

# Semiannual Report

Twenty-eighth Fiscal Period

From June 1, 2017 to November 30, 2017



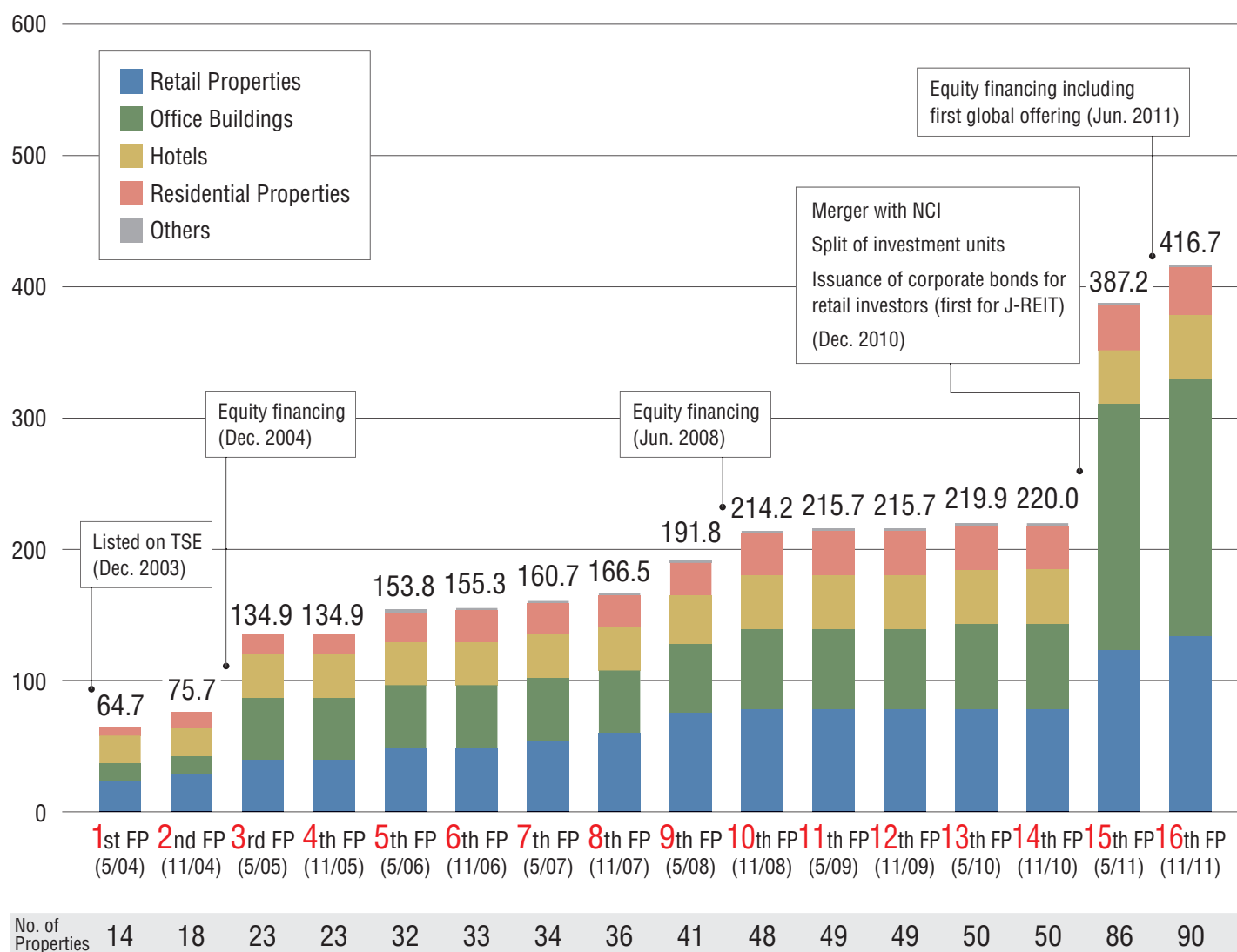
# Profile

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 <sup>(Note 1)</sup>

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 shareholder of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services, is the general trading company Marubeni Corporation (“Marubeni”). 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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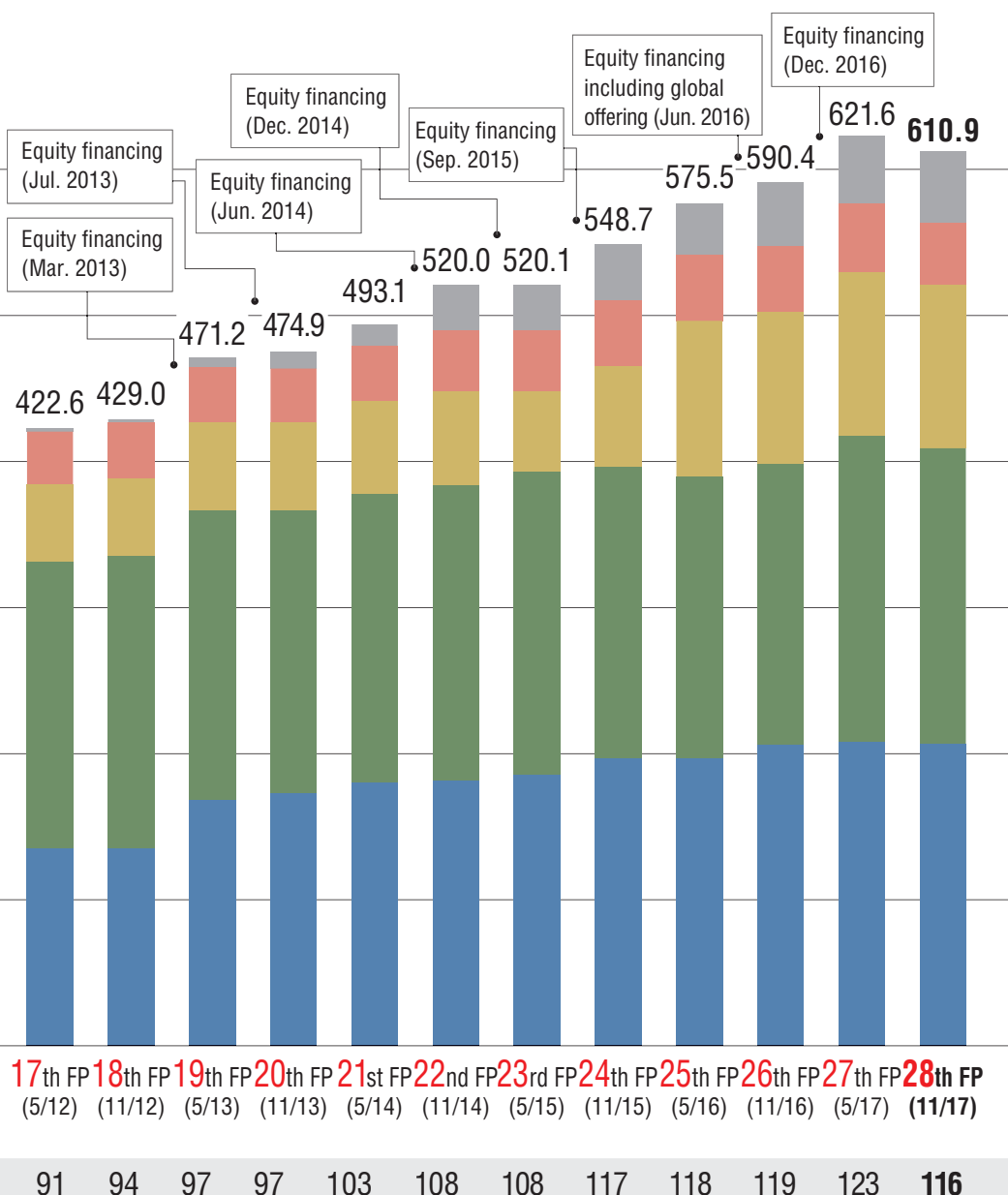
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# Key Figures (As of November 30, 2017)

## Cash Distribution per Unit for the 28th Fiscal Period

¥3,358

## Occupancy Ratio

98.4%

## Total Acquisition Price

¥611 billion

## Number of Properties

116

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

35.1%

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 16, 2018)



Long-term issuer rating

AA

Rating Outlook: Stable



Long-term issuer rating

A3

Rating Outlook: Stable

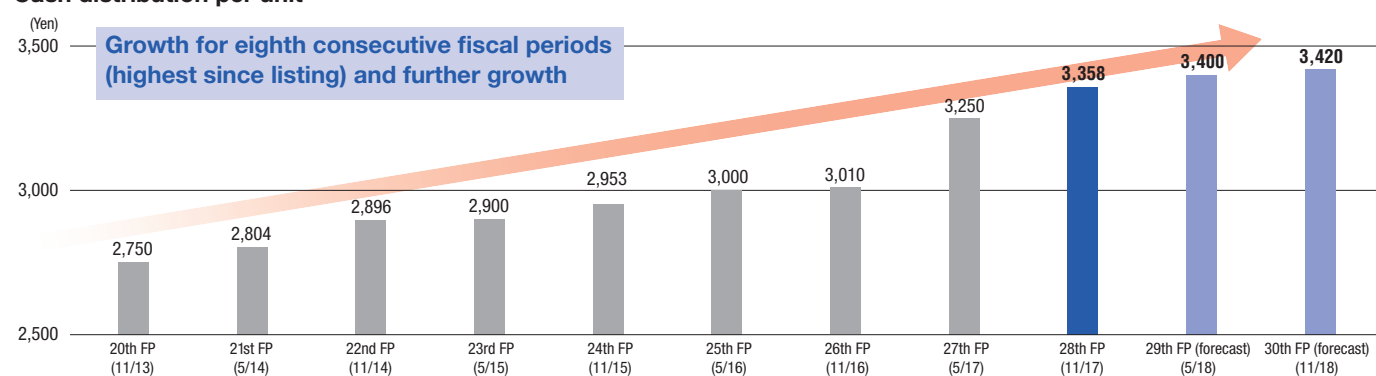
# Financial Highlights

Millions of yen, except per unit information

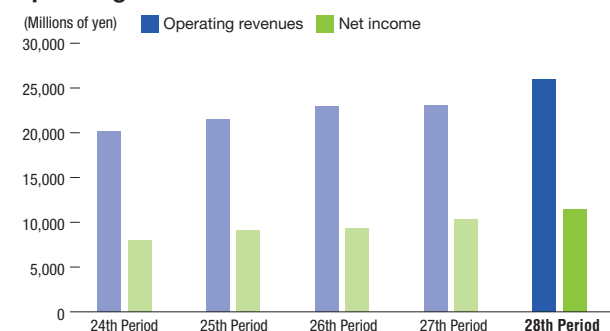
	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period	27th Fiscal Period	28th Fiscal Period
	June 1, 2015- November 30, 2015	December 1, 2015- May 31, 2016	June 1, 2016- November 30, 2016	December 1, 2016- May 31, 2017	June 1, 2017- November 30, 2017
Operating revenues	¥ 20,070	¥ 21,444	¥ 22,864	¥ 22,982	¥ 25,926
Operating income	9,427	10,591	11,057	11,497	12,482
Ordinary income	8,163	9,224	9,349	10,286	11,320
Net income	7,916 (Note 1)	9,089 (Note 2)	9,348 (Note 2)	10,285 (Note 3)	11,319 (Note 3)
Total cash distribution	8,124 (Note 1)	8,254 (Note 2)	8,888 (Note 2)	9,929 (Note 3)	10,258 (Note 3)
Cash distribution per unit (Yen)	2,953 (Note 1)	3,000 (Note 2)	3,010 (Note 2)	3,250 (Note 3)	3,358 (Note 3)
Total assets	598,077	629,262	648,105	675,885	663,531
Total unitholders' equity	297,340	298,009	333,592	351,801	353,258
Unitholders' equity per unit (Yen)	108,069	108,313	112,966	115,152	115,629

Notes: 1. The reversal of reserve for distribution (¥208 million) was added to the net income as the source of distribution, and the cash distribution per unit became ¥2,953.  
 2. A portion of unappropriated retained earnings (25th fiscal period: ¥834 million, 26th fiscal period: 459 million) was retained as reserve retained for distribution. Accordingly, the cash distribution per unit for the 25th fiscal period became ¥3,000 and the 26th fiscal period became ¥3,010.  
 3. A portion of unappropriated retained earnings (27th fiscal period: ¥431 million, 28th fiscal period: 1,136 million) was retained as reserve retained for distribution and a reversal of reserve for temporary difference adjustments (each fiscal period: ¥75 million) was added to cash distribution. Accordingly, the cash distribution per unit for the 27th fiscal period became ¥3,250 and the 28th fiscal period became ¥3,358.

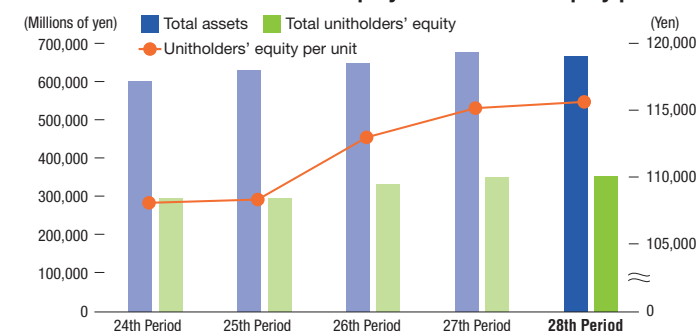
## Cash distribution per unit



## Operating revenues / Net income



## Total assets / Total unitholders' equity / Unitholders' equity per unit



# To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 28th fiscal period: the six-month period ended November 30, 2017.

I, Ikuro Yoshida, assumed the position of Executive Officer of United Urban on September 1, 2017. I will dedicate all my efforts to achieve future growth and would like to humbly ask you for the same support and help given to my predecessor.

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 type of use and geographical location. Since its listing, United Urban has been making efforts to maintain or improve its revenues and reduce various risks for the purpose of obtaining stable earnings over the medium to long term. As of November 30, 2017 (the end of the 28th fiscal period), its asset size was ¥610.9 billion, and United Urban is one of the largest among all J-REITs in terms of asset size.

In the 28th fiscal period, United Urban acquired Yoshikawa Logistics Center (acquisition price: ¥1.96 billion) located in the suburbs of Tokyo and the preferred equity securities of the specific purpose company in order to get the preferred negotiation right for acquisition of the property (United Urban's contribution: ¥50 million). On the other hand, taking into consideration of the real estate transaction market, the potentiality of the properties, and other factors, United Urban concluded large-scale sales of its properties (8 properties, total sales price: ¥13.57 billion, gain on sale: ¥1.28 billion) to improve the asset quality and its portfolio profitability. Also, following from the previous fiscal periods, United Urban has implemented strategic investment such as large-scale renovation particularly in hotel properties to increase the value of the properties from the long term perspective. In addition, United Urban repaid ¥14.2 billion of borrowing with the proceeds of the abovementioned property sales, and the amount of interest-bearing liabilities at the end of the 28th fiscal period decreased to ¥271.6 billion from ¥285.8 billion at the end of the 27th fiscal period.

The performance of our existing properties has been good due to the robust business performance of Japanese corporations and the increase in foreign tourists. The properties acquired during the previous fiscal period (27th fiscal period ended May 31, 2017) have also contributed to this fiscal period's profit increase. As a result, in the 28th fiscal period, United Urban was able to achieve operating revenues of ¥25,926 million, operating income of ¥12,482 million and net income of ¥11,319 million. Succeeding the previous fiscal period, a part of net income (¥1,136 million) was retained as reserve retained for distribution in order to strengthen the capability to cope with the risk (the corporate tax was not imposed for this reserve). In addition, United Urban reversed approximately ¥75 million of the negative goodwill ("reserve for temporary difference adjustments") and added it to the cash distribution. Consequently, the cash distribution per unit for the 28th fiscal period became ¥3,358 (increased by approximately 3% or ¥108 per unit from the previous period) breaking our highest distribution per unit record, and we could increase cash distribution per unit for eight consecutive fiscal periods since the 21st fiscal period.



**Ikuro Yoshida**

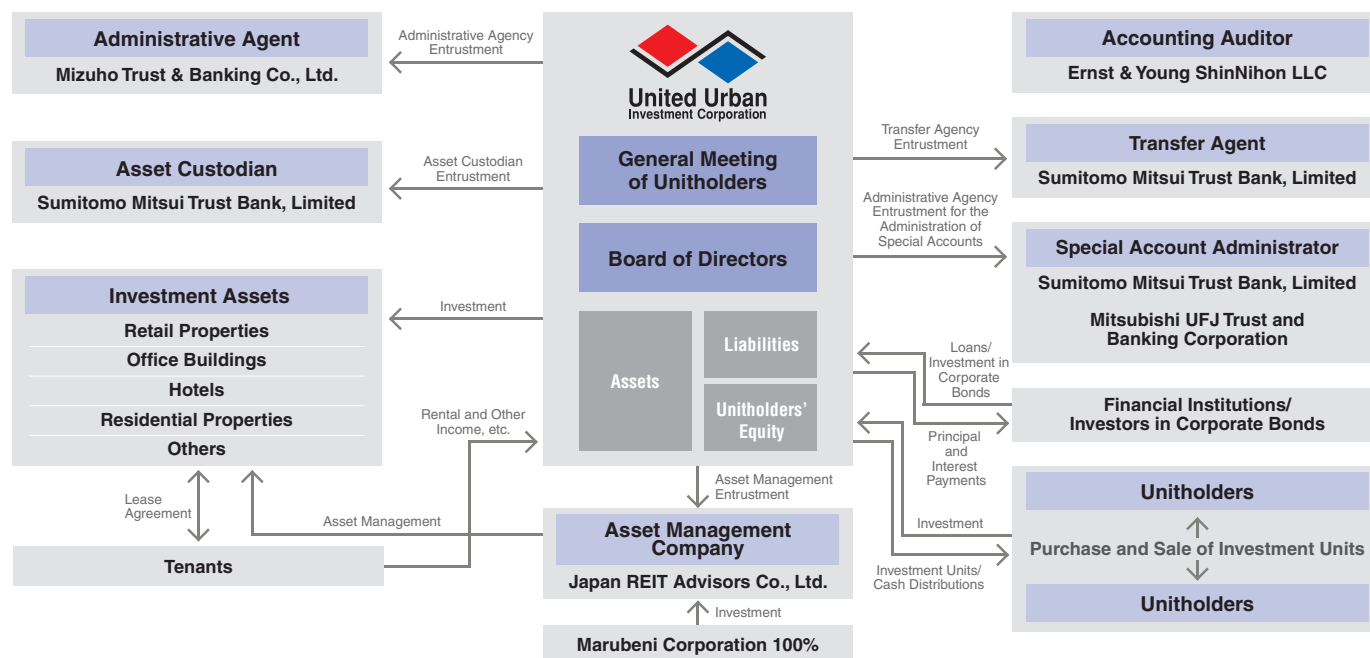
Executive Officer  
United Urban Investment Corporation

Moreover, during the 29th fiscal period ending May 31, 2018, United Urban has acquired a large-scale complex comprising a hotel and retail facilities, "RIHGA Royal Hotel Kokura · ARUARU City" (acquisition price: ¥16.6 billion) on January 26, 2018. United Urban strives for improvement of the asset quality and raises the portfolio profitability through replacement of the properties.

All officers and employees of United Urban and its asset manager, Japan REIT Advisors Co., Ltd., shall have firm awareness of Environment, Social and Governance (ESG) and make efforts for the sustained growth of United Urban while coexisting with the society and environment. Your continuous support and kind attention are highly appreciated.

# Structure of United Urban / Investment Unit Information

## Corporate Structure

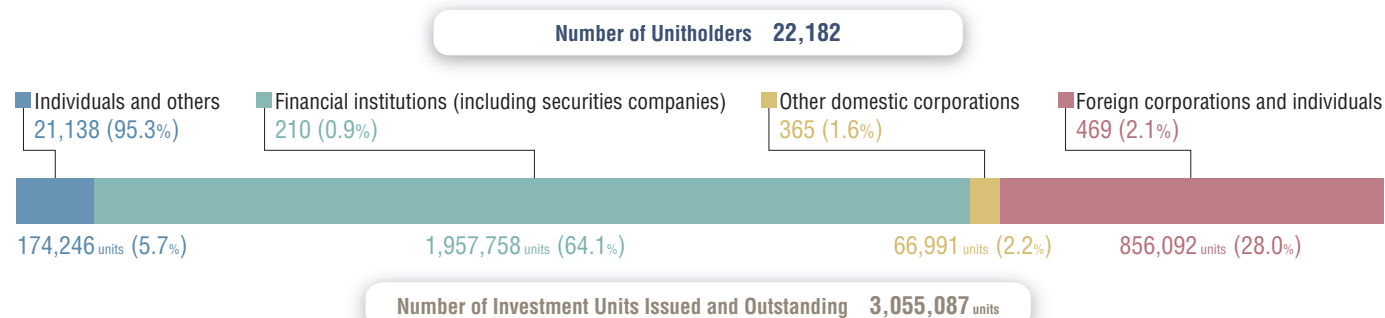


## Unit Price and Trading Volume



Notes: 1. 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.  
2. TSE REIT Index is shown indexed based on the unit price as of December 22, 2003.

## Breakdown of Unitholders (As of November 30, 2017)

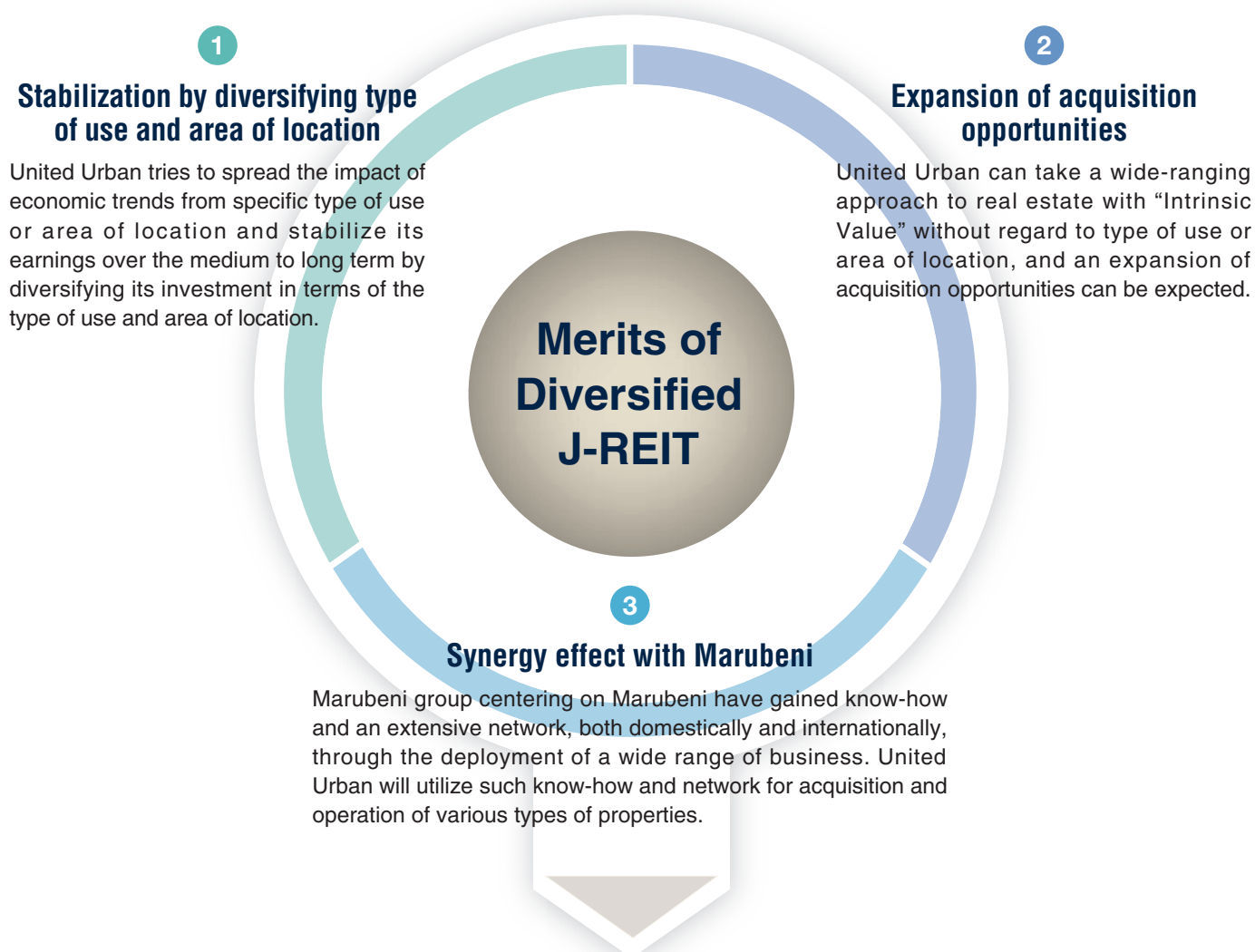


Note: Percentage figures are rounded to the nearest one decimal place. Therefore the sum of each figure does not always add up to the total.

# Management Strategy of United Urban

## Distinction of United Urban

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 sponsor of United Urban is Marubeni, a general trading company which has connections with a wide range of industries and companies. United Urban aims for continuous and stable portfolio management by taking advantage of the functions of the Marubeni Group centering on real estate-related business.



