Quartz Tower, United Urban acquired the land of the property on June 30, 2015 and the building of the property on November 13, 2015 based on a purchase and sale agreement of the trust beneficial interest in real estate on June 30, 2015. And United Urban received the research results for the entire property (land and building) at the time of acquisition of the building. The figures in parentheses are figures of the research results regarding the land which was acquired at the time acquisition of the land.

## (2) Others

As for transactions conducted by United Urban other than the transactions stated above in "(1) Real estates" that require research of value, etc. of specified assets pursuant to Article 201 of the Investment Trust Act, United Urban entrusts the research to Ernst & Young ShinNihon LLC.

During the 24th fiscal period (from June 1, 2015 to November 30, 2015), eight interest rate swap transactions were subject to the research, and United Urban has received the results from Ernst & Young ShinNihon LLC. As for the research, United Urban entrusted the research on name, brand, contract value, financial instruments or financial index, transaction period, and other matters related to the interest rate swap transaction.

## 4. Trading with Related Parties

### (1) Status of transactions

Category	Amount of Purchase and Sale Price etc.		
	Purchase price etc. (Thousands of yen)		Sale price etc. (Thousands of yen)
Total Amount	28,557,000		-
Breakdown of transactions with related parties			
Marubeni Corporation	UUR Court Shiki	2,730,000 (9.6%)	-
MG Leasing Corporation	Luz Shonan Tsujido	3,938,000 (13.8%)	-
Total		6,668,000 (23.3%)	-

### (2) Amount of commissions paid to related parties

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties		(B) / (A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Brokerage Commission	856,710	Marubeni Asset Management Co., Ltd.	118,140	13.8
		Marubeni Real Estate Management Co., Ltd.	81,900	9.6
Property Management Fees	1,317,655	Marubeni Real Estate Management Co., Ltd.	423,943	32.2
Casualty Insurance Premium	24,416	Marubeni Safenet Co., Ltd.	24,147	98.9
Construction Management Fees	82,255	Marubeni Real Estate Management Co., Ltd.	44,185	53.7
Other Rental Expenses	104,410	Marubeni Real Estate Management Co., Ltd.	289	0.3

- Notes: 1. "Related Parties" means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. Among Related Parties, the above-mentioned companies have conducted business or have received payment of commissions during the 24th fiscal period are stated above.
2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.

Marubeni Real Estate Management Co., Ltd.: ¥25,128 thousand

## Others

### Notifications

#### 1. General Meeting of Unitholders

The Eighth General Meeting of Unitholders of United Urban was held on August 28, 2015. The summaries of major matters approved by the General Meeting of Unitholders were as follows:

Proposal	Summary
Partial amendments to the Articles of Incorporation	<p>The following items for the Articles of Incorporation were amended.</p> <ol style="list-style-type: none"> <li>1. As for the general meeting of unitholders which is held every two years in principle, it is proposed to add new provision to the effect that i) United Urban calls a general meeting without delay on or after August 10 every other year, after August 10, 2017, and a public notice concerning the date of the general meeting is not required in such case, and ii) the record date, which can define unitholders entitled to exercise their voting rights at the general meeting, is set at the end of May every two years.</li> <li>2. In order to enable a resolution at the general meeting of unitholders to extend or shorten the term of each officer to the extent provided by law and regulations, a new provision is proposed.</li> <li>3. The chairman of the board of directors shall be appointed at the board of directors' meeting, and the deletion of provisions concerning the chairman of the board of directors is proposed.</li> <li>4. In accordance with revisions to enforcement regulation of the Act on Investment Trusts and Investment Corporations of Japan (Prime Minister's Office Ordinance No.129 of 2000; including subsequent amendments), it is proposed to add a necessary provision to the effect that Investment Corporation mainly invests in real estate, leasehold rights of real estate, surface rights and trust beneficial interests in these assets, among real estate assets.</li> <li>5. In accordance with revisions to enforcement regulation of the Act on Special Measures Concerning Taxation (Ministry of Finance Ordinance No.15 of 1957; including subsequent amendments), the deletion of unnecessary provisions is proposed.</li> <li>6. In preparation for future law amendments, simplification of provisions and necessary changes of wording is proposed.</li> <li>7. It is proposed to add new provision to the effect that cash distributions in excess of earnings are allowed for the purpose of minimizing taxation.</li> <li>8. In order to add renewable energy generation facilities, concession regarding public facilities, etc. and other related type of assets (the "Infrastructure Related Assets") to the assets targeted for investment, a new provision is proposed to be added.</li> <li>9. As for criteria concerning the asset management fee paid to the asset management company at the time that Infrastructure Related Assets are acquired, a necessary provision is proposed to be added.</li> <li>10. In addition to the above mentioned amendments, the unification of expressions with wording of regulations, the amendments of wording and maintenances in the numbering of the clauses are proposed together.</li> </ol>
Election of one Executive Officer	Hitoshi Murakami was elected as the Executive Officer.
Election of two Supervisory Officer	Masaaki Akiyama and Tetsuo Ozawa were elected as the Supervisory Officers.
Election of the Substitute Executive Officer	Ikuo Yoshida was elected as the Substitute Executive Officer.
Election of the Substitute Supervisory Officer	Tomoo Kugisawa was elected as the Substitute Supervisory Officer.

#### 2. United Urban Board of Directors

The conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 24th fiscal period were as follows:

Conclusion of the agreement regarding amendments of the asset management agreement	In connection with adding the Infrastructure Related Assets to the scope of properties targeted for investment under the Article of Incorporation, which was approved at the Eighth General Meeting of Unitholders of United Urban held on August 28, 2015, United Urban ratified to execute the amendments to the asset management agreement concluded between United Urban and JRA.
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## ◆ FINANCIAL SECTION

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## BALANCE SHEET

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and bank deposits	¥ 58,186,852	¥ 60,837,854
Rent receivables	403,145	409,405
Consumption taxes refundable	489,075	-
Other current assets	1,588,694	2,800,800
<b>Total current assets</b>	<b>60,667,767</b>	<b>64,048,059</b>
<b>PROPERTY AND EQUIPMENT, AT COST:</b>		
Land	350,241,162	331,212,510
Buildings and structures	222,562,662	212,423,001
Machinery and equipment	2,235,705	1,982,696
Tools, furniture and fixtures	513,729	465,100
Construction in progress	351,781	585,621
Subtotal	575,905,041	546,668,930
Less accumulated depreciation	(46,979,040)	(43,544,663)
<b>Net property and equipment</b>	<b>528,926,000</b>	<b>503,124,267</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Software	35,492	31,128
Leasehold	6,326,414	3,930,277
Other intangible assets	205,772	212,437
Security deposits paid	90,392	90,266
Long-term prepaid expenses	1,826,142	1,882,049
<b>TOTAL ASSETS</b>	<b>¥ 598,077,982</b>	<b>¥ 573,318,485</b>