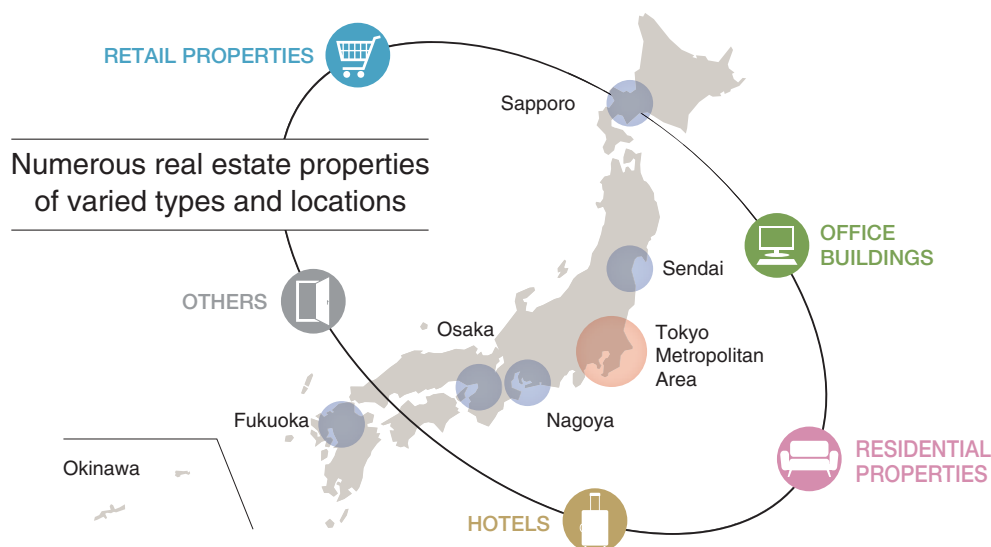
## Management Policy of United Urban

<b>External Growth</b>	<ul style="list-style-type: none"> <li>■ Property acquisition taking advantage of being a diversified J-REIT and multifaceted support of the sponsor</li> <li>■ Property-replacement in consideration of improvement of asset quality and portfolio profitability</li> </ul>
<b>Internal Growth</b>	<ul style="list-style-type: none"> <li>■ Property management from a medium- to long-term perspective considering the tenant-relations</li> <li>■ Strengthening property-competitiveness through strategic capital expenditure</li> </ul>
<b>Financial Strategy</b>	<ul style="list-style-type: none"> <li>■ Building up a robust financial standing that can cope with change in the financial market</li> <li>■ Diversification of funding source</li> </ul>

**To maximize unitholders' interest by securing a medium- to long-term stable income stream**

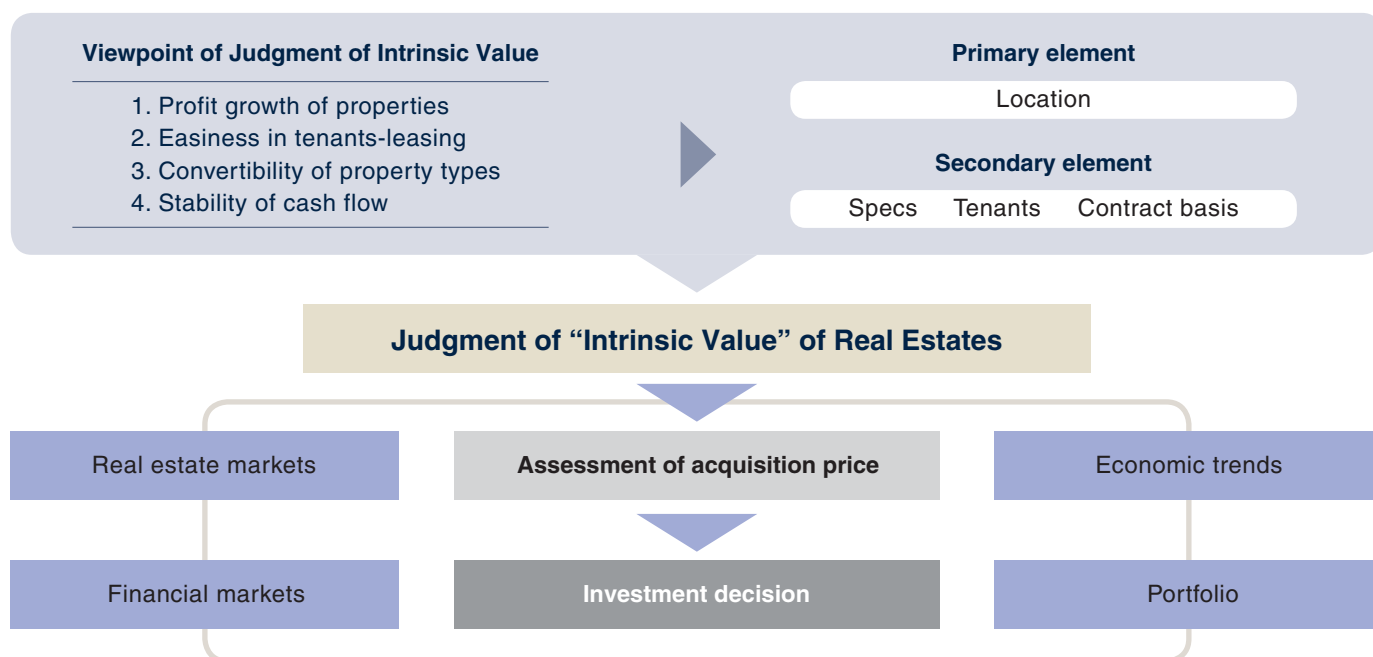
## Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

Revenues obtained from real estate investment and management concentrated on specific property types or regions may be significantly affected if the real estate market of specific property type stagnates or the specific regions is damaged by a natural disaster such as earthquakes or a trend of regions. United Urban aims to 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, and secure stable earnings.



## 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.



# Acquisition and Sale of Properties

United Urban concluded large-scale sales of its properties by taking into consideration of the real estate transaction market, the potentiality of the properties, etc. Also United Urban acquired a large-scale complex (a property used for hotel, retail facility and office, etc.) by utilizing the advantage of the diversified J-REIT and a logistic facility. Through these activities, United Urban attempted to improve the asset quality and raise its portfolio profitability.

## New Acquisition during the 28th Fiscal Period

### E12 Yoshikawa Logistics Center

Others











- Second sale & lease-back transaction with the seller (SBS Logicom Co., Ltd.)
- Excellent location as a distribution base in Tokyo metropolitan area within "Higashi-Saitama Technopolis", an industrial estate, with a total land area of approximately 358,000 m<sup>2</sup>

■ Acquisition Date	July 27, 2017	■ Construction	S
■ Acquisition Price	¥1,960 million	■ Number of Floors	5F
■ Location	Yoshikawa, Saitama	■ Completed	April 1997
■ Site Area	5,705.63 m <sup>2</sup>	■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership
■ Total Floor Space	10,806.37 m <sup>2</sup>		

## Sale of Properties during the 28th Fiscal Period

(Millions of yen)

Property Name (Type of Use)		Location	Date of Sale	Acquisition Price	Appraisal Value (Note 1)	Book Value (Note 2)	Sale Price	Gain or Loss on Sale of Property	Reason for Sale
	Ashiya Kawanishi Shopping Mart (Retail Properties)	Ashiya, Hyogo	Sep. 1, 2017	769	1,160	738	2,912	+2,061	*The sole tenant left *Received an offer with favorable conditions
	SK Nagoya Building (Office Buildings)	Nagoya, Aichi	Oct. 11, 2017	5,400	4,970	5,478	4,970	-625	*Concern over decrease of rent revenues in the future
	Nagoya Nishiki City Building (Office Buildings)			2,670	2,470	2,381	2,480	+38	*Probability of increase of maintenance and administration costs due to the age of the buildings
	Narashino Residence (Residential Properties)	Funabashi, Chiba		1,140	1,260	988	840	-172	*Leased to the single tenant (used as a corporate house and a dormitory)
	Higashi-Kurume Dormitory Shinkan (Residential Properties)	Higashikurume, Tokyo		480	545	456	390	-78	*Received the notice of move-out *Difficulty in finding new tenants
	UUR Court Chiba Soga (Residential Properties)	Chiba, Chiba		620	679	574	600	+9	*Difficulty in finding new tenants
	Nanzan Court Ichigokan (Residential Properties)	Nagoya, Aichi		1,070	873	916	950	+8	*Specification for dormitories
	Nanzan Court Nigokan (Residential Properties)			450	428	376	430	+42	*Concern over increase of maintenance and administration costs
Total				12,599	12,385	11,911	13,572	+1,284	

Notes: 1. "Appraisal Value" as of May 31, 2017  
2. "Book Value" as of the date of the sale

# New Acquisition during the 29th Fiscal Period

## C15 RIHGA Royal Hotel Kokura • ARUARU City

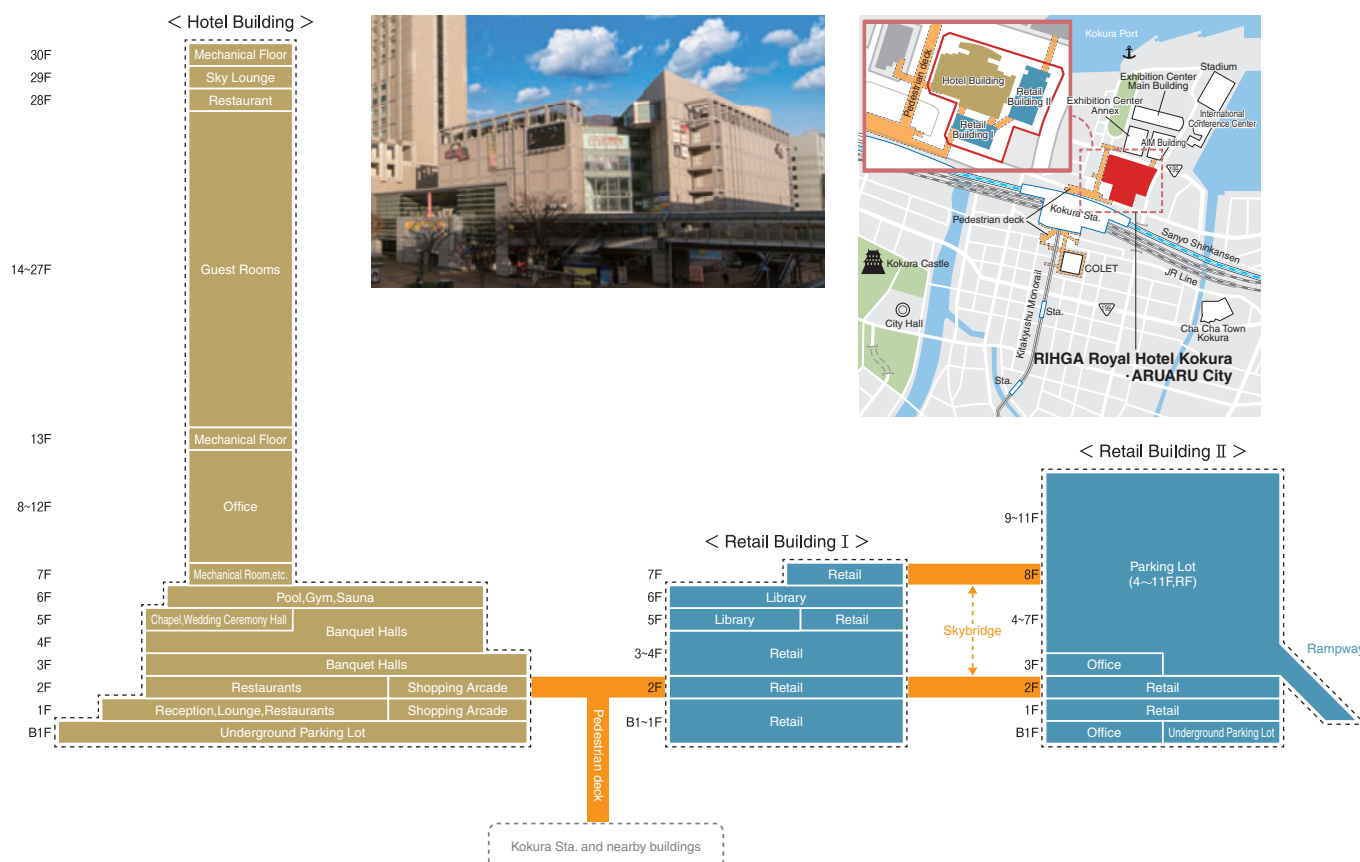
Hotels



- A large-scale complex centering on a hotel and retail facilities located near Kokura Station, the central part of "Kanmon Urban Area"
- A high-grade, full-service hotel representing Kyushu, which is one of major hotels operated by prestigious RIHGA Royal Hotel Group
- Unique retail facilities specialized in pop-culture, and differentiated from other retail facilities by spreading the relevant information in cooperation with the local government

■ Acquisition Date	January 26, 2018
■ Acquisition Price	¥16,600 million
■ Location	Kitakyusyu, Fukuoka
■ Site Area	22,799.65 m <sup>2</sup>
■ Total Floor Space (Note)	Total: 114,117.54 m <sup>2</sup> (1) 64,707.51 m <sup>2</sup> (2) 16,762.79 m <sup>2</sup> (3) 32,647.24 m <sup>2</sup>
■ Construction (Note)	(1) SRC/RC/S (2) SRC (3) SRC/RC
■ Number of Floors (Note)	(1) B1/30F (2) B1/7F (3) B1/11F
■ Completed (Note)	(1) (2) March 1993 (3) August 1992
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

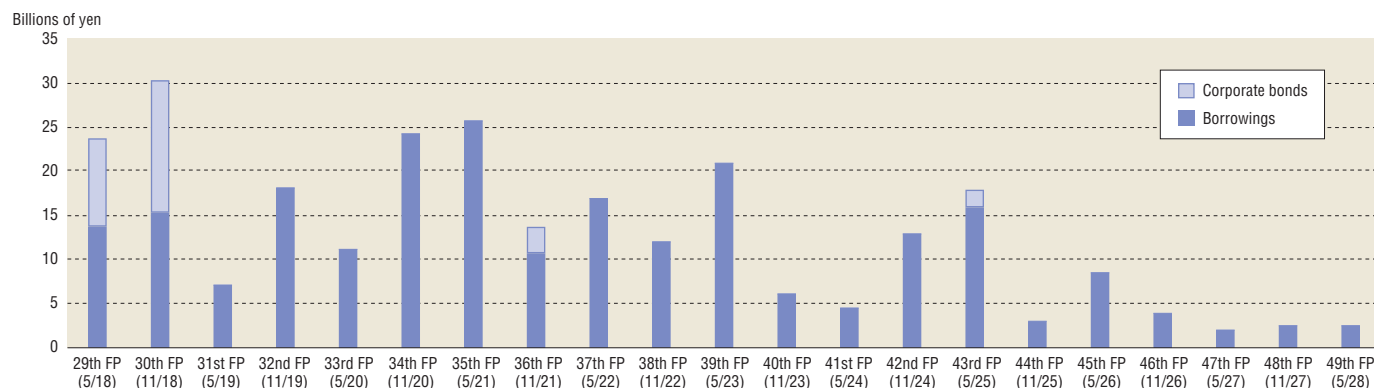
Note: The property is composed of three buildings: a hotel building, a retail building I and a retail building II, and some of the information are shown for a hotel building as (1), a retail building I as (2), and a retail building II as (3).



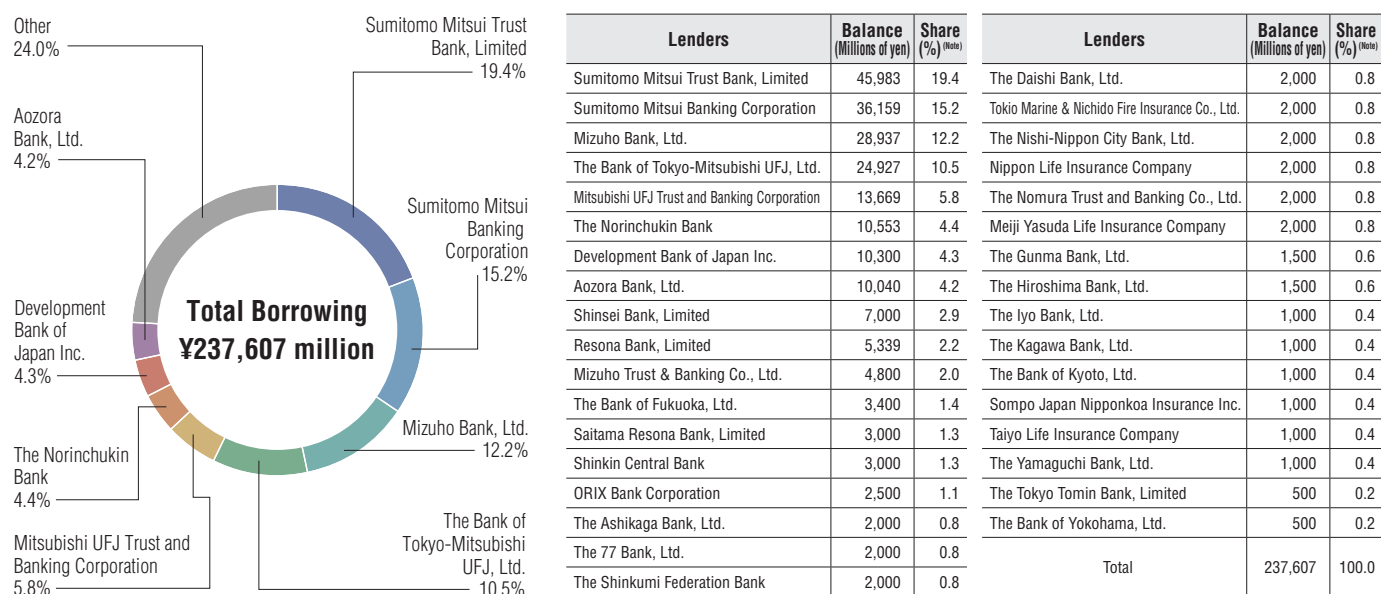
# Financial Status

United Urban tries to build robust financial standing to be able to cope with sudden changes in the financial markets, and continues to achieve low-interest and long-term debt financing compared to existing interest-bearing liabilities.

## Diversification of Maturity Date (As of January 16, 2018) <sup>(Note)</sup>



## Lenders and Borrowing Amount (As of January 16, 2018)



## Committed Line of Credit Agreement (As of January 16, 2018)

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. 26, 2017 to Jun. 26, 2018	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. 26, 2017 to Dec. 25, 2018	None	Unsecured Unguaranteed
<b>Total</b>	<b>¥36.0 billion</b>			

## Strategic Utilization of Retained Earnings (negative goodwill and reserve retained for distribution)

United Urban is going to utilize retained earnings in order to accelerate the external growth and to improve the quality and profitability of the portfolio considering the stability of distribution per unit ("DPU").

### Utilize policy of retained earnings

- Promotion of external growth with the flexible equity-raise**  
 United Urban will use its retained earnings to mitigate the influence on the influence in such cases as the dilution of DPU arises by the issuance of new investment units. Flexibility of equity-finance corresponding to the economic and financial markets and promotion of external growth can be expected through these initiatives.
- Portfolio management from long-term perspective**  
 United Urban will use its retained earnings to mitigate the influence on DPU level in such cases as losses on the sale of property or temporary decrease in revenues (major tenants' leave etc.). This will enable us to build the optimum portfolio and asset management in the long-term perspective.
- Coping with difference between accounting and taxation**  
 United Urban will use its retained earnings to mitigate the risk of large amount of corporate tax due to difference between accounting and taxation such as impairment loss.

### ► Standing of retained earnings <sup>(Note)</sup>

<b>Total Amount of Retained Earnings</b> (As of the end of the 28th fiscal period (ended November 30, 2017))	<b>¥10,380 million</b>	Note: Each end of fiscal period amount shows amount after increasing or decreasing of negative goodwill (reserve for temporary difference adjustments) and reserve retained for distribution based on "Statements of Cash Distribution".
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#### Negative goodwill (reserve for temporary difference adjustments)

As of the end of the 27th fiscal period (ended May 31, 2017)	¥7,470 million
Reversed in the 28th fiscal period (ended November 30, 2017)	-¥75 million
<b>As of the end of the 28th fiscal period (ended November 30, 2017)</b>	<b>¥7,395 million</b>

[Utilization policy of negative goodwill]

Reversal of the same amount for 50 years (100 fiscal periods)	
As of the end of the 26th fiscal period (ended November 30, 2016) (Reserve for temporary difference adjustments)	¥7,546 million
Utilization policy	Reverse at least 1% of the balance every fiscal period, as long as its balance remains (starting from the 27th fiscal period (ended May 31, 2017))
<b>Appropriated amount (lower limit)</b>	<b>¥75.4 million/FP</b>

#### Reserve retained for distribution

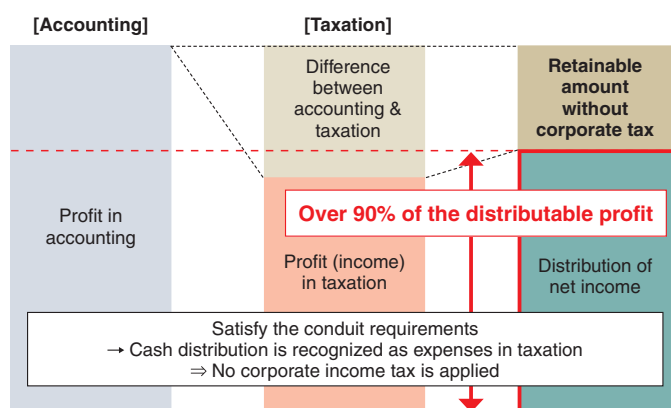
As of the end of the 27th fiscal period (ended May 31, 2017)	¥1,848 million
Reserved in the 28th fiscal period (ended November 30, 2017)	¥1,136 million
<b>As of the end of the 28th fiscal period (ended November 30, 2017)</b>	<b>¥2,984 million</b>

[Retained earnings (reserve retained for distribution) through utilizing the difference between accounting and taxation]

Utilizing the difference between book value in accounting and in taxation which is derived from the sale of "Nagoya Nishiki City Building (NCI property)" in the 28th fiscal period (ended November 30, 2017), ¥1,136 million (part of the profit in accounting) has been retained as "Reserve retained for distribution".



### In case of "Profit in accounting > Profit (income) in taxation"



### Retained earnings through utilizing the difference between accounting and taxation

[Difference between accounting and taxation in case of United Urban]

With regard to most properties which United Urban succeeded from NCI by the merger (NCI properties), the difference between accounting and taxation arises in depreciation cost and gain (loss) on the property sale due to the difference between book value in accounting and that in taxation. (Profit in accounting > Profit (income) in taxation)

In case retained amount is within the range that satisfies the conduit requirements, a part of the profit in accounting is retainable as "Reserve retained for distribution" without corporate income tax.

# Portfolio Properties

## Portfolio Roster (As of November 30, 2017)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Retail Properties</b>						
A1	Himonya Shopping Center	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	
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	
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	
A39	ACTIOLE Ueno (Note 13)	Taito-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1984	Dec. 4, 2015	
A40	KURURU	Fuchu, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Sep. 1, 2016	
A41	K's Denki Nagoya-kita	Nishikasugai-gun, Aichi	Trust beneficial interest in real estate	Jun. 2000	Dec. 1, 2016	
<b>Office Buildings</b>						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	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 Toyochō 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	
B13	Pacific Marks Tsukushima	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	
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	
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	
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	
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	
B44	SS30 (Note 8, 8)	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
B45	LOOP-X-M (Note 9)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1991	Apr. 26, 2017	

	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	2.5%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.1%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	5,200	0.9%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	1.8%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.1%	1,138.66	5,393.09	RC	B1/7F		Proprietary Ownership
	3,210	0.5%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	0.9%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.3%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.6%	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	0.7%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.1%	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	3.7%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.4%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.2%	79,484.47	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	0.8%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.4%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	0.8%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.5%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.4%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.4%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	4.6%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	0.8%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.7%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.1%	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	0.4%	231.00	1,646.50	RC	B1/9F	Leasehold Rights	Proprietary Ownership
	5,500	0.9%	466.76	1,486.52	S	B1/4F	Proprietary Ownership	Proprietary Ownership
	3,938	0.6%	3,658.25	17,889.43	S/RC	B2/6F	Proprietary Ownership	Proprietary Ownership
	3,000	0.5%	159.59	1,234.99	SRC	10F	Surface Right	Proprietary Ownership
	9,285	1.5%	7,266.41	59,361.08	SRC/RC/S	B3/28F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,750	0.3%	7,461.97	4,733.74	S	2F	Proprietary Ownership	Proprietary Ownership
	2,257	0.4%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,080	0.3%	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	2.3%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.1%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	0.8%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.4%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.7%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	2.4%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	2.0%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.0%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.2%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,290	0.5%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.4%	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
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	1.6%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.1%	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	1.1%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	0.7%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	9,590	1.6%	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
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.6%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.3%	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	0.2%	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	0.3%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	3,600	0.6%	2,146.31	10,396.94	S	9F	Proprietary Ownership	Proprietary Ownership
	11,521	1.9%	15,542.84	110,955.68	(1)SRC/S (2)RC (3)SRC	(1)B3/31F (2)B1/2F (3)B2/12F	Proprietary Ownership	Compartmentalized Ownership, Proprietary Ownership
	11,200	1.8%	5,491.44	31,583.38	(1)S/SRC (2)SRC/RC	(1)B1/17F (2)B1/18F	Proprietary Ownership	Proprietary Ownership

# Portfolio Properties

## Portfolio Roster (As of November 30, 2017)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
<b>Hotels</b>						
<b>C1</b>	Shinjuku Washington Hotel Honkan <sup>(Note 7)</sup>	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
<b>(B6)</b>	Shin-Osaka Central Tower (hotel portion) <sup>(Note 6)</sup>	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
<b>C2</b>	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
<b>C3</b>	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
<b>C4</b>	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
<b>C5</b>	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
<b>C6</b>	UUR Yotsuya Sanhome Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
<b>C7</b>	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
<b>C9</b>	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
<b>C10</b>	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Sep. 2005	Aug. 31, 2015	
<b>C11</b>	Toyoko Inn Hiroshima Heiwa-odori	Hiroshima, Hiroshima	Trust beneficial interest in real estate	Mar. 2004	Aug. 31, 2015	
<b>C12</b>	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Naha, Okinawa	Trust beneficial interest in real estate	Apr. 2002	Aug. 31, 2015	
<b>C13</b>	Loisir Hotel & Spa Tower Naha <sup>(Note 10)</sup>	Naha, Okinawa	Trust beneficial interest in real estate	(1)Oct. 1992 (2)Jun. 2009	Feb. 5, 2016	
<b>C14</b>	Urawa Royal Pines Hotel	Saitama, Saitama	Trust beneficial interest in real estate	Aug. 1999	Apr. 1, 2016	
<b>(B44)</b>	SS30 <sup>(Note 6, 8)</sup>	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
<b>Residential Properties</b>						
<b>D1</b>	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
<b>D4</b>	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
<b>D6</b>	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
<b>D7</b>	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
<b>D9</b>	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
<b>D10</b>	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
<b>D15</b>	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
<b>D16</b>	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
<b>D17</b>	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
<b>D18</b>	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
<b>D19</b>	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
<b>D20</b>	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
<b>D21</b>	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
<b>D22</b>	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
<b>D23</b>	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
<b>D24</b>	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
<b>D25</b>	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
<b>D26</b>	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
<b>D27</b>	UUR Court Shiki	Shiki, Saitama	Trust beneficial interest in real estate	Mar. 1999	Sep. 18, 2015	
<b>D28</b>	Scent Hills	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 2010	Dec. 1, 2016	
<b>Others</b>						
<b>E1</b>	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
<b>E2</b>	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
<b>E3</b>	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
<b>E4</b>	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
<b>E5</b>	Logistics Higashi-Ohgishima <sup>(Note 11)</sup>	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
<b>E6</b>	MT Ariake Center Building I&II <sup>(Note 12)</sup>	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1)Apr. 1989 (2)Jun. 1992	Nov. 25, 2014	
<b>E7</b>	Quartz Tower	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 2015	Nov. 13, 2015	
<b>E8</b>	Shin-Narashino Logistics Center	Narashino, Chiba	Trust beneficial interest in real estate	Jun. 1991	Aug. 7, 2015	
<b>E9</b>	Kawagoe Logistics Center	Kawagoe, Saitama	Trust beneficial interest in real estate	Aug. 2007	Jun. 17, 2016	
<b>E10</b>	Asuto Nagamachi Dental Clinic	Sendai, Miyagi	Trust beneficial interest in real estate	Oct. 2014	Aug. 29, 2016	
<b>E11</b>	Shin-Narashino Logistics Center II	Narashino, Chiba	Trust beneficial interest in real estate	Jan. 1990	Jan. 31, 2017	
<b>E12</b>	Yoshikawa Logistics Center	Yoshikawa, Saitama	Trust beneficial interest in real estate	Apr. 1997	Jul. 27, 2017	
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 "Completion Date," "Construction" and "Number of Floors" applies to the main building, unless otherwise indicated.

5. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.

6. Shin-Osaka Central Tower and SS30 include 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.

	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
	21,140	3.5%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (partly Co-ownership)	Compartmentalized Ownership (partly, Co-ownership)
	9,721	1.6%	(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	0.6%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	0.8%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.3%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.7%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	0.8%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	3,500	0.6%	482.37	3,138.82	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	2,655	0.4%	639.19	4,785.93	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,113	0.3%	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
	20,000	3.3%	11,850.24	45,731.16	(1)SRC/RC (2)SRC	(1)B1/12F (2)13F	Right of Site (Co-ownership), Proprietary Ownership	Compartmentalized Ownership (partly Co-ownership), Proprietary Ownership
	17,500	2.9%	7,418.83	51,071.32	SRC/S	B3/20F	Proprietary Ownership, Right of Site	Compartmentalized Ownership
	6,679	1.1%	(15,542.84)	(110,955.68)	(1)SRC/S (2)RC (3)SRC	(1)B3/31F (2)B1/2F (3)B2/12F	Proprietary Ownership	Compartmentalized Ownership, Proprietary Ownership
	2,021	0.3%	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
	3,031	0.5%	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
	3,170	0.5%	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	0.2%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.1%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.1%	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	0.3%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.2%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	5,150	0.8%	2,156.35	14,340.44	RC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,730	0.4%	6,132.03	9,885.83	SRC/RC	13F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	817.52	3,607.14	RC	13F	Proprietary Ownership	Proprietary Ownership
	2,050	0.3%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	0.8%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.7%	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
	4,233	0.7%	28,351.30	41,949.12	S	4F	Proprietary Ownership	Proprietary Ownership
	8,000	1.3%	8,307.00	22,917.94	(1)S/SRC (2)S	(1)5F (2)5F	Proprietary Ownership	Proprietary Ownership
	5,700	0.9%	354.27	2,720.38	S/SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	2,555	0.4%	6,968.26	13,268.65	S	6F	Proprietary Ownership	Proprietary Ownership
	7,550	1.2%	32,665.82	47,284.22	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	1,200	0.2%	2,009.14	1,554.09	S	B1/2F	Proprietary Ownership	Proprietary Ownership
	2,590	0.4%	7,870.01	12,578.45	S	4F	Proprietary Ownership	Proprietary Ownership
	1,960	0.3%	5,705.63	10,806.37	S	5F	Proprietary Ownership	Proprietary Ownership
	610,920	100.0%	800,108.85	1,587,172.70				

Notes: 8. The property comprises three buildings: an office building, a fitness club building and a hotel building, and some of the information are shown for an office building as (1), a fitness club building as (2), and a hotel building as (3). In addition, because the completion date of an office building and a hotel building disappears on the real estate register, the completion date of a fitness club building is described.

9. The property comprises two buildings: LOOP-X (office building) and LOOP-M (residential building), and some of the information are shown for LOOP-X as (1) and LOOP-M as (2).

10. The property comprises two buildings: Main Building and the Annex, and some of the information are shown for the Main Building as (1) and the Annex as (2).

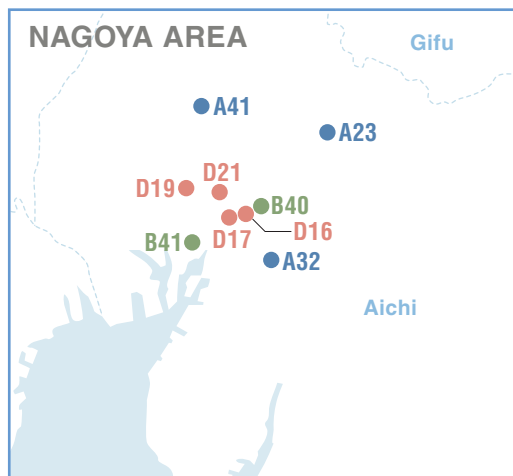
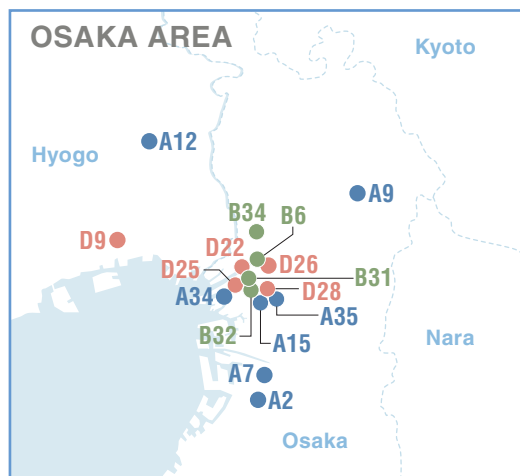
11. United Urban sold its 49% quasi co-ownership of the property and continues to hold the remaining 51% quasi co-ownership. The acquisition price is calculated as 51% of the initial acquisition price (¥8,300 million).

12. 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 the Building I as (1) and the Building II as (2). And "Site Area" of the property is described as it appears on the notification for provisional replotting.

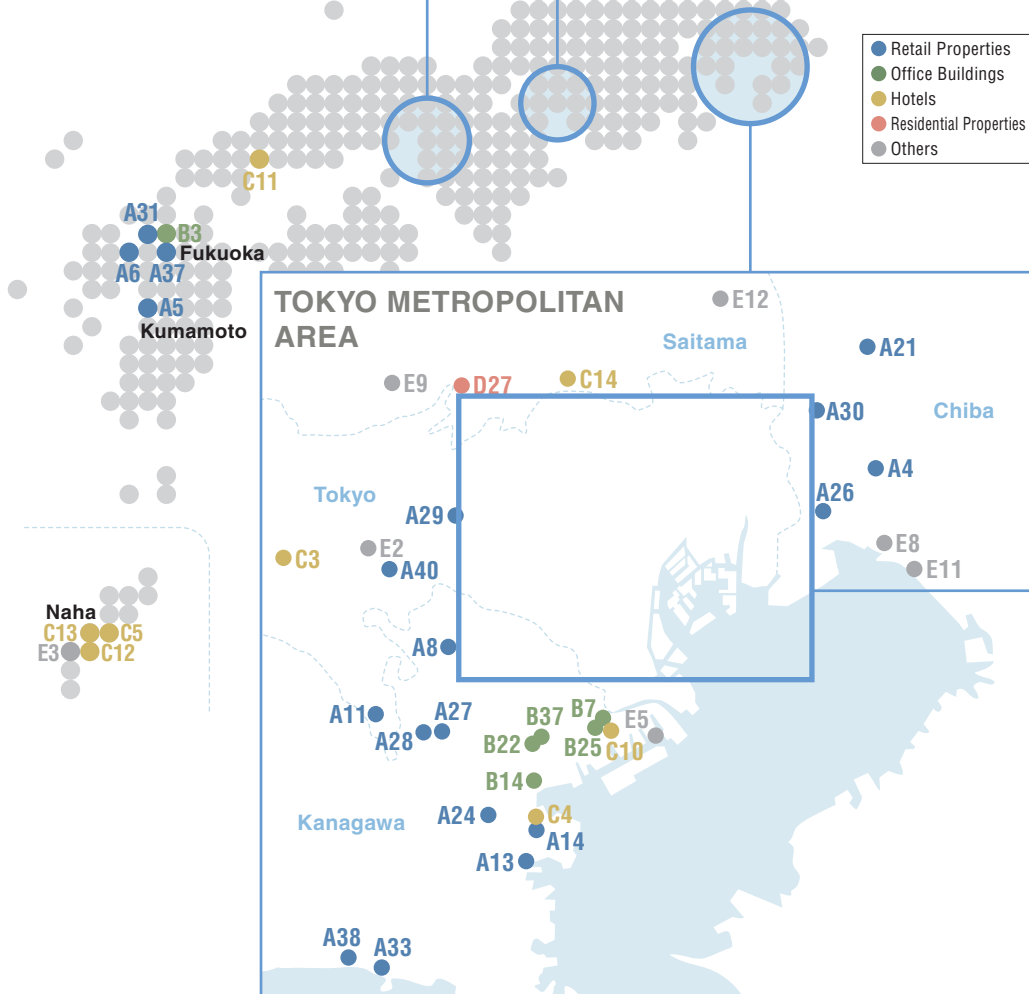
13. The property name was changed from 455 Ueno Building to ACTIOLE Ueno on April 24, 2017.

# Portfolio Properties

## Portfolio Map

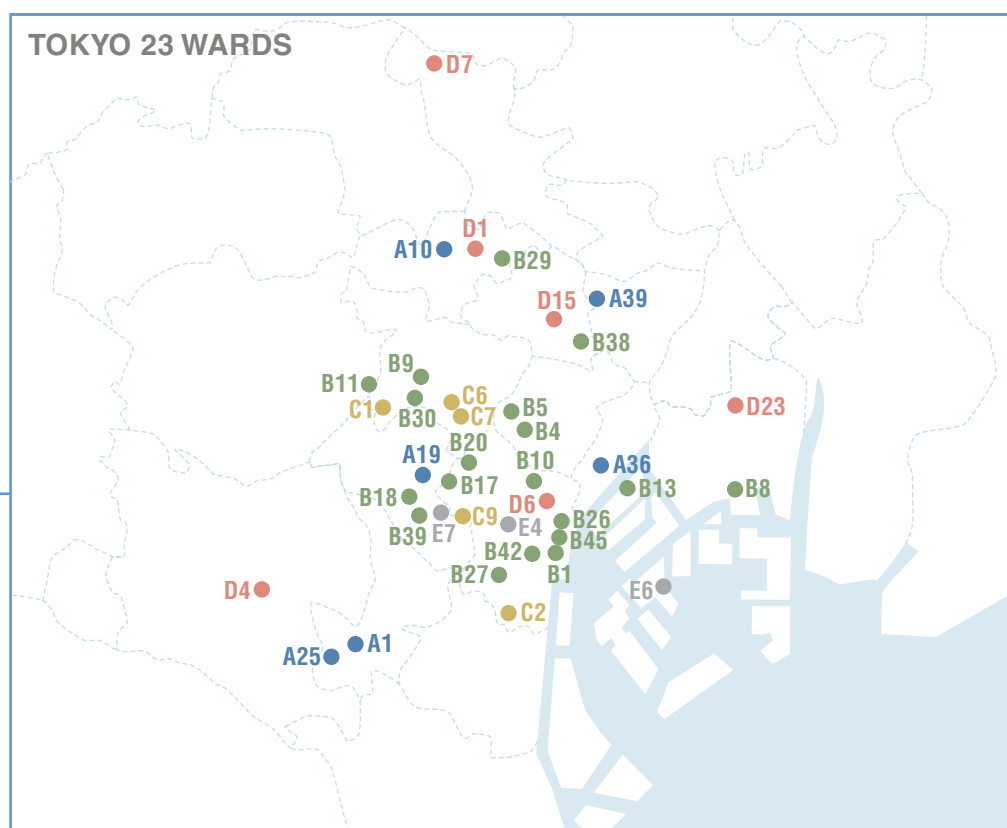


- A1 Himonya Shopping Center
- A2 Joy Park Izumigaoka
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- 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 Plusing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- A36 Granbell Ginza Building
- A37 UUR Tenjin Nishi-dori Building
- A38 Luz Shonan Tsujido
- A39 ACTIOLE Ueno
- A40 KURURU
- A41 K's Denki Nagoya-kita
- B1 T&G Hamamatsucho Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building



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

B5	Rokubancho K Building	B41	GRAND-SQUARE Meieki-minami	D16	GRAND-ROUGE Sakae
B6	Shin-Osaka Central Tower (Note 2)	B42	Shiba 520 Building	D17	GRAND-ROUGE Sakae II
B7	Kawasaki Toshiba Building	B43	Hirose-dori SE Building	D18	MA Sendai Building
B8	UUR Toyochō Building	B44	SS30 (Note 2)	D19	UUR Court Nagoya Meieki
B9	FOUR SEASONS BLDG	B45	LOOP-X-M	D20	UUR Court Sapporo Shinoro Ichibankan
B10	Hitachi High-Tech Building	C1	Shinjuku Washington Hotel Honkan	D21	Park Site IZUMI
B11	Pacific Marks Shinjuku Parkside	C2	Toyoko Inn Shinagawa-eki	D22	UUR Court Osaka Juso-honmachi
B13	Pacific Marks Tsukishima		Takanawa-guchi	D23	UUR Court Kinshicho
B14	Pacific Marks Yokohama East	C3	MZ BLD.	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B17	Akasaka Hikawa Building	C4	HOTEL ROUTE-INN Yokohama	D25	GRAND-ROUGE Nakanoshima-minami
B18	Pacific Marks Shibuya Koen-dori		Bashamichi	D26	Glenpark Umeda-kita
B20	Pacific Marks Akasaka-mitsuke	C5	Hotel JAL City Naha	D27	UUR Court Shiki
B22	Pacific Marks Shin-Yokohama	C6	UUR Yotsuya Sanhome Building	D28	Scent Hills
B25	Pacific Marks Kawasaki	C7	Yotsuya 213 Building	E1	Lilycolor Tohoku Branch
B26	Hamamatsucho 262 Building	C9	the b roppongi	E2	KDDI Fuchu Building
B27	Lila Hijirizaka	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	E3	Tsubogawa Square Building
B29	Otsuka HT Building	C11	Toyoko Inn Hiroshima Heiwa-odori	E4	THE PLACE of TOKYO
B30	Pacific Marks Shinjuku South-gate	C12	Toyoko Inn Naha Kokusai-dori Miebash-eki	E5	Logistics Higashi-Ogishima
B31	Pacific Marks Nishi-Umeda	C13	Loisir Hotel & Spa Tower Naha	E6	MT Ariake Center Building I&II
B32	Pacific Marks Higobashi	C14	Urawa Royal Pines Hotel	E7	Quartz Tower
B34	Pacific Marks Esaka	D1	T&G Higashi-ikebukuro Mansion	E8	Shin-Narashino Logistics Center
B35	Pacific Marks Sapporo Kita-Ichijo	D4	Komazawa Court	E9	Kawagoe Logistics Center
B36	Shin-Sapporo Center Building	D6	Sky Court Shiba-Daimon	E10	Asuto Nagamachi Dental Clinic
B37	ARENA TOWER	D7	Maison Ukima	E11	Shin-Narashino Logistics Center II
B38	Yushima First Building	D9	Aprile Shin-Ohgi Ichibankan	E12	Yoshikawa Logistics Center
B39	Dogenzaka Square	D10	UUR Court Sapporo Kita-Sanjo		
B40	GRAND-SQUARE Shin-Sakae	D15	CLIO Bunkyo Koishikawa		

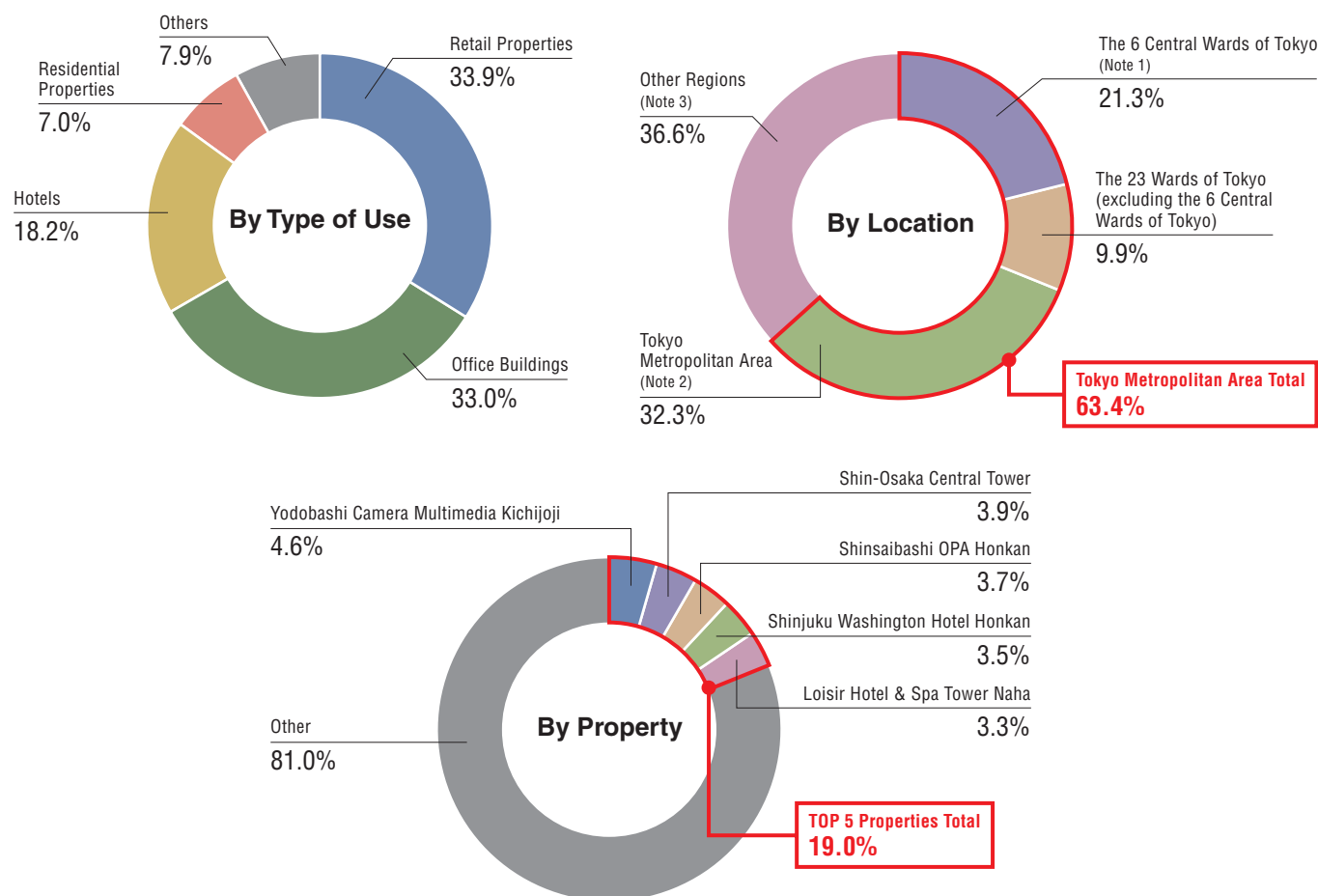


Notes: 1. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.  
 2. Shin-Osaka Central Tower and SS30 include the office portion and the hotel portion.

# Portfolio Properties

## Portfolio Data

Portfolio Breakdown (Based on acquisition prices) (As of November 30, 2017)



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 Metropolis, Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture, Ibaraki Prefecture, Gunma Prefecture, Tochigi Prefecture and Yamanashi Prefecture) 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 Area: Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture", "Nagoya Area: Aichi Prefecture, Mie Prefecture and Gifu Prefecture", and "Other Area: general term for areas excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area".

## Occupancy Ratio

	2017					
	End of June	End of July	End of August	End of September	End of October	End of November
Retail Properties	99.3%	99.3%	99.3%	99.4%	99.6%	99.5%
Office Buildings	98.5%	98.6%	98.6%	98.7%	98.4%	99.0%
Hotels	99.8%	99.8%	99.8%	99.9%	99.9%	99.9%
Residential Properties	98.3%	98.4%	98.3%	98.4%	97.5%	97.4%
Others	100.0%	100.0%	92.7%	92.7%	92.7%	92.7%
Total	99.2%	99.2%	98.3%	98.4%	98.3%	98.4%

## Major Properties

Office Buildings/Hotels

**B44 SS30**



Hotels

**C1 Shinjuku Washington Hotel Honkan**



Others

**E3 Tsubogawa Square Building**



Others

**E7 Quartz Tower**



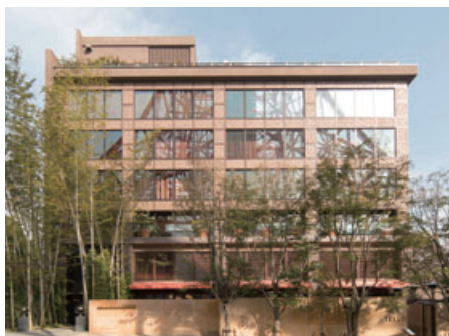
Retail Properties

**A15 Shinsaibashi OPA Honkan**



Others

**E4 THE PLACE of TOKYO**



Residential Properties

**D25 GRAND-ROUGE Nakanoshima-minami**



# Portfolio Properties

## Office Buildings

### **B37** ARENA TOWER



## Office Buildings/Hotels

### **B6** Shin-Osaka Central Tower



## Hotels

### **C13** Loisir Hotel & Spa Tower Naha



## Retail Properties

### **A29** Yodobashi Camera Multimedia Kichijoji



## Hotels

### **C14** Urawa Royal Pines Hotel



## Retail Properties

### **A6** TENJIN LUCE



# ESG Initiatives (Sustainability Management)

## Sustainability Approach

Considering Environment, Social, and Governance (ESG), United Urban and JRA make efforts for improvement in sustainability. Based on our stakeholders' expectations and concerns, and United Urban's influence on the environment and society, United Urban and JRA have specified and addressed the high material issues for United Urban.