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	¥ 1,841,303	¥ 1,517,426
Current portion of corporate bonds	10,000,000	10,000,000
Long-term debt due for repayment within one year	10,700,000	5,000,000
Accrued expenses	376,518	445,478
Rent received in advance	2,991,834	2,844,386
Provision for loss on litigation	275,605	-
Other current liabilities	77,854	956,215
<b>Total current liabilities</b>	<b>26,263,116</b>	<b>20,763,506</b>
<b>LONG-TERM LIABILITIES:</b>		
Corporate bonds	53,500,000	63,500,000
Long-term debt	190,507,000	176,857,000
Leasehold and security deposits received	30,306,219	29,234,603
Derivatives liabilities	161,237	56,430
<b>Total long-term liabilities</b>	<b>274,474,456</b>	<b>269,648,034</b>
<b>Total liabilities</b>	<b>300,737,572</b>	<b>290,411,540</b>
<b>NET ASSETS</b>		
<b>UNITHOLDERS' EQUITY:</b>		
Units authorized: 10,000,000 units as of November 30, 2015 and May 31, 2015		
Units issued and outstanding: 2,751,376 units as of November 30, 2015 and 2,644,311 units as of May 31, 2015	258,160,260	243,869,759
Capital surplus	23,548,287	23,548,287
Reserve for distribution	7,754,927	7,754,927
Unappropriated retained earnings	8,038,171	7,790,400
<b>VALUATION AND TRANSLATION ADJUSTMENTS:</b>		
Deferred gains or losses on hedges	(161,237)	(56,430)
<b>Total net assets</b>	<b>297,340,410</b>	<b>282,906,944</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>¥ 598,077,982</b>	<b>¥ 573,318,485</b>

The accompanying notes to financial statements are an integral part of these statements.

## STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)
<b>OPERATING REVENUES</b>		
Rental revenues	¥ 18,541,897	¥ 18,053,499
Other rental revenues	1,528,445	1,335,780
Gain on sales of real estate properties	-	76,878
	20,070,343	19,466,157
<b>OPERATING EXPENSES</b>		
Property-related expenses	8,705,601	8,313,414
Loss on sales of real estate properties	-	176,491
Asset management fees	1,601,124	1,559,775
Administrative service fees	85,582	87,052
Other operating expenses	250,591	215,792
	10,642,901	10,352,526
<b>OPERATING INCOME</b>	9,427,442	9,113,631
<b>NON-OPERATING REVENUES</b>		
Interest income	3,374	3,122
Reversal of cash distributions payable	2,519	5,173
Insurance income	5,318	8,110
Interest on refund	-	376
Compensation income	-	4,540
Other non-operating revenues	925	2,996
	12,138	24,320
<b>NON-OPERATING EXPENSES</b>		
Interest expense	987,597	965,096
Interest expense on corporate bonds	238,005	310,083
Corporate bond issuance expenses	-	20,684
Investment unit issuance expenses	38,223	25,290
Other non-operating expenses	12,722	26,173
	1,276,547	1,347,328
<b>ORDINARY INCOME</b>	8,163,033	7,790,623
<b>EXTRAORDINARY LOSS</b>		
Provision for loss on litigation	246,154	-
	246,154	-
<b>INCOME BEFORE INCOME TAXES</b>	7,916,878	7,790,623
<b>INCOME TAXES</b>		
Current	605	605
	605	605
<b>NET INCOME</b>	7,916,273	7,790,018
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	121,898	381
<b>UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD</b>	¥ 8,038,171	¥ 7,790,400

The accompanying notes to financial statements are an integral part of these statements.

## STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

	Thousands of yen							
	Number of Units	Unitholders' Capital	Capital Surplus	Reserve for Distribution	Unappropriated Retained Earnings	Total Unitholders' Equity	Total Valuation and Translation Adjustments	Net Assets
<b>BALANCE AS OF NOVEMBER 30, 2014</b>	2,512,246	¥219,768,557	¥ 23,548,287	¥7,754,927	¥7,275,845	¥258,347,618	¥(12,199)	¥258,335,418
Issuance of new investment units	132,065	24,101,202	-	-	-	24,101,202	-	24,101,202
Cash distributions disbursed	-	-	-	-	(7,275,464)	(7,275,464)	-	(7,275,464)
Net income	-	-	-	-	7,790,018	7,790,018	-	7,790,018
Net changes of items other than unitholders' equity	-	-	-	-	-	-	(44,231)	(44,231)
<b>BALANCE AS OF MAY 31, 2015</b>	2,644,311	¥243,869,759	¥ 23,548,287	¥7,754,927	¥7,790,400	¥282,963,375	¥(56,430)	¥282,906,944
Issuance of new investment units	107,065	14,290,500	-	-	-	14,290,500	-	14,290,500
Cash distributions disbursed	-	-	-	-	(7,668,501)	(7,668,501)	-	(7,668,501)
Net income	-	-	-	-	7,916,273	7,916,273	-	7,916,273
Net changes of items other than unitholders' equity	-	-	-	-	-	-	(104,806)	(104,806)
<b>BALANCE AS OF NOVEMBER 30, 2015</b>	2,751,376	¥258,160,260	¥ 23,548,287	¥7,754,927	¥8,038,171	¥297,501,647	¥(161,237)	¥297,340,410

The accompanying notes to financial statements are an integral part of these statements.

## STATEMENT OF CASH FLOWS

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes	¥ 7,916,878	¥ 7,790,623
Depreciation and amortization	3,482,401	3,464,656
Gain on sales of real estate properties	-	(76,878)
Loss on sales of real estate properties	-	176,491
Provision for loss on litigation	246,154	-
Interest income and interest on securities	(3,374)	(3,122)
Interest expense and interest expense on corporate bonds	1,225,602	1,275,180
Corporate bond issuance expenses	-	20,684
Investment unit issuance expenses	38,223	25,290
Decrease (increase) in rent receivables	6,259	(10,053)
(Increase) decrease in consumption taxes refundable	(419,593)	65,167
Decrease (increase) in prepaid expenses	454,818	(468,594)
Decrease in long-term prepaid expenses	24,160	24,347
Increase (decrease) in trade accounts payable	241,234	(50,882)
Decrease in accrued expenses	(7,100)	(18,736)
(Decrease) increase in consumption taxes payable	(853,135)	853,919
Increase in rent received in advance	147,448	16,200
Other, net	750,682	(2,331,288)
Subtotal	13,250,659	10,753,004
Interest received	3,395	3,102
Interest paid	(1,263,281)	(1,114,286)
Income taxes paid	(656)	(640)
Net cash provided by operating activities	11,990,116	9,641,180
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from withdrawal of time deposits	1,205,530	-
Payments into time deposits	-	(1,000,000)
Sale of property and equipment	-	3,213,152
Purchase of property and equipment	(29,330,352)	(5,657,751)
Purchase of intangible assets	(2,397,631)	-
Proceeds from collection of leasehold and security deposits	138	-
Payments for leasehold and security deposits	(264)	-
Proceeds from leasehold and security deposits received	1,569,048	830,547
Payments for leasehold and security deposits received	(416,690)	(353,377)
Net cash used in investing activities	(29,370,221)	(2,967,429)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	19,400,000	3,500,000
Repayment of long-term debt	(50,000)	(12,300,000)
Proceeds from issuance of corporate bonds	-	1,984,693
Repayment of corporate bonds	(10,000,000)	(7,000,000)
Proceeds from issuance of investment units	14,252,277	24,075,912
Distributions to unitholders	(7,667,623)	(7,275,999)
Net cash provided by financing activities	15,934,653	2,984,606
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(1,445,451)	9,658,356
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	59,632,303	49,973,947
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	¥ 58,186,852	¥ 59,632,303

The accompanying notes to financial statements are an integral part of these statements.