## Management Structure

JRA has established the Sustainability Committee (chaired by the Chief Investment Officer) to promote continuous and systematic ESG initiatives. Information concerning ESG is shared throughout the company including its board members at least once a year in pursuit of further improvement. Policies drawn up by the Sustainability Committee are resolved by JRA's Board of Directors and then reported to United Urban's Board of Directors.

In addition, the Energy Conservation Promotion Committee and the Energy Conservation Promotion Subcommittee have been established as a management system to streamline the energy use. Also United Urban has been taking various measures to promote efficient use of energy obtaining the advice from external energy experts.

Action Plan for Materiality	Environment	Society	Governance
United Urban selects issues to be considered in sustainability initiatives, and put into its energy to those thought to be materiality.	United Urban has established the "Environmental Policies" and "Sustainability Objectives" for decrease of environmental burden of its properties. In addition, United Urban has obtained various environmental assessments from third parties for reference in formulating its management policies.	United Urban has been implementing various social initiatives in compliance with its stakeholders' expectation and interest, and United Urban's influence in society.	JRA will make "Everything for the Investors' Best Interest" our motto, and ensure timely and transparent disclosure. Moreover, JRA will place the greatest emphasis on compliance matters, and perform the asset management services for United Urban sincerely and faithfully.

## Third-party Certification

### ► GRESB Survey: Acquisition of "Green Star"



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 every year since 2012, and received the "Green Star" in the 2017 survey for three consecutive years. This evaluation has been given to companies which receive a superior sustainability evaluation in terms of both "Management and Policy" and "Implementation and Measurement."

### ► CASBEE for Market Promotion

"CASBEE (Comprehensive Assessment System for Built Environment Efficiency)" is a system for assessing and rating the environmental performance of buildings and the built environment, which is being developed and penetrated in Japan, under the leadership of the Ministry of Land, Infrastructure, Transport and Tourism. CASBEE for Market Promotion was developed with an intention to be widely used among property market participants, and its assessment criteria are designed to use by person engaged in real-estate development and transaction. The assessment items consist of five categories, namely "energy/GHG," "water," "materials/safety," "biodiversity/sustainable site," and "indoor environment" with 21 assessment items. Taking into account international common items advocated by UNEP SBCI (The United Nations Environment Programme - Sustainable Building and Climate Initiative), the same items as environmental performance items, which have received attention from domestic and foreign companies, are considered.

Among United Urban's portfolio, "Akasaka Hikawa Building," "Pacific Marks Shinjuku Parkside" and other four properties have received the certification.

### ► 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," "Tsubogawa Square Building" and "Logistics Higashi-Ogishima" owned by United Urban have acquired a "three stars" ranking (properties with excellent environmental & social awareness).



### ► BELS Certification

"Building-housing Energy-efficiency Labeling System (BELS)" is a third-party certification system for rating residential and non-residential buildings fulfilling the obligation to make efforts for labeling of energy efficiency under the Building Energy Efficiency Act (official name: Act on the Improvement of Energy Consumption Performance of Buildings). The assessment is on the basis of the Building Energy Index (BEI) value derived from primary energy consumption based on the building energy efficiency standards provided by the Japanese government.

The assessment and labeling based on BELS is implemented by assessment association members, which are those "registered housing quality evaluation agencies," "designated confirmation and inspection bodies" or "registered building investigation bodies" that have submitted notification as an organization implementing BELS operations. The assessment outcome is represented by a number of stars (five-star scale from one star to five stars).

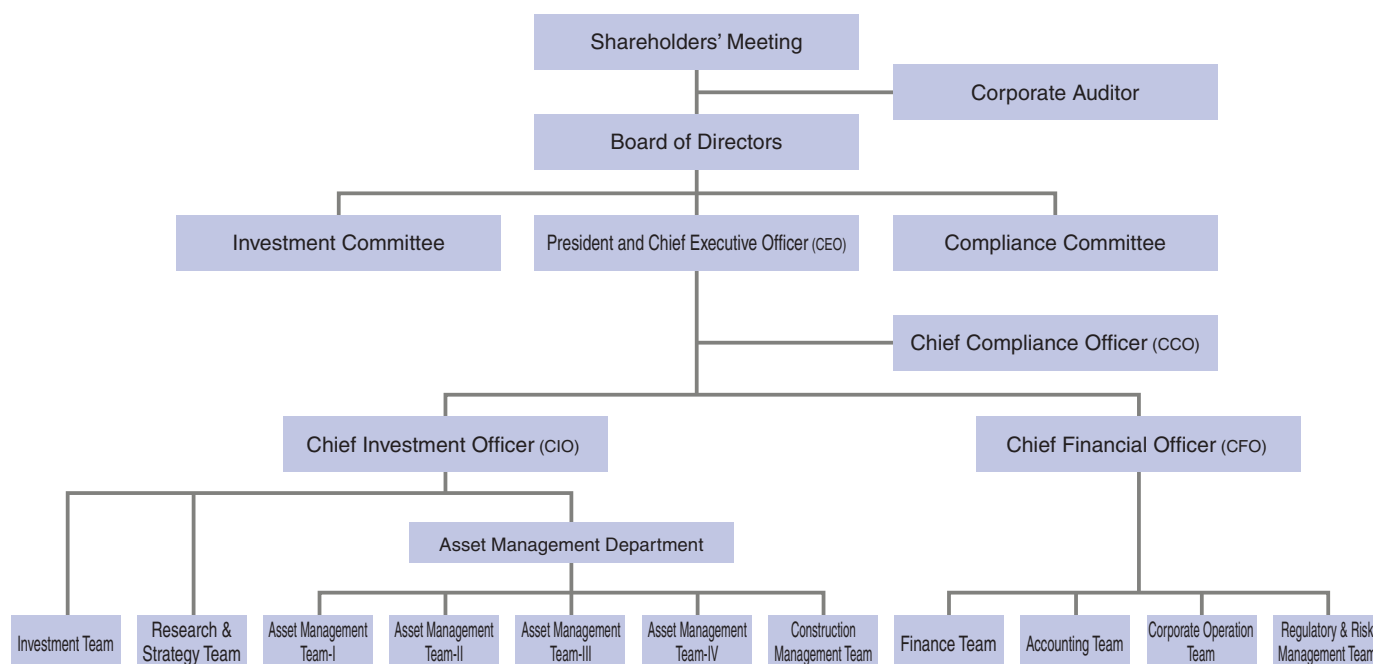
Among United Urban's portfolio, "ARENA TOWER" and "Kawagoe Logistics Center" have received the BELS certification.

# Profile of Asset Management Company

## Overview (As of December 31, 2017)

<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
<b>Shareholder</b>	Marubeni Corporation 100%
<b>Representative</b>	President and CEO Ikuo Yoshida
<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, 2017)



### 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, 2017, 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, 2017, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of the 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)		24th Fiscal Period (June 1, 2015- November 30, 2015)	25th Fiscal Period (December 1, 2015- May 31, 2016)	26th Fiscal Period (June 1, 2016- November 30, 2016)	27th Fiscal Period (December 1, 2016- May 31, 2017)	28th Fiscal Period (June 1, 2017- November 30, 2017)
Operating revenues	(Note 1) (Millions of yen)	20,070	21,444	22,864	22,982	25,926
(Rental revenues)	(Millions of yen)	(20,070)	(20,597)	(21,501)	(22,919)	(23,764)
Operating expenses	(Millions of yen)	10,642	10,853	11,807	11,484	13,443
(Property-related expenses)	(Millions of yen)	(8,705)	(8,873)	(9,706)	(9,382)	(10,360)
Operating income	(Millions of yen)	9,427	10,591	11,057	11,497	12,482
Ordinary income	(Millions of yen)	8,163	9,224	9,349	10,286	11,320
Net income	(a) (Millions of yen)	7,916	9,089	9,348	10,285	11,319
Total assets (compared to the previous period)	(b) (Millions of yen)	598,077 (+4.3%)	629,262 (+5.2%)	648,105 (+3.0%)	675,885 (+4.3%)	663,531 (△1.8%)
Total unitholders' equity (Net assets) (compared to the previous period)	(c) (Millions of yen)	297,340 (+5.1%)	298,009 (+0.2%)	333,592 (+11.9%)	351,801 (+5.5%)	353,258 (+0.4%)
Unitholders' capital (compared to the previous period)	(Millions of yen)	258,160 (+5.9%)	258,160 (-)	292,411 (+13.3%)	309,205 (+5.7%)	309,205 (-)
Total no. of investment units issued and outstanding	(d) (Units)	2,751,376	2,751,376	2,953,022	3,055,087	3,055,087
Net assets per unit	(c)/(d) (Yen)	108,069	108,313	112,966	115,152	115,629
Total cash distribution	(e) (Millions of yen)	8,124	8,254	8,888	9,929	10,258
Net income per unit	(Note 2) (Yen)	2,946	3,303	3,183	3,376	3,705
Cash distribution per unit	(e)/(d) (Yen)	2,953	3,000	3,010	3,250	3,358
(Distribution of earnings per unit)	(Yen)	(2,953)	(3,000)	(3,010)	(3,250)	(3,358)
(Distribution in excess of earnings per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Return on assets (Annualized)	(Note 3) (%)	1.4 (2.8)	1.5 (3.0)	1.5 (2.9)	1.6 (3.1)	1.7 (3.4)
Return on equity (Annualized)	(Note 3) (%)	2.7 (5.4)	3.1 (6.1)	3.0 (5.9)	3.0 (6.0)	3.2 (6.4)
Equity ratio (compared to the previous period)	(c)/(b) (%)	49.7 (+0.4%)	47.4 (△2.4%)	51.5 (+4.1%)	52.1 (+0.6%)	53.2 (+1.2%)
Payout ratio	(Note 3) (%)	100.2	90.8	94.5	96.2	90.6
<b>Supplementary information</b>						
No. of investment properties at end of period	(Properties)	117	118	119	123	116
Total leasable floor space at end of period	(m <sup>2</sup> )	1,229,197.15	1,296,365.99	1,342,847.93	1,443,510.75	1,422,050.82
Total no. of tenants at end of period	(Tenants)	1,930	2,037	2,066	2,319	2,259
Occupancy ratio at end of period	(%)	98.5	98.8	98.9	99.2	98.4
Depreciation and amortization	(Millions of yen)	3,482	3,697	3,884	3,991	4,109
Capital expenditures	(Millions of yen)	2,049	2,970	5,762	1,584	1,575
NOI (Net Operating Income) from leasing	(Note 3) (Millions of yen)	14,847	15,420	15,679	17,528	17,514
FFO (Funds From Operations) per unit	(Note 3) (Yen)	4,142	4,339	4,019	4,652	4,629
FFO ratio	(Note 3) (Times)	19.8	20.2	21.8	17.5	17.3
Debt service coverage ratio	(Note 3) (Times)	10.3	11.1	11.6	13.2	14.5
Net income before interest, depreciation and amortization	(Note 3) (Millions of yen)	12,624	14,048	14,477	15,447	16,573
Interest expense and interest expenses on corporate bonds	(Millions of yen)	1,225	1,262	1,243	1,170	1,144
Interest-bearing liabilities	(Note 3) (Millions of yen)	264,707	293,157	277,407	285,857	271,607
Ratio of interest-bearing liabilities to total assets at end of period	(Note 3) (%)	44.2	46.5	42.8	42.2	40.9
No. of operating days	(Days)	183	183	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.

	24th FP	25th FP	26th FP	27th FP	28th FP
Average no. of investment units during the period	2,686,863 units	2,751,376 units	2,936,915 units	3,045,874 units	3,055,087 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	$\text{Ordinary income} / ((\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2) \times 100$
Return on equity	$\text{Net income} / ((\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2) \times 100$
Payout ratio	$\text{Cash distribution per unit} / \text{Net income per unit} \times 100$ (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	$\text{Income or loss from property leasing in the period (Rental revenues - Property-related expenses)} + \text{Depreciation and Amortization}$
FFO (Funds From Operations) per unit	$\text{FFO (Net income + Depreciation and amortization + Amortization of deferred assets - Gain or loss on sales of real estate properties)} / \text{Total no. of investment units issued and outstanding}$
FFO ratio	$\text{Investment unit price at end of period} / \text{Annualized FFO per unit}$
Debt service coverage ratio	$\text{Net income before interest, depreciation and amortization} / \text{Interest expense and Interest expenses on corporate bonds}$
Net income before interest, depreciation and amortization	$\text{Net income} + \text{Depreciation and amortization} + \text{Amortization of deferred assets} + \text{Interest expense and Interest expenses on corporate bonds}$
Interest-bearing liabilities	$\text{Short-term borrowings} + \text{Current portion of corporate bonds} + \text{Long-term borrowings due for repayment within one year} + \text{Corporate bonds} + \text{Long-term borrowings}$
Ratio of interest-bearing liabilities to total assets at end of period	$\text{Interest-bearing liabilities at end of period} / \text{total assets at end of period} \times 100$ (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) increased to more than ¥600 billion (as of November 30, 2017).

As a result of performance, a distribution has been made in each of 27 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 27th fiscal period (fiscal period ended May 31, 2017). For the current period (28th fiscal period: fiscal period ended November 30, 2017), United Urban decided to make cash distribution of ¥3,358 per unit.

Note: “Type of use” : Retail properties, office buildings, hotels, residential properties, and others

“Area of location” : Mainly, Tokyo metropolitan area and major Japanese cities including government designated cities and surrounding areas thereof

### a. Investment Environment and Operation

#### (i) Investment Environment

Japanese economy during this period remains steady due to the good condition of corporate performance. And also, while the movement to increase interest rates or to taper off the quantitative easing can be seen in global economy, financing environment has been favorable in Japan due to the low interest rate.

In the real estate sales market, transaction prices are still increasing due to the continuation of favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of suburban type properties has been struggling, but that of urban type properties has been stable, and the rental market for retail properties remains steady. As for office buildings, although a lot of new supplies would be expected in Tokyo area, demands for corporates’ business expansion are strong. So, asking rents in the Tokyo metropolitan area and major cities throughout Japan have been increasing, and vacancy ratio has kept low. As for hotels, although each situation is different depending on its locating city, number of inbound tourists (Note) keeps on increasing in general. While room occupancy ratio decreases slightly in the areas with a lot of new supplies such as Tokyo or Osaka, management environment are good. As for residential properties, rental properties have a steady demand, and both the occupancy ratio and rent levels remains stable.

Note: “Inbound tourists” mean foreign tourists visiting Japan.

(ii) New Acquisitions and Sale of Properties

During the period, United Urban acquired Yoshikawa Logistics Center and the following preferred securities to hold the preferential negotiation right of the property acquisition.

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
E12	Yoshikawa Logistics Center	Warehouse	Yoshikawa, Saitama	1,960	July 27, 2017

Name of Asset	Acquired Asset	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
Preferred equity securities of KICAM Musashimurayama Tokutei Mokuteki Kaisha (specific purpose company, the "TMK")	Preferred equity securities: 5 units (Percentage of ownership: 6.8%)	50	October 12, 2017

On the other hand, United Urban sold the following eight properties to improve the quality and profitability of its portfolio and implemented the replacement of assets.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
A3	Ashiya Kawanishi Shopping Mart	Store	Ashiya, Hyogo	2,912	September 1, 2017
B2	SK Nagoya Building	Office	Nagoya, Aichi	4,970	October 11, 2017
B33	Nagoya Nishiki City Building	Office	Nagoya, Aichi	2,480	
D8	Narashino Residence	Apartment	Funabashi, Chiba	840	
D11	UUR Court Chiba Soga	Boardinghouse	Chiba, Chiba	600	
D12	Higashi-kurume Dormitory Shinkan	Boardinghouse	Higashikurume, Tokyo	390	
D13	Nanzan Court Ichigokan	Apartment	Nagoya, Aichi	950	
D14	Nanzan Court Nigokan	Apartment	Nagoya, Aichi	430	
Total				13,572	

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.  
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements, etc. concerning the acquisition or sale of each property or paid-in amount concerning the acquisition of preferred securities. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.

(iii) Portfolio Overview

As a result of the acquisition and sales of properties mentioned above (ii), United Urban held a total of 116 properties, comprising 35 retail properties, 33 office buildings, 1 retail-office complex, 13 hotels, 2 office-hotel complexes, 20 residential properties and 12 others, with an aggregate acquisition price of ¥610,920 million at the end of the 28th fiscal period (as of November 30, 2017). In addition, the total leasable floor space was 1,422,050.82 sq. m. and the total numbers of tenants were 2,259.

United Urban has continued to focus on improving occupancy ratios during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 98.3% and 99.2%, and stood at 98.4% at the end of the 28th fiscal period (as of November 30, 2017).

b. Financing Overview

During this period, United Urban procured debt financing to support the redemption of corporate bonds. Moreover, after the repayment of interest-bearing liabilities with proceeds from sales of properties mentioned above, the total amount of interest-bearing liabilities was ¥271,607 million, a decrease of ¥14,250 million compared to the end of the previous fiscal period.

The status of interest-bearing liabilities at the end of the previous period and the end of the 28th fiscal period are as follows.

(Millions of yen)

	Balance at End of 27th Fiscal Period (As of May 31, 2017)	Balance at End of 28th Fiscal Period (As of November 30, 2017)	Changes
Short-term borrowings	-	-	-
Long-term borrowings	245,357	237,607	(7,750)
Total of borrowings	245,357	237,607	(7,750)
Corporate bonds	40,500	34,000	(6,500)
Total of interest-bearing liabilities	285,857	271,607	(14,250)

In addition, as of the end of the 28th fiscal period, the amount of borrowings due for repayment within one year was ¥29,023 million, and the amount of the current portion of corporate bonds that is to become due for maturity within one year was ¥29,000 million.

Moreover, the details of credit ratings of United Urban as of December 31, 2017 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)	Long-Term Issuer Rating: A3	Rating Outlook: Stable

### c. Overview of Financial Results and Distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥25,926 million (up by 12.8% from the previous period), profit from rental activities of ¥13,404 million (down by 1.0% from the previous period), operating income of ¥12,482 million (up by 8.6% from the previous period), ordinary income of ¥11,320 million (up by 10.1% from the previous period), and a net income of ¥11,319 million (up by 10.1% from the previous period).

During the period under the review, ¥1,136 million of the net income after taking into account gain on sale of properties was set aside as a reserve retained for distribution to enhance the risk tolerance for unexpected market conditions. On the other hand, in accordance with "Ordinance on Accountings of Investment Corporations" and "Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" stipulated by the Investment Trusts Association, Japan, United Urban reversed ¥75 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥10,258 million, and cash distribution per unit was ¥3,358. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied during the fiscal period, and the corporate tax is not imposed.

## 3. Issuance of New Investment Units

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

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 1)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 2)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 3)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 4)
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 5)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 6)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 7)

Date	Remarks	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 8)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 9)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 10)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 11)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 12)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 13)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 14)

Notes: 1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. New investment units were issued through public offering at the offer price of ¥175,224 per unit (issue price (underwriter price) ¥169,860) for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

12. New investment units were issued through third-party allotment at the issue price of ¥169,860 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.

13. New investment units were issued through public offering at the offer price of ¥169,736 per unit (issue price (underwriter price) ¥164,540), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds to support a portion of the repayment of interest-bearing liabilities.

14. New investment units were issued through third-party allotment at the issue price of ¥164,540 per unit for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

#### 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)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
Highest	188,200	193,800	191,700	182,400	167,800
Lowest	137,700	149,800	167,700	161,800	151,700

#### 4. Distribution Information

With regard to the cash distribution in the period, ¥1,136 million of the net income after taking into account gain on sale of properties was set aside as a reserve retained for distribution to enhance the risk tolerance for unexpected market conditions. On the other hand, in accordance with "Ordinance on Accountings of Investment Corporations" and "Regulations Concerning Real Estate

Investment Trusts and Real Estate Investment Corporations" stipulated by the Investment Trusts Association, Japan, United Urban reversed ¥75 million of the reserve for temporary difference adjustments and added the reversal amount to cash distributions. As a result, United Urban decided to distribute ¥10,258 million, and cash distribution per unit was ¥3,358. In addition, the applicable requirement under the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied during the fiscal period, and the corporate tax is not imposed.

		24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
Unappropriated retained earnings at end of period	Thousands of yen	8,038,171	9,089,092	9,348,568	10,285,440	11,319,585
Retained earnings (Note)	Thousands of yen	7,668,286	8,503,250	8,963,223	9,319,631	10,380,234
Total cash distribution	Thousands of yen	8,124,813	8,254,128	8,888,596	9,929,032	10,258,982
(Cash distribution per unit)	(Yen)	(2,953)	(3,000)	(3,010)	(3,250)	(3,358)
Total profit distribution	Thousands of yen	8,124,813	8,254,128	8,888,596	9,929,032	10,258,982
(Profit distribution per unit)	(Yen)	(2,953)	(3,000)	(3,010)	(3,250)	(3,358)
Total refund of capital	Thousands of yen	-	-	-	-	-
(Refund of capital per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from provision for temporary difference adjustment	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from provision for temporary difference adjustment)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from the distribution associated with investment decrease for tax purpose	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from the distribution associated with investment decrease for tax purpose)	(Yen)	(-)	(-)	(-)	(-)	(-)

Note: "Retained earnings" shows total amount of the balance of voluntary retained earnings such as reserve for temporary difference adjustments and reserve retained for distribution, and unappropriated retained earnings carried forward.

## 5. Future Policies and Challenges

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

Under these circumstances, United Urban will take advantage of the knowledge and network of the sponsor, cooperate with tenants, and work on a new acquisition scheme in addition to its information channel of Japan REIT Advisors Co., Ltd. ("JRA"), the asset management company to which United Urban entrusts asset management services, for property acquisitions, and make efforts for profitability-conscious property acquisition by utilizing the characteristics of a diversified J-REIT. In addition, United Urban considers the property replacement positively in view of present real estate sales market. With regard to internal growth, United Urban makes efforts to increase rents of office buildings and hotels, and to lease the vacant rooms.

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

## 6. Material Facts Arising after the End of the 28th Fiscal Period and Other Material Events

There are no material facts arising after the end of the fiscal period (November 30, 2017). In addition, the reference information is as follows:

### a. Changes in Shareholders of the Asset Management Company

Based on the demand for sale of shares by Marubeni Corporation which holds 95% of shares of JRA as of November 29, 2017, 5% of shares of JRA held by Kyokuto Securities Co., Ltd. was transferred to Marubeni Corporation on December 22, 2017. Accordingly, JRA became a wholly owned subsidiary of Marubeni Corporation as of the same date.

### b. New Committed Line of Credit Agreement

United Urban concluded a new committed line of credit agreement on December 26, 2017, 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 26, 2017
Term of agreement	:	From December 26, 2017 to December 25, 2018
Remarks	:	Unsecured, unguaranteed

### c. Acquisition of Property

United Urban has acquired "RIHGA Royal Hotel Kokura・ARUARU City" on January 26, 2018 with cash on hand.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
C15	RIHGA Royal Hotel Kokura・ARUARU City	Hotel	Kitakyushu, Fukuoka	16,600	January 26, 2018

## Overall Condition of Investment Corporation

### 1. Summary of Unitholders' Contribution

		24th Fiscal Period (As of November 30, 2015)	25th Fiscal Period (As of May 31, 2016)	26th Fiscal Period (As of November 30, 2016)	27th Fiscal Period (As of May 31, 2017)	28th Fiscal Period (As of November 30, 2017)
Total number of investment units authorized	(Units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding	(Units)	2,751,376	2,751,376	2,953,022	3,055,087	3,055,087
Total unitholders' capital	(Millions of yen)	258,160	258,160	292,411	309,205	309,205
Number of unitholders		24,726	22,704	22,809	23,034	22,182

### 2. Major Unitholders

TOP 10 unitholders based on the number of investment units held at the end of the 28th fiscal period were as follows:

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held (%) (Note)
Japan Trustee Services Bank, Ltd. (trust account)	702,870	23.01
The Master Trust Bank of Japan, Ltd. (trust account)	468,673	15.34
The Nomura Trust and Banking Co., Ltd. (investment trust account)	127,778	4.18
Trust & Custody Services Bank, Ltd. (securities investment trust account)	116,656	3.82
STATE STREET BANK WEST CLIENT-TREATY 505234	74,149	2.43
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	64,424	2.11
NOMURA BANK (LUXEMBOURG) S.A.	57,092	1.87
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	48,249	1.58
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	39,840	1.30
STATE STREET BANK AND TRUST COMPANY 505012	33,414	1.09
Total	1,733,145	56.73

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 (Note 1)	Ikuo Yoshida	President and CEO, Japan REIT Advisors Co., Ltd.	- (Note 2)
	Hitoshi Murakami	- (Note 3)	3,000
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, KYOCERA Corporation	2,100
Supervisory Officer	Tetsuo Ozawa	Corporate Auditor, Lawson, Inc. Corporate Auditor, Sekisui Chemical Co., Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	-	17,000
Total			24,200

- Notes: 1. Hitoshi Murakami, the Executive Officer of United Urban resigned as the Executive Officer on August 31, 2017, and Ikuro Yoshida assumed the office as the Executive Officer on September 1, 2017.
2. There was no record of payment of compensation for Ikuro Yoshida.
3. Because Hitoshi Murakami resigned as the Executive Officer on August 31, 2017, information of his other title is omitted.
4. 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.
5. 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.

**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 in the last two years**

Ernst & Young ShinNihon LLC, the Accounting Auditor of United Urban, received business suspension order of accepting new engagements for 3 months (from January 1, 2016, to March 31, 2016) from the Financial Services Agency on December 22, 2015. By comprehensively considering the fact that the Accounting Auditor has been undertaking initiatives to prevent a reoccurrence and pursuing the auditing service for United Urban properly and rigorously, United Urban has determined it is deemed appropriate to continue to entrust the auditing to Ernst & Young ShinNihon LLC.

## 4. Advisors and Agents

Asset Management Company, Asset Custodian, and Administrative Agents at the end of the 28th fiscal period were as follows:

Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Transfer Agent (unitholder registry))	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Special Account Administrator)	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

## Portfolio Profiles

### 1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		27th Fiscal Period (As of May 31, 2017)		28h Fiscal Period (As of November 30, 2017)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage to Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage to Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,302,348	1.1	7,289,025	1.1
		Other regions		13,841,731	2.0	13,776,706	2.1
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,168,248	1.9	13,126,878	2.0
			The 23 wards of Tokyo	9,623,908	1.4	9,581,321	1.4
			Tokyo metropolitan area	9,190,623	1.4	9,133,097	1.4
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	2,134,151	0.3	2,163,944	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,152,761	0.6	4,106,281	0.6
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,917,234	0.4	2,895,356	0.4
			Tokyo metropolitan area	-	-	-	-
		Other regions		744,620	0.1	733,366	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
	Subtotal			63,075,627	9.3	62,805,978	9.5
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,289,081	0.6	4,280,765	0.6
			The 23 wards of Tokyo	29,536,487	4.4	29,353,716	4.4
			Tokyo metropolitan area	81,101,516	12.0	80,739,470	12.2
		Other regions		66,947,331	9.9	66,027,871	10.0
	Office Buildings	Capital region	The 6 central wards of Tokyo	66,070,345	9.8	65,925,383	9.9
			The 23 wards of Tokyo	2,080,499	0.3	2,066,849	0.3
			Tokyo metropolitan area	42,030,113	6.2	41,674,396	6.3
		Other regions		65,083,467	9.6	56,820,393	8.6
	Hotels	Capital region	The 6 central wards of Tokyo	35,418,046	5.2	35,291,944	5.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	23,577,195	3.5	23,456,315	3.5
		Other regions		47,191,605	7.0	47,422,377	7.1
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,027,434	0.2	1,016,330	0.2
			The 23 wards of Tokyo	8,905,728	1.3	8,818,854	1.3
			Tokyo metropolitan area	4,930,162	0.7	2,881,190	0.4
		Other regions		23,234,534	3.4	21,684,950	3.3
	Others	Capital region	The 6 central wards of Tokyo	9,372,195	1.4	9,329,532	1.4
			The 23 wards of Tokyo	8,017,586	1.2	7,999,331	1.2
			Tokyo metropolitan area	22,137,782	3.3	24,082,992	3.6
		Other regions		6,785,808	1.0	6,704,768	1.0
	Subtotal			547,736,926	81.0	535,577,435	80.7
Preferred Equity Securities (Note 6)			93,905	0.0	144,337	0.0	
Bank Deposits and Other Assets			64,979,460	9.6	65,004,037	9.8	
Total Assets			675,885,920	100.0	663,531,788	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 Tokyo wards.
6. Preferred equity securities of Tenjin 123 Project TMK and KICAM Musashimurayama TMK

## 2. Major Properties

Major properties (top 10 properties based on book value) owned by United Urban as of November 30, 2017 were as follows:

Property Name	Book Value (Millions of yen)	Leasable Floor Space (m <sup>2</sup> ) (Note 1)	Leased Floor Space (m <sup>2</sup> ) (Note 1)(Note 2)	Occupancy Ratio (%) (Note 1)	Monthly Rent Ratio at End of Period (%) (Note 3)	Type of Use	Granting of Security
Yodobashi Camera Multimedia Kichijoji	27,680	37,932.95	37,932.95	100.0	(Note 4)	Retail Properties	N/A
Shin-Osaka Central Tower	23,845	45,978.59	45,922.79	99.9	4.7	Office / Hotels	N/A
Shinjuku Washington Hotel Honkan	22,439	53,331.46	53,322.10	99.98	3.8	Hotels	N/A
Shinsaibashi OPA Honkan	21,974	27,025.42	27,025.42	100.0	3.3	Retail Properties	N/A
Loisir Hotel & Spa Tower Naha	20,763	45,731.16	45,731.16	100.0	1.8	Hotels	N/A
Kawasaki Toshiba Building	19,626	36,118.31	36,118.31	100.0	4.1	Office Buildings	N/A
SS30	18,939	67,681.83	67,157.23	99.2	4.3	Office / Hotels	N/A
Urawa Royal Pines Hotel	17,583	31,129.86	31,129.86	100.0	2.6	Hotels	N/A
Himonya Shopping Center	17,571	26,655.66	26,655.66	100.0	(Note 4)	Retail Properties	N/A
Hitachi High-Tech Building	14,468	15,781.64	15,781.64	100.0	1.9	Office Buildings	N/A
Total	204,893	387,366.88	386,777.12	99.8	(Note 4)		

- Notes: 1. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of November 30, 2017. "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.) With regard to the portion of properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using this portion's entire floor area. In addition, "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space" and "Occupancy Ratio" of Shinjuku Washington Hotel Honkan is rounded to two decimal places.
2. 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.
3. "Monthly Rent Ratio at End of Period" is calculated based on monthly rent(s) (total of room rent and common area charges) under the lease agreement in effect as of November 30, 2017.
4. 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.

## 3. Details of Properties in the Portfolio

Details of properties owned by United Urban as of November 30, 2017 were as follows:

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Himonya Shopping Center	4-1-1 Himonya, Meguro-ku, Tokyo	Trust beneficial interest	26,655.66	22,500	17,571
Joy Park Izumigaoka	1-3 Miharadai 1-cho, Minami-ku, Sakai, Osaka	Trust beneficial interest	13,611.24	4,710	5,174
Re-LAND Shopping Center	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest	12,968.84	5,780	4,160

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
AEON MALL Uki	121-1 Gohnoe Aza Ebata, Ogawa-machi, Uki, Kumamoto, etc.	Trust beneficial interest	72,073.39	6,260	9,478
TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,194.68	6,490	6,307
Yamada Denki Tecc Land Sakai Honten	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	8,637.63	3,600	2,770
Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest	10,487.92	5,140	5,073
KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest	8,627.58	1,900	1,590
ACTIOLE Minami-ikebukuro	2-26-10 Minami-ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,081.50	3,350	3,668
Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest	6,710.19	4,850	4,222
Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest	16,729.60	3,990	3,225 (Note 4)
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	1-1-1 Isogo, Isogo-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	52,668.38	11,300	12,450
ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	1,938.56	2,100	2,278
Shinsaibashi OPA Honkan	1-4-3 Nishi-Shinsaibashi, Chuo-ku, Osaka, Osaka	Trust beneficial interest	27,025.42	26,100	21,974
Albore Jingumae	5-27-7 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	931.14	2,160	1,563
Albore Sendai	2-4-5 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	3,147.29	3,540	2,370
Mallage Kashiwa	2-3-1 Oyamadai, Kashiwa, Chiba, etc.	Trust beneficial interest	41,766.56	8,530	6,732
Ito-Yokado Owariasahi	116-4 Ishihara, Minami-Harayama-cho, Owariasahi, Aichi, etc.	Real estate	54,606.34	4,920	4,155
Yokohama Kariba Shopping Center	164-1 Kariba-cho Hodogaya-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,345.09	2,010	2,216
Luz Jiyugaoka	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	Trust beneficial interest	2,283.47	6,090	4,938
ACTIOLE Ichikawa	1-4-17 Ichikawa, Ichikawa, Chiba	Trust beneficial interest	3,927.49	4,050	3,040
VIVAHOME Yokohama Aoba (Site)	1-2 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	9,193.00	3,210	2,740
Yamada Denki Tecc Land Aoba (Site)	2-3 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	7,650.63	2,510	2,270
Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji-honcho, Musashino, Tokyo	Trust beneficial interest	37,932.95	35,900	27,680
Yamada Denki Tecc Land New Matsudo Honten	2289-3 Matsudo Aza Iwase-sakai, Matsudo, Chiba, etc.	Trust beneficial interest	17,561.23	6,580	4,926
Tenjin Loft Building	4-9-25 Watanabe-dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	7,730.09	5,780	4,584
Narumi Shopping Center (Site)	3-2 Narumicho-aza Denjiyama, Midori-ku, Nagoya, Aichi, etc.	Real estate	60,419.26	7,230	6,850
Plussing Wave Enoshima	1-3-16 Kugenuma-Kaigan, Fujisawa, Kanagawa	Trust beneficial interest	3,154.42	2,140	1,873
Life Nishikujo (Site)	6-41-6 Nishikujo, Konohana-ku, Osaka, Osaka	Trust beneficial interest	3,252.76	2,050	1,842
Life Tamatsukuri (Site)	3-12-1 Nakamichi, Higashinari-ku, Osaka, Osaka	Trust beneficial interest	2,391.44	2,150	1,967
Granbell Ginza Building	2-8-18 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,352.35	2,900	2,716
UUR Tenjin Nishi-dori Building	2-5-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	1,564.70	5,940	5,694
Luz Shonan Tsujido	1-2-12 Tsujido-Kandai, Fujisawa, Kanagawa	Trust beneficial interest	10,454.22	4,580	3,995
ACTIOLE Ueno (Note 6)	4-5-5 Ueno, Taito-ku, Tokyo	Trust beneficial interest	1,167.63	3,190	3,174
KURURU	1-50 Miyamachi, Fuchu, Tokyo	Trust beneficial interest	13,292.30	10,700	9,617
K's Denki Nagoya-kita	3-1 Nagaregawa, Aza-Toyoba, Oaza-Toyoyamacho, Nishikasugai-gun, Aichi	Trust beneficial interest	4,733.74	1,890	1,817
T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	2,420.85	3,140	2,109
Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,934.40	2,640	1,617
Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest	2,578.84	2,480	2,434

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Rokubanchō K Building	2-19 Rokuban-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	4,031.14	3,710	2,280
Shin-Osaka Central Tower	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	45,978.59	28,500	23,845
Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	36,118.31	32,300	19,626
UUR Toyochō Building	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	7,540.30	8,820	8,488
FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	5,000.54	5,530	4,184
Hitachi High-Tech Building	1-24-14 Nishi-Shinbashi, Minato-ku, Tokyo	Trust beneficial interest	15,781.64	15,800	14,468
Pacific Marks Shinjuku Parkside	4-15-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	10,947.34	11,700	11,961
Pacific Marks Tsukishima	1-15-7 Tsukishima, Chuo-ku, Tokyo	Real estate	9,336.27	6,360	5,843
Pacific Marks Yokohama East	3-4 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	10,744.60	7,570	6,789
Akasaka Hikawa Building	6-18-3 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,438.20	3,970	3,242
Pacific Marks Shibuya Koen-dori	1-6-3 Jinnan, Shibuya-ku, Tokyo	Trust beneficial interest	1,972.43	3,090	2,459
Pacific Marks Akasaka-mitsuke	3-20-6 Akasaka, Minato-ku, Tokyo	Real estate	1,675.13	2,300	2,151
Pacific Marks Shin-Yokohama	3-18-20 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	3,110.72	1,710	1,569
Pacific Marks Kawasaki	11-1 Ekimae-honcho, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Real estate	7,382.62	11,300	9,133
Hamamatsucho 262 Building	2-6-2 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	6,162.85	7,140	6,566
Lila Hijirizaka	3-4-9 Mita, Minato-ku, Tokyo, etc.	Real estate	4,255.02	3,020	2,627
Otsuka HT Building	3-43-1 Minami-otsuka, Toshima-ku, Tokyo	Real estate	1,774.56	1,180	1,092
Pacific Marks Shinjuku South-gate	4-2-16 Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,723.03	3,280	2,503
Pacific Marks Nishi-Umeda	2-6-20 Umeda, Kita-ku, Osaka, Osaka	Trust beneficial interest	11,039.51	7,190	6,378
Pacific Marks Higobashi	1-10-8 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	7,623.57	4,650	4,426
Pacific Marks Esaka	9-1 Toyotsu-cho, Suita, Osaka	Trust beneficial interest	20,005.03	9,640	9,630
Pacific Marks Sapporo Kita-Ichijo	7-4-4 Kita Ichijo Nishi, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	4,727.65	2,100	1,769
Shin-Sapporo Center Building	6-2-15 Atsubetsu Chuo Ichijo, Atsubetsu-ku, Sapporo, Hokkaido	Trust beneficial interest	2,797.03	1,080	877
ARENA TOWER	3-1-9 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	17,967.46	12,800	8,436
Yushima First Building	3-19-11 Yushima, Bunkyo-ku, Tokyo	Trust beneficial interest	4,558.77	2,880	2,066
Dogenzaka Square	5-18 Maruyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,233.57	2,900	2,292
GRAND-SQUARE Shin-Sakae	2-19-6 Shin-Sakae, Naka-ku, Nagoya, Aichi, etc.	Trust beneficial interest	4,578.93	2,030	1,387
GRAND-SQUARE Meieki-minami	1-12-9 Meieki-minami, Nakamura-ku, Nagoya, Aichi	Trust beneficial interest	4,003.05	2,170	1,161
Shiba 520 Building	5-20-6 Shiba, Minato-ku, Tokyo	Trust beneficial interest	2,831.94	2,930	2,180
Hirose-dori SE Building	205-1 Nagake-cho, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	8,235.87	5,030	3,388
SS 30	4-6-1 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	67,681.83	18,200	18,939
LOOP-X・M	3-9-15 Kaigan, Minato-ku, Tokyo, etc.	Trust beneficial interest	21,592.16	11,600	11,744
Shinjuku Washington Hotel Honkan	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	53,331.46	26,500	22,439
Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	3,088.85	2,600	1,631
MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest	6,660.20	3,840	3,172
HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Benten Dori, Naka-ku, Yokohama, Kanagawa	Real estate	7,139.44	5,150	4,106
Hotel JAL City Naha	1-3-70 Makishi, Naha, Okinawa	Trust beneficial interest	13,701.80	11,500	7,172

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
UUR Yotsuya Sanchome Building	3-14-1 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,854.86	6,410	4,268
Yotsuya 213 Building	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,550.16	6,310	4,968
the b roppongi (Note 5)	3-9-8 Roppongi, Mitato-ku, Tokyo	Trust beneficial interest	2,710.90	4,760	4,147
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2-11-14 Isogo, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	4,874.28	3,110	2,700
Toyoko Inn Hiroshima Heiwa-odori	5-15 Tanakamachi, Naka-ku, Hiroshima, Hiroshima	Trust beneficial interest	4,357.75	2,510	2,131
Toyoko Inn Naha Kokusai-dori Miebashi-eki	1-20-1 Makishi, Naha, Okinawa	Trust beneficial interest	1,529.47	817	752
Loisir Hotel & Spa Tower Naha	3-2-1 Nishi, Naha, Okinawa	Trust beneficial interest	45,731.16	22,700	20,763
Urawa Royal Pines Hotel	2-5-1 Nakachou, Urawa-ku, Saitama, Saitama	Trust beneficial interest	31,129.86	18,300	17,583
T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,603.22	2,320	1,452
Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	3,741.17	2,370	1,505
Sky Court Shiba-Daimon	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	1,486.38	1,380	1,016
Maison Ukima	1-3-1 Ukima, Kita-ku, Tokyo	Trust beneficial interest	12,691.43	4,500	3,140
Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest	12,700.44	3,590	2,508
UUR Court Sapporo Kita-Sanjo	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	4,790.50	1,520	994
CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest	4,097.51	3,370	2,720
GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	3,697.38	1,320	1,237
GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	2,579.89	1,370	1,043
MA Sendai Building	1-3-7 Kimachidori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	11,525.36	4,270	2,765
UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest	2,958.45	1,580	1,221
UUR Court Sapporo Shinoro Ichibankan	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	6,271.74	904	733
Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest	2,067.95	754	817
UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	3,650.00	1,740	1,333
UUR Court Kinshicho	1-7-5 Kameido, Koto-ku, Tokyo	Real estate	5,460.39	3,640	2,895
UUR Court Sapporo Minami-Sanjo Premier Tower	2-3 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	7,763.23	2,980	1,868
GRAND-ROUGE Nakanoshima-minami	1-25-27 Edohori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	3,090.36	1,650	1,333
Glenpark Umeda-kita	3-4-22 Nakazaki, Kita-ku, Osaka, Osaka	Trust beneficial interest	12,730.60	6,130	5,170
UUR Court Shiki	1-6-5 Saiwaicho, Shiki, Saitama	Trust beneficial interest	9,885.83	3,100	2,881
Scent Hills	3-22 Junikencho, Chuo-ku, Osaka, Osaka	Trust beneficial interest	2,792.81	1,450	1,389
Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	9,271.16	2,190	1,481
KDDI Fuchu Building	1-43 Nikkocho, Fuchu, Tokyo	Trust beneficial interest	14,490.92	5,480	4,837
Tsubogawa Square Building	3-3-5 Tsubogawa, Naha, Okinawa	Trust beneficial interest	10,570.98	5,970	3,979
THE PLACE of TOKYO	3-5-4 Shibakoen, Mitato-ku, Tokyo	Trust beneficial interest	3,212.21	4,420	3,456
Logistics Higashi-Ohgishima	6-4 Higashi-Ohgishima, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	42,113.83	4,957	4,163
MT Ariake Center Building I&II	1-2-41 Ariake, Koto-ku, Tokyo, etc.	Trust beneficial interest	23,934.32	8,500	7,999
Quartz Tower	2-10-10 Shibuya, Shibuya-ku, Tokyo	Trust beneficial interest	2,940.22	6,090	5,873
Shin-Narashino Logistics Center	2-3-6 Akanehama, Narashino, Chiba	Trust beneficial interest	12,909.90	2,680	2,640
Kawagoe Logistics Center	1822-1 Aza-Obakeue, Oaza- Shimoakasaka, Kawagoe, Saitama	Trust beneficial interest	40,060.76	9,420	7,770

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m <sup>2</sup> )	Appraisal Value at End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Asuto Nagamachi Dental Clinic	1-6-37 Asutonagamachi, Taihaku-ku, Sendai, Miyagi	Trust beneficial interest	1,554.09	1,320	1,243
Shin-Narashino Logistics Center II	2-5-2 Shibazono, Narashino, Chiba	Trust beneficial interest	12,598.46	2,610	2,665
Yoshikawa Logistics Center	1-1 Asahi, Yoshikawa, Saitama	Trust beneficial interest	11,096.70	1,970	2,005
Total			1,422,050.82	706,912	598,383

- Notes: 1. "Location" shows residential indication of each property, in principle. However, as for properties which have no residential indication, location stated in the land register of its building is stated. As for properties that United Urban owns only land, the location of land (lot number) is stated.
2. "Trust beneficial interest" means trust beneficial interests in trust assets comprised mainly of real estate, and "Real estate" means actual real estate.
3. "Appraisal Value at 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, 2017, based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
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, such report says that there is no likelihood of direct health damages on the land. As a precaution, in the case where 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"), when United Urban acquired this property. The Book Value of this trust beneficial interest at the end of the period is described as ¥3,225 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 trustee.
5. United Urban acquired the adjacent site to the b roppongi (acquisition price: ¥460 million, the "Adjacent Site") in order to enable the construction of an extension of the b roppongi (the "Hotel") in the future and has launched the extension work on the Hotel in the November 2017. Therefore, "Appraisal Value at End of Period" shows the value estimate by the "Income Capitalization Approach (Development Method)". According to the method, the value estimate is calculated by deducting "the present value of the expenses for the development necessary to accomplish the extension work" from "the present value of the value estimate of the building and land after the extension work". In addition to above, the value estimate of this property has been assessed in consideration with "the present value of the net operating income related to the existing building during the development period." Also, "Book Value" is the amount including the Adjacent Site.
6. The property name was changed from "455 Ueno Building" to "ACTIOLE Ueno" on April 24, 2017. The same shall apply hereinafter.

The status of rental business related to real estate properties owned by United Urban is as follows:

Name of Property	27th Fiscal Period (December 1, 2016 to May 31, 2017)				28th Fiscal Period (June 1, 2017 to November 30, 2017)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
Himonya Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Joy Park Izumigaoka	22	100.0	262	1.1	22	100.0	269	1.1
Ashiya Kawanishi Shopping Mart (Note 4)	1	100.0	46	0.2	-	-	-	-
Re-LAND Shopping Center	16	98.7	246	1.1	16	98.7	255	1.1
AEON MALL Uki	1	100.0	443	1.9	1	100.0	419	1.8
TENJIN LUCE	11	100.0	218	1.0	11	100.0	222	0.9
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	184	0.8	3	100.0	189	0.8
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
ACTIOLE Minami-ikebukuro	10	100.0	88	0.4	10	100.0	81	0.3
Tip's Machida Building	10	100.0	195	0.9	10	100.0	210	0.9
Daiei Takarazuka Nakayama	1	100.0	151	0.7	1	100.0	151	0.6
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.3	4	100.0	299	1.3
ACTIOLE Kannai	8	90.1	64	0.3	9	100.0	55	0.2

Name of Property	27th Fiscal Period (December 1, 2016 to May 31, 2017)				28th Fiscal Period (June 1, 2017 to November 30, 2017)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
Shinsaibashi OPA Honkan	1	100.0	684	3.0	1	100.0	684	2.9
Albore Jingumae	4	100.0	49	0.2	4	100.0	49	0.2
Albore Sendai	5	100.0	96	0.4	5	100.0	115	0.5
Mallage Kashiwa	91	97.0	672	2.9	93	96.3	677	2.9
Ito-Yokado Owariasahi	1	100.0	224	1.0	1	100.0	224	0.9
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	19	93.3	161	0.7	18	88.0	156	0.7
ACTIOLE Ichikawa	13	100.0	150	0.7	13	100.0	151	0.6
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	5	100.0	293	1.3	6	100.0	257	1.1
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	7	96.8	77	0.3	7	96.8	77	0.3
Life Nishikujo (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Life Tamatsukuri (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Granbell Ginza Building	10	94.2	71	0.3	11	100.0	70	0.3
UUR Tenjin Nishi-dori Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Shonan Tsujido	32	98.1	296	1.3	31	95.8	317	1.3
ACTIOLE Ueno	7	89.8	62	0.3	8	100.0	76	0.3
KURURU	27	100.0	459	2.0	27	100.0	396	1.7
K's Denki Nagoya-kita	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
T&G Hamamatsucho Building	6	100.0	93	0.4	6	100.0	93	0.4
SK Nagoya Building (Note 5)	13	98.5	197	0.9	-	-	142	0.6
Fukuoka Eartheon Building	8	100.0	110	0.5	8	100.0	117	0.5
Marumasu Kojimachi Building	16	100.0	89	0.4	16	100.0	90	0.4
Rokubancho K Building	1	100.0	108	0.5	1	100.0	108	0.5
Shin-Osaka Central Tower	62	99.9	1,092	4.8	61	99.9	1,137	4.8
Kawasaki Toshiba Building	1	100.0	836	3.7	1	100.0	836	3.5
UUR Toyochi Building	1	100.0	274	1.2	1	100.0	277	1.2
FOUR SEASONS BLDG	1	100.0	176	0.8	1	100.0	177	0.7
Hitachi High-Tech Building	2	100.0	406	1.8	2	100.0	405	1.7
Pacific Marks Shinjuku Parkside	22	100.0	351	1.5	22	100.0	361	1.5
Pacific Marks Tsukishima	46	98.8	260	1.1	46	90.1	273	1.2
Pacific Marks Yokohama East	27	95.7	232	1.0	28	100.0	249	1.0
Pacific Marks Shin-Urayasu (Note 6)	-	-	125	0.5				
Akasaka Hikawa Building	1	100.0	118	0.5	1	100.0	118	0.5
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.4	1	100.0	84	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	66	0.3	8	100.0	67	0.3
Pacific Marks Shin-Yokohama	10	100.0	60	0.3	10	100.0	64	0.3
Pacific Marks Kawasaki	39	88.8	315	1.4	41	97.0	313	1.3
Hamamatsucho 262 Building	16	97.2	216	0.9	17	100.0	225	0.9