# NOTES TO FINANCIAL STATEMENTS

## 1. ORGANIZATION AND BASIS OF PRESENTATION

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### **Organization**

United Urban Investment Corporation ("United Urban") is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. ("JRA"). JRA is currently owned 95% by Marubeni Corporation ("Marubeni") and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

United Urban was founded on November 4, 2003, with an initial capitalization of ¥125 million, under the Act on Investment Trusts and Investment Corporations of Japan (the "Investment Trust Act"). Trinity Investment Trust L.L.C., Marubeni, Credit Suisse Principal Investment Limited, Tokyo Branch, Kyokuto, Yamato Life Insurance Co., and JRA initially established United Urban. On December 20, 2003, United Urban raised ¥36,633 million through an initial public offering of investment units, and on December 22, 2003, United Urban was listed on the J-REIT section of the Tokyo Stock Exchange.

On May 10, 2010, United Urban entered into a merger agreement ("Merger Agreement") with Nippon Commercial Investment Corporation ("NCI"). The Merger was effective December 1, 2010, and United Urban became one of the largest J-REITs in terms of asset size.

As of November 30, 2015, the end of its 24th fiscal period, United Urban had ownership of, or beneficial interests in, 34 retail properties, 37 office buildings, 12 hotels, 24 residential properties, 1 property which consisted of retail properties and an office building, 1 property which consisted of an office building and a hotel, and 8 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

### **Basis of Presentation of Financial Statements**

The accompanying financial statements of United Urban are prepared on the basis of generally accepted accounting principles in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are translations of the audited financial statements of United Urban, prepared in accordance with Japanese GAAP and presented in the Securities Report of United Urban filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts have been rounded down to the nearest thousand yen in the accompanying financial statements and the notes thereto. As a result, the totals shown in the accompanying financial statements and the notes thereto do not necessarily agree with the sums of the individual amounts.

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 24th fiscal period began on June 1, 2015 and ended on November 30, 2015.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### **Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation. The cost of land, buildings and structures includes the purchase prices of property, legal fees and other acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets which are summarized as follows:

	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
Buildings and structures	2 - 70 years	2 - 67 years
Machinery and equipment	2 - 17 years	2 - 17 years
Tools, furniture and fixtures	3 - 15 years	3 - 15 years

Expenditures for repairs and maintenance are charged to operating expenses as incurred. Significant renewals and betterments are capitalized.

### ***Intangible Assets***

Amortization of intangible assets is calculated on a straight-line basis. In addition, amortization of the software for internal use is calculated using an estimated useful life of 5 years.

### ***Corporate Bond Issuance Expenses***

Corporate bond issuance expenses are expensed at once at the time of payment.

### ***Investment Unit Issuance Expenses***

Investment unit issuance expenses are expensed at once at the time of payment.

### ***Provision for Loss on Litigation***

In order to prepare for probable losses on a lawsuit, the estimated amount of the loss at the end of the fiscal period is provided.

### ***Cash and Cash Equivalents***

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.

### ***Revenue Recognition***

United Urban operates retail properties, office buildings, hotels, residential properties, and other properties which are rented to tenants. Revenues from these leases are recognized on an accrual basis over the life of each lease. Rental revenues include rent received, the recovery of utility charges and certain other income.

### ***Taxes on Property and Equipment***

United Urban allocated the respective portion of property taxes and city planning taxes to the current period and charged this to property-related expenses.

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥46,898 thousand and ¥9,806 thousand of such property taxes and city planning taxes were capitalized for the fiscal periods ended November 30, 2015 and May 31, 2015, respectively.

### ***Hedge Accounting***

United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation based on its financial policy. Derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instrument for the purpose of avoiding interest-rate risks relating to debts. In addition, 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.

### ***Accounting Treatment for 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 all income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts.

### ***Income Taxes***

Deferred income taxes are recognized by the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial and tax reporting of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

### ***Consumption Taxes***

Consumption taxes withheld and paid are not included in the accompanying statement of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over the amounts withheld is included in current assets as "Consumption taxes refundable" and the excess of the amounts withheld over the amounts paid is included in current liabilities as "Consumption taxes payable."

Certain consumption tax payments relating to purchases of property and equipment are not deductible from consumption taxes withheld. Such consumption tax payments are capitalized and included in the respective acquisition costs of the property and equipment.

### ***Reclassifications***

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended November 30, 2015.

## **3. PLEDGED ASSETS AND SECURED DEBT**

At November 30, 2015 and May 31, 2015, the following assets were pledged as collateral for the following debt:

### ***Pledged Assets***

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
Cash and bank deposits	-	¥ 205,550
Land	¥ 4,204,726	4,204,726
Buildings and structures	3,826,508	3,898,800
Tools, furniture and fixtures	1,997	1,147
Total	¥ 8,033,232	¥ 8,310,224

#### Debt Secured by Pledged Assets

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
Leasehold and security deposits received	¥ 1,235,147	¥ 1,440,677
Total	¥ 1,235,147	¥ 1,440,677

#### 4. LINE-OF-CREDIT AGREEMENT

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

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
Total amount of commitment	¥ 36,000,000	¥ 36,000,000
Outstanding borrowings at end of period	-	-
Amount unutilized at end of period	¥ 36,000,000	¥ 36,000,000

#### 5. CONTINGENT LIABILITIES

(24th Fiscal Period: As of November 30, 2015)

There was no applicable information on contingent liabilities for the fiscal period ended November 30, 2015. See "20. SUBSEQUENT EVENTS."

(23rd Fiscal Period: As of May 31, 2015)

With regard to Shinsaibashi OPA Honkan ("OPA Honkan") and Shinsaibashi OPA Kireikan ("OPA Kireikan"), a case to reduce the rent of these two properties (the "Case") was brought against United Urban at the Tokyo District Court on October 15, 2012 by OPA co., Ltd., the lessee of OPA Honkan and OPA Kireikan (the "Plaintiff"). Later, the Case was decided to be transferred to the Osaka District Court, and is now pending at the Osaka District Court.

The Plaintiff has requested to reduce the rent of OPA Honkan, from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of OPA Kireikan, from March 1, 2012 and onwards, by approximately 18% of the current level. However, United Urban believes that there are no reasonable grounds for their request to reduce the rent.

In addition, United Urban obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim to the Osaka District Court against OPA co., Ltd. on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level, and the counterclaim is also pending at the Osaka District Court together with the Case.

Depending on the results of the Case or the counterclaim, there may be some effects on the operating condition of United Urban. However, United Urban is not able to predict the effect at present.

#### 6. UNITHOLDERS' EQUITY

United Urban issues only units with no par value in accordance with the Investment Trust Act, under which United Urban is required to maintain at least ¥50 million as minimum net assets.