Name of Property	27th Fiscal Period (December 1, 2016 to May 31, 2017)				28th Fiscal Period (June 1, 2017 to November 30, 2017)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
Lila Hijirizaka	15	86.6	114	0.5	15	98.8	102	0.4
Otsuka HT Building	7	100.0	57	0.3	6	93.7	62	0.3
Pacific Marks Shinjuku South-gate	10	100.0	93	0.4	10	100.0	96	0.4
Pacific Marks Nishi-Umeda	30	99.1	271	1.2	30	96.3	279	1.2
Pacific Marks Higobashi	21	96.4	161	0.7	23	98.0	164	0.7
Nagoya Nishiki City Building (Note 5)	30	100.0	111	0.5	-	-	80	0.3
Pacific Marks Esaka	40	95.0	414	1.8	42	96.5	433	1.8
Pacific Marks Sapporo Kita-Ichijo	11	100.0	97	0.4	11	100.0	95	0.4
Shin-Sapporo Center Building	18	86.8	57	0.3	19	90.5	54	0.2
ARENA TOWER	13	100.0	450	2.0	13	100.0	459	1.9
Yushima First Building	7	100.0	115	0.5	7	100.0	117	0.5
Dogenzaka Square	29	94.9	98	0.4	31	100.0	94	0.4
GRAND-SQUARE Shin-Sakae	6	94.2	90	0.4	7	100.0	91	0.4
GRAND-SQUARE Meieki-minami	13	100.0	82	0.4	13	100.0	85	0.4
Shiba 520 Building	4	83.3	85	0.4	5	100.0	95	0.4
Hirose-dori SE Building	10	100.0	212	0.9	10	100.0	213	0.9
SS30	88	98.4	349	1.5	86	99.2	1,068	4.5
LOOP-X・M	117	98.8	87	0.4	119	99.2	477	2.0
Shinjuku Washington Hotel Honkan	8	99.9	871	3.8	9	99.98	785	3.3
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.2	1	100.0	57	0.2
MZ BLD.	8	93.7	131	0.6	10	96.2	128	0.5
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	155	0.7	4	100.0	154	0.6
Hotel JAL City Naha	2	100.0	338	1.5	2	100.0	319	1.3
UUR Yotsuya Sanchome Building	3	100.0	185	0.8	3	100.0	184	0.8
Yotsuya 213 Building	4	100.0	178	0.8	4	100.0	180	0.8
the b roppongi (Note 7)	3	100.0	108	0.5	3	100.0	94	0.4
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Hiroshima Heiwa-odori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Naha Kokusai-dori Miehashi-eki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Loisir Hotel & Spa Tower Naha	1	100.0	759	3.3	1	100.0	842	3.5
Urawa Royal Pines Hotel	10	100.0	649	2.8	10	100.0	568	2.4
T&G Higashi-ikebukuro Mansion	126	97.7	67	0.3	124	96.1	68	0.3
Komazawa Court	1	100.0	60	0.3	1	100.0	60	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.1	1	100.0	32	0.1
Maison Ukima	1	100.0	124	0.5	1	100.0	124	0.5
Narashino Residence (Note 5)	1	100.0	51	0.2	-	-	37	0.2
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.2	1	100.0	52	0.2
UUR Court Chiba Soga (Note 5)	1	100.0	(Note 3)	(Note 3)	-	-	(Note 3)	(Note 3)
Higashi-kurume Dormitory Shinkan (Note 5)	1	100.0	16	0.1	-	-	12	0.1

Name of Property	27th Fiscal Period (December 1, 2016 to May 31, 2017)				28th Fiscal Period (June 1, 2017 to November 30, 2017)			
	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)	Total Number of Tenants at End of Period (Note 1)	Occupancy Ratio at End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share to Total Rental Revenue (%)
Nanzan Court Ichigokan (Note 5)	1	100.0	(Note 3)	(Note 3)	-	-	(Note 3)	(Note 3)
Nanzan Court Nigokan (Note 5)	1	100.0	(Note 3)	(Note 3)	-	-	(Note 3)	(Note 3)
CLIO Bunkyo Koishikawa	90	99.3	101	0.4	91	100.0	101	0.4
GRAND-ROUGE Sakae	83	84.7	44	0.2	82	83.7	44	0.2
GRAND-ROUGE Sakae II	1	100.0	37	0.2	1	100.0	37	0.2
MA Sendai Building	150	99.1	168	0.7	147	97.7	168	0.7
UUR Court Nagoya Meieki	1	100.0	46	0.2	1	100.0	45	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.1	3	100.0	32	0.1
Park Site IZUMI	38	95.6	29	0.1	39	97.8	27	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.2	1	100.0	52	0.2
UUR Court Kinshicho	195	96.9	120	0.5	189	93.7	118	0.5
UUR Court Sapporo Minami-Sanjo Premier Tower	134	92.5	112	0.5	129	89.6	108	0.5
GRAND-ROUGE Nakanoshima-minami	118	100.0	53	0.2	106	90.5	53	0.2
Glenpark Umeda-kita	179	97.8	189	0.8	180	97.7	188	0.8
UUR Court Shiki	1	100.0	93	0.4	1	100.0	93	0.4
Scent Hills	50	97.9	43	0.2	47	91.8	43	0.2
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	285	1.2	5	100.0	305	1.3
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Logistics Higashi-Ohgishima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
MT Ariake Center Building I&II	3	100.0	(Note 3)	(Note 3)	2	44.0	(Note 3)	(Note 3)
Quartz Tower	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Kawagoe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Ausuto Nagamachi Dental Clinic	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yoshikawa Logistics Center					1	100.0	(Note 3)	(Note 3)
Total	2,319	99.2	22,919	100.0	2,259	98.4	23,764	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 trustee, 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 trustee, 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." In addition, "Occupancy Ratio" of Shinjuku Washington Hotel Honkan for the 28th fiscal period is rounded to two decimal places. With regard to the properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using the 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 sold Ashiya Kawanishi Shopping Mart on September 1, 2017.
5. United Urban sold SK Nagoya Building, Nagoya Nishiki City Building, Narashino Residence, UUR Court Chiba Soga, Higashi-kurume Dormitory Shinkan, Nanzan Court Ichigokan, and Nanzan Court Nigokan on October 11, 2017.
6. United Urban sold Pacific Marks Shin-Urayasu on May 24, 2017.
7. The first floor of the building with leasehold of the Adjacent Site (the building has already dismantled) had been leased to two lessees, and the fixed-term building lease agreements, the expiration date of which are February 5, 2017 and March 23, 2017 respectively, was

concluded. Therefore, "Rental Revenue" and "Share to Total Rental Revenue" of the b roppongi for the 27th fiscal period is stated based on the amount including rental revenues, etc. for the Adjacent Site (¥1 million).

#### 4. Details of Investment Securities

Overview of investment securities owned by United Urban as of November 30, 2017 was as follows:

Name of Asset	Type of Asset	Quantity (Unit)	Book Value (Thousands of yen)		Appraisal Value (Thousands of yen)		Valuation Gain or Loss (Thousands of yen)	Remarks
			Unit price	Amount	Unit price	Amount (Note 2)		
Preferred equity securities of Tenjin 123 Project TMK (Note 1)	Preferred equity securities	1,497	-	93,905	-	93,905	-	
Preferred equity securities of KICAM Musashimurayama TMK (Note 1)	Preferred equity securities	5	-	50,432	-	50,432	-	
Total			-	144,337	-	144,337	-	

Notes: 1. Tenjin 123 Project TMK (the "Tenjin 123 TMK") owns "the b fukuoka tenjin" (the "Hotel Property"), and KICAM Musashimurayama TMK (the "KICAM-TMK") owns the "Musashimurayama warehouse" (the "Warehouse Property"). United Urban has acquired the preferential negotiation rights for the acquisitions of the Hotel Property and the Warehouse Property in connection with United Urban's acquisition of the preferred equity securities of the Tenjin 123 TMK and the KICAM-TMK.

Outline of the Hotel Property and the Warehouse Property are as follows.

Property Name	Location	Type*	Site Area*	Structure / Scale*
The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m <sup>2</sup> Building: 3,567.22 m <sup>2</sup>	S/10F
Musashimurayama warehouse	Musashimurayama, Tokyo	Warehouse Office	Land: 5,788.52 m <sup>2</sup> Building: 9,207.73 m <sup>2</sup>	S/4F

\* "Type," "Site Area" and "Structure/Scale" in the above table are described as it appears on the real estate register.

2. As for the preferred equity securities of the Tenjin 123 TMK and KICAM-TMK, book values are stated because there are no market values and values calculated using the reasonable methods.

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

Overview of amount of contract and fair values of specified transactions as of November 30, 2017 was as follows:

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2) (Note 3)
			over one year	
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	94,180,000	73,157,000	(641,342)
Total		94,180,000	73,157,000	(641,342)

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.

#### 6. Status of Other Assets

As of November 30, 2017, trust beneficial interests in real estate, etc. owned by United Urban are stated in "3. Details of Properties in the Portfolio" above and there were no other specified assets.

#### 7. Status of Holding Assets by Country and Region

United Urban does not own assets in country or region outside of Japan.

## 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, 2017. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Location	Purpose	Scheduled Period	Amount Projected (Millions of yen)		
				Total amount	Amount payable in the 28th fiscal period	Amount already paid
Re-LAND Shopping Center	Funabashi, Chiba	Renewal of exterior, etc.	From February 2018 to May 2018	195	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities (1F and 2F)	From July 2017 to February 2018	119	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of hot and cool water pipes of air conditioning (4F)	From June 2017 to September 2018	110	-	-
Pacific Marks Esaka	Suita, Osaka	Repair of outdoor facility	From December 2017 to April 2018	111	-	-
Hotel JAL City Naha	Naha, Okinawa	Repair of guest rooms and signboard	From December 2017 to April 2018	495	-	-
Hotel JAL City Naha	Naha, Okinawa	Repair of guest rooms and banquet hall, etc.	From June 2018 to June 2018	260	-	-
UUR Yotsuya Sanhome Building	Shinjuku-ku, Tokyo	Renewal of air-conditioning facilities of guest rooms	From June 2018 to November 2018	143	-	-

### 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 28th fiscal period, which totaled ¥1,575 million. Together with ¥863 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,439 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	Waterproofing and renewal of rooftop parking floor	From September 2017 to November 2017	71
Re-LAND Shopping Center	Funabashi, Chiba	Renewal of air-conditioning facilities	From October 2017 to October 2017	19
Tip's Machida Building	Machida, Tokyo	Renewal of rooftop cooling tower	From October 2017 to November 2017	17
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From October 2017 to October 2017	27
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From October 2017 to November 2017	18
Tenjin Loft Building	Fukuoka, Fukuoka	Repair of toilets	From June 2017 to July 2017	29
Tenjin Loft Building	Fukuoka, Fukuoka	Parts replacement of mechanical parking lot	From November 2017 to November 2017	17
Tenjin Loft Building	Fukuoka, Fukuoka	Parts replacement of escalator	From November 2017 to November 2017	19
Tenjin Loft Building	Fukuoka, Fukuoka	Parts replacement of escalator	From November 2017 to November 2017	13
Plussing Wave Enoshima	Fujisawa, Kanagawa	Repair of outdoor signboard	From June 2017 to November 2017	18
T&G Hamamatsucho Building	Minato-ku, Tokyo	Repair of mechanical parking lot facility	From September 2017 to November 2017	48
Rokubancho K Building	Chiyoda-ku, Tokyo	Renewal of tile carpet (exclusive section)	From July 2017 to September 2017	11
Shin-Osaka Central Tower	Osaka, Osaka	Renewal of air-conditioning facility of fitness (1st period)	From October 2017 to November 2017	20

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Shin-Osaka Central Tower	Osaka, Osaka	Parts replacement of receiving and transforming facilities (high-voltage electric room, etc.)	From November 2017 to November 2017	64
Pacific Marks Tsukishima	Chuo-ku, Tokyo	Renewal of drainage pipe of residential area	From September 2017 to November 2017	12
Akasaka Hikawa Building	Minato-ku, Tokyo	Renewal of toilets (in some floors)	From August 2017 to September 2017	14
Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Renewal of air-conditioning facilities (in some floors)	From October 2017 to November 2017	11
Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Parts replacement of mechanical parking lot	From November 2017 to November 2017	11
Pacific Marks Esaka	Suita, Osaka	Renewal of air conditioner control equipment	From September 2017 to November 2017	16
Pacific Marks Esaka	Suita, Osaka	Repair of outdoor facility (1st period)	From October 2017 to November 2017	14
Shiba 520 Building	Minato-ku, Tokyo	Repair of outer periphery	From September 2017 to November 2017	17
Hotel JAL City Naha	Naha, Okinawa	Renewal of guest rooms and corridors	From October 2017 to November 2017	57
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Renewal of vacuum hot -water generator of machine room	From October 2017 to November 2017	16
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Extension work of guest rooms Repair of banquet hall	From June 2017 to November 2017	499
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Installation of hotel management system	From October 2017 to November 2017	16
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of furniture, etc. of banquet hall	From October 2017 to November 2017	11
Urawa Royal Pines Hotel	Saitama, Saitama	Repair of exterior wall	From May 2017 to July 2017	19
Park Site IZUMI	Nagoya, Aichi	Repair of exterior wall	From September 2017 to November 2017	11
Shin-Narashino Logistics Center II	Narashino, Chiba	Renewal of elevator	From November 2017 to November 2017	14
Shin-Narashino Logistics Center II	Narashino, Chiba	Repair of exterior wall	From November 2017 to November 2017	25
Other capital expenditures				408
Total				1,575

### 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)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
Reserve balance at beginning of period	711	792	971	998	1,343
Addition to the reserve during the period (Note)	90	188	36	379	28
Reduction of reserve during the period	9	9	9	34	63
Reserve balance to be carried over to the next period	792	971	998	1,343	1,308

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

	Thousands of yen	
	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
Asset management fees (Note)	1,801,332	1,867,225
Asset custodian fees	18,587	18,967
Administrative agent fees	69,301	70,340
Directors' fees	10,200	7,200
Other expenses	202,798	243,520
<b>Total</b>	<b>2,102,219</b>	<b>2,207,253</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 (27th fiscal period: ¥281,440 thousand, 28th fiscal period: ¥16,080 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (27th fiscal period: ¥32,800 thousand, 28th fiscal period: ¥108,576 thousand).

### 2. Borrowings

Borrowings from financial institutions as of November 30, 2017 were as follows:

	Lenders	Drawdown Date	Balance at Beginning of 28th FP (Millions of yen) (Note 1)	Balance at End of 28th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt due for repayment within one year	Development Bank of Japan Inc.	Jul. 7, 2010	1,350	-	2.142	Jun. 20, 2017	(Note 6)	(Note 5)	Unsecured Unguaranteed
	Resona Bank, Limited	May 18, 2012	1,300	-	0.534 (Note 7)	Jun. 20, 2017	Bullet Payment	(Note 3)	
	The Gunma Bank, Ltd.	Jun. 20, 2012	900	-	0.534 (Note 7)	Jun. 20, 2017		(Note 4)	
	The Bank of Yokohama, Ltd.		900	-					
	The Tokyo Tomin Bank, Limited		500	-					
	Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	-	0.484 (Note 7)	Jun. 20, 2017		(Note 4)	
	Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	-	0.434 (Note 7)	Jun. 20, 2017		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	-	0.740	Sep. 20, 2017		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	3,000	0.611 (Note 7)	Mar. 20, 2018		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	2,200	0.511 (Note 7)	Mar. 20, 2018		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 21, 2013	3,000	3,000	0.461 (Note 7)	Mar. 20, 2018		(Note 3)	
	Aozora Bank, Ltd.	Mar. 21, 2013	1,570	1,570	0.461 (Note 7)	Mar. 20, 2018		(Note 4)	
	The Norinchukin Bank		2,253	2,253					
	Aozora Bank, Ltd.	Mar. 20, 2014	1,700	1,700	0.559	Mar. 20, 2018		(Note 4)	
	Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	-	2,000	0.778 (Note 7)	Jun. 20, 2018		(Note 3)	
	The Shinkumi Federation Bank	Jun. 20, 2013	-	2,000	0.449 (Note 7)	Jun. 20, 2018		(Note 4)	
	The Bank of Fukuoka, Ltd.		-	500					
	Saitama Resona Bank, Limited		-	1,000					
	Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	-	1,000	0.735 (Note 7)	Jun. 20, 2018		(Note 4)	

		Drawdown Date	Balance at Beginning of 28th FP (Millions of yen) (Note 1)	Balance at End of 28th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt due for repayment within one year	ORIX Bank Corporation	Jun. 20, 2013	-	1,500	0.830	Jun. 20, 2018	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Sep. 27, 2011	-	2,800	1.464	Sep. 20, 2018		(Note 4)	
	THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	-	1,000	0.453 (Note 7)	Sep. 20, 2018		(Note 4)	
	The Nomura Trust and Banking Co., Ltd.		-	1,000				(Note 4)	
	The Kagawa Bank, Ltd.		-	500				(Note 4)	
	The Ashikaga Bank, Ltd.	Sep. 20, 2013	-	1,000	0.781	Sep. 20, 2018		(Note 4)	
	Shinkin Central Bank	Nov. 1, 2013	-	1,000	0.688	Sep. 20, 2018		(Note 3)	
Subtotal			27,973	29,023					
Long-term debt	Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	2,000	-	0.778 (Note 7)	Jun. 20, 2018	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	The Shinkumi Federation Bank	Jun. 20, 2013	2,000	-	0.449 (Note 7)	Jun. 20, 2018		(Note 4)	
	The Bank of Fukuoka, Ltd.		500	-				(Note 4)	
	Saitama Resona Bank, Limited		1,000	-				(Note 4)	
	Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	1,000	-	0.735 (Note 7)	Jun. 20, 2018		(Note 4)	
	ORIX Bank Corporation	Jun. 20, 2013	1,500	-	0.830	Jun. 20, 2018		(Note 4)	
	Development Bank of Japan Inc.	Sep. 27, 2011	2,800	-	1.464	Sep. 20, 2018		(Note 4)	
	THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	-	0.453 (Note 7)	Sep. 20, 2018		(Note 4)	
	The Nomura Trust and Banking Co., Ltd.		1,000	-				(Note 4)	
	The Kagawa Bank, Ltd.		500	-				(Note 4)	
	The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	-	0.781	Sep. 20, 2018		(Note 4)	
	Shinkin Central Bank	Nov. 1, 2013	1,000	-	0.688	Sep. 20, 2018		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.524 (Note 7)	Mar. 20, 2019		(Note 3)	
	ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753	Mar. 20, 2019		(Note 3)	
	The Norinchukin Bank	Feb. 28, 2014	1,600	1,600	0.620 (Note 7)	Mar. 20, 2019		(Note 3)	
	Resona Bank, Limited	Apr. 8, 2014	1,000	1,000	0.708	Mar. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.693 (Note 7)	Jun. 20, 2019		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960	Jun. 20, 2019		(Note 3)	
	Aozora Bank, Ltd.	May 16, 2013	2,000	2,000	0.523 (Note 7)	Jun. 20, 2019		(Note 3)	
	Shinsei Bank, Limited	May 16, 2013	1,000	1,000	1.056	Jun. 20, 2019		(Note 3)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	1,000	1,000	0.511	Sep. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	4,000	0.555 (Note 7)	Sep. 20, 2019		(Note 4)	
	Mizuho Bank, Ltd.		637	637				(Note 4)	
	Aozora Bank, Ltd.		1,570	1,570				(Note 4)	
	Aozora Bank, Ltd.	Aug. 29, 2014	1,200	1,200	0.593	Sep. 20, 2019		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.200	Mar. 23, 2020		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	4,000	4,000	0.800	Mar. 23, 2020		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	2,427	2,427	0.780	Mar. 23, 2020		(Note 4)	

		Drawdown Date	Balance at Beginning of 28th FP (Millions of yen) (Note 1)	Balance at End of 28th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.617 (Note 7)	Mar. 23, 2020	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	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 7)	Mar. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.631 (Note 7)	Jun. 20, 2020		(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	1,000	0.550 (Note 7)	Jun. 22, 2020		(Note 5)	
	The 77 Bank, Ltd.	Jul. 8, 2015	500	500	0.527 (Note 7)	Sep. 23, 2020		(Note 5)	
	The Bank of Yokohama, Ltd.		500	500					
	The Tokyo Tomin Bank, Limited		500	500					
	The Kagawa Bank, Ltd.		500	500					
	The Bank of Fukuoka, Ltd.	Aug. 7, 2015	500	500	0.428 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.668 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.668 (Note 7)	Sep. 23, 2020		(Note 4)	
	Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000	Sep. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826	Sep. 23, 2020		(Note 3)	
	Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888	Sep. 23, 2020		(Note 3)	
	The Norinchukin Bank	Jul. 8, 2015	1,000	1,000	0.509 (Note 7)	Dec. 21, 2020		(Note 5)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Feb. 5, 2016	1,000	1,000	0.230 (Note 7)	Dec. 21, 2020		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	1,300	1,300	0.858	Dec. 21, 2020		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Feb. 5, 2016	1,000	1,000	0.217 (Note 7)	Mar. 22, 2021		(Note 3)	
	The Iyo Bank, Ltd.	Feb. 5, 2016	1,000	1,000	0.337	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	5,800	5,800	0.850 (Note 7)	Mar. 22, 2021		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 20, 2014	1,400	1,400	0.830	Mar. 22, 2021		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.841	Mar. 22, 2021		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 28, 2014	2,200	2,200	0.850	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	5,700	5,700	0.883	Mar. 22, 2021		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 29, 2014	1,900	1,900	0.690	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Oct. 2, 2014	2,000	2,000	0.619 (Note 7)	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 22, 2016	1,000	1,000	0.283	Jun. 21, 2021		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Apr. 1, 2016	2,000	2,000	0.283	Jun. 21, 2021		(Note 3)	

	Lenders	Drawdown Date	Balance at Beginning of 28th FP (Millions of yen) (Note 1)	Balance at End of 28th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	The Nomura Trust and Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.350	Jun. 21, 2021	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	Jul. 4, 2017	-	1,000	0.234	Jun. 21, 2021		(Note 5)	
	Mizuho Bank, Ltd.	May 1, 2014	1,700	1,700	0.737 (Note 7)	Jun. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	May 1, 2014	1,000	1,000	0.872 (Note 7)	Jun. 21, 2021		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	May 1, 2014	1,000	1,000	0.770 (Note 7)	Jun. 21, 2021		(Note 3)	
	The Gunma Bank, Ltd.	Jul. 8, 2015	500	500	0.559 (Note 7)	Sep. 21, 2021		(Note 5)	
	The Norinchukin Bank	Apr. 1, 2016	1,500	1,500	0.283	Sep. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 30, 2015	2,900	2,900	0.612 (Note 7)	Dec. 20, 2021		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2014	3,000	3,000	0.670 (Note 7)	Dec. 20, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2017	2,400	2,400	0.283	Mar. 22, 2022		(Note 4)	
	Sompo Japan Nipponkoa Insurance Inc.	Mar. 21, 2017	1,000	1,000	0.455	Mar. 22, 2022		(Note 4)	
	The Daishi Bank, Ltd.	Mar. 30, 2017	1,000	1,000	0.448	Mar. 22, 2022		(Note 3)	
	The Gunma Bank, Ltd.	Apr. 26, 2017	1,000	1,000	0.342	Mar. 22, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	2,600	1.030	Mar. 22, 2022		(Note 4)	
	Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	3,000	0.661 (Note 7)	Mar. 22, 2022		(Note 3)	
	Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672 (Note 7)	Jun. 20, 2022		(Note 3)	
	Shinkin Central Bank	Jul. 8, 2015	1,000	1,000	0.728	Jun. 20, 2022		(Note 5)	
	Development Bank of Japan Inc.	Aug. 7, 2015	1,200	1,200	0.710	Jun. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 4, 2017	-	1,000	0.234	Jun. 20, 2022		(Note 5)	
	The Hiroshima Bank, Ltd.	Jul. 8, 2015	500	500	0.685 (Note 7)	Sep. 20, 2022		(Note 5)	
	Yamaguchi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.885 (Note 7)	Sep. 20, 2022		(Note 5)	
	Nippon Life Insurance Company	Jul. 8, 2015	1,000	1,000	0.861	Sep. 20, 2022		(Note 5)	
	Shinsei Bank, Limited	Jul. 15, 2015	1,500	1,500	0.773	Sep. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814	Sep. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	3,400	1.239	Dec. 20, 2022		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	6,500	0.842	Mar. 20, 2023		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	3,500	3,500	0.775	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Feb. 5, 2016	1,500	1,500	0.370 (Note 7)	Mar. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 22, 2016	2,000	2,000	0.452	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Mar. 22, 2016	1,000	1,000	0.333	Mar. 20, 2023		(Note 4)	
	Saitama Resona Bank, Limited	Apr. 1, 2016	2,000	2,000	0.490 (Note 7)	Mar. 20, 2023		(Note 3)	
	The Ashikaga Bank, Ltd.	Apr. 1, 2016	1,000	1,000	0.441	Mar. 20, 2023		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Aug. 7, 2015	1,000	1,000	0.798	Jun. 20, 2023		(Note 3)	
	Development Bank of Japan Inc.	Apr. 1, 2016	1,500	1,500	0.372	Jun. 20, 2023		(Note 3)	