## 7. LONG-TERM DEBT

Long-term debt at November 30, 2015 and May 31, 2015 consisted of the following:

	End of 24th Fiscal Period (As of November 30, 2015)		End of 23rd Fiscal Period (As of May 31, 2015)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2016	¥ 5,000,000	0.530%	¥ 5,000,000	0.531%
Unsecured loan from banks at floating interest rate, due September 20, 2016	5,700,000	0.580%	5,700,000	0.581%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2016	2,000,000	0.580%	2,000,000	0.581%
Unsecured loan from banks at floating interest rate, due December 20, 2016	4,500,000	0.580%	4,500,000	0.581%
Unsecured loan from a bank and a trust bank at floating interest rate, due March 20, 2017	3,900,000	0.580%	3,900,000	0.581%
Unsecured loan from banks and an insurance company at fixed interest rate, due March 20, 2017	2,500,000	0.993%	2,500,000	0.993%
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2017	5,500,000	0.580%	5,500,000	0.581%
Unsecured loan from a bank at fixed interest rate, due March 20, 2017	1,000,000	0.922%	1,000,000	0.922%
Unsecured loan from a bank at fixed interest rate, due June 20, 2017 (Note 2)	1,500,000	2.142%	1,550,000	2.142%
Unsecured loan from a bank at floating interest rate, due June 20, 2017	1,300,000	0.534% (Note 3)	1,300,000	0.534% (Note 3)
Unsecured loan from banks at floating interest rate, due June 20, 2017	2,300,000	0.534% (Note 3)	2,300,000	0.534% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2017	2,500,000	0.484% (Note 3)	2,500,000	0.484% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2017	2,400,000	0.434% (Note 3)	2,400,000	0.434% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2017	4,400,000	0.740%	4,400,000	0.740%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.611% (Note 3)	3,000,000	0.611% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	2,200,000	0.511% (Note 3)	2,200,000	0.511% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.461% (Note 3)	3,000,000	0.461% (Note 3)
Unsecured loan from banks at floating interest rate, due March 20, 2018	3,823,000	0.461% (Note 3)	3,823,000	0.461% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2018	1,700,000	0.559%	1,700,000	0.559%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	2,000,000	0.778% (Note 3)	2,000,000	0.778% (Note 3)
Unsecured loan from banks and a federation at floating interest rate, due June 20, 2018	3,500,000	0.449% (Note 3)	3,500,000	0.449% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	1,000,000	0.735% (Note 3)	1,000,000	0.735% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2018	1,500,000	0.830%	1,500,000	0.830%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2018	2,500,000	0.453% (Note 3)	2,500,000	0.453% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.781%	1,000,000	0.781%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.688%	1,000,000	0.688%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	3,500,000	0.524% (Note 3)	3,500,000	0.524% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	1,000,000	0.753%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.620% (Note 3)	1,600,000	0.620% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	1,000,000	0.708%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.693% (Note 3)	4,500,000	0.693% (Note 3)

	End of 24th Fiscal Period (As of November 30, 2015)		End of 23rd Fiscal Period (As of May 31, 2015)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	2,000,000	0.523% (Note 3)	2,000,000	0.523% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	1,000,000	1.056%	1,000,000	1.056%
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2019	1,000,000	0.511%	1,000,000	0.511%
Unsecured loan from banks at floating interest rate, due September 20, 2019	6,207,000	0.555% (Note 3)	6,207,000	0.555% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2019	1,200,000	0.593%	1,200,000	0.593%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	2,427,000	0.780%	2,427,000	0.780%
Unsecured loan from banks and a trust bank at floating interest rate, due March 23, 2020	2,417,000	0.617% (Note 3)	2,417,000	0.617% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 23, 2020	1,300,000	0.640% (Note 3)	1,300,000	0.640% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from banks and trust banks at floating interest rate, due June 20, 2020	6,150,000	0.631% (Note 3)	6,150,000	0.631% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 22, 2020	1,000,000	0.550% (Note 3)	-	-
Unsecured loan from banks at floating interest rate, due September 23, 2020	2,000,000	0.527% (Note 3)	-	-
Unsecured loan from a bank at floating interest rate, due September 23, 2020	500,000	0.428% (Note 3)	-	-
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.668% (Note 3)	4,500,000	0.668% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.668% (Note 3)	3,283,000	0.668% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due September 23, 2020	1,000,000	1.000%	1,000,000	1.000%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,400,000	0.826%	2,400,000	0.826%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,500,000	0.888%	2,500,000	0.888%
Unsecured loan from a bank at floating interest rate, due December 21, 2020	1,000,000	0.509% (Note 3)	-	-
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2020	1,300,000	0.858%	1,300,000	0.858%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	5,800,000	0.850% (Note 3)	5,800,000	0.850% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.830%	1,400,000	0.830%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.841%	1,400,000	0.841%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	2,200,000	0.850%	2,200,000	0.850%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2021	5,700,000	0.883%	5,700,000	0.883%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,900,000	0.690%	1,900,000	0.690%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	2,000,000	0.619% (Note 3)	2,000,000	0.619% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.737% (Note 3)	1,700,000	0.737% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.872% (Note 3)	1,000,000	0.872% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 21, 2021	1,000,000	0.770% (Note 3)	1,000,000	0.770% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	500,000	0.559% (Note 3)	-	-
Unsecured loan from a bank at floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 3)	-	-

	End of 24th Fiscal Period (As of November 30, 2015)		End of 23rd Fiscal Period (As of May 31, 2015)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2021	3,000,000	0.670% (Note 3)	3,000,000	0.670% (Note 3)
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	2,600,000	1.030%	2,600,000	1.030%
Unsecured loan from a bank at floating interest rate, due March 22, 2022	3,000,000	0.661% (Note 3)	3,000,000	0.661% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2022	2,000,000	0.672% (Note 3)	2,000,000	0.672% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,000,000	0.728%	-	-
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,200,000	0.710%	-	-
Unsecured loan from a bank at floating interest rate, due September 20, 2022	500,000	0.685% (Note 3)	-	-
Unsecured loan from a bank at floating interest rate, due September 20, 2022	1,000,000	0.885% (Note 3)	-	-
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2022	1,000,000	0.861%	-	-
Unsecured loan from a bank at fixed interest rate, due September 20, 2022	1,500,000	0.773%	-	-
Unsecured loan from a trust bank at fixed interest rate, due September 20, 2022	2,800,000	0.814%	2,800,000	0.814%
Unsecured loan from a trust bank at fixed interest rate, due December 20, 2022	3,400,000	1.239%	3,400,000	1.239%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	6,500,000	0.842%	6,500,000	0.842%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	3,500,000	0.775%	3,500,000	0.775%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2023	1,000,000	0.798%	-	-
Unsecured loan from a bank at floating interest rate, due September 20, 2023	1,300,000	0.749% (Note 3)	-	-
Unsecured loan from a bank at fixed interest rate, due September 20, 2023	1,300,000	0.780%	-	-
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2024	1,700,000	0.924%	-	-
<b>Total</b>	<b>¥ 201,207,000</b>		<b>¥ 181,857,000</b>	

- Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.
2. From December 20, 2010 as the first repayment date, ¥50 million will be repaid every six months and ¥1,350 million will be repaid on the final repayment date (June 20, 2017).
3. These are borrowings with floating interest rates applying the Japanese Bankers Association (JBA) one month JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rates for these borrowings are, in effect, fixed due to the execution of interest rate swap agreements. The adjusted interest rates in consideration of the swap transactions are stated.

## 8. CORPORATE BONDS

Corporate bonds at November 30, 2015 and May 31, 2015 consisted of the following:

	End of 24th Fiscal Period (As of November 30, 2015)		End of 23rd Fiscal Period (As of May 31, 2015)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 2 unsecured bonds, due July 10, 2015	-	-	¥ 10,000,000	1.910%
Series 6 unsecured bonds, due December 9, 2016	¥ 3,000,000	1.120%	3,000,000	1.120%
Series 7 unsecured bonds, due July 5, 2017	6,500,000	0.950%	6,500,000	0.950%
Series 8 unsecured bonds, due August 5, 2016	10,000,000	0.800%	10,000,000	0.800%
Series 9 unsecured bonds, due December 19, 2016	10,000,000	0.620%	10,000,000	0.620%
Series 10 unsecured bonds, due December 12, 2017	4,000,000	0.690%	4,000,000	0.690%
Series 11 unsecured bonds, due May 30, 2018	8,000,000	0.690%	8,000,000	0.690%

	End of 24th Fiscal Period (As of November 30, 2015)		End of 23rd Fiscal Period (As of May 31, 2015)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 12 unsecured bonds, due May 30, 2018	2,000,000	0.690%	2,000,000	0.690%
Series 13 unsecured bonds, due November 20, 2018	13,000,000	0.470%	13,000,000	0.470%
Series 14 unsecured bonds, due November 20, 2018	2,000,000	0.470%	2,000,000	0.470%
Series 15 unsecured bonds, due October 29, 2021	3,000,000	0.525%	3,000,000	0.525%
Series 16 unsecured bonds, due May 29, 2025	2,000,000	0.804%	2,000,000	0.804%
Total	¥ 63,500,000		¥ 73,500,000	

## 9. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2015 and May 31, 2015 were as follows:

	Thousands of yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)
<b>Operating Revenues</b>	¥ 20,070,343	¥ 19,389,279
<b>Rental Revenues</b>	18,541,897	18,053,499
Rental revenues	16,419,263	15,961,415
Common area charges	1,492,930	1,495,657
Parking revenues	507,029	480,543
Other	122,673	115,882
<b>Other Rental Revenues</b>	1,528,445	1,335,780
Incidental revenues	1,289,251	1,198,084
Temporary revenues (including cancellation charges)	146,144	56,873
Other miscellaneous revenues	93,050	80,822
<b>Property-Related Expenses</b>	8,705,601	8,313,414
Property and other taxes	1,567,377	1,484,819
Property management fees	1,317,655	1,270,003
Utilities	1,333,882	1,289,805
Casualty insurance	24,416	23,761
Repairs and maintenance	550,387	422,030
Depreciation and amortization	3,482,401	3,464,656
Other rental expenses	429,481	358,336
<b>Profit from rental activities</b>	¥ 11,364,741	¥ 11,075,865

## 10. GAIN ON SALES OF REAL ESTATE PROPERTIES

There were no sales of real estate properties for the fiscal period ended November 30, 2015. In addition, gain on sales of real estate properties for the fiscal period ended May 31, 2015 was as follows:

(23rd Fiscal Period: December 1, 2014 - May 31, 2015)

<u>Pacific Marks Nihonbashi-Tomizawacho</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 2,020,000
Cost of sales of real estate properties	1,857,892
Other sales expenses	85,229
Gain on sales of real estate properties	¥ 76,878



## 11. LOSS ON SALES OF REAL ESTATE PROPERTIES

There were no sales of real estate properties for the fiscal period ended November 30, 2015. In addition, loss on sales of real estate properties for the fiscal period ended May 31, 2015 was as follows:

(23rd Fiscal Period: December 1, 2014 - May 31, 2015)

<u>Pacific Marks Aobadai</u>	<u>Thousands of yen</u>
Revenue from sales of real estate properties	¥ 1,500,000
Cost of sales of real estate properties	1,615,947
Other sales expenses	60,544
Loss on sales of real estate properties	¥ 176,491

## 12. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at November 30, 2015 and May 31, 2015 were summarized as follows:

		(Thousands of yen)	
24th Fiscal Period (As of November 30, 2015)		23rd Fiscal Period (As of May 31, 2015)	
Deferred tax assets – current		Deferred tax assets – current	
Provision for loss on litigation	¥ 89,047	Difference in revenue recognition for tax purposes	¥ 8,723
Difference in revenue recognition for tax purposes	8,723	Subtotal	8,723
Subtotal	97,771	Valuation allowance	(8,723)
Valuation allowance	(97,771)	Total	-
Total	-	Deferred tax assets – non current	
Deferred tax assets – non current		Valuation difference on assets acquired by merger	22,613,659
Valuation difference on assets acquired by merger	22,591,524	Other	193
Other	96	Subtotal	22,613,852
Subtotal	22,591,621	Valuation allowance	(22,613,852)
Valuation allowance	(22,591,621)	Total	-
Total	-	Net deferred tax assets	-
Net deferred tax assets	-		

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended November 30, 2015 and May 31, 2015 were summarized as follows:

	24th Fiscal Period (As of November 30, 2015)	23rd Fiscal Period (As of May 31, 2015)
Statutory tax rate	32.31%	34.15%
(Adjustment)		
Distributions of tax-deductible dividends	(33.15)%	(24.01)%
Changes in valuation allowance	0.84%	(10.14)%
Other	0.01%	0.01%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

(Revisions to deferred tax assets and deferred tax liabilities due to change in corporate tax rate)

The “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015) was issued on March 31, 2015, and corporate tax rate is reduced from fiscal periods beginning on or after April 1, 2015. In line with this, for temporary differences expected to reverse during fiscal periods beginning on or after June 1, 2015, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities will be changed from the existing rate of 34.15% to 32.31%. This change will have no impact on the results of operations of United Urban.

United Urban is subject to income taxes in Japan. 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 (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes within the limit of the amount of earnings. Based on this policy, for the 23rd fiscal period, United Urban reserved part of unappropriated retained earnings, and decided to distribute ¥7,668,501 thousand, which is the amount equivalent to the integral multiple of total number of investment units issued and outstanding (2,644,311 units). For the 24th fiscal period, United Urban deducted ¥121,898 thousand, which is equivalent to the retained earnings brought forward from the previous period, from the unappropriated retained earnings of ¥8,038,171 thousand (an amount equivalent to the net income: ¥7,916,273 thousand), and added the reversal of reserve for distribution of ¥208,539 thousand (of the balance of reserve for distribution, ¥7,754,927 thousand) to the ¥7,916,273 thousand, which is equivalent to the net income. Accordingly, United Urban decided to distribute ¥8,124,813 thousand. In addition, United Urban decided to reserve the aforementioned ¥121,898 thousand, which is equivalent to the retained earnings brought forward from the previous period, as the reserve retained for distribution. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

## 13. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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### ***Matters Concerning Financial Instruments***

#### 1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of real estate properties and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks in debt, etc.

#### 2. Details of financial instruments and their risks and risk management structure

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan (no outstanding balance of debt at the end of the 24th fiscal period) and by taking other measures.

Moreover, debt with floating interest rates is exposed to risks of fluctuation in the interest payable, however United Urban manages the concerned risks by adjusting the ratio of the debt with floating interest rates to the balance of the total outstanding debt in response to the financial environment, by utilizing or considering derivative transactions (interest rate cap transactions and interest rate swap transactions) as hedging instruments in order to fix interest expenses and by taking other measures. Furthermore, the risks associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

Surplus funds of United Urban invested as large time deposits, etc., are exposed to risks of failure of the financial institutions holding the deposits and to other credit risks, but United Urban manages the concerned risks by diversifying the financial institutions holding the deposits and by taking other measures.