	Lenders	Drawdown Date	Balance at Beginning of 28th FP (Millions of yen) (Note 1)	Balance at End of 28th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	THE NISHI-NIPPON CITY BANK, LTD.	Apr. 1, 2016	1,000	1,000	0.383	Jun. 20, 2023	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.749 (Note 7)	Sep. 20, 2023		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jul. 15, 2015	1,300	1,300	0.780	Sep. 20, 2023		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Dec. 4, 2015	1,000	1,000	0.625 (Note 7)	Mar. 21, 2024		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 22, 2016	1,000	1,000	0.313	Mar. 21, 2024		(Note 4)	
	The Hiroshima Bank, Ltd.	Mar. 21, 2017	1,000	1,000	0.565	Mar. 21, 2024		(Note 4)	
	The 77 Bank, Ltd.	Mar. 30, 2017	1,500	1,500	0.383	Mar. 21, 2024		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 15, 2015	1,700	1,700	0.924	Jun. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.523	Jun. 20, 2024		(Note 3)	
	The Norinchukin Bank	Jan. 31, 2017	2,700	2,700	0.383	Jun. 20, 2024		(Note 3)	
	Resona Bank, Limited	Apr. 26, 2017	1,500	1,500	0.263	Jun. 20, 2024		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 4, 2015	1,000	1,000	0.680	Sep. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.633 (Note 7)	Sep. 20, 2024		(Note 3)	
	The Norinchukin Bank	Mar. 30, 2017	1,500	1,500	0.383	Sep. 20, 2024		(Note 3)	
	Development Bank of Japan Inc.	Apr. 26, 2017	1,500	1,500	0.428	Sep. 20, 2024		(Note 3)	
	The Bank of Fukuoka, Ltd.	Dec. 1, 2016	1,400	1,400	0.333	Dec. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Jul. 4, 2017	-	3,000	0.430	Dec. 20, 2024		(Note 5)	
	Meiji Yasuda Life Insurance Company	Feb. 5, 2016	1,000	1,000	0.687	Mar. 21, 2025		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 1, 2016	2,000	2,000	0.430	Mar. 21, 2025		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Mar. 21, 2017	3,500	3,500	0.489	Mar. 21, 2025		(Note 4)	
	Shinsei Bank, Limited	Mar. 21, 2017	2,000	2,000	0.639	Mar. 21, 2025		(Note 4)	
	The Bank of Fukuoka, Ltd.	Mar. 21, 2017	1,000	1,000	0.489	Mar. 21, 2025		(Note 4)	
	Shinkin Central Bank	Mar. 30, 2017	1,000	1,000	0.624	Mar. 21, 2025		(Note 3)	
	The Bank of Kyoto, Ltd.	Mar. 30, 2017	1,000	1,000	0.524	Mar. 21, 2025		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 1, 2016	3,000	3,000	0.373	Sep. 22, 2025		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Feb. 5, 2016	2,000	2,000	0.627	Dec. 22, 2025		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 30, 2017	2,000	2,000	0.460	Mar. 23, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 30, 2017	4,500	4,500	0.569	Mar. 23, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 26, 2017	2,400	2,400	0.544	Jun. 22, 2026		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jul. 4, 2017	-	1,500	0.440	Sep. 24, 2026		(Note 5)	
	Meiji Yasuda Life Insurance Company	Mar. 30, 2017	1,000	1,000	0.756	Mar. 23, 2027		(Note 3)	
	Taiyo Life Insurance Company	Mar. 30, 2017	1,000	1,000	0.656	Mar. 23, 2027		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2017	2,500	2,500	0.343	Jun. 21, 2027		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 26, 2017	2,500	2,500	0.373	Dec. 20, 2027		(Note 3)	
Subtotal			217,384	208,584					
Total			245,357	237,607					

- 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. The funds are used for acquisition of real estate or trust beneficial interest in real estate and expenses related to the acquisition.
4. The funds are used for repayment of borrowings.
5. The funds are used for redemption of corporate bonds.
6. From December 20, 2010 as the first repayment date, ¥50 million had been repaid every six months and ¥1,350 million was repaid on the final repayment date (June 20, 2017).
7. It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months 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, 2017 were as follows:

Name	Issue Date	Balance at Beginning of 28th FP (Millions of yen)	Balance at End of 28th FP (Millions of yen)	Interest Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Series 7 of Unsecured Corporate Bonds	Jul. 5, 2012	6,500	-	0.950	Jul. 5, 2017	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 10 of Unsecured Corporate Bonds	Dec. 12, 2012	4,000	4,000	0.690	Dec. 12, 2017	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 11 of Unsecured Corporate Bonds	May 30, 2013	8,000	8,000	0.690	May 30, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 12 of Unsecured Corporate Bonds	May 30, 2013	2,000	2,000	0.690	May 30, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 13 of Unsecured Corporate Bonds	Nov. 20, 2013	13,000	13,000	0.470	Nov. 20, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 14 of Unsecured Corporate Bonds	Nov. 20, 2013	2,000	2,000	0.470	Nov. 20, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 15 of Unsecured Corporate Bonds	Oct. 30, 2014	3,000	3,000	0.525	Oct. 29, 2021	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 16 of Unsecured Corporate Bonds	May 29, 2015	2,000	2,000	0.804	May 29, 2025	Bullet payment	(Note 2)	Unsecured (Note 3)
Total		40,500	34,000					

- Notes: 1. The funds are used for repayment of the existing borrowings.
2. The funds are used for redemption of corporate bonds.
3. Ranking pari passu among corporate bonds

### 4. Short-term Corporate Bonds

Not Applicable

### 5. Subscription Rights of New Investment Units

Not Applicable

## Trading Activities during the Period

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

Type of Asset	Name of Properties	Acquisition		Transfer			
		Acquisition date	Acquisition price (Millions of yen) (Note)	Date of transfer	Sale price (Millions of yen) (Note)	Book value (Millions of yen)	Gain or loss on sale (Millions of yen)
Trust beneficial interest in real estate	Yoshikawa Logistics Center	Jul. 27, 2017	1,960	-	-	-	-
Preferred equity securities	Preferred equity securities of KICAM Musashimurayama TMK	Oct. 12, 2017	50	-	-	-	-
Trust beneficial interest in real estate	Ashiya Kawanishi Shopping Mart	-	-	Sep. 1, 2017	2,912	738	2,061
Trust beneficial interest in real estate	SK Nagoya Building	-	-	Oct. 11, 2017	4,970	5,478	(625)
Trust beneficial interest in real estate	Nagoya Nishiki City Building	-	-	Oct. 11, 2017	2,480	2,381	38
Trust beneficial interest in real estate	Narashino Residence	-	-	Oct. 11, 2017	840	988	(172)
Trust beneficial interest in real estate	UUR Court Chiba Soga	-	-	Oct. 11, 2017	600	574	9
Trust beneficial interest in real estate	Higashi-kurume Dormitory Shinkan	-	-	Oct. 11, 2017	390	456	(78)
Trust beneficial interest in real estate	Nanzan Court Ichigokan	-	-	Oct. 11, 2017	950	916	8
Trust beneficial interest in real estate	Nanzan Court Nigokan	-	-	Oct. 11, 2017	430	376	42
Total		-	2,010	-	13,572	11,911	1,284

Note: The "Acquisition price" and "Sale price" does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer.

### 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

#### a. 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	Yoshikawa Logistics Center	Jul. 27, 2017	1,960	1,970	Jun. 1, 2017	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Ashiya Kawanishi Shopping Mart	Sep. 1, 2017	2,912	1,160	May 31, 2017	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	SK Nagoya Building	Oct. 11, 2017	4,970	4,970	May 31, 2017	The Tanizawa Sōgō Appraisal Co., Ltd.
Sale	Trust beneficial interest in real estate	Nagoya Nishiki City Building	Oct. 11, 2017	2,480	2,470	May 31, 2017	The Tanizawa Sōgō Appraisal Co., Ltd.
Sale	Trust beneficial interest in real estate	Narashino Residence	Oct. 11, 2017	840	1,260	May 31, 2017	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	UUR Court Chiba Soga	Oct. 11, 2017	600	679	May 31, 2017	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Higashi-kurume Dormitory Shinkan	Oct. 11, 2017	390	545	May 31, 2017	Japan Real Estate Institute

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
Sale	Trust beneficial interest in real estate	Nanzan Court Ichigokan	Oct. 11, 2017	950	873	May 31, 2017	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Nanzan Court Nigokan	Oct. 11, 2017	430	428	May 31, 2017	Japan Real Estate Institute

**b. Real Estate-backed Securities (Note 3)**

Acquisition or Sale	Type of Asset	Name of Assets	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Price Survey Value of Specified Asset (Millions of yen)
Acquisition	Preferred equity securities	Preferred equity securities of KICAM Musashimurayama TMK	Oct. 12, 2017	50	57

Notes: 1. As for transactions that require appraisal values of real estate, etc. regarding specified assets pursuant to Article 201, Paragraph 1 of the Investment Trust Act, 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" does not include consumption taxes and expenses necessary for making the relevant acquisition or sale.

3. As for transactions that require research of value, etc. of specified assets pursuant to Article 201, Paragraph 2 of the Investment Trust Act, Ernst & Young ShinNihon LLC conducted the research based on Japanese Institute of Certified Public Accounts Industry Audit Practice Committee Report No. 23, "Research for Specified Assets Value held by Investment Trusts and Investment Corporations", and United Urban received the research results.

**c. Others**

Not Applicable

## 4. Trading with Related Parties

**a. Status of Transactions**

There were no purchase and sale transactions concerning the specified assets with Related Parties.

**b. Amount of Commissions**

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	276,660	Marubeni Real Estate Management Co., Ltd.	159,900	57.8
Property Management Fees	1,683,393	Marubeni Real Estate Management Co., Ltd.	577,649	34.3
Casualty Insurance	30,104	Marubeni Safenet Co., Ltd.	29,319	97.4
Construction Management Fees	30,362	Marubeni Real Estate Management Co., Ltd.	13,425	44.2
Other Rental Expenses	121,533	Marubeni Real Estate Management Co., Ltd.	6,949	5.7

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 companies have conducted business or have received payment of commissions during the 28th 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.: ¥30,557 thousand  
Marubeni Wireless Communications Inc. : ¥4,598 thousand

## 5. Status of Transactions with the Asset Management Company regarding Concurrent Business Conducted by the Asset Management Company

The Asset Management Company of United Urban does not concurrently conduct any other business, and there are no relevant transactions.

## Accounting Status

### 1. Status of Assets, Liabilities, Principal, and Profit and Loss

Please refer to the accompanying financial statements.

### 2. Changes in Calculation Method of Depreciation

Not Applicable

### 3. Changes in Evaluation Method of Real Estate, etc. and Infrastructure Assets

Not Applicable

### 4. Status of Investment Trust Beneficiary Certificates Established by United Urban

The status of investment units of United Urban held by JRA were as follows:

#### a. Status of Acquisitions

Acquisition Date	Number of Investment Units of Acquisition (Unit)	Number of Investment Units of Disposition (Unit)	Number of Investment Units Held (Unit)	Remarks
November 4, 2003	13	-	13	(Note 1)
December 20, 2003	187	-	200	(Note 2)
June 24, 2008	200	-	400	(Note 3)
December 1, 2010	2,000	-	2,400	(Note 4)
December 1, 2010	1	-	2,401	(Note 5)
June 8, 2011	2,500	-	4,901	(Note 6)
Accumulated Total	4,901	-	4,901	

- Notes: 1. JRA acquired investment units at the price of ¥500,000 per unit when United Urban was founded.  
2. JRA acquired investment units at the price of ¥480,000 per unit when United Urban issued new investment units through the public offering.  
3. JRA acquired investment units at the price of ¥461,580 per unit when United Urban issued new investment units through the public offering.  
4. One investment unit was split into six units.  
5. Due to the absorption-type merger with NCI, one United Urban unit after the split of unit was allocated per one NCI units owned by JRA.  
6. JRA acquired investment units at the price of ¥91,162 per unit when United Urban issued new investment units through the public offering.

#### b. Status of Investment Units Held (fiscal periods in recent five years including the end of the 28th fiscal period)

	Number of Investment Units at End of Period (Unit)	Total Value of Investment Units Held at End of Period (Thousands of Yen) (Note)	(Reference) Investment Unit Price at End of Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at End of Period (Unit)
19th Fiscal Period (From Dec. 1, 2012 to May 31, 2013)	4,901	639,090	130,400	0.21	2,305,447
20th Fiscal Period (From Jun. 1, 2013 to Nov. 30, 2013)	4,901	719,956	146,900	0.21	2,380,181
21st Fiscal Period (From Dec. 1, 2013 to May 31, 2014)	4,901	798,372	162,900	0.21	2,380,181
22nd Fiscal Period (From Jun. 1, 2014 to Nov. 30, 2014)	4,901	934,620	190,700	0.20	2,512,246

	Number of Investment Units at End of Period (Unit)	Total Value of Investment Units Held at End of Period (Thousands of Yen) (Note)	(Reference) Investment Unit Price at End of Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at End of Period (Unit)
23rd Fiscal Period (From Dec. 1, 2014 to May 31, 2015)	4,901	912,076	186,100	0.19	2,644,311
24th Fiscal Period (From Jun. 1, 2015 to Nov. 30, 2015)	4,901	803,764	164,000	0.18	2,751,376
25th Fiscal Period (From Dec. 1, 2015 to May 31, 2016)	4,901	857,675	175,000	0.18	2,751,376
26th Fiscal Period (From Jun. 1, 2016 to Nov. 30, 2016)	4,901	854,734	174,400	0.17	2,953,022
27th Fiscal Period (From Dec. 1, 2016 to May 31, 2017)	4,901	798,863	163,000	0.16	3,055,087
28th Fiscal Period (From Jun. 1, 2017 to Nov. 30, 2017)	4,901	780,729	159,300	0.16	3,055,087

Note: It is calculated by multiplying number of investment units at the end of the period by investment unit price at the end of the period.

## Others

### 1. Notifications

#### a. General Meeting of Unitholders

The Ninth General Meeting of Unitholders of United Urban was held on August 28, 2017. The summaries of major matters approved by the General Meeting of Unitholders were as follows:

Partial amendments to the Articles of Incorporation	The following items for the Articles of Incorporation were amended. 1. The provision is amended in order to clarify that of the total amount of the cash distributions payable to unitholders, the amount of profits is identical with "profits" defined in Article 136, Paragraph 1 of the Investment Trust Act. 2. To unify expressions, wording and phrases are amended.
Election of one Executive Officer	Ikuo Yoshida was elected as the Executive Officer.
Election of two Supervisory Officers	Masaaki Akiyama and Tetsuo Ozawa were elected as the Supervisory Officers.
Election of the Substitute Executive Officer	Kenichi Natsume was elected as the Substitute Executive Officer.
Election of the Substitute Supervisory Officer	Tomoo Kugisawa was elected as the Substitute Supervisory Officer.

#### b. United Urban Board of Directors

There were no conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 28th fiscal period.

### 2. Disclosure Relating to Companies Owning Overseas Real Estate

Not Applicable

### 3. Disclosure Relating to Real Estate Owned by Companies Owning Overseas Real Estate

Not Applicable

## ◆ FINANCIAL SECTION

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## BALANCE SHEET

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and bank deposits	¥ 61,493,507	¥ 62,327,039
Rent receivables	575,557	501,888
Other current assets	724,112	204,882
Total current assets	62,793,176	63,033,810
<b>PROPERTY AND EQUIPMENT, AT COST:</b>		
Land	395,054,772	388,022,570
Buildings and structures	259,464,940	256,015,652
Machinery and equipment	2,470,042	2,557,244
Tools, furniture and fixtures	735,538	871,064
Construction in progress	95,654	105,589
Subtotal	657,820,949	647,572,121
Less accumulated depreciation	(56,329,103)	(58,509,415)
Net property and equipment	601,491,846	589,062,705
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Software	42,283	34,917
Leasehold	9,320,707	9,320,707
Other intangible assets	185,779	178,965
Investment securities	93,905	144,337
Security deposits paid	90,222	90,222
Long-term prepaid expenses	1,867,998	1,666,122
Total investments and other assets	11,600,897	11,435,272
<b>TOTAL ASSETS</b>	<b>¥ 675,885,920</b>	<b>¥ 663,531,788</b>

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	¥ 1,739,896	¥ 2,198,082
Current portion of corporate bonds	20,500,000	29,000,000
Long-term debt due for repayment within one year	27,973,000	29,023,000
Accrued expenses	327,212	297,332
Consumption taxes payable	202,414	1,047,212
Rent received in advance	3,673,219	3,544,851
Derivatives liabilities	14,403	9,091
Other current liabilities	164,316	83,117
<b>Total current liabilities</b>	<b>54,594,463</b>	<b>65,202,686</b>
<b>LONG-TERM LIABILITIES:</b>		
Corporate bonds	20,000,000	5,000,000
Long-term debt	217,384,000	208,584,000
Leasehold and security deposits received	31,919,284	31,361,065
Derivatives liabilities	186,949	125,653
<b>Total long-term liabilities</b>	<b>269,490,233</b>	<b>245,070,718</b>
<b>Total liabilities</b>	<b>324,084,697</b>	<b>310,273,404</b>
<b>NET ASSETS</b>		
<b>UNITHOLDERS' EQUITY:</b>		
Unitholders' Capital	309,205,625	309,205,625
Units authorized: 10,000,000 units as of May 31, 2017 and November 30, 2017		
Units issued and outstanding: 3,055,087 units as of May 31, 2017 and November 30, 2017		
Capital surplus	23,548,287	23,548,287
Reserve for temporary difference adjustments	7,546,388	7,470,924
Reserve retained for distribution	1,416,835	1,848,706
Unappropriated retained earnings	10,285,440	11,319,585
<b>VALUATION AND TRANSLATION ADJUSTMENTS:</b>		
Deferred gains or losses on hedges	(201,353)	(134,744)
<b>Total net assets</b>	<b>351,801,223</b>	<b>353,258,384</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>¥ 675,885,920</b>	<b>¥ 663,531,788</b>

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

## STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	27h Fiscal Period (December 1, 2016 - May 31, 2017)	28h Fiscal Period (June 1, 2017 - November 30, 2017)
<b>OPERATING REVENUES</b>		
Rental revenues	¥ 21,592,214	¥ 22,148,308
Other rental revenues	1,327,053	1,616,654
Gain on sales of real estate properties	63,084	2,161,263
	22,982,353	25,926,225
<b>OPERATING EXPENSES</b>		
Property-related expenses	9,382,608	10,360,009
Loss on sales of real estate properties	-	876,449
Asset management fees	1,801,332	1,867,225
Administrative service fees	87,888	89,307
Other operating expenses	212,998	250,720
	11,484,827	13,443,712
<b>OPERATING INCOME</b>	11,497,526	12,482,513
<b>NON-OPERATING REVENUES</b>		
Interest income	614	250
Reversal of cash distributions payable	2,387	1,909
Insurance income	612	3,629
Subsidy income	2,398	-
Compensation income	31,781	-
Other non-operating revenues	940	8,601
	38,734	14,390
<b>NON-OPERATING EXPENSES</b>		
Interest expense	1,035,868	1,039,473
Interest expense on corporate bonds	134,833	105,057
Investment unit issuance expenses	21,767	-
Loss on disposal of real estate	52,310	19,504
Other non-operating expenses	5,436	12,678
	1,250,215	1,176,713
<b>ORDINARY INCOME</b>	10,286,045	11,320,190
<b>INCOME BEFORE INCOME TAXES</b>	10,286,045	11,320,190
<b>INCOME TAXES</b>		
Current	605	605
	605	605
<b>NET INCOME</b>	10,285,440	11,319,585
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	-	-
<b>UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD</b>	¥ 10,285,440	¥ 11,319,585

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	Unitholders' Equity				
			Capital Surplus	Surplus			
				Voluntary Retained Earnings			Total Voluntary Retained Earnings
				Reserve for Distribution	Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	
<b>BALANCE AS OF NOVEMBER 30, 2016</b>	2,953,022	¥292,411,850	¥ 23,548,287	¥7,546,388	-	¥ 956,862	¥8,503,250
Issuance of new investment units	102,065	16,793,775					-
Reversal of reserve for distribution				(7,546,388)			(7,546,388)
Provision of reserve for temporary difference adjustments					¥ 7,546,388		7,546,388
Provision of reserve retained for distribution						459,972	459,972
Cash distributions disbursed							-
Net income							-
Net changes of items other than unitholders' equity							-
<b>BALANCE AS OF MAY 31, 2017</b>	3,055,087	¥309,205,625	¥ 23,548,287	-	¥ 7,546,388	¥ 1,416,835	¥8,963,223
Issuance of new investment units							-
Reversal of reserve for distribution							-
Provision of reserve for temporary difference adjustments							-
Reversal of reserve for temporary difference adjustments					(75,463)		(75,463)
Provision of reserve retained for distribution						431,871	431,871
Cash distributions disbursed							-
Net income							-
Net changes of items other than unitholders' equity							-
<b>BALANCE AS OF NOVEMBER 30, 2017</b>	3,055,087	¥309,205,625	¥ 23,548,287	-	¥ 7,470,924	¥ 1,848,706	¥9,319,631

	Thousands of yen					
	Unitholders' Equity		Valuation and Translation Adjustments			
	Surplus					
	Unappropriated Retained Earnings	Total Surplus	Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Net Assets
BALANCE AS OF NOVEMBER 30, 2016	¥ 9,348,568	¥41,400,106	¥333,811,956	¥(219,531)	¥(219,531)	¥333,592,425
Issuance of new investment units		-	16,793,775		-	16,793,775
Reversal of reserve for distribution		(7,546,388)	(7,546,388)		-	(7,546,388)
Provision of reserve for temporary difference adjustments		7,546,388	7,546,388		-	7,546,388
Provision of reserve retained for distribution	(459,972)	-	-		-	-
Cash distributions disbursed	(8,888,596)	(8,888,596)	(8,888,596)		-	(8,888,596)
Net income	10,285,440	10,285,440	10,285,440		-	10,285,440
Net changes of items other than unitholders' equity		-	-	18,178	18,178	18,178
BALANCE AS OF MAY 31, 2017	¥10,285,440	¥42,796,951	¥352,002,576	¥(201,353)	¥(201,353)	¥351,801,223
Issuance of new investment units		-	-		-	-
Reversal of reserve for distribution		-	-		-	-
Provision of reserve for temporary difference adjustments		-	-		-	-
Reversal of reserve for temporary difference adjustments	75,463	-	-		-	-

Provision of reserve retained for distribution	(431,871)	-	-	-	-	-
Cash distributions disbursed	(9,929,032)	(9,929,032)	(9,929,032)	-	-	(9,929,032)
Net income	11,319,585	11,319,585	11,319,585	-	-	11,319,585
Net changes of items other than unitholders' equity	-	-	-	66,608	66,608	66,608
<b>BALANCE AS OF NOVEMBER 30, 2017</b>	<b>¥11,319,585</b>	<b>¥44,187,503</b>	<b>¥353,393,128</b>	<b>¥(134,744)</b>	<b>¥(134,744)</b>	<b>¥353,258,384</b>

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

## STATEMENT OF CASH FLOWS

	Thousands of yen	
	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes	¥ 10,286,045	¥ 11,320,190
Depreciation and amortization	3,991,339	4,109,517
Gain on sales of real estate properties	(63,084)	(2,161,263)
Loss on sales of real estate properties	-	876,449
Interest income and interest on securities	(614)	(250)
Interest expense and interest expense on corporate bonds	1,170,701	1,144,531
Investment unit issuance expenses	21,767	-
Loss on disposal of real estate	52,310	19,504
(Increase) decrease in rent receivables	(97,706)	73,668
(Increase) decrease in prepaid expenses	(513,086)	504,019
Decrease in long-term prepaid expenses	18,428	31,277
(Decrease) increase in trade accounts payable	(198,345)	195,909
(Decrease) increase in accrued expenses	(51,609)	6,203
Increase in consumption taxes payable	23,197	847,278
Increase (decrease) in rent received in advance	356,086	(128,368)
Other, net	160,881	(158,953)
Subtotal	15,156,311	16,679,715
Interest received	614	250
Interest paid	(1,314,194)	(1,018,900)
Income taxes paid	(640)	(549)
Net cash provided by operating activities	13,842,090	15,660,515
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of property and equipment	3,769,573	12,687,550
Purchase of property and equipment	(38,661,828)	(3,355,067)
Purchase of intangible assets	(5,128)	-
Purchase of investment securities	(158)	(50,432)
Proceeds from collection of leasehold and security deposits	210	-
Proceeds from leasehold and security deposits received	2,167,961	444,076
Payments for leasehold and security deposits received	(634,810)	(375,382)
Net cash provided by (used in) investing activities	(33,364,181)	9,350,746
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	40,900,000	6,500,000
Repayment of long-term debt	(19,450,000)	(14,250,000)
Repayment of corporate bonds	(13,000,000)	(6,500,000)
Proceeds from issuance of investment units	16,772,007	-
Distributions to unitholders	(8,887,803)	(9,927,729)
Net cash provided by (used in) financing activities	16,334,204	(24,177,729)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(3,187,886)</b>	<b>833,532</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>64,681,393</b>	<b>61,493,507</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>¥ 61,493,507</b>	<b>¥ 62,327,039</b>

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 100% by Marubeni Corporation ("Marubeni").

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 Securities Co., Ltd., 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, 2017, the end of its 28th fiscal period, United Urban had ownership of, or beneficial interests in, 35 retail properties, 33 office buildings, 13 hotels, 20 residential properties, 1 property which consisted of retail properties and an office building, 2 properties which consisted of an office building and a hotel, and 12 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 28th fiscal period began on June 1, 2017 and ended on November 30, 2017.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### **Securities**

Other securities without market value are stated using the moving average cost method.

### **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 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Buildings and structures	2 - 70 years	2 - 70 years
Machinery and equipment	2 - 24 years	2 - 24 years
Tools, furniture and fixtures	3 - 15 years	3 - 20 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.