Leasehold and security deposits received including deposits in trust, are deposits from tenants and are exposed to liquidity risks arising from the tenants' vacating their properties before the expiration of lease agreements. United Urban manages the concerned risks by putting aside an amount sufficient to enable deposits to be returned without interruption and by ensuring liquidity at hand, such as through line-of-credit agreements.

#### 3. Supplemental explanation for matters concerning the fair value, etc. of financial instruments

The fair value of a financial instrument, in addition to values based on market prices, includes values based on reasonable calculations when there is no market price. Certain assumptions, etc. are adopted in the calculations of the said values and there may be cases where these values will vary when different assumptions, etc. are adopted.

### Matters Concerning the Fair Value, etc. of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of November 30, 2015 and May 31, 2015 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Note 2)

(24th Fiscal Period: As of November 30, 2015)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 33,173,051	¥ 33,173,051	-
(2) Cash and bank deposits in trust	25,013,801	25,013,801	-
Total assets	¥ 58,186,852	¥ 58,186,852	-
(3) Current portion of corporate bonds	¥ 10,000,000	¥ 10,039,000	¥ 39,000
(4) Long-term debt due for repayment within one year	10,700,000	10,720,067	20,067
(5) Corporate bonds	53,500,000	53,826,500	326,500
(6) Long-term debt	190,507,000	192,211,462	1,704,462
(7) Leasehold and security deposits received in trust	321,802	332,894	11,091
Total liabilities	¥ 265,028,802	¥ 267,129,923	¥ 2,101,121
(8) Derivative transactions (*)	¥ (161,237)	¥ (161,237)	-
Total derivative transactions	¥ (161,237)	¥ (161,237)	-

(\*) The assets/liabilities arising from derivative transactions are shown in the net amount with liabilities on a net basis shown in parentheses.

(23rd Fiscal Period: As of May 31, 2015)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 37,784,038	¥ 37,784,038	-
(2) Cash and bank deposits in trust	23,053,815	23,053,815	-
Total assets	¥ 60,837,854	¥ 60,837,854	-
(3) Current portion of corporate bonds	¥ 10,000,000	¥ 10,018,000	¥ 18,000
(4) Long-term debt due for repayment within one year	5,000,000	5,010,734	10,734
(5) Corporate bonds	63,500,000	63,953,050	453,050
(6) Long-term debt	176,857,000	177,511,099	654,099
(7) Leasehold and security deposits received in trust	321,802	332,312	10,510
Total liabilities	¥ 255,678,802	¥ 256,825,197	¥ 1,146,395
(8) Derivative transactions (*)	¥ (56,430)	¥ (56,430)	-
Total derivative transactions	¥ (56,430)	¥ (56,430)	-

(\*) The assets/liabilities arising from derivative transactions are shown in the net amount with liabilities on a net basis shown in parentheses.

Notes: 1. Calculation method for the fair values of financial instruments

(1) Cash and bank deposits / (2) Cash and bank deposits in trust

As these items are settled within a short period of time and the fair value approximates the book value, the fair value stated above is the book value thereof.

(3) Current portion of corporate bonds / (5) Corporate bonds

The fair value of these is calculated based on referenced indicative prices of sale/purchase transactions by financial institutions, etc.

(4) Long-term debt due for repayment within one year / (6) Long-term debt

The fair value is calculated by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new borrowings corresponding to the remaining loan term. As for long-term debt with floating interest rate that qualifies for the special treatment of interest rate swaps (please refer to "19. DERIVATIVE TRANSACTIONS"), the fair value is calculated by discounting the total amount of principal and interest, which are accounted for as one transaction with the interest swap, by the rate assumed as being applicable in the event of the same type of new borrowings corresponding to the remaining loan term.

(7) Leasehold and security deposits received in trust

The fair value of these is based on the method of calculating by discounting the future cash flows of such by the rate that takes into account the credit risks and the remaining term until the repayment deadline.

(8) Derivative transactions

Please refer to "19. DERIVATIVE TRANSACTIONS".

2. Financial instruments whose fair values are deemed extremely difficult to measure

	Thousands of yen	
	24th Fiscal Period (As of November 30, 2015)	23rd Fiscal Period (As of May 31, 2015)
Leasehold and security deposits received (*)	¥ 2,976,940	¥ 2,959,624
Leasehold and security deposits received in trust (*)	¥ 26,517,092	¥ 25,417,911

(\*) Concerning leasehold and security deposits received and leasehold and security deposits received in trust that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3. Amount of monetary claims to be repaid subsequent to the end of the fiscal period

(24th Fiscal Period: As of November 30, 2015)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 33,173,051	-	-	-	-	-
Cash and bank deposits in trust	25,013,801	-	-	-	-	-
Total	¥ 58,186,852	-	-	-	-	-

(23rd Fiscal Period: As of May 31, 2015)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 37,784,038	-	-	-	-	-
Cash and bank deposits in trust	23,053,815	-	-	-	-	-
Total	¥ 60,837,854	-	-	-	-	-

4. Amount of borrowings and corporate bonds to be repaid subsequent to the end of the fiscal period

(24th Fiscal Period: As of November 30, 2015)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 10,000,000	¥ 19,500,000	¥ 29,000,000	-	-	¥ 5,000,000
Long-term debt	10,700,000	33,800,000	29,023,000	¥ 25,207,000	¥ 34,377,000	68,100,000
Total	¥ 20,700,000	¥ 53,300,000	¥ 58,023,000	¥ 25,207,000	¥ 34,377,000	¥ 73,100,000

(23rd Fiscal Period: As of May 31, 2015)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 10,000,000	¥ 23,000,000	¥ 20,500,000	¥ 15,000,000	-	¥ 5,000,000
Long-term debt	5,000,000	25,100,000	28,173,000	22,400,000	¥ 28,251,000	72,933,000
Total	¥ 15,000,000	¥ 48,100,000	¥ 48,673,000	¥ 37,400,000	¥ 28,251,000	¥ 77,933,000

## 14. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets 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 as of November 30, 2015 and May 31, 2015 are as follows:

		(Thousands of yen)	
Type of Use		24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 177,955,286	¥ 175,087,964
	Change during period (Note 2)	11,623,511	2,867,321
	Balance at end of period	189,578,797	177,955,286
	Fair value at end of period (Note 3)	¥ 207,936,000	¥ 191,478,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 196,464,812	¥ 200,154,503
	Change during period (Note 2)	(720,001)	(3,689,691)
	Balance at end of period	195,744,810	196,464,812
	Fair value at end of period (Note 3)	¥ 221,881,000	¥ 218,163,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 62,715,833	¥ 62,521,093
	Change during period (Note 2)	6,300,385	194,740
	Balance at end of period	69,016,219	62,715,833
	Fair value at end of period (Note 3)	¥ 80,037,000	¥ 70,249,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 38,993,055	¥ 39,354,523
	Change during period (Note 2)	2,586,738	(361,467)
	Balance at end of period	41,579,794	38,993,055
	Fair value at end of period (Note 3)	¥ 50,720,000	¥ 46,931,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 30,925,556	¥ 31,097,984
	Change during period (Note 2)	8,407,236	(172,427)
	Balance at end of period	39,332,793	30,925,556
	Fair value at end of period (Note 3)	¥ 42,650,000	¥ 33,530,000
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 507,054,544	¥ 508,216,070
	Change during period (Note 2)	28,197,870	(1,161,525)
	Balance at end of period	535,252,415	507,054,544
	Fair value at end of period (Note 3)	¥ 603,224,000	¥ 560,351,000