### ***Long-term Prepaid Expenses***

Amortization of long-term prepaid expenses is calculated on a straight-line basis.

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

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

### ***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 ¥262,742 thousand and ¥2,569 thousand of such property taxes and city planning taxes capitalized for the fiscal periods ended May 31, 2017 and November 30, 2017, 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, 2017.

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

At May 31, 2017 and November 30, 2017, the following assets were pledged as collateral for the following debt:

#### *Pledged Assets*

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Land	¥ 4,204,726	¥ 4,204,726
Buildings and structures	3,688,710	3,640,968
Tools, furniture and fixtures	2,813	2,524
Total	¥ 7,896,249	¥ 7,848,219

#### *Debt Secured by Pledged Assets*

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Leasehold and security deposits received	¥ 1,020,613	¥ 1,020,613
Total	¥ 1,020,613	¥ 1,020,613

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

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

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Total amount of commitment	¥ 36,000,000	¥ 36,000,000
Outstanding borrowings at end of fiscal period	-	-
Amount unutilized at end of fiscal period	¥ 36,000,000	¥ 36,000,000

#### 5. REDUCTION ENTRY OF PROPERTY AND EQUIPMENT ACQUIRED THROUGH STATE SUBSIDY

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Buildings in trust	¥ 124,062	¥ 124,062

#### 6. MATTERS RELATED TO PROVISION AND REVERSAL OF RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

End of 27th Fiscal Period (As of May 31, 2017)			End of 28th Fiscal Period (As of November 30, 2017)		
Reserve for distribution (Note)			Reserve for distribution (Note)		
	(Thousands of yen)			(Thousands of yen)	
Initial amount	:	7,546,388	Initial amount	:	7,546,388
Balance at beginning of period	:	-	Balance at beginning of period	:	7,546,388
Addition to the reserve during the period	:	7,546,388	Addition to the reserve during the period	:	-
Reversal during the period	:	-	Reversal during the period	:	75,463
Balance at end of period	:	7,546,388	Balance at end of period	:	7,470,924
Reasons for provision and reversal	:		Reasons for provision and reversal	:	
Application of transitional measures stipulated in Paragraph 3 of Supplementary Provisions of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015)			Appropriation for cash distribution		
(Note) The reserve for distribution is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the balance of the reserve for distribution (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.			(Note) The reserve for distribution is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban will reverse an amount equivalent to more than 1% of the balance of the reserve for distribution (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.		

#### 7. 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 ¥50,000 thousand as minimum net assets.

## 8. LONG-TERM DEBT

Long-term debt at May 31, 2017 and November 30, 2017 consisted of the following:

	End of 27th Fiscal Period (As of May 31, 2017)		End of 28th Fiscal Period (As of November 30, 2017)	
	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, 2017 (Note 2)	¥ 1,350,000	2.142%	-	-
Unsecured loan from a bank at floating interest rate, due June 20, 2017	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)	-	-
Unsecured loan from a trust bank at floating interest rate, due June 20, 2017	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)	-	-
Unsecured loan from a bank at fixed interest rate, due September 20, 2017	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)
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 trust bank at fixed interest rate, due March 23, 2020	1,000,000	0.200%	1,000,000	0.200%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%

	End of 27th Fiscal Period (As of May 31, 2017)		End of 28th Fiscal Period (As of November 30, 2017)	
	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 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)	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)	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)	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)	1,000,000	0.509% (Note 3)
Unsecured loan from an insurance company at floating interest rate, due December 21, 2020	1,000,000	0.230% (Note 3)	1,000,000	0.230% (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	1,000,000	0.217% (Note 3)	1,000,000	0.217% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,000,000	0.337%	1,000,000	0.337%
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	1,000,000	0.280%	1,000,000	0.283%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	2,000,000	0.280%	2,000,000	0.283%
Unsecured loan from a trust bank at fixed interest rate, due June 21, 2021	1,000,000	0.350%	1,000,000	0.350%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	-	-	1,000,000	0.234%
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)	500,000	0.559% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	1,500,000	0.280%	1,500,000	0.283%

	End of 27th Fiscal Period (As of May 31, 2017)		End of 28th Fiscal Period (As of November 30, 2017)	
	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 floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 3)	2,900,000	0.612% (Note 3)
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 bank at floating interest rate, due March 22, 2022	2,400,000	0.280%	2,400,000	0.283%
Unsecured loan from an insurance company at fixed interest rate, due March 22, 2022	1,000,000	0.455%	1,000,000	0.455%
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	1,000,000	0.448%	1,000,000	0.448%
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	1,000,000	0.342%	1,000,000	0.342%
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%	1,000,000	0.728%
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,200,000	0.710%	1,200,000	0.710%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2022	-	-	1,000,000	0.234%
Unsecured loan from a bank at floating interest rate, due September 20, 2022	500,000	0.685% (Note 3)	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)	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%	1,000,000	0.861%
Unsecured loan from a bank at fixed interest rate, due September 20, 2022	1,500,000	0.773%	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 bank at floating interest rate, due March 20, 2023	1,500,000	0.370% (Note 3)	1,500,000	0.370% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	2,000,000	0.452%	2,000,000	0.452%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	1,000,000	0.330%	1,000,000	0.333%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	2,000,000	0.490% (Note 3)	2,000,000	0.490% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	1,000,000	0.441%	1,000,000	0.441%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2023	1,000,000	0.798%	1,000,000	0.798%
Unsecured loan from a bank at fixed interest rate, due June 20, 2023	1,500,000	0.372%	1,500,000	0.372%
Unsecured loan from a bank at floating interest rate, due June 20, 2023	1,000,000	0.380%	1,000,000	0.383%
Unsecured loan from a bank at floating interest rate, due September 20, 2023	1,300,000	0.749% (Note 3)	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%	1,300,000	0.780%
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	1,000,000	0.625% (Note 3)	1,000,000	0.625% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	1,000,000	0.310%	1,000,000	0.313%
Unsecured loan from a bank at fixed interest rate, due March 21, 2024	1,000,000	0.565%	1,000,000	0.565%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	1,500,000	0.380%	1,500,000	0.383%

	End of 27th Fiscal Period (As of May 31, 2017)		End of 28th Fiscal Period (As of November 30, 2017)	
	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 fixed interest rate, due June 20, 2024	1,700,000	0.924%	1,700,000	0.924%
Unsecured loan from a bank at fixed interest rate, due June 20, 2024	2,000,000	0.523%	2,000,000	0.523%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	2,700,000	0.380%	2,700,000	0.383%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	1,500,000	0.260%	1,500,000	0.263%
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	1,000,000	0.680%	1,000,000	0.680%
Unsecured loan from a bank at floating interest rate, due September 20, 2024	1,000,000	0.633%	1,000,000	0.633%
Unsecured loan from a bank at floating interest rate, due September 20, 2024	1,500,000	0.380% (Note 3)	1,500,000	0.383% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	1,500,000	0.428%	1,500,000	0.428%
Unsecured loan from a bank at floating interest rate, due December 20, 2024	1,400,000	0.330%	1,400,000	0.333%
Unsecured loan from a bank at fixed interest rate, due December 20, 2024	-	-	3,000,000	0.430%
Unsecured loan from an insurance company at fixed interest rate, due March 21, 2025	1,000,000	0.687%	1,000,000	0.687%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	2,000,000	0.430%	2,000,000	0.430%
Unsecured loan from a trust bank at fixed interest rate, due March 21, 2025	3,500,000	0.489%	3,500,000	0.489%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	2,000,000	0.639%	2,000,000	0.639%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	1,000,000	0.489%	1,000,000	0.489%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	1,000,000	0.624%	1,000,000	0.624%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	1,000,000	0.524%	1,000,000	0.524%
Unsecured loan from a bank at floating interest rate, due September 22, 2025	3,000,000	0.370%	3,000,000	0.373%
Unsecured loan from a trust bank at fixed interest rate, due December 22, 2025	2,000,000	0.627%	2,000,000	0.627%
Unsecured loan from a bank at fixed interest rate, due March 23, 2026	2,000,000	0.460%	2,000,000	0.460%
Unsecured loan from a bank at fixed interest rate, due March 23, 2026	4,500,000	0.569%	4,500,000	0.569%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	2,400,000	0.544%	2,400,000	0.544%
Unsecured loan from a bank at fixed interest rate, due September 24, 2026	-	-	1,500,000	0.440%
Unsecured loan from an insurance company at fixed interest rate, due March 23, 2027	1,000,000	0.756%	1,000,000	0.756%
Unsecured loan from an insurance company at fixed interest rate, due March 23, 2027	1,000,000	0.656%	1,000,000	0.656%
Unsecured loan from a trust bank at floating interest rate, due June 21, 2027	2,500,000	0.340%	2,500,000	0.343%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2027	2,500,000	0.370%	2,500,000	0.373%
Total	¥ 245,357,000		¥ 237,607,000	

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 had been repaid every six months and ¥1,350 million was 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, three months 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.

## 9. CORPORATE BONDS

Corporate bonds at May 31, 2017 and November 30, 2017 consisted of the following:

	End of 27th Fiscal Period (As of May 31, 2017)		End of 28th Fiscal Period (As of November 30, 2017)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 7 unsecured bonds, due July 5, 2017	¥ 6,500,000	0.950%	-	-
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%
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%
<b>Total</b>	<b>¥ 40,500,000</b>		<b>¥ 34,000,000</b>	

## 10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended May 31, 2017 and November 30, 2017 were as follows:

	Thousands of yen	
	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
<b>Operating Revenues</b>	¥ 22,919,268	¥ 23,764,962
<b>Rental Revenues</b>	21,592,214	22,148,308
Rental revenues	19,327,534	19,692,020
Common area charges	1,528,272	1,657,549
Parking revenues	602,085	646,599
Other	134,323	152,138
<b>Other Rental Revenues</b>	1,327,053	1,616,654
Incidental revenues	1,164,529	1,418,935
Temporary revenues (including cancellation charges)	69,783	102,131
Other miscellaneous revenues	92,741	95,587
<b>Property-Related Expenses</b>	9,382,608	10,360,009
Property and other taxes	1,646,868	1,816,055
Property management fees	1,540,377	1,677,393
Utilities	1,138,142	1,442,007
Casualty insurance	28,250	30,104
Repairs and maintenance	657,404	863,617
Depreciation and amortization	3,991,339	4,109,517
Other rental expenses	380,225	421,313
<b>Profit from rental activities</b>	<b>¥ 13,536,660</b>	<b>¥ 13,404,953</b>

## 11. GAIN ON SALES OF REAL ESTATE PROPERTIES

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Gain on sales of real estate properties for the fiscal periods ended May 31, 2017 and November 30, 2017 were as follows:

(27th Fiscal Period: December 1, 2016 – May 31, 2017)

<u>Pacific Marks Shin-Urayasu</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 4,100,000
Cost of sales of real estate properties	3,863,925
Other sales expenses	172,989
Gain on sales of real estate properties	¥ 63,084

(28th Fiscal Period: June 1, 2017 - November 30, 2017)

<u>Ashiya Kawanishi Shopping Mart</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 2,912,000
Cost of sales of real estate properties	738,262
Other sales expenses	112,438
Gain on sales of real estate properties	¥ 2,061,299

<u>Nagoya Nishiki City Building</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 2,480,000
Cost of sales of real estate properties	2,381,973
Other sales expenses	59,228
Gain on sales of real estate properties	¥ 38,797

<u>UUR Court Chiba Soga</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 600,000
Cost of sales of real estate properties	574,546
Other sales expenses	15,655
Gain on sales of real estate properties	¥ 9,797

<u>Nanzan Court Ichigokan</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 950,000
Cost of sales of real estate properties	916,132
Other sales expenses	25,067
Gain on sales of real estate properties	¥ 8,800

<u>Nanzan Court Nigokan</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 430,000
Cost of sales of real estate properties	376,320
Other sales expenses	11,111
Gain on sales of real estate properties	¥ 42,568

## 12. LOSS ON SALES OF REAL ESTATE PROPERTIES

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There was no applicable information on loss on sales of real estate properties for the fiscal period ended May 31, 2017. In addition, loss on sales of real estate properties for the fiscal period ended November 30, 2017 was as follows:

(28th Fiscal Period: June 1, 2017 - November 30, 2017)

<u>SK Nagoya Building</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 4,970,000
Cost of sales of real estate properties	5,478,520
Other sales expenses	116,773
Loss on sales of real estate properties	¥ 625,293

<u>Narashino Residence</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 840,000
Cost of sales of real estate properties	988,770
Other sales expenses	23,501
Loss on sales of real estate properties	¥ 172,271

<u>Higashi-kurume Dormitory Shinkan</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 390,000
Cost of sales of real estate properties	456,838
Other sales expenses	12,045
Loss on sales of real estate properties	¥ 78,884

### 13. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at May 31, 2017 and November 30, 2017 were summarized as follows:

End of 27th Fiscal Period (As of May 31, 2017)		End of 28th Fiscal Period (As of November 30, 2017)	
Deferred tax assets – current		Deferred tax assets – current	
Difference in revenue recognition for tax purposes	¥ 17,887	Difference in revenue recognition for tax purposes	¥ 11,063
Other	6	Other	-
Subtotal	17,894	Subtotal	11,063
Valuation allowance	(17,894)	Valuation allowance	(11,063)
Total	-	Total	-
Deferred tax assets – non current		Deferred tax assets – non current	
Valuation difference on assets acquired by merger	¥19,834,502	Valuation difference on assets acquired by merger	¥18,934,948
Subtotal	19,834,502	Subtotal	18,934,948
Valuation allowance	(19,834,502)	Valuation allowance	(18,934,948)
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 May 31, 2017 and November 30, 2017 were summarized as follows:

	27th Fiscal Period (As of May 31, 2017)	28th Fiscal Period (As of November 30, 2017)
Statutory tax rate	31.74%	31.74%
(Adjustment)		
Distributions of tax-deductible dividends	(29.73)%	(23.70)%
Changes in valuation allowance	(2.01)%	(8.04)%
Other	0.01%	0.00%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

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 27th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463 thousand to the unappropriated retained earnings of ¥10,285,440 thousand, and reserved ¥431,871 thousand as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥9,929,032 thousand. For the 28th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463 thousand to the unappropriated retained earnings of ¥11,319,585 thousand, and reserved ¥1,136,066 thousand as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥10,258,982 thousand. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

## 14. 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 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 May 31, 2017 and November 30, 2017 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Please refer to (Note 2).)

(End of 27th Fiscal Period: As of May 31, 2017)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 30,304,439	¥ 30,304,439	-
(2) Cash and bank deposits in trust	31,189,067	31,189,067	-
Total assets	¥ 61,493,507	¥ 61,493,507	-
(3) Current portion of corporate bonds	¥ 20,500,000	¥ 20,563,950	¥ 63,950
(4) Long-term debt due for repayment within one year	27,973,000	28,048,773	75,773
(5) Corporate bonds	20,000,000	20,125,900	125,900
(6) Long-term debt	217,384,000	219,472,121	2,088,121
(7) Leasehold and security deposits received in trust	107,267	109,267	1,999
Total liabilities	¥ 285,964,267	¥ 288,320,012	¥ 2,355,745
(8) Derivative transactions (*)	¥ (201,353)	¥ (201,353)	-
Total derivative transactions	¥ (201,353)	¥ (201,353)	-

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

(End of 28th Fiscal Period: As of November 30, 2017)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 32,095,676	¥ 32,095,676	-
(2) Cash and bank deposits in trust	30,231,362	30,231,362	-
Total assets	¥ 62,327,039	¥ 62,327,039	-
(3) Current portion of corporate bonds	¥ 29,000,000	¥ 29,063,100	¥ 63,100
(4) Long-term debt due for repayment within one year	29,023,000	29,096,489	73,489
(5) Corporate bonds	5,000,000	5,066,600	66,600
(6) Long-term debt	208,584,000	211,175,416	2,591,416
(7) Leasehold and security deposits received in trust	107,267	109,369	2,101
Total liabilities	¥ 271,714,267	¥ 274,510,975	¥ 2,796,707
(8) Derivative transactions (*)	¥ (134,744)	¥ (134,744)	-
Total derivative transactions	¥ (134,744)	¥ (134,744)	-

(\*) 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 "22. 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 "22. DERIVATIVE TRANSACTIONS".

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

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Investment securities (*1)	¥ 93,905	¥ 144,337
Leasehold and security deposits received (*2)	2,955,688	2,965,689
Leasehold and security deposits received in trust (*2)	28,437,886	27,918,552

(\*1) Concerning investment securities (preferred equity securities), there is no market price and future cash flows cannot be reasonably estimated. Therefore, discerning the fair value is concluded to be extremely difficult, and fair value disclosure is not required.

(\*2) 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

(End of 27th Fiscal Period: As of May 31, 2017)

	(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	¥ 30,304,439	-	-	-	-	-
Cash and bank deposits in trust	31,189,067	-	-	-	-	-
Total	¥ 61,493,507	-	-	-	-	-

(End of 28th Fiscal Period: As of November 30, 2017)

	(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	¥ 32,095,676	-	-	-	-	-
Cash and bank deposits in trust	30,231,362	-	-	-	-	-
Total	¥ 62,327,039	-	-	-	-	-

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

(End of 27th Fiscal Period: As of May 31, 2017)

	(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	¥ 20,500,000	¥ 15,000,000	-	-	¥ 3,000,000	¥ 2,000,000
Long-term debt	27,973,000	22,400,000	¥ 29,251,000	¥ 49,933,000	26,600,000	89,200,000
Total	¥ 48,473,000	¥ 37,400,000	¥ 29,251,000	¥ 49,933,000	¥ 29,600,000	¥ 91,200,000

(End of 28th Fiscal Period: As of November 30, 2017)

	(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	¥ 29,000,000	-	-	¥ 3,000,000	-	¥ 2,000,000
Long-term debt	29,023,000	¥ 25,207,000	¥ 35,377,000	36,400,000	¥ 28,900,000	82,700,000
Total	¥ 58,023,000	¥ 25,207,000	¥ 35,377,000	¥ 39,400,000	¥ 28,900,000	¥ 84,700,000

## 15. 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 May 31, 2017 and November 30, 2017 are as follows:

		(Thousands of yen)	
Type of Use		27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 202,170,895	¥ 203,018,498
	Change during period (Note 2)	847,603	(1,550,942)
	Balance at end of period	¥ 203,018,498	¥ 201,467,556
	Fair value at end of period (Note 3)	¥ 232,334,000	¥ 231,354,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 187,649,474	¥ 207,247,205
	Change during period (Note 2)	19,597,731	(8,918,885)
	Balance at end of period	¥ 207,247,205	¥ 198,328,320
	Fair value at end of period (Note 3)	¥ 242,980,000	¥ 237,290,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 105,844,888	¥ 112,473,760
	Change during period (Note 2)	6,628,871	(32,897)
	Balance at end of period	¥ 112,473,760	¥ 112,440,862
	Fair value at end of period (Note 3)	¥ 131,288,000	¥ 132,723,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 40,771,326	¥ 41,759,715
	Change during period (Note 2)	988,389	(3,729,666)
	Balance at end of period	¥ 41,759,715	¥ 38,030,049
	Fair value at end of period (Note 3)	¥ 53,489,000	¥ 49,938,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 43,942,759	¥ 46,313,373
	Change during period (Note 2)	2,370,613	1,803,250
	Balance at end of period	¥ 46,313,373	¥ 48,116,624
	Fair value at end of period (Note 3)	¥ 53,072,300	¥ 55,607,200
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 580,379,344	¥ 610,812,554
	Change during period (Note 2)	30,433,209	(12,429,140)
	Balance at end of period	¥ 610,812,554	¥ 598,383,413
	Fair value at end of period (Note 3)	¥ 713,163,300	¥ 706,912,200

- 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 27th fiscal period, the amount of the increase is primarily attributable to acquisition of five new properties (total: ¥36,740 million) and acquisition of the land adjacent to the existing property (¥100 million), and capital expenditures (¥1,584 million). And the amount of the decrease is primarily attributable to the sale of one property (¥3,863 million) and the depreciation and amortization (¥3,984 million).  
Of the "Change during the period" for the 28th fiscal period, the amount of the increase is primarily attributable to acquisition of one property (¥2,015 million) and capital expenditures (¥1,575 million). And the amount of the decrease is primarily attributable to the sale of eight properties (total: ¥11,911 million) and the depreciation and amortization (¥4,102 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 "10. OPERATING REVENUES AND EXPENSES."

## 16. TRANSACTIONS WITH RELATED PARTIES

### 1. Parent Company and Major Corporate Unitholders

(27th Fiscal Period: December 1, 2016 – May 31, 2017)  
None

(28th Fiscal Period: June 1, 2017 – November 30, 2017)  
None

### 2. Subsidiaries and Affiliates

(27th Fiscal Period: December 1, 2016 – May 31, 2017)  
None

(28th Fiscal Period: June 1, 2017 – November 30, 2017)  
None

### 3. Fellow Subsidiaries

(27th Fiscal Period: December 1, 2016 – May 31, 2017)  
None

(28th Fiscal Period: June 1, 2017 – November 30, 2017)  
None

### 4. Directors and Major Individual Unitholders

(27th Fiscal Period: December 1, 2016 – May 31, 2017)  
None

(28th Fiscal Period: June 1, 2017 – November 30, 2017)

Attribute	Name	Description of Business or Occupation	Share of Voting Rights	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen)
Director and its close relatives	Ikuo Yoshida	Executive Officer of United Urban and President and CEO of Japan REIT Advisors Co., Ltd.	-	Payment of asset management fees to Japan REIT Advisors Co., Ltd. (Note 2)	¥ 1,041,562 (Note 3)	-	-

Notes: 1. "Amount of Transaction" is exclusive of consumption tax.

2. The transaction was conducted by Ikuo Yoshida as representative of a third party (Japan REIT Advisors Co., Ltd.), and the fees are based on the conditions stipulated in the Articles of Incorporation of United Urban.

In addition, the term of office of Executive Officer, Hitoshi Murakami was expired as of August 31, 2017, and Ikuo Yoshida assumed the office as the Executive Officer on September 1, 2017. The asset management fees represent the amount of transaction from September 1, 2017, when Ikuo Yoshida assumed the office as the Executive Officer, to the end of the fiscal period (November 30, 2017).

3. The asset management fees include the asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (¥400 thousand) and the asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (¥108,576 thousand).

## 17. 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 May 31, 2017 and November 30, 2017 for the fiscal periods then ended are summarized as follows:

	Yen	
	27th Fiscal Period (December 1, 2016 - May 31, 2017)	28th Fiscal Period (June 1, 2017 - November 30, 2017)
Net assets per unit	¥ 115,152	¥ 115,629
Net income per unit	¥ 3,376	¥ 3,705
Average number of investment units during the period (units)	3,045,874	3,055,087

## 18. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016. From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban is required to distribute to unitholders more than 1% of the reserve balance at the time of provision (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period, to the extent the balance of reserve for temporary difference adjustments remains. United Urban reversed ¥75,463,881 for the fiscal period ended May 31, 2017.	United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016. From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban is required to distribute to unitholders more than 1% of the reserve balance at the time of provision (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period, to the extent the balance of reserve for temporary difference adjustments remains. United Urban reversed ¥75,463,881 for the fiscal period ended November 30, 2017.

## 19. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at May 31, 2017 and November 30, 2017 were as follows:

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Cash and bank deposits	¥ 61,493,507	¥ 62,327,039
Cash and cash equivalents	¥ 61,493,507	¥ 62,327,039

## 20. LEASES

United Urban leases properties on which rental revenue is earned. At May 31, 2017 and November 30, 2017, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 27th Fiscal Period (As of May 31, 2017)	End of 28th Fiscal Period (As of November 30, 2017)
Due within one year	¥ 15,323,179	¥ 14,839,308
Due over one year	82,006,161	77,750,226
Total	¥ 97,329,341	¥ 92,589,534

## 21. SECURITIES

(End of 27th Fiscal Period: As of May 31, 2017)

Concerning the preferred equity securities (Balance sheet amount: ¥93,905 thousand), measuring the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

(End of 28th Fiscal Period: As of November 30, 2017)

Concerning the preferred equity securities (Balance sheet amount: ¥144,337 thousand), measuring the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

## 22. DERIVATIVE TRANSACTIONS

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

Fiscal period ended May 31, 2017: None

Fiscal period ended November 30, 2017: None

### 2. Derivative transactions subject to hedge accounting

(End of 27th Fiscal Period: As of May 31, 2017)

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	¥ 38,557,000	¥ (201,353)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	43,600,000	43,600,000	(Note 1)	-
Total			¥102,680,000	¥ 82,157,000	¥ (201,353)	

(End of 28th Fiscal Period: As of November 30, 2017)

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	¥ 50,580,000	¥ 32,557,000	¥ (134,744)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	43,600,000	40,600,000	(Note 1)	-
Total			¥ 94,180,000	¥ 73,157,000	¥ (134,744)	

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.

## 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, 2017, 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, 2017, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

*Ernst & Young ShinNihon LLC*

February 28, 2018

## Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of November 30, 2017:

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:	¥309,205,625,251
Number of Unitholders:	22,182
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/en/>

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**

4-3-1 Toranomon, Minato-ku, Tokyo  
<http://www.united-reit.co.jp/en/>