- Notes: 1. The carrying amount on the balance sheet is the acquisition cost (including the expenses incidental to the acquisition) less accumulated depreciation.
2. Of the "Change during period" for the 24th fiscal period, the amount of the increase is primarily attributable to acquisition of nine new properties (total: ¥29,872 million) and capital expenditures (¥2,049 million). And the amount of the decrease is primarily attributable to the depreciation and amortization (¥3,475 million).  
Of the "Change during period" for the 23rd fiscal period, the amount of the increase is primarily attributable to acquisition of two new properties (total: ¥3,810 million) and capital expenditures (¥1,429 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥3,473 million) and the depreciation and amortization (¥3,457 million).
3. The "Fair value at end of 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 investment and rental properties, please refer to the aforementioned "9. OPERATING REVENUES AND EXPENSES."

## 15. TRANSACTIONS WITH RELATED PARTIES

(24th Fiscal Period: June 1, 2015 – November 30, 2015)

### 1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 118,140	-	-
MG Leasing Corporation	Leasing	-	None	Acquisition of trust beneficial interest in real estate (Note 3)	3,938,000	-	-
				Other rental expenses	59,500	-	-
Marubeni Real Estate Management Co., Ltd.	Real estate	-	None	Property leasing	72,368	Leasehold and security deposits received	¥ 37,497
				Other rental revenues	1,928	Rent receivables	243
				Brokerage commissions	81,900	-	-
				Property management fees	423,943	Trade accounts payable	76,458
				Construction management fees	44,185	Trade accounts payable	6,687
				Construction costs	25,128	Trade accounts payable	13,529
				Other rental expenses	4,544	Trade accounts payable	754
Marubeni Corporation	Wholesale industry	0.3	None	Acquisition of trust beneficial interest in real estate (Note 4)	2,730,000	-	-
				Property leasing	97,291	Leasehold and security deposits received	198,600
						Rent received in advance	25,525
				Utilities	147,983	Trade accounts payable	21,534
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,336	Rent receivables	166
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	4,380	Leasehold and security deposits received	4,200
				Other rental revenues	963	Rent receivables	163
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,260	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	308	Rent receivables	57
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	5,576	Leasehold and security deposits received	12,391
						Rent received in advance	1,737
				Other rental revenues	545	Rent receivables	65

- Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.  
3. Acquisition of trust beneficial interest in real estate refers to the acquisition of "Luz Shonan Tujido" from MG Leasing Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).  
4. Acquisition of trust beneficial interest in real estate refers to the acquisition of "UUR Court Shiki" from Marubeni Corporation. "Amount of Transaction" is the price indicated in the sale and purchase agreement, which does not include acquisition costs (brokerage commission, property taxes, etc.).

## 2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 1,700,000	Long-term debt	¥ 38,983,000
			Interest expenses	151,843	Accrued expenses	46,655
			Loan expenses	69,339	Prepaid expenses	8,242
					Long-term prepaid expenses	576,433
					Accrued expenses	2,753
			Commissions related to corporate bonds	185	-	-
			Custodian fees	24,584	-	-
			Agent commissions	21,846	Accrued expenses	1,518

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

(23rd Fiscal Period: December 1, 2014 – May 31, 2015)

### 1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Asset Management Co., Ltd.	Investing	-	None	Brokerage commissions	¥ 105,600	-	-
Marubeni Real Estate Management Co., Ltd. (Note 3)	Real estate	-	None	Property leasing	74,024	Leasehold and security deposits received	¥ 37,497
				Other rental revenues	2,090	Rent receivables	236
				Property management fees	361,642	Trade accounts payable	70,768
				Construction management fees	10,630	Trade accounts payable	6,153
				Construction costs	17,552	Trade accounts payable	8,360
				Other rental expenses	11,290	Trade accounts payable	3,605
Marubeni Corporation	Wholesale industry	0.3	None	Property leasing	59,400	Leasehold and security deposits received	19,800
						Rent received in advance	9,900
				Utilities	153,476	Trade accounts payable	26,552
The Maruetsu, Inc. (Note 4)	Supermarket	-	None	Property leasing	22,541	-	-
				Other rental revenues	6,072	-	-
TIPNESS LIMITED (Note 5)	Fitness club operator	-	None	Property leasing	5,553	-	-
				Other rental revenues	2,683	-	-
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,297	Rent receivables	153
ARTERIA Networks Corporation	Telecommunications carrier	-	None	Property leasing	4,380	Leasehold and security deposits received	4,200
				Other rental revenues	805	Rent receivables	152

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,160	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	320	Rent receivables	49
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	1,099	Leasehold and security deposits received	12,391
						Rent received in advance	636
				Other rental revenues	56	Rent receivables	56
MG Leasing Corporation	Leasing	-	None	Other rental expenses	30,967	Prepaid expenses	16,200

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.  
3. Marubeni Real Estate Co., Ltd. changed its company name to Marubeni Real Estate Management Co., Ltd. on December 1, 2014.  
4. As a result of the tender offer for the company through the tender offer notification dated December 9, 2014, The Maruetsu Inc. does not fall under "Related Parties" after January 21, 2015. Accordingly, as for The Maruetsu, Inc., transactions conducted from December 1, 2014 to January 20, 2015 are stated.  
5. As a result of the acquisition of the company's shares by Nippon Television Holdings, Inc., TIPNESS LIMITED does not fall under "Related Parties" after December 25, 2014. Accordingly, as for TIPNESS LIMITED, transactions conducted from December 1, 2014 to December 24, 2014 are stated.

## 2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 3,500,000	Long-term debt	¥ 37,283,000
			Repayment of long-term debt	6,100,000		
			Repayment of long-term debt due for repayment within one year	800,000	-	-
			Interest expenses	141,884	Accrued expenses	41,780
			Loan expenses	100,949	Prepaid expenses	4,830
					Long-term prepaid expenses	594,016
					Accrued expenses	2,794
			Commissions related to corporate bonds	7,107	Prepaid expenses	200
			Custodian fees	23,760	-	-
			Agent commissions	22,729	Accrued expenses	1,915
			Brokerage commissions	109,200	-	-

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.  
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

## 16. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at November 30, 2015 and May 31, 2015 for the fiscal periods then ended are summarized as follows:



	Yen	
	24th Fiscal Period (June 1, 2015 - November 30, 2015)	23rd Fiscal Period (December 1, 2014 - May 31, 2015)
Net assets per unit	¥ 108,069	¥ 106,987
Net income per unit	¥ 2,946	¥ 2,954
Average number of investment units during the period (units)	2,686,863	2,636,583

## 17. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at November 30, 2015 and May 31, 2015 were as follows:

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
Cash and bank deposits	¥ 56,186,852	¥ 60,837,854
Restricted deposits with a bank (Note)	-	(205,550)
Time deposit exceeding three months	-	(1,000,000)
Cash and cash equivalents	¥ 56,186,852	¥ 59,632,303

Note: "Restricted deposits with a bank" means the bank deposits in trust reserved for the refund of security deposits received from tenants.

## 18. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2015 and May 31, 2015, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 24th Fiscal Period (As of November 30, 2015)	End of 23rd Fiscal Period (As of May 31, 2015)
Due within one year	¥ 15,149,731	¥ 14,593,076
Due over one year	50,719,012	41,608,910
Total	¥ 65,868,744	¥ 56,201,986

## 19. DERIVATIVE TRANSACTIONS

### 1. Derivative transactions not subject to hedge accounting

Fiscal period ended November 30, 2015: None

Fiscal period ended May 31, 2015: None

### 2. Derivative transactions subject to hedge accounting

(24th Fiscal Period: As of November 30, 2015)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 59,080,000	¥ (161,237)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	36,100,000	36,100,000	(Note 1)	-
Total			¥ 95,180,000	¥ 95,180,000	¥ (161,237)	

(23rd Fiscal Period: As of May 31, 2015)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 59,080,000	¥ (56,430)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	25,400,000	25,400,000	(Note 1)	-
Total			¥ 84,480,000	¥ 84,480,000	¥ (56,430)	

Notes: 1. Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.  
2. The fair value is measured using values which are calculated based on market interest rates by the counterparty to the transaction.

## 20. SUBSEQUENT EVENTS

### Acquisition of Properties

United Urban acquired "Loisir Hotel & Spa Tower Naha" on February 5, 2016. In addition, United Urban decided to acquire "Urawa Royal Pines Hotel" on February 19, 2016.

Property No.	Property Name	Type of Use	Location	(Scheduled) Acquisition Price (Millions of yen)	(Scheduled) Acquisition Date
C13	Loisir Hotel & Spa Tower Naha (Note 1)	Hotel	Naha, Okinawa	¥ 20,000	February 5, 2016
C14	Urawa Royal Pines Hotel (Note 2) (Note 3)	Hotel	Saitama, Saitama	17,500	April 1, 2016 (Scheduled) (Note 4)
Total				¥ 37,500	-

Notes: 1. The sellers of "Loisir Hotel & Spa Tower Naha" are a special purpose company and an operating company in Japan. However, details of the sellers are not disclosed because the consent to disclosure has not been obtained from the sellers.  
2. The seller of "Urawa Royal Pines Hotel" is Godo Kaisha URP.  
3. United Urban will procure debt financing to support the payment for acquiring "Urawa Royal Pines Hotel". However, details of the debt financing have not been determined as of February 24, 2016.  
4. The purchase and sale agreement of the trust beneficial interest ("PSA") as of February 19, 2016 provides that either party may terminate the PSA if the other party has materially breached a provision thereof, in which case the party may request the party in breach to pay an amount equivalent to 20% of the transaction price as penalty charges.  
However, this PSA is subject to the condition precedent of payment of the acquisition price that United Urban's fund procurement is completed for the acquisition of the trust beneficial interest. Therefore, as for the acquisition of the trust beneficial interest, United Urban can cancel the PSA with no penalty if it cannot consummate fund procurement as of the scheduled acquisition date.  
In view of the current state of the financial market and financial standing of United Urban, United Urban believes that material adverse effect on United Urban's financial standing and the payment of cash distributions and other conditions are not likely to be caused in connection with the acquisition of the trust beneficial interest.

***Settlement of the Case to Reduce the Rents with OPA co., Ltd.***

A case seeking to reduce the rent of Shinsaibashi OPA Honkan ("OPA Honkan"), from March 1, 2012 and onwards, by approximately 20% of the current level, and to reduce the rent of Shinsaibashi OPA Kireikan ("OPA Kireikan"), from March 1, 2012 and onwards, by approximately 18% of the current level, was brought against United Urban on October 15, 2012 by OPA co., Ltd. (the "Plaintiff"), the lessee of these two properties. However, United Urban claimed that there were no reasonable grounds for their request to reduce the rent, and obtained an appraisal report with regard to the rent for the two properties as of March 1, 2013. Based on the appraisal report, United Urban filed a counterclaim against the Plaintiff on June 3, 2013, seeking to increase the rent of OPA Honkan, from June 1, 2013 and onwards, by approximately 7% of the current level, and to increase the rent of OPA Kireikan, from June 1, 2013 and onwards, by approximately 4% of the current level (the "Counterclaim").

On January 21, 2016, the Osaka District Court passed the judgment of the first instance to the effect that: (i) the rent of OPA Honkan shall be reduced from March 1, 2012 and onwards, by approximately 3.3% of the current level, (ii) the rent of OPA Kireikan shall be reduced from March 1, 2012 and onwards, by approximately 6.1% of the current level, and (iii) the Counterclaim shall be rejected.

Since neither the Plaintiff nor United Urban appealed during the period for appeal to the court of the second instance, the period for appeal expired (February 4, 2016), and the judgment of the first instance became the final judgment.

As for the settlement money with the Plaintiff based on the judgment of the first instance (difference in rents: ¥245 million (including consumption taxes) and interest on the difference in rents (10% per year): ¥48 million), United Urban has accrued most of the amount (¥275 million (excluding consumption taxes)) as the provision for loss on litigation for the fiscal period ended November 30, 2015. Therefore, the effect on the financial results for the fiscal period ending May 31, 2016 is immaterial.

## Independent Auditor's Report

The Board of Directors  
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at November 30, 2015, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at November 30, 2015, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

### *Emphasis of Matter*

We draw attention to Note 20 to the financial statements, which states, that United Urban Investment Corporation acquired new properties, and reached a settlement with regard to the case to reduce the rent with OPA co., ltd. Our opinion is not qualified in respect of these matters.

*Ernst & Young ShinNihon LLC*

February 24, 2016

## Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of November 30, 2015:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥258,160,260,591
Number of Unitholders:	24,726
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditor:	Ernst & Young ShinNihon LLC Hibiya Kokusai Building, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal periods are the six months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

## About Our Website

<http://www.united-reit.co.jp/eng/>

United Urban’s website offers various contents such as investment policies, basic structure, portfolio information, financial information and press releases, etc. We intend to enhance our website to provide useful information to our unitholders.



## Disclaimer

This semiannual report includes translation of certain documents originally filed and made available in Japan in accordance with Financial Instruments and Exchange Act of Japan and the Act on Investment Trusts and Investment Corporations of Japan. This English language semiannual report was prepared solely for the convenience of readers outside Japan 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.

English terms for Japanese legal, accounting, tax, and business concepts used herein may not to be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and the English translation contained herein, the Japanese documents will always govern the meaning and interpretation.

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The financial statements of United Urban have been prepared in accordance with generally accepted accounting principles in Japan “Japanese GAAP,” which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

This semiannual report contains forward-looking statements. These statements appear in a number of places in this semiannual report and include statements regarding the intent, belief, or current and future expectations of United Urban or JRA with respect to its business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating revenues, operating income, net income or profitability from portfolio are particularly subject to a variety of assumptions, some or all of which may not be realized. Accordingly, readers of this document should not interpret the forward-looking statements included herein as predictions or representations of future events or circumstances.

Potential risks and uncertainties also include those identified and discussed in this document. Given these risks and uncertainties, readers of this document are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of information produced herein. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revisions to any of the forward-looking statements contained in this document.



**United Urban Investment Corporation**

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<http://www.united-reit.co.jp/eng/>